

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
JUNE 30, 2008**

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

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Hon. Frank T. Caprio, Chair**

**Mr. J. Michael Costello  
Mr. Robert R. Gaudreau, Jr.  
Dr. Robert J. McKenna  
Mr. Andrew K. Reilly**

**Ms. Rosemary Booth Gallogly  
Mr. Robert Giudici  
Ms. Marcia Reback  
Mr. John R. Treat**

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

Frank T. Caprio  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, July 23, 2008 at 9:00 a.m. in Room 135 of the State House.

**AGENDA**

1. Membership Roll Call
2. Approval of Minutes
  - State Investment Commission Meeting held on 6/25/08 \*
3. General Consultant Capital Markets Review – Pension Consulting Alliance
4. Alternative Investments Consultant – Townsend Real Estate
  - AEW Capital Management \*
5. Legal Counsel Report
6. Deputy Treasurer for Finance Report
7. Treasurer's Report
8. New Business

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

**POSTED ON THURSDAY JULY 17, 2008**



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

**Regular Meeting June 25, 2008**

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, June 25, 2008. The Treasurer called the meeting to order at 9:11 a.m.

*Membership Roll Call.* Present were: Ms. Rosemary Booth Gallogly, Mr. Robert Gaudreau, Mr. Robert Giudici, Dr. Robert McKenna, Ms. Marcia Reback, Mr. Andrew Reilly, and General Treasurer Frank T. Caprio. Also present were: Mr. Kenneth E. Goodreau, Deputy General Treasurer for Finance; Ms. Sarah Dowling, of Adler Pollock & Sheehan, Legal Counsel to the Commission; Mr. Joseph Pezza, of Rodio & Ursillo, Legal Counsel to the Commission; Ms. Michelle Davidson of the Pacific Corporate Group, Alternative Investments Consultant to the Commission; Ms. Lisa Tyrrell of the State Street Corporation; and other members of the Treasurer's staff. Mr. Costello and Mr. Treat were not present.

*State Investment Commission Minutes.* The Treasurer entertained a motion for approval of the minutes. Dr. McKenna moved, Ms. Reback seconded and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

**VOTED: To approve the Minutes of the May 28, 2008 regular meeting.**

Due to the request by one of the SIC Members for time consideration, the Treasurer began the Meeting with item #5 from the Agenda.

*RFP Subcommittee Recommendation and Review-General Consultant Search.* The Treasurer referred to the memo in the Consultant Presentations booklet, which summarizes that an RFP was published in December 2007 in national publications requesting proposals for consultants to ERSRI. The Commission received numerous responses, and the Subcommittee met on February 19 to determine which firms the Committee wished to interview. On April 9, 2008 and May 5, 2008, the Subcommittee met and heard presentations from the finalists. On June 12, 2008, the Subcommittee met, reviewed, and approved the recommendation outlined in this memo. All these meetings were posted as public meetings. The Committee and Staff recommended splitting the consultant's responsibilities into three roles: a General Policy Consultant, an Implementation Manager, and a Manager Search and Database Services Component.

To fill the General Policy Consultant role, the Subcommittee and Staff recommended Pension Consulting Alliance. PCA is the lead consultant to CALSTERS, which is the second largest U.S. pension fund along with other large funds. Industry polls and publications, including Pensions and Investments, have consistently ranked PCA as one of the top ten Consulting Organizations. CEO and Founder Allen Emkin was a former Wilshire representative to R.I. in the 1980's and is familiar with ERSRI, having been part of the implementation of its current structure. He will personally handle our account, which will give the Commission and Staff the distinct advantage of an upper level relationship with the

Firm. The Treasurer emphasized that although there may be three proposed consultants, the fees would remain the same or less than the fees currently paid to our Consultant. The General Policy Consultant will attend the SIC meetings consistent with current practice.

Improvement of the portfolio's efficiency is the primary function of the Implementation Manager. The group that was recommended for this role was the Russell Investment Group. Russell Investment Group is a top rated Pension Consultant in the category of assets under advisement and a pioneer in the pension universe, and is the industry standard in beta overlay and exposure management. The Firm was a clear choice for the Subcommittee given its consistently high performance, industry leadership, and low fee structure.

The third component, Manager Search and Database Services, is an assignment-based function. The Commission would not pay a monthly fee to the Firm, but will have access to their extensive database. Fees will be incurred only when the SIC Members request their services. The Firm that is recommended for this role is Brockhouse & Cooper, which is a Firm that currently provides these services to two of the largest funds in the world: Ontario Teachers Pension and ABP Investments. Their extensive databases, covering both domestic and international investment firms, will allow Staff to conduct far more in-depth manager searches in a user friendly format than is currently possible.

Mr. Goodreau added that although the Commission only meets once a month, he would like the Members to understand that this was a very painstaking, long due diligence process that the Treasurer, his Staff, and the Subcommittee went through over the past six months. The architecture and methodology behind what the Commission is trying to do started very specifically with the careful wording of the RFP under the Treasurer's direction. With the proposed structure, the consultants would constantly be testing each other, and would give the program a checks and balances framework that is not currently available. Mr. Goodreau then thanked the Subcommittee for their diligence and hard work.

Ms. Reback asked what the difference was between a General Consultant and an Implementation Manager. The Treasurer replied that the Implementation Manager would deal with day-to-day issues within the portfolio, such as moving asset allocations. Currently when implementing that strategy, there are certain time lags that affect the portfolio's performance. The Implementation Manager would assist in that process using strategies that will eliminate this two to three day lag. As the Commission conducts additional asset allocation studies and investment guideline studies, the General Consultant will provide the guidance and oversight required as the fiduciary.

The Treasurer noted that the Firms had already given extensive presentations to the Subcommittee, and asked them to give an abbreviated version to introduce their Firm and their goals in partnering with the SIC going forward.

General Consultant Presentation—Pension Consulting Alliance, Inc. Mr. Allen Emkin, CEO of PCA, stated that he started PCA in 1988. Prior to that he was with Wilshire Associates, and was the first Wilshire Consultant to the SIC. PCA's only business is pension consulting; they do not manage assets or sell services to investment managers. Mr. Emkin stressed that consulting is a service rather than a commodity, so the advice PCA provides is

unique to each client's circumstance and facts. They conduct a variety of services for clients: general consulting, private equity consulting, and real estate consulting. PCA is unique in that they like to work with other consulting Firms and have worked with every major specialist Firm in the country. They have worked with Russell Investments for years. They have an office in New York, and are in the process of expanding East Coast staffing. Most of the staff that works with clients have more than a decade of institutional consulting experience, and are highly motivated because their compensation is directly linked to client retention. They have only lost one staff member in twenty years. The Firm is also hired to do unique projects. They were retained by the State of New Jersey for an infrastructure project, and by the State of New York for a private equity program. They help clients with private equity searches and orchestrate consultant searches. In this role, they recuse themselves from being considered as a candidate, and only act as an independent resource.

PCA rates among the highest in the country's top consulting organizations, according to *Pensions & Investments*. The Firm does not have any small clients—the average client has over 30 billion dollars in assets. They have a long term relationship with many of their clients, and have lost very few clients over the years. This year, they have been retained by the State of New Jersey, State of Hawaii, and the City of Seattle, among others.

The Treasurer asked Mr. Emkin to highlight points he made during a panel discussion at Harvard Law School on the future of pensions and investment management. Mr. Emkin replied that he could guarantee two things: the only thing that works in the business is diversification, and that there will be change. There are opportunities that the institutional investing community typically doesn't look at and these opportunities can earn an excellent rate of return and foster economic development.

The Treasurer stated that the current portfolio is diverse and has a sophisticated model, but stressed the need to look toward the future. Mr. Emkin pointed to the recent green initiatives of large corporations as a supporting example. The consultant's role in this process is to provide the concepts and information that can help clients make the best decisions for their portfolio.

PCA is structured differently than other consulting Firms because it outsources analyst, data entry, and computer programming positions. Mr. Emkin highlighted that their clients involve them in governance. The Firm has a unique design for public pension plans, asset liability products, and a joint venture with an actuarial Firm. They provide practical approaches to key investment processes, including a new real return asset class, which is designed to grow with inflation, and portable alpha programs. They hire people and give them one mandate so they can become an expert in their area.

The Treasurer then asked the SIC Members to introduce themselves to Mr. Emkin. After a brief introduction, the Treasurer mentioned that Mr. Costello and Mr. Treat were also Members of the Commission, but were not present at this meeting. The Treasurer asked for questions, and hearing none, thanked Mr. Emkin for his presentation.

Implementation Manager Presentation—Russell Investments. Mr. Cameron Lochhead and Mr. Greg Nordquist were representing Russell Investments. Mr. Lochhead is the Regional Director of Russell Investments and Mr. Nordquist is the Senior Portfolio

Manager. Mr. Lochhead stated that they were well-resourced with headquarters in Tacoma, Washington and 2,000 associates worldwide. They partner with the largest institutions, and do business with eighteen to twenty state funds, most of which are implementation relationships. They are one of the top one hundred money managers in the world, but are first and foremost an asset manager that hires managers and runs multi-asset class portfolios. Mr. Lochhead stated that they have discovered inefficiencies while fulfilling the role of fiduciary, and as a result they have become an expert in portfolio implementation techniques to reduce costs, take unintended risks out of the equation, and improve the efficiency of the portfolio. The Firm is client focused, which means they limit the amount of clients they service. Everything is customized to the specific needs of the staff and pension fund investment guidelines. Russell Investments has won many industry awards for its research and implementation techniques. They were ranked number thirty on the 2007 list of Fortune 100 Best Companies to Work for in America.

Mr. Nordquist then talked about the proposed assignment. As Implementation Manager, Russell would help develop a risk-return profile within the portfolio and maintain the broad asset allocation as determined by the SIC under the guidance of the General Policy Consultant. The goal is to maximize exposure to intended bets and minimize the unnecessary risk of exposures. He then spoke about the importance of cash flow management, and how they will work to ensure that the fund has enough cash available, yet have it exposed to the markets. This more opportunistic approach would lessen the Staff's administrative burdens. In regard to alternative investments, the Firm can help the Commission work through unpredictable cash flows and cash strikes. The Firm will also bring new research ideas and educational experiences as opportunities that the Commission can take advantage of. They have a gold-standard list of clients, and can cater to the size, needs, and staff to help accomplish each client's goals. Mr. Nordquist highlighted the Firm's focus on administrative alpha, or adding value to portfolios by improving implementation. This has added approximately 15 basis points per year to the average client's portfolio. He again emphasized the ability of the Firm to service large clients. Mr. Nordquist noted that sloppy implementation can add risk and take away return from a portfolio, while a well implemented strategy can be a competitive advantage in moving the portfolio forward and increasing returns. Their proposed platform is to be more nimble, "decide today, act today." Russell Investments offers flexibility for the Commission to get the desired risk-return profile.

The Treasurer then asked for questions. Mr. Goodreau emphasized that Russell Investments is not meant to be a replacement for the previous consulting service, but was an unexpected discovery that will help the Staff with day-to-day functions. With fast-moving markets and large sums of money, not being able to pay attention to details can cost a portfolio from 5 to 15 basis points over a year. This unintended risk results in inefficiencies in performance. Russell Investments has demonstrated the ability to help staff capitalize on the efficiencies of moving large sums of money.

Manager Search Consultant Presentation— Brockhouse & Cooper Mr. Ralph Loader, Chairman/CEO and Mr. Ryan Anderson, U.S. Global Broker, represented Brockhouse & Cooper. Mr. Loader explained the Firm was established in 1968 to serve institutional investors in all major world markets. Since 1987 the Firm has focused on the very specialized field of global investment manager structure and search, earning respected status as a leader in its field. They have developed and maintain a comprehensive database



which includes detailed investment manager profiles and detailed performance reports across a wide variety of geographic and style-based mandates. Clients may access this information via the web to conduct their own research and evaluation of investment managers. Their clients incur no fees for this service and the investment managers are not charged to participate in the database. During the last four years Brockhouse & Cooper has completed 484 investment manager searches with a total of \$48.6 billion in assets placed in the U.S., Canada, and internationally.

Brockhouse & Cooper's manager search process begins with a multi-factor ranking model involving all qualified candidates. The list of managers is then narrowed to ten to fifteen of the most qualified managers. This is followed by another detailed analysis with recommendations for three to five managers. At this point, Mr. Loader suggests his clients have an on site meeting with the finalists. During the final phase, Brockhouse & Cooper will negotiate implementation of contracts and fees, as required.

Treasurer Caprio asked if there were any questions. Ms. Reback asked about the fee structure and the contractual obligations of the proposed investment consultants. The Treasurer explained the cost will be no higher than the costs associated with our current consultant. The contracts are yet to be negotiated, but stipulations will be implemented within this motion to assure that the fees remain within the current fee structure. The length of the contracts will be two years, with a clause that allows exit from the contract with the appropriate notice, should the Commission find cause to end the relationship. There will also be an option to renew the contract without going through an additional RFP process. Mr. Giudici commended the Subcommittee for their time and effort and also for a job well done. He went on to state that during this complex economic environment, increasing our information and decision making resources is very important. He stated he would like to endorse the recommendation of the Subcommittee.

Treasurer Caprio entertained a motion to accept the recommendation of the Subcommittee with the following directive: the fee structure will be no higher than the fee structure with the existing consultant; the term of the agreement shall be for two years, with a stipulation that allows for exit from the contract with appropriate notice, should the Commission find cause to end the relationship; there will be an option to renew the contract without going through an additional RFP process. Dr. McKenna moved, Ms. Reback and Mr. Giudici seconded and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

**VOTED:** To accept the recommendation of the Subcommittee with the following directive: the fee structure will be no higher than the fee structure in place with the existing consultant; the term of the agreement shall be for two years, with a stipulation that allows for exit from the contract with appropriate notice, should the Commission find cause to end the relationship; and the contract shall provide an option to renew without going through an additional RFP process.

Alternative Investments Consultant PCG – CVC European Equity Partners V.  
Ms. Davidson explained that CVC European Equity Partners is forming Fund V to pursue large and mega-market European buyouts. This is an existing relationship, as the SIC has

invested in Funds II, III, and IV. The return on these Funds since inception has been 28%, with a multiple of more than 2 x's. They are currently one of our top performers. Fund V will primarily target companies headquartered in Western Europe but will have the ability to invest a limited amount of capital in the Asia Pacific region and the U.S. The fund will make investments in companies with enterprise values between €300 million and €10 billion. CVC Europe is managed by twelve Managing Partners and fifty five supporting investment professionals located in twelve offices throughout Europe, with one office in New York. The fund will make approximately twenty to thirty investments in a broad range of sectors including industrials, consumer discretionary, and materials. The first closing was held in April 2008 securing €8.4 billion in commitments with an expected total commitment of €11 billion. A hard cap has not yet been determined. A final close will be held near the end of the second quarter. Ms. Davidson stated that Fund V is complimentary to ERSRI's existing Corporate Finance commitments and recommended investment in Fund V.

Mark St. John represented CVC European Equity Partners. He is a Partner and has been with the Firm for ten years. He spoke of the large network and geographic diversification which enables their investment professionals to actively generate and pursue opportunities in local European and Asian markets, as well as provide constructive support to portfolio companies. They have nineteen offices across three continents. CVC has eight advisory boards located in Germany, Holland, Austria, Belgium, the Nordic Region, Italy, Spain, and the United Kingdom. The boards are comprised of successful European businessmen whose time commitments and involvement varies. The most active members assist in everything from sourcing investments to providing support and management advice to portfolio companies. There is a consistency of high returns in all four prior European funds, indicating strong investing discipline and good risk management. They are not a mega fund in terms of transaction size, but typically invest in the upper end of the middle market in Europe and Asia. When making investments, they are very aware of the down side and take steps to protect the investment.

