

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
January 31, 2015  
February 25, 2015  
MEETING**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Honorable Seth Magaziner, Chair**

**Mr. J. Michael Costello  
Mr. Robert Giudici  
Ms. Faith LaSalle  
Mr. Thomas Mullaney  
Mr. Andrew K. Reilly**

**Mr. Thomas P. Fay  
Mr. Frank J. Karpinski  
Ms. Paula M. McNamara  
Ms. Marcia Reback**

# Section I.

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## Agenda



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

**Seth Magaziner**  
General Treasurer

## **RHODE ISLAND STATE INVESTMENT COMMISSION MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, February 25, 2015 at 9:00 a.m. in Room 205 of the State House.

### **AGENDA**

- Chairperson Call to Order
- Membership Roll Call
- Treasurer's Report
- Approval of Minutes
  - State Investment Commission Meeting held on December 16, 2014\*
- TIAA-CREF Investment Performance Review
- Consultant Review & Recommendations of 529 Plan
  - Share Class Changes\*
  - Consolidation of Small Cap Offerings\*
- Recommendation on Inflation Linked Bonds\*
- Hedge Fund Review
  - Samlyn Share Class Recommendation\*/\*\*
  - BlueCrest Fund Recommendation\*/\*\*
- Private Equity Recommendation
  - Industry Ventures Partnership Holdings III Overage Fund\*/\*\*
- Legal Counsel Report
- Chief Investment Officer Report
  - Portfolio Update
  - MLP Investment Pacing

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

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

**POSTED ON FRIDAY, February 20, 2015**

## Section II.

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### Approval of Minutes



**State Investment Commission**  
**Monthly Meeting Minutes**  
**Tuesday, December 16, 2014**  
**2:00 p.m.**  
**Room 205, State House**

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 2:03 p.m., Tuesday, December 16, 2014 in Room 205, State House.

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

The following members were present: Mr. J. Michael Costello, Mr. Thomas Fay, Mr. Robert Giudici, Ms. Faith LaSalle, Mr. Thomas Mullaney, Ms. Marcia Reback, Mr. Andrew Reilly, Mr. Frank Karpinski and Governor-Elect Gina Raimondo.

Also in attendance: Mr. Thomas Lynch of Cliffwater, alternative investment consultant; Mr. Chuck Bauer and Mr. Doug Swanson of EnCap Energy Capital; Mr. Dexter Paine and Ms. Natasha Sunderam of Paine & Partners, LP; Mr. John Burns and Ms. Judy Chambers of Pension Consulting Alliance (PCA), general consultant; Mr. Eric Conklin and Mr. Anthony Merhige of Harvest Fund Advisors, LLC; Mr. Andreas Moon and Mr. Adil Rahmathulla of ISQ Global Infrastructure Fund, LP; Ms. Sally Dowling of Adler Pollock & Sheehan P.C., legal counsel; Mr. Gregory Balewicz of State Street Global Advisors, index manager; Mr. Seth Magaziner, Rhode Island Treasurer-Elect; Mr. Jeffrey Padwa, General Counsel to Treasurer-Elect Magaziner; Mr. Robert Bromley, of the Senate Fiscal Office; Ms. Anne-Marie Fink, chief investment officer, and members of the Treasurer's staff.

Ms. Paula McNamara was absent.

## **II. Approval of Minutes**

On a motion by Mr. Costello and seconded by Mr. Mullaney, it was unanimously

**VOTED: to approve the draft of the minutes of the November 19, 2014 meeting of the State Investment Commission.**

## **III. Private Equity Recommendations—EnCap Energy Capital Fund X & Paine & Partners Food and Agribusiness Fund IV**

Mr. Lynch introduced EnCap Energy Capital, a firm that focuses on upstream energy investments.

Mr. Bauer gave an overview of the firm. He said over the course of their 26-year history they have raised a combination of 18 funds. He said ERSRI has invested in their prior Fund IX.

Mr. Doug Swanson reviewed the performance of their previous funds. EnCap has had very consistent returns across their funds. The team focuses on capital preservation and have a very limited loss history.

He reviewed the fund being raised and their strategy. He noted that managing risk is critically important.

They maintain a very limited use of leverage in their portfolio companies. They have the ability to start small and grow organically. He said with oil prices declining, they currently see tremendous opportunity to invest.

The board asked questions.

Mr. Bauer and Mr. Swanson left the room.

Mr. Lynch added that Cliffwater recommends a \$30 million investment.

The board discussed.

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

**VOTED: to approve a \$30 million investment in EnCap Energy Capital Fund X.**

Ms. Reback wanted the record to reflect that she voted yes with the representation they are good stewards and follow environmental best practices.

Then Ms. Fink introduced the next fund by noting changes happening in the agricultural sector. Demand for agricultural products is rising, leading to investments in research and technological breakthroughs in the space.

She introduced Paine & Partners and said they have deep expertise in the agricultural sector. Their strategy is to invest in profitable companies and to capitalize on the changes affecting the sector. They are one of, if not the only, private equity fund specializing in the agricultural space or “farm to fork” as they call it.

Mr. Paine gave an overview of the firm. They are the leaders investing in the food and agricultural space. He noted that it is a very high growth area.

He described their personnel structure. He went on to review some of their previous investment funds. Since 2010, they have been exclusively focused on the agricultural space and have provided more returns in this area than any other firm. Fund IV will be the largest fund in the space and the only one to make investments exclusively in food and agricultural business.

He reviewed some of the investments they have made in the agricultural sector. They have invested in excess of \$1 billion and have no realized losses.

He gave an outlook for the industry. He went on to review the terms of Fund IV.

The board asked questions.

Paine & Partners left the room.

Mr. Lynch explained that the recommendation for investment is up to \$30 million. He noted that the fund is oversubscribed so it's not certain how much they will take.

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

**VOTED: to approve an investment of up to \$30 million in Paine & Partners Fund IV.**

Ms. Reback voted nay.

#### **IV. Master Limited Partnership Manager—Harvest Fund Advisors LLC**

Ms. Chambers introduced the proposed MLP manager identified by responses to the RFP issued by the Treasurer's office. She said Harvest is a firm that focuses on mid-stream energy infrastructure.

Mr. Merhige gave an overview of the firm. They currently manage over \$7 billion exclusively for institutions in public-market infrastructure equities. He briefly reviewed some of their clients and gave an overview of the team.

Mr. Conklin reviewed the portfolio and the opportunity in the market. He noted MLPs have a tremendous growth rate due to the lack of energy infrastructure in the country. He noted there is relatively lower correlation among MLPs and other asset classes, which increases returns and lowers overall risk when MLPs are added to a broader portfolio.

He reviewed what they're seeing in terms of production growth. He went on to talk about Harvest's investment process. They populate models with best-in-class data and seek the best risk-adjusted returns. He gave some insight into the overall portfolio. They are able to achieve high growth rates because they invest in companies that have the best growth profiles.

Mr. Merhige reviewed the terms of the fund.

The board asked questions.

Harvest left the room.

Ms. Fink noted that there is a 2% allocation to MLPs in the pension fund's strategy allocation that has not been fulfilled. She mentioned this may be a good time to invest in MLPs because of the recent disruption in the energy markets.

The board discussed.

Some members of the board expressed concern over investing the entire 2% allocation into one manager.

Mr. Burns noted that these are publically traded equities and there is limited manager risk.

Mr. Costello said he would be more comfortable if the allocation was not given to the manager all at once but rather over the course of the year.

The board discussed the options for investing over a one-year period.

The board invited the firm back into the room to share their concerns and get their input.

Mr. Conklin said right now there is a good dislocation and tax considerations keep many from investing in MLPs at the end of the calendar year. His preference would be to try to capture as much of the dislocation as soon as possible. He believed it was a very good time and a rare year in that there are a lot of MLPs that are down.

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

**VOTED: to commit \$160 million to Harvest Fund Advisors with up to \$80 million upfront and the rest at the manager's discretion over the course of one year and with the fee locked in based on the total commitment amount.**

## **V. ISQ Global Infrastructure Fund, L.P.**

Ms. Chambers introduced ISQ, a private infrastructure firm focused on investing in global assets. She noted that they have a great management process in place.

Mr. Rahmathulla gave an overview of the firm. They invest in energy, utilities and transportation assets in North America, Europe and Asia.

He said two critical elements to their strategy are downside protection and value creation. They focus on operations and policy considerations. They look for investments to add explicit or implicit linkage to inflation.

He said to date they have made 8 investments and have deployed over \$700 million in their current fund. He gave an overview of the team.

He talked about their overall track record. Over the team's history they have invested about \$14 billion in 21 investments and their experience has been truly global. He reviewed their risk model.

He gave a summary of the fund's current portfolio. Their target is to have 80% in US assets and 20% invested across India and China. He gave some examples of their investments.

In terms of opportunistic investments in India and China, they only make investments in which the risk-adjusted returns are higher than what they see in the US. They don't venture into large investments in these geographies.

Mr. Moon talked about the terms of the fund and the fee structure.

The board asked questions.

ISQ left the room.

The board discussed.

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

**VOTED: to approve a \$50 million investment in ISQ Global Infrastructure Fund L.P.**

## **VI. Legal Counsel Report**

There was no legal counsel report.

## **VII. CIO Report**

Ms. Fink said that the redemption for Mason Capital has been submitted and ERSRI will be out as of December 31, 2014. ERSRI also declined to roll over its investment in Perseus, a 2006 private equity fund. The firm's CEO passed away and investors were given an opportunity to either exit the fund or to invest in a new recapitalized fund for an additional eight years.

Ms. Fink went on to review the performance for the month of November. The portfolio was up 1% and 0.6% fiscal year-to-date. She reviewed the performance of each asset class. Hedge funds returned 1.3% in line with the 60/40. Since inception, the hedge funds have returned 7.4% which is 0.2% better than the 60/40. She said the overall portfolio has strong returns with less volatility than the benchmark and the 60/40 over the 3 and 5 year time frame.

Ms. Fink reviewed the performance of the portfolio for the last 3 years and 11 months or the term of the current administration. The portfolio has averaged 8.4% annual gain which compared to 8.3% for the bottom-up benchmark and 7.2% for the 60/40 basic allocation.

## **VIII. Treasurer Report**

Governor-Elect Raimondo thanked the board for the last four years. She commended the board for all their work and contributions to the board.

There being no other business to come before the Board, on a motion by Ms. Reback and seconded by Mr. Mullaney the meeting adjourned at 4:27 p.m.

Respectfully submitted,

**Gina M. Raimondo**  
Governor-Elect

## Section III.

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### Staff Summary

# Portfolio Highlights

## PORTFOLIO PERFORMANCE

### January

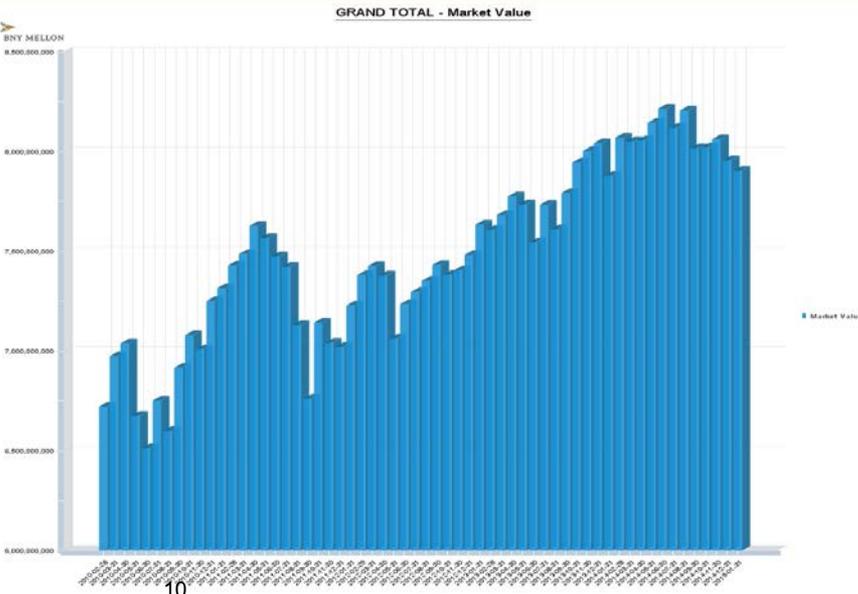
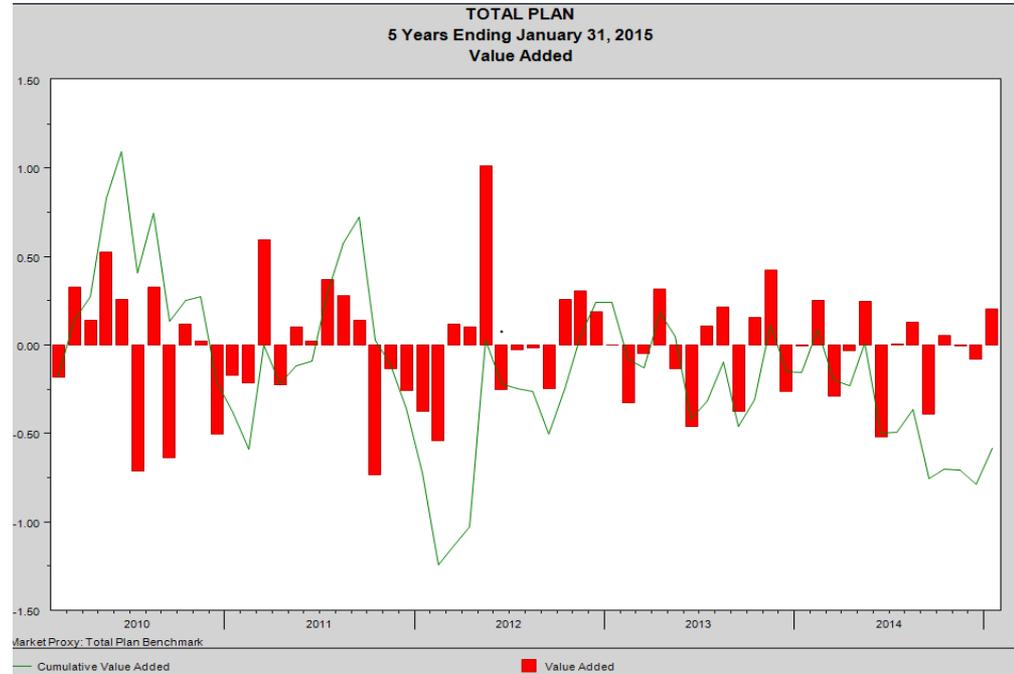
The ERSRI portfolio posted a 0.31% loss for January, against the policy index of -0.52% and the 60/40 Blend of -0.10%. Total Equity returned -1.54%, as US Public Equity lost 2.79% and International Equity -0.20%, both comparable to their respective benchmarks, while Emerging Markets produced returns of 0.48% and MSCI Canada returned -8.27%. Equity Hedge Funds returned 0.06%, beating its benchmark of -0.74%. US Traditional Fixed Income returned 2.09%, compared to its benchmark of 2.10%. Real Return Hedge Funds returned 1.20% against its benchmark of -0.04%, while GILBs gained 1.74% versus its benchmark 1.65%. The Credit strategy returned 0.11%, versus its benchmark 0.44%.

### Fiscal Year to Date

For the Fiscal Year, the fund has lost 0.71%, versus the policy index of -0.63% and the 60/40 Blend -0.46%.

### Market Values

The total portfolio value decreased by \$51.9 million to \$7.90 billion. The January decrease represents \$25.0 million of negative market impact, and \$26.9 million of transfers out.



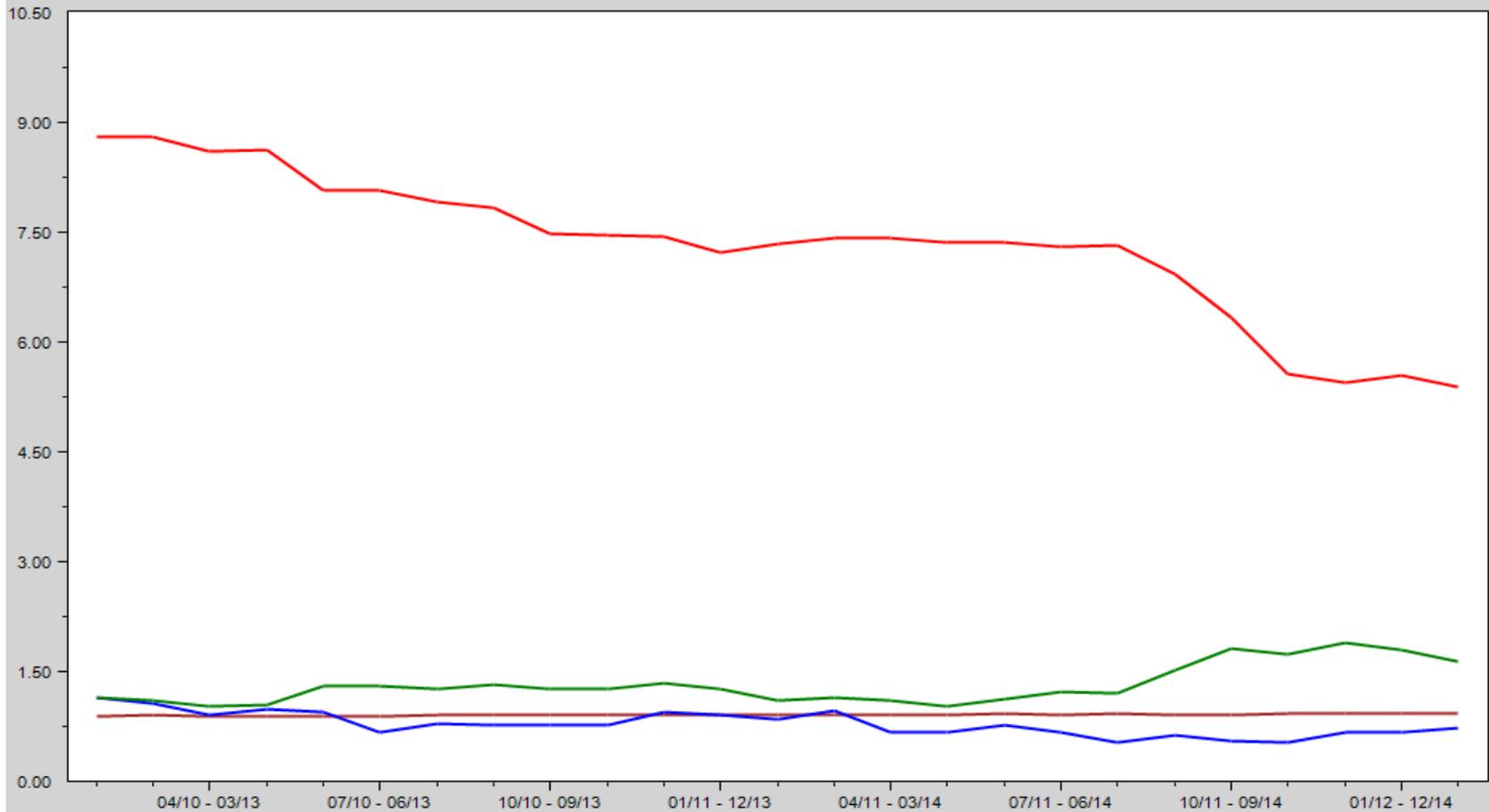
| Account Name<br>Benchmark Name | Market Value (M) | Month        | Fiscal YTD   |
|--------------------------------|------------------|--------------|--------------|
| US Public Equity               | 1,934.66         | -2.79        | 2.36         |
| Non-US Public Equity           | 1,851.57         | -0.20        | -9.06        |
| Equity Hedge Funds             | 601.73           | 0.06         | 0.01         |
| Private Equity                 | 533.04           | -1.69        | -1.54        |
| Traditional Fixed Income       | 1,146.11         | 2.09         | 3.88         |
| Real Estate                    | 372.05           | 2.04         | 7.58         |
| Real Return Hedge Funds        | 539.56           | 1.20         | 3.62         |
| Publicly Traded Infrastructure | 78.46            | -3.47        |              |
| Credit Aggregate               | 414.55           | 0.11         | -1.36        |
| Inflation-Linked Bonds         | 286.68           | 1.74         | 0.57         |
| Total Cash                     | 123.19           | -0.03        | 0.63         |
| <b>TOTAL PLAN</b>              | <b>7,904.59</b>  | <b>-0.31</b> | <b>-0.71</b> |

## Historical Risk - Three Year Rolling Periods

### TOTAL PLAN

#### 5 Years Ending January 31, 2015

#### Trend



Market Proxy: Total Plan Benchmark; Risk-Free Proxy: BofA Merrill Lynch 3 Month US Treasury Bill G001

— Ann Std Dev      — Ann Sharpe Ratio      — Ann Alpha      — Beta



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

Seth Magaziner  
General Treasurer

February 23, 2015

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, Municipal Employees', State Police and Judicial Retirement Systems of the State of Rhode Island at the close of business on January 31, 2015.

**Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation  
January 31, 2015**

| Asset Class                    |                |                      |
|--------------------------------|----------------|----------------------|
| <b>Total Fund Investments</b>  |                | <b>7,904,585,640</b> |
| CASH EQUIVALENT*               |                | 164,680,032          |
| EQUITY HEDGE FUNDS**           |                | 601,734,218          |
| GLOBAL PUBLIC EQUITY           |                | 3,786,228,909        |
| CREDIT                         |                | 394,818,266          |
| INFLATION LINKED BONDS         |                | 278,189,766          |
| PRIVATE EQUITY**               |                | 533,036,579          |
| REAL ESTATE**                  |                | 372,052,881          |
| REAL RET HEDGE FUNDS**         |                | 539,564,089          |
| PUBLICLY TRADED INFRASTRUCTURE |                | 78,458,634           |
| US TRADITIONAL FIXED           |                | 1,155,822,266        |
| Plan Allocation                |                |                      |
| <b>Total Fund Investments</b>  | <b>100.00%</b> | <b>7,904,585,640</b> |
| STATE EMP RET PLAN             | 80.66%         | 6,376,028,270        |
| MUNI EMP RET PLAN              | 17.22%         | 1,361,211,905        |
| STATE POLICE RET PL            | 1.39%          | 110,156,817          |
| JUDICIAL RET PLAN              | 0.72%          | 56,781,725           |
| NON-CONTRIB JUD RET            | 0.01%          | 406,925              |

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

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

Respectfully submitted,



Vincent Izzo  
Cash Manager

## Section IV.

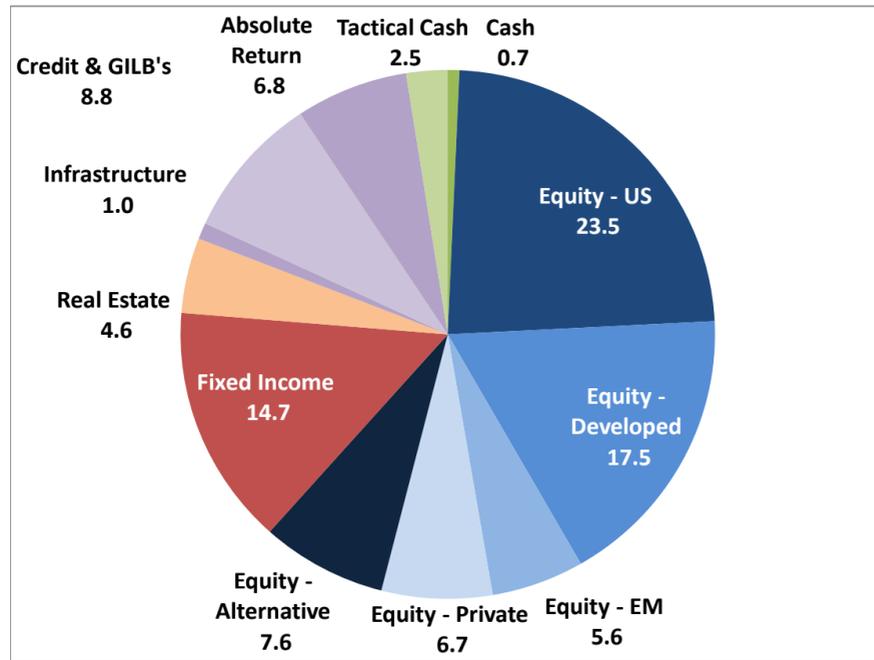
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### Asset Allocation

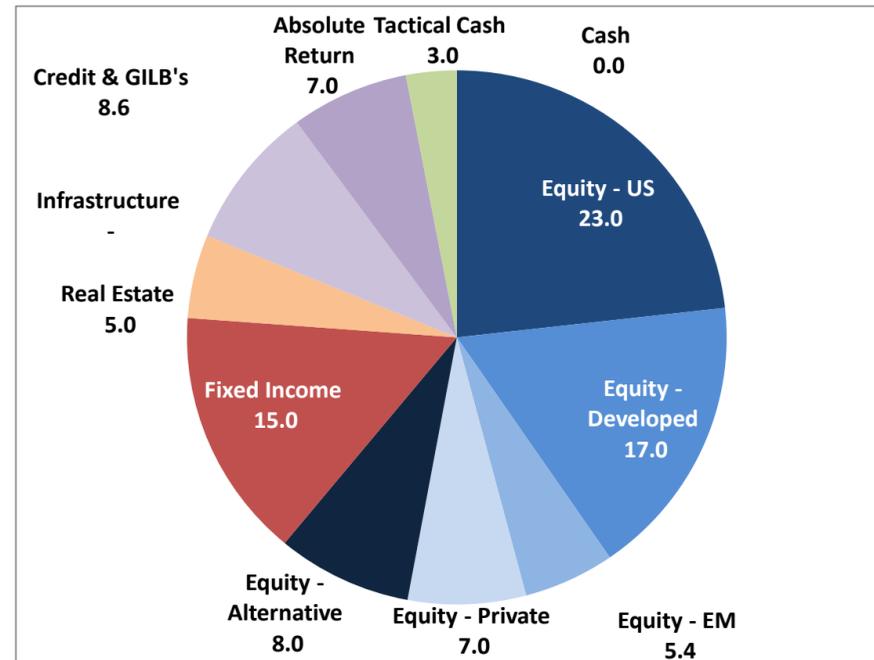
**ERSRI Portfolio**

%%% - as of January 31, 2015

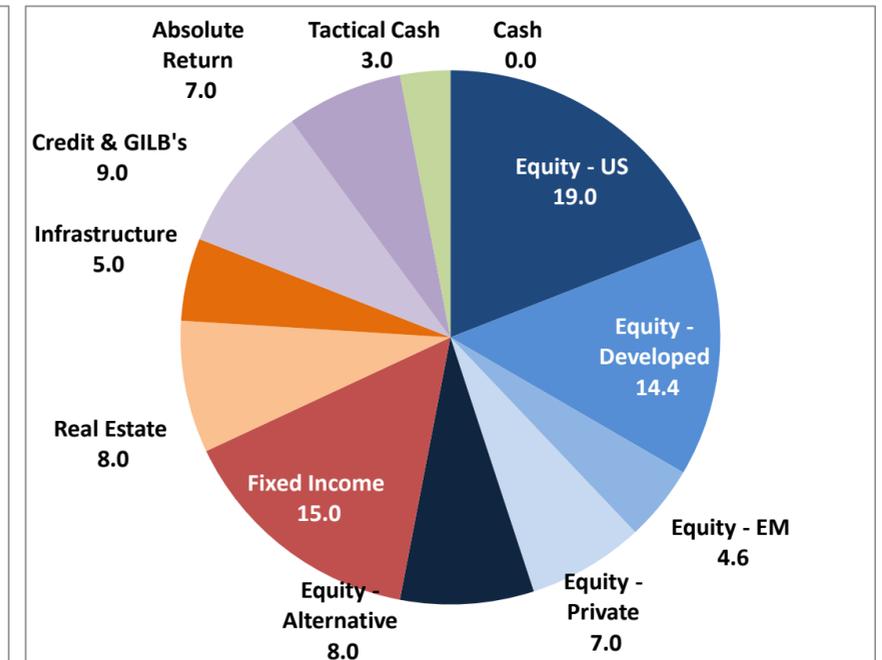
**Actual Allocation**



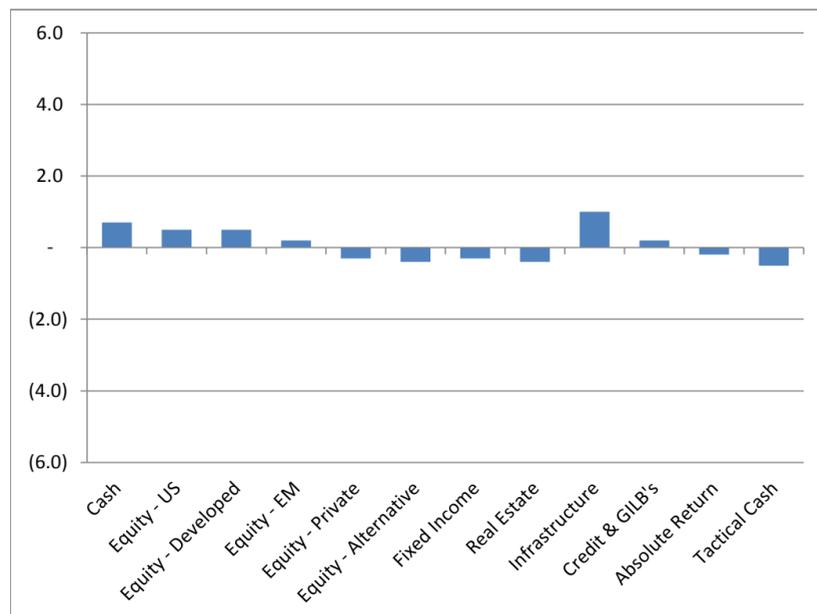
**Tactical Allocation**



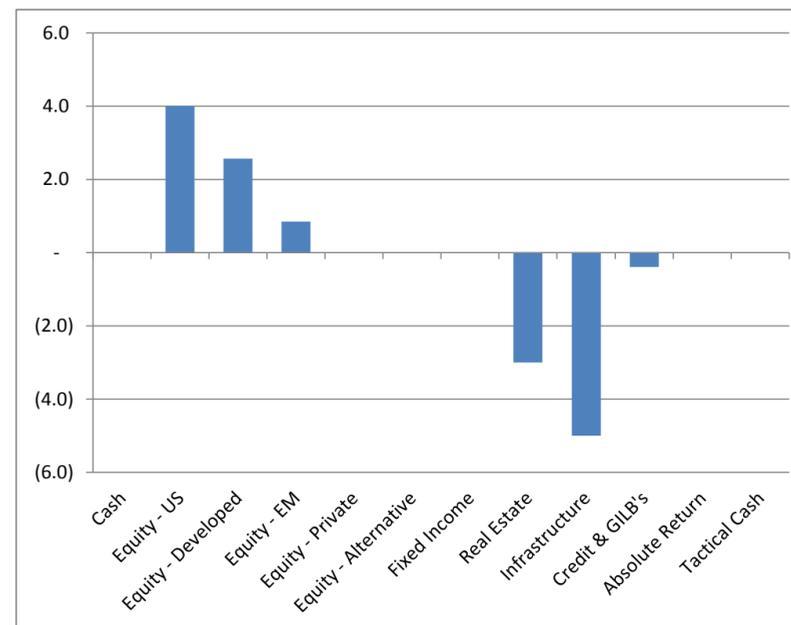
**Policy Allocation**



**Actual vs. Tactical**



**Tactical vs. Policy**



**Notes:**

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

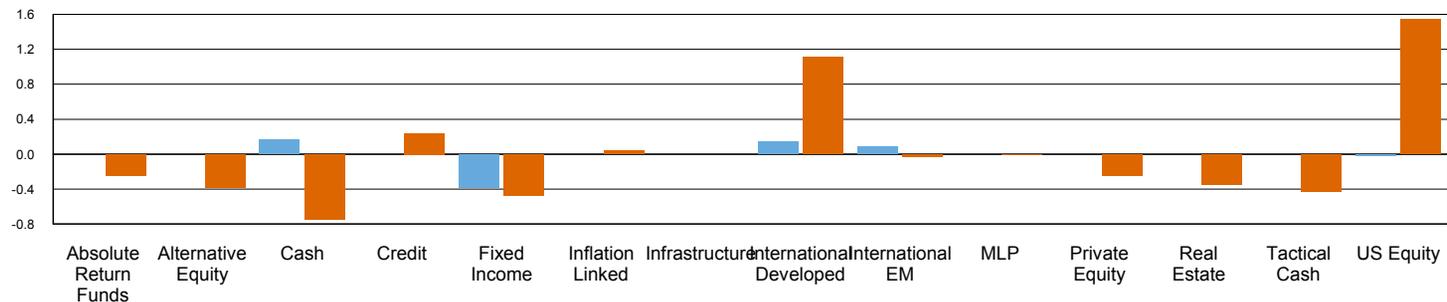
Tactical vs. Policy: Tactical allocations diverge from policy to allow time to vet third-party managers allowing prudent implementation of SIC policy decisions, and to diversify vintage-year exposure for drawdown funds (e.g., private equity, real estate, infrastructure).

