

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
October 31, 2012**

**November 28, 2012
MEETING**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Honorable Gina M. Raimondo, Chair

Ms. Rosemary Booth Gallogly

Mr. Thomas P. Fay

Ms. Paula M. McNamara

Mr. Andrew K. Reilly

Mr. J. Michael Costello

Mr. Robert Giudici

Ms. Marcia Reback

AGENDA



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

Gina M. Raimondo
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, November 28, 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 October 24, 2012*
- PCA Infrastructure Education
- BNY Mellon Transition Update
- D/C Plan Update
- Legal Counsel Report
- Chief Investment Officer Report
- Treasurer's Report

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

POSTED ON WEDNESDAY, NOVEMBER 21, 2012

APPROVAL OF MINUTES



State Investment Commission

Monthly Meeting Minutes

Wednesday, October 24, 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, October 24, 2012 in Room 135, State House.

I. Roll Call of Members

The following members were present: Mr. Thomas Fay, Mr. Robert Giudici, Ms. Paula McNamara, Mr. Andrew Reilly, General Treasurer Gina Raimondo and Mr. Frank Karpinski. Ms. Rosemary Booth Gallogly arrived at 9:11 a.m.

Also in attendance: Mr. Thomas Lynch and Mr. Steve Nesbitt of Cliffwater, Alternative Investment Consultant to the Commission; Mr. Allan Emkin and Mr. John Burns, of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Ms. Sally Dowling, of Adler Pollock Legal Counsel to the Commission; Mr. Charles Bauer and Mr. E. Murphy Markham IV of EnCap Investments; Kenneth Goodreau, chief investment officer and members of the Governor's, Treasurer's and Auditor General's staff.

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

II. Approval of Minutes

On a motion by Mr. Fay and seconded by Mr. Reilly, it was unanimously **VOTED: To approve the draft of the minutes of the September 26, 2012 meeting of the State Investment Commission.**

On a motion by Mr. Giudici and seconded by Mr. Fay, it was unanimously **VOTED: To approve the draft of the minutes of the October 10, 2012 meeting of the State Investment Commission.**

III. Alternative Consultant Recommendation

Mr. Lynch introduced Mr. Bauer and Mr. Murphy from EnCap to present EnCap Energy Capital Fund IX.

Mr. Bauer emphasized consistency of personnel, returns and strategy. He explained they have been in private equity for 25 years and gave an account of their history. He pointed out no fund has lost money and only one fund has not achieved its targeted rate of return.

EnCap has invested in about 200 companies and has turned \$4.4B into \$11.8B for a cumulative 62% gross IRR and 2.7X multiple. Out of the 200 companies only 5 of them have returned less than cost and the aggregate total of those 5 is less than \$50M. Mr. Bauer

explained they have a credit mentality and they do not use a lot of leverage for big acquisitions.

Mr. Markham took the board through the presentation starting with their track record and the track record of their portfolio companies. He made clear there have been no environmental issues with any of their companies. Mr. Markham explained Fund IX will consist of 20-25 portfolio companies and he detailed the process of investing in these companies. He pointed out EnCap does not fund exploration and only develops in areas with proven production. Their typical hold period is about 2.5-3 years and he explained how the energy opportunity has evolved over the firm's history.

Treasurer Raimondo asked about the key members of the staff and Mr. Bauer explained their financial commitment as well as their intentions to stay with EnCap for years to come.

Mr. Lynch recommended the committee invest \$20 million in Fund IX. He explained he thinks it fits our portfolio well and EnCap are a top-tier manager in the space.

Mr. Reilly and Mr. Goodreau explained our energy exposure within the private equity portfolio.

Ms. McNamara asked about the fee structure and Mr. Lynch explained it is in line with market rates.

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

VOTED: to commit \$20 million to EnCap Investments, for investment in EnCap Energy Capital Fund IX predicated on satisfactory completion of all due diligence.

IV. Hedge Fund Monitoring Process Presentation

Mr. Nesbitt walked the group through the presentation on monitoring hedge funds and started off by reviewing the roles of the SIC, the consultant and Treasury staff. He then reviewed the overall portfolio planning process including asset allocation as well as benchmark and risk/return objectives. Mr. Nesbitt then described the tasks of manager/fund selection including investment strategies review, screening, investment due diligence, operations due diligence and legal review. He described portfolio construction tasks including return and risk objectives, manager diversification, liquidity and rebalancing.

Mr. Nesbitt then explained Cliffwater's individual manager monitoring process including manager contact, data collection, investment and performance review, operations review and exception review. Cliffwater has an analyst assigned to each manager in the portfolio and they touch base with managers at least once a month to collect portfolio information and any changes of strategy. He explained they compile an extensive list of data points relating to the underlying portfolio and summarize it in a quarterly report.

Ms. Booth Gallogly asked Mr. Nesbitt to elaborate on the legal process, more specifically regarding the regulatory environment. Mr. Lynch pointed out all managers in the portfolio are SEC registered. Mr. Nesbitt explained the process by which Cliffwater is notified of SEC inquiries.

Mr. Kem Edwards, Treasury staffer, gave a brief presentation on internal risk management processes. Mr. Goodreau pointed out that being indexed in equity allows staff to focus on monitoring other asset classes and BNY Mellon's platform should assist in analytics as well.

Ms. Anne-Marie Fink, Treasury staffer, pointed out staff will look at risk from both a qualitative and quantitative perspective. Mr. Nesbitt discussed reporting and portfolio administration. He then explained the watch list and formal process for making a manager switch and pointed out on average there is a 10% annual turnover in managers, including 2008 where there was more than usual.

V. Risk Management Discussion

Treasurer Raimondo thanked the board for the feedback during the interim meeting and introduced Mr. Emkin.

Mr. Emkin reviewed the RFI review process and Ms. Fink began her presentation. She reviewed the impact of risk mitigation in five different market scenarios including status quo, low-rate policy, growth slows, growth spike and “nirvana”-a strong economy with credible deficit reduction plan. She explained non-US equity and the Russell 3000 would be very expensive to hedge so were not included in the initial analysis. The S&P 500 is more liquid, thus less expensive to hedge and is highly correlated to the Russell 3000 so the chart focused on the S&P 500. Ms. Fink then cross-referenced the scenarios with the potential hedges including a 90% S&P 500 put, a 90%/110% S&P 500 collar, a 90%/104% S&P 500 collar or a shift of 10% from equity to cash. She provided the calculated return expectations under each cross-referenced scenario.

Mr. Giudici asked about timing of the market and Ms. Fink said included in these scenarios are market-timing assumptions.

Ms. Fink pointed out given the concern about market timing, the cost of the hedges and of potential lost upside, and the math presented, it is not compelling to hedge at this time. She explained the US equity portfolio would not get enough downside protection for the expense incurred.

Treasurer Raimondo also pointed out pricing has gotten more expensive since this analysis was completed a couple days ago. Mr. Emkin agreed and said the VIX increased 20% in ten days.

The board theoretically discussed the pros and cons of moving to cash and it was determined no action would be taken on the RFI at this time.

VI. Legal Counsel Report

There was no legal update.

VII. CIO Report

Mr. Goodreau updated the board on the equity transition approved by the board to make the equity bucket more global. Treasury staff and Russell spearheaded the transition. He also updated the board on the fixed income transition.

VIII. Treasurer's Report

Treasurer Raimondo updated the board on the first fixed income implementation and explained the first RFP will go out next week. She pointed out the custodian transition is also on track to be complete on time and on budget the night of October 31st. She said the board should get an update on real estate in the next couple months. Mr. Emkin added there will also be an infrastructure education presentation next meeting.

IX. Adjournment

There being no other business to come before the Board, on a motion by Mr. Reilly and seconded by Ms. Booth Gallogly the meeting adjourned at 10:40 a.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer

DRAFT

STAFF SUMMARY

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

PORTFOLIO PERFORMANCE

October

The ERSRI portfolio posted a 0.13% loss for the month of October, against the policy index of -0.4%. Global Equities lost 0.51%, the Fixed Income asset class returned 0.52%, and the Real Return class returned 0.31%.

Calendar Year to Date

For the ten months ending October 31, 2012, the portfolio is up 9.78% against the policy index of 9.65%. Global Equities were up 12.57%, fixed income returned 7.09%, while Real Return generated a return of 5.71%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2013, the fund has gained 4.35%, against the policy index of 4.31%.

