

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
July 31, 2012**

**August 22, 2012  
MEETING**

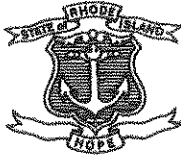
**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Honorable Gina M. Raimondo, Chair**

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

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

# AGENDA



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

**Gina M. Raimondo**  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, August 22, 2012 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 July 25, 2012\*
- General Consultant — Fixed Income Recommendation\*
- Real Estate Consultant — Investment Policy\*
- Extension of State Street Contracts through Termination Date\*
- D/C Investment Policy Statement\*
- Legal Counsel Report
- Chief Investment Officer Report
- Treasurer's Report

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

**POSTED ON FRIDAY, AUGUST 17, 2012**

# APPROVAL OF MINUTES



**State Investment Commission**  
**Monthly Meeting Minutes**  
**Wednesday, July 25, 2012**  
**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, July 25, 2012 in Room 135, State House.

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

The following members were present: Ms. Rosemary Booth Gallogly, Mr. Thomas Fay, Mr. Robert Giudici, Ms. Paula McNamara, Ms. Marcia Reback, General Treasurer Gina Raimondo and Executive Director of the Employees Retirement System of Rhode Island Mr. Frank Karpinski. Mr. Fay departed at 11:40 a.m.

Also in attendance: Mr. Thomas Lynch of Cliffwater, Alternative Investment Consultant to the Commission; Mr. John Burns of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Ms. Lisa Tyrell, Mr. Mark Schafer, Mr. Steve Nazzaro, and Ms. Diane Johnson of State Street Corporation; Mr. Samir Pandiri, Mr. Bob Carroll, and Mr. Mark Sullivan of Bank of New York (BNY) Mellon; Mr. Christopher Nikolich, Ms. Patricia Roberts, and Mr. Greg Wilensky of Alliance Bernstein; Mr. Glenn Creamer and Mr. Matt Nelson of Providence Equity; Ms. Sally Dowling of Adler, Pollock & Sheehan, Legal Counsel to the Commission; Mr. Charlie Kelley, executive director of the Rhode Island Student Loan Authority; Mr. Kenneth Goodreau, chief investment officer and members of the Treasurer's staff and the Office of the Auditor General.

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

## **II. Approval of Minutes**

On a motion by Ms. Reback and seconded by Mr. Fay, it was unanimously **VOTED: To approve the draft of the minutes of the June 27, 2012 meeting of the State Investment Commission.**

## **III. Custodial Review / Presentations**

Mr. Carroll of BNY Mellon introduced Mr. Pandiri, Mr. Sullivan, and himself. Mr. Pandiri said the firm has executed around 50-60 transitions in the last 3-4 years.

Ms. Booth Gallogly asked whether the firm owns the data during the transition and how well the firm knows the State's expectations and needs. Mr. Sullivan explained the firm has done transitions from State Street before and is familiar with the process.

BNY Mellon representatives left the room and the State Street team entered.

Ms. Johnson of State Street introduced Mr. Nazzaro, Mr. Schafer, Ms. Tyrell and herself. Mr. Nazzaro described the core competencies of the firm.

Ms. Tyrell highlighted her experience with the Board and daily interaction with the Treasurer's staff. Ms. Tyrell acknowledged there have been some bumps along the way which have been dealt with.

Ms. Booth Gallogly asked how capital ratio matters in a custodial relationship. Mr. Nazzaro answered State Street will be able to continue investing in its business even when the economy is bad. The representatives of State Street thanked the Board for its time and exited the room.

General Treasurer Raimondo and Mr. Goodreau walked through the process which staff has been going through regarding custodian selection and explained a scorecard ranking BNY Mellon and State Street.

Ms. Booth Gallogly asked whether either firm's credit ratings would affect business. Mr. Goodreau responded there won't be an impact and stressed that those managing the State's cash would see the first warning signs.

Ms. Booth Gallogly asked about the services associated with pricing and Mr. Vincent Izzo explained these prices represented service at least at the level the State currently experienced.

Ms. Booth Gallogly asked about class action suit costs, and Mr. Izzo said things of that nature had been included.

Ms. Reback reminded the Board General Treasurer Raimondo had previously mentioned there were some unexpected findings in the process. General Treasurer Raimondo said staff thought both are high-quality providers, but through the process BNY Mellon had more competitive services with better pricing and staff pushed for BNY Mellon.

General Treasurer Raimondo added State Street's day-to-day accounting systems exhibited mistakes and there were delays in clarifying these and other issues. Mr. Giudici offered his input on what he thought was lackluster performance on behalf of State Street.

Mr. Goodreau added cost savings would be well over \$250,000 each year and BNY Mellon is locking-in their price for up to 5 years.

Ms. McNamara wondered about impact of transition on staff, but Mr. Goodreau and Mr. Izzo reassured that the staff could handle it and even improve their processes.

Ms. Booth Gallogly was concerned about financial reporting and the general audit, and Mr. Izzo explained that BNY Mellon is very professional and aware of the State's situation.

Mr. Kem Edwards, Treasury staffer, added it is a good challenge to have a lot of great choices and in the end staff felt BNY Mellon was the best choice.

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

**VOTED: to hire Bank of New York Mellon as master custodian subject to successful negotiation and finalization of all documentation. Mr. Fay recused himself from the vote.**

#### **IV. Providence Equity Partners VII L.P. Presentation**

Mr. Thomas Lynch said Cliffwater recommends a \$25 million investment in Providence Equity Partners VII, as part of the State's private equity investment program. He added Providence is Rhode Island's largest private equity relationship.

Mr. Creamer of Providence Equity introduced Mr. Nelson and himself. He mentioned Cliffwater's high level of due diligence on PEP VII. He highlighted Providence Equity has

distributed \$8.3 billion this year, \$5.4 billion of that was gain. He also stated that in 78% of transactions, Providence is the only GP.

Mr. Creamer talked about PEP VII, which will be about \$5 billion, and will have 15-20 investments, with an average expected holding period of 4 years. The fund will keep some capital for follow-on investing. Information services will be a secondary focus. Europe is underweight, with an expected allocation of 10%. Transaction fees will be completely offset against management fees.

Mr. Creamer concluded by giving an overview of the market environment and the key to success was to be ready when markets were healthy.

General Treasurer Raimondo asked about the return on PEP V, and Mr. Creamer estimated the best case net IRR is 7%.

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

**VOTED: to commit \$25 million to Providence Equity Partners, for investment in PEP VII predicated on satisfactory completion of all due diligence. Ms. McNamara recused herself from the vote.**

## **V. Fixed Income Presentation - PCA**

Mr. Burns of Pension Consulting Alliance reiterated policy changes from the Board's meeting in June. He mentioned Core Fixed Income was 13.5% of the portfolio and PCA recommends splitting that between Pyramis and MacKay and terminating Brown Brothers core mandate and Taplin Canada. He stated fewer managers means higher allocation which means lower fees. All told, about \$475 million would be given to each of the recommended managers. Mr. Goodreau stated the State will save roughly \$1 million in fees each year, with new fees estimated at a 13bp level, down from 22-24bp.

Mr. Fay asked if the fees mirror a high-quality index, and Mr. Goodreau responded affirmatively. Mr. Fay then asked whether the Barclays Aggregate Index was an appropriate benchmark and Mr. Goodreau and Mr. Burns responded affirmatively.

Ms. Booth Gallogly stressed the managers should know exactly what will be expected of them and General Treasurer Raimondo suggested mandates be drafted and presented to them for next meeting and the board agreed to vote next meeting.

## **VI. Global TIPS Presentation - PCA**

Mr. John Burns of Pension Consulting Alliance reiterated policy changes from the Board's meeting in June. He mentioned as far as inflation-linked bonds, the State is only invested in those from the U.S. where yields are not attractive in this space, and expanding to a global portfolio would be beneficial. Mr. Burns recommended the State keep BBH as the inflation-linked bond manager and expand the firm's mandate to include foreign inflation-linked bonds. He mentioned the issue with hedging currency risk and said BBH was capable of doing this systematically.

Ms. Reback asked if BBH was the best, and Mr. Burns and Mr. Goodreau stated that the firm is more than capable and the best performance might carry the highest risk.

Mr. Burns also mentioned, while the mandate will be expanded, BBH will not increase fees.

Similar questions were raised about the process of investing in something new without issuing an RFP, as in the Cored Fixed Income discussion. Mr. Goodreau said he was not comfortable holding a vote, given the conversation.

General Treasurer Raimondo suggested that the Board revisit this issue next month in full.

## **VII. 529 CollegeBoundfund Review**

Ms. Roberts of AllianceBernstein introduced Mr. Nikolich, Mr. Wilensky and herself. Ms. Roberts said the CollegeBoundfund has about \$7.3 billion in it and Rhode Island has 25,000 accounts. Investors are attracted to age-based and stable value options, she added. Mr. Nikolich walked through the plan's performance and talked about specific funds. General Treasurer Raimondo asked about changes to the plan that had been made last year. Ms. Roberts and Mr. Nikolich explained the additions of the Vanguard index funds, an international index fund and age-based fund options. Also, 3% of the State plan's assets were in the Vanguard funds, he said.

Mr. Wilensky talked about stable value options and the uncertain landscape of the market, considering wrapper providers had left the market. He explained AllianceBernstein was working with ING to figure out a plan with stable value wrappers moving forward. He stressed that with their economies of scale, an attractive 300bp beat over a money fund index was enjoyed by plan participants. He added from a cost perspective, plan participants will not be affected with the adoption of new wrapper contracts. He mentioned 13% of the State plan's assets are in the stable value option.

General Treasurer Raimondo remarked that Ms. Roberts and AllianceBernstein are always very responsive to the State's needs.

## **VIII. CIO Report**

There was no CIO report.

## **IX. Legal Counsel Report**

There was no legal update.

## **X. Adjournment**

There being no other business to come before the Board, on a motion by Ms. Reback and seconded by Ms. Booth Gallogly the meeting adjourned at 11:57 a.m.

Respectfully submitted,

**Gina M. Raimondo**  
General Treasurer



# STAFF SUMMARY

RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
July 31, 2012

**PORTFOLIO PERFORMANCE**

**July**

The ERSRI portfolio posted a 1.12% gain for the month of July, against the policy index of 1.13%. Global Equities gained 0.93%, the Fixed Income asset class returned 1.84%, and the Real Return class returned 1.57%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was 1.16% against its 1.06% index.

**Calendar Year to Date**

For the seven months ending July 31, 2012, the portfolio is up 6.52% against the policy index of 6.31%. Global Equities were up 7.55%, fixed income returned 6.08%, while Real return generated a return of 4.47%.

**Fiscal Year to Date**

For the Fiscal Year ended June 30, 2013, the fund has gained 1.12%, against the policy index of 1.13%.

