

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
August 31, 2014**

**September 24, 2014
MEETING**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Honorable Gina M. Raimondo, Chair

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

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

Section I.

Agenda

Section II.

Approval of Minutes



State Investment Commission
Monthly Meeting Minutes
Wednesday, July 23, 2014
9:00 a.m.
Room 205, State House

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:04 a.m., Wednesday, July 23, 2014 in Room 205, State House.

I. Roll Call of Members

The following members were present: Mr. J. Michael Costello, Mr. Robert Giudici, Ms. Faith LaSalle, Ms. Paula McNamara, Ms. Marcia Reback, Mr. Andrew Reilly, Mr. Frank Karpinski, and General Treasurer Gina Raimondo.

Also in attendance:

Mr. Steve Buckley and Mr. Kirk Kashevaroff of MacKay Shields; Mr. John Burns and Mr. David Glickman of Pension Consulting Alliance (PCA), general consultant; Ms. Christina Menard and Mr. Gregory Miller of ING/Voya Financial; Mr. Greg Balewicz of State Street Global Advisors (SSGA); Ms. Sally Dowling of Adler Pollock & Sheehan P.C., legal counsel; Ms. Anne-Marie Fink, chief investment officer, and members of the Treasurer's staff.

Treasurer Raimondo called the meeting to order at 9:04 a.m.

Mr. Thomas Fay and Mr. Thomas Mullaney were absent.

II. Approval of Minutes

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

VOTED: to approve the draft of the minutes of the June 25, 2014 meeting of the State Investment Commission.

III. Fixed Income Annual Review

Mr. Kashevaroff talked about the role core bonds play in the portfolio. He noted the current yield on bonds is 2.2%. He reviewed the relative sensitivity of assets to movements in interest rates. If rates were to rise 1%, the index would lose 5%.

He reviewed the historical composition of the market going back to 1990 and explained that general allocations have not shifted significantly over time. He noted the investment grade market tends to be more correlated to interest rates relative to other parts of the market.

He reviewed the historical performance and said fixed income markets have had a thirty-year bull run with the decline of interest rates. It has been a tremendous performance history with some periods of outsized performance. There have been only three calendar years in the last thirty years in which there have been negative returns. Every time the equity market experienced a very sharp backup, when economic conditions start to turn, the core fixed income asset class tended to do pretty well.

Mr. Kashevaroff said the expectation is when the Fed is ready to start raising rates, credit spreads will continue to stay relatively unchanged. MacKay doesn't anticipate massive widening in the market.

They feel now that the markets' expectations have been more aligned with what the Fed is doing, they don't see the market dislocating like last May or June.

Ms. Fink asked if they believe credit spreads will grind tighter.

Mr. Kashevaroff said spreads are not near all-time tights. Companies don't have nearly the degree of leverage as during the financial crisis of 2008. He added that a slow-growth environment is one of the best environments for a bond investor.

He went on to review economic views. They believe that the economy will continue to recover. He would expect the rebound seen in Q2 to continue in Q3 and Q4.

He gave a brief overview of other markets to identify the potential risks to the United States. His firm believes the Fed is going to be very data dependent and will continue their tapering until the end of the year. At that point it could be 6-12 months until the Fed raises the rates. MacKay sees interest rates eventually moving higher but doesn't see them spiking. They expect them to move up gradually. Mr. Kashevaroff said he expects returns in fixed income to be very muted but not to have a steep decline like last year.

IV. OPEB Annual Review

Ms. Fink gave an annual review of the OPEB trust performance. Fiscal-year-to-date the portfolio had a very good year. The strong performance was largely due to the decision to reorient the portfolio away from fixed income.

She gave a brief overview of the actuarial report recently done for the OPEB board. The trust has approximately \$100 million. Looking at all plans in the trust, it is only about 8% funded, due to its recent start in 2011.

She reviewed the OPEB growth from contributions and investment performance. It is growing because the state contributes about \$2 million monthly. She added that the OPEB fund will be cash-flow positive for more than a decade.

She reviewed the allocation. 65% of the portfolio is in equity managed by SSGA and 35% is in fixed income managed by MacKay Shields. The OPEB board, on the advice of the actuary, continued the plan's discount rate and expected rate of return at 5%. The allocation is working so she recommended maintaining it.

V. Real Estate Pacing Plan

Mr. Glickman gave a review of the real estate performance as of the quarter ending in March. The net performance for the year was in excess of the benchmark. The three-year performance was very close to benchmark. And the five-year performance is beginning to improve as the strong impact of the global financial crisis is more distant. Last year, after fees, the portfolio generated approximately 13% in total return. Since most of the portfolio is invested in core funds, it has a better return on a risk-adjusted basis.

Mr. Glickman noted that overall by property type the portfolio is slightly underweight to retail, industrial and apartments and slightly overweight to hotel and office. The commitments made in the last 15 months will bring that much more into balance with the benchmark portfolio.

He gave a review of the markets. He said as the recovery is becoming less and less fragile, people are beginning to rent more space and companies are beginning to operate a little less leanly. In real estate, that translates into renewing leases, taking more space and willingness to pay higher rent in order to get good space. Leasing decisions that were deferred for several years are now being made. That is lifting occupancy levels in a lot of different markets.

Also the removal of some uncertainty about fiscal policy has made people a little more willing to move further afield than merely the top five or six metro areas. Core funds are beginning to invest money more quickly because they have more choices to pick from.

Mr. Glickman went on to review the pacing plan for the real estate portfolio. PCA would like to see the portfolio continue to invest towards an ultimate balance of about 75% core properties with current

income and about 25% non-core properties that generate more return from capital appreciation than from current income. With the commitments made over the past 18 months, the total ERSRI portfolio would be at about 5%-6% in real estate towards target of 8%.

Looking ahead to achieve 8%, he said there will be roughly another \$100 million committed to core in each of next two years and \$180 million to be invested in non-core over next two years.

Mr. Costello asked if PCA has identified current managers for the additional allocation or are they anticipating adding another whole group of managers. Mr. Glickman said they will work with the managers they currently have and may select a few others. A concern is ERSRI's small investment staff. They think it's important that there be a period of absorption and integration for new managers. He noted that in the next 6-9 months the portfolio shouldn't be adding many more names.

Looking forward, PCA believes there may be some opportunities to consider in senior housing and a little more retail to get the retail holdings closer to the benchmark. He noted a lot of the attractive retail is owned by publicly traded companies. Adding an allocation to publicly traded real estate could increase the percentage in real estate more quickly. The option would be to take the money currently in cash awaiting investment in real estate and put it into publically traded real estate investment trusts (REITs). If properly constructed, the REITs have the same property characteristics as the core properties in open-end funds. They will not have the same return characteristics in the short term because some of their short-term performance will be subject to daily stock market volatility. REITs are not as steady as private real estate. There are two ways of investing in REITs. One is active managers who make selections and charge an active-management fee. The other is a passive REIT vehicle. Down the road, he believed it might be worth thinking about REITs if it's important to get closer to the target allocation target a little faster.

The board asked questions and discussed.

VI. 457 Plans Annual Review

Mr. Rhoads gave a brief overview of the three 457 plans. The plans' administrators are Fidelity, ING (soon to be Voya Financial) and Valic.

In 2012 the SIC updated the 457 plans. During that process they added higher Morningstar-rated funds, streamlined the lineup, reduced expenses, and added more index options as well as target-date funds to two of the three plans. He noted that staff is constantly looking at fees on these plans.

He briefly reviewed the performance. He said most of the funds are in the top half for performance and are doing well over the course of 1, 3, and 5 years. He reviewed the contributions to each plan. Valic is a more mature plan. Of the \$55 million in the plan, Valic's participants over 50 years old make up \$32.5 million of the assets. Valic is aware of this dynamic and they have put a service rep on the account for outreach efforts.

He noted that Treasury staff has been working with Fidelity pushing for more outreach efforts.

He compared the three plans. He said Fidelity has a higher average account balance and higher equity allocation. He added that Valic's target-date fund assets have accumulated assets more rapidly, possibly because their pricing is more competitive.

He noted ING is in the process of rebranding to Voya Financial. Ms. Menard gave a brief update on the transition as they rebrand. She said they have been doing outreach with participants to make them aware of the name change.

Mr. Rhoads added that Voya's outreach efforts remain strong. They have a dedicated service rep. He noted that they did a share class review on the Voya plan. Voya has a daily asset charge which they are willing to lower from 0.25% to 0.15%.

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

VOTED: to approve switching share classes in the 457 plan with Voya Financial and to lower fees from 0.25% to 0.15%.

VII. Defined Contribution Plan—S&P 500 Share Class Change

Mr. Rhoads said that the Vanguard S&P 500 surpassed the threshold of \$5.5M in the defined contribution plan. He requested a vote to switch the share class and lower the fees from 0.5% to 0.4%. Motion by Mr. Costello and seconded by Reilly, it was unanimously

VOTED: to approve switching the share class in the Vanguard S&P 500 of the defined contribution plan and lowering the fees from 0.5% to 0.4%.

VIII. Legal Counsel Report

There was no legal counsel report.

IX. CIO Report

Ms. Fink gave an update on performance for the month of June. The portfolio was up 1.23%. It was ahead of the bottom-up benchmark and 60/40 basic benchmark. Asset allocation and particularly non-US equity really helped.

Fiscal-year-to-date the fund was up 15.1%, twice the expected rate of return. The plan has better risk-adjusted return than 60/40 and continues to outperform on this metric on a three- and five-year basis. She believes it's going to be harder to generate as robust returns going forward. Having a portfolio that is well positioned and well diversified should serve the pool well in the future.

She gave an update of what she and Treasury staff are currently working on. She said that staff is working on RFP responses for the 529 investment consultants. They are currently going through the process of evaluating the responses. They have also put out an RFP for a Master Limited Partnerships (MLP) manager on a long-only basis. They are also continuing to work on the consolidated investment policy. They continue to seek opportunities for lower fees, and are gathering data for annual disclosures. As always, they are continuing to evaluate managers as well as new investment opportunities.

Treasurer Raimondo asked for an update on PIMCO.

Ms. Fink noted that PIMCO is at the top of the list for deeper evaluation. PIMCO points to the fact that they have a lower risk portfolio for their lack of performance. Over the year that the state has been invested in them, spreads have come down and assets have gone up. She and staff are looking into the impact of the quality bias as well as other impacts on performance. She said she may have a recommendation later this year.

The Treasurer asked if there was a way to quantify the level of risk reduction in the plan to account for the lag of the portfolio to the benchmarks.

Ms. Fink said they would need to look at performance over a longer period. An encouraging factor is that over 1, 3, and 5 years the portfolio is doing better than the 60/40 plan. The low risk approach takes time to show its value particularly in a period, like last fiscal year, where equity markets were up 25%. She reviewed the measure for standard deviation. She said it has come down dramatically over the last 5 years. It has come down about 30% over the last three years. This reduction is partially because the risk in the overall markets has come down, and also because of the SIC's changed asset allocation. The portfolio's risk-adjusted return has gone up. The alpha, which is a way to measure return excluding the basic risks, is also going up. She believed the portfolio is very well positioned going forward.

X. Treasurer Report

Treasurer Raimondo thanked the board and commended them for their continued work. She asked for a vote to cancel the August SIC meeting.

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

VOTED: to cancel the August SIC meeting.

There being no other business to come before the Board, on a motion by Ms. Reback and seconded by Mr. Reilly the meeting adjourned at 10:26 a.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer

DRAFT

Section III.

Staff Summary

Portfolio Highlights

PORTFOLIO PERFORMANCE

August

The ERSRI portfolio posted a 1.55% gain for August, against the policy index of 1.45% and the 60/40 Blend of 1.77%. Total Equity returned 2.04%, as US Public Equity gained 4.18% and International Equity 0.57%, both comparable to their respective benchmarks, while Emerging Markets produced a gain of 2.18% and MSCI Canada returned 2.26%. Equity Hedge Funds returned 0.49%, lagging its benchmark of 1.75%. US Traditional Fixed Income returned 1.08%, compared to its benchmark of 1.10%. Real Return Hedge Funds returned 0.79% against its benchmark 0.93%, while GILBs gained 0.41% versus its benchmark 0.48%. The Credit strategy returned 0.44%, versus its benchmark 0.36%.

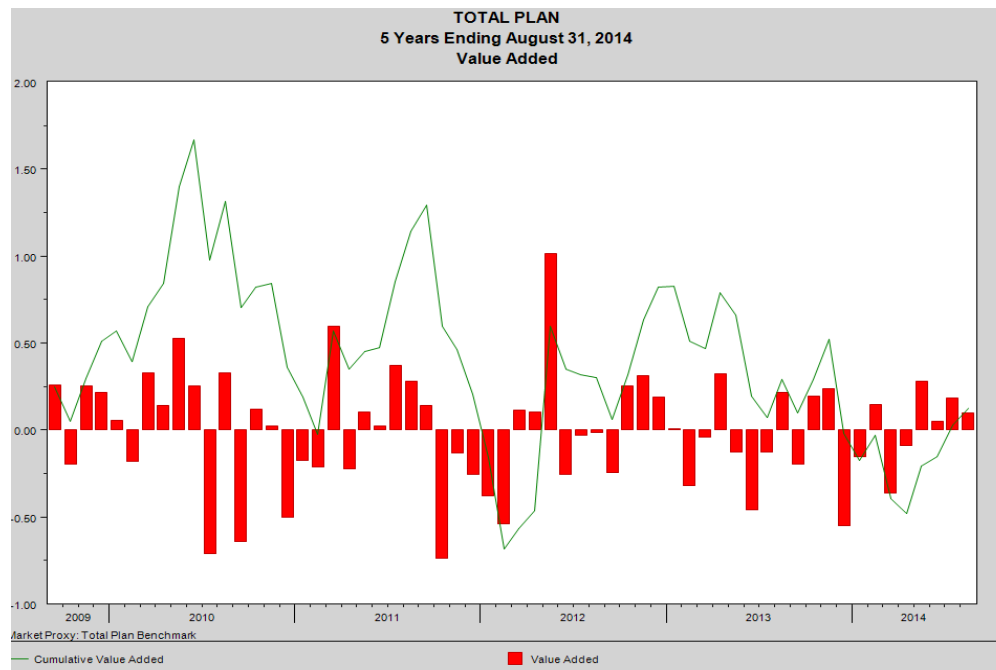
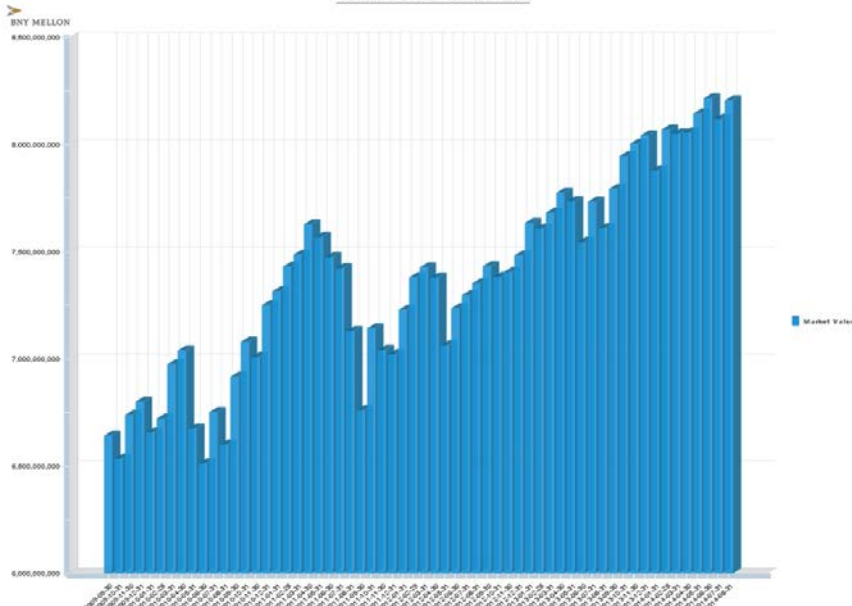
Fiscal Year to Date

For the Fiscal Year, the fund has gained 0.84%, versus the policy index of 0.56% and the 60/40 Blend 0.92%.

Market Values

The total portfolio value increased by \$85.9 million to \$8.21 billion. The August increase represents \$129.3 million of positive market impact, and \$39.4 million of transfers out.

GRAND TOTAL - Market Value



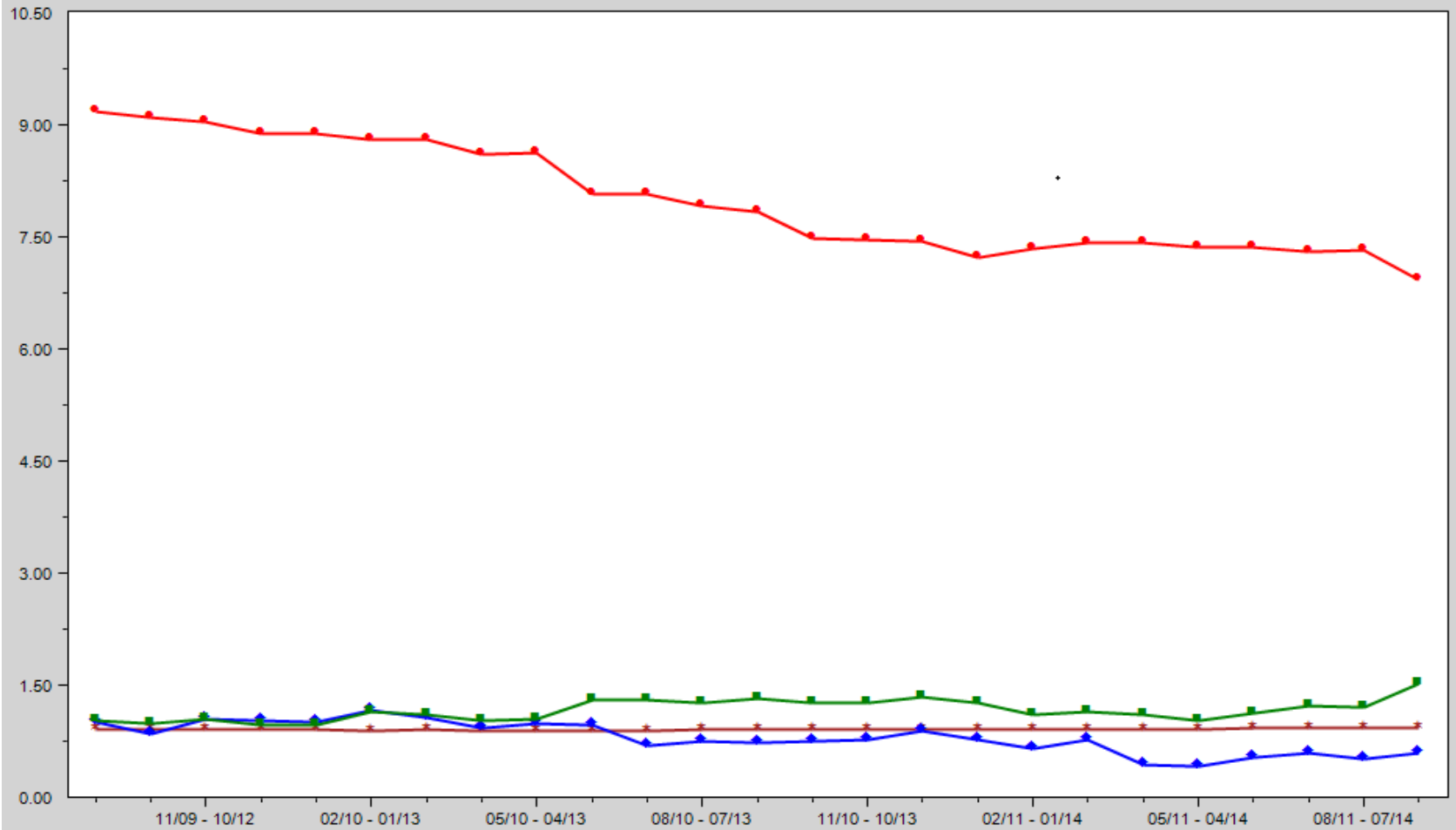
Account Name Benchmark Name	Market Value (M)	Month	Fiscal YTD
US Public Equity	2,100.08	4.18	2.18
Non-US Public Equity	2,028.00	0.57	-0.37
Equity Hedge Funds	656.46	0.49	-0.36
Private Equity	570.10	1.39	2.37
Traditional Fixed Income	1,131.94	1.08	0.80
Real Estate	309.00	0.46	1.64
Real Return Hedge Funds	524.54	0.79	0.74
Credit Aggregate	421.25	0.44	0.24
Inflation-Linked Bonds	285.79	0.41	0.25
Total Cash	158.82	0.01	0.02
TOTAL PLAN	8,205.64	1.55	0.84

Historical Risk - Three Year Rolling Periods

TOTAL PLAN

5 Years Ending August 31, 2014

Trend



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

● Ann Std Dev
 ■ Ann Sharpe Ratio
 ◆ Ann Alpha
 * Beta



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

Gina M. Raimondo
General Treasurer

September 17, 2014

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

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, Municipal Employees', State Police and Judicial Retirement Systems of the State of Rhode Island at the close of business on August 31, 2014.