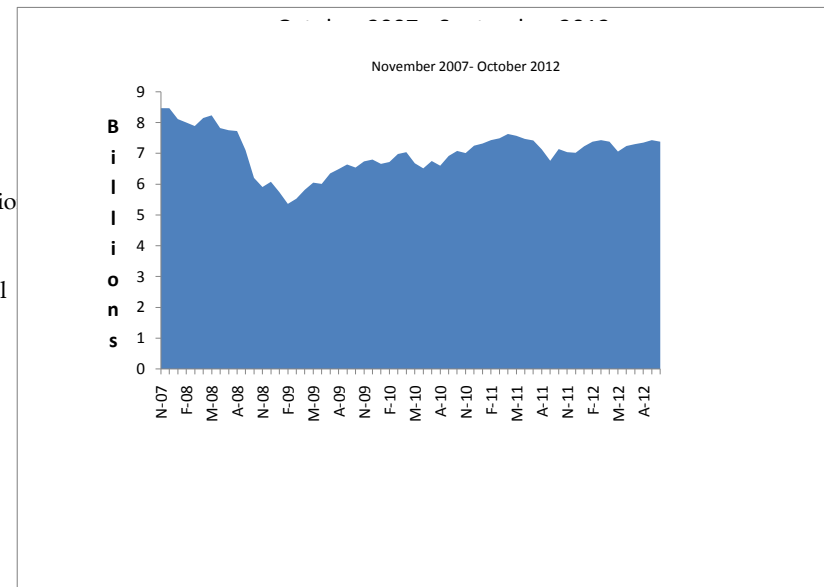
Index Performance Summary - October 31, 2012		
Market Indices	Oct-12	Calendar YTD
<u>Global Equity</u>		
S & P 500	-1.85%	14.29%
MSCI AC World	-0.67%	12.12%
Russell 2000	-2.17%	11.75%
MSCI ACWI ex US	0.39%	10.81%
Policy Index	-0.40%	9.65%
<u>Fixed Income</u>		
BC AGG	0.20%	4.20%
HFRI Fund Wgt Com	-0.35%	3.06%
<u>Real Return</u>		
CPI +4%	0.29%	5.90%

ERSRI Performance By Asset Class	Oct-12	Calendar YTD
Global Equity	-0.51%	12.57%
Fixed Income	0.52%	7.09%
Real Return	0.31%	5.71%
Total Fund Composite	-0.13%	9.78%
Manager Summary	Oct-12	CYTD
<u>GLOBAL EQUITY</u>		
SSGA Russell 3000	-1.72%	
Russell Overlay	-0.02%	0.12%
MSCI EAFE	0.85%	
MSCI Canada	-0.32%	
MSCI Emerging	-0.63%	
Global Equity Hedge Funds	0.44%	5.80%
Total Global Equity	-0.51%	12.57%
<u>FIXED INCOME</u>		
Mackay FI - Core		
Pyramis FI - Core		
Taplin Canida & Habacht		
Fixed Income Cash Acct		
Mackay Shield		
Alternative Fixed Income	0.15%	-0.31%
Total Fixed Income	0.52%	7.09%
<u>Real Return</u>		
Brown Bros TIPS		
Alternative Absolute Return	0.09%	4.08%
Total Real Return	0.31%	5.71%

**Market Valuation Report
October 31, 2012**

Market Values

The total portfolio value decreased in October by \$48.9 million to \$7.38 billion. This compares with an increase in value of \$378.0 million for the same period in 2011. The Global Equity Market values decreased by \$23.6 million, including transfers out of \$0.0 million; Fixed Income decreased by \$339.4 million including transfers out of \$340.0 million. The Cash Accounts increased by \$314.6 million including transfers in of \$314.3 million, and Alternative Investments decreased by \$3.9 million, including transfers out of \$3.7 million. The Real Return Pool increased by \$2.3 million including transfers in of \$0.0 million. The overlay account decreased by \$1.5 million, including transfers in of \$0.0 million.



Cash Flow

October's pension payroll of \$77.1 million was greater than the \$40.6 million in contributions and wire transfers received by \$36.5 million. To meet pension and other obligations, a transfer from long-term investments of \$39.4 million was necessary.

Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$211.8 million on commitments of \$1,146 million.

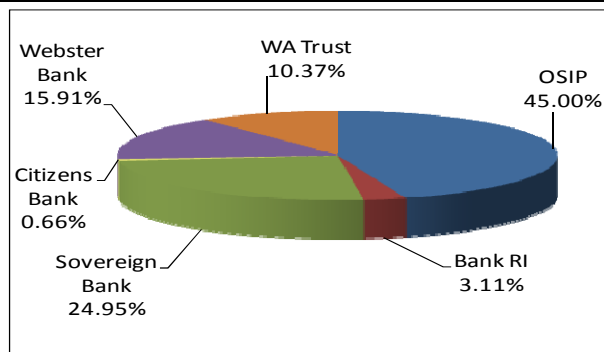
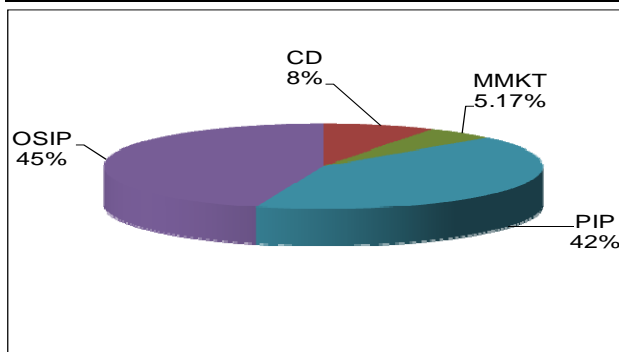
CAPITAL CALLS Net of Distributions

October 2012	FYTD	UNFUNDED BALANCE
-\$3,307,348	-\$15,840,573	\$ 211,761,073
October 2011	FYTD	UNFUNDED BALANCE
-\$13,137,466	-\$25,160,428	\$156,044,269

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

**Issuer Credit Ratings
October 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	3.11%	N/R	N/A	N/A	N/A	N/A	N/A	N/A	
Sovereign Bank	3,4	24.95%	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	0.66%	A3	P-2	A-1	A3	A		Stable	
Webster Bank	3,4	15.91%	A3	P-2	A-2	A3	BBB		Stable	
Oppenheimer		0.00%	N/A	N/A	N/A	B2	B+		Negative	
Ocean State Investment Pool	6	45.00%	N/R	N/A	N/A	N/A	N/A		N/A	
Washington Trust	3,7	10.37%	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.

PERFORMANCE



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

Gina M. Raimondo
General Treasurer

November 26, 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 October 31, 2012.

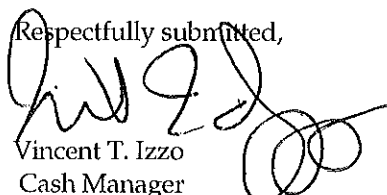
Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation

October 31, 2012

Asset Class	
Cash/Short Term Investments	830,505,214
Global Equities	3,673,742,762
<i>Fixed Income - Government</i>	\$406,505,550
<i>Fixed Income - Corporate</i>	\$257,611,816
<i>Fixed Income - In State</i>	<u>\$0</u>
Total Fixed Income	1,165,260,075
Real Return	832,342,034
Alternative Investments	606,694,230
Real Estate	<u>275,167,129</u>
Total Fund Investments	7,383,711,445
Plan Allocation	
State Employees & Teachers	82.05% 6,058,622,673
Municipal Employees	16.21% 1,197,188,985
State Police	1.15% 84,608,606
Judicial	0.59% <u>43,291,180</u>
Total Fund Investments	100.00% 7,383,711,445

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 10/31/2012

	<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 MSCI EAFE INDEX NL	1,099,346,254	14.9	0.8								08/12
MSCI EAFE (NET)			0.8								08/12
SSGA MSCI CANADA INDEX NL	131,693,750	1.8	-0.3								08/12
MSCI CANADA (NET)			-0.4								08/12
SSGA MSCI EMERG MKTS INDEX NL	416,192,090	5.6	-0.6								08/12
MSCI EMERGING MARKETS (NET)			-0.6								08/12
INTERNATIONAL PUBLIC EQUITY	1,647,250,026	22.3	0.4	6.3	10.9	4.1	3.9			12.2	05/09
MSCI AC WORLD ex US (NET)			0.4	6.3	10.8	4.0	3.7			11.9	05/09
SSGA RUSSELL 3000 INDEX NL	1,584,407,227	21.5	-1.7								08/12
RUSSELL 3000 INDEX			-1.7								08/12
ALTERNATIVE EQUITY	535,315,590	7.2	0.4	2.9	5.8	5.0				5.0	11/11
HFRX EQUITY HEDGE			0.4	2.1	3.8	1.6				1.6	11/11
TOTAL GLOBAL EQUITY	3,766,974,326	51.0	-0.5	4.7	12.6	10.5	9.9	-1.0	8.1	2.2	07/00
MSCI AC WORLD (NET)			-0.7	4.7	12.1	8.5	7.5	-2.9	7.8	1.9	07/00
PYRAMIS - FI - CORE	548,689,545										09/12
MACKAY SHIELDS - FI - CORE	547,234,767										09/12
ALTERNATIVE FIXED INCOME	139,422,340	1.9	0.2	0.4	-0.3					-0.8	12/11
Barclays Aggregate Bond			0.2	0.4	4.2					5.3	12/11
TOTAL FIXED INCOME	1,259,483,035	17.1	0.5	1.6	7.1	7.6	6.4	6.3	6.2		01/93
Barclays Aggregate Bond			0.2	0.4	4.2	5.3	6.1	6.4	5.4		01/93

