

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
MAY 31, 2008**

**ANDREA CAMBIO**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

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

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

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



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

Frank Caprio  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, June 25, 2008 at 9:00 a.m. in Room 135 of the State House.

**AGENDA**

1. Membership Roll Call
2. Approval of Minutes
  - State Investment Commission Meeting held on 5/28/08 \*
3. Capital Markets Review
4. Alternative Investments Consultant – PCG
  - CVC European Equity Partners V \*
  - Secondary Market Update
5. Subcommittee for Consultant Review
  - RFP Recommendation \*
6. Legal Counsel Report
7. Deputy Treasurer for Finance Report
8. Treasurer's Report
9. New Business

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

**POSTED ON 6/19/08**

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State of Rhode Island and Providence Plantations  
STATE INVESTMENT COMMISSION

**Regular Meeting May 28, 2008**

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, May 28, 2008. The Treasurer called the meeting to order at 9:10 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Ms. Rosemary Booth Gallogly, Mr. Robert Giudici, Dr. Robert McKenna, Ms. Marcia Reback, Mr. Andrew Reilly, Mr. John Treat, and General Treasurer Frank T. Caprio. Also present were: Mr. Kenneth E. Goodreau, Deputy General Treasurer for Finance; Mr. Paul Campellone, of Adler Pollock & Sheehan, Legal Counsel to the Commission; Mr. William Bensus, General Consultant to the Commission; Ms. Michelle Davidson of the Pacific Corporate Group, Alternative Investments Consultant to the Commission; Ms. Lisa Tyrrell of the State Street Corporation; and other members of the Treasurer's staff. Mr. Robert Gaudreau was not present. Mr. Costello and Dr. McKenna left at 11:00 a.m.

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

**VOTED: To approve the Minutes of the April 23, 2008 regular meeting.**

Manager Continuation Policy Analysis Fourth Quarter –Wilshire Associates. Mr. Bensus stated that the U.S. Equity Portfolio structure and the U.S. Equity Managers are performing in line with expectations. He recommended the Commission retain all U.S. Equity Managers: NorthPointe, PIMCO, SSgA S&P 500 Index, Wellington Small Core, and Wellington Technical. Mr. Bensus went on to explain that the Commission should re-visit the idea of adding alpha transfer capabilities within the U.S. equity investment structure.

Mr. Bensus remarked that within the non-U.S. equity sector, The Boston Company has been on the watch list for many months. In April they were approximately 26 basis points above the benchmark, but lost their relative performance gains in May. Mr. Bensus recommended conducting a non-U.S. investment structure analysis, considering termination of The Boston Company, and adding a passive anchor to the non-U.S. equity portfolio. A passive non-U.S. equity index allocation will reduce the risk of under-performance, which may also reduce the probability of out-performance. Goldman Sachs under-performed slightly for the quarter, but has performed well in the past. Mondrian was once again the top performer in the non-U.S. equity sector.

The Fixed Income investment structure within the portfolio is solid. Brown Brothers Harriman (TIPS) has performed extremely well. Pyramis Global Advisors, Brown Brothers Harriman (Core Fixed Income), and Taplin, Canida & Habacht have been negatively affected by lack of bids for securities. As the market recovers and the bidding improves, the pricing will be reflected in the portfolio, which should recoup some of these losses. Mr. Bensus recommended retaining all of the current Fixed Income Managers. Treasurer Caprio asked

Mr. Bensusur to compare the March 31, 2008 Quarterly Report sent to the Commission by Pyramis Global Advisors to the chart labeled "Excess Return versus Lehman Mortgage Index" in Wilshire's report. The Treasurer remarked that during the last three years Pyramis was down 1.14% against the benchmark amid favorable market conditions. Mr. Bensusur stated that from June 2007 through May 2008 they lost all the gains they had achieved. Most recently, 1.6% was lost during the March quarter. Prior to June 2007 they were in line with expectations. Mr. Bensusur then recommended the Commission wait for the portfolio performance to recover, as this is a seasoned investment which is not principle impaired. Treasurer Caprio observed that the Lehman benchmark is up 8% for the year, but Pyramis is only up 4%. He then noted that other Fixed Income Managers were facing the same market issues as Pyramis, but were able to meet or exceed the benchmark. The Treasurer suggested that representatives from Pyramis appear before the Commission to discuss these issues.

Ms. Reback asked about MacKay Shields performance. Mr. Bensusur replied that MacKay Shields has been on a watch list regarding management personnel changes for the last two years. They have been adding to their Staff and retaining Senior Staff Members. Mr. Bensusur will recommend that they be taken off the watch list. Over the long term, MacKay Shields has done an excellent job, earning 2% net of fees over the benchmark.

Performance Attributions First Quarter 2008 - Wilshire Associates. Mr. Bensusur observed that the absolute rate of return was down 6.3% for the first quarter. The policy benchmark was down 5.8% for the same period. U.S. Equity lost about 26 basis points and non-U.S. Equity lost about 5 basis points. Alternative Investments continue to perform well and added about 9 basis points. Real Estate was down about 9 basis points, Fixed Income was down 26 basis points and Cash picked up about 4 basis points.

Mr. Costello asked what level of confidence Mr. Bensusur has in pricing challenges in a three month period in regard to performance of Alternatives, Real Estate, and Fixed Income. Mr. Bensusur replied that it would be difficult to assess performance in these areas in such a short period of time. He stated that there is a lag time and a huge residual when calculating the attributions during a three or four month period. However, it may be more feasible to predict performance of attributions by linking the quarters together over a twelve month period.

Over the past five years the fund return has been 13.78%, which exceeds the total fund benchmark by 40 basis points, net of fees. Mr. Bensusur advised the Commission to continue to stay on asset allocation targets and explore new investment ideas to add value to the portfolio in areas such as U.S. equity. He noted it would also be helpful to re-structure the non-U.S. equity portion of the portfolio.

Capital Market Review - Wilshire Associates. Mr. Bensusur began his review by stating that oil and commodities will see more volatility in the next two months. He referred to the DJ-AIG Commodities, which is a diversified investment including metals, agriculture, and energy. Last year this asset allocation was up 16.2% against the benchmark, the first quarter it was up 9.5% and year to date through May 23<sup>rd</sup> it was up 18.7%. Real Estate benchmarks, both U.S. and Global, were down 17% last year but have recovered slightly.

Through the close of business on May 27, 2008, the Wilshire 5000 was down 4.2%, Emerging Markets were down 2.9%, Developed Markets were down 2.7%, the Total Market

was down 2.7%, and the Lehman Aggregate was up 1.6%. The majority of ERSRI's assets are in public equity which is down approximately 3% across the board, making it very difficult to generate returns at this time.

Treasurer Caprio introduced Ms. Davidson from PCG who presented two Funds for investment consideration to the Commission.

*Alternative Investments Consultant PCG – Apollo Investment Fund VII.* Ms. Davidson stated that Apollo Fund VII will be pursuing private equity and equity-related opportunities as well as debt-security investments. Apollo is seeking capital commitments of approximately \$15 billion and has already closed on \$13 billion. Apollo Investments has achieved net returns of approximately 29% in six prior funds through various economic cycles over an eighteen year period. Their loss ratios are very low indicating that returns are achieved without taking on excessive risk. The Fund will focus on classic buyouts, corporate partner buyouts, and distressed investments across a broad range of industries, predominantly in North America. Approximately \$200 million to \$1.5 billion of equity will be invested in twenty to twenty five companies. The final closing is expected to occur sometime in mid/late 2008. The General Partner and its affiliates will make a commitment of at least \$250 million to the Fund, equating to approximately 1.67% of the anticipated Fund commitments. The majority of this commitment will be in cash, but a percentage may be funded by a reduction in ERSRI's management fee. Ms. Davidson commented that her review of the General Partner and proposed Fund indicates that the potential returns justify the risks associated with investment in Fund VII.

Ms. Davidson introduced Eric Zinterhofer, Senior Partner, and Stephanie Drescher, Partner, from Apollo Investments. Mr. Zinterhofer gave a brief history of the Firm stating it was founded in 1990 and has managed \$40 billion since inception with gross returns of 41% and 29% net. They have an integrated platform between Private Equity and Capital Markets and a Staff with significant credit expertise, which enhances their ability to make profitable buyout investments. The Founding Partners have been together for twenty years and the Senior Partners have worked together thirteen years. There is an extremely long apprenticeship period because the professionals at Apollo are expected to be adept in distressed buyouts as well as traditional leverage buyouts before becoming a Partner. This expertise has made Apollo Investments successful across all economic cycles. Due to the current market environment, Apollo Fund VII has shifted its focus to distressed opportunities. As the economy begins to recover, Fund VII will move toward traditional leveraged buyouts. With the exception of Harrah's Entertainment, Apollo does not partner with other firms to avoid double exposure to large buyouts of multiple funds.

ERSRI is currently invested in Fund VI. Ms. Drescher gave a brief overview of the performance of Fund VI stating it is fully committed. The IRR currently is 58% gross and 42% net. The Fund has realized an increase in value of \$1.5 billion above cost since inception. The portfolio represents a number of exclusive situations and many strategic platforms across industries well known to Apollo. Fund VI has distributed \$1.3 billion or 27% of invested and committed capital as of December 30, 2007. Mr. Reilly asked how much of the portfolio has been realized. Ms. Drescher replied the realized portion of the portfolio is \$1.3 billion. Treasurer Caprio asked how often the estimated fair value of the Fund is updated. Ms. Drescher replied it is updated quarterly and the value stated in this presentation is as of December 31, 2007. Ms. Drescher noted that from December 2007 to

March 2008 the net returns were down slightly, to approximately \$1.1 billion. The IRR continues to be in excess of 30% and the portfolio recovered slightly in April.

Treasurer Caprio mentioned the estimated fair value of Harrah's Entertainment in this report is not a reflection of the value as of April 2008. Mr. Zinterhofer concurred and there was a discussion regarding the past, present, and future strategy of this investment.

Mr. Reilly inquired when there would be more realized proceeds in debt securities. Mr. Zinterhofer explained that there are many different categories within debt securities. He anticipates returns will be realized in all categories within three years.

Mr. Zinterhofer ended his presentation by referring to updates and case studies for Fund VI. He thanked the Commission and offered to answer any questions the Commission may have regarding Apollo Investments in the future.

Treasurer Caprio thanked Ms. Drescher and Mr. Zinterhofer for their presentation. He then entertained a motion for investment in Apollo Investment Fund VII. Ms. Reback moved, Mr. Reilly and Mr. Giudici seconded and the following motion was passed. The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, Mr. Treat, and Treasurer Caprio.

**VOTED: To accept PCG's recommendation that the SIC commit up to \$25 million in Apollo Investment Fund VII, contingent upon the conditions documented in PCG's Investment Memorandum dated May 2, 2008, and upon satisfactory review and negotiation of investment and legal documents with no material changes to the opportunity as presented.**

Treasurer Caprio advised the Commission that CVC European Equity Partners was not able to attend this Meeting. Since there are no immediate time constraints in regard to the closing date of Fund V, the Treasurer entertained a motion to continue the CVC European Equity Fund V discussion at the next SIC Meeting. Dr. McKenna moved, Mr. Treat and Mr. Giudici seconded and the following motion was passed. The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, Mr. Treat, and Treasurer Caprio.

**VOTED: To continue the discussion regarding investment in CVC European Equity Partners V during the June 25, 2008 SIC Meeting.**

Alternative Investments Consultant PCG – Constellation Ventures III. Ms. Davidson stated that Constellation Ventures III is being formed to make stage diversified investments in digital media, communications and information technology sub-sectors. The Fund is targeting \$250 million in commitments, with a hard cap of \$350 million. Four initial investments, totaling \$12.4 million, have been made as of January 31, 2008. Constellation will build a portfolio of approximately twenty to twenty five companies with initial investment sizes ranging from \$5 million to \$10 million. The Fund will invest primarily in the U.S.; however, up to 33.3% may be invested outside North America, with a particular focus on Europe. The Fund has had two closings totaling \$120 million and expects to hold a final closing by June 30, 2008. Since inception, the General Partners have established a strategic partnership with Bear Sterns. JP Morgan is in the process of acquiring Bear Sterns

and has accepted full responsibility for Bear Stern's capital commitment to the Fund, which is approximately \$50 million. The investment professionals of the Fund will commit \$19.3 million. Ms. Davidson noted that a commitment to Fund III is complimentary to ERSRI's current Venture Capital Portfolio.