Mr. St. John went on to explain the compensation structure within CVC. It is transparent and aligned so those individuals who have successful investments are rewarded. This means that a Junior Partner could conceivably make more money than a Partner. As a result, the Investment Team is very driven and they work very hard at making their investments successful. This is an important element of their business principles, as it drives performance and keeps losses down.

Mr. St. John explained that he believes this is one of the best times for making investments. Asset prices are coming down which allows CVC to buy companies with real value rather than buying and financing at a high level. Their current research has identified thousands of potential opportunities throughout Europe. Financing is more difficult, but it is still available.

Treasurer Caprio thanked Mr. St. John for his presentation. Ms. Reback remarked that €20 million is larger than commitments made in the past. Treasurer Caprio asked Ms. Davidson to comment on this remark. Ms. Davidson explained that when renewing existing

relationships, particularly those that have been very successful, it is advantageous to take a larger, more concentrated position. Treasurer Caprio added that the mandate states investments may be no more than 10% of any limited partnership; this investment currently is not even near 1%. He then entertained a motion for investment in CVC European Equity Partners Fund V. Ms. Gallogly moved, Ms. Reback seconded and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

**VOTED:** To accept PCG's recommendation that the SIC commit up to €20 million in CVC European Equity Partners Fund V, contingent upon the conditions documented in PCG's Investment Memorandum dated May 13, 2011 and upon satisfactory review and negotiation of investment and legal documents with material changes to the opportunity as presented.

Legal Counsel Report. Ms. Sarah Dowling, of Miller Pollock & Sheehan, Legal Counsel to the Commission, asked the Commission to pass a resolution that the General Treasurer be authorized, empowered and directed, acting singly, to execute the Subscription Agreement, any Side Letter and any other ancillary documents related to investments made by ERSRI in private equity or real estate funds, the execution thereof by the General Treasurer to be conclusive evidence that the same are hereby authorized. Dr. McKenna moved, Ms. Reback seconded, and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

**VOTED:** That the General Treasurer be authorized, empowered, and directed, acting singly, to execute the Subscription Agreement, Side Letter and any other ancillary documents related to investments made by ERSRI in private equity or real estate funds, the execution thereof by the General Treasurer to be conclusive evidence that the same are hereby authorized.

PCG Secondary Market Update. Ms. Davidson stated that in 2007 ERSRI conducted a strategic review of private equity program. She explained that older funds have high administration fees and to become a burden on the portfolio. Selling these interests would free up capital to make new investments in performing funds. As a result, PCG has been reviewing this option relating to the interests in sixteen funds. After filtering potential bidders based on size, strategy, market reputation, and Pantheon Ventures and Fondinvest yielded the highest offers for specific interests. Pantheon submitted two different portfolio bids (Option A and Option B), as outlined on page 4 of PCG's report. Fondinvest submitted a single bid for CVC European Equity Partners II. By combining Pantheon Option B bid with Fondinvest offer, ERSRI would have the opportunity to optimize portfolio sale value for cash interests. This sale will generate a cash distribution of about \$2 billion. Capital could not be funded after the sale, which would reduce the amount of unfunded liabilities to \$5 million. The two bidders are strong secondary players in the market and have the ability to close the sale extremely high.

Mr. Reilly asked if there is an expiration date related to the bids. Ms. Davidson replied that typically the bids expire in thirty days. Reback suggested the SIC take a vote now regarding the acceptance of two bids. Reback moved, Mr. Reilly seconded, and

the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

**VOTED: To allow negotiation of contracts where the cash bid is a percent of market value as presented on page 6 of the PCG confidential memo "Sale of Interests in Private Equity Funds" dated June 25, 2008. If that percentage equals 85% or above, the Commission would allow the commencement of those negotiations and finalization of legal documents for approval.**

Capital Market Review. Deputy Treasurer Goodreau stated May was a good month. The S&P was up about 1.3%. The portfolio out performed in the equity space; the Wilshire Index was up about 2%, Wilshire 5000 was up about 2.3%, Wellington Technical Equity out performed the benchmark by almost 4%, SSgA Core was up about 50 basis points over the market, the Fixed Income portfolio was down about 30 basis points, the Lehman Aggregate was down about 75 basis points, the international portfolio was up 1.3%, and the MSCI Index was up 1.7%.

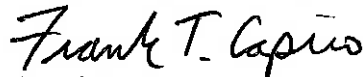
Treasurer's Report. The Treasurer stated that the changes that were made during this meeting will bring new relationships to the Commission. The decision was made over a long period of time with many discussions. He feels very positive regarding future accomplishments with the addition of the new consultants and intends to have more open dialogue between the SIC Members and consultants. He thanked the Commission for being open minded and adopting the changes that the Subcommittee and Staff suggested.

New Business. There being no further new business, the Treasurer entertained a motion to adjourn. Ms. Reback moved, Mr. Reilly seconded and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

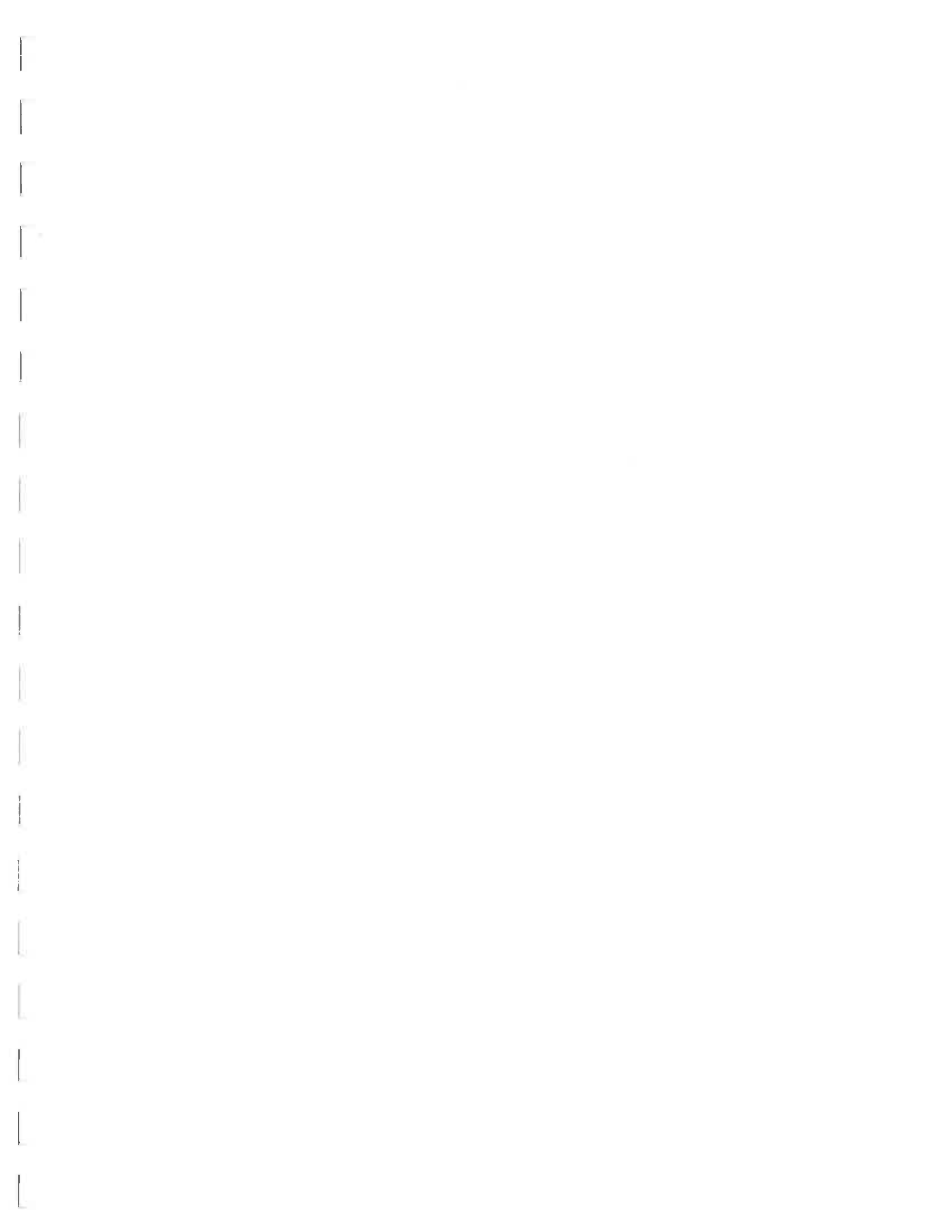
**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 11:12 a.m.

Respectfully submitted,



Frank T. Caprio  
General Treasurer





**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**STAFF SUMMARY ANALYSIS**  
**PORTFOLIO HIGHLIGHTS**  
 June 30, 2008

**PORTFOLIO PERFORMANCE**

**June**

The ERSRI portfolio posted a loss of 4.84% for the month of June, against the policy index of -5.62%. Domestic equities were down 7.82%, international equities lost 8.08%, and the fixed income asset class returned 0.46%. Additionally, the retirement fund earned \$843,771 from the securities lending program during this month. If we factor out PE & RE investments, due to the way they are monitored the plan performance was -5.47% against its -5.85% index.

**Calendar Year to Date**

For the six months ended June 30, 2008, the portfolio is down 6.73% against the policy index of -6.77%. Domestic equities were down 10.59%, international equities were down 10.79%, while fixed income generated a return of 1.39%.

**Fiscal Year to Date**

For the Fiscal Year ended June 30, 2008, the fund has lost 5.39%, against the policy index of -4.91%.

Index Performance Summary - June 30, 2008		
Market Indices	Jun-08	Calendar YTD
<b>Domestic Equity</b>		
S & P 500	-8.43%	-11.91%
DJ Wilshire 5000	-8.14%	-10.92%
Russell 2000	-7.70%	-8.37%
Russell 1000	-8.31%	-11.20%
Policy Index	-5.85%	-7.15%
<b>International Equity</b>		
MSCI ACWI	-8.20%	-8.84%
<b>Fixed Income</b>		
Lehman AGG	-0.08%	1.13%
<b>Real Estate</b>		
NCREIF	0.08%	3.61%

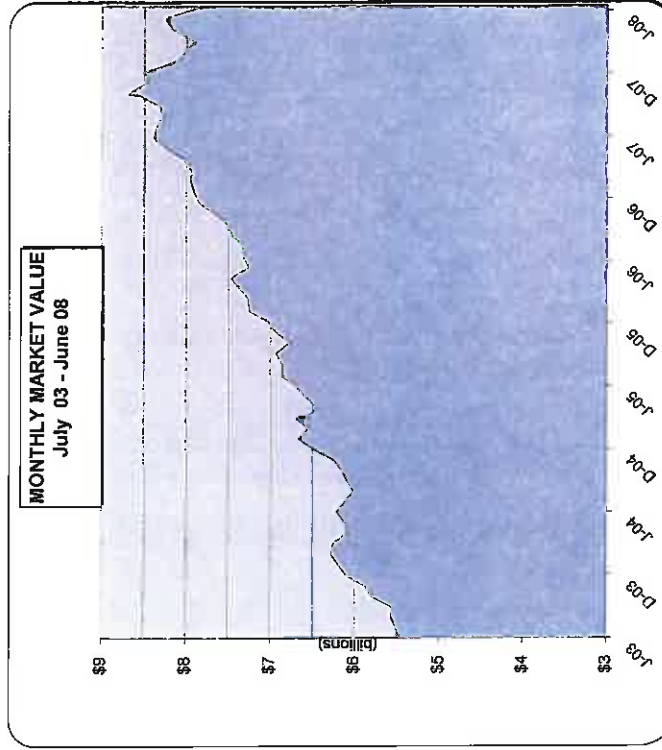
ERSRI Performance By Asset Class	Jun-08	Calendar YTD
Domestic Equity	-7.82%	-10.59%
Fixed Income	0.46%	1.39%
International Equity	-8.08%	-10.79%
<b>Total Fund Composite*</b>	<b>-5.47%</b>	<b>-7.10%</b>
<b>Manager Summary</b>	<b>Jun-08</b>	<b>CYTD</b>
<b>DOMESTIC EQUITY</b>		
Shott	15.09%	-11.45%
PIMCO	-9.22%	-12.34%
SSgA S&P 500	-8.42%	-11.90%
SSgA Core	-4.80%	-9.94%
Wasatch	0.00%	0.00%
Northpointe	-6.42%	-8.47%
Wellington	-9.47%	-9.85%
Wellington Technical Eq	-3.47%	3.30%
<b>Total Domestic Equity</b>	<b>-7.82%</b>	<b>-10.59%</b>
<b>FIXED INCOME</b>		
Brown Bros TIPS	1.76%	4.85%
Brown Bros Core	0.05%	0.14%
Fidelity	0.22%	0.74%
Taplin Cantida & Habacht	-0.40%	-2.01%
Fixed Income Cash Acct	0.20%	1.64%
Mackay Shield	-1.07%	-0.47%
<b>Total Fixed Income</b>	<b>0.46%</b>	<b>1.39%</b>
<b>INTERNATIONAL EQUITY</b>		
Mondrian	-8.54%	-11.91%
Goldman Sachs	-7.09%	-9.37%
Boston Co	-8.62%	-11.05%
<b>Total International Equity</b>	<b>-8.08%</b>	<b>-10.79%</b>

\*Total Fund Composite includes all classes ex PE & RE

Market Valuation Report  
June, 2008

Market Values

The total portfolio value decreased in June by \$413.6 million to \$7.82 billion. This compares with a decrease in value of \$19.0 million for the same period in 2007. The domestic equity market values decreased by \$270.3 million, including transfers in of \$0.37 million; fixed income decreased by \$17.8 million, including transfers out of \$27.3 million; while international values decreased by \$133.1 million, including transfers in of \$0.18 million. The cash accounts increased by \$4.5 million including transfers in netting \$6.4 million, and alternative investments increased by \$3.1 million, including transfers in netting \$8.6 million.



**Cash Flow**

June's pension payroll of \$60.3 million was more than the \$ 52.1 million in contributions and wire transfers received by \$8.2 million.

To meet pension and other obligations, \$12.5 million was transferred from long-term investments.

**Alternative Investments**

At this time the alternative investment asset class has unfunded commitments of approximately \$391 million on commitments of \$1,412 million.