State of Rhode Island
Summary of Performance
Periods Ending 10/31/2012

	<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>
BROWN BROTHERS - GLOBAL ILBS	388,935,284										09/12
ALTERNATIVE ABSOLUTE RETURN	365,183,250	4.9	0.1	1.9	4.1	4.5				4.5	11/11
HFRI Fund of Funds Composite Index			-0.4	1.3	3.1	1.5				1.5	11/11
TOTAL ALTERNATIVE ABSOLUTE RETURN	754,119,147	10.2	0.3	1.4	5.7	6.5	8.6			8.6	11/09
CPI + 4%			0.3	2.0	5.9	6.2	6.3			6.3	11/09
REAL ESTATE	275,167,720	3.7	0.7	2.3	7.7	10.6	8.4	-5.3		-0.6	01/05
NCREIF PROPERTY LAG + 100 BPS			0.1	2.9	9.4	13.1	9.9	3.6		8.8	01/05
PRIVATE EQUITY	606,731,448	8.2	-0.3	0.5	8.8	5.0	14.3	4.0	10.7		02/89
S&P 500 PLUS 300 BP			-1.6	3.7	17.1	18.6	16.6	3.4	10.1		02/89
TOTAL ALTERNATIVE INVESTMENTS	881,899,168	11.9	0.0	1.0	8.4	6.7	12.8	1.2	8.8	8.3	04/96
TOTAL ALTERNATIVES BENCHMARK			-1.0	3.3	13.7	16.1	13.8	3.6	9.7		04/96
RUSSELL IMPLEMENTATION SERVICES	69,745,675	0.9	0.0	0.1	0.1	0.1	-0.1			-0.2	09/08
CASH ACCOUNT (INSIDE)	648,569,731	8.8	0.0	0.1	0.2	0.2	0.2	1.5	9.3	17.4	07/00
91 DAY TREASURY BILL			0.0	0.0	0.1	0.1	0.1	0.7	1.8	2.2	07/00
CASH ACCOUNT (OUTSIDE)	1,445,826	0.0	0.0	0.0	0.0	0.0	0.0	0.3	1.7	2.2	07/00
91 DAY TREASURY BILL			0.0	0.0	0.1	0.1	0.1	0.7	1.8	2.2	07/00
Other	1,474,536	0.0									11/11
TOTAL PLAN	7,383,711,445	100.0	-0.1	3.2	9.8	8.7	9.4	1.1	7.9		02/84
TOTAL PLAN BENCHMARK			-0.4	3.1	9.7	9.0	9.3	0.8	7.7		02/84

Employees' Retirement System of the State of Rhode Island
Hedge Fund Portfolio
Portfolio Performance Summary
Estimated as of October 31, 2012



Fund	Market Value	Actual %	Oct	YTD	FYTD	Returns 1 Year	3 Year	5 Year	Incep	Std Dev	Sharpe Ratio	Incep Date
Global Equities												
Ascend Partners Fund II LP	61,030,287	5.9%	-0.47%	2.33%	-0.11%	1.72%	-	-	1.72%	1.46%	0.86	Nov-11
Davidson Kempner Institutional Partners, L.P.	64,046,315	6.2%	0.45%	6.40%	3.10%	6.75%	-	-	6.75%	1.53%	3.98	Nov-11
Elliott Associates, L.P.	65,186,811	6.3%	0.90%	10.86%	5.60%	8.64%	-	-	8.64%	4.59%	1.73	Nov-11
Indus Asia Pacific Fund, LP	41,672,382	4.0%	0.50%	4.18%	3.83%	-	-	-	4.18%	6.90%	-	Jan-12
Mason Capital Ltd.	56,731,429	5.5%	-2.85%	-5.45%	-4.38%	-	-	-	-5.45%	4.88%	-	Jan-12
PFM Diversified Fund, L.P.	29,093,171	2.8%	0.18%	-	3.49%	-	-	-	-3.02%	6.65%	-	Mar-12
PFM Diversified Offshore Fund A.I., Ltd.	29,001,701	2.8%	0.10%	-	3.35%	-	-	-	-3.33%	6.66%	-	Mar-12
Samlyn Onshore Fund, L.P.	64,875,074	6.2%	1.68%	8.13%	5.58%	-	-	-	8.13%	5.41%	-	Jan-12
Third Point Partners Qualified L.P.	56,213,382	5.4%	2.40%	12.43%	8.81%	-	-	-	12.43%	5.64%	-	Jan-12
Viking Global Equities, LP	67,582,592	6.5%	1.24%	12.80%	5.39%	-	-	-	12.64%	2.96%	-	Dec-11
Total Global Equities	535,433,144	51.5%	0.46%	5.65%	3.40%	4.71%	-	-	4.71%	3.26%	1.29	Nov-11
MSCI AC World Index Free - Net			-0.67%	12.11%	6.12%	8.54%	-	-	8.54%	14.19%	0.61	Nov-11
Russell 3000 Index (DRI)			-1.72%	14.13%	4.40%	14.75%	-	-	14.75%	10.83%	1.29	Nov-11
HFRI Equity Hedge (Total) Index			0.16%	5.68%	3.65%	2.60%	-	-	2.60%	7.88%	0.30	Nov-11
Real Return												
BlueCrest Capital LP	20,967,515	2.0%	-0.05%	4.84%	2.43%	-	-	-	4.84%	1.78%	-	Jan-12
Brevan Howard LP	76,722,408	7.4%	-0.36%	1.17%	4.98%	2.30%	-	-	2.30%	4.83%	0.40	Nov-11
Brigade Leveraged Capital Structures Fund LP	51,523,520	5.0%	0.11%	-	1.55%	-	-	-	3.05%	1.47%	-	Mar-12
Capula Global Relative Value Fund Ltd.	49,823,639	4.8%	-0.23%	-0.11%	0.67%	-	-	-	-0.35%	1.69%	-	Dec-11
DE Shaw Composite International Fund	54,860,726	5.3%	0.30%	9.38%	3.80%	9.72%	-	-	9.72%	3.10%	2.87	Nov-11
Gracie Credit Opportunities Fund, L.P.	38,065,658	3.7%	0.50%	-3.79%	-1.56%	-	-	-	-4.84%	3.97%	-	Dec-11
Graham Global Investment Fund Ltd. - Discretionary 6V Portfolio	50,725,742	4.9%	-0.38%	1.45%	0.98%	-	-	-	1.45%	2.20%	-	Jan-12
OZ Domestic Partners II, L.P.	82,275,274	7.9%	0.83%	10.30%	4.77%	9.70%	-	-	9.70%	2.83%	3.13	Nov-11
Wexford Spectrum Fund, LP	50,997,677	4.9%	0.48%	2.00%	1.73%	-	-	-	2.00%	4.44%	-	Jan-12
Winton Futures Fund Limited	28,635,710	2.8%	-2.54%	-5.79%	-1.75%	-	-	-	-4.55%	7.25%	-	Dec-11
Total Real Return	504,597,869	48.5%	0.00%	3.06%	2.28%	3.30%	-	-	3.30%	1.88%	1.49	Nov-11
ML 3-month T-Bills			0.01%	0.07%	0.04%	0.07%	-	-	0.07%	0.02%	-21.33	Nov-11
HFRI Fund of Funds Composite Index			-0.45%	2.95%	1.95%	1.38%	-	-	1.38%	3.59%	0.27	Nov-11
Total Hedge Fund Portfolio	1,040,031,013	100.0%	0.23%	4.37%	2.85%	4.10%	-	-	4.10%	2.34%	1.53	Nov-11
HFRI Fund of Funds Composite Index			-0.45%	2.95%	1.95%	1.38%	-	-	1.38%	3.59%	0.27	Nov-11
Market Indices												
Libor3Month			0.03%	0.37%	0.13%	0.46%	-	-	0.46%	0.02%	-	Nov-11
Barclays Aggregate Bond Index			0.20%	4.21%	1.80%	5.26%	-	-	5.26%	2.11%	2.23	Nov-11
Barclays High Yield Credit Bond Index			0.88%	13.10%	5.45%	13.60%	-	-	13.60%	5.49%	2.28	Nov-11
S&P 500 TR			-1.85%	14.28%	4.39%	15.19%	-	-	15.19%	10.61%	1.35	Nov-11
MSCI EAFE - Net			0.83%	11.00%	7.81%	4.61%	-	-	4.61%	17.65%	0.31	Nov-11
MSCI EMF (Emerging Markets Free) - Net			-0.61%	11.31%	7.09%	2.64%	-	-	2.64%	20.95%	0.20	Nov-11

Employees' Retirement System of the State of Rhode Island
Hedge Fund Portfolio
Fund Level Performance Report
10/31/2012

