



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 Thursday, December 6, 2007 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 10/24/07 *
3. General Consultant Capital Markets Review - Wilshire
4. Alternative Investments Consultant – PCG
 - WLR Recovery Fund IV *
5. Legal Counsel Report
6. Deputy Treasurer for Finance Report
7. Treasurer's Report
8. New Business

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

POSTED ON THURSDAY NOVEMBER 29, 2007



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

Regular Meeting December 6, 2007

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Thursday, December 6, 2007. 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. Brian Gallogly, Esq., of Brown Rudnick Berlack Israels, Legal Counsel to the Commission; Mr. William Bensus, of Wilshire Associates Incorporated, General Consultant to the Commission; Ms. Lisa Tyrrell of the State Street Corporation; Ms. Michelle Davidson, of Pacific Corporate Group (PCG), Alternative Investments Consultant to the Commission; and other members of the Treasurer's staff. Mr. Robert Gaudreau was not present.

State Investment Commission Minutes. The Treasurer entertained a motion for approval of the minutes. Ms. Reback moved, Ms. Gallogly seconded and the 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 October 24, 2007 regular meeting.

Wilshire Associates Incorporated – Capital Markets Review. Prior to Mr. Bensus presenting his overview, Treasurer Caprio commented on a local press release made on December 5, 2007 regarding the action the Commission took last March to move collateral in a fund in the Securities Lending Program to a high quality, government oriented securities fund. The former fund was allowed under the guidelines, but is now not in favor because of investments in many mortgage and asset backed securities. He congratulated the Staff and Commission for making this decision. He also stated that the financial press and rating agencies are now surveying each state's cash and bond holdings. He concluded by stating that our portfolio is in a very favorable position, as there is no exposure to the sub prime investments which the press and rating agencies are concerned with. He then asked Mr. Bensus to proceed with the Capital Market Review.

Mr. Bensus began his overview by stating that the Bank of England has reduced their lending rate by 25 basis points which will help global trading. President Bush will be announcing a plan to provide some relief for the sub prime situation. As of December 3, 2007 the Federal Funds Rate was 4.50%. Mr. Bensus believes the Federal Reserve will cut rates an additional 25 to 50 basis points at their next meeting. The market has been very volatile both in the U.S. and abroad. The first two weeks of November were very negative and the market fell about 10% but regained approximately 5% in the last two weeks of the month. Mr. Bensus stated that recently the TIPS portfolios have performed

very well, as there has been a reduction of real interest rates in anticipation of the reduction in inflation. This allocation within ERSRI's portfolio has performed in excess of expectations.

The U.S. market is up about 6.5% through December 5, 2007. Large cap stocks have out performed small cap stocks. Mr. Bensus observed that emerging markets have continued to outperform developed markets; emerging markets are up approximately 43.5% as of December 5, 2007. U.S equity is at 6.5% which is slightly under the expectation of 8%. Non-U.S. equity is up about 18% which is considerably higher than expectations. Fixed income was expected to be up 5% but is slightly higher than anticipated at 7%.

Treasurer Caprio stated that the Commission had decided to exit half of the high yield portfolio during the first quarter of 2007 which has been a favorable decision. Mr. Bensus stated that the Staff and Commission members collectively reached the decision that the spreads did not adequately compensate for the risks associated with the high yield market. As spreads return to normal levels the Commission may consider re-entering this market.

Mr. Bensus went on to discuss asset allocation within the portfolio as compared to other large public pension funds. The U.S. equity portion of the portfolio is on target; the non-U.S equity portion is slightly higher than the average observation; fixed income is slightly lower as the allocations are moving more toward real estate and private equity investments; cash was about 5.5% as of September 1, 2007. Performance has been very solid for the quarter. Year to date the portfolio has performed in the top quartile as compared to other large public pension funds. Mr. Bensus stated that the non-U.S equity portion of the portfolio should be monitored to ensure a successful investment program. He then went on to give a review of The Boston Company who has been managing a portion of the portfolio's non-U.S. equity.

Manager Continuation Policy Analysis & Review – The Boston Company. Mr. Bensus stated that the non-U.S. equity allocation of the portfolio, since last reviewed, had a poor performance. Although the non-U.S. equity market went up 5.5% in October, our portfolio went up only 3.5%. The market was off approximately 4.5% in November; the Boston Company was up about 70 basis points over that benchmark. As discussed in the October SIC Meeting, The Boston Company seems to perform more favorably in down markets. Mr. Bensus remarked that The Boston Company is a good compliment statistically to our other two managers. He stated he is not sure this is the right time to exit The Boston Company, but a temporary alternative would be to have this allocation rolled into an index fund.

Mr. Guidici asked how the weakness of the dollar is affecting the portfolio. Mr. Bensus replied that it is necessary to have diversification. When the U.S. dollar weakens the portion of the portfolio in non U.S. equities does well; when the dollar strengthens the U.S. equity allocation does well. This is why exposure to many different investment strategies is important to earning the desired rate of return.

Proposed Investment in WLR Recovery Fund IV, L.P. Treasurer Caprio first stated that in his tenure with the Commission this is the first time the CEO – Chairman of a fund of this size has attended the SIC Meeting. He thanked Mr. Ross for his participation.

Ms. Michelle Davidson of PCG then began an overview of WLR Recovery Fund IV. WL Ross Company has set a target of \$2.5 billion and has committed to a \$4 billion cap for Fund IV. The Firm typically invests in companies in bankruptcy or reorganization. The Firm focuses on industries that have fallen out of favor with investors such as the auto, textile, natural resources and financial services industries. Mr. Ross is one of the pioneers and industry leaders in bankruptcy, restructuring, and privatization services. Many of the professionals at WL Ross Company began working together in 1976 while at Rothschild Inc. and have been together for more than a decade. In late 1997 they organized the Rothschild Recovery Fund, which was later renamed WLR Recovery Fund (Fund 1). The three previous distressed funds have all returned 25% net IRRs. The management fee of 1.5% on committed capital with a subsequent step-down to 1% is beneficial to the limited partners. Fund IV will have the ability to invest up to 50% in non-U.S. companies. Fund IV will primarily be managed by the Firm's New York based professionals in conjunction with its India based team and affiliates.

Mr. Costello asked how much committed exposure the portfolio has to this type of distressed investment and to date how much has been funded. Ms. Davidson replied approximately 7% of the Private Equity portfolio has been committed and approximately 5% has been funded.

There being no further questions from the Commission, Treasurer Caprio introduced Wilbur L. Ross, Jr., CEO – Chairman of WLR Ross & Company. Mr. Ross began by addressing the sub prime situation and explaining how distressed investing can be favorable due to the historically large amount of high yield paper in the market today. In addition, many economists believe that credit default rates are cyclical and inevitably there will be a correction from the current highs. When the correction does occur, a large amount of opportunity may result for distressed private equities practitioners.

One example of this type of investment within WLR Recovery Fund IV is American Home Mortgage (AHM), a mortgage service provider licensed in all fifty states. As a mortgage service provider, AHM administers a mortgage: calculating principal and interest, collecting payments from the mortgagor, and acting as an escrow agent. AHM has historically been regarded as a good quality service provider and prior to the sub prime debacle was highly valued. WL Ross & Company was able to buy the platform at a significant discount. This is a very attractive investment as the mortgage servicing business today is actually worth more because the loan portfolio will be longer lived than in an environment where borrowers found it easier to resell or refinance their homes.

Mr. Ross went on to explain the strategy used in the year 2000 to purchase and restructure the failed Kofuku Bank in Japan. WLR Ross & Company syndicated participation to AIG, State of Wisconsin, and Franklin Templeton. They installed new management, added stock ownership and cash bonuses as incentives, refocused marketing strategies, and introduced new products such as ATM/credit cards. The result was an 18% increase in equity which was double that of most Japanese Banks. The bank was sold in 2002 with a cash on cash multiple of 1.9x in two years.

The next investment Mr. Ross summarized was International Steel Group ("ISG") acquired in Fund I. This was a \$40 million investment that returned over 12x. Through ISG, WL Ross Company acquired a number of steel mills in the U.S., helping to consolidate a highly fragmented industry. The firm was instrumental in negotiating new labor contracts with union workers, reducing the unit cost of production in the process and creating North America's largest and lowest cost integrated steel maker.

Mr. Ross proceeded to give an overview of International Automotive Components ("IAC") Group. He explained that WL Ross Company created this platform consisting of four global companies which combined has approximately \$5 billion of revenues and no net debt. The Company has fifty seven facilities employing twenty one thousand people in seventeen countries. Auto manufacturers are trying to reduce the number of suppliers and have more collaborative relationships; IAC Group is filling this niche. Mr. Bensur asked if Delphi was part of this group. Mr. Ross stated Delphi was not as they have a weak position in the segments of the automotive industry that IAC Group is interested in acquiring.

Mr. Treat asked if the service fees American Home Mortgage charges the consumer will decline due to the large amount of expected foreclosures. Mr. Ross responded that since AHM is not the mortgagee and is only collecting fees associated with the mortgage, such as late fees, this investment in Fund IV will continue to be profitable.

Mr. Ross concluded by stating that WL Recovery Fund IV will not entertain any investment deals that are larger than the pocketbook of the fund. The Company has consistently generated low loss ratios through the previous three funds. They have global representation through their investment professionals in New York, Tokyo, and Mumbai. Mr. Ross continued by stating that Fund IV is complementary to ERSRI's current alternative investments and will provide the overall portfolio with an increased exposure to diversification.