**CAPITAL CALLS  
Net of Distributions**

June 2008	FYTD	UNFUNDED BALANCE
\$5,541,318	\$91,105,874	\$390,861,296
June 2007	FYTD	UNFUNDED BALANCE
-\$17,502,524	-\$38,990,010	\$437,158,679

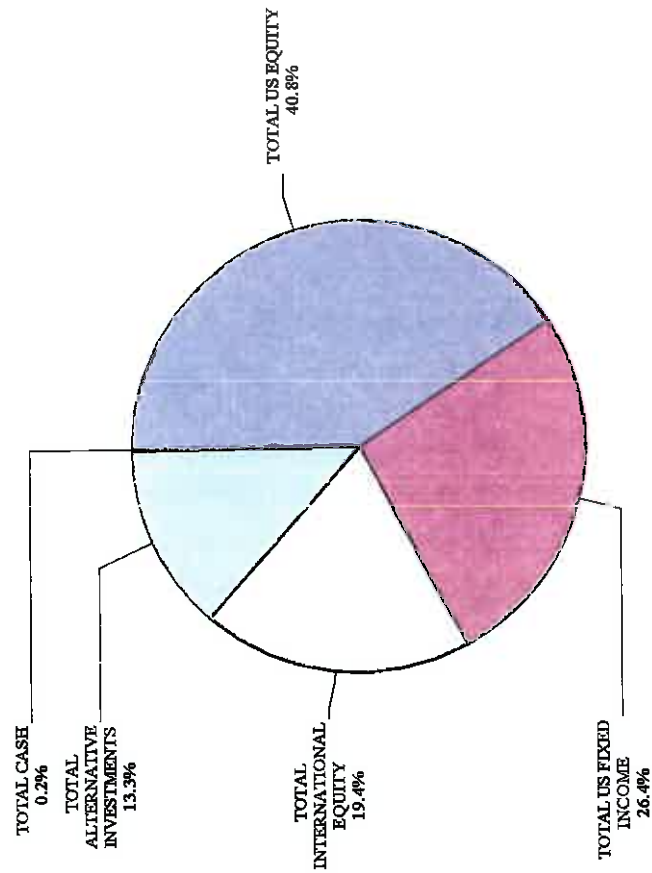


**State of Rhode Island**  
**PERIOD ENDING 06/30/2008**



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

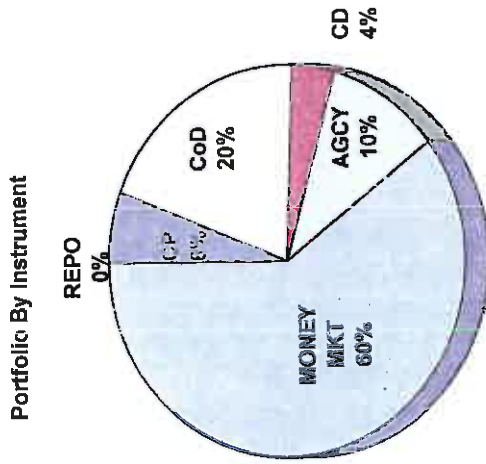
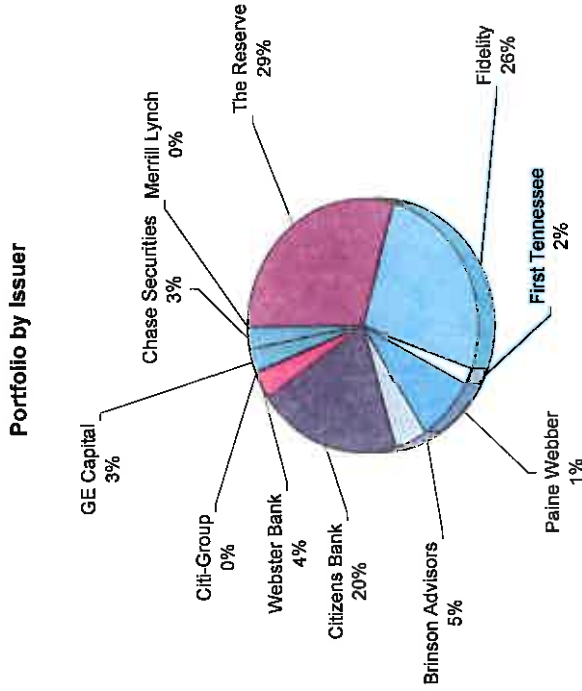
MANAGER	CURRENT PERIOD
TOTAL US EQUITY	3,189.0
TOTAL US FIXED INCOME	2,061.3
TOTAL INTERNATIONAL EQUITY	1,515.1
TOTAL ALTERNATIVE INVESTMENTS	1,041.1
TOTAL CASH	14.5
<b>TOTAL</b>	<b>7,821.0</b>



**RHODE ISLAND STATE INVESTMENT COMMISSION**

**SHORT TERM CASH INVESTMENTS AT**

June 30, 2008



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

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

**Issuer Credit Ratings  
June, 2008**

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
JP Morgan Chase	2,3,5	3%	Aa2		P-1	A-1+	Aa2	A	Stable
Citigroup Inc.	2	0%	Aa3		P-1	A-1+	Aa3	AA-	Negative
RBS Citizens	3,4	20%	Aa3		P-1	A-1+	Aa3	AA-	Negative
First Tennessee Capital Markets	5	2%	A3		P-2	A-2	A3	A-	Negative
Fidelity	6	26%				N/R		N/R	N/R
Merrill Lynch	2,5,6	0%	A1		P-1	A-1	A1	A	Negative
The Reserve	6	29%	Aaa				Aaa	AAA	Stable
GE Capital	2	3%	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley	1,2,5	0%	Aa3		P-1	A-1	Aa3	A+	Negative
Paine Webber	5	8%	Aa2		P-1	A-1+	Aa2	AA-	Negative
UBS Brinson Advisors	6	5%	Aa2		P-1	A-1+	Aa2	AA-	Negative
State Street Bank & Trust	1,3	0%	Aa1		P-1	A-1+	Aa1	AA	Stable
Webster Bank	3,4	4%	A2		P-1	A-2	A3	BBB+	Stable

**Instrument Codes**

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

**Ratings Definitions**

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

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

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

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

**Moody's Issuer Rating Symbols:**

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

**S&P Outlook Definitions:**

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

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

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

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

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





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

Frank T. Caprio  
General Treasurer

July 17, 2008

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 June 30, 2008.

Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation

June 30, 2008

Asset Class		
Cash/Short Term Investments		493,542,801
Equities - Domestic		3,078,581,960
Equities - International		1,465,152,151
Fixed Income - Government	\$1,243,461,902	
Fixed Income - Corporate	\$499,254,268	
Fixed Income - In State	\$0	
Total Fixed Income		1,742,716,170
Alternative Investments		660,113,274
Real Estate		380,809,715
Total Fund Investments		7,820,916,071
Plan Allocation		
State Employees & Teachers	84.74%	6,627,282,456
Municipal Employees	14.19%	1,109,441,727
State Police	0.66%	51,548,987
Judicial	0.42%	32,642,900
Total Fund Investments	100.00%	7,820,916,071

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 Izzo, Cash Manager

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING June 30, 2008



STATE STREET  
For Everything You Invest In

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>U.S. EQUITY</b>												
SSGA S&P 500 INDEX FUND	1,506,394	19.26	-8.42	-2.71	-11.90	-11.90	-13.07	-13.07				
NORTHPOINTE CAPITAL	341,183	4.36	-6.42	3.77	-9.47	-9.47	-19.67	-19.67	-4.00	2.38	5.67	10.43
PIMCO	468,590	5.99	-9.22	-2.91	-12.34	-12.34	-12.44	-12.44	2.52	4.24	4.82	7.46
SSGA - CORE	341,876	4.37	-4.80	3.17	-9.94	-9.94	-10.76	-10.76	4.83	6.41	7.52	9.34
WELLINGTON MANAGEMENT CO. LLC	364,389	4.66	-9.47	0.20	-9.85	-9.85	-19.50	-19.50	-1.72	4.04	5.20	11.22
WELLINGTON TECHNICAL EQUITY	165,523	2.12	-3.47	11.16	3.30	3.30						
SHOTT CAPITAL	1,020	0.01	15.09	19.55	-11.45	-11.45	-33.42	-33.42	-20.15			
TOTAL US EQUITY	3,188,975	40.77	-7.82	-0.49	-10.59	-10.59	-13.38	-13.38	1.65	4.40	5.58	8.91
RUSSELL 1000			-8.31	-1.89	-11.20	-11.20	-12.36	-12.36	2.73	4.81	5.58	8.22
RUSSELL 2000			-7.70	0.58	-9.37	-9.37	-16.19	-16.19	-1.22	3.79	5.18	10.29
RUSSELL 2000 GROWTH			-5.96	4.47	-8.93	-8.93	-10.83	-10.83	2.07	6.08	5.63	10.37
RUSSELL 2000 VALUE			-9.60	-3.55	-9.84	-9.84	-21.63	-21.63	-4.63	1.39	4.50	10.02
RUSSELL 3000			-8.25	-1.69	-11.05	-11.05	-12.69	-12.69	2.39	4.73	5.55	8.38
S&P 500			-8.43	-2.73	-11.91	-11.91	-13.12	-13.12	2.36	4.41	4.88	7.59
DOW WILSHIRE 5000 FREE FLOAT			-8.14	-1.55	-10.92	-10.92	-12.53	-12.53	2.65	5.02	5.81	8.73
<b>INTERNATIONAL EQUITY</b>												
GOLDMAN SACHS	509,032	6.51	-7.09	0.15	-9.37	-9.37	-9.89	-9.89	8.50	15.07		
THE BOSTON COMPANY	499,785	6.39	-8.62	-1.61	-11.05	-11.05	-12.61	-12.61	3.59	10.11		
MONDRIAN	506,219	6.47	-8.54	-3.76	-11.91	-11.91	-10.03	-10.03	8.67	13.75	15.56	
TRANSITION ACCOUNT INT EQUITY	19	0.00										
PUTNAM INVESTMENTS	6	0.00										
BANK OF IRELAND	4	0.00										
TOTAL INTERNATIONAL EQUITY	1,515,065	19.37	-8.08	-1.76	-10.79	-10.79	-10.75	-10.75	6.71	12.84	14.03	16.63

**State of Rhode Island**

SUMMARY OF PERFORMANCE  
 RATES OF RETURN  
 PERIODS ENDING June 30, 2008



	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
MSCI AC WORLD ex US (GROSS)			-8.20	-0.86	-9.84	-9.84	-6.20	-6.20	10.49	16.16	16.36	19.42
MSCI EAFE (NET)			-8.18	-2.25	-10.96	-10.96	-10.61	-10.61	6.55	12.84	13.04	16.67
<b>U.S. FIXED INCOME</b>												
BROWN BROTHERS HARRIMAN - CORE	307,153	3.93	0.05	-0.67	0.14	0.14	3.54	3.54 X	4.60	2.99	4.14	3.53
FIDELITY MANAGEMENT TRUST	505,923	6.47	0.22	-0.06	0.74	0.74	3.94	3.94 X	5.15	3.70	4.49	4.34
BROWN BROTHERS HARRIMAN - TIPS	604,370	7.73	1.76	-0.50	4.85	4.85	15.28	15.28 ✓	9.21	5.44	6.56	
MACKAY SHIELDS, LLC	134,830	1.72	-1.07	2.22	-0.47	-0.47	-1.50	-1.50 ✓	4.92	5.53	6.79	8.36
TAPLIN, CANIDA & HABACHT	301,531	3.86	-0.40	0.92	-2.01	-2.01	-0.14	-0.14 X	3.77	2.85	3.89	3.79
FIXED INCOME CASH ACCOUNT	206,958	2.65	0.20	0.67	1.64	1.64	4.27	4.27 ✓				
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	2,061,340	26.36	0.46	0.09	1.39	1.39	5.71	5.71	6.14	4.28	5.28	4.83
<b>CSFB GLOBAL HIGH YIELD</b>												
LB AGGREGATE			-2.41	1.81	-1.14	-1.14	-2.12	-2.12	4.76	4.84	6.13	7.23
LB CREDIT			-0.08	-1.02	1.13	1.13	7.13	7.13	6.62	4.09	4.76	3.86
LB GOV/CREDIT			-0.53	-0.90	-0.48	-0.48	3.81	3.81	5.25	2.75	4.08	3.27
CITIGROUP BIG			0.10	-1.51	0.98	0.98	7.24	7.24	6.62	3.84	4.68	3.58
CITIGROUP LARGE PENSION FUND INDEX			0.12	-1.19	1.40	1.40	7.76	7.76	6.92	4.28	4.95	4.02
CITIGROUP L.P.F. COLLATERALIZED INDEX			0.32	-1.59	0.79	0.79	8.24	8.24	7.35	3.63	5.54	4.24
			-0.03	-0.60	1.86	1.86	8.04	8.04	7.12	4.84	5.21	4.59

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**State of Rhode Island**

**SUMMARY OF PERFORMANCE**

**RATES OF RETURN**

**PERIODS ENDING June 30, 2008**



**STATE STREET.**  
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**Endnotes**

- 1 As of 7/1/2000: 60% S&P 500 plus 300bps / 40% NCREIF PROPERTY LAG
- 2 As of 04/31/2006: 42.5% W5000 / 25.0% LB AGG / 20.0% MSCI AC WORLD FREE ex USA / 5.0% NCREIF PROPERTY LAG / 7.5% S&P 500 plus 300bps  
Prior to 04/31/2006: 52.5% W5000/ 25.0% LB AGG / 22.5% MSCI AC WORLD FREE ex USA
- 3 As of 01/01/1988: 48.57% Wilshire 5000 / 28.57% LB Aggregate / 22.86% MSCI AC World Free ex US

ERSRI Monthly Market Value Report With Time Weighted Returns

June 30, 2008

	Calendar YTD		Benchmark Description	Current Month		Valuation Change				
	Performance	Benchmark		Alpha	Performance	Benchmark	Alpha	Market Value 5/31/2008	Market Value 6/30/2008	Market Value Increase/Decrease
<b>Domestic Equity</b>										
Shott Capital Management IRR	-11.45%	-11.91%	0.46%	-8.40%	23.32%	1,009,544	1,020,179	10,635		
SSGA S&P 500	-11.90%	-11.91%	0.01%	-8.43%	0.01%	1,644,830,151	1,506,393,994	(138,417,146)		
SSGA Core	-9.94%	-11.20%	1.26%	-8.31%	3.51%	359,065,134	341,876,142	(17,228,266)		
PIMCO	-12.34%	-11.91%	-0.43%	-8.43%	-0.78%	516,109,349	466,689,874	(47,578,460)		
NorthPointe Capital	-9.47%	-9.37%	-0.10%	-7.70%	1.28%	364,546,702	341,183,139	(23,407,217)		
Wellington Mgmt	-9.85%	-9.37%	-0.48%	-7.70%	-1.77%	402,469,503	364,388,767	(38,128,771)		
Wellington Tech Eq	3.30%	-11.05%	14.35%	-8.25%	4.78%	171,474,017	165,522,810	(5,951,208)		
Transition Account	N/A	N/A	N/A	N/A	N/A	-	-	-		
<b>Total Domestic Equity</b>	-10.59%	-	-	-	-	3,459,304,401	3,188,974,904	(270,700,702)		
<b>International Equity</b>										
Boston Company	-11.05%	-9.84%	-1.21%	-8.20%	-0.42%	546,889,686	499,788,806	(47,139,114)		
Goldman Sachs	-9.37%	-9.84%	0.47%	-8.20%	1.11%	547,823,847	509,032,353	(38,849,746)		
Transition Account	N/A	N/A	N/A	N/A	N/A	599,767	600,842	875		
Mondrian	-11.91%	-9.84%	-2.07%	-8.20%	-0.34%	553,412,837	506,219,055	(47,252,036)		
<b>Total International Equity</b>	-10.79%	-	-	-	-	1,648,706,117	1,515,640,857	(133,240,023)		
<b>Fidelity Management &amp; Research</b>										
Brown Brothers, Harriman	0.74%	1.93%	-1.19%	-0.08%	0.28%	504,779,064	505,922,513	1,112,059		
Taplin, Canida & Habacht	0.14%	1.40%	-1.26%	0.12%	-0.07%	306,967,729	307,152,569	153,376		
Mackay Shields	-2.01%	-0.48%	-1.53%	-0.53%	0.13%	302,730,253	301,530,983	(1,213,666)		
Brown Bros TIPS	-0.47%	-1.14%	0.67%	-2.41%	1.34%	136,238,378	134,829,820	(1,464,038)		
Fixed Income Cash Acct	4.85%	4.88%	-0.03%	1.53%	0.23%	593,849,317	604,370,373	10,489,864		
Transition Account	1.64%	N/A	N/A	N/A	N/A	234,001,566	206,958,047	456,491		
<b>Total Fixed Income</b>	1.39%	1.93%	1.13%	-	-	2,079,566,296	2,060,764,315	9,513,986		
<b>Alternative Investments</b>										
Private Equity	-7.34%	N/A	N/A	N/A	N/A	659,157,123	660,234,805	(4,463,637)		
Real Estate	1.79%	3.61%	-1.82%	0.08%	-0.33%	378,773,341	380,810,426	(1,066,142)		
<b>Total Alternatives</b>	-4.15%	-	-	-	-	1,037,930,464	1,041,045,231	(5,529,778)		
<b>Cash Accounts</b>										
Cash in Trust	1.86%	N/A	N/A	N/A	N/A	3,696,191	10,952,352	900,706		
Cash Outside Trust	0.82%	N/A	N/A	N/A	N/A	8,301,715	3,538,413	(2,763,302)		
Total Cash	36.18%	*	*	*	0	9,997,906	6,355,455	(1,862,596)		
<b>Total Plan Ex PE &amp; RE</b>	-7.10%	-7.15%	0.05%	-5.47%	0.38%	8,234,505,184	7,820,916,071	(401,819,112)		
<b>Total Plan</b>	-6.73%	-6.77%	0.04%	-4.84%	0.78%	-	-	-		