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

# Asset Summary

| <u>Asset Class</u>        | <u>Physical Exposure</u> |               | <u>Synthetic Exposure</u> |              | <u>Net Position</u> |               | <u>Overlay Target</u> |               | <u>Policy Target</u> |                |
|---------------------------|--------------------------|---------------|---------------------------|--------------|---------------------|---------------|-----------------------|---------------|----------------------|----------------|
| <b>Total Market Value</b> | <b>7,888.9</b>           | <b>100.0%</b> | <b>0.0</b>                | <b>0.0%</b>  | <b>7,888.9</b>      | <b>100.0%</b> | <b>7,889.0</b>        | <b>100.0%</b> | <b>7,889.0</b>       | <b>100.00%</b> |
| <b>Cash</b>               | <b>-58.9</b>             | <b>-0.7%</b>  | <b>66.1</b>               | <b>0.8%</b>  | <b>7.2</b>          | <b>0.1%</b>   | <b>-5.9</b>           | <b>-0.1%</b>  | <b>0.0</b>           | <b>0.00%</b>   |
| Cash                      | -58.9                    | -0.7%         | 66.1                      | 0.8%         | 7.2                 | 0.1%          | -5.9                  | -0.1%         | 0.0                  | 0.00%          |
| <b>Equity</b>             | <b>4,921.8</b>           | <b>62.4%</b>  | <b>-86.9</b>              | <b>-1.1%</b> | <b>4,835.0</b>      | <b>61.3%</b>  | <b>4,818.4</b>        | <b>61.1%</b>  | <b>4,764.9</b>       | <b>60.40%</b>  |
| Alternative Equity        | 601.4                    | 7.6%          | 0.0                       | 0.0%         | 601.4               | 7.6%          | 601.4                 | 7.6%          | 631.1                | 8.00%          |
| US Equity                 | 1,935.9                  | 24.5%         | -71.1                     | -0.9%        | 1,864.8             | 23.6%         | 1,866.3               | 23.7%         | 1,814.4              | 23.00%         |
| Private Equity            | 533.0                    | 6.8%          | 0.0                       | 0.0%         | 533.0               | 6.8%          | 533.0                 | 6.8%          | 552.2                | 7.00%          |
| International Developed   | 1,428.3                  | 18.1%         | -37.3                     | -0.5%        | 1,391.0             | 17.6%         | 1,379.5               | 17.5%         | 1,341.1              | 17.00%         |
| International EM          | 423.2                    | 5.4%          | 21.6                      | 0.3%         | 444.8               | 5.6%          | 438.2                 | 5.6%          | 426.0                | 5.40%          |
| <b>Fixed</b>              | <b>1,146.1</b>           | <b>14.5%</b>  | <b>20.7</b>               | <b>0.3%</b>  | <b>1,166.9</b>      | <b>14.8%</b>  | <b>1,196.6</b>        | <b>15.2%</b>  | <b>1,183.4</b>       | <b>15.00%</b>  |
| Fixed Income              | 1,146.1                  | 14.5%         | 20.7                      | 0.3%         | 1,166.9             | 14.8%         | 1,196.6               | 15.2%         | 1,183.4              | 15.00%         |
| <b>Other</b>              | <b>1,879.9</b>           | <b>23.8%</b>  | <b>0.0</b>                | <b>0.0%</b>  | <b>1,879.9</b>      | <b>23.8%</b>  | <b>1,879.9</b>        | <b>23.8%</b>  | <b>1,940.8</b>       | <b>24.60%</b>  |
| Real Estate               | 366.7                    | 4.6%          | 0.0                       | 0.0%         | 366.7               | 4.6%          | 366.7                 | 4.6%          | 394.5                | 5.00%          |
| Tactical Cash             | 202.5                    | 2.6%          | 0.0                       | 0.0%         | 202.5               | 2.6%          | 202.5                 | 2.6%          | 236.7                | 3.00%          |
| Infrastructure            | 0.0                      | 0.0%          | 0.0                       | 0.0%         | 0.0                 | 0.0%          | 0.0                   | 0.0%          | 0.1                  | 0.00%          |
| Absolute Return Funds     | 532.3                    | 6.7%          | 0.0                       | 0.0%         | 532.3               | 6.7%          | 532.3                 | 6.7%          | 552.2                | 7.00%          |
| MLP                       | 78.5                     | 1.0%          | 0.0                       | 0.0%         | 78.5                | 1.0%          | 78.5                  | 1.0%          | 78.9                 | 1.00%          |
| Credit                    | 413.2                    | 5.2%          | 0.0                       | 0.0%         | 413.2               | 5.2%          | 413.2                 | 5.2%          | 394.5                | 5.00%          |
| Inflation Linked          | 286.7                    | 3.6%          | 0.0                       | 0.0%         | 286.7               | 3.6%          | 286.7                 | 3.6%          | 284.0                | 3.60%          |

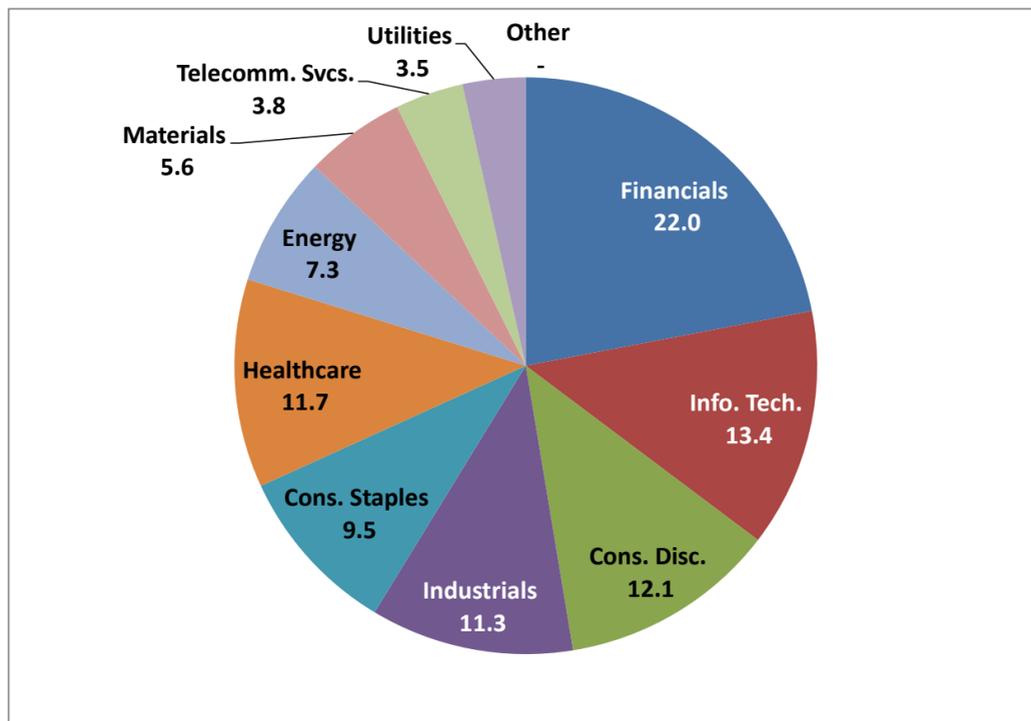
Deviations from Target Allocation



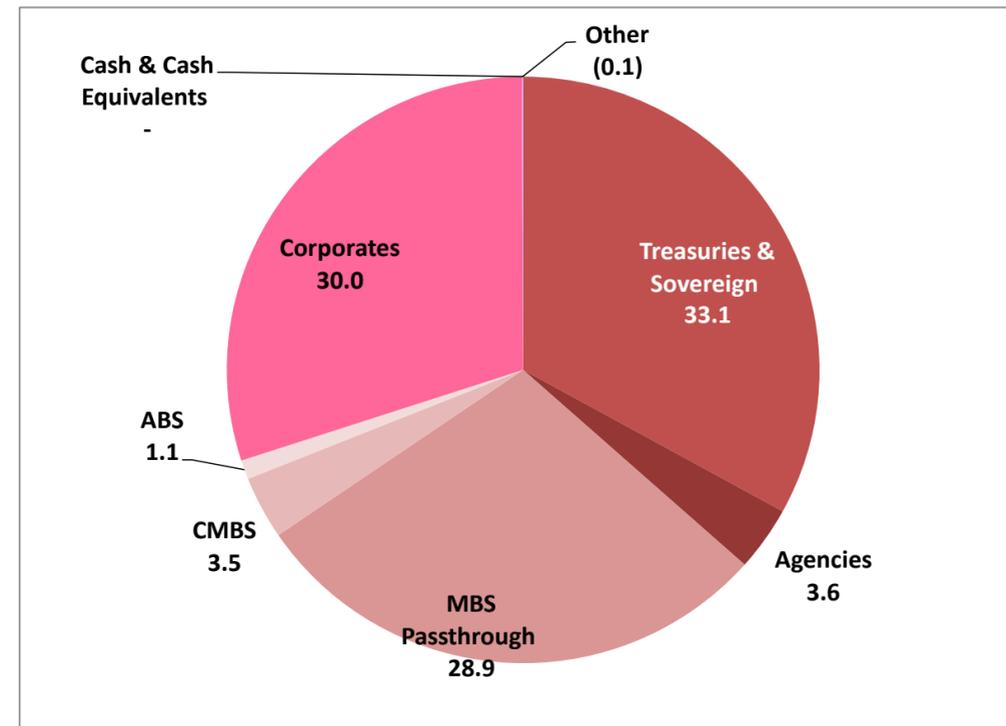
# ERSRI Asset Allocation Public-Asset Portfolios

%%% - as of January 31, 2015

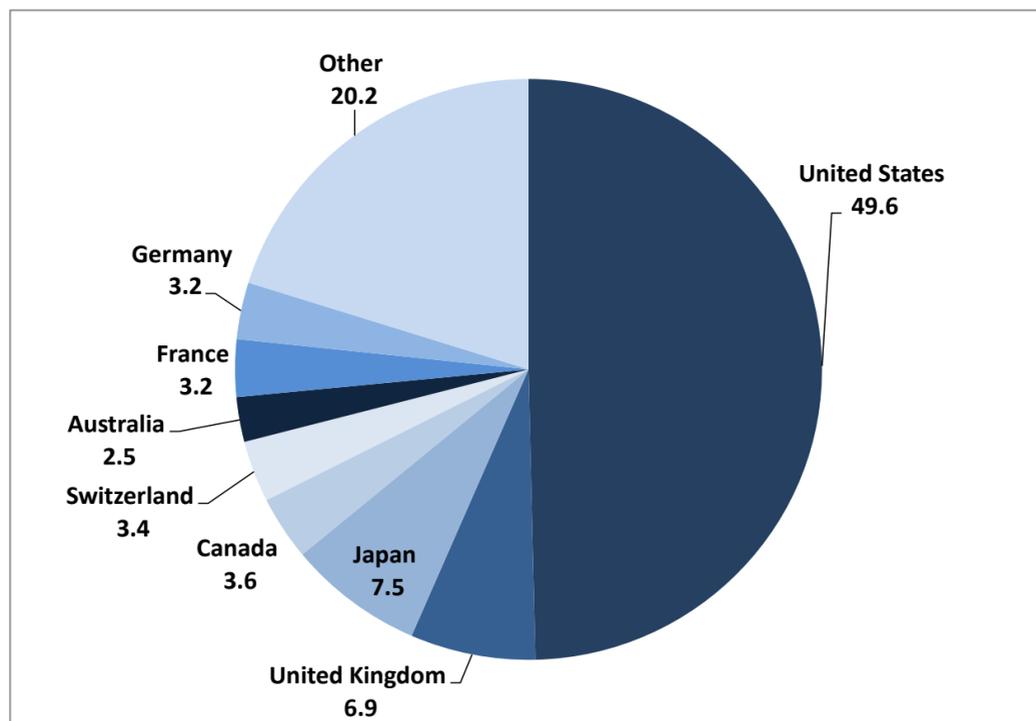
### Global Public Equity - by Industry Sector



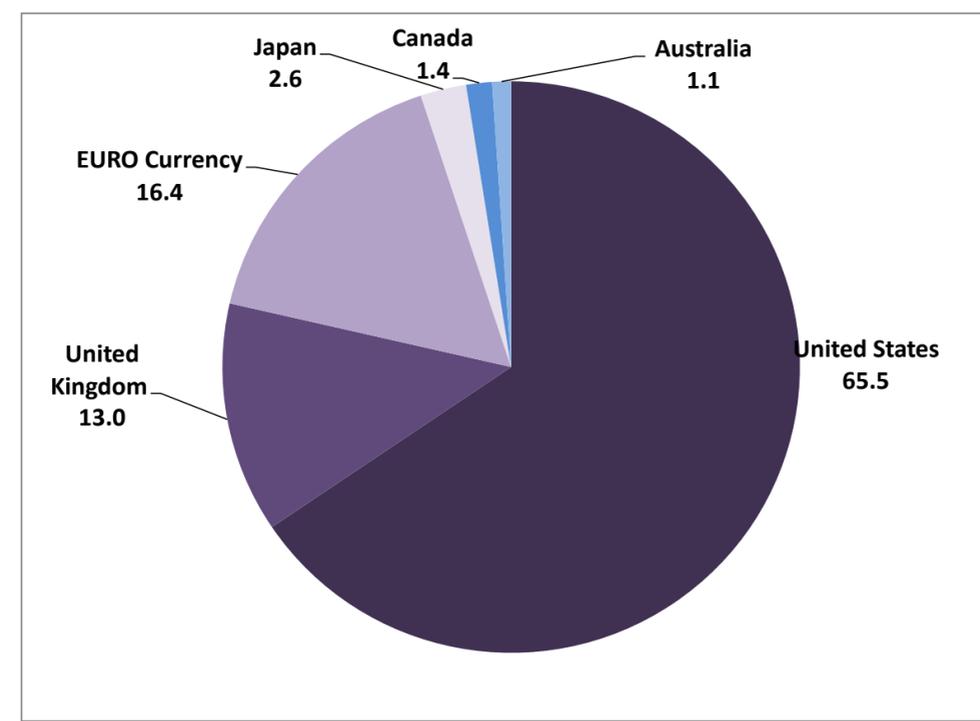
### Core Fixed Income - by Type



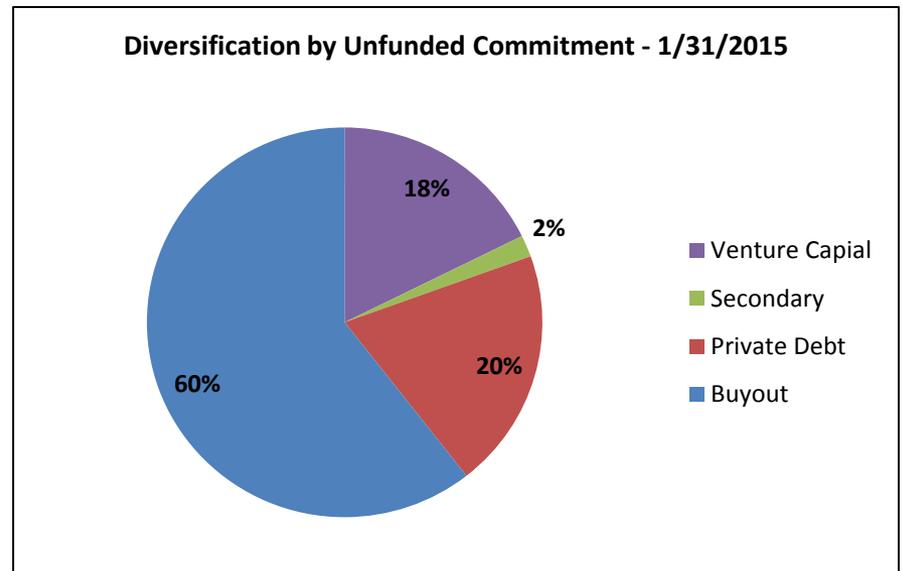
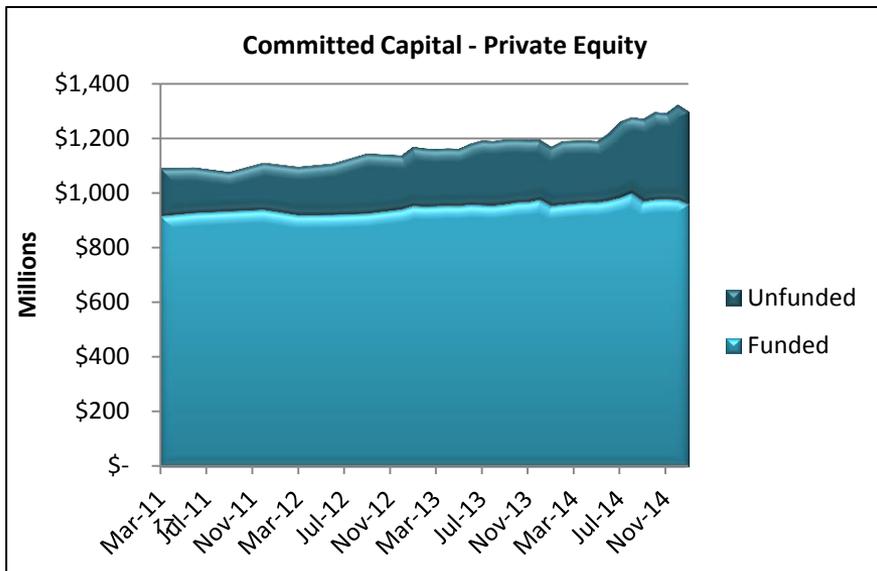
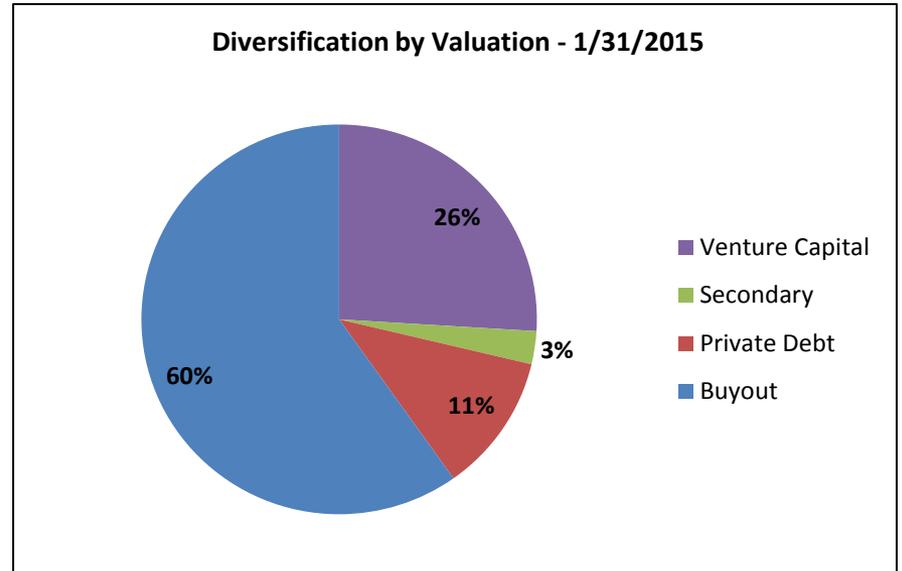
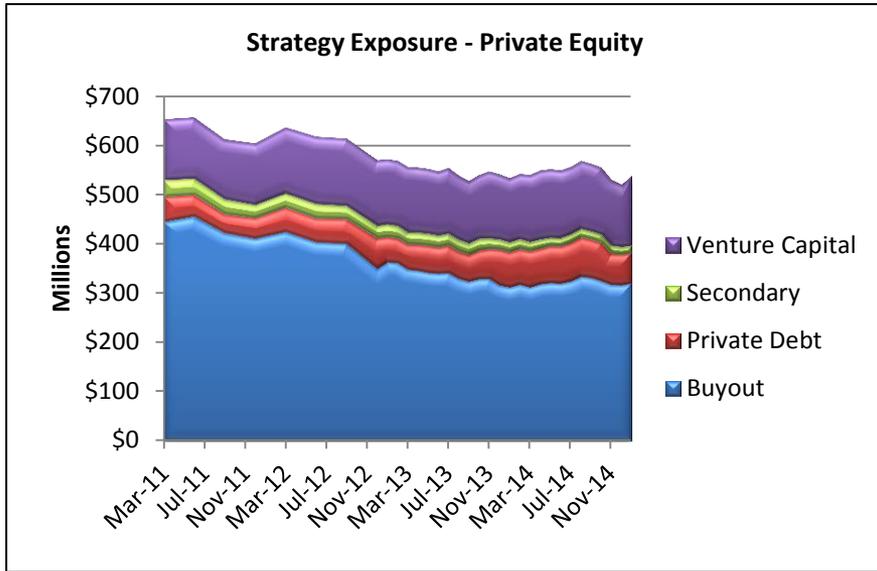
### Global Public Equity - by Geography



### Global Inflation-Linked Bonds - by Geography



# Strategy Exposure & Committed Capital – Private Equity

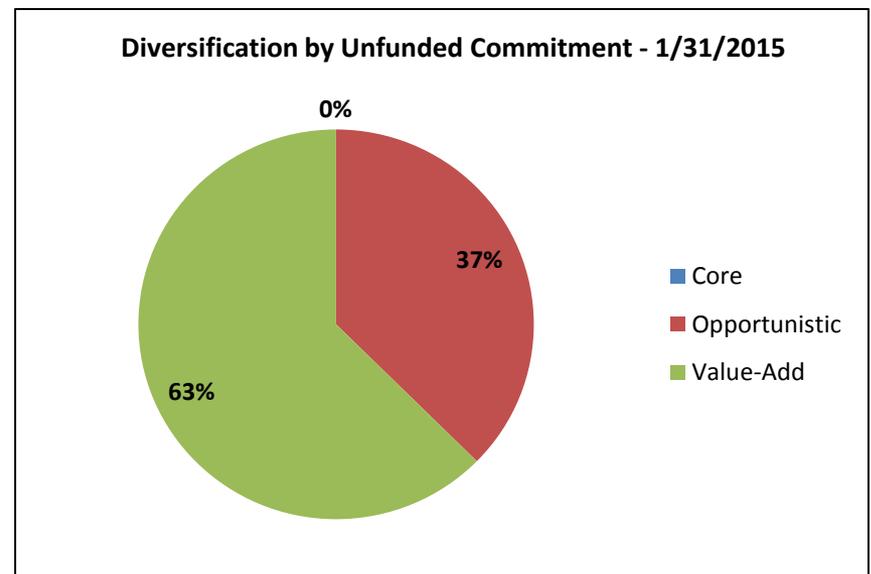
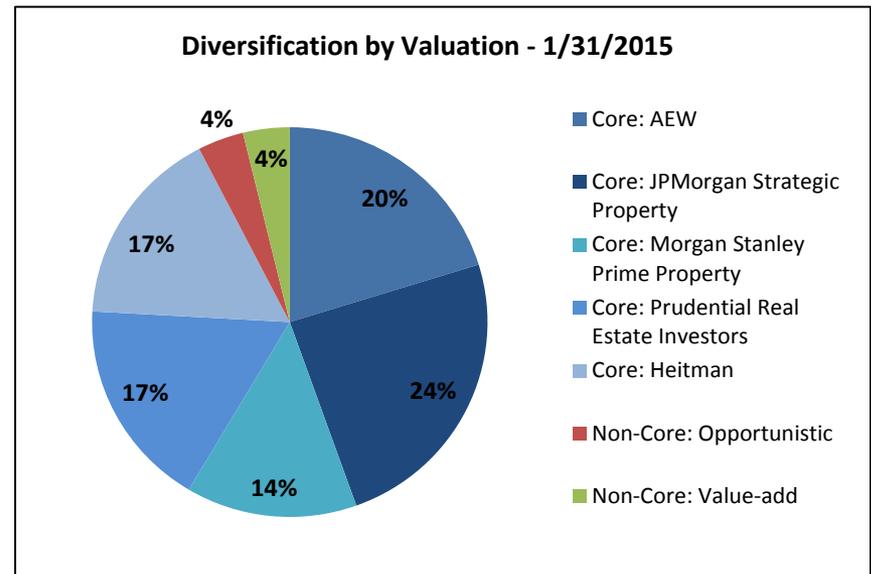