Treasurer Caprio entertained a motion for investment in WLR Recovery Fund IV. Ms. Reback moved, Mr. Costello and Mr. Reilly seconded, and the 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 invest up to \$20 million in WLR Recovery Fund IV, contingent upon satisfactory review and negotiation of investment and other legal documents.

Legal Counsel Report. Mr. Brian Gallogly from Brown, Rudnick, Berlack Israels, LLP, legal counsel to the Commission, indicated there were no legal developments for the month.

Deputy Treasurer for Finance Report. Mr. Goodreau commented that WLR Recovery Funds are an exemplary example of what private equity is all about. Mr. Ross's methodology is a true non-correlated asset class. WL Ross Recovery Funds have performed well despite not being based on heavy leverage; it is a true non-correlated and non-cyclical type of fund. Private equity should be more about building early stage companies rather than financial mechanics.

Mr. Costello stated that he felt the Commission should begin to revisit the size of the commitments we make to funds within the portfolio. While not dismissing smaller funds which can be very profitable, large funds should have a committed investment of at least \$15 to \$50 million. Mr. Goodreau agreed with Mr. Costello and further commented that he, along with Ms. Davidson, Mr. Reilly and the Treasurer, have been addressing the issue of extending or exiting the aged funds within the portfolio. He commented that managing and administering such funds has become an issue as they get closer to maturity. The goal is to sweep out old funds that are dragging on the IRR and get larger commitments to quality funds such as WLR Recovery IV. Mr. Goodreau stated this does not mean making radical changes in the portfolio, but rather monitoring those funds that go beyond ten years and looking toward new opportunities.

Mr. Reilly stated that this is the first time the portfolio has had a large portion of aged funds nearing maturity. The overall IRR on these funds has been very good. However, moving forward we should be looking at larger and higher caliber investments. Mr. Reilly mentioned that there is a great deal of administrative and legal costs associated with an exit or extension to a fund.

Mr. Treat asked what the administrative costs are in association with termination or extension of a mature fund and how it impacts the portfolio. Mr. Goodreau explained that according to the new FASB rules, private equity will come under the same scrutiny as other investments regarding fair market value. It is costly in dollar amount but has a bigger impact on our limited staff and budget issues. Although it is difficult to quantify it has to be addressed. Treasurer Caprio stated that State Street Bank & Trust has recently provided an additional service associated with monitoring private equity investments and FASB rules.

Treasurer Caprio agreed that the February 2008 Agenda should address the issue of liquidating the aged funds discussed at this meeting, adding that we should have a bid in place by that time. If the Commission decides to accept the bid the funds will be liquidated.

Mr. Goodreau read an excerpt explaining the changes to the terms of the Rhode Island 529 College Bound Fund, as follows: "Participants who choose an Age-Based

Education Strategies Portfolio for a Beneficiary born on or after January 1, 2008 will have their Accounts allocated first to Age-Group Category 1 and thereafter treated in a manner corresponding to that reflected in Schedule 3 to the Program Description. The aggregate annual Underlying Portfolio expenses and program maintenance fee for the Age-Based Aggressive 2008-2010 and the Age-Based 2008-2010 investment options are 0.94% and 0.92%, respectively, excluding any applicable distribution fee, which varies based upon the sales charge alternative selected by the Participant.” Dr. McKenna remarked that Rhode Island’s Fund was rated top in the country.

Treasurer Caprio entertained a motion to approve the changes in selected options for Rhode Island 529 College Bound Fund. Ms. Gallogly moved, Mr. Costello seconded and the 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 various changes in options to be selected by investors for The Rhode Island 529 College Bound Fund.

Mr. Goodreau thanked the Commission for approving the transfer of \$100 million through State Street Bank & Trust from the cash account to the technical equity pool. Although it is too early to claim a victory, he is encouraged with the positive results we have already seen. He again thanked the Commission for their feedback and cooperation.

Treasurer’s Report. Treasurer Caprio expressed his sorrow after hearing that Mr. Frank Blaschka, Consultant for Real Estate Investments, The Townsend Group, had passed away. A package was sent along with condolences to The Townsend Group.

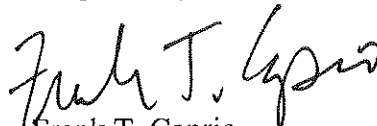
Dr. McKenna requested a schedule for the 2008 SIC Meetings. Treasurer Caprio assured the Commission members that a schedule for the 2008 SIC Meetings will be available shortly.

New Business. There being no questions and no new business, Treasurer Caprio entertained a motion to adjourn the meeting. Ms. Reback moved, Dr. McKenna seconded and the 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 adjourn the meeting

There being no further business, the meeting was adjourned at 10:45 a.m.

Respectfully submitted,


Frank T. Caprio
General Treasurer

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING October 31, 2007



STATE STREET
For Everything You Invest In™

	MKT VAL	FUND	% of	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
U.S. EQUITY													
SSGA S&P 500 INDEX FUND	1,795,535	20.67		1.58	6.97	5.49	10.89	3.69	14.56				
NORTHPOINTE CAPITAL	413,701	4.76		0.82	5.06	-0.92	3.42	-2.52	7.65	13.22	14.35	14.13	19.07
PIMCO	558,393	6.43		1.45	7.64	5.69	10.91	4.41	14.37	15.56	12.82	12.10	13.98
SSGA - CORE	398,265	4.59		1.92	7.47	6.66	13.17	4.04	17.03	17.95	16.11	14.16	14.63
WELLINGTON MANAGEMENT CO. LLC	436,300	5.02		0.09	2.13	-0.13	6.54	-3.52	10.55	14.86	14.55	13.42	20.84
WELLINGTON TECHNICAL EQUITY	57,356	0.66		7.90	14.35								
SHOTT CAPITAL	1,525	0.02		-11.13	-10.38	-0.64	-0.22	-12.64	-8.59				
TOTAL US EQUITY	3,661,075	42.15		1.42	6.42	4.35	9.87	2.34	13.63	15.16	13.89	12.75	15.80
RUSSELL 1000				1.74	7.07	5.44	11.21	3.76	15.03	15.53	13.82	12.68	14.54
RUSSELL 2000				2.87	7.01	2.26	6.12	-0.31	9.28	14.50	13.69	13.20	18.67
RUSSELL 2000 GROWTH				4.50	10.24	8.67	14.28	4.52	16.74	16.90	14.87	12.46	18.58
RUSSELL 2000 VALUE				1.09	3.58	-4.05	-1.64	-5.24	2.05	11.99	12.34	13.73	18.60
RUSSELL 3000				1.83	7.06	5.17	10.77	3.41	14.53	15.45	13.81	12.72	14.83
S&P 500				1.59	6.97	5.49	10.87	3.65	14.56	15.45	13.16	12.21	13.88
DOW WILSHIRE 5000 FREE FLOAT				1.91	7.04	5.46	11.21	3.40	15.06	15.79	14.10	13.04	15.23
INTERNATIONAL EQUITY													
GOLDMAN SACHS	602,611	6.94		5.12	7.45	10.91	20.44	6.73	29.37	28.83	27.41		
THE BOSTON COMPANY	589,931	6.79		3.62	4.99	6.30	12.46	3.22	18.58	22.13			
MONDRIAN	597,371	6.88		4.32	8.43	8.78	18.34	6.26	25.87	28.14	25.27		
TRANSITION ACCOUNT INT EQUITY	104	0.00											
PUTNAM INVESTMENTS	6	0.00											
BANK OF IRELAND	5	0.00											
TOTAL INTERNATIONAL EQUITY	1,790,027	20.61		4.35	7.06	8.75	16.61	5.51	24.08	26.12	24.20	23.10	22.57

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	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>			5.58	10.85	14.53	24.43	10.53	32.96	30.92	27.38	25.41	26.39
<i>MSCI EAFE (NET)</i>			3.93	7.78	8.19	17.60	6.19	24.91	26.21	23.44	22.28	23.21
U.S. FIXED INCOME												
BROWN BROTHERS HARRIMAN - CORE	302,978	3.49	0.45	1.64	1.22	3.51	2.20	4.03	4.52	3.59	4.17	4.94
FIDELITY MANAGEMENT TRUST	495,727	5.71	0.39	1.51	1.10	3.15	1.89	4.04	4.92	4.07	4.51	4.54
BROWN BROTHERS HARRIMAN - TIPS	554,651	6.39	1.29	3.44	4.12	7.11	5.86	5.87	4.32	4.00		
MACKAY SHIELDS, LLC	138,135	1.59	1.30	3.75	0.66	3.92	1.17	7.92	9.22	7.92	9.49	15.10
TAPLIN, CANIDA & HABACHT	307,475	3.54	0.91	2.21	2.53	4.70	2.14	5.49	5.87	4.44	5.16	7.89
FIXED INCOME CASH ACCOUNT	460,228	5.30	0.43	1.31	2.67		1.76					
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	2,259,768	26.02	0.75	2.19	2.31	4.82	2.85	5.37	5.37	4.48	5.11	6.21
<i>CSFB GLOBAL HIGH YIELD</i>			0.78	4.10	0.06	4.54	0.83	7.70	8.98	7.14	8.56	12.80
<i>LB AGGREGATE</i>			0.90	2.91	2.68	4.78	3.77	5.38	5.29	3.88	4.29	4.41
<i>LB CREDIT</i>			1.17	2.92	1.78	4.06	3.27	4.62	4.99	3.52	4.28	5.51
<i>LB GOV/CREDIT</i>			0.91	2.92	2.83	4.95	3.94	5.37	5.12	3.67	4.14	4.55
<i>CITIGROUP BIG</i>			0.94	3.07	2.80	4.92	3.99	5.50	5.37	3.97	4.40	4.52
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			1.27	3.64	2.58	4.74	4.80	5.10	5.32	4.19	5.13	5.42
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			0.98	3.19	2.67	4.77	3.88	5.64	5.67	4.37	4.69	4.30