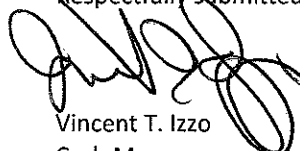
Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation
August 31, 2014

Asset Class		
Total Fund Investments		8,205,641,690
CASH EQUIVALENT*		222,980,167
EQUITY HEDGE FUNDS**		656,458,542
GLOBAL PUBLIC EQUITY		4,128,084,437
CREDIT INFLATION LINKED BONDS		406,379,739
PRIVATE EQUITY**		268,355,324
REAL ESTATE**		570,100,194
REAL RET HEDGE FUNDS**		308,999,115
US TRADITIONAL FIXED		524,543,912
1,119,740,261		
Plan Allocation		
Total Fund Investments	100.00%	8,205,641,690
STATE EMP RET PLAN	80.94%	6,641,418,175
MUNI EMP RET PLAN	17.02%	1,396,375,626
STATE POLICE RET PL	1.35%	110,775,441
JUDICIAL RET PLAN	0.69%	56,727,330
NON-CONTRIB JUD RET	0.00%	345,118

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

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

Respectfully submitted,


Vincent T. Izzo
Cash Manager

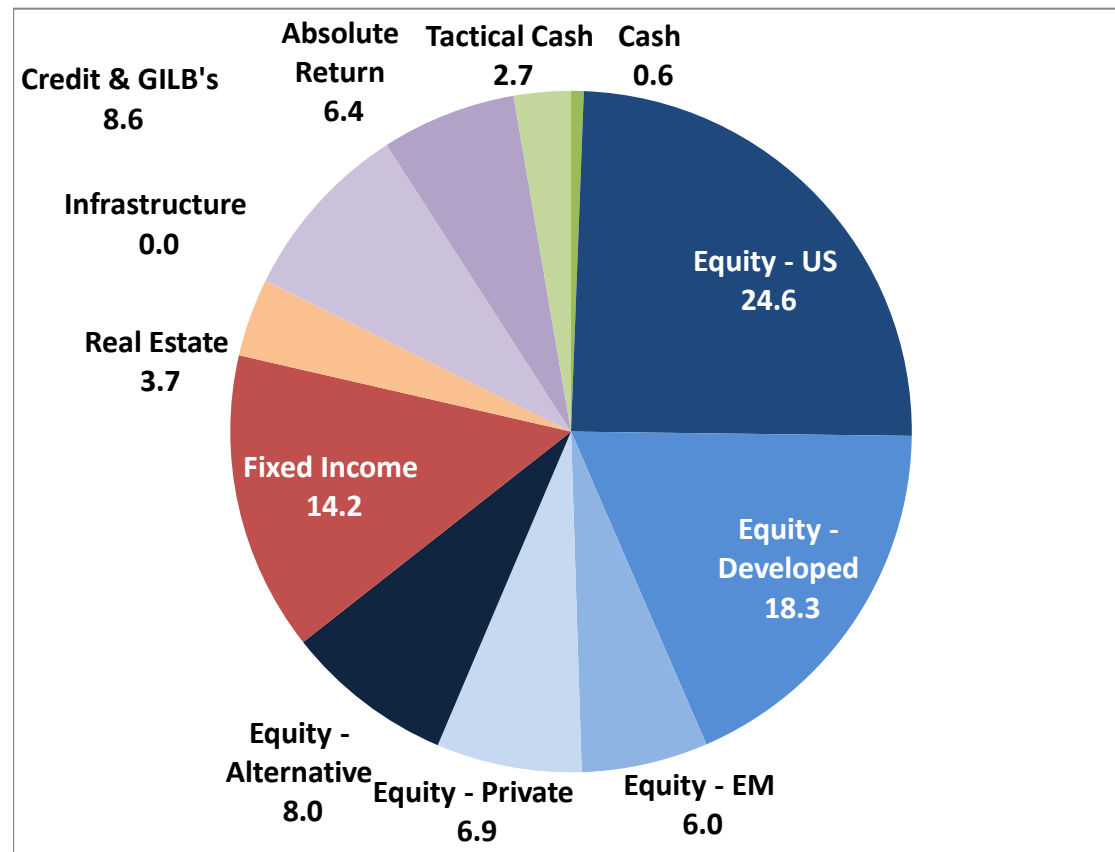
Section IV.

Asset Allocation

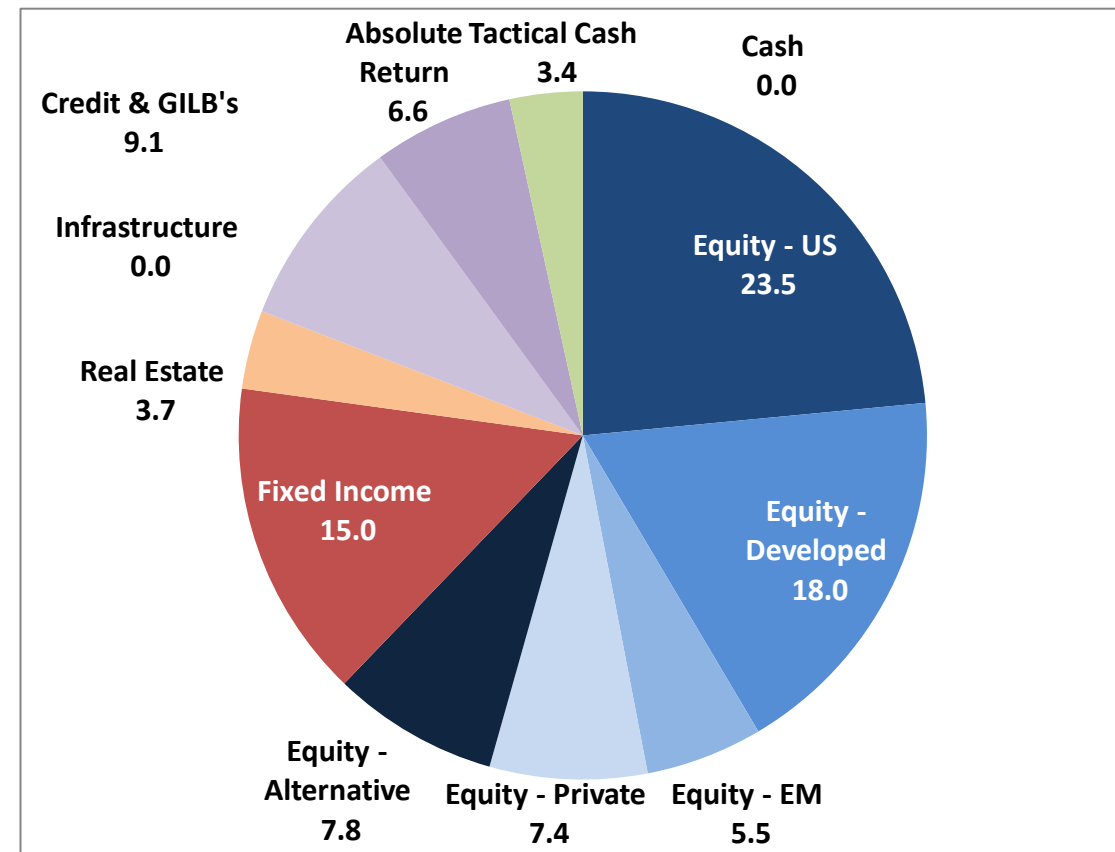
ERSRI Portfolio

%% - as of August 31, 2014

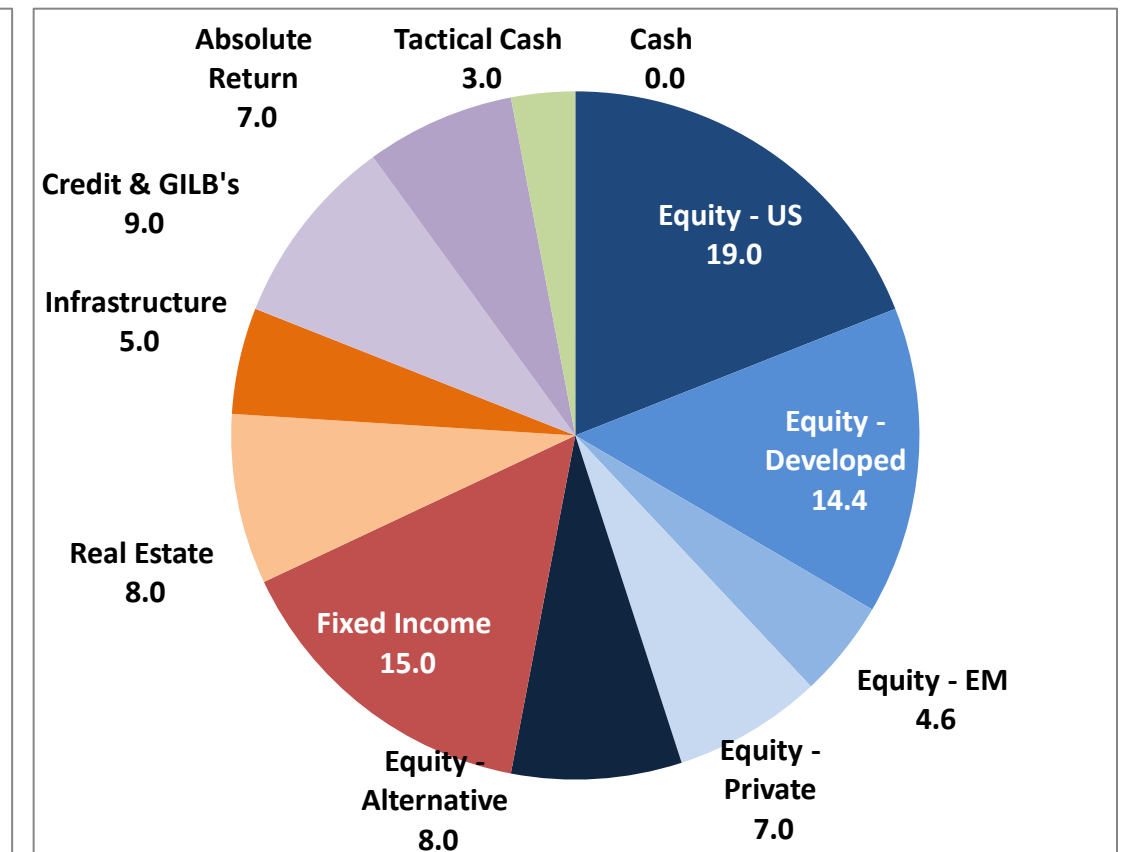
Actual Allocation



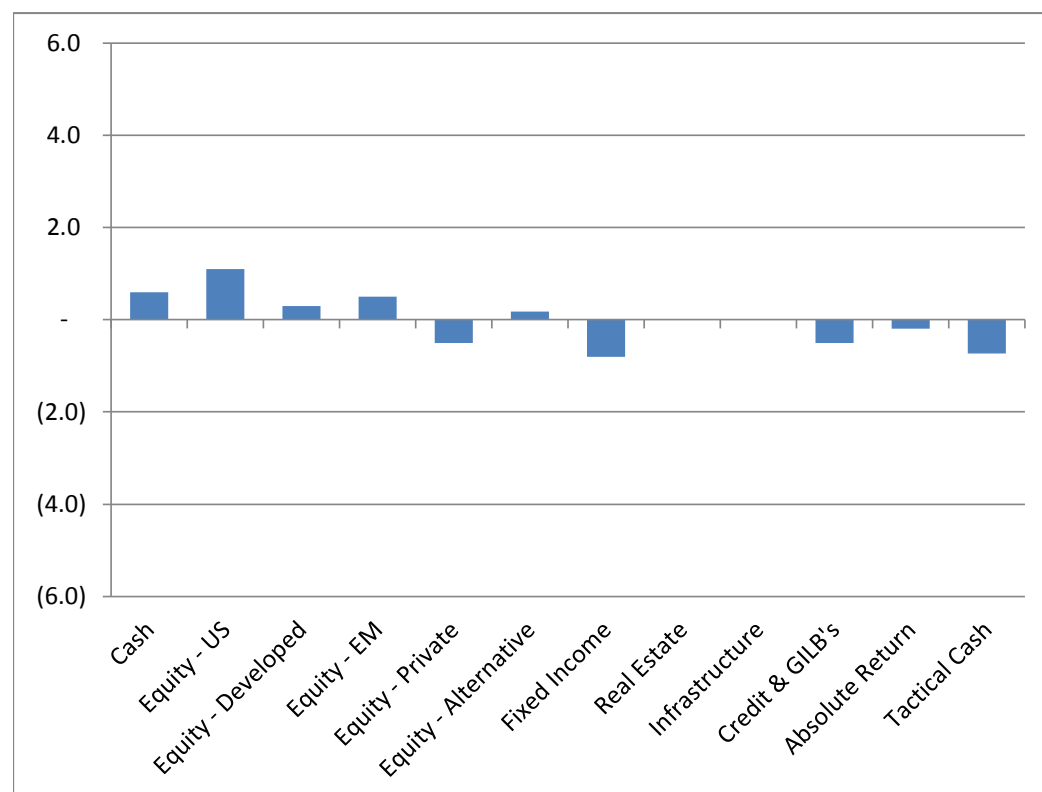
Tactical Allocation



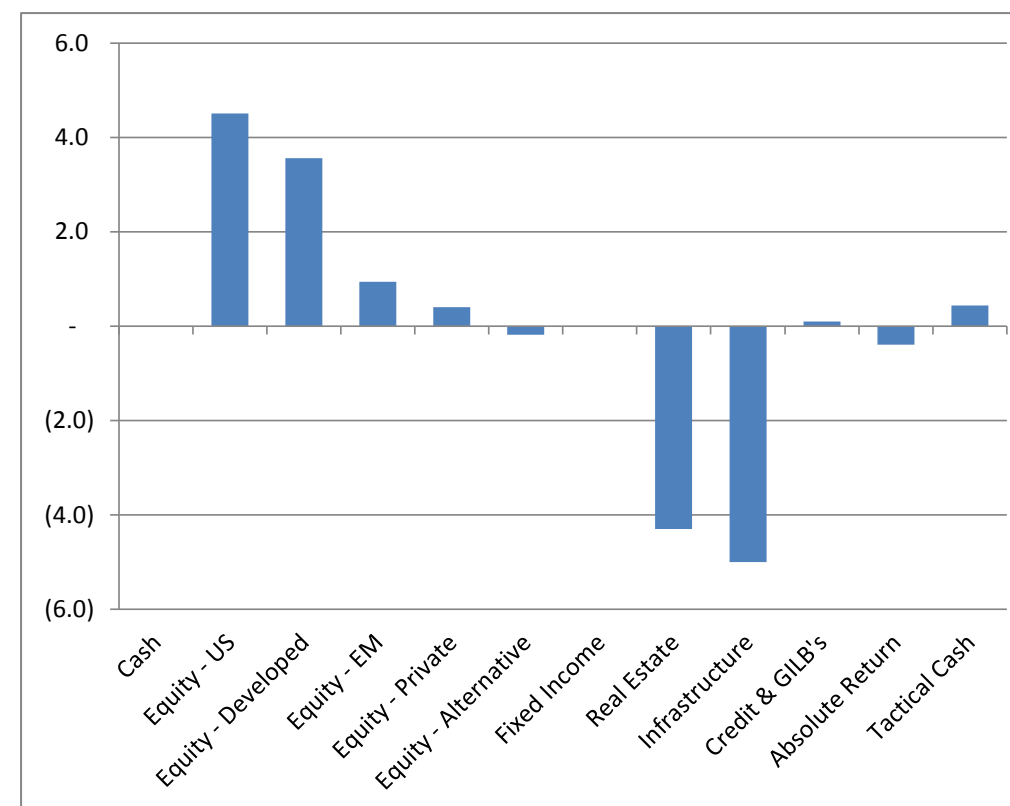
Policy Allocation



Actual vs. Tactical



Tactical vs. Policy



Notes:

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

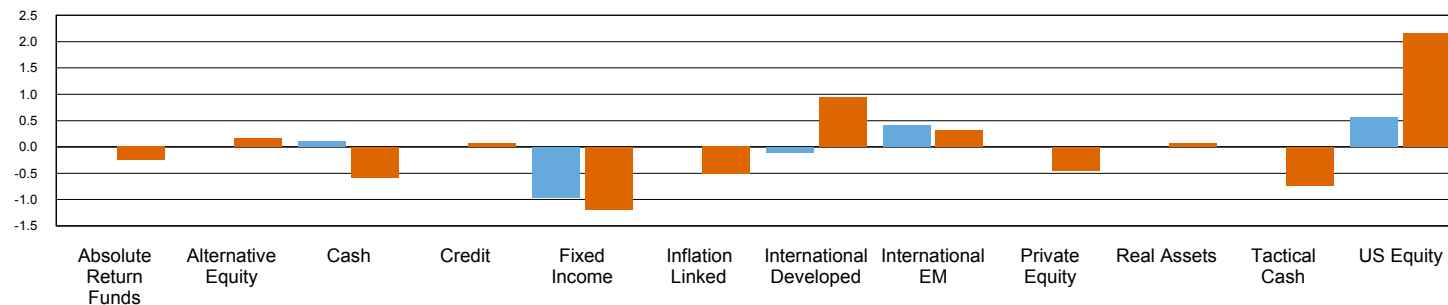
Tactical vs. Policy: Tactical allocations diverge from policy to allow time to vet third-party managers allowing prudent implementation of SIC policy decisions, and to diversify vintage-year exposure for drawdown funds (e.g., private equity, real estate, infrastructure).

