

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
November 30, 2013**

**December 18, 2013
MEETING**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Honorable Gina M. Raimondo, Chair

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

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

Section I.

Agenda



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

Gina M. Raimondo
General Treasurer

RHODE ISLAND STATE INVESTMENT COMMISSION MEETING NOTICE

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, December 18, 2013 at 9:00 a.m. in Room 205 of the State House.

AGENDA

- Chairperson Call to Order
- Membership Roll Call
- Approval of Minutes
 - State Investment Commission Meeting held on November 20, 2013*
- Socially Aware Lineup Addition Recommendation*
- Real Estate Recommendation *
 - Waterton Residential Property Venture XII
- Private Equity Recommendation *
 - Summit Credit Fund II
- Secondary Sale Update* **
- General Consultant — Market Risk Metrics Briefing
- Legal Counsel Report
- Chief Investment Officer Report
 - Portfolio Update
- Treasurer's Report

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

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

POSTED ON FRIDAY, DECEMBER 13, 2013

Section II.

Approval of Minutes

Section III.

Staff Summary

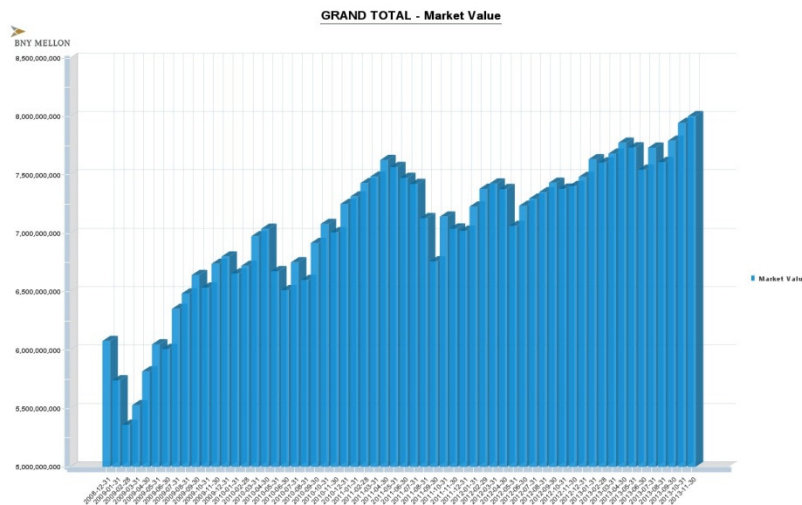
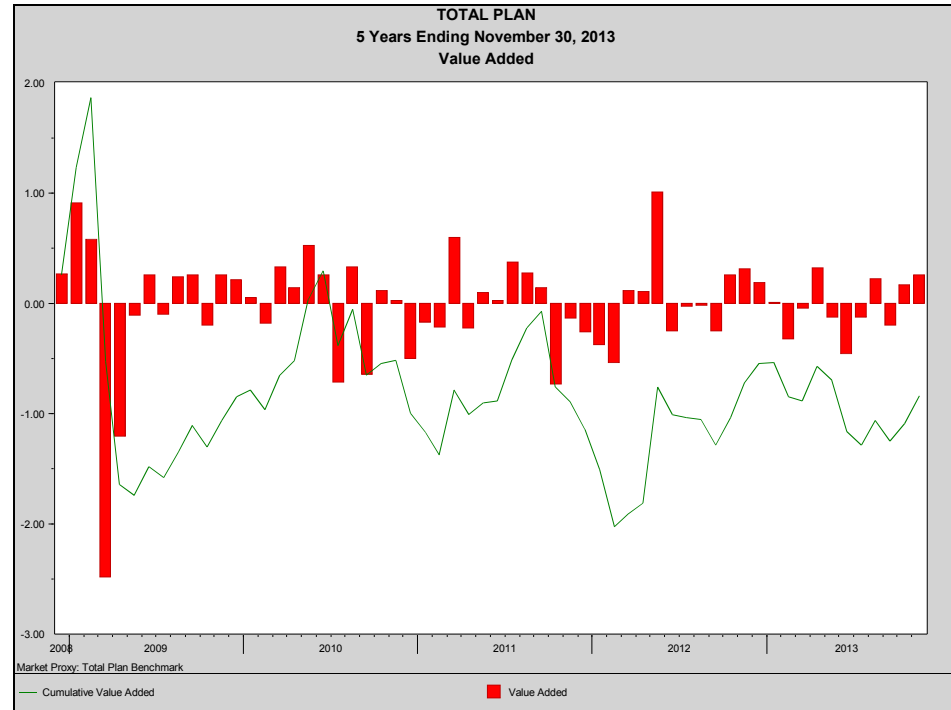
Portfolio Highlights