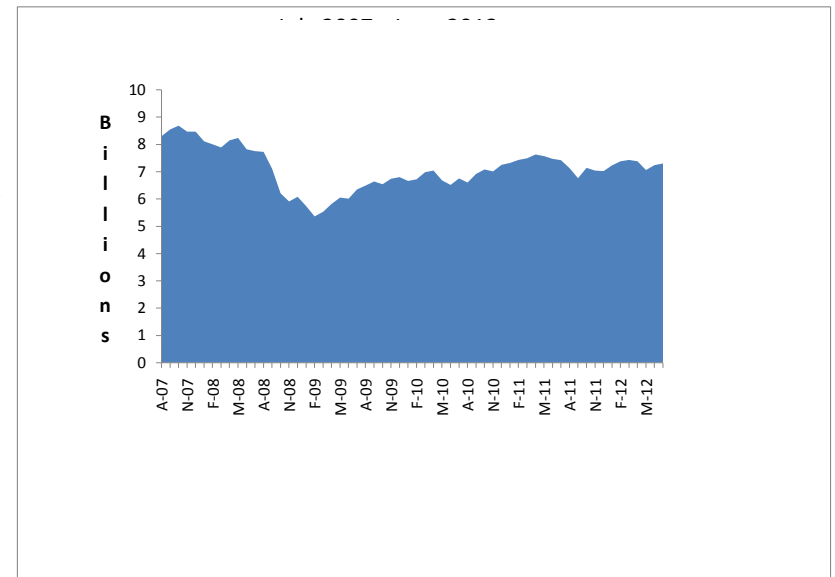
Index Performance Summary - July 31, 2012		
Market Indices	Jul-12	Calendar YTD
<b><u>Global Equity</u></b>		
S & P 500	1.39%	11.01%
MSCI AC World	1.37%	7.10%
Russell 2000	-1.38%	7.03%
MSCI ACWI ex US	1.37%	4.31%
Policy Index	1.06%	6.78%
<b><u>Fixed Income</u></b>		
BC AGG	1.38%	3.78%
HFRI Fund Wgt Com	0.70%	1.75%
<b><u>Real Return</u></b>		
CPI +4%	0.18%	3.88%

ERSRI Performance By Asset Class	Jul-12	Calendar YTD
Global Equity	0.93%	7.55%
Fixed Income	1.84%	6.08%
Real Return	1.57%	4.47%
<b>Total Fund Composite*</b>	<b>1.16%</b>	<b>6.33%</b>
Manager Summary	Jul-12	CYTD
<b><u>GLOBAL EQUITY</u></b>		
SSgA S&P 500	1.40%	11.06%
Russell Overlay	0.00%	0.04%
Wellington Technical Eq	1.91%	9.93%
Russell 2000 Index	-1.41%	7.01%
MSCI Ex US Index Fund	1.40%	4.39%
Global Equity Hedge Funds	0.48%	2.36%
<b>Total Global Equity</b>	<b>0.93%</b>	<b>7.55%</b>
<b><u>FIXED INCOME</u></b>		
Brown Bros Core	1.86%	6.53%
Fidelity	0.97%	3.49%
Taplin Canida & Habacht	2.72%	7.26%
Fixed Income Cash Acct	0.00%	0.00%
Mackay Shield	1.81%	8.31%
Alternative Fixed Income	-0.94%	-0.94%
<b>Total Fixed Income</b>	<b>1.84%</b>	<b>6.08%</b>
<b><u>Real Return</u></b>		
Brown Bros TIPS	1.98%	6.38%
Alternative Absolute Return	1.14%	2.52%
<b>Total Real Return</b>	<b>1.57%</b>	<b>4.47%</b>
*Total Fund Composite includes all classes ex PE & RE		

**Market Valuation Report  
July 31, 2012**

**Market Values**

The total portfolio value increased in July by \$60.4 million to \$7.30 billion. This compares with an decrease in value of \$51.7 million for the same period in 2011. The Global Equity Market values decreased by \$111.6 million, including transfers out of \$147.8 million; Fixed Income increased by \$26.1 million, including transfers in of \$0.0 million; The Cash Accounts increased by \$134.4 million including transfers in of \$137.4 million, and Alternative Investments decreased by \$0.1 million, including transfers out of \$5.8 million. The Real Return Pool increased by \$11.5 million including transfers in of \$0.0 million. The overlay account increased by \$0.02 million, including transfers out of \$0.0 million.



### Cash Flow

July's pension payroll of \$76.5 million was greater than the \$59.5 million in contributions and wire transfers received by \$17.0 million.

To meet pension and other obligations, a transfer from long-term investments of \$16.6 million was necessary.

### Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$199.6 million on commitments of \$1,114 million.

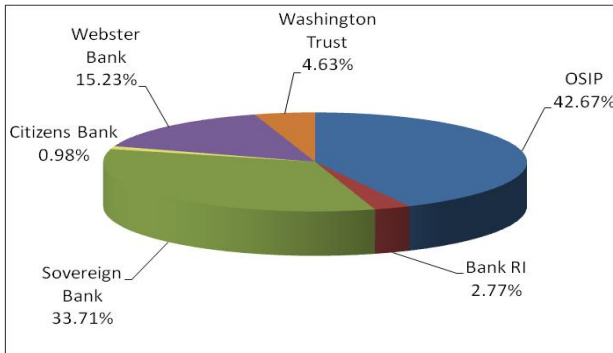
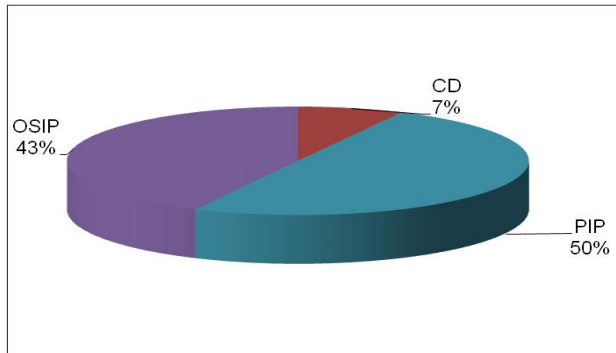
#### **CAPITAL CALLS Net of Distributions**

July 2012	FYTD	UNFUNDED BALANCE
<b>-\$4,061,554</b>	<b>-\$4,061,554</b>	<b>\$ 199,598,581</b>
July 2011	FYTD	UNFUNDED BALANCE
<b>-\$44,668</b>	<b>-\$44,668</b>	<b>\$160,801,493</b>

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

**Issuer Credit Ratings  
July 31, 2012**

Issuer	Type of Instrument*	Month End % Portfolio	Issuer Ratings			S-T Debt Rating		L-T Debt Rating		Credit Outlook
			Moody's	Moody's	S&P	Moody's	S&P	S&P		
Bank RI	3,4	2.50%	N/R	N/A	N/A	N/A	N/A	N/A	N/A	
Sovereign Bank	3,4	34.85%	Baa1*-	P-2*-	A-2	Baa1*-	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-		Negative	
RBS Citizens	3,4	0.48%	A3	P-2	A-1	A3	A		Stable	
Webster Bank	3,4	20.10%	A3	P-3	A-2	A3	BBB		Stable	
Oppenheimer		0.00%	N/A	N/A	N/A	B2	B+		Negative	
Ocean State Investment Pool	6	37.91%	N/R	N/A	N/A	N/A	N/A		N/A	
Washington Trust	3,7	4.17%	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		Negative	



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

**Ratings Definitions**

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

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

**Moody's Issuer Rating Symbols:**

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

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

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

**Modifiers:**

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

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

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

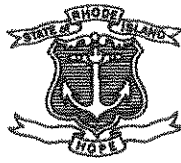
**S&P Outlook Definitions:**

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

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

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

# PERFORMANCE



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

**Gina M. Raimondo**  
General Treasurer

August 16, 2012

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

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on July 31, 2012.

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

July 31, 2012

<b>Asset Class</b>	
Cash/Short Term Investments	337,381,234
Global Equities	3,795,013,117
<i>Fixed Income - Government</i>	\$688,918,933
<i>Fixed Income - Corporate</i>	\$764,305,969
<i>Fixed Income - In State</i>	<u>\$0</u>
Total Fixed Income	1,453,224,903
Real Return	822,668,486
Alternative Investments	615,468,887
Real Estate	<u>272,981,052</u>
<b>Total Fund Investments</b>	<b>7,296,737,678</b>
<b>Plan Allocation</b>	
State Employees & Teachers	82.26% 6,002,110,822
Municipal Employees	16.06% 1,171,791,429
State Police	1.11% 81,222,410
Judicial	0.57% <u>41,613,018</u>
<b>Total Fund Investments</b>	<b>100.00% 7,296,737,678</b>

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

Respectfully submitted,

Vincent T. Izzo  
Cash Manager

**State of Rhode Island**  
**Summary of Performance**  
**Periods Ending 07/31/2012**

	<u>Ending Market Value</u>	<u>% of plan</u>	<u>1 Month</u>	<u>3 Month</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>ITD</u>	<u>Inception Date</u>
SSGA S&P 500 INDEX FUND <i>S&amp;P 500</i>	1,655,015,302	22.7	1.4	-0.8	11.1	9.2	14.2	1.2		2.3	11/06
			1.4	-0.8	11.0	9.1	14.1	1.1		2.2	11/06
MSCI ACWI EX US INDEX FUND <i>MSCI AC WORLD ex US (NET)</i>	1,153,522,907	15.8	1.4	-4.7	4.4	-12.0	4.4			10.9	05/09
			1.4	-4.8	4.2	-12.2	4.2			10.7	05/09
RUSSELL 2000 INDEX FUND <i>RUSSELL 2000 INDEX</i>	546,560,925	7.5	-1.4	-3.3	7.0	0.2	13.8			17.4	05/09
			-1.4	-3.3	7.0	0.2	13.7			17.4	05/09
ALTERNATIVE EQUITY <i>HFRX EQUITY HEDGE</i>	520,030,170	7.1	0.5	-1.0	2.4					1.6	11/11
			0.5	-2.0	1.7					-0.5	11/11
WELLINGTON TECHNICAL EQUITY <i>RUSSELL 3000 INDEX</i>	1,072,602	0.0	1.9	-0.6	9.7	-8.7	2.8	0.6		0.6	08/07
			1.0	-1.5	10.4	7.3	14.2	1.3		1.3	08/07
<b>TOTAL GLOBAL EQUITY</b> <b><i>MSCI AC WORLD (NET)</i></b>	<b>3,876,201,905</b>	<b>53.1</b>	<b>0.9</b>	<b>-2.3</b>	<b>7.5</b>	<b>-1.0</b>	<b>10.2</b>	<b>-0.6</b>	<b>7.2</b>	<b>1.9</b>	<b>07/00</b>
			<b>1.4</b>	<b>-3.2</b>	<b>7.1</b>	<b>-3.6</b>	<b>8.2</b>	<b>-2.1</b>	<b>6.8</b>	<b>1.5</b>	<b>07/00</b>
BROWN BROTHERS HARRIMAN - CORE <i>CITIGROUP BIG</i>	410,569,132	5.6	1.9	3.0	6.4	8.6	7.4	6.6	5.8		04/90
			1.4	2.4	3.8	7.3	6.7	7.1	5.8		04/90
PYRAMIS GLOBAL ADVISORS <i>Barclays MBS</i>	416,784,742	5.7	1.0	1.5	3.5	6.2	6.7	6.6	5.6		11/89
			0.8	1.2	2.5	4.8	5.4	6.7	5.4		11/89
TAPLIN, CANIDA & HABACHT <i>Barclays Credit</i>	418,901,183	5.7	2.7	3.7	7.1	9.3	10.0	6.8	7.3		05/96
			2.7	3.9	7.4	9.9	9.7	8.1	6.8		05/96
MACKAY SHIELDS, LLC <i>CSFB GLOBAL HIGH YIELD</i>	197,788,062	2.7	1.8	2.5	8.0	8.7	13.1	8.1		11.2	10/02
			1.8	2.3	8.5	7.7	14.4	8.8		10.5	10/02
ALTERNATIVE FIXED INCOME <i>Barclays Aggregate Bond</i>	138,865,420	1.9	-0.0	-0.4	-0.7					-1.2	12/11
			1.4	2.3	3.8					4.9	12/11
<b>TOTAL FIXED INCOME</b> <b><i>Barclays Aggregate Bond</i></b>	<b>1,582,908,539</b>	<b>21.7</b>	<b>1.7</b>	<b>2.4</b>	<b>5.5</b>	<b>7.2</b>	<b>7.1</b>	<b>6.4</b>	<b>6.3</b>		<b>01/93</b>
			<b>1.4</b>	<b>2.3</b>	<b>3.8</b>	<b>7.3</b>	<b>6.9</b>	<b>6.9</b>	<b>5.6</b>		<b>01/93</b>
BROWN BROTHERS HARRIMAN - TIPS <i>Barclays US TIPS Index</i>	385,236,609	5.3	2.0	3.1	6.3	10.0	10.4	8.7		7.0	06/04
			2.0	3.3	6.3	10.1	10.5	8.5		6.9	06/04
ALTERNATIVE ABSOLUTE RETURN <i>HFRF Fund of Funds Composite Index</i>	358,344,725	4.9	1.1	-0.2	2.5					3.0	11/11
			0.7	-1.3	1.8					0.2	11/11



