

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
May 31, 2013**

**June 26, 2013  
MEETING**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Honorable Gina M. Raimondo, Chair**

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

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

# Section I.

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## Agenda



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

**Gina M. Raimondo**  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, June 26, 2013 at 9:00 a.m. in Room 135 of the State House.

**AGENDA**

- Chairperson Call to Order
- Membership Roll Call
- Approval of Minutes
  - State Investment Commission Meeting held on May 22, 2013\*
- Report of Consultant on Alternative Investments\*\*
  - Private Equity Quarterly Review
- Infrastructure Recommendation\*
  - Industry Funds Management (IFM)\*\*
- Wellspring Capital Partners IV Discussion\*
- Legal Counsel Report
  - SIC Responsibilities
- Chief Investment Officer Report
  - Portfolio Update
  - Investment Policies Update
- Treasurer's Report

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

\*\* Commission may elect to go into executive session pursuant to Rhode Island General Laws §42-46-5 (7).

**POSTED ON FRIDAY, JUNE 21, 2013**

## Section II.

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### Approval of Minutes



## State Investment Commission

### Monthly Meeting Minutes

Wednesday, May 22, 2013

9:00 a.m.

Room 135, State House

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:03 a.m., Wednesday, May 22, 2013 in Room 135, State House.

#### I. Roll Call of Members

The following members were present: Mr. J. Michael Costello, Mr. Thomas Fay, Mr. Robert Giudici, Ms. Paula McNamara, Ms. Marcia Reback, Mr. Andrew Reilly, Mr. Frank Karpinski, and General Treasurer Gina Raimondo. Also in attendance: Mr. Darren Lopes and Mr. Larry Brown of TIAA-CREF; Mr. Thomas Lynch and Mr. Steve Nesbitt of Cliffwater, alternative investment consultant to the Commission; Mr. John Burns of Pension Consulting Alliance (PCA), general consultant; Ms. Sally Dowling, of Adler Pollock, legal counsel; Ms. Anne-Marie Fink, chief investment officer and members of the Treasurer's staff; Mr. James Alvarez from the office of Governor Lincoln Chafee and various local reporters. Ms. Rosemary Booth-Gallogly was absent.

Treasurer Raimondo called the meeting to order at 9:03 a.m.

#### II. Approval of Minutes

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

**VOTED: To approve the draft of the minutes of the April 24, 2013 meeting of the State Investment Commission.**

#### II. Defined Contribution Plan Quarterly Update

Mr. Lopes reviewed the total portfolio. He said there are currently \$85 million in assets through March. He briefly reviewed the number of meetings TIAA-CREF has had with participants through the end of March. He said TIAA-CREF is trying to increase the number of contacts made with participants. He added that the unions have said they will support the outreach efforts once mediation is over.

Ms. Fink added that they are working on rolling out online informational outreach when teachers are back from summer break.

Mr. Fay asked what percentage of the total participants have made contact with TIAA-CREF.

Mr. Lopes said about 26% of the participants have contacted TIAA -CREF by website, telephone or face-to-face meetings.

Mr. Brown reviewed the performance of the plan to date.

#### III. Real Estate Secondary Sale Update

Ms. Fink said she is working with buyers and trying to determine the best combination of assets to provide the maximum return. A couple of assets are getting more deeply discounted, so they have been dropped from the process. She estimates in 30 to 45 days the process will be complete.

## IV. Risk Review

Mr. Burns reviewed the evolution of the ERSRI asset allocation. He reiterated the goal was to reduce volatility without reducing expected return. He said this goal was accomplished by reducing risk through diversifying assets. He reviewed the allocation and level of volatility for 2008, 2010 and 2012. He noted the allocation to equity has been lowered to 38% from 62.5% and that alone has lowered risk.

Ms. Fink went on to talk about how the portfolio measures its risk with standard deviation. She explained how volatility affects the compound return. She said even if the expected return was the same, when the long-term effect of volatility is factored in, there is higher return over time from lower volatility. She said the focus is on building a robust portfolio that will perform well in any kind of environment.

Mr. Nesbitt reviewed the current allocation to hedge funds. He noted hedge funds were selected to achieve better risk-adjusted performance. He said the ERSRI portfolio returned over 12% compounded on an annual basis with about 6% volatility since adding hedge funds. He gave a brief update on hedge fund performance through the end of April. He said the hedge funds are the portfolio's asset class with the best risk-adjusted return.

Ms. Fink added that the hedge fund allocation was purposely designed to be the low risk element of the portfolio. Hedge funds were selected for that characteristic.

Mr. Nesbitt went on to explain the selection of the number of hedge funds Cliffwater recommended. He said Cliffwater typically recommends fewer hedge funds than the rest of the industry. He said at 13 to 15 hedge funds, the majority of diversification benefits have been captured. He went on to explain the performance valuation process for the hedge funds. He briefly reviewed Cliffwater's operations due diligence when selecting hedge funds and how it thoroughly vets managers' processes as well as their valuation procedures.

Mr. Lynch added the vast majority of assets that hedge fund managers invest in are listed securities with readily available prices. He also said each hedge fund manager has a third-party entity that does the valuation; therefore, independence and listed securities give a high level of confidence.

Ms. Reback expressed concern over the independence of the third parties doing the valuation.

Ms. Fink said they have a high level of confidence in these third parties because they don't depend on only one client and they are large brand name corporations who are concerned about their reputations.

Mr. Nesbitt further explained the process behind Cliffwater's operations due diligence and the process of selecting independent auditors.

Mr. Costello asked how many hedge funds had not made the cut from all hedge funds available.

Mr. Nesbitt explained there are about 7,000 hedge funds. He explained Cliffwater tracks about 2,000 of those and then considers about 500-600 of those to meet the institutional fiduciary standards the SIC would require.

Ms. Reback asked if Cliffwater received any compensation directly or indirectly from any hedge fund.

Mr. Nesbitt said that they did not.

Ms. Reback asked why they reported to the SEC that they did.

Mr. Nesbitt explained that they report to SEC that they may receive compensation from insurance companies that have an ownership interest in money manager firms. He said they have never received any compensation from any hedge fund.

Mr. Nesbitt went on to review benchmarks for hedge funds. He explained three of the most commonly used indices: the HFRI Fund Weighted Index, the HFRI Fund of Funds Index and the

Dow Jones Credit Suisse Index. He said Cliffwater uses the Fund of Funds index. He said the Fund of Funds Index is the most commonly used among institutional clients because these funds are professionally managed funds.

## **VI. Legal Counsel Report**

There was no legal update.

## **VII. CIO Report**

Ms. Fink reviewed the portfolio's performance for the last month and reviewed each asset class.

She said PCA is now engaged to review the investment lineup for the CollegeBound Fund.

Ms. Fink said the banking transition has gone smoothly and is now complete.

She said the change in the OPEB account allocation is complete and over time staff will look into more closely mirroring the pension plan asset allocation. She added there are some challenges given the size of the assets and legacy issues.

Mr. Fay asked if the OPEB process was done all at once and what date.

Ms. Fink said it was done over time and it was done in mid-April.

She gave a brief update on the infrastructure RFP. Staff met with four of the managers last month and are starting to do reference checks and continuing the process.

Ms. Fink added that the process is ongoing with corporate governance.

She gave a brief look at current month performance. She added the asset allocation and the diversification are continuing to pay off.

Ms. Reback voiced her concern over why a comparison of performance fees between last fiscal year and four years ago cannot be done.

Ms. Fink said that because private equity incentive fees are not billed but rather collected from gain on sales. GASB does not require tracking them. She said those particular fees were not tracked under the prior administration but are being tracked now. She also said the fees for fiscal year 2012 have been released and will continue to be monitored and reported.

## **VIII. Treasurer Report**

Treasurer Raimondo gave an update on the investor relations portal. She said that as of this morning more information have been added to the portal. She said asset allocation and fees paid by each fund for fiscal year 2012 have been added.

Ms. Reback suggested that the value of the assets should also be added to the portal.

Treasurer Raimondo reassured the board that currently ERSRI is among the most transparent public pension fund in the country and will continue to work towards it.

Ms. Fink added that only five other state pension funds release any information about performance fees.

Mr. Reilly expressed concern over how the transparency of the portal may impair negotiations in the future and the board should be mindful of that.

Treasurer Raimondo added that it will be something that has to continually be balanced.

She thanked the board for their collective work.

There being no other business to come before the Board, on a motion by Ms. Reback and seconded by Ms. McNamara, the meeting adjourned at 10:57 a.m.

Respectfully submitted,

**Gina M. Raimondo**  
General Treasurer

DRAFT



Section III.

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Staff Summary

# Portfolio Highlights

## PORTFOLIO PERFORMANCE

### May

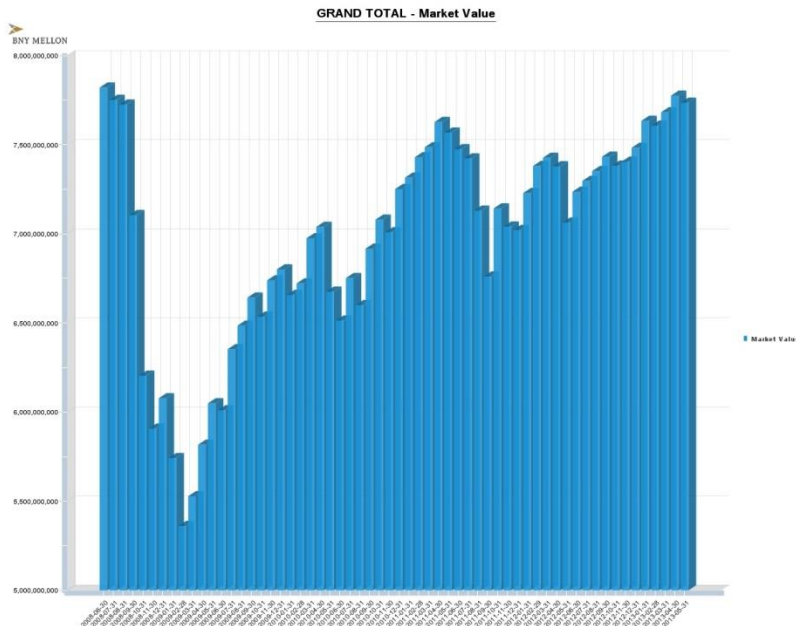
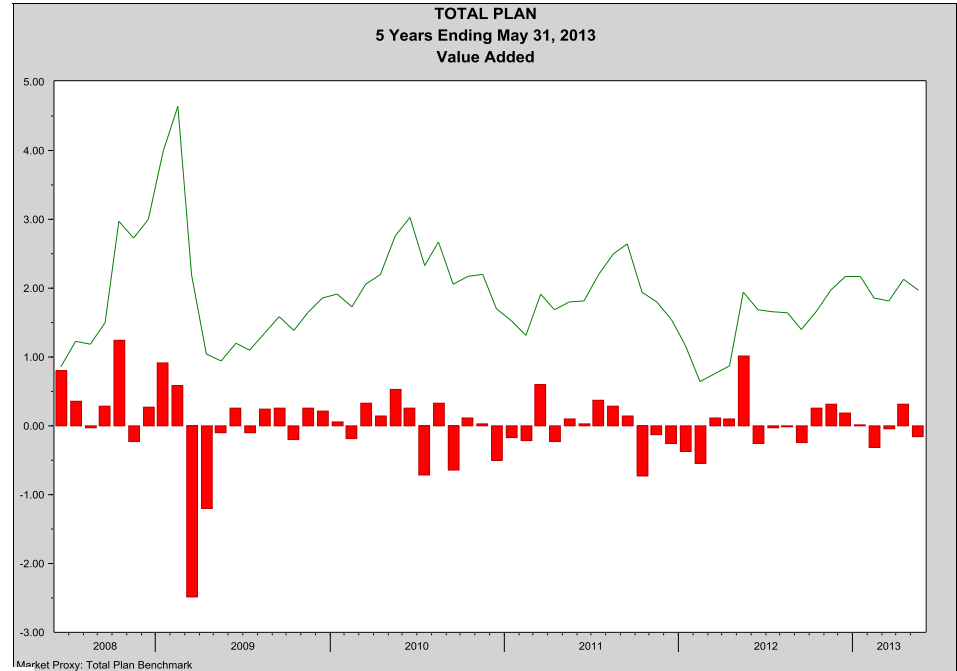
The ERSRI portfolio posted a 0.03% loss for May, against the policy index of 0.12%. Total Equity returned 0.38%, led by strong performance of US Public Equity 2.36% and Equity Hedge Funds 1.68%. Non-US Public Equity lagged -2.26%. US Traditional Fixed Income lost 1.81%, comparable to its benchmark. Real Return Hedge Funds gained 0.94% against its benchmark 0.71%, while GILBs lost 3.44%. The Credit strategy was nearly at breakeven for May.

### Fiscal Year to Date

For the Fiscal Year to Date, the fund has gained 13.34%, versus the policy index of 13.03%.

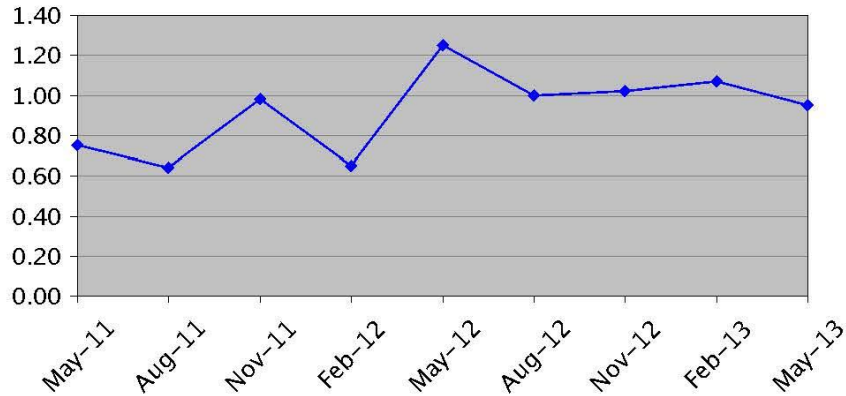
### Market Values

The total portfolio value decreased by \$39.5 million to \$7.74 billion. The May decrease represents \$2.3 million of negative market impact, and \$37.2 million of transfers out.

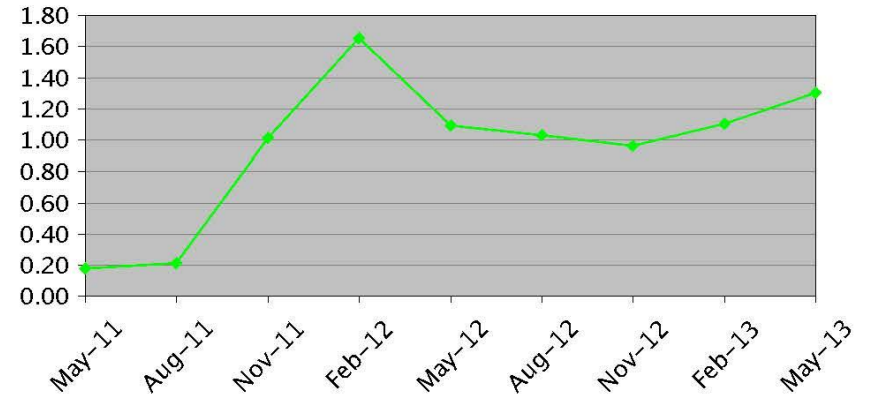


Account Name Benchmark Name	Market Value (M)	Month	Fiscal YTD
<b>US Public Equity</b>	<b>1,867.66</b>	<b>2.36</b>	<b>22.41</b>
<b>Non-US Public Equity</b>	<b>1,815.85</b>	<b>-2.26</b>	<b>18.75</b>
<b>Equity Hedge Funds</b>	<b>590.09</b>	<b>1.68</b>	<b>14.02</b>
Private Equity	572.43	1.36	8.44
<b>Traditional Fixed Income</b>	<b>1,090.27</b>	<b>-1.81</b>	<b>2.86</b>
Real Estate	299.46	0.58	8.76
<b>Real Return Hedge Funds</b>	<b>507.83</b>	<b>0.94</b>	<b>9.94</b>
<b>Inflation-Linked Bonds</b>	<b>272.49</b>	<b>-3.44</b>	<b>4.29</b>
<b>Total Cash</b>	<b>272.90</b>	<b>0.02</b>	<b>0.13</b>
<b>TOTAL PLAN</b>	<b>7,735.80</b>	<b>-0.03</b>	<b>13.34</b>

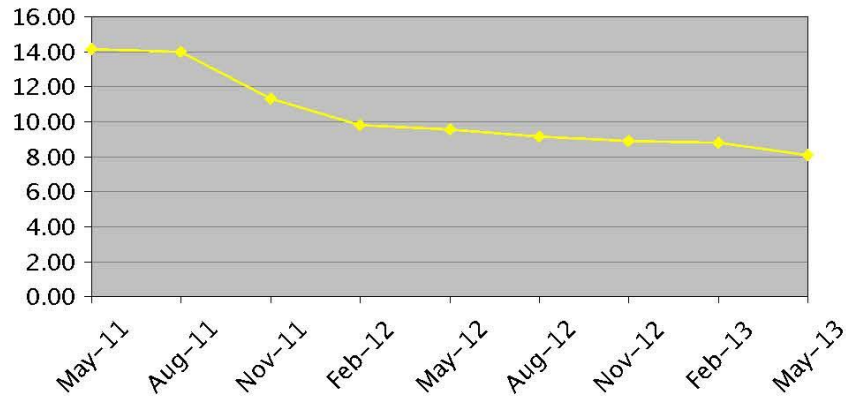
**Annualized Alpha**



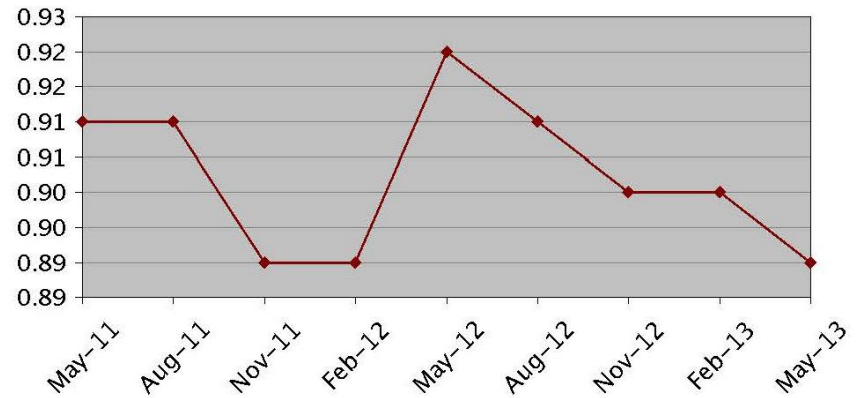
**Annualized Sharpe Ratio**



**Annualized Standard Deviation**



**Beta**



Policy Benchmark is Total Plan Benchmark. Risk-free Proxy is BofA Merrill Lynch 3 Month US Treasury Bill (G001)



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

Gina M. Raimondo

General Treasurer

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

June 21, 2013

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, Municipal Employees', State Police and Judicial Retirement Systems of the State of Rhode Island at the close of business on May 31, 2013.

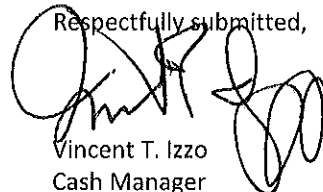
**Employees' Retirement System of Rhode Island**  
**Composite Reporting Investment Valuation**  
**May 31, 2013**

<b>Asset Class</b>		<b>Base Market Value</b>
<b>Grand Total</b>		<b>7,735,802,064</b>
CASH EQUIVALENT*		321,779,835
EQUITY HEDGE FUNDS**		590,088,467
GLOBAL PUBLIC EQUITY		3,683,504,544
CREDIT		422,744,345
INFLATION-LINKED BDS		265,163,830
PRIVATE EQUITY**		564,290,475
REAL ESTATE**		299,456,112
REAL RET HEDGE FUNDS**		507,832,130
US TRADITIONAL FIXED		1,080,942,326
<b>Plan Allocations</b>	<b>%</b>	<b>Base Market Value</b>
<b>Grand Total</b>	<b>100%</b>	<b>7,735,802,064</b>
STATE EMP RET PLAN	81.68%	6,318,751,333
MUNI EMP RET PLAN	16.49%	1,275,836,830
STATE POLICE RET PL	1.21%	93,444,071
JUDICIAL RET PLAN	0.62%	47,769,830

\* Cash & Short-Term Investments, as shown, also includes amounts available within specific active-manager mandates, and thus as aggregated will not tie directly to separate cash allocations as reported elsewhere.

\*\* Alternative Investments – comprising the four components as indicated – have varying degrees of liquidity and may not have readily determinable market values. As such, they may be based on appraisals only.