\*Policy Index: (Effective 04/31/06)  
 42.5% Wilshire 5000  
 25.0% Lehman Aggregate  
 20.0% MSCI ACWI X-US  
 5.0% NCREIF 1 Qtr Lag

**State of Rhode Island**

RATES OF RETURN - Total

Periods Ending June 30, 2008



**STATE STREET**  
For Everything You Invest In

**PERFORMANCE SUMMARY REPORT**

	Benchmark	1. Month Return			Calendar YTD Return			Net Flow (000)	
		Fund	Index	Excess	Fund	Index	Excess		Value (000)
<b>U.S. EQUITY</b>									
SSGA S&P 500 INDEX FUND	S&P 500	-8.42	-8.43	0.01	-11.90	-11.91	0.01	1,506,394	181
SSGA - CORE	RUSSELL 1000	-4.80	-8.31	3.51	-9.94	-11.20	1.26	341,876	39
PIMCO	S&P 500	-9.22	-8.43	-0.79	-12.34	-11.91	-0.43	468,590	59
NORTHPOINTE CAPITAL	RUSSELL 2000	-6.42	-7.70	1.28	-9.47	-9.37	-0.10	341,183	44
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	-9.47	-7.70	-1.77	-9.85	-9.37	-0.48	364,389	48
SHOTT CAPITAL	S&P 500	15.09	-8.43	23.52	-11.45	-11.91	0.46	1,020	-123
WELLINGTON TECHNICAL EQUITY	RUSSELL 3000	-3.47	-8.25	4.78	3.30	-11.05	14.35	165,523	0
TOTAL US EQUITY		-7.82			-10.59			3,188,975	248
<b>INTERNATIONAL EQUITY</b>									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	-8.62	-8.20	-0.42	-11.05	-9.84	-1.21	499,785	58
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	-7.09	-8.20	1.11	-9.37	-9.84	0.47	509,032	58
MONDRIAN	MSCI AC WORLD ex US (GROSS)	-8.54	-8.20	-0.34	-11.91	-9.84	-2.07	506,219	58
TRANSITION ACCOUNT INT EQUITY								19	0
TOTAL INTERNATIONAL EQUITY		-8.08			-10.79			1,515,065	175
<b>U.S. FIXED INCOME</b>									
FIDELITY MANAGEMENT TRUST	LB MBS	0.22	-0.06	0.28	0.74	1.93	-1.19	505,923	31
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	0.05	0.12	-0.07	0.14	1.40	-1.26	307,153	31
TAPLIN, CANADA & HABACHTI	LB CREDIT	-0.40	-0.53	0.13	-2.01	-0.48	-1.53	301,531	14
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	-1.07	-2.41	1.34	-0.47	-1.14	0.67	134,830	55
BROWN BROTHERS HARRIMAN - TPS	LB U.S. TIPS	1.76	1.53	0.23	4.85	4.88	-0.03	604,370	51
FIXED INCOME CASH ACCOUNT		0.20			1.64			206,958	-27,500
TRANSITION ACCOUNT FIXED INCOME								575	0
TOTAL US FIXED INCOME		0.46			1.39			2,061,340	-27,316

**State of Rhode Island**

RATES OF RETURN - Total

Periods Ending June 30, 2008



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

**PERFORMANCE SUMMARY REPORT**

	Benchmark	1 Month Return			Calendar YTD Return			Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess	
<b>ALTERNATIVE INVESTMENTS</b>								
PRIVATE EQUITY		-0.56			-7.34			4,782
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	-0.25	1.67	-1.92	1.79	5.34	-3.55	3,006
TOTAL ALTERNATIVE INVESTMENTS	TOTAL ALTERNATIVES BENCHMARK	-0.45	-4.04	3.59	-4.15	-4.11	-0.04	7,787
<b>CASH EQUIVALENTS</b>								
CASH ACCOUNT (INSIDE)		0.21			1.66			6,364
CASH ACCOUNT (OUTSIDE)		0.02			0.62			-2,764
TOTAL CASH		8.57			36.18			3,600
<b>TOTAL PLAN</b>								
TOTAL PLAN	TOTAL PLAN BENCHMARK	-4.84	-5.62	0.78	-6.73	-6.77	0.04	-15,506
TOTAL PLAN ex PE RE	TOTAL PLAN BENCHMARK ex PE RE	-5.47	-5.85	0.38	-7.10	-7.15	0.05	-23,293

State of Rhode Island

TOTAL PLAN

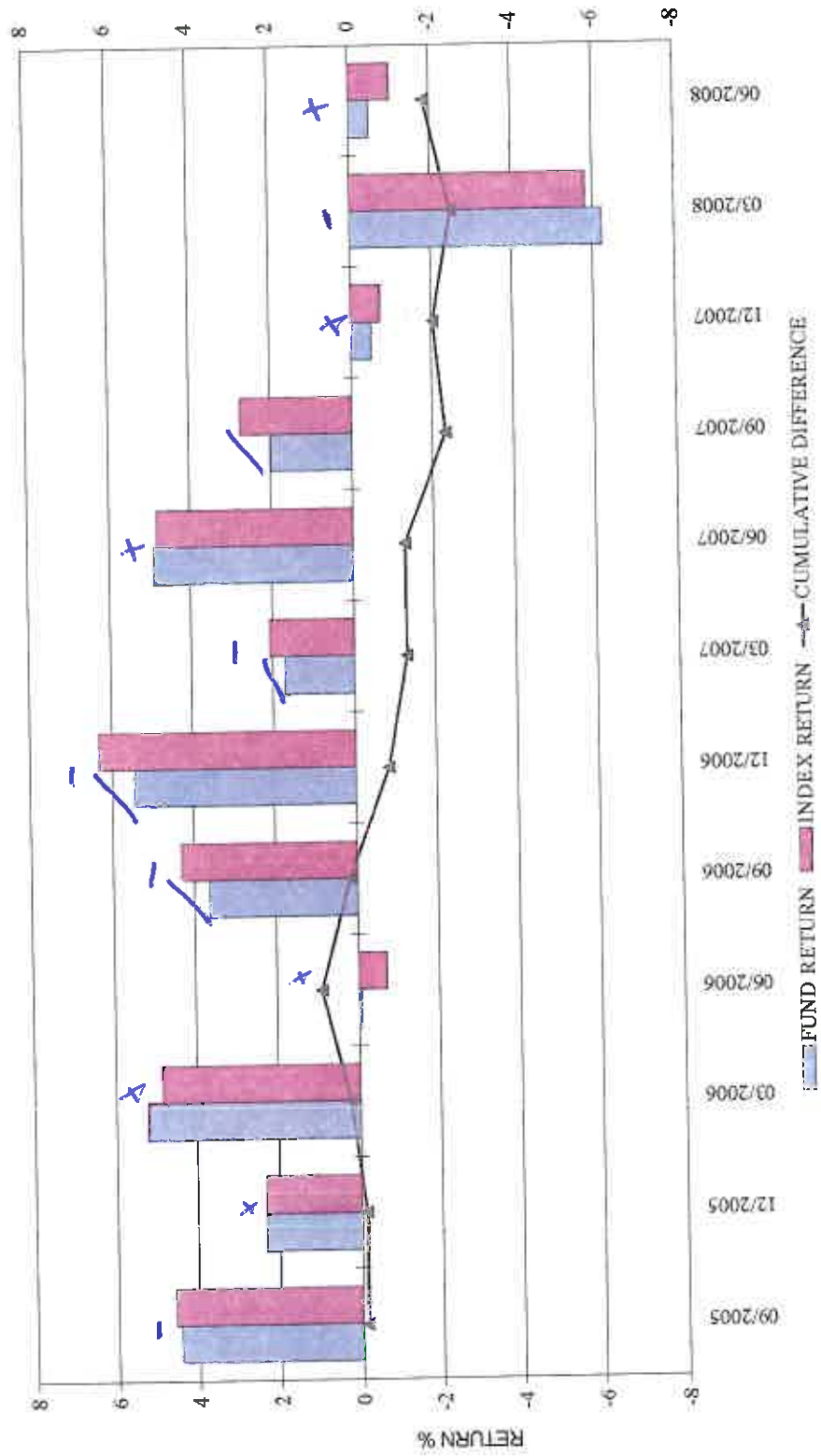
Index: TOTAL PLAN BENCHMARK

PERIODS: June 30, 2005 - June 30, 2008



STATE STREET  
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CUMULATIVE PERFORMANCE REPORT

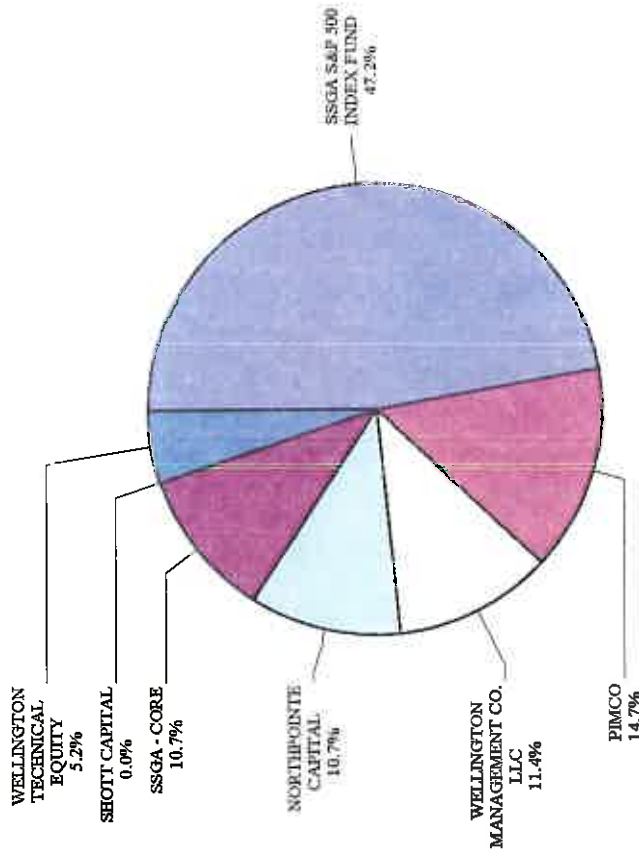




**State of Rhode Island**  
**MANAGER ALLOCATION ANALYSIS**  
**PERIOD ENDING 06/30/2008**

**CURRENT MANAGER ALLOCATION**

<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
SSGA S&P 500 INDEX FUND	1,506.4	1,731.1
PIMCO	468.6	582.9
WELLINGTON MANAGEMENT CO. LLC	364.4	452.1
NORTHPOINTE CAPITAL	341.2	424.2
SSGA - CORE	341.9	382.6
SHOTT CAPITAL	1.0	5.6
WELLINGTON TECHNICAL EQUITY	165.5	
<b>TOTAL</b>	<b>3,189.0</b>	<b>3,578.5</b>



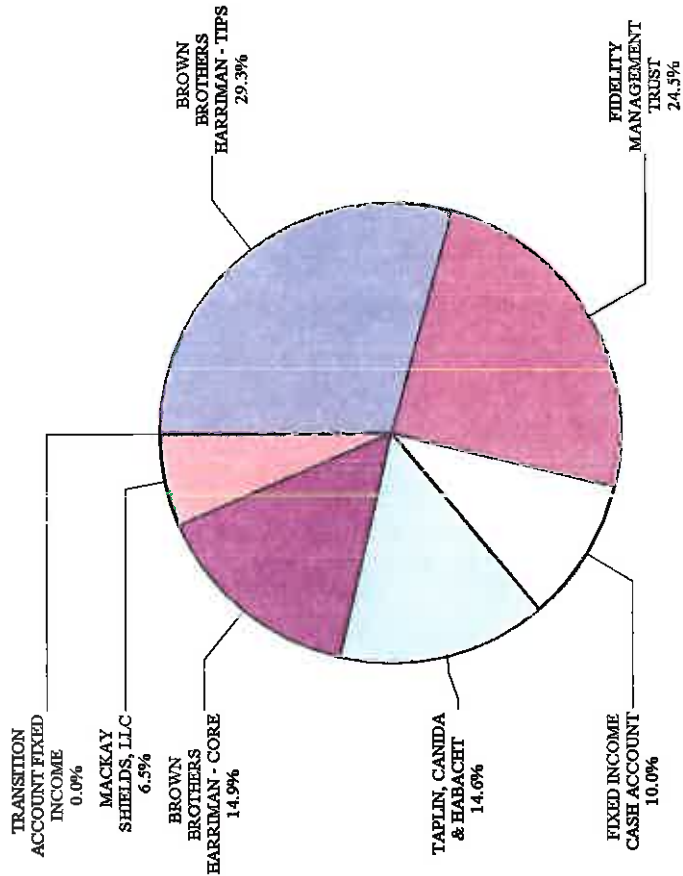
**State of Rhode Island**

**MANAGER ALLOCATION ANALYSIS**

PERIOD ENDING 06/30/2008



**CURRENT MANAGER ALLOCATION**



MANAGER	CURRENT PERIOD	ONE YEAR AGO
BROWN BROTHERS HARRIMAN - TIPS	604.4	523.8
FIDELITY MANAGEMENT TRUST	505.9	486.4
FIXED INCOME CASH ACCOUNT	207.0	427.2
TAPLIN, CANIDA & HABACHT	301.5	300.9
BROWN BROTHERS HARRIMAN - CORE	307.2	296.3
MACKAY SHIELDS, LLC	134.8	135.9
SHENKMAN CAPITAL MANAGEMENT		0.0
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
<b>TOTAL</b>	<b>2,061.4</b>	<b>2,171.1</b>