**State of Rhode Island**  
**Summary of Performance**  
 Periods Ending 07/31/2012

	<u>Ending Market Value</u>	<u>% of plan</u>	<u>1 Month</u>	<u>3 Month</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>ITD</u>	<u>Inception Date</u>
<b>TOTAL ALTERNATIVE ABSOLUTE RETURN</b>	<b>743,581,334</b>	<b>10.2</b>	<b>1.6</b>	<b>1.5</b>	<b>4.4</b>	<b>8.0</b>				<b>8.9</b>	<b>11/09</b>
<i>CPI + 4%</i>			<i>0.2</i>	<i>0.6</i>	<i>3.9</i>	<i>5.5</i>				<i>6.1</i>	<i>11/09</i>
REAL ESTATE	272,981,618	3.7	0.6	4.3	5.2	11.2	2.3	-4.9		-0.9	01/05
<i>NCREIF PROPERTY LAG + 100 BPS</i>			<i>0.1</i>	<i>2.8</i>	<i>6.2</i>	<i>14.5</i>	<i>7.0</i>	<i>4.0</i>		<i>8.7</i>	<i>01/05</i>
PRIVATE EQUITY	615,542,046	8.4	0.6	4.9	8.2	7.5	16.1	6.3	10.5		02/89
<i>S&amp;P 500 PLUS 300 BP</i>			<i>1.6</i>	<i>-0.0</i>	<i>12.9</i>	<i>12.4</i>	<i>17.5</i>	<i>4.2</i>	<i>9.5</i>		<i>02/89</i>
<b>TOTAL ALTERNATIVE INVESTMENTS</b>	<b>888,523,664</b>	<b>12.2</b>	<b>0.6</b>	<b>4.7</b>	<b>7.3</b>	<b>8.6</b>	<b>12.0</b>	<b>2.7</b>	<b>8.6</b>	<b>8.3</b>	<b>04/96</b>
<b>TOTAL ALTERNATIVES BENCHMARK</b>			<b>1.0</b>	<b>1.1</b>	<b>10.0</b>	<b>13.3</b>	<b>13.2</b>	<b>4.2</b>	<b>9.4</b>		<b>04/96</b>
RUSSELL IMPLEMENTATION SERVICES	45,110,510	0.6	0.0	-0.0	0.0	0.3	-0.1			-0.2	09/08
CASH ACCOUNT (INSIDE)	158,309,187	2.2	0.0	0.1	0.1	0.2	0.2	2.2	11.1	17.8	07/00
<i>91 DAY TREASURY BILL</i>			<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.9</i>	<i>1.9</i>	<i>2.2</i>	<i>07/00</i>
CASH ACCOUNT (OUTSIDE)	719,185	0.0	0.0	0.0	0.0	0.0	0.0	0.5	1.8	2.2	07/00
<i>91 DAY TREASURY BILL</i>			<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.9</i>	<i>1.9</i>	<i>2.2</i>	<i>07/00</i>
Other	1,383,354	0.0									11/11
<b>TOTAL PLAN</b>	<b>7,296,737,679</b>	<b>100.0</b>	<b>1.1</b>	<b>-0.1</b>	<b>6.4</b>	<b>3.0</b>	<b>9.8</b>	<b>1.6</b>	<b>7.4</b>		<b>02/84</b>
<b>TOTAL PLAN BENCHMARK</b>			<b>1.1</b>	<b>-0.9</b>	<b>6.3</b>	<b>3.5</b>	<b>9.6</b>	<b>1.5</b>	<b>7.2</b>		<b>02/84</b>

Fund	Mkt Value <sup>1</sup>	Actual %	Actual			Returns <sup>1</sup>			Ann Std Dev	Sharpe Ratio	Incep. Date	
			Jul	YTD	FYTD	1 Year	3 Year	5 Year				Incep
<b>Fixed Income</b>												
Brigade Leveraged Capital Structures Fund LP	50,918,929	36.7%	0.36%	-	0.36%	-	-	-	1.84%	1.63%	-	Mar-12
Capula Global Relative Value Fund Ltd	49,750,451	35.8%	0.52%	-0.26%	0.52%	-	-	-	-0.50%	1.93%	-	Dec-11
Gracie Credit Opportunities Fund LP	38,205,153	27.5%	-1.20%	-3.44%	-1.20%	-	-	-	-4.49%	4.48%	-	Dec-11
<b>Total Fixed Income</b>	<b>138,874,533</b>	<b>100.0%</b>	<b>-0.02%</b>	<b>-0.61%</b>	<b>-0.02%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1.22%</b>	<b>1.76%</b>	<b>-</b>	<b>Dec-11</b>
Barclays Aggregate Bond Index			1.38%	3.78%	1.38%	-	-	-	4.93%	2.38%	-	Dec-11
<b>Global Equities</b>												
Ascend Partners Fund II	60,875,799	11.7%	-0.36%	2.07%	-0.36%	-	-	-	1.46%	1.54%	-	Nov-11
Davidson Kempner Institutional Partners LP	62,507,314	12.0%	0.62%	3.84%	0.62%	-	-	-	4.18%	1.56%	-	Nov-11
Elliott Associates, LP	61,823,821	11.9%	0.20%	5.14%	0.20%	-	-	-	3.04%	4.49%	-	Nov-11
Indus Asia Pacific Fund LP	40,856,523	7.9%	1.80%	2.14%	1.80%	-	-	-	2.14%	8.49%	-	Jan-12
Mason Capital Ltd	58,328,126	11.2%	-1.69%	-2.78%	-1.69%	-	-	-	-2.78%	4.18%	-	Jan-12
PFM Diversified Offshore Fund LP	27,980,872	5.4%	-0.46%	-	-0.46%	-	-	-	-6.73%	5.55%	-	Mar-12
PFM Diversified Offshore Fund AI Ltd	27,940,782	5.4%	-0.43%	-	-0.43%	-	-	-	-6.86%	5.61%	-	Mar-12
Samlyn LP	61,840,654	11.9%	0.64%	3.07%	0.64%	-	-	-	3.07%	6.18%	-	Jan-12
Third Point Qualified LP	52,438,667	10.1%	1.50%	4.88%	1.50%	-	-	-	4.88%	5.81%	-	Jan-12
Viking Global Equities LP	65,400,887	12.6%	1.99%	9.16%	1.99%	-	-	-	9.01%	3.52%	-	Dec-11
<b>Total Global Equities</b>	<b>519,993,444</b>	<b>100.0%</b>	<b>0.42%</b>	<b>2.61%</b>	<b>0.42%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.70%</b>	<b>3.43%</b>	<b>-</b>	<b>Nov-11</b>
MSCI AC World Index Free - Net			1.37%	7.09%	1.37%	-	-	-	3.69%	16.17%	-	Nov-11
Russell 3000 Index (DRI)			0.99%	10.40%	0.99%	-	-	-	11.00%	11.95%	-	Nov-11
HFRI Equity Hedge (Total) Index			0.55%	2.62%	0.55%	-	-	-	-0.38%	8.84%	-	Nov-11
<b>Absolute Return</b>												
BlueCrest Capital LP	20,768,959	5.8%	1.46%	3.84%	1.46%	-	-	-	3.84%	2.03%	-	Jan-12
Brevan Howard LP	74,758,591	20.9%	2.29%	-1.42%	2.29%	-	-	-	-0.32%	5.02%	-	Nov-11
DE Shaw Composite International Fund	52,799,130	14.7%	-0.10%	5.27%	-0.10%	-	-	-	5.60%	3.07%	-	Nov-11
Graham Discretionary 6V Fund	50,621,353	14.1%	0.77%	1.24%	0.77%	-	-	-	1.24%	2.58%	-	Jan-12
OZ Domestic Fund II LP	79,072,940	22.1%	0.69%	6.00%	0.69%	-	-	-	5.43%	3.03%	-	Nov-11
Wexford Spectrum Fund LP	49,891,295	13.9%	-0.48%	-0.22%	-0.48%	-	-	-	-0.22%	5.22%	-	Jan-12
Winton Futures Fund Ltd	30,427,403	8.5%	4.40%	0.10%	4.40%	-	-	-	1.42%	7.46%	-	Dec-11
<b>Total Absolute Return</b>	<b>358,339,671</b>	<b>100.0%</b>	<b>1.10%</b>	<b>2.10%</b>	<b>1.10%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.57%</b>	<b>2.55%</b>	<b>-</b>	<b>Nov-11</b>
ML 3-month T-Bills			0.01%	0.05%	0.01%	-	-	-	0.04%	0.02%	-	Nov-11
HFRI Fund of Funds Composite Index			0.70%	1.75%	0.70%	-	-	-	0.20%	3.88%	-	Nov-11
<b>Total Hedge Fund Portfolio</b>	<b>1,017,207,648</b>	<b>100.0%</b>	<b>0.60%</b>	<b>2.08%</b>	<b>0.60%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.82%</b>	<b>2.45%</b>	<b>-</b>	<b>Nov-11</b>
HFRI Fund of Funds Composite Index			0.70%	1.75%	0.70%	-	-	-	0.20%	3.88%	-	Nov-11
<b>Market Indices</b>												
3 Month Libor Rate			0.04%	0.28%	0.04%	-	-	-	0.37%	0.01%	-	Nov-11
Barclays Aggregate Bond Index			1.38%	3.78%	1.38%	-	-	-	4.83%	2.37%	-	Nov-11
Barclays High Yield Credit Bond Index			1.90%	9.30%	1.90%	-	-	-	9.78%	6.41%	-	Nov-11
S&P 500 TR			1.39%	11.01%	1.39%	-	-	-	11.90%	11.67%	-	Nov-11
MSCI EAFE - Net			1.13%	4.13%	1.13%	-	-	-	-1.87%	20.20%	-	Nov-11
MSCI EMF (Emerging Markets Free) - Net			1.95%	5.97%	1.95%	-	-	-	-2.29%	23.47%	-	Nov-11

Employees' Retirement System of the State of Rhode Island  
Hedge Fund Portfolio  
Fund Level Performance Report  
7/31/2012