Ms. Davidson introduced Clifford Friedman, Founding Partner of Constellation Ventures. Mr. Friedman explained that Constellation Ventures III has invested, committed, and reserved \$73 million through May 2008. Since 1998, Constellation has invested approximately \$365 million in forty portfolio companies across two Funds. As of December 31, 2007, the Firm has realized \$298 million with an unrealized value of \$309 million. They have generated a combined gross IRR and gross total value multiple of 12.7% and 1.7x, respectively. The net IRR and net total value multiple are 7.9% and 1.4x, respectively.

Fund II has returned nearly 100% of invested capital, which is driving the establishment of Fund III. Mr. Friedman went on to review investments made in Fund II, explaining the high level of expertise and the consistent and thematic strategic planning done by the investment professionals at Constellation Ventures.

Constellation Ventures believes the convergence of media, communications, and technology will present compelling and unique investment opportunities during the next five to seven years. Constellation Venture Fund III has five investments to date based on this concept. Mr. Friedman explained the technology and current performance of each investment. The Investment Partners have a large ownership stake in all deals, which is approximately 8% of capital. Mr. Costello remarked that the Partners are contributing a significant amount of capital knowing there is a risk of substantial write-offs. He asked Mr. Friedman what he is doing to mitigate this risk. Mr. Friedman noted that some investments in Fund II did not perform well, such as Verance Corporation. To mitigate risk and to avoid under performance in the future, Constellation now does long stage platform investing using a broader portfolio. He concluded that he believes the 2000 Portfolio will be about 2.2x cash on cash at close, and Fund III should have much better returns than Fund II.

Treasurer Caprio thanked Mr. Friedman and then entertained a motion for investment in Constellation Ventures Fund III. Mr. Costello moved, Ms. Gallogly seconded and the following motion was passed. The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, Mr. Treat, and Treasurer Caprio.

**VOTED: To accept PCG's recommendation that the SIC commit up to \$15 million in Constellation Ventures Fund III, contingent upon the conditions documented in PCG's Investment Memorandum dated May 2, 2008, and upon satisfactory review and negotiation of investment and legal documents with no material changes to the opportunity as presented.**

Legal Counsel Report. Mr. Paul Campellone, of Adler Pollock & Sheehan, Legal Counsel to the Commission, indicated there were no legal developments for the month.

Deputy Treasurer for Finance report. Mr. Goodreau noted the Portfolio is doing relatively well, despite the current volatility. The Fixed Income sector continues to under



perform. The portfolio is under weight in the High Yield sector which has been a positive in this market environment. The Wellington Portfolio has out performed the benchmark by about 13% in the last six months. The Boston Company, who has been routinely under performing, was 25 basis points above their benchmark for the month.

Treasurer's Report. Treasurer Caprio advised the Commission that the Investment Sub-Committee has completed interviewing all applicants for the position of General Consultant. A Sub-Committee Meeting will be scheduled to discuss the results of the interviews, with intentions of reporting the findings to the Commission during the June SIC Meeting.

The Treasurer expressed the importance of the Treasury Internship Program and introduced two members who are currently participating: Janine Kwoh, who attends Brown University and Charles Moroni, who attends Skidmore College. They will be attending meetings and have been doing research regarding our Investment Portfolio.

New Business. There being no further new business, the Treasurer entertained a motion to adjourn.

Ms. Reback moved, Mr. Treat seconded and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Giudici, Ms. Reback, Mr. Reilly, Mr. Treat, and Treasurer Caprio.

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 11:07 a.m.

Respectfully submitted,

*Frank Caprio*  
GENERAL TREASURER

RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
May 31, 2008

**PORTFOLIO PERFORMANCE**

**May**

The ERSRI portfolio posted a gain of 1.02% for the month of May, against the policy index of 1.16%. Domestic equities were up 2.31%, international equities gained 1.32%, and the fixed income asset class returned -0.31%. Additionally, the retirement fund earned \$879,463 from the securities lending program during this month. If we factor out PE & RE investments, due to the way they are monitored the plan performance was 1.32% against its 1.20% index.

**Calendar Year to Date**

For the five months ended May 31, 2008, the portfolio is down 2.00% against the policy index of -1.22%. Domestic equities were down 3.00%, international equities were down 2.94%, while fixed income generated a return of 0.93%.

**Fiscal Year to Date**

For the Fiscal Year ended June 30, 2008, the fund has lost 0.58%, against the policy index of 0.75%.

Index Performance Summary - May 31, 2008		
Market Indices	May-08	Calendar YTD
<b><u>Domestic Equity</u></b>		
S & P 500	1.30%	-3.80%
DJ Wilshire 5000	2.09%	-3.03%
Russell 2000	4.59%	-1.81%
Russell 1000	1.83%	-3.15%
Policy Index	1.20%	-1.38%
<b><u>International Equity</u></b>		
MSCI ACWI	1.73%	-1.79%
<b><u>Fixed Income</u></b>		
Lehman AGG	-0.73%	1.21%
<b><u>Real Estate</u></b>		
NCREIF	0.08%	3.61%

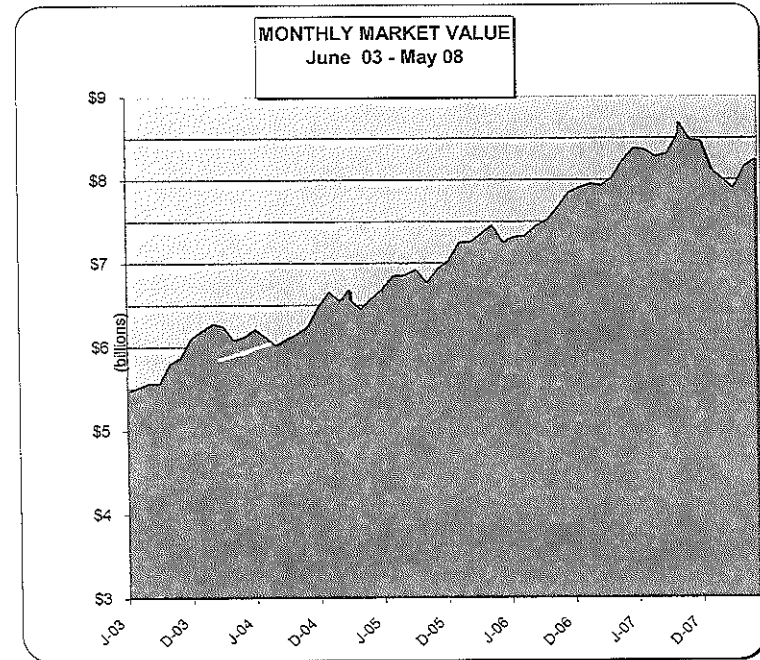
ERSRI Performance By Asset Class	May-08	Calendar YTD
Domestic Equity	2.31%	-3.00%
Fixed Income	-0.31%	0.93%
International Equity	1.32%	-2.94%
<b>Total Fund Composite*</b>	<b>1.32%</b>	<b>-1.72%</b>
Manager Summary	May-08	CYTD
<b><u>DOMESTIC EQUITY</u></b>		
Shott	3.50%	-23.06%
PIMCO	1.29%	-3.44%
SSgA S&P 500	1.30%	-3.80%
SSgA Core	2.30%	-5.40%
Wasatch	0.00%	0.00%
Northpointe	3.85%	-3.26%
Wellington	4.87%	-0.42%
Wellington Technical Eq	6.24%	7.01%
<b>Total Domestic Equity</b>	<b>2.31%</b>	<b>-3.00%</b>
<b><u>FIXED INCOME</u></b>		
Brown Bros TIPS	-0.70%	3.03%
Brown Bros Core	-0.32%	0.09%
Fidelity	-0.29%	0.52%
Taplin Canida & Habacht	-0.33%	-1.81%
Fixed Income Cash Acct	0.25%	1.21%
Mackay Shield	0.46%	0.61%
<b>Total Fixed Income</b>	<b>-0.31%</b>	<b>0.93%</b>
<b><u>INTERNATIONAL EQUITY</u></b>		
Mondrian	1.22%	-3.69%
Goldman Sachs	1.55%	-2.46%
Boston Co	1.18%	-2.66%
<b>Total International Equity</b>	<b>1.32%</b>	<b>-2.94%</b>

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

Market Valuation Report  
May, 2008

Market Values

The total portfolio value increased in May by \$85.3 million to \$8.23 billion. This compares with an increase in value of \$142.9 million for the same period in 2007. The domestic equity market values increased by \$78.4 million, including transfers in of \$0.27 million; fixed income decreased by \$18.3 million, including transfers out of \$11.9 million; while international values increased by \$21.5 million, including transfers in of \$0.13 million. The cash accounts decreased by \$6.7 million including transfers out netting \$16.9 million, and alternative investments increased by \$10.5 million, including transfers in netting \$21.9 million.



### Cash Flow

May's pension payroll of \$59.8 million was more than the \$ 54.7 million in contributions and wire transfers received by \$5.1 million.

To meet pension and other obligations, \$7.0 million was transferred from long-term investments.

### Alternative Investments

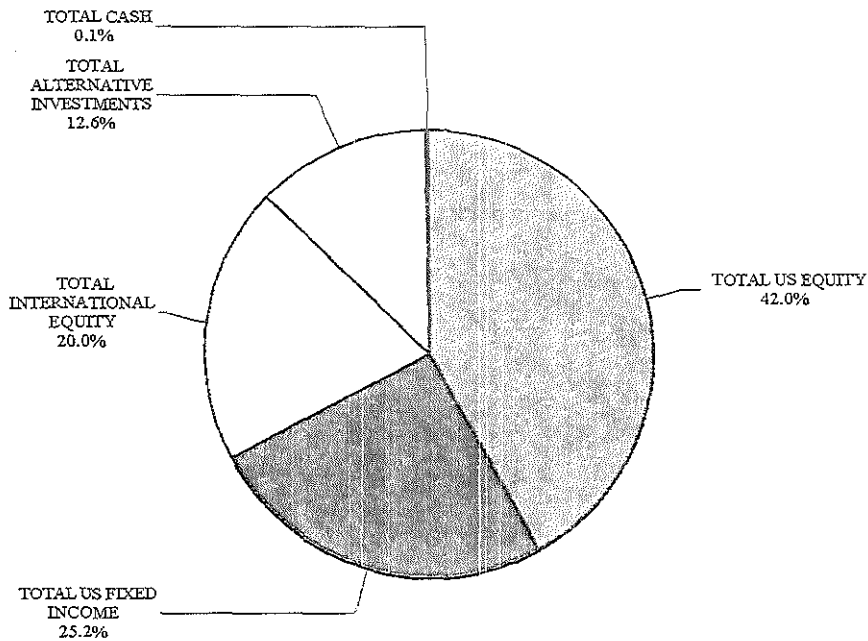
At this time the alternative investment asset class has unfunded commitments of approximately \$396 million on commitments of \$1,412 million.