Respectfully submitted,



Vincent T. Izzo  
Cash Manager

## Section IV.

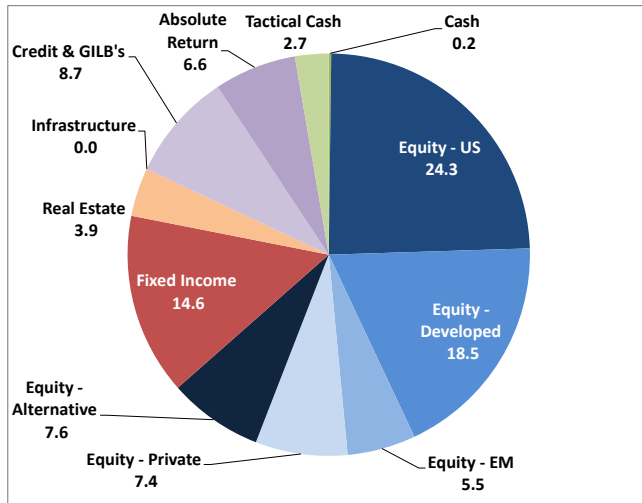
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### Asset Allocation

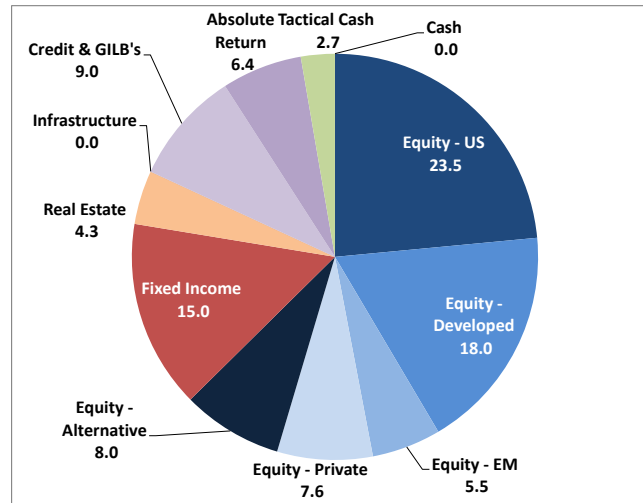
# ERSRI Portfolio

%%% - as of May 31, 2013

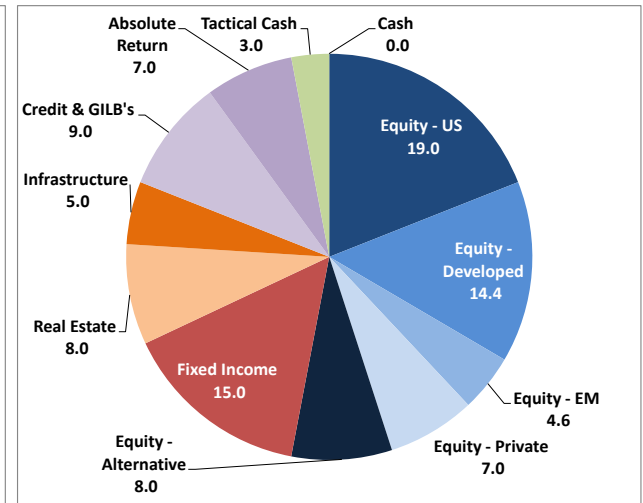
## Actual Allocation



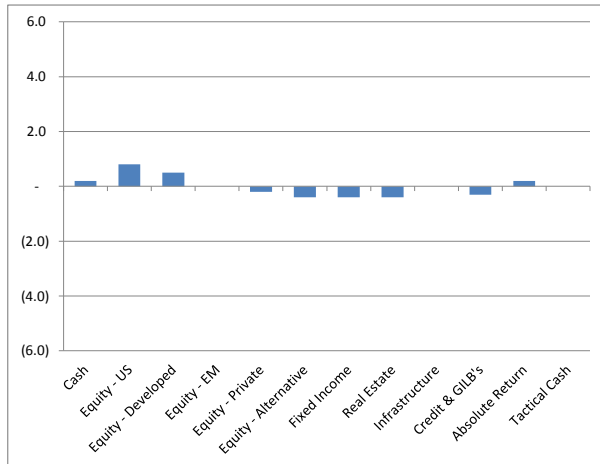
## Tactical Allocation



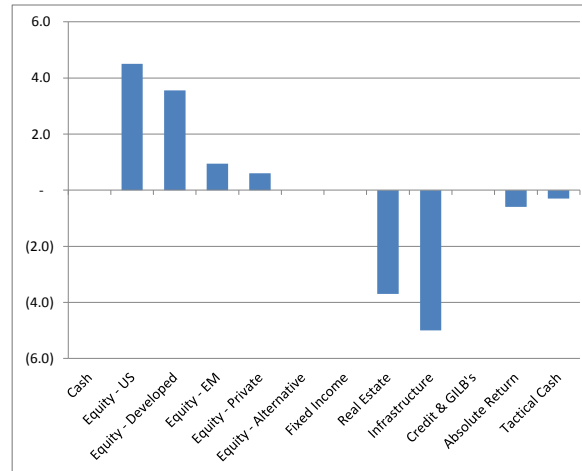
## Policy Allocation



## Actual vs. Tactical



## Tactical vs. Policy



## Notes:

**Actual vs. Tactical:** SIC policy allows for fluctuations of  $\pm 2\%$  from Tactical to accommodate market movements while minimizing trading costs for rebalancing, and lags in rebalancing to less liquid asset classes.

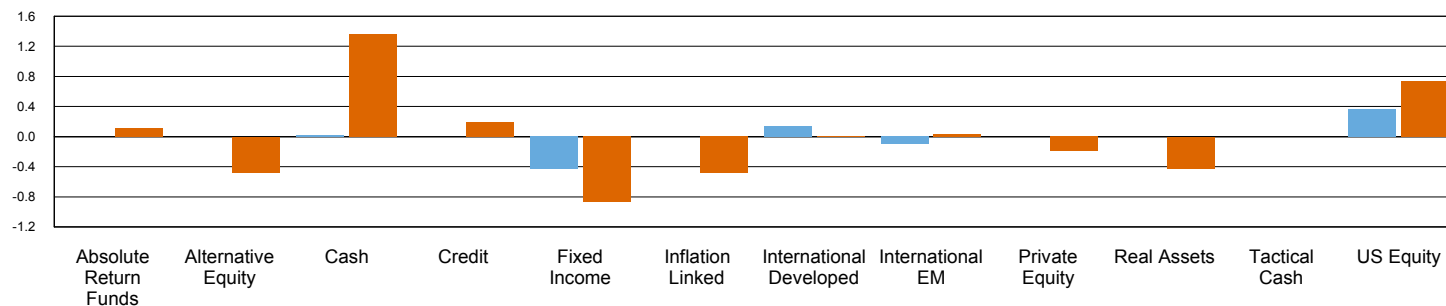
**Tactical vs. Policy:** Tactical allocations diverge from policy to allow time to vet third-party managers allowing prudent implementation of SIC policy decisions, and to diversify vintage-year exposure for drawdown funds (e.g., private equity, real estate, infrastructure).

Currently tactical allocations are (4) percentage points (pps) below policy on real estate and (5) pps on infrastructure & MLP's, due to timing required to deploy funds. An additional +9 pps in equity offers interim exposure to economic growth and protection from interest rate volatility, capturing similar macroeconomic exposures to underallocated asset classes.

# Asset Summary

<u>Asset Class</u>	<u>Physical Exposure</u>		<u>Synthetic Exposure</u>		<u>Net Position</u>		<u>Overlay Target</u>		<u>Policy Target</u>	
<b>Total Market Value</b>	<b>7,714.0</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>7,714.0</b>	<b>100.0%</b>	<b>7,714.1</b>	<b>100.0%</b>	<b>7,714.1</b>	<b>100.00%</b>
<b>Cash</b>	<b>104.7</b>	<b>1.4%</b>	<b>-92.9</b>	<b>-1.2%</b>	<b>11.8</b>	<b>0.2%</b>	<b>10.5</b>	<b>0.1%</b>	<b>0.0</b>	<b>0.00%</b>
Cash	104.7	1.4%	-92.9	-1.2%	11.8	0.2%	10.5	0.1%	0.0	0.00%
<b>Equity</b>	<b>4,837.6</b>	<b>62.7%</b>	<b>52.1</b>	<b>0.7%</b>	<b>4,889.7</b>	<b>63.4%</b>	<b>4,858.0</b>	<b>63.0%</b>	<b>4,829.0</b>	<b>62.60%</b>
International Developed	1,389.5	18.0%	40.8	0.5%	1,430.3	18.5%	1,419.4	18.4%	1,388.5	18.00%
International EM	426.3	5.5%	0.0	0.0%	426.3	5.5%	433.7	5.6%	424.3	5.50%
US Equity	1,869.9	24.2%	11.3	0.1%	1,881.2	24.4%	1,853.1	24.0%	1,812.8	23.50%
Private Equity	571.5	7.4%	0.0	0.0%	571.5	7.4%	571.5	7.4%	586.3	7.60%
Alternative Equity	580.3	7.5%	0.0	0.0%	580.3	7.5%	580.3	7.5%	617.1	8.00%
<b>Fixed</b>	<b>1,090.3</b>	<b>14.1%</b>	<b>40.8</b>	<b>0.5%</b>	<b>1,131.1</b>	<b>14.7%</b>	<b>1,164.1</b>	<b>15.1%</b>	<b>1,157.1</b>	<b>15.00%</b>
Fixed Income	1,090.3	14.1%	40.8	0.5%	1,131.1	14.7%	1,164.1	15.1%	1,157.1	15.00%
<b>Other</b>	<b>1,681.5</b>	<b>21.8%</b>	<b>0.0</b>	<b>0.0%</b>	<b>1,681.5</b>	<b>21.8%</b>	<b>1,681.5</b>	<b>21.8%</b>	<b>1,728.0</b>	<b>22.40%</b>
Real Assets	298.9	3.9%	0.0	0.0%	298.9	3.9%	298.9	3.9%	331.7	4.30%
Absolute Return Funds	502.4	6.5%	0.0	0.0%	502.4	6.5%	502.4	6.5%	493.7	6.40%
Credit	400.6	5.2%	0.0	0.0%	400.6	5.2%	400.6	5.2%	385.7	5.00%
Inflation Linked	271.3	3.5%	0.0	0.0%	271.3	3.5%	271.3	3.5%	308.6	4.00%
Tactical Cash	208.3	2.7%	0.0	0.0%	208.3	2.7%	208.3	2.7%	208.3	2.70%

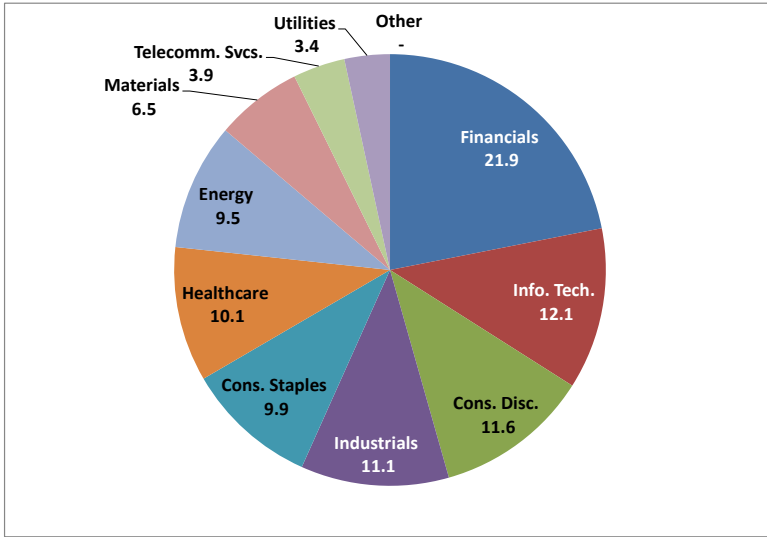
## Deviations from Target Allocation



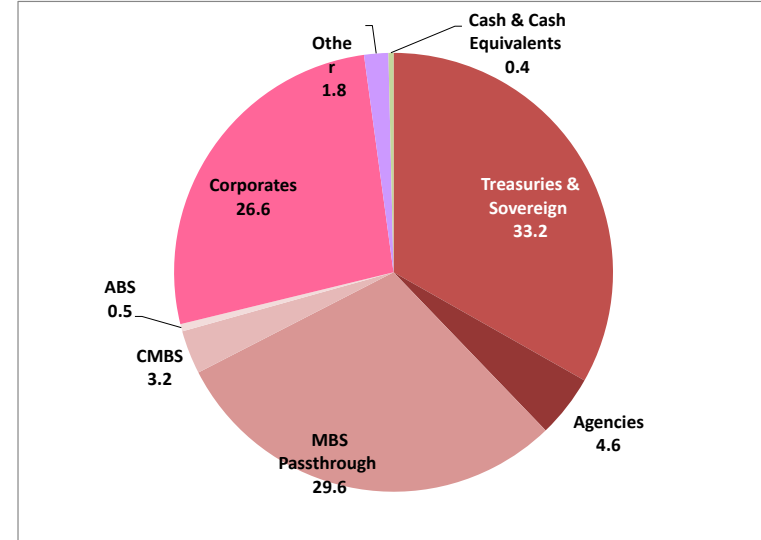
**ERSRI Asset Allocation  
Public-Asset Portfolios**

%% - as of May 31, 2013

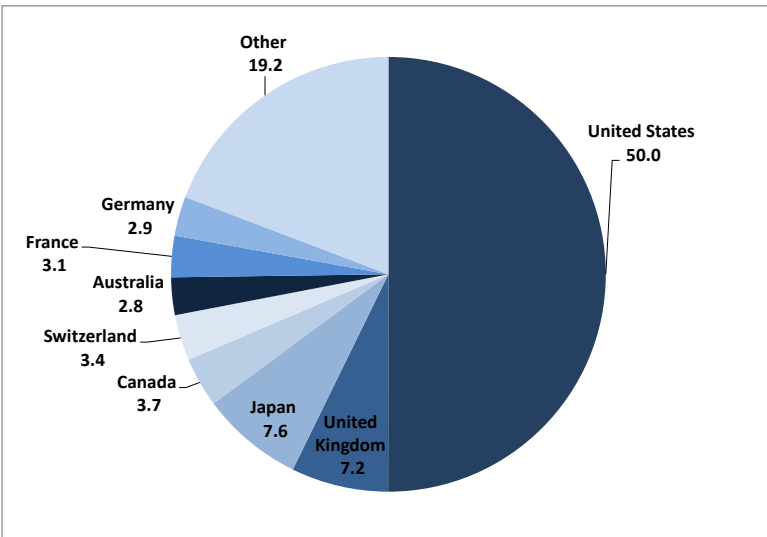
**Global Public Equity - by Industry Sector**



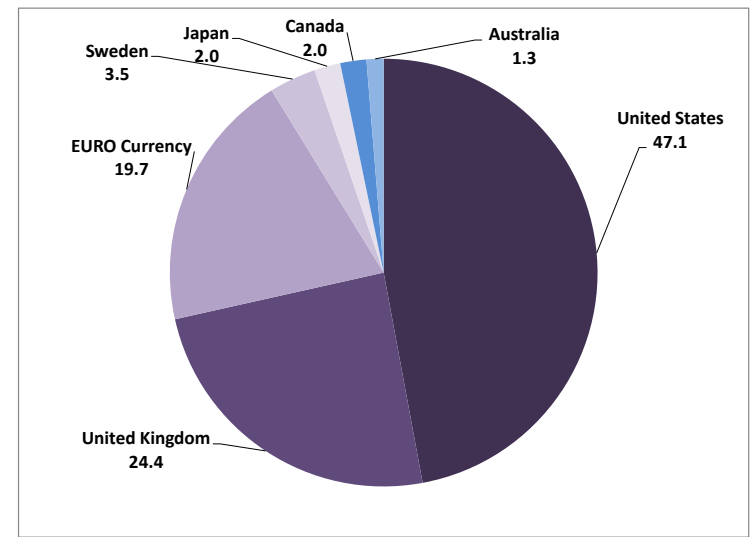
**Core Fixed Income - by Type**



**Global Public Equity - by Geography**

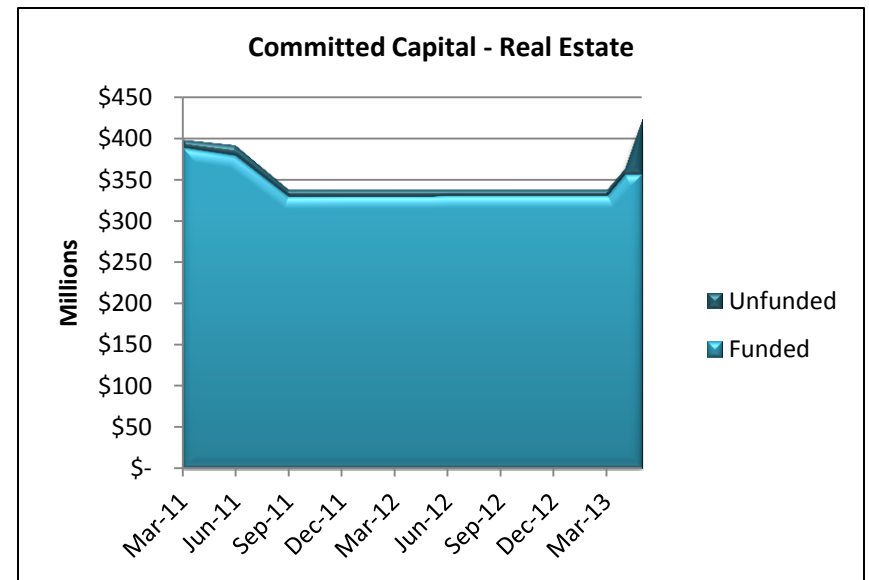
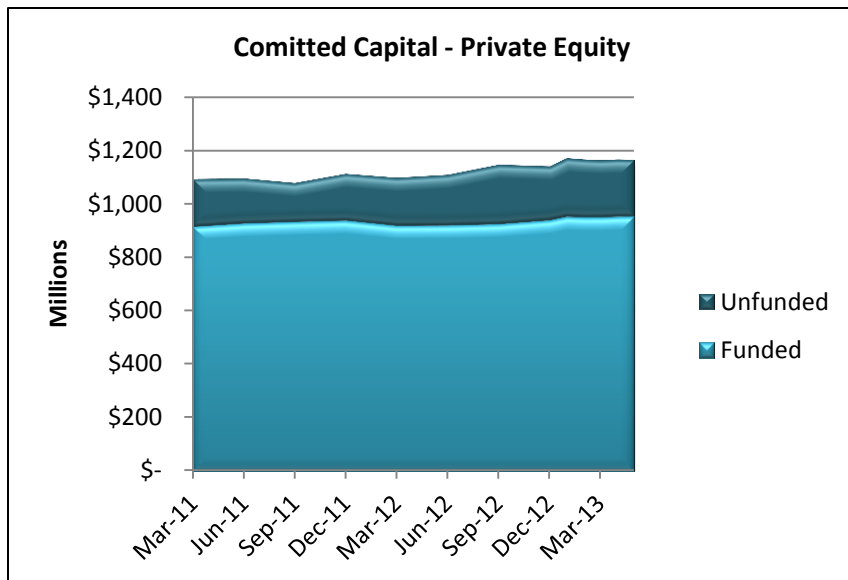
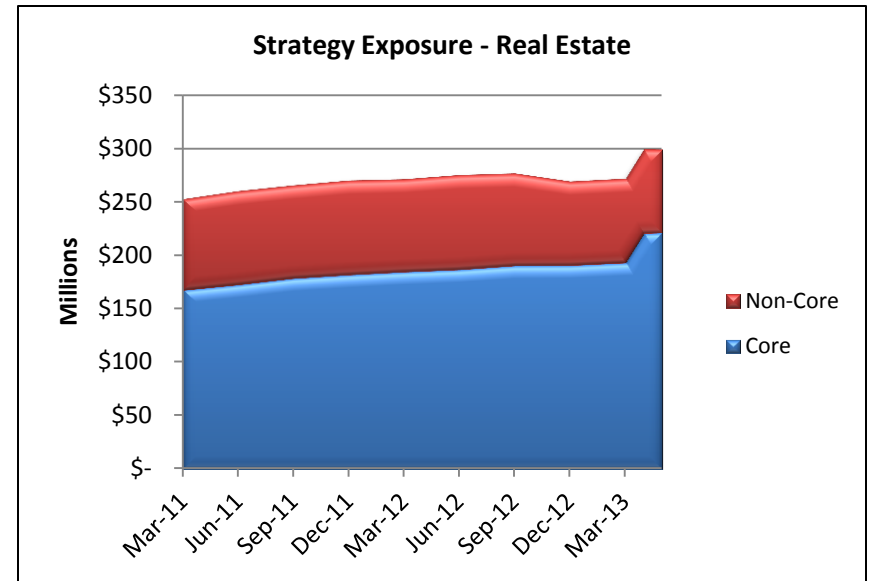
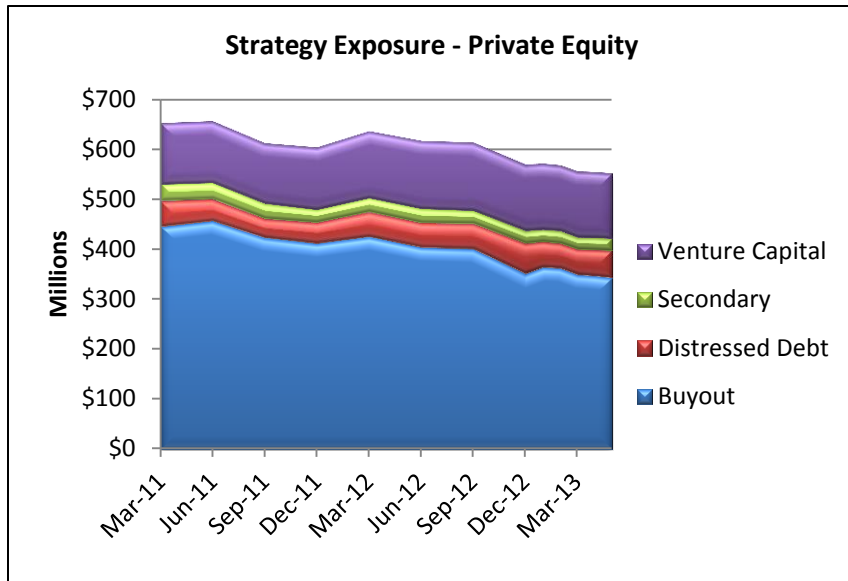