**State of Rhode Island**

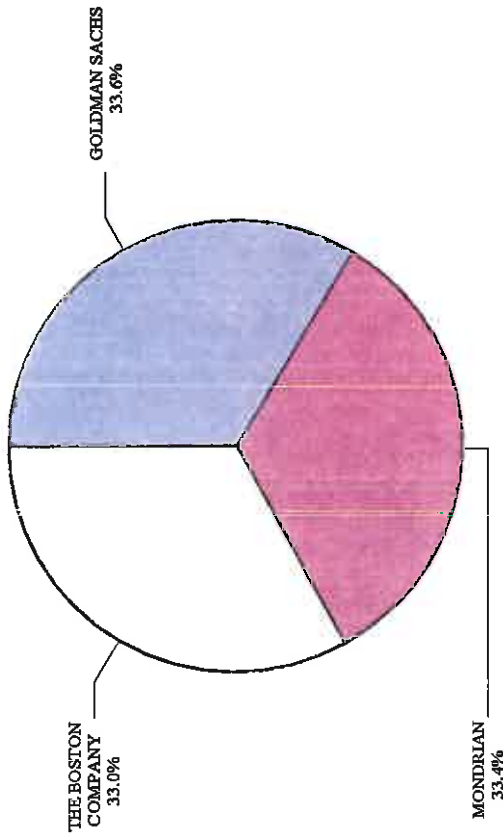
**MANAGER ALLOCATION ANALYSIS**  
**PERIOD ENDING 06/30/2008**



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

**CURRENT MANAGER ALLOCATION**

<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
GOLDMAN SACHS	509.0	599.5
MONDRIAN	506.2	597.0
THE BOSTON COMPANY	499.8	571.3
TRANSITION ACCOUNT INT EQUITY	0.0	0.1
<b>TOTAL</b>	<b>1,515.0</b>	<b>1,767.9</b>







## ASSET ALLOCATION REPORT JUNE 30th, 2008

	Style Mandate	Actual (Millions \$)		Target (Millions \$)		Difference (Millions \$)
<b>Domestic Equity</b>						
SSgA S&P 500 Index Fund	Passive	1,506.39	19.26%	1,506.39	20.45%	(92.99)
SSgA Core	Active core	341.88	4.37%	350.19	4.50%	(10.07)
PIMCO	Enhanced Equity	468.59	5.99%	500.45	6.45%	(35.86)
NorthPointe Capital	Small Cap Value	341.18	4.36%	350.15	5.50%	(65.78)
Wellington Mgmt	Small Cap Core	364.39	4.56%	450.00	0.60%	118.60
Wellington Technical Equity	Tactical Equity	165.52	2.12%	165.52	0.00%	1.02
Shott Capital	Alternative Distribution	1.02	0.01%	0.00	42.50%	(134.92)
<b>TOTAL DOMESTIC EQUITY</b>		<b>3,188.98</b>	<b>40.77%</b>	<b>3,320.90</b>		
<b>International Equity</b>						
Bestin Company	MSCI ACWI	499.79	6.39%	520.65	6.67%	(21.87)
Goldman Sachs	MSCI ACWI	509.03	6.51%	520.65	6.66%	(14.66)
Morgan	MSCI ACWI	506.22	6.47%	520.67	0.00%	0.02
Transition Account		0.02	0.00%	0.00	20.00%	(49.12)
<b>TOTAL INT'L EQUITY</b>		<b>1,515.07</b>	<b>19.37%</b>	<b>1,561.99</b>		
<b>Domestic Fixed Income</b>						
Fidelity Management & Research	Mortgages	505.92	6.47%	480.81	6.25%	17.11
Brown Brothers, Harriman	Opportunistic Core	307.15	3.93%	290.28	3.75%	13.87
Talbot, Canada & Habacht	Corporates	301.53	3.86%	290.28	3.75%	8.25
Murray Shields	High yield	134.83	1.72%	140.64	1.88%	(11.81)
Shelman Capital Mgmt	High yield	0.00	0.00%	140.64	1.88%	(146.64)
Brown Brothers, Harriman TIPS	TIPS	604.37	7.73%	580.67	7.50%	17.80
Fixed Income Cash Account		206.96	2.65%	206.96	0.00%	206.96
Transition Account		0.58	0.01%	0.00	0.00%	0.58
<b>TOTAL FIXED-INCOME</b>		<b>2,061.34</b>	<b>26.36%</b>	<b>1,950.23</b>	<b>25.00%</b>	<b>106.11</b>
<b>Alternative Investments</b>						
Real Estate	Real Estate	380.83	4.87%	380.83	7.50%	(10.2)
Public Corp Group	Real Estate	360.24	4.44%	360.24	12.50%	73.7
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>1,041.06</b>	<b>13.31%</b>	<b>970.62</b>		
<b>CASH EQUIVALENTS</b>						
	\$, Yield+	14.49	0.19%	0.00	0.00%	14.49
<b>TOTAL ASSETS</b>		<b>7,820.93</b>	<b>100.00%</b>	<b>7,820.93</b>	<b>100.00%</b>	<b>0.00</b>

## ALLOCATION BY MANAGEMENT STYLE

<b>Domestic Equity</b>						
Core		507.40	6.49%	380.83	4.50%	108.53
Index		1,506.39	19.26%	1,506.39	17.75%	(92.99)
Enhanced Equity		468.59	5.99%	500.45	6.75%	(35.86)
Active Small Cap		705.57	9.03%	820.20	13.50%	(115.63)
<b>TOTAL DOMESTIC EQUITY</b>		<b>3,188.98</b>	<b>40.77%</b>	<b>3,320.90</b>	<b>42.50%</b>	<b>(134.92)</b>
<b>International Equity</b>						
Active		1,515.07	19.37%	1,561.99	20.00%	(49.12)
<b>TOTAL INT'L EQUITY</b>		<b>1,515.07</b>	<b>19.37%</b>	<b>1,561.99</b>	<b>20.00%</b>	<b>(49.12)</b>
<b>Domestic Fixed Income</b>						
Mortgage		505.92	6.47%	480.81	6.25%	17.11
Core		307.15	3.93%	290.28	3.75%	13.87
Corporates		301.53	3.86%	290.28	3.75%	8.25
High Yield		134.83	1.72%	140.64	3.75%	(157.86)
TIPS		604.37	7.73%	580.67	7.50%	17.80
Other		206.96	2.65%	206.96	0.00%	206.96
<b>TOTAL FIXED-INCOME</b>		<b>2,061.34</b>	<b>26.35%</b>	<b>1,950.23</b>	<b>25.00%</b>	<b>106.11</b>
<b>Alternative Investments</b>						
Real Estate		380.83	4.87%	380.83	7.50%	(10.22)
Other Alternative Investments		660.24	8.44%	660.24	12.50%	73.67
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>1,041.06</b>	<b>13.31%</b>	<b>970.62</b>		
<b>CASH EQUIVALENTS</b>						
	Yield+	14.49	0.19%	0.00	0.00%	14.49
<b>TOTAL ASSETS</b>		<b>7,820.93</b>	<b>100.00%</b>	<b>7,820.93</b>	<b>100.00%</b>	<b>0.00</b>

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

June 30, 2008

<u>RANK</u>	<u>Equities</u> <u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	EXXON MOBIL CORP	188,570	\$16,618,674	SSgA
2	MICROSOFT CORP.	394,500	10,852,695	SSgA
3	CHEVRON CORP	99,500	9,863,435	SSgA
4	WHITING PETE CORP NEW	92,900	9,854,832	Wellington
5	CONOCOPHILLIPS	103,400	9,759,926	SSgA
6	CON WAY INC	197,500	9,333,850	Wellington, NorthPointe
7	FOUNDATION COAL HLDGS INC	105,200	9,318,616	Wellington
8	INTERNATIONAL BUSINESS MACHS	78,500	9,304,605	SSgA, Wellington
9	WAL MART STORES INC	155,200	8,722,240	SSgA, NorthPointe
10	KNIGHT CAP GROUP INC	461,800	8,303,164	Wellington
		<b>3.20%</b>	<b>\$101,932,037</b>	
	<b>Total Composite Equities</b>		<b>\$3,187,954,724</b>	

**International Equity Holdings By Top 10 Market Values**

JUNE 30, 2008

<u>RANK</u>	<u>International Equities</u> <u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	DPT EMERGING MARKET	4,734,186	\$62,585,945	Mondrian
2	TOTAL SA	408,452	34,879,681	Mondrian, Goldman, Boston Co.
3	NOVARTIS AG	547,467	30,232,691	Mondrian, Goldman, Boston Co.
4	ROYAL DUTCH SHELL	647,206	26,650,001	Mondrian, Goldman, Boston Co.
5	BP PLC	2,046,503	23,754,871	Mondrian, Boston Co.
6	RWE AG (NEU)	183,385	23,181,033	Mondrian, Goldman, Boston Co.
7	GLAXOSMITHKLINE	998,670	22,120,896	Mondrian, Boston Co.
8	TAKEDA PHARMACEUTICAL CO LTD	398,400	20,294,892	Mondrian, Goldman, Boston Co.
9	UNILEVER PLC	703,636	20,010,863	Mondrian, Goldman, Boston Co.
10	GTAA DUB	2,572,477	17,766,814	Goldman
		<b>18.58%</b>	<b>\$281,477,686</b>	
	<b>Total Composite International Equities</b>		<b>\$1,515,036,533</b>	

Top 10 Market Values SIC

ISCAL YEAR 2008

ERSRI & MERSRI

ACCRUAL BASIS

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

	Actual Jul 07	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 08	Actual Feb	Actual Mar	Actual Apr	Actual May	Projected Jun	Projected TOTAL
<b>UTILITIES</b>													
SSGA Core		260,984				259,816			239,756			222,371	982,927
SSGA Russell 1000/S&P 500		35,288	3,933			3,933			66,927			32,408	138,557
Shott Capital		1,446	948			948			460			2,718	5,573
PIMCO		0	0			200,000			1,000			225,000	426,000
Wellington Mgmt		690,947				654,863			600,645			679,274	2,625,730
Wellington Tech Eq		33,802				217,630			333,783			126,713	711,928
NorthPointe		590,310				558,190			503,070			589,850	2,241,420
		1,612,778	1,895,380			1,745,641			1,678,334			1,678,334	7,132,134
<b>TAXED INCOME</b>													
Brown Bros.		143,304				145,453			147,283			129,732	565,773
Fidelity		160,096				162,325			164,535			148,636	635,592
Taplin		191,761				193,592			191,949			169,909	747,211
Mackay Shields		148,591				148,274			145,994			147,848	590,707
Brown Bros. TIPS		141,960				145,234			148,957			135,883	573,044
		785,712	794,878			794,878			798,728			733,008	3,112,327
<b>INT'L EQUITIES</b>													
The Boston Co		565,228				561,584			526,042			551,739	2,204,584
Mondrian		338,577				321,646			304,892			316,283	1,281,398
Goldman Sachs Asset Mgmt		475,637				489,525			432,913			499,383	1,897,458
SSGA MSCI ACWI	0	1,379,442	0	0	0	1,372,755	0	0	1,263,847	0	0	1,367,405	5,383,450
<b>REAL ESTATE</b>													
L & B Real Estate	71,577	17,187	17,188	329,250	201,893	348,834	0	193,318	116,143	180,637	213,729	114,312	1,804,068
<b>ALTERNATIVE INVESTMENTS</b>													
Other Alt Inv Mgmt Fees	1,059,228	598,052	57,249	578,597	166,134	998,614	1,488,953	4,710	782,270	422,507	425,855	768,471	7,350,641
<b>SUB TOTAL-INV MGMT FEES</b>	1,130,805	615,239	3,852,368	907,847	368,027	5,410,462	1,488,953	198,028	4,706,630	603,144	639,583	4,861,530	24,782,619
<b>PROFESSIONAL FEES</b>													
Legal	0	0	12,581	0	6,701	15,535	13,726	6,000	6,150	3,075	9,677	17,791	91,295
St St Bank Custodial	10,784	8,495	35,791	18,017	15,080	12,586	12,981	11,543	12,333	12,887	1,563	12,861	164,920
Pacific Corp Group	20,833	0	0	93,750	93,750	20,833	0	93,750	0	0	93,750	0	375,000
Wiltshire Assoc	0	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	249,987
Townsend	31,617	29,328	104,830	132,600	136,363	84,579	47,539	132,126	35,625	36,795	15,000	35,625	157,500
<b>OPERATING EXPENSE</b>													
Retirement Transfers	369,522	368,651	525,602	512,275	603,183	808,484	402,617	503,343	434,231	446,640	607,644	450,000	6,032,190
Other Expense	0	3,087	33,007	6,250	6,250	5,250	21,497	22,425	5,250	446,640	8,333	8,333	121,692
	369,522	371,747	558,608	518,525	609,433	814,734	424,114	525,768	440,481	446,640	615,978	458,333	6,153,882
<b>TOTAL:</b>	1,531,944	1,016,314	4,515,807	1,558,972	1,113,823	6,309,776	1,960,607	855,922	5,222,053	1,086,579	########	5,406,973	31,975,163

Note: Numbers in bold are actual.

State of Rhode Island Alternative Investment Unfunded Commitment  
June 2008

<u>Partnership Investment</u>	<u>Total Commitment</u>	<u>Inception to Date</u>		<u>Remaining Commitment</u>
		<u>Total</u>	<u>Funded</u>	
ABS Capital Partners II	\$ 5,000,000.00	\$ 4,911,478.00	\$	88,522.00
Alta BioPharma Partners	\$ 10,000,000.00	\$ 10,000,000.00	\$	-
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 12,000,000.00	\$	3,000,000.00
Alta California Partners II	\$ 10,000,000.00	\$ 10,000,000.00	\$	-
Alta California Partners III	\$ 15,000,000.00	\$ 15,000,000.00	\$	-
Alta Partners VIII	\$ 15,000,000.00	\$ 5,250,000.00	\$	9,750,000.00
Apollo Investment Fund IV	\$ 15,000,000.00	\$ 14,694,876.00	\$	305,124.00
Apollo Investment Fund VI	\$ 20,000,000.00	\$ 15,039,578.39	\$	4,960,421.61
Aurora Equity Partners II**	\$ 15,000,000.00	\$ 14,961,083.00	\$	38,917.00
Aurora Equity Partners III**	\$ 15,000,000.00	\$ 10,067,339.00	\$	4,932,661.00
Avenue Special Situations Fund III	\$ 15,000,000.00	\$ 15,000,000.00	\$	-
Avenue Special Situations Fund IV	\$ 20,000,000.00	\$ 20,000,000.00	\$	-
Avenue Special Situations Fund V	\$ 20,000,000.00	\$ 4,200,234.00	\$	15,799,766.00
Bain X	\$ 25,000,000.00	\$ 2,875,000.00	\$	22,125,000.00
Birch Hill Equity Partners III*	\$ 15,064,022.00	\$ 6,597,672.67	\$	8,466,349.33
Blackstone Capital Partners III **	\$ 20,000,000.00	\$ 19,075,955.00	\$	924,045.00
Blackstone Capital Partners IV **	\$ 25,000,000.00	\$ 19,580,335.00	\$	5,419,665.00
Blackstone Capital Partners V**	\$ 20,000,000.00	\$ 13,546,511.00	\$	6,453,489.00
Boston Ventures Ltd V	\$ 5,000,000.00	\$ 5,000,000.00	\$	-
Castile III	\$ 5,000,000.00	\$ 1,850,000.00	\$	3,150,000.00
Catterton Partners V	\$ 15,000,000.00	\$ 14,102,188.00	\$	897,812.00
Catterton Partners VI	\$ 15,000,000.00	\$ 7,605,154.00	\$	7,394,846.00
Centerbridge	\$ 15,000,000.00	\$ 5,654,202.72	\$	9,345,797.28
Charterhouse Capital Partners VII*	\$ 15,397,500.00	\$ 12,482,928.37	\$	2,914,571.63
Charterhouse Capital Partners VIII*	\$ 17,829,000.00	\$ 12,758,060.54	\$	5,070,939.46
Collier International Capital IV**	\$ 15,000,000.00	\$ 12,600,000.00	\$	2,400,000.00
Collier International Capital V	\$ 15,000,000.00	\$ 4,348,477.70	\$	10,651,522.30
Crossroads Providence (Prov. Liquidating Tr	\$ 45,000,000.00	\$ 45,000,000.00	\$	-
CVC European Equity Partners II*	\$ 15,000,000.00	\$ 13,714,105.82	\$	1,285,894.18
CVC European Equity Partners III*	\$ 20,000,000.00	\$ 18,287,738.24	\$	1,712,261.76
CVC European Equity Partners IV*	\$ 20,012,850.00	\$ 17,538,224.48	\$	2,474,625.52
Doughty Hanson Fund II **	\$ 5,300,000.00	\$ 5,300,001.00	\$	(1.00)
Doughty Hanson Fund III **	\$ 15,000,000.00	\$ 14,224,910.64	\$	775,089.36
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 13,874,244.98	\$	1,125,755.02
Fenway III	\$ 15,000,000.00	\$ 9,918,368.00	\$	5,081,632.00
First Reserve Fund VIII	\$ 15,000,000.00	\$ 15,000,000.00	\$	-
First Reserve Fund IX		\$ -	\$	-
First Reserve Fund X	\$ 20,000,000.00	\$ 19,712,663.37	\$	287,336.63
First Reserve Fund XI	\$ 20,000,000.00	\$ 12,598,626.00	\$	7,401,374.00
Focus Ventures III	\$ 15,000,000.00	\$ 7,200,000.00	\$	7,800,000.00
Granite Global Ventures II	\$ 15,000,000.00	\$ 14,325,000.00	\$	675,000.00
Granite Global Ventures III	\$ 15,000,000.00	\$ 5,250,000.00	\$	9,750,000.00
Green Equity Investors IV	\$ 15,000,000.00	\$ 14,611,612.37	\$	388,387.63
Green Equity Investors V	\$ 20,000,000.00	\$ 2,728,750.32	\$	17,271,249.68
Harvest Partners III	\$ 15,000,000.00	\$ 14,631,273.39	\$	368,726.61
Harvest Partners IV	\$ 15,000,000.00	\$ 13,580,200.00	\$	1,419,800.00
Heritage Fund II	\$ 5,000,000.00	\$ 4,971,500.00	\$	28,500.00