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	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	346,179	3.99	0.96	4.26	17.92	23.40	4.57	23.70	13.04			
PRIVATE EQUITY	577,687	6.65	0.88	12.04	17.67	15.79	11.91	10.72	18.20	22.98	21.82	18.14
TOTAL ALTERNATIVE INVESTMENTS	923,865	10.64	0.91	8.95	17.73	18.44	9.00	15.10	16.65	21.72	20.66	17.24
1 TOTAL ALTERNATIVES BENCHMARK												
NCREIF PROPERTY INDEX QTR LAG			1.08	6.38	7.60	13.47	4.63	17.63	18.44	17.09	15.77	16.13
S&P 500 PLUS 300 BP			0.00	4.59	8.38	13.26	4.59	17.24	17.95	17.98	16.15	14.39
			1.80	7.58	6.97	13.41	4.62	17.67	18.54	16.26	15.31	17.02
CASH EQUIVALENTS												
CASH ACCOUNT (INSIDE)	31,810	0.37	1.02	3.54	4.39	6.93	4.91	10.61	9.00	9.39	11.41	17.74
CASH ACCOUNT (OUTSIDE)	19,532	0.22	0.31	0.92	1.89	3.52	1.15	4.16	3.84	3.38	2.81	3.18
TOTAL PLAN												
TOTAL PLAN	8,686,076	100.00	1.77	5.64	5.95	10.71	3.79	13.86	15.21	14.23	13.62	15.13
2 TOTAL PLAN BENCHMARK												
TOTAL PLAN ex PE RE	7,762,211	89.36	2.29	6.69	6.84	12.46	5.09	16.32	16.45	14.45	13.57	15.03
3 TOTAL PLAN BENCHMARK ex PE RE												
TOTAL PLAN ex PE RE			1.88	5.28	4.75	9.87	3.22	13.62	14.99	13.70	13.13	14.95
TOTAL PLAN BENCHMARK ex PE RE			2.46	6.73	6.74	12.31	5.16	16.12	16.04	14.07	13.26	14.60

State of Rhode Island

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STATE STREET
For Everything You Invest In

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
October 31, 2007

	Performance		Calendar YTD		Benchmark Description	Current Month		Valuation Change			
	Performance	Benchmark	Alpha	Benchmark		Performance	Benchmark	Market Value 9/30/2007	Transfers In/(out)	Market Value 9/30/2007	Market Value Increase/Decrease
Domestic Equity											
Short Capital Management IRR	-0.22%	10.87%	-11.09%		S & P 500	1.59%		80,179	(20,770)	1,524,566	1,465,156
SSgA S&P 500	10.89%	10.87%	0.02%		S & P 500	1.59%		1,767,437,919	127,875	1,795,535,174	27,969,381
SSgA Core	13.17%	11.21%	1.96%		Russell 1000	1.74%		390,717,618	27,707	398,264,982	7,519,657
PIMCO	10.91%	10.87%	0.04%		S & P 500	1.59%		600,093,535	(49,958,388)	558,392,694	8,257,548
NorthPointe Capital	3.42%	6.12%	-2.70%		Russell 2000	2.87%		410,291,219	30,797	413,700,888	3,378,872
Wellington Mgmt	6.54%	6.12%	0.42%		Russell 2000	2.87%		435,857,407	33,887	436,300,075	406,781
Wellington Tech Eq					Russell 3000	1.83%		53,158,420	-	57,356,172	4,197,753
Transition Account	N/A	N/A	N/A			N/A		-	-	-	-
Total Domestic Equity	9.87%							3,657,635,295	(49,758,892)	3,661,074,551	53,197,148
International Equity											
Boston Company	12.46%	24.43%	-11.97%		MSCI ACWI	5.58%		569,283,794	41,097	589,935,346	20,610,455
Goldman Sachs	20.44%	24.43%	-3.99%		MSCI ACWI	5.58%		573,230,012	41,097	602,611,301	29,340,193
Transition Account	N/A	N/A	N/A		N/A	N/A		652,848	-	684,907	32,059
Mondrian	18.34%	24.43%	-6.09%		MSCI ACWI	5.58%		572,607,665	41,097	597,370,836	24,722,074
Total International Equity	16.61%							1,715,774,318	123,291	1,790,602,390	74,704,781
Fidelity Management & Research											
Brown Brothers, Harriman	3.15%	4.78%	-1.63%		Lehman Mortgage Backed	1.01%		493,795,058	22,145	495,727,074	1,909,871
Taplin, Canida & Habacht	4.70%	4.92%	-0.22%		Salomon Brd Inv Grade	0.94%		301,611,004	22,197	302,977,514	1,344,313
Mackay Shields	3.92%	4.54%	-0.62%		Lehman Credit Index	1.17%		304,689,959	10,094	307,475,126	2,775,073
Brown Bros TIPS	7.11%	7.54%	-0.43%		CS First Boshield	0.78%		136,328,806	39,140	138,135,294	1,767,349
Fixed Income Cash Acct					Lehman US TIPS Index	1.12%		547,560,329	36,256	554,650,527	7,053,942
Transition Account	N/A	N/A	N/A		N/A	N/A		441,060,911	17,200,000	460,227,546	1,966,635
Total Fixed Income	4.82%							2,225,046,067	17,329,832	2,259,193,081	16,817,183
Alternative Investments											
Private Equity	15.79%	N/A	N/A		N/A	N/A		555,433,263	16,962,020	577,686,650	5,291,366
Real Estate	23.40%	14.10%	9.30%		NCREIF + 100	0.06%		343,487,549	(291,968)	346,178,631	2,983,050
Total Alternatives	18.44%							898,920,812	16,670,052	923,865,280	8,274,416
Cash Accounts											
Cash in Trust	6.93%	N/A	N/A		N/A	N/A		47,660,598	(16,649,283)	31,809,483	798,168
Cash Outside Trust	3.32%	N/A	N/A		N/A	N/A		3,450,610	15,000,000	19,551,875	1,081,265
Total Cash	5.43%							51,111,208	(1,649,283)	51,341,358	1,879,433
Total Plan Ex PE & RE	9.87%	12.31%	-2.44%			2.46%		8,548,488,700	(17,285,000)	8,686,076,660	154,872,960
Total Plan	10.71%	12.46%	-1.75%			2.29%					

*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 October 31, 2007



STATE STREET
For Everything You Invest In™

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Net Flow (000)	
		Fund	Index	Excess	Fund	Index	Excess		
U.S. EQUITY									
SSGA S&P 500 INDEX FUND	S&P 500	1.58	1.59	-0.01	10.89	10.87	0.02	1,795,535	128
SSGA - CORE	RUSSELL 1000	1.92	1.74	0.18	13.17	11.21	1.96	398,265	38
PIMCO	S&P 500	1.45	1.59	-0.14	10.91	10.87	0.04	558,393	-49,958
NORTHPOINTE CAPITAL	RUSSELL 2000	0.82	2.87	-2.05	3.42	6.12	-2.70	413,701	31
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	0.09	2.87	-2.78	6.54	6.12	0.42	436,300	34
WELLINGTON TECHNICAL EQUITY	RUSSELL 3000	7.90	1.83	6.07	9.87			57,356	0
TOTAL US EQUITY		1.42						3,661,075	-48,094
INTERNATIONAL EQUITY									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	3.62	5.58	-1.96	12.46	24.43	-11.97	589,931	41
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	5.12	5.58	-0.46	20.44	24.43	-3.99	602,611	50
MONDRIAN	MSCI AC WORLD ex US (GROSS)	4.32	5.58	-1.26	18.34	24.43	-6.09	597,371	41
TRANSITION ACCOUNT INT EQUITY								104	31
TOTAL INTERNATIONAL EQUITY		4.35			16.61			1,790,027	163
U.S. FIXED INCOME									
FIDELITY MANAGEMENT TRUST	LB MBS	0.39	1.01	-0.62	3.15	4.78	-1.63	495,727	22
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	0.45	0.94	-0.49	3.51	4.92	-1.41	302,978	22
TAPLIN, CANIDA & HABACHT	LB CREDIT	0.91	1.17	-0.26	4.70	4.06	0.64	307,475	10
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	1.30	0.78	0.52	3.92	4.54	-0.62	138,135	39
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	1.29	1.12	0.17	7.11	7.54	-0.43	554,651	36
FIXED INCOME CASH ACCOUNT		0.43						460,228	17,200
TRANSITION ACCOUNT FIXED INCOME								575	0
TOTAL US FIXED INCOME		0.75			4.82			2,259,768	17,329