**State of Rhode Island Private Equity Unfunded Commitment January 2015**

| <b>Partnership Investment</b>              | <b>Total Commitment</b> | <b>Unfunded</b>  |
|--|-------------------------|------------------|
| Advent Global Private Equity Fund VII      | \$ 20,000,000.00        | \$ 7,760,000.00  |
| Alta BioPharma Partners III                | \$ 15,000,000.00        | \$ 750,000.00    |
| Alta Partners VIII                         | \$ 15,000,000.00        | \$ -             |
| Aurora Equity Partners III                 | \$ 15,000,000.00        | \$ 832,395.00    |
| Avenue Special Situations Fund IV          | \$ 20,000,000.00        | \$ -             |
| Avenue V                                   | \$ 20,000,000.00        | \$ -             |
| Bain X                                     | \$ 25,000,000.00        | \$ 762,500.00    |
| Baring Asia Private Equity Fund VI, L.P.   | \$ 15,000,000.00        | \$ 15,000,000.00 |
| Birch Hill Equity Partners III             | \$ 14,214,636.00        | \$ 374,130.86    |
| Braemar Energy Ventures III                | \$ 10,000,000.00        | \$ 5,187,565.00  |
| Carlyle Asia Partners IV                   | \$ 30,000,000.00        | \$ 22,773,950.00 |
| Castile III                                | \$ 5,000,000.00         | \$ 150,000.00    |
| Centerbridge                               | \$ 15,000,000.00        | \$ 1,090,623.00  |
| Centerbridge Special Credit Partners II    | \$ 25,000,000.00        | \$ 5,000,000.00  |
| Centerbridge Capital Partners III          | \$ 25,000,000.00        | \$ 25,000,000.00 |
| Charterhouse Capital Partners VIII         | \$ 15,600,237.19        | \$ 640,590.41    |
| Coller International Capital IV**          | \$ 14,250,000.00        | \$ 600,000.00    |
| Coller International Capital V             | \$ 15,000,000.00        | \$ 3,270,000.00  |
| Constellation III                          | \$ 15,000,000.00        | \$ 1,219,685.38  |
| CVC European Equity Partners III           | \$ 20,000,000.00        | \$ 899,966.00    |
| CVC European Equity Partners IV            | \$ 18,677,835.00        | \$ 2,177,724.15  |
| CVC V                                      | \$ 22,639,800.00        | \$ 2,452,954.83  |
| CVC VI                                     | \$ 16,979,850.00        | \$ 15,726,916.06 |
| EnCap Energy Fund IX                       | \$ 18,000,000.00        | \$ 10,589,902.39 |
| Fenway Partners Capital Fund II            | \$ 15,000,000.00        | \$ 232,336.00    |
| Fenway III                                 | \$ 15,000,000.00        | \$ 1,376,445.00  |
| First Reserve Fund X                       | \$ 20,000,000.00        | \$ -             |
| First Reserve Fund XI                      | \$ 20,000,000.00        | \$ -             |
| Focus Ventures III                         | \$ 15,000,000.00        | \$ -             |
| Granite Global Ventures II                 | \$ 15,000,000.00        | \$ 675,000.00    |
| Granite Global Ventures III                | \$ 15,000,000.00        | \$ 375,000.00    |
| Green Equity Investors V                   | \$ 20,000,000.00        | \$ 1,731,092.40  |
| Industry Ventures Partnership Holdings III | \$ 25,000,000.00        | \$ 18,500,000.00 |
| Kayne Anderson Energy Fund III             | \$ 15,000,000.00        | \$ 366,426.00    |
| Kayne Anderson Energy Fund IV              | \$ 15,000,000.00        | \$ 844,050.00    |
| Leapfrog Ventures II                       | \$ 10,000,000.00        | \$ 510,000.00    |
| Leeds Weld Equity Partners IV              | \$ 10,000,000.00        | \$ 1,099,639.00  |
| Lighthouse Capital Partners V              | \$ 11,250,000.00        | \$ 787,500.00    |
| Lighthouse Capital Partners VI             | \$ 15,000,000.00        | \$ 750,000.00    |
| LNK Partners                               | \$ 12,500,000.00        | \$ 557,319.52    |
| MHR Institutional Partners III             | \$ 20,000,000.00        | \$ 7,374,396.00  |
| Nautic Partners V                          | \$ 20,000,000.00        | \$ 644,505.65    |
| Nautic Partners VI                         | \$ 20,000,000.00        | \$ 608,293.10    |
| Nautic Partners VII                        | \$ 20,000,000.00        | \$ 17,556,032.56 |
| Nordic Capital Fund V                      | \$ 16,544,656.44        | \$ -             |

|                                     |    |                  |    |                |
|-------------------------------------|----|------------------|----|----------------|
| Nordic Capital Fund VI              | \$ | 16,979,850.00    | \$ | -              |
| Nordic VII                          | \$ | 16,979,850.00    | \$ | 3,199,853.06   |
| Nordic VIII                         | \$ | 16,979,850.00    | \$ | 11,027,531.17  |
| Oaktree Capital Management Fund III | \$ | 20,000,000.00    | \$ | 8,849,669.00   |
| Paine & Partners Capital Fund IV    | \$ | 30,000,000.00    | \$ | 29,334,863.00  |
| Palladin III                        | \$ | 10,000,000.00    | \$ | 1,618,388.00   |
| Parthenon Investors II              | \$ | 23,960,000.00    | \$ | 1,821,022.00   |
| Point 406                           | \$ | 10,000,000.00    | \$ | 910,000.00     |
| Point Judith II                     | \$ | 5,000,000.00     | \$ | 463,939.06     |
| Providence Equity Partners IV       | \$ | 25,000,000.00    | \$ | 1,997,256.00   |
| Providence Equity Partners V        | \$ | 25,000,000.00    | \$ | 2,174,212.00   |
| Providence Equity Partners VI       | \$ | 25,000,000.00    | \$ | 2,165,640.00   |
| Providence Equity Partners VII      | \$ | 25,000,000.00    | \$ | 16,678,881.00  |
| Riverside VI                        | \$ | 20,000,000.00    | \$ | 14,643,997.00  |
| Riverside Micro-Cap Fund III        | \$ | 20,000,000.00    | \$ | 8,494,246.00   |
| Sorenson Capital Partners III       | \$ | 30,000,000.00    | \$ | 25,814,468.00  |
| Summit Partners                     | \$ | 20,000,000.00    | \$ | -              |
| Summit Partners II                  | \$ | 25,000,000.00    | \$ | 22,325,000.00  |
| Thomas McNerney & Partners          | \$ | 15,000,000.00    | \$ | 300,000.00     |
| Thomas McNerney & Partners II       | \$ | 15,000,000.00    | \$ | 1,162,500.00   |
| TPG Partners IV                     | \$ | 13,953,742.00    | \$ | 64,421.00      |
| TPG Partners V                      | \$ | 20,000,000.00    | \$ | 2,328,181.00   |
| TPG VI                              | \$ | 10,000,000.00    | \$ | 1,265,689.00   |
| Trilantic IV                        | \$ | 11,098,351.00    | \$ | 1,371,324.74   |
| W Capital Partners                  | \$ | 15,000,000.00    | \$ | 802,500.00     |
| W Capital Partners II               | \$ | 15,000,000.00    | \$ | 1,596,691.00   |
| Wellspring Capital Partners III     | \$ | 20,000,000.00    | \$ | 283,861.00     |
| Wellspring Capital Partners IV      | \$ | 20,000,000.00    | \$ | 2,088,979.00   |
| WLR                                 | \$ | 8,000,000.00     | \$ | 765,256.00     |
| <b>Total Private Equity</b>         | \$ | 1,298,608,657.63 | \$ | 339,795,306.35 |

# Strategy Exposure & Committed Capital – Real Estate



**State of Rhode Island Real Estate Unfunded Commitment January 2015**

| <b>Real Estate Partnership Investment</b> | <b>Total Commitment</b>  | <b>Unfunded</b>          |
|---|--------------------------|--------------------------|
| AEW                                       | \$ 60,000,000.00         | \$ -                     |
| Exeter Industrial Value Fund III          | \$ 30,000,000.00         | \$ 24,000,000.00         |
| Fillmore East Fund I                      | \$ 10,000,000.00         | \$ -                     |
| GEM Realty V                              | \$ 50,000,000.00         | \$ 40,178,750.00         |
| Heitman                                   | \$ 60,000,000.00         | \$ -                     |
| IC Berkeley Partners III                  | \$ 18,000,000.00         | \$ 12,570,248.97         |
| JPMorgan Strategic Property Fund          | \$ 75,000,000.00         | \$ -                     |
| JPMorgan Alternative Property Fund        | \$ 20,000,000.00         | \$ -                     |
| Magna Hotel                               | \$ 4,000,000.00          | \$ 630,943.49            |
| Morgan Stanley Prime Property Fund        | \$ 35,000,000.00         | \$ -                     |
| Prudential Real Estate Investors (PRISA)  | \$ 50,000,000.00         | \$ -                     |
| Tri Continental Fund VII                  | \$ 15,000,000.00         | \$ 428,467.00            |
| Waterton Venture Fund XII                 | \$ 35,000,000.00         | \$ 32,464,648.00         |
| <b>Total Real Estate</b>                  | <b>\$ 462,000,000.00</b> | <b>\$ 110,273,057.46</b> |

## Section V.

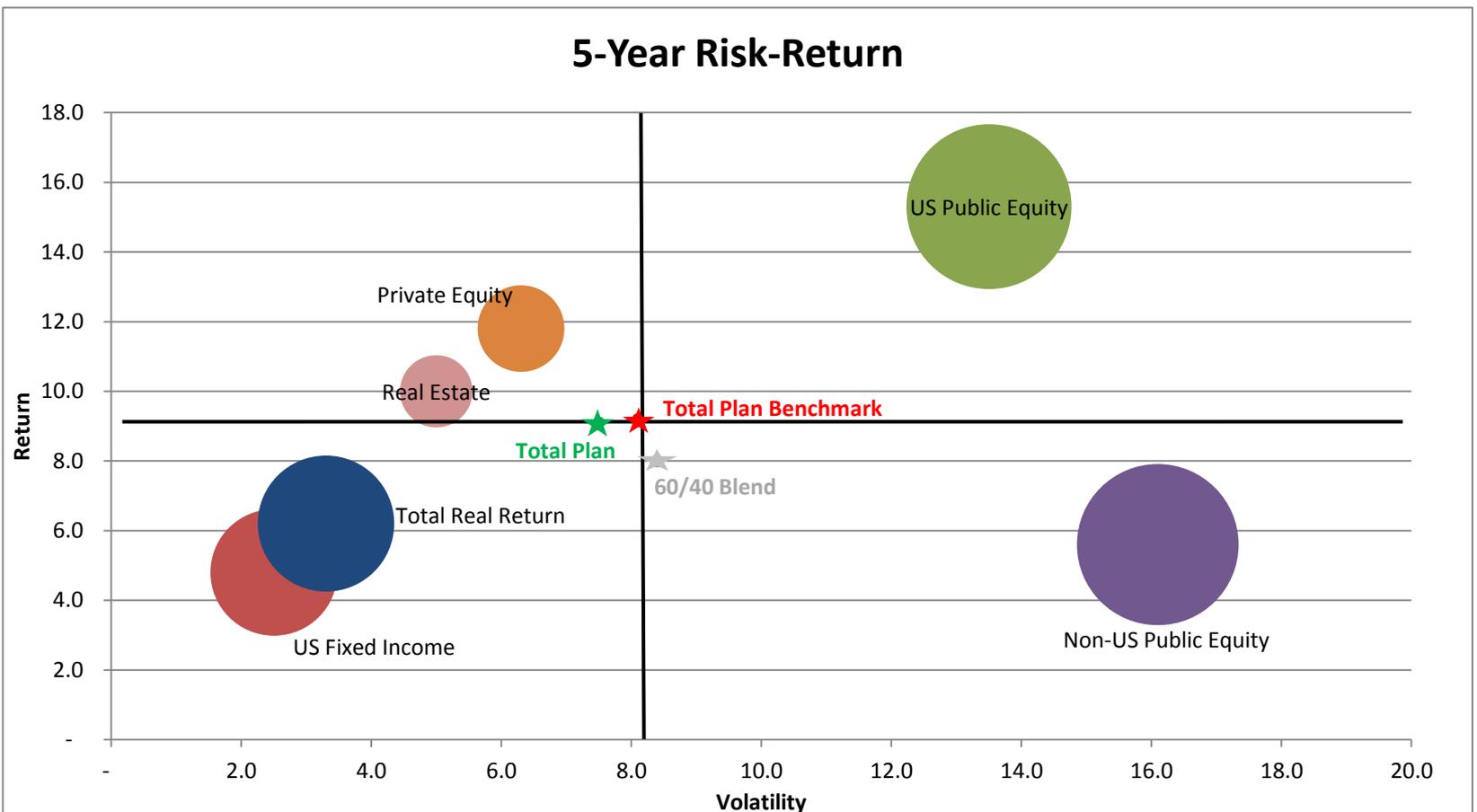
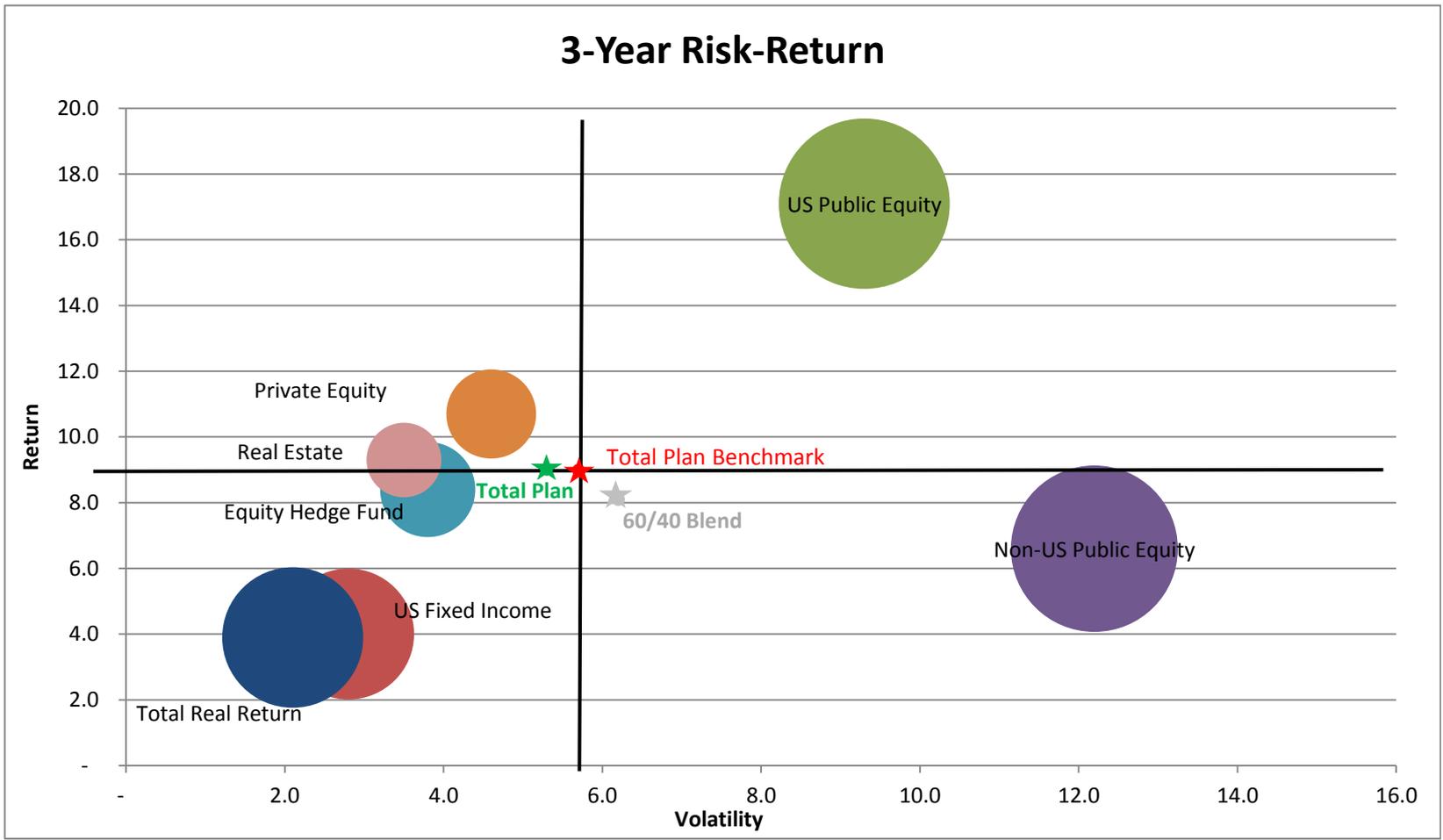
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### Risk Overview

# ERSRI Portfolio

% - as of January 31, 2015

Bubble-Size Scaled based on Current Allocations



## 5 Years Ending January 31, 2015 Comparison

|                           | <b>TOTAL PLAN</b> | <b>Total Plan<br/>Benchmark</b> |
|---------------------------|-------------------|---------------------------------|
| <b>Ann Return</b>         | 9.14              | 9.27                            |
| <b>Ann Ex Ret vs Mkt</b>  | -0.12             | 0.00                            |
| <b>Ann Tracking Error</b> | 1.14              | 0.00                            |
| <b>Ann Std Dev</b>        | 7.54              | 8.17                            |
| <b>Beta</b>               | 0.92              | 1.00                            |
| <b>R-Squared</b>          | 0.99              | 1.00                            |
| <b>Ann Alpha</b>          | 0.59              | 0.00                            |
| <b>Ann Sharpe Ratio</b>   | 1.19              | 1.12                            |

## Risk Exposures

### 3 Years Ending January 31, 2015

|                          | Annualized<br>Return | Ann Std Dev | Beta (ACWI) | Beta (BC AGG) | Beta (GSCI) | Beta (CPI)  |
|--------------------------|----------------------|-------------|-------------|---------------|-------------|-------------|
| US Public Equity         | 17.19                | 9.37        | 0.83        | -0.45         | 0.26        | 0.76        |
| Non-US Public Equity     | 6.68                 | 12.29       | 1.15        | 0.41          | 0.40        | 0.88        |
| Equity Hedge Funds       | 8.46                 | 3.86        | 0.25        | -0.22         | 0.10        | 0.29        |
| Private Equity           | 10.73                | 4.64        | 0.15        | -0.45         | 0.11        | 0.11        |
| Traditional Fixed Income | 4.08                 | 2.87        | 0.04        | 0.98          | -0.01       | -0.05       |
| Real Estate              | 9.34                 | 3.53        | 0.13        | 0.43          | -0.01       | -0.51       |
| Real Return Hedge Funds  | 5.69                 | 2.48        | 0.07        | 0.11          | 0.00        | -0.13       |
| Inflation-Linked Bonds   | 1.65                 | 4.44        | 0.04        | 1.33          | -0.01       | -0.27       |
| Cash                     | 0.34                 | 0.31        | -0.01       | -0.01         | -0.01       | -0.08       |
| Russell Overlay Fd       | 0.10                 | 0.13        | 0.01        | -0.01         | 0.00        | 0.02        |
| <b>TOTAL PLAN</b>        | <b>8.98</b>          | <b>5.38</b> | <b>0.52</b> | <b>0.17</b>   | <b>0.17</b> | <b>0.39</b> |

**3 Years Ending January 31, 2015  
Correlation**

Ann Return

|                 | US Pub<br>EQ | Non-US<br>Pub EQ | Eq HF | PE    | FI    | RE   | RR HF | GILBS | Cash  | Overlay | Total |
|-----------------|--------------|------------------|-------|-------|-------|------|-------|-------|-------|---------|-------|
| <b>US Pub</b>   | 1.00         |                  |       |       |       |      |       |       |       |         |       |
| <b>Non-US P</b> | 0.76         | 1.00             |       |       |       |      |       |       |       |         |       |
| <b>Eq HF</b>    | 0.71         | 0.57             | 1.00  |       |       |      |       |       |       |         |       |
| <b>PE</b>       | 0.33         | 0.31             | 0.15  | 1.00  |       |      |       |       |       |         |       |
| <b>FI</b>       | -0.02        | 0.25             | -0.08 | -0.22 | 1.00  |      |       |       |       |         |       |
| <b>RE</b>       | 0.29         | 0.39             | 0.13  | 0.10  | 0.38  | 1.00 |       |       |       |         |       |
| <b>RR HF</b>    | 0.25         | 0.28             | 0.63  | -0.12 | 0.15  | 0.09 | 1.00  |       |       |         |       |
| <b>GILBS</b>    | -0.07        | 0.18             | 0.00  | -0.18 | 0.83  | 0.29 | 0.23  | 1.00  |       |         |       |
| <b>Cash</b>     | -0.10        | -0.23            | -0.21 | -0.16 | -0.10 | 0.00 | 0.00  | -0.20 | 1.00  |         |       |
| <b>Overlay</b>  | 0.34         | 0.47             | 0.28  | 0.10  | -0.13 | 0.24 | 0.21  | -0.05 | -0.01 | 1.00    |       |
| <b>Total</b>    | 0.91         | 0.95             | 0.69  | 0.36  | 0.23  | 0.41 | 0.34  | 0.18  | -0.21 | 0.40    | 1.00  |
| <b>Tot BM</b>   | 0.91         | 0.95             | 0.67  | 0.31  | 0.18  | 0.37 | 0.30  | 0.09  | -0.19 | 0.44    | 0.98  |

**5 Years Ending January 31, 2015  
Correlation**

Ann Return

|                 | US Pub<br>Eq | Non-US<br>Pub Eq | Eq HF | PE    | FI    | RE    | RR HF | GILBS | Cash  | Overlay | Total |
|-----------------|--------------|------------------|-------|-------|-------|-------|-------|-------|-------|---------|-------|
| <b>US Pub</b>   | 1.00         |                  |       |       |       |       |       |       |       |         |       |
| <b>Non-US P</b> | 0.87         | 1.00             |       |       |       |       |       |       |       |         |       |
| <b>Eq HF</b>    | ---          | ---              | ---   |       |       |       |       |       |       |         |       |
| <b>PE</b>       | 0.15         | 0.11             | ---   | 1.00  |       |       |       |       |       |         |       |
| <b>FI</b>       | 0.05         | 0.27             | ---   | -0.26 | 1.00  |       |       |       |       |         |       |
| <b>RE</b>       | 0.10         | 0.22             | ---   | -0.04 | 0.24  | 1.00  |       |       |       |         |       |
| <b>RR HF</b>    | ---          | ---              | ---   | ---   | ---   | ---   | ---   |       |       |         |       |
| <b>GILBS</b>    | -0.09        | 0.11             | ---   | -0.13 | 0.74  | 0.31  | ---   | 1.00  |       |         |       |
| <b>Cash</b>     | -0.04        | -0.12            | ---   | -0.10 | -0.09 | 0.00  | ---   | -0.17 | 1.00  |         |       |
| <b>Overlay</b>  | -0.07        | -0.04            | ---   | -0.08 | 0.05  | -0.13 | ---   | 0.08  | 0.01  | 1.00    |       |
| <b>Total</b>    | 0.96         | 0.96             | ---   | 0.18  | 0.22  | 0.19  | ---   | 0.08  | -0.10 | -0.06   | 1.00  |
| <b>Tot BM</b>   | 0.96         | 0.96             | ---   | 0.12  | 0.19  | 0.17  | ---   | 0.03  | -0.09 | -0.07   | 0.99  |

## Section VI.

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# Performance Overview

TOTAL NET OF FEES

1/31/2015

| Account Name<br>Benchmark Name   | Market Value         | % of Total | Month                 | Fiscal YTD            | 1 Year                | Annualized            |                       |                     |                      | Inception Date                |
|--|----------------------|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|----------------------|-------------------------------|
|  |                      |            |                       |                       |                       | 3 Years               | 5 Years               | 10 Years            | ITD                  |                               |
| SSGA R3000 INDEX<br><i>Russell 3000 Index</i>                                | 1,934,658,932        | 24         | -2.79<br>-2.78        | 2.36<br>2.32          | 13.06<br>12.99        |                       |                       |                     | 17.77<br>17.78       | 10/1/2012<br>10/1/2012        |
| <b>US Public Equity</b><br><i>Russell 3000 Index</i>                         | <b>1,934,659,006</b> | <b>24</b>  | <b>-2.79</b><br>-2.78 | <b>2.36</b><br>2.32   | <b>13.05</b><br>12.99 | <b>17.19</b><br>17.44 | <b>15.35</b><br>15.83 |                     | <b>6.82</b><br>6.85  | <b>8/1/2007</b><br>8/1/2007   |
| SSGA MSCI EAFE<br><i>MSCI EAFE Net Dividend Index</i>                        | 1,295,460,658        | 16         | 0.49<br>0.49          | -8.78<br>-8.79        | -0.16<br>-0.43        |                       |                       |                     | 11.27<br>11.02       | 9/1/2012<br>9/1/2012          |
| SSGA MSCI CANADA<br><i>MSCI Canada Net Dividend Index</i>                    | 132,861,899          | 2          | -8.27<br>-8.34        | -16.29<br>-16.62      | -2.31<br>-2.94        |                       |                       |                     | 1.74<br>1.05         | 9/1/2012<br>9/1/2012          |
| SSGA MSCI EM<br><i>MSCI Emerging Markets Net Dividend Index</i>              | 423,247,420          | 5          | 0.48<br>0.60          | -7.41<br>-7.29        | 5.03<br>5.23          |                       |                       |                     | 2.79<br>2.95         | 9/1/2012<br>9/1/2012          |
| <b>Non-US Public Equity</b><br><i>Total International Equity BM</i>          | <b>1,851,570,057</b> | <b>23</b>  | <b>-0.20</b><br>-0.15 | <b>-9.06</b><br>-9.07 | <b>0.78</b><br>0.56   | <b>6.68</b><br>6.98   | <b>5.59</b><br>5.01   |                     | <b>10.22</b><br>9.18 | <b>5/1/2009</b><br>5/1/2009   |
| <b>Global Public Equity</b><br><i>MSCI All Country World Net Index</i>       | <b>3,786,229,063</b> | <b>48</b>  | <b>-1.54</b><br>-1.56 | <b>-3.37</b><br>-3.44 | <b>6.89</b><br>6.80   | <b>12.41</b><br>11.38 | <b>11.36</b><br>9.79  | <b>6.64</b><br>6.15 | <b>3.92</b>          | <b>7/1/2000</b><br>7/1/2000   |
| Private Equity<br><i>ILPA All Fds Custom BM 1Q Lag</i>                       | 533,042,739          | 7          | -1.69<br>-1.69        | -1.54<br>3.23         | 6.30<br>16.38         | 10.73<br>18.59        | 11.84<br>17.63        | 10.36<br>10.16      | 4.38                 | 1/1/1993<br>1/1/1993          |
| <b>Equity Hedge Funds</b><br><i>HFRI Equity Hedge (Total) Index</i>          | <b>601,734,219</b>   | <b>8</b>   | <b>0.06</b><br>-0.74  | <b>0.01</b><br>-2.15  | <b>2.64</b><br>2.03   | <b>8.46</b><br>6.08   |                       |                     | <b>8.10</b><br>5.88  | <b>11/1/2011</b><br>11/1/2011 |
| <b>Total Equity</b>  | <b>4,921,006,021</b> | <b>62</b>  | <b>-1.35</b>          | <b>-2.76</b>          | <b>6.29</b>           | <b>11.73</b>          | <b>11.11</b>          | <b>6.82</b>         | <b>3.15</b>          | <b>6/1/1996</b>               |
| MACKAY SHIELDS<br><i>Barclays U.S. Aggregate Bond Index</i>                  | 577,725,855          | 7          | 2.18<br>2.10          | 4.04<br>4.10          | 6.67<br>6.61          |                       |                       |                     | 2.84<br>2.63         | 11/1/2012<br>11/1/2012        |
| PYRAMIS GLOBAL ADV<br><i>Barclays U.S. Aggregate Bond Index</i>              | 568,376,313          | 7          | 2.00<br>2.10          | 3.72<br>4.10          | 6.46<br>6.61          |                       |                       |                     | 2.65<br>2.63         | 11/1/2012<br>11/1/2012        |
| <b>Traditional Fixed Income</b><br><i>Barclays U.S. Aggregate Bond Index</i> | <b>1,146,110,165</b> | <b>15</b>  | <b>2.09</b><br>2.10   | <b>3.88</b><br>4.10   | <b>6.56</b><br>6.61   | <b>4.08</b><br>3.07   | <b>4.86</b><br>4.57   | <b>5.02</b><br>4.86 | <b>5.87</b><br>5.73  | <b>7/1/2000</b><br>7/1/2000   |
| <b>Real Return Hedge Funds</b><br><i>HFRI Fund of Funds Composite Index</i>  | <b>539,564,089</b>   | <b>7</b>   | <b>1.20</b><br>-0.04  | <b>3.62</b><br>1.17   | <b>5.88</b><br>3.71   | <b>5.69</b><br>5.03   |                       |                     | <b>5.69</b><br>4.71  | <b>11/1/2011</b><br>11/1/2011 |

TOTAL NET OF FEES

1/31/2015

| Account Name<br>Benchmark Name                                    | Market Value         | % of Total | Month                          | Fiscal YTD                     | 1 Year                      | Annualized                  |                             |                             |                       | Inception Date                          |
|---|----------------------|------------|--------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|---|
|   |                      |            |                                |                                |                             | 3 Years                     | 5 Years                     | 10 Years                    | ITD                   |   |
| PIMCO<br>30% BoA1-3BB-B<br>HY/70%CSInstLLI                        | 208,071,245          | 3          | 0.47<br>0.44                   | -0.17<br>0.16                  | 1.23<br>2.05                |                             |                             |                             | 2.18<br>3.27          | 5/1/2013<br>5/1/2013                    |
| WAMCO<br>30% BoA 1-3 BB-B HY/70% CS LLI                           | 206,482,461          | 3          | -0.25<br>0.24                  | -2.52<br>-0.34                 | -0.77<br>1.71               |                             |                             |                             | 1.89<br>3.36          | 4/1/2013<br>4/1/2013                    |
| <b>Credit Aggregate</b>   | <b>414,553,705</b>   | <b>5</b>   | <b>0.11</b>                    | <b>-1.36</b>                   | <b>0.22</b>                 |                             |                             |                             | <b>1.89</b>           | <b>5/1/2013</b>                         |
| <b>30% BoA1-3BB-B<br/>HY/70%CSInstLLI</b>                         |                      |            | <b>0.44</b>                    | <b>0.16</b>                    | <b>2.05</b>                 |                             |                             |                             | <b>3.74</b>           | <b>3/1/2013</b>                         |
| BROWN BROTHERS HARR<br>BBH Inflation-Linked Custom BM             | 286,679,422          | 4          | 1.74<br>1.65                   | 0.57<br>0.36                   | 2.37<br>2.57                |                             |                             |                             | 0.02<br>-0.13         | 11/1/2012<br>11/1/2012                  |
| <b>Inflation-Linked Bonds</b><br>Total Inflation Linked Custom    | <b>286,679,422</b>   | <b>4</b>   | <b>1.74</b><br>1.65            | <b>0.57</b><br>0.36            | <b>2.37</b><br>2.57         | <b>1.65</b><br>1.46         | <b>4.99</b><br>4.89         |                             | <b>5.16</b><br>5.07   | <b>11/1/2009</b><br>11/1/2009           |
| <b>Publicly Traded Infrastructure</b><br>Alerian MLP Index        | <b>78,458,634</b>    | <b>1</b>   | <b>-3.47</b><br>-3.05          |                                |                             |                             |                             |                             | <b>-3.47</b><br>-3.05 | <b>1/1/2015</b><br>1/1/2015             |
| <b>Total Real Return</b>  | <b>1,319,255,849</b> | <b>17</b>  | <b>0.68</b>                    | <b>1.04</b>                    | <b>2.95</b>                 | <b>3.90</b>                 | <b>6.21</b>                 | <b>5.70</b>                 | <b>6.01</b>           | <b>6/1/2004</b>                         |
| Real Estate<br>Real Estate Custom BM                              | 372,052,881          | 5          | 2.04<br>0.00                   | 7.58<br>6.06                   | 12.22<br>12.17              | 9.34<br>12.05               | 10.08<br>11.97              | 1.51<br>9.55                | 1.50<br>9.48          | 1/1/2005<br>1/1/2005                    |
| ERSRI CASH<br>BofA Merrill Lynch 3 Month US<br>Treasury Bill G001 | 121,854,407          | 2          | -0.03<br>0.00                  | 0.64<br>0.02                   | 0.71<br>0.03                | 0.32<br>0.07                | 0.26<br>0.09                | 3.16<br>1.53                | 14.58<br>1.87         | 7/1/2000<br>7/1/2000                    |
| <b>Total Cash</b>   | <b>123,193,024</b>   | <b>2</b>   | <b>-0.03</b>                   | <b>0.63</b>                    | <b>0.70</b>                 | <b>0.34</b>                 | <b>0.27</b>                 | <b>2.32</b>                 | <b>2.63</b>           | <b>4/1/2004</b>                         |
| <b>Russell Overlay Fd</b>   | <b>21,724,507</b>    | <b>0</b>   | <b>0.04</b>                    | <b>0.07</b>                    | <b>0.04</b>                 | <b>0.10</b>                 | <b>-0.05</b>                |                             | <b>-0.08</b>          | <b>9/1/2008</b>                         |
| <b>TOTAL PLAN</b><br>Total Plan Benchmark<br>60/40 Blend          | <b>7,904,585,640</b> | <b>100</b> | <b>-0.31</b><br>-0.52<br>-0.10 | <b>-0.71</b><br>-0.63<br>-0.46 | <b>5.96</b><br>6.42<br>6.79 | <b>8.98</b><br>8.93<br>8.14 | <b>9.14</b><br>9.27<br>7.97 | <b>6.13</b><br>6.12<br>5.99 | <b>4.74</b>           | <b>7/1/2000</b><br>7/1/2000<br>7/1/2000 |
| <b>Total Plan ex PE &amp; RE</b><br>Total Plan BM ex PE RE        | <b>6,999,490,019</b> | <b>89</b>  | <b>-0.33</b><br>-0.46          | <b>-1.03</b><br>-1.33          | <b>5.61</b><br>5.59         | <b>8.33</b><br>8.58         | <b>8.55</b><br>8.85         | <b>5.89</b><br>5.81         | <b>6.47</b>           | <b>4/1/1996</b><br>4/1/1996             |