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

Asset Summary

<u>Asset Class</u>	<u>Physical Exposure</u>		<u>Synthetic Exposure</u>		<u>Net Position</u>		<u>Overlay Target</u>		<u>Policy Target</u>	
Total Market Value	8,192.5	100.0%	0.0	0.0%	8,192.5	100.0%	8,192.6	100.0%	8,192.6	100.00%
Cash	-48.0	-0.6%	51.3	0.6%	3.3	0.0%	-4.8	-0.1%	0.0	0.00%
Cash	-48.0	-0.6%	51.3	0.6%	3.3	0.0%	-4.8	-0.1%	0.0	0.00%
Equity	5,353.6	65.3%	-91.4	-1.1%	5,262.2	64.2%	5,191.0	63.4%	5,097.4	62.22%
International Developed	1,552.2	18.9%	-41.1	-0.5%	1,511.1	18.4%	1,519.6	18.5%	1,474.7	18.00%
International EM	475.8	5.8%	21.3	0.3%	497.1	6.1%	464.3	5.7%	450.6	5.50%
US Equity	2,102.4	25.7%	-71.6	-0.9%	2,030.8	24.8%	1,983.9	24.2%	1,925.3	23.50%
Private Equity	569.1	6.9%	0.0	0.0%	569.1	6.9%	569.1	6.9%	606.3	7.40%
Alternative Equity	654.0	8.0%	0.0	0.0%	654.0	8.0%	654.0	8.0%	640.7	7.82%
Fixed	1,131.9	13.8%	40.1	0.5%	1,172.0	14.3%	1,251.4	15.3%	1,228.9	15.00%
Fixed Income	1,131.9	13.8%	40.1	0.5%	1,172.0	14.3%	1,251.4	15.3%	1,228.9	15.00%
Other	1,754.9	21.4%	0.0	0.0%	1,754.9	21.4%	1,754.9	21.4%	1,866.3	22.78%
Real Assets	308.4	3.8%	0.0	0.0%	308.4	3.8%	308.4	3.8%	303.1	3.70%
Absolute Return Funds	520.4	6.4%	0.0	0.0%	520.4	6.4%	520.4	6.4%	540.7	6.60%
Credit	419.3	5.1%	0.0	0.0%	419.3	5.1%	419.3	5.1%	413.8	5.05%
Inflation Linked	285.7	3.5%	0.0	0.0%	285.7	3.5%	285.7	3.5%	327.7	4.00%
Tactical Cash	221.2	2.7%	0.0	0.0%	221.2	2.7%	221.2	2.7%	281.0	3.43%

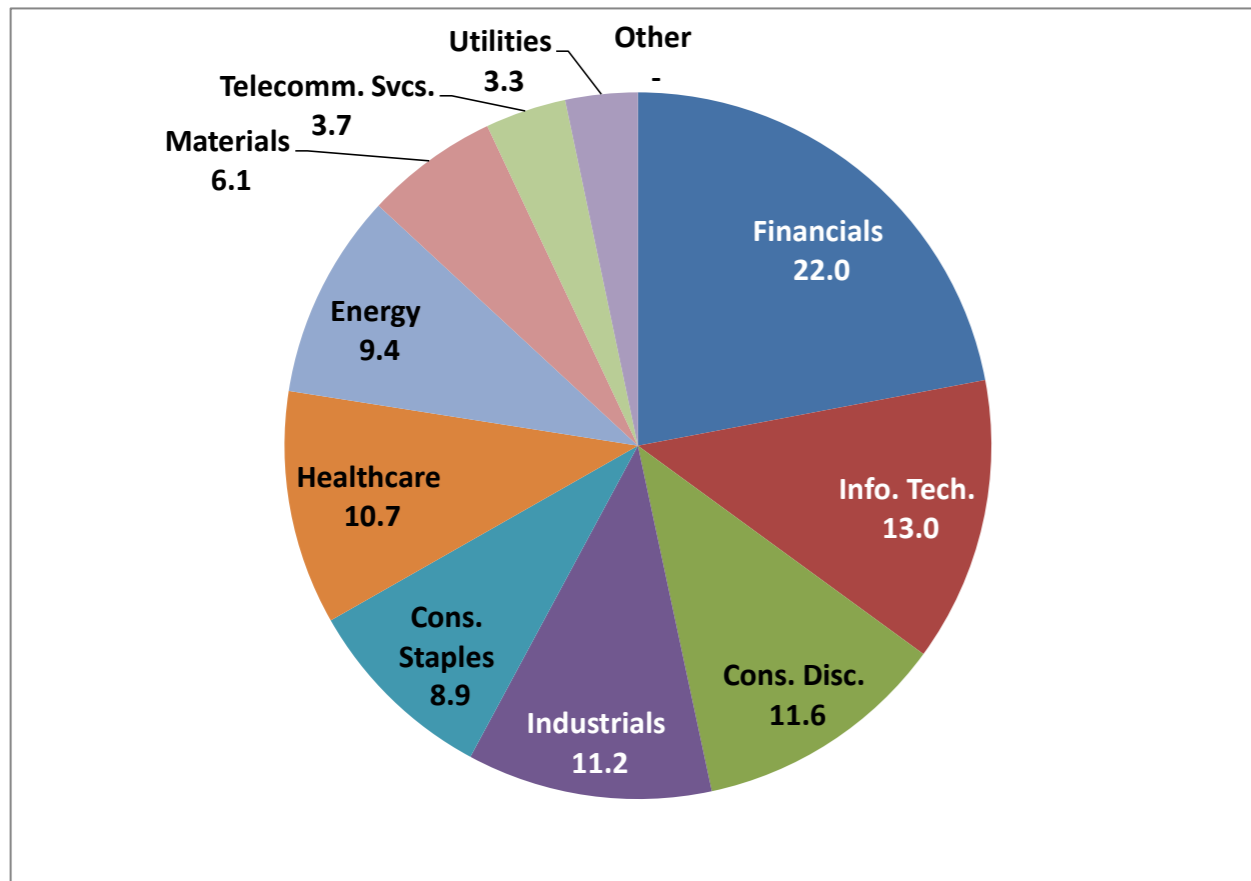
Deviations from Target Allocation



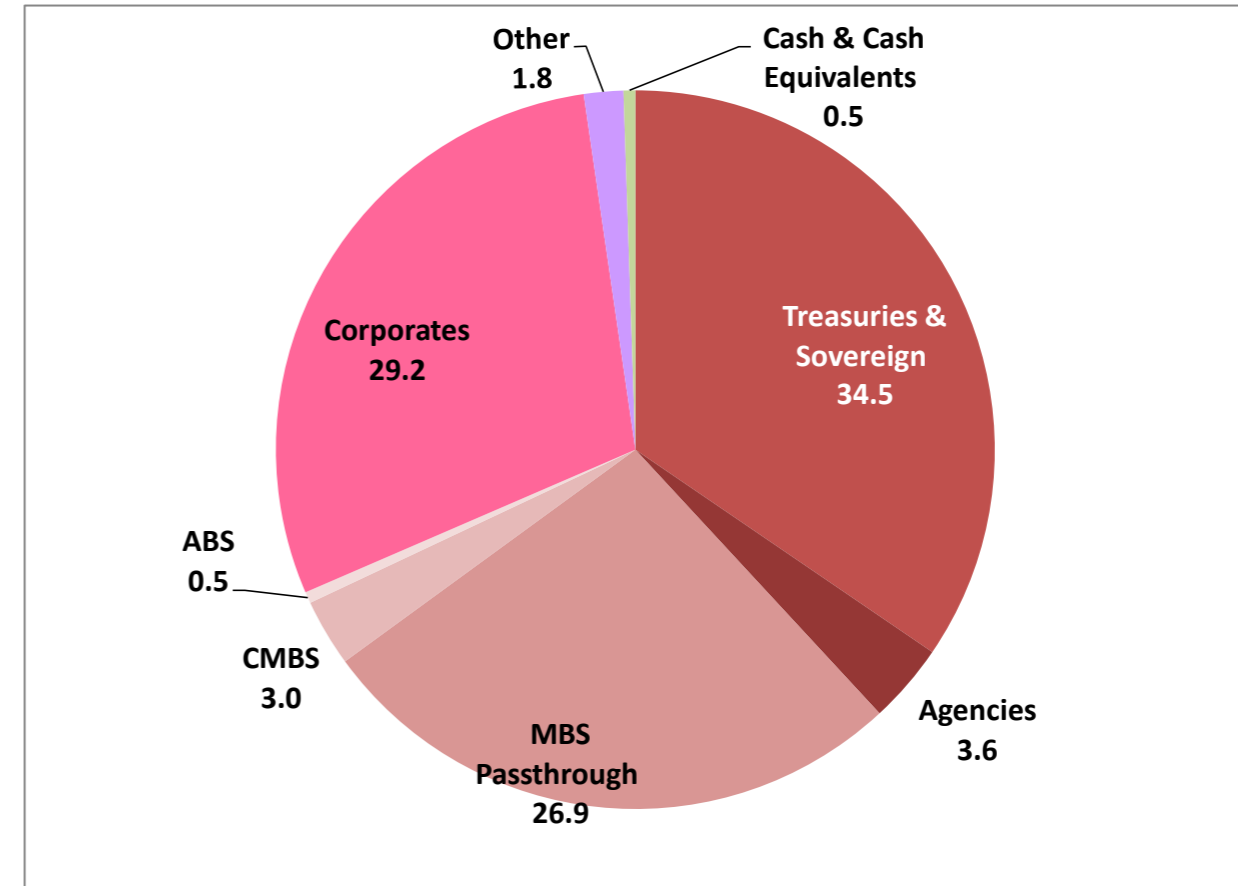
ERSRI Asset Allocation Public-Asset Portfolios

%%% - as of August 31, 2014

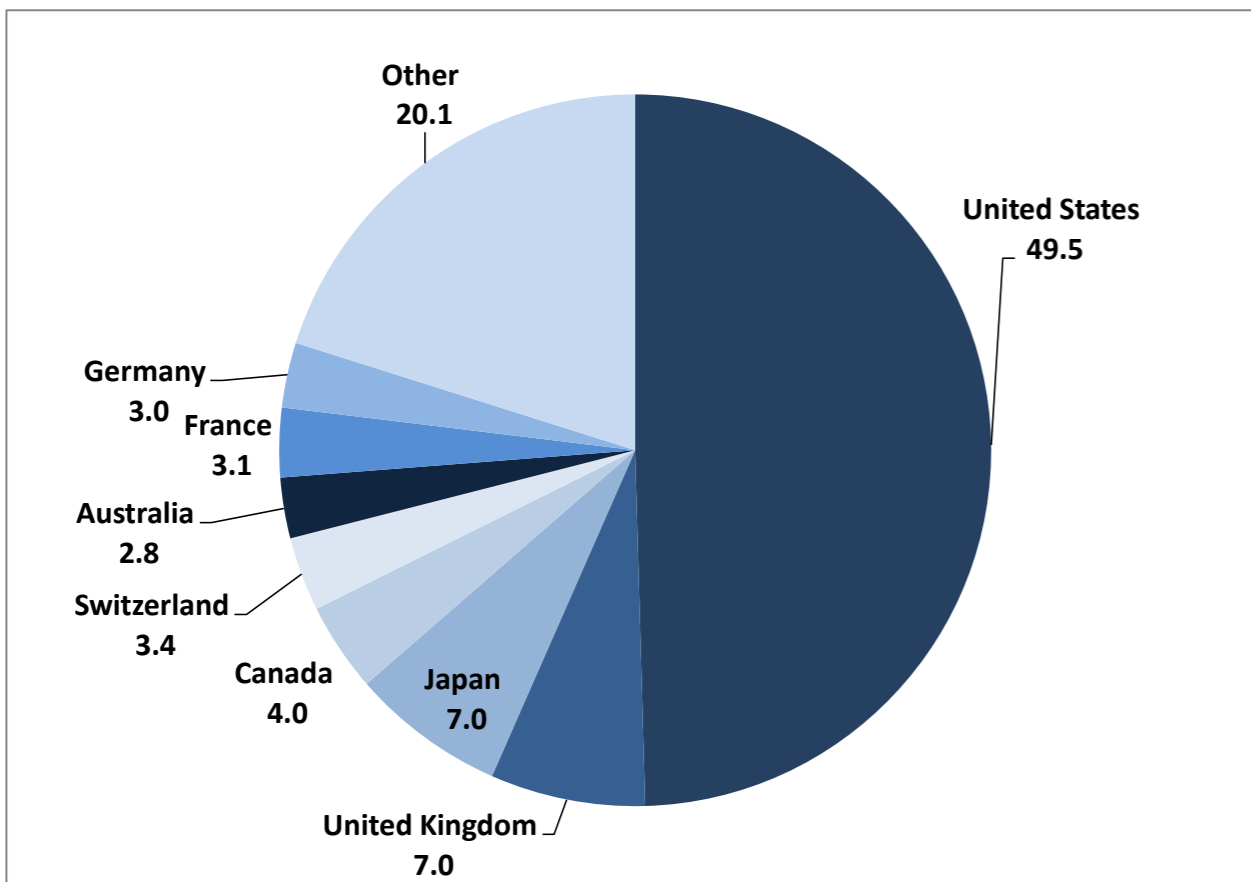
Global Public Equity - by Industry Sector



