

State of Rhode Island and Providence Plantations



Office of the General Treasurer

Paul J. Tavares
General Treasurer

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
MARCH 31, 2006**

VINCENT IZZO, JR.

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Paul J. Tavares, Chair

**Mr. Jeffrey Britt
Ms. Rosemary Booth Gallogly
Ms. Marcia Reback**

**Mr. J. Michael Costello
Dr. Robert J. McKenna
Mr. John R. Treat**



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

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**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, April 19, 2006 at 9:00 a.m. in Room 135 of the State House.

AGENDA

1. Membership Roll Call
2. Approval of Minutes
 - State Investment Commission Meeting held on 3/22/06 *
3. Alternative Investments Consultant - Pacific Corporate Group
 - Alta Partners VIII, L.P. *
 - Catterton Partners VI, L.P. *
4. Real Estate Consultant - The Townsend Group
 - Walton Street Real Estate Fund V, L.P. *
5. Gateway Eight Update */**
6. Investment Manager Reviews
 - Wasatch Advisors Inc.
 - NorthPointe Capital
7. Legal Counsel Report
8. Deputy Treasurer for Finance Report
9. Treasurer's Report
10. New Business

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

** Commission members may seek to convene in Executive Session to discuss this matter.

POSTED ON THURSDAY, APRIL 13, 2006

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

Regular Meeting March 22, 2006

A State Investment Commission ("SIC") meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, March 22, 2006. The Treasurer called the meeting to order at 9:10 a.m.

Membership Roll Call. Present were: Mr. Jeffrey Britt, Mr. J. Michael Costello, Ms. Rosemary Booth Gallogly, Ms. Marcia Reback, Mr. John Treat and General Treasurer Paul J. Tavares. Also present were: Ms. Joan M. Caine, Deputy Treasurer for Finance, Mr. William G. Bensur of Wilshire Associates Incorporated, Consultant to the Commission, Jayne Donegan, Esq. of Brown Rudnick Berlack Israels, Legal Counsel to the Commission, Ms. Tara Blackburn of Pacific Corporate Group, Alternative Investments Consultant to the Commission, and other members of the Treasurer's Staff. Dr. Robert J. McKenna was absent.

State Investment Commission Minutes. Mr. Treat moved, Mr. Costello seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Britt, Mr. Costello, Ms. Gallogly, Ms. Reback, Mr. Treat, and Treasurer Tavares.

VOTED: To approve the Minutes of the February 22, 2006 Regular Meeting.

Proposed Investment in LNK Partners, L.P. ("LNK"). Ms. Tara Blackburn of Pacific Corporate Group ("PCG") gave a brief overview of LNK. She noted that LNK is being formed to pursue equity and equity related investments in the consumer/retail sector. The fund expects to make growth capital, recapitalization and buyout investments in established, growth-oriented companies in which it secures a controlling interest or meaningful minority position.

Mr. David Landau, Founding Partner and Mr. Henry Nasella, Founding Partner represented the fund. Mr. Landau noted that the fund will focus on middle-market, later-stage growth capital and buyouts exclusively in the consumer and retail sector. He also noted that LNK will back successful companies with proven management and growth opportunities. Mr. Landau stated that LNK has deep industry relationships and expertise. At Apax Partners his portfolio's lowest IRR was 28% and the highest IRR was 63% proving superior, consistent investment performance.

Mr. Nasella stated that LNK expects to invest between \$10 million and \$75 million in equity per transaction and to acquire a portfolio of approximately six to eight companies. The target fund size is \$275 million with a hard cap of \$425 million. Ms. Blackburn noted that LNK is a first time fund, but that as the ERSRI portfolio is becoming mature, it is a good time to bring in a new up and coming fund that is much sought after.

Ms. Reback moved, Mr. Britt seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Britt, Mr. Costello, Ms. Gallogly, Ms. Reback, Mr. Treat, and Treasurer Tavares.

VOTED: To invest up to \$12.5 million in LNK Partners, L.P. contingent upon satisfactory review and negotiation of investment and other legal documents.

Proposed Investment in MHR Institutional Partners III, L.P. ("MHR"). Ms. Blackburn gave a brief overview of MHR noting that the fund is being formed to make investments in securities of distressed and undervalued middle-market companies. MHR uses a control strategy, as used in prior funds. The target fund size is \$2 billion with a cap of \$2.5 billion. Their concentration is in the satellite, communications, media, energy, and biotech industries. MHR expects to hold approximately twenty companies in the portfolio.

Ms. Emily Fine, Principal and Mr. Hal Goldstein, Managing Principal represented MHR. Mr. Goldstein noted that MHR seeks to acquire either a control or blocking position in the distressed and undervalued middle-market in order to gain control or exercise significant influence on its portfolio companies. MHR will focus on individual investments that have a high degree of asset/collateral coverage. He stated that MHR Fund I was a \$217 million fund formed in 1998 and had a gross annualized IRR of 17%. MHR Fund II was a \$856 million fund formed in 2002 and had a gross annualized IRR of 60.3%.

Ms. Fine noted that MHR typically invests in senior unsecured and subordinated debt but will invest throughout the capital structure on an opportunistic basis. MHR believes its investment strategy and the types of securities it purchases helps to mitigate downside risk. MHR also believes that the market environment for distressed investing is expected to improve due to dramatic deterioration of credit standards over the last few years.

Mr. Britt moved, Mr. Costello seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Britt, Mr. Costello, Ms. Gallogly, Ms. Reback, Mr. Treat, and Treasurer Tavares.

VOTED: To invest up to \$20 million in MHR Institutional Partners III, L.P. contingent upon satisfactory review and negotiation of investment and other legal documents.

Proposed Investment in TPG Partners IV, L.P. ("TPG IV"). Ms. Blackburn gave a brief overview noting that ERSRI is a limited partner in TPG II and TPG IV. She noted that TPG V is being formed to pursue a broad range of equity and equity-related investments, primarily in large cap companies in North America, Europe and Asia through acquisitions and restructurings. TPG V is targeting aggregate capital commitments in excess of \$10 billion, and expects to deploy approximately \$2 billion per year over the six-year investment period.

Mr. Peter McMillan represented TPG V. He noted that the fund will follow the same investment strategy of the prior funds, seeking to invest in a geographically diverse portfolio of companies across fourteen different sectors of the economy. TPG generally focuses on industries undergoing change due to secular or cyclical forces and typically rotates out of industry areas when investments become more expensive. Based on its top-down thematic research approach, TPG has identified the automobile (manufacturing), pharma/bio (restructuring), housing, and media (distribution and content) industries as potential sector candidates for TPG V.

Mr. McMillan noted that TPG V will seek investment opportunities requiring between \$100 million and \$500 million of equity capital in companies with market valuations of \$300 million or more. He also noted that TPG Fund II had a gross IRR of 9% and TPG Fund IV had a gross IRR of 63%.

Mr. Treat moved, Mr. Costello seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Britt, Mr. Costello, Ms. Gallogly, Ms. Reback, Mr. Treat, and Treasurer Tavares.

VOTED: To invest up to \$20 million in TPG Partners V, L.P. contingent upon satisfactory review and negotiation of investment and other legal documents.

Annual Strategy Review - 2006 - Pacific Corporate Group. Ms. Blackburn stated that the portfolio is moving ahead on a disciplined basis. The ERSRI portfolio is nearing its allocation and reaching a mature status. She noted that she expects annual commitments of \$150-\$175 million in 2006; annual commitments of \$125 million in 2007-2009, annual commitments of \$150 million in 2010-2012; and annual commitments of \$175 million in 2013-2015. It is expected that the private equity allocation will reach the 7.5% target allocation in 2009. She noted that the focus for 2006 is on existing relationships coming back to market.

Pacific Corporate Group - Contract/Fee Schedule. Ms. Caine reported that a year ago Mr. Peter Martenson of PCG had approached her regarding a fee increase. At the time PCG was experiencing some staff changes and reorganizational issues and Ms. Caine had some concerns regarding PCG's stability. Since then PCG has reorganized, brought in several senior-level staff, and bifurcated their two businesses.

Ms. Caine noted that it was difficult to compare ERSRI's situation to other states as the levels of service vary greatly in each case; however, a comparison of fee schedules of other PCG clients indicates Rhode Island is paying the lowest fees. In 1997 when PCG had their last increase, there were only nine private equity funds and the size of the portfolio was \$63 million. Today, we have 67 funds and the fund has grown to \$382 million. The present PCG fee is \$275,000 annually. The request is for \$375,000 annually. Ms. Blackburn noted that the private equity portfolio has generated returns of approximately 15% since inception and created value of over \$325 million. The Treasurer noted that ERSRI is paying PCG below market rates. Both the Treasurer and Ms. Caine recommended that the Commission approve the fee increase.

Mr. Costello moved, Mr. Britt seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Britt, Mr. Costello, Ms. Gallogly, Ms. Reback, Mr. Treat, and Treasurer Tavares.

VOTED: To approve Pacific Corporate Group's proposed fee schedule increase, as outlined in their letter dated March 14, 2006.

Pacific Corporate Group - Investment Policy Guidelines. Ms. Caine reported that she, Ms. Donegan and Ms. Blackburn have been working together to consider ways in which they can streamline the approval process for private equity funds and eliminate some time constraints presently facing the Commission. She recommended that the Commission consider waiving a formal presentation by the general partners or sponsors of a fund if there is already an existing relationship with that group and they meet certain criteria with regard to size of the commitment and performance. She included definitions regarding performance assessment.

A discussion followed and the Treasurer explained that the Commission would not be giving up any authority to approve a proposed investment and that groups would still be required to come before the Commission every other time a request was made. The Treasurer asked Commission members to review the proposed amendment to PCG's policies and procedures.