Fund	Trailing Returns				Calendar Year Returns					5 Yr Std Dev	Sharpe Ratio			Start Date			
	YTD	Oct	Sep	Aug	1 Year	3 Year	5 Year	2011	2010		2009	2008	2007		3 yr	5 yr	Incep.
Global Equities																	
Ascend Partners Fund II LP	2.73%	-0.54%	0.11%	0.58%	2.12%	1.43%	2.25%	-3.02%	2.94%	13.61%	-3.58%	15.36%	4.72%	0.27	0.27	0.92	Jan-04
Davidson Kempner Institutional Partners, LP	6.36%	0.45%	1.17%	0.79%	6.70%	6.41%	4.44%	1.27%	9.17%	17.79%	-9.03%	6.56%	4.90%	1.68	0.70	1.48	Mar-96
Elliott Associates, L.P. (HFR98)	10.51%	0.90%	1.90%	2.50%	10.18%	8.10%	10.38%	3.94%	7.39%	30.85%	-3.08%	32.07%	5.83%	2.30	1.55	1.79	Feb-77
Indus Asia Pacific Fund	4.94%	0.50%	1.00%	1.20%	0.89%	2.31%	-0.84%	-7.18%	7.36%	25.45%	-28.99%	33.49%	9.29%	0.29	-0.16	0.72	Dec-00
Mason Capital, Ltd.	-5.80%	-2.88%	-1.16%	1.23%	-7.78%	4.24%	2.71%	4.20%	9.62%	25.16%	-15.42%	16.75%	8.41%	0.68	0.23	0.70	Feb-02
PFM Diversified Fund, LP	0.90%	0.11%	1.62%	2.09%	-0.93%	2.31%	2.97%	-3.35%	4.36%	21.35%	-6.10%	31.21%	7.11%	0.32	0.30	0.82	Nov-04
Samlyn Capital - Composite	9.14%	1.68%	1.59%	1.79%	8.37%	3.52%	7.77%	-5.05%	1.98%	23.57%	6.62%	-	9.00%	0.40	0.76	1.03	Mar-07
Third Point Partners L.P.	13.95%	2.40%	3.20%	1.70%	12.59%	20.69%	8.46%	-0.54%	41.52%	38.14%	-32.84%	16.61%	14.43%	1.70	0.56	1.22	Jun-95
Viking Global Equities	12.42%	1.20%	1.10%	0.90%	14.89%	9.27%	9.37%	7.71%	3.67%	19.20%	-0.73%	38.97%	7.34%	1.48	1.12	1.47	Oct-99
Real Return																	
BlueCrest Capital International Limited	4.90%	-0.05%	0.64%	0.43%	6.45%	8.87%	15.20%	6.10%	12.80%	45.41%	6.26%	10.80%	5.37%	2.88	2.48	1.84	Dec-00
Brigade Leveraged Capital Structures Fund	5.29%	0.13%	0.18%	0.90%	4.65%	5.74%	6.18%	2.55%	7.66%	39.64%	-17.14%	10.15%	7.61%	1.90	0.69	0.76	Jan-07
Brevan Howard L.P. (Series B)	1.12%	-0.36%	1.88%	1.02%	2.29%	4.60%	10.42%	11.33%	0.92%	17.10%	19.14%	23.60%	7.35%	0.86	1.25	1.28	Sep-05
Capula Global Relative Value Fund Limited	-0.25%	-0.23%	-0.12%	0.43%	0.90%	5.39%	8.55%	6.19%	9.58%	12.24%	9.45%	18.00%	5.41%	2.03	1.35	1.61	Oct-05
DE Shaw Composite International Fund	7.40%	0.30%	1.90%	1.30%	7.08%	5.02%	5.18%	3.69%	1.56%	21.31%	-9.81%	7.15%	6.63%	1.07	0.64	1.30	Mar-01
Gracie Credit Opportunities Fund L.P.	-3.84%	0.50%	-1.00%	0.10%	-4.24%	0.32%	7.06%	0.10%	4.44%	16.18%	17.94%	18.45%	6.20%	0.00	0.96	1.21	Jul-04
Graham Discretionary - 6V Portfolio	1.45%	-0.38%	0.36%	0.25%	2.58%	4.36%	8.33%	3.56%	7.10%	17.13%	8.66%	-6.88%	5.08%	1.58	1.40	0.79	Jun-04
OZ Master Fund, Ltd	9.10%	0.83%	1.09%	1.27%	8.46%	6.14%	4.12%	-0.48%	8.52%	23.11%	-15.92%	11.48%	5.99%	1.64	0.53	1.67	Apr-94
Wexford Spectrum Fund, L.P.	1.90%	0.60%	0.69%	0.71%	1.64%	3.44%	2.92%	-3.44%	8.45%	30.76%	-13.87%	13.03%	9.66%	0.48	0.24	0.93	Apr-97
Winton Futures Fund - USD Class B	-5.79%	-2.54%	-2.18%	-1.29%	-3.31%	5.54%	6.31%	6.29%	14.47%	-4.64%	21.01%	17.97%	9.38%	0.62	0.59	0.70	Oct-97
Benchmarks																	
HFRI Fund of Funds Composite Index	2.95%	-0.45%	0.87%	0.75%	1.38%	1.38%	-2.31%	-5.72%	5.70%	11.47%	-21.37%	10.25%	6.40%	0.25	-0.50	0.59	Jan-90
HFRI Fund Weighted Composite Index	4.33%	-0.49%	1.32%	0.84%	2.47%	3.86%	0.81%	-5.25%	10.25%	19.98%	-19.03%	9.96%	7.80%	0.59	0.01	0.99	Jan-90
Market Indices																	
3 Month Libor - BOM	0.37%	0.03%	0.03%	0.04%	0.46%	0.37%	1.06%	0.35%	0.35%	0.65%	2.79%	5.25%	0.35%				Mar-86
Barclays Aggregate Bond Index	4.21%	0.20%	0.14%	0.07%	5.26%	6.10%	6.39%	7.86%	6.56%	5.93%	5.24%	6.96%	3.56%				Jan-76
Barclays High Yield Credit Bond Index	13.10%	0.88%	1.39%	1.17%	13.60%	12.55%	9.40%	4.98%	15.11%	58.21%	-26.15%	1.88%	14.13%				Jul-83
S&P 500 (TR)	14.29%	-1.85%	2.58%	2.25%	15.21%	13.21%	0.36%	2.11%	15.06%	26.46%	-37.00%	5.49%	19.15%				Jan-70
MSCI EAFE - Net - USD	11.00%	0.83%	2.96%	2.69%	4.61%	2.83%	-5.81%	-12.14%	7.75%	31.78%	-43.38%	11.17%	23.45%				Dec-69
MSCI EM (EMERGING MARKETS) - Net - USD	11.30%	-0.61%	6.03%	-0.33%	2.63%	5.38%	-3.47%	-18.42%	18.88%	78.51%	-53.33%	39.42%	29.14%				Jan-99

Note: The above is manager composite history.

ERSRI Monthly Market Value Report				
	Valuation Change			
	Market Value 9/30/2012	Transfers In/(out)	Market Value 10/31/2012	Market Value Increase/decrease
Global Equity				
Shott Capital Management IRR	979,912	(1)	986,640	6,728
Russell 3000 Index Fund	1,612,176,517		1,584,407,227	(27,769,291)
Transition Account	2,540,002	25	507,312	(2,032,716)
MSCI EAFE Index Fund	1,090,091,830		1,099,346,254	9,254,424
MSCI Canada Index Fund	132,117,793		131,693,750	(424,043)
MSCI Emerging Mkts Index Fund	418,833,316		416,192,090	(2,641,226)
Sub-Total Global Equity	3,256,739,371	25	3,233,133,273	(23,606,123)
Global Equity Hedge Funds				
Davidson Kempner	63,707,580	-	64,046,280	338,700
Mason Capital	58,386,600	-	56,713,200	(1,673,400)
Viking Global Equities III	66,771,900	-	67,554,780	782,880
Ascend Partners Fund II	61,293,300	-	60,986,280	(307,020)
Elliott Associates	64,605,360	-	65,186,760	581,400
Third Point Partners	54,952,950	-	56,213,350	1,260,400
PFM Diversified	57,932,790	-	58,067,520	134,730
Samlyn On/Off Shore Fund	63,791,340	-	64,875,060	1,083,720
Indus Asia Pacific Fund	41,528,040	-	41,672,360	144,320
Sub-Total Global Equity Hedge Funds	532,969,860	-	535,315,590	2,345,730
Total Global Equity	3,789,709,231	25	3,768,448,863	(21,260,393)
Fixed Income				
Pyramis Global Advisors	418,854,739	(418,438,898)	415,840	-
Pyramis Core - FI	-	548,689,545	548,689,545	-
Brown Brothers, Harriman	414,541,951	(412,640,850)	1,901,102	-
Taplin, Canida & Habacht	423,871,487	(423,798,789)	72,698	-
Fixed Income Transition	-	16,855,469	16,855,469	-
Mackay Shields Core - FI	-	547,234,767	547,234,767	-
Mackay Shields	202,377,361	(197,486,087)	4,891,274	-
Sub-Total Fixed Income	1,459,645,539	(339,584,844)	1,120,060,695	-
Alternative Fixed Income				
Capula Global Master Fund	49,874,050	-	49,823,600	(50,450)
Brigade Leveraged Capital	51,468,500	-	51,533,100	64,600
Gracie Credit Fund	37,864,920	-	38,065,640	200,720
Sub-Total Alternative Fixed Income	139,207,470	-	139,422,340	214,870
Total Fixed Income	1,598,853,009	(339,584,844)	1,259,483,035	214,870
Alternative Investments				
Private Equity	611,716,301	(3,307,438)	606,731,448	(1,677,415)
Real Estate	273,882,954	(555,633)	275,167,720	1,840,399
Total Alternatives	885,599,255	(3,863,070)	881,899,168	162,984
Cash Accounts				
Cash in Trust	334,019,983	314,298,147	648,569,731	251,601
Cash Outside Trust	1,376,584	-	1,445,826	69,242
Total Cash	335,396,567	314,298,147	650,015,557	320,843
Real Return Pool				
Brown Bros TIPS	386,934,115	(386,933,502)	613	-
Brown Bros Global TIPS	-	386,933,502	388,935,284	2,001,782
Sub-Total Real Return	386,934,115	(0)	388,935,897	-
Alternative Absolute Return				
Brevan Howard Master Fund	76,944,975	-	76,722,375	(222,600)
OZ Domestic Partners II	81,273,975	-	82,275,225	1,001,250
DE Shaw Composite Fund	54,688,100	-	54,860,700	172,600
Graham Global Inv Fund	50,923,950	-	50,725,700	(198,250)
Wexford Spectrum Fund	50,655,150	-	50,997,650	342,500
Winton Future Fund Ltd	29,381,910	-	28,634,100	(747,810)
Blue Crest Capital	20,980,440	-	20,967,500	(12,940)
Sub-Total Alt Absolute Return	364,848,500	-	365,183,250	334,750
Total Real Return	751,782,615	(0)	754,119,147	334,750
Other				
Russell Overlay	71,282,505	-	69,745,675	(1,536,830)
Total Plan Ex PE & RE				
Total Plan	7,432,623,182	(29,149,743)	7,383,711,445	(21,763,776)