State of Rhode Island

RATES OF RETURN - Total

Periods Ending October 31, 2007



STATE STREET.
For Everything You Invest In™

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess	
		Value (000)						
ALTERNATIVE INVESTMENTS								
PRIVATE EQUITY		0.88		15.79		577,687	17,276	
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	0.96	0.08	23.40	14.10	346,179	-621	
TOTAL ALTERNATIVE INVESTMENTS	TOTAL ALTERNATIVES BENCHMARK	0.91	1.08	18.44	13.47	923,865	16,655	
CASH EQUIVALENTS								
CASH ACCOUNT (INSIDE)		1.02		6.95		51,810	-16,215	
CASH ACCOUNT (OUTSIDE)		0.31		3.32		19,532	16,013	
TOTAL CASH		0.74		5.43		51,341	-202	
TOTAL PLAN								
TOTAL PLAN	TOTAL PLAN BENCHMARK	1.77	2.29	10.71	12.46	8,686,076	-14,149	
TOTAL PLAN ex PE RE	TOTAL PLAN BENCHMARK ex PE RE	1.88	2.46	9.87	12.31	7,762,211	-30,804	

State of Rhode Island

TOTAL PLAN

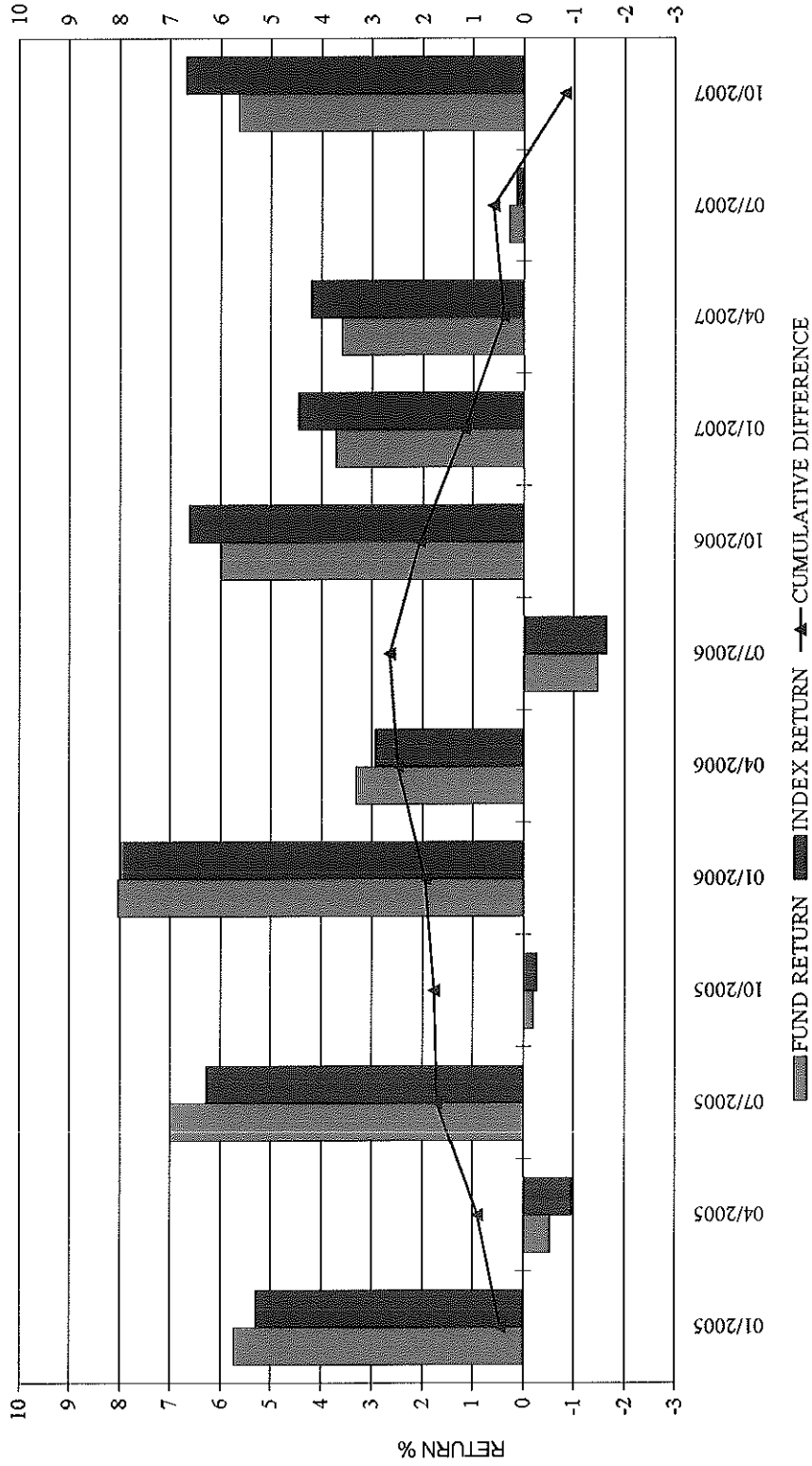
Index: TOTAL PLAN BENCHMARK

PERIODS: October 31, 2004 - October 31, 2007



STATE STREET
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CUMULATIVE PERFORMANCE REPORT



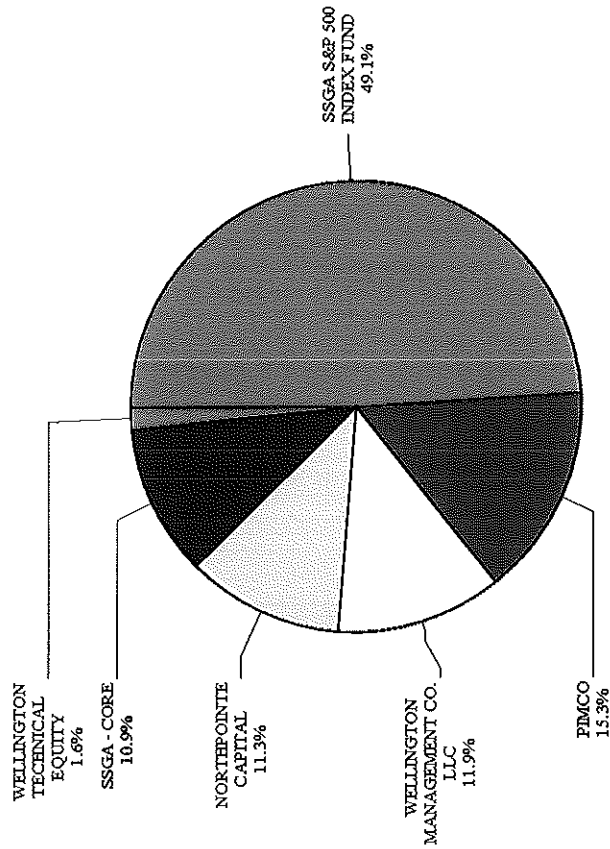
State of Rhode Island

MANAGER ALLOCATION ANALYSIS
 PERIOD ENDING 10/31/2007



STATE STREET.
 For Everything You Invest In™

CURRENT MANAGER ALLOCATION



MANAGER	CURRENT PERIOD	ONE YEAR AGO
SSGA S&P 500 INDEX FUND	1,795.5	1,615.6
PIMCO	558.4	531.8
WELLINGTON MANAGEMENT CO. LLC	436.3	394.2
NORTHPOINTE CAPITAL	413.7	383.9
SSGA - CORE	398.3	359.9
SHOTT CAPITAL		3.4
WELLINGTON TECHNICAL EQUITY	57.4	
SSGA RUSSELL 1000		2.4
WASATCH ADVISORS		1.8
TOTAL	3,659.6	3,293.0

State of Rhode Island

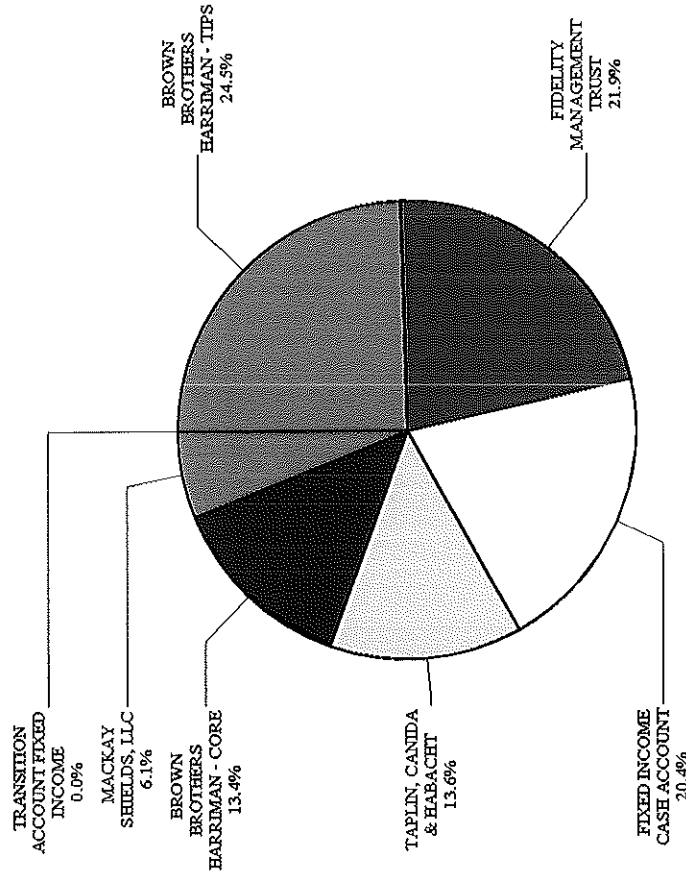
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 10/31/2007