State Street Corporation ("State Street") - Custodial Update. Ms. Caine gave a brief overview of the types of services that State Street provides as ERSRI's custodian and reminded Commission members that when ERSRI issued an RFP for custodial services in 2000, State Street was selected. As part of the contract negotiations, State Street agreed to reduce the fee schedule saving over \$1 million annually and provided several premium products at no charge to the system. She then introduced Mr. Lee Jones, Director of Public Fund Services and Ms. Lisa Tyrrell, RI Client Service Manager who represented State Street. Mr. Jones noted that State Street Corporation was founded in 1792 and has two lines of business: investment servicing and investment management. State Street has \$10.2 trillion of assets under custody with offices in 26 countries. He also noted that State Street spends approximately 20% to 25% of its operating expense budget on technology and manages the world's largest pool of institutional assets.

Mr. Jones noted that State Street formed a unique commitment to the public fund marketplace in 1987 with a dedicated business focus on public fund customers. State Street provides a highly tailored service and technical solutions versus the standardized approach by others. Of the \$10.2 trillion of total assets under custody, approximately \$1.2 trillion of that is in public fund assets.

Ms. Tyrrell noted that State Street and ERSRI have an eighteen year relationship. She stated that State Street in its role as custodian since 1988 provides the following products and services: custody and accounting, performance measurement, investment compliance, securities lending, transition management and investment management. She noted that many of the services provided are behind the scenes and on a day-to-day basis. They include the following: trade processing, security safekeeping, income collection, corporate actions, class actions, pricing, accounting, plan accounting, performance measurement, securities lending, technology integration, and legal support.

Ms. Caine noted that State Street has been extremely responsive to the needs of ERSRI and have worked very closely with Wilshire Associates and ERSRI's auditors, which has been very helpful.

Wilshire Associates Incorporated - Manager Continuation Policy Analysis. Mr. Bensur briefly reviewed the investment managers noting that it is Wilshire's recommendation to continue to retain all of the following US Equity Managers for their current assignments: NorthPointe Capital, PIMCO StocksPlus, State Street Global Advisors, and Wellington Management Co. Wilshire recommends closely monitoring the performance of Wasatch Advisors, Inc. Wilshire also recommends continuing to retain The Boston Company Asset Management, Goldman Sachs Asset Management and Mondrian Investment Partners Ltd. for their Non-US Equity assignments.

Of the five fixed income managers, Wilshire recommends continuing to retain the following: Brown Brothers Harriman & Co., Fidelity Management Trust Co., and Taplin, Canida & Habacht. With regard to MacKay Shields, LLC, it is Wilshire's recommendation to monitor them regarding their personnel developments. With regard to Shenkman Capital Management, Ms. Caine requested that Wilshire amend its recommendation to continue to monitor their performance because they are officially on the "Watch List" based on the portfolio's underperformance. It was decided to retain Shenkman Capital on the "Watch List".

Mr. Treat moved, Mr. Costello seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Britt, Mr. Costello, Ms. Gallogly, Mr. Treat, and Treasurer Tavares. (Note: Ms. Reback was not present for this vote)

VOTED: To accept Wilshire Associates' recommendations in the Manager Continuation Policy presented at the March 22, 2006 meeting as amended to retain Shenkman Capital Management on the "Watch List".

Wilshire Associates Incorporated - Capital Market Review. Mr. Bensus noted that interest rates are beginning to rise. The S&P 500 is up 5%, the DJ Wilshire 5000 is up 5.5%. The non-US equity markets are up 8.5% as of 3/21/06 and emerging markets are up 10% as of 3/21/06.

CollegeBoundfund Report ("CBF"). Treasurer Tavares reported that a national website, Savingforcollege.com, that rates 529 programs has recently come out with a rating on portfolio performance and Rhode Island's CollegeBoundfund was ranked Number One. State plan composite rankings were derived using the plans' relevant portfolio performance in six unique asset allocation categories. The asset allocation categories used were: 100% equity, mostly equity, balanced, mostly fixed, 100% fixed, and 100% short-term. The plan composite ranking is calculated by taking the weighted average of each plan's performance in the six categories. The CBF plan assets are at \$6.7 billion with approximately \$160 million in Rhode Island. Treasurer Tavares noted that when he took office there was only \$4 million in Rhode Island.

Deputy Treasurer for Finance Report. Ms. Caine updated the Commission on the Gateway building. Fidelity's Personal Net Worth Division will be housed in the building and she recently learned that Fidelity is putting \$14 million worth of tenant improvements into the building. The lease is for three years with an option to renew for an additional three years which looks likely at this point.

Ms. Caine informed the Commission that CB Richard Ellis had been hired to market the property for sale. To date, 163 institutional real estate investors have signed confidentiality agreements to receive a detailed due diligence package in order to bid on the building. Initial bids are due on Friday, April 7, 2006. Typically an additional week is needed for further negotiations for a best and final offer. She expects to know the outcome by Friday, April 14, 2006.

A discussion followed regarding authorizing the Treasurer to act on behalf of the State Investment Commission to accept a purchase offer to acquire the Gateway building, provided that such offer would result in proceeds sufficient to repay the principal balance, plus accrued interest and all expenses incurred in connection with the indebtedness formerly secured by the Gateway building. Commission members decided to move up the April Commission meeting from Wednesday, April 26th to Wednesday, April 19th, 2006.

Mr. Britt moved, Mr. Treat seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Britt, Mr. Costello, Ms. Gallogly, Mr. Treat, and Treasurer Tavares. (Note: Ms. Reback was not present for this vote).

VOTED: To change the date of the April State Investment Commission meeting from Wednesday, April 26, 2006 to Wednesday, April 19, 2006 at 9:00 a.m.

Ms. Caine reported that the fund is up 10.8% for the eight months ended fiscal year-to-date which is approximately 16 basis points above the benchmark. The international stocks have been the best performers.

Mr. Costello moved, Ms. Gallogly seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Britt, Mr. Costello, Ms. Gallogly, Mr. Treat, and Treasurer Tavares. (Note: Ms. Reback was not present for this vote)

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 11:55 a.m.

Respectfully submitted,

Paul J. Tavares
General Treasurer

RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
March 31, 2006

PORTFOLIO PERFORMANCE

March

The ERSRI portfolio posted a gain of 1.42% for the month of March, against the policy index of 1.37%. Domestic equities were up 2.27%, international equities returned 2.70%, and the fixed income asset class returned -1.05%. Additionally, the retirement fund earned \$255,470 from the securities lending program during this month.

Calendar Year to Date

For the three months ended March 31, 2006, the portfolio is up 5.21% against the policy index of 4.86%. Domestic equities were up 6.79%, international equities were up 9.03%, while fixed income generated a return of -0.43%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2006, the fund has gained 12.42%, against the policy index of 12.21%.

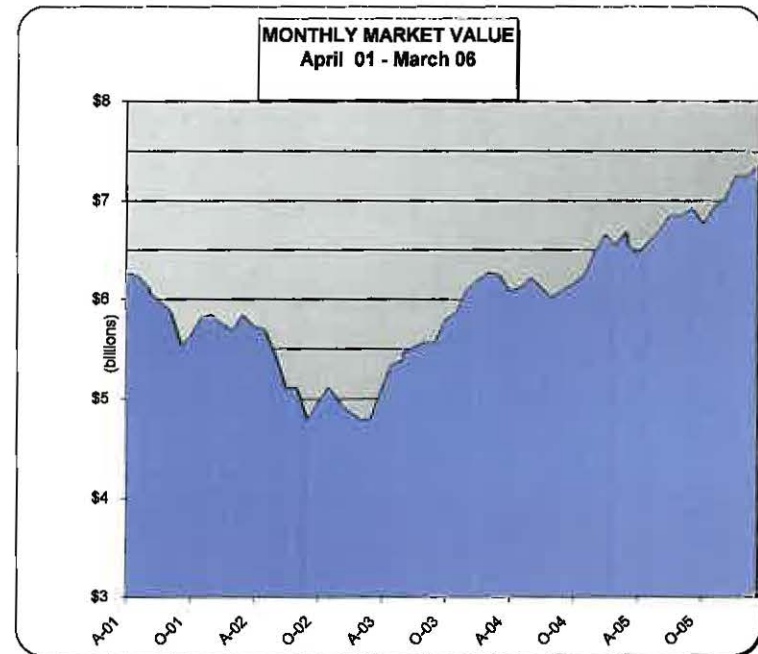
Index Performance Summary - March 31, 2006		
Market Indices	Mar-06	Calendar YTD
<u>Domestic Equity</u>		
S & P 500	1.24%	4.21%
DJ Wilshire 5000	1.84%	5.43%
Russell 2000	4.85%	13.94%
Russell 1000	1.42%	4.49%
Policy Index	1.37%	4.86%
<u>International Equity</u>		
MSCI ACWI	2.90%	9.76%
<u>Fixed Income</u>		
Lehman AGG	-0.98%	-0.65%
<u>Real Estate</u>		
NCREIF	5.48%	5.65%

ERSRI Performance By Asset Class	Mar-06	Calendar YTD
Domestic Equity	2.27%	6.79%
Fixed Income	-1.05%	-0.43%
International Equity	2.70%	9.03%
Total Fund Composite*	1.42%	5.21%
Manager Summary	Mar-06	CYTD
<u>DOMESTIC EQUITY</u>		
Shott	2.24%	-8.01%
PIMCO	0.98%	3.93%
SSgA Russell 1000	1.42%	4.50%
SSgA Core	1.91%	4.71%
Wasatch	3.72%	8.53%
Northpointe	5.19%	14.15%
Wellington	3.67%	12.75%
Total Domestic Equity	2.27%	6.79%
<u>FIXED INCOME</u>		
Brown Bros TIPS	-2.08%	-2.22%
Brown Bros Core	-1.05%	-0.54%
Fidelity	-0.69%	0.14%
Taplin Canida & Habacht	-1.04%	-0.23%
InState Fixed Income	0.00%	0.00%
Shenkman	0.30%	2.21%
Mackay Shield	0.53%	2.11%
Total Fixed Income	-1.05%	-0.43%
<u>INTERNATIONAL EQUITY</u>		
Mondrian	1.48%	8.59%
Goldman Sachs	3.30%	9.84%
Boston Co	3.33%	8.87%
Total International Equity	2.70%	9.03%
*Total Fund Composite includes all classes		

Market Valuation Report
March, 2006

Market Values

The total portfolio value increased in March by \$94.3 million to \$7.342 billion. This compares with a decrease in value of \$125.3 million for the same period in 2005. The domestic equity market values increased by \$74.1 million; fixed income decreased by \$33.6, of which \$16.0 represents transfers out, while international values increased by \$15.3 million including transfers out of \$30.0 million. The cash accounts increased by \$ 23.8 including transfers in of \$19.5 million, and alternative investments increased by \$14.7 including transfers in of \$7.0 million.