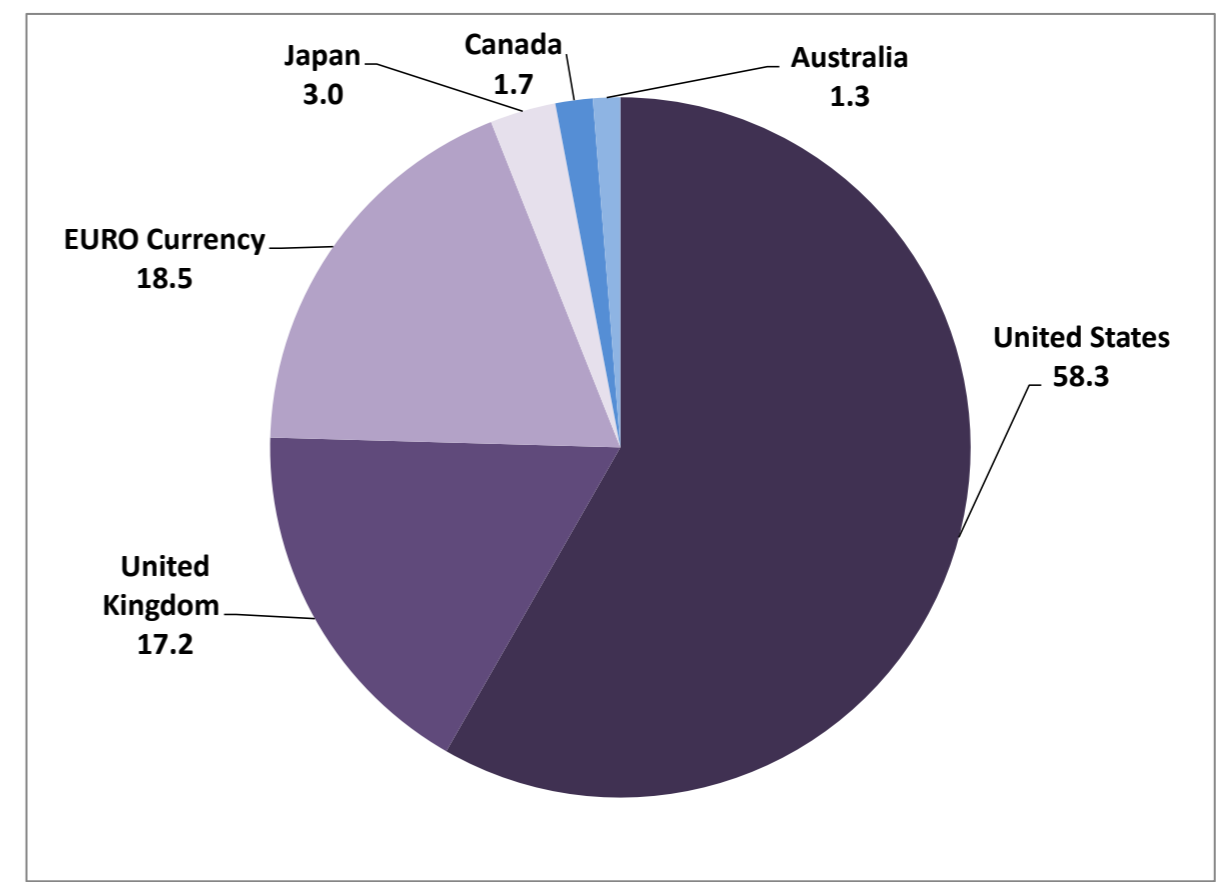
Core Fixed Income - by Type



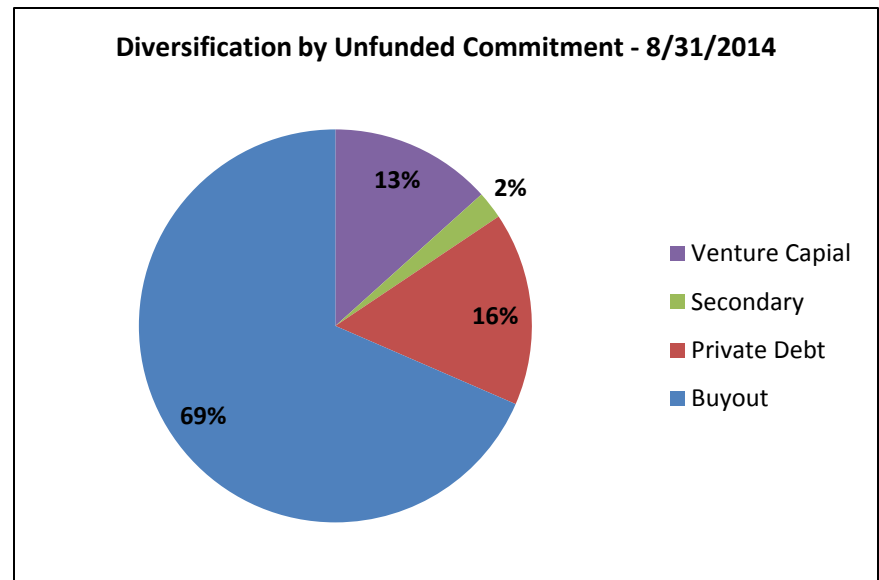
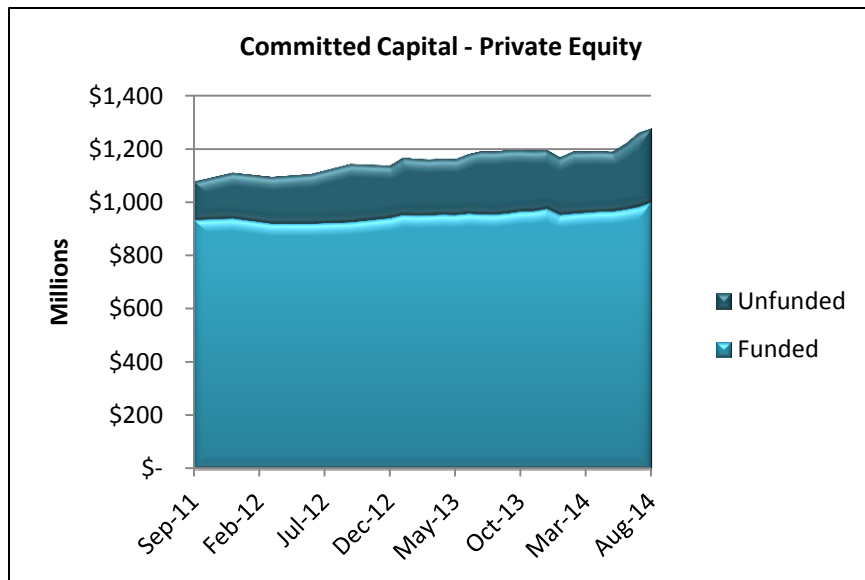
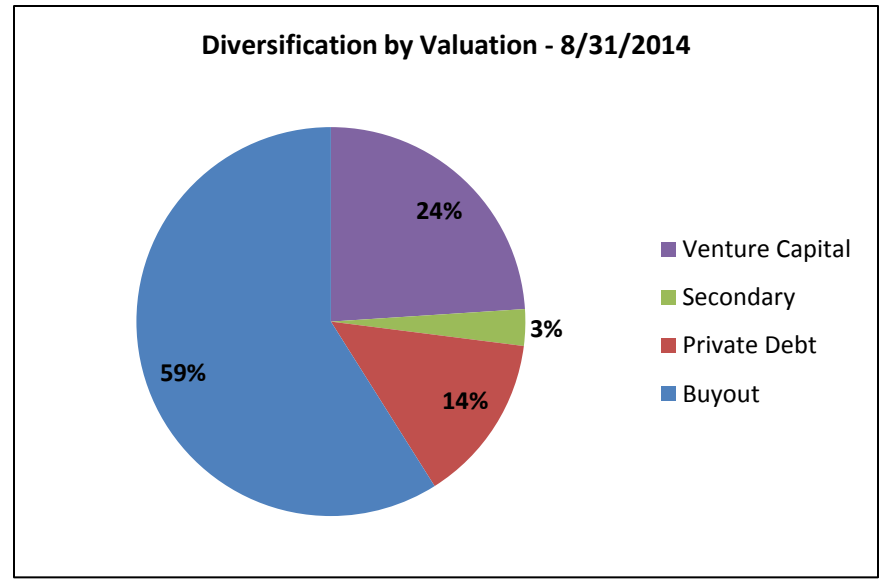
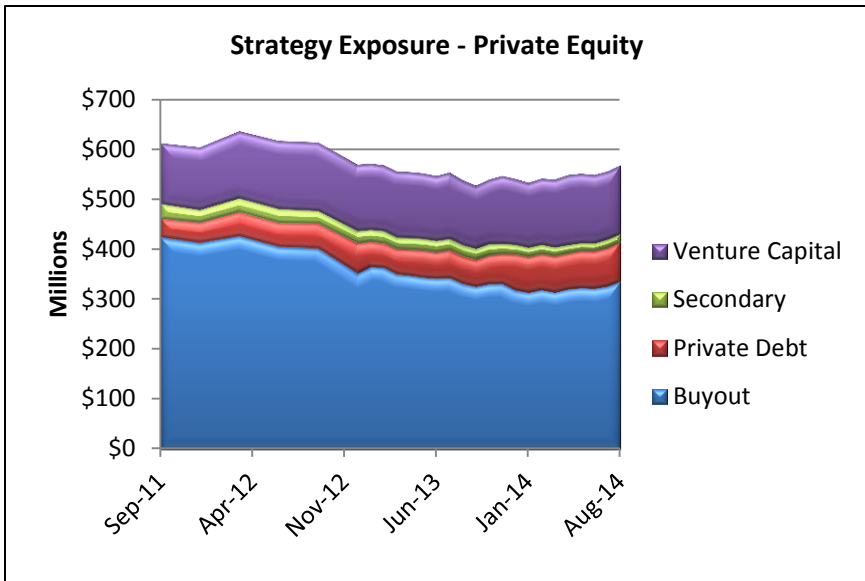
Global Public Equity - by Geography



Global Inflation-Linked Bonds - by Geography



Strategy Exposure & Committed Capital – Private Equity

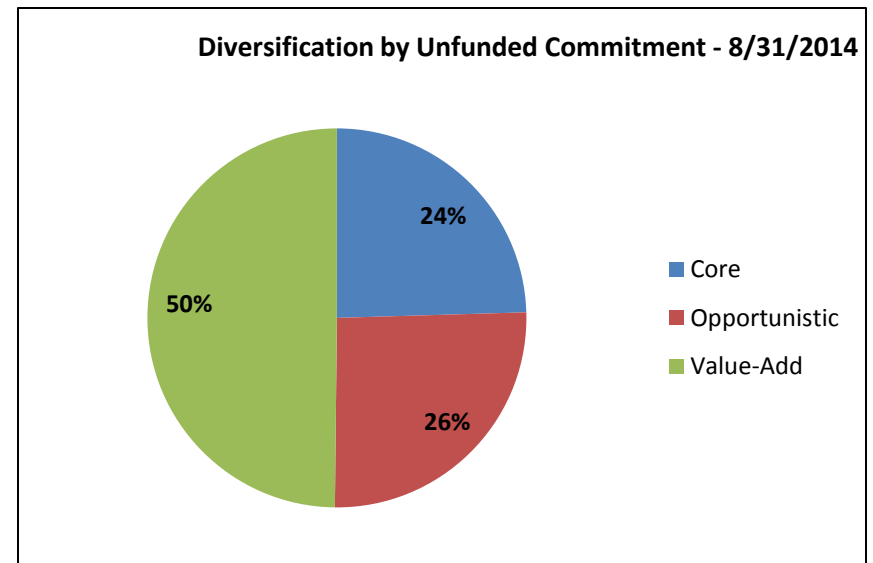
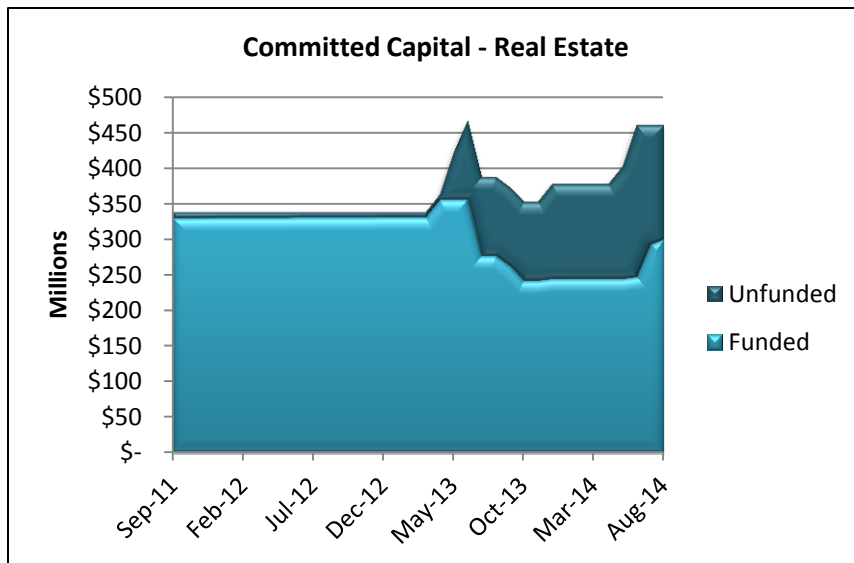
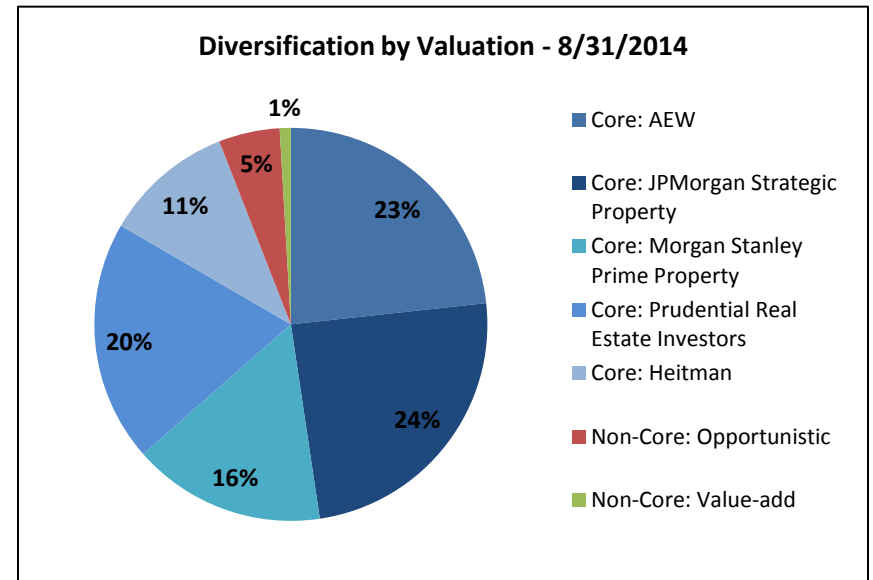


State of Rhode Island Private Equity Unfunded Commitment August 2014

Partnership Investment	Total Commitment	Unfunded
Advent Global Private Equity Fund VII	\$ 20,000,000.00	\$ 9,260,000.00
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 750,000.00
Alta Partners VIII	\$ 15,000,000.00	\$ 750,000.00
Aurora Equity Partners III	\$ 15,000,000.00	\$ 835,850.00
Avenue Special Situations Fund IV	\$ 20,000,000.00	\$ -
Avenue V	\$ 20,000,000.00	\$ -
Bain X	\$ 25,000,000.00	\$ 762,500.00
Birch Hill Equity Partners III	\$ 16,538,040.00	\$ 512,078.01
Braemar Energy Ventures III	\$ 10,000,000.00	\$ 5,516,586.00
Carlyle Asia Partners IV	\$ 30,000,000.00	\$ 26,253,048.00
Castile III	\$ 5,000,000.00	\$ 150,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,090,623.00
Centerbridge Special Credit Partners II	\$ 25,000,000.00	\$ 5,000,000.00
Charterhouse Capital Partners VIII	\$ 18,710,606.25	\$ 468,539.38
Coller International Capital IV	\$ 14,250,000.00	\$ 600,000.00
Coller International Capital V	\$ 15,000,000.00	\$ 3,270,000.00
Constellation III	\$ 15,000,000.00	\$ 908,695.66
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.00
CVC European Equity Partners IV	\$ 21,664,912.50	\$ 2,531,889.39
CVC V	\$ 26,260,500.00	\$ 2,802,324.35
CVC VI	\$ 19,695,375.00	\$ 17,978,767.72
EnCap Energy Fund IX	\$ 18,000,000.00	\$ 14,051,172.79
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 232,336.00
Fenway III	\$ 15,000,000.00	\$ 1,409,506.00
First Reserve Fund X	\$ 20,000,000.00	\$ 1.00
First Reserve Fund XI	\$ 20,000,000.00	\$ (1.00)
Focus Ventures III	\$ 15,000,000.00	\$ -
Granite Global Ventures II	\$ 15,000,000.00	\$ 675,000.00
Granite Global Ventures III	\$ 15,000,000.00	\$ 375,000.00
Green Equity Investors V	\$ 20,000,000.00	\$ 1,731,092.40
Industry Ventures Partnership Holdings III	\$ 25,000,000.00	\$ 20,750,000.00
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 366,426.00
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 844,050.00
Leapfrog Ventures II	\$ 10,000,000.00	\$ 510,000.00
Leeds Weld Equity Partners IV	\$ 10,000,000.00	\$ 1,099,639.00
Lighthouse Capital Partners V	\$ 11,250,000.00	\$ 787,500.00
Lighthouse Capital Partners VI	\$ 15,000,000.00	\$ 750,000.00
LNK Partners	\$ 12,500,000.00	\$ 605,489.52
Matlin Patterson Glb. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ -
MHR Institutional Partners III	\$ 20,000,000.00	\$ 7,374,396.00
Nautic Partners V	\$ 20,000,000.00	\$ 644,505.65
Nautic Partners VI	\$ 20,000,000.00	\$ 777,633.10
Nautic Partners VII	\$ 20,000,000.00	\$ 20,000,000.00
Nordic Capital Fund V	\$ 19,190,582.54	\$ -
Nordic Capital Fund VI	\$ 19,695,375.00	\$ -

Nordic VII	\$	19,695,375.00	\$	3,711,593.80
Nordic VIII	\$	19,695,375.00	\$	16,208,787.66
Oaktree Capital Management Fund III	\$	20,000,000.00	\$	9,800,000.00
Palladin III	\$	10,000,000.00	\$	2,019,778.00
Parthenon Investors II	\$	23,960,000.00	\$	1,821,022.00
Perseus VII	\$	15,000,000.00	\$	522,311.17
Point 406	\$	10,000,000.00	\$	1,040,000.00
Point Judith II	\$	5,000,000.00	\$	463,939.06
Providence Equity Partners III	\$	15,000,000.00	\$	1,938,956.00
Providence Equity Partners IV	\$	25,000,000.00	\$	1,989,319.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,210,779.00
Providence Equity Partners VI	\$	25,000,000.00	\$	2,084,773.00
Providence Equity Partners VII	\$	25,000,000.00	\$	20,138,580.00
Riverside VI	\$	20,000,000.00	\$	16,847,504.00
Riverside Micro-Cap Fund III	\$	20,000,000.00	\$	10,373,872.00
Summit Partners	\$	20,000,000.00	\$	-
Summit Partners II	\$	20,000,000.00	\$	20,000,000.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	300,000.00
Thomas McNerney & Partners II	\$	15,000,000.00	\$	1,162,500.00
TPG Partners IV	\$	13,953,742.00	\$	64,421.00
TPG Partners V	\$	20,000,000.00	\$	2,328,181.00
TPG VI	\$	10,000,000.00	\$	1,554,063.00
Trilantic IV	\$	11,098,351.00	\$	1,290,939.97
VS&A Communication Partners III	\$	15,000,000.00	\$	-
W Capital Partners	\$	15,000,000.00	\$	802,500.00
W Capital Partners II	\$	15,000,000.00	\$	1,596,691.00
Wellspring Capital Partners III	\$	20,000,000.00	\$	283,861.00
Wellspring Capital Partners IV	\$	20,000,000.00	\$	2,088,979.00
WLR	\$	8,000,000.00	\$	765,256.00
Total Private Equity	\$	1,279,158,234.29	\$	276,733,220.65

Strategy Exposure & Committed Capital – Real Estate



State of Rhode Island Real Estate Unfunded Commitment August 2014

Real Estate Partnership Investment	Total Commitment	Unfunded
AEW	\$ 60,000,000.00	\$ -
Exeter Industrial Value Fund III	\$ 30,000,000.00	\$ 30,000,000.00
Fillmore East Fund I	\$ 10,000,000.00	\$ -
GEM Realty V	\$ 50,000,000.00	\$ 40,178,750.00
Heitman	\$ 60,000,000.00	\$ 26,976,067.01
IC Berkeley Partners III	\$ 18,000,000.00	\$ 15,186,662.83
JPMorgan Strategic Property Fund	\$ 75,000,000.00	\$ 12,500,000.00
JPMorgan Alternative Property Fund	\$ 20,000,000.00	\$ -
Magna Hotel	\$ 4,000,000.00	\$ 649,244.14
Morgan Stanley Prime Property Fund	\$ 35,000,000.00	\$ -
Prudential Real Estate Investors (PRISA)	\$ 50,000,000.00	\$ -
Tri Continental Fund VII	\$ 15,000,000.00	\$ 428,467.00
Waterton Venture Fund XII	\$ 35,000,000.00	\$ 35,000,000.00
Total Real Estate	\$ 462,000,000.00	\$ 160,919,190.98

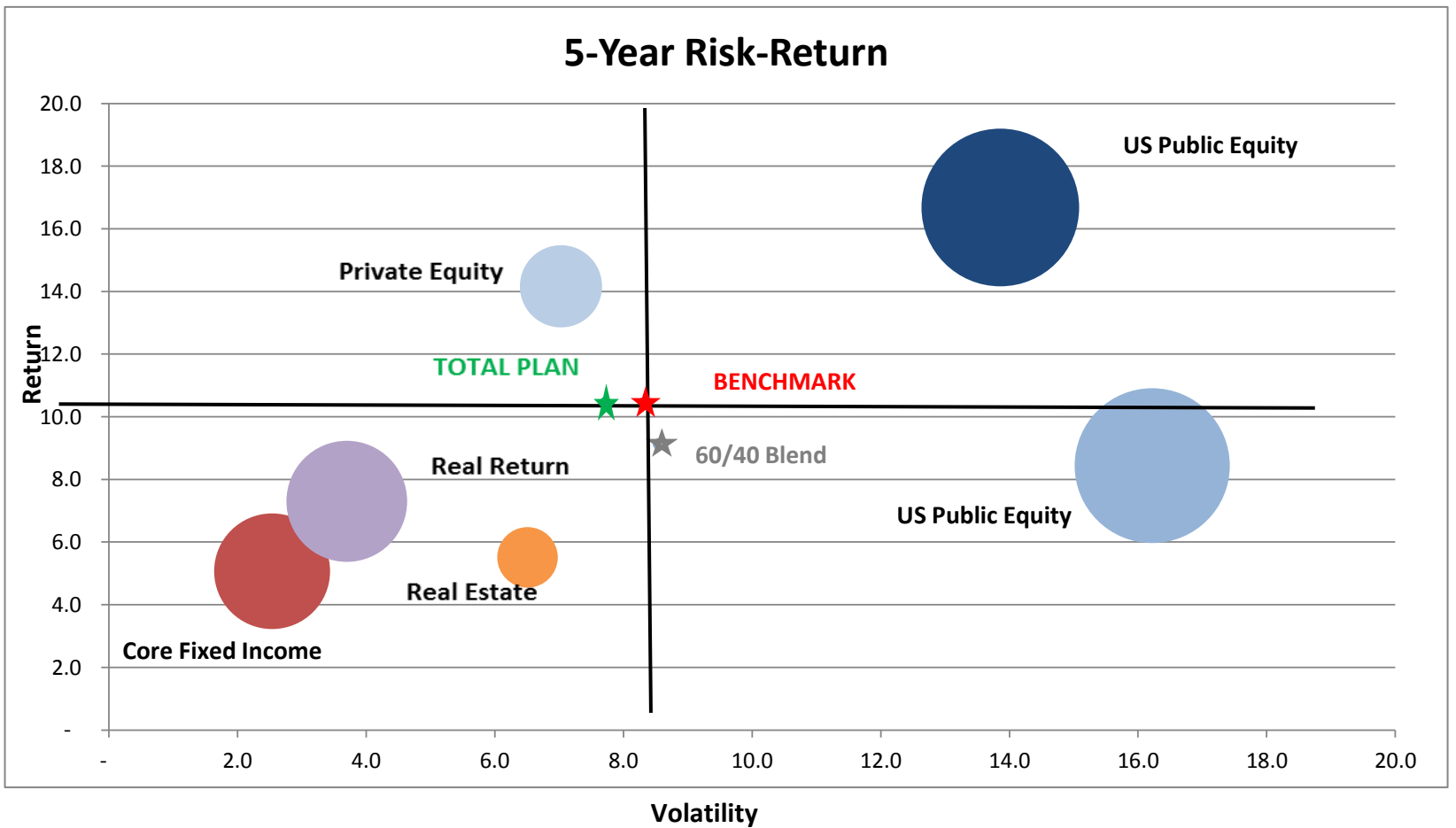
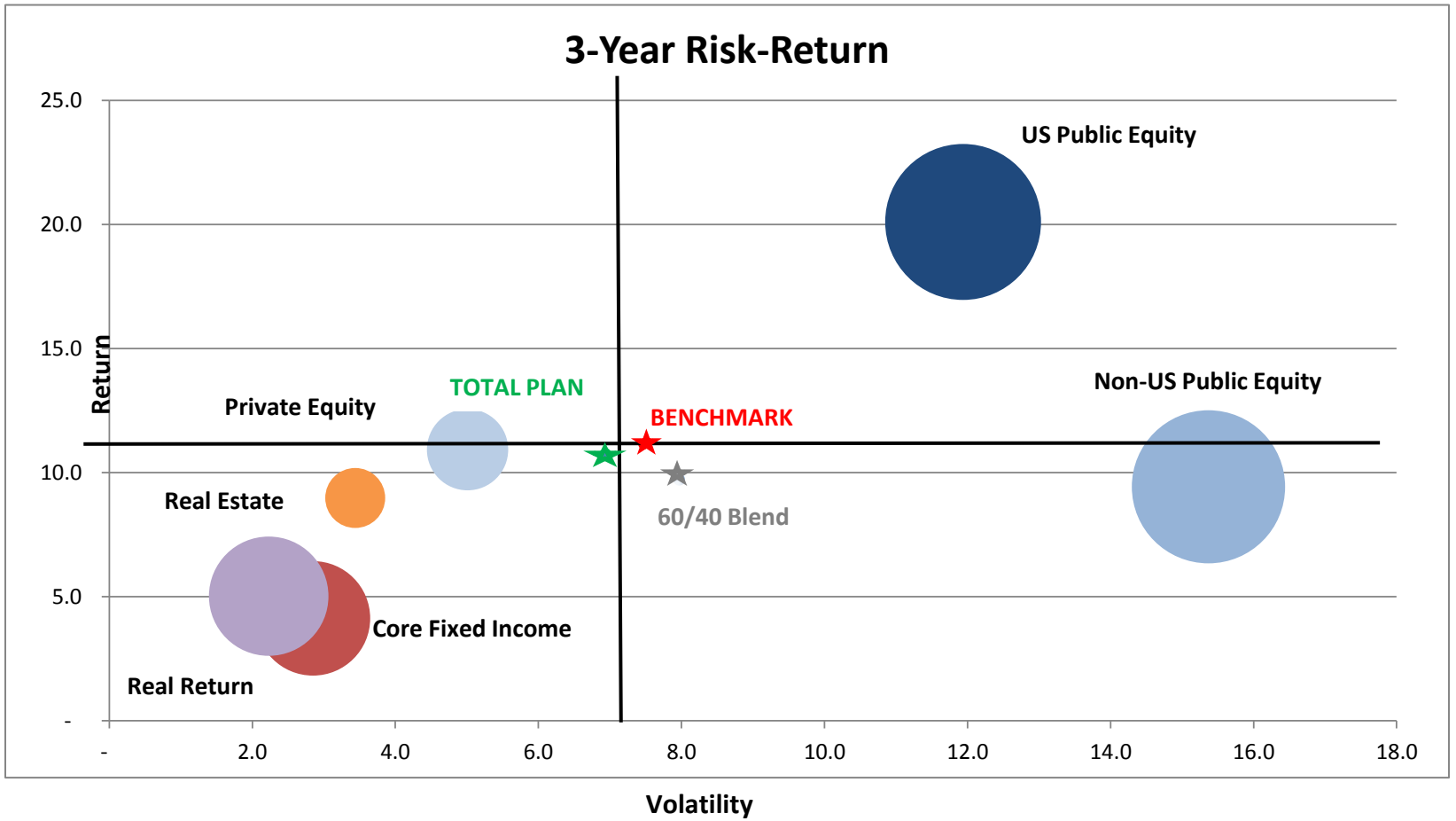
Section V.