**Global Inflation-Linked Bonds - by Geography**





# Strategy Exposure & Committed Capital – Private Equity & Real Estate



### State of Rhode Island Private Equity Unfunded Commitment May 2013

<b>Partnership Investment</b>	<b>Total Commitment</b>	<b>Unfunded</b>
Advent Global Private Equity Fund VII	\$ 20,000,000.00	\$ 15,700,000.00
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 750,000.00
Alta Partners VIII	\$ 15,000,000.00	\$ 2,250,000.00
Aurora Equity Partners II**	\$ 15,000,000.00	-
Aurora Equity Partners III**	\$ 15,000,000.00	\$ 835,850.00
Avenue Special Situations Fund IV	\$ 20,000,000.00	-
Avenue V	\$ 20,000,000.00	-
Bain X	\$ 25,000,000.00	\$ 2,187,500.00
Birch Hill Equity Partners III*	\$ 17,408,124.00	\$ 839,898.74
Braemar Energy Ventures III	\$ 10,000,000.00	\$ 7,643,110.00
Castile III	\$ 5,000,000.00	\$ 475,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,090,623.00
Centerbridge Special Credit Partners II	\$ 25,000,000.00	\$ 14,375,000.00
Charterhouse Capital Partners VIII*	\$ 19,480,515.00	\$ 2,583,492.63
Coller International Capital IV**	\$ 15,000,000.00	\$ 2,100,000.00
Coller International Capital V	\$ 15,000,000.00	\$ 3,270,000.00
Constellation III	\$ 15,000,000.00	\$ 662,041.29
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.00
CVC European Equity Partners IV*	\$ 21,428,566.50	\$ 2,527,227.35
CVC V	\$ 25,974,020.00	\$ 8,339,429.03
EnCap Energy Fund IX	\$ 18,000,000.00	\$ 17,739,399.59
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 232,336.00
Fenway III	\$ 15,000,000.00	\$ 1,367,435.00
First Reserve Fund X	\$ 20,000,000.00	\$ 1.00
First Reserve Fund XI	\$ 20,000,000.00	\$ 25,959.00
Focus Ventures III	\$ 15,000,000.00	-
Granite Global Ventures II	\$ 15,000,000.00	\$ 675,000.00
Granite Global Ventures III	\$ 15,000,000.00	\$ 375,000.00
Green Equity Investors V	\$ 20,000,000.00	\$ 1,731,092.72
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 366,426.00
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 1,063,353.00
Leapfrog Ventures II	\$ 10,000,000.00	\$ 510,000.00
Leeds Weld Equity Partners IV	\$ 10,000,000.00	\$ 14,335.00
Lighthouse Capital Partners V	\$ 11,250,000.00	\$ 787,500.00
Lighthouse Capital Partners VI	\$ 15,000,000.00	\$ 750,000.00
LNK Partners	\$ 12,500,000.00	\$ 720,470.52
Matlin Patterson Glb. Opp. Fund (CSFB)	\$ 15,000,000.00	-
MHR Institutional Partners III	\$ 20,000,000.00	\$ 8,357,869.00
Nautic Partners V	\$ 20,000,000.00	\$ 650,047.33
Nautic Partners VI	\$ 20,000,000.00	\$ 2,585,226.86
Nautic Partners VII	\$ 20,000,000.00	\$ 20,000,000.00
Nordic Capital Fund III*	\$ 12,095,360.00	-
Nordic Capital Fund V*	\$ 18,981,229.40	-
Nordic Capital Fund VI*	\$ 19,480,515.00	-
Nordic VII	\$ 19,480,515.00	\$ 3,883,520.04

Oaktree Capital Management Fund III	\$	20,000,000.00	\$	12,000,000.00
Palladin III	\$	10,000,000.00	\$	3,584,713.00
Parthenon Investors II	\$	23,960,000.00	\$	1,953,022.00
Perseus VII	\$	15,000,000.00	\$	825,126.17
Point 406	\$	10,000,000.00	\$	1,341,385.00
Point Judith II	\$	5,000,000.00	\$	573,369.19
Providence Equity Partners III	\$	15,000,000.00	\$	1,938,956.00
Providence Equity Partners IV	\$	25,000,000.00	\$	1,994,209.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,211,641.00
Providence Equity Partners VI	\$	25,000,000.00	\$	2,881,034.00
Providence Equity Partners VII	\$	25,000,000.00	\$	23,605,828.00
SKM Equity Fund II**	\$	10,000,000.00	\$	1,735,947.00
Summit Partners	\$	20,000,000.00	\$	10,100,000.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	525,000.00
Thomas McNerney & Partners II	\$	15,000,000.00	\$	2,137,500.00
TPG Partners IV	\$	15,000,000.00	\$	1,106,037.00
TPG Partners V	\$	20,000,000.00	\$	2,693,170.00
TPG VI	\$	10,000,000.00	\$	2,741,375.00
Trilantic IV	\$	11,098,351.00	\$	1,491,469.59
VS&A Communication Partners III	\$	15,000,000.00	\$	-
W Capital Partners	\$	15,000,000.00	\$	880,500.00
W Capital Partners II	\$	15,000,000.00	\$	1,639,525.00
Wellspring Capital Partners III	\$	20,000,000.00	\$	21,112.00
Wellspring Capital Partners IV	\$	20,000,000.00	\$	2,232,921.00
WLR	\$	8,000,000.00	\$	1,099,498.00
<b>Total Alternative Investments</b>	\$	1,164,137,195.90	\$	209,677,447.06

## State of Rhode Island Real Estate Unfunded Commitment May 2013

Real Estate Partnership Investment	Total Commitment	Unfunded
AEW	\$ 60,000,000.00	\$ -
Fillmore East Fund I	\$ 10,000,000.00	\$ -
Fremont Strategic Property Partners II	\$ 15,000,000.00	\$ 1,873,108.00
Heitman	\$ 60,000,000.00	\$ 60,000,000.00
Hunt Investments (formerly Trecap)	\$ 15,000,000.00	\$ 2,155,117.00
JPMorgan Strategic Property Fund	\$ 50,000,000.00	\$ -
JPMorgan Alternative Property Fund	\$ 20,000,000.00	\$ -
LaSalle Income & Growth Fund IV	\$ 15,000,000.00	\$ 397,937.57
Magna Hotel	\$ 4,000,000.00	\$ 801,401.00
Morgan Stanley Prime Property Fund	\$ 35,000,000.00	\$ -
Prudential Real Estate Investors (PRISA)	\$ 50,000,000.00	\$ -
Starwood Hospitality Fund I	\$ 10,000,000.00	\$ -
TA Realty Fund VIII	\$ 15,000,000.00	\$ -
Tri Continental Fund VII	\$ 15,000,000.00	\$ 428,467.00
Walton Street Real Estate Fund V	\$ 20,000,000.00	\$ -
Westbrook Real Estate Fund VI	\$ 15,000,000.00	\$ 79,399.00
Westbrook Real Estate Fund VII	\$ 15,000,000.00	\$ 1,500,000.00
	\$ 424,000,000.00	\$ 67,235,429.57

## Section V.

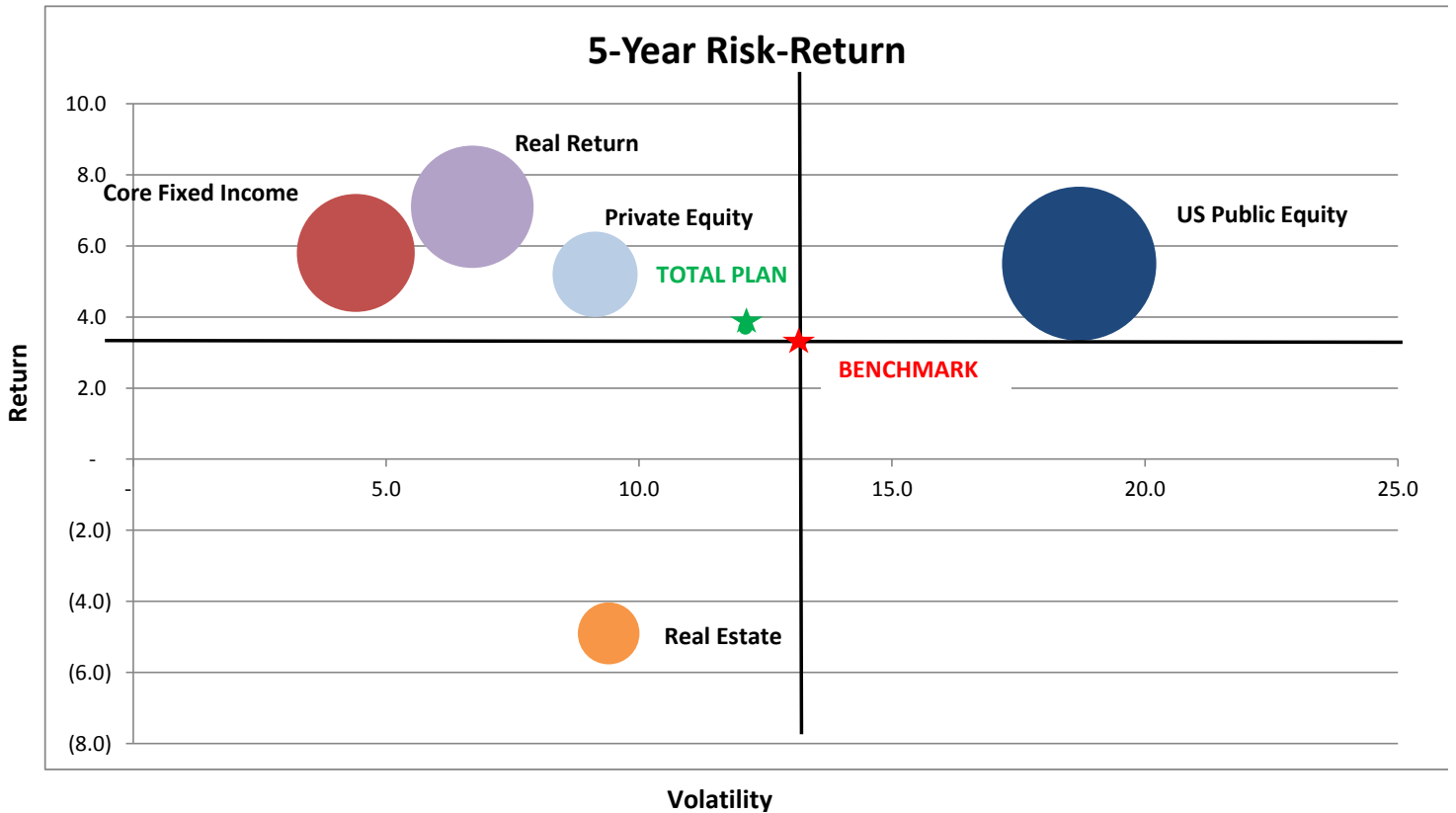
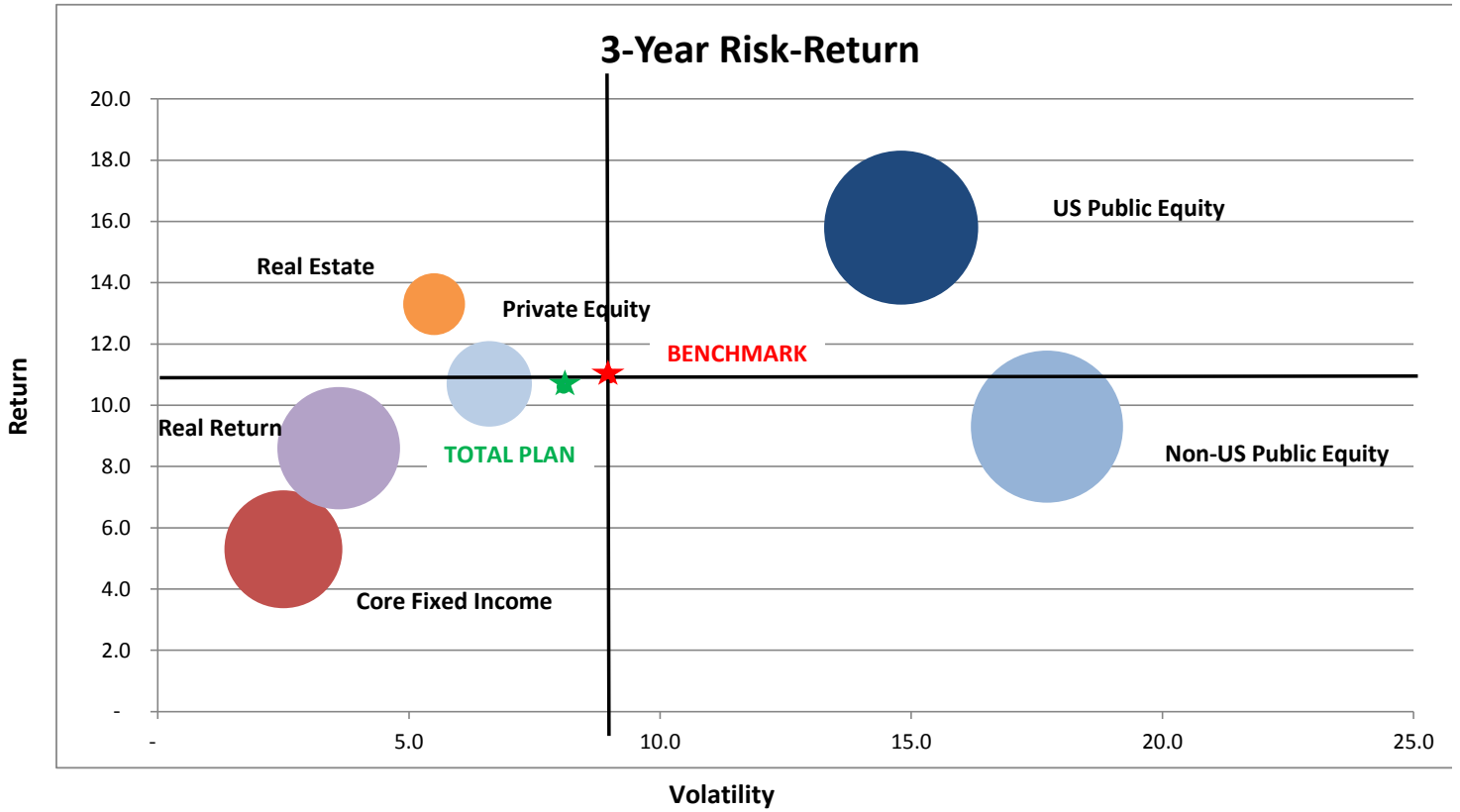
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### Risk Overview

# ERSRI Portfolio

% - as of May 31, 2013

Bubble-Size Scaled based on Current Allocations



## 5 Years Ending May 31, 2013 Comparison

	<b>TOTAL PLAN</b>	<b>Total Plan Benchmark</b>
<b>Ann Return</b>	3.73	3.32
<b>Ann Ex Ret vs Mkt</b>	0.39	0.00
<b>Ann Tracking Error</b>	1.84	0.00
<b>Ann Std Dev</b>	12.08	13.26
<b>Beta</b>	0.91	1.00
<b>R-Squared</b>	0.99	1.00
<b>Ann Alpha</b>	0.60	0.00
<b>Ann Sharpe Ratio</b>	0.34	0.29

# Risk Exposures

## 3 Years Ending May 31, 2013

	Annualized Return	Ann Std Dev	Beta (ACWI)	Beta (BC AGG)	Beta (GSCI)
<b>US Public Equity</b>	15.80	14.75	0.90	-2.46	0.61
<b>Non-US Public Equity</b>	9.35	17.73	1.11	-1.31	0.75
<b>Equity Hedge Funds</b>	---	---	---	---	---
<b>Private Equity</b>	10.74	6.56	0.03	-0.68	0.06
<b>Traditional Fixed Income</b>	5.27	2.46	0.03	0.75	0.02
<b>Real Estate</b>	13.35	5.50	0.06	0.07	0.02
<b>Real Return Hedge Funds</b>	---	---	---	---	---
<b>Inflation-Linked Bonds</b>	8.39	4.68	-0.02	1.30	-0.01
<b>Cash</b>	0.17	0.08	0.00	0.00	0.00
<b>Russell Overlay Fd</b>	-0.14	0.74	0.00	0.03	0.00



**3 Years Ending May 31, 2013  
Correlation**

Ann Return

	US Pub EQ	Non-US Pub EQ	Eq HF	PE	FI	RE	RR HF	GILBS	Cash	Overlay	Total
<b>US Pub</b>	1.00										
<b>Non-US P</b>	0.88	1.00									
<b>Eq HF</b>	---	---	---								
<b>PE</b>	0.11	0.05	---	1.00							
<b>FI</b>	-0.02	0.26	---	-0.29	1.00						
<b>RE</b>	0.09	0.21	---	0.13	0.07	1.00					
<b>RR HF</b>	---	---	---	---	---	---	---				
<b>GILBS</b>	-0.22	-0.01	---	-0.12	0.67	0.15	---	1.00			
<b>Cash</b>	0.00	0.04	---	-0.09	0.07	0.23	---	-0.11	1.00		
<b>Overlay</b>	-0.01	0.02	---	-0.10	0.08	-0.13	---	0.12	-0.03	1.00	
<b>Total</b>	0.96	0.97	---	0.13	0.16	0.18	---	-0.06	0.03	0.00	1.00
<b>Tot BM</b>	0.97	0.96	---	0.08	0.15	0.17	---	-0.10	0.03	-0.01	1.00

**5 Years Ending May 31, 2013  
Correlation**

Ann Return

	US Pub Eq	Non-US Pub Eq	Eq HF	PE	FI	RE	RR HF	GILBS	Cash	Overlay	Total
<b>US Pub</b>	1.00										
<b>Non-US P</b>	---	---									
<b>Eq HF</b>	---	---	---								
<b>PE</b>	0.23	---	---	1.00							
<b>FI</b>	0.43	---	---	-0.02	1.00						
<b>RE</b>	-0.04	---	---	0.25	-0.25	1.00					
<b>RR HF</b>	---	---	---	---	---	---	---				
<b>GILBS</b>	---	---	---	---	---	---	---	---			
<b>Cash</b>	-0.43	---	---	-0.34	-0.31	-0.12	---	---	1.00		
<b>Overlay</b>	---	---	---	---	---	---	---	---	---	---	
<b>Total</b>	0.97	---	---	0.28	0.58	-0.03	---	---	-0.48	---	1.00
<b>Tot BM</b>	0.97	---	---	0.21	0.58	-0.05	---	---	-0.46	---	0.99