#### CAPITAL CALLS Net of Distributions

May 2008	FYTD	UNFUNDED BALANCE
\$21,278,866	\$85,564,556	\$396,402,614
May 2007	FYTD	UNFUNDED BALANCE
-\$10,559,901	-\$21,487,486	\$419,656,155



CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)



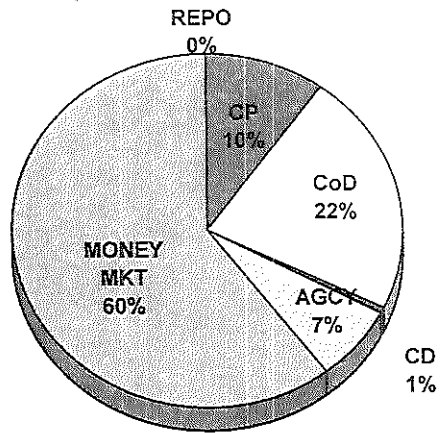
MANAGER	CURRENT PERIOD
TOTAL US EQUITY	3,459.3
TOTAL US FIXED INCOME	2,079.1
TOTAL INTERNATIONAL EQUITY	1,648.1
TOTAL ALTERNATIVE INVESTMENTS	1,037.9
TOTAL CASH	10.0
<b>TOTAL</b>	<b>8,234.4</b>

RHODE ISLAND STATE INVESTMENT COMMISSION

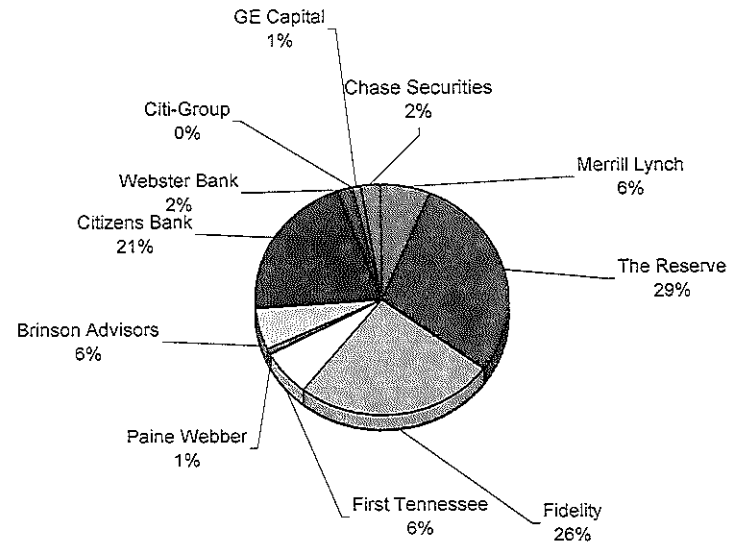
SHORT TERM CASH INVESTMENTS AT

May 31, 2008

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  
May, 2008

Issuer	Type of Instrument	Month End % Portfolio	Issuer Ratings		S-T Debt Rating		L-T Debt Rating		Credit Outlook
			Moody's	Moody's	S&P	Moody's	S&P	S&P	
JP Morgan Chase	2,3,5	2%	Aa2		P-1	A-1+	Aa2	AA-	Stable
Citigroup Inc.	2	0%	Aa1		P-1	A-1+	Aa1	AA-	Negative
RBS Citizens	3,4	21%	Aa2		P-1	A-1+	Aa2	AA-	Negative
First Tennessee Capital Markets	5	6%	A3		P-2	A-2	A3	A-	Negative
Fidelity	6	26%				N/R		N/R	N/R
Merrill Lynch	2,5,6	6%	A1		P-1	A-1	A1	A+	Negative
The Reserve	6	29%	Aaa				Aaa	AAA	Stable
GE Capital	2	1%	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%	Aa1		P-1	A-1+	Aa1	AA-	Negative
UBS Brinson Advisors	6	6%	Aa1		P-1	A-1+	Aa1	AA-	Negative
State Street Bank & Tru	1,3	0%	Aa1		P-1	A-1+	Aa1	AA	Stable
Webster Bank	3,4	2%	A2		P-1	A-2	A3	BBB+	Stable

**Instrument Codes**

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

**Ratings Definitions**

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

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

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

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

**Moody's Issuer Rating Symbols:**

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

**S&P Outlook Definitions:**

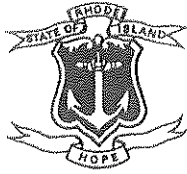
- Positive - A rating may be raised
- Negative - A rating may be lowered
- Stable - A rating is not likely to change
- Developing - May be raised or lowered
- NM - Not meaningful

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

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

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

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



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

Frank Caprio  
General Treasurer

June 19, 2008

State Investment Commission  
State of Rhode Island, State House  
Providence, Rhode Island

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on May 31, 2008.

Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation

May 31, 2008

Asset Class		
Cash/Short Term Investments		515,823,597
Equities - Domestic		3,353,916,945
Equities - International		1,592,712,377
Fixed Income - Government	\$1,236,030,403	
Fixed Income - Corporate	\$498,213,390	
Fixed Income - In State	\$0	
Total Fixed Income		1,734,243,793
Alternative Investments		659,035,841
Real Estate		378,772,631
<b>Total Fund Investments</b>		<b>8,234,505,184</b>
Plan Allocation		
State Employees & Teachers	84.77%	6,980,405,657
Municipal Employees	14.16%	1,166,356,106
State Police	0.65%	53,636,191
Judicial	0.41%	34,107,230
<b>Total Fund Investments</b>	<b>100.00%</b>	<b>8,234,505,184</b>

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

Respectfully submitted,

  
Vincent Izzo, Cash Manager



**State of Rhode Island**

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING May 31, 2008



	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>U.S. EQUITY</b>												
SSGA S&P 500 INDEX FUND	1,644,630	19.97	1.30	5.78	-4.47	-3.80	-5.08	-6.66				
NORTHPOINTE CAPITAL	364,547	4.43	3.85	7.02	-4.17	-3.26	-14.16	-15.37	-1.05	6.19	8.35	12.54
PIMCO	516,109	6.27	1.29	5.16	-4.09	-3.44	-3.55	-5.13	7.57	7.73	7.90	9.81
SSGA - CORE	359,065	4.36	2.30	5.71	-5.49	-5.40	-6.27	-7.98	8.13	8.50	9.39	10.54
WELLINGTON MANAGEMENT CO. LLC	402,470	4.89	4.87	10.87	-0.92	-0.42	-11.07	-12.91	2.72	9.12	8.64	13.75
WELLINGTON TECHNICAL EQUITY	171,474	2.08	6.24	15.16	9.98	7.01						
SHOTT CAPITAL	1,010	0.01	3.50	-0.33	-24.44	-23.06	-42.15	-34.73	-27.05			
TOTAL US EQUITY	3,459,304	42.01	2.31	6.81	-3.46	-3.00	-6.03	-7.61	5.75	7.84	8.34	11.07
<i>RUSSELL 1000</i>			1.83	6.27	-3.78	-3.15	-4.42	-6.25	7.36	8.03	8.38	10.40
<i>RUSSELL 2000</i>			4.59	9.43	-1.87	-1.81	-9.20	-10.53	3.15	7.95	8.42	12.48
<i>RUSSELL 2000 GROWTH</i>			5.66	10.45	-2.55	-3.16	-5.18	-5.72	5.29	9.43	8.15	12.16
<i>RUSSELL 2000 VALUE</i>			3.42	8.30	-1.12	-0.27	-13.31	-15.33	0.92	6.38	8.50	12.64
<i>RUSSELL 3000</i>			2.05	6.52	-3.63	-3.05	-4.83	-6.62	6.99	8.03	8.38	10.55
<i>S&amp;P 500</i>			1.30	5.77	-4.47	-3.80	-5.12	-6.70	7.04	7.57	7.73	9.77
<i>DOW WILSHIRE 5000 FREE FLOAT</i>			2.09	6.43	-3.62	-3.03	-4.78	-6.31	7.19	8.32	8.65	10.91
<b>INTERNATIONAL EQUITY</b>												
GOLDMAN SACHS	547,824	6.65	1.55	5.65	-3.51	-2.46	-3.02	-1.70	12.54	19.24		
THE BOSTON COMPANY	546,866	6.64	1.18	5.69	-3.71	-2.66	-4.37	-3.83	8.33	14.07		
MONDRIAN	553,413	6.72	1.22	4.44	-4.98	-3.69	-1.64	-1.09	13.96	18.03	18.98	
TRANSITION ACCOUNT INT EQUITY	18	0.00										
PUTNAM INVESTMENTS	6	0.00										
BANK OF IRELAND	4	0.00										
TOTAL INTERNATIONAL EQUITY	1,648,130	20.01	1.32	5.26	-4.07	-2.94	-2.90	-2.10	11.39	16.98	17.08	18.95

**State of Rhode Island**

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING May 31, 2008



**STATE STREET**  
For Everything You Invest In

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<i>MSCI AC WORLD ex US (GROSS)</i>			1.73	5.67	-3.21	-1.79	2.17	3.04	15.26	20.27	19.51	22.15
<i>MSCI EAFE (NET)</i>			0.97	5.33	-5.21	-3.03	-2.65	-2.53	11.19	16.61	16.11	19.24
<b>U.S. FIXED INCOME</b>												
BROWN BROTHERS HARRIMAN - CORE	306,968	3.73	-0.32	-1.21	-0.06	0.09	3.49	3.23	4.88	3.25	4.27	3.58
FIDELITY MANAGEMENT TRUST	504,779	6.13	-0.29	-0.85	0.91	0.52	3.72	3.45	5.11	3.79	4.65	4.25
BROWN BROTHERS HARRIMAN - TIPS	593,849	7.21	-0.70	-2.30	2.89	3.03	13.29	13.01	8.39	4.99	6.15	
MACKAY SHIELDS, LLC	136,238	1.65	0.46	3.36	0.82	0.61	-0.43	-1.63	5.57	6.26	7.44	9.24
TAPLIN, CANIDA & HABACHT	302,730	3.68	-0.33	-0.69	-1.23	-1.61	0.27	-0.05	3.99	3.16	4.20	3.94
FIXED INCOME CASH ACCOUNT	234,002	2.84	0.22	0.75	1.85	1.44	4.06	4.51				
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	2,079,142	25.25	-0.31	-0.83	1.09	0.93	5.23	5.04	5.98	4.34	5.33	4.79
<i>CSFB GLOBAL HIGH YIELD</i>			0.38	4.08	1.35	1.30	0.29	-1.24	5.74	6.29	7.19	8.38
<i>LB AGGREGATE</i>			-0.73	-0.60	1.49	1.21	7.21	6.89	6.78	4.30	4.93	3.83
<i>LB CREDIT</i>			-0.94	-1.33	0.20	0.05	4.36	3.87	5.61	3.21	4.33	3.33
<i>LB GOV/CREDIT</i>			-1.03	-1.63	1.07	0.88	7.13	6.90	6.69	4.03	4.76	3.48
<i>CITIGROUP BIG</i>			-0.88	-1.03	1.49	1.29	7.64	7.25	6.97	4.44	5.08	3.96
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			-1.45	-1.54	0.54	0.47	7.89	6.99	7.34	3.85	5.68	4.04
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			-0.58	-0.00	2.15	1.89	8.07	7.51	7.28	4.97	5.44	4.64