Cash Flow

March's pension payroll of \$53.0 million exceeded the \$ 40.6 million in contributions and wire transfers received by \$12.4 million. To meet this shortfall along with other obligations, \$19.5 million was transferred from long-term investments.

Alternative Investments

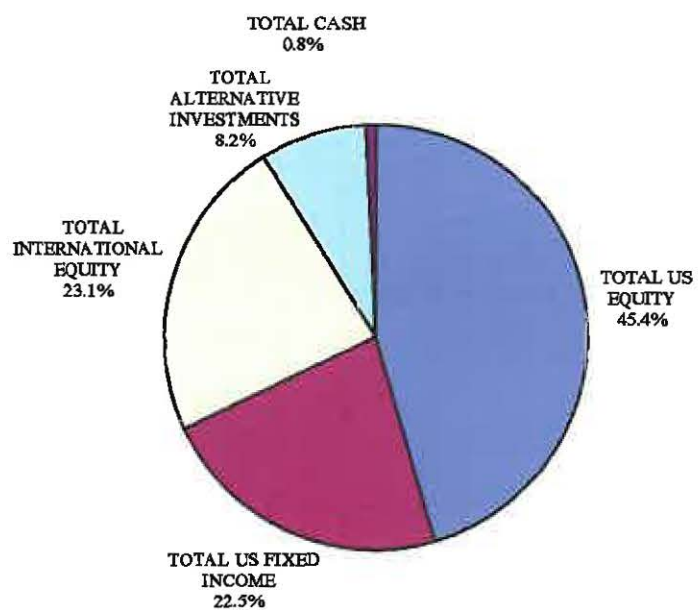
At this time the alternative investment asset class has unfunded commitments of approximately \$428 million on commitments of \$863 million.

CAPITAL CALLS Net of Distributions

March 2006	FYTD	UNFUNDED BALANCE
-\$8,233,488	\$88,605,529	\$427,996,559
March 2005	FYTD	UNFUNDED BALANCE
\$6,193,216	\$24,207,620	\$443,791,378



CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)

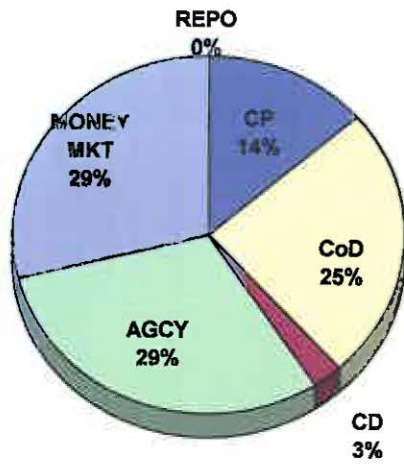


MANAGER	CURRENT PERIOD
TOTAL US EQUITY	3,335.8
TOTAL US FIXED INCOME	1,654.2
TOTAL INTERNATIONAL EQUITY	1,695.2
TOTAL ALTERNATIVE INVESTMENTS	600.5
TOTAL CASH	56.6
TOTAL	7,342.3

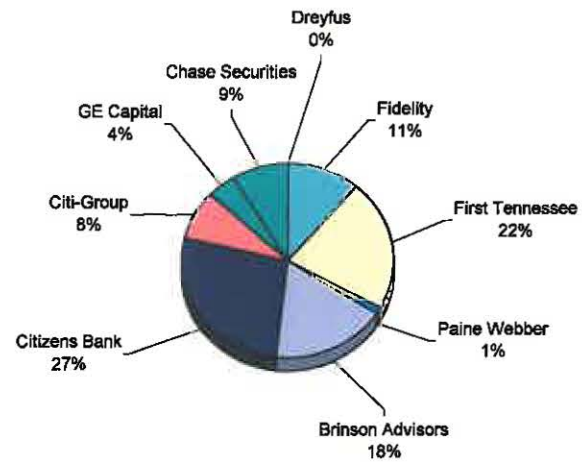
RHODE ISLAND STATE INVESTMENT COMMISSION

SHORT TERM CASH INVESTMENTS AT MARCH 31, 2006

Portfolio By Instrument



Portfolio by Issuer



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

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

**Issuer Credit Ratings
March, 2006**

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		
Chase Securities	2,3,5	9%	Aa3	P-1	A-1	Aa3	A+	Stable		
Citigroup Inc.	2	8%	Aa1	P-1	A-1+	Aa1	AA-	Stable		
Citizens Bank RI	3,4	27%	Aa2	P-1	A-1+	Aa2	AA-	Stable		
Dreyfus	6	0%	Aa3	P-1	A-1+	Aa3	AA-	Stable		
First Tennessee Capital Markets	5	22%	A1	P-1	A-1	A1	A	Stable		
Fidelity	6	11%			N/R		N/R	N/R		
Merrill Lynch	2,5,6	0%	Aa3	P-1	A-1	Aa3	A+	Stable		
GE Capital	2	4%	Aaa	P-1	A-1+	Aaa	AAA	Stable		
Morgan Stanley	1,2,5	0%	Aa3	P-1	A-1	Aa3	A+	Negative		
Paine Webber	5	1%	Aa2	P-1	A-1+	Aa2	AA+	Stable		
UBS Brinson Advisors	6	18%	Aa2	P-1	A-1+	Aa2	AA+	Stable		
State Street Bank & Trust	1,3	0%	Aa2	P-1	A-1+	Aa2	AA	Stable		

Instrument Codes

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

Ratings Definitions

Moody's Short-Term Debt Ratings:

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

Moody's Issuer Rating Symbols:

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

Modifiers:

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

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 - Somewhat more susceptible to adverse effects of change in economic condition, strong
- BBB - Exhibits adequate protection parameters
- BB, B, CCC, CC, C - Have significant speculative characteristics. BB least speculative, C highest degree.
- D - Payment default

Modifiers:

- + or - show relative standing within the category.



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

Paul J. Tavares
General Treasurer

April 18, 2006

State Investment Commission
Rhode Island State House
Providence, RI 02903

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on March 31, 2006.

**Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation
March 31, 2006**

Asset Class		
Cash/Short Term Investments		\$ 298,442,348
Equities – Domestic		\$ 3,278,063,793
Equities – International		\$ 1,665,688,112
Fixed Income – Government	\$ 885,039,815	
Fixed Income – Corporate	\$ 614,507,108	
Fixed Income – In State	\$ 20,929,811	
Total Fixed Income		\$ 1,520,476,733
Alternative Investments		\$ 384,927,521
Real Estate		\$ 194,594,651
Total Fund Investments		\$ 7,342,193,158
Plan Allocation		
State Employees & Teachers	86.22%	\$ 6,330,481,679
Municipal Employees	12.94%	\$ 950,288,188
State Police	0.51%	\$ 37,084,559
Judicial	0.33%	\$ 24,338,732
Total Fund Investments	100.00%	\$ 7,342,193,158

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

Respectfully submitted,

Joan M. Caine, CFA
Deputy Treasurer for Finance

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING March 31, 2006



STATE STREET.
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
U.S. EQUITY												
NORTHPOINTE CAPITAL	393,365	5.36	5.19	14.15	15.17	14.15	20.87	26.91	17.39	31.10	15.55	
PIMCO	492,636	6.71	0.98	3.93	5.77	3.93	9.44	10.95	8.66	16.89	4.80	4.08
SSGA - CORE	330,303	4.50	1.91	4.71	6.23	4.71	10.25	13.57	10.97	17.44	6.72	6.70
SSGA RUSSELL 1000	1,466,523	19.97	1.42	4.50	6.73	4.50	10.95	13.23	10.21	18.33		
WASATCH ADVISORS	214,200	2.92	3.72	8.53	9.74	8.53	8.32	15.36	11.16	26.72	8.18	
WELLINGTON MANAGEMENT CO. LLC	436,070	5.94	3.67	12.75	17.16	12.75	23.34	27.52	15.87	32.28	13.38	
TOTAL US EQUITY	3,335,752	45.43	2.27	6.79	8.94	6.79	13.09	16.28	11.47	21.49	7.96	6.75
<i>RUSSELL 1000</i>			1.42	4.49	6.71	4.49	10.92	13.20	10.18	18.30	5.73	4.74
<i>RUSSELL 2000</i>			4.85	13.94	15.23	13.94	20.64	25.85	15.18	29.53	12.24	12.59
<i>RUSSELL 2000 GROWTH</i>			4.86	14.36	16.20	14.36	23.54	27.84	13.56	28.14	9.52	8.59
<i>RUSSELL 2000 VALUE</i>			4.84	13.51	14.26	13.51	17.79	23.77	16.57	30.75	14.44	16.24
<i>S&P 500</i>			1.24	4.21	6.38	4.21	10.22	11.73	9.18	17.22	4.92	3.97
<i>DOW WILSHIRE 5000 FREE FLOAT</i>			1.84	5.43	7.77	5.43	12.12	14.71	10.89	19.67	6.82	5.95
INTERNATIONAL EQUITY												
GOLDMAN SACHS	567,707	7.73	3.30	9.84	15.73	9.84	29.86	30.38				
BANK OF IRELAND	4	0.00										
THE BOSTON COMPANY	569,075	7.75	3.33	8.67	13.04	8.67	23.40	22.26				
MONDRIAN	558,314	7.60	1.48	8.59	11.44	8.59	22.09	23.18				
PUTNAM INVESTMENTS	6	0.00										
TRANSITION ACCOUNT INT EQUITY	62	0.00										
TOTAL INTERNATIONAL EQUITY	1,695,168	23.09	2.70	9.03	13.42	9.03	25.13	25.28	21.10	30.64	13.96	9.45
<i>MSCI AC WORLD ex US (GROSS)</i>			2.90	9.76	14.58	9.76	28.14	28.13	21.99	33.51	16.66	11.78