## Section VI.

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# Performance Overview

TOTAL NET OF FEES

5/31/2013

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	Annualized				ITD	Inception Date
					1 Year	3 Years	5 Years	10 Years		
SSGA R3000 INDEX <i>Russell 3000 Index</i>	1,867,657,712	24	2.36 2.36						15.85 15.84	10/1/2012 10/1/2012
<b>US Public Equity</b> <i>Russell 3000 Index</i>	<b>1,867,657,787</b>	<b>24</b>	<b>2.36</b> 2.36	<b>22.41</b> 23.06	<b>27.68</b> 27.88	<b>15.80</b> 16.82	<b>5.46</b> 5.69		<b>4.56</b> 4.59	<b>8/1/2007</b> 8/1/2007
SSGA MSCI EAFE <i>MSCI EAFE Net Dividend Index</i>	1,257,412,499	16	-2.34 -2.41						18.77 18.43	9/1/2012 9/1/2012
SSGA MSCI CANADA <i>MSCI Canada Net Dividend Index</i>	132,093,423	2	-0.48 -0.53						3.72 3.17	9/1/2012 9/1/2012
SSGA MSCI EM <i>MSCI Emerging Markets Net Dividend Index</i>	426,340,910	6	-2.58 -2.57						7.86 8.12	9/1/2012 9/1/2012
<b>Non-US Public Equity</b> <i>Total International Equity BM</i>	<b>1,815,850,107</b>	<b>23</b>	<b>-2.26</b> -2.31	<b>18.75</b> 18.25	<b>25.76</b> 26.55	<b>9.35</b> 9.56			<b>13.04</b> 11.58	<b>5/1/2009</b> 5/1/2009
<b>Global Public Equity</b> <i>MSCI All Country World Net Index</i>	<b>3,683,507,893</b>	<b>48</b>	<b>0.03</b> -0.27	<b>20.85</b> 20.08	<b>26.68</b> 26.01	<b>13.53</b> 12.30	<b>3.53</b> 1.16	<b>8.49</b> 8.11	<b>3.24</b>	<b>7/1/2000</b> 7/1/2000
Private Equity <i>S&amp;P + 300 BP</i>	572,433,931	7	1.36 2.53	8.44 25.27	13.06 30.74	10.74 20.25	5.22 8.53	12.09 10.74	3.97	1/1/1993 1/1/1993
<b>Equity Hedge Funds</b> <i>HFRI Equity Hedge (Total) Index</i>	<b>590,088,467</b>	<b>8</b>	<b>1.68</b> 1.57	<b>14.02</b> 12.82	<b>14.02</b> 13.86				<b>9.64</b> 7.22	<b>11/1/2011</b> 11/1/2011
<b>Total Equity</b>	<b>4,846,030,291</b>	<b>63</b>	<b>0.38</b>	<b>18.32</b>	<b>23.27</b>	<b>12.75</b>	<b>3.51</b>	<b>8.72</b>	<b>2.60</b>	<b>6/1/1996</b>
MACKAY SHIELDS <i>Barclays U.S. Aggregate Bond Index</i>	543,517,538	7	-1.76 -1.78						-0.68 -0.90	11/1/2012 11/1/2012
PYRAMIS GLOBAL ADV <i>Barclays U.S. Aggregate Bond Index</i>	546,250,440	7	-1.87 -1.78						-0.71 -0.90	11/1/2012 11/1/2012
<b>Traditional Fixed Income</b> <i>Barclays U.S. Aggregate Bond Index</i>	<b>1,090,270,330</b>	<b>14</b>	<b>-1.81</b> -1.78	<b>2.86</b> 0.87	<b>3.31</b> 0.91	<b>5.27</b> 4.59	<b>5.80</b> 5.50	<b>5.30</b> 4.66	<b>6.09</b> 5.94	<b>7/1/2000</b> 7/1/2000
<b>Real Return Hedge Funds</b> <i>HFRI Fund of Funds Composite Index</i>	<b>507,832,130</b>	<b>7</b>	<b>0.94</b> 0.71	<b>9.94</b> 8.84	<b>8.98</b> 8.47				<b>6.85</b> 5.12	<b>11/1/2011</b> 11/1/2011

TOTAL NET OF FEES

5/31/2013

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	Annualized					Inception Date	
					1 Year	3 Years	5 Years	10 Years	ITD		
PIMCO <i>PIMCO Blend</i>	200,174,420	3	-0.07 0.13							-0.07 0.13	5/1/2013 5/1/2013
WAMCO <i>WAMCO Blend</i>	200,877,374	3	0.03 0.15							0.68 0.93	4/1/2013 4/1/2013
BROWN BROTHERS HARR <i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>	272,485,740	4	-3.44 -3.53							1.33 0.55	11/1/2012 11/1/2012
<b>Inflation-Linked Bonds</b> <i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>	<b>272,485,740</b>	<b>4</b>	<b>-3.44</b> -3.53	<b>4.29</b> 2.02	<b>3.61</b> 0.88	<b>8.39</b> 6.13				<b>8.03</b> 6.06	<b>11/1/2009</b> 11/1/2009
<b>Total Real Return</b> <i>CPI + 4%</i>	<b>1,181,369,664</b>	<b>15</b>	<b>-0.42</b> 0.50	<b>7.19</b> 5.21	<b>6.36</b> 5.40	<b>8.61</b> 6.28	<b>7.15</b> 5.46			<b>6.70</b> 6.40	<b>6/1/2004</b> 6/1/2004
Real Estate <i>NCREIF Property Lagged + 100bp</i>	299,456,112	4	0.58 0.08	8.76 8.66	12.35 11.54	13.35 13.63	-4.90 3.14			0.10 8.84	1/1/2005 1/1/2005
ERSRI CASH <i>BofA Merrill Lynch 3 Month US Treasury Bill (G001)</i>	271,493,998	4	0.02 0.01	0.06 0.11	0.07 0.12	0.15 0.11	0.47 0.32	6.20 1.74		16.54 2.11	7/1/2000 7/1/2000
<b>Total Cash</b>	<b>272,897,709</b>	<b>4</b>	<b>0.02</b>	<b>0.13</b>	<b>0.14</b>	<b>0.17</b>	<b>0.40</b>			<b>3.02</b>	<b>4/1/2004</b>
<b>Russell Overlay Fd</b>	<b>41,637,514</b>	<b>1</b>	<b>0.03</b>	<b>0.39</b>	<b>0.45</b>	<b>-0.14</b>				<b>-0.10</b>	<b>9/1/2008</b>
<b>TOTAL PLAN</b> <i>Total Plan Benchmark</i>	<b>7,735,802,064</b>	<b>100</b>	<b>-0.03</b> 0.12	<b>13.34</b> 13.03	<b>16.52</b> 16.48	<b>10.64</b> 10.92	<b>3.73</b> 3.32	<b>7.75</b> 7.52		<b>4.44</b>	<b>7/1/2000</b> 7/1/2000
<b>Total Plan ex Overlay</b> <i>Total Plan Benchmark</i>	<b>7,694,164,550</b>	<b>99</b>	<b>-0.06</b> 0.12	<b>12.96</b> 13.03	<b>16.08</b> 16.48	<b>10.47</b> 10.92				<b>5.11</b> 4.94	<b>8/1/2008</b> 8/1/2008
<b>Total Plan ex PE &amp; RE</b> <i>Total Plan BM ex PE RE</i>	<b>6,863,912,021</b>	<b>89</b>	<b>-0.17</b> -0.06	<b>12.57</b> 12.25	<b>15.54</b> 15.43	<b>10.06</b> 10.46	<b>3.81</b> 3.11	<b>7.54</b> 7.20		<b>6.44</b>	<b>4/1/1996</b> 4/1/1996

TOTAL NET OF FEES

5/31/2013

Account Name Benchmark Name	Market Value	% of Total	Month	Cumulative			2012	2011	2010	Inception Date
				4/1/2013 - 4/30/2013	3/1/2013 - 3/31/2013					
SSGA R3000 INDEX <i>Russell 3000 Index</i>	1,867,657,712	24	2.36 2.36	1.63 1.64	3.91 3.92				10/1/2012 10/1/2012	
<b>US Public Equity</b> <i>Russell 3000 Index</i>	<b>1,867,657,787</b>	<b>24</b>	<b>2.36</b> 2.36	<b>1.63</b> 1.64	<b>3.91</b> 3.92	<b>15.66</b> 16.42	<b>-0.86</b> 1.03	<b>17.33</b> 16.93	<b>8/1/2007</b> 8/1/2007	
SSGA MSCI EAFE <i>MSCI EAFE Net Dividend Index</i>	1,257,412,499	16	-2.34 -2.41	5.30 5.21	0.88 0.82				9/1/2012 9/1/2012	
SSGA MSCI CANADA <i>MSCI Canada Net Dividend Index</i>	132,093,423	2	-0.48 -0.53	-1.40 -1.48	0.60 0.52				9/1/2012 9/1/2012	
SSGA MSCI EM <i>MSCI Emerging Markets Net Dividend Index</i>	426,340,910	6	-2.58 -2.57	0.70 0.75	-1.81 -1.72				9/1/2012 9/1/2012	
<b>Non-US Public Equity</b> <i>Total International Equity BM</i>	<b>1,815,850,107</b>	<b>23</b>	<b>-2.26</b> -2.31	<b>3.68</b> 3.68	<b>0.19</b> 0.20	<b>17.02</b> 16.52	<b>-13.47</b> -12.14	<b>11.26</b> 7.75	<b>5/1/2009</b> 5/1/2009	
<b>Global Public Equity</b> <i>MSCI All Country World Net Index</i>	<b>3,683,507,893</b>	<b>48</b>	<b>0.03</b> -0.27	<b>2.66</b> 2.86	<b>2.02</b> 1.83	<b>17.82</b> 16.13	<b>-5.16</b> -7.35	<b>15.37</b> 12.67	<b>7/1/2000</b> 7/1/2000	
Private Equity <i>S&amp;P + 300 BP</i>	572,433,931	7	1.36 2.53	1.35 2.13	2.00 3.94	11.77 19.44	12.37 5.17	14.00 18.48	1/1/1993 1/1/1993	
<b>Equity Hedge Funds</b> <i>HFRI Equity Hedge (Total) Index</i>	<b>590,088,467</b>	<b>8</b>	<b>1.68</b> 1.57	<b>0.51</b> 0.46	<b>2.05</b> 1.23	<b>7.98</b> 7.41			<b>11/1/2011</b> 11/1/2011	
<b>Total Equity</b>	<b>4,846,030,291</b>	<b>63</b>	<b>0.38</b>	<b>2.24</b>	<b>2.02</b>	<b>15.88</b>	<b>-2.89</b>	<b>15.42</b>	<b>6/1/1996</b>	
MACKAY SHIELDS <i>Barclays U.S. Aggregate Bond Index</i>	543,517,538	7	-1.76 -1.78	1.03 1.01	0.05 0.08				11/1/2012 11/1/2012	
PYRAMIS GLOBAL ADV <i>Barclays U.S. Aggregate Bond Index</i>	546,250,440	7	-1.87 -1.78	1.06 1.01	0.14 0.08				11/1/2012 11/1/2012	
<b>Traditional Fixed Income</b> <i>Barclays U.S. Aggregate Bond Index</i>	<b>1,090,270,330</b>	<b>14</b>	<b>-1.81</b> -1.78	<b>1.05</b> 1.01	<b>0.10</b> 0.08	<b>7.95</b> 4.21	<b>5.50</b> 7.84	<b>6.05</b> 6.54	<b>7/1/2000</b> 7/1/2000	
<b>Real Return Hedge Funds</b> <i>HFRI Fund of Funds Composite Index</i>	<b>507,832,130</b>	<b>7</b>	<b>0.94</b> 0.71	<b>1.23</b> 0.81	<b>0.72</b> 0.87	<b>5.33</b> 4.79			<b>11/1/2011</b> 11/1/2011	
PIMCO <i>PIMCO Blend</i>	200,174,420	3	-0.07 0.13						5/1/2013 5/1/2013	

TOTAL NET OF FEES

5/31/2013

Account Name Benchmark Name	Market Value	% of Total	Month	Cumulative			2012	2011	2010	Inception Date
				4/1/2013 - 4/30/2013	3/1/2013 - 3/31/2013					
WAMCO	200,877,374	3	0.03	0.65					4/1/2013	
WAMCO Blend			0.15	0.78					4/1/2013	
BROWN BROTHERS HARR	272,485,740	4	-3.44	1.47	1.31				11/1/2012	
Barclays World Govt Inflation-Linked All Maturities USD Hedg			-3.53	1.08	1.43				11/1/2012	
<b>Inflation-Linked Bonds</b>	<b>272,485,740</b>	<b>4</b>	<b>-3.44</b>	<b>1.47</b>	<b>1.31</b>	<b>9.20</b>	<b>13.80</b>	<b>6.00</b>	<b>11/1/2009</b>	
Barclays World Govt Inflation-Linked All Maturities USD Hedg			-3.53	1.08	1.43	5.60	11.08	5.43	11/1/2009	
<b>Total Real Return</b>	<b>1,181,369,664</b>	<b>15</b>	<b>-0.42</b>	<b>1.08</b>	<b>0.83</b>	<b>6.55</b>	<b>13.58</b>	<b>6.00</b>	<b>6/1/2004</b>	
CPI + 4%			0.50	0.22	0.58	5.81	7.07	5.25	6/1/2004	
Real Estate	299,456,112	4	0.58	1.01	0.76	9.62	17.14	3.74	1/1/2005	
NCREIF Property Lagged + 100bp			0.08	0.08	2.62	12.00	17.10	6.84	1/1/2005	
ERSRI CASH	271,493,998	4	0.02	0.01	0.01	0.11	0.16	0.19	7/1/2000	
BofA Merrill Lynch 3 Month US Treasury Bill (GOO1)			0.01	0.01	0.02	0.11	0.10	0.13	7/1/2000	
<b>Total Cash</b>	<b>272,897,709</b>	<b>4</b>	<b>0.02</b>	<b>0.01</b>	<b>0.01</b>	<b>0.18</b>	<b>0.14</b>	<b>0.18</b>	<b>4/1/2004</b>	
Russell Overlay Fd	41,637,514	1	0.03	0.04	0.05	0.18	-0.78	0.21	9/1/2008	
<b>TOTAL PLAN</b>	<b>7,735,802,064</b>	<b>100</b>	<b>-0.03</b>	<b>1.80</b>	<b>1.46</b>	<b>12.49</b>	<b>1.39</b>	<b>12.07</b>	<b>7/1/2000</b>	
Total Plan Benchmark			0.12	1.48	1.50	11.80	1.55	12.24	7/1/2000	
<b>Total Plan ex Overlay</b>	<b>7,694,164,550</b>	<b>99</b>	<b>-0.06</b>	<b>1.76</b>	<b>1.40</b>	<b>12.39</b>	<b>0.98</b>	<b>12.07</b>	<b>8/1/2008</b>	
Total Plan Benchmark			0.12	1.48	1.50	11.80	1.55	12.24	8/1/2008	
<b>Total Plan ex PE &amp; RE</b>	<b>6,863,912,021</b>	<b>89</b>	<b>-0.17</b>	<b>1.87</b>	<b>1.44</b>	<b>11.25</b>	<b>-0.19</b>	<b>12.12</b>	<b>4/1/1996</b>	
Total Plan BM ex PE RE			-0.06	1.57	1.20	12.08	0.66	12.03	4/1/1996	

## END NOTES

5/31/2013

1 RI6G23000000 TOTAL PLAN

Month - Current Month

Cumulative Months - Prior Month and Second Prior Month

2012, 2011, 2010 - Calendar Years

## Employees' Retirement System of the State of Rhode Island

Hedge Fund Portfolio

Portfolio Performance Summary

Estimated as of May 31, 2013

Fund	Market Value	Actual %	Returns							Std Dev	Sharpe Ratio	Incep Date
			May	YTD	FYTD	1 Year	3 Year	5 Year	Incep			
<b>Global Equities</b>												
Ascend Partners Fund II LP	63,189,309	5.8%	0.44%	3.77%	3.43%	3.84%	-	-	3.33%	2.05%	1.41	Nov-11
Davidson Kempner Institutional Partners, L.P.	68,902,563	6.3%	1.31%	6.08%	10.91%	11.30%	-	-	9.13%	1.63%	5.15	Nov-11
Elliott Associates, L.P.	70,427,469	6.4%	1.10%	5.10%	14.09%	14.83%	-	-	10.65%	3.79%	2.60	Nov-11
Indus Asia Pacific Fund, LP	44,523,859	4.1%	1.20%	4.19%	10.94%	8.38%	-	-	7.86%	5.96%	1.24	Jan-12
Mason Capital Ltd.	65,432,297	6.0%	2.83%	15.10%	10.28%	9.40%	-	-	6.31%	7.23%	0.83	Jan-12
PFM Diversified Fund, L.P.	32,929,776	3.0%	1.93%	7.95%	17.14%	17.21%	-	-	7.74%	7.18%	1.03	Mar-12
PFM Diversified Offshore Fund A.I., Ltd.	32,791,299	3.0%	1.97%	7.88%	16.86%	16.91%	-	-	7.38%	7.19%	0.98	Mar-12
Samlyn Onshore Fund, L.P.	71,355,452	6.5%	0.80%	8.51%	16.12%	15.75%	-	-	13.01%	5.10%	2.36	Jan-12
Third Point Partners Qualified L.P.	68,138,441	6.2%	3.60%	14.31%	31.89%	32.16%	-	-	24.42%	5.69%	3.84	Jan-12
Viking Global Equities, LP	72,398,003	6.6%	1.40%	6.95%	12.90%	14.50%	-	-	13.34%	3.59%	3.42	Dec-11
<b>Total Global Equities</b>	<b>590,088,467</b>	<b>54.0%</b>	<b>1.63%</b>	<b>8.00%</b>	<b>13.96%</b>	<b>14.01%</b>	<b>-</b>	<b>-</b>	<b>9.47%</b>	<b>3.54%</b>	<b>2.47</b>	<b>Nov-11</b>
MSCI AC World Index Free - Net			-0.27%	9.25%	20.08%	26.01%	-	-	13.86%	11.73%	1.14	Nov-11
Russell 3000 Index (DRI)			2.36%	15.55%	23.06%	27.89%	-	-	21.02%	9.36%	2.06	Nov-11
HFRI Equity Hedge (Total) Index			1.78%	7.32%	13.06%	14.10%	-	-	7.36%	6.80%	1.02	Nov-11
<b>Real Return</b>												
BlueCrest Capital LP	21,144,908	1.9%	-0.55%	-0.08%	3.30%	2.88%	-	-	4.01%	1.96%	1.82	Jan-12
Brevan Howard LP	83,826,200	7.7%	-0.15%	6.62%	14.70%	12.15%	-	-	7.28%	4.82%	1.40	Nov-11
Brigade Leveraged Capital Structures Fund LP	54,163,536	5.0%	0.32%	3.52%	6.75%	6.88%	-	-	6.61%	1.91%	3.18	Mar-12
Capula Global Relative Value Fund Ltd.	52,026,526	4.8%	1.24%	3.84%	5.12%	4.52%	-	-	2.68%	2.04%	1.12	Dec-11
Claren Road Credit Fund, Ltd.	52,005,664	4.8%	2.57%	-	-	-	-	-	4.01%	-	-	Apr-13
DE Shaw Composite Fund LLC	63,993,462	5.9%	2.60%	8.59%	21.08%	21.40%	-	-	16.86%	4.25%	3.62	Nov-11
Graham Global Investment Fund I SPC Ltd. - Discretionary Segregated Port	53,322,036	4.9%	0.84%	2.71%	6.15%	5.34%	-	-	4.65%	2.44%	1.72	Jan-12
OZ Domestic Partners II, L.P.	90,689,154	8.3%	1.11%	7.77%	15.48%	15.73%	-	-	12.75%	2.84%	4.12	Nov-11
Winton Futures Fund Limited	31,183,896	2.9%	-2.40%	6.38%	7.00%	3.61%	-	-	2.61%	7.43%	0.33	Dec-11
<b>Total Real Return</b>	<b>502,355,380</b>	<b>46.0%</b>	<b>0.84%</b>	<b>5.39%</b>	<b>10.31%</b>	<b>9.33%</b>	<b>-</b>	<b>-</b>	<b>7.06%</b>	<b>2.08%</b>	<b>3.10</b>	<b>Nov-11</b>
ML 3-month T-Bills			0.01%	0.03%	0.11%	0.12%	-	-	0.09%	0.02%	-	Nov-11
HFRI Fund of Funds Composite Index			0.70%	4.84%	8.80%	8.42%	-	-	5.10%	3.32%	1.40	Nov-11
<b>Total Hedge Fund Portfolio</b>	<b>1,092,443,847</b>	<b>100.0%</b>	<b>1.26%</b>	<b>6.76%</b>	<b>12.21%</b>	<b>11.75%</b>	<b>-</b>	<b>-</b>	<b>8.37%</b>	<b>2.60%</b>	<b>2.96</b>	<b>Nov-11</b>
HFRI Fund of Funds Composite Index			0.70%	4.84%	8.80%	8.42%	-	-	5.10%	3.32%	1.40	Nov-11
<b>Market Indices</b>												
Libor3Month			0.02%	0.12%	0.30%	0.34%	-	-	0.40%	0.03%	-	Nov-11
Barclays Aggregate Bond Index			-1.78%	-0.91%	0.89%	0.93%	-	-	2.71%	2.62%	0.88	Nov-11
Barclays High Yield Credit Bond Index			-0.58%	4.15%	12.45%	14.82%	-	-	12.88%	4.58%	2.59	Nov-11
S&P 500 TR			2.34%	15.37%	22.24%	27.27%	-	-	20.81%	9.11%	2.09	Nov-11
MSCI EAFE - Net			-2.41%	7.94%	22.99%	31.61%	-	-	11.81%	15.21%	0.79	Nov-11
MSCI EMF (Emerging Markets Free) - Net			-2.57%	-3.42%	9.86%	14.10%	-	-	3.31%	17.13%	0.25	Nov-11



**Employees' Retirement System of the State of Rhode Island**

Hedge Fund Portfolio  
 Portfolio Performance Summary  
 Estimated as of May 31, 2013

Fund	Market Value	Actual %	May	YTD	FYTD	Returns			Incep	Std Dev	Sharpe Ratio	Incep Date
						1 Year	3 Year	5 Year				

Most recent month returns are based on manager estimates; prior months use final market values.