State of Rhode Island

TOTAL PLAN

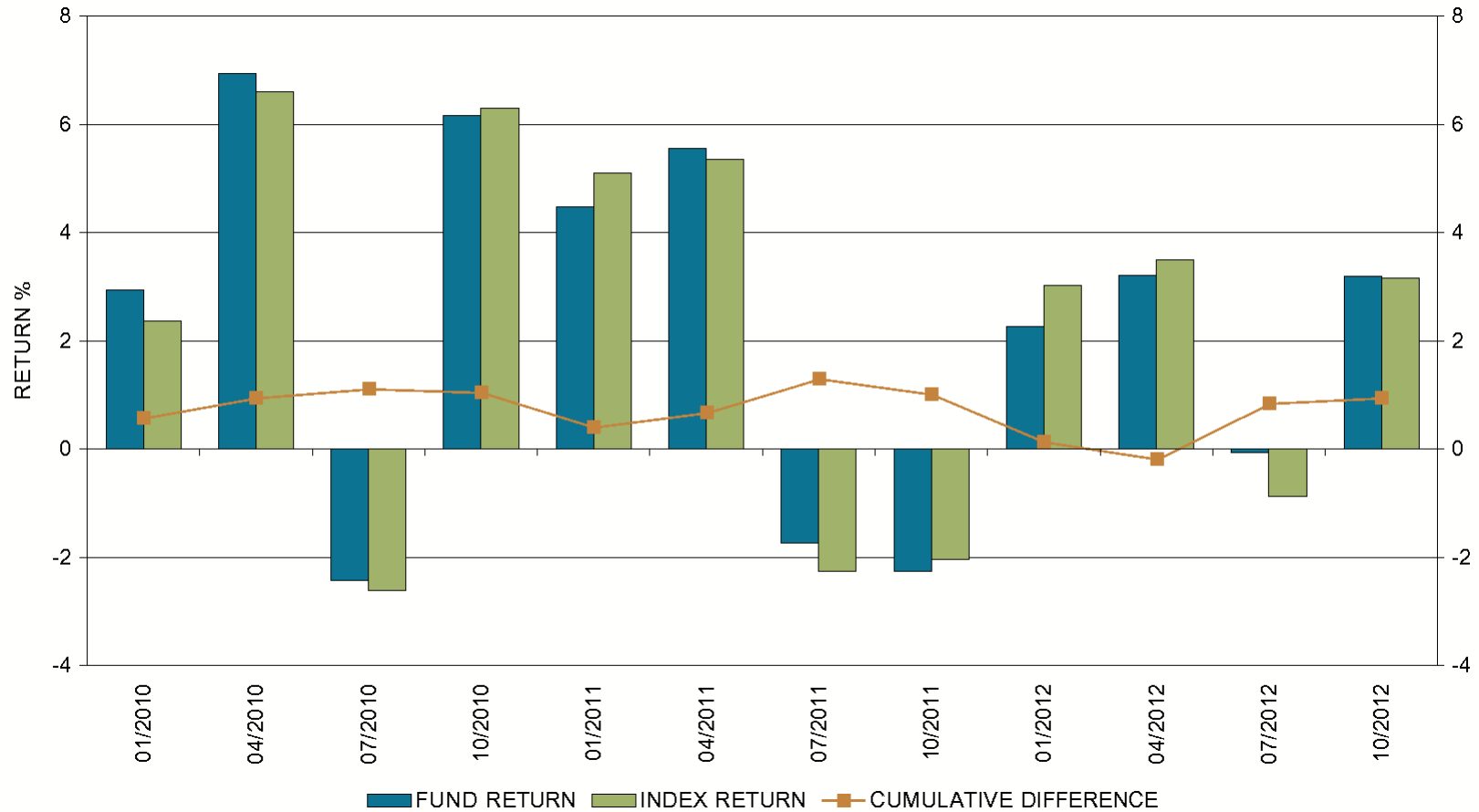
Index: TOTAL PLAN BENCHMARK

PERIODS: October 31, 2009 - October 31, 2012



STATE STREET

CUMULATIVE PERFORMANCE REPORT



State of Rhode Island

TOTAL PLAN

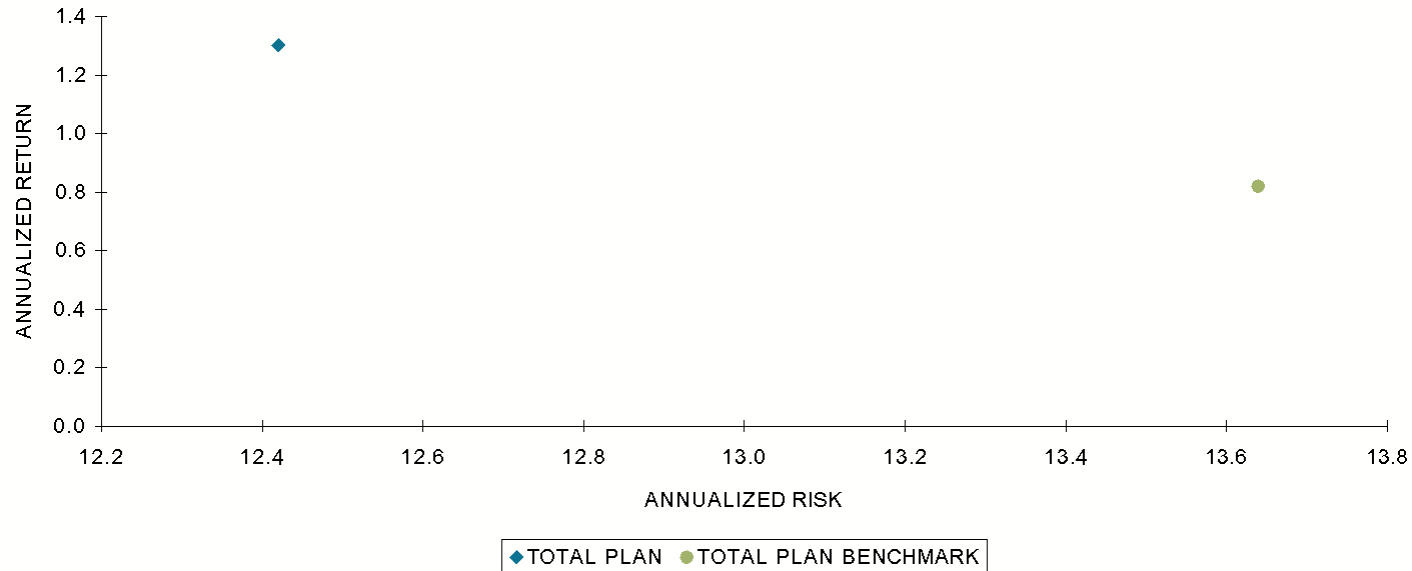
Benchmark: TOTAL PLAN BENCHMARK

October 31, 2007 - October 31, 2012



STATE STREET

RISK VS. RETURN



RISK INFORMATION

Portfolio Return	1.30
Benchmark Return	0.82
Return Differences	0.48
Portfolio Standard Deviation	12.42
Benchmark Standard	13.64
Tracking Error	1.90