STATE STREET
For Everything You Invest In

CURRENT MANAGER ALLOCATION



MANAGER	CURRENT PERIOD	ONE YEAR AGO
BROWN BROTHERS HARRIMAN - TIPS	554.7	523.3
FIDELITY MANAGEMENT TRUST	495.7	476.1
FIXED INCOME CASH ACCOUNT	460.2	
TAPLIN, CANIDA & HABACHT	307.5	291.2
BROWN BROTHERS HARRIMAN - CORE	303.0	290.8
MACKAY SHIELDS, LLC	138.1	127.1
SHENKMAN CAPITAL MANAGEMENT		128.5
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
TOTAL	2,259.8	1,837.6

State of Rhode Island

MANAGER ALLOCATION ANALYSIS

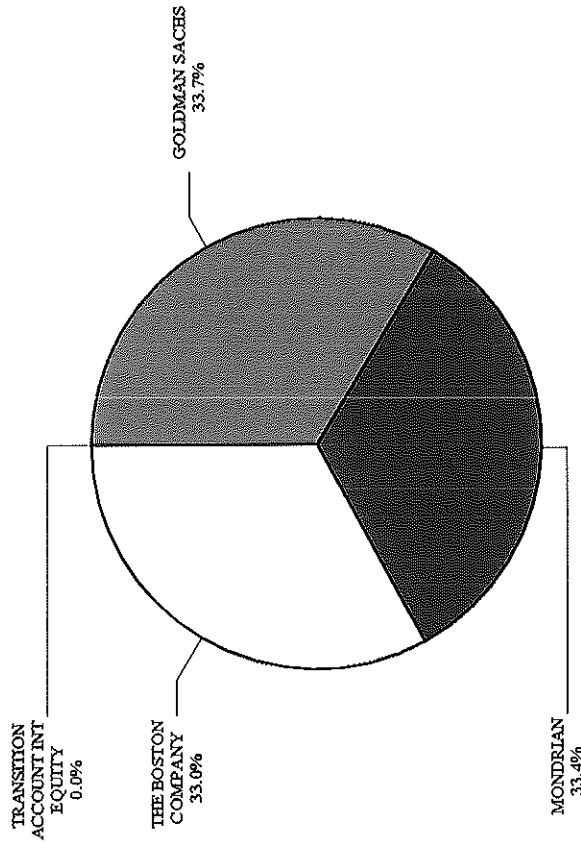
PERIOD ENDING 10/31/2007



STATE STREET
For Everything You Invest In™

CURRENT MANAGER ALLOCATION

MANAGER	CURRENT PERIOD	ONE YEAR AGO
GOLDMAN SACHS	602.6	596.4
MONDRIAN	597.4	607.9
THE BOSTON COMPANY	589.9	589.2
TRANSITION ACCOUNT INT EQUITY	0.1	0.1
TOTAL	1,790.0	1,793.6



**ASSET ALLOCATION REPORT
OCTOBER 31st, 2007**

	Style Mandate	Actual (Millions \$)		Target (Millions \$)		Difference (Millions \$)
Domestic Equity						
SSgA S&P 500 Index Fund	Passive	1,795.54	20.67%	1,776.30	20.45%	19.23
SSgA Core	Active core	398.27	4.59%	390.87	4.50%	7.39
PIMCO	Enhanced Equity	558.39	6.43%	560.25	6.45%	(1.86)
NorthPointe Capital	Small Cap Value	413.70	4.76%	434.30	5.00%	(20.60)
Wellington Mgmt	Small Cap Core	436.30	5.02%	477.73	5.50%	(41.43)
Wellington Technical Equity	Tactical Equity	57.36	0.66%	52.12	0.60%	5.24
Shott Capital	Alternative Distribution	1.52	0.02%	0.00	0.00%	1.52
TOTAL DOMESTIC EQUITY		3,661.07	42.15%	3,691.58	42.50%	(30.51)
International Equity						
Boston Company	MSCI ACWI	589.93	6.79%	579.36	6.67%	10.57
Goldman Sachs	MSCI ACWI	602.61	6.94%	579.36	6.67%	23.25
Mondrian	MSCI ACWI	597.37	6.88%	578.49	6.66%	18.88
Transition Account		0.10	0.00%	0.00	0.00%	0.10
TOTAL INT'L EQUITY		1,790.03	20.61%	1,737.22	20.00%	52.81
Domestic Fixed Income						
Fidelity Management & Research	Mortgages	495.73	5.71%	542.88	6.25%	(47.15)
Brown Brothers, Harriman	Opportunistic Core	302.98	3.49%	325.73	3.75%	(22.75)
Taplin, Canida & Habacht	Corporates	307.48	3.54%	325.73	3.75%	(18.25)
Mackay Shields	High yield	138.14	1.59%	162.86	1.88%	(24.73)
Shenkman Capital Mgmt	High yield	0.00	0.00%	162.86	1.88%	(162.86)
Brown Brothers, Harriman TIPS	TIPS	554.65	6.39%	651.46	7.50%	(96.80)
Fixed Income Cash Account		460.23	5.30%	0.00	0.00%	460.23
Transition Account		0.58	0.01%	0.00	0.00%	0.58
TOTAL FIXED-INCOME		2,259.77	26.02%	2,171.52	25.00%	88.25
Alternative Investments						
Real Estate	Real Estate	346.18	3.99%	434.3	5.00%	(88.1)
Pacific Corp Group	Private Equity	577.69	6.65%	651.46	7.50%	(73.8)
TOTAL ALTERNATIVE INVESTMENTS		923.87	10.64%	1,085.76	12.50%	(161.89)
CASH EQUIVALENTS	STIF, Yield+	51.34	0.59%	0.00	0.00%	51.34
TOTAL ASSETS		8,686.08	100.00%	8,686.08	100.00%	(0.00)

ALLOCATION BY MANAGEMENT STYLE

Domestic Equity						
Core		455.62	5.25%	442.99	5.10%	12.63
Index		1,795.54	20.67%	1,776.30	17.75%	19.23
Enhanced Equity		558.39	6.43%	560.25	6.75%	(1.86)
Active Small Cap		850.00	9.80%	912.04	13.50%	(62.04)
TOTAL DOMESTIC EQUITY		3,661.07	42.15%	3,691.58	43.10%	(30.51)
International Equity						
Active		1,790.03	20.61%	1,737.22	20.00%	52.81
TOTAL INT'L EQUITY		1,790.03	20.61%	1,737.22	20.00%	52.81
Domestic Fixed Income						
Mortgage		495.73	5.71%	542.88	6.25%	(47.15)
Core		302.98	3.49%	325.73	3.75%	(22.75)
Corporates		307.48	3.54%	325.73	3.75%	(18.25)
High Yield		138.71	1.59%	325.73	3.75%	(187.02)
TIPS		554.65	6.39%	651.46	7.50%	(96.80)
Other		460.23	5.30%	-	0.00%	460.23
TOTAL FIXED-INCOME		2,259.77	26.01%	2,171.52	25.00%	88.25
Alternative Investments						
Real Estate		346.18	3.99%	434.30	5.00%	(88.12)
Other Alternative Investments		577.69	6.65%	651.46	7.50%	(73.77)
TOTAL ALTERNATIVE INVESTMENTS		923.87	10.64%	1,085.76	12.50%	(161.89)
CASH EQUIVALENTS	STIF, Yield+	51.34	0.59%	0.00	0.00%	51.34
TOTAL ASSETS		8,686.08	100.00%	8,686.08	100.60%	(0.00)

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

OCTOBER 31, 2007

<i>Equities</i>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	EXXON MOBIL CORP	183,270	\$16,859,007	SSgA
2	APPLIED MICRO CIRCUITS CORP.	2,832,400	9,120,328	Wellington, NorthPointe
3	RED HAT INC.	417,700	9,018,143	Wellington
4	BANK AMERICA CORP.	185,700	8,965,596	SSgA
5	TELEDYNE TECH	167,210	8,746,755	Wellington, NorthPointe
6	UCBH HLDGS INC	512,100	8,741,547	Wellington, NorthPointe
7	INGRAM MICRO INC.	404,600	8,593,704	Wellington
8	RF MICRO DEVICES INC.	1,376,300	8,560,586	SSgA, NorthPointe
9	CYPRESS SEMICONDUCTOR	232,000	8,479,600	Wellington
10	FIRST COMNTY BANCORP.	173,800	8,464,060	Wellington, NorthPointe
		2.65%	\$95,549,326	
	Total Composite Equities		\$3,602,193,813	