Fund	Trailing Returns				Calendar Year Returns					5 Yr Std Dev	Sharpe Ratio			Start Date			
	YTD	Jul	Jun	May	1 Year	3 Year	5 Year	2011	2010		2009	2008	2007		3 yr	5 yr	Incep.
<b>Fixed Income</b>																	
Brigade Leveraged Capital Structures Fund	4.01%	0.34%	0.12%	-0.23%	1.73%	7.87%	6.20%	2.55%	7.66%	39.64%	-17.14%	10.15%	7.63%	2.14	0.65	0.73	Jan-07
Capula Global Relative Value Fund Limited	-0.25%	0.52%	-0.57%	0.80%	3.81%	6.37%	9.90%	6.19%	9.58%	12.24%	9.45%	18.00%	5.56%	2.37	1.48	1.64	Oct-05
Gracie Credit Opportunities Fund L.P.	-3.40%	-1.20%	-2.80%	1.45%	-3.92%	1.15%	7.74%	0.10%	4.44%	16.18%	17.94%	18.45%	6.27%	0.25	1.01	1.25	Jul-04
<b>Global Equities</b>																	
Ascend Partners Fund II LP	2.54%	-0.36%	0.50%	0.25%	-3.04%	2.26%	3.30%	-3.02%	2.94%	13.61%	-3.58%	15.36%	4.88%	0.45	0.41	0.93	Jan-04
Davidson Kempner Institutional Partners, LP	3.74%	0.62%	0.36%	-0.36%	1.27%	7.19%	4.16%	1.27%	9.17%	17.79%	-9.03%	6.56%	5.01%	1.82	0.57	1.45	Mar-96
Elliott Associates, L.P. (HFR98)	4.86%	0.20%	0.60%	-1.30%	3.91%	9.06%	10.09%	3.94%	7.39%	30.85%	-3.08%	32.07%	5.79%	2.32	1.46	1.76	Feb-77
Indus Asia Pacific Fund	2.16%	1.80%	-2.90%	-3.10%	-5.40%	4.04%	0.43%	-7.18%	7.36%	25.45%	-28.99%	33.49%	10.16%	0.48	-0.04	0.70	Dec-00
Mason Capital, Ltd.	-2.97%	-1.64%	-0.84%	-0.55%	-3.00%	8.83%	3.69%	4.20%	9.62%	25.16%	-15.42%	16.75%	8.26%	1.25	0.31	0.75	Feb-02
PFM Diversified Fund, LP	-2.83%	-0.47%	0.04%	-4.05%	-6.23%	1.80%	3.96%	-3.35%	4.36%	21.35%	-6.10%	31.21%	7.69%	0.25	0.37	0.77	Nov-04
Samlyn Capital - Composite	3.80%	0.80%	-0.40%	-2.57%	-3.21%	1.69%	9.43%	-5.05%	1.98%	23.57%	6.62%	-	9.43%	0.20	0.86	0.94	Mar-07
Third Point Partners L.P.	6.13%	1.60%	0.30%	-2.50%	-1.07%	22.68%	6.60%	-0.54%	41.52%	38.14%	-32.84%	16.61%	15.01%	1.75	0.41	1.20	Jun-95
Viking Global Equities	9.00%	2.00%	1.40%	-0.50%	10.62%	9.26%	11.10%	7.71%	3.67%	19.20%	-0.73%	38.97%	8.19%	1.46	1.16	1.46	Oct-99
<b>Absolute Return</b>																	
BlueCrest Capital International Limited	3.98%	1.46%	-0.39%	0.30%	7.65%	11.69%	15.48%	6.09%	12.80%	45.41%	6.26%	10.80%	5.41%	3.05	2.45	1.85	Dec-00
Brevan Howard L.P. (Series B)	-1.47%	2.29%	-2.22%	-1.76%	5.06%	4.80%	11.74%	11.33%	0.92%	17.10%	19.14%	23.60%	7.68%	0.91	1.31	1.25	Sep-05
DE Shaw Composite International Fund	3.73%	-0.20%	0.00%	1.30%	3.49%	5.16%	3.94%	3.69%	1.56%	21.31%	-9.81%	7.15%	7.13%	1.08	0.39	1.27	Mar-01
Graham Discretionary - 6V Portfolio	1.22%	0.77%	-0.77%	-0.15%	2.87%	5.30%	6.35%	3.56%	7.10%	17.13%	8.66%	-6.88%	5.78%	1.86	0.86	0.80	Jun-04
OZ Master Fund, Ltd	5.56%	0.65%	0.23%	-0.44%	1.67%	6.57%	3.86%	-0.48%	8.52%	23.11%	-15.92%	11.48%	6.04%	1.67	0.43	1.65	Apr-94
Wexford Spectrum Fund, L.P.	-0.23%	-0.50%	-0.49%	-1.84%	-4.00%	4.42%	2.61%	-3.44%	8.45%	30.76%	-13.87%	13.03%	10.03%	0.59	0.17	0.92	Apr-97
Winton Futures Fund - USD Class B	0.12%	4.42%	-3.17%	-0.22%	1.69%	8.25%	9.43%	6.29%	14.47%	-4.64%	21.01%	17.97%	9.63%	0.93	0.84	0.73	Oct-97
<b>Benchmarks</b>																	
HFRI Fund of Funds Composite Index	1.75%	0.70%	-0.39%	-1.61%	-4.15%	1.91%	-1.96%	-5.72%	5.70%	11.47%	-21.37%	10.25%	6.67%	0.36	-0.47	0.58	Jan-90
HFRI Fund Weighted Composite Index	2.88%	1.05%	0.30%	-2.56%	-3.49%	4.71%	1.32%	-5.25%	10.25%	19.98%	-19.03%	9.96%	7.99%	0.71	0.03	0.99	Jan-90
<b>Market Indices</b>																	
3 Month Libor - BOM	0.28%	0.04%	0.04%	0.04%	0.46%	0.37%	1.38%	0.35%	0.34%	0.74%	3.04%	5.31%	0.45%				Mar-86
Barclays Aggregate Bond Index	3.78%	1.38%	0.04%	0.90%	7.26%	6.86%	6.92%	7.86%	6.56%	5.93%	5.24%	6.96%	3.57%				Jan-76
Barclays High Yield Credit Bond Index	9.30%	1.90%	2.11%	-1.31%	8.05%	14.73%	9.64%	4.98%	15.11%	58.21%	-26.15%	1.88%	14.15%				Jul-83
S&P 500 TR	11.01%	1.39%	4.12%	-6.01%	9.13%	14.13%	1.13%	2.11%	15.06%	26.46%	-37.00%	5.49%	19.16%				Jan-70
MSCI EAFE - Net	4.13%	1.13%	7.01%	-11.48%	-11.45%	3.31%	-5.61%	-12.14%	7.75%	31.78%	-43.38%	11.17%	23.58%				Dec-69
MSCI EMF (Emerging Markets Free) - Net	5.97%	1.95%	3.86%	-11.21%	-13.93%	6.63%	-0.73%	-18.43%	18.88%	78.51%	-53.33%	39.39%	29.86%				Jan-01

Note: The above is manager composite history.

ERSRI Monthly Market Value Report With Time Weighted Returns											
July 31, 2012											
	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value 6/30/2012	Transfers In/(out)	Market Value 7/31/2012	Market Value Increase/Decrease
<b>Global Equity</b>											
Shott Capital Management IRR				S & P 500				979,123	(1)	907,184	(71,938)
SSGA S&P 500	11.06%	11.01%	0.05%	S & P 500	1.40%	1.39%	0.01%	1,632,177,637	-	1,655,015,302	22,837,665
Wellington Tech Eq	9.93%	10.40%	-0.47%	Russell 3000	1.91%	0.99%	0.92%	146,063,025	(147,767,518)	1,072,602	2,777,094
Russell 2000 Index Fund	7.01%	7.03%	-0.02%	Russell 2000	-1.41%	-1.38%	-0.03%	554,362,881	-	546,560,925	(7,801,956)
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	460,198	(2,540)	476,171	18,512
MSCI Ex US Index Fund	4.39%	4.31%	0.08%	MSCI Ex US Index Fund	1.40%	1.37%	0.03%	1,137,590,054	-	1,153,522,907	15,932,853
<b>Sub-Total Global Equity</b>	<b>8.13%</b>	<b>7.10%</b>	<b>1.03%</b>	<b>MSCI AC World</b>	<b>1.00%</b>	<b>1.37%</b>	<b>-0.37%</b>	<b>3,471,632,917</b>	<b>(147,770,058)</b>	<b>3,357,555,089</b>	<b>33,692,231</b>
<b>Global Equity Hedge Funds</b>											
Davidson Kempner	3.85%	1.74%	2.11%	HFrx Equity Hedge	0.61%	0.55%	0.06%	62,131,380	-	62,507,280	375,900
Mason Capital	-2.73%	1.74%	-4.47%	HFrx Equity Hedge	-1.64%	0.55%	-2.19%	59,332,200	-	58,359,720	(972,480)
Viking Global Equities III	9.12%	1.74%	7.38%	HFrx Equity Hedge	2.02%	0.55%	1.47%	64,113,420	-	65,408,280	1,294,860
Ascend Partners Fund II	2.05%	1.74%	0.31%	HFrx Equity Hedge	-0.38%	0.55%	-0.93%	61,108,200	-	60,875,760	(232,440)
Elliott Associates	4.98%	1.74%	3.24%	HFrx Equity Hedge	0.20%	0.55%	-0.35%	61,700,400	-	61,823,820	123,420
Third Point Partners	4.88%	1.74%	3.14%	HFrx Equity Hedge	1.51%	0.55%	0.96%	51,660,350	-	52,438,650	778,300
PFM Diversified		1.74%	-1.74%	HFrx Equity Hedge	-0.39%	0.55%	-0.94%	56,139,180	-	55,919,520	(219,660)
Samlyn On/Off Shore Fund	3.07%	1.74%	1.33%	HFrx Equity Hedge	0.64%	0.55%	0.09%	61,449,000	-	61,840,620	391,620
Indus Asia Pacific Fund	2.14%	1.74%	0.40%	HFrx Equity Hedge	2.42%	0.55%	1.87%	39,891,320	-	40,856,520	965,200
<b>Sub-Total Global Equity Hedge Fu</b>	<b>2.36%</b>	<b>1.74%</b>	<b>0.62%</b>	<b>HFrx Equity Hedge</b>	<b>0.48%</b>	<b>0.55%</b>	<b>-0.07%</b>	<b>517,525,450</b>	<b>-</b>	<b>520,030,170</b>	<b>2,504,720</b>
<b>Total Global Equity</b>	<b>7.55%</b>	<b>7.10%</b>	<b>0.45%</b>	<b>MSCI AC World</b>	<b>0.93%</b>	<b>1.37%</b>	<b>-0.44%</b>	<b>3,989,158,367</b>	<b>(147,770,058)</b>	<b>3,877,585,259</b>	<b>36,196,951</b>
<b>Fixed Income</b>											
Pyramis Global Advisors	3.49%	2.47%	1.02%	BC MBS	0.97%	0.80%	0.17%	412,793,033	-	416,784,742	3,991,709
Brown Brothers, Harriman	6.53%	3.77%	2.76%	Citigroup BIG	1.86%	1.41%	0.45%	403,054,798	-	410,569,132	7,514,374
Taplin, Canida & Habacht	7.26%	7.38%	-0.12%	BC Credit	2.72%	2.71%	0.01%	407,814,809	-	418,901,183	11,086,374
Mackay Shields	8.31%	8.54%	-0.23%	CS First Bosh/Yield	1.81%	1.76%	0.05%	194,262,799	-	197,788,062	3,525,263
<b>Sub-Total Fixed Income</b>	<b>6.08%</b>	<b>3.78%</b>	<b>2.30%</b>	<b>BC Aggregate</b>	<b>1.84%</b>	<b>1.38%</b>	<b>0.46%</b>	<b>1,417,925,399</b>	<b>-</b>	<b>1,444,043,119</b>	<b>26,117,720</b>
<b>Alternative Fixed Income</b>											
Capula Global Master Fund	-0.85%	0.99%	-1.84%		0.57%	0.29%	0.28%	49,469,650	-	49,750,450	280,800
Brigade Leveraged Capital					0.40%	0.29%	0.11%	50,705,650	-	50,909,850	204,200
Gracie Credit Fund	-2.40%	0.99%	-3.39%		-1.30%	0.29%	-1.59%	38,707,200	-	38,205,120	(502,080)
<b>Sub-Total Alternative Fixed Income</b>	<b>-0.94%</b>	<b>0.99%</b>	<b>-1.93%</b>	<b>HFRI FOF Conservative</b>	<b>-0.94%</b>	<b>0.29%</b>	<b>-1.23%</b>	<b>138,882,500</b>	<b>-</b>	<b>138,865,420</b>	<b>(17,080)</b>
<b>Total Fixed Income</b>	<b>5.55%</b>	<b>3.78%</b>	<b>1.77%</b>	<b>BC Aggregate</b>	<b>1.68%</b>	<b>1.38%</b>	<b>0.30%</b>	<b>1,556,807,899</b>	<b>-</b>	<b>1,582,908,539</b>	<b>26,100,640</b>
<b>Alternative Investments</b>											
Private Equity	8.81%	12.91%	-4.10%	S&P 500 plus 300BPS	0.81%	1.64%	-0.83%	615,642,823	(4,061,554)	615,542,046	3,960,777
Real Estate	5.61%	5.63%	-0.02%	NCREIF + 100	0.66%	0.00%	0.66%	273,004,246	(1,702,808)	272,981,618	1,680,181
<b>Total Alternatives</b>	<b>7.81%</b>	<b>10.05%</b>	<b>-2.24%</b>		<b>0.76%</b>	<b>0.98%</b>	<b>-0.22%</b>	<b>888,647,068</b>	<b>(5,764,362)</b>	<b>888,523,664</b>	<b>5,640,957</b>
<b>Cash Accounts</b>											
Cash in Trust	0.12%		0.12%		0.02%		0.02%	20,811,837	137,414,420	158,309,187	82,930
Cash Outside Trust	0.00%		0.00%		0.00%		0.00%	3,770,372	-	719,185	(3,051,187)
<b>Total Cash</b>	<b>0.12%</b>	<b>0.12%</b>		<b>91 Day T-Bill</b>	<b>0.02%</b>	<b>0.02%</b>		<b>24,582,209</b>	<b>137,414,420</b>	<b>159,028,372</b>	<b>(2,968,257)</b>
<b>Real Return Pool</b>											
Brown Bros TIPS	6.38%	6.01%	0.37%	Barclays US TIPS Index	1.98%	1.90%	0.08%	377,750,965	-	385,236,609	7,485,644
<b>Sub-Total Real Return</b>	<b>6.38%</b>	<b>6.01%</b>	<b>0.37%</b>	<b>CPI +4%</b>	<b>1.98%</b>	<b>1.90%</b>	<b>0.08%</b>	<b>377,750,965</b>	<b>-</b>	<b>385,236,609</b>	<b>7,485,644</b>
<b>Alternative Absolute Return</b>											
Brevan Howard Master Fund	-1.39%	1.75%	-3.14%	HFRI Fund Wgt Comp Index	2.29%	0.70%	1.59%	73,086,900	-	74,758,575	1,671,675
OZ Domestic Partners II	6.17%	1.75%	4.42%	HFRI Fund Wgt Comp Index	0.73%	0.70%	0.03%	78,501,900	-	79,072,950	571,050
DE Shaw Composite Fund	5.18%	1.75%	3.43%	HFRI Fund Wgt Comp Index	-0.03%	0.70%	-0.73%	52,816,550	-	52,799,100	(17,450)
Graham Global Inv Fund	1.24%	1.75%	-0.51%	HFRI Fund Wgt Comp Index	0.78%	0.70%	0.08%	50,228,000	-	50,621,350	393,350
Wardford Spectrum Fund	-0.22%	1.75%	-1.97%	HFRI Fund Wgt Comp Index	-0.33%	0.70%	-1.03%	50,054,850	-	49,891,300	(163,550)
Winton Future Fund Ltd	0.12%	1.75%	-1.63%	HFRI Fund Wgt Comp Index	4.42%	0.70%	3.72%	29,144,340	-	30,432,510	1,288,170
Blue Crest Capital	3.84%	1.75%	2.09%	HFRI Fund Wgt Comp Index	1.45%	0.70%	0.75%	20,471,880	-	20,768,940	297,060
<b>Sub-Total Alt Absolute Return</b>	<b>2.52%</b>	<b>1.75%</b>	<b>0.77%</b>	<b>HFRI Fund Wgt Comp Index</b>	<b>1.14%</b>	<b>0.70%</b>	<b>0.44%</b>	<b>354,304,420</b>	<b>-</b>	<b>358,344,725</b>	<b>4,040,305</b>
<b>Total Real Return</b>	<b>4.47%</b>	<b>3.88%</b>	<b>0.59%</b>	<b>CPI +4%</b>	<b>1.57%</b>	<b>0.18%</b>	<b>1.39%</b>	<b>732,055,385</b>	<b>-</b>	<b>743,581,334</b>	<b>11,525,949</b>
<b>Other</b>											
Russell Overlay	0.04%				0.00%			45,087,805	-	45,110,510	22,706
<b>Total Plan Ex PE &amp; RE</b>	<b>6.33%</b>	<b>6.78%</b>	<b>-0.45%</b>		<b>1.16%</b>	<b>1.06%</b>	<b>0.10%</b>				
<b>Total Plan</b>	<b>6.52%</b>	<b>6.31%</b>	<b>0.21%</b>		<b>1.12%</b>	<b>1.13%</b>	<b>-0.01%</b>	<b>7,236,338,733</b>	<b>(16,120,000)</b>	<b>7,296,737,678</b>	<b>76,518,946</b>