State of Rhode Island Alternative Investment Unfunded Commitment  
June 2008

<u>Partnership Investment</u>	<u>Total Commitment</u>	<u>Inception to Date</u>		<u>Remaining Commitment</u>
		<u>Total</u>	<u>Funded</u>	
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 8,103,199.90	\$	6,896,800.10
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 2,475,789.47	\$	12,524,210.53
Leapfrog Ventures II	\$ 10,000,000.00	\$ 5,035,000.00	\$	4,965,000.00
Leeds Weld Equity Partners IV	\$ 10,000,000.00	\$ 8,534,577.86	\$	1,465,422.14
Lehman Bros IV	\$ 15,000,000.00	\$ 780,682.45	\$	14,219,317.55
Lighthouse Capital Partners V	\$ 11,250,000.00	\$ 10,462,500.00	\$	787,500.00
Lighthouse Capital Partners VI	\$ 15,000,000.00	\$ 6,750,000.01	\$	8,249,999.99
LNK Partners	\$ 12,500,000.00	\$ 5,308,040.34	\$	7,191,959.66
Matlin Patterson Glob. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ 15,000,000.00	\$	-
MHR Institutional Partners III	\$ 20,000,000.00	\$ 9,010,685.00	\$	10,989,315.00
Nautic Partners V	\$ 20,000,000.00	\$ 18,453,320.27	\$	1,546,679.73
Nautic Partners VI	\$ 20,000,000.00	\$ 7,800,229.88	\$	12,199,770.12
Nordic Capital Fund III*	\$ 10,000,000.00	\$ 9,874,672.68	\$	125,327.32
Nordic Capital Fund V*	\$ 15,021,862.00	\$ 14,340,595.57	\$	681,266.43
Nordic Capital Fund VI*	\$ 18,061,500.00	\$ 17,203,898.00	\$	857,602.00
OCM Opportunities Fund	\$ 8,000,000.00	\$ 8,000,000.00	\$	-
OCM Opportunities Fund II	\$ 12,000,000.00	\$ 12,000,000.00	\$	-
OCM Principal Opportunities Fund	\$ 5,000,000.00	\$ 5,000,000.00	\$	-
Paddadin III	\$ 10,000,000.00	\$ 2,144,110.00	\$	7,855,890.00
Parthenon Investors	\$ 15,000,000.00	\$ 14,911,344.00	\$	88,656.00
Parthenon Investors II	\$ 20,000,000.00	\$ 18,539,919.00	\$	1,460,081.00
Perseus VII	\$ 15,000,000.00	\$ 3,629,753.00	\$	11,370,247.00
Point .406	\$ 10,000,000.00	\$ 2,637,466.84	\$	7,362,533.16
Point Judith II	\$ 5,000,000.00	\$ 1,730,552.47	\$	3,269,447.53
Providence Equity Partners* *	\$ 10,000,000.00	\$ 10,000,000.00	\$	-
Providence Equity Partners III	\$ 15,000,000.00	\$ 13,084,357.49	\$	1,915,642.51
Providence Equity Partners IV	\$ 25,000,000.00	\$ 24,411,303.79	\$	588,696.21
Providence Equity Partners V	\$ 25,000,000.00	\$ 22,824,698.00	\$	2,175,302.00
Providence Equity Partners VI	\$ 25,000,000.00	\$ 10,774,763.00	\$	14,225,237.00
SKM Equity Fund II**	\$ 10,000,000.00	\$ 8,270,166.00	\$	1,729,834.00
Thomas H. Lee Equity Fund IV (THL)**	\$ 9,000,000.00	\$ 8,608,696.00	\$	391,304.00
Thomas McNerney & Partners	\$ 15,000,000.00	\$ 11,700,000.00	\$	3,300,000.00
Thomas McNerney & Partners 2	\$ 15,000,000.00	\$ 3,937,500.00	\$	11,062,500.00
TPG Partners II	\$ 10,000,000.00	\$ 9,693,603.00	\$	306,397.00
TPG Partners IV	\$ 15,000,000.00	\$ 13,674,042.22	\$	1,325,957.78
TPG Partners V	\$ 20,000,000.00	\$ 16,063,526.00	\$	3,936,474.00
TPG Partners VI	\$ 20,000,000.00	\$ 911,635.00	\$	19,088,365.00
VS&A Communication Partners III	\$ 15,000,000.00	\$ 14,953,927.00	\$	46,073.00
W Capital Partners	\$ 15,000,000.00	\$ 13,182,000.00	\$	1,818,000.00
W Capital Partners II	\$ 15,000,000.00	\$ 3,450,000.00	\$	11,550,000.00
WLR IV	\$ 8,000,000.00	\$ 2,340,459.00	\$	5,659,541.00
Washington & Congress Capital Partners*	\$ 15,000,000.00	\$ 14,694,362.76	\$	305,637.24
Wellspring Capital Partners II	\$ 15,000,000.00	\$ 15,000,000.00	\$	-
Wellspring Capital Partners III	\$ 20,000,000.00	\$ 18,754,531.00	\$	1,245,469.00
Wellspring Capital Partners IV	\$ 20,000,000.00	\$ 10,468,719.00	\$	9,531,281.00
Welsh, Carson, Anderson & Stowe VII	\$ 15,000,000.00	\$ 15,000,000.00	\$	-
Willis Stein & Partners	\$ 5,000,000.00	\$ 5,000,000.00	\$	-
<b>Total Alternative Investments</b>		\$ 1,026,192,918.00	\$	386,243,816.00

State of Rhode Island Unfunded Real Estate Commitment  
June 2008

<u>Real Estate Partnership Investment</u>	<u>Inception to Date Total</u>		<u>Remaining Commitment</u>
		<u>Funded</u>	
Fillmore East Fund I	\$ 10,000,000.00	\$ 9,999,999.92	\$ 0.08
Fremont Strategic Property Partners II	\$ 15,000,000.00	\$ 10,179,694.00	\$ 4,820,306.00
GMAC Commerical Realty Partners II	\$ 15,000,000.00	\$ 11,655,179.00	\$ 3,344,821.00
Heitman Advisory Corporation		\$ -	\$ -
JPMorgan Fleming Asset Mgmt. Strat. Prop. F	\$ 50,000,000.00	\$ 50,000,000.00	\$ -
JPMorgan Alternative Property Fund	\$ 20,000,000.00	\$ 20,000,000.00	\$ -
LaSalle Income & Growth Fund IV	\$ 15,000,000.00	\$ 14,602,062.43	\$ 397,937.57
L&B Real Estate Counsel		\$ -	\$ -
Magna Hotel	\$ 4,000,000.00	\$ -	\$ 4,000,000.00
Morgan Stanley Prime Property Fund	\$ 35,000,000.00	\$ 35,000,000.00	\$ -
Prudential Real Estate Investors (PRISA)	\$ 50,000,000.00	\$ 50,000,000.00	\$ -
Prudential Real Estate Investors (PRISA) II	\$ 15,000,000.00	\$ 8,595,000.00	\$ 6,405,000.00
RREEF America REIT II Fund	\$ 35,000,000.00	\$ 35,000,000.00	\$ -
Starwood Hospitality Fund I	\$ 10,000,000.00	\$ 7,000,000.00	\$ 3,000,000.00
TA Realty Fund VIII	\$ 15,000,000.00	\$ 12,016,441.00	\$ 2,983,559.00
Tri Continental Fund VII	\$ 15,000,000.00	\$ 14,071,761.00	\$ 928,239.00
Walton Street Real Estate Fund V	\$ 20,000,000.00	\$ 18,540,499.23	\$ 1,459,500.77
Westbrook Real Estate Fund VI	\$ 15,000,000.00	\$ 15,000,000.00	\$ -
Westbrook Real Estate Fund VII	\$ 15,000,000.00	\$ 3,636,364.00	\$ 11,363,636.00
	\$ 354,000,000.00	\$ 315,297,000.58	\$ 38,702,999.42

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CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2008	FY 2007 08												Projected TOTAL
	Actual July 2007	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2008	Actual February	Actual March	Actual April	Actual May	Actual June	
MEMBER BENEFITS	52,425,504	53,123,807	55,371,008	53,041,011	52,955,677	53,259,955	55,395,584	55,282,353	55,184,967	55,042,146	55,048,997	55,328,993	649,443,103
ADMINISTRATIVE EXPENSES	81,164	112,168	938,170	123,439	119,107	777,259	55,682	556,812	434,195	407,974	641,541	462,187	4,710,709
INVESTMENT EXPENSES	961,630	523,195	63,300	770,935	368,027	1,143,783	1,263,900	167,996	761,893	511,398	542,176	748,052	7,826,276
TOTAL OUTFLOW	53,468,298	53,759,170	54,373,478	53,935,985	53,422,811	55,180,997	56,718,267	56,007,151	56,381,046	55,861,519	56,232,715	56,539,242	661,980,088
CONTRIBUTIONS	67,315,617	24,268,795	31,456,913	39,621,411	50,418,000	41,453,000	43,124,000	43,490,135	37,241,439	50,541,113	49,746,038	46,722,223	525,299,625
OTHER INCOME*	7,285,447	10,151,633	8,518,524	3,050,950	3,844,958	3,705,916	2,194,110	3,078,130	2,015,428	5,353,947	2,436,587	4,338,772	55,971,982
TOTAL INCOME	74,601,064	34,420,368	39,975,437	42,672,241	54,263,958	45,159,916	45,318,110	46,568,265	39,256,867	55,894,760	52,182,626	51,058,995	581,271,607
DIFFERENCE	21,132,766	(19,338,802)	(14,398,041)	(11,363,144)	841,147	(10,022,081)	(11,400,156)	(9,438,896)	(17,124,179)	(66,759)	(4,050,089)	(5,480,247)	(89,708,481)

Municipal Employees Retirement System

FISCAL YEAR 2008	FY 2007 08												Projected TOTAL
	Actual July 2007	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2008	Actual February	Actual March	Actual April	Actual May	Actual June	
MEMBER BENEFITS	4,451,916	4,467,625	4,500,775	4,497,408	4,495,051	4,530,782	4,616,834	4,692,968	4,666,622	4,742,620	4,722,363	4,704,222	55,089,306
ADMINISTRATIVE EXPENSES	13,354	18,455	54,522	30,453	19,780	129,077	9,247	92,692	72,424	66,100	107,195	77,374	782,673
INVESTMENT EXPENSES	168,218	86,082	10,415	127,741	51,879	189,944	209,691	27,986	127,083	85,364	90,592	125,228	1,290,402
TOTAL OUTFLOW	4,623,487	4,572,162	4,665,712	4,645,602	4,566,710	4,849,802	4,898,072	4,813,627	4,866,130	4,896,084	4,920,170	4,906,824	57,162,382
CONTRIBUTIONS	4,880,850	3,427,185	3,947,195	5,035,145	3,776,000	4,383,000	6,233,000	3,904,841	4,070,728	6,870,013	4,927,100	5,422,967	56,908,004
OTHER INCOME*	1,198,679	1,670,254	1,401,558	535,511	638,518	615,428	364,368	512,415	336,177	893,644	407,129	725,998	9,269,678
TOTAL INCOME	6,089,528	5,097,419	5,348,753	5,530,658	4,414,518	4,998,428	6,597,368	4,417,256	4,406,905	7,763,657	5,334,229	6,148,965	66,177,682
DIFFERENCE	1,466,042	525,256	683,041	915,054	(152,192)	148,625	1,791,296	(396,371)	(459,225)	2,867,573	414,059	1,242,141	9,015,300

	Actual July 2007	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2008	Actual February	Actual March	Actual April	Actual May	Actual June	Projected TOTAL
MEMBER BENEFITS	44,733	44,733	44,733	44,733	44,733	54,638	55,251	55,251	55,251	78,350	73,502	75,000	668,948
ADMINISTRATIVE EXPENSES	925	1,278	10,702	1,468	1,429	9,324	688	6,846	5,383	5,082	8,084	5,872	57,052
INVESTMENT EXPENSES	10,958	5,962	721	9,771	3,748	13,721	15,182	2,066	9,446	6,383	6,815	9,503	83,656
CASH OUTFLOW	56,616	51,874	56,157	55,372	49,909	77,683	71,081	64,163	70,081	87,865	88,382	90,375	819,856
CONTRIBUTIONS	535,000	530,000	485,000	525,000	810,000	480,000	480,000	480,000	505,000	535,000	730,000	470,000	6,585,000
MEMBER INCOME*	83,022	115,883	97,073	36,283	48,124	44,456	26,321	37,848	24,988	66,817	30,628	55,084	684,346
TOTAL INCOME	618,022	845,883	582,073	561,283	858,124	524,456	516,321	527,848	529,988	601,817	760,628	525,094	7,249,346
DEFERRED	561,405	583,710	525,916	505,921	806,215	446,773	445,240	483,655	459,908	513,953	672,246	434,719	6,429,680