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING May 31, 2008



STATE STREET  
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>ALTERNATIVE INVESTMENTS</b>												
REAL ESTATE	378,773	4.60	0.25	1.37	2.82	2.04	8.69	22.53	14.38	10.24		
PRIVATE EQUITY	659,157	8.00	-1.76	-4.38	0.62	-6.82	14.08	24.00	16.59	18.48	18.05	19.98
TOTAL ALTERNATIVE INVESTMENTS	1,037,930	12.60	-1.03	-2.34	1.38	-3.72	11.87	23.34	15.64	17.49	17.32	19.12
<sup>1</sup> TOTAL ALTERNATIVES BENCHMARK			0.91	5.17	1.09	-0.08	3.36	4.01	12.73	13.53	13.32	13.93
NCREIF PROPERTY INDEX QTR LAG			0.00	3.23	6.95	3.23	11.77	15.85	16.27	17.56	16.81	15.25
S&P 500 PLUS 300 BP			1.51	6.42	-2.79	-2.37	-2.15	-3.49	10.21	10.71	10.87	12.91
<b>CASH EQUIVALENTS</b>												
CASH ACCOUNT (INSIDE)	3,696	0.04	0.22	0.75	3.02	1.45	10.33	10.97	9.10	9.22	9.79	12.25
CASH ACCOUNT (OUTSIDE)	6,302	0.08	0.01	0.09	0.80	0.60	2.15	2.49	3.27	3.31	2.90	3.24
<b>TOTAL PLAN</b>												
TOTAL PLAN	8,234,504	100.00	1.02	3.31	-1.80	-2.00	-0.58	-0.28	8.15	9.91	10.33	11.98
<sup>2</sup> TOTAL PLAN BENCHMARK			1.16	4.36	-1.55	-1.22	0.75	0.24	9.52	10.40	10.49	11.89
TOTAL PLAN ex PE RE	7,196,574	87.40	1.32	4.15	-2.15	-1.72	-1.93	-2.57	7.32	9.22	9.74	11.41
<sup>3</sup> TOTAL PLAN BENCHMARK ex PE RE			1.20	4.25	-1.92	-1.38	0.38	-0.30	9.06	9.94	10.13	11.45

## State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING May 31, 2008



STATE STREET  
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### Endnotes

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

**ERSRI Monthly Market Value Report With Time Weighted Returns**

**May 31, 2008**

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								4/30/2008	In/(out)	5/31/2008	Increase/decrease
<b>Domestic Equity</b>											
Shott Capital Management IRR	-23.06%	-3.80%	-19.26%	S & P 500	3.50%	1.30%	2.20%	975,360	-	1,009,544	34,184
SSgA S&P 500	-3.80%	-3.80%	0.00%	S & P 500	1.30%	1.30%	0.00%	1,623,356,648	132,841	1,644,630,151	21,140,663
SSgA Core	-5.40%	-3.15%	-2.25%	Russell 1000	2.30%	1.83%	0.47%	350,947,124	28,783	359,065,134	8,089,227
PIMCO	-3.44%	-3.80%	0.36%	S & P 500	1.29%	1.30%	-0.01%	509,506,920	43,228	516,109,349	6,559,202
NorthPointe Capital	-3.26%	-1.81%	-1.45%	Russell 2000	3.85%	4.59%	-0.74%	351,016,823	31,993	364,546,702	13,497,886
Wellington Mgmt	-0.42%	-1.81%	1.39%	Russell 2000	4.87%	4.59%	0.28%	383,731,637	35,203	402,469,503	18,702,663
Wellington Tech Eq	7.01%	-3.05%	10.06%	Russell 3000	6.24%	2.05%	4.19%	161,398,491	-	171,474,017	10,075,526
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	-	-	-	-
<b>Total Domestic Equity</b>	<b>-3.00%</b>				<b>2.31%</b>			<b>3,380,933,003</b>	<b>272,048</b>	<b>3,459,304,401</b>	<b>78,099,350</b>
<b>International Equity</b>											
Boston Company	-2.66%	-1.79%	-0.87%	MSCI ACWI	1.18%	1.73%	-0.55%	540,425,747	42,693	546,869,666	6,401,226
Goldman Sachs	-2.46%	-1.79%	-0.67%	MSCI ACWI	1.55%	1.73%	-0.18%	539,431,850	42,693	547,823,847	8,349,304
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	599,832	-	599,767	(65)
Mondrian	-3.69%	-1.79%	-1.90%	MSCI ACWI	1.22%	1.73%	-0.51%	546,723,261	42,693	553,412,837	6,646,883
<b>Total International Equity</b>	<b>-2.94%</b>				<b>1.32%</b>			<b>1,627,180,690</b>	<b>128,079</b>	<b>1,648,706,117</b>	<b>21,397,348</b>
<b>Fixed Income</b>											
Fidelity Management & Research	0.52%	1.99%	-1.47%	Lehman Mortgage Backed	-0.29%	-0.53%	0.24%	506,204,986	23,005	504,779,064	(1,448,927)
Brown Brothers, Harriman	0.09%	1.29%	-1.20%	Salomon Brd Inv Grade	-0.32%	-0.88%	0.56%	307,943,549	23,059	306,967,729	(98,878)
Taplin, Canida & Habacht	-1.61%	0.05%	-1.66%	Lehman Credit Index	-0.33%	-0.94%	0.61%	303,734,034	10,486	302,730,253	(1,014,266)
Mackay Shields	0.61%	1.30%	-0.69%	CS First BoshIYield	0.46%	0.38%	0.08%	135,574,032	40,660	136,238,378	623,685
Brown Bros TIPS	3.03%	3.29%	-0.26%	Lehman US TIPS Index	-0.70%	0.33%	-1.03%	597,984,138	37,664	593,849,317	(4,172,486)
Fixed Income Cash Acct	1.21%				0.25%			245,470,213	(12,000,000)	234,001,556	531,343
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
<b>Total Fixed Income</b>	<b>0.93%</b>				<b>-0.31%</b>			<b>2,096,910,952</b>	<b>(11,865,127)</b>	<b>2,078,566,296</b>	<b>(6,479,529)</b>
<b>Alternative Investments</b>											
Private Equity	-6.82%	N/A	N/A	N/A	-1.76%	N/A	N/A	650,019,215	21,278,866	659,157,123	(12,140,958)
Real Estate	2.04%	3.61%	-1.57%	NCREIF + 100	0.25%	0.08%	0.17%	377,449,510	576,744	378,773,341	747,087
<b>Total Alternatives</b>	<b>-3.72%</b>				<b>-1.03%</b>			<b>1,027,468,726</b>	<b>21,855,609</b>	<b>1,037,930,464</b>	<b>(11,393,871)</b>
<b>Cash Accounts</b>											
Cash in Trust	1.45%	N/A	N/A		0.22%	N/A	N/A	10,355,989	(16,855,609)	3,696,191	10,195,810
Cash Outside Trust	0.60%	N/A	N/A		0.01%	N/A	N/A	6,370,586	-	6,301,715	(68,871)
<b>Total Cash</b>	<b>25.43%</b>	<b>*</b>			<b>4.46%</b>	<b>*</b>	<b>0</b>	<b>16,726,575</b>	<b>(16,855,609)</b>	<b>9,997,906</b>	<b>10,126,939</b>
<b>Total Plan Ex PE &amp; RE</b>	<b>-1.72%</b>	<b>-1.38%</b>	<b>-0.34%</b>		<b>1.32%</b>	<b>1.20%</b>	<b>0.12%</b>	<b>8,149,219,946</b>	<b>(6,465,000)</b>	<b>8,234,505,184</b>	<b>91,750,238</b>
<b>Total Plan</b>	<b>-2.00%</b>	<b>-1.22%</b>	<b>-0.78%</b>		<b>1.02%</b>	<b>1.16%</b>	<b>-0.14%</b>				

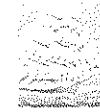
\*Policy Index: (Effective 04/31/06)

- 42.5% Wilshire 5000
- 25.0% Lehman Aggregate
- 20.0% MSCI ACWI X-US
- 5.0% NCREIF 1 Qtr Lag

**State of Rhode Island**

RATES OF RETURN - Total

Periods Ending May 31, 2008



**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		
<b>U.S. EQUITY</b>									
SSGA S&P 500 INDEX FUND	S&P 500	1.30	1.30	0.00	-3.80	-3.80	0.00	1,644,630	133
SSGA - CORE	RUSSELL 1000	2.30	1.83	0.47	-5.40	-3.15	-2.25	359,065	29
PIMCO	S&P 500	1.29	1.30	-0.01	-3.44	-3.80	0.36	516,109	43
NORTHPOINTE CAPITAL	RUSSELL 2000	3.85	4.59	-0.74	-3.26	-1.81	-1.45	364,547	32
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	4.87	4.59	0.28	-0.42	-1.81	1.39	402,470	35
SHOTT CAPITAL	S&P 500	3.50	1.30	2.20	-23.06	-3.80	-19.26	1,010	0
WELLINGTON TECHNICAL EQUITY	RUSSELL 3000	6.24	2.05	4.19	7.01	-3.05	10.06	171,474	0
TOTAL US EQUITY		2.31			-3.00			3,459,304	272
<b>INTERNATIONAL EQUITY</b>									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	1.18	1.73	-0.55	-2.66	-1.79	-0.87	546,866	43
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	1.55	1.73	-0.18	-2.46	-1.79	-0.67	547,824	43
MONDRIAN	MSCI AC WORLD ex US (GROSS)	1.22	1.73	-0.51	-3.69	-1.79	-1.90	553,413	43
TRANSITION ACCOUNT INT EQUITY								18	0
TOTAL INTERNATIONAL EQUITY		1.32			-2.94			1,648,130	128
<b>U.S. FIXED INCOME</b>									
FIDELITY MANAGEMENT TRUST	LB MBS	-0.29	-0.53	0.24	0.52	1.99	-1.47	504,779	23
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	-0.32	-0.88	0.56	0.09	1.29	-1.20	306,968	23
TAPLIN, CANIDA & HABACHT	LB CREDIT	-0.33	-0.94	0.61	-1.61	0.05	-1.66	302,730	10
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	0.46	0.38	0.08	0.61	1.30	-0.69	136,238	40
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	-0.70	0.33	-1.03	3.03	3.29	-0.26	593,849	38
FIXED INCOME CASH ACCOUNT		0.22			1.44			234,002	-12,000
TRANSITION ACCOUNT FIXED INCOME								575	0
TOTAL US FIXED INCOME		-0.31			0.93			2,079,142	-11,865

**State of Rhode Island**

RATES OF RETURN - Total  
 Periods Ending May 31, 2008



**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		
<b>ALTERNATIVE INVESTMENTS</b>									
PRIVATE EQUITY		-1.76			-6.82			659,157	20,853
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	0.25	0.08	0.17	2.04	3.61	-1.57	378,773	363
TOTAL ALTERNATIVE INVESTMENTS	TOTAL ALTERNATIVES BENCHMARK	-1.03	0.91	-1.94	-3.72	-0.08	-3.64	1,037,930	21,216
<b>CASH EQUIVALENTS</b>									
CASH ACCOUNT (INSIDE)		0.22			1.45			3,696	-7,303
CASH ACCOUNT (OUTSIDE)		0.01			0.60			6,302	-70
TOTAL CASH		4.46			25.43			9,998	-7,372
<b>TOTAL PLAN</b>									
TOTAL PLAN	TOTAL PLAN BENCHMARK	1.02	1.16	-0.14	-2.00	-1.22	-0.78	8,234,504	2,379
TOTAL PLAN ex PE RE	TOTAL PLAN BENCHMARK ex PE RE	1.32	1.20	0.12	-1.72	-1.38	-0.34	7,196,574	-18,837