TOTAL NET OF FEES

1/31/2015

| Account Name<br>Benchmark Name   | Market Value         | % of Total | Month                 | Cumulative                |                           |                       | 2014                  | 2013                  | 2012                          | Inception Date |
|--|----------------------|------------|-----------------------|---------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|----------------|
|  |                      |            |                       | 12/1/2014 -<br>12/31/2014 | 11/1/2014 -<br>11/30/2014 |                       |                       |                       |                               |                |
| SSGA R3000 INDEX<br><i>Russell 3000 Index</i>                                | 1,934,658,932        | 24         | -2.79<br>-2.78        | -0.02<br>0.00             | 2.44<br>2.42              | 12.59<br>12.56        | 33.49<br>33.55        |                       | 10/1/2012<br>10/1/2012        |                |
| <b>US Public Equity</b><br><i>Russell 3000 Index</i>                         | <b>1,934,659,006</b> | <b>24</b>  | <b>-2.79</b><br>-2.78 | <b>-0.02</b><br>0.00      | <b>2.44</b><br>2.42       | <b>12.57</b><br>12.56 | <b>33.48</b><br>33.55 | <b>15.66</b><br>16.42 | <b>8/1/2007</b><br>8/1/2007   |                |
| SSGA MSCI EAFE<br><i>MSCI EAFE Net Dividend Index</i>                        | 1,295,460,658        | 16         | 0.49<br>0.49          | -3.46<br>-3.46            | 1.34<br>1.36              | -4.64<br>-4.90        | 23.08<br>22.78        |                       | 9/1/2012<br>9/1/2012          |                |
| SSGA MSCI CANADA<br><i>MSCI Canada Net Dividend Index</i>                    | 132,861,899          | 2          | -8.27<br>-8.34        | -1.91<br>-1.97            | 0.05<br>0.01              | 2.17<br>1.51          | 6.35<br>5.63          |                       | 9/1/2012<br>9/1/2012          |                |
| SSGA MSCI EM<br><i>MSCI Emerging Markets Net Dividend Index</i>              | 423,247,420          | 5          | 0.48<br>0.60          | -4.44<br>-4.61            | -1.12<br>-1.06            | -2.34<br>-2.19        | -2.81<br>-2.60        |                       | 9/1/2012<br>9/1/2012          |                |
| <b>Non-US Public Equity</b><br><i>Total International Equity BM</i>          | <b>1,851,570,057</b> | <b>23</b>  | <b>-0.20</b><br>-0.15 | <b>-3.56</b><br>-3.61     | <b>0.67</b><br>0.72       | <b>-3.63</b><br>-3.87 | <b>15.18</b><br>15.29 | <b>17.02</b><br>16.52 | <b>5/1/2009</b><br>5/1/2009   |                |
| <b>Global Public Equity</b><br><i>MSCI All Country World Net Index</i>       | <b>3,786,229,063</b> | <b>48</b>  | <b>-1.54</b><br>-1.56 | <b>-1.74</b><br>-1.93     | <b>1.58</b><br>1.67       | <b>4.35</b><br>4.16   | <b>23.90</b><br>22.80 | <b>17.82</b><br>16.13 | <b>7/1/2000</b><br>7/1/2000   |                |
| Private Equity<br><i>ILPA All Fds Custom BM 1Q Lag</i>                       | 533,042,739          | 7          | -1.69<br>-1.69        | -0.31<br>0.16             | -0.98<br>0.00             | 7.70<br>18.39         | 14.86<br>25.66        | 11.77<br>19.44        | 1/1/1993<br>1/1/1993          |                |
| <b>Equity Hedge Funds</b><br><i>HFRI Equity Hedge (Total) Index</i>          | <b>601,734,219</b>   | <b>8</b>   | <b>0.06</b><br>-0.74  | <b>-0.57</b><br>-0.34     | <b>1.15</b><br>0.36       | <b>2.64</b><br>1.79   | <b>17.11</b><br>14.28 | <b>7.98</b><br>7.41   | <b>11/1/2011</b><br>11/1/2011 |                |
| <b>Total Equity</b>  | <b>4,921,006,021</b> | <b>62</b>  | <b>-1.35</b>          | <b>-1.44</b>              | <b>1.25</b>               | <b>4.48</b>           | <b>21.95</b>          | <b>15.88</b>          | <b>6/1/1996</b>               |                |
| MACKAY SHIELDS<br><i>Barclays U.S. Aggregate Bond Index</i>                  | 577,725,855          | 7          | 2.18<br>2.10          | 0.08<br>0.09              | 0.67<br>0.71              | 6.00<br>5.97          | -1.79<br>-2.02        |                       | 11/1/2012<br>11/1/2012        |                |
| PYRAMIS GLOBAL ADV<br><i>Barclays U.S. Aggregate Bond Index</i>              | 568,376,313          | 7          | 2.00<br>2.10          | -0.05<br>0.09             | 0.66<br>0.71              | 5.83<br>5.97          | -1.93<br>-2.02        |                       | 11/1/2012<br>11/1/2012        |                |
| <b>Traditional Fixed Income</b><br><i>Barclays U.S. Aggregate Bond Index</i> | <b>1,146,110,165</b> | <b>15</b>  | <b>2.09</b><br>2.10   | <b>0.01</b><br>0.09       | <b>0.66</b><br>0.71       | <b>5.91</b><br>5.97   | <b>-1.86</b><br>-2.02 | <b>7.95</b><br>4.21   | <b>7/1/2000</b><br>7/1/2000   |                |
| <b>Real Return Hedge Funds</b><br><i>HFRI Fund of Funds Composite Index</i>  | <b>539,564,089</b>   | <b>7</b>   | <b>1.20</b><br>-0.04  | <b>0.58</b><br>0.33       | <b>1.50</b><br>1.23       | <b>4.70</b><br>3.35   | <b>6.96</b><br>8.96   | <b>5.33</b><br>4.79   | <b>11/1/2011</b><br>11/1/2011 |                |
| PIMCO<br><i>30% BoA1-3BB-B HY/70%CSInstLLI</i>                               | 208,071,245          | 3          | 0.47<br>0.44          | -1.13<br>-0.79            | 0.43<br>0.33              | 1.22<br>2.11          |                       |                       | 5/1/2013<br>5/1/2013          |                |

TOTAL NET OF FEES

1/31/2015

| Account Name<br>Benchmark Name   | Market Value         | % of Total | Month                          | Cumulative                     |                             |                             | 2014                           | 2013                           | 2012                                    | Inception Date |
|--|----------------------|------------|--------------------------------|--------------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------------|---|----------------|
|  |                      |            |                                | 12/1/2014 -<br>12/31/2014      | 11/1/2014 -<br>11/30/2014   |                             |                                |                                |   |                |
| WAMCO<br><i>30% BoA 1-3 BB-B HY/70% CS LLI</i>                         | 206,482,461          | 3          | -0.25<br>0.24                  | -1.85<br>-0.91                 | -0.04<br>0.32               | 0.10<br>2.03                |                                |                                | 4/1/2013<br>4/1/2013                    |                |
| <b>Credit Aggregate</b>  | <b>414,553,705</b>   | <b>5</b>   | <b>0.11</b>                    | <b>-1.49</b>                   | <b>0.19</b>                 | <b>0.66</b>                 |                                |                                | <b>5/1/2013</b>                         |                |
| <b>30% BoA1-3BB-B HY/70%CSInstLLI</b>                                  |                      |            | <b>0.44</b>                    | <b>-0.79</b>                   | <b>0.33</b>                 | <b>2.11</b>                 |                                |                                | <b>3/1/2013</b>                         |                |
| BROWN BROTHERS HARR<br><i>BBH Inflation-Linked Custom BM</i>           | 286,679,422          | 4          | 1.74<br>1.65                   | -0.96<br>-1.09                 | 0.25<br>0.26                | 1.72<br>2.04                | -5.03<br>-5.13                 |                                | 11/1/2012<br>11/1/2012                  |                |
| <b>Inflation-Linked Bonds</b><br><i>Total Inflation Linked Custom</i>  | <b>286,679,422</b>   | <b>4</b>   | <b>1.74</b><br>1.65            | <b>-0.96</b><br>-1.09          | <b>0.25</b><br>0.26         | <b>1.72</b><br>2.04         | <b>-5.03</b><br>-5.13          | <b>9.20</b><br>8.57            | <b>11/1/2009</b><br>11/1/2009           |                |
| <b>Publicly Traded Infrastructure</b><br><i>Alerian MLP Index</i>      | <b>78,458,634</b>    | <b>1</b>   | <b>-3.47</b><br>-3.05          |                                |                             |                             |                                |                                | <b>1/1/2015</b><br>1/1/2015             |                |
| <b>Total Real Return</b>   | <b>1,319,255,849</b> | <b>17</b>  | <b>0.68</b>                    | <b>-0.37</b>                   | <b>0.76</b>                 | <b>2.74</b>                 | <b>3.39</b>                    | <b>6.55</b>                    | <b>6/1/2004</b>                         |                |
| Real Estate<br><i>Real Estate Custom BM</i>                            | 372,052,881          | 5          | 2.04<br>0.00                   | 0.32<br>2.69                   | 0.75<br>0.07                | 10.90<br>12.26              | 5.65<br>12.00                  | 9.62<br>12.00                  | 1/1/2005<br>1/1/2005                    |                |
| ERSRI CASH<br><i>BofA Merrill Lynch 3 Month US Treasury Bill G001</i>  | 121,854,407          | 2          | -0.03<br>0.00                  | 0.55<br>0.00                   | 0.02<br>0.00                | 0.75<br>0.03                | 0.14<br>0.07                   | 0.11<br>0.11                   | 7/1/2000<br>7/1/2000                    |                |
| <b>Total Cash</b>  | <b>123,193,024</b>   | <b>2</b>   | <b>-0.03</b>                   | <b>0.54</b>                    | <b>0.02</b>                 | <b>0.74</b>                 | <b>0.13</b>                    | <b>0.18</b>                    | <b>4/1/2004</b>                         |                |
| <b>Russell Overlay Fd</b>  | <b>21,724,507</b>    | <b>0</b>   | <b>0.04</b>                    | <b>0.02</b>                    | <b>-0.02</b>                | <b>-0.02</b>                | <b>0.17</b>                    | <b>0.18</b>                    | <b>9/1/2008</b>                         |                |
| <b>TOTAL PLAN</b><br><i>Total Plan Benchmark</i><br><i>60/40 Blend</i> | <b>7,904,585,640</b> | <b>100</b> | <b>-0.31</b><br>-0.52<br>-0.10 | <b>-0.96</b><br>-0.87<br>-1.12 | <b>1.03</b><br>1.04<br>1.29 | <b>4.49</b><br>5.17<br>4.96 | <b>14.06</b><br>14.50<br>12.32 | <b>12.49</b><br>11.81<br>11.48 | <b>7/1/2000</b><br>7/1/2000<br>7/1/2000 |                |
| <b>Total Plan ex Overlay</b><br><i>Total Plan Benchmark</i>            | <b>7,882,861,133</b> | <b>100</b> | <b>-0.36</b><br>-0.52          | <b>-0.97</b><br>-0.87          | <b>1.06</b><br>1.04         | <b>4.52</b><br>5.17         | <b>13.87</b><br>14.50          | <b>12.39</b><br>11.81          | <b>8/1/2008</b><br>8/1/2008             |                |
| <b>Total Plan ex PE &amp; RE</b><br><i>Total Plan BM ex PE RE</i>      | <b>6,999,490,019</b> | <b>89</b>  | <b>-0.33</b><br>-0.46          | <b>-1.07</b><br>-1.17          | <b>1.20</b><br>1.19         | <b>3.98</b><br>3.89         | <b>14.33</b><br>14.57          | <b>11.25</b><br>12.08          | <b>4/1/1996</b><br>4/1/1996             |                |

END NOTES

1/31/2015

1 RI6G23000000 TOTAL PLAN

Month - Current Month

Cumulative Months - Prior Month and Second Prior Month

Monthly Reporting for Private Equity and Real Estate skew performance on an actual and benchmark basis due to nature of valuations

2014, 2013, 2012 - Calendar Years

RI6G23000000 TOTAL PLAN

The current composition of the Total Plan Benchmark is as follows:

15.0% Barclays U.S. Aggregate Bond Index

44.5% MSCI All Country World Net Index

7.0% HFRI Fund of Funds Composite Index

3.0% BofA Merrill Lynch 3 Month US Treasury Bill

8.0% HFRI Equity Hedge (Total) Index

5.0% NFI-ODCE Index

4.0% Barclays World Govt Inflation-Linked 1-10 Yr Index Hedged US

5.0% Credit Aggregate Custom: 30% BoA1-3BB-B HY/70%CSInstLLI

7.0% ILPA All Funds Index

1.5% Alerian MLP Total Return Index

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

Hedge Fund Portfolio  
 Portfolio Performance Summary  
 Estimated as of January 31, 2015

| Fund   | Market Value         | Actual %      | Returns      |              |              |              |              |              |          |              | Std Dev      | Sharpe Ratio | Incep Date    |
|--|----------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|----------|--------------|--------------|--------------|---------------|
|  |                      |               | Jan          | QTD          | YTD          | FYTD         | 1 Year       | 3 Year       | 5 Year   | Incep        |              |              |               |
| <b>Global Equities</b>   |                      |               |              |              |              |              |              |              |          |              |              |              |               |
| Ascend Partners Fund II LP   | 71,865,865           | 6.3%          | 0.24%        | 0.24%        | 0.24%        | 2.14%        | 5.18%        | 6.29%        | -        | 5.71%        | 2.63%        | 2.01         | Nov-11        |
| Davidson Kempner Institutional Partners, L.P.                            | 74,301,075           | 6.5%          | -0.05%       | -0.05%       | -0.05%       | -1.35%       | 4.00%        | 6.89%        | -        | 6.80%        | 2.21%        | 2.86         | Nov-11        |
| Elliott Associates, L.P.   | 81,408,764           | 7.1%          | -1.00%       | -1.00%       | -1.00%       | 2.50%        | 5.55%        | 10.76%       | -        | 9.84%        | 3.55%        | 2.58         | Nov-11        |
| ESG Cross Border Equity Fund LP  | 45,644,458           | 4.0%          | -1.30%       | -1.30%       | -1.30%       | -8.77%       | -            | -            | -        | -8.65%       | 6.01%        | -            | Jun-14        |
| Indus Asia Pacific Fund, LP  | 755,671              | 0.1%          | 1.67%        | 1.67%        | 1.67%        | -11.37%      | -11.54%      | -2.33%       | -        | -1.49%       | 7.02%        | -0.22        | Jan-12        |
| Luxor Capital Partners, LP   | 42,437,631           | 3.7%          | -4.62%       | -4.62%       | -4.62%       | -13.63%      | -            | -            | -        | -15.12%      | 8.42%        | -            | May-14        |
| Mason Capital Ltd.   | 3,001,818            | 0.3%          | 0.00%        | 0.00%        | 0.00%        | -13.27%      | -12.39%      | 0.08%        | -        | 0.02%        | 7.84%        | 0.00         | Jan-12        |
| PFM Diversified Fund, L.P.   | 38,898,375           | 3.4%          | 1.00%        | 1.00%        | 1.00%        | 4.07%        | 1.32%        | -            | -        | 9.31%        | 9.25%        | 0.98         | Mar-12        |
| PFM Diversified Offshore Fund A.I., Ltd.                                 | 38,610,549           | 3.4%          | 1.03%        | 1.03%        | 1.03%        | 4.06%        | 1.11%        | -            | -        | 9.04%        | 9.20%        | 0.96         | Mar-12        |
| Samlyn Onshore Fund, L.P.  | 109,574,156          | 9.6%          | 1.58%        | 1.58%        | 1.58%        | 7.92%        | 11.52%       | 11.97%       | -        | 12.94%       | 5.65%        | 2.14         | Jan-12        |
| Viking Global Equities, LP   | 95,592,044           | 8.4%          | 1.20%        | 1.20%        | 1.20%        | 8.01%        | 13.97%       | 16.22%       | -        | 15.84%       | 5.59%        | 2.62         | Dec-11        |
| <b>Total Global Equities</b>   | <b>602,090,406</b>   | <b>52.7%</b>  | <b>0.05%</b> | <b>0.05%</b> | <b>0.05%</b> | <b>0.04%</b> | <b>2.66%</b> | <b>8.45%</b> | <b>-</b> | <b>8.04%</b> | <b>3.97%</b> | <b>1.89</b>  | <b>Nov-11</b> |
| MSCI AC World Index Free - Net   |                      |               | -1.56%       | -1.56%       | -1.56%       | -3.44%       | 6.80%        | 11.38%       | -        | 11.29%       | 10.59%       | 1.04         | Nov-11        |
| Russell 3000 Index (DRI)   |                      |               | -2.78%       | -2.78%       | -2.78%       | 2.32%        | 12.99%       | 17.44%       | -        | 17.97%       | 9.42%        | 1.78         | Nov-11        |
| HFRI Equity Hedge (Total) Index  |                      |               | -0.62%       | -0.62%       | -0.62%       | -1.99%       | 2.19%        | 6.14%        | -        | 5.93%        | 5.86%        | 0.96         | Nov-11        |
| <b>Real Return</b>   |                      |               |              |              |              |              |              |              |          |              |              |              |               |
| BlueCrest Capital LP   | 19,602,208           | 1.7%          | -5.99%       | -5.99%       | -5.99%       | -6.57%       | -6.54%       | -0.98%       | -        | -0.65%       | 4.18%        | -0.21        | Jan-12        |
| Brevan Howard LP   | 82,606,033           | 7.2%          | 3.32%        | 3.32%        | 3.32%        | 7.22%        | 3.91%        | 2.60%        | -        | 3.02%        | 5.39%        | 0.52         | Nov-11        |
| Brigade Leveraged Capital Structures Fund LP                             | 56,078,483           | 4.9%          | 0.39%        | 0.39%        | 0.39%        | -3.98%       | 1.15%        | -            | -        | 4.01%        | 3.22%        | 1.15         | Mar-12        |
| Capula Global Relative Value Fund Ltd.                                   | 59,430,063           | 5.2%          | 1.91%        | 1.91%        | 1.91%        | 6.52%        | 9.03%        | 6.30%        | -        | 5.61%        | 2.14%        | 2.42         | Dec-11        |
| Claren Road Credit Fund, Ltd.  | 45,979,170           | 4.0%          | 0.66%        | 0.66%        | 0.66%        | -11.35%      | -11.20%      | -            | -        | -4.47%       | 8.23%        | -0.54        | Apr-13        |
| DE Shaw Composite Fund LLC   | 78,445,755           | 6.9%          | 0.60%        | 0.60%        | 0.60%        | 6.81%        | 15.53%       | 15.39%       | -        | 14.86%       | 4.24%        | 3.23         | Nov-11        |
| Graham Global Investment Fund I SPC Ltd. - Discretionary Segregated Port | 56,609,748           | 5.0%          | 1.98%        | 1.98%        | 1.98%        | 9.03%        | 5.94%        | 3.96%        | -        | 4.11%        | 4.15%        | 0.92         | Jan-12        |
| OZ Domestic Partners II, L.P.  | 103,396,985          | 9.1%          | 0.80%        | 0.80%        | 0.80%        | 4.53%        | 6.95%        | 10.87%       | -        | 10.38%       | 3.65%        | 2.65         | Nov-11        |
| Winton Futures Fund Limited  | 37,415,643           | 3.3%          | 2.45%        | 2.45%        | 2.45%        | 15.21%       | 19.50%       | 6.95%        | -        | 7.22%        | 8.24%        | 0.85         | Dec-11        |
| <b>Total Real Return</b>   | <b>539,564,089</b>   | <b>47.3%</b>  | <b>1.19%</b> | <b>1.19%</b> | <b>1.19%</b> | <b>3.59%</b> | <b>5.48%</b> | <b>5.70%</b> | <b>-</b> | <b>5.68%</b> | <b>2.56%</b> | <b>2.05</b>  | <b>Nov-11</b> |
| ML 3-month T-Bills   |                      |               | 0.00%        | 0.00%        | 0.00%        | 0.02%        | 0.03%        | 0.07%        | -        | 0.07%        | 0.02%        | -            | Nov-11        |
| HFRI Fund of Funds Composite Index                                       |                      |               | 0.25%        | 0.25%        | 0.25%        | 1.49%        | 4.04%        | 5.15%        | -        | 4.82%        | 3.20%        | 1.39         | Nov-11        |
| <b>Total Hedge Fund Portfolio</b>  | <b>1,141,654,494</b> | <b>100.0%</b> | <b>0.58%</b> | <b>0.58%</b> | <b>0.58%</b> | <b>1.64%</b> | <b>3.95%</b> | <b>7.17%</b> | <b>-</b> | <b>6.97%</b> | <b>3.05%</b> | <b>2.13</b>  | <b>Nov-11</b> |
| HFRI Fund of Funds Composite Index                                       |                      |               | 0.25%        | 0.25%        | 0.25%        | 1.49%        | 4.04%        | 5.15%        | -        | 4.82%        | 3.20%        | 1.39         | Nov-11        |
| <b>Market Indices</b>  |                      |               |              |              |              |              |              |              |          |              |              |              |               |
| Libor3Month  |                      |               | 0.02%        | 0.02%        | 0.02%        | 0.14%        | 0.24%        | 0.30%        | -        | 0.32%        | 0.03%        | -            | Nov-11        |
| Barclays Aggregate Bond Index  |                      |               | 2.10%        | 2.10%        | 2.10%        | 4.08%        | 6.59%        | 3.07%        | -        | 3.43%        | 2.81%        | 1.10         | Nov-11        |
| Barclays High Yield Credit Bond Index                                    |                      |               | 0.66%        | 0.66%        | 0.66%        | -2.20%       | 2.42%        | 7.60%        | -        | 8.13%        | 4.79%        | 1.59         | Nov-11        |
| S&P 500 TR   |                      |               | -3.00%       | -3.00%       | -3.00%       | 2.93%        | 14.22%       | 17.47%       | -        | 17.88%       | 9.15%        | 1.82         | Nov-11        |
| MSCI EAFE - Net  |                      |               | 0.49%        | 0.49%        | 0.49%        | -8.79%       | -0.43%       | 9.33%        | -        | 8.34%        | 13.12%       | 0.65         | Nov-11        |
| MSCI EMF (Emerging Markets Free) - Net                                   |                      |               | 0.60%        | 0.60%        | 0.60%        | -7.29%       | 5.23%        | 0.59%        | -        | 1.36%        | 15.14%       | 0.14         | Nov-11        |

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

Hedge Fund Portfolio  
 Portfolio Performance Summary  
 Estimated as of January 31, 2015

| Fund | Market Value | Actual % | Jan | QTD | YTD | Returns |        |        |        |       | Std Dev | Sharpe Ratio | Incep Date |
|------|--------------|----------|-----|-----|-----|---------|--------|--------|--------|-------|---------|--------------|------------|
|      |              |          |     |     |     | FYTD    | 1 Year | 3 Year | 5 Year | Incep |         |              |            |

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

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

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

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

Hedge Fund Portfolio  
Fund Level Performance Report  
Estimated as of January 31, 2015

| Fund  | Trailing Returns |        |        |        |        | Calendar Year Returns |        |        |         |        | 5 Yr<br>Std Dev | Sharpe Ratio |        |        | Start<br>Date |      |      |        |
|---|------------------|--------|--------|--------|--------|-----------------------|--------|--------|---------|--------|-----------------|--------------|--------|--------|---------------|------|------|--------|
|   | QTD              | YTD    | Jan    | Dec    | Nov    | 1 Year                | 3 Year | 5 Year | 2014    | 2013   |                 | 2012         | 2011   | 2010   |               | 3 yr | 5 yr | Incep. |
| <b>Global Equities</b>                      |                  |        |        |        |        |                       |        |        |         |        |                 |              |        |        |               |      |      |        |
| Ascend Partners Fund II LP                  | 0.24%            | 0.24%  | 0.24%  | 0.64%  | 0.22%  | 5.17%                 | 6.46%  | 4.08%  | 5.00%   | 12.22% | 2.50%           | -3.02%       | 2.94%  | 3.75%  | 2.22          | 1.00 | 1.12 | Jan-04 |
| Davidson Kempner Institutional Partners, LP | -0.05%           | -0.05% | -0.05% | 0.10%  | 0.25%  | 3.76%                 | 6.33%  | 5.74%  | 4.19%   | 9.20%  | 6.87%           | 1.27%        | 9.17%  | 3.06%  | 2.67          | 1.74 | 1.54 | Mar-96 |
| Elliott Associates, L.P. (HFR98)            | -1.00%           | -1.00% | -1.00% | 0.10%  | 0.90%  | 5.26%                 | 10.20% | 8.10%  | 8.24%   | 12.44% | 13.18%          | 3.94%        | 7.39%  | 2.94%  | 2.99          | 2.57 | 1.93 | Jan-90 |
| ESG Cross Border Equity                     | -1.30%           | -1.30% | -1.30% | -4.80% | 0.48%  | -7.06%                | 3.47%  | 5.86%  | -7.16%  | 13.59% | 6.74%           | 9.45%        | 10.86% | 5.90%  | 0.54          | 0.94 | 0.89 | Jan-04 |
| Luxor Capital Partners, LP                  | -4.62%           | -4.62% | -4.62% | -4.59% | -0.84% | -14.70%               | -0.16% | 2.69%  | -9.96%  | 14.77% | 2.52%           | 6.07%        | 8.98%  | 6.49%  | -0.03         | 0.39 | 1.05 | Apr-02 |
| Mason Capital, Ltd.                         | -0.35%           | -0.35% | -0.35% | -2.87% | 0.03%  | -12.56%               | -0.22% | 2.35%  | -14.10% | 22.83% | -5.73%          | 4.20%        | 9.62%  | 7.15%  | -0.03         | 0.31 | 0.63 | Feb-02 |
| PFM Diversified Fund, LP                    | 1.00%            | 1.00%  | 1.00%  | 0.35%  | 3.08%  | 1.35%                 | 9.56%  | 6.58%  | 2.84%   | 22.17% | 5.59%           | -3.35%       | 4.36%  | 8.05%  | 1.03          | 0.79 | 0.96 | Nov-04 |
| Samlyn Capital - Composite                  | 1.55%            | 1.55%  | 1.55%  | 1.88%  | 2.91%  | 11.12%                | 11.70% | 7.77%  | 9.24%   | 18.93% | 10.49%          | -5.05%       | 1.98%  | 7.46%  | 1.99          | 1.00 | 1.26 | Mar-07 |
| Viking Global Equities                      | 1.20%            | 1.20%  | 1.20%  | 0.30%  | 0.80%  | 13.80%                | 16.05% | 12.89% | 13.47%  | 22.65% | 12.75%          | 7.71%        | 3.67%  | 5.95%  | 2.62          | 2.02 | 1.56 | Oct-99 |
| <b>Real Return</b>                          |                  |        |        |        |        |                       |        |        |         |        |                 |              |        |        |               |      |      |        |
| BlueCrest Capital International Limited     | -5.99%           | -5.99% | -5.99% | -1.19% | 0.05%  | -6.48%                | -0.95% | 2.59%  | 0.16%   | -1.56% | 5.83%           | 6.11%        | 12.80% | 3.78%  | -0.28         | 0.61 | 1.44 | Dec-00 |
| Brevan Howard L.P. (Series B)               | 3.32%            | 3.32%  | 3.32%  | -0.15% | 0.92%  | 3.87%                 | 2.35%  | 4.02%  | -0.81%  | 1.85%  | 3.60%           | 11.33%       | 0.92%  | 5.43%  | 0.39          | 0.69 | 1.10 | Sep-05 |
| Brigade Leveraged Capital Structures Fund   | 0.39%            | 0.39%  | 0.39%  | -1.25% | 0.31%  | 1.16%                 | 4.06%  | 4.53%  | 0.61%   | 6.13%  | 6.91%           | 2.55%        | 7.66%  | 3.16%  | 1.18          | 1.32 | 0.77 | Jan-07 |
| Capula Global Relative Value Fund Limited   | 1.91%            | 1.91%  | 1.91%  | 1.13%  | 1.33%  | 9.02%                 | 6.27%  | 6.52%  | 8.14%   | 7.60%  | 0.41%           | 6.19%        | 9.58%  | 2.27%  | 2.90          | 2.66 | 1.78 | Oct-05 |
| Claren Road Credit Master Fund              | 0.62%            | 0.62%  | 0.62%  | -0.11% | -1.03% | -11.61%               | -0.66% | 0.98%  | -10.10% | 5.43%  | 1.49%           | 6.88%        | 4.64%  | 5.90%  | -0.10         | 0.14 | 0.95 | Jan-06 |
| DE Shaw Composite International Fund        | 0.60%            | 0.60%  | 0.60%  | 2.60%  | 1.90%  | 14.77%                | 13.33% | 9.07%  | 15.46%  | 11.51% | 13.94%          | 3.69%        | 1.56%  | 4.56%  | 3.07          | 1.86 | 1.51 | Mar-01 |
| Graham Discretionary - 6V Portfolio         | 1.98%            | 1.98%  | 1.98%  | 0.40%  | 1.44%  | 5.96%                 | 3.96%  | 4.35%  | 3.20%   | 3.61%  | 3.82%           | 3.56%        | 7.12%  | 3.62%  | 0.87          | 1.11 | 0.88 | Jun-04 |
| OZ Master Fund, Ltd                         | 0.80%            | 0.80%  | 0.80%  | 0.33%  | 2.99%  | 6.51%                 | 10.19% | 7.91%  | 5.47%   | 14.20% | 12.01%          | 0.17%        | 8.62%  | 3.77%  | 2.66          | 1.96 | 1.24 | Jan-04 |
| Winton Futures Fund - USD Class B           | 2.64%            | 2.64%  | 2.64%  | 1.09%  | 5.86%  | 19.73%                | 7.03%  | 9.05%  | 13.89%  | 9.43%  | -3.56%          | 6.29%        | 14.47% | 8.27%  | 0.81          | 1.05 | 0.74 | Oct-97 |
| <b>Benchmarks</b>                           |                  |        |        |        |        |                       |        |        |         |        |                 |              |        |        |               |      |      |        |
| HFRI Fund of Funds Composite Index          | 0.25%            | 0.25%  | 0.25%  | 0.35%  | 1.24%  | 4.04%                 | 5.15%  | 3.43%  | 3.38%   | 8.96%  | 4.79%           | -5.72%       | 5.70%  | 4.01%  | 1.55          | 0.78 | 0.65 | Jan-90 |
| HFRI Fund Weighted Composite Index          | 0.46%            | 0.46%  | 0.46%  | -0.20% | 0.77%  | 4.03%                 | 5.33%  | 4.80%  | 2.99%   | 9.13%  | 6.36%           | -5.25%       | 10.25% | 5.17%  | 1.35          | 0.87 | 1.02 | Jan-90 |
| <b>Market Indices</b>                       |                  |        |        |        |        |                       |        |        |         |        |                 |              |        |        |               |      |      |        |
| 3 Month Libor - BOM                         | 0.02%            | 0.02%  | 0.02%  | 0.02%  | 0.02%  | 0.24%                 | 0.30%  | 0.32%  | 0.23%   | 0.26%  | 0.42%           | 0.35%        | 0.35%  | 0.03%  |               |      |      | Mar-86 |
| Barclays Aggregate Bond Index               | 2.10%            | 2.10%  | 2.10%  | 0.09%  | 0.70%  | 6.59%                 | 3.07%  | 4.57%  | 5.94%   | -2.02% | 4.23%           | 7.86%        | 6.56%  | 2.75%  |               |      |      | Jan-76 |
| Barclays High Yield Credit Bond Index       | 0.66%            | 0.66%  | 0.66%  | -1.45% | -0.73% | 2.42%                 | 7.60%  | 8.90%  | 2.46%   | 7.46%  | 15.81%          | 4.98%        | 15.11% | 6.30%  |               |      |      | Jul-83 |
| S&P 500 (TR)                                | -3.00%           | -3.00% | -3.00% | -0.25% | 2.69%  | 14.22%                | 17.47% | 15.60% | 13.69%  | 32.39% | 16.00%          | 2.11%        | 15.06% | 12.95% |               |      |      | Jan-70 |
| MSCI EAFE - Net - USD                       | 0.49%            | 0.49%  | 0.49%  | -3.46% | 1.36%  | -0.43%                | 9.33%  | 6.39%  | -4.90%  | 22.78% | 17.32%          | -12.14%      | 7.75%  | 16.58% |               |      |      | Dec-69 |
| MSCI EM (EMERGING MARKETS) - Net - USD      | 0.60%            | 0.60%  | 0.60%  | -4.61% | -1.06% | 5.23%                 | 0.58%  | 3.08%  | -2.19%  | -2.60% | 18.22%          | -18.42%      | 18.88% | 18.35% |               |      |      | Jan-99 |

Note: The above is manager composite history.