CSFL05

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

<b>Rhode Island Employees Retirement System</b> <b>Securities Lending Report</b> <b>June, 2008</b>
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<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<b><u>DOMESTIC EQUITY</u></b>		
Wellington Tech Equity, LLP	15,126	26,814,255
Wellington Mgmt. Co., LLP	131,109	157,881,477
NorthPointe Capital	139,297	186,325,062
SSgA Core	<u>51,478</u>	<u>52,602,008</u>
<b>Total Domestic Equity</b>	<b><u>\$ 337,010</u></b>	<b><u>\$ 423,622,802</u></b>
 <b><u>INTERNATIONAL EQUITY</u></b>		
Goldman Sachs	75,416	33,663,852
Boston Company	77,734	54,477,768
Mondrian	<u>123,576</u>	<u>45,563,885</u>
<b>Total International Equity</b>	<b><u>\$ 276,726</u></b>	<b><u>\$ 133,705,505</u></b>
 <b><u>FIXED INCOME</u></b>		
Brown Brothers, Harriman	15,255	30,481,368
Taplin, Canida & Habacht	6,365	14,861,769
MacKay Shields	9,285	18,921,280
Brown Brothers, Harriman (TIPS)	<u>205,129</u>	<u>564,144,973</u>
<b>Total Fixed Income</b>	<b><u>\$ 236,035</u></b>	<b><u>\$ 628,409,389</u></b>
 <b>TOTAL SECURITIES LENDING INCOME</b>	 <b><u>\$ 849,771</u></b>	 <b><u>\$ 1,185,737,697</u></b>
 <b>Calendar Year 2008 YTD</b>	 <b><u>\$ 4,978,658</u></b>	

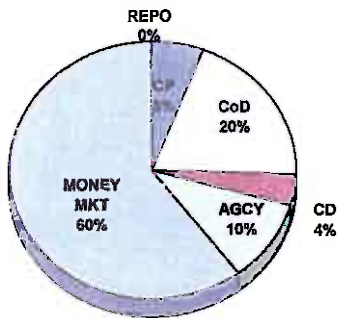


RHODE ISLAND STATE INVESTMENT COMMISSION

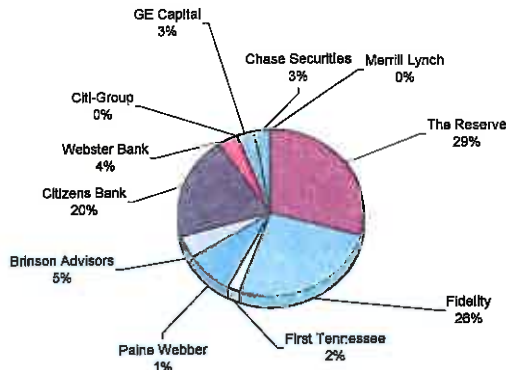
SHORT TERM CASH INVESTMENTS AT

June 30, 2008

Portfolio By Instrument



Portfolio by Issuer



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

Vendor	CP	CD	Agency	Money Mkt	CoD	Repo	Total (\$)
Guidelines-Total/Vendor	25%/10%	25%/10%	75%/35%	75%/35%	25%/25%	100%/20%	
Merrill Lynch	0	0	0	0	0	0	0
The Reserve	0	0	0	83,616,865	0	0	83,616,865
JP Morgan Chase	8,099,523	0	0	0	0	0	8,099,523
Paine Webber	0	0	23,196,820	0	0	0	23,196,820
Fidelity	0	0	0	74,828,005	0	0	74,828,005
First Tennessee	0	0	6,597,965	0	0	0	6,597,965
Brinson Advisors	0	0	0	13,093,405	0	0	13,093,405
Citizens Bank	0	1,126,722	0	0	55,727,847	0	56,854,569
GE Capital	8,699,541	0	0	0	0	0	8,699,541
Webster Bank	0	10,000,000	0	0	64,329	0	10,064,329
Citi-Group	0	0	0	0	0	0	0
State St Bank	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>16,799,064</b>	<b>11,126,722</b>	<b>29,794,785</b>	<b>171,538,274</b>	<b>55,792,176</b>	<b>0</b>	<b>285,061,021</b>
(%) PORTFOLIO	6%	4%	10%	60%	20%	0%	100%

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

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

Short Term Investments Portfolio by Fund

As of June 30, 2008

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	111,758,949	0	111,758,949
4904 PENSION C	2,999,823	0	2,999,823
4908 PAYROLL A	1,299,923	0	1,299,923
4916 GENERAL FUND H.A.V.A.	532,959	0	532,959
4918 RICAP	10,854,588	304	10,854,892
4920 GENERAL FUND (HIST PRES)	526,722	1,730	528,452
4955 HEALTH INSURANCE FUND	9,278,343	2,035	9,280,378
5400 HIGHWAY FUND	31,027,231	689	31,027,920
5500 UNIVERSITY COLLEGE	530,926	21	530,947
6920 AUTO EQUIPMENT SERVICE	25,137	0	25,137
8000 T.D.I. RESERVE (DET)	95,119,075	0	95,119,075
8300 PERMANENT SCHOOL FUND	502,367	0	502,367
8400 EMP RETIREMENT FUND	1,078,203	0	1,078,203
8500 MUN EMP RETIREMENT FUND	1,915,707	0	1,915,707
8700 R.I. CLEAN WATER ACT	921,644	0	921,644
9000 BOND CAPITAL FUND	2,000,312	0	2,000,312
9700 STATE LOTTERY FUND	12,592,308	34,869	12,627,176
9800 INDUS. BLDG. & MTG. INS.	2,086,803	0	2,086,803
4911 TANS	1	0	1
4917 TOBACCO SETTLEMENT	0	0	0
Subtotal	285,051,021	39,648	285,090,669
8703 CLEAN WATER 1991 SERIES A	45,777		
8706 CLEAN WATER CCDL 1994 (A)	6,057		
8707 CAP DEV. OF 1997 SERIES A	19,349		
8710 CLEAN WATER CCDL 2002 A	87,440		
8711 CLEAN WATER 2004 SERIES A	695,571		
8712 CLN WATER CCDL 2005 SER E	535,881		
8733 CAP DEV. OF 1997 SERIES A	7,048		
8737 RI POLLUT. CONT 94 SER. A	6,333		
8739 CCDL99A 1999A	328,037		
8746 POLLUTION CTRL CCDL 2006 C	232,895		
8747 CLEAN WATER 2007 SERIES A	500,718		
9114 G.O. NOTE 1991 SER. B	3,791		
9117 BOND CCDL 1994 SERIES A	174,124		
9120 BOND CCBL96A	618,191		
9121 CAP DEV OF 1997 SERIES A	345		
9123 CCDL 1998B	1,753,128		
9125 MMG099 1999	2,845		
9126 BOND CAPITAL CCDL2000A	1,037,741		
9127 MULTI-MODAL GEN OBL 2000	2,817		
9131 CCDL 2004 SERIES A	9,547,251		
9132 BOND CCDL 2005 SERIES C	16,036,520		
9133 BOND CCDL 2005 SERIES E	2,424,884		
9134 BOND CCDL 2006 SERIES B	22,639		
9135 BOND CCDL 2006 SERIES C	27,946,480		
9136 GO BND-NTAX 2007 SERIES A	39,735,632		
9137 GO BND-TAX 2007 SERIES A	4,051,066		
Subtotal Bond Proceed Accounts	105,822,560		
Total Short Term Portfolio	390,873,581		

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



# Monthly Plan Performance Update

STATE OF RHODE ISLAND - STATE OF RI (35835)

*Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, call Fidelity or visit [NetBenefits.com](http://NetBenefits.com).*

Name	Cumulative Total Returns				Average Annual Total Returns				
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr
DOW JONES 30 INDUSTRIAL AVERAGE	06/30/2008	-10.04	-6.85	-13.38	06/30/2008	-13.27	5.83	7.20	4.50
NASDAQ COMPOSITE INDEX	06/30/2008	-9.07	0.82	-13.18	06/30/2008	-11.19	4.51	7.91	2.45
LEHMAN BROTHERS AGGREGATE BOND INDEX	06/30/2008	-0.08	-1.02	1.13	06/30/2008	7.12	4.09	3.86	5.88
RUSSELL 2000 INDEX	06/30/2008	-7.70	0.58	-9.37	06/30/2008	-16.19	3.79	10.29	5.53
STANDARD & POOR'S 500™ INDEX	06/30/2008	-8.43	-2.73	-11.91	06/30/2008	-13.12	4.41	7.58	2.88

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Life	Fees		Inception Date
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr		Short-Term Trading Fee	Expense Ratio †	

## Stock Investments

### Large Cap

FID BLUE CHIP GROWTH	06/30/2008	-6.69	0.51	-10.12	06/30/2008	-6.10	4.07	5.66	1.41	11.08	—	0.80% on 09/29/2007	12/31/1987
FID CONTRAFUND	06/30/2008	-4.91	3.44	-8.16	06/30/2008	0.91	11.35	13.92	8.04	13.07	—	0.89% on 02/29/2008	05/17/1967
FID DIVIDEND GROWTH	06/30/2008	-8.14	-3.21	-12.82	06/30/2008	-17.80	2.24	4.10	3.66	11.24	—	0.81% on 09/29/2007	04/27/1993
FID EQUITY INCOME	06/30/2008	-10.32	-5.29	-14.48	06/30/2008	-20.04	3.64	7.54	3.93	12.28	—	0.66% on 03/31/2008	05/16/1968
FID SRCWTH & INCOME	06/30/2008	-12.21	-10.10	-19.43	06/30/2008	-24.08	-2.11	2.26	0.70	11.14	—	0.88% on 09/29/2007	12/31/1985
FID OTC PORTFOLIO	06/30/2008	-6.90	5.80	-12.61	06/30/2008	-1.02	10.12	11.43	5.31	13.53	—	0.98% on 09/29/2007	12/31/1984
FIDELITY MAGELLAN	06/30/2008	-8.38	0.57	-11.87	06/30/2008	-5.47	6.55	7.64	3.25	17.87	—	0.73% on 05/29/2008	05/02/1963
SPARTAN US EQ INDEX	06/30/2008	-8.44	-2.74	-11.94	06/30/2008	-13.16	4.34	7.49	2.76	10.38	—	0.10% on 04/29/2008	02/17/1988

### Mid-Cap

FID MID CAP STOCK	06/30/2008	-4.07	11.57	-3.12	06/30/2008	-8.66	11.32	12.50	9.27	13.31	.75% / 30days	0.95% on 09/28/2008	03/29/1994
FID VALUE	06/30/2008	-9.80	-2.29	-11.27	06/30/2008	-18.61	4.51	11.63	7.86	13.30	—	0.70% on 12/29/2007	12/01/1978
FIDELITY LOW PR STK	06/30/2008	-8.74	-0.74	-8.32	06/30/2008	-13.30	5.83	12.82	11.16	15.60	1.5% / 90days	0.97% on 09/29/2007	12/27/1989



Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			Inception Date
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	
FIDELITY NEW MILLEN	06/30/2008	-8.52	-0.35	-13.95	06/30/2008	-9.23	9.53	9.43	10.07	14.98	—	0.94% on 01/29/2008	12/28/1992
FKLN SMMIDCAP GRTH A	06/30/2008	-7.38	4.98	-10.65	06/30/2008	-12.09	5.80	9.74	5.64	11.19	2 % / 7days	1.00% on 04/30/2008	02/14/1992

### International

FID DIVERSIFIED INTL	06/30/2008	-7.45	-0.06	-9.67	06/30/2008	-5.66	14.39	17.85	19.58	11.59	1 % / 30days	0.93% on 12/29/2007	12/27/1991
TEMPLETON FOREIGN A	06/30/2008	-9.28	-3.01	-14.94	06/30/2008	-9.01	10.09	13.81	7.87	12.77	2 % / 7days	1.16% on 02/29/2008	10/05/1982

### Blended Fund Investments

#### Others

FID FREEDOM 2000	06/30/2008	-1.80	0.29	-2.06	06/30/2008	-0.75	4.19	4.52	4.71	6.25	—	0.51% on 05/29/2008	10/17/1996
FID FREEDOM 2010	06/30/2008	-3.93	0.18	-4.89	06/30/2008	-3.45	5.49	6.57	5.42	7.49	—	0.65% on 05/29/2008	10/17/1996
FID FREEDOM 2020	06/30/2008	-5.27	0.22	-7.07	06/30/2008	-6.04	6.53	8.40	5.42	7.81	—	0.72% on 05/29/2008	10/17/1996
FID FREEDOM 2030	06/30/2008	-6.28	0.26	-8.85	06/30/2008	-8.21	6.92	9.19	5.16	7.64	—	0.76% on 05/29/2008	10/17/1996
FID FREEDOM INCOME	06/30/2008	-1.52	0.33	-1.42	06/30/2008	0.03	4.06	4.11	4.50	5.41	—	0.49% on 05/29/2008	10/17/1996
FID PURITAN	06/30/2008	-4.91	-0.30	-7.79	06/30/2008	-7.54	5.61	7.53	5.25	11.40	—	0.80% on 11/20/2007	04/16/1947

### Bond Investments

#### Stable Value

FID MGD INC PORT II	06/30/2008	0.27	0.84	2.02	06/30/2008	4.30	4.14	4.03	4.81	5.22	—	—	04/20/1993
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#### Income

PIMCO TOT RETURN ADM	06/30/2008	-0.90	-1.37	1.84	06/30/2008	10.55	4.71	4.45	6.23	7.11	—	0.68% on 03/30/2008	09/08/1994
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### Short Term Investments

#### Others

FIDELITY RETIRE MMKT	06/30/2008	0.20	0.64	1.60	06/30/2008	4.18	4.43	3.18	3.59	4.57	—	0.42% on 10/30/2007	12/02/1988
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### Other Investments

#### Others

BROKERAGELINK	—	—	—	—	—	—	—	—	—	—	—	—	—
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† For Fidelity fund of funds the performance table displays both the Expense Ratio and the Combined Total Expense Ratio. Expense Ratio is the total annual fund operating expense ratio from the fund's most recent prospectus. Combined Total Expense Ratio reflects expense reimbursements and reductions and is based on the total operating expense ratio of the fund plus a weighted average of the total operating expense ratios of the underlying Fidelity funds in which it was invested. This ratio may be higher or lower depending on the allocation of the fund's assets among the underlying Fidelity funds and the actual expenses of the underlying Fidelity funds.

‡ Expense Ratio is the total annual fund operating expense ratio from the fund's most recent prospectus. Please note that for the non-Fidelity fund-of-funds listed, the ratio shown may solely reflect the total operating expense ratio of the fund, or may be a combined ratio reflecting both the total operating expense ratio of the fund and the total operating expense ratios of the underlying funds in which it was invested. Please consult the fund's prospectus for more detail on a particular fund's expense ratio.

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

The management company may be temporarily reimbursing a portion of the fund's expenses. Absent such reimbursement, returns and yields would have been lower. A fund's expense limitation may be terminated at any time. Please see the prospectus for further information.

**AN INVESTMENT IN A MONEY MARKET FUND IS NOT INSURED OR GUARANTEED BY THE FDIC OR ANY OTHER GOVERNMENT AGENCY. ALTHOUGH MONEY MARKET FUNDS SEEK TO PRESERVE THE VALUE OF YOUR INVESTMENT AT \$1 PER SHARE, IT IS POSSIBLE TO LOSE MONEY BY INVESTING IN THESE FUNDS.**

A money market fund's current yield reflects the current earnings of the fund while the total return refers to a specific past holding period.

Performance of an index is not illustrative of any particular investment and an investment cannot be made directly in an index.

The NASDAQ Composite® Index is an unmanaged market capitalization-weighted index of the National Market System which includes over 5,000 stocks traded only over-the-counter and not on an exchange.

The Dow Jones Industrial Average (DJIA) is an unmanaged price-weighted index and is the most widely used indicator of how the country's industrial leaders are performing. Also known as "the Dow," this is a formula based on the stock prices of 30 major companies chosen from sectors of the economy most representative of our country's economic condition.

The Russell 2000® Index is an unmanaged market capitalization-weighted index of 2,000 small company stocks of U.S. domiciled companies.