State of Rhode Island

TOTAL PLAN

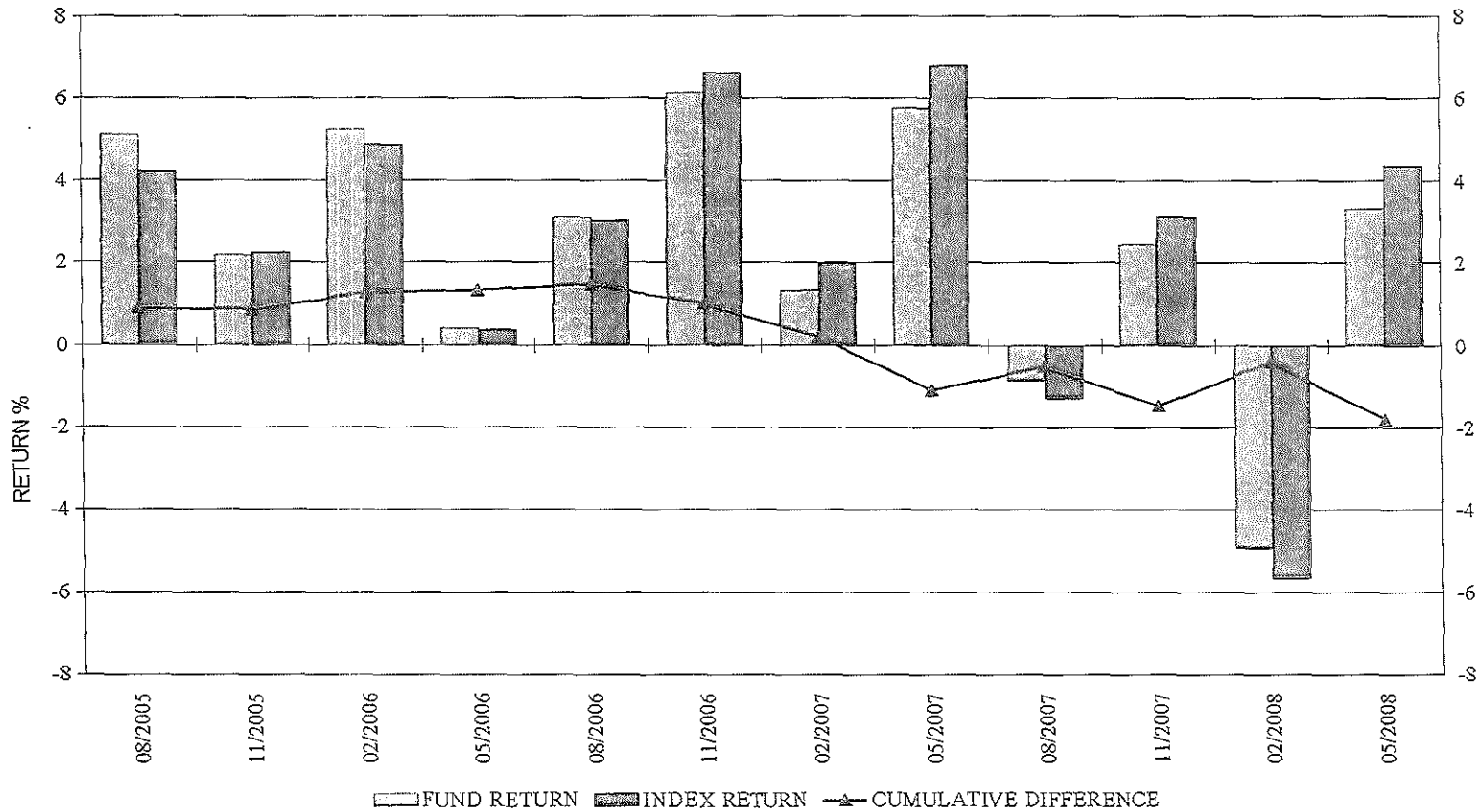
Index: TOTAL PLAN BENCHMARK

PERIODS: May 31, 2005 - May 31, 2008



STATE STREET  
For Everything You Invest In

CUMULATIVE PERFORMANCE REPORT





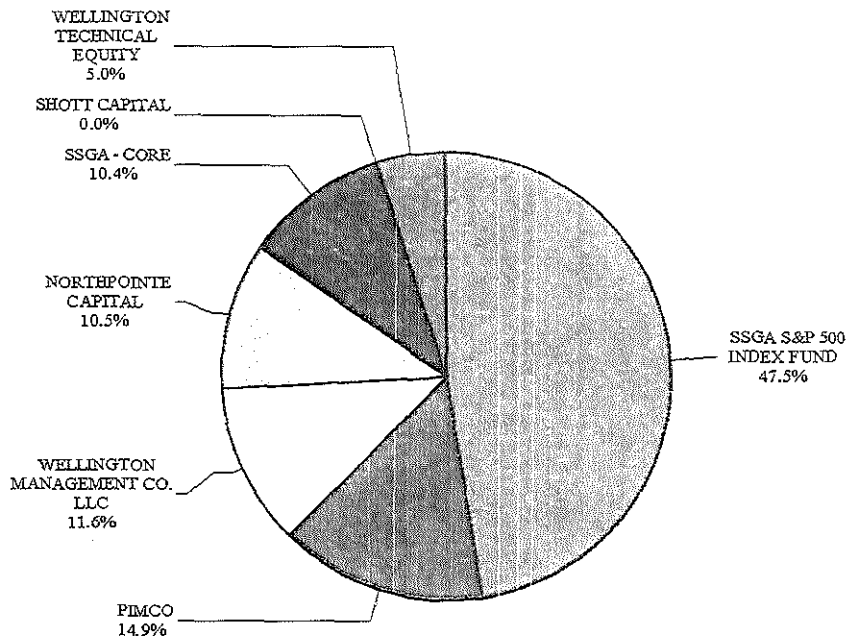
State of Rhode Island  
 MANAGER ALLOCATION ANALYSIS  
 PERIOD ENDING 05/31/2008



STATE STREET  
 For Everything You Invest In

CURRENT MANAGER ALLOCATION

MANAGER	CURRENT PERIOD	ONE YEAR AGO
SSGA S&P 500 INDEX FUND	1,644.6	1,760.2
PIMCO	516.1	592.6
WELLINGTON MANAGEMENT CO. LLC	402.5	461.6
NORTHPOINTE CAPITAL	364.5	430.3
SSGA - CORE	359.1	389.6
SHOTT CAPITAL	1.0	4.7
WELLINGTON TECHNICAL EQUITY	171.5	
<b>TOTAL</b>	<b>3,459.3</b>	<b>3,639.0</b>



State of Rhode Island

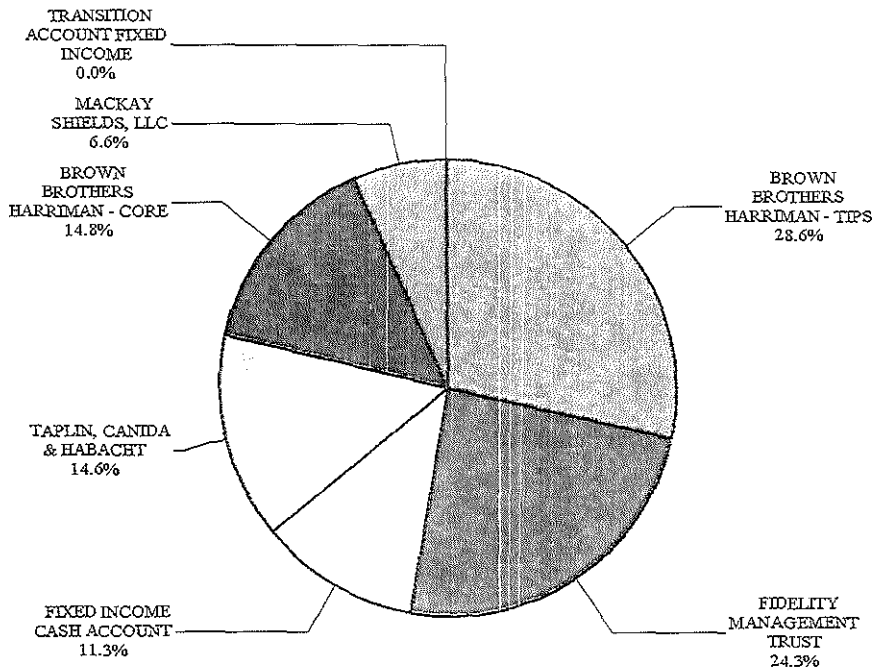
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 05/31/2008



STATE STREET  
For Everything You Invest In

CURRENT MANAGER ALLOCATION



MANAGER	CURRENT PERIOD	ONE YEAR AGO
BROWN BROTHERS HARRIMAN - TIPS	593.8	525.0
FIDELITY MANAGEMENT TRUST	504.8	487.7
FIXED INCOME CASH ACCOUNT	234.0	440.0
TAPLIN, CANIDA & HABACHT	302.7	301.9
BROWN BROTHERS HARRIMAN - CORE	307.0	297.1
MACKAY SHIELDS, LLC	136.2	137.3
SHENKMAN CAPITAL MANAGEMENT		0.6
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
<b>TOTAL</b>	<b>2,079.1</b>	<b>2,190.2</b>

State of Rhode Island

MANAGER ALLOCATION ANALYSIS

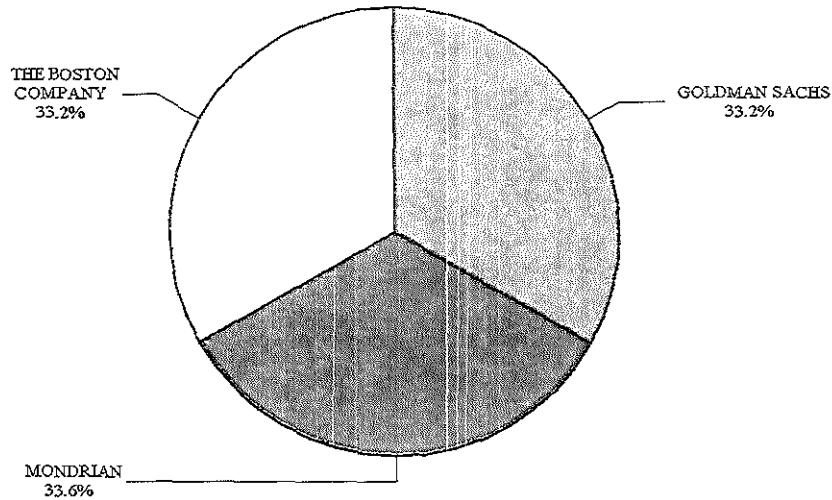
PERIOD ENDING 05/31/2008



STATE STREET  
For Everything You Invest In

CURRENT MANAGER ALLOCATION

MANAGER	CURRENT PERIOD	ONE YEAR AGO
GOLDMAN SACHS	547.8	591.4
MONDRIAN	553.4	593.7
THE BOSTON COMPANY	546.9	568.1
TRANSITION ACCOUNT INT EQUITY	0.0	0.1
TOTAL	1,648.1	1,753.3