International Equity Holdings By Top 10 Market Values

OCTOBER 31, 2007

<i>International Equities</i>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	DPT EMERGING MARKET	3,691,088	\$69,318,636	Mondrian
2	UNILEVER PLC	1,032,919	34,868,148	Mondrian, Goldman, Boston Co.
3	ROYAL DUTCH SHELL	771,330	33,723,174	Mondrian, Goldman, Boston Co.
4	ROYAL BANK SCOT GRP	3,067,835	32,916,343	Mondrian, Goldman, Boston Co.
5	TOTAL SA	338,310	27,237,909	Mondrian, Goldman, Boston Co.
6	NOVARTIS AG	507,198	26,956,039	Mondrian, Boston Co.
7	BP PLC	2,057,598	26,714,669	Mondrian, Boston Co.
8	GLAXOSMITHKLINE	932,641	23,985,258	Mondrian, Boston Co.
9	RWE AG (NEU)	169,490	23,108,572	Mondrian, Boston Co.
10	NATIONAL AUSTRALIA BANK	558,727	22,317,184	Mondrian, Boston Co.
		17.94%	\$321,145,931	
	Total Composite International Equities		\$1,789,912,868	

FISCAL YEAR 2008

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSSEI & MERSSEI

ACCURAL BASIS

	Actual Jul 07	Projected Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 08	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
EQUITIES													
SSGA Core		228,174				242,895			254,599			222,371	948,038
SSGA Russell 1000/S&P 500		25,333				40,562			66,927			32,408	165,231
Shott Capital		2,447				2,751			1,000			2,718	10,111
PIMCO		0				200,000			647,075			225,000	425,000
Wellington Mgmt		627,504				634,038			120,000			679,274	2,587,891
Wasatch Advisors		118,277				121,645			566,385			126,713	486,636
NorthPointe		523,527				543,982			1,658,181			589,850	2,223,744
		1,325,262				1,785,873						1,878,334	6,847,850
FIXED INCOME													
Brown Bros.		137,599				140,551			141,829			129,732	550,111
Fidelity		156,625				157,334			158,790			148,636	621,385
Teplin		180,056				184,623			187,094			169,909	721,682
Mackay Shields		135,754				141,118			145,904			147,848	570,624
Brown Bros. TIPS		139,383				140,110			140,412			136,882	556,789
		749,817				763,736			774,030			733,008	3,020,591
INT'L EQUITIES													
The Boston Co		567,016				584,801			570,511			551,739	2,274,066
Mondrian		344,188				363,762			353,466			316,283	1,377,699
Goldman Sachs Asset Mgmt		487,560				523,450			532,968			499,383	2,043,761
SSGA MSCI ACWI		0				0			0			0	0
		1,399,164				1,472,013			1,456,945			1,367,405	5,695,526
REAL ESTATE													
L & B Real Estate		71,577				34,375			202,228			55,479	0
		17,187				34,375			17,188			17,188	1,147,685
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fees		598,052				999,806			249,256			278,946	5,797,636
		329,250				316,403			19,516			462,405	
SUB TOTAL-INV MGMT FEES		1,130,805				5,055,803			4,340,640			4,257,693	22,509,088
		615,239				628,991			36,704			518,655	
PROFESSIONAL FEES													
Legal		8,500				8,769			7,365			9,677	115,977
St St Bank Custodial		10,784				15,129			10,949			12,861	163,129
Pacific Corp Group		0				0			0			93,750	375,000
Willshire Assoc		20,833				20,833			20,833			20,833	249,997
Towansend		0				35,625			35,625			15,000	157,500
		40,117				75,087			74,772			15,725	1,061,604
OPERATING EXPENSE													
Retirement Transfers		0				1,201,064			0			0	5,848,119
Other Expense		0				32,088			3,000			8,333	146,045
		3,097				1,233,152			3,000			8,333	5,994,164
		0				8,014			3,000			8,333	
TOTAL:		1,170,922				6,364,042			4,418,412			4,353,136	29,564,856
		656,486				6,364,042			4,418,412			4,353,136	

Note: Numbers in bold are actual.

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2008	FY 2007-08												Projected TOTAL
	Actual July 2007	Actual August	Actual September	Actual October	Projected November	Projected December	Projected January 2008	Projected February	Projected March	Projected April	Projected May	Projected June	
MEMBER BENEFITS	52,425,504	53,123,807	53,371,008	53,041,011	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	627,961,330
ADMINISTRATIVE EXPENSES	81,164	112,168	939,170	123,439	119,436	61,564	41,155	89,849	65,360	3,165,767	134,243	81,164	5,014,479
INVESTMENT EXPENSES	961,630	523,195	63,300	770,955	535,706	880,803	764,774	31,234	384,116	222,931	441,147	237,214	5,816,984
TOTAL OUTFLOW	53,468,298	53,759,170	54,373,478	53,935,385	52,655,144	52,942,366	52,805,928	52,121,083	52,449,476	55,398,697	52,575,390	52,318,378	638,792,793
CONTRIBUTIONS	67,315,617	24,288,735	31,456,913	39,521,411	33,747,419	43,321,050	33,232,665	45,847,529	37,662,635	42,576,485	39,989,274	51,924,521	490,764,254
OTHER INCOME*	7,285,447	10,151,633	8,518,524	3,050,830	9,169,433	14,913,727	3,782,660	8,823,708	11,596,390	6,200,118	13,473,498	16,040,178	113,009,145
TOTAL INCOME	74,601,064	34,420,368	39,975,437	42,572,241	42,915,852	58,234,777	37,015,325	54,673,237	49,261,025	48,776,603	53,462,772	67,864,699	603,773,399
DIFFERENCE	21,132,766	(19,338,802)	(14,398,041)	(11,383,144)	(9,739,292)	5,292,411	(15,790,603)	2,552,154	(3,189,451)	(6,612,095)	887,382	15,546,321	(35,019,394)

Municipal Employees Retirement System

FISCAL YEAR 2008	FY 2007-08												Projected TOTAL
	Actual July 2007	Actual August	Actual September	Actual October	Projected November	Projected December	Projected January 2008	Projected February	Projected March	Projected April	Projected May	Projected June	
MEMBER BENEFITS	4,451,916	4,467,625	4,500,775	4,497,408	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	53,517,724
ADMINISTRATIVE EXPENSES	13,354	13,455	154,522	20,453	19,516	10,060	6,173	14,745	10,731	520,429	22,069	13,354	823,960
INVESTMENT EXPENSES	158,218	86,082	10,415	127,741	87,535	143,923	114,714	5,126	63,063	36,648	72,521	39,029	945,015
TOTAL OUTFLOW	4,623,487	4,572,162	4,665,712	4,645,602	4,557,051	4,603,983	4,570,887	4,469,870	4,523,794	5,007,077	4,544,590	4,502,383	55,296,598
CONTRIBUTIONS	4,890,650	3,427,165	3,947,195	5,055,145	3,890,409	4,500,854	5,191,597	3,888,066	4,038,723	4,393,140	5,350,512	5,150,814	53,724,440
OTHER INCOME*	1,198,679	1,670,254	1,401,558	505,511	1,498,125	2,436,908	567,390	1,446,337	1,904,204	1,019,254	2,214,944	2,639,101	18,504,265
TOTAL INCOME	6,089,529	5,097,419	5,348,753	5,560,656	5,388,534	6,937,762	5,758,987	5,336,373	5,942,927	5,412,394	7,565,456	7,789,915	72,228,705
DIFFERENCE	1,466,042	525,258	683,041	915,054	831,483	2,333,779	1,188,100	866,502	1,419,133	405,317	3,020,866	3,287,532	16,942,106

Judges/State Police Retirement System

	Actual July 2007	Actual August	Actual September	Actual October	Projected November	Projected December	Projected January 2008	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
ADMINISTRATIVE EXPENSES	925	1,278	10,702	1,468	1,282	661	395	989	732	35,787	1,518	925	56,663
INVESTMENT EXPENSES	10,958	5,982	721	9,171	5,750	9,455	7,341	344	4,305	2,520	4,987	2,703	64,218
TOTAL OUTFLOW	25,883	21,240	25,424	24,639	21,052	24,116	21,736	15,333	19,037	52,307	20,504	17,628	288,880
CONTRIBUTIONS	535,000	530,000	485,000	525,000	490,000	510,000	510,000	1,280,000	520,000	540,000	550,000	780,000	7,255,000
OTHER INCOME*	83,022	115,683	97,073	36,293	98,416	160,088	36,310	97,177	129,982	70,088	152,308	182,786	1,259,227
TOTAL INCOME	618,022	645,683	582,073	561,293	588,416	670,088	546,310	1,377,177	649,982	610,088	702,309	962,786	8,514,227
DIFFERENCE	592,138	624,443	556,649	536,654	567,364	645,972	524,574	1,361,844	630,945	557,781	681,804	945,158	8,225,346

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

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**Rhode Island Employees Retirement System
Securities Lending Report
October, 2007**

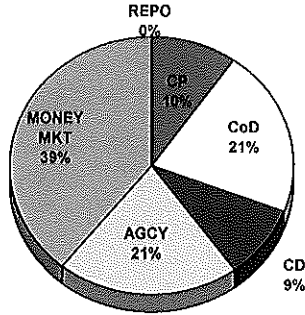
<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<u>DOMESTIC EQUITY</u>		
Columbia Partners	9,927	24,791,236
Wellington Mgmt. Co., LLP	111,847	263,151,034
NorthPointe Capital	114,945	253,034,024
SSgA Core	<u>27,644</u>	<u>68,456,697</u>
Total Domestic Equity	<u>\$ 264,363</u>	<u>\$ 609,432,990</u>
 <u>INTERNATIONAL EQUITY</u>		
Goldman Sachs	16,416	21,635,720
Boston Company	18,010	40,335,823
Mondrian	<u>31,831</u>	<u>53,023,326</u>
Total International Equity	<u>\$ 66,258</u>	<u>\$ 114,994,869</u>
 <u>FIXED INCOME</u>		
Brown Brothers, Harriman	12,255	37,248,162
Taplin, Canida & Habacht	3,009	10,247,104
Fidelity Management Trust Company	337	2,083,065
Mackay Shields	7,588	14,888,724
Brown Brothers, Harriman (TIPS)	<u>159,953</u>	<u>534,140,004</u>
Total Fixed Income	<u>\$ 183,143</u>	<u>\$ 598,607,059</u>
 TOTAL SECURITIES LENDING INCOME	 <u>\$ 513,763</u>	 <u>\$ 1,323,034,918</u>
 Calendar Year 2007 YTD	 \$ 2,610,541	