The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors.

Investments in mortgage securities are subject to prepayment risk, which can limit the potential for gain during a declining interest rate environment and increase the potential for loss in a rising interest rate environment.

Lower-quality debt securities involve greater risk of default and/or price changes due to changes in the credit quality of the issuer.

Investments in smaller companies may involve greater risks than those of larger, more well-known companies.

Foreign investments, especially those in emerging markets involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations.

Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.

**BEFORE INVESTING IN ANY INVESTMENT OPTION, PLEASE CAREFULLY CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. FOR THIS AND OTHER INFORMATION, PLEASE CALL FIDELITY AT 1-800-343-0860 OR VISIT [WWW.FIDELITY.COM](http://WWW.FIDELITY.COM) FOR A FREE MUTUAL FUND PROSPECTUS OR VARIABLE ANNUITY PROSPECTUS. FOR INFORMATION ON FIXED ANNUITIES, CONTACT FIDELITY TO REQUEST A FACT SHEET. READ THEM CAREFULLY BEFORE YOU INVEST.**

Brokerage Products and Services are offered through Fidelity Brokerage Services, Member NYSE, SIPC. Investment and workplace savings plan products and services offered directly to investors and plan sponsors are provided by Fidelity Brokerage Services, Member NYSE, SIPC, 100 Summer Street, Boston, MA 02110. Investment and workplace savings plan products and services distributed through investment professionals are provided by Fidelity Investments Institutional Services Company, Inc., 82 Devonshire Street, Boston, MA 02109.

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# Portfolio Director

The information is current as of 06/30/2008.

Effective December 31, 2001, all future contributions for all existing and new participants will be directed to AIG Retirement Services for investment into the mutual fund and fixed-interest option investments. All AIG Retirement annuity investment options will be closed to current or future Plan participants after this date.

Category/Funds	YTD Return	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	ITD Date
<b>Domestic Equity</b>								
<b>Domestic Large Cap Equity</b>								
<i>Large Cap Value</i>								
Core Value Fund (American Century)	-13.28	-19.76	1.08	5.84	0.86	0.66	1.63	12/8/2000
Vanguard Windsor II Fund	-14.59	-20.69	1.54	7.35	3.26	3.26		6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	-11.99	-15.05	1.06	4.53	-1.08	-1.08	1.85	4/29/1994
Stock Index Fund (AIG Inv)	-12.40	-14.10	3.23	6.37	1.72	1.72	1.15	4/20/1987
<i>Large Cap Growth</i>								
Growth Fund (American Century)	-9.10	2.43	-	-	5.62	0.92	1.74	12/5/2005
Large Capital Growth Fund (AIG SunAmerica/AIM)	-10.75	-5.46	4.99	-	5.17	3.75	1.56	12/20/2004
<b>Domestic Mid Cap Equity</b>								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (MorganStanley/Brazos)	-6.75	3.99	11.80	-	11.01	10.69	1.63	12/20/2004
<b>Global Equity</b>								
<i>Global</i>								
Global Social Awareness Fund (AIG Inv)	-9.30	-11.83	4.12	6.64	1.62	1.62	1.42	10/2/1989
Global Equity Fund (Putnam)	-11.79	-15.83	-	-	4.38	5.08	1.75	12/5/2005
<b>International Equity</b>								
<i>International</i>								
Foreign Value Fund (Templeton Global)	-14.73	-13.00	-	-	3.74	5.83	1.66	12/5/2005
<b>Speciality</b>								
<i>Speciality</i>								
Science & Technology Fund (T. Rowe/RCM/Wellington)	-11.24	-6.55	5.12	6.58	-0.81	-0.81	1.83	4/29/1994
<b>Hybrid</b>								
<i>Balanced</i>								
Vanguard Wellington Fund	-8.01	-4.55	8.38	8.04	5.74	5.74	1.33	7/1/1929
<b>Fixed Income</b>								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	-2.33	2.31	-0.09	2.42	4.71	4.71	1.05	7/9/1973
Vanguard Long-Term Treasury Fund	1.36	11.48	2.85	3.65	5.68	5.68	1.06	5/19/1986
<i>International</i>								
International Government Bond Fund (AIGGIC)	1.76	8.73	5.04	5.92	5.47	5.47	1.50	10/1/1991
<i>Stable Value</i>								
Money Market I Fund (AIG SunAmerica)	0.93	2.75	3.27	2.06	2.47	2.47	1.32	1/16/1986
7-Day Yield at 31-Dec-2008: 4.03%								
Fixed Account Plus	0.00	0.00	2.27	3.00	4.58	4.58		1/1/1982
Short Term Fixed Account	3.00	3.00	3.00	3.00	3.52	3.52		1/1/1991

An investment in money market funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the funds.

Returns for periods prior to the date the funds became available in the Separate Account are hypothetical and are derived from the performance of the underlying fund, adjusted to reflect fees, expenses, and surrender charges if applicable, of Portfolio Director as if the fund had been in the Separate Account during the stated period.

If applicable, returns on pages 1 & 2 reflect deduction of account maintenance fees and surrender charges, but not premium taxes or income LOCK fees, if applicable. Partial or full surrenders may be subject to a surrender charge of the lesser of either 5% of the sum of the contributions received during the prior 60 months, or 5% of the amount withdrawn. There may be a quarterly account maintenance fee of \$3.75 for investments in the variable options, depending on the contract. There are no account maintenance fees for investments in the fixed options.

The current 7-day yield more closely reflects the current earnings of the money market fund than does the total average annual return. Yields are historical and do not guarantee future performance. Yields do not reflect deduction of surrender charges or premium taxes, if applicable.

- 1) The inclusion data found in this chart are based upon the date the funds were included in the Separate Account.
- 2) The inception data are based upon the inception date of underlying fund.
- 3) The Ariel [68] and the Ariel Appreciation [69] funds are not available in any 457(b) plans.

For funds with less than a full year of performance the returns are cumulative.

Generally, higher potential returns involve greater risk and short-term volatility. For example: Small-cap, mid-cap, sector and emerging funds can experience significant price fluctuation due to business risks and adverse political developments. International (global) and foreign funds can experience price fluctuation due to changing market conditions, currency values, and economic and political climates. High-yield bond funds, which invest in bonds that have lower ratings, typically experience price fluctuation and a greater risk of loss of principal and income than when investing directly in U.S. government securities such as U.S. Treasury bonds and bills, which are guaranteed by the government for repayment of principal and interest if held to maturity. Mortgage-related funds' underlying mortgages are more likely to be prepaid during periods of declining interest rates, which could hurt the fund's share price or yield, and may be prepaid more slowly during periods of rapidly rising interest rates, which may lengthen the fund's expected maturity. Investors should carefully assess the risks associated with an investment in the fund. Fund shares are not insured and are not backed by the U.S. government, and their value and yield will vary with

80000 SERIES  
30% P.C.W.





# ING Life Insurance and Annuity Company



## State of Rhode Island

Average Annual Total Returns as of 06/30/2008

Mutual funds offered through a retirement plan are investments designed for retirement purposes. Early withdrawals will reduce your account value and if taken prior to age 59 1/2, a 10% IRS penalty may apply.

THE PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. FOR MONTH-END PERFORMANCE WHICH MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA SHOWN PLEASE CALL 800-525-4225. INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE SO THAT, WHEN SOLD, AN INVESTMENT MAY BE WORTH MORE OR LESS THAN THE ORIGINAL COST.

The returns assume reinvestment of all dividends (ordinary income and capital gains) and are net of management fees and other fund operating expenses.

YOU SHOULD CONSIDER THE INVESTMENT OBJECTIVES, RISKS AND CHARGES, AND EXPENSES OF THE FUNDS CAREFULLY BEFORE INVESTING. THE PROSPECTUS CONTAINS THIS AND OTHER INFORMATION. ANYONE WHO WISHES TO OBTAIN A FREE COPY OF THE FUND PROSPECTUSES MAY CALL THEIR ING REPRESENTATIVE OR THE NUMBER ABOVE. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

Returns less than one year are not annualized. Fund Inception Date is the date of inception for the underlying fund, and is the date used in calculating the periodic returns. This date may also precede the portfolio's inclusion in the product.

### Investment Options

Benchmark (BM)	Returns Not Annualized			YTD			Average Annual Total Returns			Fund Inception Date				
	1-Mo	3-Mo	1-Yr	1-Yr	3-Yr	5-Yr	10-Yr							
MFR	0.32%	0.15%	0.98%	0.48%	1.97%	1.28%	4.01%	3.57%	4.00%	4.01%	4.17%	2.79%	5.15%	3.22%
IBC	0.20%	0.20%	0.64%	0.63%	1.62%	1.54%	4.22%	4.13%	4.48%	4.61%	3.21%	3.64%	3.62%	3.61%

ING Fixed Account - 457/401 - Base + 60 (\*\*\*)

### Money Market

ING VP Money Market Portfolio - Class I															01/10/1980
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The 7-day annualized yield as of 06/30/2008 is 2.36%. (\*)

### Bond

#### Intermediate-Term Bond

ING VP Intermediate Bond Portfolio - Class I																05/23/1973
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### Equity

#### Moderate Allocation

Calvert Social Balanced Portfolio																09/02/1986
ING VP Balanced Portfolio, Inc. - Class I																04/03/1989
ING Van Kampen Equity and Income Portfolio - Initial Class																12/10/2001

#### Large Blend

AIM V.I. Core Equity Fund - Series I Shares																05/02/1994
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**Performance Update**

The returns listed do not include the impact of contract charges.  
 The CURRENT rate for the ING Fixed Account - 457/401 - is 4.000%, expressed as an annual effective yield, and is guaranteed not to drop below 3.60% through 12/31/2008. The annual rate of interest applied to your account may be higher or lower than the current rate. Restrictions apply to transfers of funds from the Fixed Account to other contract investment options. Please refer to your product prospectus / disclosure booklet and call your 800 number for more information. The chart shows the performance for each investment option for the time periods shown.  
 Effective December 2, 2005, the ING VP MagnaCap Portfolio - Class I merged into the ING VP Value Opportunity Portfolio - Class I.  
 Effective April 28, 2006, AIM V.I. Premier Equity Fund - Series I Shares merged into AIM V.I. Core Equity Fund - Series I Shares.  
 Effective April 28, 2006, AIM V.I. Growth Fund - Series I Shares merged into AIM V.I. Capital Appreciation Fund - Series I Shares.  
 Effective April 28, 2006, AIM V.I. Core Stock Fund - Series I Shares merged into AIM V.I. Core Equity Fund - Series I Shares.  
 Effective April 25, 2008, the ING JPMorgan International Portfolio - Initial Class merged into the ING Templeton Foreign Equity Portfolio - Inst Class.  
 Effective April 25, 2008, the ING Lord Abbett U.S. Government Securities Portfolio - Initial Class merged into the ING VP Intermediate Bond Portfolio - Class I.  
 Effective April 25, 2008, the ING UBS U.S. Allocation Portfolio - Class S merged into the ING Van Kampen Equity & Income Portfolio - Class I.  
 Effective April 25, 2008, the ING Lord Abbett U.S. Government Portfolio - Initial Class merged into the ING VP Intermediate Bond Portfolio - Class I.  
 Insurance products and/or third party administration services are offered by ING Life Insurance and Annuity Company. Securities offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.

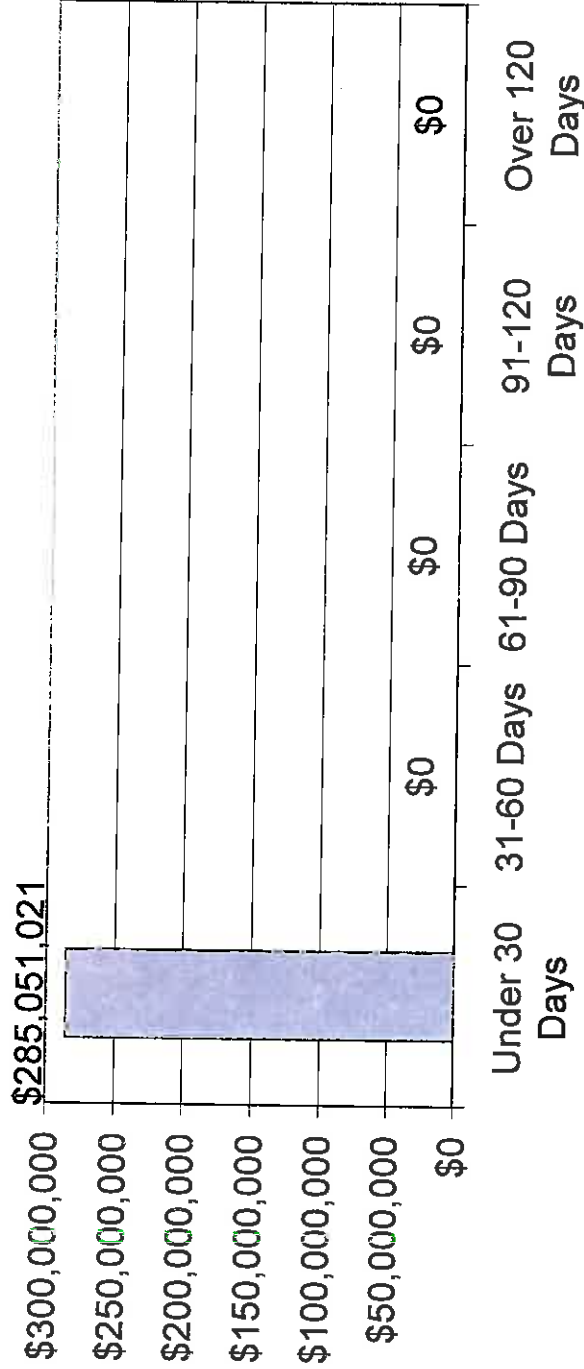
**Benchmark Id Benchmark Description**

- IBCIM The Money Fund Report Averages - All Taxable is an average of the returns of over 250 money market mutual funds surveyed each month by IBC/Donoghue, Inc.
- LEHM Composed of securities from the Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment.
- MFR Returns are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by iMoneynet, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.
- MSCIAC MSCI All Country World Index is a broad-based unmanaged index of developed country and emerging market equities.
- RS1000 The Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, and represents approximately 92% of the total market capitalization of the Russell 3000 Index.
- RS2000 The Russell 2000 Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Growth returns assume reinvestment of all dividends.
- S3000G The Russell 3000 Index (a small cap index) consists of the smallest 2,000 companies in the Russell 3000 Index and represents approximately 10% of the Russell 3000 total market capitalization. The Russell 2000 returns assume reinvestment of all dividends.
- S3000V The Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.
- MIDGRW The Russell 3000 Value Index is a market capitalization-weighted index of value-oriented stocks of U.S. domiciled corporations.
- KRE The Russell MidCap Growth Index is an unmanaged index of U.S. mid-cap growth stocks. The Standard & Poor's (S&P) 500 Index is considered to be representative of the stock market in general. The S&P 500 returns assume reinvestment of all dividends.

**ABRAHAM TOURO FUND  
INVESTMENT SUMMARY  
JUNE 30, 2008**

<u>FUND NAME</u>	June Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund ( Fidelity Balanced Fund)	\$ (188,465)	\$ 2,174,615
<u>TOTALS</u>	\$ (188,465)	\$ 2,174,615

### Short-Term Investments Maturity Schedule



**As of June 30, 2008**

Maturities in \$Millions

Note: Includes \$232.8 Million of Money Market investments with no specific maturity

June, 2008	2.52%
May, 2008	2.07%
June, 2007	5.24%