# Portfolio Summary

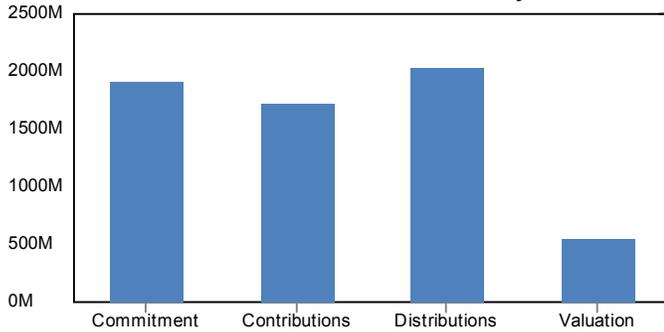
1/31/2015

All Portfolio Investments

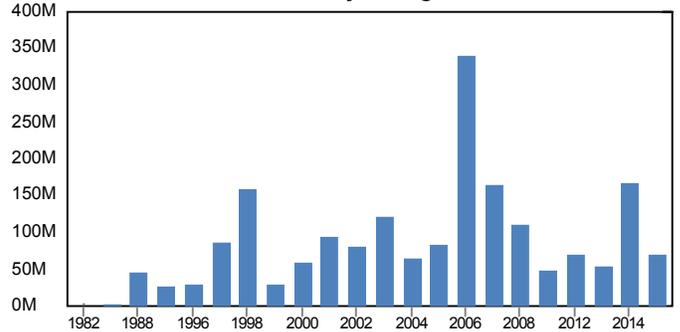
## Performance Summary

| Asset Class          | Investment Type                    | Number of Investments | Commitment    | Contributions        | Distributions        | Adjusted Valuation   | Multiple of Cost   | IRR         | TWR          |              |
|----------------------|------------------------------------|-----------------------|---------------|----------------------|----------------------|----------------------|--------------------|-------------|--------------|--------------|
| Private Equity Funds | Agriculture                        | 1                     | 30,000,000    | 671,996              | 0                    | 665,137              | 0.99               | -1.02       | -1.02        |              |
|                      | Buyout                             | 72                    | 1,173,527,685 | 1,070,471,104        | 1,329,691,833        | 299,561,119          | 1.52               | 13.04       | 13.15        |              |
|                      | Direct Lending                     | 2                     | 45,000,000    | 22,710,452           | 8,844,249            | 16,943,785           | 1.14               | 9.53        | 8.38         |              |
|                      | Distressed Debt                    | 12                    | 183,000,000   | 188,920,764          | 207,211,763          | 61,800,718           | 1.42               | 10.92       | 10.78        |              |
|                      | Energy                             | 7                     | 123,000,000   | 119,286,784          | 172,423,515          | 24,430,512           | 1.65               | 24.50       | 10.69        |              |
|                      | Fund of Funds                      | 1                     | 45,000,000    | 45,000,000           | 106,748,821          | 0                    | 2.37               | 19.94       | -100.00      |              |
|                      | Secondary                          | 4                     | 60,000,000    | 54,909,565           | 53,816,983           | 14,742,882           | 1.25               | 6.86        | 5.85         |              |
|                      | Venture Capital                    | 20                    | 256,250,000   | 230,015,093          | 150,352,063          | 139,758,519          | 1.26               | 5.00        | 1.68         |              |
|                      | <b>Total: Private Equity Funds</b> |                       | <b>119</b>    | <b>1,915,777,685</b> | <b>1,731,985,759</b> | <b>2,029,089,227</b> | <b>557,902,672</b> | <b>1.49</b> | <b>13.62</b> | <b>11.02</b> |
|                      | <b>Total:</b>                      |                       | <b>119</b>    | <b>1,915,777,685</b> | <b>1,731,985,759</b> | <b>2,029,089,227</b> | <b>557,902,672</b> | <b>1.49</b> | <b>13.62</b> | <b>11.02</b> |

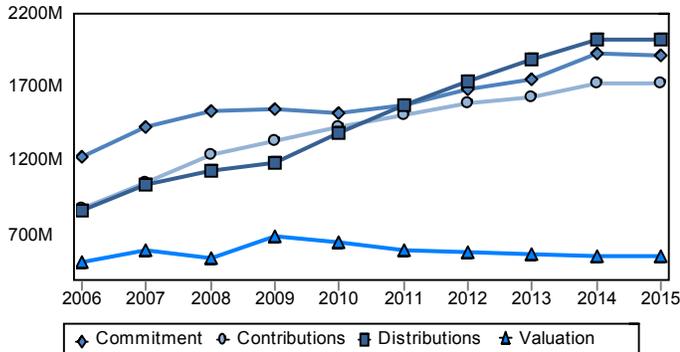
Cash Flow and Valuation Summary



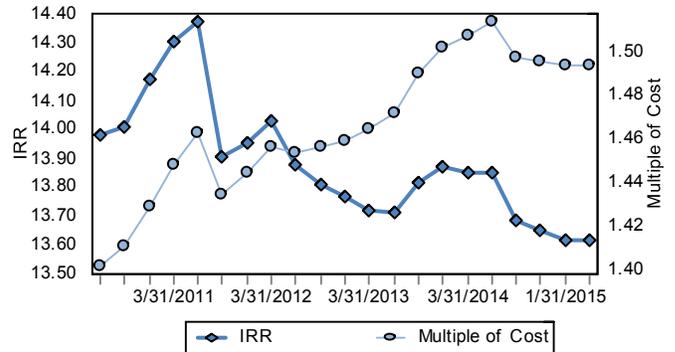
Commitment by Vintage Year



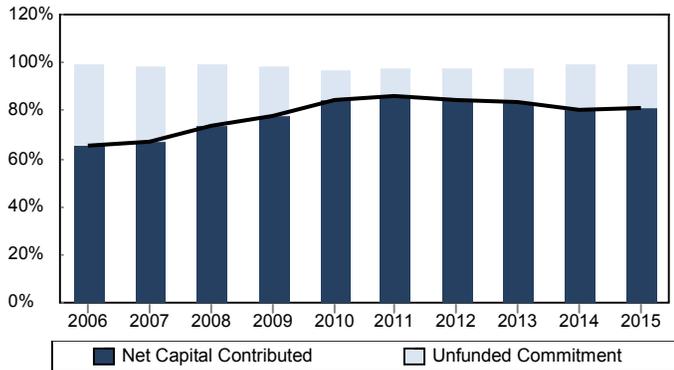
Historical Cash Flows and Valuation



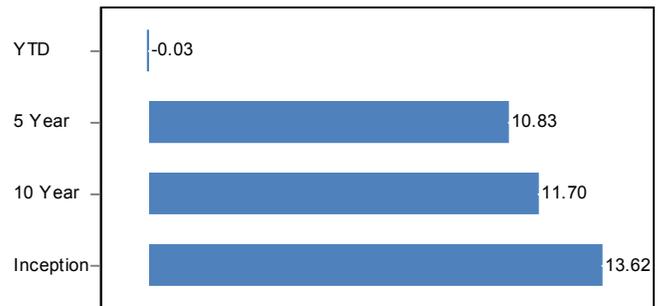
Historical Performance



Historical Percent Funded



Period IRRs



**Employees' Retirement System of Rhode Island Private Equity Performance**  
9/30/2014

| Current Partnerships                       | Vintage Year | Amount Committed<br>(In \$ unless otherwise noted) | Cumulative Cash Flows (\$) |                            |                          | Cumulative Performance* |                            |
|--|--------------|--|----------------------------|----------------------------|--------------------------|-------------------------|----------------------------|
|  |              |  | Amount Drawn               | Amount Distributed         | Valuation (\$)           | Net IRR (%)             | Net Multiple of Investment |
| Advent International GPE VII               | 2012         | 20,000,000   | 11,200,000                 | 420,000                    | 13,781,814               | 26.5                    | 1.3                        |
| Alta BioPharma Partners III                | 2003         | 15,000,000   | 14,250,000                 | 15,798,778                 | 4,070,800                | 5.3                     | 1.4                        |
| Alta Partners VIII                         | 2006         | 15,000,000   | 14,250,000                 | 9,653,605                  | 13,754,523               | 13.1                    | 1.6                        |
| Aurora Equity Partners III                 | 2004         | 15,000,000   | 16,241,318                 | 26,592,641                 | 1,123,953                | 15.5                    | 1.7                        |
| Avenue Special Situations Fund IV          | 2006         | 20,000,000   | 25,179,595                 | 32,706,000                 | 127,985                  | 8.3                     | 1.3                        |
| Avenue Special Situations Fund V           | 2007         | 20,000,000   | 20,329,267                 | 26,322,021                 | 111,739                  | 10.6                    | 1.3                        |
| Bain Capital Fund X                        | 2008         | 25,000,000   | 24,300,000                 | 11,475,527                 | 22,333,565               | 6.2                     | 1.2                        |
| Birch Hill Equity Partners III             | 2005         | CAD 18,000,000                                     | 18,781,688                 | 15,758,014                 | 15,748,546               | 12.1                    | 1.7                        |
| Carlyle Asia Partners IV                   | 2014         | 30,000,000   | 7,279,078                  | 11,618                     | 2,754,062                | -25.2                   | 0.7                        |
| Castile Ventures III                       | 2006         | 5,000,000  | 4,859,730                  | 1,350,518                  | 2,069,110                | -8.6                    | 0.7                        |
| Centerbridge Capital Partners              | 2006         | 15,000,000   | 23,475,149                 | 32,239,203                 | 8,983,600                | 21.2                    | 1.8                        |
| Centerbridge Special Credit Partners II    | 2012         | 25,000,000   | 20,000,000                 | -                          | 22,806,801               | 9.4                     | 1.1                        |
| Charterhouse Capital Partners VIII         | 2006         | € 15,000,000                                       | 18,183,957                 | 11,831,644                 | 5,719,000                | -0.5                    | 1.0                        |
| Coller International Partners IV           | 2002         | 15,000,000   | 13,294,667                 | 16,795,866                 | 1,301,983                | 11.8                    | 1.4                        |
| Coller International Partners V            | 2006         | 15,000,000   | 12,520,679                 | 10,515,281                 | 7,225,681                | 9.3                     | 1.4                        |
| CVC European Equity Partners III           | 2001         | 20,000,000   | 23,158,043                 | 59,146,850                 | 821,340                  | 41.1                    | 2.6                        |
| CVC European Equity Partners IV            | 2005         | € 16,500,000                                       | 21,261,896                 | 33,733,320                 | 5,422,809                | 17.1                    | 1.8                        |
| CVC European Equity Partners V             | 2008         | € 20,000,000                                       | 27,175,178                 | 15,365,180                 | 19,113,967               | 9.6                     | 1.3                        |
| CVC Capital Partners VI                    | 2014         | € 15,000,000                                       | 1,774,566                  | 230,798                    | 1,242,140                | -39.7                   | 0.8                        |
| EnCap Energy Capital Fund IX               | 2013         | 18,000,000   | 7,664,340                  | 254,243                    | 5,220,131                | 24.7                    | 1.2                        |
| Fenway Partners Capital Fund II            | 1998         | 15,000,000   | 18,513,234                 | 20,037,332                 | 2,179,124                | 5.1                     | 1.2                        |
| Fenway Partners Capital Fund III           | 2006         | 15,000,000   | 16,865,888                 | 11,783,895                 | 8,500,887                | 0.8                     | 1.0                        |
| First Reserve Fund X                       | 2004         | 20,000,000   | 19,999,999                 | 36,485,800                 | 1,435,489                | 31.2                    | 1.8                        |
| First Reserve Fund XI                      | 2006         | 20,000,000   | 22,125,580                 | 13,245,396                 | 11,015,142               | 2.1                     | 1.1                        |
| Focus Ventures III                         | 2006         | 15,000,000   | 15,000,000                 | 5,411,619                  | 7,922,103                | -3.0                    | 0.9                        |
| Granite Global Ventures II                 | 2004         | 15,000,000   | 14,333,450                 | 7,619,730                  | 12,140,512               | 5.0                     | 1.4                        |
| Granite Global Ventures III                | 2006         | 15,000,000   | 14,625,268                 | 13,555,767                 | 18,525,999               | 17.7                    | 2.1                        |
| Green Equity Investors V                   | 2007         | 20,000,000   | 20,285,800                 | 17,518,300                 | 17,479,986               | 18.5                    | 1.7                        |
| Industry Ventures Partnership Holdings III | 2014         | 25,000,000   | 6,562,702                  | 443,045                    | 4,668,823                | 8.3                     | 1.1                        |
| Kayne Anderson Energy Fund III             | 2005         | 15,000,000   | 15,965,344                 | 14,977,361                 | 1,765,282                | -1.1                    | 1.0                        |
| Kayne Anderson Energy Fund IV              | 2007         | 15,000,000   | 15,722,079                 | 14,748,300                 | 5,756,606                | 6.6                     | 1.2                        |
| Leapfrog Ventures II                       | 2005         | 10,000,000   | 9,490,000                  | 6,811,564                  | 3,805,814                | 2.4                     | 1.1                        |
| Leeds Weld Equity Partners IV              | 2003         | 10,000,000   | 10,209,327                 | 10,606,829                 | 2,287,418                | 4.0                     | 1.3                        |
| Lighthouse Capital Partners V              | 2003         | 11,250,000   | 10,462,500                 | 12,023,162                 | 345,451                  | 3.9                     | 1.2                        |
| Lighthouse Capital Partners VI             | 2007         | 15,000,000   | 14,250,000                 | 14,557,010                 | 6,424,543                | 7.1                     | 1.4                        |
| LNK Partners                               | 2006         | 12,500,000   | 11,944,933                 | 12,880,287                 | 5,784,584                | 11.1                    | 1.6                        |
| MHR Institutional Partners III             | 2006         | 20,000,000   | 20,400,000                 | 16,129,889                 | 14,904,052               | 9.9                     | 1.5                        |
| Nautic Partners V                          | 2000         | 20,000,000   | 20,322,972                 | 38,590,088                 | 2,993,448                | 17.2                    | 2.1                        |
| Nautic Partners VI                         | 2007         | 20,000,000   | 23,935,859                 | 9,812,790                  | 25,495,396               | 10.8                    | 1.5                        |
| Nordic Capital Fund V                      | 2003         | € 14,615,550                                       | 21,434,529                 | 57,441,909                 | 2,193,367                | 21.2                    | 2.8                        |
| Nordic Capital Fund VI                     | 2006         | € 15,000,000                                       | 22,411,307                 | 18,594,101                 | 16,360,062               | 7.5                     | 1.5                        |
| Nordic Capital Fund VII                    | 2008         | € 15,000,000                                       | 18,648,649                 | 2,688,290                  | 19,022,124               | 4.0                     | 1.2                        |
| Nordic Capital Fund VIII                   | 2013         | € 15,000,000                                       | 7,034,886                  | 336,982                    | 5,215,425                | -12.2                   | 0.9                        |
| Oaktree European Principal Fund III        | 2011         | 20,000,000   | 11,400,000                 | 610,523                    | 12,458,901               | 7.8                     | 1.2                        |
| Paladin III                                | 2008         | 10,000,000   | 10,706,477                 | 4,723,240                  | 8,631,564                | 6.9                     | 1.2                        |
| Parthenon Investors II                     | 2001         | 23,960,000   | 23,409,381                 | 36,875,200                 | 6,002,358                | 13.6                    | 1.7                        |
| Point 406 Ventures I                       | 2006         | 10,000,000   | 9,941,265                  | 4,123,844                  | 11,247,704               | 10.7                    | 1.5                        |
| Point Judith Venture Fund II               | 2006         | 5,000,000  | 5,578,400                  | 1,787,993                  | 5,867,683                | 7.7                     | 1.4                        |
| Providence Equity Partners III             | 1999         | 15,000,000   | 16,497,650                 | 25,219,351                 | 19,275                   | 15.9                    | 1.5                        |
| Providence Equity Partners IV              | 2000         | 25,000,000   | 35,967,348                 | 67,603,201                 | 1,794,617                | 23.9                    | 1.9                        |
| Providence Equity Partners V               | 2005         | 25,000,000   | 31,076,031                 | 29,082,240                 | 7,625,887                | 3.4                     | 1.2                        |
| Providence Equity Partners VI              | 2007         | 25,000,000   | 27,840,122                 | 19,217,661                 | 18,097,347               | 5.9                     | 1.3                        |
| Providence Equity Partners VII             | 2012         | 25,000,000   | 9,232,562                  | 897,260                    | 5,063,996                | 3.2                     | 1.0                        |
| Riverside Capital Appreciation Fund VI     | 2013         | 20,000,000   | 5,356,003                  | -                          | 2,601,107                | -23.1                   | 0.8                        |
| Riverside Micro-Cap Fund III               | 2014         | 20,000,000   | 11,505,754                 | -                          | 9,613,704                | -0.2                    | 1.0                        |
| TPG Partners IV                            | 2003         | 15,000,000   | 16,672,684                 | 26,900,063                 | 5,037,507                | 16.0                    | 1.9                        |
| TPG Partners V                             | 2006         | 20,000,000   | 20,948,515                 | 11,068,193                 | 15,387,776               | 4.4                     | 1.3                        |
| TPG Partners VI                            | 2008         | 10,000,000   | 13,130,657                 | 7,312,602                  | 8,948,600                | 8.6                     | 1.2                        |
| Trilantic Capital Partners IV              | 2007         | 11,098,351   | 11,107,988                 | 11,298,887                 | 8,616,745                | 18.8                    | 1.8                        |
| VS&A Communications Partners III           | 1998         | 15,000,000   | 15,071,595                 | 20,493,903                 | 285,661                  | 6.3                     | 1.4                        |
| W Capital Partners                         | 2004         | 15,000,000   | 14,197,500                 | 10,062,238                 | 1,910,879                | -5.3                    | 0.8                        |
| W Capital Partners II                      | 2007         | 15,000,000   | 14,896,718                 | 14,036,918                 | 6,493,204                | 11.9                    | 1.4                        |
| WLR Recovery Fund IV                       | 2007         | 8,000,000  | 7,277,318                  | 7,027,233                  | 3,089,290                | 8.9                     | 1.4                        |
| Other funds in aggregate**                 | various      | 115,000,000  | 91,896,762                 | 118,322,089                | 51,613,492               |                         |                            |
| <b>Total</b>                               |              | <b>\$ 1,205,923,094.30</b>                         | <b>\$ 1,099,434,188.12</b> | <b>\$ 1,093,163,192.16</b> | <b>\$ 540,362,482.39</b> |                         |                            |

\*IRR refers to the fund's Internal Rate of Return, or the annualized compounded yield on an investment. This calculation is typically applied in private equity where there are multiple points at which capital is invested (capital called) and at which it is distributed. A positive IRR means that the fund's current value plus any cash distributions are greater than the cash value contributed and management fees paid. Typically a fund will have a negative IRR during the first few years of its life, a period referred to as the "J-Curve", because cash is invested upfront and it takes time to generate value. It is important to consider a fund's start date (vintage year) when assessing IRRs. Multiple of investment is another indicator of returns, and is calculated by dividing the fund's cumulative distributions and current value, after fees, by the amount of capital paid in. Please note that performance calculations are specific to the ERSRI investment, and were not prepared, reviewed or approved by the General Partners.

\*\*Other funds in aggregate are the total commitments to and amounts drawn and distributed by funds whose confidentiality provisions do not permit the disclosure of their performance data. These funds include Braemar Energy Ventures III, Constellation Ventures III, Summit Partners Credit Fund, Thomas, McNerney & Partners, Thomas McNerney & Partners II, Wellspring Capital Partners III and Wellspring Capital Partners IV.

## Section VII.

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### Cash Flow

# Monthly Valuation Change

Period : 2015-01-01 - 2015-01-31

| Category                              | Source Account Name  | Closing Balance         | Market Value Increase/(Decrease) | Transfer In/(Out)      | Opening Balance         |
|---------------------------------------|----------------------|-------------------------|----------------------------------|------------------------|-------------------------|
| <b>Grand Total</b>                    |                      | <b>7,904,585,640.10</b> | <b>(24,892,177.52)</b>           | <b>(26,866,850.26)</b> | <b>7,956,344,667.88</b> |
| <b>Total Global Equity</b>            |                      | <b>4,387,963,127.28</b> | <b>(58,799,936.20)</b>           | <b>(56,745,099.44)</b> | <b>4,503,508,162.92</b> |
| <b>Global Equity</b>                  |                      | <b>3,786,228,908.78</b> | <b>(59,182,953.11)</b>           | <b>281,900.56</b>      | <b>3,845,129,961.33</b> |
|                                       | SSGA R3000 INDEX     | 1,934,658,931.79        | (55,490,564.05)                  | 63,773.37              | 1,990,085,722.47        |
|                                       | SSGA MSCI EAFE       | 1,295,460,658.32        | 6,266,436.46                     | 98,543.65              | 1,289,095,678.21        |
|                                       | SSGA MSCI CANADA     | 132,861,898.94          | (11,984,933.36)                  | 11,001.88              | 144,835,830.42          |
|                                       | SSGA MSCI EM         | 423,247,419.73          | 2,026,107.84                     | 108,581.66             | 421,112,730.23          |
| <b>Global Equity Hedge Funds</b>      |                      | <b>601,734,218.50</b>   | <b>383,016.91</b>                | <b>(57,027,000.00)</b> | <b>658,378,201.59</b>   |
|                                       | ASCEND PTRS II       | 71,865,864.56           | 178,991.28                       | 0.00                   | 71,686,873.28           |
|                                       | DAVIDSON KEMPNER     | 74,306,368.09           | 14,183.81                        | 0.00                   | 74,292,184.28           |
|                                       | ELLIOTT ASSOCIATES   | 81,007,053.86           | (900,078.38)                     | 0.00                   | 81,907,132.24           |
|                                       | INDUS ASIA PACIFIC   | 755,670.94              | 12,403.50                        | 0.00                   | 743,267.44              |
|                                       | MASON CAPITAL        | 3,001,818.45            | (405.72)                         | (57,027,000.00)        | 60,029,224.17           |
|                                       | PFM DIVERSIFIED      | 77,508,923.28           | 789,403.11                       | 0.00                   | 76,719,520.17           |
|                                       | SAMLYN ON/OFFSHORE   | 109,596,589.36          | 1,795,263.89                     | 0.00                   | 107,801,325.47          |
|                                       | VIKING GLOBAL EQUITI | 95,592,043.80           | 1,103,617.75                     | 0.00                   | 94,488,426.05           |
|                                       | LUXOR CAP PTNS LP    | 42,455,428.62           | (2,034,294.58)                   | 0.00                   | 44,489,723.20           |
|                                       | ESG CBE FUND LP      | 45,644,457.54           | (576,067.75)                     | 0.00                   | 46,220,525.29           |
| <b>Private Equity</b>                 |                      | <b>533,042,739.48</b>   | <b>(9,157,930.18)</b>            | <b>643,756.01</b>      | <b>541,556,913.65</b>   |
| <b>Private Equity</b>                 |                      | <b>533,042,739.48</b>   | <b>(9,157,930.18)</b>            | <b>643,756.01</b>      | <b>541,556,913.65</b>   |
|                                       | PRIVATE EQUITY       | 533,042,739.48          | (9,157,930.18)                   | 643,756.01             | 541,556,913.65          |
| <b>Total Fixed Income</b>             |                      | <b>1,146,102,168.02</b> | <b>23,461,101.26</b>             | <b>201,136.38</b>      | <b>1,122,439,930.38</b> |
| <b>Fixed Income</b>                   |                      | <b>1,146,102,168.02</b> | <b>23,461,101.26</b>             | <b>201,136.38</b>      | <b>1,122,439,930.38</b> |
|                                       | MACKAY SHIELDS       | 577,725,854.59          | 12,309,530.15                    | 0.00                   | 565,416,324.44          |
|                                       | PYRAMIS GLOBAL ADV   | 568,376,313.43          | 11,151,571.11                    | 201,136.38             | 557,023,605.94          |
| <b>Total Real Return</b>              |                      | <b>1,319,255,849.34</b> | <b>8,944,997.44</b>              | <b>0.00</b>            | <b>1,310,310,851.90</b> |
| <b>Alternative Absolute Return</b>    |                      | <b>378,076,372.63</b>   | <b>4,819,883.36</b>              | <b>0.00</b>            | <b>373,256,489.27</b>   |
|                                       | BLUE CREST CAP       | 19,602,208.04           | (1,259,055.59)                   | 0.00                   | 20,861,263.63           |
|                                       | BREVAN HOWARD        | 82,606,033.22           | 2,683,728.77                     | 0.00                   | 79,922,304.45           |
|                                       | DE SHAW              | 78,445,755.33           | 538,893.02                       | 0.00                   | 77,906,862.31           |
|                                       | GRAHAM GLOBAL        | 56,609,748.20           | 1,095,239.73                     | 0.00                   | 55,514,508.47           |
|                                       | OZ DOMESTIC PTRS     | 103,396,984.56          | 865,045.17                       | 0.00                   | 102,531,939.39          |
|                                       | WINTON FUTURE FD     | 37,415,643.28           | 896,032.26                       | 0.00                   | 36,519,611.02           |
| <b>Alternative Fixed Income</b>       |                      | <b>161,487,716.18</b>   | <b>1,581,022.16</b>              | <b>0.00</b>            | <b>159,906,694.02</b>   |
|                                       | BRIGADE LEV CAP      | 56,078,483.01           | 213,651.57                       | 0.00                   | 55,864,831.44           |
|                                       | CAPULA GLOBAL        | 59,430,062.81           | 1,135,240.12                     | 0.00                   | 58,294,822.69           |
|                                       | CLAREN ROAD CR. FUND | 45,979,170.36           | 232,130.47                       | 0.00                   | 45,747,039.89           |
| <b>Credit</b>                         |                      | <b>414,553,705.24</b>   | <b>448,335.81</b>                | <b>0.00</b>            | <b>414,105,369.43</b>   |
|                                       | PIMCO                | 208,071,244.72          | 974,576.12                       | 0.00                   | 207,096,668.60          |
|                                       | WAMCO                | 206,482,460.52          | (526,240.31)                     | 0.00                   | 207,008,700.83          |
| <b>GILBs</b>                          |                      | <b>286,679,421.68</b>   | <b>4,912,117.29</b>              | <b>0.00</b>            | <b>281,767,304.39</b>   |
|                                       | BROWN BROTHERS HARR  | 286,679,421.68          | 4,912,117.29                     | 0.00                   | 281,767,304.39          |
| <b>Publicly Traded Infrastructure</b> |                      | <b>78,458,633.61</b>    | <b>(2,816,361.18)</b>            | <b>0.00</b>            | <b>81,274,994.79</b>    |