Risk Overview

ERSRI Portfolio

% - as of August 31, 2014

Bubble-Size Scaled based on Current Allocations



5 Years Ending August 31, 2014 Comparison

	TOTAL PLAN	Total Plan Benchmark
Ann Return	10.46	10.44
Ann Ex Ret vs Mkt	0.03	0.00
Ann Tracking Error	1.13	0.00
Ann Std Dev	7.72	8.31
Beta	0.92	1.00
R-Squared	0.99	1.00
Ann Alpha	0.77	0.00
Ann Sharpe Ratio	1.32	1.23

Risk Exposures

3 Years Ending August 31, 2014

	Annualized Return	Ann Std Dev	Beta (ACWI)	Beta (BC AGG)	Beta (GSCI)	Beta (CPI)
US Public Equity	20.10	11.94	0.86	-0.55	0.53	0.06
Non-US Public Equity	9.43	15.37	1.14	0.20	0.66	-0.57
Equity Hedge Funds	---	---	---	---	---	---
Private Equity	10.93	5.01	0.11	-0.53	0.08	-0.12
Traditional Fixed Income	4.13	2.85	0.06	1.00	0.01	-0.12
Real Estate	8.98	3.44	0.06	0.37	-0.01	-0.67
Real Return Hedge Funds	---	---	---	---	---	---
Inflation-Linked Bonds	3.11	4.46	0.05	1.39	0.00	-0.70
Cash	0.15	0.08	0.00	0.00	0.00	0.01
Russell Overlay Fd	0.14	0.16	0.01	-0.02	0.01	0.00
TOTAL PLAN	10.77	6.94	0.52	0.09	0.30	-0.28

**3 Years Ending August 31, 2014
Correlation**

Ann Return

	US Pub EQ	Non-US Pub EQ	Eq HF	PE	FI	RE	RR HF	GILBS	Cash	Overlay	Total
US Pub	1.00										
Non-US P	0.87	1.00									
Eq HF	---	---	---								
PE	0.27	0.28	---	1.00							
FI	0.15	0.34	---	-0.21	1.00						
RE	0.20	0.26	---	0.03	0.30	1.00					
RR HF	---	---	---	---	---	---	---				
GILBS	0.07	0.20	---	-0.16	0.78	0.19	---	1.00			
Cash	-0.03	-0.01	---	-0.07	0.03	0.33	---	-0.10	1.00		
Overlay	0.64	0.65	---	0.15	0.00	0.15	---	0.08	-0.09	1.00	
Total	0.95	0.97	---	0.30	0.33	0.28	---	0.22	-0.01	0.65	1.00
Tot BM	0.96	0.96	---	0.25	0.30	0.25	---	0.17	-0.01	0.68	0.99

**5 Years Ending August 31, 2014
Correlation**

Ann Return

	US Pub Eq	Non-US Pub Eq	Eq HF	PE	FI	RE	RR HF	GILBS	Cash	Overlay	Total
US Pub	1.00										
Non-US P	0.88	1.00									
Eq HF	---	---	---								
PE	0.17	0.10	---	1.00							
FI	0.05	0.25	---	-0.17	1.00						
RE	0.09	0.14	---	-0.02	-0.01	1.00					
RR HF	---	---	---	---	---	---	---				
GILBS	---	---	---	---	---	---	---	---			
Cash	-0.06	0.01	---	-0.09	0.06	-0.02	---	---	1.00		
Overlay	-0.05	-0.04	---	0.01	0.07	-0.13	---	---	-0.05	1.00	
Total	0.96	0.96	---	0.21	0.21	0.13	---	---	-0.04	-0.04	1.00
Tot BM	0.97	0.96	---	0.16	0.19	0.12	---	---	-0.03	-0.05	0.99

Section VI.

Performance Overview

TOTAL NET OF FEES

8/31/2014

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	1 Year	Annualized			ITD	Inception Date
						3 Years	5 Years	10 Years		
SSGA R3000 INDEX <i>Russell 3000 Index</i>	2,100,082,880	26	4.18 4.20	2.18 2.14	24.75 24.74				21.92 21.93	10/1/2012 10/1/2012
US Public Equity <i>Russell 3000 Index</i>	2,100,082,954	26	4.18 4.20	2.18 2.14	24.73 24.74	20.10 20.65	16.68 17.22		7.21 7.24	8/1/2007 8/1/2007
SSGA MSCI EAFE <i>MSCI EAFE Net Dividend Index</i>	1,389,991,194	17	-0.16 -0.15	-2.11 -2.11	16.73 16.44				17.86 17.55	9/1/2012 9/1/2012
SSGA MSCI CANADA <i>MSCI Canada Net Dividend Index</i>	162,245,959	2	2.26 2.24	2.23 2.16	23.95 23.19				12.84 12.10	9/1/2012 9/1/2012
SSGA MSCI EM <i>MSCI Emerging Markets Net Dividend Index</i>	475,764,400	6	2.18 2.25	4.13 4.23	19.84 19.98				9.63 9.83	9/1/2012 9/1/2012
Non-US Public Equity <i>Total International Equity BM</i>	2,028,001,646	25	0.57 0.55	-0.37 -0.44	18.04 17.75	9.43 9.69	8.44 7.23		12.97 11.81	5/1/2009 5/1/2009
Global Public Equity <i>MSCI All Country World Net Index</i>	4,128,084,600	50	2.38 2.21	0.91 0.97	21.29 20.99	15.83 14.06	13.51 11.80	8.39 7.85	4.35	7/1/2000 7/1/2000
Private Equity <i>Venture Economics Custom BM</i> <i>S&P + 300 BP</i>	570,100,194	7	1.39 0.00 4.10	2.37 0.00 2.95	16.78 16.57 28.25	10.93 18.98 23.81	14.16 17.29 20.13	11.00 10.16 11.49	4.66	1/1/1993 1/1/1993 1/1/1993
Equity Hedge Funds <i>HFRI Equity Hedge (Total) Index</i>	656,458,542	8	0.49 1.75	-0.36 0.75	10.17 11.75				9.21 7.86	11/1/2011 11/1/2011
Total Equity	5,354,643,337	65	2.04	0.90	19.33	14.33	13.17	8.42	3.44	6/1/1996
MACKAY SHIELDS <i>Barclays U.S. Aggregate Bond Index</i>	564,665,065	7	1.03 1.10	0.80 0.85	5.99 5.66				1.73 1.47	11/1/2012 11/1/2012
PYRAMIS GLOBAL ADV <i>Barclays U.S. Aggregate Bond Index</i>	567,009,849	7	1.13 1.10	0.79 0.85	6.04 5.66				1.66 1.47	11/1/2012 11/1/2012
Traditional Fixed Income <i>Barclays U.S. Aggregate Bond Index</i>	1,131,942,084	14	1.08 1.10	0.80 0.85	6.02 5.66	4.13 2.91	5.07 4.48	5.02 4.72	5.82 5.67	7/1/2000 7/1/2000

TOTAL NET OF FEES

8/31/2014

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	1 Year	Annualized				Inception Date
						3 Years	5 Years	10 Years	ITD	
Real Return Hedge Funds	524,543,912	6	0.79	0.74	6.59				5.50	11/1/2011
<i>HFRI Fund of Funds Composite Index</i>			<i>0.93</i>	<i>0.55</i>	<i>7.90</i>				<i>5.20</i>	<i>11/1/2011</i>
PIMCO	208,755,766	3	0.50	0.16	3.98				3.13	5/1/2013
<i>30% BoA1-3BB-B HY/70%CSInstLLI</i>			<i>0.36</i>	<i>0.22</i>	<i>4.97</i>				<i>4.36</i>	<i>5/1/2013</i>
WAMCO	212,496,008	3	0.38	0.32	5.22				4.55	4/1/2013
<i>30% BoA 1-3 BB-B HY/70% CS LLI</i>			<i>0.36</i>	<i>0.15</i>	<i>5.15</i>				<i>4.72</i>	<i>4/1/2013</i>
Credit Aggregate	421,251,774	5	0.44	0.24	4.60				3.73	5/1/2013
30% BoA1-3BB-B HY/70%CSInstLLI			0.36	0.22	4.97				4.85	3/1/2013
BROWN BROTHERS HARR	285,785,461	3	0.41	0.25	2.90				-0.15	11/1/2012
<i>BBH Inflation-Linked Custom BM</i>			<i>0.48</i>	<i>0.40</i>	<i>3.69</i>				<i>-0.14</i>	<i>11/1/2012</i>
Inflation-Linked Bonds	285,785,461	3	0.41	0.25	2.90	3.11			5.54	11/1/2009
<i>Total Inflation Linked Custom</i>			<i>0.48</i>	<i>0.40</i>	<i>3.69</i>	<i>3.07</i>			<i>5.53</i>	<i>11/1/2009</i>
Total Real Return	1,231,581,148	15	0.58	0.45	5.05	5.02	7.27	5.94	6.21	6/1/2004
Real Estate	308,999,115	4	0.46	1.64	10.07	8.98	5.51		0.97	1/1/2005
<i>NCREIF Property Lagged + 100bp</i>			<i>0.08</i>	<i>0.15</i>	<i>12.18</i>	<i>12.69</i>	<i>8.89</i>		<i>9.25</i>	<i>1/1/2005</i>
ERSRI CASH	155,934,491	2	0.01	0.02	0.16	0.13	0.16	3.76	14.99	7/1/2000
<i>BofA Merrill Lynch 3 Month US Treasury Bill GOO1</i>			<i>0.00</i>	<i>0.01</i>	<i>0.05</i>	<i>0.07</i>	<i>0.10</i>	<i>1.61</i>	<i>1.92</i>	<i>7/1/2000</i>
Total Cash	158,816,547	2	0.01	0.02	0.16	0.15	0.17	2.50	2.67	4/1/2004
Russell Overlay Fd	17,309,296	0	-0.03	0.01	-0.11	0.14	-0.04		-0.10	9/1/2008
TOTAL PLAN	8,205,641,690	100	1.55	0.84	14.15	10.77	10.46	7.26	4.99	7/1/2000
<i>Total Plan Benchmark</i>			<i>1.45</i>	<i>0.56</i>	<i>14.33</i>	<i>11.15</i>	<i>10.44</i>	<i>7.19</i>		<i>7/1/2000</i>
<i>60/40 Blend</i>			<i>1.77</i>	<i>0.92</i>	<i>14.73</i>	<i>9.72</i>	<i>9.12</i>	<i>6.95</i>		<i>7/1/2000</i>
Total Plan ex PE & RE	7,326,542,380	89	1.61	0.69	14.12	10.39	10.05	7.08	6.72	4/1/1996
<i>Total Plan BM ex PE RE</i>			<i>1.69</i>	<i>0.62</i>	<i>14.92</i>	<i>11.06</i>	<i>10.34</i>	<i>6.97</i>		<i>4/1/1996</i>

TOTAL NET OF FEES

8/31/2014

Account Name Benchmark Name	Market Value	% of Total	Month	Cumulative			2013	2012	2011	Inception Date
				7/1/2014 - 7/31/2014	6/1/2014 - 6/30/2014					
SSGA R3000 INDEX <i>Russell 3000 Index</i>	2,100,082,880	26	4.18 4.20	-1.93 -1.97	2.48 2.51	33.49 33.55				10/1/2012 10/1/2012
US Public Equity <i>Russell 3000 Index</i>	2,100,082,954	26	4.18 4.20	-1.93 -1.97	2.48 2.51	33.48 33.55	15.66 16.42	-0.86 1.03		8/1/2007 8/1/2007
SSGA MSCI EAFE <i>MSCI EAFE Net Dividend Index</i>	1,389,991,194	17	-0.16 -0.15	-1.96 -1.96	0.99 0.96	23.08 22.78				9/1/2012 9/1/2012
SSGA MSCI CANADA <i>MSCI Canada Net Dividend Index</i>	162,245,959	2	2.26 2.24	-0.03 -0.08	6.03 5.95	6.35 5.63				9/1/2012 9/1/2012
SSGA MSCI EM <i>MSCI Emerging Markets Net Dividend Index</i>	475,764,400	6	2.18 2.25	1.91 1.93	2.72 2.66	-2.81 -2.60				9/1/2012 9/1/2012
Non-US Public Equity <i>Total International Equity BM</i>	2,028,001,646	25	0.57 0.55	-0.94 -0.99	1.75 1.68	15.18 15.29	17.02 16.52	-13.47 -12.14		5/1/2009 5/1/2009
Global Public Equity <i>MSCI All Country World Net Index</i>	4,128,084,600	50	2.38 2.21	-1.44 -1.21	2.12 1.88	23.90 22.80	17.82 16.13	-5.16 -7.35		7/1/2000 7/1/2000
Private Equity <i>Venture Economics Custom BM</i> <i>S&P + 300 BP</i>	570,100,194	7	1.39 0.00 4.10	0.97 0.00 -1.11	-0.20 -0.20 2.22	14.86 25.14 35.39	11.77 19.44 19.44	12.37 5.17 5.17		1/1/1993 1/1/1993 1/1/1993
Equity Hedge Funds <i>HFRI Equity Hedge (Total) Index</i>	656,458,542	8	0.49 1.75	-0.85 -0.98	1.23 1.69	17.11 14.28	7.98 7.41			11/1/2011 11/1/2011
Total Equity	5,354,643,337	65	2.04	-1.11	1.76	21.95	15.88	-2.89		6/1/1996
MACKAY SHIELDS <i>Barclays U.S. Aggregate Bond Index</i>	564,665,065	7	1.03 1.10	-0.23 -0.25	0.09 0.05	-1.79 -2.02				11/1/2012 11/1/2012
PYRAMIS GLOBAL ADV <i>Barclays U.S. Aggregate Bond Index</i>	567,009,849	7	1.13 1.10	-0.33 -0.25	0.10 0.05	-1.93 -2.02				11/1/2012 11/1/2012
Traditional Fixed Income <i>Barclays U.S. Aggregate Bond Index</i>	1,131,942,084	14	1.08 1.10	-0.28 -0.25	0.09 0.05	-1.86 -2.02	7.95 4.21	5.50 7.84		7/1/2000 7/1/2000
Real Return Hedge Funds <i>HFRI Fund of Funds Composite Index</i>	524,543,912	6	0.79 0.93	-0.05 -0.38	0.44 0.99	6.96 8.96	5.33 4.79			11/1/2011 11/1/2011
PIMCO <i>30% BoA1-3BB-B HY/70%CSInstLLI</i>	208,755,766	3	0.50 0.36	-0.35 -0.14	0.50 0.47					5/1/2013 5/1/2013

TOTAL NET OF FEES

8/31/2014

Account Name Benchmark Name	Market Value	% of Total	Month	Cumulative			2013	2012	2011	Inception Date
				7/1/2014 - 7/31/2014	6/1/2014 - 6/30/2014					
WAMCO <i>30% BoA 1-3 BB-B HY/70% CS LLI</i>	212,496,008	3	0.38 0.36	-0.07 -0.21	0.61 0.50				4/1/2013 4/1/2013	
Credit Aggregate	421,251,774	5	0.44	-0.21	0.56				5/1/2013	
30% BoA 1-3 BB-B HY/70% CS LLI			0.36	-0.21	0.50				3/1/2013	
BROWN BROTHERS HARR <i>BBH Inflation-Linked Custom BM</i>	285,785,461	3	0.41 0.48	-0.15 -0.08	0.09 0.24	-5.03 -5.13			11/1/2012 11/1/2012	
Inflation-Linked Bonds <i>Total Inflation Linked Custom</i>	285,785,461	3	0.41 0.48	-0.15 -0.08	0.09 0.24	-5.03 -5.13	9.20 8.57	13.80 13.56	11/1/2009 11/1/2009	
Total Real Return	1,231,581,148	15	0.58	-0.13	0.40	3.39	6.55	13.58	6/1/2004	
Real Estate <i>NCREIF Property Lagged + 100bp</i>	308,999,115	4	0.46 0.08	1.18 0.08	0.88 2.81	5.65 12.00	9.62 12.00	17.14 17.10	1/1/2005 1/1/2005	
ERSRI CASH <i>BofA Merrill Lynch 3 Month US Treasury Bill G001</i>	155,934,491	2	0.01 0.00	0.01 0.00	0.02 0.01	0.14 0.07	0.11 0.11	0.16 0.10	7/1/2000 7/1/2000	
Total Cash	158,816,547	2	0.01	0.01	0.02	0.13	0.18	0.14	4/1/2004	
Russell Overlay Fd	17,309,296	0	-0.03	0.04	-0.01	0.17	0.18	-0.78	9/1/2008	
TOTAL PLAN <i>Total Plan Benchmark</i> <i>60/40 Blend</i>	8,205,641,690	100	1.55 1.45 1.77	-0.70 -0.89 -0.83	1.23 1.18 1.15	14.06 15.02 12.32	12.49 11.80 11.48	1.39 1.55 -1.13	7/1/2000 7/1/2000 7/1/2000	
Total Plan ex Overlay <i>Total Plan Benchmark</i>	8,188,332,393	100	1.58 1.45	-0.74 -0.89	1.24 1.18	13.87 15.02	12.39 11.80	0.98 1.55	8/1/2008 8/1/2008	
Total Plan ex PE & RE <i>Total Plan BM ex PE RE</i>	7,326,542,380	89	1.61 1.69	-0.91 -1.04	1.35 1.29	14.33 14.97	11.25 12.08	-0.19 0.66	4/1/1996 4/1/1996	

