

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
MAY 31, 2009**

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**

AGENDA



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 Tuesday, June 24, at 9:00 a.m. in Room 135 of the State House.

AGENDA

1. Membership Roll Call
2. Approval of Minutes
 - State Investment Commission Meeting held on 5.27.09*
3. General Consultant Report -- Pension Consulting Alliance
 - Real Return Asset Class
4. Legal Counsel Report
5. Chief Investment Officer Report
 - Ryan Asset Liability Management
6. Treasurer's Report
7. New Business

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

POSTED ON JUNE 18, 2009

APPROVAL OF MINUTES



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

Frank T. Caprio
General Treasurer

State of Rhode Island and Providence Plantations
STATE INVESTMENT COMMISSION

Monthly Meeting May 27, 2009

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, May 27, 2009. The Treasurer called the meeting to order at 9:28 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Ms. Rosemary Booth Gallogly, Mr. Andrew Reilly, Mr. John Treat, Mr. Robert Giudici, and General Treasurer Frank T. Caprio. Also present were Mr. Kenneth E. Goodreau, Chief Investment Officer; Mr. Paul Campellone, of Adler, Pollock, and Sheehan; Mr. David Ursillo, of Rodio & Ursillo, Legal Counsel to the Commission; Mr. John Burns of Pension Consulting Alliance (PCA), General Policy Consultants to the Commission; Ms. Lisa Tyrrell of State Street Corporation; and other members of the Treasurer's staff. Ms. Marcia Reback, Mr. Robert Gaudreau and Dr. Robert McKenna were not present.

State Investment Commission Minutes. Treasurer Caprio entertained a motion for approval of the minutes for the meeting of April 22, 2009. Mr. Reilly moved, Ms. Booth Gallogly seconded, and the subsequent motion passed. The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Giudici, Mr. Reilly, Mr. Treat, and General Treasurer Caprio.

VOTED: To approve the Minutes of the April 22, 2009 monthly meeting.

General Consultant Report. Mr. Burns ensued with a presentation of asset allocation centered on the material provided in Asset Allocation Study – Optimizations II.

He addressed the issue raised in the last meeting of adding non-U.S. equity to the model. In years past you could reduce volatility of your total fund by adding international equity, however, over the last decade the correlation between U. S. markets and non-U.S. markets has increased so the benefit from a diversification point of view has diminished. This high correlation is likely to occur in the future.

Mr. Burns reviewed the model's constraints. The imposed constraints reflect the commission's preferences and the possible outcomes. For example, under no possible circumstance could this model come out with a 70% U. S. equity. It is capped at 50% and has to have a minimum of 30%. The changes from our initial model are the separation of TIPS and the inclusion of a 2% fixed liquidity, the other classes are tweaked to reflect the commissions preferences. Non-U.S. equity and real estate are the same as the original model.

Mr. Goodreau addressed the issue of minimum liquidity needs. This issue goes back to early 2007 when the need for cash led to the approval of a cash bucket in the asset allocation model. The need stems from tactical reasons such as capital calls and other liabilities that the fund needs to meet. With the recent volatility, our cash bucket was the reason we did not have the forced liquidations that other funds had. As of now, we are at 2% and this should be sufficient.

Mr. Burns restated that the constraints reflect the preferences of the commission and determines where the model will come out. The optimizations show expected return and standard deviation for the various six (6) possibilities and the current portfolio. We added return for unit of risk scale, which shows that as you take on more risk you get less return incrementally, which is typically what happens in the real world.

Treasurer Caprio asked for a list of representative fund families or managers with specific examples and track records, so we can understand what type of decisions we would be considering. We would also like to see the same thing for the opportunistic portfolio.

Mr. Burns continued by stating when considering which options would work for RI the key is how much real return versus US equity. The assets have been recategorized into three buckets: stable, moderate growth and growth oriented to give you something to start thinking about conceptually in determining where you want to end up. The stable part of the portfolio stays relatively consistent. The amount that is growth oriented versus moderate growth is what changes.

Mr. Burns restated that the goal is to achieve equity-like returns without the volatility, and that even if this policy is adopted, it will take time to get into the real return assets. This is a good goal because the current portfolio has 43% is U. S. equity and 20% is non-U. S. equity and this is a big exposure to publicly traded equity.

Ms. Gallogly questioned the issue of correlation between the non-U.S. & U.S. equity. If we did not have a constraint on non-U.S. equity on the low end of 15%, if it was lower, would it shift into the U.S. equity category?

Mr. Burns commented that it probably would but he did not how far it would go. Another element in diversification is that in ten years we do not know if non-U.S. equity or U.S. equity will perform better. We want an allocation to non-U.S. equity for that reason. Again, we want to strike some balance with risks that are accounted for. To get the discussion started a consultant might say portfolio 3 (in our case) seems to strike a reasonable balance between all considerations.

Mr. Treat noted his reaction to portfolio 3, reducing growth orientation by 10% and shifting to moderate growth, we are moving 10% of assets. In doing so, we are moving assets that have an assumed rate of return of 6% on an annual basis into a real return of 3 3/4 % reducing volatility. Does it also take away possibility of growth?

Mr. Burns stated yes, there is a trade off on return but it reduces the expected volatility of the portfolio.

Mr. Treat said the loss of growth is his concern and he, like Treasurer Caprio, would like more definition on the real return opportunities.

Treasurer Caprio asked if we could be more specific with the options being considered for the real return asset class and look at the annual return.

Mr. Costello stated he thinks that we should round up to whole numbers because the differences are so subtle. In addition, the Treasurer and staff have done a very good job managing the fund. He asked for information on fees for additional managers or products and implementation and timing issues.

Mr. Burns will supply information on implementation at the next meeting. He stated the timing issue is always going to be there, but the commission is right to want to know more about it. These changes will take a couple of quarters before money starts to roll over.

Mr. Giudici asked for more information on loss of opportunity and timing, based on the deviation of 15% in US equity.

Mr. Burns responded that most people phase in over a period of time. Under no circumstance would a recommendation be made that has to happen instantly. The next thing would be to put this into an investment policy statement that will guide all assets.

Treasurer Caprio commented that Mr. Giudici has asked and he would also request an update with any changes that have gone on around us with state or municipal funds in this area – where they have reduced exposure in certain areas and increased in others. A summary of changes instituted or being considered would be helpful.

Mr. Burns stated what we are seeing generally is the desire to reduce public equity exposure. What we are discussing is a common theme. In response to Mr. Giudici's question at a prior meeting about what others are doing in the opportunistic portfolio area Mr. Burns prepared a brief memo on other funds. This is an area of intense scrutiny where different approaches are being used. There are three broad approaches: 1.) allocate to one manager, 2.) manage in house with consultants using specialist mandate managers, 3.) allocate to various segments and manage separately within each segment.

Ms. Gallogly asked if any options would not work for us, say the last option for real estate?

Mr. Burns stated all would work for Rhode Island.

Mr. Goodreau commented that he could see this happening in private equity because our program is mature. Boards that are like ours who want to be involved pick a category where they can add value.

Ms. Gallogly asked that if we were to follow that process, would some opportunistic assets be in private equity and some be in real estate and not a separate category?

Mr. Goodreau replied that the question is do we want to be opportunistic through the other asset classes.

Ms. Gallogly asked if any options would not work for us?

Mr. Goodreau stated that there are some areas he would not recommend because they are too time consuming.

Legal Counsel Report.

Mr. Dingley stated that we received a request from the SEC to the retirement fund. It was sent out broadly to a number of major public pension funds. This follows a case where San Diego was held liable for fraud in their disclosures regarding their pension liabilities. We have shared the materials with disclosure counsel, Adler, Pollock and Sheehan. They have made some recommended changes to our public disclosures. The fifteen page detailed questionnaire also covers how the pension fund works. One area of investigation is focused on re-amortization and mark to market questions. The second aspect is focused on placement agents. Treasurer Caprio has taken a hard line on not having the State fund pay extra fees for agents. However, we do not have all information from previous administrations and that is currently being researched. Once

all our answers are together, we will have it reviewed by outside counsel. Placement fees are legal and were standard industry practice during the past 15 years. We do not know what PCG will find for past administrations.

Treasurer Caprio reported that the Treasurer of Connecticut invited him to meet with her early in his term. She addressed placement fees in the meeting because Connecticut had dealt with the issue so we were alerted early on.

Ms. Gallogly asked if it is only in private equity.

Mr. Dingley replied it could be any transaction.

Mr. Goodreau noted it usually occurs in private equity, hedge funds or real estate.

Mr. Reilly asked Mr. Dingley if we have a no fee clause that we put into everything.

Mr. Dingley replied we have asked legal counsel to scour for fees and to bring it to our attention so we can say no to the fee.

Treasurer Caprio commented that we have had limited instances where this issue has been raised and in each case the fee has been deleted from the State's expenses. We will keep the commission informed as our response is completed.

Ms. Gallogly asked if we have requested information on fees from the old managers.

Mr. Goodreau responded that we will provide the SEC with a list of all relationships we have as well as the contacts. They may in turn have to provide additional answers.

Chief Investment Officer Report. Mr. Goodreau reported to the commission that transitioning from active to passive management is complete and very successful. The transition of the domestic and international equities to index investments has been completed with costs lower than expected. We had a great month in equity and fixed income portfolios as liquidity has come back to the market. The downside is that we will see re-valuation catching up in the private equity portfolio. This will probably happen for 6 months. For the month the total equity was up almost 8% and the index was up 8.4% so we are off about 50 basis points. Because of re-valuations in private equity we were up 6%. The fund for the calendar year to date is positive after expenses.

Treasurer Caprio stated that he and Mr. Goodreau met with firms, regarding an asset liability study, in New York.

Mr. Dingley stated that conducting an asset liability study would be critical. As we have net cash outflows in the fund of approximately \$700M and we collect \$500M in contributions we have a net \$200M negative outflow on an annual basis. The actuaries will come in on June 30 and value the fund at market value, but because they use 5 year smoothing the impact of the adverse markets will not significantly impact contributions; only 20% of the recent bad markets will impact contributions. The pressures the negative cash flow is going to place on the fund are ever increasing. This Asset Liability firm has a unique approach because they project on a true economic basis.

Mr. Costello asked if this is our problem or if it is a legislative issue because it is about the funding.

Mr. Dingley replied that he thinks it is both an SIC and legislative issue.

Treasurer Caprio stated there are many things involved, monthly payments, budget issues, the 30-year amortization, in quantifying where we need to be in asset allocation. This is a good time for review because of upcoming legislative changes.

Mr. Costello asked if they provide alternate assumptions of the future levels of the market and future negative cash flow impact?

Mr. Dingley stated it is a changing landscape; there could be legislative changes that cause another rash of retirements.

Mr. Giudici stated that we need to be prudent in asset allocation even though we are exempt from ERISA.

Treasurer Caprio proposed that we have the firm come in to meet with the board in a sub-committee setting. If there is an interest in engaging them or someone else, we can start with RFPs.

Treasurer's Report. Treasurer Caprio requested, in the interest of time, that his report be considered interwoven in the Legal Counsel and CIO reports.

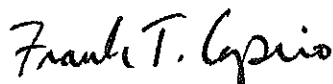
New Business. There was not any new business.

There being no new business, the Treasurer entertained a motion to adjourn. Mr. Giudici moved, Mr. Reilly seconded and the subsequent motion passed. The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Giudici, Mr. Reilly, Mr. Treat, and General Treasurer Caprio.

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 10:38AM.

Respectfully submitted,



Frank T. Caprio
General Treasurer

STAFF SUMMARY

RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
May 31, 2009

PORTFOLIO PERFORMANCE

May

The ERSRI portfolio posted a 4.89% gain for the month of May, against the policy index of 5.60%. Domestic Equities gained 5.79%, international equities were up 13.38%, and the fixed income asset class returned 1.63%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was 6.14% against its 5.91% index.

Calendar Year to Date

For the five months ending May 31, 2009, the portfolio is up 1.92% against the policy index of 5.49%. Domestic equities were up 3.98%, international equities were up 11.11%, while fixed income generated a return of 5.59%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2009, the fund has lost -19.31%, against the policy index of -18.12%.

| Index Performance Summary - May 31, 2009 | | |
|--|--------|--------------|
| Market Indices | May-09 | Calendar YTD |
| <u>Domestic Equity</u> | | |
| S & P 500 | 5.59% | 2.96% |
| DJ Wilshire 5000 | 5.30% | 4.09% |
| Russell 2000 | 3.01% | 1.14% |
| Russell 1000 | 5.53% | 4.07% |
| Policy Index | 5.91% | 6.25% |
| <u>International Equity</u> | | |
| MSCI ACWI | 13.69% | 15.59% |
| <u>Fixed Income</u> | | |
| BC AGG | 0.73% | 1.32% |
| <u>Real Estate</u> | | |
| NCREIF | 0.08% | -7.77% |

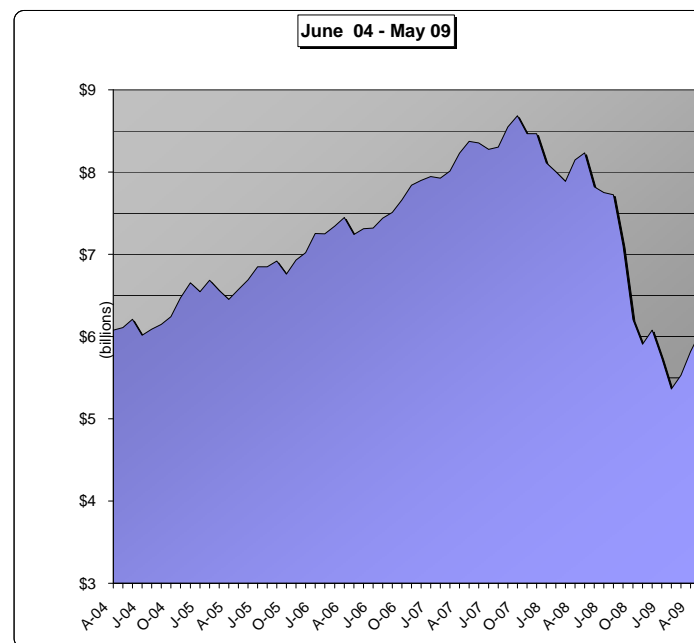
| ERSRI Performance By Asset Class | May-09 | Calendar YTD |
|------------------------------------|---------------|---------------|
| Domestic Equity | 5.79% | 3.98% |
| Fixed Income | 1.63% | 5.59% |
| International Equity | 13.38% | 11.11% |
| Total Fund Composite* | 6.14% | 6.32% |
| Manager Summary | May-09 | CYTD |
| <u>DOMESTIC EQUITY</u> | | |
| Shott | 0.05% | -0.88% |
| PIMCO | 8.09% | 8.86% |
| SSgA S&P 500 | 5.59% | 3.02% |
| Wasatch | 0.31% | 0.41% |
| Wellington Technical Eq | 8.20% | 8.59% |
| Total Domestic Equity | 5.79% | 3.98% |
| <u>FIXED INCOME</u> | | |
| Brown Bros TIPS | 1.90% | 4.80% |
| Brown Bros Core | 0.41% | 3.23% |
| Fidelity | 0.52% | 3.48% |
| Taplin Canida & Habacht | 3.19% | 6.95% |
| Fixed Income Cash Acct | 0.05% | 0.32% |
| Mackay Shield | 5.09% | 19.80% |
| Total Fixed Income | 1.63% | 5.59% |
| <u>INTERNATIONAL EQUITY</u> | | |
| Total International Equity | 13.38% | 11.11% |

*Total Fund Composite includes all classes ex PE & RE

**Market Valuation Report
May 31, 2009**

Market Values

The total portfolio value increased in May by \$231.9 million to \$6.050 billion. This compares with an increase in value of \$86 million for the same period in 2008. The Domestic Equity Market values increased by \$177.8 million, including transfers in of \$38.1 Million; Fixed Income decreased by \$17.3 million including transfers out of \$42.5 million; while International Values increased by \$90.7 million, including transfers out of \$39.6 million. The Cash Accounts decreased by \$1.0 million including transfers out of \$2.9 million, and Alternative Investments decreased by \$18.3 million, including transfers in of \$1.3 million.



Cash Flow

May pension payroll of \$67.1 million was more than the \$24.9 million in contributions and wire transfers received by \$42.2 million.

To meet pension and other obligations, \$45.7 million was transferred from long-term investments.

Alternative Investments

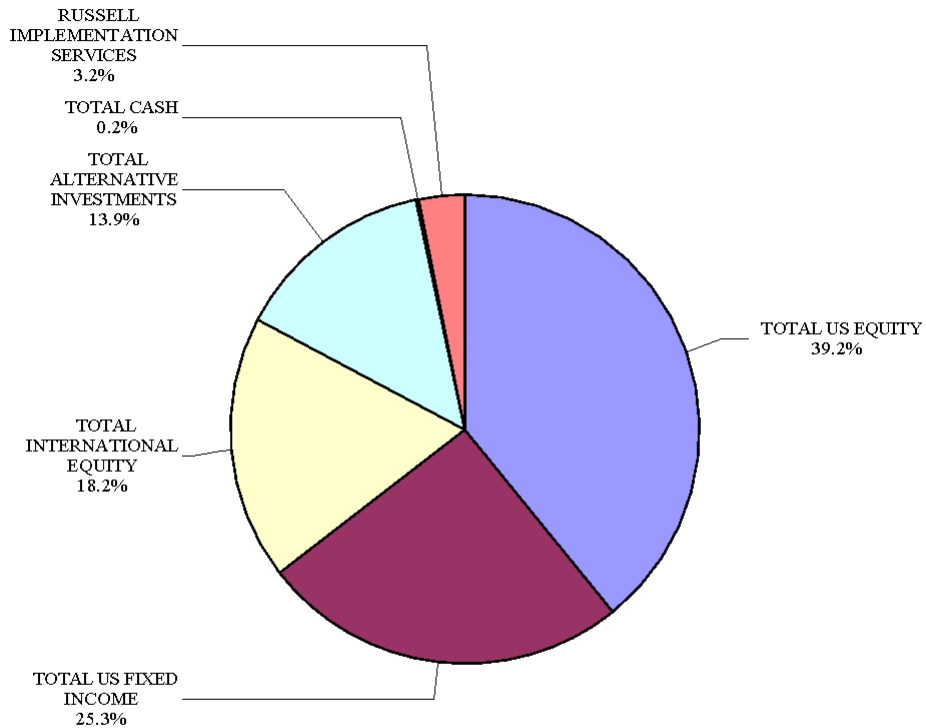
At this time the alternative investment asset class has unfunded commitments of approximately \$384.7 million on commitments of \$1,414 million.