RISK STATISTICS

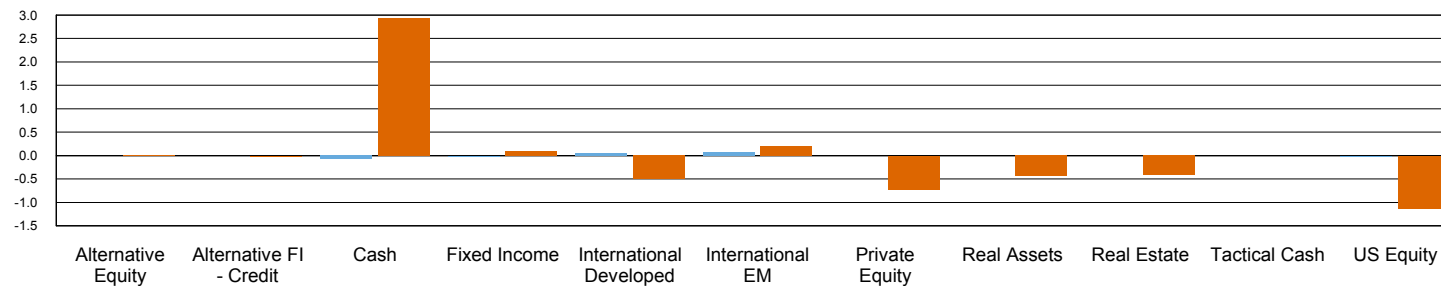
Historic Beta	0.91
R-squared	0.99
Jensen's Alpha	0.49
Sharpe Ratio	0.05
Treynor Ratio	0.69
Information Ratio	0.25

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>	
Total Market Value	7,418.3	100.0%	0.0	0.0%	7,418.3	100.0%	7,418.3	100.0%	7,418.3	100.0%
Cash	218.3	2.9%	-201.8	-2.7%	16.4	0.2%	21.8	0.3%	0.0	0.00%
Cash	218.3	2.9%	-201.8	-2.7%	16.4	0.2%	21.8	0.3%	0.0	0.00%
Equity	4,379.4	59.0%	201.8	2.7%	4,581.2	61.8%	4,574.3	61.7%	4,540.0	61.20%
US Equity	1,585.4	21.4%	126.6	1.7%	1,712.0	23.1%	1,713.8	23.1%	1,669.1	22.50%
Private Equity	613.8	8.3%	0.0	0.0%	613.8	8.3%	613.8	8.3%	667.6	9.00%
International Developed	1,231.0	16.6%	75.2	1.0%	1,306.2	17.6%	1,302.5	17.6%	1,268.5	17.10%
International EM	416.2	5.6%	0.0	0.0%	416.2	5.6%	411.3	5.5%	400.6	5.40%
Alternative Equity	533.0	7.2%	0.0	0.0%	533.0	7.2%	533.0	7.2%	534.1	7.20%
Fixed	1,119.7	15.1%	0.0	0.0%	1,119.7	15.1%	1,121.2	15.1%	1,112.7	15.00%
Fixed Income	1,119.7	15.1%	0.0	0.0%	1,119.7	15.1%	1,121.2	15.1%	1,112.7	15.00%
Other	1,701.0	22.9%	0.0	0.0%	1,701.0	22.9%	1,701.0	22.9%	1,765.5	23.80%
Real Estate	273.9	3.7%	0.0	0.0%	273.9	3.7%	273.9	3.7%	304.1	4.10%
Real Assets	790.9	10.7%	0.0	0.0%	790.9	10.7%	790.9	10.7%	823.4	11.10%
Alternative FI - Credit	139.2	1.9%	0.0	0.0%	139.2	1.9%	139.2	1.9%	140.9	1.90%
Tactical Cash	497.0	6.7%	0.0	0.0%	497.0	6.7%	497.0	6.7%	497.0	6.70%

Deviations from Target Allocation



CASH FLOW

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2013	FY 2012-13												TOTAL
	Actual July 2012	Actual August	Actual September	Actual October	Projected November	Projected December	Projected January 2013	Projected February	Projected March	Projected April	Projected May	Projected June	
MEMBER BENEFITS	69,405,592	70,338,986	70,150,727	69,952,061	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	839,847,365
ADMINISTRATIVE EXPENSES	287,720	705,326	541,540	442,410	418,609	763,480	566,091	729,552	1,080,787	568,054	474,315	897,153	7,475,036
INVESTMENT EXPENSES	954,598	209,630	334,436	1,078,332	6,757	517,797	501,413	228,446	666,823	405,876	173,652	420,419	5,498,179
TOTAL OUTFLOW	70,647,910	71,253,942	71,026,703	71,472,802	70,425,365	71,281,277	71,067,504	70,957,998	71,747,610	70,973,930	70,647,967	71,317,572	852,820,580
CONTRIBUTIONS	53,930,531	28,770,623	21,497,658	35,941,474	49,232,033	41,087,919	49,365,444	44,163,220	54,087,522	42,467,147	44,302,044	46,667,601	511,513,216
OTHER INCOME*	5,459,146	2,906,960	7,523,067	7,613,442	8,542,405	10,450,579	4,447,436	6,041,223	5,261,846	990,900	7,436,249	11,059,760	77,733,013
TOTAL INCOME	59,389,677	31,677,583	29,020,725	43,554,916	57,774,438	51,538,498	53,812,880	50,204,443	59,349,368	43,458,047	51,738,293	57,727,361	589,246,229
DIFFERENCE	(11,258,232)	(39,576,359)	(42,005,978)	(27,917,885)	(12,650,927)	(19,742,779)	(17,254,623)	(20,753,556)	(12,398,243)	(27,515,883)	(18,909,674)	(13,590,211)	(263,574,350)

Municipal Employees Retirement System

	Actual July 2012	Actual August	Actual 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	7,007,580	7,109,456	6,997,104	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	84,002,718
ADMINISTRATIVE EXPENSES	56,172	138,204	106,647	87,420	80,412	147,098	109,377	141,222	209,477	110,375	92,345	174,971	1,453,721
INVESTMENT EXPENSES	186,366	41,076	65,861	213,079	1,298	99,763	96,880	44,221	129,243	78,864	33,809	81,994	1,072,454
TOTAL OUTFLOW	7,131,115	7,186,860	7,281,964	7,297,604	7,081,710	7,246,861	7,206,258	7,185,443	7,338,720	7,189,239	7,126,154	7,256,965	86,528,892
CONTRIBUTIONS	5,193,569	3,512,997	3,491,224	4,354,978	4,733,696	5,048,323	6,107,049	4,633,750	5,058,462	4,415,298	4,664,657	5,420,386	56,634,389
OTHER INCOME*	1,065,789	569,601	1,481,536	1,504,423	1,640,949	2,013,490	859,312	1,169,419	1,019,846	192,536	1,447,777	2,156,973	15,121,649
TOTAL INCOME	6,259,358	4,082,598	4,972,760	5,859,401	6,374,645	7,061,813	6,966,361	5,803,169	6,078,308	4,607,834	6,112,434	7,577,359	71,756,038
DIFFERENCE	(871,758)	(3,104,262)	(2,309,204)	(1,438,203)	(707,066)	(185,048)	(239,897)	(1,382,274)	(1,260,412)	(2,581,405)	(1,013,720)	320,395	(14,772,854)

CASH FLOW ANALYSIS - INCOME & EXPENSES

**Judges/State Police
Retirement System**

	Actual July 2012	Actual August	Actual 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>	190,227	189,595	189,595	189,595	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,359,012
<i>ADMINISTRATIVE EXPENSES</i>	5,888	14,583	11,339	9,339	8,002	14,735	11,012	14,315	21,360	11,356	9,564	18,244	149,738
<i>INVESTMENT EXPENSES</i>	19,536	4,334	7,002	22,764	129	9,993	9,754	4,482	13,179	8,114	3,502	8,549	111,339
<i>TOTAL OUTFLOW</i>	215,652	208,512	207,936	221,698	208,132	224,728	220,767	218,797	234,539	219,470	213,066	226,793	2,620,089
<i>CONTRIBUTIONS</i>	385,000	545,000	285,000	305,000	529,000	502,000	500,000	515,000	835,000	490,000	505,000	480,000	5,876,000
<i>OTHER INCOME*</i>	111,723	60,102	157,517	160,723	163,302	201,690	86,518	118,538	103,994	19,809	149,949	224,899	1,558,764
<i>TOTAL INCOME</i>	496,723	605,102	442,517	465,723	692,302	703,690	586,518	633,538	938,994	509,809	654,949	704,899	7,434,764
<i>DIFFERENCE</i>	281,072	396,590	234,581	244,024	484,170	478,962	365,752	414,740	704,454	290,339	441,883	478,106	4,814,675