Hedge Fund Research, Inc. ("HFR") is the source and owner of the HFR data contained or reflected in this report. The HFR indices included in this report are revised by HFR for up to three months following their initial release. The revisions are reflected in the trailing period returns.

This report reflects information only through the date hereof. Our due diligence and reporting rely upon the accuracy and completeness of financial information (which may or may not be audited by the fund manager) and other information publicly available or provided to us by the fund manager, its professional staff, and through other references we have contacted. We have not conducted an independent verification of the information provided other than as described in this report. Our conclusions do not reflect an audit of the investment nor should they be construed as providing legal advice. Past performance does not guarantee future performance. The information contained herein is confidential commercial or financial information, the disclosure of which would cause substantial competitive harm to you, Cliffwater LLC, or the person or entity from whom the information was obtained, and may not be disclosed except as required by applicable law.

## Employees' Retirement System of the State of Rhode Island

Hedge Fund Portfolio  
Fund Level Performance Report  
Estimated as of May 31, 2013

Fund	Trailing Returns				Calendar Year Returns					5 Yr		Sharpe Ratio			Start Date		
	YTD	May	Apr	Mar	1 Year	3 Year	5 Year	2012	2011	2010	2009	2008	Std Dev	3 yr		5 yr	Incep.
<b>Global Equities</b>																	
Ascend Partners Fund II LP	3.87%	0.44%	-0.24%	1.19%	3.97%	2.01%	3.02%	2.50%	-3.02%	2.94%	13.61%	-3.58%	4.36%	0.48	0.55	0.96	Jan-04
Davidson Kempner Institutional Partners, LP	6.03%	1.31%	1.42%	1.09%	10.18%	6.29%	6.11%	6.87%	1.27%	9.17%	17.79%	-9.03%	4.68%	2.03	1.15	1.55	Mar-96
Elliott Associates, L.P. (HFR98)	4.79%	1.10%	0.50%	1.30%	13.89%	8.22%	9.17%	13.18%	3.94%	7.39%	30.85%	-3.08%	5.52%	2.73	1.50	1.83	Feb-77
Indus Asia Pacific Fund	4.53%	1.20%	-0.20%	-0.40%	9.44%	5.20%	1.77%	8.21%	-7.18%	7.36%	25.45%	-28.99%	8.86%	0.69	0.16	0.76	Dec-00
Mason Capital, Ltd.	15.13%	2.83%	2.44%	3.84%	7.37%	7.00%	6.05%	-7.23%	4.20%	9.62%	25.16%	-15.42%	8.66%	1.01	0.64	0.80	Feb-02
PFM Diversified Fund, LP	7.79%	1.93%	-1.25%	2.75%	16.63%	4.62%	5.02%	5.59%	-3.35%	4.36%	21.35%	-6.10%	6.99%	0.67	0.64	0.97	Nov-04
Samlyn Capital - Composite	8.48%	0.80%	0.08%	2.12%	15.93%	6.50%	7.16%	10.49%	-5.05%	1.98%	23.57%	6.62%	8.89%	0.77	0.75	1.14	Mar-07
Third Point Partners L.P.	14.98%	3.80%	1.30%	3.00%	33.72%	19.38%	12.27%	21.12%	-0.54%	41.52%	38.14%	-32.84%	14.42%	1.98	0.83	1.28	Jun-95
Viking Global Equities	6.95%	1.40%	0.30%	3.00%	14.53%	11.63%	8.37%	12.86%	7.71%	3.67%	19.20%	-0.73%	6.58%	2.19	1.15	1.49	Oct-99
<b>Real Return</b>																	
BlueCrest Capital International Limited	-0.07%	-0.55%	0.27%	0.05%	2.90%	5.60%	13.60%	5.82%	6.10%	12.80%	45.41%	6.26%	5.43%	2.37	2.26	1.79	Dec-00
Brigade Leveraged Capital Structures Fund	3.53%	0.32%	0.99%	1.49%	6.91%	5.47%	6.77%	6.91%	2.55%	7.66%	39.64%	-17.14%	7.62%	2.10	0.81	0.83	Jan-07
Brevan Howard L.P. (Series B)	6.62%	-0.15%	3.28%	0.23%	12.13%	7.44%	9.24%	3.60%	11.33%	0.92%	17.10%	19.14%	5.48%	1.34	1.52	1.38	Sep-05
Capula Global Relative Value Fund Limited	3.90%	1.24%	0.01%	0.92%	4.53%	5.11%	7.92%	0.41%	6.19%	9.58%	12.24%	9.45%	2.99%	1.93	2.34	1.65	Oct-05
DE Shaw Composite International Fund	8.14%	2.60%	0.40%	1.10%	18.65%	10.79%	6.04%	14.05%	3.69%	1.56%	21.31%	-9.81%	6.71%	2.45	0.81	1.43	Mar-01
Graham Discretionary - 6V Portfolio	2.70%	0.84%	0.13%	0.09%	5.34%	4.64%	9.55%	3.83%	3.56%	7.10%	17.13%	8.66%	3.60%	1.74	2.37	0.87	Jun-04
OZ Master Fund, Ltd	6.61%	1.10%	1.39%	1.18%	13.66%	8.04%	5.61%	11.56%	-0.48%	8.52%	23.11%	-15.92%	6.02%	2.18	0.82	1.73	Apr-94
Winton Futures Fund - USD Class B	6.39%	-2.40%	3.41%	2.66%	3.63%	5.85%	5.08%	-3.56%	6.29%	14.47%	-4.64%	21.01%	8.83%	0.71	0.53	0.72	Oct-97
<b>Benchmarks</b>																	
HFR1 Fund of Funds Composite Index	4.83%	0.70%	0.72%	0.88%	8.40%	3.18%	-0.51%	4.79%	-5.72%	5.70%	11.47%	-21.37%	6.16%	0.67	-0.16	0.63	Jan-90
HFR1 Fund Weighted Composite Index	4.93%	0.54%	0.70%	0.98%	10.01%	5.03%	2.53%	6.36%	-5.25%	10.25%	19.98%	-19.03%	7.56%	0.82	0.28	1.02	Jan-90
<b>Market Indices</b>																	
3 Month Libor - BOM	0.11%	0.02%	0.02%	0.02%	0.33%	0.36%	0.69%	0.42%	0.35%	0.35%	0.65%	2.79%	0.23%				Mar-86
Barclays Aggregate Bond Index	-0.91%	-1.78%	1.01%	0.08%	0.93%	4.61%	5.51%	4.23%	7.86%	6.56%	5.93%	5.24%	3.63%				Jan-76
Barclays High Yield Credit Bond Index	4.15%	-0.58%	1.81%	1.02%	14.82%	12.19%	10.90%	15.81%	4.98%	15.11%	58.21%	-26.15%	13.91%				Jul-83
S&P 500 (TR)	15.37%	2.34%	1.93%	3.75%	27.28%	16.87%	5.43%	16.00%	2.11%	15.06%	26.46%	-37.00%	18.85%				Jan-70
MSCI EAFE - Net - USD	7.94%	-2.41%	5.21%	0.82%	31.62%	11.00%	-1.60%	17.32%	-12.14%	7.75%	31.78%	-43.38%	23.22%				Dec-69
MSCI EM (EMERGING MARKETS) - Net - USD	-3.42%	-2.57%	0.75%	-1.72%	14.10%	5.41%	-1.21%	18.22%	-18.42%	18.88%	78.51%	-53.33%	27.99%				Jan-99

Note: The above is manager composite history.

## Section VII.

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### Cash Flow

# Monthly Valuation Change

Period : 05/01/2013 - 05/31/2013

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
<b>Grand Total</b>		<b>7,735,802,064.09</b>	<b>(2,298,621.56)</b>	<b>(37,180,017.24)</b>	<b>7,775,280,702.89</b>
<b>Total Global Equity</b>		<b>4,273,593,011.21</b>	<b>10,733,804.46</b>	<b>0.00</b>	<b>4,262,859,206.75</b>
<b>Global Equity</b>		<b>3,683,504,544.39</b>	<b>985,378.76</b>	<b>0.00</b>	<b>3,682,519,165.63</b>
	SSGA R3000 INDEX	1,867,657,712.38	43,045,786.92	0.00	1,824,611,925.46
	SSGA MSCI EAFE	1,257,412,498.83	(30,141,502.69)	0.00	1,287,554,001.52
	SSGA MSCI CANADA	132,093,422.74	(630,377.94)	0.00	132,723,800.68
	SSGA MSCI EM	426,340,910.44	(11,288,527.53)	0.00	437,629,437.97
<b>Global Equity Hedge Funds</b>		<b>590,088,466.82</b>	<b>9,748,425.70</b>	<b>0.00</b>	<b>580,340,041.12</b>
	ASCEND PTRS II	63,189,308.71	285,307.50	0.00	62,904,001.21
	DAVIDSON KEMPNER	68,902,562.61	928,347.03	0.00	67,974,215.58
	ELLIOTT ASSOCIATES	70,427,468.93	971,796.11	0.00	69,455,672.82
	INDUS ASIA PACIFIC	44,523,858.62	541,730.12	0.00	43,982,128.50
	MASON CAPITAL	65,432,297.18	1,783,731.98	0.00	63,648,565.20
	PFM DIVERSIFIED	65,721,074.83	1,247,418.38	0.00	64,473,656.45
	SAMLYN ON/OFFSHORE	71,355,451.56	562,860.79	0.00	70,792,590.77
	THIRD POINT PTRS	68,138,441.06	2,452,708.97	0.00	65,685,732.09
	VIKING GLOBAL EQUITI	72,398,003.32	974,524.82	0.00	71,423,478.50
<b>Private Equity</b>		<b>572,433,930.52</b>	<b>7,755,232.45</b>	<b>(5,166,146.12)</b>	<b>569,844,844.19</b>
<b>Private Equity</b>		<b>572,433,930.52</b>	<b>7,755,232.45</b>	<b>(5,166,146.12)</b>	<b>569,844,844.19</b>
	PRIVATE EQUITY	572,433,930.52	7,755,232.45	(5,166,146.12)	569,844,844.19
<b>Total Fixed Income</b>		<b>1,089,767,977.91</b>	<b>(20,154,104.39)</b>	<b>0.00</b>	<b>1,109,922,082.30</b>
<b>Fixed Income</b>		<b>1,089,767,977.91</b>	<b>(20,154,104.39)</b>	<b>0.00</b>	<b>1,109,922,082.30</b>
	MACKAY SHIELDS	543,517,538.20	(9,758,073.48)	0.00	553,275,611.68
	PYRAMIS GLOBAL ADV	546,250,439.71	(10,396,030.91)	0.00	556,646,470.62
<b>Total Real Return</b>		<b>1,181,369,664.14</b>	<b>(5,005,539.51)</b>	<b>0.00</b>	<b>1,186,375,203.65</b>
<b>Alternative Absolute Return</b>		<b>349,620,207.40</b>	<b>2,628,891.09</b>	<b>0.00</b>	<b>346,991,316.31</b>
	BLUE CREST CAP	21,144,907.51	(119,591.37)	0.00	21,264,498.88
	BREVAN HOWARD	83,826,199.94	24,693.80	0.00	83,801,506.14
	DE SHAW	63,993,461.67	1,622,905.40	0.00	62,370,556.27
	GRAHAM GLOBAL	53,322,035.89	439,855.23	0.00	52,882,180.66
	OZ DOMESTIC PTRS	90,689,153.75	1,428,526.46	0.00	89,260,627.29
	WEXFORD SPECTRUM	5,461,946.00	0.00	0.00	5,461,946.00
	WINTON FUTURE FD	31,182,502.64	(767,498.43)	0.00	31,950,001.07
<b>Alternative Fixed Income</b>		<b>158,211,922.77</b>	<b>2,111,034.32</b>	<b>0.00</b>	<b>156,100,888.45</b>
	BRIGADE LEV CAP	54,179,733.11	197,232.48	0.00	53,982,500.63
	CAPULA GLOBAL	52,026,525.95	603,138.13	0.00	51,423,387.82
	CLAREN ROAD CR. FUND	52,005,663.71	1,310,663.71	0.00	50,695,000.00
<b>Credit</b>		<b>401,051,793.87</b>	<b>(50,062.18)</b>	<b>0.00</b>	<b>401,101,856.05</b>
	PIMCO	200,174,419.91	(108,271.92)	0.00	200,282,691.83
	WAMCO	200,877,373.96	58,209.74	0.00	200,819,164.22
<b>GILBs</b>		<b>272,485,740.10</b>	<b>(9,695,402.74)</b>	<b>0.00</b>	<b>282,181,142.84</b>
	BROWN BROTHERS HARR	272,485,740.10	(9,695,402.74)	0.00	282,181,142.84
<b>Real Estate</b>		<b>299,456,112.23</b>	<b>1,746,964.14</b>	<b>(1,835,955.13)</b>	<b>299,545,103.22</b>

# Monthly Valuation Change

Period : 05/01/2013 - 05/31/2013

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
<b>Real Estate</b>		<b>299,456,112.23</b>	<b>1,746,964.14</b>	<b>(1,835,955.13)</b>	<b>299,545,103.22</b>
	REAL ESTATE	299,456,112.23	1,746,964.14	(1,835,955.13)	299,545,103.22
<b>Total Cash</b>		<b>272,897,709.29</b>	<b>47,043.03</b>	<b>(27,518,075.31)</b>	<b>300,368,741.57</b>
<b>Cash Accounts</b>		<b>272,897,709.29</b>	<b>47,043.03</b>	<b>(27,518,075.31)</b>	<b>300,368,741.57</b>
	ERSRI CASH	271,493,998.29	47,043.03	(26,683,469.31)	298,130,424.57
	CITIZENS CASH	1,403,711.00	0.00	(834,606.00)	2,238,317.00
<b>Total Other</b>		<b>41,637,514.10</b>	<b>1,977,960.60</b>	<b>0.00</b>	<b>39,659,553.50</b>
<b>Other</b>		<b>41,637,514.10</b>	<b>1,977,960.60</b>	<b>0.00</b>	<b>39,659,553.50</b>
	RUSSELL OVERLAY FD	41,637,514.10	1,977,960.60	0.00	39,659,553.50
<b>Total Miscellaneous</b>		<b>4,646,144.69</b>	<b>600,017.66</b>	<b>(2,659,840.68)</b>	<b>6,705,967.71</b>
<b>Miscellaneous Accounts</b>		<b>4,646,144.69</b>	<b>600,017.66</b>	<b>(2,659,840.68)</b>	<b>6,705,967.71</b>
	RI TRANS ACCT	199,318.93	(5,488.28)	0.00	204,807.21
	SHOTT CAPITAL	2,030,721.16	594,383.99	(2,659,840.68)	4,096,177.85
	DOM EQUITY TRANS	74.25	0.00	0.00	74.25
	NON-US EQUITY TRANS	3,274.79	(103.01)	0.00	3,377.80
	FIXED INC TRANS	502,351.86	16,245.37	0.00	486,106.49
	MACKAY SHIELDS LLC	1,910,403.20	(5,020.41)	0.00	1,915,423.61
	TAPLIN CANIDA HAB	0.50	0.00	0.00	0.50

## Custodian Inception To Date Valuation Change

Period : 11/01/2012 - 05/31/2013

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
<b>Grand Total</b>		<b>7,735,802,064.09</b>	<b>627,769,275.54</b>	<b>(273,223,122.61)</b>	<b>7,381,255,911.16</b>
<b>Total Global Equity</b>		<b>4,273,593,011.21</b>	<b>506,324,155.38</b>	<b>313,945.15</b>	<b>3,766,954,910.68</b>
<b>Global Equity</b>		<b>3,683,504,544.39</b>	<b>451,551,278.56</b>	<b>313,945.15</b>	<b>3,231,639,320.68</b>
	SSGA MSCI CANADA	132,093,422.74	386,843.57	12,829.04	131,693,750.13
	SSGA MSCI EAFE	1,257,412,498.83	157,957,498.69	108,746.38	1,099,346,253.76
	SSGA MSCI EM	426,340,910.44	10,013,029.74	135,790.67	416,192,090.03
	SSGA R3000 INDEX	1,867,657,712.38	283,193,906.56	56,579.06	1,584,407,226.76
<b>Global Equity Hedge Funds</b>		<b>590,088,466.82</b>	<b>54,772,876.82</b>	<b>0.00</b>	<b>535,315,590.00</b>
	ASCEND PTRS II	63,189,308.71	2,203,028.71	0.00	60,986,280.00
	DAVIDSON KEMPNER	68,902,562.61	4,856,282.61	0.00	64,046,280.00
	ELLIOTT ASSOCIATES	70,427,468.93	5,240,708.93	0.00	65,186,760.00
	INDUS ASIA PACIFIC	44,523,858.62	2,851,498.62	0.00	41,672,360.00
	MASON CAPITAL	65,432,297.18	8,719,097.18	0.00	56,713,200.00
	PFM DIVERSIFIED	65,721,074.83	7,653,554.83	0.00	58,067,520.00
	SAMLYN ON/OFFSHORE	71,355,451.56	6,480,391.56	0.00	64,875,060.00
	THIRD POINT PTRS	68,138,441.06	11,925,091.06	0.00	56,213,350.00
	VIKING GLOBAL EQUITI	72,398,003.32	4,843,223.32	0.00	67,554,780.00
<b>Private Equity</b>		<b>572,433,930.52</b>	<b>40,600,989.73</b>	<b>(74,898,507.13)</b>	<b>606,731,447.92</b>
<b>Private Equity</b>		<b>572,433,930.52</b>	<b>40,600,989.73</b>	<b>(74,898,507.13)</b>	<b>606,731,447.92</b>
	PRIVATE EQUITY	572,433,930.52	40,600,989.73	(74,898,507.13)	606,731,447.92
<b>Total Fixed Income</b>		<b>1,089,767,977.91</b>	<b>(7,638,943.16)</b>	<b>1,482,609.33</b>	<b>1,095,924,311.74</b>
<b>Fixed Income</b>		<b>1,089,767,977.91</b>	<b>(7,638,943.16)</b>	<b>1,482,609.33</b>	<b>1,095,924,311.74</b>
	MACKAY SHIELDS	543,517,538.20	(3,717,228.81)	0.00	547,234,767.01
	PYRAMIS GLOBAL ADV	546,250,439.71	(3,921,714.35)	1,482,609.33	548,689,544.73
<b>Total Real Return</b>		<b>1,181,369,664.14</b>	<b>46,910,671.72</b>	<b>240,918,118.37</b>	<b>893,540,874.05</b>
<b>Alternative Absolute Return</b>		<b>349,620,207.40</b>	<b>33,594,473.16</b>	<b>(49,157,515.76)</b>	<b>365,183,250.00</b>
	BLUE CREST CAP	21,144,907.51	177,407.51	0.00	20,967,500.00
	BREVAN HOWARD	83,826,199.94	7,103,824.94	0.00	76,722,375.00
	DE SHAW	63,993,461.67	9,132,761.67	0.00	54,860,700.00
	GRAHAM GLOBAL	53,322,035.89	2,596,335.89	0.00	50,725,700.00
	OZ DOMESTIC PTRS	90,689,153.75	8,413,928.75	0.00	82,275,225.00
	WEXFORD SPECTRUM	5,461,946.00	3,621,811.76	(49,157,515.76)	50,997,650.00
	WINTON FUTURE FD	31,182,502.64	2,548,402.64	0.00	28,634,100.00
<b>Alternative Fixed Income</b>		<b>158,211,922.77</b>	<b>3,713,948.64</b>	<b>15,075,634.13</b>	<b>139,422,340.00</b>
	BRIGADE LEV CAP	54,179,733.11	2,646,633.11	0.00	51,533,100.00
	CAPULA GLOBAL	52,026,525.95	2,202,925.95	0.00	49,823,600.00
	CLAREN ROAD CR. FUND	52,005,663.71	2,005,663.71	50,000,000.00	0.00
	GRACIE CREDIT FUND	0.00	(3,141,274.13)	(34,924,365.87)	38,065,640.00
<b>Credit</b>		<b>401,051,793.87</b>	<b>1,051,793.87</b>	<b>400,000,000.00</b>	<b>0.00</b>
	PIMCO	200,174,419.91	174,419.91	200,000,000.00	0.00
	WAMCO	200,877,373.96	877,373.96	200,000,000.00	0.00
<b>GILBs</b>		<b>272,485,740.10</b>	<b>8,550,456.05</b>	<b>(125,000,000.00)</b>	<b>388,935,284.05</b>
	BROWN BROTHERS HARR	272,485,740.10	8,550,456.05	(125,000,000.00)	388,935,284.05