END NOTES

8/31/2014

1 RI6G23000000 TOTAL PLAN

Month - Current Month

Cumulative Months - Prior Month and Second Prior Month

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

2013, 2012, 2011 - Calendar Years

RI6G23000000 TOTAL PLAN

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

15.0% Barclays U.S. Aggregate Bond Index

47.0% MSCI World Index

7.0% HFRI Fund of Funds Composite Index

4.0% BofA Merrill Lynch 3 Month US Treasury Bill

7.5% HFRI Equity Hedge (Total) Index

3.5% NCREIF Property Index 1Q in Arrears

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

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

7.0% Venture Economics Custom BM

Employees' Retirement System of the State of Rhode Island

Hedge Fund Portfolio
 Portfolio Performance Summary
 Estimated as of August 31, 2014

Fund	Market Value	Actual %	Returns								Std Dev	Sharpe Ratio	Incep Date
			Aug	QTD	YTD	FYTD	1 Year	3 Year	5 Year	Incep			
Global Equities													
Ascend Partners Fund II LP	70,835,144	6.0%	0.21%	0.67%	3.76%	0.67%	10.93%	-	-	6.03%	2.79%	2.00	Nov-11
Davidson Kempner Institutional Partners, L.P.	75,273,236	6.4%	-0.21%	-0.06%	5.82%	-0.06%	8.47%	-	-	8.33%	1.80%	4.29	Nov-11
Elliott Associates, L.P.	79,497,935	6.7%	-0.80%	0.09%	4.93%	0.09%	10.36%	-	-	10.44%	3.30%	2.93	Nov-11
ESG Cross Border Equity Fund LP	48,690,936	4.1%	-0.90%	-2.68%	-	-2.68%	-	-	-	-2.55%	3.36%	-	Jun-14
Indus Asia Pacific Fund, LP	961,995	0.1%	0.00%	-0.05%	-3.60%	-0.05%	0.01%	-	-	2.80%	5.98%	0.44	Jan-12
Luxor Capital Partners, LP	48,840,980	4.1%	2.97%	-0.59%	-	-0.59%	-	-	-	-2.32%	9.54%	-	May-14
Mason Capital Ltd.	67,139,403	5.7%	-1.04%	-3.00%	-4.06%	-3.00%	3.07%	-	-	4.31%	6.84%	0.60	Jan-12
PFM Diversified Fund, L.P.	37,439,077	3.2%	0.56%	0.16%	0.01%	0.16%	11.91%	-	-	9.27%	9.84%	0.92	Mar-12
PFM Diversified Offshore Fund A.I., Ltd.	37,134,874	3.1%	0.43%	0.08%	-0.17%	0.08%	11.60%	-	-	8.91%	9.79%	0.89	Mar-12
Samlyn Onshore Fund, L.P.	101,748,868	8.6%	1.68%	0.21%	3.38%	0.21%	13.84%	-	-	11.95%	5.80%	1.93	Jan-12
Viking Global Equities, LP	89,604,324	7.6%	2.70%	1.25%	7.81%	1.25%	20.32%	-	-	15.70%	5.88%	2.47	Dec-11
Total Global Equities	657,166,771	55.6%	0.61%	-0.27%	2.34%	-0.27%	10.30%	-	-	9.15%	4.07%	2.10	Nov-11
MSCI AC World Index Free - Net			2.21%	0.97%	7.21%	0.97%	20.99%	-	-	14.84%	10.79%	1.31	Nov-11
Russell 3000 Index (DRI)			4.20%	2.14%	9.23%	2.14%	24.74%	-	-	20.79%	9.44%	2.03	Nov-11
HFRI Equity Hedge (Total) Index			1.64%	0.67%	3.90%	0.67%	11.67%	-	-	7.83%	6.01%	1.23	Nov-11
Real Return													
BlueCrest Capital LP	20,885,539	1.8%	-0.43%	-0.45%	0.26%	-0.45%	0.78%	-	-	1.64%	2.32%	0.58	Jan-12
Brevan Howard LP	77,533,462	6.6%	-0.12%	0.63%	-3.78%	0.63%	-2.65%	-	-	1.18%	4.65%	0.20	Nov-11
Brigade Leveraged Capital Structures Fund LP	58,552,273	5.0%	0.78%	0.26%	5.46%	0.26%	9.10%	-	-	6.52%	2.55%	2.37	Mar-12
Capula Global Relative Value Fund Ltd.	56,288,503	4.8%	0.48%	0.89%	4.40%	0.89%	6.35%	-	-	4.40%	1.96%	2.05	Dec-11
Claren Road Credit Fund, Ltd.	51,689,466	4.4%	-0.08%	-0.33%	2.18%	-0.33%	3.00%	-	-	2.37%	4.25%	0.51	Apr-13
DE Shaw Composite Fund LLC	74,359,080	6.3%	1.00%	1.25%	11.01%	1.25%	16.03%	-	-	15.04%	3.91%	3.54	Nov-11
Graham Global Investment Fund I SPC Ltd. - Discretionary Segregated Port	52,974,543	4.5%	1.89%	2.03%	-1.54%	2.03%	1.76%	-	-	2.19%	2.95%	0.64	Jan-12
OZ Domestic Partners II, L.P.	99,386,038	8.4%	0.49%	0.47%	2.61%	0.47%	8.66%	-	-	10.45%	3.56%	2.73	Nov-11
Winton Futures Fund Limited	32,892,069	2.8%	4.00%	1.28%	2.56%	1.28%	12.34%	-	-	3.40%	7.73%	0.43	Dec-11
Total Real Return	524,560,974	44.4%	0.76%	0.71%	2.62%	0.71%	6.18%	-	-	5.48%	2.24%	2.25	Nov-11
ML 3-month T-Bills			0.00%	0.01%	0.03%	0.01%	0.05%	-	-	0.07%	0.02%	-	Nov-11
HFRI Fund of Funds Composite Index			0.89%	0.51%	2.64%	0.51%	7.87%	-	-	5.18%	3.32%	1.44	Nov-11
Total Hedge Fund Portfolio	1,181,727,745	100.0%	0.68%	0.16%	2.48%	0.16%	8.44%	-	-	7.48%	3.03%	2.30	Nov-11
HFRI Fund of Funds Composite Index			0.89%	0.51%	2.64%	0.51%	7.87%	-	-	5.18%	3.32%	1.44	Nov-11
Market Indices													
Libor3Month			0.02%	0.04%	0.15%	0.04%	0.24%	-	-	0.33%	0.03%	-	Nov-11
Barclays Aggregate Bond Index			1.10%	0.85%	4.80%	0.85%	5.66%	-	-	2.79%	2.69%	0.91	Nov-11
Barclays High Yield Credit Bond Index			1.59%	0.24%	5.71%	0.24%	10.59%	-	-	10.34%	4.57%	2.11	Nov-11
S&P 500 TR			4.00%	2.57%	9.89%	2.57%	25.25%	-	-	20.62%	9.16%	2.07	Nov-11
MSCI EAFE - Net			-0.15%	-2.12%	2.56%	-2.12%	16.43%	-	-	12.39%	13.45%	0.91	Nov-11
MSCI EMF (Emerging Markets Free) - Net			2.25%	4.23%	10.63%	4.23%	19.98%	-	-	5.85%	15.23%	0.43	Nov-11

Employees' Retirement System of the State of Rhode Island

Hedge Fund Portfolio
 Portfolio Performance Summary
 Estimated as of August 31, 2014

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

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

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

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

Copyright MSCI 2014. Unpublished. All Rights Reserved. This information may only be used for your internal use, may not be reproduced or disseminated, and may not be used to create any financial instruments or products or any indices. This information is provided on an "as is" basis and the user of this information assumes the entire risk of any use. Neither MSCI, any of its affiliates, Cliffwater or any other person involved in or related to compiling, computing or creating this information makes any express or implied warranties or representations with respect to such information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates, Cliffwater or any other person involved in or related to compiling, computing or creating this information have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages.

Employees' Retirement System of the State of Rhode Island

Hedge Fund Portfolio
Fund Level Performance Report
Estimated as of August 31, 2014

Fund	Trailing Returns					Calendar Year Returns					5 Yr Std Dev	Sharpe Ratio			Start Date			
	QTD	YTD	Aug	Jul	Jun	1 Year	3 Year	5 Year	2013	2012		2011	2010	2009		3 yr	5 yr	Incep.
Global Equities																		
Ascend Partners Fund II LP	0.66%	3.73%	0.21%	0.45%	1.15%	10.89%	5.63%	4.16%	12.22%	2.50%	-3.02%	2.94%	13.61%	3.91%	1.83	0.98	1.12	Jan-04
Davidson Kempner Institutional Partners, LP	-0.08%	5.56%	-0.21%	0.13%	1.43%	8.04%	7.29%	7.54%	9.20%	6.87%	1.27%	9.17%	17.79%	3.02%	3.28	2.32	1.61	Mar-96
Elliott Associates, L.P. (HFR98)	0.09%	4.77%	-0.80%	0.90%	1.70%	9.99%	9.44%	9.96%	12.44%	13.18%	3.94%	7.39%	30.85%	3.15%	2.85	2.94	1.94	Jan-90
ESG Cross Border Equity	-2.58%	-2.08%	-0.90%	-1.70%	0.10%	1.80%	5.09%	8.79%	13.62%	6.74%	9.45%	10.86%	7.79%	5.31%	0.89	1.56	1.00	Jan-04
Luxor Capital Partners, LP	-0.65%	-0.77%	2.97%	-3.52%	-1.37%	4.85%	4.20%	8.49%	14.77%	2.52%	6.07%	8.98%	31.26%	6.24%	0.65	1.29	1.19	Apr-02
Mason Capital, Ltd.	-2.97%	-3.84%	-1.04%	-1.95%	2.21%	3.26%	3.84%	6.66%	22.83%	-5.73%	4.20%	9.62%	25.16%	6.30%	0.51	1.01	0.78	Feb-02
PFM Diversified Fund, LP	0.17%	0.08%	0.56%	-0.39%	0.36%	11.74%	7.70%	6.79%	22.17%	5.59%	-3.35%	4.36%	21.35%	8.21%	0.83	0.80	0.94	Nov-04
Samlyn Capital - Composite	0.22%	2.62%	1.68%	-1.44%	3.12%	12.83%	9.53%	6.50%	18.93%	10.49%	-5.05%	1.98%	23.57%	7.53%	1.23	0.83	1.18	Mar-07
Viking Global Equities	0.85%	7.51%	2.70%	-1.80%	1.10%	19.66%	15.57%	11.72%	22.47%	12.75%	7.71%	3.67%	19.20%	6.38%	2.29	1.73	1.53	Oct-99
Real Return																		
BlueCrest Capital International Limited	-0.45%	0.32%	-0.43%	-0.02%	-0.31%	0.83%	2.52%	6.30%	-1.56%	5.83%	6.11%	12.80%	45.41%	3.25%	0.94	1.80	1.64	Dec-00
Brevan Howard L.P. (Series B)	0.63%	-3.78%	-0.12%	0.75%	-0.26%	-2.64%	0.73%	3.32%	1.77%	3.60%	11.33%	0.92%	17.10%	4.84%	0.11	0.63	1.06	Sep-05
Brigade Leveraged Capital Structures Fund	0.23%	5.43%	0.75%	-0.52%	1.48%	9.07%	5.54%	7.06%	6.13%	6.91%	2.55%	7.66%	39.64%	3.01%	1.87	2.18	0.90	Jan-07
Capula Global Relative Value Fund Limited	0.89%	4.38%	0.48%	0.41%	0.59%	6.33%	5.24%	6.01%	7.60%	0.41%	6.19%	9.58%	12.24%	2.15%	2.12	2.59	1.70	Oct-05
Claren Road Credit Master Fund	0.24%	2.57%	-0.08%	0.32%	-0.02%	3.32%	3.18%	4.74%	5.43%	1.49%	6.88%	4.64%	24.75%	3.96%	0.70	1.11	1.66	Jan-06
DE Shaw Composite International Fund	1.10%	9.86%	0.10%	1.00%	0.10%	14.20%	12.20%	8.83%	11.51%	13.94%	3.69%	1.56%	21.31%	4.28%	2.97	1.93	1.49	Mar-01
Graham Discretionary - 6V Portfolio	2.04%	-1.52%	1.89%	0.15%	-0.26%	1.77%	2.71%	3.94%	3.61%	3.82%	3.56%	7.12%	17.09%	2.84%	0.83	1.26	0.81	Jun-04
OZ Master Fund, Ltd	0.37%	2.46%	0.49%	-0.12%	1.41%	8.33%	8.79%	8.44%	14.20%	12.01%	0.17%	8.62%	26.15%	3.68%	2.20	2.14	1.21	Jan-04
Winton Futures Fund - USD Class B	1.29%	2.57%	4.00%	-2.61%	-0.57%	12.35%	2.73%	6.45%	9.43%	-3.56%	6.29%	14.47%	-4.64%	8.31%	0.35	0.76	0.71	Oct-97
Benchmarks																		
HFRI Fund of Funds Composite Index	0.48%	2.60%	0.89%	-0.41%	0.98%	7.83%	4.26%	3.80%	8.96%	4.79%	-5.72%	5.70%	11.47%	4.04%	1.04	0.86	0.65	Jan-90
HFRI Fund Weighted Composite Index	0.94%	4.12%	1.56%	-0.61%	1.30%	9.44%	5.42%	5.89%	9.13%	6.36%	-5.25%	10.25%	19.98%	5.30%	1.03	1.05	1.03	Jan-90
Market Indices																		
3 Month Libor - BOM	0.04%	0.15%	0.02%	0.02%	0.02%	0.24%	0.33%	0.32%	0.26%	0.42%	0.35%	0.35%	0.65%	0.03%				Mar-86
Barclays Aggregate Bond Index	0.85%	4.80%	1.10%	-0.25%	0.05%	5.66%	2.92%	4.49%	-2.02%	4.23%	7.86%	6.56%	5.93%	2.81%				Jan-76
Barclays High Yield Credit Bond Index	0.24%	5.71%	1.59%	-1.33%	0.84%	10.59%	10.65%	12.28%	7.46%	15.81%	4.98%	15.11%	58.21%	6.51%				Jul-83
S&P 500 (TR)	2.57%	9.89%	4.00%	-1.38%	2.07%	25.25%	20.61%	16.88%	32.39%	16.00%	2.11%	15.06%	26.46%	13.19%				Jan-70
MSCI EAFE - Net - USD	-2.12%	2.56%	-0.15%	-1.97%	0.96%	16.43%	11.36%	8.21%	22.78%	17.32%	-12.14%	7.75%	31.78%	16.57%				Dec-69
MSCI EM (EMERGING MARKETS) - Net - USD	4.23%	10.63%	2.25%	1.93%	2.66%	19.98%	4.35%	7.90%	-2.60%	18.22%	-18.42%	18.88%	78.51%	18.58%				Jan-99

Note: The above is manager composite history.

Portfolio Summary

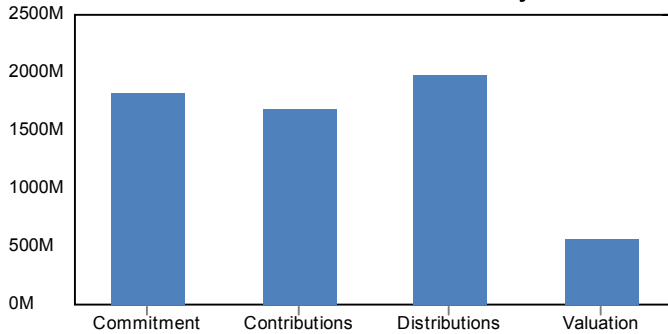
8/31/2014

All Portfolio Investments

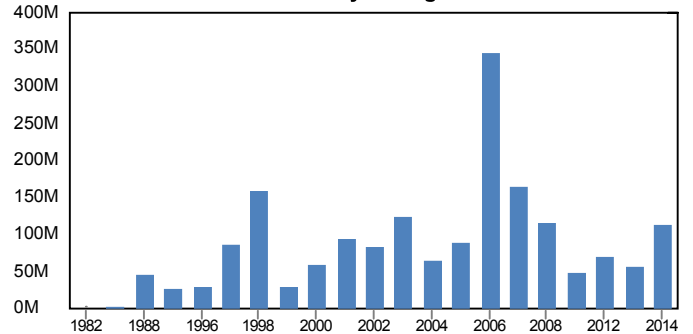
Performance Summary

Asset Class	Investment Type	Number of Investments	Commitment	Contributions	Distributions	Adjusted Valuation	Multiple of Cost	IRR	TWR
Private Equity Funds	Buyout	75	1,238,855,303	1,158,719,516	1,469,781,540	330,126,995	1.55	14.04	13.58
	Distressed Debt	12	183,000,000	187,136,745	204,571,357	64,174,767	1.44	11.18	11.18
	Energy	1	18,000,000	4,203,070	254,243	5,285,361	1.32	44.97	-50.02
	Fund of Funds	2	70,000,000	49,312,702	106,748,821	4,250,000	2.25	19.94	-100.00
	Opportunistic Credit	1	20,000,000	20,035,452	6,963,868	15,679,203	1.13	10.00	8.53
	Secondary	4	60,000,000	54,909,565	51,260,304	17,258,261	1.25	7.03	6.04
	Venture Capital	19	231,250,000	221,706,468	137,701,009	136,367,914	1.24	4.65	1.37
	Total: Private Equity Funds		114	1,821,105,303	1,696,023,519	1,977,281,142	573,142,501	1.50	13.78
Total:		114	1,821,105,303	1,696,023,519	1,977,281,142	573,142,501	1.50	13.78	11.17

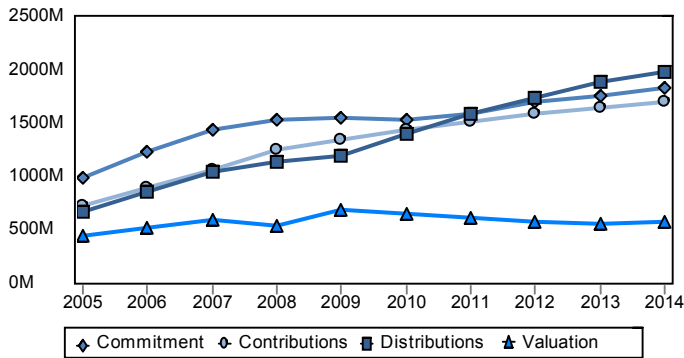
Cash Flow and Valuation Summary



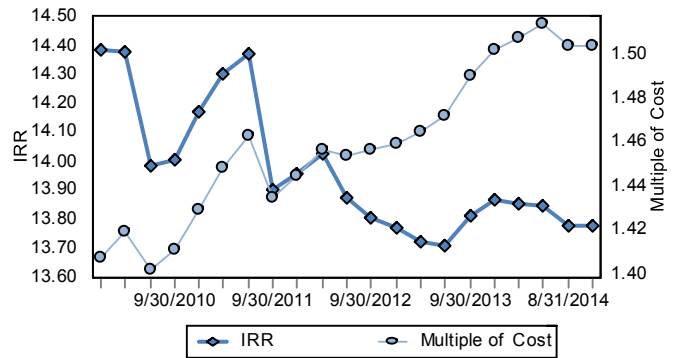
Commitment by Vintage Year



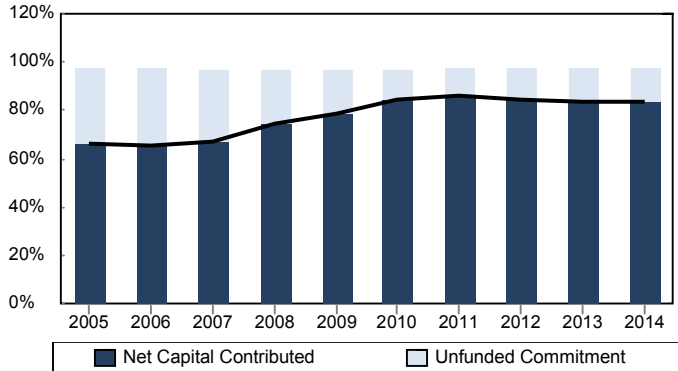
Historical Cash Flows and Valuation



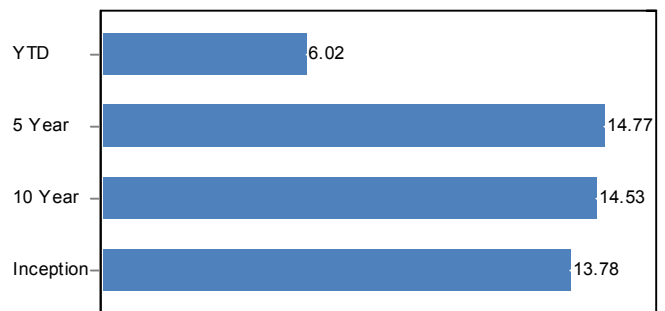
Historical Performance



Historical Percent Funded



Period IRRs



Section VII.