CAPITAL CALLS Net of Distributions

| May 2009 | FYTD | UNFUNDED BALANCE |
|--------------|--------------|---------------------|
| \$1,183,924 | \$47,666,611 | \$384,712,900 |
| May 2008 | FYTD | UNFUNDED BALANCE |
| \$21,278,866 | \$85,564,556 | \$396,402,614 |

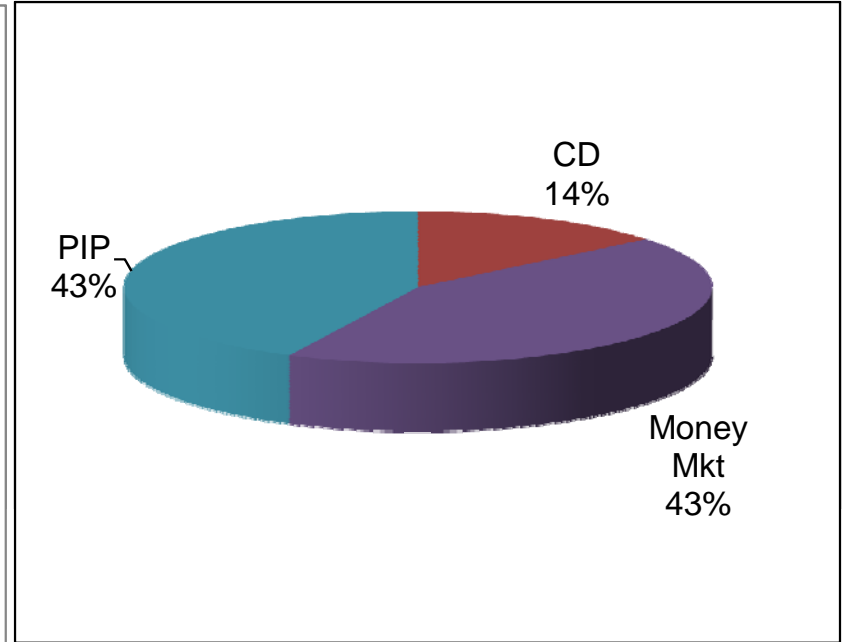
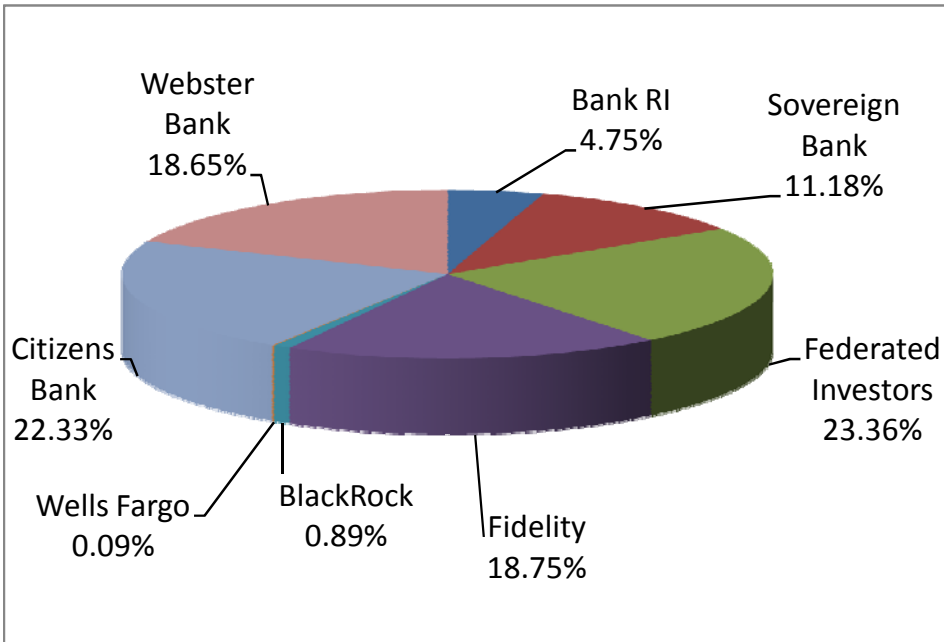


CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)



| FUND | CURRENT PERIOD |
|---------------------------------|----------------|
| TOTAL US EQUITY | 2,370.5 |
| TOTAL US FIXED INCOME | 1,532.6 |
| TOTAL INTERNATIONAL EQUITY | 1,100.4 |
| TOTAL ALTERNATIVE INVESTMENTS | 843.8 |
| TOTAL CASH | 10.2 |
| RUSSELL IMPLEMENTATION SERVICES | 192.0 |
| TOTAL | 6,049.5 |

**RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT:
May 31, 2009**



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

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

**Issuer Credit Ratings
May, 2009**

| Issuer | Type of Instrument | Month End % Portfolio | Issuer Ratings | | S-T Debt Rating | | L-T Debt Rating | | Credit Outlook |
|--------------------------------|--------------------|-----------------------|----------------|--|-----------------|------|-----------------|-----|----------------|
| | | | Moody's | | Moody's | S&P | Moody's | S&P | S&P |
| Bank RI | 3,4 | 4.75% | | | | N/R | | N/R | |
| JP Morgan Chase | 2,3,5 | | Aa3 | | P-1 | A-1 | Aa3 | A+ | Negative |
| BlackRock Inc. | 6 | 0.89% | A1 | | P-1 | A-1+ | A1 | AA- | Negative |
| RBS Citizens | 3,4 | 22.33% | | | P-1 | A-1 | A1 | A | Stable |
| Federated | 6 | 23.36% | | | | N/R | | N/R | N/R |
| Fidelity | 6 | 18.75% | | | | N/R | | N/R | N/R |
| Merrill Lynch | 2,5,6 | | A2 | | P-1 | A-1 | A2 | A | Stable |
| Morgan Stanley | 1,2,5 | | A2 | | P-1 | A-1 | A2 | A | Negative |
| Sovereign Bank | 3,4 | 11.18% | Aa1 | | P-1 | A-1+ | Aa1 | AA | Negative |
| State Street Bank & Trust Comp | 1,3 | | A1 | | P-1 | A-1 | A1 | A+ | Negative |
| Webster Bank | 3,4 | 18.65% | A2 | | P-1 | A-2 | | BBB | Negative |
| Wells Fargo | 6 | 0.09% | A1 | | P-1 | A-1+ | A1 | AA- | Negative |

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
 - BBB, 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.

PERFORMANCE



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

Frank T. Caprio
General Treasurer

June 24, 2009

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 May 31, 2009

Employees' Retirement System of Rhode Island

Composite Reporting Investment Valuation

May 31, 2009

| Asset Class | | |
|----------------------------------|----------------|----------------------|
| Cash/Short Term Investments | | 348,341,449 |
| Equities - Domestic | | 2,342,202,762 |
| Equities - International | | 1,100,195,329 |
| <i>Fixed Income - Government</i> | \$940,709,935 | |
| <i>Fixed Income - Corporate</i> | \$474,438,082 | |
| <i>Fixed Income - In State</i> | \$0 | |
| Total Fixed Income | | 1,415,148,016 |
| Alternative Investments | | 549,316,350 |
| Real Estate | | 294,335,362 |
| Total Fund Investments | | 6,049,539,267 |
| Plan Allocation | | |
| State Employees & Teachers | 84.12% | 5,088,830,164 |
| Municipal Employees | 14.68% | 888,289,634 |
| State Police | 0.74% | 44,838,877 |
| Judicial | 0.46% | 27,580,594 |
| Total Fund Investments | 100.00% | 6,049,539,267 |

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 May 31, 2009

| | | MKT VAL | % of FUND | 1 Month | 3 Months | YTD | FYTD | 1 Year | 2 Years | 3 Years | 5 Years | ITD | Incept Date |
|--------------------------------------|--|----------------------|---------------|--------------|---------------|---------------|----------------|----------------|----------------|--------------|--------------|----------------|--------------------------|
| DOMESTIC EQUITY | | | | | | | | | | | | | |
| Index | | | | | | | | | | | | | |
| | SSGA S&P 500 INDEX FUND S&P 500 | 1,366,311,213 | 22.59 | 5.6 5.6 | 25.8 25.8 | 3.0 3.0 | -26.2 -26.4 | -32.4 -32.6 | -20.6 -20.7 | | | -12.5 -12.6 | 11/01/2006 |
| | RUSSELL 2000 INDEX FUND RUSSELL 2000 | 519,496,139 | 8.59 | 3.0 3.0 | 29.5 29.5 | 1.1 | -26.1 | -31.8 | -21.9 | -10.1 | -1.2 | 3.0 2.2 | 05/01/2009 |
| Enhanced | | | | | | | | | | | | | |
| | PIMCO S&P 500 | 343,376,245 | 5.68 | 8.1 5.6 | 30.9 25.8 | 8.9 3.0 | -26.8 -26.4 | -33.6 -32.6 | -20.6 -20.7 | -8.4 -8.2 | -2.1 -1.9 | -2.5 -2.3 | 12/01/2000 |
| Active Core | | | | | | | | | | | | | |
| | SSGA - CORE RUSSELL 1000 | 10,298 | 0.00 | 5.5 | 26.4 | 4.1 | -26.9 | -33.0 | -20.7 | -8.2 | -1.6 | 1.2 | 10/01/1998 |
| | WELLINGTON TECHNICAL EQUITY S&P 500 | 137,595,907 | 2.27 | 8.2 5.6 | 14.0 25.8 | 8.6 3.0 | -16.7 -26.4 | -19.6 -32.6 | | | | -2.3 -20.3 | 08/01/2007 |
| Active Small Cap | | | | | | | | | | | | | |
| | NORTHPOINTE CAPITAL RUSSELL 2000 | 11,449 | 0.00 | 3.0 | 29.5 | 1.1 | -26.1 | -31.8 | -21.9 | -10.1 | -1.2 | 2.2 | 03/01/2002 |
| | WELLINGTON MANAGEMENT CO. LLC RUSSELL 2000 | 12,625 | 0.00 | 3.0 | 29.5 | 1.1 | -26.1 | -31.8 | -21.9 | -10.1 | -1.2 | 2.2 | 03/01/2002 |
| Other | | | | | | | | | | | | | |
| | SHOTT CAPITAL | 1,276,385 | 0.02 | | | | | | | -15.9 | | | 04/01/1999 |
| | TRANSITION ACCOUNT DOMESTIC | 2,399,678 | 0.04 | | | | | | | | | | 03/01/2009 |
| TOTAL US EQUITY | | 2,370,489,940 | 39.18 | 5.8 | 25.4 | 4.0 | -26.5 | -32.2 | -20.9 | -8.8 | -1.4 | 7.9 | 03/01/1989 |
| DOW WILSHIRE 5000 FREE FLOAT | | | | 5.3 | 26.5 | 4.1 | -26.7 | -32.6 | -20.6 | -8.2 | -1.3 | 8.2 | |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | |
| Index | | | | | | | | | | | | | |
| | MSCI EX US INDEX FUND MSCI AC WORLD ex US (NET) | 1,094,052,886 | 18.08 | 13.6 13.5 | | | | | | | | 13.6 13.5 | 05/01/2009 |
| Active | | | | | | | | | | | | | |
| | GOLDMAN SACHS MSCI AC WORLD ex US (GROSS) | 1,849,181 | 0.03 | 13.7 | 39.8 | 15.6 | -29.8 | -35.6 | -18.5 | -5.0 | | 6.0 | 08/01/2004 |
| | THE BOSTON COMPANY MSCI AC WORLD ex US (GROSS) | 1,514,639 | 0.03 | 13.7 | 39.8 | 15.6 | -29.8 | -35.6 | -18.5 | -5.0 | | 6.0 | 12/01/2004 |
| | MONDRIAN MSCI AC WORLD ex US (GROSS) | 1,187,350 | 0.02 | 13.7 | 39.8 | 15.6 | -29.8 | -35.6 | -18.5 | -5.0 | | 6.0 | 05/01/2004 |
| | TRANSITION ACCOUNT INT EQUITY BANK OF IRELAND | 1,826,524 1 | 0.03 0.00 | | | | | | | | | | 06/01/2003 05/01/2001 |
| TOTAL INTERNATIONAL EQUITY | | 1,100,430,580 | 18.19 | 13.4 | 34.5 | 11.1 | -24.7 | -30.8 | -17.7 | -5.0 | 5.4 | 3.9 | 03/01/1989 |
| MSCI AC WORLD ex US (GROSS) | | | | 13.7 | 39.8 | 15.6 | -29.8 | -35.6 | -18.5 | -5.0 | 5.6 | 4.5 | |
| U.S. FIXED INCOME | | | | | | | | | | | | | |
| Core | | | | | | | | | | | | | |
| | BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG | 323,186,089 | 5.34 | 0.4 0.5 | 2.3 2.0 | 3.2 0.8 | 5.2 6.4 | 5.3 6.5 | 4.2 6.9 | 5.0 6.8 | 4.5 5.4 | 6.5 7.2 | 03/01/1990 |
| Mortgage | | | | | | | | | | | | | |
| | PYRAMIS GLOBAL ADVISORS BC MBS | 413,987,257 | 6.84 | 0.5 0.3 | 2.6 2.0 | 3.5 2.8 | 7.5 9.3 | 7.8 9.2 | 5.6 8.3 | 6.0 7.9 | 5.3 6.1 | 7.5 7.3 | 10/01/1989 |
| Corporates | | | | | | | | | | | | | |
| | TAPLIN, CANIDA & HABACHT BC CREDIT | 285,968,456 | 4.73 | 3.2 3.4 | 7.4 6.2 | 7.0 4.3 | -5.1 1.6 | -5.5 1.1 | -2.8 2.5 | 0.7 4.1 | 2.2 3.7 | 5.6 5.9 | 04/01/1996 |
| High Yield | | | | | | | | | | | | | |
| | MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD | 125,516,716 | 2.07 | 5.1 5.4 | 15.4 18.4 | 19.8 22.8 | -7.1 -8.3 | -8.1 -10.5 | -4.9 -6.0 | 0.8 0.0 | 4.1 3.4 | 9.5 7.5 | 10/01/2002 |
| TIPS | | | | | | | | | | | | | |
| | BROWN BROTHERS HARRIMAN - TIPS BC U.S. TIPS | 362,815,087 | 6.00 | 1.9 2.1 | 5.9 6.1 | 4.8 5.7 | -0.4 -1.6 | 1.4 -0.1 | 7.1 6.4 | 6.0 5.7 | 5.2 4.9 | 5.2 4.9 | 06/01/2004 |
| Other | | | | | | | | | | | | | |
| | FIXED INCOME CASH ACCOUNT | 21,131,707 | 0.35 | 0.1 | 0.2 | 0.3 | 1.4 | 1.6 | 3.1 | | | 3.2 | 04/01/2007 |
| TOTAL US FIXED INCOME | | 1,532,605,312 | 25.33 | 1.6 | 5.3 | 5.6 | 1.9 | 2.4 | 3.7 | 4.8 | 4.7 | 6.2 | 12/01/1992 |
| BC AGGREGATE | | | | 0.7 | 2.6 | 1.3 | 5.5 | 5.4 | 6.1 | 6.3 | 5.0 | 6.4 | |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | | | |
| | REAL ESTATE NCREIF PROPERTY LAG + 100 BPS | 294,336,096 | 4.87 | -2.8 0.1 | -16.3 -7.9 | -24.5 -7.8 | -25.8 -7.0 | -26.0 -5.4 | -4.8 5.1 | -1.1 9.1 | | 0.5 12.1 | 01/01/2005 |
| | PRIVATE EQUITY S&P 500 PLUS 300 BP | 549,439,948 | 9.08 | -2.0 5.7 | -11.9 26.2 | -16.0 4.9 | -22.3 -21.9 | -22.8 -28.0 | -2.1 -16.6 | 1.6 -4.4 | 8.5 1.7 | 8.2 11.9 | 01/01/1989 |
| TOTAL ALTERNATIVE INVESTMENTS | | 843,776,044 | 13.95 | -2.3 | -13.5 | -19.2 | -23.6 | -23.9 | -3.1 | 0.6 | 7.6 | 8.1 | 04/01/1996 |
| TOTAL ALTERNATIVES BENCHMARK | | | | 3.4 | 11.6 | 0.1 | -15.6 | -19.0 | -8.2 | 1.0 | 6.0 | | |
| RE-BALANCING | | | | | | | | | | | | | |
| | RUSSELL IMPLEMENTATION SERVICES | 192,017,097 | 3.17 | 0.3 | 1.5 | 0.4 | | | | | | -0.5 | 09/01/2008 |
| CASH | | | | | | | | | | | | | |
| | CASH ACCOUNT (INSIDE) | 3,802,857 | 0.06 | | | | | | | | | | 07/01/2000 |
| | CASH ACCOUNT (OUTSIDE) | 6,417,438 | 0.11 | | | | | | | | | | 07/01/2000 |
| TOTAL PLAN | | 6,049,539,267 | 100.00 | 4.9 | 14.9 | 1.9 | -19.3 | -23.2 | -12.5 | -3.5 | 2.6 | 8.8 | 01/01/1984 |
| TOTAL PLAN BENCHMARK | | | | 0.1 | 0.2 | 0.3 | 1.5 | 1.7 | 6.2 | 6.6 | 8.1 | 24.7 | |

* As of 4/31/2006 Total Plan Benchmark consists of 42.5% Wilshire 5000, 20% MSCI AC World ex U.S., 25% BC Aggregate, 7.5% S&P 500 + 300 BP, 5% NCREIF Property Qtr Lag