# Monthly Valuation Change

Period : 2015-01-01 - 2015-01-31

| Category                   | Source Account Name  | Closing Balance       | Market Value Increase/(Decrease) | Transfer In/(Out)     | Opening Balance       |
|----------------------------|----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
|                            | HARVEST FUND ADVISOR | 78,458,633.61         | (2,816,361.18)                   | 0.00                  | 81,274,994.79         |
| <b>Real Estate</b>         |                      | <b>372,052,881.29</b> | <b>7,433,381.36</b>              | <b>(1,304,550.21)</b> | <b>365,924,050.14</b> |
| Real Estate                |                      | 372,052,881.29        | 7,433,381.36                     | (1,304,550.21)        | 365,924,050.14        |
|                            | REAL ESTATE          | 372,052,881.29        | 7,433,381.36                     | (1,304,550.21)        | 365,924,050.14        |
| <b>Total Cash</b>          |                      | <b>123,193,024.18</b> | <b>(85,496.39)</b>               | <b>32,037,444.06</b>  | <b>91,241,076.51</b>  |
| Cash Accounts              |                      | 123,193,024.18        | (85,496.39)                      | 32,037,444.06         | 91,241,076.51         |
|                            | ERSRI CASH           | 121,854,407.18        | (85,496.39)                      | 32,755,525.06         | 89,184,378.51         |
|                            | CITIZENS CASH        | 1,338,617.00          | 0.00                             | (718,081.00)          | 2,056,698.00          |
| <b>Total Other</b>         |                      | <b>21,724,507.35</b>  | <b>3,220,798.03</b>              | <b>0.00</b>           | <b>18,503,709.32</b>  |
| Other                      |                      | 21,724,507.35         | 3,220,798.03                     | 0.00                  | 18,503,709.32         |
|                            | RUSSELL OVERLAY FD   | 21,724,507.35         | 3,220,798.03                     | 0.00                  | 18,503,709.32         |
| <b>Total Miscellaneous</b> |                      | <b>1,251,343.16</b>   | <b>90,907.16</b>                 | <b>(1,699,537.06)</b> | <b>2,859,973.06</b>   |
| Miscellaneous Accounts     |                      | 1,251,343.16          | 90,907.16                        | (1,699,537.06)        | 2,859,973.06          |
|                            | RI TRANS ACCT        | 166,805.70            | (15,509.60)                      | (3,797.61)            | 186,112.91            |
|                            | SHOTT CAPITAL        | 1,076,386.32          | 106,308.15                       | (1,485,452.83)        | 2,455,531.00          |
|                            | DOM EQUITY TRANS     | 74.25                 | 0.00                             | 0.00                  | 74.25                 |
|                            | NON-US EQUITY TRANS  | 79.84                 | (5.77)                           | 0.00                  | 85.61                 |
|                            | FIXED INC TRANS      | 7,996.67              | 114.38                           | (210,286.62)          | 218,168.91            |
|                            | MACKAY SHIELDS LLC   | 0.38                  | 0.00                             | 0.00                  | 0.38                  |

## Custodian Inception To Date Valuation Change

Period : 2012-11-01 - 2015-01-31

| Category                           | Source Account Name  | Closing Balance         | Market Value Increase/(Decrease) | Transfer In/(Out)       | Opening Balance         |
|------------------------------------|----------------------|-------------------------|----------------------------------|-------------------------|-------------------------|
| <b>Grand Total</b>                 |                      | <b>7,904,585,640.10</b> | <b>1,522,820,025.69</b>          | <b>(999,490,296.75)</b> | <b>7,381,255,911.16</b> |
| <b>Total Global Equity</b>         |                      | <b>4,387,963,127.28</b> | <b>1,154,299,397.34</b>          | <b>(533,291,180.74)</b> | <b>3,766,954,910.68</b> |
| <b>Global Equity</b>               |                      | <b>3,786,228,908.78</b> | <b>1,032,037,754.59</b>          | <b>(477,448,166.49)</b> | <b>3,231,639,320.68</b> |
|                                    | SSGA MSCI CANADA     | 132,861,898.94          | 1,070,167.16                     | 97,981.65               | 131,693,750.13          |
|                                    | SSGA MSCI EAFE       | 1,295,460,658.32        | 275,205,038.19                   | (79,090,633.63)         | 1,099,346,253.76        |
|                                    | SSGA MSCI EM         | 423,247,419.73          | 6,055,649.73                     | 999,679.97              | 416,192,090.03          |
|                                    | SSGA R3000 INDEX     | 1,934,658,931.79        | 749,706,899.51                   | (399,455,194.48)        | 1,584,407,226.76        |
| <b>Global Equity Hedge Funds</b>   |                      | <b>601,734,218.50</b>   | <b>122,261,642.75</b>            | <b>(55,843,014.25)</b>  | <b>535,315,590.00</b>   |
|                                    | ASCEND PTRS II       | 71,865,864.56           | 10,879,584.56                    | 0.00                    | 60,986,280.00           |
|                                    | DAVIDSON KEMPNER     | 74,306,368.09           | 10,260,088.09                    | 0.00                    | 64,046,280.00           |
|                                    | ELLIOTT ASSOCIATES   | 81,007,053.86           | 15,820,293.86                    | 0.00                    | 65,186,760.00           |
|                                    | ESG CBE FUND LP      | 45,644,457.54           | (4,355,542.46)                   | 50,000,000.00           | 0.00                    |
|                                    | INDUS ASIA PACIFIC   | 755,670.94              | 1,312,126.94                     | (42,228,816.00)         | 41,672,360.00           |
|                                    | LUXOR CAP PTNS LP    | 42,455,428.62           | (7,544,571.38)                   | 50,000,000.00           | 0.00                    |
|                                    | MASON CAPITAL        | 3,001,818.45            | 3,315,618.45                     | (57,027,000.00)         | 56,713,200.00           |
|                                    | PFM DIVERSIFIED      | 77,508,923.28           | 19,441,403.28                    | 0.00                    | 58,067,520.00           |
|                                    | SAMLYN ON/OFFSHORE   | 109,596,589.36          | 24,721,529.36                    | 20,000,000.00           | 64,875,060.00           |
|                                    | THIRD POINT PTRS     | 0.00                    | 20,373,848.25                    | (76,587,198.25)         | 56,213,350.00           |
|                                    | VIKING GLOBAL EQUITI | 95,592,043.80           | 28,037,263.80                    | 0.00                    | 67,554,780.00           |
| <b>Private Equity</b>              |                      | <b>533,042,739.48</b>   | <b>125,927,833.06</b>            | <b>(199,616,541.50)</b> | <b>606,731,447.92</b>   |
| <b>Private Equity</b>              |                      | <b>533,042,739.48</b>   | <b>125,927,833.06</b>            | <b>(199,616,541.50)</b> | <b>606,731,447.92</b>   |
|                                    | PRIVATE EQUITY       | 533,042,739.48          | 125,927,833.06                   | (199,616,541.50)        | 606,731,447.92          |
| <b>Total Fixed Income</b>          |                      | <b>1,146,102,168.02</b> | <b>68,494,110.57</b>             | <b>(18,316,254.29)</b>  | <b>1,095,924,311.74</b> |
| <b>Fixed Income</b>                |                      | <b>1,146,102,168.02</b> | <b>68,494,110.57</b>             | <b>(18,316,254.29)</b>  | <b>1,095,924,311.74</b> |
|                                    | MACKAY SHIELDS       | 577,725,854.59          | 35,491,087.58                    | (5,000,000.00)          | 547,234,767.01          |
|                                    | PYRAMIS GLOBAL ADV   | 568,376,313.43          | 33,003,022.99                    | (13,316,254.29)         | 548,689,544.73          |
| <b>Total Real Return</b>           |                      | <b>1,319,255,849.34</b> | <b>93,258,802.92</b>             | <b>332,456,172.37</b>   | <b>893,540,874.05</b>   |
| <b>Alternative Absolute Return</b> |                      | <b>378,076,372.63</b>   | <b>67,512,584.39</b>             | <b>(54,619,461.76)</b>  | <b>365,183,250.00</b>   |
|                                    | BLUE CREST CAP       | 19,602,208.04           | (1,365,291.96)                   | 0.00                    | 20,967,500.00           |
|                                    | BREVAN HOWARD        | 82,606,033.22           | 5,883,658.22                     | 0.00                    | 76,722,375.00           |
|                                    | DE SHAW              | 78,445,755.33           | 23,585,055.33                    | 0.00                    | 54,860,700.00           |
|                                    | GRAHAM GLOBAL        | 56,609,748.20           | 5,884,048.20                     | 0.00                    | 50,725,700.00           |
|                                    | OZ DOMESTIC PTRS     | 103,396,984.56          | 21,121,759.56                    | 0.00                    | 82,275,225.00           |
|                                    | WEXFORD SPECTRUM     | 0.00                    | 3,621,811.76                     | (54,619,461.76)         | 50,997,650.00           |
|                                    | WINTON FUTURE FD     | 37,415,643.28           | 8,781,543.28                     | 0.00                    | 28,634,100.00           |
| <b>Alternative Fixed Income</b>    |                      | <b>161,487,716.18</b>   | <b>6,989,742.05</b>              | <b>15,075,634.13</b>    | <b>139,422,340.00</b>   |
|                                    | BRIGADE LEV CAP      | 56,078,483.01           | 4,545,383.01                     | 0.00                    | 51,533,100.00           |
|                                    | CAPULA GLOBAL        | 59,430,062.81           | 9,606,462.81                     | 0.00                    | 49,823,600.00           |
|                                    | CLAREN ROAD CR. FUND | 45,979,170.36           | (4,020,829.64)                   | 50,000,000.00           | 0.00                    |
|                                    | GRACIE CREDIT FUND   | 0.00                    | (3,141,274.13)                   | (34,924,365.87)         | 38,065,640.00           |
| <b>Credit</b>                      |                      | <b>414,553,705.24</b>   | <b>14,553,705.24</b>             | <b>400,000,000.00</b>   | <b>0.00</b>             |
|                                    | PIMCO                | 208,071,244.72          | 8,071,244.72                     | 200,000,000.00          | 0.00                    |
|                                    | WAMCO                | 206,482,460.52          | 6,482,460.52                     | 200,000,000.00          | 0.00                    |

## Custodian Inception To Date Valuation Change

Period : 2012-11-01 - 2015-01-31

| Category                              | Source Account Name  | Closing Balance       | Market Value Increase/(Decrease) | Transfer In/(Out)       | Opening Balance       |
|---------------------------------------|----------------------|-----------------------|----------------------------------|-------------------------|-----------------------|
| <b>GILBs</b>                          |                      | <b>286,679,421.68</b> | <b>5,744,137.63</b>              | <b>(108,000,000.00)</b> | <b>388,935,284.05</b> |
|                                       | BROWN BROTHERS HARR  | 286,679,421.68        | 5,744,137.63                     | (108,000,000.00)        | 388,935,284.05        |
| <b>Publicly Traded Infrastructure</b> |                      | <b>78,458,633.61</b>  | <b>(1,541,366.39)</b>            | <b>80,000,000.00</b>    | <b>0.00</b>           |
|                                       | HARVEST FUND ADVISOR | 78,458,633.61         | (1,541,366.39)                   | 80,000,000.00           | 0.00                  |
| <b>Real Estate</b>                    |                      | <b>372,052,881.29</b> | <b>56,303,476.41</b>             | <b>40,581,684.68</b>    | <b>275,167,720.20</b> |
| <b>Real Estate</b>                    |                      | <b>372,052,881.29</b> | <b>56,303,476.41</b>             | <b>40,581,684.68</b>    | <b>275,167,720.20</b> |
|                                       | REAL ESTATE          | 372,052,881.29        | 56,303,476.41                    | 40,581,684.68           | 275,167,720.20        |
| <b>Total Cash</b>                     |                      | <b>123,193,024.18</b> | <b>(585,190.95)</b>              | <b>(524,848,254.69)</b> | <b>648,626,469.82</b> |
| <b>Cash Accounts</b>                  |                      | <b>123,193,024.18</b> | <b>(585,190.95)</b>              | <b>(524,848,254.69)</b> | <b>648,626,469.82</b> |
|                                       | CITIZENS CASH        | 1,338,617.00          | 0.00                             | 1,338,617.00            | 0.00                  |
|                                       | ERSRI CASH           | 121,854,407.18        | (585,190.95)                     | (526,186,871.69)        | 648,626,469.82        |
| <b>Total Other</b>                    |                      | <b>21,724,507.35</b>  | <b>24,978,832.09</b>             | <b>(73,000,000.00)</b>  | <b>69,745,675.26</b>  |
| <b>Other</b>                          |                      | <b>21,724,507.35</b>  | <b>24,978,832.09</b>             | <b>(73,000,000.00)</b>  | <b>69,745,675.26</b>  |
|                                       | RUSSELL OVERLAY FD   | 21,724,507.35         | 24,978,832.09                    | (73,000,000.00)         | 69,745,675.26         |
| <b>Total Miscellaneous</b>            |                      | <b>1,251,343.16</b>   | <b>142,764.25</b>                | <b>(23,455,922.58)</b>  | <b>24,564,501.49</b>  |
| <b>Miscellaneous Accounts</b>         |                      | <b>1,251,343.16</b>   | <b>142,764.25</b>                | <b>(23,455,922.58)</b>  | <b>24,564,501.49</b>  |
|                                       | BROWN BROS BOND      | 0.00                  | (1,271,132.15)                   | (629,969.37)            | 1,901,101.52          |
|                                       | BROWN BROS HARR      | 0.00                  | (330,705.68)                     | 330,092.71              | 612.97                |
|                                       | DOM EQUITY TRANS     | 74.25                 | (66,717.51)                      | 66,634.41               | 157.35                |
|                                       | FIDELITY MGMT        | 0.00                  | (64,776.86)                      | (351,063.60)            | 415,840.46            |
|                                       | FIXED INC TRANS      | 7,996.67              | 642,108.51                       | (16,479,873.09)         | 15,845,761.25         |
|                                       | MACKAY SHIELDS LLC   | 0.38                  | 335,669.11                       | (5,226,942.81)          | 4,891,274.08          |
|                                       | NON-US EQUITY TRANS  | 79.84                 | (89,335.89)                      | 71,484.13               | 17,931.60             |
|                                       | RI TRANS ACCT        | 166,805.70            | (81,480.36)                      | (184,198.34)            | 432,484.40            |
|                                       | SHOTT CAPITAL        | 1,076,386.32          | 1,062,573.59                     | (972,826.87)            | 986,639.60            |
|                                       | TAPLIN CANIDA HAB    | 0.00                  | 6,561.49                         | (79,259.75)             | 72,698.26             |

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

| FISCAL YEAR 2015        | FY 2014-15    |                |               |                 |                 |                    |                     |                 |                 |                |                  |               |                  |
|-------------------------|---------------|----------------|---------------|-----------------|-----------------|--------------------|---------------------|-----------------|-----------------|----------------|------------------|---------------|------------------|
|                         | TOTAL         | Projected June | Projected May | Projected April | Projected March | Projected February | Actual January 2015 | Actual December | Actual November | Actual October | Actual September | Actual August | Actual July 2014 |
| MEMBER BENEFITS         | 833,435,288   | 69,500,000     | 69,500,000    | 69,500,000      | 69,500,000      | 69,500,000         | 69,101,391          | 69,303,742      | 69,578,000      | 69,510,363     | 69,724,632       | 69,404,421    | 69,312,739       |
| ADMINISTRATIVE EXPENSES | 7,799,320     | 963,307        | 847,608       | 517,846         | 585,674         | 524,992            | 803,176             | 842,640         | 601,821         | 562,108        | 573,750          | 732,436       | 243,962          |
| INVESTMENT EXPENSES     | 8,054,333     | 765,218        | 1,135,741     | 505,742         | 1,533,133       | 446,564            | 546,314             | (460,027)       | 1,446,857       | 311,057        | 93,345           | 1,008,054     | 722,335          |
| TOTAL OUTFLOW           | 849,288,941   | 71,228,525     | 71,483,349    | 70,523,588      | 71,618,808      | 70,471,556         | 70,450,881          | 69,686,355      | 71,626,679      | 70,383,528     | 70,391,727       | 71,144,911    | 70,279,036       |
| CONTRIBUTIONS           | 447,859,203   | 41,988,061     | 33,405,509    | 39,668,808      | 35,044,090      | 34,548,964         | 44,827,978          | 42,582,936      | 33,621,448      | 38,499,718     | 32,051,191       | 32,033,790    | 39,586,710       |
| OTHER INCOME*           | 34,883,763    | 4,498,916      | 1,906,618     | (143,191)       | 8,276,964       | 3,521,822          | (7,706,253)         | 526,311         | 3,893,966       | 6,526,998      | 6,098,923        | 2,102,402     | 5,380,286        |
| TOTAL INCOME            | 482,742,966   | 46,486,977     | 35,312,127    | 39,525,617      | 43,321,054      | 38,070,786         | 37,121,725          | 43,109,247      | 37,515,414      | 45,026,716     | 38,150,114       | 34,136,192    | 44,966,996       |
| DIFFERENCE              | (366,545,975) | (24,741,548)   | (36,171,221)  | (30,997,971)    | (28,297,754)    | (32,400,770)       | (33,329,156)        | (26,577,108)    | (34,111,264)    | (25,356,812)   | (32,241,613)     | (37,008,719)  | (25,312,039)     |

Municipal Employees Retirement System

| FISCAL YEAR 2015        | FY 2014-15   |                |               |                 |                 |                    |                     |                 |                 |                |                  |               |                  |
|-------------------------|--------------|----------------|---------------|-----------------|-----------------|--------------------|---------------------|-----------------|-----------------|----------------|------------------|---------------|------------------|
|                         | TOTAL        | Projected June | Projected May | Projected April | Projected March | Projected February | Actual January 2015 | Actual December | Actual November | Actual October | Actual September | Actual August | Actual July 2014 |
| MEMBER BENEFITS         | 87,285,132   | 7,350,000      | 7,350,000     | 7,350,000       | 7,350,000       | 7,350,000          | 7,177,234           | 7,205,094       | 7,209,218       | 7,290,104      | 7,232,323        | 7,212,685     | 7,208,475        |
| ADMINISTRATIVE EXPENSES | 1,639,540    | 201,403        | 176,864       | 107,748         | 121,610         | 108,650            | 171,469             | 179,544         | 127,071         | 119,014        | 121,144          | 153,997       | 51,027           |
| INVESTMENT EXPENSES     | 1,685,669    | 159,988        | 236,987       | 105,229         | 318,341         | 92,418             | 116,632             | (98,019)        | 305,495         | 65,859         | 19,709           | 211,946       | 151,083          |
| TOTAL OUTFLOW           | 90,610,341   | 7,711,391      | 7,763,851     | 7,562,977       | 7,789,951       | 7,551,068          | 7,465,335           | 7,286,618       | 7,641,784       | 7,474,977      | 7,373,176        | 7,578,627     | 7,410,585        |
| CONTRIBUTIONS           | 52,626,826   | 4,328,391      | 3,766,299     | 3,956,640       | 4,685,999       | 3,845,023          | 4,762,460           | 6,617,736       | 3,136,702       | 4,539,539      | 5,067,980        | 6,419,652     | 1,500,405        |
| OTHER INCOME*           | 7,282,350    | 940,610        | 397,840       | (29,794)        | 1,718,635       | 728,858            | (1,645,200)         | 112,143         | 822,187         | 1,381,946      | 1,287,751        | 442,036       | 1,125,338        |
| TOTAL INCOME            | 59,909,176   | 5,269,001      | 4,164,139     | 3,926,846       | 6,404,634       | 4,573,881          | 3,117,260           | 6,729,879       | 3,958,889       | 5,921,485      | 6,355,731        | 6,861,688     | 2,625,743        |
| DIFFERENCE              | (30,701,165) | (2,442,390)    | (3,599,712)   | (3,636,130)     | (1,385,317)     | (2,977,187)        | (4,348,076)         | (556,740)       | (3,682,895)     | (1,553,491)    | (1,017,445)      | (716,940)     | (4,784,842)      |

CASH FLOW ANALYSIS - INCOME & EXPENSES

State Police Retirement System

| TOTAL                   | Projected June | Projected May | Projected April | Projected March | Projected February | Actual January 2015 | Actual December | Actual November | Actual October | Actual September | Actual August | Actual July 2014 |         |
|-------------------------|----------------|---------------|-----------------|-----------------|--------------------|---------------------|-----------------|-----------------|----------------|------------------|---------------|------------------|---------|
| MEMBER BENEFITS         | 2,104,012      | 155,000       | 155,000         | 155,000         | 155,000            | 155,000             | 192,187         | 192,180         | 192,180        | 220,241          | 180,853       | 174,655          | 176,716 |
| ADMINISTRATIVE EXPENSES | 129,790        | 15,826        | 13,840          | 8,385           | 9,414              | 8,373               | 13,876          | 14,477          | 10,139         | 9,542            | 9,666         | 12,217           | 4,037   |
| INVESTMENT EXPENSES     | 132,597        | 12,572        | 18,544          | 8,189           | 24,642             | 7,122               | 9,439           | (7,903)         | 24,375         | 5,280            | 1,573         | 16,814           | 11,952  |
| TOTAL OUTFLOW           | 2,366,399      | 183,398       | 187,384         | 171,573         | 189,056            | 170,495             | 215,502         | 198,753         | 226,693        | 235,063          | 192,092       | 203,686          | 192,704 |
| CONTRIBUTIONS           | 5,129,012      | 405,000       | 395,000         | 395,000         | 415,000            | 395,000             | 667,187         | 382,180         | 192,180        | 415,241          | 440,853       | 624,655          | 401,716 |
| OTHER INCOME*           | 571,067        | 73,912        | 31,131          | (2,318)         | 133,035            | 56,169              | (133,139)       | 9,042           | 65,600         | 110,798          | 102,746       | 35,067           | 89,024  |
| TOTAL INCOME            | 5,700,079      | 478,912       | 426,131         | 392,682         | 548,035            | 451,169             | 534,048         | 391,222         | 257,780        | 526,039          | 543,599       | 659,722          | 490,740 |
| DIFFERENCE              | 3,333,680      | 295,514       | 238,747         | 221,108         | 358,980            | 280,674             | 318,547         | 192,469         | 31,087         | 290,975          | 351,508       | 456,036          | 298,035 |

Judicial Retirement System

| TOTAL                   | Projected June | Projected May | Projected April | Projected March | Projected February | Actual January 2015 | Actual December | Actual November | Actual October | Actual September | Actual August | Actual July 2014 |         |
|-------------------------|----------------|---------------|-----------------|-----------------|--------------------|---------------------|-----------------|-----------------|----------------|------------------|---------------|------------------|---------|
| MEMBER BENEFITS         | 1,649,903      | 134,136       | 134,136         | 134,136         | 134,136            | 134,136             | 154,366         | 139,166         | 149,147        | 134,136          | 134,136       | 134,136          | 134,136 |
| ADMINISTRATIVE EXPENSES | 66,532         | 8,097         | 7,079           | 4,287           | 4,812              | 4,280               | 7,153           | 7,453           | 5,199          | 4,895            | 4,956         | 6,256            | 2,066   |
| INVESTMENT EXPENSES     | 67,878         | 6,432         | 9,485           | 4,187           | 12,597             | 3,640               | 4,865           | (4,069)         | 12,498         | 2,709            | 806           | 8,610            | 6,117   |
| TOTAL OUTFLOW           | 1,784,314      | 148,666       | 150,700         | 142,610         | 151,545            | 142,056             | 166,384         | 142,550         | 166,844        | 141,740          | 139,899       | 149,002          | 142,318 |
| CONTRIBUTIONS           | 3,709,903      | 274,136       | 274,136         | 274,136         | 279,136            | 264,136             | 424,366         | 299,166         | 309,147        | 289,136          | 294,136       | 439,136          | 289,136 |
| OTHER INCOME*           | 291,979        | 37,817        | 15,923          | (1,185)         | 68,007             | 28,710              | (68,628)        | 4,655           | 33,637         | 56,842           | 52,685        | 17,958           | 45,559  |
| TOTAL INCOME            | 4,001,882      | 311,953       | 290,059         | 272,951         | 347,143            | 292,846             | 355,738         | 303,821         | 342,785        | 345,978          | 346,821       | 457,094          | 334,695 |
| DIFFERENCE              | 2,217,568      | 163,287       | 139,359         | 130,341         | 195,598            | 150,790             | 189,354         | 161,271         | 175,940        | 204,238          | 206,922       | 308,091          | 192,377 |

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

FISCAL YEAR 2015

DIRECT BILLED INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

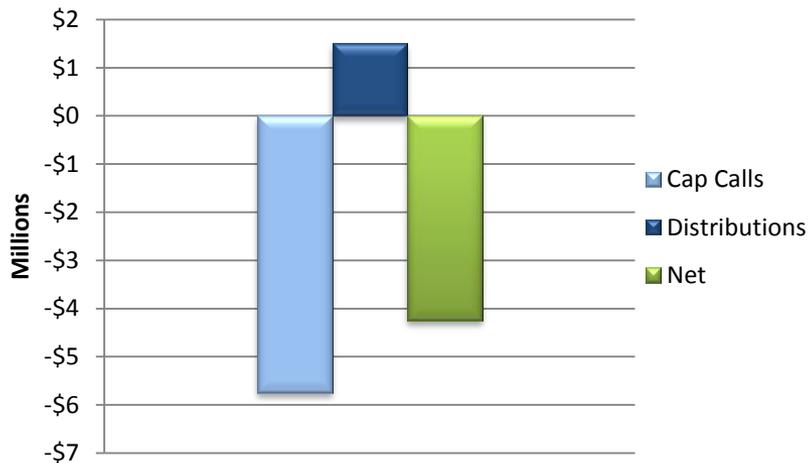
ACCRUAL BASIS

|                                | Actual<br>Jul 14 | Actual<br>Aug | Actual<br>Sept | Actual<br>Oct | Actual<br>Nov | Projected<br>Dec | Projected<br>Jan 15 | Projected<br>Feb | Projected<br>Mar | Projected<br>Apr | Projected<br>May | Projected<br>June | Projected<br>TOTAL |
|--------------------------------|------------------|---------------|----------------|---------------|---------------|------------------|---------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|
| <b>EQUITIES US</b>             |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| SSGA Russell 2000/3000         |                  |               | 63,563         |               |               | 63,773           |                     |                  | 63,000           |                  |                  | 63,000            | 253,336            |
| Shott Capital/Hamilton Lane    |                  |               | <u>2,213</u>   |               |               | <u>2,719</u>     |                     |                  | <u>1,000</u>     |                  |                  | <u>1,000</u>      | 6,932              |
|                                |                  |               | 65,775         |               |               | 66,493           |                     |                  | 64,000           |                  |                  | 64,000            | 260,268            |
| <b>FIXED INCOME</b>            |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| Pyramis                        |                  |               | 178,196        |               |               | 175,000          |                     |                  | 175,000          |                  |                  | 175,000           | 703,196            |
| Mackay Shields                 |                  |               | 202,579        |               |               | 185,000          |                     |                  | 185,000          |                  |                  | 185,000           | 757,579            |
| Brown Bros.TIPS/GILB           |                  |               | <u>83,477</u>  |               |               | <u>85,000</u>    |                     |                  | <u>85,000</u>    |                  |                  | <u>85,000</u>     | 338,477            |
|                                |                  |               | 464,252        |               |               | 445,000          |                     |                  | 445,000          |                  |                  | 445,000           | 1,799,252          |
| <b>INT'L EQUITIES</b>          |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| SSGA MSCI EAFE                 |                  |               | 102,974        |               |               | 98,544           |                     |                  | 105,000          |                  |                  | 105,000           | 411,518            |
| SSGA MSCI CAD                  |                  |               | 11,818         |               |               | 11,002           |                     |                  | 11,000           |                  |                  | 11,000            | 44,820             |
| SSGA MSCI Emerg Mkts           |                  |               | <u>114,934</u> |               |               | <u>108,582</u>   |                     |                  | <u>110,000</u>   |                  |                  | <u>110,000</u>    | 443,516            |
|                                |                  |               | 229,726        |               |               | 218,127          |                     |                  | 226,000          |                  |                  | 226,000           | 899,853            |
| <b>CREDIT</b>                  |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| WAMCO                          |                  |               | 155,625        |               |               | 155,000          |                     |                  | 155,000          |                  |                  | 155,000           | 620,625            |
| PIMCO                          |                  |               | <u>144,134</u> |               |               | <u>245,000</u>   |                     |                  | <u>245,000</u>   |                  |                  | <u>245,000</u>    | 879,134            |
|                                |                  |               | 299,759        |               |               | 400,000          |                     |                  | 400,000          |                  |                  | 400,000           | 1,499,759          |
| <b>REAL ESTATE</b>             |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| Direct Billed Real Estate      | 152,092          | 18,125        | 87,487         | 239,996       | 516,384       | 0                | 106,179             | 260,428          | 86,386           | 149,734          | 0                | 252,935           | 1,869,746          |
| <b>ALTERNATIVE INVESTMENTS</b> |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| Direct Billed Private Equity   | 161,438          | 1,227,352     | 27,950         | 144,927       | 1,272,911     | (570,046)        | 571,106             | 289,334          | 1,802,381        | 473,634          | 1,400,808        | 691,307           | 7,493,102          |
| <b>SUB TOTAL-INV MGMT FEES</b> | 313,531          | 1,245,477     | 875,190        | 384,923       | 1,789,295     | 159,574          | 677,285             | 549,762          | 3,023,767        | 623,368          | 1,400,808        | 2,079,242         | 13,821,979         |
| <b>PROFESSIONAL FEES</b>       |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| Legal                          | 7,904            | 5,841         | 7,150          | 9,408         | 6,411         | 11,810           | 0                   | 0                | 12,644           | 7,999            | 24,528           | 7,239             | 100,936            |
| BNY Mellon - Custodial         | 29,130           | 29,241        | 29,182         | 29,127        | 29,112        | 29,306           | 29,071              | 29,446           | 29,413           | 28,906           | 30,000           | 30,000            | 351,934            |
| Cliffwater                     | 37,500           | 37,500        | 37,500         | 37,500        | 37,500        | 37,500           | 37,500              | 37,500           | 37,500           | 37,500           | 37,500           | 37,500            | 450,000            |
| PCA/Russell                    | 13,125           | 13,125        | 95,076         | 13,125        | 31,875        | 75,234           | 13,125              | 13,125           | 76,073           | 13,125           | 13,125           | 80,000            | 450,136            |
| PCA Real Estate                | <u>10,417</u>    | <u>10,417</u> | <u>10,417</u>  | <u>10,417</u> | <u>10,417</u> | <u>10,417</u>    | <u>10,417</u>       | <u>10,417</u>    | <u>10,417</u>    | <u>10,417</u>    | <u>10,417</u>    | <u>10,417</u>     | 125,004            |
|                                | 98,077           | 96,124        | 179,325        | 99,577        | 115,315       | 164,267          | 90,113              | 90,488           | 166,047          | 97,948           | 115,571          | 165,156           | 1,478,009          |
| <b>OPERATING EXPENSE</b>       |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| Retirement Transfers           | 194,136          | 729,054       | 1,001,704      | 1,046,133     | 401,145       | 871,468          | 902,487             | 470,299          | 936,603          | 515,370          | 943,387          | 1,631,781         | 9,643,567          |
| Other Expense                  | 0                | <u>7,995</u>  | <u>13,500</u>  | <u>4,500</u>  | <u>650</u>    | <u>13,500</u>    | <u>3,125</u>        | 0                | <u>13,425</u>    | <u>21,875</u>    | <u>1,000</u>     | <u>13,532</u>     | 93,102             |
|                                | 194,136          | 737,049       | 1,015,204      | 1,050,633     | 401,795       | 884,968          | 905,612             | 470,299          | 950,028          | 537,245          | 944,387          | 1,645,313         | 9,736,669          |
| <b>TOTAL:</b>                  | 605,743          | 2,078,650     | 2,069,718      | 1,535,134     | 2,306,405     | 1,208,809        | 1,673,011           | #####            | 4,139,842        | 1,258,561        | 2,460,765        | 3,889,711         | 25,036,658         |

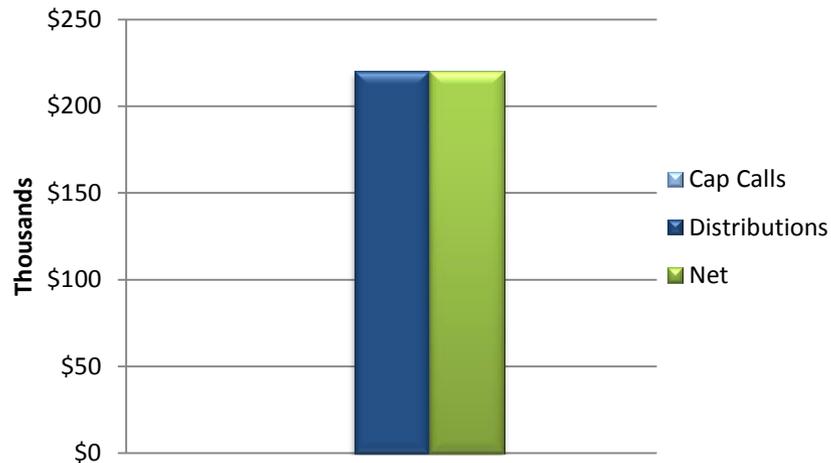
Note: Numbers in bold are actual.