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING March 31, 2006



STATE STREET.
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<i>MSCI EAFE - NET</i>			3.30	9.40	13.86	9.40	25.68	24.41	19.64	31.13	14.70	9.63
U.S. FIXED INCOME												
BROWN BROTHERS HARRIMAN - CORE	248,804	3.39	-1.05	-0.54	-0.13	-0.54	-0.53	2.78	2.22	3.87	5.92	5.80
FIDELITY MANAGEMENT TRUST	415,780	5.66	-0.69	0.14	0.83	0.14	0.72	3.20	3.22	4.03	5.32	5.62
BROWN BROTHERS HARRIMAN - TIPS	489,288	6.66	-2.08	-2.22	-1.87	-2.22	-1.75	1.50				
MACKAY SHIELDS, LLC	119,591	1.63	0.53	2.11	3.90	2.11	5.35	5.95	7.86	14.80		
SHENKMAN CAPITAL MANAGEMENT	123,278	1.68	0.30	2.21	3.47	2.21	4.95	6.84	6.63	8.92		
TAPLIN, CANIDA & HABACHT	256,895	3.50	-1.04	-0.23	1.13	-0.23	1.12	2.88	2.72	6.16	7.34	6.83
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	1,654,212	22.53	-1.05	-0.43	0.35	-0.43	0.50	3.02	3.26	5.31	6.39	5.77
<i>CSFB GLOBAL HIGH YIELD</i>			0.77	3.09	3.68	3.09	4.62	6.61	7.22	12.20	11.01	9.44
<i>LB AGGREGATE</i>			-0.98	-0.65	-0.06	-0.65	-0.73	2.26	1.70	2.92	5.05	5.11
<i>LB CREDIT</i>			-1.40	-1.17	-0.68	-1.17	-1.68	1.83	1.34	3.71	6.07	5.97
<i>LB GOV/CREDIT</i>			-1.10	-1.01	-0.42	-1.01	-1.38	2.02	1.21	2.83	5.38	5.23
<i>CITIGROUP BIG</i>			-1.02	-0.67	-0.03	-0.67	-0.70	2.40	1.81	3.03	5.10	5.15
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			-2.11	-1.87	-1.14	-1.87	-2.63	2.24	2.25	3.89	6.55	6.14
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			-0.91	-0.14	0.56	-0.14	0.41	2.78	2.68	3.15	4.52	4.89

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING March 31, 2006



STATE STREET.
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
ALTERNATIVE INVESTMENTS												
REAL ESTATE	194,595	2.65	0.00	0.16	1.02	0.16	1.02	-1.04				
PRIVATE EQUITY	384,928	5.24	0.28	3.39	8.66	3.39	14.78	37.29	25.17	23.99	13.80	10.51
STATE ACCOUNT (IN DEFAULT)	20,930	0.29	0.00	0.00	0.13	0.00	0.17	0.19	2.32	3.80	4.54	4.99
TOTAL ALTERNATIVE INVESTMENTS	600,452	8.18	0.18	2.46	6.55	2.46	12.19	33.65	23.43	22.46	13.14	10.02
<i>NCREIF PROPERTY INDEX QTR LAG</i>			5.43	5.43	10.11	5.43	15.99	20.06	17.24	14.42	12.45	11.40
CASH EQUIVALENTS												
CASH ACCOUNT (INSIDE)	40,840	0.56	0.40	0.75	1.48	0.75	5.12	0.59	10.52	15.47	32.60	39.99
CASH ACCOUNT (OUTSIDE)	15,761	0.21	0.30	0.89	1.75	0.89	2.52	3.18	2.31	3.07	2.69	2.80
TOTAL PLAN												
TOTAL PLAN	7,342,185	100.00	1.42	5.21	7.65	5.21	12.42	15.71	12.19	19.38	9.74	7.84
TOTAL PLAN BENCHMARK			1.37	4.86	7.30	4.86	12.21	14.44	11.02	18.30	9.01	7.57

ERSRI Monthly Market Value Report With Time Weighted Returns

March 31, 2006

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								2/28/2006	In/(out)	3/31/2006	Increase/Decrease
Domestic Equity											
Shott Capital Management IRR	-8.01%	4.21%	-12.22%	S & P 500	2.24%	1.24%	1.00%	2,597,614	-	2,655,822	58,208
SSgA Russell 1000	4.50%	4.49%	0.01%	Russell 1000	1.42%	1.42%	0.00%	1,446,015,534	-	1,466,523,082	20,507,548
SSgA Core	4.71%	4.49%	0.22%	Russell 1000	1.91%	1.42%	0.49%	324,109,830	-	330,302,840	6,192,910
PIMCO	3.93%	4.21%	-0.28%	S & P 500	0.98%	1.24%	-0.26%	487,862,505	-	492,635,555	4,773,049
NorthPointe Capital	14.15%	13.51%	0.64%	Russell 2000 Value	5.19%	4.84%	0.35%	373,944,245	-	393,365,282	19,421,037
Wellington Mgmt	12.75%	13.94%	-1.19%	Russell 2000	3.67%	4.85%	-1.18%	420,631,319	-	436,070,281	15,438,942
Wasatch Advisors	8.53%	13.94%	-5.41%	Russell 2000	3.72%	4.85%	-1.13%	206,522,152	-	214,199,598	7,677,446
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	391	-	3,269	2,877
Total Domestic Equity	6.79%				2.27%			3,261,683,691	-	3,335,755,707	74,072,016
International Equity											
Boston Company	8.67%	9.76%	-1.09%	MSCI ACWI	3.33%	2.90%	0.43%	550,762,258	-	569,079,119	18,316,860
Goldman Sachs	9.84%	9.76%	0.08%	MSCI ACWI	3.30%	2.90%	0.40%	564,096,781	(15,000,000)	587,707,172	18,610,391
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	659,002	-	660,230	1,228
Mondrian	8.59%	9.76%	-1.17%	MSCI ACWI	1.48%	2.90%	-1.42%	584,954,641	(15,000,000)	558,313,869	8,359,228
								-	-	-	-
Total International Equity	9.03%				2.70%			1,680,472,683	(30,000,000)	1,695,760,390	45,287,707
Fixed Income											
Fidelity Management & Research	0.14%	-0.07%	0.21%	Lehman Mortgage Backed	-0.69%	-0.85%	0.16%	418,668,488	-	415,768,103	(2,900,386)
Brown Brothers, Harriman	-0.54%	-0.67%	0.13%	Salomon Brd Inv Grade	-1.05%	-1.02%	-0.03%	251,437,031	-	248,804,134	(2,632,897)
In-State Fixed Income				(Non performing/in Default)				20,929,808	-	20,929,811	3
Taplin, Canida & Habacht	-0.23%	-1.17%	0.94%	Lehman Credit Index	-1.04%	-1.40%	0.36%	259,587,413	-	256,895,345	(2,692,069)
Mackay Shields	2.11%	3.09%	-0.98%	CS First BoshIYield	0.53%	0.77%	-0.24%	128,956,406	(10,000,000)	119,591,459	635,053
Shenkman Capital Mgmt	2.21%	3.09%	-0.88%	CS First BoshIYield	0.30%	0.77%	-0.47%	128,914,620	(6,000,000)	123,277,528	362,908
Brown Bros TIPS	-2.22%	-2.25%	0.03%	Lehman US TIPS Index	-2.08%	-2.19%	0.11%	499,683,099	-	489,287,966	(10,395,133)
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Total Fixed Income	-0.43%				-1.05%			1,708,176,866	(16,000,000)	1,674,554,345	(17,822,521)
Alternative Investments											
Private Equity	3.39%	N/A	N/A	N/A	0.28%	N/A	N/A	385,292,492	(8,133,124)	384,927,521	7,768,153
Real Estate	0.16%	5.65%	N/A	NCREIF + 100	0.00%	5.48%	-5.48%	179,521,114	15,107,902	194,594,651	(34,366)
								-	-	-	-
Total Alternatives	2.48%				0.18%			564,813,606	6,974,778	579,522,172	7,733,787
Cash Accounts											
Cash in Trust	0.75%	N/A	N/A		0.40%	N/A	N/A	17,348,887	23,025,566	40,839,650	465,197
Cash Outside Trust	0.89%	N/A	N/A		0.30%	N/A	N/A	15,430,217	(3,500,000)	15,780,894	3,830,677
Total Cash	1.01%	*			0.36%	*	0	32,779,105	19,525,566	56,600,544	4,295,874
	5.21%	4.86%	0.35%		1.42%	1.37%	0.05%	7,247,925,951	(19,499,656)	7,342,193,158	113,766,863

*Policy Index: (Effective 03/01/03)