State of Rhode Island Unfunded Commitment  
May 2008

<u>Partnership Investment</u>	<u>Inception to Date Total</u>		<u>Remaining Commitment</u>
	<u>Total Commitment</u>	<u>Funded</u>	
ABS Capital Partners II	\$ 5,000,000.00	\$ 4,911,478.00	\$ 88,522.00
Alta BioPharma Partners	\$ 10,000,000.00	\$ 10,000,000.00	\$ -
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 12,000,000.00	\$ 3,000,000.00
Alta California Partners II	\$ 10,000,000.00	\$ 10,000,000.00	\$ -
Alta California Partners III	\$ 15,000,000.00	\$ 15,000,000.00	\$ -
Alta Partners VIII	\$ 15,000,000.00	\$ 5,250,000.00	\$ 9,750,000.00
Apollo Investment Fund IV	\$ 15,000,000.00	\$ 14,694,876.00	\$ 305,124.00
Apollo Investment Fund VI	\$ 20,000,000.00	\$ 15,732,317.39	\$ 4,267,682.61
Aurora Equity Partners II**	\$ 15,000,000.00	\$ 14,961,083.00	\$ 38,917.00
Aurora Equity Partners III**	\$ 15,000,000.00	\$ 10,308,997.00	\$ 4,691,003.00
Avenue Special Situations Fund III	\$ 15,000,000.00	\$ 15,000,000.00	\$ -
Avenue Special Situations Fund IV	\$ 20,000,000.00	\$ 20,000,000.00	\$ -
Avenue Special Situations Fund V	\$ 20,000,000.00	\$ 9,379,829.00	\$ 10,620,171.00
Bain X	\$ 25,000,000.00	\$ 1,500,000.00	\$ 23,500,000.00
Birch Hill Equity Partners III*	\$ 15,064,022.00	\$ 6,597,672.67	\$ 8,466,349.33
Blackstone Capital Partners III **	\$ 20,000,000.00	\$ 19,075,955.00	\$ 924,045.00
Blackstone Capital Partners IV **	\$ 25,000,000.00	\$ 19,580,335.00	\$ 5,419,665.00
Blackstone Capital Partners V**	\$ 20,000,000.00	\$ 13,546,511.00	\$ 6,453,489.00
Boston Ventures Ltd V	\$ 5,000,000.00	\$ 5,000,000.00	\$ -
Castile III	\$ 5,000,000.00	\$ 1,650,000.00	\$ 3,350,000.00
Catterton Partners V	\$ 15,000,000.00	\$ 14,102,188.00	\$ 897,812.00
Catterton Partners VI	\$ 15,000,000.00	\$ 7,605,154.00	\$ 7,394,846.00
Centerbridge	\$ 15,000,000.00	\$ 4,618,153.72	\$ 10,381,846.28
Charterhouse Capital Partners VII*	\$ 15,397,500.00	\$ 12,482,928.37	\$ 2,914,571.63
Charterhouse Capital Partners VIII*	\$ 17,829,000.00	\$ 12,758,060.54	\$ 5,070,939.46
Coller International Capital IV**	\$ 15,000,000.00	\$ 12,300,000.00	\$ 2,700,000.00
Coller International Capital V	\$ 15,000,000.00	\$ 3,748,477.70	\$ 11,251,522.30
Crossroads Providence (Prov. Liquidating T	\$ 45,000,000.00	\$ 45,000,000.00	\$ -
CVC European Equity Partners II*	\$ 15,000,000.00	\$ 13,714,105.82	\$ 1,285,894.18
CVC European Equity Partners III*	\$ 20,000,000.00	\$ 18,287,738.24	\$ 1,712,261.76
CVC European Equity Partners IV*	\$ 20,012,850.00	\$ 16,560,635.35	\$ 3,452,214.65
Doughty Hanson Fund II **	\$ 5,300,000.00	\$ 5,300,001.00	\$ (1.00)
Doughty Hanson Fund III **	\$ 15,000,000.00	\$ 13,505,377.17	\$ 1,494,622.83
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 13,874,244.98	\$ 1,125,755.02
Fenway III	\$ 15,000,000.00	\$ 6,986,939.00	\$ 8,013,061.00
First Reserve Fund VIII	\$ 15,000,000.00	\$ 15,000,000.00	\$ -
First Reserve Fund IX		\$ -	\$ -
First Reserve Fund X	\$ 20,000,000.00	\$ 19,319,650.37	\$ 680,349.63
First Reserve Fund XI	\$ 20,000,000.00	\$ 11,689,952.00	\$ 8,310,048.00
Focus Ventures III	\$ 15,000,000.00	\$ 7,050,000.00	\$ 7,950,000.00
Granite Global Ventures II	\$ 15,000,000.00	\$ 14,325,000.00	\$ 675,000.00
Granite Global Ventures III	\$ 15,000,000.00	\$ 3,750,000.00	\$ 11,250,000.00
Green Equity Investors IV	\$ 15,000,000.00	\$ 14,611,612.37	\$ 388,387.63
Green Equity Investors V	\$ 20,000,000.00	\$ 2,728,750.32	\$ 17,271,249.68
Harvest Partners III	\$ 15,000,000.00	\$ 14,631,273.39	\$ 368,726.61
Harvest Partners IV	\$ 15,000,000.00	\$ 13,580,200.00	\$ 1,419,800.00
Heritage Fund II	\$ 5,000,000.00	\$ 4,971,500.00	\$ 28,500.00
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 8,103,199.90	\$ 6,896,800.10
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 2,475,789.47	\$ 12,524,210.53
Leapfrog Ventures II	\$ 10,000,000.00	\$ 4,925,000.00	\$ 5,075,000.00
Leeds Weld Equity Partners IV	\$ 10,000,000.00	\$ 8,534,577.86	\$ 1,465,422.14
Lehman Bros IV	\$ 15,000,000.00	\$ 780,682.45	\$ 14,219,317.55

State of Rhode Island Unfunded Commitment  
May 2008

<u>Partnership Investment</u>	<u>Total Commitment</u>	<u>Inception to Date Total</u>		<u>Remaining Commitment</u>
		<u>Funded</u>		
Lighthouse Capital Partners V	\$ 11,250,000.00	\$ 10,462,500.00	\$	787,500.00
Lighthouse Capital Partners VI	\$ 15,000,000.00	\$ 5,250,000.01	\$	9,749,999.99
LNK Partners	\$ 12,500,000.00	\$ 5,308,040.34	\$	7,191,959.66
Matlin Patterson Glob. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ 15,000,000.00	\$	-
MHR Institutional Partners III	\$ 20,000,000.00	\$ 8,410,677.00	\$	11,589,323.00
Nautic Partners V	\$ 20,000,000.00	\$ 18,453,320.27	\$	1,546,679.73
Nautic Partners VI	\$ 20,000,000.00	\$ 7,800,229.88	\$	12,199,770.12
Nordic Capital Fund III*	\$ 10,000,000.00	\$ 9,874,672.68	\$	125,327.32
Nordic Capital Fund V*	\$ 15,021,862.00	\$ 14,340,595.57	\$	681,266.43
Nordic Capital Fund VI*	\$ 18,061,500.00	\$ 17,203,898.00	\$	857,602.00
OCM Opportunities Fund	\$ 8,000,000.00	\$ 8,000,000.00	\$	-
OCM Opportunities Fund II	\$ 12,000,000.00	\$ 12,000,000.00	\$	-
OCM Principal Opportunities Fund	\$ 5,000,000.00	\$ 5,000,000.00	\$	-
Paddadin III	\$ 10,000,000.00	\$ 2,034,245.00	\$	7,965,755.00
Parthenon Investors	\$ 15,000,000.00	\$ 14,847,130.00	\$	152,870.00
Parthenon Investors II	\$ 20,000,000.00	\$ 18,539,919.00	\$	1,460,081.00
Perseus VII	\$ 15,000,000.00	\$ 3,629,753.00	\$	11,370,247.00
Point .406	\$ 10,000,000.00	\$ 2,207,466.84	\$	7,792,533.16
Point Judith II	\$ 5,000,000.00	\$ 1,730,552.47	\$	3,269,447.53
Providence Equity Partners* *	\$ 10,000,000.00	\$ 10,000,000.00	\$	-
Providence Equity Partners III	\$ 15,000,000.00	\$ 13,084,357.49	\$	1,915,642.51
Providence Equity Partners IV	\$ 25,000,000.00	\$ 23,286,204.79	\$	1,713,795.21
Providence Equity Partners V	\$ 25,000,000.00	\$ 22,707,287.00	\$	2,292,713.00
Providence Equity Partners VI	\$ 25,000,000.00	\$ 10,774,763.00	\$	14,225,237.00
SKM Equity Fund II**	\$ 10,000,000.00	\$ 8,270,166.00	\$	1,729,834.00
Thomas H. Lee Equity Fund IV (THL)**	\$ 9,000,000.00	\$ 8,608,696.00	\$	391,304.00
Thomas Mc Nerney & Partners	\$ 15,000,000.00	\$ 11,700,000.00	\$	3,300,000.00
Thomas Mc Nerney & Partners 2	\$ 15,000,000.00	\$ 3,712,500.00	\$	11,287,500.00
TPG Partners II	\$ 10,000,000.00	\$ 9,693,603.00	\$	306,397.00
TPG Partners IV	\$ 15,000,000.00	\$ 13,674,042.22	\$	1,325,957.78
TPG Partners V	\$ 20,000,000.00	\$ 16,063,526.00	\$	3,936,474.00
TPG Partners VI	\$ 20,000,000.00	\$ 911,635.00	\$	19,088,365.00
VS&A Communication Partners III	\$ 15,000,000.00	\$ 14,953,927.00	\$	46,073.00
W Capital Partners	\$ 15,000,000.00	\$ 13,182,000.00	\$	1,818,000.00
W Capital Partners II	\$ 15,000,000.00	\$ 3,450,000.00	\$	11,550,000.00
WLR IV	\$ 8,000,000.00	\$ 2,340,459.00	\$	5,659,541.00
Washington & Congress Capital Partners	\$ 15,000,000.00	\$ 14,694,362.76	\$	305,637.24
Wellspring Capital Partners II	\$ 15,000,000.00	\$ 15,000,000.00	\$	-
Wellspring Capital Partners III	\$ 20,000,000.00	\$ 18,754,531.00	\$	1,245,469.00
Wellspring Capital Partners IV	\$ 20,000,000.00	\$ 8,828,719.00	\$	11,171,281.00
Welsh, Carson, Anderson & Stowe VII	\$ 15,000,000.00	\$ 15,000,000.00	\$	-
Willis Stein & Partners	\$ 5,000,000.00	\$ 5,000,000.00	\$	-
* transactions occur in foreign currency				
Total Alternative Investments	\$ 1,412,436,734.00	\$ 1,015,294,025.40	\$	397,142,708.60

\*transactions occur in foreign currence

\*\* fees NOT affecting unfunded commitment

State of Rhode Island Unfunded Commitment  
May 2008

<u>Real Estate Partnership Investment</u>			<u>Inception to Date Total</u>			<u>Remaining Commitment</u>
			<u>Funded</u>			
Fillmore East Fund I	\$	10,000,000.00	\$	12,926,481.00		
Fremont Strategic Property Partners II	\$	15,000,000.00	\$	10,179,694.00	\$	4,820,306.00
GMAC Commerical Realty Partners II	\$	15,000,000.00	\$	11,655,179.00	\$	3,344,821.00
Heitman Advisory Corporation			\$	-	\$	-
JPMorgan Fleming Asset Mgmt. Strat. Pr	\$	50,000,000.00	\$	50,000,000.00	\$	-
JPMorgan Alternative Property Fund	\$	20,000,000.00	\$	20,000,000.00	\$	-
LaSalle Income & Growth Fund IV	\$	15,000,000.00	\$	13,377,995.92	\$	1,622,004.08
L&B Real Estate Counsel			\$	-	\$	-
Magna Hotel	\$	4,000,000.00	\$	-	\$	4,000,000.00
Morgan Stanley Prime Property Fund	\$	35,000,000.00	\$	35,000,000.00	\$	-
Prudential Real Esate Investors (PRISA)	\$	50,000,000.00	\$	50,000,000.00	\$	-
Prudential Real Esate Investors (PRISA) I	\$	15,000,000.00	\$	7,575,000.00	\$	7,425,000.00
RREEF America REIT II Fund	\$	35,000,000.00	\$	35,000,000.00	\$	-
Starwood Hospitality Fund I	\$	10,000,000.00	\$	10,273,414.00		
TA Realty Fund VIII	\$	15,000,000.00	\$	9,121,715.00	\$	5,878,285.00
Tri Continental Fund VII	\$	15,000,000.00	\$	13,346,794.00	\$	1,653,206.00
Walton Street Real Estate Fund V	\$	20,000,000.00	\$	15,095,474.00	\$	4,904,526.00
Westbrook Real Estate Fund VI	\$	15,000,000.00	\$	15,000,000.00	\$	-
Westbrook Real Estate Fund VII	\$	15,000,000.00	\$	3,636,364.00	\$	11,363,636.00
	\$	354,000,000.00	\$	312,188,110.92	\$	45,011,784.08

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

May 31, 2008

<u>RANK</u>	<u>Equities</u> <u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	EXXON MOBIL CORP	184,570	\$16,382,433	SSgA
2	MICROSOFT CORP.	394,500	11,172,240	SSgA
3	ADC TELECOMMUNICATIONS INC	654,000	10,304,978	Wellington,NorthPointe
4	INTERNATIONAL BUSINESS MACHS	76,600	9,914,338	SSgA
5	CHEVRON CORP	99,500	9,865,425	Wellington,NorthPointe
6	CON WAY INC	197,500	9,639,975	Wellington,NorthPointe
7	WHITING PETE CORP NEW	103,000	9,633,590	Wellington,NorthPointe
8	CONOCOPHILLIPS	103,400	9,626,540	SSgA
9	NASDAQ OMX GROUP INC	271,100	9,496,633	Wellington,SSgA
10	WAL MART STORES INC	155,200	8,961,248	SSgA
		3.19%	\$104,997,400	
	<b>Total Composite Equities</b>	<b>\$3,286,820,839</b>		