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

FISCAL YEAR 2013

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 12	Actual Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 13	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected TOTAL
EQUITIES													
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			1,164			1,592			1,522			1,700	5,979
Wellington Tech Eq ZU04			<u>335,337</u>			<u>310,389</u>			<u>376,641</u>			<u>350,000</u>	1,372,367
			409,947			380,987			446,681			426,700	1,547,946
FIXED INCOME													
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			205,941			4,567			198,244			201,399	610,151
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
			848,754			641,150			817,154			808,844	3,115,902
INT'L EQUITIES													
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
REAL ESTATE													
L & B Real Estate ZU79	129,888	122,709	79,437	802,275	0	84,071	126,079	230,671	82,336	125,166	121,978	96,354	2,000,964
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt F ZU32	1,030,612	132,331	327,863	511,900	8,184	543,482	481,969	46,479	726,909	367,688	88,984	414,608	4,681,008
SUB TOTAL-INV MGMT FEES													
	1,160,500	255,040	1,814,827	1,314,175	8,184	1,791,287	608,048	277,150	2,225,351	492,854	210,962	1,911,506	11,953,515
PROFESSIONAL FEES													
Legal	5,829	4,894	7,054	11,320	46,641	24,357	0	18,031	7,542	973	0	3,806	130,448
St St BankBNY Mellon - Cust	60,268	62,284	61,759	61,462	60,582	60,714	61,869	63,476	63,057	62,408	61,653	61,306	740,838
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	13,125	13,125	13,125	68,944	13,125	13,125	67,362	13,125	13,125	13,125	267,559
PCA Real Estate	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	125,003
	127,139	128,220	129,854	133,825	168,265	201,932	122,911	142,550	185,878	124,423	122,695	126,154	1,713,848
OPERATING EXPENSE													
Retirement Transfers	202,402	724,514	466,139	405,345	478,315	383,396	560,824	764,161	1,063,383	574,404	456,372	818,188	6,897,442
Other Expense	0	7,150	5,925	0	6,250	5,700	6,250	5,700	0	4,500	6,250	5,700	53,425
	202,402	731,664	472,064	405,345	484,565	389,096	567,074	769,861	1,063,383	578,904	462,622	823,888	6,950,867
TOTAL:	1,490,042	1,114,924	2,416,745	1,853,345	661,014	2,382,314	1,298,033	#####	3,474,612	1,196,181	796,280	2,861,549	20,618,230

Note: Numbers in bold are actual.

State of Rhode Island Private Equity Unfunded Commitment
October 2012

Partnership Investment	Total Commitment	ERSRI Unfunded (USD)
Advent Global Private Equity Fund VII	\$ 20,000,000.00	\$ 18,820,000.00
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 750,000.00
Alta Partners VIII	\$ 15,000,000.00	\$ 3,000,000.00
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	\$ 3,812,500.00
Birch Hill Equity Partners III*	\$ 17,989,200.00	\$ 1,012,691.16
Braemar Energy Ventures III	\$ 10,000,000.00	\$ 7,548,464.00
Castile III	\$ 5,000,000.00	\$ 475,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,093,115.00
Centerbridge Special Credit Partners II	\$ 25,000,000.00	\$ 20,000,000.00
Charterhouse Capital Partners VIII*	\$ 19,402,410.00	\$ 2,637,152.76
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	\$ 616,645.74
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.00
CVC European Equity Partners IV*	\$ 21,342,651.00	\$ 2,517,094.71
CVC V	\$ 25,869,880.00	\$ 8,948,396.39
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	\$ 566,377.00
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	\$ 4,098,813.00
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 1,108,861.00
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 2,462,614.00
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	\$ 769,096.52
Matlin Patterson Glob. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ -
MHR Institutional Partners III	\$ 20,000,000.00	\$ 7,100,312.00
Nautic Partners V	\$ 20,000,000.00	\$ 651,894.55
Nautic Partners VI	\$ 20,000,000.00	\$ 2,157,908.37
Nautic Partners VII	\$ 20,000,000.00	\$ 20,000,000.00
Nordic Capital Fund III*	\$ 12,001,760.00	\$ -
Nordic Capital Fund V*	\$ 18,905,126.23	\$ -
Nordic Capital Fund VI*	\$ 19,402,410.00	\$ -

State of Rhode Island Private Equity Unfunded Commitment
October 2012

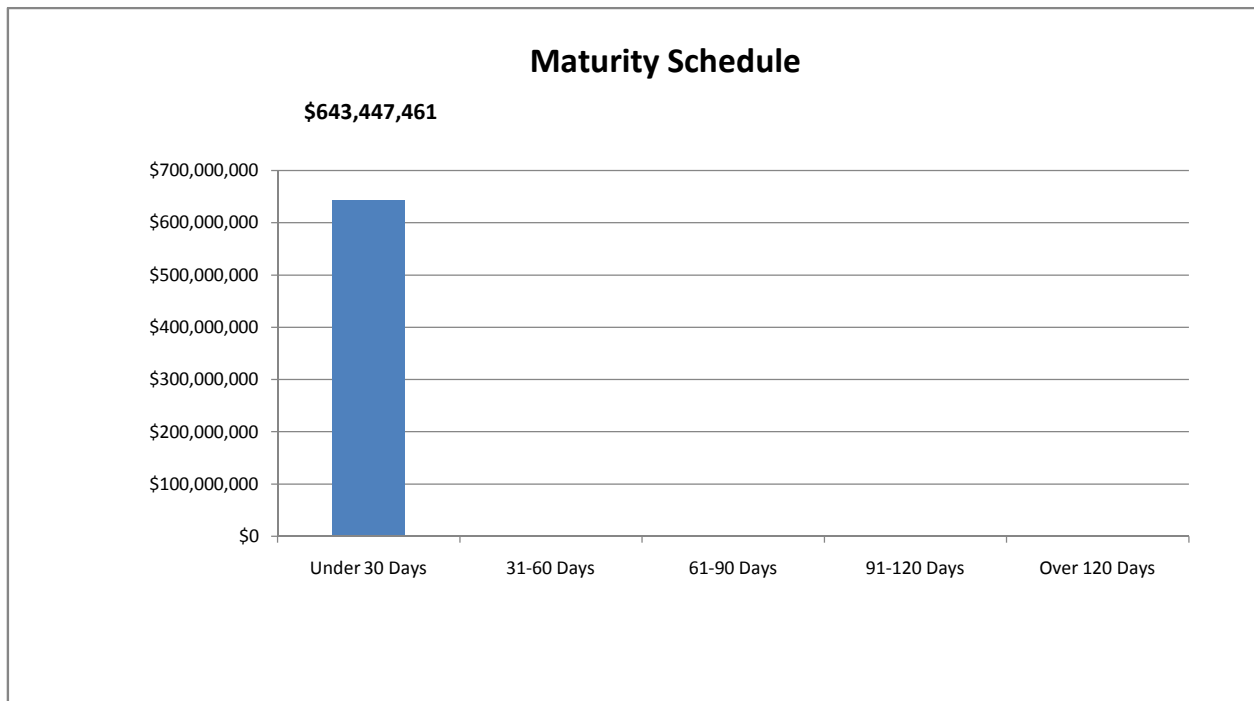
Nordic VII	\$	19,402,410.00	\$	4,660,836.53
Oaktree Capital Management Fund III	\$	20,000,000.00	\$	13,000,000.00
Palladin III	\$	10,000,000.00	\$	4,498,532.00
Parthenon Investors II	\$	23,960,000.00	\$	1,953,022.00
Perseus VII	\$	15,000,000.00	\$	1,000,715.00
Point 406	\$	10,000,000.00	\$	1,520,000.00
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	\$	3,252,290.00
Providence Equity Partners VII	\$	25,000,000.00	\$	23,500,002.00
SKM Equity Fund II**	\$	10,000,000.00	\$	1,735,947.00
Summit Partners	\$	20,000,000.00	\$	10,700,000.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	675,000.00
Thomas McNerney & Partners II	\$	15,000,000.00	\$	2,137,500.00
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	\$	3,729,095.00
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	\$	1,939,525.00
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	\$	1,339,838.00
Total Alternative Investments	\$	1,146,124,198.23	\$	211,761,072.94

State of Rhode Island Real Estate Investment Unfunded Commitment
October 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	\$ 841,924.00
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	\$ 7,275,953.05

SHORT TERM INVESTMENTS

Short-Term Investment Maturity Schedule & SIC Compliance Report at October 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	217,519,481	217,519,481
	0%	0%	0%	0%	0%	0%	0%	45%	45.00%
Bank RI	0	15,049,962	0	0	0	0	0	0	15,049,962
	0%	3%	0%	0%	0%	0%	0%	0%	3.11%
Sovereign Bank	0	0	0	0	120,613,198	0	0	0	120,613,198
	0%	0%	0%	0%	25%	0%	0%	0%	24.95%
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	3,167,556	0	0	0	3,167,556
	0%	0%	0%	0%	1%	0%	0%	0%	0.66%
Webster Bank	0	0	0	0	76,892,453	0	0	0	76,892,453
	0%	0%	0%	0%	16%	0%	0%	0%	15.91%
Oppenheimer Inc	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	25,135,423	0	25,001,369	0	0	0	0	50,136,792
	0%	5%	0%	5%	0%	0%	0%	0%	10.37%
TOTALS	-	40,185,384	-	25,001,369	200,673,206	-	-	217,519,481	483,379,440
(%) PORTFOLIO	0.00%	7.68%	0.00%	0.00%	44.54%	0.00%	0.00%	47.78%	100.00%