## Custodian Inception To Date Valuation Change

Period : 11/01/2012 - 05/31/2013

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
<b>Real Estate</b>		<b>299,456,112.23</b>	<b>15,240,374.42</b>	<b>9,048,017.61</b>	<b>275,167,720.20</b>
<b>Real Estate</b>		<b>299,456,112.23</b>	<b>15,240,374.42</b>	<b>9,048,017.61</b>	<b>275,167,720.20</b>
	REAL ESTATE	299,456,112.23	15,240,374.42	9,048,017.61	275,167,720.20
<b>Total Cash</b>		<b>272,897,709.29</b>	<b>(828,083.42)</b>	<b>(374,900,677.11)</b>	<b>648,626,469.82</b>
<b>Cash Accounts</b>		<b>272,897,709.29</b>	<b>(828,083.42)</b>	<b>(374,900,677.11)</b>	<b>648,626,469.82</b>
	CITIZENS CASH	1,403,711.00	0.00	1,403,711.00	0.00
	ERSRI CASH	271,493,998.29	(828,083.42)	(376,304,388.11)	648,626,469.82
<b>Total Other</b>		<b>41,637,514.10</b>	<b>26,891,838.84</b>	<b>(55,000,000.00)</b>	<b>69,745,675.26</b>
<b>Other</b>		<b>41,637,514.10</b>	<b>26,891,838.84</b>	<b>(55,000,000.00)</b>	<b>69,745,675.26</b>
	RUSSELL OVERLAY FD	41,637,514.10	26,891,838.84	(55,000,000.00)	69,745,675.26
<b>Total Miscellaneous</b>		<b>4,646,144.69</b>	<b>268,272.03</b>	<b>(20,186,628.83)</b>	<b>24,564,501.49</b>
<b>Miscellaneous Accounts</b>		<b>4,646,144.69</b>	<b>268,272.03</b>	<b>(20,186,628.83)</b>	<b>24,564,501.49</b>
	BROWN BROS BOND	0.00	(1,271,132.15)	(629,969.37)	1,901,101.52
	BROWN BROS HARR	0.00	(218,440.75)	217,827.78	612.97
	DOM EQUITY TRANS	74.25	(66,717.51)	66,634.41	157.35
	FIDELITY MGMT	0.00	(64,776.86)	(351,063.60)	415,840.46
	FIXED INC TRANS	502,351.86	685,681.04	(16,029,090.43)	15,845,761.25
	MACKAY SHIELDS LLC	1,910,403.20	306,643.74	(3,287,514.62)	4,891,274.08
	NON-US EQUITY TRANS	3,274.79	(89,503.67)	74,846.86	17,931.60
	RI TRANS ACCT	199,318.93	(87,995.43)	(145,170.04)	432,484.40
	SHOTT CAPITAL	2,030,721.16	1,067,952.13	(23,870.57)	986,639.60
	TAPLIN CANIDA HAB	0.50	6,561.49	(79,259.25)	72,698.26

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2013	FY 2012-13												
	TOTAL	Projected June	Actual May	Actual April	Actual March	Actual February	Actual January 2013	Actual December	Actual November	Actual October	Actual September	Actual August	Actual July 2012
MEMBER BENEFITS	837,561,758	70,000,000	69,266,067	69,533,528	69,672,763	69,700,687	69,847,694	69,843,970	69,849,685	69,952,061	70,150,727	70,338,986	69,405,592
ADMINISTRATIVE EXPENSES	6,838,970	897,153	453,061	517,020	662,098	550,670	552,758	617,477	611,739	442,410	541,540	705,326	287,720
INVESTMENT EXPENSES	4,732,527	420,419	172,318	301,668	450,999	220,096	59,358	445,386	85,286	1,078,332	334,436	209,630	954,598
TOTAL OUTFLOW	849,133,255	71,317,572	69,891,446	70,352,216	70,785,860	70,471,454	70,459,810	70,906,833	70,546,710	71,472,802	71,026,703	71,253,942	70,647,910
CONTRIBUTIONS	431,831,811	46,667,601	31,828,584	35,569,085	39,422,719	33,108,869	35,845,503	41,301,246	27,947,918	35,941,474	21,497,658	28,770,623	53,930,531
OTHER INCOME*	78,432,373	11,059,760	6,903,236	4,371,211	8,611,826	3,375,926	2,341,228	9,530,600	8,735,970	7,613,442	7,523,067	2,906,960	5,459,146
TOTAL INCOME	510,264,184	57,727,361	38,731,820	39,940,296	48,034,545	36,484,795	38,186,731	50,831,846	36,683,888	43,554,916	29,020,725	31,677,583	59,389,677
DIFFERENCE	(338,869,071)	(13,590,211)	(31,159,626)	(30,411,920)	(22,751,315)	(33,986,658)	(32,273,078)	(20,074,986)	(33,862,822)	(27,917,885)	(42,005,978)	(39,576,359)	(11,258,232)

Municipal Employees Retirement System

FISCAL YEAR 2013	FY 2012-13												
	TOTAL	Projected June	Actual May	Actual April	Actual March	Actual February	Actual January 2013	Actual December	Actual November	Actual October	Actual September	Actual August	Actual July 2012
MEMBER BENEFITS	84,607,066	7,000,000	7,102,264	7,107,481	7,037,882	7,123,762	7,129,449	7,060,546	7,042,964	6,997,104	7,109,456	7,007,580	6,888,578
ADMINISTRATIVE EXPENSES	1,355,944	174,971	91,479	104,125	132,873	110,253	109,675	122,747	121,378	87,420	106,647	138,204	56,172
INVESTMENT EXPENSES	935,736	81,994	34,793	60,754	90,509	44,067	11,778	88,538	16,922	213,079	65,861	41,076	186,366
TOTAL OUTFLOW	86,898,746	7,256,965	7,228,536	7,272,361	7,261,263	7,278,082	7,250,902	7,271,831	7,181,264	7,297,604	7,281,964	7,186,860	7,131,115
CONTRIBUTIONS	50,108,836	5,420,386	3,503,059	4,320,753	4,111,725	3,834,860	4,570,476	4,191,495	3,603,314	4,354,978	3,491,224	3,512,997	5,193,569
OTHER INCOME*	15,549,135	2,156,973	1,393,850	880,339	1,728,258	675,913	464,535	1,894,570	1,733,348	1,504,423	1,481,536	569,601	1,065,789
TOTAL INCOME	65,657,971	7,577,359	4,896,909	5,201,092	5,839,983	4,510,773	5,035,011	6,086,065	5,336,662	5,859,401	4,972,760	4,082,598	6,259,358
DIFFERENCE	(21,240,775)	320,395	(2,331,627)	(2,071,268)	(1,421,280)	(2,767,309)	(2,215,891)	(1,185,765)	(1,844,602)	(1,438,203)	(2,309,204)	(3,104,262)	(871,758)



**CASH FLOW ANALYSIS - INCOME & EXPENSES**

**State Police  
Retirement System**

	TOTAL	Projected June	Actual May	Actual April	Actual March	Actual February	Actual January 2013	Actual December	Actual November	Actual October	Actual September	Actual August	Actual July 2012
MEMBER BENEFITS	962,317	70,000	96,137	96,137	106,480	80,668	85,611	83,113	68,708	68,708	68,708	68,708	69,340
ADMINISTRATIVE EXPENSES	96,321	12,041	6,700	7,591	9,628	7,949	7,794	8,771	8,626	6,178	7,500	9,649	3,893
INVESTMENT EXPENSES	66,199	5,642	2,548	4,429	6,558	3,177	837	6,327	1,203	15,059	4,632	2,868	12,918
TOTAL OUTFLOW	1,124,837	87,683	105,386	108,158	122,666	91,794	94,242	98,211	78,536	89,945	80,840	81,225	86,151
CONTRIBUTIONS	4,027,317	475,000	461,137	266,137	396,480	270,668	270,611	273,113	288,708	278,708	263,708	408,708	374,340
OTHER INCOME*	1,104,403	148,433	102,087	64,180	125,231	48,734	33,014	135,383	123,185	106,322	104,193	39,765	73,875
TOTAL INCOME	5,131,719	623,433	563,225	330,318	521,711	319,402	303,624	408,496	411,893	385,030	367,901	448,473	448,215
DIFFERENCE	4,006,883	535,750	457,839	222,160	399,045	227,607	209,382	310,285	333,357	295,085	287,061	367,248	362,064

**Judicial  
Retirement System**

	TOTAL	Projected June	Actual May	Actual April	Actual March	Actual February	Actual January 2013	Actual December	Actual November	Actual October	Actual September	Actual August	Actual July 2012
MEMBER BENEFITS	1,495,857	121,000	128,810	128,810	128,810	128,810	134,294	120,887	120,887	120,887	120,887	120,887	120,887
ADMINISTRATIVE EXPENSES	49,221	6,203	3,425	3,859	4,919	4,062	3,987	4,484	4,412	3,161	3,839	4,934	1,935
INVESTMENT EXPENSES	33,872	2,907	1,303	2,252	3,351	1,624	428	3,235	615	7,705	2,370	1,466	6,618
TOTAL OUTFLOW	1,578,950	130,110	133,538	134,920	137,080	134,496	138,709	128,606	125,915	131,753	127,096	127,287	129,440
CONTRIBUTIONS	2,735,857	196,000	213,810	208,810	313,810	213,810	209,294	215,887	210,887	215,887	210,887	325,887	200,887
OTHER INCOME*	565,190	76,466	52,188	32,625	63,982	24,905	16,887	69,215	63,011	54,401	53,324	20,337	37,848
TOTAL INCOME	3,301,047	272,466	265,998	241,435	377,792	238,715	226,181	285,102	273,899	270,288	264,211	346,224	238,735
DIFFERENCE	1,722,096	142,356	132,461	106,515	240,712	104,219	87,472	156,496	147,984	138,535	137,115	218,937	109,295

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

FISCAL YEAR 2013

DIRECT BILLED INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

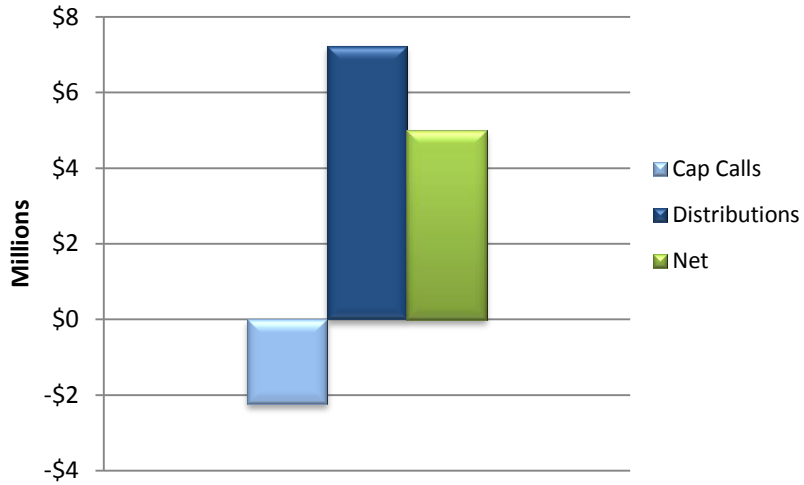
ACCURAL BASIS

	Actual Jul 12	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 13	Actual Feb	Actual Mar	Actual Apr	Projected May	Projected June	Projected TOTAL
<b>EQUITIES</b>													
SSgA Russell 1000/S&P 500			27,895			0			0			0	27,895
SSGA Russell 2000/3000			25,130			49,972			54,458			50,000	179,560
Shott Capital			1,164			4,665			6,243			1,700	13,772
			<u>54,189</u>			<u>54,636</u>			<u>60,701</u>			<u>51,700</u>	221,226
<b>FIXED INCOME</b>													
Brown Bros.			183,058			0			0			0	183,058
Pyramis			143,469			123,066			175,246			140,446	582,226
Taplin			205,941			4,567			0			0	210,509
Mackay Shields			215,552			129,982			129,982			185,000	660,516
Brown Bros.TIPS/GILB			108,086			110,349			112,265			115,000	445,700
			856,105			367,964			417,492			440,446	2,082,008
<b>INT'L EQUITIES</b>													
SSgA MSCI ACWI			97,138			0			0			0	97,138
SSGA MSCI EAFE			24,067			84,679			91,452			85,000	285,198
SSGA MSCI CAD			2,928			9,901			10,102			10,000	32,931
SSGA MSCI Emerg Mkts			29,321			106,470			110,192			110,000	355,983
	0		153,454	0		201,050			211,746			205,000	771,251
<b>CREDIT</b>													
WAMCO									28,288				28,288
PIMCO									0				0
									28,288				28,288
<b>REAL ESTATE</b>													
Direct Billed Real Estate	129,888	122,709	79,437	802,275	0	197,115	0	0	77,266	134,488	121,978	96,354	1,761,510
<b>ALTERNATIVE INVESTMENTS</b>													
Direct Billed Private Equity	1,030,612	132,331	327,863	511,900	104,026	346,370	72,401	268,964	474,151	234,616	88,984	414,608	4,006,825
<b>SUB TOTAL-INV MGMT FEES</b>													
	1,160,500	255,040	1,471,048	1,314,175	104,026	1,167,136	72,401	268,964	1,269,645	369,103	210,962	1,208,107	8,871,108
<b>PROFESSIONAL FEES</b>													
Legal	5,829	4,894	7,054	0	4,144	8,794	0	3,144	11,594	24,719	0	3,806	73,977
St St BankBNY Mellon - Cust	60,268	62,284	60,084	59,995	30,012	31,262	30,643	30,569	30,522	29,602	31,000	31,000	487,241
Cliffwater	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	450,000
PCA/Russell	13,125	13,125	96,607	13,125	13,125	112,514	13,125	13,125	81,036	13,125	13,125	13,125	408,284
PCA Real Estate	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	35,417	10,417	10,417	150,003
	127,139	128,220	211,662	121,037	95,198	200,486	91,685	94,756	171,068	140,363	92,042	95,848	1,569,504
<b>OPERATING EXPENSE</b>													
Retirement Transfers	202,402	724,514	466,139	517,108	571,641	545,622	545,053	537,772	607,063	510,434	456,372	818,188	6,502,309
Other Expense	0	7,150	5,925	0	6,250	5,925	0	7,500	12,525	5,400	6,250	5,700	62,625
	202,402	731,664	472,064	517,108	577,891	551,547	545,053	545,272	619,588	515,834	462,622	823,888	6,564,934
<b>TOTAL:</b>	1,490,042	1,114,924	2,154,773	1,952,321	777,115	1,919,169	709,139	908,992	2,060,301	1,025,300	765,627	2,127,844	17,005,546

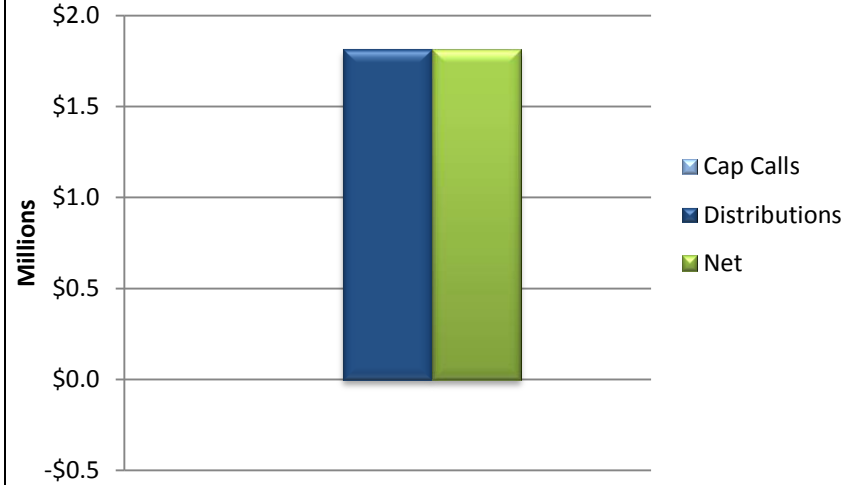
Note: Numbers in bold are actual.

# Private Equity & Real Estate Cash Flow

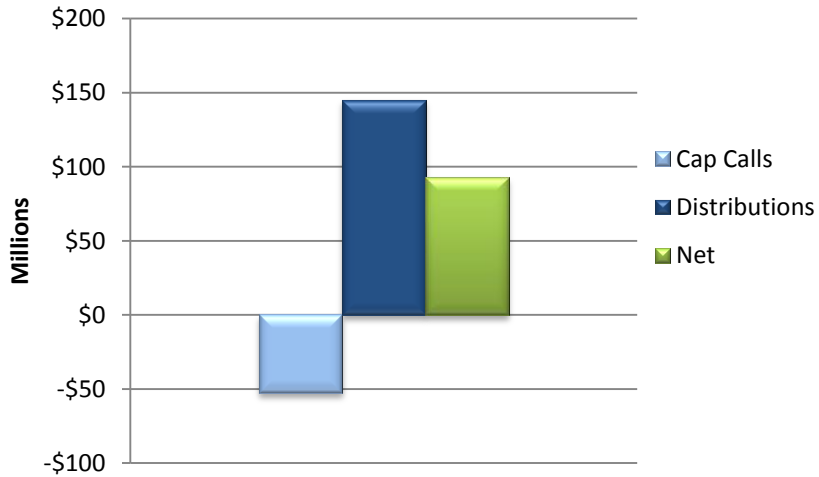
## Private Equity – May 2013



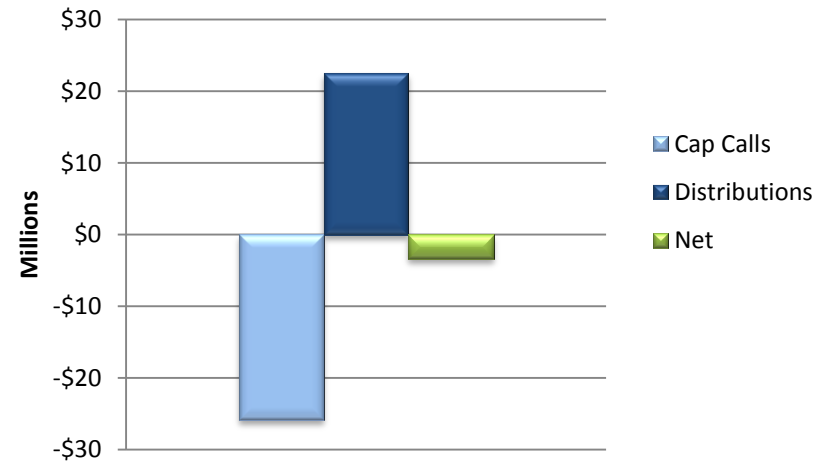
## Real Estate – May 2013



## Private Equity – Fiscal YTD



## Real Estate – Fiscal YTD

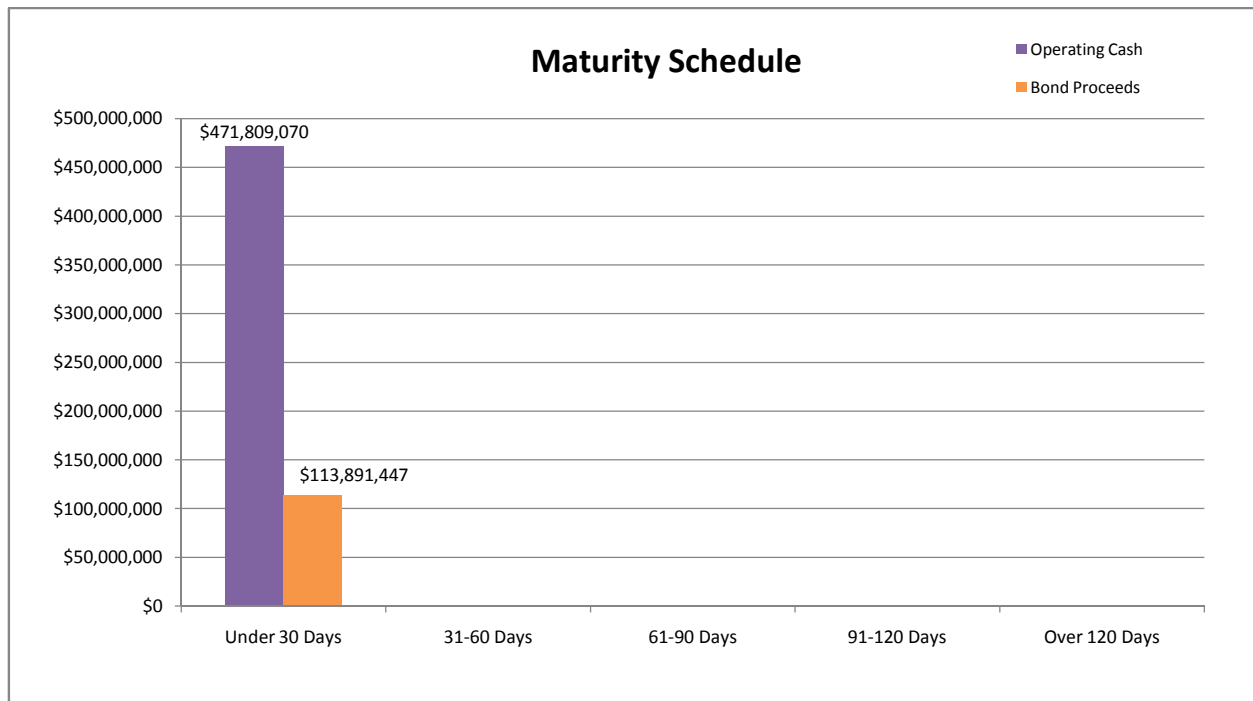


## Section VIII.

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# Short-Term Investments

**Short-Term Investment Maturity Schedule & SIC Compliance Report at May 31, 2013**



Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	GID	OSIP	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	50%/50%	
OSIP	0	0	0	0	0	0	0	189,213,942	189,213,942
	0%	0%	0%	0%	0%	0%	0%	40%	40.10%
Bank RI	0	15,080,167	0	0	0	0	0	0	15,080,167
	0%	3%	0%	0%	0%	0%	0%	0%	3.20%
Sovereign Bank	0	0	0	0	126,897,358	0	0	0	126,897,358
	0%	0%	0%	0%	27%	0%	0%	0%	26.90%
JP Morgan Chase	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Federated Investors	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Fidelity	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
BlackRock	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Wells Fargo	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Citizens Bank	0	0	0	0	3,088,800	0	0	0	3,088,800
	0%	0%	0%	0%	1%	0%	0%	0%	0.65%
Webster Bank	0	0	0	0	87,321,965	0	0	0	87,321,965
	0%	0%	0%	0%	19%	0%	0%	0%	18.51%
Oppenheimer Inc	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	25,169,145	0	25,037,694	0	0	0	0	50,206,839
	0%	5%	0%	5%	0%	0%	0%	0%	10.64%
<b>TOTALS</b>	-	<b>40,249,311</b>	-	<b>25,037,694</b>	<b>217,308,123</b>	-	-	<b>189,213,942</b>	<b>471,809,070</b>
<b>(%) PORTFOLIO</b>	<b>0.00%</b>	<b>8.53%</b>	<b>0.00%</b>	<b>5.31%</b>	<b>46.06%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>40.10%</b>	<b>100.00%</b>