\*Policy Index: (Effective 12/1/11)

20% BC Agg

52% MSCI World Free

11% CPI + 4%

7.5% S&P 500 + 3%

5% NCREIF Prop LAGC

Effective 11/10/09 Moved TIPS from Fixed Income to Real Return. The history remains in Fixed Income.

# State of Rhode Island

TOTAL PLAN

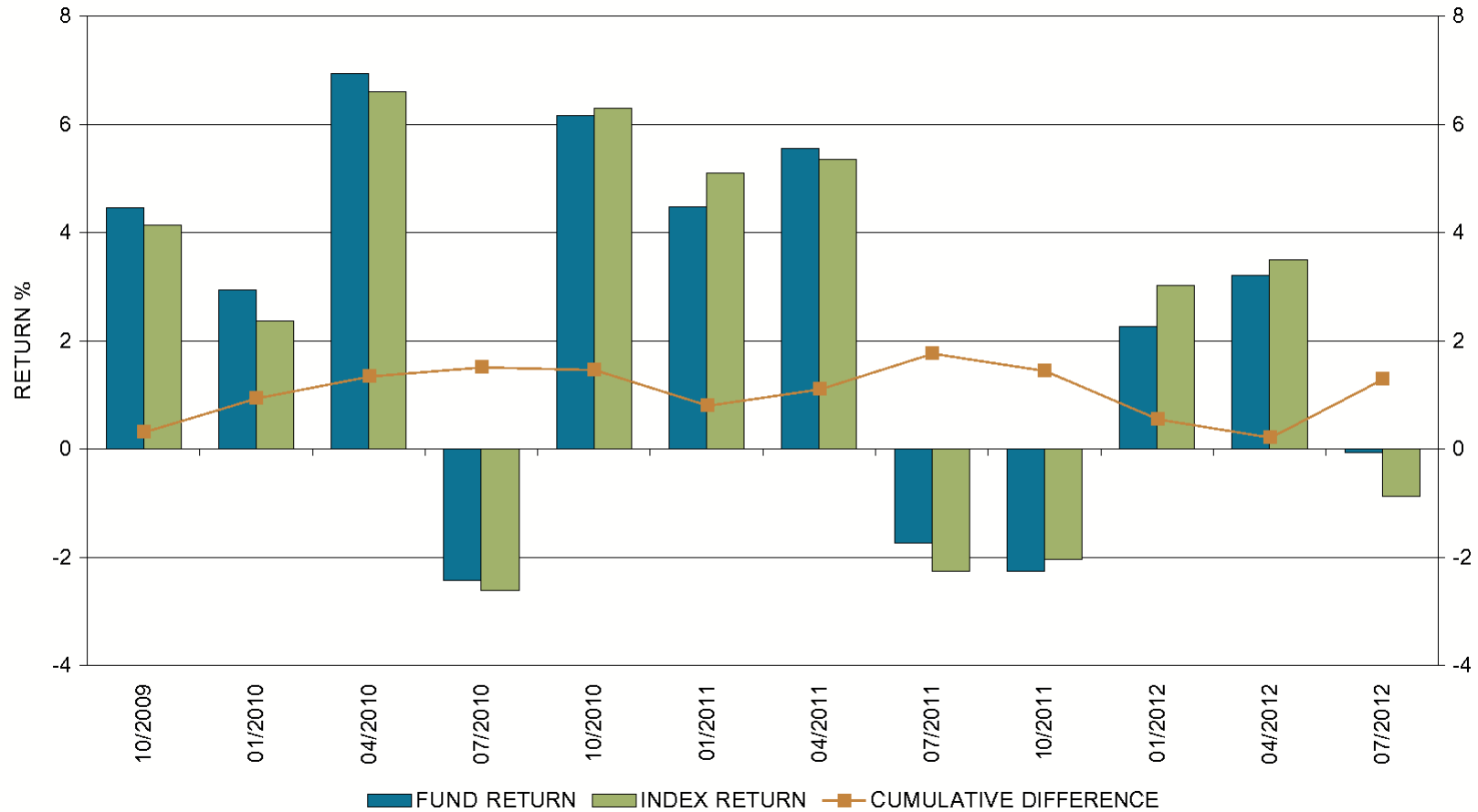
Index: TOTAL PLAN BENCHMARK

PERIODS: July 31, 2009 - July 31, 2012



STATE STREET

## CUMULATIVE PERFORMANCE REPORT



# State of Rhode Island

‡ TOTAL PLAN

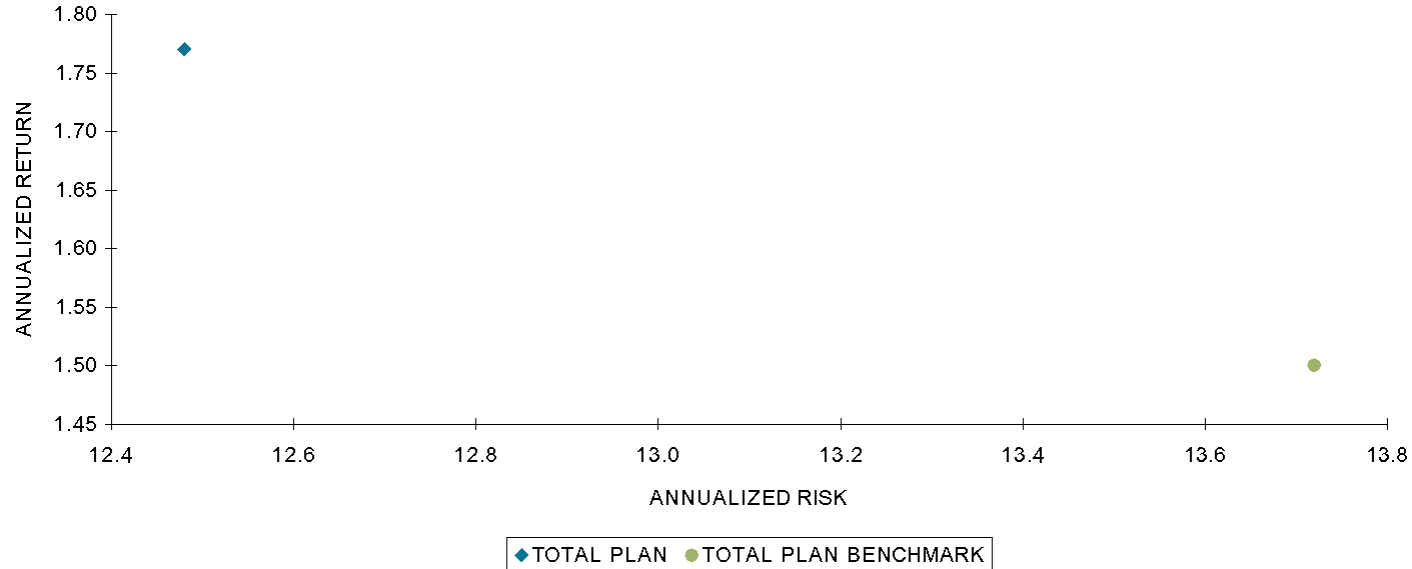
Benchmark: TOTAL PLAN BENCHMARK

July 31, 2007 - July 31, 2012



STATE STREET

## RISK VS. RETURN



### RISK INFORMATION

Portfolio Return	1.77
Benchmark Return	1.50
Return Differences	0.27
Portfolio Standard Deviation	12.48
Benchmark Standard	13.72
Tracking Error	1.92