RHODE ISLAND STATE INVESTMENT COMMISSION

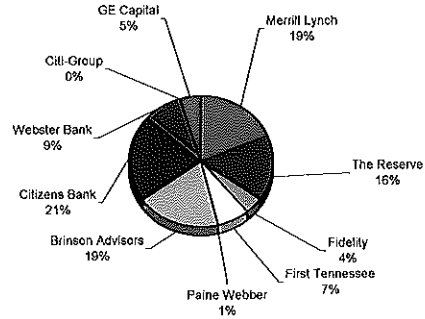
SHORT TERM CASH INVESTMENTS AT

OCTOBER 31, 2007

Portfolio By Instrument



Portfolio by Issuer



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

Vendor	CP	CD	Agency	Money Mkt	CoD	Repo	Total (\$)
Guidelines:Total/Vendor	25%/10%	25%/10%	75%/35%	75%/35%	25%/25%	100%/20%	
Merrill Lynch	15,698,007	0	41,994,878	0	0	0	57,692,885
	5%	0%	14%	0%	0%	0%	19%
The Reserve	0	0	0	49,801,837	0	0	49,801,837
	0%	0%	0%	16%	0%	0%	16%
Chase Securities	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Paine Webber	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Fidelity	0	0	0	12,980,691	0	0	12,980,691
	0%	0%	0%	4%	0%	0%	4%
First Tennessee	0	0	22,678,586	0	0	0	22,678,586
	0%	0%	7%	0%	0%	0%	7%
Brinson Advisors	0	0	0	58,334,982	0	0	58,334,982
	0%	0%	0%	19%	0%	0%	19%
Citizens Bank	0	1,287,444	0	0	65,720,150	0	67,007,595
	0%	0%	0%	0%	21%	0%	22%
GE Capital	14,480,944	0	0	0	0	0	14,480,944
	5%	0%	0%	0%	0%	0%	5%
Webster Bank	0	27,200,489	0	0	22,981	0	27,223,470
	0%	9%	0%	0%	0%	0%	9%
Citi-Group	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
State St Bank	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
TOTALS	30,178,961	28,487,933	64,673,464	121,117,610	65,743,132	0	310,200,990
(%) PORTFOLIO	10%	9%	21%	39%	21%	0%	100%

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

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

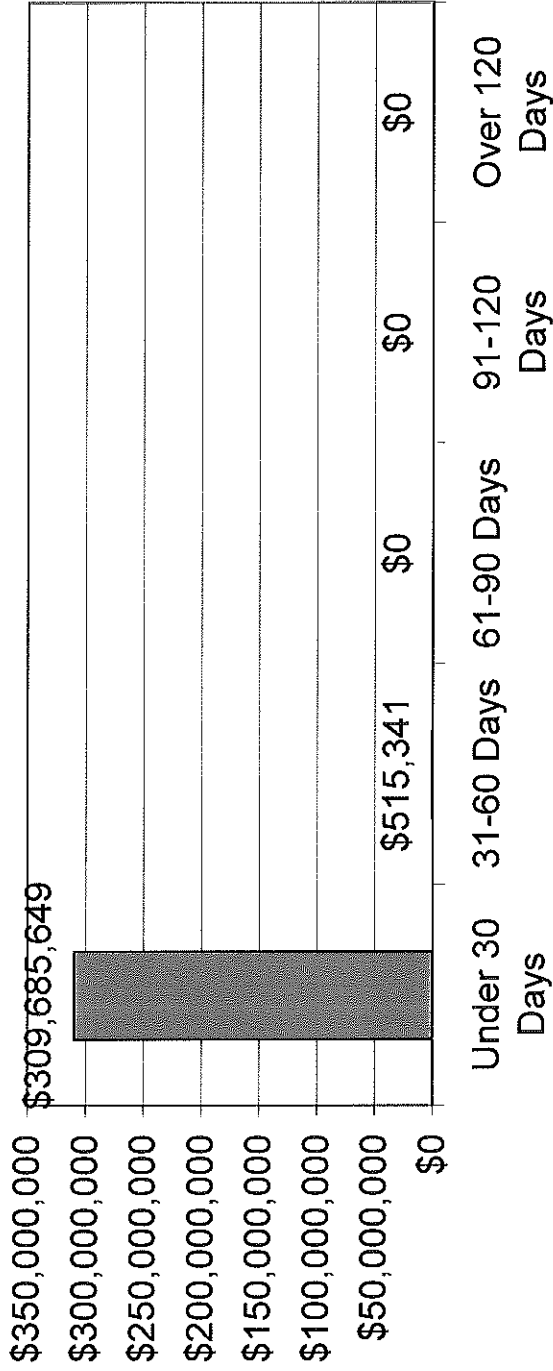
Short Term Investments Portfolio by Fund

As of October 31, 2007

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	65,941,426	5,122	65,946,548
4904 PENSION C	2,849,638	362	2,850,000
4908 PAYROLL A	249,968	32	250,000
4916 GENERAL FUND H.A.V.A.	1,161,106	0	1,161,106
4918 RICAP	5,715,309	2,132	5,717,441
4920 GENERAL FUND (HIST PRES)	515,341	3,778	519,118
4955 HEALTH INSURANCE FUND	17,178,055	10,303	17,188,358
5400 HIGHWAY FUND	23,599,588	10,645	23,610,233
5500 UNIVERSITY COLLEGE	13,513,762	254	13,514,015
6920 AUTO EQUIPMENT SERVICE	514,885	0	514,885
8000 T.D.I. RESERVE (DET)	92,223,499	305	92,223,803
8300 PERMANENT SCHOOL FUND	772,104	1,426	773,530
8400 EMP RETIREMENT FUND	2,500,521	0	2,500,521
8500 MUN EMP RETIREMENT FUND	881,242	0	881,242
8700 R.I. CLEAN WATER ACT	3,130,770	0	3,130,770
9000 BOND CAPITAL FUND	10,942,802	0	10,942,802
9700 STATE LOTTERY FUND	43,176,816	31,497	43,208,313
9800 INDUS. BLDG. & MTG. INS.	2,039,725	0	2,039,725
4911 TANS	0	0	0
4917 TOBACCO SETTLEMENT	23,294,434	24,850	23,319,285
Subtotal	310,200,990	90,706	310,291,695
8703 CLEAN WATER 1991 SERIES A	145,974		
8706 CLEAN WATER CCDL 1994 (A)	6,071		
8707 CAP DEV. OF 1997 SERIES A	19,393		
8710 CLEAN WATER CCDL 2002 A	164,436		
8711 CLEAN WATER 2004 SERIES A	697,147		
8712 CLN WATER CCDL 2005 SER E	882,082		
8733 CAP DEV. OF 1997 SERIES A	7,064		
8737 RI POLLUT. CONT 94 SER. A	6,347		
8739 CCDL99A 1999A	329,472		
8746 POLLUTION CTRL CCDL 2006 C	1,475,215		
8747 CLEAN WATER 2007 SERIES A	502,060		
9114 G.O. NOTE 1991 SER. B	3,799		
9117 BOND CCDL 1994 SERIES A	193,674		
9120 BOND CCBL96A	619,653		
9121 CAP DEV OF 1997 SERIES A	612		
9123 CCDL 1998B	2,103,329		
9125 MMG099 1999	2,852		
9126 BOND CAPITAL CCDI 2000A	1,519,927		
9127 MULTI-MODAL GEN OBL 2000	2,823		
9131 CCDL 2004 SERIES A	11,165,079		
9132 BOND CCDL 2005 SERIES C	17,103,778		
9133 BOND CCDL 2005 SERIES E	4,742,898		
9134 BOND CCDL 2006 SERIES B	22,690		
9135 BOND CCDL 2006 SERIES C	47,959,020		
9136 GO BND-NTAX 2007 SERIES A	105,625,137		
9137 GO BND-TAX 2007 SERIES A	8,535,012		
Subtotal Bond Proceed Accounts	203,835,544		
Total Short Term Portfolio	514,036,533		

* 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



As of October 31, 2007

Maturities in \$Millions

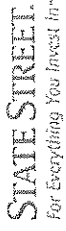
Note: Includes \$186.8 Million of Money Market investments with no specific maturity