State of Rhode Island
Summary of Performance
Rates of Return
PERIODS ENDING May 31, 2009

| | | MKT VAL | % of FUND | 6 YEARS | 7 YEARS | 8 YEARS | 9 YEARS | 10 YEARS | ITD | Incept Date |
|--------------------------------------|---|----------------------|--------------|-------------|------------|-------------|-------------|-------------|----------------|--------------------------|
| DOMESTIC EQUITY | | | | | | | | | | |
| Index | | | | | | | | | | |
| | SSGA S&P 500 INDEX FUND S&P 500 | 1,366,311,213 | 22.6 | 1.2 | -0.2 | -2.0 | -3.0 | -1.7 | -12.5 -12.6 | 11/01/2006 |
| | RUSSELL 2000 INDEX FUND RUSSELL 2000 | 519,496,139 | 8.6 | 3.5 | 1.7 | 1.5 | 1.9 | 2.7 | 3.0 2.2 | 05/01/2009 |
| Enhanced | | | | | | | | | | |
| | PIMCO S&P 500 | 343,376,245 | 5.7 | 1.0 | -0.3 | -2.0 | -3.0 | -1.7 | -2.5 -2.3 | 12/01/2000 |
| Active Core | | | | | | | | | | |
| | SSGA - CORE RUSSELL 1000 | 10,298 | 0.0 | 1.6 | 0.2 | -1.6 | -2.7 | -1.3 | 1.2 | 10/01/1998 |
| Active Small Cap | | | | | | | | | | |
| | WELLINGTON TECHNICAL EQUITY S&P 500 | 137,595,907 | 2.3 | 1.2 | -0.2 | -2.0 | -3.0 | -1.7 | -2.3 -20.3 | 08/01/2007 |
| | NORTHPOINTE CAPITAL RUSSELL 2000 | 11,449 | 0.0 | 3.5 | 1.7 | 1.5 | 1.9 | 2.7 | 2.2 | 03/01/2002 |
| | WELLINGTON MANAGEMENT CO, LLC RUSSELL 2000 | 12,625 | 0.0 | 3.5 | 1.7 | 1.5 | 1.9 | 2.7 | 2.2 | 03/01/2002 |
| Other | | | | | | | | | | |
| | SHOTT CAPITAL | 1,276,385 | 0.0 | | | | | | | 04/01/1999 |
| | TRANSITION ACCOUNT DOMESTIC | 2,399,678 | 0.0 | | | | | | | 03/01/2009 |
| TOTAL US EQUITY | | 2,370,489,940 | 39.2 | 2.3 | 0.9 | -0.8 | -3.1 | -1.0 | 7.9 | 03/01/1989 |
| DOW WILSHIRE 5000 FREE FLOAT | | | | 2.1 | 0.7 | -1.0 | -2.0 | -0.9 | 8.2 | |
| INTERNATIONAL EQUITY | | | | | | | | | | |
| Index | | | | | | | | | | |
| | MSCI EX US INDEX FUND MSCI EAFE (NET) | 1,094,052,886 | 18.08 | 7.3 | 4.3 | 2.4 | 0.0 | 1.6 | 13.5 0.0 | 39934.0 |
| Active | | | | | | | | | | |
| | GOLDMAN SACHS MSCI AC WORLD ex US (GROSS) | 1,849,181 | 0.0 | 9.8 | 6.6 | 4.7 | 2.0 | 3.5 | 6.0 | 08/01/2004 |
| | THE BOSTON COMPANY MSCI AC WORLD ex US (GROSS) | 1,514,639 | 0.0 | 9.8 | 6.6 | 4.7 | 2.0 | 3.5 | 6.0 | 12/01/2004 |
| | MONDRIAN MSCI AC WORLD ex US (GROSS) | 1,187,350 | 0.0 | 9.8 | 6.6 | 4.7 | 2.0 | 3.5 | 6.0 | 05/01/2004 |
| | TRANSITION ACCOUNT INT EQUITY BANK OF IRELAND | 1,826,524 1 | 0.0 0.0 | | | | | | | 06/01/2003 05/01/2001 |
| TOTAL INTERNATIONAL EQUITY | | 1,100,430,580 | 18.2 | 8.7 | 5.4 | 3.7 | 0.1 | 2.8 | 3.9 | 03/01/1989 |
| MSCI AC WORLD ex US (GROSS) | | | | 9.8 | 6.6 | 4.7 | 2.0 | 3.5 | 4.5 | |
| U.S. FIXED INCOME | | | | | | | | | | |
| Core | | | | | | | | | | |
| | BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG | 323,186,089 | 5.3 | 3.9 4.4 | 5.1 5.4 | 5.5 5.7 | 6.3 6.5 | 5.8 6.1 | 6.5 7.2 | 03/01/1990 |
| Mortgage | | | | | | | | | | |
| | PYRAMIS GLOBAL ADVISORS BC MBS | 413,987,257 | 6.8 | 4.8 5.4 | 5.2 5.5 | 5.7 5.9 | 6.5 6.7 | 6.1 6.2 | 7.5 7.3 | 10/01/1989 |
| Corporates | | | | | | | | | | |
| | TAPLIN, CANIDA & HABACHT BC CREDIT | 285,968,456 | 4.7 | 2.3 3.0 | 4.2 4.7 | 4.3 5.1 | 5.3 6.1 | 4.8 5.5 | 5.6 5.9 | 04/01/1996 |
| High Yield | | | | | | | | | | |
| | MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD | 125,516,716 | 2.1 | 6.1 5.0 | 6.1 | 5.8 | 5.6 | 4.7 | 9.5 7.5 | 10/01/2002 |
| TIPS | | | | | | | | | | |
| | BROWN BROTHERS HARRIMAN - TIPS BC U.S. TIPS | 362,815,087 | 6.0 | 4.5 | 6.4 | 6.5 | 7.3 | 7.2 | 5.2 4.9 | 06/01/2004 |
| Other | | | | | | | | | | |
| | FIXED INCOME CASH ACCOUNT | 21,131,707 | 0.4 | | | | | | 3.2 | 04/01/2007 |
| TOTAL US FIXED INCOME | | 1,532,605,312 | 25.3 | 4.4 | 5.4 | 5.4 | 5.9 | 5.7 | 6.2 | 12/01/1992 |
| BC AGGREGATE | | | | 4.1 | 5.1 | 5.5 | 6.3 | 5.9 | 6.4 | |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | |
| | REAL ESTATE NCREIF PROPERTY INDEX QTR LAG | 294,336,096 | 4.9 | 11.2 | 10.6 | 10.2 | 10.4 | 10.5 | 0.5 12.1 | 01/01/2005 |
| | PRIVATE EQUITY S&P 500 PLUS 300 BP | 549,439,948 | 9.1 | 11.5 4.8 | 8.3 3.4 | 7.4 1.6 | 3.9 0.6 | 7.4 1.9 | 8.2 11.9 | 01/01/1989 |
| TOTAL ALTERNATIVE INVESTMENTS | | 843,776,044 | 14.0 | 10.6 | 7.7 | 6.7 | 3.8 | 5.8 | 8.1 | 04/01/1996 |
| TOTAL ALTERNATIVES BENCHMARK | | | | 7.6 | 6.6 | 5.3 | | | | |
| RE-BALANCING | | | | | | | | | | |
| | RUSSELL IMPLEMENTATION SERVICES | 192,017,097 | 3.2 | | | | | | -0.5 | 09/01/2008 |
| CASH | | | | | | | | | | |
| | CASH ACCOUNT (INSIDE) | 3,802,857 | 0.1 | | | | | | | 07/01/2000 |
| | CASH ACCOUNT (OUTSIDE) | 6,417,438 | 0.1 | | | | | | | 07/01/2000 |
| TOTAL PLAN | | 6,049,539,267 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8.8 | 01/01/1984 |
| TOTAL PLAN BENCHMARK | | | | 5.2 | 4.1 | 2.8 | 1.9 | 2.7 | 24.7 | |

* As of 4/31/2006 Total Plan Benchmark consists of 42.5% Wilshire 5000, 20% MSCI AC World ex U.S., 25% BC Aggregate, 7.5% S&P 500 + 300 BP, 5% NCREIF Property Qtr Lag

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING May 31, 2009



STATE STREET

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% BC 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% BC AGG / 22.5% MSCI AC WORLD FREE ex USA

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

ERSRI Monthly Market Value Report With Time Weighted Returns

May 31, 2009

| | Calendar YTD | | | Benchmark Description | Current Month | | | Valuation Change | | | |
|-----------------------------------|----------------|--------------|---------------|------------------------|---------------|--------------|---------------|----------------------|---------------------|----------------------|---------------------|
| | Performance | Benchmark | Alpha | | Performance | Benchmark | Alpha | Market Value | Transfers | Market Value | Market Value |
| | | | | | | | | 4/30/2009 | In/(out) | 5/31/2009 | Increase/Decrease |
| Domestic Equity | | | | | | | | | | | |
| Shott Capital Management IRR | -0.88% | 2.96% | -3.84% | S & P 500 | 0.05% | 5.59% | -5.54% | 1,275,758 | - | 1,276,385 | 627 |
| SSgA S&P 500 | 3.02% | 2.96% | 0.06% | S & P 500 | 5.59% | 5.59% | 0.00% | 1,273,997,419 | 21,147,425 | 1,366,311,213 | 71,166,368 |
| SSgA Core | | 4.07% | | Russell 1000 | | 5.53% | | 86,815 | (62,718) | 10,298 | (13,799) |
| PIMCO | 8.86% | 2.96% | 5.90% | PIMCO | 8.09% | 5.59% | 2.50% | 317,674,472 | 15,433 | 343,376,245 | 25,686,341 |
| NorthPointe Capital | | 1.14% | | Russell 2000 | | 3.01% | | 74,242 | 332,532 | 11,449 | (395,325) |
| Wellington Mgmt | | 1.14% | | Russell 2000 | | 3.01% | | 172,695 | (160,125) | 12,625 | 55 |
| Russell Overlay | 0.41% | | | | 0.31% | | | 173,777,209 | - | 192,017,097 | 18,239,888 |
| Wellington Tech Eq | 8.59% | 2.96% | 5.63% | S & P 500 | 8.20% | 5.59% | 2.61% | 127,170,224 | - | 137,595,907 | 10,425,683 |
| Russell 2000 Index Fund | | | | Russell 2000 | 2.99% | 3.01% | -0.02% | 488,119,732 | 16,800,000 | 519,496,139 | 14,576,407 |
| Transition Account | N/A | N/A | N/A | | N/A | N/A | N/A | | - | | - |
| Total Domestic Equity | 3.98% | | | | 5.79% | | | 2,382,348,566 | 38,072,547 | 2,560,107,359 | 139,686,246 |
| International Equity | | | | | | | | | | | |
| Boston Company | | 15.59% | | MSCI ACWI | | 13.69% | | 3,792,391 | (1,568,039) | 1,514,640 | (709,712) |
| Goldman Sachs | | 15.59% | | MSCI ACWI | | 13.69% | | 7,354,148 | (4,662,982) | 1,849,181 | (841,985) |
| Transition Account | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 53,165,029 | (52,497,170) | 4,226,203 | 3,558,343 |
| Mondrian | | 15.59% | | MSCI ACWI | | 13.69% | | 1,465,080 | (343,926) | 1,187,350 | 66,195 |
| MSCI Ex US Index Fund | | | | MSCI Ex US Index Fund | 13.55% | 13.54% | 0.01% | 946,354,526 | 19,500,000 | 1,094,052,886 | 128,198,359 |
| Total International Equity | 11.11% | | | | 13.38% | | | 1,012,131,175 | (39,572,117) | 1,102,830,258 | 130,271,200 |
| Fixed Income | | | | | | | | | | | |
| Fidelity Management & Research | 3.48% | 2.79% | 0.69% | Lehman Mortgage Backed | 0.52% | 0.29% | 0.23% | 411,832,198 | 8,213 | 413,987,257 | 2,146,846 |
| Brown Brothers, Harriman | 3.23% | 0.79% | 2.44% | Salomon Brd Inv Grade | 0.41% | 0.51% | -0.10% | 321,850,588 | 8,232 | 323,186,089 | 1,327,268 |
| Taplin, Canida & Habacht | 6.95% | 4.34% | 2.61% | Lehman Credit Index | 3.19% | 3.38% | -0.19% | 277,126,244 | 3,744 | 285,968,456 | 8,838,469 |
| Mackay Shields | 19.80% | 22.81% | -3.01% | CS First BoshIYield | 5.09% | 5.44% | -0.35% | 119,417,837 | 14,516 | 125,516,716 | 6,084,363 |
| Brown Bros TIPS | 4.80% | 5.73% | -0.93% | Lehman US TIPS Index | 1.90% | 2.10% | -0.20% | 356,051,705 | 13,446 | 362,815,087 | 6,749,936 |
| Fixed Income Cash Acct | 0.32% | | | | 0.05% | | | 63,615,147 | (42,512,275) | 21,131,707 | 28,835 |
| Transition Account | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | - | | - |
| Total Fixed Income | 5.59% | | | | 1.63% | | | 1,549,893,719 | (42,464,124) | 1,532,605,312 | 25,175,717 |
| Alternative Investments | | | | | | | | | | | |
| Private Equity | -16.04% | 4.94% | -20.98% | N/A | -1.96% | 5.73% | -7.69% | 559,339,750 | 1,183,924 | 549,439,948 | (11,083,726) |
| Real Estate | -24.45% | -7.77% | -16.68% | NCREIF + 100 | -2.81% | 0.08% | -2.89% | 302,746,487 | 112,261 | 294,336,096 | (8,522,653) |
| Total Alternatives | -19.18% | | | | -2.26% | | | 862,086,237 | 1,296,185 | 843,776,044 | (19,606,379) |
| Cash Accounts | | | | | | | | | | | |
| Cash in Trust | 0.32% | N/A | N/A | | 0.05% | N/A | N/A | 6,018,248 | (2,159,491) | 3,802,857 | (55,900) |
| Cash Outside Trust | 0.16% | N/A | N/A | | 0.03% | N/A | N/A | 5,168,775 | (700,000) | 6,417,438 | 1,948,663 |
| Total Cash | 0.26% | | | | 0.04% | | | 11,187,023 | (2,859,491) | 10,220,295 | 1,892,763 |
| Total Plan Ex PE & RE | 6.32% | 6.25% | 0.07% | | 6.14% | 5.91% | 0.23% | 5,817,646,720 | (45,527,000) | 6,049,539,267 | 277,419,548 |
| Total Plan | 1.92% | 5.49% | -3.57% | | 4.89% | 5.60% | -0.71% | | | | |

*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
 7.5% S&P500 plus 300bps

State of Rhode Island

RATES OF RETURN - Total

Periods Ending May 31, 2009



STATE STREET

PERFORMANCE SUMMARY REPORT

| | Benchmark | 1 Month Return | | | Calendar YTD Return | | | Value (000) | Net Flow (000) |
|----------------------------------|-----------------------------|----------------|-------|--------|---------------------|-------|--------|-------------|----------------|
| | | Fund | Index | Excess | Fund | Index | Excess | | |
| U.S. EQUITY | | | | | | | | | |
| SSGA S&P 500 INDEX FUND | S&P 500 | 5.59 | 5.59 | 0.00 | 3.02 | 2.96 | 0.06 | 1,366,311 | 21,147 |
| SSGA - CORE | RUSSELL 1000 | | 5.53 | | | 4.07 | | 10 | -63 |
| PIMCO | S&P 500 | 8.09 | 5.59 | 2.50 | 8.86 | 2.96 | 5.90 | 343,376 | 15 |
| NORTHPOINTE CAPITAL | RUSSELL 2000 | | 3.01 | | | 1.14 | | 11 | -63 |
| WELLINGTON MANAGEMENT CO. LLC | RUSSELL 2000 | | 3.01 | | | 1.14 | | 13 | -160 |
| SHOTT CAPITAL | S&P 500 | 0.05 | 5.59 | -5.54 | -0.88 | 2.96 | -3.84 | 1,276 | 0 |
| WELLINGTON TECHNICAL EQUITY | S&P 500 | 8.20 | 5.59 | 2.61 | 8.59 | 2.96 | 5.63 | 137,596 | 0 |
| RUSSELL 2000 INDEX FUND | RUSSELL 2000 | 2.99 | 3.01 | -0.02 | | | | 519,496 | 16,800 |
| TRANSITION ACCOUNT DOMESTIC | | | | | | | | 2,400 | -55,472 |
| TOTAL US EQUITY | WILSHIRE 5000 | 5.79 | 5.30 | 0.49 | 3.98 | 4.09 | -0.11 | 2,370,490 | -17,795 |
| INTERNATIONAL EQUITY | | | | | | | | | |
| THE BOSTON COMPANY | MSCI AC WORLD ex US (GROSS) | | 13.69 | | | 15.59 | | 1,515 | -2,440 |
| GOLDMAN SACHS | MSCI AC WORLD ex US (GROSS) | | 13.69 | | | 15.59 | | 1,849 | -4,919 |
| MONDRIAN | MSCI AC WORLD ex US (GROSS) | | 13.69 | | | 15.59 | | 1,187 | -344 |
| MSCI EX US INDEX FUND | MSCI AC WORLD ex US (NET) | 13.55 | 13.54 | 0.01 | | | | 1,094,053 | 19,180 |
| TRANSITION ACCOUNT INTERNATIONAL | | | | | | | | 1,827 | -4,062 |
| TOTAL INTERNATIONAL EQUITY | MSCI AC WORLD ex US (GROSS) | 13.38 | 13.69 | -0.31 | 11.11 | 15.59 | -4.48 | 1,100,431 | 7,416 |
| U.S. FIXED INCOME | | | | | | | | | |
| PYRAMIS GLOBAL ADVISORS | BC MBS | 0.52 | 0.29 | 0.23 | 3.48 | 2.79 | 0.69 | 413,987 | 8 |
| BROWN BROTHERS HARRIMAN - CORE | CITIGROUP BIG | 0.41 | 0.51 | -0.10 | 3.23 | 0.79 | 2.44 | 323,186 | 8 |
| TAPLIN, CANIDA & HABACHT | BC CREDIT | 3.19 | 3.38 | -0.19 | 6.95 | 4.34 | 2.61 | 285,968 | 4 |
| MACKAY SHIELDS, LLC | CSFB GLOBAL HIGH YIELD | 5.09 | 5.44 | -0.35 | 19.80 | 22.81 | -3.01 | 125,517 | 15 |
| BROWN BROTHERS HARRIMAN - TIPS | BC U.S. TIPS | 1.90 | 2.10 | -0.20 | 4.80 | 5.73 | -0.93 | 362,815 | 13 |
| FIXED INCOME CASH ACCOUNT | | 0.05 | | | 0.32 | | | 21,132 | -42,512 |

State of Rhode Island

RATES OF RETURN - Total

Periods Ending May 31, 2009



STATE STREET

PERFORMANCE SUMMARY REPORT

| | Benchmark | 1 Month Return | | | Calendar YTD Return | | | Value (000) | Net Flow (000) |
|-----------------------|--------------|----------------|-------|--------|---------------------|-------|--------|-------------|----------------|
| | | Fund | Index | Excess | Fund | Index | Excess | | |
| TOTAL US FIXED INCOME | BC AGGREGATE | 1.63 | 0.73 | 0.90 | 5.59 | 1.32 | 4.27 | 1,532,605 | -42,464 |

State of Rhode Island

RATES OF RETURN - Total

Periods Ending May 31, 2009

**STATE STREET****PERFORMANCE SUMMARY REPORT**

| | Benchmark | 1 Month Return | | | Calendar YTD Return | | | Value (000) | Net Flow (000) |
|---------------------------------|-------------------------------|----------------|-------|--------|---------------------|-------|--------|-------------|----------------|
| | | Fund | Index | Excess | Fund | Index | Excess | | |
| ALTERNATIVE INVESTMENTS | | | | | | | | | |
| PRIVATE EQUITY | S&P 500 PLUS 300 BP | -1.96 | 5.73 | -7.69 | -16.04 | 4.94 | -20.98 | 549,440 | 1,034 |
| REAL ESTATE | NCREIF PROPERTY LAG + 100 BPS | -2.81 | 0.08 | -2.89 | -24.45 | -7.77 | -16.68 | 294,336 | 112 |
| TOTAL ALTERNATIVE INVESTMENTS | TOTAL ALTERNATIVES BENCHMARK | -2.26 | 3.44 | -5.70 | -19.18 | 0.13 | -19.31 | 843,776 | 1,146 |
| CASH EQUIVALENTS | | | | | | | | | |
| CASH ACCOUNT (INSIDE) | | 0.05 | | | 0.32 | | | 3,803 | -2,277 |
| CASH ACCOUNT (OUTSIDE) | | 0.03 | | | 0.16 | | | 6,417 | 1,247 |
| TOTAL CASH | | 0.04 | | | 0.26 | | | 10,220 | -1,030 |
| OTHER | | | | | | | | | |
| RUSSELL IMPLEMENTATION SERVICES | | 0.31 | | | 0.41 | | | 192,017 | 0 |
| TOTAL PLAN | | | | | | | | | |
| TOTAL PLAN | TOTAL PLAN BENCHMARK | 4.89 | 5.60 | -0.71 | 1.92 | 5.49 | -3.57 | 6,049,539 | -52,592 |
| TOTAL PLAN ex PE RE | TOTAL PLAN BENCHMARK ex PE RE | 6.14 | 5.91 | 0.23 | 6.32 | 6.25 | 0.07 | 5,205,763 | -53,738 |