# Private Equity & Real Estate Cash Flow

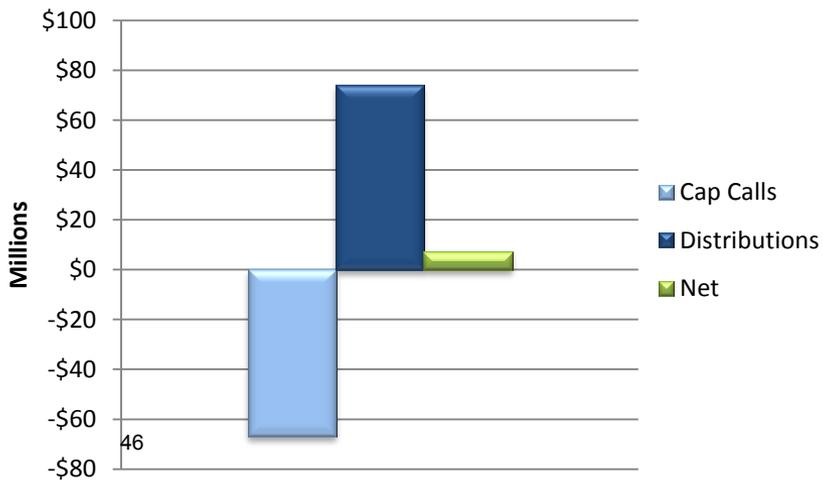
Private Equity - MTD January 2015



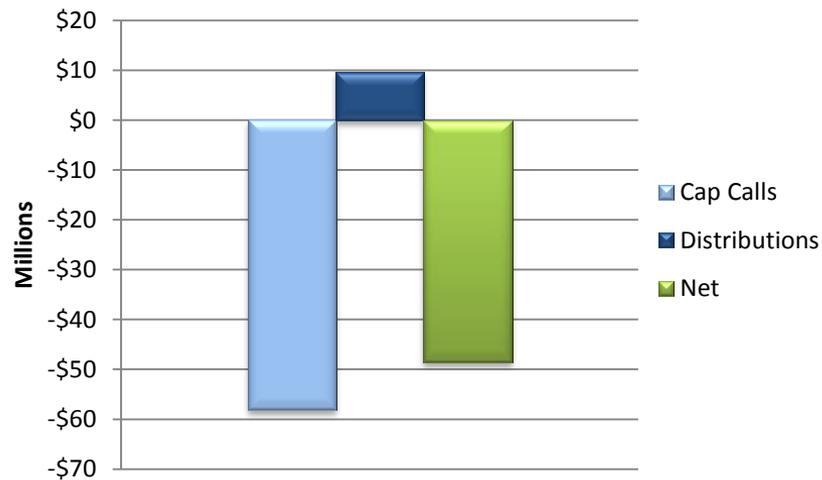
Real Estate - MTD January 2015



Private Equity - Fiscal YTD January 2015



Real Estate - Fiscal YTD January 2015

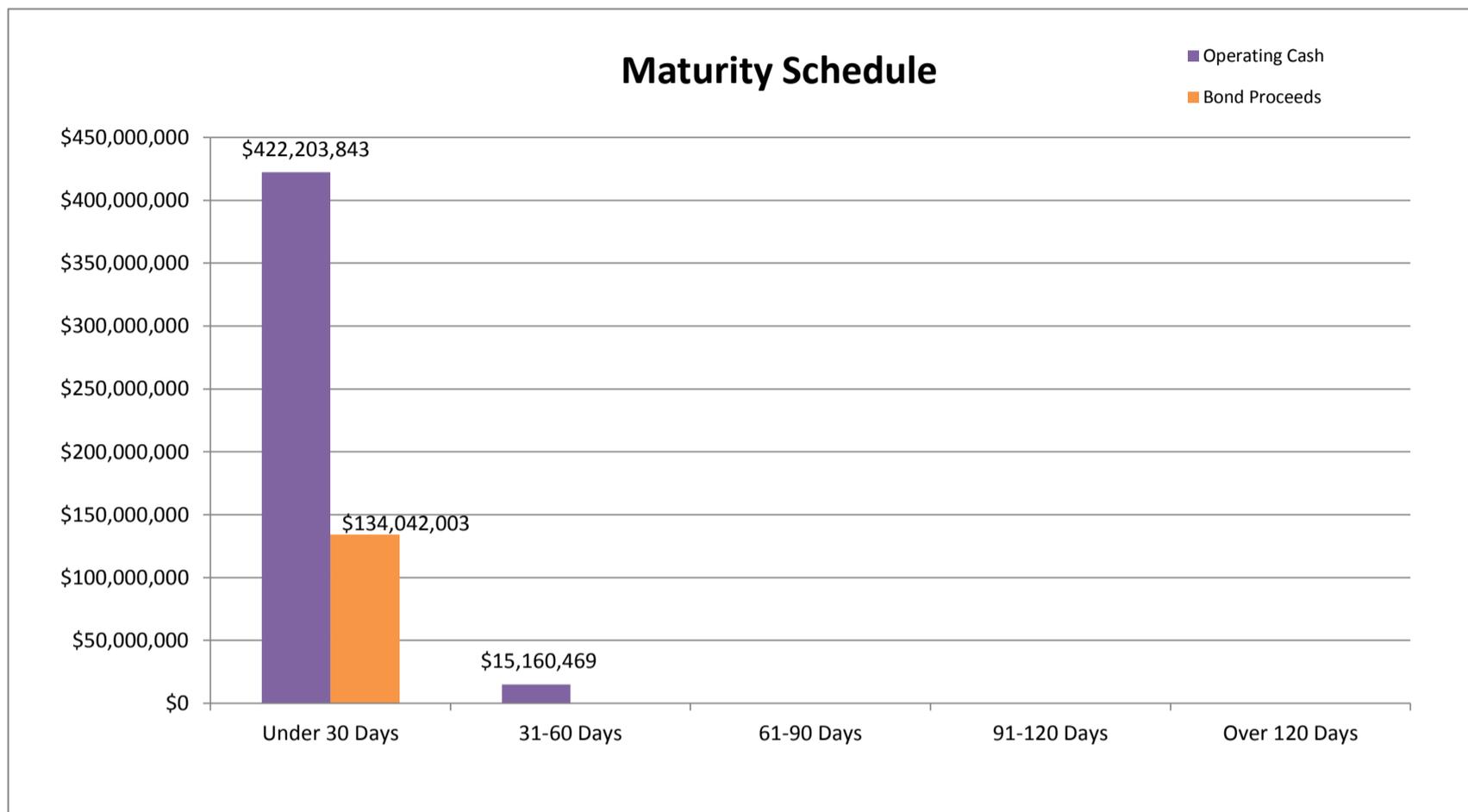


## Section VIII.

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### Short-Term Investments

**Short-Term Investment Maturity Schedule & SIC Compliance Report at January 31, 2015**



| Vendor                  | CP           | CD                | Agency       | Money Mkt         | PIP                | Repo         | GID          | OSIP               | Total (\$)         |
|-------------------------|--------------|-------------------|--------------|-------------------|--------------------|--------------|--------------|--------------------|--------------------|
| Guidelines-Total/Vendor | 25%/10%      | 50%/20%           | 75%/35%      | 75%/35%           | 75%/35%            | 100%/20%     | 75%/35%      | 50%/50%            |                    |
| OSIP                    | 0            | 0                 | 0            | 0                 | 0                  | 0            | 0            | 104,274,195        | 104,274,195        |
|                         | 0%           | 0%                | 0%           | 0%                | 0%                 | 0%           | 0%           | 24%                | 24%                |
| Bank RI                 | 0            | 15,160,469        | 0            | 0                 | 0                  | 0            | 0            | 0                  | 15,160,469         |
|                         | 0%           | 3%                | 0%           | 0%                | 0%                 | 0%           | 0%           | 0%                 | 3%                 |
| Santander Bank          | 0            | 0                 | 0            | 0                 | 148,363,938        | 0            | 0            | 0                  | 148,363,938        |
|                         | 0%           | 0%                | 0%           | 0%                | 34%                | 0%           | 0%           | 0%                 | 34%                |
| Citizens Bank           | 0            | 0                 | 0            | 0                 | 17,421,473         | 0            | 0            | 0                  | 17,421,473         |
|                         | 0%           | 0%                | 0%           | 0%                | 4%                 | 0%           | 0%           | 0%                 | 4%                 |
| Webster Bank            | 0            | 0                 | 0            | 0                 | 34,616,007         | 0            | 0            | 0                  | 34,616,007         |
|                         | 0%           | 0%                | 0%           | 0%                | 8%                 | 0%           | 0%           | 0%                 | 8%                 |
| Customers Bank          | 0            | 0                 | 0            | 0                 | 45,024,389         | 0            | 0            | 0                  | 45,024,389         |
|                         | 0%           | 0%                | 0%           | 0%                | 10%                | 0%           | 0%           | 0%                 | 10%                |
| Washington Trust        | 0            | 0                 | 0            | 65,476,178        | 0                  | 0            | 0            | 0                  | 65,476,178         |
|                         | 0%           | 0%                | 0%           | 15%               | 0%                 | 0%           | 0%           | 0%                 | 15%                |
| TD Bank                 | 0            | 0                 | 0            | 0                 | 7,027,664          | 0            | 0            | 0                  | 7,027,664          |
|                         | 0%           | 0%                | 0%           | 0%                | 2%                 | 0%           | 0%           | 0%                 | 2%                 |
| <b>TOTALS</b>           | -            | <b>15,160,469</b> | -            | <b>65,476,178</b> | <b>252,453,471</b> | -            | -            | <b>104,274,195</b> | <b>437,364,313</b> |
| <b>(%) PORTFOLIO</b>    | <b>0.00%</b> | <b>3.47%</b>      | <b>0.00%</b> | <b>14.97%</b>     | <b>57.72%</b>      | <b>0.00%</b> | <b>0.00%</b> | <b>23.84%</b>      | <b>100.00%</b>     |

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

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

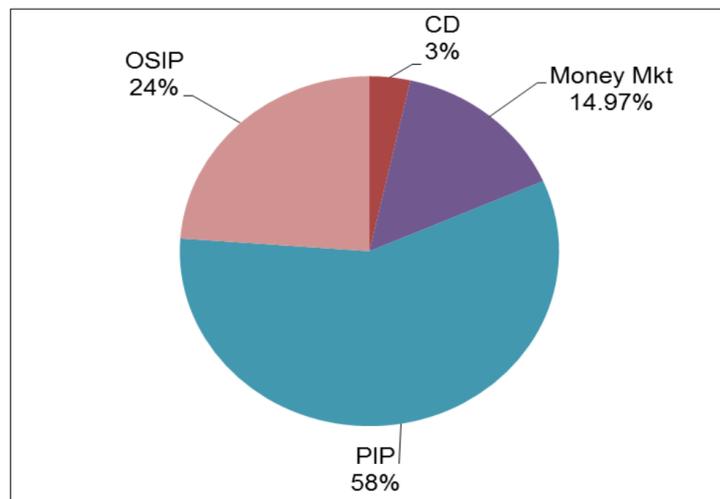
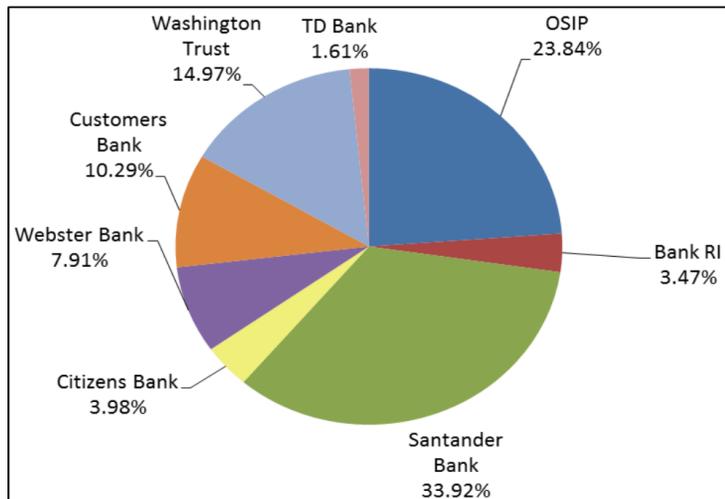
**State of Rhode Island**  
**Short Term Cash Monthly Performance**  
**Performance for**  
**January 01, 2015 to January 31, 2015**

| <b>Fund Name</b>                 | <b>Beginning Balance</b> | <b>Ending Balance</b>    | <b>Average Daily Balance</b> | <b>Earnings</b>      | <b>Yield(Annual)</b> |
|----------------------------------|--------------------------|--------------------------|------------------------------|----------------------|----------------------|
| GENERAL FUND                     | \$ 209,577,549.76        | \$ 194,243,279.46        | \$ 221,706,582.02            | \$ 65,729.70         | 0.3491%              |
| H.A.V.A                          | \$ 295.27                | \$ 295.33                | \$ 295.27                    | \$ 0.06              | 0.2393%              |
| GENERAL FUND (HIST PRES)         | \$ 537,927.48            | \$ 537,983.06            | \$ 537,927.48                | \$ 55.58             | 0.1217%              |
| HISTORIC TAX CREDITS             | \$ 2,904,540.67          | \$ 2,904,895.36          | \$ 2,904,540.67              | \$ 354.69            | 0.1438%              |
| HIGHWAY FUND                     | \$ 26,712,532.19         | \$ 15,816,849.02         | \$ 20,854,467.67             | \$ 4,316.83          | 0.2437%              |
| T.D.I. RESERVE (DET)             | \$ 100,677,922.37        | \$ 88,699,630.21         | \$ 94,000,503.02             | \$ 21,707.84         | 0.2719%              |
| EMPLOYER PENSION CONTRIBUTION    | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| RICAP GL FUND 21                 | \$ 36,806,209.00         | \$ 32,413,128.93         | \$ 35,044,918.68             | \$ 6,919.93          | 0.2325%              |
| BOND CAPITAL FUND                | \$ 31,594.09             | \$ 32,128.19             | \$ 2,515,465.06              | \$ 534.10            | 0.2500%              |
| R.I. CLEAN WATER ACT             | \$ 3,182,831.13          | \$ 3,183,255.47          | \$ 3,182,831.13              | \$ 424.34            | 0.1570%              |
| STATE LOTTERY FUND               | \$ 47,797,140.31         | \$ 43,006,576.63         | \$ 41,964,882.24             | \$ 9,436.32          | 0.2648%              |
| ASSESSED FRINGE BEN ADM          | \$ 1,008,414.96          | \$ 1,008,519.96          | \$ 1,008,414.96              | \$ 105.00            | 0.1226%              |
| AUTO EQUIPMENT SERVICE           | \$ 1,245.38              | \$ 1,245.64              | \$ 1,245.38                  | \$ 0.26              | 0.2458%              |
| HEALTH INSURANCE FUND            | \$ 34,898,723.39         | \$ 38,502,501.22         | \$ 36,624,529.84             | \$ 3,777.83          | 0.1215%              |
| FLEET REVOLVING LOAN FUND        | \$ 5,941,832.22          | \$ 5,943,093.84          | \$ 5,941,832.22              | \$ 1,261.62          | 0.2500%              |
| EMPLOYEES RETIREMENT             | \$ 1,183,923.28          | \$ 87,954.48             | \$ 18,983,923.28             | \$ 4,031.20          | 0.2500%              |
| MUNICIPAL EMPLOYEES RET.         | \$ 421,357.03            | \$ 121,871.84            | \$ 2,424,582.84              | \$ 514.81            | 0.2500%              |
| RETIREE HEALTH FUND              | \$ 1,576,174.14          | \$ 1,576,337.01          | \$ 1,576,174.14              | \$ 162.87            | 0.1217%              |
| BOG RETIREE FUND                 | \$ 62,295.47             | \$ 62,301.91             | \$ 62,295.47                 | \$ 6.44              | 0.1217%              |
| RIPTA HEALTH FUND                | \$ 35,738.23             | \$ 35,741.92             | \$ 35,738.23                 | \$ 3.69              | 0.1216%              |
| PERMANENT SCHOOL FUND            | \$ 1,935,777.44          | \$ 1,935,977.54          | \$ 1,935,777.44              | \$ 200.10            | 0.1217%              |
| TEACHER RETIREE HEALTH FUND      | \$ 1,537,288.75          | \$ 1,037,432.70          | \$ 1,392,127.46              | \$ 143.95            | 0.1217%              |
| RI ST POL RETIREE HEALTH         | \$ 102,961.04            | \$ 102,971.68            | \$ 102,961.04                | \$ 10.64             | 0.1217%              |
| RI LEG RETIREE HEALTH            | \$ 55,265.74             | \$ 55,277.47             | \$ 55,265.74                 | \$ 11.73             | 0.2499%              |
| RI JUDICIAL RETIREE HEALTH       | \$ 30,213.96             | \$ 30,220.38             | \$ 30,213.96                 | \$ 6.42              | 0.2502%              |
| UNIVERSITY COLLEGE               | \$ 9,320.34              | \$ 9,321.31              | \$ 9,320.34                  | \$ 0.97              | 0.1225%              |
| HIGHER EDUCATION                 | \$ 3,507,832.18          | \$ 3,508,194.64          | \$ 3,507,832.18              | \$ 362.46            | 0.1217%              |
| INDUS. BLDG. & MTG. INS.         | \$ 2,507,067.98          | \$ 2,507,327.03          | \$ 2,507,067.98              | \$ 259.05            | 0.1217%              |
| <b>Operating Funds Totals</b>    | <b>\$ 483,043,973.80</b> | <b>\$ 437,364,312.23</b> | <b>\$ 498,911,715.74</b>     | <b>\$ 120,338.43</b> | <b>0.284%</b>        |
| G.O. NOTE 1991 SER. B            | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CCDL1993A                        | \$ 7,385.95              | \$ 7,386.01              | \$ 7,385.43                  | \$ 0.76              | 0.1212%              |
| BOND CCDL 1994 SERIES A          | \$ 15,001.42             | \$ 15,001.55             | \$ 15,000.37                 | \$ 1.55              | 0.1217%              |
| BOND CCBL96A                     | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CAP DEV OF 1997 SERIES A         | \$ 41,016.21             | \$ 41,016.58             | \$ 41,013.34                 | \$ 4.24              | 0.1217%              |
| CCDL1998A                        | \$ 1,695,993.61          | \$ 1,696,008.69          | \$ 1,695,874.79              | \$ 175.23            | 0.1217%              |
| CCDL 1998B                       | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| MMG099 1999                      | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| BOND CAPITOL CCDL2000A           | \$ 92,834.20             | \$ 92,835.02             | \$ 92,827.69                 | \$ 9.59              | 0.1216%              |
| MULTI-MODAL GEN OBL 2000         | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CCDL2001C                        | \$ 201,345.88            | \$ 201,347.67            | \$ 201,331.78                | \$ 20.80             | 0.1216%              |
| CCDL2002B                        | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CCDL 2004 SERIES A               | \$ 2,446,590.89          | \$ 2,446,612.64          | \$ 2,446,419.48              | \$ 252.78            | 0.1217%              |
| BOND CCDL 2005 SERIES C          | \$ 2,253,927.18          | \$ 2,253,947.21          | \$ 2,253,769.27              | \$ 232.87            | 0.1217%              |
| BOND CCDL 2005 SERIES E          | \$ 130,674.69            | \$ 130,675.85            | \$ 130,665.53                | \$ 13.50             | 0.1216%              |
| BOND CCDL 2006 SERIES B          | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| BOND CCDL 2006 SERIES C          | \$ 1,394,904.48          | \$ 1,394,916.88          | \$ 1,394,806.75              | \$ 144.12            | 0.1217%              |
| GO BND-NTAX 2007 SERIES A        | \$ 3,946,433.64          | \$ 3,946,468.72          | \$ 3,946,157.15              | \$ 407.74            | 0.1217%              |
| GO BND-TAX 2007 SERIES B         | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| GO BND-NTAX 2008 SERIES B        | \$ 349,818.36            | \$ 349,821.47            | \$ 349,793.85                | \$ 36.14             | 0.1216%              |
| GO BND-TAX 2008 SERIES C         | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CCDL10B BOND CAPITAL COMPONENT   | \$ 1,730,163.38          | \$ 1,730,178.76          | \$ 1,730,042.16              | \$ 178.76            | 0.1217%              |
| CCDL10C                          | \$ 159,214.66            | \$ 159,231.11            | \$ 159,214.66                | \$ 16.45             | 0.1217%              |
| CCDL10D                          | \$ 103,925.75            | \$ 103,926.68            | \$ 103,918.47                | \$ 10.74             | 0.1217%              |
| CCDL2011A                        | \$ 13,594,115.43         | \$ 13,212,895.29         | \$ 13,359,452.76             | \$ 1,380.08          | 0.1216%              |
| CCDL2012B                        | \$ 43,489,052.44         | \$ 39,003,450.68         | \$ 40,736,692.17             | \$ 4,205.69          | 0.1216%              |
| GO CCDL 2013A                    | \$ 15,717,669.89         | \$ 14,457,703.16         | \$ -                         | \$ 1,543.16          | 0.1216%              |
| GO CCDL 2013B                    | \$ 6,250,590.24          | \$ 6,250,645.80          | \$ -                         | \$ 645.80            | 0.1217%              |
| GO CCDL 2014A                    | \$ 33,628,178.05         | \$ 32,204,360.50         | \$ -                         | \$ 3,383.13          | 0.1216%              |
| GO CCDL 2014B                    | \$ 12,437,922.83         | \$ 12,438,033.39         | \$ -                         | \$ 1,285.06          | 0.1217%              |
| CLEAN WATER CCDL 1998B           | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CLEAN WATER CCDL 1994 (A)        | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CAP DEV. OF 1997 SERIES A        | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CLEAN WATER CCDL 2002 B          | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CLEAN WATER 2004 SERIES A        | \$ 179,538.16            | \$ 179,539.76            | \$ 179,521.76                | \$ 18.55             | 0.1217%              |
| CLN WATER CCDL 2005 SER E        | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CAP DEV. OF 1997 SERIES A        | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| RI POLLUT. CONT 94 SER. A        | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CCDL99A 1999A                    | \$ 206,588.90            | \$ 206,590.73            | \$ 206,570.02                | \$ 21.34             | 0.1216%              |
| POL. CTRL CCDL 2006 SER C        | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CLEAN WATER 2007 SERIES A        | \$ 283,278.81            | \$ 283,281.33            | \$ 283,252.92                | \$ 29.27             | 0.1217%              |
| RI POLLUTION CONTROL 2008 B      | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CCDL10B CLEAN WATER COMPONENT    | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| CCDL2011A CLEAN WATER COMPONENT  | \$ 1,236,116.73          | \$ 1,236,127.71          | \$ 1,236,003.77              | \$ 127.71            | 0.1217%              |
| CCDL2011A POLL CTRL CMPNT        | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| <b>Bond Proceeds Fund Totals</b> | <b>\$ 141,592,281.78</b> | <b>\$ 134,042,003.19</b> | <b>\$ 70,569,714.12</b>      | <b>\$ 14,145.06</b>  | <b>0.122%</b>        |
| TANS PROCEEDS                    | \$ -                     | \$ -                     | \$ -                         | \$ -                 |                      |
| <b>Grand Totals</b>              | <b>\$ 624,636,255.58</b> | <b>\$ 571,406,315.42</b> | <b>\$ 569,481,429.86</b>     | <b>\$ 134,483.49</b> | <b>0.249%</b>        |

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

**Issuer Credit Rating  
January 31, 2015**

| Issuer                            | Type of Instrument* | Month End % Portfolio | Issuer Ratings |  | S-T Debt Rating |      | L-T Debt Rating |     | Credit Outlook |
|-----------------------------------|---------------------|-----------------------|----------------|--|-----------------|------|-----------------|-----|----------------|
|                                   |                     |                       | Moody's        |  | Moody's         | S&P  | Moody's         | S&P | S&P            |
| Bank RI                           | 3,4                 | 3.47%                 | N/R            |  | N/A             | N/A  | N/A             | N/A | N/A            |
| Santander Bank                    | 3,4                 | 33.92%                | Baa1           |  | P-2             | A-2  | Baa1            | BBB | Stable         |
| Bank of America                   |                     | 0.00%                 | Baa2           |  | P-2             | A-2  | Baa2            | A-  | Negative       |
| JP Morgan Chase                   |                     | 0.00%                 | A3             |  | P-2             | A-1  | A3              | A   | Negative       |
| Fidelity                          |                     | 0.00%                 | N/R            |  | N/A             | N/A  | N/A             | N/A | N/A            |
| State Street Bank & Trust Company |                     | 0.00%                 | Aa3            |  | P-1             | A-1+ | Aa3             | AA- | Stable         |
| RBS Citizens                      | 3,4                 | 3.98%                 | A3             |  | P-2             | A-2  | A3              | A-  | Negative       |
| Webster Bank                      | 3,4                 | 7.91%                 | A3             |  | P-2             | A-2  | A3              | BBB | Positive       |
| Ocean State Investment Pool       | 6                   | 23.84%                | N/R            |  | N/A             | N/A  | N/A             | N/A | N/A            |
| Washington Trust                  | 3,7                 | 14.97%                | N/R            |  | N/A             | N/A  | N/A             | N/A | N/A            |
| TD Bank                           | 3                   | 1.61%                 | Aa1            |  | P-1             | A-1+ | Aa1             | AA- | Negative       |
| Customers Bank                    | 4                   | 10.29%                | N/R            |  | N/A             | N/A  | N/A             | N/A | N/A            |



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

**Ratings Definitions**

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

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

**Moody's Issuer Rating Symbols:**

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

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

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

**Modifiers:**

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

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

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

**S&P Outlook Definitions:**

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

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

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

## Section IX.

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### Defined Contribution Plan