October, 2007	4.65%
September, 2007	4.88%
October, 2006	5.18%

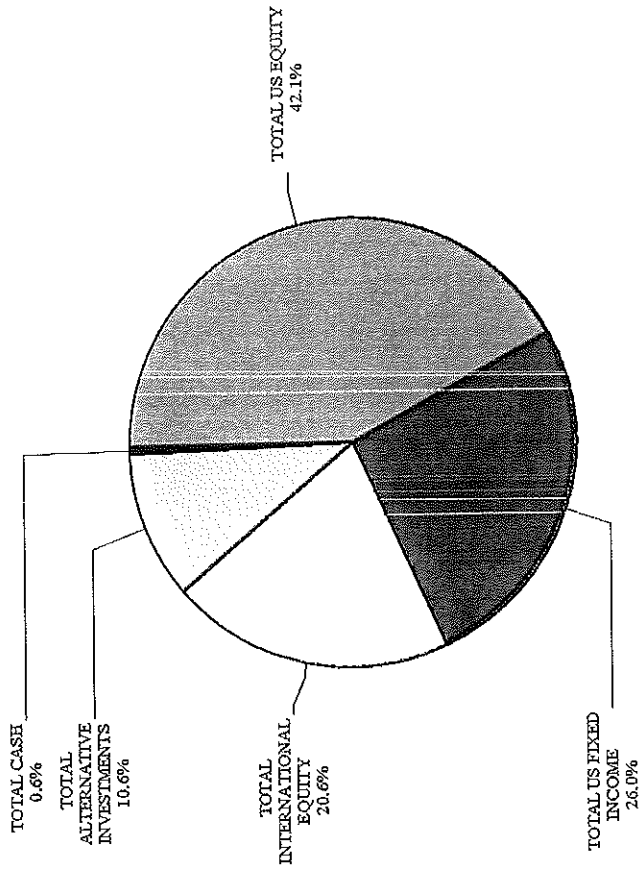
ABRAHAM TOURO FUND
INVESTMENT SUMMARY
OCTOBER 31, 2007

<u>FUND NAME</u>	September Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund (Fidelity Balanced Fund)	\$ 52,508	\$ 2,523,015
<u>TOTALS</u>	\$ 52,508	\$ 2,523,015

State of Rhode Island
PERIOD ENDING 10/31/2007



CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)



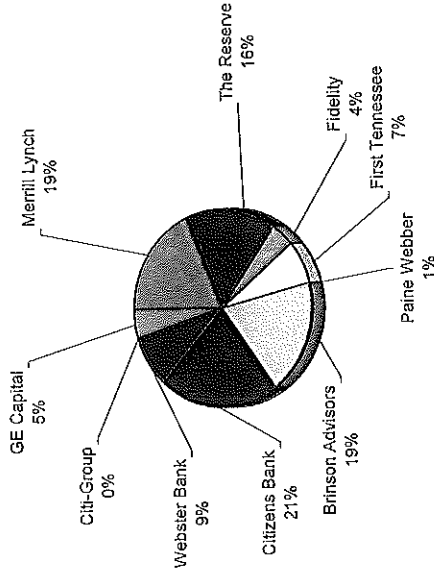
MANAGER	CURRENT PERIOD
TOTAL US EQUITY	3,661.1
TOTAL US FIXED INCOME	2,259.8
TOTAL INTERNATIONAL EQUITY	1,790.0
TOTAL ALTERNATIVE INVESTMENTS	923.9
TOTAL CASH	51.3
TOTAL	8,686.1

RHODE ISLAND STATE INVESTMENT COMMISSION

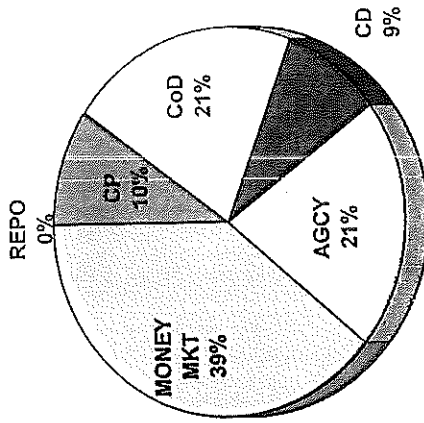
SHORT TERM CASH INVESTMENTS AT

OCTOBER 31, 2007

Portfolio by issuer



Portfolio By Instrument



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

Cash Flow

October's pension payroll of \$57.5 million was more than the \$ 44.6 million in contributions and wire transfers received by \$12.9 million. To meet pension and other obligations, \$17.8 million was transferred from long-term investments.

Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$429 million on commitments of \$1,246 million.

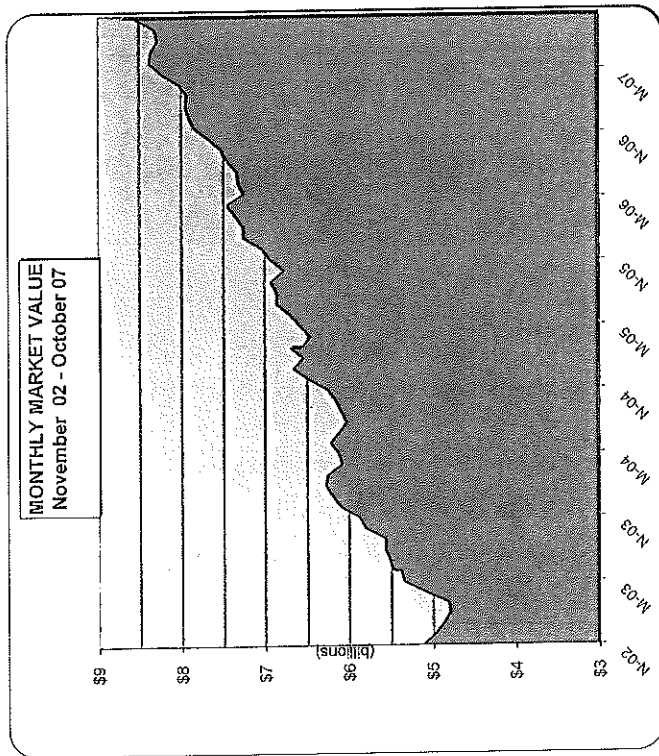
CAPITAL CALLS
Net of Distributions

October 2007	FYTD	UNFUNDED BALANCE
\$16,962,020	\$8,047,867	\$429,110,812
October 2006	FYTD	UNFUNDED BALANCE
\$9,807,260	\$484,199	\$397,684,470

Market Valuation Report
October, 2007

Market Values

The total portfolio value increased in October by \$137.6 million to \$8.69 billion. This compares with an increase in value of \$143.8 million for the same period in 2006. The domestic equity market values increased by \$3.4 million, including transfers out of \$49.8 million; fixed income increased by \$20.4 million, including transfers in of \$17.3 million; while international values increased by \$74.8 million, including transfers in of \$0.1 million. The cash accounts increased by \$0.2 million including transfers out netting \$1.6 million, and alternative investments increased by \$24.9 million, including transfers in netting \$16.7 million.



RHODE ISLAND STATE INVESTMENT COMMISSION
 STAFF SUMMARY ANALYSIS
 PORTFOLIO HIGHLIGHTS
 October 31, 2007

PORTFOLIO PERFORMANCE

October

The ERSRI portfolio posted a gain of 1.77% for the month of October, against the policy index of 2.29%. Domestic equities were up 1.42%, international equities gained 4.35%, and the fixed income asset class returned 0.75%. Additionally, the retirement fund earned \$513,763 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 1.88% against its 2.46% index.

Calendar Year to Date

For the ten months ended October 31, 2007, the portfolio is up 10.71% against the policy index of 12.46%. Domestic equities were up 9.87%, international equities were up 16.61%, while fixed income generated a return of 4.82%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2008, the fund has gained 3.79%, against the policy index of 5.09%.

ERSRI Performance By Asset Class	Oct-07	Calendar YTD
Domestic Equity	1.42%	9.87%
Fixed Income	0.75%	4.82%
International Equity	4.35%	16.61%
Total Fund Composite*	1.88%	9.87%
Manager Summary		
	Oct-07	CYTD
DOMESTIC EQUITY		
Shot	-11.13%	-0.22%
PIMCO	1.45%	10.91%
SSgA S&P 500	1.58%	10.89%
SSgA Core	1.92%	13.17%
Wasatch	0.00%	0.00%
Northpointe	0.82%	3.42%
Wellington	0.09%	6.54%
Total Domestic Equity	1.42%	9.87%
FIXED INCOME		
Brown Bros TIPS	1.29%	7.11%
Brown Bros Core	0.45%	3.51%
Fidelity	0.39%	3.15%
Taplin Canida & Habacht	0.91%	4.70%
Fixed Income Cash Acct	0.43%	0.00%
Shenkman		
Mackay Shield	1.30%	3.92%
Total Fixed Income	0.75%	4.82%
INTERNATIONAL EQUITY		
Mondrian	4.32%	18.34%
Goldman Sachs	5.12%	20.44%
Boston Co	3.62%	12.46%
Total International Equity	4.35%	16.61%

*Total Fund Composite includes all classes ex PE & RE

Index Performance Summary - October 31, 2007		Calendar YTD
Market Indices	Oct-07	
Domestic Equity		
S & P 500	1.59%	10.87%
DJ Wilshire 5000	3.59%	9.13%
Russell 2000	2.87%	6.12%
Russell 1000	1.74%	11.21%
Policy Index	2.46%	12.31%
International Equity		
MSCI ACWI	5.58%	24.43%
Fixed Income		
Lehman AGG	0.90%	4.78%
Real Estate		
NCREIF	4.59%	13.26%