- 52.5% Wilshire 5000
- 25.0% Lehman Aggregate
- 22.5% MSCI ACWI X-US

State of Rhode Island

RATES OF RETURN - Total

Periods Ending March 31, 2006



STATE STREET.
For Everything You Invest In™

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
U.S. EQUITY									
SHOTT CAPITAL	S&P 500	2.24	1.24	1.00	-8.01	4.21	-12.22	2,656	0
SSGA RUSSELL 1000	RUSSELL 1000	1.42	1.42	0.00	4.50	4.49	0.01	1,466,523	0
SSGA - CORE	RUSSELL 1000	1.91	1.42	0.49	4.71	4.49	0.22	330,303	0
PIMCO	S&P 500	0.98	1.24	-0.26	3.93	4.21	-0.28	492,636	0
NORTHPOINTE CAPITAL	RUSSELL 2000 VALUE	5.19	4.84	0.35	14.15	13.51	0.64	393,365	0
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	3.67	4.85	-1.18	12.75	13.94	-1.19	436,070	0
WASATCH ADVISORS	RUSSELL 2000	3.72	4.85	-1.13	8.53	13.94	-5.41	214,200	0
TOTAL US EQUITY		2.27			6.79			3,335,752	0
INTERNATIONAL EQUITY									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	3.33	2.90	0.43	8.67	9.76	-1.09	569,075	0
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	3.30	2.90	0.40	9.84	9.76	0.08	567,707	-15,000
MONDRIAN	MSCI AC WORLD ex US (GROSS)	1.48	2.90	-1.42	8.59	9.76	-1.17	558,314	-15,000
TRANSITION ACCOUNT INT EQUITY								62	0
TOTAL INTERNATIONAL EQUITY		2.70			9.03			1,695,168	-30,000
U.S. FIXED INCOME									
FIDELITY MANAGEMENT TRUST	LB MBS	-0.69	-0.85	0.16	0.14	-0.07	0.21	415,780	0
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	-1.05	-1.02	-0.03	-0.54	-0.67	0.13	248,804	0
TAPLIN, CANIDA & HABACHT	LB CREDIT	-1.04	-1.40	0.36	-0.23	-1.17	0.94	256,895	0
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	0.53	0.77	-0.24	2.11	3.09	-0.98	119,591	-10,000
SHENKMAN CAPITAL MANAGEMENT	CSFB GLOBAL HIGH YIELD	0.30	0.77	-0.47	2.21	3.09	-0.88	123,278	-6,000
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	-2.08	-2.19	0.11	-2.22	-2.25	0.03	489,288	0
TRANSITION ACCOUNT FIXED INCOME		0.00						575	0
TOTAL US FIXED INCOME		-1.05			-0.43			1,654,212	-16,000

State of Rhode Island

RATES OF RETURN - Total
 Periods Ending March 31, 2006



STATE STREET.
 For Everything You Invest In™

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
ALTERNATIVE INVESTMENTS									
STATE ACCOUNT (IN DEFAULT)		0.00			0.00			20,930	0
PRIVATE EQUITY		0.28			3.39			384,928	-1,439
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	0.00	5.48	-5.48	0.16	5.65	-5.49	194,595	15,074
TOTAL ALTERNATIVE INVESTMENTS		0.18			2.46			600,452	13,635
CASH EQUIVALENTS									
CASH ACCOUNT (INSIDE)		0.40			0.75			40,840	23,220
CASH ACCOUNT (OUTSIDE)		0.30			0.89			15,761	220
TOTAL CASH		0.36			1.01			56,601	23,440
TOTAL PLAN									
TOTAL PLAN	TOTAL PLAN BENCHMARK	1.42	1.37	0.05	5.21	4.86	0.35	7,342,185	-8,926

State of Rhode Island

TOTAL PLAN

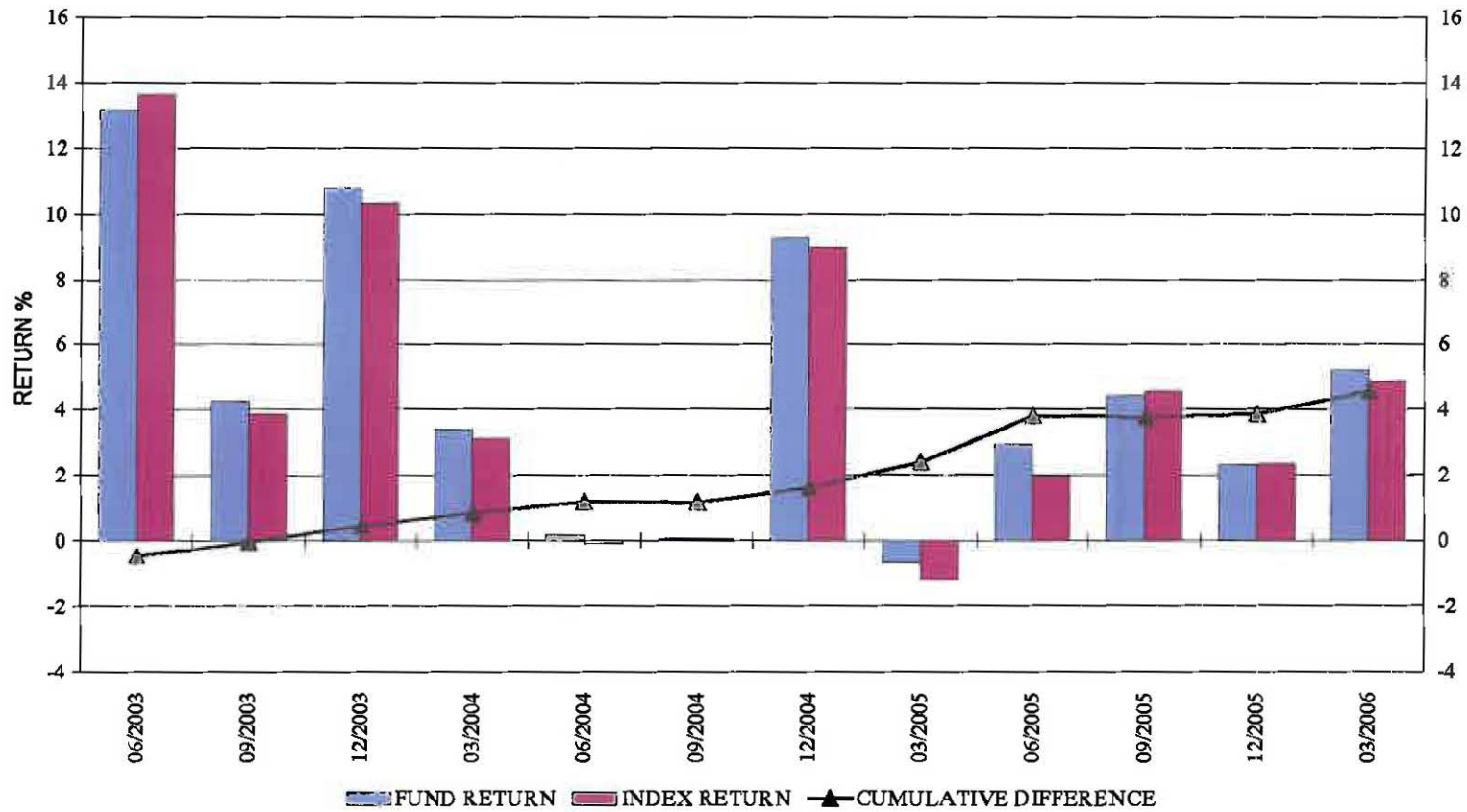
Index: TOTAL PLAN BENCHMARK

PERIODS: March 31, 2003 - March 31, 2006



STATE STREET
For Everything You Invest In

CUMULATIVE PERFORMANCE REPORT

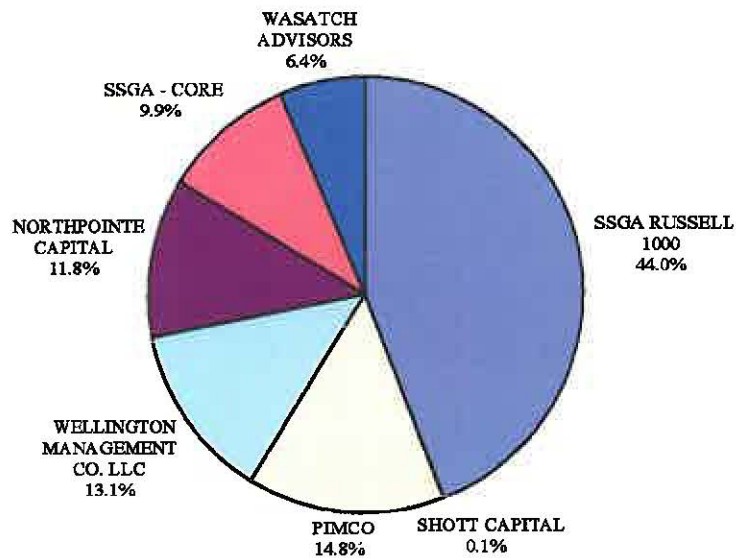


State of Rhode Island
MANAGER ALLOCATION ANALYSIS
PERIOD ENDING 03/31/2006



STATE STREET.
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



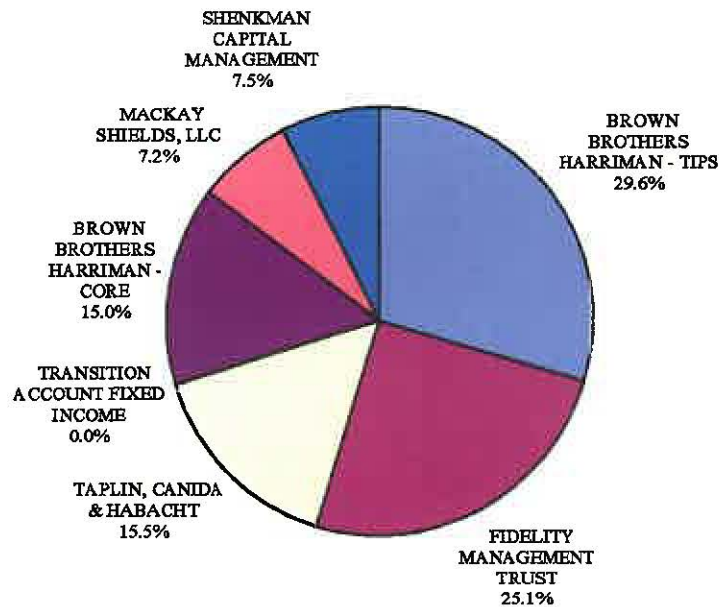
MANAGER	CURRENT PERIOD	ONE YEAR AGO
SSGA RUSSELL 1000	1,466.5	1,331.2
SHOTT CAPITAL	2.7	0.2
PIMCO	492.6	443.6
WELLINGTON MANAGEMENT CO. LLC	436.1	368.2
NORTHPOINTE CAPITAL	393.4	332.0
SSGA - CORE	330.3	302.4
WASATCH ADVISORS	214.2	185.5
TOTAL	3,335.8	2,963.1