Cash Flow

Monthly Valuation Change

Period : 2014-08-01 - 2014-08-31

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
Grand Total		8,205,641,689.81	125,279,582.15	(39,403,557.72)	8,119,765,665.38
Total Global Equity		4,784,542,975.30	99,098,929.57	(3,655,209.89)	4,689,099,255.62
Global Equity		4,128,084,433.02	95,869,879.36	291,900.97	4,031,922,652.69
	SSGA R3000 INDEX	2,100,082,880.02	84,305,000.30	63,261.46	2,015,714,618.26
	SSGA MSCI EAFE	1,389,991,194.17	(2,173,842.37)	106,444.74	1,392,058,591.80
	SSGA MSCI CANADA	162,245,959.30	3,592,132.05	11,420.20	158,642,407.05
	SSGA MSCI EM	475,764,399.53	10,146,589.38	110,774.57	465,507,035.58
Global Equity Hedge Funds		656,458,542.28	3,229,050.21	(3,947,110.86)	657,176,602.93
	ASCEND PTRS II	70,835,143.95	156,975.33	0.00	70,678,168.62
	DAVIDSON KEMPNER	75,273,236.06	(146,219.25)	0.00	75,419,455.31
	ELLIOTT ASSOCIATES	78,788,835.72	(1,349,980.28)	0.00	80,138,816.00
	INDUS ASIA PACIFIC	962,865.83	(3,675.85)	(3,947,110.86)	4,913,652.54
	MASON CAPITAL	67,139,402.63	(727,593.90)	0.00	67,866,996.53
	PFM DIVERSIFIED	74,573,950.86	356,393.13	0.00	74,217,557.73
	SAMLYN ON/OFFSHORE	101,748,868.07	1,678,820.81	0.00	100,070,047.26
	VIKING GLOBAL EQUITI	89,604,323.85	2,343,854.70	0.00	87,260,469.15
	LUXOR CAP PTNS LP	48,840,979.59	1,413,034.66	0.00	47,427,944.93
	ESG CBE FUND LP	48,690,935.72	(492,559.14)	0.00	49,183,494.86
Private Equity		570,100,194.36	7,683,762.77	14,474,570.07	547,941,861.52
Private Equity		570,100,194.36	7,683,762.77	14,474,570.07	547,941,861.52
	PRIVATE EQUITY	570,100,194.36	7,683,762.77	14,474,570.07	547,941,861.52
Total Fixed Income		1,131,674,913.17	12,057,446.97	0.00	1,119,617,466.20
Fixed Income		1,131,674,913.17	12,057,446.97	0.00	1,119,617,466.20
	MACKAY SHIELDS	564,665,064.67	5,733,827.01	0.00	558,931,237.66
	PYRAMIS GLOBAL ADV	567,009,848.50	6,323,619.96	0.00	560,686,228.54
Total Real Return		1,231,581,147.88	7,149,448.76	0.00	1,224,431,699.12
Alternative Absolute Return		358,030,730.74	3,452,557.72	0.00	354,578,173.02
	BLUE CREST CAP	20,885,539.44	(90,874.94)	0.00	20,976,414.38
	BREVAN HOWARD	77,533,462.20	(52,389.16)	0.00	77,585,851.36
	DE SHAW	74,359,079.51	768,957.04	0.00	73,590,122.47
	GRAHAM GLOBAL	52,974,542.74	976,590.83	0.00	51,997,951.91
	OZ DOMESTIC PTRS	99,386,037.93	586,416.99	0.00	98,799,620.94
	WINTON FUTURE FD	32,892,068.92	1,263,856.96	0.00	31,628,211.96
Alternative Fixed Income		166,513,181.70	680,922.81	0.00	165,832,258.89
	BRIGADE LEV CAP	58,535,212.55	435,746.00	0.00	58,099,466.55
	CAPULA GLOBAL	56,288,502.69	268,476.23	0.00	56,020,026.46
	CLAREN ROAD CR. FUND	51,689,466.46	(23,299.42)	0.00	51,712,765.88
Credit		421,251,774.01	1,853,995.01	0.00	419,397,779.00
	PIMCO	208,755,765.64	1,043,987.78	0.00	207,711,777.86
	WAMCO	212,496,008.37	810,007.23	0.00	211,686,001.14
GILBs		285,785,461.43	1,161,973.22	0.00	284,623,488.21
	BROWN BROTHERS HARR	285,785,461.43	1,161,973.22	0.00	284,623,488.21
Real Estate		308,999,115.29	1,380,148.05	4,908,375.93	302,710,591.31

Monthly Valuation Change

Period : 2014-08-01 - 2014-08-31

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
Real Estate		308,999,115.29	1,380,148.05	4,908,375.93	302,710,591.31
	REAL ESTATE	308,999,115.29	1,380,148.05	4,908,375.93	302,710,591.31
Total Cash		158,816,547.22	(90,437.98)	(55,659,028.82)	214,566,014.02
Cash Accounts		158,816,547.22	(90,437.98)	(55,659,028.82)	214,566,014.02
	ERSRI CASH	155,934,491.22	(90,437.98)	(57,974,771.82)	213,999,701.02
	CITIZENS CASH	2,882,056.00	0.00	2,315,743.00	566,313.00
Total Other		17,309,296.40	(1,746,810.61)	0.00	19,056,107.01
Other		17,309,296.40	(1,746,810.61)	0.00	19,056,107.01
	RUSSELL OVERLAY FD	17,309,296.40	(1,746,810.61)	0.00	19,056,107.01
Total Miscellaneous		2,617,500.19	(252,905.38)	527,734.99	2,342,670.58
Miscellaneous Accounts		2,617,500.19	(252,905.38)	527,734.99	2,342,670.58
	RI TRANS ACCT	193,186.13	712.99	0.00	192,473.14
	SHOTT CAPITAL	2,156,975.12	(254,313.42)	535,977.77	1,875,310.77
	DOM EQUITY TRANS	74.25	0.00	0.00	74.25
	NON-US EQUITY TRANS	93.19	(1.47)	0.00	94.66
	FIXED INC TRANS	267,171.12	696.52	(8,242.78)	274,717.38
	MACKAY SHIELDS LLC	0.38	0.00	0.00	0.38

Custodian Inception To Date Valuation Change

Period : 2012-11-01 - 2014-08-31

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance	ERSRI Sub Classification
Grand Total		8,205,641,689.81	1,648,226,580.90	(823,840,802.25)	7,381,255,911.16	
Total Global Equity		4,784,542,975.30	1,324,316,799.13	(306,728,734.51)	3,766,954,910.68	
Global Equity		4,128,084,433.02	1,204,468,467.60	(308,023,355.26)	3,231,639,320.68	
	SSGA MSCI CANADA	162,245,959.30	30,477,047.16	75,162.01	131,693,750.13	Global Equity
	SSGA MSCI EAFE	1,389,991,194.17	369,937,091.59	(79,292,151.18)	1,099,346,253.76	Global Equity
	SSGA MSCI EM	475,764,399.53	58,796,145.10	776,164.40	416,192,090.03	Global Equity
	SSGA R3000 INDEX	2,100,082,880.02	745,258,183.75	(229,582,530.49)	1,584,407,226.76	Global Equity
Global Equity Hedge Funds		656,458,542.28	119,848,331.53	1,294,620.75	535,315,590.00	
	ASCEND PTRS II	70,835,143.95	9,848,863.95	0.00	60,986,280.00	Global Equity Hedge Funds
	DAVIDSON KEMPNER	75,273,236.06	11,226,956.06	0.00	64,046,280.00	Global Equity Hedge Funds
	ELLIOTT ASSOCIATES	78,788,835.72	13,602,075.72	0.00	65,186,760.00	Global Equity Hedge Funds
	ESG CBE FUND LP	48,690,935.72	(1,309,064.28)	50,000,000.00	0.00	Global Equity Hedge Funds
	INDUS ASIA PACIFIC	962,865.83	1,408,686.83	(42,118,181.00)	41,672,360.00	Global Equity Hedge Funds
	LUXOR CAP PTNS LP	48,840,979.59	(1,159,020.41)	50,000,000.00	0.00	Global Equity Hedge Funds
	MASON CAPITAL	67,139,402.63	10,426,202.63	0.00	56,713,200.00	Global Equity Hedge Funds
	PFM DIVERSIFIED	74,573,950.86	16,506,430.86	0.00	58,067,520.00	Global Equity Hedge Funds
	SAMLYN ON/OFFSHORE	101,748,868.07	16,873,808.07	20,000,000.00	64,875,060.00	Global Equity Hedge Funds
	THIRD POINT PTRS	0.00	20,373,848.25	(76,587,198.25)	56,213,350.00	Global Equity Hedge Funds
	VIKING GLOBAL EQUITI	89,604,323.85	22,049,543.85	0.00	67,554,780.00	Global Equity Hedge Funds
Private Equity		570,100,194.36	147,213,853.22	(183,845,106.78)	606,731,447.92	
Private Equity		570,100,194.36	147,213,853.22	(183,845,106.78)	606,731,447.92	
	PRIVATE EQUITY	570,100,194.36	147,213,853.22	(183,845,106.78)	606,731,447.92	Private Equity
Total Fixed Income		1,131,674,913.17	34,267,992.10	1,482,609.33	1,095,924,311.74	
Fixed Income		1,131,674,913.17	34,267,992.10	1,482,609.33	1,095,924,311.74	
	MACKAY SHIELDS	564,665,064.67	17,430,297.66	0.00	547,234,767.01	Fixed Income
	PYRAMIS GLOBAL ADV	567,009,848.50	16,837,694.44	1,482,609.33	548,689,544.73	Fixed Income
Total Real Return		1,231,581,147.88	85,584,101.46	252,456,172.37	893,540,874.05	
Alternative Absolute Return		358,030,730.74	47,466,942.50	(54,619,461.76)	365,183,250.00	
	BLUE CREST CAP	20,885,539.44	(81,960.56)	0.00	20,967,500.00	Alternative Absolute Return
	BREVAN HOWARD	77,533,462.20	811,087.20	0.00	76,722,375.00	Alternative Absolute Return
	DE SHAW	74,359,079.51	19,498,379.51	0.00	54,860,700.00	Alternative Absolute Return
	GRAHAM GLOBAL	52,974,542.74	2,248,842.74	0.00	50,725,700.00	Alternative Absolute Return
	OZ DOMESTIC PTRS	99,386,037.93	17,110,812.93	0.00	82,275,225.00	Alternative Absolute Return
	WEXFORD SPECTRUM	0.00	3,621,811.76	(54,619,461.76)	50,997,650.00	Alternative Absolute Return
	WINTON FUTURE FD	32,892,068.92	4,257,968.92	0.00	28,634,100.00	Alternative Absolute Return
Alternative Fixed Income		166,513,181.70	12,015,207.57	15,075,634.13	139,422,340.00	
	BRIGADE LEV CAP	58,535,212.55	7,002,112.55	0.00	51,533,100.00	Alternative Fixed Income
	CAPULA GLOBAL	56,288,502.69	6,464,902.69	0.00	49,823,600.00	Alternative Fixed Income
	CLAREN ROAD CR. FUND	51,689,466.46	1,689,466.46	50,000,000.00	0.00	Alternative Fixed Income
	GRACIE CREDIT FUND	0.00	(3,141,274.13)	(34,924,365.87)	38,065,640.00	Alternative Fixed Income
Credit		421,251,774.01	21,251,774.01	400,000,000.00	0.00	
	PIMCO	208,755,765.64	8,755,765.64	200,000,000.00	0.00	Credit
	WAMCO	212,496,008.37	12,496,008.37	200,000,000.00	0.00	Credit

Custodian Inception To Date Valuation Change

Period : 2012-11-01 - 2014-08-31

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance	ERSRI Sub Classification
GILBs		285,785,461.43	4,850,177.38	(108,000,000.00)	388,935,284.05	
	BROWN BROTHERS HARR	285,785,461.43	4,850,177.38	(108,000,000.00)	388,935,284.05	GILBs
Real Estate		308,999,115.29	36,701,063.83	(2,869,668.74)	275,167,720.20	
Real Estate		308,999,115.29	36,701,063.83	(2,869,668.74)	275,167,720.20	
	REAL ESTATE	308,999,115.29	36,701,063.83	(2,869,668.74)	275,167,720.20	Real Estate
Total Cash		158,816,547.22	(329,378.55)	(489,480,544.05)	648,626,469.82	
Cash Accounts		158,816,547.22	(329,378.55)	(489,480,544.05)	648,626,469.82	
	CITIZENS CASH	2,882,056.00	0.00	2,882,056.00	0.00	Cash Accounts
	ERSRI CASH	155,934,491.22	(329,378.55)	(492,362,600.05)	648,626,469.82	Cash Accounts
Total Other		17,309,296.40	20,563,621.14	(73,000,000.00)	69,745,675.26	
Other		17,309,296.40	20,563,621.14	(73,000,000.00)	69,745,675.26	
	RUSSELL OVERLAY FD	17,309,296.40	20,563,621.14	(73,000,000.00)	69,745,675.26	Other
Total Miscellaneous		2,617,500.19	(91,471.43)	(21,855,529.87)	24,564,501.49	
Miscellaneous Accounts		2,617,500.19	(91,471.43)	(21,855,529.87)	24,564,501.49	
	BROWN BROS BOND	0.00	(1,271,132.15)	(629,969.37)	1,901,101.52	Miscellaneous Accounts
	BROWN BROS HARR	0.00	(330,705.68)	330,092.71	612.97	Miscellaneous Accounts
	DOM EQUITY TRANS	74.25	(66,717.51)	66,634.41	157.35	Miscellaneous Accounts
	FIDELITY MGMT	0.00	(64,776.86)	(351,063.60)	415,840.46	Miscellaneous Accounts
	FIXED INC TRANS	267,171.12	654,289.91	(16,232,880.04)	15,845,761.25	Miscellaneous Accounts
	MACKAY SHIELDS LLC	0.38	335,669.11	(5,226,942.81)	4,891,274.08	Miscellaneous Accounts
	NON-US EQUITY TRANS	93.19	(89,322.54)	71,484.13	17,931.60	Miscellaneous Accounts
	RI TRANS ACCT	193,186.13	(62,680.51)	(176,617.76)	432,484.40	Miscellaneous Accounts
	SHOTT CAPITAL	2,156,975.12	797,343.31	372,992.21	986,639.60	Miscellaneous Accounts
	TAPLIN CANIDA HAB	0.00	6,561.49	(79,259.75)	72,698.26	Miscellaneous Accounts

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2015

FY 2014-15		Projected June	Projected May	Projected April	Projected March	Projected February	Projected January 2015	Projected December	Projected November	Projected October	Projected September	Actual August	Actual July 2014
TOTAL													
MEMBER BENEFITS	833,717,160	69,500,000	69,500,000	69,500,000	69,500,000	69,500,000	69,500,000	69,500,000	69,500,000	69,500,000	69,500,000	69,404,421	69,312,739
ADMINISTRATIVE EXPENSES	8,252,646	963,307	847,608	517,846	585,674	524,992	1,111,034	1,074,316	553,524	565,615	532,331	732,436	243,962
INVESTMENT EXPENSES	10,422,888	765,218	1,135,741	505,742	1,533,133	446,564	1,555,456	1,017,944	69,216	1,070,145	593,340	1,008,054	722,335
TOTAL OUTFLOW	852,392,694	71,228,525	71,483,349	70,523,588	71,618,808	70,471,556	72,166,490	71,592,260	70,122,740	71,135,760	70,625,672	71,144,911	70,279,036
CONTRIBUTIONS	436,870,378	41,988,061	33,405,509	39,668,808	35,044,090	34,548,964	45,580,776	34,754,689	36,130,761	36,350,442	27,777,778	32,033,790	39,586,710
OTHER INCOME*	65,526,031	4,498,916	1,906,618	(143,191)	8,276,964	3,521,822	5,275,655	8,139,354	9,826,932	10,483,882	6,256,390	2,102,402	5,380,286
TOTAL INCOME	502,396,409	46,486,977	35,312,127	39,525,617	43,321,054	38,070,786	50,856,431	42,894,043	45,957,693	46,834,324	34,034,168	34,136,192	44,966,996
DIFFERENCE	(349,996,285)	(24,741,548)	(36,171,221)	(30,997,971)	(28,297,754)	(32,400,770)	(21,310,059)	(28,698,218)	(24,165,047)	(24,301,436)	(36,591,503)	(37,008,719)	(25,312,039)