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

MAY 31, 2008

<u>RANK</u>	<u>International Equities</u> <u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	DPT EMERGING MARKET	4,734,186	\$68,835,071	Mondrian
2	TOTAL SA	393,981	34,342,006	Mondrian,Goldman,Boston Co.
3	NOVARTIS AG	558,150	29,249,785	Mondrian,Goldman,Boston Co.
4	ROYAL DUTCH SHELL	645,751	27,541,860	Mondrian,Goldman,Boston Co.
5	BP PLC	2,034,181	24,441,270	Mondrian,Boston Co.
6	RWE AG (NEU)	181,275	23,407,316	Mondrian,Boston Co.
7	TAKEDA PHARMACEUTICAL CO LTD	398,400	23,059,006	Mondrian,Goldman,Boston Co.
8	UNILEVER PLC	698,229	23,057,113	Mondrian,Goldman,Boston Co.
9	GLAXOSMITHKLINE	998,670	21,975,706	Mondrian,Boston Co.
10	CANON INC	342,078	18,438,155	Mondrian,Boston Co.
		17.86%	\$294,347,289	
	<b>Total Composite International Equities</b>	<b>\$1,648,102,690</b>		

Top 10 Market Values SIC

ISCAL YEAR 2008 INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI ACCRUAL BASIS

	Actual Jul 07	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 08	Actual Feb	Actual Mar	Actual Apr	Actual May	Projected Jun	Projected TOTAL
<b>EQUITIES</b>													
SSgA Core			260,984			259,816			239,756			222,371	982,927
SSgA Russell 1000/S&P 500			35,288			3,933			66,927			32,408	138,557
Shott Capital			1,446			948			460			2,718	5,573
PIMCO			0			200,000			1,000			225,000	426,000
Wellington Mgmt			690,947			654,863			600,645			679,274	2,625,730
Wellington Tech Eq			33,802			217,630			333,783			126,713	711,928
NorthPointe			<b>590,310</b>			<b>558,190</b>			<b>503,070</b>			<b>589,850</b>	<b>2,241,420</b>
			1,612,778			1,895,380			1,745,641			1,878,334	7,132,134
<b>FIXED INCOME</b>													
Brown Bros.			143,304			145,453			147,283			129,732	565,773
Fidelity			160,096			162,325			164,535			148,636	635,592
Taplin			191,761			193,592			191,949			169,909	747,211
Mackay Shields			148,591			148,274			145,904			147,848	590,617
Brown Bros.TIPS			<b>141,960</b>			<b>145,234</b>			<b>148,967</b>			<b>136,883</b>	<b>573,044</b>
			785,712			794,878			798,638			733,008	3,112,237
<b>INT'L EQUITIES</b>													
The Boston Co			565,228			561,584			526,042			551,739	2,204,594
Mondrian			338,577			321,646			304,892			316,283	1,281,398
Goldman Sachs Asset Mgmt			475,637			489,525			432,913			499,383	1,897,458
SSgA MSCI ACWI			0			0			0			0	0
	0		1,379,442	0		1,372,755			1,263,847			1,367,405	5,383,450
<b>REAL ESTATE</b>													
L & B Real Estate	71,577	17,187	17,188	329,250	201,893	348,834	0	193,318	116,143	180,637	213,729	0	1,689,756
<b>ALTERNATIVE INVESTMENTS</b>													
Other Alt Inv Mgmt Fees	1,059,228	598,052	57,249	578,597	166,134	998,614	1,488,953	4,710	782,270	422,507	425,855	278,946	6,861,115
<b>OB TOTAL-INV MGMT FEES</b>	<b>1,130,805</b>	<b>615,239</b>	<b>3,852,368</b>	<b>907,847</b>	<b>368,027</b>	<b>5,410,462</b>	<b>1,488,953</b>	<b>198,028</b>	<b>4,706,540</b>	<b>603,144</b>	<b>639,583</b>	<b>4,257,693</b>	<b>24,178,691</b>
<b>PROFESSIONAL FEES</b>													
Legal	0	0	12,581	0	6,701	15,535	13,726	6,000	6,150	3,075	9,677	17,791	91,235
St St Bank Custodial	10,784	8,495	35,791	18,017	8,948	15,129	9,541	11,543	12,333	10,619	1,563	12,861	155,624
Pacific Corp Group		0	0	93,750	93,750	0	0	93,750	0	0	93,750	0	375,000
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	<b>35,625</b>	0	0	<b>35,625</b>	0	0	<b>35,625</b>	0	<b>15,000</b>	<b>35,625</b>	<b>157,500</b>
	31,617	29,328	104,830	132,600	130,232	87,122	44,100	132,126	74,941	34,527	140,823	87,110	1,029,356
<b>OPERATING EXPENSE</b>													
Retirement Transfers	369,522	368,651	525,602	512,275	603,183	808,484	402,617	503,343	434,231	446,640	607,644	450,000	6,032,190
Other Expense	0	<b>3,097</b>	<b>33,007</b>	<b>6,250</b>	<b>6,250</b>	<b>6,250</b>	<b>21,497</b>	<b>22,425</b>	<b>6,250</b>	0	<b>8,333</b>	<b>8,333</b>	<b>121,692</b>
	369,522	371,747	558,608	518,525	609,433	814,734	424,114	525,768	440,481	446,640	615,978	458,333	6,153,882
<b>TOTAL:</b>	<b>1,531,944</b>	<b>1,016,314</b>	<b>4,515,807</b>	<b>1,558,972</b>	<b>1,107,692</b>	<b>6,312,319</b>	<b>1,957,167</b>	<b>855,922</b>	<b>5,221,963</b>	<b>1,084,311</b>	<b>#####</b>	<b>4,803,136</b>	<b>31,361,930</b>

note: Numbers in bold are actual.



CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2008	FY 2007-08												
	Actual July 2007	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2008	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
MEMBER BENEFITS	52,425,504	53,123,807	53,371,008	53,041,011	52,935,677	53,259,955	55,399,684	55,282,353	55,184,967	55,042,146	55,048,997	52,000,000	646,114,110
ADMINISTRATIVE EXPENSES	81,164	112,168	939,170	123,439	119,107	777,259	55,662	556,812	434,195	407,974	641,541	81,164	4,329,676
INVESTMENT EXPENSES	961,630	523,195	63,300	770,935	368,027	1,143,783	1,263,900	167,996	761,683	511,398	542,176	237,214	7,315,438
TOTAL OUTFLOW	53,468,298	53,759,170	54,373,478	53,935,385	53,422,811	55,180,997	56,718,267	56,007,161	56,381,046	55,961,519	56,232,715	52,318,378	657,759,224
CONTRIBUTIONS	67,315,617	24,268,735	31,456,913	39,521,411	50,419,000	41,453,000	43,124,000	43,490,135	37,241,439	50,541,113	49,746,039	51,824,521	530,401,923
OTHER INCOME*	7,285,447	10,151,633	8,516,524	3,050,830	3,844,958	3,705,916	2,194,110	3,078,130	2,015,428	5,353,647	2,436,587	16,040,178	67,675,388
TOTAL INCOME	74,601,064	34,420,368	39,975,437	42,572,241	54,263,958	45,158,916	45,318,110	46,568,265	39,256,867	55,894,760	52,182,626	67,964,699	598,077,311
DIFFERENCE	21,132,766	(19,338,802)	(14,398,041)	(11,363,144)	841,147	(10,022,081)	(11,400,156)	(9,438,896)	(17,124,179)	(66,759)	(4,050,089)	15,546,321	(59,681,913)

Municipal Employees Retirement System

	Actual July 2007	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2008	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
MEMBER BENEFITS	4,451,916	4,467,625	4,500,775	4,497,408	4,495,051	4,530,762	4,616,934	4,692,969	4,666,622	4,742,620	4,722,383	4,450,000	54,935,084
ADMINISTRATIVE EXPENSES	13,354	18,455	154,522	20,453	19,780	129,077	9,247	92,692	72,424	68,100	107,185	13,354	718,653
INVESTMENT EXPENSES	158,218	86,082	10,415	127,741	51,879	189,944	209,891	27,966	127,083	85,364	90,592	39,029	1,204,204
TOTAL OUTFLOW	4,623,487	4,572,162	4,665,712	4,645,602	4,566,710	4,849,802	4,836,072	4,813,627	4,866,130	4,896,084	4,920,170	4,502,383	56,757,941
CONTRIBUTIONS	4,890,950	3,427,165	3,947,195	5,055,145	3,776,000	4,383,000	6,233,000	3,904,841	4,070,728	6,870,013	4,927,100	5,150,814	56,635,851
OTHER INCOME*	1,198,679	1,670,254	1,401,558	505,511	638,518	615,428	364,368	512,415	336,177	893,644	407,129	2,639,101	11,182,781
TOTAL INCOME	6,089,529	5,097,419	5,348,753	5,560,656	4,414,518	4,998,428	6,597,368	4,417,266	4,406,905	7,763,657	5,334,229	7,789,915	67,818,632
DIFFERENCE	1,466,042	525,258	683,041	915,054	(152,192)	148,625	1,761,296	(396,371)	(459,225)	2,867,573	414,059	3,287,532	11,060,691

Retirement System	Actual July 2007	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2008	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
MEMBER BENEFITS	44,733	44,733	44,733	44,733	44,733	54,638	55,251	55,251	55,251	76,390	73,502	75,000	668,948
ADMINISTRATIVE EXPENSES	925	1,278	10,702	1,468	1,429	9,324	668	6,846	5,383	5,092	8,064	925	52,105
INVESTMENT EXPENSES	10,958	5,962	721	9,171	3,748	13,721	15,162	2,066	9,446	6,383	6,815	2,703	86,856
TOTAL OUTFLOW	56,616	51,974	56,157	55,372	49,909	77,683	71,081	64,163	70,081	87,865	88,382	78,628	807,909
CONTRIBUTIONS	535,000	530,000	485,000	525,000	810,000	480,000	490,000	490,000	505,000	535,000	730,000	780,000	6,895,000
OTHER INCOME*	83,022	115,683	97,073	36,283	46,124	44,456	26,321	37,848	24,988	66,817	30,628	182,786	792,039
TOTAL INCOME	618,022	645,683	582,073	561,293	856,124	524,456	516,321	527,848	529,988	601,817	760,628	962,786	7,687,039
DIFFERENCE	561,405	593,710	525,916	505,921	806,215	446,773	445,240	463,685	459,906	513,953	672,246	884,158	6,879,130