State of Rhode Island

TOTAL PLAN

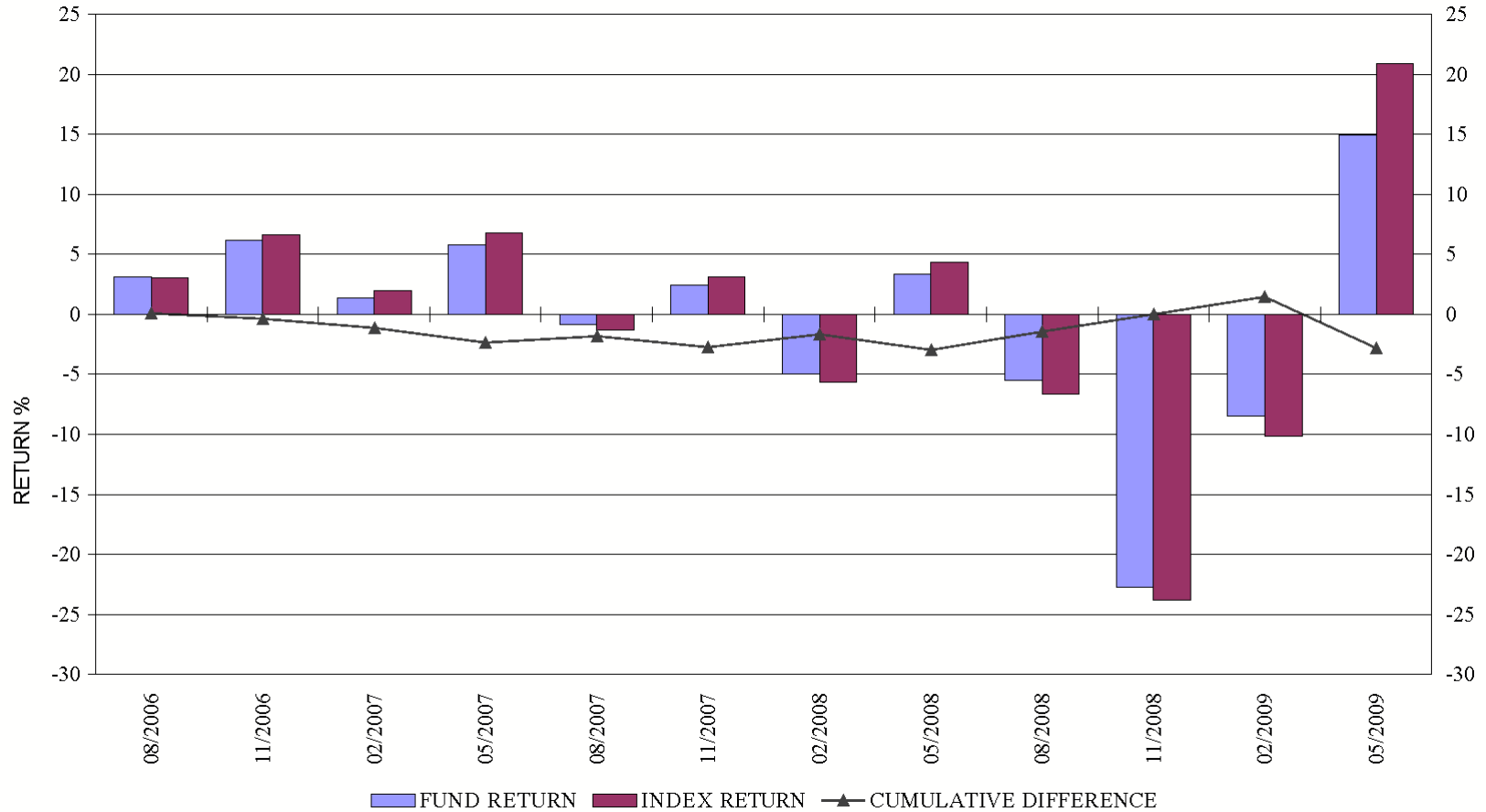
Index: TOTAL PLAN BENCHMARK

PERIODS: May 31, 2006 - May 31, 2009



STATE STREET

CUMULATIVE PERFORMANCE REPORT



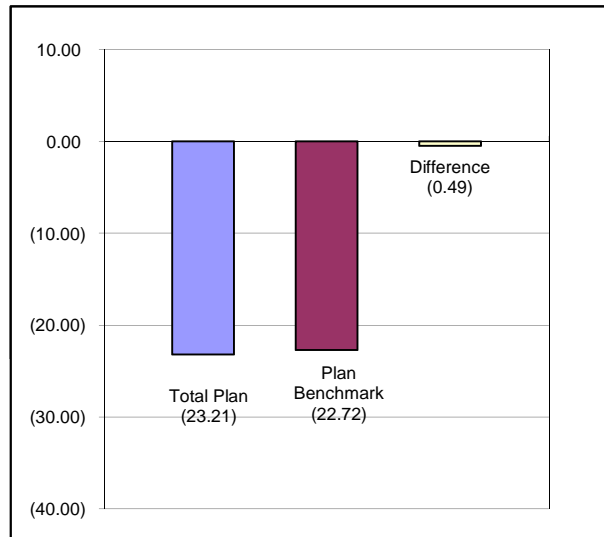
STATE OF RHODE ISLAND

TOTAL PLAN POOL ATTRIBUTION

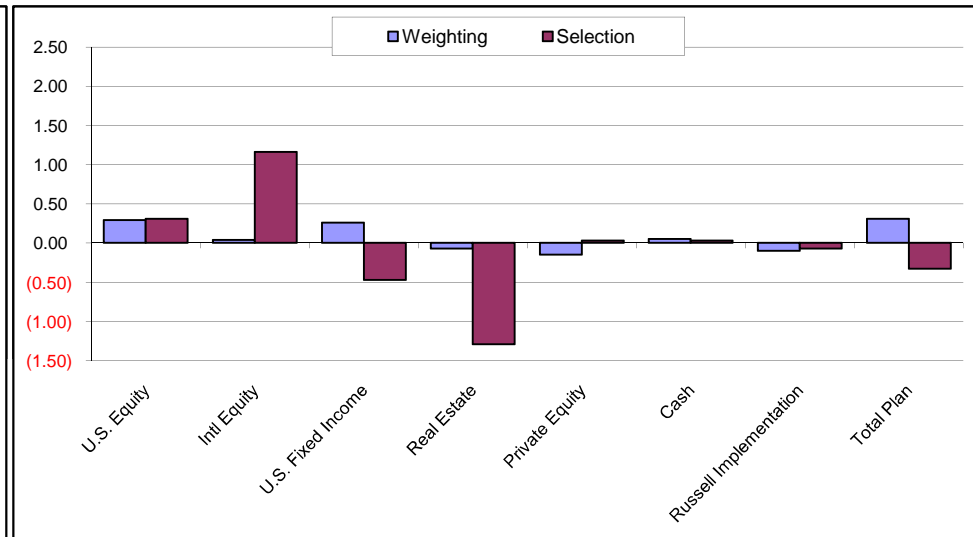
1 Year Ending May 31 2009

Value Added

1 YEAR RETURNS



VALUE ADDED ATTRIBUTION



| | Beginning Weights | | | Returns | | | Value Added | | |
|------------------------|-------------------|---------------|------------|----------------|----------------|---------------|-------------|---------------|---------------|
| | Portfolio | Benchmark | Difference | Portfolio | Benchmark | Difference | Weighting | Selection | Timing |
| U.S. Equity | 42.00 | 42.50 | (0.50) | (32.23) | (32.63) | 0.40 | 0.29 | 0.31 | |
| Intl Equity | 20.00 | 20.00 | 0.00 | (30.80) | (35.50) | 4.70 | 0.04 | 1.16 | |
| U.S. Fixed Income | 25.20 | 25.00 | 0.20 | 2.41 | 5.36 | (2.95) | 0.26 | (0.47) | |
| Real Estate | 4.60 | 5.00 | (0.40) | (25.99) | (6.46) | (19.53) | (0.07) | (1.29) | |
| Private Equity | 8.00 | 7.50 | 0.50 | (22.77) | (27.95) | 5.18 | (0.15) | 0.03 | |
| Cash | 0.10 | 0.00 | 0.10 | 1.29 | 0.16 | 1.13 | 0.05 | 0.03 | |
| Russell Implementation | 0.00 | 0.00 | (0.84) | (0.53) | (27.17) | 26.64 | (0.10) | (0.07) | |
| Total Plan | 100.00 | 100.00 | | (23.21) | (22.72) | (0.49) | 0.31 | (0.33) | (0.60) |

State of Rhode Island

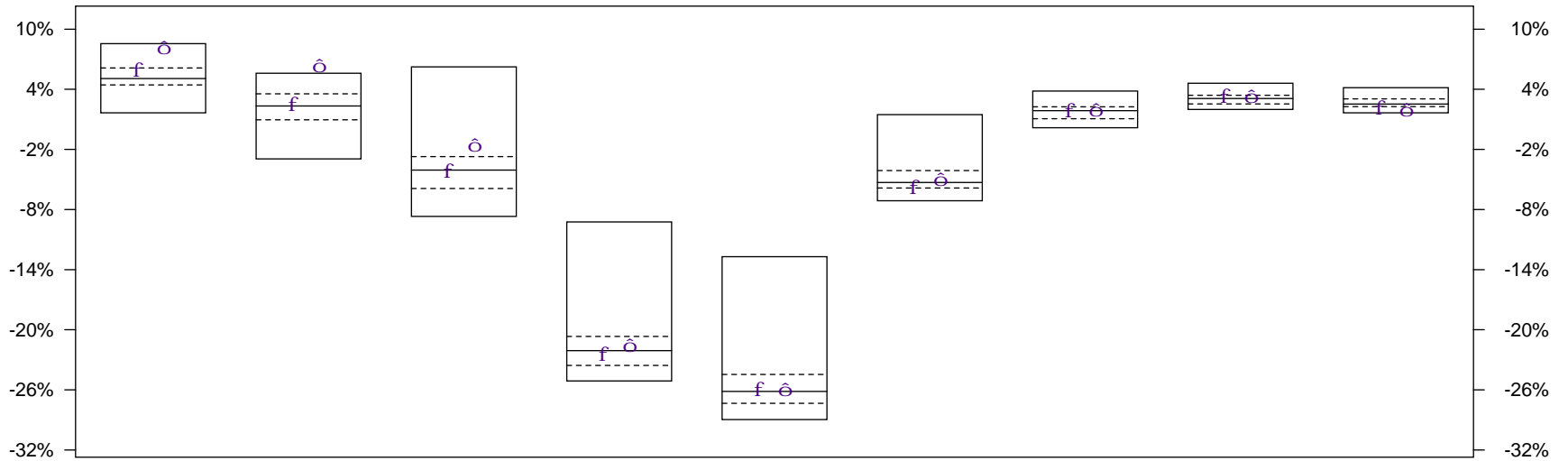
PUBLIC FUNDS (DB) > \$ 1 BILLION (SSC)

PERIOD ENDING April 30, 2009



STATE STREET

TOTAL RETURN



| | 1 Month | | 1 Qtr | | 2 Qtrs | | 3 Qtrs | | 1 Yr | | 3 Yrs | | 5 Yrs | | 7 Yrs | | 10 Yrs | |
|--------------------------|---------|------|-------|------|--------|------|--------|------|--------|------|-------|------|-------|------|-------|------|--------|------|
| | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank |
| 5th Percentile | 8.55 | | 5.60 | | 6.24 | | -9.24 | | -12.71 | | 1.47 | | 3.83 | | 4.61 | | 4.16 | |
| 25th Percentile | 6.13 | | 3.55 | | -2.72 | | -20.67 | | -24.46 | | -4.11 | | 2.25 | | 3.40 | | 3.05 | |
| 50th Percentile | 5.07 | | 2.34 | | -4.06 | | -22.09 | | -26.15 | | -5.30 | | 1.87 | | 3.08 | | 2.53 | |
| 75th Percentile | 4.44 | | 0.96 | | -5.90 | | -23.56 | | -27.34 | | -5.85 | | 1.06 | | 2.54 | | 2.28 | |
| 95th Percentile | 1.65 | | -2.95 | | -8.68 | | -25.11 | | -28.97 | | -7.13 | | 0.16 | | 1.99 | | 1.65 | |
| No. of Obs | 28 | | 27 | | 26 | | 26 | | 26 | | 23 | | 23 | | 23 | | 23 | |
| f TOTAL PLAN | 5.90 | 28 | 2.42 | 47 | -4.23 | 52 | -22.48 | 60 | -26.05 | 45 | -5.87 | 76 | 1.80 | 55 | 3.24 | 34 | 2.10 | 84 |
| o 1 TOTAL PLAN BENCHMARK | 8.07 | 7 | 6.31 | 4 | -1.56 | 12 | -21.57 | 34 | -25.97 | 45 | -5.06 | 38 | 1.89 | 50 | 3.25 | 34 | 1.87 | 93 |

State of Rhode Island

PUBLIC FUNDS (DB) > \$ 1 BILLION (SSC)

PERIOD ENDING April 30, 2009



STATE STREET

TOTAL RETURN

Endnotes

- 1 As of 04/31/2006: 42.5% W5000 / 25.0% BC 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% BC AGG / 22.5% MSCI AC WORLD FREE ex USA

State of Rhode Island

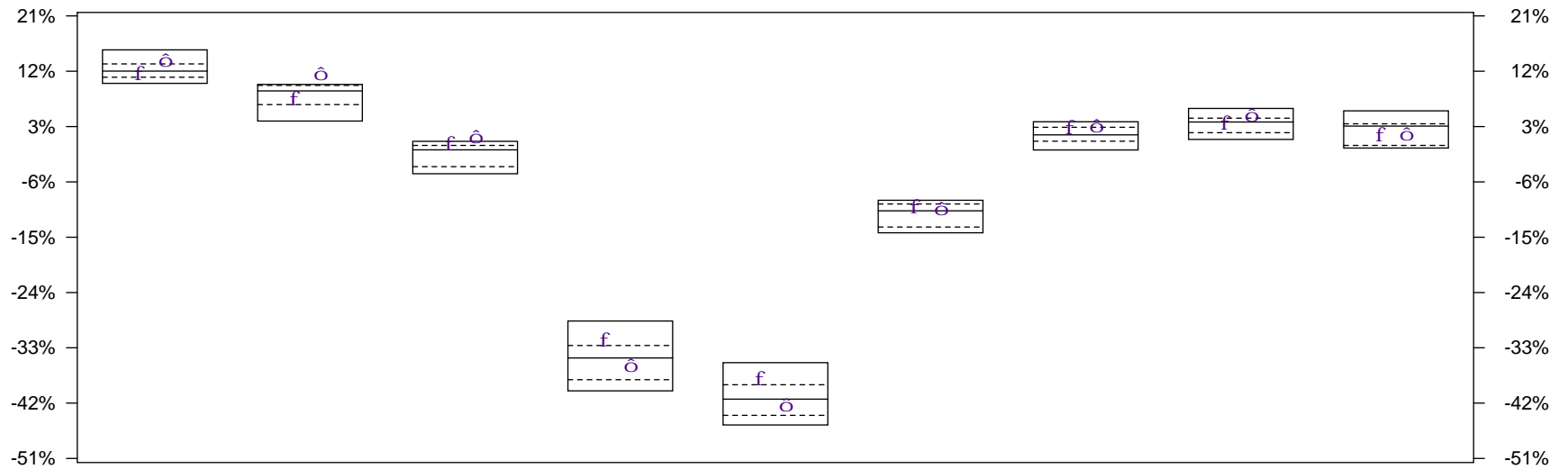
INTL EQTY POOL - PUBLIC (SSC)

PERIOD ENDING April 30, 2009



STATE STREET

TOTAL RETURN



| | 1 Month | | 1 Qtr | | 2 Qtrs | | 3 Qtrs | | 1 Yr | | 3 Yrs | | 5 Yrs | | 7 Yrs | | 10 Yrs | |
|-------------------------------|---------|------|-------|------|--------|------|--------|------|--------|------|--------|------|-------|------|-------|------|--------|------|
| | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank |
| 5th Percentile | 15.47 | | 9.85 | | 0.60 | | -28.63 | | -35.41 | | -8.99 | | 3.79 | | 5.95 | | 5.55 | |
| 25th Percentile | 13.20 | | 9.69 | | -0.07 | | -32.63 | | -39.00 | | -9.60 | | 2.89 | | 4.37 | | 3.45 | |
| 50th Percentile | 12.02 | | 8.81 | | -0.78 | | -34.66 | | -41.36 | | -10.70 | | 1.66 | | 3.75 | | 3.08 | |
| 75th Percentile | 11.02 | | 6.57 | | -3.52 | | -38.19 | | -43.98 | | -13.35 | | 0.62 | | 2.00 | | -0.07 | |
| 95th Percentile | 10.03 | | 3.90 | | -4.67 | | -40.01 | | -45.56 | | -14.29 | | -0.80 | | 0.92 | | -0.50 | |
| No. of Obs | 13 | | 13 | | 13 | | 13 | | 13 | | 13 | | 12 | | 12 | | 11 | |
| f TOTAL INTERNATIONAL | 11.60 | 68 | 7.51 | 64 | 0.05 | 21 | -31.85 | 19 | -38.16 | 19 | -10.21 | 31 | 2.80 | 40 | 3.54 | 54 | 1.54 | 64 |
| o MSCI AC WORLD ex US (GROSS) | 13.75 | 22 | 11.50 | 5 | 1.31 | 5 | -35.95 | 57 | -42.32 | 61 | -10.44 | 38 | 3.02 | 23 | 4.82 | 22 | 1.70 | 63 |