### RISK STATISTICS

Historic Beta	0.90
R-squared	0.99
Jensen's Alpha	0.32
Sharpe Ratio	0.07
Treynor Ratio	0.96
Information Ratio	0.14

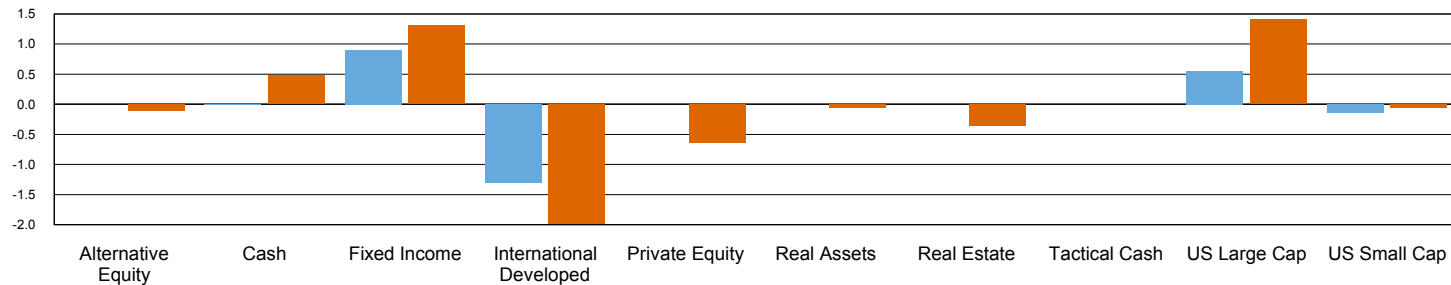
‡ Unapproved

# ASSET ALLOCATION

# 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>7,292.3</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>7,292.3</b>	<b>100.0%</b>	<b>7,292.3</b>	<b>100.0%</b>	<b>7,292.3</b>	<b>100.00%</b>
<b>Cash</b>	<b>35.2</b>	<b>0.5%</b>	<b>-32.8</b>	<b>-0.4%</b>	<b>2.4</b>	<b>0.0%</b>	<b>3.5</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.00%</b>
Cash	35.2	0.5%	-32.8	-0.4%	2.4	0.0%	3.5	0.0%	0.0	0.00%
<b>Equity</b>	<b>4,493.5</b>	<b>61.6%</b>	<b>55.8</b>	<b>0.8%</b>	<b>4,549.3</b>	<b>62.4%</b>	<b>4,614.0</b>	<b>63.3%</b>	<b>4,594.1</b>	<b>63.00%</b>
Private Equity	610.2	8.4%	0.0	0.0%	610.2	8.4%	610.2	8.4%	656.3	9.00%
US Small Cap	549.8	7.5%	5.9	0.1%	555.7	7.6%	566.1	7.8%	554.2	7.60%
US Large Cap	1,663.1	22.8%	-28.7	-0.4%	1,634.4	22.4%	1,594.1	21.9%	1,560.5	21.40%
International Developed	1,152.9	15.8%	78.6	1.1%	1,231.5	16.9%	1,326.0	18.2%	1,298.0	17.80%
Alternative Equity	517.5	7.1%	0.0	0.0%	517.5	7.1%	517.5	7.1%	525.0	7.20%
<b>Fixed</b>	<b>1,582.9</b>	<b>21.7%</b>	<b>-23.0</b>	<b>-0.3%</b>	<b>1,559.9</b>	<b>21.4%</b>	<b>1,494.1</b>	<b>20.5%</b>	<b>1,487.6</b>	<b>20.40%</b>
Fixed Income	1,582.9	21.7%	-23.0	-0.3%	1,559.9	21.4%	1,494.1	20.5%	1,487.6	20.40%
<b>Other</b>	<b>1,180.7</b>	<b>16.2%</b>	<b>0.0</b>	<b>0.0%</b>	<b>1,180.7</b>	<b>16.2%</b>	<b>1,180.7</b>	<b>16.2%</b>	<b>1,210.5</b>	<b>16.60%</b>
Tactical Cash	167.7	2.3%	0.0	0.0%	167.7	2.3%	167.7	2.3%	167.7	2.30%
Real Estate	273.4	3.7%	0.0	0.0%	273.4	3.7%	273.4	3.7%	299.0	4.10%
Real Assets	739.5	10.1%	0.0	0.0%	739.5	10.1%	739.5	10.1%	743.8	10.20%

## Deviations from Target Allocation





# CASH FLOW

**CASH FLOW ANALYSIS - INCOME & EXPENSES**

**Employees Retirement System**

FISCAL YEAR 2013	FY 2012-13	Projected											TOTAL
	Actual July 2012	August	September	October	November	December	January 2013	February	March	April	May	June	
MEMBER BENEFITS	69,405,592	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	839,405,592
ADMINISTRATIVE EXPENSES	287,720	660,651	834,794	646,649	418,609	763,480	566,091	729,552	1,080,787	568,054	474,315	897,153	7,927,855
INVESTMENT EXPENSES	954,598	151,236	1,393,349	(942,146)	6,757	517,797	501,413	228,446	666,823	405,876	173,652	420,419	4,478,219
TOTAL OUTFLOW	70,647,910	70,811,886	72,228,143	69,704,504	70,425,365	71,281,277	71,067,504	70,957,998	71,747,610	70,973,930	70,647,967	71,317,572	851,811,666
CONTRIBUTIONS	53,930,531	28,659,530	38,949,761	38,118,149	49,232,033	41,087,919	49,365,444	44,163,220	54,087,522	42,467,147	44,302,044	46,667,601	531,030,901
OTHER INCOME*	5,459,146	6,622,689	5,032,088	7,603,294	8,542,405	10,450,579	4,447,436	6,041,223	5,261,846	990,900	7,436,249	11,059,760	78,947,615
TOTAL INCOME	59,389,677	35,282,219	43,981,849	45,721,443	57,774,438	51,538,498	53,812,880	50,204,443	59,349,368	43,458,047	51,738,293	57,727,361	609,978,516
DIFFERENCE	(11,258,232)	(35,529,668)	(28,246,294)	(23,983,061)	(12,650,927)	(19,742,779)	(17,254,623)	(20,753,556)	(12,398,243)	(27,515,883)	(18,909,674)	(13,590,211)	(241,833,150)

**Municipal Employees Retirement System**

	Actual July 2012	Projected August	Projected September	Actual October	Actual November	Projected December	Projected January 2013	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	6,888,578	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	83,888,578
ADMINISTRATIVE EXPENSES	56,172	125,842	159,526	124,054	80,412	147,098	109,377	141,222	209,477	110,375	92,345	174,971	1,530,872
INVESTMENT EXPENSES	186,366	28,808	266,264	(180,743)	1,298	99,763	96,880	44,221	129,243	78,864	33,809	81,994	866,766
TOTAL OUTFLOW	7,131,115	7,154,649	7,425,790	6,943,311	7,081,710	7,246,861	7,206,258	7,185,443	7,338,720	7,189,239	7,126,154	7,256,965	86,286,215
CONTRIBUTIONS	5,193,569	5,236,442	4,741,697	5,123,170	4,733,696	5,048,323	6,107,049	4,633,750	5,058,462	4,415,298	4,664,657	5,420,386	60,376,499
OTHER INCOME*	1,065,789	1,261,499	961,614	1,458,630	1,640,949	2,013,490	859,312	1,169,419	1,019,846	192,536	1,447,777	2,156,973	15,247,832
TOTAL INCOME	6,259,358	6,497,941	5,703,311	6,581,800	6,374,645	7,061,813	6,966,361	5,803,169	6,078,308	4,607,834	6,112,434	7,577,359	75,624,331
DIFFERENCE	(871,758)	(656,708)	(1,722,479)	(361,511)	(707,066)	(185,048)	(239,897)	(1,382,274)	(1,260,412)	(2,581,405)	(1,013,720)	320,395	(10,661,884)

**CASH FLOW ANALYSIS - INCOME & EXPENSES**

**Judges/State Police  
Retirement System**

	Actual July 2012	Projected August	Projected September	Actual October	Actual November	Projected December	Projected January 2013	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
<i>MEMBER BENEFITS</i>	<b>190,227</b>	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,390,227
<i>ADMINISTRATIVE EXPENSES</i>	<b>5,888</b>	12,228	15,613	12,266	8,002	14,735	11,012	14,315	21,360	11,356	9,564	18,244	154,583
<i>INVESTMENT EXPENSES</i>	<b>19,536</b>	2,799	26,059	(17,870)	129	9,993	9,754	4,482	13,179	8,114	3,502	8,549	88,227
<i>TOTAL OUTFLOW</i>	<b>215,652</b>	215,027	241,672	194,395	208,132	224,728	220,767	218,797	234,539	219,470	213,066	226,793	2,633,037
<i>CONTRIBUTIONS</i>	<b>385,000</b>	495,000	968,000	512,000	529,000	502,000	500,000	515,000	835,000	490,000	505,000	480,000	6,716,000
<i>OTHER INCOME*</i>	<b>111,723</b>	122,580	94,113	144,218	163,302	201,690	86,518	118,538	103,994	19,809	149,949	224,899	1,541,333
<i>TOTAL INCOME</i>	<b>496,723</b>	617,580	1,062,113	656,218	692,302	703,690	586,518	633,538	938,994	509,809	654,949	704,899	8,257,333
<i>DIFFERENCE</i>	<b>281,072</b>	402,552	820,441	461,823	484,170	478,962	365,752	414,740	704,454	290,339	441,883	478,106	5,624,296