Municipal Employees Retirement System

FY 2014-15		Projected June	Projected May	Projected April	Projected March	Projected February	Projected January 2015	Projected December	Projected November	Actual October	Projected September	Actual August	Actual July 2014
TOTAL													
MEMBER BENEFITS	87,921,160	7,350,000	7,350,000	7,350,000	7,350,000	7,350,000	7,350,000	7,350,000	7,350,000	7,350,000	7,350,000	7,212,685	7,208,475
ADMINISTRATIVE EXPENSES	1,710,005	201,403	176,864	107,748	121,610	108,650	229,258	221,317	113,669	115,797	108,666	153,997	51,027
INVESTMENT EXPENSES	2,161,082	159,988	236,987	105,229	318,341	92,418	320,963	209,704	14,214	219,088	121,120	211,946	151,083
TOTAL OUTFLOW	91,792,247	7,711,391	7,763,851	7,562,977	7,789,951	7,551,068	7,900,221	7,781,022	7,477,882	7,684,885	7,579,787	7,578,627	7,410,585
CONTRIBUTIONS	50,239,910	4,328,391	3,766,299	3,956,640	4,685,999	3,845,023	4,312,820	4,516,034	4,524,554	4,066,559	4,317,534	6,419,652	1,500,405
OTHER INCOME*	13,530,386	940,610	397,840	(29,794)	1,718,635	728,858	1,088,613	1,676,769	2,018,006	2,146,339	1,277,136	442,036	1,125,338
TOTAL INCOME	63,770,296	5,269,001	4,164,139	3,926,846	6,404,634	4,573,881	5,401,433	6,192,803	6,542,560	6,212,898	5,594,670	6,861,688	2,625,743
DIFFERENCE	(28,021,952)	(2,442,390)	(3,599,712)	(3,636,130)	(1,385,317)	(2,977,187)	(2,498,788)	(1,588,219)	(935,323)	(1,471,987)	(1,985,117)	(716,940)	(4,784,842)

CASH FLOW ANALYSIS - INCOME & EXPENSES

State Police Retirement System

	TOTAL	Projected June	Projected May	Projected April	Projected March	Projected February	Projected January 2015	Projected December	Projected November	Actual October	Projected September	Actual August	Actual July 2014
MEMBER BENEFITS	1,901,371	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	174,655	176,716
ADMINISTRATIVE EXPENSES	131,896	15,826	13,840	8,385	9,414	8,373	17,530	16,820	8,592	8,725	8,139	12,217	4,037
INVESTMENT EXPENSES	166,968	12,572	18,544	8,189	24,642	7,122	24,542	15,937	1,074	16,509	9,072	16,814	11,952
TOTAL OUTFLOW	2,200,236	183,398	187,384	171,573	189,056	170,495	197,072	187,757	164,667	180,234	172,210	203,686	192,704
CONTRIBUTIONS	5,411,371	405,000	395,000	395,000	415,000	395,000	655,000	555,000	450,000	345,000	375,000	624,655	401,716
OTHER INCOME*	1,036,615	73,912	31,131	(2,318)	133,035	56,169	83,239	127,430	152,542	161,729	95,653	35,067	89,024
TOTAL INCOME	6,447,986	478,912	426,131	392,682	548,035	451,169	738,239	682,430	602,542	506,729	470,653	659,722	490,740
DIFFERENCE	4,247,750	295,514	238,747	221,108	358,980	280,674	541,168	494,674	437,876	326,495	298,443	456,036	298,035

Judicial Retirement System

	TOTAL	Projected June	Projected May	Projected April	Projected March	Projected February	Projected January 2015	Projected December	Projected November	Actual October	Projected September	Actual August	Actual July 2014
MEMBER BENEFITS	1,609,633	134,136	134,136	134,136	134,136	134,136	134,136	134,136	134,136	134,136	134,136	134,136	134,136
ADMINISTRATIVE EXPENSES	67,456	8,097	7,079	4,287	4,812	4,280	8,958	8,606	4,398	4,457	4,160	6,256	2,066
INVESTMENT EXPENSES	85,383	6,432	9,485	4,187	12,597	3,640	12,541	8,154	550	8,433	4,637	8,610	6,117
TOTAL OUTFLOW	1,762,472	148,666	150,700	142,610	151,545	142,056	155,634	150,896	139,084	147,026	142,933	149,002	142,318
CONTRIBUTIONS	3,664,633	274,136	274,136	274,136	279,136	264,136	404,136	354,136	264,136	274,136	274,136	439,136	289,136
OTHER INCOME*	530,114	37,817	15,923	(1,185)	68,007	28,710	42,535	65,202	78,081	82,617	48,892	17,958	45,559
TOTAL INCOME	4,194,747	311,953	290,059	272,951	347,143	292,846	446,671	419,338	342,217	356,753	323,028	457,094	334,695
DIFFERENCE	2,432,275	163,287	139,359	130,341	195,598	150,790	291,036	268,441	203,133	209,726	180,095	308,091	192,377

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

FISCAL YEAR 2014

DIRECT BILLED INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 13	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 14	Actual Feb	Actual Mar	Actual Apr	Actual May	Projected June	Projected TOTAL
EQUITIES US													
SSGA Russell 2000/3000			59,934			63,252			62,322			63,261	248,769
Shott Capital/Hamilton Lane			<u>26,442</u>			<u>785</u>			<u>535</u>			<u>670</u>	<u>28,432</u>
			86,376			64,037			62,856			63,931	277,201
FIXED INCOME													
Pyramis			172,121			172,589			173,901			176,654	695,265
Mackay Shields			180,883			181,518			183,411			187,131	732,943
Brown Bros.TIPS/GILB			<u>80,272</u>			<u>82,134</u>			<u>82,101</u>			<u>83,108</u>	<u>327,615</u>
			433,276			436,241			439,412			446,894	1,755,823
INT'L EQUITIES													
SSgA MSCI ACWI			0			0			0			0	0
SSGA MSCI EAFE			97,005			105,188			105,070			106,445	413,707
SSGA MSCI CAD			9,974			10,543			10,554			11,420	42,490
SSGA MSCI Emerg Mkts			<u>101,705</u>			<u>108,926</u>			<u>103,706</u>			<u>110,775</u>	<u>425,113</u>
			208,684			224,657			219,330			228,640	881,310
CREDIT													
WAMCO			150,562			152,426			154,078			155,337	612,403
PIMCO			<u>237,417</u>			<u>240,686</u>			<u>243,630</u>			<u>245,786</u>	<u>967,518</u>
			387,978			393,112			397,708			401,122	1,579,921
REAL ESTATE													
Direct Billed Real Estate	139,113	(470)	85,776	142,518	0	218,158	291,327	260,428	86,386	149,734	0	252,935	1,625,905
ALTERNATIVE INVESTMENTS													
Direct Billed Private Equity	752,409	32,484	642,393	687,733	85,054	1,033,582	1,622,232	289,334	1,802,381	473,634	1,400,808	691,307	9,513,351
SUB TOTAL-INV MGMT FEES	891,522	32,014	1,456,505	830,252	85,054	1,976,676	1,913,559	549,762	3,008,074	623,368	1,400,808	2,084,828	15,633,511
PROFESSIONAL FEES													
Legal	8,490	39,510	26,807	27,576	10,438	11,810	0	0	12,644	7,999	24,528	7,239	177,042
BNY Mellon - Custodial	29,511	29,219	28,904	28,946	29,131	29,306	29,071	29,446	29,413	28,906	28,933	30,000	350,786
Cliffwater	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	450,000
PCA/Russell	13,125	13,125	64,468	13,125	13,125	70,163	13,125	13,125	76,073	13,125	13,125	99,929	415,636
PCA Real Estate	<u>10,417</u>	<u>12,314</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>126,901</u>
	99,044	131,667	168,096	117,565	100,611	159,196	90,113	90,488	166,047	97,948	114,503	185,086	1,520,365
OPERATING EXPENSE													
Retirement Transfers	188,298	765,281	527,948	573,526	642,997	1,214,092	1,265,779	470,299	936,603	515,370	943,387	1,631,781	9,675,360
Other Expense	<u>13,762</u>	0	<u>7,500</u>	<u>2,450</u>	<u>7,500</u>	<u>5,925</u>	0	0	<u>13,425</u>	<u>21,875</u>	<u>1,000</u>	<u>13,532</u>	<u>86,969</u>
	202,060	765,281	535,448	575,976	650,497	1,220,017	1,265,779	470,299	950,028	537,245	944,387	1,645,313	9,762,328
TOTAL:	1,192,625	928,962	2,160,048	1,523,792	836,162	3,355,888	3,269,451	1,110,549	4,124,149	1,258,561	2,459,698	3,915,227	26,916,204

Note: Numbers in bold are actual.

FISCAL YEAR 2015

DIRECT BILLED INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

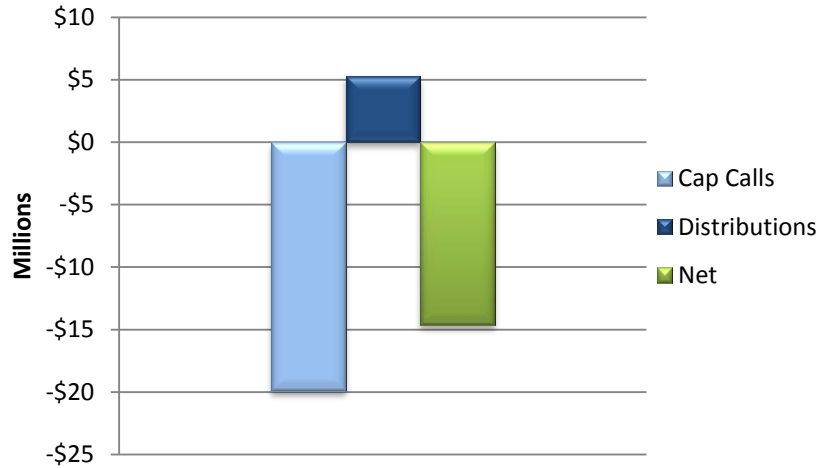
ACCRUAL BASIS

	Projected Jul 14	Projected Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 15	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected TOTAL
EQUITIES US													
SSGA Russell 2000/3000			63,000			63,000			63,000			63,000	252,000
Shott Capital/Hamilton Lane			<u>1,000</u>			<u>1,000</u>			<u>1,000</u>			<u>1,000</u>	<u>4,000</u>
			64,000			64,000			64,000			64,000	256,000
FIXED INCOME													
Pyramis			175,000			175,000			175,000			175,000	700,000
Mackay Shields			185,000			185,000			185,000			185,000	740,000
Brown Bros.TIPS/GILB			<u>85,000</u>			<u>85,000</u>			<u>85,000</u>			<u>85,000</u>	<u>340,000</u>
			445,000			445,000			445,000			445,000	1,780,000
INT'L EQUITIES													
SSgA MSCI ACWI			0			0			0			0	0
SSGA MSCI EAFE			105,000			105,000			105,000			105,000	420,000
SSGA MSCI CAD			11,000			11,000			11,000			11,000	44,000
SSGA MSCI Emerg Mkts			<u>110,000</u>			<u>110,000</u>			<u>110,000</u>			<u>110,000</u>	<u>440,000</u>
			226,000			226,000			226,000			226,000	904,000
CREDIT													
WAMCO			155,000			155,000			155,000			155,000	620,000
PIMCO			<u>245,000</u>			<u>245,000</u>			<u>245,000</u>			<u>245,000</u>	<u>980,000</u>
			400,000			400,000			400,000			400,000	1,600,000
REAL ESTATE													
Direct Billed Real Estate	152,092	18,125	85,776	142,518	0	218,158	291,327	260,428	86,386	149,734	0	252,935	1,657,479
ALTERNATIVE INVESTMENTS													
Direct Billed Private Equity	161,438	1,227,352	642,393	687,733	85,054	1,033,582	1,622,232	289,334	1,802,381	473,634	1,400,808	691,307	10,117,249
SUB TOTAL-INV MGMT FEES	313,531	1,245,477	1,463,169	830,252	85,054	1,986,740	1,913,559	549,762	3,023,767	623,368	1,400,808	2,079,242	16,314,728
PROFESSIONAL FEES													
Legal	7,904	39,510	26,807	27,576	10,438	11,810	0	0	12,644	7,999	24,528	7,239	176,456
BNY Mellon - Custodial	29,511	29,219	28,904	28,946	29,131	29,306	29,071	29,446	29,413	28,906	30,000	30,000	351,854
Cliffwater	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	450,000
PCA/Russell	13,125	13,125	64,468	13,125	13,125	70,163	13,125	13,125	76,073	13,125	13,125	80,000	395,707
PCA Real Estate	10,417	<u>12,314</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>126,901</u>
	98,458	131,667	168,096	117,565	100,611	159,196	90,113	90,488	166,047	97,948	115,571	165,156	1,500,917
OPERATING EXPENSE													
Retirement Transfers	194,136	765,281	527,948	573,526	642,997	1,214,092	1,265,779	470,299	936,603	515,370	943,387	1,631,781	9,681,197
Other Expense	<u>13,762</u>	7,995	<u>7,500</u>	<u>2,450</u>	<u>7,500</u>	<u>5,925</u>	<u>0</u>	<u>0</u>	<u>13,425</u>	<u>21,875</u>	<u>1,000</u>	<u>13,532</u>	<u>94,964</u>
	207,897	773,276	535,448	575,976	650,497	1,220,017	1,265,779	470,299	950,028	537,245	944,387	1,645,313	9,776,161
TOTAL:	619,886	2,150,420	2,166,712	1,523,792	836,162	3,365,953	3,269,451	1,110,549	4,139,842	1,258,561	2,460,765	3,889,711	27,591,806

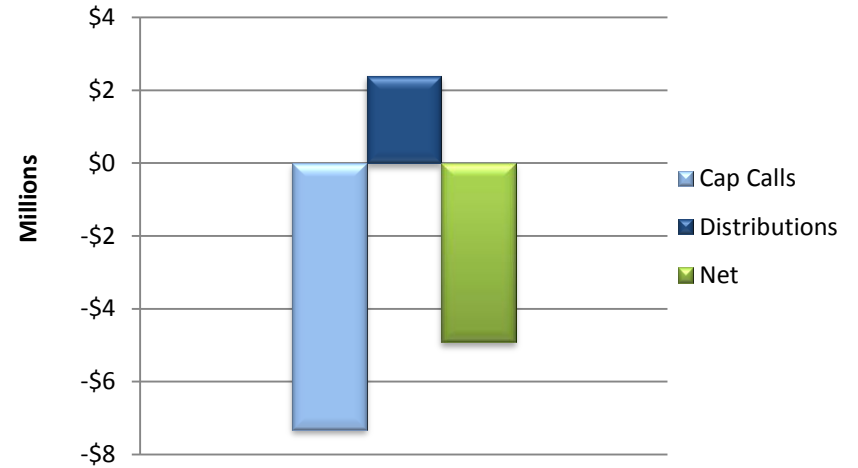
Note: Numbers in bold are actual.

Private Equity & Real Estate Cash Flow

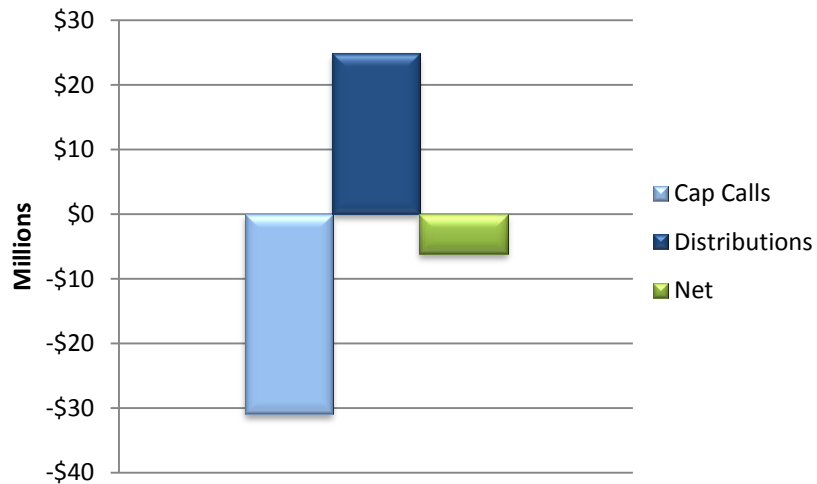
Private Equity - August 2014



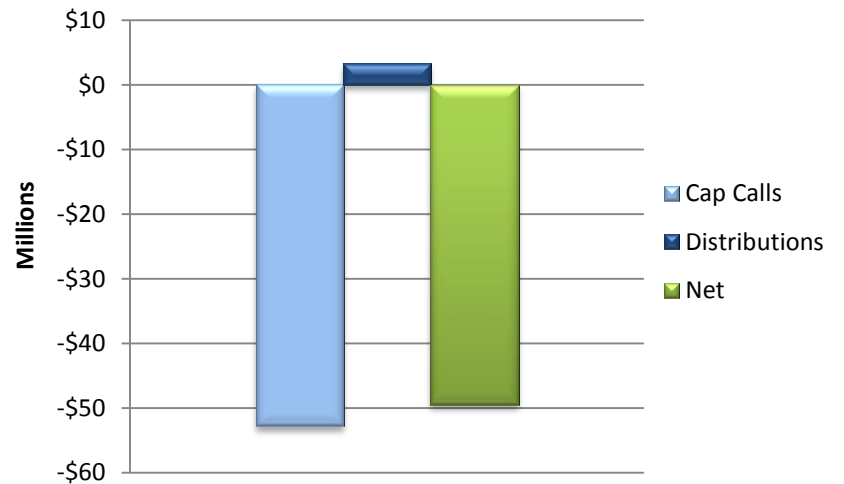
Real Estate - August 2014



Private Equity - Fiscal YTD August 2014



Real Estate - Fiscal YTD August 2014



Section VIII.

Short-Term Investments

Section IX.

Defined Contribution Plan

Section XI.

OPEB Trust



Total Performance Summary

Report ID: IPM0005

Reporting Currency: USD

TOTAL NET OF FEES

8/31/2014

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	Annualized					Inception Date
					1 Year	3 Years	5 Years	10 Years	ITD	
Mackay Shields OPEB	40,585,072.0	34.7	1.10	0.82	5.85				1.43	5/1/2013
Barclays U.S. Aggregate Bond Index			1.10	0.85	5.66				1.33	5/1/2013
SSGA S&P 500 INDX	76,354,755.8	65.3	3.99	2.56	25.13	20.50			16.08	5/1/2011
S&P 500 - Total Return Index			4.00	2.57	25.25	20.61			14.71	5/1/2011
Total OPEB	116,939,827.8	100.0	2.95	1.93	18.16	11.99			10.83	5/1/2011
OPEB Custom Blend ¹			2.99	1.97	18.14	11.61			9.24	5/1/2011

END NOTES

8/31/2014

1 RI7GX0903OPE OPEB Custom Blend

35% Barclays Aggregate and 65% S&P 500



Total Performance Summary

Report ID: IPM0005

Reporting Currency: USD

TOTAL NET OF FEES

8/31/2014

Account Name Benchmark Name	Market Value	% of Total	YTD	Month	Cumulative			2013	2012	2011	Inception Date
					7/1/2014 - 7/31/2014	6/1/2014 - 6/30/2014					
Mackay Shields OPEB	40,585,072.0	34.7	4.89	1.10	-0.27	0.08					5/1/2013
<i>Barclays U.S. Aggregate Bond Index</i>			4.81	1.10	-0.25	0.05					5/1/2013
SSGA S&P 500 INDX	76,354,755.8	65.3	9.82	3.99	-1.38	2.06	32.09	15.96			5/1/2011
<i>S&P 500 - Total Return Index</i>			9.89	4.00	-1.38	2.07	32.39	16.00			5/1/2011
Total OPEB	116,939,827.8	100.0	8.11	2.95	-0.99	1.37	15.77	9.74			5/1/2011
<i>OPEB Custom Blend</i>			8.15	2.99	-0.98	1.36	15.73	8.30			5/1/2011

END NOTES

8/31/2014

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