State of Rhode Island

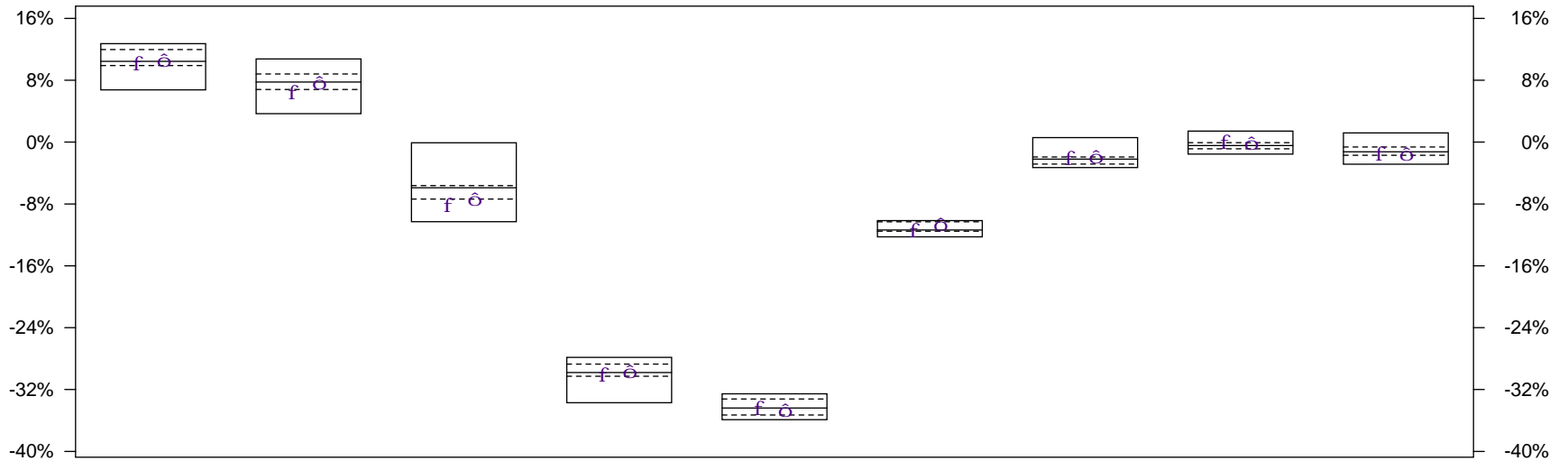
US EQUITY POOLS PUBLIC GT 1BILL (SSC)

PERIOD ENDING April 30, 2009



STATE STREET

TOTAL RETURN



| | 1 Month | | 1 Qtr | | 2 Qtrs | | 3 Qtrs | | 1 Yr | | 3 Yrs | | 5 Yrs | | 7 Yrs | | 10 Yrs | |
|-------------------|---------|------|-------|------|--------|------|--------|------|--------|------|--------|------|-------|------|-------|------|--------|------|
| | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank |
| 5th Percentile | 12.72 | | 10.76 | | -0.09 | | -27.84 | | -32.56 | | -10.15 | | 0.58 | | 1.42 | | 1.18 | |
| 25th Percentile | 11.96 | | 8.81 | | -5.63 | | -28.71 | | -33.22 | | -10.31 | | -1.93 | | -0.07 | | -0.64 | |
| 50th Percentile | 10.44 | | 7.77 | | -5.91 | | -29.80 | | -34.39 | | -11.37 | | -2.20 | | -0.45 | | -1.26 | |
| 75th Percentile | 9.89 | | 6.80 | | -7.37 | | -30.29 | | -35.29 | | -11.52 | | -2.85 | | -0.86 | | -1.70 | |
| 95th Percentile | 6.76 | | 3.68 | | -10.30 | | -33.70 | | -35.89 | | -12.26 | | -3.30 | | -1.55 | | -2.86 | |
| No. of Obs | 19 | | 19 | | 19 | | 19 | | 18 | | 18 | | 17 | | 15 | | 16 | |
| f TOTAL US EQUITY | 10.04 | 61 | 6.32 | 86 | -8.21 | 86 | -30.21 | 66 | -34.46 | 58 | -11.52 | 74 | -2.20 | 51 | -0.08 | 26 | -1.57 | 65 |
| o WILSHIRE 5000 | 10.52 | 43 | 7.64 | 51 | -7.49 | 78 | -29.75 | 49 | -34.68 | 66 | -10.72 | 30 | -2.00 | 30 | -0.22 | 34 | -1.59 | 72 |

State of Rhode Island

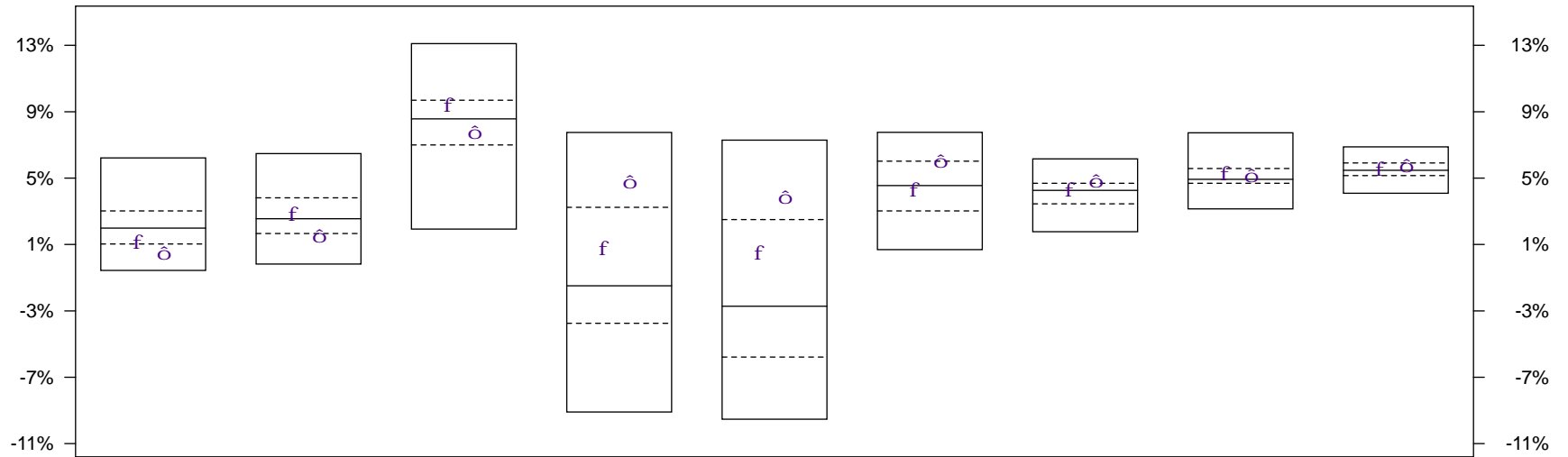
US FIXED INC POOL - PUBLIC (SSC)

PERIOD ENDING April 30, 2009



STATE STREET

TOTAL RETURN



| | 1 Month | | 1 Qtr | | 2 Qtrs | | 3 Qtrs | | 1 Yr | | 3 Yrs | | 5 Yrs | | 7 Yrs | | 10 Yrs | |
|------------------------|---------|------|-------|------|--------|------|--------|------|-------|------|-------|------|-------|------|-------|------|--------|------|
| | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank |
| 5th Percentile | 6.22 | | 6.48 | | 13.10 | | 7.75 | | 7.29 | | 7.76 | | 6.16 | | 7.73 | | 6.88 | |
| 25th Percentile | 3.02 | | 3.81 | | 9.69 | | 3.24 | | 2.50 | | 6.02 | | 4.69 | | 5.58 | | 5.91 | |
| 50th Percentile | 1.99 | | 2.55 | | 8.57 | | -1.49 | | -2.72 | | 4.55 | | 4.26 | | 4.93 | | 5.47 | |
| 75th Percentile | 1.03 | | 1.66 | | 7.00 | | -3.75 | | -5.78 | | 3.02 | | 3.45 | | 4.69 | | 5.15 | |
| 95th Percentile | -0.56 | | -0.18 | | 1.93 | | -9.09 | | -9.53 | | 0.69 | | 1.77 | | 3.15 | | 4.09 | |
| No. of Obs | 37 | | 36 | | 37 | | 37 | | 37 | | 33 | | 28 | | 28 | | 28 | |
| f TOTAL US FIXED INCOM | 1.11 | 72 | 2.79 | 38 | 9.38 | 35 | 0.71 | 45 | 0.46 | 45 | 4.26 | 53 | 4.23 | 52 | 5.22 | 35 | 5.50 | 42 |
| o BC AGGREGATE | 0.48 | 88 | 1.49 | 81 | 7.74 | 64 | 4.77 | 20 | 3.84 | 20 | 6.01 | 26 | 4.78 | 22 | 5.14 | 37 | 5.71 | 29 |

State of Rhode Island

TOTAL PLAN

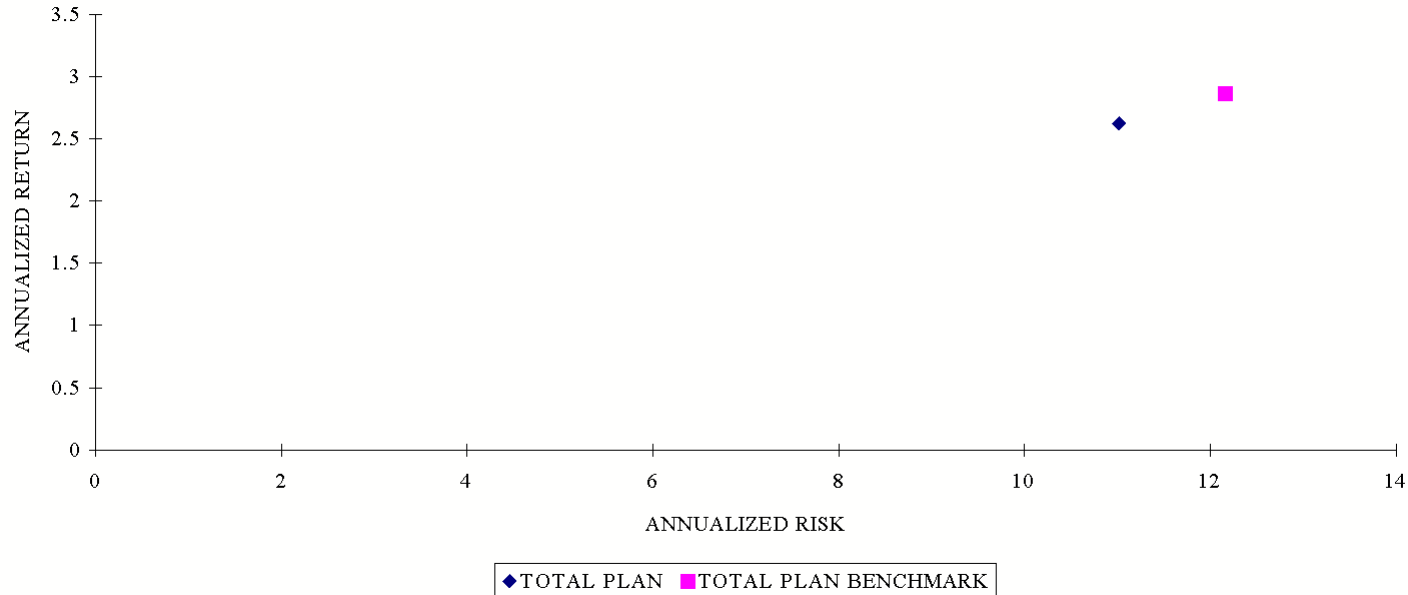
Benchmark: TOTAL PLAN BENCHMARK

May 31, 2004 - May 31, 2009



STATE STREET

RISK VS. RETURN



RISK INFORMATION

| | |
|------------------------------|-------|
| Portfolio Return | 2.62 |
| Benchmark Return | 2.86 |
| Return Differences | -0.25 |
| Portfolio Standard Deviation | 11.02 |
| Benchmark Standard Deviation | 12.16 |
| Tracking Error | 1.99 |

RISK STATISTICS

| | |
|-------------------|-------|
| Historic Beta | 0.90 |
| R-squared | 0.98 |
| Jensen's Alpha | -0.28 |
| Sharpe Ratio | -0.05 |
| Treynor Ratio | -0.63 |
| Information Ratio | -0.12 |

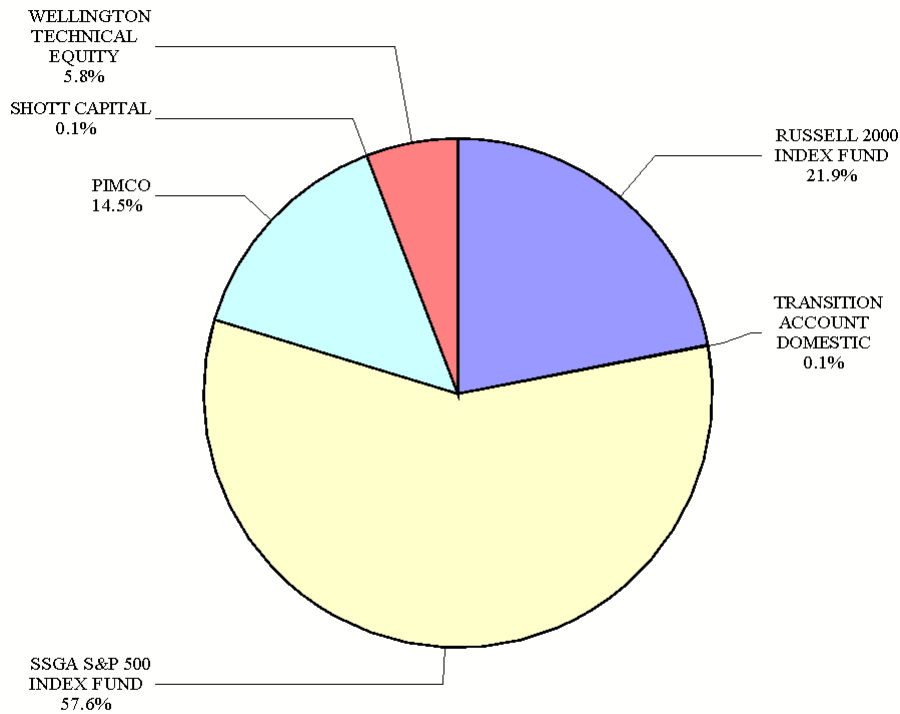
State of Rhode Island

MANAGER ALLOCATION ANALYSIS
 PERIOD ENDING 05/31/2009



STATE STREET

CURRENT MANAGER ALLOCATION



| <u>FUND</u> | <u>CURRENT PERIOD</u> | <u>ONE YEAR AGO</u> |
|-------------------------------|-----------------------|---------------------|
| RUSSELL 2000 INDEX FUND | 519.5 | |
| TRANSITION ACCOUNT DOMESTIC | 2.4 | |
| SSGA S&P 500 INDEX FUND | 1,366.3 | 1,644.6 |
| PIMCO | 343.4 | 516.1 |
| WELLINGTON MANAGEMENT CO. LLC | 0.0 | 402.5 |
| NORTHPOINTE CAPITAL | 0.0 | 364.5 |
| SSGA - CORE | 0.0 | 359.1 |
| SHOTT CAPITAL | 1.3 | 1.0 |
| WELLINGTON TECHNICAL EQUITY | 137.6 | 171.5 |
| TOTAL | 2,370.5 | 3,459.3 |

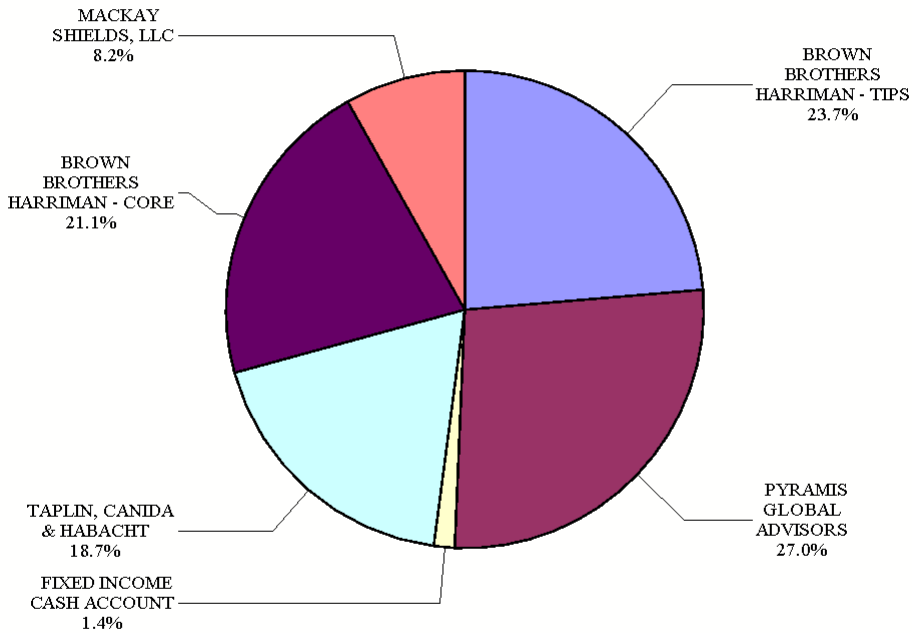
State of Rhode Island

MANAGER ALLOCATION ANALYSIS
 PERIOD ENDING 05/31/2009



STATE STREET

CURRENT MANAGER ALLOCATION



| <u>FUND</u> | <u>CURRENT PERIOD</u> | <u>ONE YEAR AGO</u> |
|---------------------------------|-----------------------|---------------------|
| BROWN BROTHERS HARRIMAN - TIPS | 362.8 | 593.8 |
| PYRAMIS GLOBAL ADVISORS | 414.0 | 504.8 |
| FIXED INCOME CASH ACCOUNT | 21.1 | 234.0 |
| TAPLIN, CANIDA & HABACHT | 286.0 | 302.7 |
| BROWN BROTHERS HARRIMAN - CORE | 323.2 | 307.0 |
| MACKAY SHIELDS, LLC | 125.5 | 136.2 |
| TRANSITION ACCOUNT FIXED INCOME | | 0.6 |
| TOTAL | 1,532.6 | 2,079.1 |