State of Rhode Island
MANAGER ALLOCATION ANALYSIS
PERIOD ENDING 03/31/2006



STATE STREET.
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
BROWN BROTHERS HARRIMAN - TIPS	489.3	481.6
FIDELITY MANAGEMENT TRUST	415.8	402.5
TAPLIN, CANIDA & HABACHT	256.9	251.5
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
BROWN BROTHERS HARRIMAN - CORE	248.8	241.9
MACKAY SHIELDS, LLC	119.6	122.3
SHENKMAN CAPITAL MANAGEMENT	123.3	120.9
TOTAL	1,654.3	1,621.3

State of Rhode Island

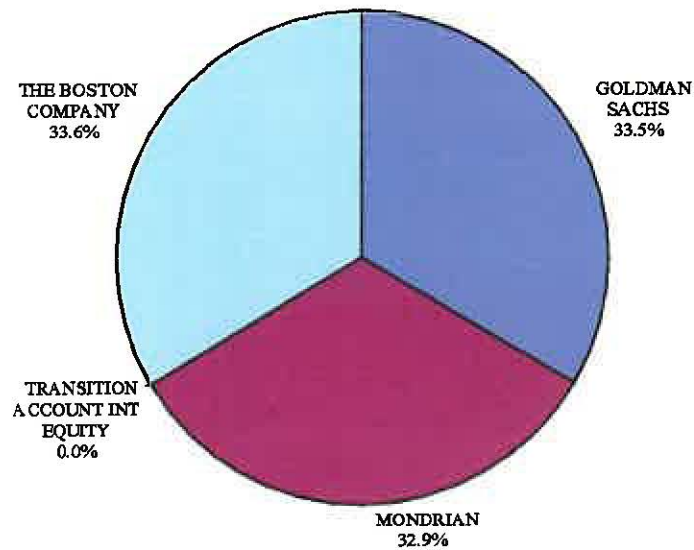
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 03/31/2006



STATE STREET.
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
GOLDMAN SACHS	567.7	540.4
MONDRIAN	558.3	512.1
TRANSITION ACCOUNT INT EQUITY	0.1	0.1
THE BOSTON COMPANY	569.1	537.9
SSGA MSCI ALL COUNTRY WORLD EX-US		0.6
TOTAL	1,695.2	1,591.1

**ASSET ALLOCATION REPORT
MARCH 31st, 2006**

	Style Mandate	Actual (Millions \$)		Target (Millions \$)		Difference (Millions \$)
Domestic Equity						
SSgA Russell 1000	Passive	1,466.52	20.0%	1,486.79	20.25%	(20.27)
SSgA Core	Active core	330.30	4.5%	330.40	4.50%	(0.10)
PIMCO	Enhanced Equity	492.64	6.7%	495.60	6.75%	(2.96)
NorthPointe Capital	Small Cap Value	393.37	5.4%	387.11	5.00%	26.26
Wellington Mgmt	Small Cap Core	436.07	5.9%	403.82	5.50%	32.25
Wasatch Advisors	Small Cap Growth	214.20	2.9%	220.27	3.00%	(6.07)
TOTAL DOMESTIC EQUITY		3,335.75	45.4%	3,303.98	45.00%	31.77
International Equity						
Boston Company	MSCI ACWI	569.08	7.8%	550.66	7.50%	18.41
Goldman Sachs	MSCI ACWI	567.71	7.7%	550.66	7.50%	17.04
Mondrian	MSCI ACWI	558.31	7.6%	550.66	7.50%	7.65
Transition Account		0.06	0.0%	0.00	0.00%	0.06
TOTAL INT'L EQUITY		1,695.17	23.1%	1,651.99	22.50%	43.18
Domestic Fixed Income						
Fidelity Management & Research	Mortgages	415.78	5.7%	458.89	6.25%	(43.11)
Brown Brothers, Harriman	Opportunistic Core	248.80	3.4%	275.33	3.75%	(26.53)
Taplin, Canida & Habacht	Corporates	256.90	3.5%	275.33	3.75%	(18.44)
Mackay Shields	High yield	119.59	1.6%	137.67	1.88%	(18.07)
Shenkman Capital Mgmt	High yield	123.28	1.7%	137.67	1.88%	(14.39)
Brown Brothers, Harriman TIPS	TIPS	489.29	6.7%	550.66	7.50%	(61.38)
Transition Account		0.58	0.0%	0.00	0.00%	0.58
TOTAL FIXED-INCOME		1,654.21	25.0%	1,835.55	25.00%	(181.34)
Alternative Investments						
Real Estate	Real Estate	194.60	2.7%			
Shott Capital Mgmt	Alternative Distribution	2.66	0.0%			
Pacific Corp Group	Private Equity	384.93	5.2%			
In-State Fixed Income	Short/Int Govt	20.93	0.3%		0.00%	20.93
TOTAL ALTERNATIVE INVESTMENTS		603.11	8.2%	\$550.66	7.50%	52.44
CASH EQUIVALENTS	STIF, Yield+	56.60	0.8%	0.00	0.00%	56.60
TOTAL ASSETS		7,342.19	100.0%	7,342.19	100.00%	0.00

ALLOCATION BY MANAGEMENT STYLE

Domestic Equity						
Core		330.30	4.5%	330.40	4.50%	(0.10)
Index		1,466.52	20.0%	1,486.79	20.25%	(20.27)
Enhanced Equity		492.64	6.7%	495.60	6.75%	(2.96)
Active Small Cap		1,043.64	14.2%	991.19	13.50%	52.44
TOTAL DOMESTIC EQUITY		3,335.75	45.4%	3,303.98	45.00%	29.11
International Equity						
Active		1,695.17	23.1%	1,651.99	22.50%	43.18
TOTAL INT'L EQUITY		1,695.17	23.1%	1,651.99	22.50%	43.18
Domestic Fixed Income						
Mortgage		415.78	6.2%	458.89	6.25%	(43.11)
Core		248.80	4.0%	275.33	3.75%	(26.53)
Corporates		256.90	3.9%	275.33	3.75%	(18.44)
High Yield		243.44	3.8%	275.33	3.75%	(31.89)
TIPS		489.29	7.1%	550.66	7.50%	(61.38)
TOTAL FIXED-INCOME		1,654.21	25.0%	1,835.55	25.00%	(181.34)
Alternative Investments						
Real Estate		194.60	2.7%			
Other Alternative Investments		405.86	5.2%	\$550.66		
TOTAL ALTERNATIVE INVESTMENTS		600.45	7.9%	550.66	7.50%	49.79
CASH EQUIVALENTS	STIF, Yield+	56.60	0.8%	0.00	0.00%	56.60
TOTAL ASSETS		7,342.19	100.0%	7,342.19	100.00%	(0.00)

RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values Separately Managed

MARCH 31, 2006

<i>Equities</i>				
RANK	SECURITY NAME	PAR VALUES/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	ADVANTA CORP	386,123	\$14,236,355	NorthPoint,Wellington
2	EXXON MOBIL CORP	216,970	13,204,794	SSgA
3	GENERAL ELEC CO	297,300	10,340,094	SSgA
4	BEACON ROOFING SUPPLY INC	245,300	9,968,992	NorthPoint,Wellington
5	RED HAT INC	346,500	9,695,070	Wellington
6	PFIZER INC	381,200	9,499,504	SSgA
7	PSS WORLD MED INC	488,125	9,417,667	Wasatch,Wellington
8	O REILLY AUTOMOTIVE INC	256,485	9,377,092	Wasatch
9	COPART INC	331,170	9,090,617	Wasatch
10	BANK AMERICA CORP	193,400	8,807,436	SSgA
		3.11%	\$103,637,621	
Total Composite Equities		\$3,328,238,309		

International Equity Holdings By Top 10 Market Values

MARCH 31, 2006

<i>International Equities</i>				
RANK	SECURITY NAME	PAR VALUES/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	ROYAL DUTCH SHELL	696,800	\$21,772,260	Mondrian,Goldman,Boston Co.
2	HBOS	1,207,336	20,125,129	Mondrian,Goldman
3	BANCA INTESA SPA	3,032,178	18,090,090	Mondrian,Goldman
4	TOYOTA MOTOR CORP	322,400	17,569,557	Mondrian
5	ROYAL BANK SCOT GRP	534,782	17,374,075	Mondrian,Goldman,Boston Co.
6	TELEFONICA SA	1,092,233	17,116,863	Mondrian
7	KOREA MSCI EMERGING MKT	801,462	17,026,268	Goldman
8	TOTAL SA	63,405	16,704,022	Mondrian,Goldman,Boston Co.
9	RWE AG (NEU)	186,263	16,188,668	Mondrian,Goldman
10	GLAXOSMITHKLINE	616,305	16,088,639	Mondrian,Boston Co.
		10.52%	\$178,055,571	
Total Composite International Equities		\$1,692,079,124		