**Note: PIP + CD must be under 75%.**

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

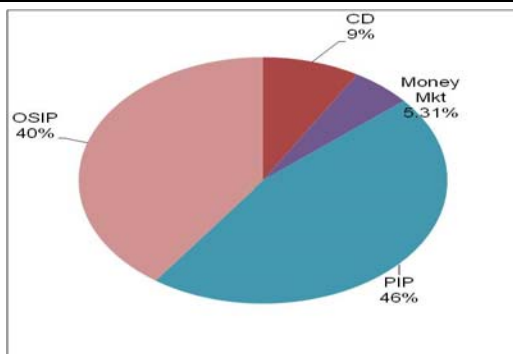
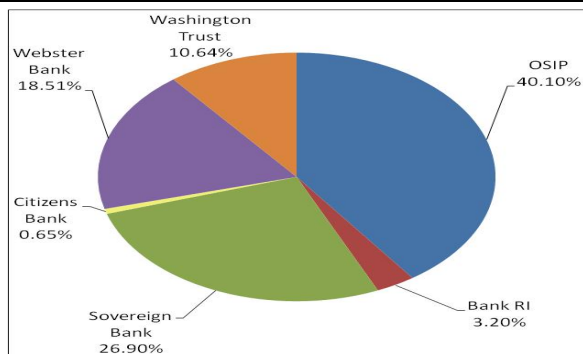
**State of Rhode Island**  
**Short Term Cash Monthly Performance**  
**Performance for**  
**May 01, 2013 to May 31, 2013**

<b>Fund Name</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Average Daily Balance</b>	<b>Earnings</b>	<b>Yield(Annual)</b>
GENERAL FUND	\$ 228,572,182.91	\$ 170,727,743.02	\$ 225,672,182.91	\$ 55,560.11	0.2899%
H.A.V.A	\$ 294.56	\$ 294.58	\$ 294.56	\$ 0.02	0.0799%
GENERAL FUND (HIST PRES)	\$ 537,159.18	\$ 537,208.46	\$ 537,159.18	\$ 49.28	0.1080%
HISTORIC TAX CREDITS	\$ 202,292.06	\$ 102,310.03	\$ 195,840.45	\$ 17.97	0.1080%
HIGHWAY FUND	\$ 11,155,786.42	\$ 8,357,301.77	\$ 10,820,302.55	\$ 1,515.35	0.1649%
T.D.I. RESERVE (DET)	\$ 69,885,939.04	\$ 102,308,061.39	\$ 98,195,616.46	\$ 22,122.35	0.2653%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	-
RICAP GL FUND 21	\$ 95,788,011.46	\$ 86,301,333.47	\$ 90,417,043.72	\$ 13,322.01	0.1735%
BOND CAPITAL FUND	\$ 4,768,589.85	\$ 5,069,552.89	\$ 5,065,364.05	\$ 963.04	0.2239%
R.I. CLEAN WATER ACT	\$ 3,177,558.40	\$ 3,177,814.26	\$ 3,177,558.40	\$ 255.86	0.0948%
STATE LOTTERY FUND	\$ 48,323,749.55	\$ 52,932,472.21	\$ 45,888,265.68	\$ 8,722.66	0.2238%
ASSESSED FRINGE BEN ADM	\$ 7,755.92	\$ 7,756.33	\$ 7,755.92	\$ 0.41	0.0622%
AUTO EQUIPMENT SERVICE	\$ 301,176.00	\$ 301,191.35	\$ 301,176.00	\$ 15.35	0.0600%
HEALTH INSURANCE FUND	\$ 26,468,744.65	\$ 24,271,072.78	\$ 25,517,131.75	\$ 2,328.13	0.1074%
FLEET REVOLVING LOAN FUND	\$ 7,611,201.55	\$ 7,612,736.78	\$ 7,611,201.55	\$ 1,535.23	0.2375%
EMPLOYEES RETIREMENT	\$ 1,063,016.26	\$ 266,604.86	\$ 15,569,467.88	\$ 3,588.60	0.2714%
MUNICIPAL EMPLOYEES RET.	\$ 312,839.04	\$ 13,251.14	\$ 1,941,871.30	\$ 412.10	0.2499%
RETIREE HEALTH FUND	\$ 1,789,693.05	\$ 1,089,779.31	\$ 909,047.89	\$ 86.26	0.1117%
BOG RETIREE FUND	\$ 9,183.20	\$ 9,184.04	\$ 9,183.20	\$ 0.84	0.1077%
RIPTA HEALTH FUND	\$ 466.69	\$ 466.73	\$ 466.69	\$ 0.04	0.1009%
PERMANENT SCHOOL FUND	\$ 1,933,012.03	\$ 1,933,189.33	\$ 1,933,012.03	\$ 177.30	0.1080%
TEACHER RETIREE HEALTH FUND	\$ 806,081.28	\$ 806,155.23	\$ 806,081.28	\$ 73.95	0.1080%
RI ST POL RETIREE HEALTH	\$ 717.81	\$ 717.88	\$ 717.81	\$ 0.07	0.1148%
RI LEG RETIREE HEALTH	\$ 195.05	\$ 195.06	\$ 195.05	\$ 0.01	0.0604%
RI JUDICIAL RETIREE HEALTH	\$ 15,134.24	\$ 15,135.01	\$ 15,134.24	\$ 0.77	0.0599%
UNIVERSITY COLLEGE	\$ 3,908,074.19	\$ 2,008,349.11	\$ 3,011,300.00	\$ 274.92	0.1075%
HIGHER EDUCATION	\$ 1,205,886.41	\$ 805,986.09	\$ 1,089,757.38	\$ 99.68	0.1077%
INDUS. BLDG. & MTG. INS.	\$ 3,152,917.56	\$ 3,153,206.79	\$ 3,152,917.56	\$ 289.23	0.1080%
<b>Operating Funds Totals</b>	<b>\$ 510,997,658.36</b>	<b>\$ 471,809,069.90</b>	<b>\$ 541,846,045.49</b>	<b>\$ 111,411.54</b>	<b>0.242%</b>
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	-
CCDL1993A	\$ 7,385.89	\$ 7,385.93	\$ 7,385.54	\$ 0.68	0.1084%
BOND CCDL 1994 SERIES A	\$ 15,001.29	\$ 15,001.38	\$ 15,000.58	\$ 1.38	0.1083%
BOND CCBL96A	\$ -	\$ -	\$ -	\$ -	-
CAP DEV OF 1997 SERIES A	\$ 41,015.87	\$ 41,016.10	\$ 41,013.93	\$ 3.76	0.1079%
CCDL1998A	\$ 1,695,979.28	\$ 1,695,989.04	\$ 1,695,899.31	\$ 155.58	0.1080%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
MMG099 1999	\$ -	\$ -	\$ -	\$ -	-
BOND CAPITOL CCDL2000A	\$ 102,392.96	\$ 102,393.55	\$ 102,388.13	\$ 9.39	0.1080%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	-
CCDL2001C	\$ 201,344.18	\$ 201,345.34	\$ 201,334.69	\$ 18.47	0.1080%
CCDL2002B	\$ -	\$ -	\$ -	\$ -	-
CCDL 2004 SERIES A	\$ 3,010,695.75	\$ 3,009,222.58	\$ 3,010,121.03	\$ 276.14	0.1080%
BOND CCDL 2005 SERIES C	\$ 7,222,592.06	\$ 7,207,577.57	\$ 7,217,879.99	\$ 662.13	0.1080%
BOND CCDL 2005 SERIES E	\$ 717,080.30	\$ 717,084.39	\$ 717,046.47	\$ 65.78	0.1080%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	-
BOND CCDL 2006 SERIES C	\$ 2,438,596.91	\$ 2,438,611.04	\$ 2,438,481.98	\$ 223.70	0.1080%
GO BND-NTAX 2007 SERIES A	\$ 5,938,848.62	\$ 5,938,882.77	\$ 5,938,568.60	\$ 544.78	0.1080%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	-
GO BND-NTAX 2008 SERIES B	\$ 431,617.57	\$ 349,822.68	\$ 407,850.25	\$ 37.35	0.1078%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	-
CCDL10B BOND CAPITAL COMPONENT	\$ 1,833,381.24	\$ 1,833,391.78	\$ 1,833,294.79	\$ 168.18	0.1080%
CCDL10C	\$ 161,589.62	\$ 161,604.44	\$ 161,589.62	\$ 14.82	0.1080%
CCDL10D	\$ 103,924.88	\$ 103,925.47	\$ 103,919.98	\$ 9.53	0.1080%
CCDL2011A	\$ 30,231,751.59	\$ 29,770,056.02	\$ 30,096,217.15	\$ 2,760.56	0.1080%
CCDL2012B	\$ 58,357,241.07	\$ 58,350,895.28	\$ 58,352,549.39	\$ 5,353.02	0.1080%
CLEAN WATER CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER CCDL 1994 (A)	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER CCDL 2002 B	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2004 SERIES A	\$ 222,540.34	\$ 222,541.62	\$ 222,529.85	\$ 20.41	0.1080%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	-
CCDL99A 1999A	\$ 205,307.00	\$ 205,308.18	\$ 205,297.32	\$ 18.83	0.1080%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2007 SERIES A	\$ 283,276.42	\$ 283,278.05	\$ 283,263.06	\$ 25.99	0.1080%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	-
CCDL10B CLEAN WATER COMPONENT	\$ -	\$ -	\$ -	\$ -	-
CCDL2011A CLEAN WATER COMPONENT	\$ 1,236,106.28	\$ 1,236,113.39	\$ 1,236,048.00	\$ 113.39	0.1080%
CCDL2011A POLL CTRL CMPNT	\$ -	\$ -	\$ -	\$ -	-
<b>Bond Proceeds Fund Totals</b>	<b>\$ 114,457,669.12</b>	<b>\$ 113,891,446.60</b>	<b>\$ 114,287,679.66</b>	<b>\$ 10,483.87</b>	<b>0.108%</b>
TANS PROCEEDS	\$ -	\$ -	\$ -	\$ -	-
<b>Grand Totals</b>	<b>\$ 625,455,327.48</b>	<b>\$ 585,700,516.50</b>	<b>\$ 656,133,725.15</b>	<b>\$ 121,895.41</b>	<b>0.219%</b>

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

**Issuer Credit Ratings  
May 31, 2013**

Issuer	Type of Instrument*	Month End % Portfolio	Issuer Ratings			S-T Debt Rating		L-T Debt Rating		Credit Outlook
			Moody's	Moody's	S&P	Moody's	S&P	S&P		
Bank RI	3,4	2.95%	N/R	N/A	N/A	N/A	N/A	N/A	N/A	
Sovereign Bank	3,4	33.81%	Baa2	P-2	A-2	Baa2	BBB		Negative	
Bank of America		0.00%	Baa2	P-2	A-2	Baa2	A-		Negative	
JP Morgan Chase		0.00%	A2	P-1	A-1	A2	A		Negative	
Federated		0.00%	N/R	N/A	N/A	N/A	N/A		N/A	
Fidelity		0.00%	N/R	N/A	N/A	N/A	N/A		N/A	
BlackRock Inc.		0.00%	A1	P-1	A-1	A1	A+		Stable	
State Street Bank & Trust Company		0.00%	Aa2	P-1	A-1+	Aa2	AA-		Stable	
RBS Citizens	3,4	0.53%	A3	P-2	A-1	A3	A		Negative	
Webster Bank	3,4	15.71%	A3	P-2	A-2	A3	BBB		Positive	
Oppenheimer		0.00%	N/A	N/A	N/A	B2	B		Stable	
Ocean State Investment Pool	6	37.18%	N/R	N/A	N/A	N/A	N/A		N/A	
Washington Trust	3,7	9.82%	N/R	N/A	N/A	N/A	N/A		N/A	
First Tennessee Bank		0.00%	Baa1	P-2	A-2	Baa1	BBB		Negative	
Merrill Lynch	2,5,6	0.00%	Baa2	(P)P-2	A-2	Baa2	A-		Negative	
Morgan Stanley	1,2,5	0.00%	Baa1	P-2	A-2	Baa1	A-		Negative	
UBS		0.00%	A2	P-1	A-1	A2	A		Stable	



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

**Ratings Definitions**

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

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

**Moody's Issuer Rating Symbols:**

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

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

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

**Modifiers:**

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

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

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

**S&P Outlook Definitions:**

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

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

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

## Section IX.

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### Defined Contribution Plan



# Q1 2013 Performance Summary -- State of Rhode Island

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)	
TIAA-CREF	Manager	AUM	Gross	Net	Net	Rev	Recent Returns	Annualized Total Returns as of 3/31/13								Since	Incep.	Sharpe Ratio	Std. Deviation	Tracking Error					
As of 03/31/2013	Ticker	Tenure	\$ Millions	ER	ER	%-ile	Share	1 Month	YTD	1 Year	%-ile	3 Year	%-ile	5 Year	%-ile	10 Year	%-ile	Incep.	Date	3 Year	%-ile	3 Year	%-ile	3 Year	
<b>Stable Value/Guaranteed &amp; Money Market</b>																									
<b>Stable Value/Guaranteed</b>																									
TIAA Stable Value****	Current crediting rate = 1.75							0.15	0.72	1.88															
<b>Money Market</b>																									
Vanguard Prime Money Market Inv	VMMXX	9.75	113,078.00	0.16	0.16		0.00	-	-	0.03		0.05		0.49		1.80		06/04/75	(3.80)		0.01				
<b>Yields: 7-Day Yield: 0.01%</b>																									
<i>Citi 3-Month Treasury Bill</i>																									
								0.01	0.03	0.08		0.09		0.31		1.66									
<b>FIXED INCOME</b>																									
<b>Intermediate-Term Bond</b>																									
Vanguard Total Bond Market Index Signal	VBTSX	20.33	105,701.00	0.10	0.10	1	0.00	(1.70)	(0.85)	3.81	79	5.49	69	5.43	66			5.87	09/01/06	2.08	63	2.54	55	1.65	
Barclays U.S. Aggregate Float Adjusted Index								(1.77)	(0.88)	3.89		5.59								2.20		2.42			
Intermediate-Term Bond Median				0.94	0.85			(1.71)	(0.44)	5.40		6.05		5.90		4.93				2.22		2.50		2.44	
Intermediate-Term Bond Number of Funds						1,269				1,158	1,158	1,005	1,005	879	878	609	606			1,005	1,005	1,005	1,005	1,005	
<b>Inflation-Linked Bond</b>																									
PIMCO Real Return Instl <sup>1,2</sup>	PRRIX	5.33	22,601.00	0.47	0.45	16	0.00	(4.60)	(3.69)	7.61	2	9.12	2	6.77	1	6.91	3	7.73	01/29/97	1.94	12	4.51	86	1.05	
Barclays US Treasury US TIPS TR USD								(4.36)	(3.95)	5.68		8.57		5.89		6.32				1.91		4.32			
Inflation-Protected Bond Median				0.92	0.76			(4.28)	(3.92)	4.95		7.75		5.17		5.74				1.79		4.25		0.64	
Inflation-Protected Bond Number of Funds						217				198	198	180	180	148	148	42	41			180	180	180	180	180	
<b>Equity</b>																									
<b>Large Cap Blend - Index</b>																									
Vanguard 500 Index Signal	VIFSX	21.33	114,204.00	0.05	0.05	-	0.00	2.34	15.35	13.93	31	12.65	16	5.83	27			4.76	09/29/06	0.86	14	15.01	25	0.68	
S&P 500 TR								2.34	15.37	13.96		12.67		5.81		8.53				0.87		15.01			
Large Blend Median				1.26	1.15			2.35	15.15	13.06		11.02		5.02		8.08				0.74		15.60		2.46	
Large Blend Number of Funds						1,785				1,665	1,665	1,476	1,476	1,328	1,327	827	822			1,476	1,476	1,476	1,476	1,476	
<b>Mid Cap Blend</b>																									
Vanguard Mid Cap Index Signal	VMISX	14.92	30,505.00	0.10	0.10	1	0.00	1.81	16.90	15.45	53	14.06	32	8.06	36			4.97	03/30/07	0.84	21	17.41	24	1.61	
Spliced Mid Cap Index *								1.83	16.91	15.45		14.11		8.09						0.88		17.16			
Mid-Cap Blend Median				1.34	1.25			2.89	16.58	15.96		13.00		7.19		10.65				0.75		18.40		3.85	
Mid-Cap Blend Number of Funds						433				410	410	353	348	313	312	204	199			353	353	353	353	353	
<b>Small Cap Blend</b>																									
Vanguard Small Cap Index Signal	VSISX	21.33	26,331.00	0.10	0.10	1	0.00	3.62	17.12	18.10	24	14.83	24	9.78	15			6.14	12/15/06	0.80	24	19.69	47	1.46	
Spliced Small Cap Index **								3.62	17.08	18.03		14.76		9.66											
Small Blend Median				1.42	1.30			3.86	16.10	15.76		13.28		7.75		11.14				0.73		19.84		3.86	
Small Blend Number of Funds						711				663	663	605	604	536	535	330	329			605	605	605	605	605	
<b>Foreign Large Blend</b>																									
TIAA-CREF International Eq Idx Instl	TCIEX	8.67	3,140.00	0.08	0.08	1	0.00	(3.09)	6.28	11.46	22	5.24	38	(0.63)	42	9.75	35	8.96	10/01/02	0.35	38	19.50	57	3.76	
MSCI EAFE NR USD								(2.41)	7.94	11.25		5.00		(0.89)		9.69				0.34		19.35			
Foreign Large Blend Median				1.51	1.34			(2.10)	5.62	9.21		4.78		(1.01)		9.14				0.33		19.33		3.70	
Foreign Large Blend Number of Funds						838				776	776	708	708	600	599	324	323			708	708	708	708	708	