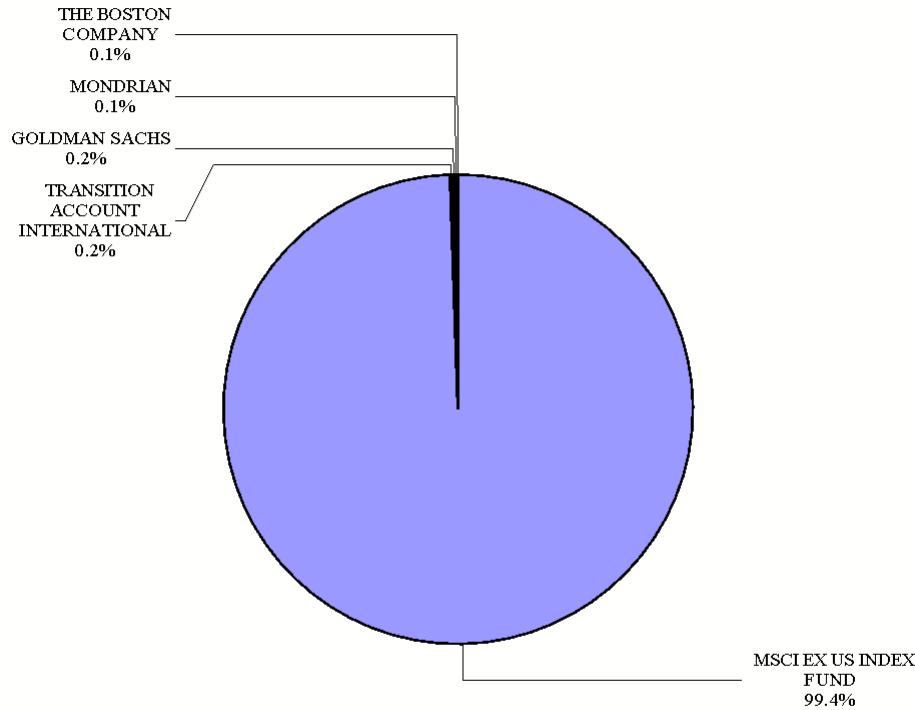
State of Rhode Island

MANAGER ALLOCATION ANALYSIS
 PERIOD ENDING 05/31/2009



STATE STREET

CURRENT MANAGER ALLOCATION



| <u>FUND</u> | <u>CURRENT PERIOD</u> | <u>ONE YEAR AGO</u> |
|----------------------------------|-----------------------|---------------------|
| MSCI EX US INDEX FUND | 1,094.1 | |
| TRANSITION ACCOUNT INTERNATIONAL | 1.8 | |
| GOLDMAN SACHS | 1.8 | 547.8 |
| MONDRIAN | 1.2 | 553.4 |
| THE BOSTON COMPANY | 1.5 | 546.9 |
| TOTAL | 1,100.4 | 1,648.1 |

ASSET ALLOCATION

ASSET ALLOCATION REPORT

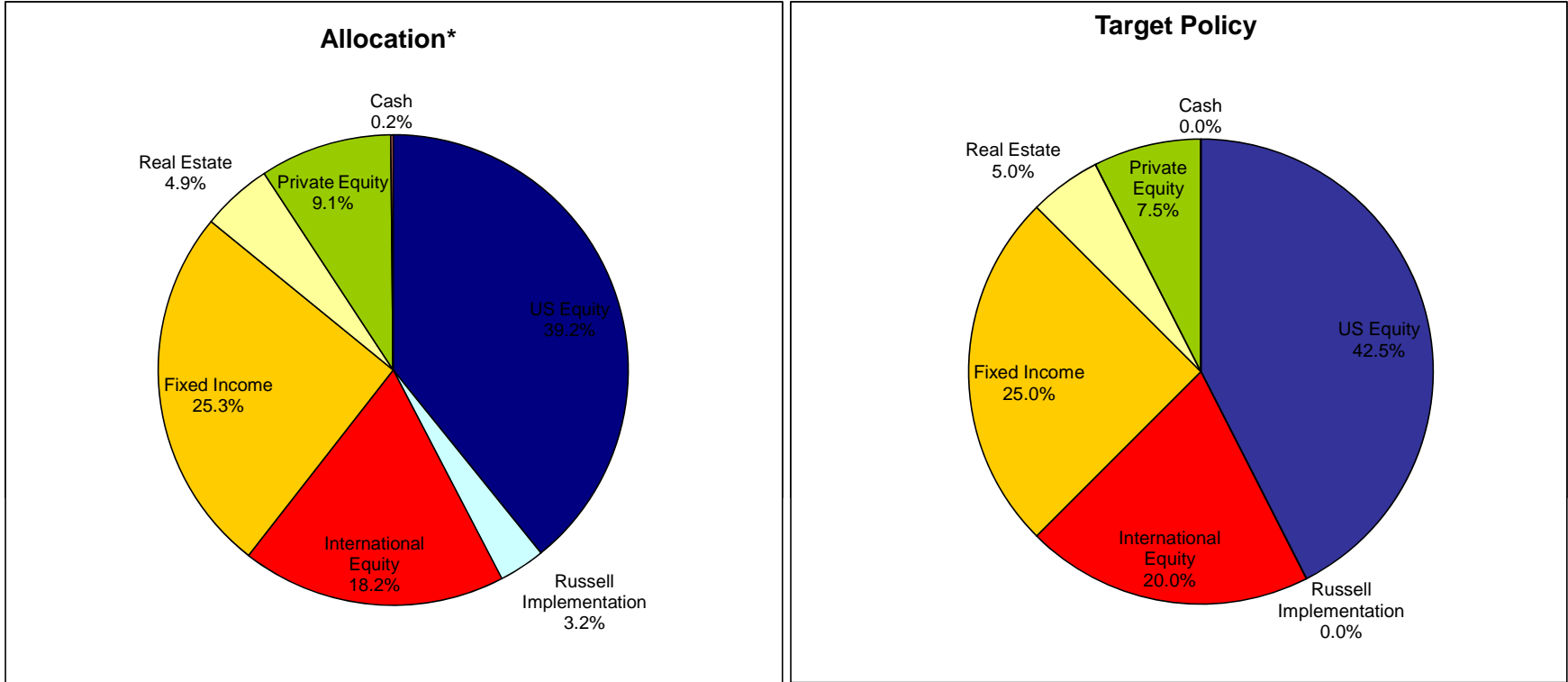
May 31st, 2009

| | Style Mandate | Actual (Millions \$) | |
|--|--------------------|-------------------------|----------------|
| Domestic Equity | | | |
| SSGA S&P 500 INDEX FUND | Passive | 1,366.31 | 22.59% |
| RUSSELL 2000 INDEX FUND | Passive | 519.50 | 8.59% |
| PIMCO | Enhanced Equity | 343.38 | 5.68% |
| WELLINGTON TECHNICAL EQUITY | Tactical Equity | 137.60 | 2.27% |
| WELLINGTON MANAGEMENT CO. LLC | Closed | 0.01 | 0.00% |
| SSGA - CORE | Closed | 0.01 | 0.00% |
| NORTHPOINTE CAPITAL | Closed | 0.01 | 0.00% |
| TRANSITION ACCOUNT DOMESTIC | | 2.40 | 0.04% |
| SHOTT CAPITAL | | 1.28 | 0.02% |
| TOTAL DOMESTIC EQUITY | | 2,370.49 | 39.18% |
| International Equity | | | |
| MSCI EX US INDEX FUND | Passive | 1,094.05 | 18.08% |
| GOLDMAN SACHS | Closed | 1.85 | 0.03% |
| THE BOSTON COMPANY | Closed | 1.51 | 0.03% |
| MONDRIAN | Closed | 1.19 | 0.02% |
| BANK OF IRELAND | Closed | 0.00 | 0.00% |
| TRANSITION ACCOUNT INTERNATIONAL | | 1.83 | 0.03% |
| TOTAL INT'L EQUITY | | 1,100.43 | 18.19% |
| Domestic Fixed Income | | | |
| BROWN BROTHERS HARRIMAN - CORE | Opportunistic Core | 323.19 | 5.34% |
| PYRAMIS GLOBAL ADVISORS | Mortgages | 413.99 | 6.84% |
| BROWN BROTHERS HARRIMAN - TIPS | TIPS | 362.82 | 6.00% |
| MACKAY SHIELDS, LLC | High Yield | 125.52 | 2.07% |
| TAPLIN, CANIDA & HABACHT | Corporates | 285.97 | 4.73% |
| FIXED INCOME CASH ACCOUNT | | 21.13 | 0.35% |
| TOTAL FIXED-INCOME | | 1,532.61 | 25.33% |
| Alternative Investments | | | |
| Real Estate | Real Estate | 294.34 | 4.87% |
| Pacific Corp Group | Private Equity | 549.44 | 9.08% |
| TOTAL ALTERNATIVE INVESTMENTS | | 843.78 | 13.95% |
| Cash | | | |
| CASH EQUIVALENTS | STIF, Yield+ | 10.22 | 0.17% |
| Other | | | |
| OTHER - Russell Implementation Services | | 192.02 | 3.17% |
| TOTAL ASSETS | | 6,049.54 | 100.00% |

| | Target | | Variance | |
|-------------------------------|--------|-------------|----------|-------------|
| TOTAL DOMESTIC EQUITY | 42.50% | \$ 2,571.05 | -3.32% | \$ (200.56) |
| TOTAL INT'L EQUITY | 20.00% | \$ 1,209.91 | -1.81% | \$ (109.48) |
| TOTAL FIXED-INCOME | 25.00% | \$ 1,512.38 | 0.33% | \$ 20.22 |
| TOTAL ALTERNATIVE INVESTMENTS | 12.50% | \$ 756.19 | 1.45% | \$ 87.58 |

State of Rhode Island

Asset Allocation
May 31st, 2009



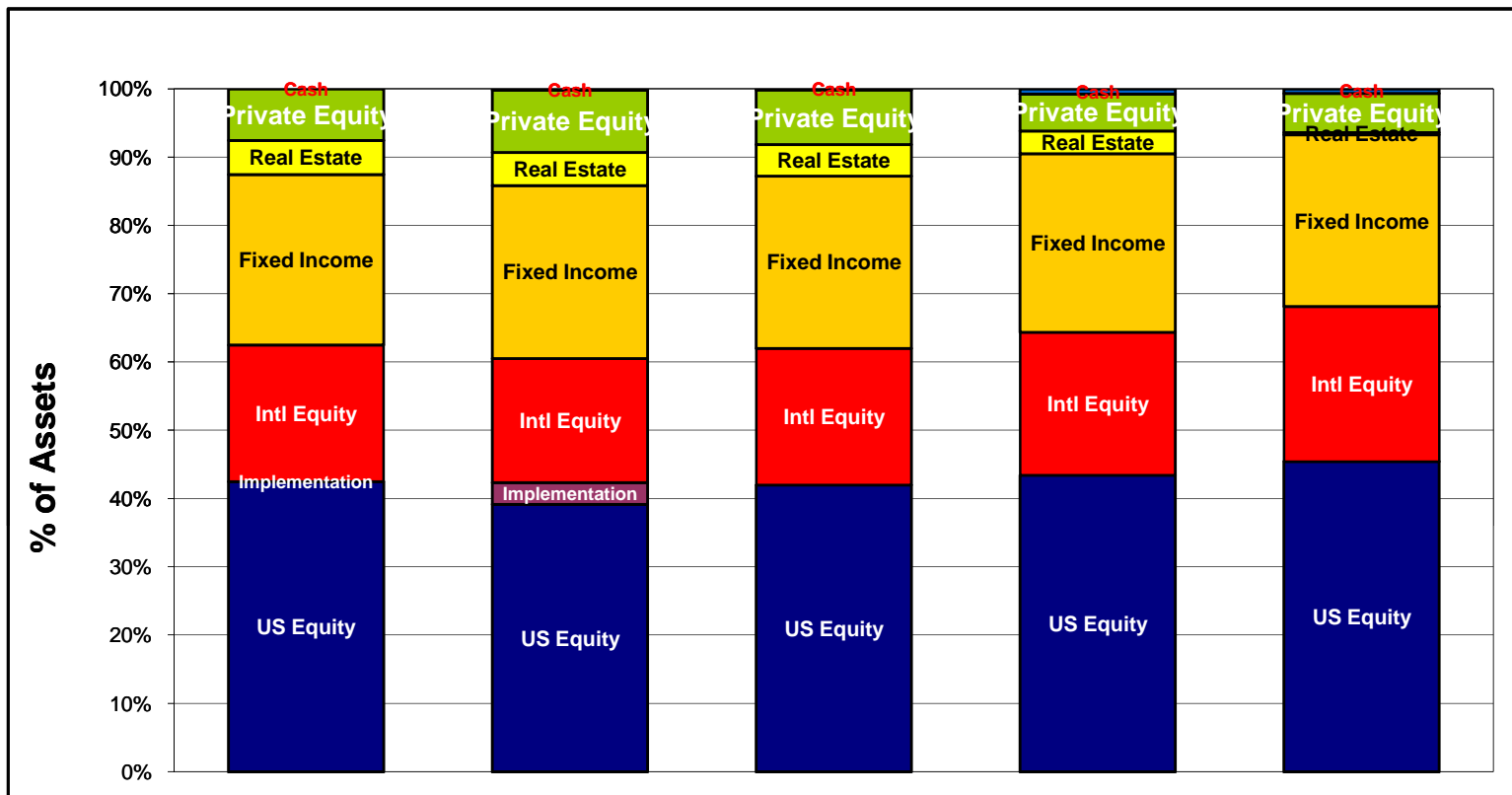
Allocation vs. Target Policy

| | Weights | | |
|------------------------|-------------|--------|------------|
| | Allocation* | Policy | Difference |
| US Equity | 39.2 | 42.5 | -3.3 |
| Russell Implementation | 3.2 | 0.0 | 3.2 |
| International Equity | 18.2 | 20.0 | -1.8 |
| Fixed Income | 25.3 | 25.0 | 0.3 |
| Real Estate | 4.9 | 5.0 | -0.1 |
| Private Equity | 9.1 | 7.5 | 1.6 |
| Cash | 0.2 | 0.0 | 0.2 |
| Total Fund | 100.0 | 100.0 | 0.0 |



* End of Period Weights

State of Rhode Island Historical Asset Allocation May 31st, 2009



| | Target | Current | 1 Yr Ago | 3 Yrs Ago | 5 Yrs Ago |
|----------------|--------|---------|----------|-----------|-----------|
| US Equity | 42.5% | 39.2% | 42.0% | 43.4% | 45.4% |
| Implementation | 0.0% | 3.2% | 0.0% | 0.0% | 0.0% |
| Intl Equity | 20.0% | 18.2% | 20.0% | 20.9% | 22.7% |
| Fixed Income | 25.0% | 25.3% | 25.2% | 26.1% | 25.2% |
| Real Estate | 5.0% | 4.9% | 4.6% | 3.4% | 0.3% |
| Private Equity | 7.5% | 9.1% | 8.0% | 5.4% | 5.7% |
| Cash | 0.0% | 0.2% | 0.1% | 0.7% | 0.6% |

FISCAL YEAR 2009

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

| | Actual Jul 08 | Actual Aug | Actual Sept | Actual Oct | Actual Nov | Actual Dec | Actual Jan 09 | Actual Feb 09 | Actual Mar 09 | Actual Apr 09 | Projected May 09 | Projected June 09 | Projected TOTAL |
|--------------------------------|------------------|---------------|----------------|---------------|---------------|---------------|------------------|------------------|------------------|------------------|---------------------|----------------------|--------------------|
| EQUITIES | | | | | | | | | | | | | |
| SSgA Core ZU99/ZU76 | | | 260,984 | | | 259,816 | | | 239,756 | | | 222,371 | 982,927 |
| SSgA Russell 1000/S&P ZU14 | | | 35,288 | | | 40,981 | | | 66,927 | | | 32,408 | 175,604 |
| Shott Capital ZU49 | | | 421 | | | 5 | | | 460 | | | 2,718 | 3,604 |
| PIMCO ZU55 | | | 0 | | | 0 | | | 1,000 | | | 225,000 | 226,000 |
| Wellington Mgmt ZU38 | | | 552,688 | | | 467,084 | | | 600,645 | | | 679,274 | 2,299,692 |
| Wellington Tech Eq ZU04 | | | 348,739 | | | 292,948 | | | 333,783 | | | 126,713 | 1,102,182 |
| NorthPointe ZU47 | | | 477,596 | | | 368,146 | | | 390,653 | | | 589,850 | 1,826,244 |
| | | | 1,675,715 | | | 1,428,979 | | | 1,633,224 | | | 1,878,334 | 6,616,252 |
| FIXED INCOME | | | | | | | | | | | | | |
| Brown Bros. ZU69 | | | 146,129 | | | 142,889 | | | 147,283 | | | 129,732 | 566,034 |
| Fidelity ZU46 | | | 164,854 | | | 156,534 | | | 164,535 | | | 148,636 | 634,559 |
| Taplin ZU84 | | | 181,184 | | | 170,185 | | | 191,949 | | | 169,909 | 713,228 |
| Mackay Shields ZU59 | | | 143,587 | | | 128,557 | | | 145,994 | | | 147,848 | 565,986 |
| Brown Bros.TIPS ZU44 | | | 149,341 | | | 145,060 | | | 148,967 | | | 136,883 | 580,251 |
| | | | 785,095 | | | 743,225 | | | 798,728 | | | 733,008 | 3,060,057 |
| INT'L EQUITIES | | | | | | | | | | | | | |
| The Boston Co ZU77 | | | 468,563 | | | 415,036 | | | 390,653 | | | 59,304 | 1,333,555 |
| Mondrian ZU67 | | | 254,861 | | | 231,080 | | | 304,892 | | | 316,283 | 1,107,116 |
| Goldman Sachs Asset Mgmt ZU25 | | | 384,863 | | | 259,954 | | | 233,810 | | | 499,383 | 1,378,010 |
| SSgA MSCI ACWI ZU14 | | | 140,497 | | | 16,671 | | | 0 | | | 0 | 157,168 |
| | 0 | | 1,248,784 | 0 | | 922,741 | | | 929,355 | | | 874,970 | 3,975,849 |
| REAL ESTATE | | | | | | | | | | | | | |
| L & B Real Estate ZU79 | 0 | 154,023 | 98,031 | 39,601 | 0 | 159,603 | 378,902 | 159,603 | 95,689 | 241,734 | 0 | 114,312 | 1,441,497 |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | | | |
| Other Alt Inv Mgmt Fee ZU32 | 1,632,815 | 444,364 | 633,700 | 243,709 | 80,031 | 1,076,671 | 1,129,056 | 146,891 | 544,404 | 289,778 | 149,822 | 768,471 | 7,139,711 |
| SUB TOTAL-INV MGMT FEES | | | | | | | | | | | | | |
| | 1,632,815 | 598,387 | 4,441,325 | 283,310 | 80,031 | 4,331,218 | 1,507,958 | 306,494 | 4,001,399 | 531,511 | 149,822 | 4,369,095 | 22,233,366 |
| PROFESSIONAL FEES | | | | | | | | | | | | | |
| Legal | 2,746 | 2,681 | 8,444 | 6,220 | 6,701 | 16,670 | 6,000 | 250 | 1,304 | 2,664 | 9,677 | 17,791 | 81,147 |
| St St Bank Custodial | 18,888 | 15,412 | 16,951 | 19,255 | 19,255 | 21,394 | 22,161 | 16,884 | 12,333 | 12,887 | 1,563 | 12,861 | 173,141 |
| Pacific Corp Group ZU76 | | 93,750 | 0 | 93,750 | 0 | 0 | 0 | 93,750 | 0 | 64,410 | | 93,750 | 439,410 |
| PCA/Wilshsire/Russell | 20,161 | 14,583 | 40,739 | 0 | 14,583 | 94,471 | 14,583 | 14,583 | 17,500 | 14,583 | 20,833 | 20,833 | 287,453 |
| Townsend | 0 | 0 | 35,625 | 0 | 0 | 35,625 | 0 | 0 | 35,625 | 0 | | 35,625 | 142,500 |
| | 41,796 | 126,426 | 101,759 | 119,225 | 23,836 | 168,159 | 42,744 | 125,467 | 66,762 | 94,544 | 32,073 | 180,860 | 1,123,652 |
| OPERATING EXPENSE | | | | | | | | | | | | | |
| Retirement Transfers | 312,688 | 431,063 | 457,333 | 804,721 | 483,883 | 413,584 | 418,351 | 443,340 | 715,596 | 513,836 | 607,644 | 950,000 | 6,552,040 |
| Other Expense | 0 | 3,097 | 11,650 | 0 | 10,250 | 6,250 | 21,497 | 22,425 | 6,250 | 0 | 6,250 | 5,400 | 93,069 |
| | 312,688 | 434,159 | 468,983 | 804,721 | 494,133 | 419,834 | 439,848 | 465,765 | 721,846 | 513,836 | 613,894 | 955,400 | 6,645,109 |
| TOTAL: | 1,987,299 | 1,158,972 | 5,012,067 | 1,207,256 | 598,000 | 4,919,212 | 1,990,551 | 897,726 | 4,790,007 | 1,139,892 | 795,789 | 5,505,355 | 30,002,127 |

Note: Numbers in bold are actual.