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
October 01, 2012 to October 31, 2012

Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield(Annual)
GENERAL FUND	\$ 189,133,754.65	\$ 150,990,283.26	\$ 173,275,690.13	\$ 56,528.61	0.3841%
H.A.V.A	\$ 294.45	\$ 294.47	\$ 294.45	\$ 0.02	0.0800%
GENERAL FUND (HIST PRES)	\$ 536,745.45	\$ 536,817.12	\$ 536,745.45	\$ 71.67	0.1572%
HISTORIC TAX CREDITS	\$ 1,201,524.67	\$ 1,201,685.11	\$ 1,201,524.67	\$ 160.44	0.1572%
HIGHWAY FUND	\$ 15,141,516.13	\$ 18,542,483.02	\$ 6,167,322.58	\$ 966.89	0.1846%
T.D.I. RESERVE (DET)	\$ 91,267,692.45	\$ 78,277,275.54	\$ 83,009,627.93	\$ 9,583.09	0.1359%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	-
RICAP GL FUND 21	\$ 122,398,658.92	\$ 129,418,433.65	\$ 123,527,691.18	\$ 19,774.73	0.1885%
BOND CAPITAL FUND	\$ 1,864,017.32	\$ 2,564,471.18	\$ 2,725,307.64	\$ 453.86	0.1961%
R.I. CLEAN WATER ACT	\$ 3,175,430.95	\$ 3,175,804.92	\$ 3,175,430.95	\$ 373.97	0.1387%
STATE LOTTERY FUND	\$ 51,956,383.47	\$ 47,068,166.70	\$ 44,062,835.08	\$ 11,783.23	0.3149%
ASSESSED FRINGE BEN ADM	\$ 7,752.62	\$ 7,753.24	\$ 7,752.62	\$ 0.62	0.0942%
AUTO EQUIPMENT SERVICE	\$ 201,004.06	\$ 401,020.86	\$ 220,358.90	\$ 16.80	0.0898%
HEALTH INSURANCE FUND	\$ 28,845,909.89	\$ 28,849,560.98	\$ 27,445,909.89	\$ 3,651.09	0.1566%
FLEET REVOLVING LOAN FUND	\$ 1,100,865.34	\$ 8,402,207.77	\$ 7,694,413.73	\$ 1,342.43	0.2054%
EMPLOYEES RETIREMENT	\$ 424,193.58	\$ 229,118.34	\$ 14,391,935.52	\$ 4,924.76	0.4029%
MUNICIPAL EMPLOYEES RET.	\$ 110,108.02	\$ 10,490.56	\$ 2,164,946.73	\$ 382.54	0.2080%
RETIREE HEALTH FUND	\$ 2,587,543.20	\$ 2,587,889.42	\$ 2,587,543.20	\$ 346.22	0.1575%
BOG RETIREE FUND	\$ 9,176.12	\$ 9,177.35	\$ 9,176.12	\$ 1.23	0.1578%
RIPTA HEALTH FUND	\$ 466.34	\$ 466.40	\$ 466.34	\$ 0.06	0.1515%
PERMANENT SCHOOL FUND	\$ 1,431,776.76	\$ 1,431,967.91	\$ 1,431,776.76	\$ 191.15	0.1572%
TEACHER RETIREE HEALTH FUND	\$ 2,105,087.22	\$ 1,605,325.55	\$ 1,782,506.57	\$ 238.33	0.1574%
RI ST POL RETIREE HEALTH	\$ 717.26	\$ 717.35	\$ 717.26	\$ 0.09	0.1477%
RI LEG RETIREE HEALTH	\$ 194.96	\$ 194.98	\$ 194.96	\$ 0.02	0.1208%
RI JUDICIAL RETIREE HEALTH	\$ 55,124.68	\$ 55,128.88	\$ 55,124.68	\$ 4.20	0.0897%
UNIVERSITY COLLEGE	\$ 5,056,083.73	\$ 3,956,700.26	\$ 4,617,374.05	\$ 616.53	0.1572%
HIGHER EDUCATION	\$ 1,105,089.41	\$ 405,302.68	\$ 1,563,153.93	\$ 213.27	0.1606%
INDUS. BLDG. & MTG. INS.	\$ 3,650,214.99	\$ 3,650,702.41	\$ 3,650,214.99	\$ 487.42	0.1572%
Operating Funds Totals	\$ 523,367,326.64	\$ 483,379,439.91	\$ 505,306,036.31	\$ 112,113.27	0.261%
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	-
CCDL1993A	\$ 7,386.19	\$ 7,386.24	\$ 7,385.49	\$ 0.99	0.1578%
BOND CCDL 1994 SERIES A	\$ 15,001.91	\$ 15,002.00	\$ 15,000.49	\$ 2.00	0.1570%
BOND CCBL96A	\$ -	\$ -	\$ -	\$ -	-
CAP DEV OF 1997 SERIES A	\$ 41,017.51	\$ 41,017.82	\$ 41,013.67	\$ 5.48	0.1573%
CCDL1998A	\$ 1,696,049.81	\$ 1,696,059.92	\$ 1,695,889.29	\$ 226.46	0.1572%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
MMG099 1999	\$ -	\$ -	\$ -	\$ -	-
BOND CAPITOL CCDL2000A	\$ 102,397.22	\$ 102,397.83	\$ 102,387.53	\$ 13.67	0.1572%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	-
CCDL2001C	\$ 201,352.55	\$ 201,353.75	\$ 201,333.50	\$ 26.88	0.1572%
CCDL2002B	\$ -	\$ -	\$ -	\$ -	-
CCDL 2004 SERIES A	\$ 3,026,855.41	\$ 3,026,873.45	\$ 3,026,568.94	\$ 404.15	0.1572%
BOND CCDL 2005 SERIES C	\$ 7,457,602.98	\$ 7,319,467.20	\$ 7,416,781.82	\$ 990.55	0.1573%
BOND CCDL 2005 SERIES E	\$ 829,131.49	\$ 779,434.33	\$ 812,727.22	\$ 108.60	0.1573%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	-
BOND CCDL 2006 SERIES C	\$ 2,988,336.82	\$ 2,939,118.15	\$ 2,967,730.12	\$ 396.39	0.1573%
GO BND-NTAX 2007 SERIES A	\$ 5,939,095.59	\$ 5,939,130.98	\$ 5,938,533.50	\$ 792.99	0.1572%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	-
GO BND-NTAX 2008 SERIES B	\$ 474,669.92	\$ 433,591.63	\$ 457,398.36	\$ 61.17	0.1575%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	-
CCDL10B BOND CAPITAL COMPONENT	\$ 2,450,965.31	\$ 2,450,979.91	\$ 2,450,733.34	\$ 327.25	0.1572%
CCDL10C	\$ 161,465.16	\$ 161,486.72	\$ 161,465.16	\$ 21.56	0.1572%
CCDL10D	\$ 103,929.20	\$ 103,929.82	\$ 103,919.36	\$ 13.88	0.1573%
CCDL2011A	\$ 54,375,289.52	\$ 51,476,708.02	\$ 53,339,929.88	\$ 7,127.46	0.1573%
CCDL2012B	\$ -	\$ 81,402,757.99	\$ 21,006,451.61	\$ 2,757.99	0.1546%
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	\$ 222,549.60	\$ 222,550.92	\$ 222,528.54	\$ 29.71	0.1572%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	-
CCDL99A 1999A	\$ 205,315.54	\$ 205,316.76	\$ 205,296.11	\$ 27.41	0.1572%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2007 SERIES A	\$ 283,288.20	\$ 283,289.88	\$ 283,261.39	\$ 37.82	0.1572%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	-
CCDL10B CLEAN WATER COMPONENT	\$ -	\$ -	\$ -	\$ -	-
CCDL2011A CLEAN WATER COMPONENT	\$ 1,260,160.75	\$ 1,260,168.26	\$ 1,260,041.48	\$ 168.26	0.1572%
CCDL2011A POLL CTRL CMPNT	\$ -	\$ -	\$ -	\$ -	-
Bond Proceeds Fund Totals	\$ 81,841,860.68	\$ 160,068,021.58	\$ 101,716,376.80	\$ 13,540.67	0.157%
TANS PROCEEDS	\$ -	\$ -	\$ -	\$ -	-
Grand Totals	\$ 605,209,187.32	\$ 643,447,461.49	\$ 607,022,413.11	\$ 125,653.94	0.244%