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

FISCAL YEAR 2012

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 11	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 12	Actual Feb	Projected Mar	Actual Apr	Actual May	Projected June	Projected TOTAL
<b>EQUITIES</b>													
SSgA Russell 1000/S& ZU14			43,236			40,866			40,498			100,000	224,600
SSGA Russell 2000 ZU06			30,210			28,140			28,019			35,000	596,063
Shott Capital ZU49			1,703			1,592			1,522			1,233	6,051
Wellington Tech Eq ZU04			<u>335,337</u>			<u>310,389</u>			<u>376,641</u>			<u>350,000</u>	1,372,367
			410,486			380,987			446,681			486,233	1,603,018
<b>FIXED INCOME</b>													
Brown Bros. ZU44			171,735			173,397			176,758			167,000	688,889
Pyramis ZU46			158,869			157,589			139,160			140,446	596,063
Taplin ZU84			239,702			244,821			198,244			201,399	884,165
Mackay Shields ZU59			189,045			190,881			199,536			185,000	764,462
Brown Bros.TIPS ZU69			<u>123,164</u>			<u>114,716</u>			<u>103,456</u>			<u>115,000</u>	456,336
			882,514			881,403			817,154			808,844	3,389,916
<b>INT'L EQUITIES</b>													
SSgA MSCI ACWI ZU08			<u>148,827</u>			<u>141,598</u>			<u>152,271</u>			<u>165,000</u>	607,696
	0		148,827	0		141,598			152,271			165,000	607,696
<b>REAL ESTATE</b>													
L & B Real Estate ZU79	154,773	121,712	84,071	121,725	0	84,071	126,079	230,671	82,336	125,166	121,978	96,354	1,348,937
<b>ALTERNATIVE INVESTMENTS</b>													
Other Alt Inv Mgmt F ZU32	712,239	61,130	1,601,601	(1,262,485)	8,184	543,482	481,969	46,479	726,909	367,688	88,984	414,608	3,790,788
<b>SUB TOTAL-INV MGMT FEES</b>													
	867,012	182,843	3,127,499	(1,140,759)	8,184	2,031,540	608,048	277,150	2,225,351	492,854	210,962	1,971,039	10,740,354
<b>PROFESSIONAL FEES</b>													
Legal	7,739	2,644	2,464	11,320	46,641	24,357	0	18,031	7,542	973	0	3,806	125,517
St St Bank Custodial	66,096	62,763	61,759	61,462	60,582	60,714	61,869	63,476	63,057	62,408	61,653	61,306	747,145
Pacific Corp Group/C ZU76	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	450,000
PCA/Russell	13,125	13,125	75,322	13,125	13,125	68,944	13,125	13,125	67,362	13,125	13,125	13,125	329,756
Townsend/PCA	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>14,184</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	116,684
	124,460	116,032	212,670	123,408	157,848	227,140	112,494	132,133	189,645	124,423	122,695	126,154	1,769,102
<b>OPERATING EXPENSE</b>													
Retirement Transfers	50,535	638,586	830,432	405,345	478,315	383,396	560,824	764,161	1,063,383	574,404	456,372	818,188	7,023,940
Other Expense	<u>12,500</u>	0	<u>16,644</u>	0	<u>6,250</u>	<u>5,700</u>	<u>6,250</u>	<u>5,700</u>	0	<u>4,500</u>	<u>6,250</u>	<u>5,700</u>	69,494
	63,035	638,586	847,076	405,345	484,565	389,096	567,074	769,861	1,063,383	578,904	462,622	823,888	7,093,434
<b>TOTAL:</b>	1,054,507	937,461	4,187,245	(612,007)	650,597	2,647,776	1,287,616	#####	3,478,378	1,196,181	796,280	2,921,081	19,602,890

Note: Numbers in bold are actual.

FISCAL YEAR 2013

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Projected Jul 12	Projected Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 13	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected TOTAL
<b>EQUITIES</b>													
SSgA Russell 1000/S& ZU14			43,236			40,866			40,498			45,000	169,600
SSGA Russell 2000 ZU06			30,210			28,140			28,019			30,000	596,063
Shott Capital ZU49			1,703			1,592			1,522			1,700	6,518
Wellington Tech Eq ZU04			<u>335,337</u>			<u>310,389</u>			<u>376,641</u>			<u>350,000</u>	1,372,367
			410,486			380,987			446,681			426,700	1,548,485
<b>FIXED INCOME</b>													
Brown Bros. ZU44			171,735			173,397			176,758			167,000	688,889
Pyramis ZU46			158,869			157,589			139,160			140,446	596,063
Taplin ZU84			239,702			244,821			198,244			201,399	884,165
Mackay Shields ZU59			189,045			190,881			199,536			185,000	764,462
Brown Bros.TIPS ZU69			<u>123,164</u>			<u>114,716</u>			<u>103,456</u>			<u>115,000</u>	456,336
			882,514			881,403			817,154			808,844	3,389,916
<b>INT'L EQUITIES</b>													
SSgA MSCI ACWI ZU08			<u>148,827</u>			<u>141,598</u>			<u>152,271</u>			<u>165,000</u>	607,696
	0		148,827	0		141,598			152,271			165,000	607,696
<b>REAL ESTATE</b>													
L & B Real Estate ZU79	<b>129,888</b>	121,712	84,071	121,725	0	84,071	126,079	230,671	82,336	125,166	121,978	96,354	1,324,051
<b>ALTERNATIVE INVESTMENTS</b>													
Other Alt Inv Mgmt F ZU32	<b>1,030,612</b>	61,130	1,601,601	(1,262,485)	8,184	543,482	481,969	46,479	726,909	367,688	88,984	414,608	4,109,161
<b>SUB TOTAL-INV MGMT FEES</b>													
	1,160,500	182,843	3,127,499	(1,140,759)	8,184	2,031,540	608,048	277,150	2,225,351	492,854	210,962	1,911,506	10,979,309
<b>PROFESSIONAL FEES</b>													
Legal	7,739	2,644	2,464	11,320	46,641	24,357	0	18,031	7,542	973	0	3,806	125,517
St St BankBNY Mellon - Cust	66,096	62,763	61,759	61,462	60,582	60,714	61,869	63,476	63,057	62,408	61,653	61,306	747,145
Cliffwater ZU76	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	450,000
PCA/Russell	13,125	13,125	75,322	13,125	13,125	68,944	13,125	13,125	67,362	13,125	13,125	13,125	329,756
PCA Real Estate	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	125,003
	134,877	126,449	187,462	133,825	168,265	201,932	122,911	142,550	185,878	124,423	122,695	126,154	1,777,422
<b>OPERATING EXPENSE</b>													
Retirement Transfers	<b>202,402</b>	638,586	830,432	405,345	478,315	383,396	560,824	764,161	1,063,383	574,404	456,372	818,188	7,175,808
Other Expense	<u>12,500</u>	0	<u>16,644</u>	0	<u>6,250</u>	<u>5,700</u>	<u>6,250</u>	<u>5,700</u>	0	<u>4,500</u>	<u>6,250</u>	<u>5,700</u>	69,494
	214,902	638,586	847,076	405,345	484,565	389,096	567,074	769,861	1,063,383	578,904	462,622	823,888	7,245,301
<b>TOTAL:</b>	1,510,279	947,878	<b>4,162,037</b>	<b>(601,590)</b>	<b>661,014</b>	<b>2,622,568</b>	<b>1,298,033</b>	#####	<b>3,474,612</b>	<b>1,196,181</b>	796,280	2,861,549	20,002,032

Note: Numbers in bold are actual.

State of Rhode Island Private Equity Unfunded Commitment  
July 2012

Partnership Investment	Total Commitment	ERSRI Unfunded (USD)
Advent Global Private Equity Fund VII	\$ 20,000,000.00	\$ 20,000,000.00
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 750,000.00
Alta Partners VIII	\$ 15,000,000.00	\$ 3,750,000.00
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	\$ 4,937,500.00
Birch Hill Equity Partners III*	\$ 17,930,070.00	\$ 1,012,881.93
Braemar Energy Ventures III	\$ 10,000,000.00	\$ 7,685,632.00
Castile III	\$ 5,000,000.00	\$ 650,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,354,182.00
Centerbridge Special Credit Partners II	\$ 25,000,000.00	\$ 21,250,000.00
Charterhouse Capital Partners VIII*	\$ 18,409,425.00	\$ 2,502,187.41
Coller International Capital IV**	\$ 15,000,000.00	\$ 2,100,000.00
Coller International Capital V	\$ 15,000,000.00	\$ 3,382,500.00
Constellation III	\$ 15,000,000.00	\$ 716,292.88
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.00
CVC European Equity Partners IV*	\$ 20,250,367.50	\$ 2,405,528.60
CVC V	\$ 24,545,900.00	\$ 9,040,918.97
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 232,336.00
Fenway III	\$ 15,000,000.00	\$ 122,722.00
First Reserve Fund X	\$ 20,000,000.00	\$ 1.00
First Reserve Fund XI	\$ 20,000,000.00	\$ 1,371,770.00
Focus Ventures III	\$ 15,000,000.00	\$ -
Granite Global Ventures II	\$ 15,000,000.00	\$ 675,000.00
Granite Global Ventures III	\$ 15,000,000.00	\$ 1,125,000.00
Green Equity Investors V	\$ 20,000,000.00	\$ 3,429,350.68
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 1,124,606.00
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 1,203,479.00
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	\$ 805,016.52
Matlin Patterson Glob. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ -
MHR Institutional Partners III	\$ 20,000,000.00	\$ 6,896,878.00
Nautic Partners V	\$ 20,000,000.00	\$ 651,894.55
Nautic Partners VI	\$ 20,000,000.00	\$ 2,285,972.25
Nautic Partners VII	\$ 20,000,000.00	\$ 20,000,000.00
Nordic Capital Fund III*	\$ 11,691,440.00	\$ -
Nordic Capital Fund V*	\$ 17,937,591.44	\$ -
Nordic Capital Fund VI*	\$ 18,409,425.00	\$ -

State of Rhode Island Private Equity Unfunded Commitment  
July 2012

Nordic VII	\$	18,409,425.00	\$	4,453,253.57
Oaktree Capital Management Fund III	\$	20,000,000.00	\$	14,000,000.00
Palladin III	\$	10,000,000.00	\$	4,658,927.00
Parthenon Investors II	\$	23,960,000.00	\$	1,953,022.00
Perseus VII	\$	15,000,000.00	\$	1,216,758.00
Point 406	\$	10,000,000.00	\$	1,700,000.00
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	\$	1,982,025.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,160,471.00
Providence Equity Partners VI	\$	25,000,000.00	\$	3,293,832.00
SKM Equity Fund II**	\$	10,000,000.00	\$	1,735,947.00
Summit Partners	\$	20,000,000.00	\$	14,900,000.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	675,000.00
Thomas McNerney & Partners II	\$	15,000,000.00	\$	2,887,500.00
TPG Partners IV	\$	15,000,000.00	\$	1,092,575.00
TPG Partners V	\$	20,000,000.00	\$	2,794,387.00
TPG VI	\$	10,000,000.00	\$	4,091,029.00
Trilantic IV	\$	11,098,351.00	\$	922,808.01
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	\$	2,649,025.00
Wellspring Capital Partners III	\$	20,000,000.00	\$	21,112.00
Wellspring Capital Partners IV	\$	20,000,000.00	\$	2,282,921.00
WLR	\$	8,000,000.00	\$	1,475,862.00
<b>Total Alternative Investments</b>	\$	1,114,391,994.94	\$	199,598,580.56

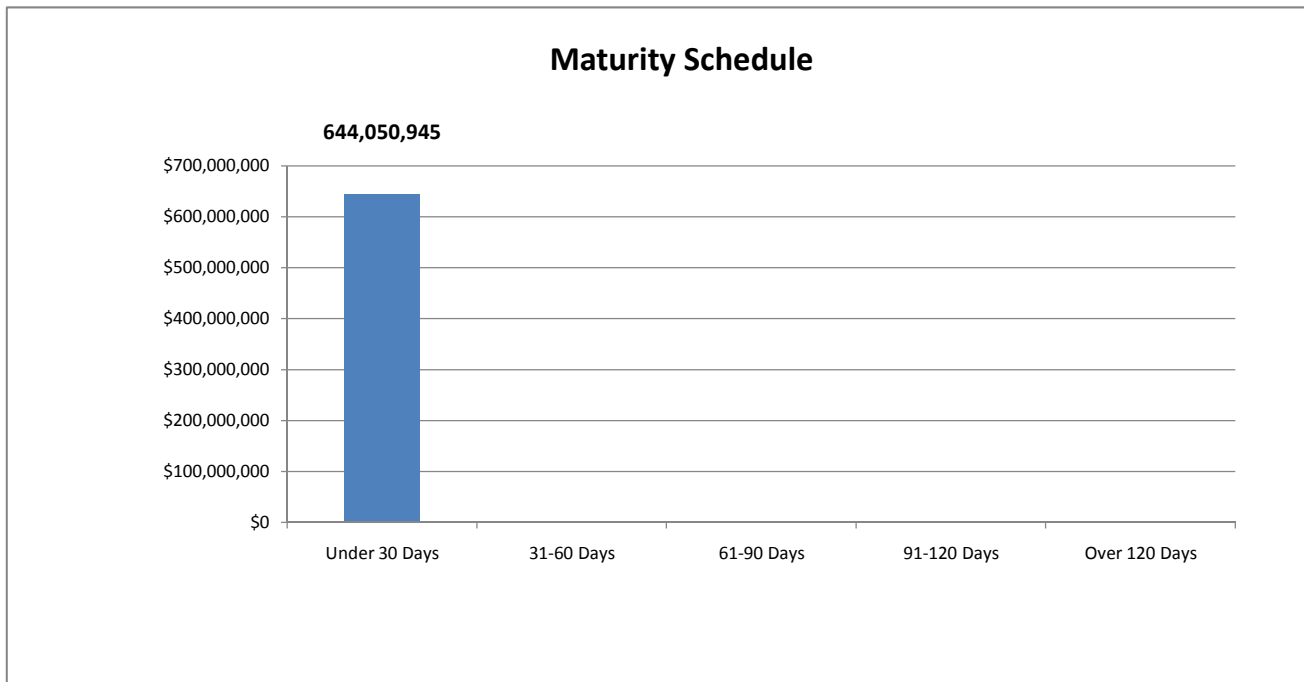
State of Rhode Island Real Estate Investment Unfunded Commitment  
July 2012