# Q1 2013 Performance Summary -- State of Rhode Island

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)			
TIAA-CREF	Manager	AUM	Gross	Net	Net	Rev	Recent Returns	Annualized Total Returns as of 3/31/13							Since	Incep.	Sharpe Ratio	Std. Deviation	Tracking Error								
As of 03/31/2013	Ticker	Tenure	\$ Millions	ER	ER	%-ile	Share	1 Month	YTD	1 Year	%-ile	3 Year	%-ile	5 Year	%-ile	10 Year	%-ile	Incep.	Date	3 Year	%-ile	3 Year	%-ile	3 Year			
<b>Diversified Emerging Markets</b>																											
Vanguard Emerging Mkts Stock Idx Signal	VERSX	4.67	68,182.00	0.18	0.18	1	0.00	(3.73)	(4.99)	1.50	61	2.98	59	0.79	47			4.46	01/19/07	0.24	57	21.50	57		3.04		
<i>Spliced Emerging Markets Index ***</i>								(2.98)	(3.63)	1.81		3.22		1.06													
<i>MSCI EM NR USD</i>								(2.57)	(3.42)	1.96		3.27		1.09		17.05				0.25			21.12				
<i>Diversified Emerging Mkts Median</i>				1.90	1.60			(2.69)	(1.94)	2.87		3.45		0.59		16.01				0.26			21.11		4.93		
<i>Diversified Emerging Mkts Number of Funds</i>						659				556	560	358	356	258	257	145	144			358	358	358	358		358		
<b>Miscellaneous Sector</b>																											
TIAA Real Estate Account	Variable Annuity	8.33	14,208.30	0.92	0.92		0.24	(0.14)	3.50	8.59		13.54		(2.40)		4.65		5.94	10/02/95	5.36		2.37					
<i>Adjusted Total Return *****</i>										10.67		16.61		(1.15)		6.08											
<i>NCREIF Fund Index - ODCE *****</i>										9.70		14.01		(2.11)		5.44											
<i>Unlevered Property Returns *****</i>										11.56		16.05		2.04		8.38											
<i>NCREIF Property Index - Open End Funds *****</i>										10.39		13.80		2.04		7.94											
<b>Allocation (Target Date Only)</b>																											
<b>Lifecycle</b>																											
Vanguard Target Retirement Income Inv	VTINX	0.17	8,390.00	0.16	0.16	-	0.00	(1.43)	2.29	6.78	56	7.64	28	5.55	10			5.75	10/27/03	1.59	11	4.65	21		1.77		
<i>Vanguard Target Retirement Income Compos. Lx</i>								(1.39)	2.36	6.83		7.68		5.52													
<i>Retirement Income Median</i>				1.11	0.92			(0.80)	3.03	7.01		7.10		4.67		5.26				1.05			6.18		2.22		
<i>Retirement Income Number of Funds</i>						289				281	281	259	259	205	205	21	21			259	259	259	259		259		
Vanguard Target Retirement 2010 Inv	VTENX	0.17	5,631.00	0.16	0.16	1	0.00	(0.99)	3.94	7.80	39	8.31	13	5.32	14			5.86	06/07/06	1.12	20	7.33	34		1.14		
<i>Vanguard Target Retirement 2010 Compos. Lx</i>								(0.95)	4.16	7.93		8.36		5.28													
<i>Target Date 2000-2010 Median</i>				1.18	0.92			(0.68)	3.84	7.21		7.28		4.21		6.09				0.90			7.97		1.65		
<i>Target Date 2000-2010 Number of Funds</i>						154				146	139	139	122	122	14	14				139	139	139	139		139		
Vanguard Target Retirement 2015 Inv	VTXVX	0.17	15,566.00	0.16	0.16	1	0.00	(0.49)	5.75	8.75	29	8.70	11	5.31	10			6.22	10/27/03	0.96	27	9.06	54		1.27		
<i>Vanguard Target Retirement 2015 Compos. Lx</i>								(0.44)	6.01	8.92		8.70		5.24													
<i>Target Date 2011-2015 Median</i>				1.19	0.96			(0.59)	4.54	8.09		7.64		4.13		5.67				0.85			9.02		1.87		
<i>Target Date 2011-2015 Number of Funds</i>						180				153	153	135	135	96	96	5	5			135	135	135	135		135		
Vanguard Target Retirement 2020 Inv	VTWNX	0.17	14,181.00	0.16	0.16	-	0.00	(0.16)	7.01	9.45	25	8.99	19	5.19	16			5.68	06/07/06	0.87	36	10.45	58		1.31		
<i>Vanguard Target Retirement 2020 Compos. Lx</i>								(0.05)	7.36	9.69		9.24		5.27													
<i>Target Date 2016-2020 Median</i>				1.28	1.04			(0.47)	5.47	8.41		8.16		4.20		6.82				0.82			10.20		2.01		
<i>Target Date 2016-2020 Number of Funds</i>						223				209	209	180	180	141	141	21	21			180	180	180	180		180		
Vanguard Target Retirement 2025 Inv	VTTVX	0.17	18,143.00	0.17	0.17	1	0.00	-	7.95	10.08	28	9.31	20	5.03	14			6.30	10/27/03	0.81	19	11.76	33		1.29		
<i>Vanguard Target Retirement 2025 Composite Lx</i>								0.15	8.36	10.34		9.57		5.13													
<i>Target Date 2021-2025 Median</i>				1.27	0.99			(0.16)	6.98	9.28		8.56		4.03		5.53				0.73			12.18		1.72		
<i>Target Date 2021-2025 Number of Funds</i>						183				155	122	122	91	91	-	-				122	122	122	122		122		
Vanguard Target Retirement 2030 Inv	VTHRX	0.17	11,111.00	0.17	0.17	-	0.00	0.20	8.94	10.75	20	9.61	22	4.87	13			5.39	06/07/06	0.76	29	13.07	46		1.33		
<i>Vanguard Target Retirement 2030 Composite Lx</i>								0.36	9.36	10.99		9.87		4.96													
<i>Target Date 2026-2030 Median</i>				1.36	1.08			-	7.53	9.67		8.76		4.01		7.41				0.71			13.26		1.93		
<i>Target Date 2026-2030 Number of Funds</i>						223				209	209	180	180	141	141	16	16			180	180	180	180		180		



# Q1 2013 Performance Summary -- State of Rhode Island

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)	
TIAA-CREF	Manager	AUM	Gross	Net	Net	Rev	Recent Returns	Annualized Total Returns as of 3/31/13							Since	Incep.	Sharpe Ratio	Std. Deviation	Tracking Error						
As of 03/31/2013	Ticker	Tenure	\$ Millions	ER	ER	%-ile	Share	1 Month	YTD	1 Year	%-ile	3 Year	%-ile	5 Year	%-ile	10 Year	%-ile	Incep.	Date	3 Year	%-ile	3 Year	%-ile	3 Year	
Vanguard Target Retirement 2035 Inv	VTTHX	0.17	12,816.00	0.18	0.18	1	0.00	0.32	9.87	11.38	22	9.89	18	4.87	16			6.66	10/27/03	0.72	17	14.37	44	1.26	
<i>Vanguard Target Retirement 2035 Composite Lx</i>								<i>0.56</i>	<i>10.37</i>	<i>11.62</i>		<i>10.17</i>		<i>4.98</i>											
<i>Target Date 2031-2035 Median</i>				<i>1.41</i>	<i>1.05</i>			<i>0.34</i>	<i>8.87</i>	<i>10.47</i>		<i>9.10</i>		<i>3.95</i>				<i>5.66</i>		<i>0.67</i>		<i>14.42</i>		<i>1.78</i>	
<i>Target Date 2031-2035 Number of Funds</i>						183				155	155	122	122	91	91	-	-			122	122	122	122	122	122
Vanguard Target Retirement 2040 Inv	VFORX	0.17	6,964.00	0.18	0.18	-	0.00	0.47	10.44	11.78	21	10.07	20	5.02	12			5.36	06/07/06	0.72	21	14.63	43	1.34	
<i>Vanguard Target Retirement 2040 Composite Lx</i>								<i>0.67</i>	<i>10.90</i>	<i>11.98</i>		<i>10.32</i>		<i>5.07</i>											
<i>Target Date 2036-2040 Median</i>				<i>1.45</i>	<i>1.10</i>			<i>0.38</i>	<i>9.17</i>	<i>10.50</i>		<i>9.11</i>		<i>3.90</i>		<i>7.64</i>				<i>0.66</i>		<i>14.91</i>		<i>1.68</i>	
<i>Target Date 2036-2040 Number of Funds</i>						220				205	205	176	176	134	134	16	16			176	176	176	176	176	176
Vanguard Target Retirement 2045 Inv	VTIVX	0.17	7,249.00	0.18	0.18	1	0.00	0.44	10.45	11.79	25	10.07	15	4.99	15			7.06	10/27/03	0.72	14	14.64	22	1.51	
<i>Vanguard Target Retirement 2045 Composite Lx</i>								<i>0.67</i>	<i>10.90</i>	<i>11.98</i>		<i>10.32</i>		<i>5.07</i>											
<i>Target Date 2041-2045 Median</i>				<i>1.42</i>	<i>1.05</i>			<i>0.45</i>	<i>9.79</i>	<i>10.98</i>		<i>9.25</i>		<i>3.90</i>				<i>5.90</i>		<i>0.65</i>		<i>15.44</i>		<i>1.72</i>	
<i>Target Date 2041-2045 Number of Funds</i>						183				154	154	121	121	89	89	-	-			121	121	121	121	121	121
Vanguard Target Retirement 2050 Inv	VFIFX	0.17	2,950.00	0.18	0.18	-	0.00	0.47	10.44	11.79	24	10.07	20	5.00	16			5.43	06/07/06	0.72	22	14.63	23	1.66	
<i>Vanguard Target Retirement 2050 Composite Lx</i>								<i>0.67</i>	<i>10.90</i>	<i>11.98</i>		<i>10.32</i>		<i>5.07</i>											
<i>Target Date 2046-2050 Median</i>				<i>1.59</i>	<i>1.10</i>			<i>0.44</i>	<i>9.78</i>	<i>10.97</i>		<i>9.25</i>		<i>3.95</i>		<i>7.90</i>				<i>0.65</i>		<i>15.60</i>		<i>1.86</i>	
<i>Target Date 2046-2050 Number of Funds</i>						205				185	185	140	140	91	91	6	6			140	140	140	140	140	140
Vanguard Target Retirement 2055 Inv	VFFVX	0.17	251.00	0.18	0.18	1	0.00	0.48	10.44	11.80	30							13.68	08/18/10						
<i>Vanguard Target Retirement 2055 Composite Lx</i>								<i>0.67</i>	<i>10.90</i>	<i>12.00</i>															
Vanguard Target Retirement 2060 Inv	VTTSX	0.17	8.00	0.18	0.18	1	0.00	0.46	10.41	12.04	22							15.73	01/19/12						
<i>Vanguard Target Retirement 2060 Composite Lx</i>								<i>0.67</i>	<i>10.90</i>	<i>12.00</i>															
<i>Target Date 2051+ Median</i>				<i>1.51</i>	<i>1.04</i>			<i>0.51</i>	<i>9.89</i>	<i>11.33</i>		<i>9.24</i>		<i>3.03</i>				<i>8.96</i>		<i>0.64</i>		<i>15.84</i>		<i>1.73</i>	
<i>Target Date 2051+ Number of Funds</i>						143				109	109	43	43	17	17	-	-			43	43	43	43	43	43

Key

Source: Morningstar & TIAA-CREF

-Tracking error calculated using "Morningstar Analyst Assigned Benchmark"

Recent returns for 1-month and YTD as of 5/31/13. All other data as of 3/31/13.

Since Incep. = Since Inception Date

Incep. Date = Inception Date

Vanguard Index Information from available at <http://www.vanguard.com>

\* = S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter

\*\* = Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter

\*\*\* = Spliced Emerging Markets Index reflects performance of the Select Emerging Markets Index through August 23, 2006; the MSCI Emerging Markets Index through January 9, 2013; and the FTSE Emerging Transition Index thereafter

\*\*\*\* = The TIAA Stable Value Inception Date represents the date that the plan's TIAA Stable Value record was initiated on TIAA-CREF's recordkeeping system which may be earlier than the date of first deposit to the contract. "Since Inception" performance is calculated from this date

\*\*\*\*\* = For definitions please visit [www.tiaa-cref.org/public/assetmanagement](http://www.tiaa-cref.org/public/assetmanagement)

Note: Rankings shown for returns are calculated by Morningstar. Rankings for expense ratio, Sharpe ratio and standard deviation are calculated by TIAA-CREF and may differ

based on calculation methods

Fee Disclosures:

1 The net expense ratio reflects total annual fund operating expenses excluding interest expense. If interest expense was included, returns would have been lower.

2 Accumulations in mutual funds not managed by TIAA-CREF may be subject to administrative charges. These charges are subject to change. Please review current documents related to your plan.

# Disclosures



%ile --> Percentile Ranking in Morningstar Category.

**The performance data quoted represents past performance and is no guarantee of future results. Your returns and the principal value of your investments will fluctuate so that your shares or accumulation units, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted below. For performance current to the most recent month-end, visit the TIAA-CREF Website at [www.tiaa-cref.org](http://www.tiaa-cref.org), or call 877 518-9161.**

Annuity account options are available through annuity contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance.

For the variable annuity accounts, we estimate expenses for the plan year based on projected expense and asset levels. Differences between estimated and actual expenses are adjusted quarterly and reflected in current investment results. Historically, the adjusting payments have resulted in both upward and downward adjustments.

Investing in non-investment grade securities presents special risks, including significantly higher interest-rate and credit risk.

Small-cap and mid-cap stocks may have limited marketability and may be subject to more abrupt or erratic market movements than large-cap stocks.

The risks associated with foreign investments are often magnified in emerging markets where there is greater potential for political, currency, and economic volatility.

Funds that invest in fixed-income securities are not guaranteed and are subject to interest-rate, inflation and credit risks.

# Disclosures



Funds that invest in fixed-income securities are not guaranteed and are subject to interest-rate, inflation and credit risks.

Funds that invest in foreign securities are subject to special risks, including currency fluctuation and political and economic instability.

Real estate securities are subject to various risks, including fluctuations in property values, higher expenses or lower income than expected, and potential environmental problems and liability.

Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. TIAA Stable Value is guaranteed insurance contract and not an investment for Federal Securities Law purposes.

Target Date Funds share the risks associated with the types of securities held by each of the underlying funds in which they invest. In addition to the fees and expenses associated with the Target Date Funds, there is exposure to the fees and expenses associated with the underlying mutual funds as well.

TIAA-CREF Individual & Institutional Services, LLC, and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association (TIAA ) and College Retirement Equities Fund (CREF), New York, NY.

**Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.**

**You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161 or log on to [tiaacref.org](http://tiaacref.org) for product and fund prospectuses that contains this and other information. Please read the prospectuses carefully before investing.**

# Disclosures



Morningstar is an independent service that rates mutual funds and variable annuities, based on risk-adjusted returns. Although Morningstar data is gathered from reliable sources, neither Morningstar nor TIAA-CREF can guarantee its completeness and accuracy. Morningstar does not rate money market accounts, and the other TIAA-CREF mutual fund accounts are too new to be rated. Past performance does not guarantee future results. Accumulation net asset values and returns will vary.

For each fund/account with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's/account's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. Where applicable, Morningstar's performance rankings are based on linked performance that considers the differences in expense ratios, while actual performance data shown does not reflect such differences. The top 10 percent of funds/accounts in a category receive five stars, the next 22.5 percent receive four stars, and the next 35 percent receive three stars, the next 22.5 percent receive two stars and the bottom 10 percent receive one star. (Each share class is counted as a fraction of one fund/account within this scale and rated separately, which may cause slight variations in the distribution percentages.) Morningstar proprietary ratings on U.S.-domiciled funds/accounts reflect historical risk-adjusted performance, are subject to change every month. They are derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Please note, Morningstar now rates group variable annuities within the open-end mutual fund universe.

# Disclosures



## **Prospectus Gross Expense Ratio**

The percentage of fund assets used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

--The expense ratio for fund of funds is the aggregate expense ratio as defined as the sum of the wrap or sponsor fees plus the estimated weighted average of the underlying fund fees.

--Often referred to as the Annual Operating Expense, the Prospectus Gross Expense Ratio is collected annually from a fund's prospectus.

## **Prospectus Net Expense Ratio**

The percentage of fund assets, net of reimbursements, used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

--The expense ratio for fund of funds is the aggregate expense ratio as defined as the sum of the wrap or sponsor fees plus the estimated weighted average of the underlying fund fees.

--Net reimbursements, the Prospectus Net Expense Ratio is collected annually from a fund's prospectus.

--TIAA-CREF, unless noted, does not charge additional fees for record keeping a fund. 12b-1, revenue share and admin fees are all included in the Prospectus fees.

-- Prospectus Net Expense Ratio % - ile rank is the percentile rank for the fund. The better the expense ratio (lower) the lower the ranking out of 100.

## **Sharpe Ratio (Source: Morningstar Direct)**

A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly with regard to how much excess return each portfolio achieved for a certain level of risk. Morningstar first calculates a monthly Sharpe Ratio and then annualizes it to put the number in a more useful one-year context.

# Disclosures



**Standard Deviation** (Source: Morningstar Direct) The statistical measurement of dispersion about an average, which depicts how widely a stock or portfolio's returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that is most likely for a given investment. When a stock or portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

**Information Ratio** (Source: Morningstar Direct) **Benchmark Specific**

Information ratio is a risk-adjusted performance measure. The information ratio is a special version of the Sharpe Ratio in that the benchmark doesn't have to be the risk-free rate.

**Beta** (Source: Morningstar Direct) **Benchmark Specific**

Beta is a measure of a portfolio's sensitivity to market movements. The beta of the market is 1.00 by definition.

**Alpha** (Source: Morningstar Direct) **Benchmark Specific**

A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. A positive Alpha figure indicates the portfolio has performed better than its beta would predict. In contrast, a negative Alpha indicates the portfolio has underperformed, given the expectations established by beta.

**Tracking Error** (Source: Morningstar Direct) **Benchmark Specific**

Tracking error is a measure of the volatility of excess returns relative to a benchmark.

**Upside** (Source: Morningstar Direct) **Benchmark Specific**

Upside Capture Ratio measures a manager's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return.

**Downside** (Source: Morningstar Direct) **Benchmark Specific**

Downside Capture Ratio measures a manager's performance in down markets relative to the market (benchmark) itself. It is calculated by taking the security's downside capture return and dividing it by the benchmark's downside capture return.

**R-Square** (Source: Morningstar Direct) **Benchmark Specific**

Reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark.

You cannot invest directly in index.

TIAA-CREF reported performance may differ from Morningstar source returns for the same option over the same time period. We would expect an occasional one to two basis point difference. Morningstar Direct calculates returns by one share owned by a hypothetical investor over the requested time period. So the return for one year is calculated using the same formula as one month. TIAA-CREF calculates returns by \$1,000 owned by hypothetical investor for one month then links returns for requested time period. Both set of returns include dividends and capital gains.



## Section XI.

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### OPEB Trust

TOTAL NET OF FEES

5/31/2013

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	Annualized					Inception Date
					1 Year	3 Years	5 Years	10 Years	ITD	
Mackay Shields OPEB	22,616,666.8	33.7	-1.57						-1.57	5/1/2013
Barclays U.S. Aggregate Bond Index			-1.78						-1.78	5/1/2013
SSGA S&P 500 INDX	44,524,673.6	66.3	2.34	21.98	27.01				13.63	5/1/2011
S&P 500 - Total Return Index			2.34	22.24	27.28				11.44	5/1/2011
<b>Total OPEB</b>	<b>67,141,340.3</b>	<b>100.0</b>	<b>0.90</b>	<b>10.45</b>	<b>12.16</b>				<b>9.01</b>	<b>5/1/2011</b>
OPEB Custom Blend <sup>1</sup>			0.90	9.64	11.25				6.43	5/1/2011

END NOTES

5/31/2013

1 RI7GX0903OPE OPEB Custom Blend

65% Barclays Aggregate and 35% S&P 500



Total Performance Summary

Report ID: IPM0005

Reporting Currency: USD

TOTAL NET OF FEES

5/31/2013

Account Name Benchmark Name	Market Value	% of Total	YTD	Month	Cumulative			2012	2011	2010	Inception Date
					4/1/2013 - 4/30/2013	3/1/2013 - 3/31/2013					
Mackay Shields OPEB	22,616,666.8	33.7		-1.57							5/1/2013
Barclays U.S. Aggregate Bond Index				-1.78							5/1/2013
SSGA S&P 500 INDX	44,524,673.6	66.3	15.17	2.34	1.93	3.59	15.96				5/1/2011
S&P 500 - Total Return Index			15.37	2.34	1.93	3.75	16.00				5/1/2011
<b>Total OPEB</b>	<b>67,141,340.3</b>	<b>100.0</b>	<b>6.33</b>	<b>0.90</b>	<b>1.57</b>	<b>1.33</b>	<b>9.74</b>				<b>5/1/2011</b>
OPEB Custom Blend			6.17	0.90	1.61	1.36	8.30				5/1/2011

END NOTES

5/31/2013

- |   |              |                   |   |
|---|--------------|-------------------|---|
| 1 | RI7G10000000 | Total OPEB        | YTD - Calendar Year to Dat<br>Month - Current Mont<br>Cumulative Months - Prior Month and Second Prior Mont |
| 2 | RI7GX0903OPE | OPEB Custom Blend | 2012, 2011, 2010 - Calendar Yea<br>65% S&P 500 and 35% Barclays Aggregate                                   |