Top 10 Market Values SIC



FISCAL YEAR 2006

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 05	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Projected Jan 06	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
EQUITIES													
SSgA Core			209,189			211,332			200,000			200,000	820,522
SSgA Russell 1000			33,240			31,811			40,000			40,000	145,051
Shott Capital			41,277			225			1,000			1,000	43,502
PIMCO			313,889			200,000			1,000			225,000	739,889
Wellington Mgmt			596,297			607,639			600,000			600,000	2,403,936
Wasatch Advisors			125,048			121,645			120,000			120,000	486,693
NorthPointe			<u>494,212</u>			<u>495,262</u>			<u>480,000</u>			<u>480,000</u>	<u>1,949,474</u>
			1,813,152			1,667,915			1,442,000			1,666,000	6,589,067
FIXED INCOME													
Brown Bros.			124,624			124,208			120,000			120,000	488,832
Fidelity			140,617			140,532			140,000			140,000	561,149
Taplin			161,909			163,025			160,000			160,000	644,933
Mackay Shields			136,668			138,332			140,000			140,000	555,000
Shenkman			137,502			137,872			140,000			140,000	555,374
Brown Bros.TIPS			<u>137,007</u>			<u>137,338</u>			<u>140,000</u>			<u>140,000</u>	<u>554,345</u>
			838,327			841,306			840,000			840,000	3,359,634
INT'L EQUITIES													
The Boston Co			522,466			543,700			550,000				1,066,166
Mondrian			250,948			282,822			250,000			250,000	1,033,770
Goldman Sachs Asset Mgmt			470,412			467,176			475,000			475,000	1,887,588
SSgA MSCI ACWI			0			0			0			0	0
	0		1,243,826	0		1,293,698			1,275,000			725,000	3,987,524
REAL ESTATE													
L & B Real Estate									100,000			100,000	200,000
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fees	881,233	775,539	0	0	21,810	906,443	886,829	219,291	207,497	450,000	100,000	300,000	4,748,642
SUB TOTAL-INV MGMT FEES													
	881,233	775,539	3,895,305	0	21,810	4,709,362	886,829	219,291	3,864,497	450,000	100,000	3,631,000	18,884,866
PROFESSIONAL FEES													
Legal	8,500	3,500	3,500	12,000	15,347	3,500	13,726	6,000	45,000	75,000	70,000	70,000	326,072
St St Bank Custodial	23,654	11,503	13,277	11,978	11,919	12,325	10,888	10,000	10,000	12,000	4,000	4,200	135,744
Pacific Corp Group		68,750	68,750	0	0	0	0	68,750	0	0	68,750	0	275,000
Wilshire Assoc	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	249,997
Townsend	0	0	35,625	0	0	35,625	0	0	35,625	0	15,000	35,500	157,375
	52,987	104,586	141,985	44,811	48,099	72,284	45,446	105,583	111,458	107,833	178,583	130,533	1,144,189
OPERATING EXPENSE													
Retirement Transfers	0	0	0	0	0	3,191,154	0	0	2,250,000	0	0	2,250,000	7,691,154
Other Expense	<u>76,373</u>	<u>8,333</u>	<u>61,370</u>	<u>55,459</u>	<u>46,563</u>	<u>32,088</u>	<u>21,497</u>	<u>22,425</u>	<u>3,000</u>	<u>0</u>	<u>70,000</u>	<u>7,000</u>	<u>404,109</u>
	76,373	8,333	61,370	55,459	46,563	3,223,242	21,497	22,425	2,253,000	0	70,000	2,257,000	8,095,282
TOTAL:	1,010,593	888,458	4,098,660	100,269	116,472	8,004,887	953,773	347,299	6,228,955	557,833	348,583	6,018,533	28,124,316

Note: Numbers in bold are actual.

**Rhode Island Employees Retirement System
Securities Lending Report
March, 2006**

<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<u>DOMESTIC EQUITY</u>		
Wellington Mgmt. Co., LLP	45,278	128,822,802
Wasatch Advisors	6,305	57,087,244
NorthPointe Capital	13,821	109,830,985
SSgA Core	<u>40,630</u>	<u>28,027,409</u>
Total Domestic Equity	\$ <u>106,034</u>	\$ <u>323,768,441</u>
<u>INTERNATIONAL EQUITY</u>		
Goldman Sachs	32,043	104,929,750
Boston Company	47,578	129,404,129
Mondrian	<u>30,317</u>	<u>103,655,785</u>
Total International Equity	\$ <u>109,938</u>	\$ <u>337,989,664</u>
<u>FIXED INCOME</u>		
Brown Brothers, Harriman	9,427	83,241,795
Taplin, Canida & Habacht	1,247	12,893,234
Mackay Shields	6,539	13,478,660
Shenkman Capital Management	2,612	15,886,722
Brown Brothers, Harriman (TIPS)	<u>19,673</u>	<u>389,240,162</u>
Total Fixed Income	\$ <u>39,498</u>	\$ <u>514,740,573</u>
TOTAL SECURITIES LENDING INCOME	\$ <u>255,470</u>	\$ <u>1,176,498,678</u>
Calendar Year 2006 YTD	\$ <u>651,034</u>	

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

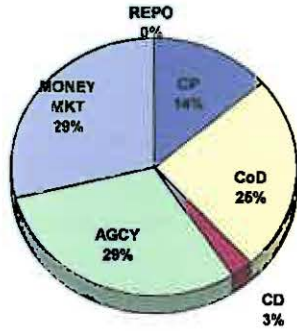
Short Term Investments Portfolio by Fund

As of March 31, 2006

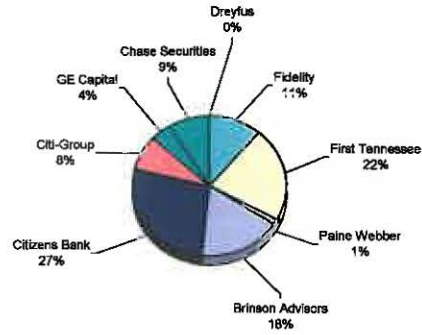
	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	21,002,115	0	21,002,115
4904 PENSION C	3,998,361	1,639	4,000,000
4908 PAYROLL A	699,732	268	700,000
4916 GENERAL FUND H.A.V.A.	6,250,524	0	6,250,524
4920 GENERAL FUND (HIST PRES)	475,000	3,428	478,428
4955 HEALTH INSURANCE FUND	15,751,047	8,508	
5400 HIGHWAY FUND	2,211,315	575	2,211,890
5500 UNIVERSITY COLLEGE	0	0	0
6920 AUTO EQUIPMENT SERVICE	528,736	0	528,736
8000 T.D.I. RESERVE (DET)	65,706,172	119,232	65,825,404
8300 PERMANENT SCHOOL FUND	729,732	1,317	731,049
8400 EMP RETIREMENT FUND	4,633,684	0	4,633,684
8500 MUN EMP RETIREMENT FUND	412,620	0	412,620
8700 R.I. CLEAN WATER ACT	3,425,275	0	3,425,275
9000 BOND CAPITAL FUND	687,222	0	687,222
9700 STATE LOTTERY FUND	39,098,332	107,075	39,205,407
9800 INDUS. BLDG. & MTG. INS.	742,452	0	742,452
9900 SINKING FUND	0	0	0
4911 TANS	0	0	0
Subtotal	166,352,318	242,043	150,834,805
8702 CLEAN WATER 1993 SER. A	709		
8703 CLEAN WATER 1991 SERIES A	242,600		
8704 CLEAN WATER 96 SERIES A	12,642		
8706 CLEAN WATER CCDL 1994 (A)	13,314		
8707 CAP DEV. OF 1997 SERIES A	19,521		
8710 CLEAN WATER CCDL 2002 A	365,507		
8711 CLEAN WATER 2004 SERIES A	723,711		
8712 CLN WATER CCDL 2005 SER E	884,494		
8733 CAP DEV. OF 1997 SERIES A	37,586		
8737 RI POLLUT. CONT 94 SER. A	6,379		
8739 CCDL99A 1999A	349,542		
8742 POLLUTION CNTRL 2002 A	45,658		
8743 POLL.CONTRL 2004 SERIES A	949,707		
8744 POLLUTION CON 2005 SER C	88,681		
8745 POLLUTION CTRL CCDL 2005 E	673,506		
9114 G.O. NOTE 1991 SER. B	3,809		
9116 BOND CCDL 1993 SERIES A	392,806		
9117 BOND CCDL 1994 SERIES A	864,872		
9120 BOND CCBL96A	1,419,881		
9121 CAP DEV OF 1997 SERIES A	961,816		
9123 CCDL 1998B	2,365,025		
9124 CCDL99A 1999A	1,546,757		
9125 MMG099 1999	2,859		
9126 BOND CAPITAL CCDL2000A	1,870,012		
9127 MULTI-MODAL GEN OBL 2000	2,831		
9128 BOND 2001	3,176		
9131 CCDL 2004 SERIES A	20,189,613		
9132 BOND CCDL 2005 SERIES C	37,598,377		
9133 BOND CCDL 2005 SERIES E	54,479,639		
Subtotal Bond Proceed Accounts	126,115,029		
Total Short Term Portfolio	292,467,347		

RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT MARCH 31, 2006

Portfolio By Instrument



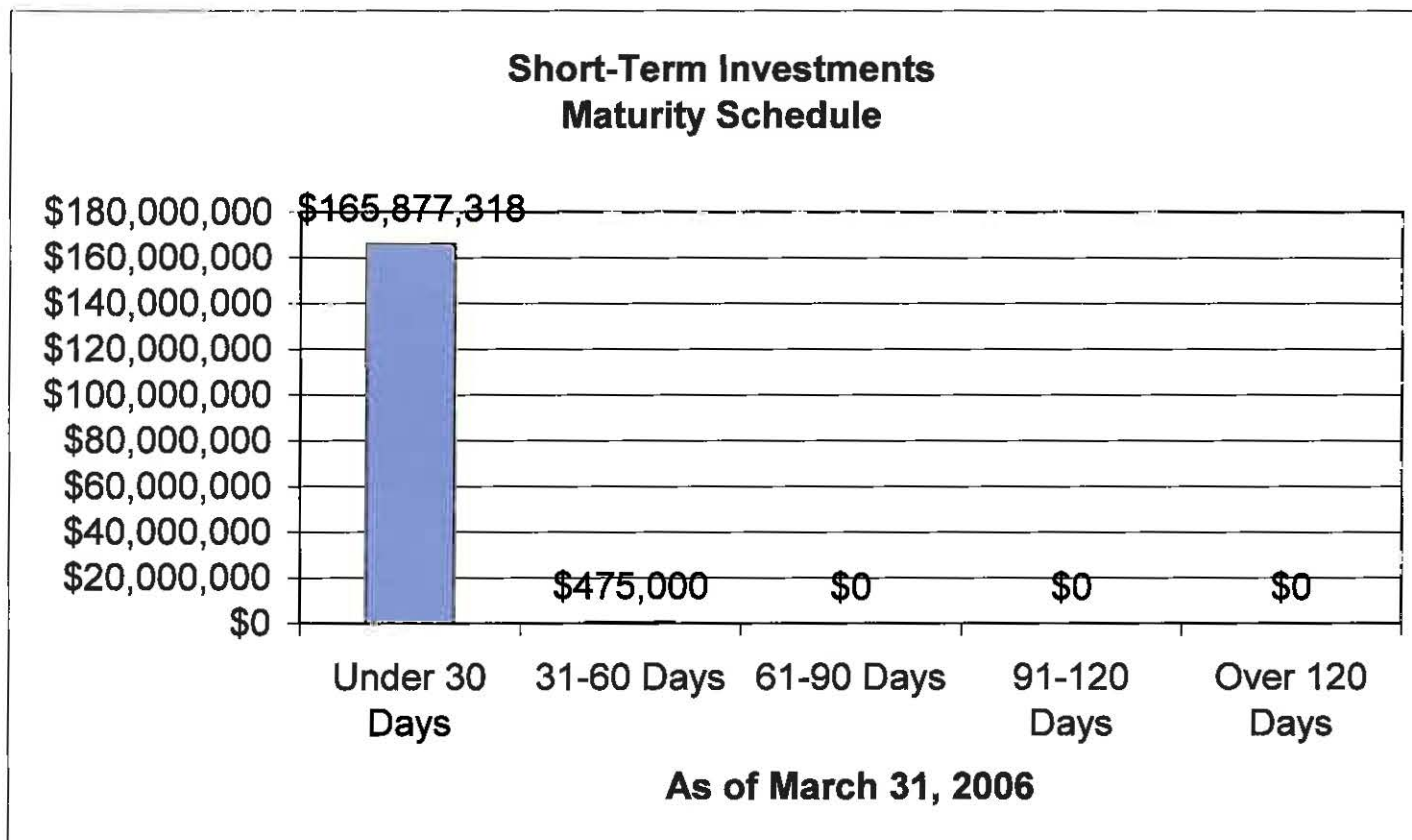
Portfolio by issuer



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

Vendor	CP 25%/10%	CD 25%/10%	Agency 75%/35%	Money Mkt 50%/35%	CoD 25%/25%	Repo 100%/20%	Total (\$)
Guidelines-Total/Vendor							
Merrill Lynch	0	0	0	0	0	0	0
Dreyfus	0	0	0	161,087	0	0	161,087
Dean Witter	0	0	0	0	0	0	0
Chase Securities	0	0	14,389,623	0	0	0	14,389,623
Paine Webber	1,992,069	0	0	0	0	0	1,992,069
Fidelity	0	0	0	18,522,937	0	0	18,522,937
First Tennessee	0	0	36,127,310	0	0	0	36,127,310
Brinson Advisors	0	0	0	29,298,588	0	0	29,298,588
Citizens Bank	0	4,304,732	0	0	40,996,314	0	45,301,046
GE Capital	7,367,799	0	0	0	0	0	7,367,799
Citi-Group	13,191,851	0	0	0	0	0	13,191,851
State St Bank	0	0	0	0	0	0	0
TOTALS	22,551,718	4,304,732	50,516,933	47,982,621	40,996,314	0	166,352,318
(%) PORTFOLIO	14%	3%	30%	29%	25%	0%	100%

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



Maturities in \$Millions

Note: Includes \$89.0 Million of Money Market investments with no specific maturity

March, 2006	4.51%
February, 2006	4.47%
March, 2005	2.60%

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
MARCH 31, 2006**

<u>FUND NAME</u>	March Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund (Fidelity Balanced Fund)	\$ 27,301	\$ 2,227,581
<u>TOTALS</u>	\$ 27,301	\$ 2,227,581

CollegeBoundfund Underlying Mutual Fund Performance
March 31, 2006

	1 MOS Cum Tot Return	3 MOS Cum Tot Return	YTD Cum Tot Return	1 YRS Cum Tot Return	3 YRS Ann Tot Return	5 YRS Ann Tot Return	10 YRS Ann Tot Return
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Pooling Portfolios

VALUE

US Value	1.00	5.36	5.36	---	---	---	---
Lipper Multi Cap Value Average	1.62	5.34	5.34	---	---	---	---
Russell 1000 Value Index	1.35	5.93	5.93	---	---	---	---
International Value	4.34	13.99	13.99	---	---	---	---
Lipper International Multi Cap Value Average	3.65	10.12	10.12	---	---	---	---
MSCI EAFE Value Index	2.74	9.77	9.77	---	---	---	---
Small-Mid Cap Value	2.62	7.81	7.81	---	---	---	---
Lipper Mid Cap Value Funds Average	2.39	6.89	6.89	---	---	---	---
Russell 2500 Value Index	3.51	10.47	10.47	---	---	---	---

GROWTH

International Growth	4.02	8.85	8.85	---	---	---	---
Lipper International Large Cap Growth	3.94	9.77	9.77	---	---	---	---
MSCI EAFE Growth Index	3.86	9.01	9.01	---	---	---	---
Large Cap Growth	-0.13	1.31	1.31	---	---	---	---
Lipper Large Cap Growth Funds Average	1.02	2.79	2.79	---	---	---	---
Russell 1000 Growth Index	1.48	3.09	3.09	---	---	---	---
Small-Mid Cap Growth	4.56	10.94	10.94	---	---	---	---
Lipper Mid-Cap Growth Average	3.20	9.33	9.33	---	---	---	---
Russell 2500 Growth Index	4.27	11.83	11.83	---	---	---	---
Global Real Estate Investment	3.97	14.16	14.16	---	---	---	---
Lipper Real Estate Funds Average	4.95	13.97	13.97	---	---	---	---
EPRA NAREIT	4.54	13.99	13.99	---	---	---	---

FIXED INCOME

Short Duration Bond	0.16	0.49	0.49	---	---	---	---
Lipper Short Investment Grade Debt Funds Average	0.08	0.51	0.51	---	---	---	---
Merrill Lynch 1-3 Treasury	0.14	0.38	0.38	---	---	---	---
Intermediate Duration Bond Portfolio	-0.95	-0.50	-0.50	---	---	---	---
Lipper Int. Investment Grade Debt Funds Average	-0.90	-0.54	-0.54	---	---	---	---
Lehman Aggregate Bd Tr	-0.98	-0.65	-0.65	---	---	---	---
High Yield Portfolio	0.07	1.93	1.93	---	---	---	---
Lipper High Current Yield Funds Average	0.41	2.55	2.55	---	---	---	---
Lehman High Yield 2% Constrained Index	-0.21	1.27	1.27	---	---	---	---
Inflation Protected Securities	-0.93	-1.12	-1.12	---	---	---	---
Lipper Treasury Inflation Protected Securities	-2.17	-2.14	-2.14	---	---	---	---
Lehman 1-10yr TIPS Index	-1.02	-1.23	-1.23	---	---	---	---

CollegeBoundfund Underlying Mutual Fund Performance
March 31, 2006

	1 MOS Cum Tot Return	3 MOS Cum Tot Return	YTD Cum Tot Return	1 YRS Cum Tot Return	3 YRS Ann Tot Return	5 YRS Ann Tot Return	10 YRS Ann Tot Return
--	----------------------------	----------------------------	--------------------------	----------------------------	----------------------------	----------------------------	-----------------------------

Individual Fund Portfolios

VALUE

AllianceBernstein Int'l Value;Adv	4.34	13.11	13.11	30.86	36.71	18.32	---
Lipper International Multi Cap Value Average	3.65	10.12	10.12	25.32	32.54	12.38	---
MSCI EAFE IX ND	3.30	9.40	9.40	24.41	31.13	9.63	---
AllianceBernstein Growth & Income;Adv	1.01	3.37	3.37	9.18	18.04	3.67	---
Lipper Large Cap Value Funds Average	1.23	4.55	4.55	11.40	18.82	5.11	---
Russell 1000 Value IX Tr	1.35	5.93	5.93	13.31	21.77	7.79	---
AllianceBernstein Small/Mid Cap Value;Adv	2.44	7.42	7.42	17.29	28.31	16.95	---
Lipper Mid Cap Value Funds Average	2.39	6.89	6.89	16.97	26.68	13.37	---
RUSSELL 2500 VALUE IX TR	3.51	10.47	10.47	21.60	30.10	16.17	---
AllianceBernstein Value;Adv	1.15	5.45	5.45	12.10	19.73	8.42	---
Lipper Multi Cap Value Average	1.62	5.34	5.34	12.99	21.00	7.45	---
Russell 1000 Value IX Tr	1.35	5.93	5.93	13.31	21.77	7.79	---

GROWTH

AllianceBernstein Large-Cap Growth;Adv	-0.23	0.23	0.23	22.85	15.98	-0.63	---
Lipper Large Cap Growth Funds Average	1.02	2.79	2.79	14.24	14.45	0.93	---
Russell 1000 Growth IX Tr	1.48	3.09	3.09	13.14	14.80	1.66	---
AllianceBernstein Small-Cap Growth;Adv	5.26	16.05	16.05	31.52	28.64	8.80	---
Lipper Small Cap Growth Funds Average	4.48	13.01	13.01	26.09	25.86	8.24	---
Russell 2000 Growth IX Tr	4.86	14.36	14.36	27.84	28.14	8.59	---
AllianceBernstein Mid-Cap Growth;Adv	5.76	13.10	13.10	37.57	32.19	11.11	---
Lipper Mid-Cap Growth Average	3.20	9.33	9.33	23.66	23.28	6.48	---
Russell Midcap Growth Index	2.79	7.61	7.61	22.68	25.75	8.99	---
AllianceBernstein Global Technology;Adv	2.31	4.95	4.95	20.11	18.99	-1.02	---
Lipper Science & Technology Funds Average	2.56	7.70	7.70	24.31	22.85	-0.24	---
MSCI World IT Index ND	2.84	4.87	4.87	18.04	19.39	-0.21	---

FIXED INCOME

AllianceBernstein Intermediate Bond;Adv	-0.90	-0.51	-0.51	2.21	2.73	4.47	---
Lipper Int. Investment Grade Debt Funds Average	-0.90	-0.54	-0.54	1.86	2.78	4.51	---
Lehman Aggregate Bd Tr	-0.98	-0.65	-0.65	2.26	2.92	5.11	---

STABLE VALUE OPTION

Principal-Protection Income Portfolio; R	0.39	1.08	1.08	4.24	4.20	---	---
Lipper Money Market	0.31	0.88	0.88	2.86	1.39	---	---