# 2014 YTD Performance Summary

| (A)   | (B)     | (C)    | (D)         | (E)  | (F)  | (G)   | (H)    | (I)     | (J)                                     | (K)    | (L)   | (M)    | (N)   | (O)    | (P)   | (Q)     | (R)   | (S)    | (T)      | (U)    | (V)          | (W)            | (X)            | (Y)    |
|---|---------|--------|-------------|------|------|-------|--------|---------|---|--------|-------|--------|-------|--------|-------|---------|-------|--------|----------|--------|--------------|----------------|----------------|--------|
| TIAA-CREF   | Manager | AUM    | Gross       | Net  | Net  | Rev   | Recent | Returns | Annualized Total Returns as of 12/31/14 |        |       |        |       |        |       |         |       |        | Since    | Incep. | Sharpe Ratio | Std. Deviation | Tracking Error |        |
| As of 1/31/2015   | Ticker  | Tenure | \$ Millions | ER   | ER   | %-ile | Share  | 1 Month | YTD                                     | 1 Year | %-ile | 3 Year | %-ile | 5 Year | %-ile | 10 Year | %-ile | Incep. | Date     | 3 Year | %-ile        | 3 Year         | %-ile          | 3 Year |
| <b>Stable Value/Guaranteed &amp; Money Market</b>             |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| <b>Stable Value/Guaranteed</b>                                |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| TIAA Stable Value****   |         |        |             |      |      |       |        | 0.16    | 0.16                                    | 1.95   |       |        |       |        |       |         |       | 1.87   | 03/31/12 |        |              |                |                |        |
| Current crediting rate = 1.90%                                |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| <b>Money Market</b>   |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Vanguard Prime Money Market Inv                               | VMMXX   | 11.50  | 132,691.53  | 0.16 | 0.16 |       | 0.00   | -       | 0.00                                    | 0.01   |       | 0.02   |       | 0.04   |       | 1.63    |       | 5.38   | 06/04/75 | (4.22) |              | 0.01           |                |        |
| Current 7-day Yield: 0.01                                     |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Citi 3-Month Treasury Bill                                    |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| - - 0.03 0.05 0.07 1.46                                       |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| <b>FIXED INCOME</b>   |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| <b>Intermediate-Term Bond</b>                                 |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Vanguard Total Bond Market Index Ad                           | VBTLX   | 1.92   | 136,672.66  | 0.08 | 0.08 | 1     | 0.00   | 2.32    | 2.32                                    | 5.89   | 30    | 2.57   | 75    | 4.37   | 68    | 4.68    | 42    | 4.67   | 11/12/01 | 0.94   | 72           | 2.69           | 32             | 0.18   |
| Barclays U.S. Aggregate Float Adjusted Index                  |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 2.21 2.21 5.85 2.68 4.48                                      |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Intermediate-Term Bond Median                                 |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 0.90 0.80 1.86 1.86 5.46 3.36 4.80 4.55 1.14 2.81 1.02        |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Intermediate-Term Bond Number of Funds                        |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 1,086 1,086 1,038 914 808 589 914 914                         |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| <b>Inflation-Linked Bond</b>                                  |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| PIMCO Real Return Instl                                       | PRRIX   | 7.08   | 14,091.62   | 0.47 | 0.45 | 17    | 0.00   | 3.49    | 3.49                                    | 3.42   | 12    | 0.91   | 4     | 4.33   | 2     | 4.68    | 3     | 6.57   | 01/29/97 | 0.17   | 10           | 6.03           | 94             | 1.11   |
| Barclays US Treasury US TIPS TR USD                           |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 3.15 3.15 3.64 0.44 4.11 4.37 0.10 5.23                       |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Inflation-Protected Bond Median                               |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 0.87 0.75 3.00 3.00 2.34 (0.08) 3.35 3.65 (0.01) 5.01 0.77    |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Inflation-Protected Bond Number of Funds                      |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 230 230 219 192 153 88 193 193                                |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| <b>Equity</b>   |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| <b>Large Cap Blend</b>  |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Vanguard Institutional Index I                                | VINIX   | 14.08  | 187,724.73  | 0.04 | 0.04 | 1     | 0.00   | (3.00)  | (3.00)                                  | 13.65  | 18    | 20.38  | 29    | 15.43  | 19    | 7.68    | 23    | 9.75   | 07/31/90 | 2.09   | 11           | 9.10           | 18             | 0.68   |
| S&P 500 TR USD  |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| (3.00) (3.00) 13.69 20.41 15.45 7.67 9.74 2.09 9.10           |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| TIAA-CREF Social Choice Eq Instl                              | TISCX   | 9.42   | 2,730.26    | 0.18 | 0.18 | 3     | 0.00   | (3.34)  | (3.34)                                  | 11.25  | 55    | 19.45  | 50    | 14.57  | 38    | 7.80    | 20    | 5.01   | 07/01/99 | 1.91   | 48           | 9.55           | 44             | 1.58   |
| Russell 3000 TR USD   |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| (2.78) (2.78) 12.56 20.51 15.63 7.94 5.17 2.03 9.42           |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Large Blend Median  |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 1.21 1.10 (3.03) (3.03) 11.62 19.45 14.02 7.06 1.89 9.67      |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Large Blend Number of Funds                                   |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 1,664 1,664 1,568 1,336 1,193 812 1,343 1,343                 |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| <b>Mid Cap Blend</b>  |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Vanguard Mid Cap Index Adm                                    | VIMAX   | 16.67  | 58,927.75   | 0.09 | 0.09 | 1     | 0.00   | (1.97)  | (1.97)                                  | 13.76  | 5     | 21.27  | 20    | 17.04  | 10    | 9.47    | 9     | 10.45  | 11/12/01 | 1.90   | 16           | 10.48          | 27             | 0.87   |
| Spliced Mid Cap Index *                                       |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| (1.96) (1.96) 13.83 21.32 17.10 9.50                          |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| CRSP US Mid Cap TR USD  |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| (1.96) (1.96) 13.83 21.57 17.36 9.50 10.62 2.09 9.10          |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Mid-Cap Blend Median  |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 1.35 1.23 (2.41) (2.41) 8.21 19.59 15.37 8.25 1.64 11.23 3.31 |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Mid-Cap Blend Number of Funds                                 |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 379 379 369 311 268 167 312 312                               |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| <b>Small Cap Blend</b>  |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Vanguard Small Cap Index Adm                                  | VSMAX   | 23.08  | 50,472.59   | 0.09 | 0.09 | 1     | 0.00   | (2.15)  | (2.15)                                  | 7.50   | 13    | 20.55  | 20    | 16.87  | 17    | 9.13    | 13    | 9.32   | 11/13/00 | 1.62   | 10           | 12.03          | 22             | 2.61   |
| Spliced Small Cap Index **                                    |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| (2.15) (2.15) 7.54 20.53 16.83 9.06                           |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| CRSP US Small Cap TR USD                                      |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| (2.15) (2.15) 7.54 20.87 17.28 9.71 1.65 9.81                 |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Small Blend Median  |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 1.38 1.25 (3.49) (3.49) 4.55 18.29 15.01 7.56 1.40 12.69      |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| Small Blend Number of Funds                                   |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |
| 792 792 737 624 567 362 624 624                               |         |        |             |      |      |       |        |         |   |        |       |        |       |        |       |         |       |        |          |        |              |                |                |        |



# 2014 YTD Performance Summary

| (A)  | (B) | (C)              | (D)    | (E)         | (F)  | (G)  | (H)                | (I)   | (J)     | (K)    | (L)    | (M)                                     | (N)    | (O)   | (P)    | (Q)   | (R)     | (S)    | (T)          | (U)            | (V)    | (W)            | (X)    | (Y)   |        |
|--|-----|------------------|--------|-------------|------|------|--------------------|-------|---------|--------|--------|---|--------|-------|--------|-------|---------|--------|--------------|----------------|--------|----------------|--------|-------|--------|
| TIAA-CREF                                    |     | Manager          | AUM    | Gross       | Net  | Net  | Rev Recent Returns |       |         |        |        | Annualized Total Returns as of 12/31/14 |        |       |        |       | Since   | Incep. | Sharpe Ratio | Std. Deviation |        | Tracking Error |        |       |        |
| As of 1/31/2015                              |     | Ticker           | Tenure | \$ Millions | ER   | ER   | %-ile              | Share | 1 Month | YTD    | 1 Year | %-ile                                   | 3 Year | %-ile | 5 Year | %-ile | 10 Year | %-ile  | Incep.       | Date           | 3 Year | %-ile          | 3 Year | %-ile | 3 Year |
| <b>Foreign Large Blend</b>                   |     |                  |        |             |      |      |                    |       |         |        |        |   |        |       |        |       |         |        |              |                |        |                |        |       |        |
| TIAA-CREF International Eq Idx Instl         |     | TCIEX            | 9.42   | 5,769.72    | 0.07 | 0.07 | 1                  | 0.00  | 0.86    | 0.86   | (5.51) | 52                                      | 11.13  | 28    | 5.36   | 43    | 4.46    | 43     | 8.50         | 10/01/02       | 0.86   | 42             | 13.30  | 77    | 2.93   |
| MSCI EAFE NR USD                             |     |                  |        |             |      |      |                    |       | 0.49    | 0.49   | (4.90) |   | 11.06  |       | 5.33   |       | 4.43    |        | 8.55         |                | 0.86   |                | 13.21  |       |        |
| Foreign Large Blend Median                   |     |                  |        |             | 1.38 | 1.23 |                    |       | 0.57    | 0.57   | (5.35) |   | 10.14  |       | 5.10   |       | 4.21    |        |              |                | 0.83   |                | 12.82  |       | 3.45   |
| Foreign Large Blend Number of Funds          |     |                  |        |             | 816  |      | 816                |       |         |        |        | 750                                     |        | 650   |        | 583   |         | 313    |              |                |        | 653            |        | 653   |        |
| <b>Diversified Emerging Markets</b>          |     |                  |        |             |      |      |                    |       |         |        |        |   |        |       |        |       |         |        |              |                |        |                |        |       |        |
| Vanguard Emerging Mkts Stock Idx Ac          |     | VEMAX            | 6.42   | 62,465.33   | 0.15 | 0.15 | 1                  | 0.00  | 0.69    | 0.69   | 0.60   | 16                                      | 4.33   | 50    | 1.91   | 49    |         |        | 6.08         | 06/23/06       | 0.34   | 55             | 15.67  | 73    | 2.33   |
| Spliced Emerging Markets Index ***           |     |                  |        |             |      |      |                    |       | 0.75    | 0.75   | 1.24   |   | 4.64   |       | 2.13   |       |         |        |              |                |        |                |        |       |        |
| FTSE Emerging NR USD                         |     |                  |        |             |      |      |                    |       | 0.75    | 0.75   | 1.21   |   | 4.61   |       | 2.06   |       |         |        | 6.73         |                | 0.36   |                | 15.69  |       |        |
| MSCI EM NR USD                               |     |                  |        |             |      |      |                    |       | 0.60    | 0.60   | (2.19) |   | 4.04   |       | 1.78   |       |         |        |              |                | 0.33   |                | 15.22  |       |        |
| Diversified Emerging Mkts Median             |     |                  |        |             | 1.83 | 1.55 |                    |       | 0.38    | 0.38   | (3.10) |   | 4.30   |       | 1.88   |       | 7.69    |        |              |                | 0.35   |                | 15.25  |       | 0.48   |
| Diversified Emerging Mkts Number of Funds    |     |                  |        |             | 890  |      | 890                |       |         |        |        | 749                                     |        | 521   |        | 341   |         | 162    |              |                |        | 521            |        | 521   |        |
| <b>Miscellaneous Sector</b>                  |     |                  |        |             |      |      |                    |       |         |        |        |   |        |       |        |       |         |        |              |                |        |                |        |       |        |
| TIAA Real Estate Account                     |     | Variable Annuity | 10.08  | 19,824.17   | 0.87 | 0.87 |                    | 0.24  | 1.24    | 1.24   | 12.22  |   | 10.64  |       | 11.63  |       | 4.77    |        | 6.42         | 10/02/95       | 7.28   |                | 1.38   |       | 15.63  |
| <b>Lifecycle</b>                             |     |                  |        |             |      |      |                    |       |         |        |        |   |        |       |        |       |         |        |              |                |        |                |        |       |        |
| Vanguard Target Retirement Income Trust II   |     |                  |        |             | 0.11 | 0.11 |                    |       | 0.74    | 0.74   | 5.68   |   | 6.60   |       | 6.89   |       |         |        | 5.37         | 02/29/08       |        |                |        |       |        |
| Vanguard Target Retirement Income Compos. Lx |     |                  |        |             |      |      |                    |       | 0.70    | 0.70   | 5.76   |   | 6.73   |       | 6.97   |       |         |        |              |                |        |                |        |       |        |
| Retirement Income Median                     |     |                  |        |             | 1.07 | 0.90 |                    |       | 0.49    | 0.49   | 4.40   |   | 6.55   |       | 6.41   |       | 4.00    |        |              |                | 1.62   |                | 4.49   |       | 1.56   |
| Retirement Income Number of Funds            |     |                  |        |             | 286  |      | 286                |       |         |        |        | 272                                     |        | 259   |        | 235   |         | 57     |              |                |        | 259            |        | 259   |        |
| Vanguard Target Retirement 2010 Trust II     |     |                  |        |             | 0.11 | 0.11 |                    |       | 0.55    | 0.55   | 5.97   |   | 8.40   |       | 7.98   |       |         |        | 5.59         | 02/29/08       |        |                |        |       |        |
| Vanguard Target Retirement 2010 Compos. Lx   |     |                  |        |             |      |      |                    |       | 0.47    | 0.47   | 6.13   |   | 8.53   |       | 8.05   |       |         |        |              |                |        |                |        |       |        |
| Target Date 2000-2010 Median                 |     |                  |        |             | 1.15 | 0.87 |                    |       | 0.10    | 0.10   | 4.10   |   | 8.01   |       | 7.05   |       | 4.40    |        |              |                | 1.50   |                | 5.27   |       | 1.21   |
| Target Date 2000-2010 Number of Funds        |     |                  |        |             | 150  |      | 150                |       |         |        |        | 141                                     |        | 115   |        | 109   |         | 38     |              |                |        | 116            |        | 116   |        |
| Vanguard Target Retirement 2015 Trust II     |     |                  |        |             | 0.11 | 0.11 |                    |       | 0.04    | 0.04   | 6.63   |   | 10.33  |       | 8.97   |       |         |        | 6.05         | 02/29/08       |        |                |        |       |        |
| Vanguard Target Retirement 2015 Compos. Lx   |     |                  |        |             |      |      |                    |       | (0.02)  | (0.02) | 6.77   |   | 10.47  |       | 9.03   |       |         |        |              |                |        |                |        |       |        |
| Target Date 2011-2015 Median                 |     |                  |        |             | 1.19 | 0.89 |                    |       | -       | -      | 4.44   |   | 8.78   |       | 7.49   |       | 4.56    |        |              |                | 1.54   |                | 5.63   |       | 1.38   |
| Target Date 2011-2015 Number of Funds        |     |                  |        |             | 198  |      | 198                |       |         |        |        | 182                                     |        | 141   |        | 124   |         | 28     |              |                |        | 141            |        | 141   |        |
| Vanguard Target Retirement 2020 Trust II     |     |                  |        |             | 0.11 | 0.11 |                    |       | (0.26)  | (0.26) | 7.20   |   | 11.77  |       | 9.71   |       |         |        | 6.27         | 02/29/08       |        |                |        |       |        |
| Vanguard Target Retirement 2020 Compos. Lx   |     |                  |        |             |      |      |                    |       | (0.32)  | (0.32) | 7.37   |   | 11.96  |       | 9.93   |       |         |        |              |                |        |                |        |       |        |
| Target Date 2016-2020 Median                 |     |                  |        |             | 1.19 | 0.92 |                    |       | (0.17)  | (0.17) | 4.71   |   | 9.59   |       | 7.97   |       | 4.79    |        |              |                | 1.50   |                | 6.13   |       | 1.40   |
| Target Date 2016-2020 Number of Funds        |     |                  |        |             | 249  |      | 249                |       |         |        |        | 228                                     |        | 193   |        | 164   |         | 55     |              |                |        | 195            |        | 195   |        |
| Vanguard Target Retirement 2025 Trust II     |     |                  |        |             | 0.11 | 0.11 |                    |       | (0.56)  | (0.56) | 7.22   |   | 12.85  |       | 10.25  |       |         |        | 6.37         | 02/29/08       |        |                |        |       |        |
| Vanguard Target Retirement 2025 Composite Lx |     |                  |        |             |      |      |                    |       | (0.63)  | (0.63) | 7.45   |   | 13.03  |       | 10.49  |       |         |        |              |                |        |                |        |       |        |
| Target Date 2021-2025 Median                 |     |                  |        |             | 1.17 | 0.92 |                    |       | (0.49)  | (0.49) | 5.11   |   | 11.28  |       | 9.06   |       | 5.35    |        |              |                | 1.54   |                | 7.25   |       | 1.46   |
| Target Date 2021-2025 Number of Funds        |     |                  |        |             | 205  |      | 205                |       |         |        |        | 185                                     |        | 143   |        | 111   |         | 23     |              |                |        | 143            |        | 143   |        |



# 2014 YTD Performance Summary

| (A)   | (B)     | (C)    | (D)         | (E)  | (F)  | (G)   | (H)    | (I)     | (J)                                     | (K)    | (L)   | (M)    | (N)   | (O)    | (P)   | (Q)     | (R)          | (S)            | (T)            | (U)    | (V)   | (W)    | (X)   | (Y)    |      |
|---|---------|--------|-------------|------|------|-------|--------|---------|---|--------|-------|--------|-------|--------|-------|---------|--------------|----------------|----------------|--------|-------|--------|-------|--------|------|
| TIAA-CREF   | Manager | AUM    | Gross       | Net  | Net  | Rev   | Recent | Returns | Annualized Total Returns as of 12/31/14 |        |       |        |       |        | Since | Incep.  | Sharpe Ratio | Std. Deviation | Tracking Error |        |       |        |       |        |      |
| As of 1/31/2015                                     | Ticker  | Tenure | \$ Millions | ER   | ER   | %-ile | Share  | 1 Month | YTD                                     | 1 Year | %-ile | 3 Year | %-ile | 5 Year | %-ile | 10 Year | %-ile        | Incep.         | Date           | 3 Year | %-ile | 3 Year | %-ile | 3 Year |      |
| Vanguard Target Retirement 2030 Trust II            |         |        |             | 0.11 | 0.11 |       |        | (0.85)  | (0.85)                                  | 7.22   |       | 13.90  |       | 10.80  |       |         |              | 6.44           | 02/29/08       |        |       |        |       |        |      |
| <i>Vanguard Target Retirement 2030 Composite Lx</i> |         |        |             |      |      |       |        | (0.93)  | (0.93)                                  | 7.51   |       | 14.10  |       | 11.03  |       |         |              |                |                |        |       |        |       |        |      |
| <i>Target Date 2026-2030 Median</i>                 |         |        |             | 1.27 | 0.99 |       |        | (0.68)  | (0.68)                                  | 5.15   |       | 12.21  |       | 9.30   |       | 4.99    |              |                |                | 1.47   |       |        | 7.90  |        | 1.51 |
| <i>Target Date 2026-2030 Number of Funds</i>        |         |        |             | 250  |      | 250   |        |         |   |        | 228   |        | 193   |        | 164   |         | 55           |                |                |        |       | 195    |       | 195    |      |
| Vanguard Target Retirement 2035 Trust II            |         |        |             | 0.11 | 0.11 |       |        | (1.15)  | (1.15)                                  | 7.22   |       | 14.96  |       | 11.32  |       |         |              | 6.66           | 02/29/08       |        |       |        |       |        |      |
| <i>Vanguard Target Retirement 2035 Composite Lx</i> |         |        |             |      |      |       |        | (1.24)  | (1.24)                                  | 7.57   |       | 15.18  |       | 11.55  |       |         |              |                |                |        |       |        |       |        |      |
| <i>Target Date 2031-2035 Median</i>                 |         |        |             | 1.22 | 0.96 |       |        | (0.96)  | (0.96)                                  | 5.36   |       | 13.35  |       | 10.09  |       | 5.63    |              |                |                | 1.50   |       |        | 8.56  |        | 1.56 |
| <i>Target Date 2031-2035 Number of Funds</i>        |         |        |             | 205  |      | 205   |        |         |   |        | 185   |        | 143   |        | 111   |         | 23           |                |                |        |       | 143    |       | 143    |      |
| Vanguard Target Retirement 2040 Trust II            |         |        |             | 0.11 | 0.11 |       |        | (1.47)  | (1.47)                                  | 7.26   |       | 15.56  |       | 11.63  |       |         |              | 6.91           | 02/29/08       |        |       |        |       |        |      |
| <i>Vanguard Target Retirement 2040 Composite Lx</i> |         |        |             |      |      |       |        | (1.53)  | (1.53)                                  | 7.61   |       | 15.78  |       | 11.87  |       |         |              |                |                |        |       |        |       |        |      |
| <i>Target Date 2036-2040 Median</i>                 |         |        |             | 1.34 | 1.01 |       |        | (1.05)  | (1.05)                                  | 5.37   |       | 13.71  |       | 10.06  |       | 5.33    |              |                |                | 1.46   |       |        | 8.98  |        | 1.62 |
| <i>Target Date 2036-2040 Number of Funds</i>        |         |        |             | 249  |      | 249   |        |         |   |        | 227   |        | 192   |        | 163   |         | 50           |                |                |        |       | 194    |       | 194    |      |
| Vanguard Target Retirement 2045 Trust II            |         |        |             | 0.11 | 0.11 |       |        | (1.48)  | (1.48)                                  | 7.22   |       | 15.55  |       | 11.64  |       |         |              | 6.87           | 02/29/08       |        |       |        |       |        |      |
| <i>Vanguard Target Retirement 2045 Composite Lx</i> |         |        |             |      |      |       |        | (1.53)  | (1.53)                                  | 7.61   |       | 15.78  |       | 11.87  |       |         |              |                |                |        |       |        |       |        |      |
| <i>Target Date 2041-2045 Median</i>                 |         |        |             | 1.35 | 0.99 |       |        | (1.19)  | (1.19)                                  | 5.54   |       | 14.36  |       | 10.60  |       | 6.13    |              |                |                | 1.49   |       |        | 9.21  |        | 1.46 |
| <i>Target Date 2041-2045 Number of Funds</i>        |         |        |             | 205  |      | 205   |        |         |   |        | 185   |        | 134   |        | 110   |         | 13           |                |                |        |       | 134    |       | 134    |      |
| Vanguard Target Retirement 2050 Trust II            |         |        |             | 0.11 | 0.11 |       |        | (1.47)  | (1.47)                                  | 7.23   |       | 15.54  |       | 11.62  |       |         |              | 6.90           | 02/29/08       |        |       |        |       |        |      |
| <i>Vanguard Target Retirement 2050 Composite Lx</i> |         |        |             |      |      |       |        | (1.53)  | (1.53)                                  | 7.61   |       | 15.78  |       | 11.87  |       |         |              |                |                |        |       |        |       |        |      |
| <i>Target Date 2046-2050 Median</i>                 |         |        |             | 1.47 | 1.02 |       |        | (1.19)  | (1.19)                                  | 5.62   |       | 14.44  |       | 10.37  |       | 5.76    |              |                |                | 1.46   |       |        | 9.41  |        | 1.63 |
| <i>Target Date 2046-2050 Number of Funds</i>        |         |        |             | 233  |      | 233   |        |         |   |        | 212   |        | 165   |        | 127   |         | 7            |                |                |        |       | 168    |       | 168    |      |
| Vanguard Target Retirement 2055 Trust II            |         |        |             | 0.11 | 0.11 |       |        | (1.46)  | (1.46)                                  | 7.26   |       | 15.54  |       |        |       |         |              | 14.44          | 08/31/10       |        |       |        |       |        |      |
| <i>Vanguard Target Retirement 2055 Composite Lx</i> |         |        |             |      |      |       |        | (1.53)  | (1.53)                                  | 7.61   |       | 15.78  |       |        |       |         |              |                |                |        |       |        |       |        |      |
| Vanguard Target Retirement 2060 Trust II            |         |        |             | 0.11 | 0.11 |       |        | (1.43)  | (1.43)                                  | 7.22   |       |        |       |        |       |         |              | 12.69          | 03/01/12       |        |       |        |       |        |      |
| <i>Vanguard Target Retirement 2060 Composite Lx</i> |         |        |             |      |      |       |        | (1.53)  | (1.53)                                  | 7.61   |       |        |       |        |       |         |              |                |                |        |       |        |       |        |      |
| <i>Target Date 2051+ Median</i>                     |         |        |             | 1.40 | 0.98 |       |        | (1.26)  | (1.26)                                  | 5.52   |       | 14.67  |       | 10.37  |       |         |              |                |                | 1.48   |       |        | 9.55  |        | 1.50 |
| <i>Target Date 2051+ Number of Funds</i>            |         |        |             | 239  |      | 239   |        |         |   |        | 156   |        | 101   |        | 25    |         |              |                |                |        |       | 101    |       | 101    |      |

Source: Morningstar & TIAA-CREF -Tracking error calculated using "Morningstar Analyst Assigned Benchmark"

Data for 1-month and YTD return as of 1/31/2015. All other data as of 12/31/2014

Since Incep. = Since Inception Date Incep. Date = Inception Date

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

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

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

\*\*\* = Spliced Emerging Markets Index reflects performance of the Select Emerging Markets Index through August 23, 2006; the MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; and FTSE Emerging Index thereafter.

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

"Since Inception" performance is calculated from this date.

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

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

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

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



# Disclosures



%ile --> Percentile Ranking in Morningstar Category.

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

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

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

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

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

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

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

# Disclosures



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

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

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

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

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

TIAA-CREF Individual & Institutional Services, LLC, Teachers Personal Investors Services, Inc., and Nuveen Securities, LLC, Members FINRA and SIPC, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations.

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

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

# Disclosures



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

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

# Disclosures



## **Prospectus Gross Expense Ratio**

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

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

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

## **Prospectus Net Expense Ratio**

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

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

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

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

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

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

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

# Disclosures



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

You cannot invest directly in index.

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

C12205

## Section XI.

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### OPEB Trust

TOTAL NET OF FEES

1/31/2015

| Account Name<br>Benchmark Name        | Market<br>Value      | % of Total   | Month        | Fiscal YTD  | Annualized   |              |         |          |              | Inception<br>Date |
|---------------------------------------|----------------------|--------------|--------------|-------------|--------------|--------------|---------|----------|--------------|-------------------|
|                                       |                      |              |              |             | 1 Year       | 3 Years      | 5 Years | 10 Years | ITD          |                   |
| Mackay Shields OPEB                   | 45,590,284.7         | 35.8         | 2.26         | 4.21        | 6.79         |              |         |          | 3.02         | 5/1/2013          |
| Barclays U.S. Aggregate Bond<br>Index |                      |              | 2.10         | 4.10        | 6.61         |              |         |          | 2.86         | 5/1/2013          |
| SSGA S&P 500 INDX                     | 81,609,330.2         | 64.2         | -3.01        | 2.92        | 14.15        | 17.34        |         |          | 14.28        | 5/1/2011          |
| S&P 500 - Total Return Index          |                      |              | -3.00        | 2.93        | 14.23        | 17.47        |         |          | 13.08        | 5/1/2011          |
| <b>Total OPEB</b>                     | <b>127,199,614.9</b> | <b>100.0</b> | <b>-1.16</b> | <b>3.43</b> | <b>11.62</b> | <b>10.77</b> |         |          | <b>10.00</b> | <b>5/1/2011</b>   |
| OPEB Custom Blend <sup>1</sup>        |                      |              | -1.22        | 3.39        | 11.58        | 10.40        |         |          | 8.57         | 5/1/2011          |

END NOTES

1/31/2015

1 RI7GX0903OPE OPEB Custom Blend

35% Barclays Aggregate and 65% S&P 500

TOTAL NET OF FEES

1/31/2015

| Account Name<br>Benchmark Name                | Market<br>Value      | % of Total   | YTD          | Month        | Cumulative                |                           |              | 2014         | 2013         | 2012            | Inception<br>Date |
|---|----------------------|--------------|--------------|--------------|---------------------------|---------------------------|--------------|--------------|--------------|-----------------|-------------------|
|   |                      |              |              |              | 12/1/2014 -<br>12/31/2014 | 11/1/2014 -<br>11/30/2014 |              |              |              |                 |                   |
| Mackay Shields OPEB                           | 45,590,284.7         | 35.8         | 2.26         | 2.26         | 0.12                      | 0.70                      | 6.03         |              |              |                 | 5/1/2013          |
| <i>Barclays U.S. Aggregate Bond<br/>Index</i> |                      |              | <i>2.10</i>  | <i>2.10</i>  | <i>0.09</i>               | <i>0.71</i>               | <i>5.97</i>  |              |              |                 | <i>5/1/2013</i>   |
| SSGA S&P 500 INDX                             | 81,609,330.2         | 64.2         | -3.01        | -3.01        | -0.25                     | 2.70                      | 13.63        | 32.09        | 15.96        | 5/1/2011        | 5/1/2011          |
| <i>S&amp;P 500 - Total Return Index</i>       |                      |              | <i>-3.00</i> | <i>-3.00</i> | <i>-0.25</i>              | <i>2.69</i>               | <i>13.69</i> | <i>32.39</i> | <i>16.00</i> | <i>5/1/2011</i> | <i>5/1/2011</i>   |
| <b>Total OPEB</b>                             | <b>127,199,614.9</b> | <b>100.0</b> | <b>-1.16</b> | <b>-1.16</b> | <b>-0.12</b>              | <b>2.00</b>               | <b>11.00</b> | <b>15.77</b> | <b>9.74</b>  | <b>5/1/2011</b> |                   |
| <i>OPEB Custom Blend</i>                      |                      |              | <i>-1.22</i> | <i>-1.22</i> | <i>-0.13</i>              | <i>2.00</i>               | <i>11.00</i> | <i>15.73</i> | <i>8.30</i>  | <i>5/1/2011</i> |                   |

## END NOTES

1/31/2015

- |   |              |                   |  |
|---|--------------|-------------------|--|
| 1 | RI7G10000000 | Total OPEB        | YTD - Calendar Year to Date<br>Month - Current Month<br>Cumulative Months - Prior Month and Second Prior Month |
| 2 | RI7GX0903OPE | OPEB Custom Blend | 2013, 2012, 2011 - Calendar Year<br>65% S&P 500 and 35% Barclays Aggregate                                     |