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

CSFL05

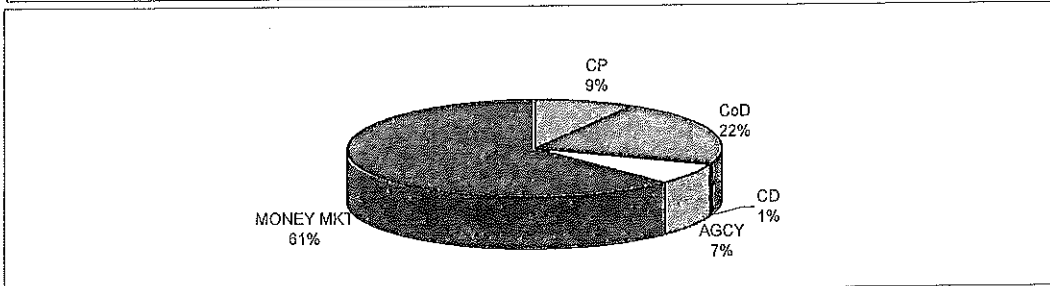
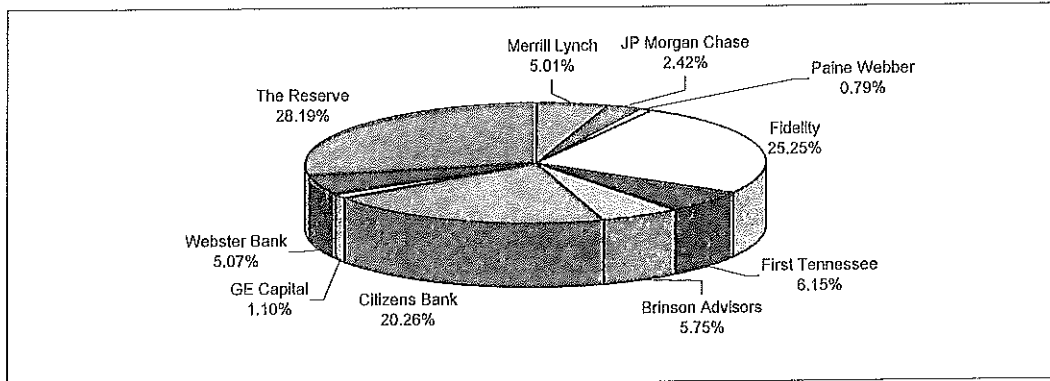
<b>Rhode Island Employees Retirement System</b> <b>Securities Lending Report</b> <b>May, 2008</b>
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<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<b><u>DOMESTIC EQUITY</u></b>		
Wellington Tech Equity, LLP	16,652	26,148,886
Wellington Mgmt. Co., LLP	114,154	165,717,378
NorthPointe Capital	127,740	183,001,254
SSgA Core	<u>27,412</u>	<u>47,720,201</u>
<b>Total Domestic Equity</b>	<b><u>\$ 285,959</u></b>	<b><u>\$ 422,587,719</u></b>
<b><u>INTERNATIONAL EQUITY</u></b>		
Goldman Sachs	84,696	48,669,964
Boston Company	127,282	79,208,606
Mondrian	<u>115,837</u>	<u>58,939,893</u>
<b>Total International Equity</b>	<b><u>\$ 327,815</u></b>	<b><u>\$ 186,818,463</u></b>
<b><u>FIXED INCOME</u></b>		
Brown Brothers, Harriman	14,852	29,835,390
Taplin, Canida & Habacht	10,515	22,558,176
Fidelity Management Trust Company	0	0
MacKay Shields	10,981	20,494,186
Brown Brothers, Harriman (TIPS)	<u>229,342</u>	<u>534,598,942</u>
<b>Total Fixed Income</b>	<b><u>\$ 265,690</u></b>	<b><u>\$ 607,486,693</u></b>
 <b>TOTAL SECURITIES LENDING INCOME</b>	 <b><u>\$ 879,463</u></b>	 <b><u>\$ 1,216,892,875</u></b>
 <b>Calendar Year 2008 YTD</b>	 <b>\$ 4,128,887</b>	

RI SIC GUIDELINE COMPLIANCE REPORT

INVESTMENTS AS OF:

5/31/2008 0:00



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

Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	Total (\$)
Guidelines-Total/Vendor	25%/10%	25%/10%	75%/35%	75%/35%	25%/25%	100%/20%	
Merrill Lynch	11,398,148	0	0	0	0	0	11,398,148
	5%	0%	0%	0%	0%	0%	5.01%
Sovereign Bank	0	0	0	0	0	0	0.00%
	0%	0%	0%	0%	0%	0%	0.00%
JP Morgan Chase	5,498,992	0	0	0	0	0	5,498,992
	2%	0%	0%	0%	0%	0%	2.42%
Paine Webber	0	0	1,799,258	0	0	0	1,799,258
	0%	0%	1%	0%	0%	0%	0.79%
Fidelity	0	0	0	57,397,758	0	0	57,397,758
	0%	0%	0%	25%	0%	0%	25.25%
First Tennessee	0	0	13,987,316	0	0	0	13,987,316
	0%	0%	6%	0%	0%	0%	6.15%
Brinson Advisors	0	0	0	13,072,610	0	0	13,072,610
	0%	0%	0%	6%	0%	0%	5.75%
Citizens Bank	0	1,312,741	0	0	44,740,889	0	46,053,630
	0%	1%	0%	0%	20%	0%	20.26%
GE Capital	2,498,989	0	0	0	0	0	2,498,989
	1%	0%	0%	0%	0%	0%	1.10%
Webster Bank	0	0	0	7,000,000	4,519,906	0	11,519,906
	0%	0%	0%	3%	2%	0%	5.07%
Citi-Group	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0.00%
State St Bank	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0.00%
The Reserve	0	0	0	64,087,204	0	0	64,087,204
	0%	0%	0%	28%	0%	0%	28.19%
<b>TOTALS</b>	<b>19,396,128</b>	<b>1,312,741</b>	<b>15,786,574</b>	<b>141,557,572</b>	<b>49,260,795</b>	<b>0</b>	<b>227,313,810</b>
(%) PORTFOLIO	8.53%	0.58%	6.94%	62.27%	21.67%	0.00%	100.00%

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

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

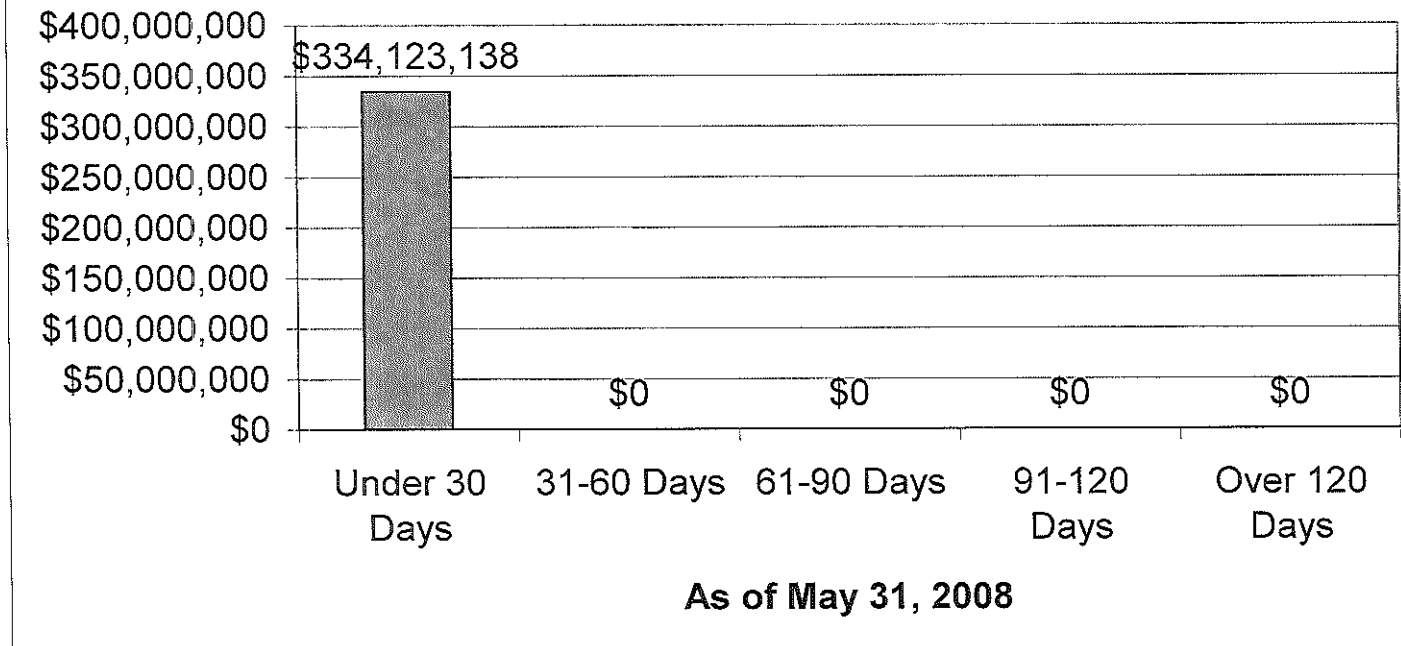
Short Term Investments Portfolio by Fund

As of May 31, 2008

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	15,469,115	0	15,469,115
4904 PENSION C	2,999,450	550	3,000,000
4908 PAYROLL A	2,499,542	458	2,500,000
4916 GENERAL FUND H.A.V.A.	531,706	0	531,706
4918 RICAP	9,003,381	0	9,003,381
4920 GENERAL FUND (HIST PRES)	524,830	1,892	526,722
4955 HEALTH INSURANCE FUND	8,069,262	742	8,070,004
5400 HIGHWAY FUND	25,799,220	1,235	25,800,455
5500 UNIVERSITY COLLEGE	1,830,454	276	1,830,731
6920 AUTO EQUIPMENT SERVICE	25,096	0	25,096
8000 T.D.I. RESERVE (DET)	109,534,704	1,109	109,535,813
8300 PERMANENT SCHOOL FUND	1,289,448	965	1,290,413
8400 EMP RETIREMENT FUND	2,667,113	0	2,667,113
8500 MUN EMP RETIREMENT FUND	1,936,438	0	1,936,438
8700 R.I. CLEAN WATER ACT	920,122	0	920,122
9000 BOND CAPITAL FUND	2,999,513	488	3,000,000
9700 STATE LOTTERY FUND	42,630,574	12,928	42,643,502
9800 INDUS. BLDG. & MTG. INS.	2,083,356	0	2,083,356
4911 TANS	103,309,816	0	103,309,816
4917 TOBACCO SETTLEMENT	0	0	0
Subtotal	334,123,138	20,643	334,143,781
8703 CLEAN WATER 1991 SERIES A	45,783		
8706 CLEAN WATER CCDL 1994 (A)	6,058		
8707 CAP DEV. OF 1997 SERIES A	19,352		
8710 CLEAN WATER CCDL 2002 A	87,471		
8711 CLEAN WATER 2004 SERIES A	695,660		
8712 CLN WATER CCDL 2005 SER E	536,264		
8733 CAP DEV. OF 1997 SERIES A	7,049		
8737 RI POLLUT. CONT 94 SER. A	6,334		
8739 CCDL99A 1999A	328,079		
8746 POLUTION CTRL CCDL 2006 C	232,925		
8747 CLEAN WATER 2007 SERIES A	500,782		
9114 G.O. NOTE 1991 SER. B	3,791		
9117 BOND CCDL 1994 SERIES A	174,979		
9120 BOND CCBL96A	618,271		
9121 CAP DEV OF 1997 SERIES A	345		
9123 CCDL 1998B	1,782,271		
9125 MMG099 1999	2,846		
9126 BOND CAPITAL CCDL2000A	1,038,586		
9127 MULTI-MODAL GEN OBL 2000	2,817		
9131 CCDL 2004 SERIES A	9,661,342		
9132 BOND CCDL 2005 SERIES C	16,145,134		
9133 BOND CCDL 2005 SERIES E	2,509,619		
9134 BOND CCDL 2006 SERIES B	22,642		
9135 BOND CCDL 2006 SERIES C	31,419,206		
9136 GO BND-NTAX 2007 SERIES A	56,681,493		
9137 GO BND-TAX 2007 SERIES A	4,051,602		
Subtotal Bond Proceed Accounts	126,580,701		
Total Short Term Portfolio	460,703,839		

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

### Short-Term Investments Maturity Schedule



Maturities in \$Millions

Note: Includes \$287.1 Million of Money Market investments with no specific maturity

May, 2008	2.07%
April, 2008	2.04%
May, 2007	5.16%

ABRAHAM TOURO FUND  
INVESTMENT SUMMARY  
MAY 31, 2008

<u>FUND NAME</u>	May Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund ( Fidelity Balanced Fund)	\$ 52,486	\$ 2,363,080
<u>TOTALS</u>	\$ 52,486	\$ 2,363,080