State of Rhode Island Unfunded Commitment
May 2009

| Partnership Investment | Total Commitment | | ERSRI Remaining Commitment |
|---|-------------------------|---------------|---------------------------------------|
| Alta BioPharma Partners III | \$ | 15,000,000.00 | \$ 3,000,000.00 |
| Alta Partners VIII | \$ | 15,000,000.00 | \$ 7,500,000.00 |
| Apollo Investment Fund IV | \$ | 15,000,000.00 | \$ 41,434.00 |
| Apollo Investment Fund VI | \$ | 20,000,000.00 | \$ 1,717,338.62 |
| Apollo VII | \$ | 25,000,000.00 | \$ 18,950,454.00 |
| Aurora Equity Partners II** | \$ | 15,000,000.00 | \$ 38,917.00 |
| Aurora Equity Partners III** | \$ | 15,000,000.00 | \$ 4,736,303.00 |
| Avenue Special Situations Fund III | \$ | 15,000,000.00 | \$ - |
| Avenue Special Situations Fund IV | \$ | 20,000,000.00 | \$ 2,072,723.00 |
| Avenue V | \$ | 20,000,000.00 | \$ 5,460,335.00 |
| Bain X | \$ | 25,000,000.00 | \$ 18,687,500.00 |
| Birch Hill Equity Partners III* | \$ | 16,507,800.00 | \$ 789,694.84 |
| Blackstone Capital Partners III ** | \$ | 20,000,000.00 | \$ 924,045.00 |
| Blackstone Capital Partners IV ** | \$ | 25,000,000.00 | \$ 2,729,270.00 |
| Blackstone Capital Partners V** | \$ | 20,000,000.00 | \$ 4,245,892.00 |
| Castile III | \$ | 5,000,000.00 | \$ 2,550,000.00 |
| Catterton Partners V | \$ | 15,000,000.00 | \$ 865,653.00 |
| Catterton Partners VI | \$ | 15,000,000.00 | \$ 5,932,101.00 |
| Centerbridge | \$ | 15,000,000.00 | \$ 3,979,086.00 |
| Charterhouse Capital Partners VII* | \$ | 21,237,000.00 | \$ 2,923,464.98 |
| Charterhouse Capital Partners VIII* | \$ | 21,237,000.00 | \$ 5,395,315.93 |
| Coller International Capital IV** | \$ | 15,000,000.00 | \$ 2,400,000.00 |
| Coller International Capital V | \$ | 15,000,000.00 | \$ 8,737,500.00 |
| Constellation III | \$ | 15,000,000.00 | \$ 10,672,025.48 |
| Crossroads Providence (Prov. Liquidating Trust) | \$ | 45,000,000.00 | \$ - |
| CVC European Equity Partners III* | \$ | 20,000,000.00 | \$ 1,116,696.75 |
| CVC European Equity Partners IV* | \$ | 23,360,700.00 | \$ 3,278,441.36 |
| CVC V | \$ | 28,316,000.00 | \$ 25,004,683.06 |
| Fenway Partners Capital Fund II | \$ | 15,000,000.00 | \$ 913,192.00 |
| Fenway Partners Capital Fund III | \$ | 15,000,000.00 | \$ 5,235,663.00 |
| First Reserve Fund VIII | \$ | 15,000,000.00 | \$ - |
| First Reserve Fund IX | \$ | | \$ - |
| First Reserve Fund X | \$ | 20,000,000.00 | \$ 1.63 |
| First Reserve Fund XI | \$ | 20,000,000.00 | \$ 4,763,049.44 |
| Focus Ventures III | \$ | 15,000,000.00 | \$ 6,300,000.00 |
| Granite Global Ventures II | \$ | 15,000,000.00 | \$ 675,000.00 |
| Granite Global Ventures III | \$ | 15,000,000.00 | \$ 9,000,000.00 |
| Green Equity Investors IV | \$ | 15,000,000.00 | \$ 388,387.63 |
| Green Equity Investors V | \$ | 20,000,000.00 | \$ 13,874,549.40 |
| Harvest Partners III | \$ | 15,000,000.00 | \$ 368,726.61 |
| Heritage Fund II | \$ | 5,000,000.00 | \$ - |
| Kayne Anderson Energy Fund III | \$ | 15,000,000.00 | \$ 4,946,800.10 |
| Kayne Anderson Energy Fund IV | \$ | 15,000,000.00 | \$ 10,350,000.53 |
| Leapfrog Ventures II | \$ | 10,000,000.00 | \$ 3,510,000.00 |
| Leeds Weld Equity Partners IV | \$ | 10,000,000.00 | \$ 107,371.39 |
| Lehman Bros IV | \$ | 15,000,000.00 | \$ 7,111,275.93 |
| Lighthouse Capital Partners V | \$ | 11,250,000.00 | \$ 787,500.00 |
| Lighthouse Capital Partners VI | \$ | 15,000,000.00 | \$ 3,374,999.99 |
| LNK Partners | \$ | 12,500,000.00 | \$ 6,783,971.78 |
| Matlin Patterson Glb. Opp. Fund (CSFB) | \$ | 15,000,000.00 | \$ - |
| MHR Institutional Partners III | \$ | 20,000,000.00 | \$ 7,789,323.00 |
| Nautic Partners V | \$ | 20,000,000.00 | \$ 1,374,632.99 |
| Nautic Partners VI | \$ | 20,000,000.00 | \$ 13,745,965.82 |

State of Rhode Island Unfunded Commitment
May 2009

| Partnership Investment | Total Commitment | ERSRI Remaining Commitment |
|--|----------------------------|---------------------------------------|
| Nordic Capital Fund III* | \$ 10,602,000.00 | \$ 175,661.89 |
| Nordic Capital Fund V* | \$ 20,692,695.69 | \$ 99,270.60 |
| Nordic Capital Fund VI* | \$ 21,237,000.00 | \$ 299,384.05 |
| Nordic VII | \$ 21,237,000.00 | \$ 16,611,654.19 |
| OCM Opportunities Fund | \$ 8,000,000.00 | \$ - |
| OCM Opportunities Fund II | \$ 12,000,000.00 | \$ - |
| OCM Principal Opportunities Fund | \$ 5,000,000.00 | \$ - |
| Paladin 3 | \$ 10,000,000.00 | \$ 7,015,607.00 |
| Parthenon Investors | \$ 15,000,000.00 | \$ - |
| Parthenon Investors II | \$ 20,000,000.00 | \$ 1,126,735.00 |
| Perseus VII | \$ 15,000,000.00 | \$ 7,465,119.00 |
| Point 406 | \$ 10,000,000.00 | \$ 5,360,000.00 |
| Point Judith II | \$ 5,000,000.00 | \$ 2,652,542.77 |
| Providence Equity Partners* * | \$ 10,000,000.00 | \$ - |
| Providence Equity Partners III | \$ 15,000,000.00 | \$ 1,914,365.51 |
| Providence Equity Partners IV | \$ 25,000,000.00 | \$ 386,571.00 |
| Providence Equity Partners V | \$ 25,000,000.00 | \$ 3,041,738.00 |
| Providence Equity Partners VI | \$ 25,000,000.00 | \$ 12,678,431.00 |
| SKM Equity Fund II** | \$ 10,000,000.00 | \$ 1,729,834.00 |
| Thomas McNerney & Partners | \$ 15,000,000.00 | \$ 2,100,000.00 |
| Thomas McNerney & Partners 2 | \$ 15,000,000.00 | \$ 9,262,500.00 |
| TPG Partners II | \$ 10,000,000.00 | \$ 308,515.00 |
| TPG Partners IV | \$ 15,000,000.00 | \$ 1,224,073.00 |
| TPG Partners V | \$ 20,000,000.00 | \$ 5,858,426.00 |
| TPG VI | \$ 20,000,000.00 | \$ 18,853,019.00 |
| VS&A Communication Partners III | \$ 15,000,000.00 | \$ 7,978.00 |
| W Capital Partners | \$ 15,000,000.00 | \$ 1,368,000.00 |
| W Capital Partners II | \$ 15,000,000.00 | \$ 8,587,500.00 |
| WLR | \$ 8,000,000.00 | \$ 4,172,099.00 |
| Washington & Congress Capital Partners** | \$ 15,000,000.00 | \$ 305,637.24 |
| Wellspring Capital Partners II | \$ 15,000,000.00 | \$ - |
| Wellspring Capital Partners III | \$ 20,000,000.00 | \$ 617,726.00 |
| Wellspring Capital Partners IV | \$ 20,000,000.00 | \$ 6,726,281.00 |
| Willis Stein & Partners | \$ 5,000,000.00 | \$ - |
| Total Alternative Investments | \$ 1,406,177,195.69 | \$ 365,097,953.51 |

* transactions occur in foreign currency

** fees NOT affecting unfunded commitment

State of Rhode Island Unfunded Real Estate Commitments
May 2009

| <u>Real Estate Partnership Investment</u> | | | <u>Remaining Commitment</u> |
|---|----|----------------|-----------------------------|
| AEW | \$ | 35,000,000.00 | \$ 35,000,000.00 |
| Fillmore East Fund I | \$ | 10,000,000.00 | \$ 0.08 |
| Fremont Strategic Property Partners II | \$ | 15,000,000.00 | \$ 891,721.00 |
| GMAC Commerical Realty Partners II | \$ | 15,000,000.00 | \$ 2,155,117.00 |
| Heitman Advisory Corporation | | | \$ - |
| JPMorgan Fleming Asset Mgmt. Strat. Prc | \$ | 50,000,000.00 | \$ - |
| JPMorgan Alternative Property Fund | \$ | 20,000,000.00 | \$ - |
| LaSalle Income & Growth Fund IV | \$ | 15,000,000.00 | \$ 397,937.57 |
| L&B Real Estate Counsel | | | \$ - |
| Magna Hotel | \$ | 4,000,000.00 | \$ 3,329,506.00 |
| Morgan Stanley Prime Property Fund | \$ | 35,000,000.00 | \$ - |
| Prudential Real Esate Investors (PRISA) | \$ | 50,000,000.00 | \$ - |
| Prudential Real Esate Investors (PRISA) I | \$ | 15,000,000.00 | \$ 2,814,000.00 |
| RREEF America REIT II Fund | \$ | 35,000,000.00 | \$ - |
| Starwood Hospitality Fund I | \$ | 10,000,000.00 | \$ 578,889.00 |
| TA Realty Fund VIII | \$ | 15,000,000.00 | \$ 375,000.00 |
| Tri Continental Fund VII | \$ | 15,000,000.00 | \$ 944,243.00 |
| Walton Street Real Estate Fund V | \$ | 20,000,000.00 | \$ 0.18 |
| Westbrook Real Estate Fund VI | \$ | 15,000,000.00 | \$ - |
| Westbrook Real Estate Fund VII | \$ | 15,000,000.00 | \$ 6,363,636.00 |
| Total Real Estate Investments | \$ | 354,000,000.00 | \$ 17,850,049.83 |

CASH FLOW

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2009

| | FY 2008-09 | | | | | | | | | | | | Projected TOTAL |
|-------------------------|------------------|---------------|------------------|----------------|-----------------|-----------------|---------------------|-----------------|--------------|--------------|--------------|----------------|-----------------|
| | Actual July 2008 | Actual August | Actual September | Actual October | Actual November | Actual December | Actual January 2009 | Actual February | Actual March | Actual April | Actual May | Projected June | |
| MEMBER BENEFITS | 57,282,256 | 58,826,989 | 58,826,615 | 60,515,062 | 58,795,680 | 60,497,759 | 61,801,389 | 61,978,079 | 61,959,280 | 61,955,036 | 61,716,204 | 58,000,000 | 722,154,349 |
| ADMINISTRATIVE EXPENSES | 339,779 | 339,513 | 503,815 | 797,732 | 529,312 | 425,994 | 411,255 | 391,033 | 424,138 | 423,733 | 543,383 | 462,197 | 5,591,885 |
| INVESTMENT EXPENSES | 1,383,055 | 506,539 | 619,415 | 239,522 | 67,616 | 1,133,736 | 1,272,407 | 1,272,279 | 539,724 | 539,208 | 126,029 | 748,052 | 8,447,583 |
| TOTAL OUTFLOW | 59,005,091 | 59,673,041 | 59,949,846 | 61,552,315 | 59,392,609 | 62,057,488 | 63,485,052 | 63,641,392 | 62,923,142 | 62,917,977 | 62,385,616 | 59,210,249 | 736,193,817 |
| CONTRIBUTIONS | 51,338,466 | 30,225,420 | 30,166,263 | 35,094,098 | 56,872,505 | 47,797,867 | 36,600,607 | 59,404,144 | 47,351,474 | 28,127,730 | 20,009,892 | 46,722,223 | 489,710,689 |
| OTHER INCOME* | 3,158,335 | 2,555,511 | 8,931,581 | 1,387,882 | 2,384,334 | 810,209 | 3,801,160 | 1,258,126 | 1,726,255 | 1,144,628 | 1,617,475 | 4,336,772 | 33,112,268 |
| TOTAL INCOME | 54,496,801 | 32,780,931 | 39,097,844 | 36,481,980 | 59,256,839 | 48,608,076 | 40,401,767 | 60,662,270 | 49,077,729 | 29,272,358 | 21,627,367 | 51,058,995 | 522,822,957 |
| DIFFERENCE | (4,508,290) | (26,892,110) | (20,852,001) | (25,070,335) | (135,770) | (13,449,413) | (23,083,285) | (2,979,122) | (13,845,413) | (33,645,619) | (40,758,249) | (8,151,254) | (213,370,859) |

Municipal Employees Retirement System

| | FY 2008-09 | | | | | | | | | | | | Projected TOTAL |
|-------------------------|------------------|---------------|------------------|----------------|-----------------|-----------------|---------------------|-----------------|--------------|--------------|------------|----------------|-----------------|
| | Actual July 2008 | Actual August | Actual September | Actual October | Actual November | Actual December | Actual January 2009 | Actual February | Actual March | Actual April | Actual May | Projected June | |
| MEMBER BENEFITS | 4,770,894 | 4,875,073 | 4,891,449 | 4,897,404 | 4,918,953 | 4,911,402 | 5,005,800 | 5,162,921 | 5,228,275 | 5,214,605 | 5,261,887 | 4,900,000 | 60,038,663 |
| ADMINISTRATIVE EXPENSES | 57,009 | 57,172 | 84,839 | 135,302 | 90,085 | 72,656 | 70,505 | 67,060 | 72,984 | 73,316 | 94,851 | 77,374 | 953,153 |
| INVESTMENT EXPENSES | 232,052 | 85,298 | 104,305 | 40,625 | 11,508 | 193,366 | 218,139 | 218,190 | 92,873 | 93,297 | 21,999 | 125,228 | 1,436,880 |
| TOTAL OUTFLOW | 5,059,955 | 5,017,543 | 5,080,594 | 5,073,331 | 5,020,546 | 5,177,424 | 5,294,444 | 5,448,171 | 5,394,132 | 5,381,218 | 5,378,737 | 5,102,602 | 62,428,695 |
| CONTRIBUTIONS | 4,031,169 | 3,812,600 | 3,564,788 | 4,920,264 | 5,245,873 | 4,470,884 | 5,856,987 | 5,267,609 | 4,926,208 | 4,150,539 | 4,895,482 | 5,422,967 | 56,565,370 |
| OTHER INCOME* | 529,911 | 430,331 | 1,504,020 | 235,397 | 405,794 | 138,187 | 651,664 | 215,762 | 297,046 | 198,049 | 282,341 | 725,998 | 5,614,501 |
| TOTAL INCOME | 4,561,080 | 4,242,931 | 5,068,808 | 5,155,661 | 5,651,667 | 4,609,071 | 6,508,651 | 5,483,371 | 5,223,254 | 4,348,588 | 5,177,823 | 6,148,965 | 62,179,871 |
| DIFFERENCE | (498,874) | (774,611) | (11,786) | 82,330 | 631,121 | (568,354) | 1,214,207 | 35,200 | (170,878) | (1,032,630) | (200,914) | 1,046,363 | (248,824) |

CASH FLOW ANALYSIS - INCOME & EXPENSES

**Judges/State Police
Retirement System**

| | Actual July 2008 | Actual August | Actual September | Actual October | Actual November | Actual December | Actual January 2009 | Actual February | Actual March | Actual April | Actual May | Projected June | Projected TOTAL |
|-------------------------|------------------------|------------------|---------------------|-------------------|--------------------|--------------------|---------------------------|--------------------|-----------------|-----------------|---------------|-------------------|--------------------|
| MEMBER BENEFITS | 73,502 | 73,502 | 73,502 | 80,750 | 73,502 | 73,502 | 109,179 | 106,978 | 106,709 | 106,501 | uuu | 75,000 | 952,629 |
| ADMINISTRATIVE EXPENSES | 4,350 | 4,390 | 6,515 | 10,537 | 7,099 | 5,764 | 5,628 | 5,375 | 5,891 | 5,963 | 7,733 | 5,872 | 75,116 |
| INVESTMENT EXPENSES | 17,708 | 6,550 | 8,010 | 3,164 | 907 | 15,339 | 17,412 | 17,489 | 7,496 | 7,588 | 1,794 | 9,503 | 112,960 |
| TOTAL OUTFLOW | 95,561 | 84,443 | 88,027 | 94,450 | 81,508 | 94,604 | 132,219 | 129,843 | 120,095 | 120,052 | 9,527 | 90,375 | 1,140,705 |
| CONTRIBUTIONS | 455,000 | 410,000 | 468,000 | 710,000 | 455,000 | 410,000 | 260,000 | 420,000 | 430,000 | 191,000 | 107,000 | 470,000 | 4,786,000 |
| OTHER INCOME* | 40,438 | 33,047 | 115,499 | 18,332 | 31,977 | 10,962 | 52,016 | 17,295 | 23,975 | 16,108 | 23,018 | 55,094 | 437,759 |
| TOTAL INCOME | 495,438 | 443,047 | 583,499 | 728,332 | 486,977 | 420,962 | 312,016 | 437,295 | 453,975 | 207,108 | 130,018 | 525,094 | 5,223,759 |
| DIFFERENCE | 399,877 | 358,604 | 495,471 | 633,881 | 405,469 | 326,357 | 179,797 | 307,452 | 333,879 | 87,056 | 120,491 | 434,719 | 4,083,054 |