Real Estate Partnership Investment	Total Commitment	ERSRI Unfunded
AEW	\$ 35,000,000.00	\$ 0.40
Fillmore East Fund I	\$ 10,000,000.00	\$ 0.08
Fremont Strategic Property Partners II	\$ 15,000,000.00	\$ 1,873,108.00
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	\$ 1,004,016.00
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
	\$ 339,000,000.00	\$ 7,438,045.05



# SHORT TERM INVESTMENTS

**Short-Term Investment Maturity Schedule & SIC Compliance Report at July 31, 2012**



Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	GID	OSIP	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	50%/50%	
OSIP	0	0	0	0	0	0	0	231,516,398	231,516,398
	0%	0%	0%	0%	0%	0%	0%	43%	42.67%
Bank RI	0	15,042,543	0	0	0	0	0	0	15,042,543
	0%	3%	0%	0%	0%	0%	0%	0%	2.77%
Sovereign Bank	0	0	0	0	182,874,186	0	0	0	182,874,186
	0%	0%	0%	0%	34%	0%	0%	0%	33.71%
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	5,316,628	0	0	0	5,316,628
	0%	0%	0%	0%	1%	0%	0%	0%	0.98%
Webster Bank	0	0	0	0	82,641,128	0	0	0	82,641,128
	0%	0%	0%	0%	15%	0%	0%	0%	15.23%
Oppenheimer Inc	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	25,120,017	0	0	0	0	0	0	25,120,017
	0%	5%	0%	0%	0%	0%	0%	0%	4.63%
<b>TOTALS</b>	-	<b>40,162,560.70</b>	-	-	<b>270,831,942.48</b>	-	-	<b>231,516,398.40</b>	<b>542,510,902</b>
<b>(%) PORTFOLIO</b>	<b>0.00%</b>	<b>7.40%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>49.92%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>42.67%</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**  
**July 01, 2012 to July 31, 2012**

<b>Fund Name</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Average Daily Balance</b>	<b>Earnings</b>	<b>Yield(Annual)</b>
GENERAL FUND	\$ 287,648,156.78	\$ 223,109,440.78	\$ 199,148,156.78	\$ 61,284.00	0.3623%
H.A.V.A	\$ 294.39	\$ 294.41	\$ 294.39	\$ 0.02	0.0800%
GENERAL FUND (HIST PRES)	\$ 536,508.31	\$ 536,595.64	\$ 536,508.31	\$ 87.33	0.1917%
HISTORIC TAX CREDITS	\$ 1,200,993.81	\$ 1,201,189.29	\$ 1,200,993.81	\$ 195.48	0.1916%
HIGHWAY FUND	\$ 20,032,315.06	\$ 15,935,329.22	\$ 16,777,476.35	\$ 3,014.16	0.2115%
T.D.I. RESERVE (DET)	\$ 88,612,840.26	\$ 80,631,372.20	\$ 83,580,582.20	\$ 18,531.94	0.2611%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	-
RICAP GL FUND 21	\$ 136,833,127.85	\$ 126,357,276.92	\$ 132,171,837.53	\$ 24,149.07	0.2151%
BOND CAPITAL FUND	\$ 2,863,098.55	\$ 2,563,348.21	\$ 1,679,227.58	\$ 249.66	0.1751%
R.I. CLEAN WATER ACT	\$ 3,174,216.33	\$ 3,174,657.42	\$ 3,174,216.33	\$ 441.09	0.1636%
STATE LOTTERY FUND	\$ 20,924,750.21	\$ 50,933,750.06	\$ 37,586,040.53	\$ 8,999.85	0.2819%
ASSESSED FRINGE BEN ADM	\$ 1,007,633.02	\$ 7,751.39	\$ 733,439.47	\$ 118.37	0.1900%
AUTO EQUIPMENT SERVICE	\$ 300,948.76	\$ 300,971.70	\$ 300,948.76	\$ 22.94	0.0897%
HEALTH INSURANCE FUND	\$ 20,935,307.70	\$ 21,638,928.78	\$ 22,493,372.22	\$ 3,621.08	0.1895%
FLEET REVOLVING LOAN FUND	\$ 500,736.95	\$ 500,775.13	\$ 500,736.95	\$ 38.18	0.0898%
EMPLOYEES RETIREMENT	\$ 1,057,815.26	\$ 167,242.26	\$ 28,441,686.23	\$ 9,427.00	0.3903%
MUNICIPAL EMPLOYEES RET.	\$ 559,065.66	\$ 159,616.82	\$ 2,942,936.63	\$ 551.16	0.2205%
RETIREE HEALTH FUND	\$ 3,485,998.79	\$ 3,486,533.16	\$ 3,292,450.40	\$ 534.37	0.1911%
BOG RETIREE FUND	\$ 259,082.80	\$ 259,124.97	\$ 259,082.80	\$ 42.17	0.1916%
RIPTA HEALTH FUND	\$ 466.13	\$ 466.21	\$ 466.13	\$ 0.08	0.2021%
PERMANENT SCHOOL FUND	\$ 1,431,144.33	\$ 1,431,377.21	\$ 1,431,144.33	\$ 232.88	0.1916%
TEACHER RETIREE HEALTH FUND	\$ 554,223.46	\$ 2,304,473.19	\$ 1,570,352.49	\$ 249.73	0.1872%
RI ST POL RETIREE HEALTH	\$ 345,593.75	\$ 345,650.00	\$ 345,593.75	\$ 56.25	0.1916%
RI LEG RETIREE HEALTH	\$ 45,192.81	\$ 194.93	\$ 27,773.46	\$ 2.12	0.0899%
RI JUDICIAL RETIREE HEALTH	\$ 55,112.21	\$ 55,116.41	\$ 55,112.21	\$ 4.20	0.0897%
UNIVERSITY COLLEGE	\$ 6,054,416.20	\$ 3,755,299.29	\$ 5,467,319.43	\$ 883.09	0.1902%
HIGHER EDUCATION	\$ 4,929.06	\$ 4,929.86	\$ 4,929.06	\$ 0.80	0.1911%
INDUS. BLDG. & MTG. INS.	\$ 3,648,602.25	\$ 3,649,196.12	\$ 3,648,602.25	\$ 593.87	0.1916%
<b>Operating Funds Totals</b>	<b>\$ 602,072,570.69</b>	<b>\$ 542,510,901.58</b>	<b>\$ 547,371,280.38</b>	<b>\$ 133,330.89</b>	<b>0.287%</b>
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	-
CCDL1993A	\$ 7,386.34	\$ 7,386.45	\$ 7,385.88	\$ 1.20	0.1913%
BOND CCDL 1994 SERIES A	\$ 15,002.22	\$ 15,002.44	\$ 15,001.29	\$ 2.44	0.1915%
BOND CCBL96A	\$ -	\$ -	\$ -	\$ -	-
CAP DEV OF 1997 SERIES A	\$ 40,477.14	\$ 40,477.75	\$ 40,474.63	\$ 6.59	0.1917%
CCDL1998A	\$ 1,696,084.06	\$ 1,696,109.51	\$ 1,695,978.97	\$ 276.05	0.1916%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
MMG099 1999	\$ -	\$ -	\$ -	\$ -	-
BOND CAPITOL CCDL2000A	\$ 102,399.29	\$ 102,400.83	\$ 102,392.95	\$ 16.67	0.1917%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	-
CCDL2001C	\$ 201,356.62	\$ 201,359.64	\$ 201,344.14	\$ 32.77	0.1916%
CCDL2002B	\$ -	\$ -	\$ -	\$ -	-
CCDL 2004 SERIES A	\$ 3,032,932.62	\$ 3,032,977.91	\$ 3,032,744.61	\$ 493.63	0.1916%
BOND CCDL 2005 SERIES C	\$ 7,571,036.21	\$ 7,571,140.49	\$ 7,570,563.19	\$ 1,232.24	0.1916%
BOND CCDL 2005 SERIES E	\$ 897,280.30	\$ 897,293.77	\$ 897,224.71	\$ 146.04	0.1916%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	-
BOND CCDL 2006 SERIES C	\$ 3,348,081.72	\$ 3,348,131.05	\$ 3,347,873.89	\$ 544.93	0.1916%
GO BND-NTAX 2007 SERIES A	\$ 5,954,261.48	\$ 5,954,348.39	\$ 5,953,891.53	\$ 969.10	0.1916%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	-
GO BND-NTAX 2008 SERIES B	\$ 474,679.50	\$ 474,686.63	\$ 474,650.09	\$ 77.26	0.1917%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	-
CCDL10B BOND CAPITAL COMPONENT	\$ 3,296,205.17	\$ 3,296,194.41	\$ 3,295,975.68	\$ 536.48	0.1916%
CCDL10C	\$ 161,393.82	\$ 161,420.09	\$ 161,393.82	\$ 26.27	0.1916%
CCDL10D	\$ 103,931.30	\$ 103,932.86	\$ 103,924.86	\$ 16.92	0.1917%
CCDL2011A	\$ 72,665,605.82	\$ 72,665,797.92	\$ -	\$ 11,826.81	0.1916%
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	\$ 222,554.09	\$ 222,557.43	\$ 222,538.18	\$ 36.22	0.1916%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	-
CCDL99A 1999A	\$ 205,319.69	\$ 205,322.77	\$ -	\$ 33.42	0.1917%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2007 SERIES A	\$ 283,293.92	\$ 283,298.17	\$ -	\$ 46.11	0.1917%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	-
CCDL10B CLEAN WATER COMPONENT	\$ -	\$ -	\$ -	\$ -	-
CCDL2011A CLEAN WATER COMPONENT	\$ 1,260,186.19	\$ 1,260,205.10	\$ -	\$ 205.10	0.1916%
CCDL2011A POLL CTRL CMPNT	\$ -	\$ -	\$ -	\$ -	-
<b>Bond Proceeds Fund Totals</b>	<b>\$ 100,279,281.31</b>	<b>\$ 101,540,043.61</b>	<b>\$ 27,123,358.42</b>	<b>\$ 16,321.15</b>	<b>0.192%</b>
TANS PROCEEDS	\$ 4,435.82	\$ -	\$ -	\$ -	0.0000%
<b>Grand Totals</b>	<b>\$ 702,356,287.82</b>	<b>\$ 644,050,945.19</b>	<b>\$ 574,494,638.80</b>	<b>\$ 149,652.04</b>	<b>0.272%</b>