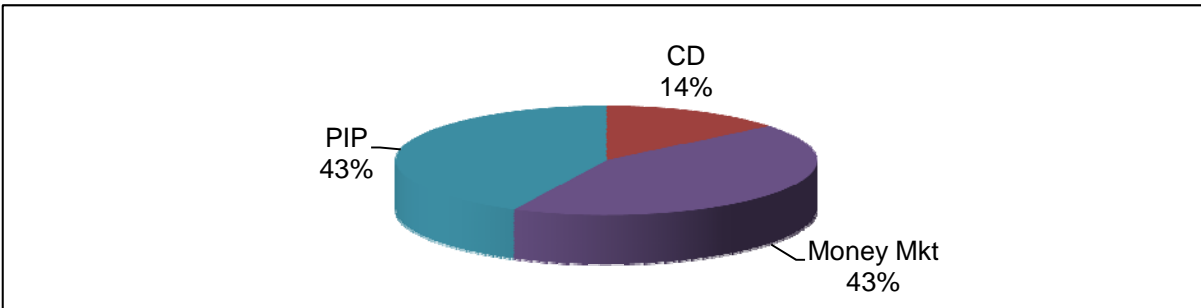
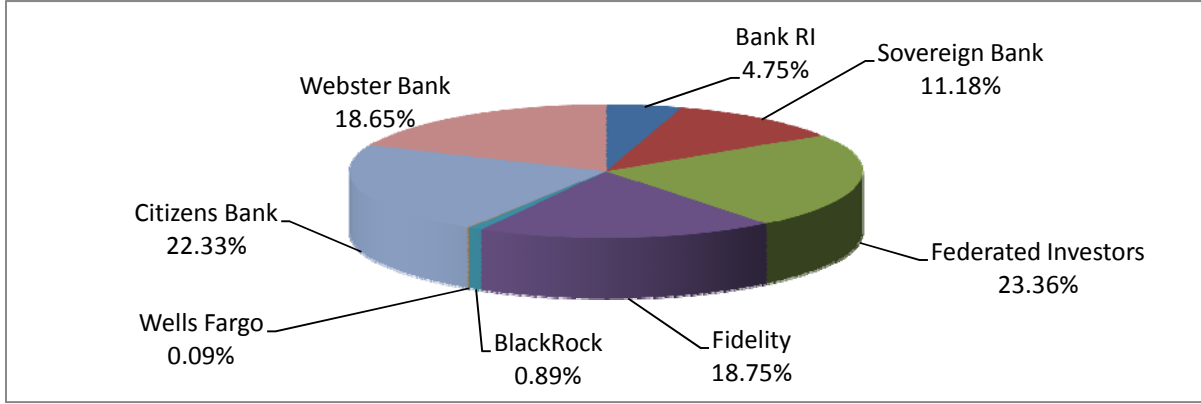
*includes income from Real Estate Investments, Private Equity, Securities Lending, and Cash Accounts,

SHORT TERM INVESTMENTS

RI SIC GUIDELINE COMPLIANCE REPORT

INVESTMENTS AS OF:

May 31, 2009



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

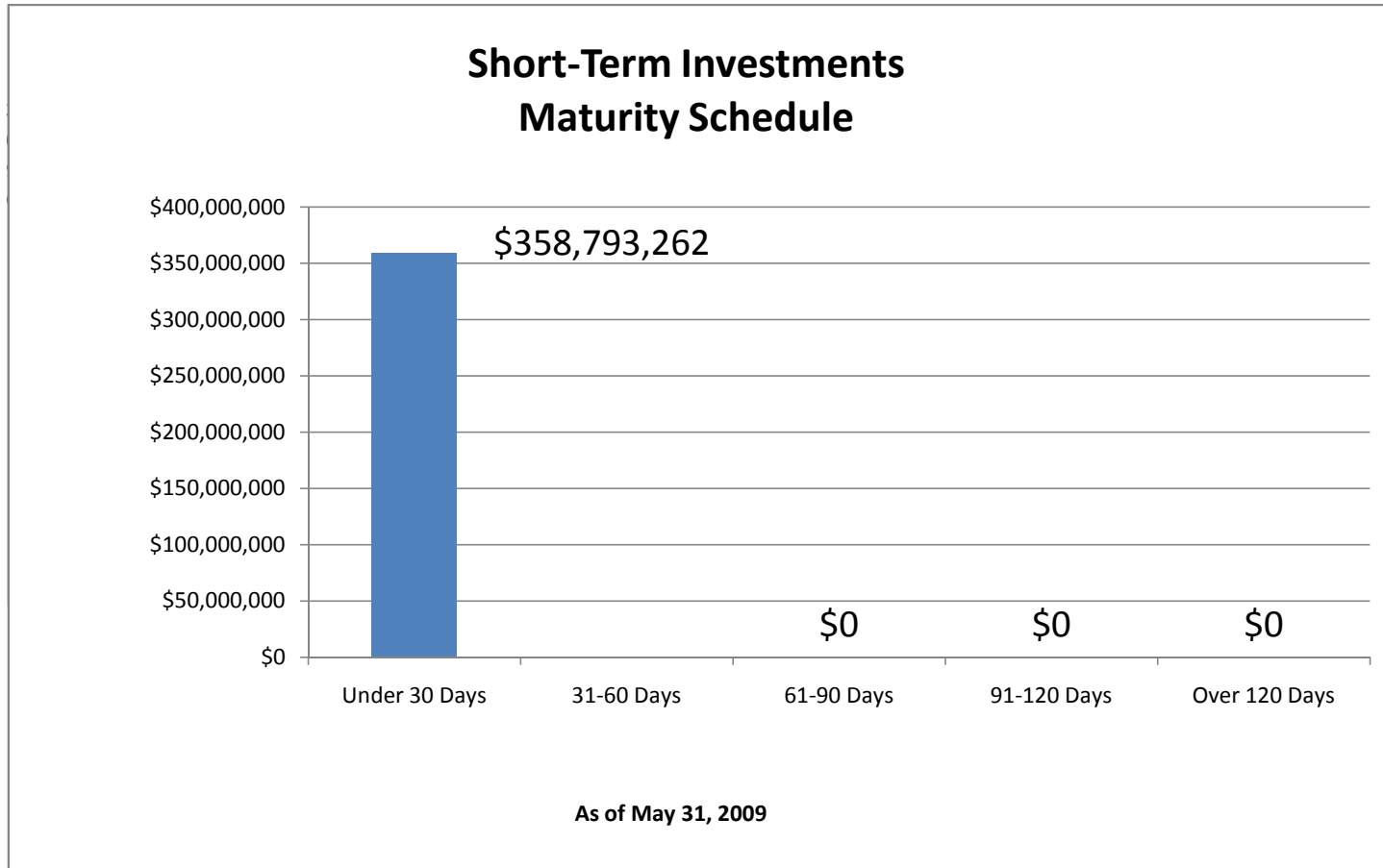
| Vendor | CP | CD | Agency | Money Mkt | PIP | Repo | Total (\$) |
|-------------------------|--------------|----------------------|--------------|-----------------------|-----------------------|--------------|----------------------|
| Guidelines-Total/Vendor | 25%/10% | 50%/20% | 75%/35% | 75%/35% | 50%/20% | 100%/20% | |
| Bank RI | 0 0% | 0 0% | 0 0% | 0 0% | 17,047,900 5% | 0 0% | 17,047,900 4.75% |
| Sovereign Bank | 0 0% | 40,109,090 11% | 0 0% | 0 0% | 0 0% | 0 0% | 40,109,090 11.18% |
| JP Morgan Chase | 0 0% | 0 0% | 0 0% | 0 0% | 0 0% | 0 0% | 0 0.00% |
| Federated Investors | 0 0% | 0 0% | 0 0% | 83,807,160 23% | 0 0% | 0 0% | 83,807,160 23.36% |
| Fidelity | 0 0% | 0 0% | 0 0% | 67,273,069 19% | 0 0% | 0 0% | 67,273,069 18.75% |
| BlackRock | 0 0% | 0 0% | 0 0% | 3,202,333 1% | 0 0% | 0 0% | 3,202,333 0.89% |
| Wells Fargo | 0 0% | 0 0% | 0 0% | 306,305 0% | 0 0% | 0 0% | 306,305 0.09% |
| Citizens Bank | 0 0% | 10,543,455 3% | 0 0% | 0 0% | 69,580,991 19% | 0 0% | 80,124,446 22.33% |
| Webster Bank | 0 0% | 0 0% | 0 0% | 0 0% | 66,922,958 19% | 0 0% | 66,922,958 18.65% |
| Columbia Funds | 0 0% | 0 0% | 0 0% | 0 0% | 0 0% | 0 0% | 0 0.00% |
| TOTALS | - | 50,652,545.13 | - | 154,588,867.65 | 153,551,849.14 | - | 358,793,262 |
| (%) PORTFOLIO | 0.00% | 14.12% | 0.00% | 43.09% | 42.80% | 0.00% | 100.00% |

Note: PIP + CD must be under 75%. Acutal PIP + CD: 56.91%
Note: Maximum participation by any one vendor limited to 35% of total portfolio.

State of Rhode Island
Short Term Cash Monthly Performance
Performance for Calendar Month May 2009

| Fund Name | Beginning Balance | Ending Balance | Earnings | Yield(Annual) |
|----------------------------------|--------------------------|--------------------------|----------------------|----------------------|
| GENERAL FUND | \$ 138,860,090.97 | \$ 88,913,011.17 | \$ 56,595.19 | 0.7579% |
| H.A.V.A | \$ 292.17 | \$ 292.39 | \$ 0.22 | 0.8866% |
| PENSION C | | | | |
| PAYROLL A | | | | |
| GENERAL FUND (HIST PRES) | \$ 533,172.99 | \$ 533,443.87 | \$ 142.33 | 0.3143% |
| HIGHWAY FUND | \$ 29,970,663.15 | \$ 16,584,804.99 | \$ 14,448.05 | 0.6895% |
| T.D.I. RESERVE (DET) | \$ 72,173,817.29 | \$ 112,277,570.43 | \$ 56,285.49 | 0.6190% |
| EMPLOYER PENSION CONTRIBUTION | \$ 9,403,552.38 | \$ 36,519,496.06 | \$ 16,220.00 | 0.8907% |
| RICAP GL FUND 21 | \$ 1,013,157.61 | \$ 1,614,134.24 | \$ 976.65 | 0.9000% |
| BOND CAPITAL FUND | \$ 10,957,982.29 | \$ 8,365,275.92 | \$ 7,293.81 | 0.9000% |
| R.I. CLEAN WATER ACT | \$ 1,738,874.43 | \$ 1,740,203.60 | \$ 1,329.21 | 0.9000% |
| STATE LOTTERY FUND | \$ 39,464,125.06 | \$ 39,781,407.41 | \$ 17,573.17 | 0.5981% |
| ASSESSED FRINGE BEN ADM | \$ 3,291,857.20 | \$ 4,545,420.15 | \$ 3,563.05 | 0.9000% |
| AUTO EQUIPMENT SERVICE | \$ 252,777.94 | \$ 603,354.58 | \$ 576.66 | 0.9000% |
| HEALTH INSURANCE FUND | \$ 17,603,722.10 | \$ 24,813,951.83 | \$ 10,432.62 | 0.5349% |
| FLEET REVOLVING LOAN FUND | \$ 4,949,852.19 | \$ 4,953,635.77 | \$ 3,783.67 | 0.9000% |
| EMPLOYEES RETIREMENT | \$ 566,539.35 | \$ 2,770,385.17 | \$ 3,890.39 | 0.5235% |
| MUNICIPAL EMPLOYEES RET. | \$ 236,243.53 | \$ 87,873.97 | \$ 1,630.52 | 0.8139% |
| RETIREE HEALTH FUND | \$ 4,614,546.22 | \$ 6,219,291.58 | \$ 4,745.48 | 0.9000% |
| BOG RETIREE FUND | \$ 807,858.07 | \$ 708,431.20 | \$ 573.14 | 0.9000% |
| RIPTA HEALTH FUND | \$ 507,227.61 | \$ 707,996.28 | \$ 768.69 | 0.9000% |
| PERMANENT SCHOOL FUND | \$ 1,519,875.50 | \$ 1,221,165.49 | \$ 1,290.03 | 0.9000% |
| TEACHER RETIREE HEALTH FUND | \$ 852,313.15 | \$ 802,884.51 | \$ 571.38 | 0.9000% |
| UNIVERSITY COLLEGE | \$ 3,291.17 | \$ 1,503,552.59 | \$ 261.42 | 0.9000% |
| HIGHER EDUCATION | \$ 100,271.29 | \$ 400,537.80 | \$ 266.52 | 0.9000% |
| INDUS. BLDG. & MTG. INS. | \$ 3,122,753.94 | \$ 3,125,140.92 | \$ 2,387.04 | 0.9000% |
| Operating Funds Totals | \$ 342,544,857.60 | \$ 358,793,261.92 | \$ 205,604.73 | 0.716% |
| CLEAN WATER CCDL 1998B | \$ 45,730.45 | \$ 45,722.01 | \$ 15.53 | 0.4000% |
| CLEAN WATER CCDL 1994 (A) | \$ 6,050.66 | \$ 6,049.54 | \$ 2.06 | 0.4010% |
| CAP DEV. OF 1997 SERIES A | \$ 11,172.61 | \$ 11,170.55 | \$ 3.79 | 0.3996% |
| CLEAN WATER CCDL 2002 B | \$ 17,361.22 | \$ 17,358.01 | \$ 5.90 | 0.4003% |
| CLEAN WATER 2004 SERIES A | \$ 654,830.44 | \$ 654,709.55 | \$ 222.37 | 0.4000% |
| CLN WATER CCDL 2005 SER E | \$ 59,480.76 | \$ 59,469.73 | \$ 20.21 | 0.4002% |
| CAP DEV. OF 1997 SERIES A | \$ 7,041.31 | \$ 7,040.01 | \$ 2.39 | 0.3998% |
| RI POLLUT. CONT 94 SER. A | \$ 6,326.36 | \$ 6,325.19 | \$ 2.15 | 0.4003% |
| CCDL99A 1999A | \$ 285,904.44 | \$ 285,851.65 | \$ 97.09 | 0.4000% |
| POL. CTRL CCDL 2006 SER C | \$ 232,659.17 | \$ 232,616.22 | \$ 79.02 | 0.4001% |
| CLEAN WATER 2007 SERIES A | \$ 500,210.16 | \$ 500,117.81 | \$ 169.86 | 0.4000% |
| G.O. NOTE 1991 SER. B | \$ 3,793.82 | \$ 3,793.12 | \$ 1.29 | 0.4005% |
| BOND CCDL 1994 SERIES A | \$ 174,275.50 | \$ 174,243.32 | \$ 59.18 | 0.4000% |
| BOND CCB196A | \$ 544,088.10 | \$ 543,965.67 | \$ 184.76 | 0.4000% |
| CAP DEV OF 1997 SERIES A | \$ 345.28 | \$ 345.22 | \$ 0.12 | 0.4094% |
| CCDL 1998B | \$ 1,750,652.77 | \$ 1,750,329.57 | \$ 594.50 | 0.4000% |
| MMG099 1999 | \$ 2,847.61 | \$ 2,847.08 | \$ 0.95 | 0.3930% |
| BOND CAPITOL CCDL2000A | \$ 951,842.15 | \$ 951,666.42 | \$ 323.23 | 0.4000% |
| MULTI-MODAL GEN OBL 2000 | \$ 2,819.29 | \$ 2,818.77 | \$ 0.96 | 0.4011% |
| CCDL 2004 SERIES A | \$ 7,923,274.44 | \$ 7,921,811.98 | \$ 2,690.63 | 0.4000% |
| BOND CCDL 2005 SERIES C | \$ 16,050,502.21 | \$ 16,047,539.82 | \$ 5,450.54 | 0.4000% |
| BOND CCDL 2005 SERIES E | \$ 2,426,998.43 | \$ 2,426,550.36 | \$ 824.18 | 0.4000% |
| BOND CCDL 2006 SERIES B | \$ 22,658.49 | \$ 22,654.31 | \$ 7.70 | 0.4003% |
| BOND CCDL 2006 SERIES C | \$ 6,599,354.32 | \$ 6,597,975.28 | \$ 2,241.01 | 0.4000% |
| GO BND-NTAX 2007 SERIES A | \$ 2,630,453.62 | \$ 2,629,447.17 | \$ 893.11 | 0.4000% |
| GO BND-TAX 2007 SERIES B | \$ 4,008,103.67 | \$ 4,007,363.70 | \$ 1,361.09 | 0.4000% |
| NON-TAX GO BND 2008 SERIES B | \$ 28,536,260.42 | \$ 24,914,874.39 | \$ 8,753.27 | 0.4006% |
| TAXABLE GO BND 2008 SERIES C | \$ 8,503,012.45 | \$ 8,501,442.67 | \$ 2,887.51 | 0.4000% |
| Bond Proceeds Fund Totals | \$ 44,918,777.28 | \$ 78,326,099.12 | \$ 15,253.62 | 0.400% |
| TANS PROCEEDS | \$ 38,589,965.96 | \$ 903.70 | \$ 50,020.96 | 1.6899% |
| Grand Totals | \$ 387,463,634.88 | \$ 437,119,361.04 | \$ 220,858.35 | 0.694% |

Short Term Investments
Maturity Schedule
May 31, 2009



Maturities in \$Millions

Note: Includes \$308.1 Million of Money Market and PIP investments with no specific maturity

SPECIAL FUNDS

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
May 31, 2009**

| <u>Fund Name</u> | Gain/Loss | Total Market Value |
|---|------------------|---------------------------|
| Abraham Touro Fund (Fidelity Balanced Fund) | \$ 80,604 | \$ 1,676,097 |
| <u>Totals</u> | \$ 80,604 | \$ 1,676,097 |