PORTFOLIO PERFORMANCE

November: The ERSRI portfolio posted a 1.20% gain for November, against the policy index of 0.95% and the 60/40 Blend of 0.70%. Total Equity returned 1.82%, as US Public Equity gained 2.88% and International Equity 0.13% while Equity Hedge Funds gained 2.09%. US Traditional Fixed Income posted a 0.32% loss, with the benchmark at -0.37%. Real Return Hedge Funds gained 1.15% against the benchmark of 1.01%, while GILBs lost 0.59% against its benchmark of -0.93%. The Credit strategy returned 0.38%, versus its benchmark 0.50%.

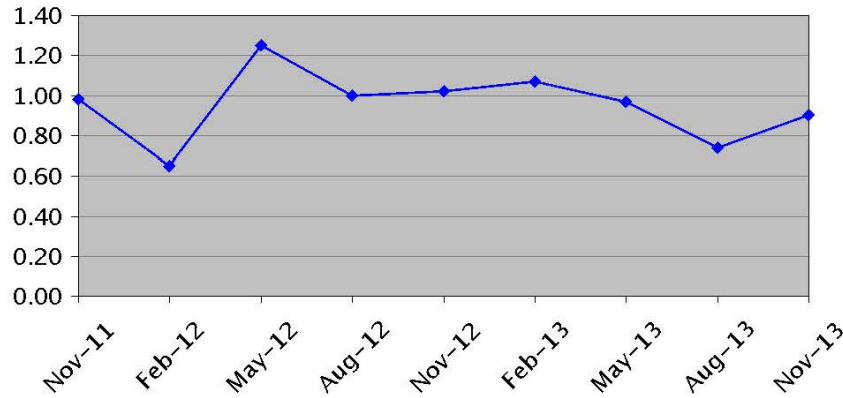
Fiscal Year to Date: For the Fiscal Year to Date, the fund has gained 8.65%, versus the policy index of 8.30% and the 60/40 Blend 8.58%.

Market Values: The total portfolio value increased by \$57.4 million to \$8.00 billion. The November increase represents \$95.1 million of positive market impact, and \$37.7 million of transfers out.

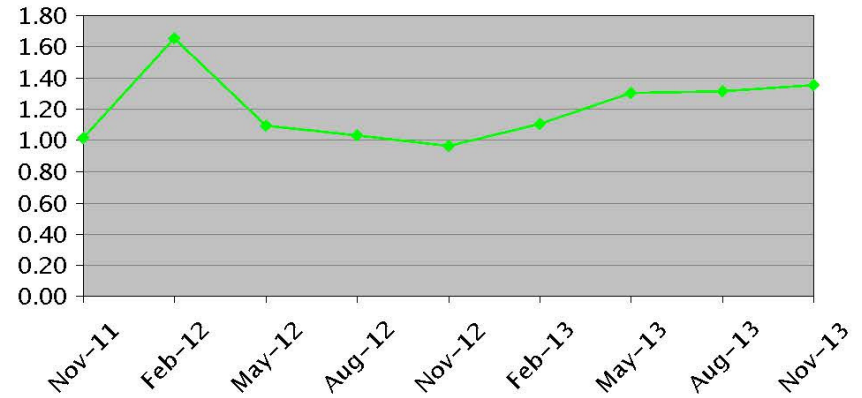


Account Name Benchmark Name	Market Value (M)	Month	Fiscal YTD
US Public Equity	2,059.88	2.88	14.06
Non-US Public Equity	1,974.73	0.13	14.27
Equity Hedge Funds	629.39	2.09	7.37
Private Equity	554.01	3.71	9.81
Traditional Fixed Income	1,084.07	-0.32	1.17
Real Estate	259.14	0.51	3.63
Real Return Hedge Funds	507.79	1.15	2.24
Credit Aggregate	409.27	0.38	2.79
Inflation-Linked Bonds	279.90	-0.59	0.20
Total Cash	228.39	0.04	0.07
TOTAL PLAN	8,003.30	1.20	8.65

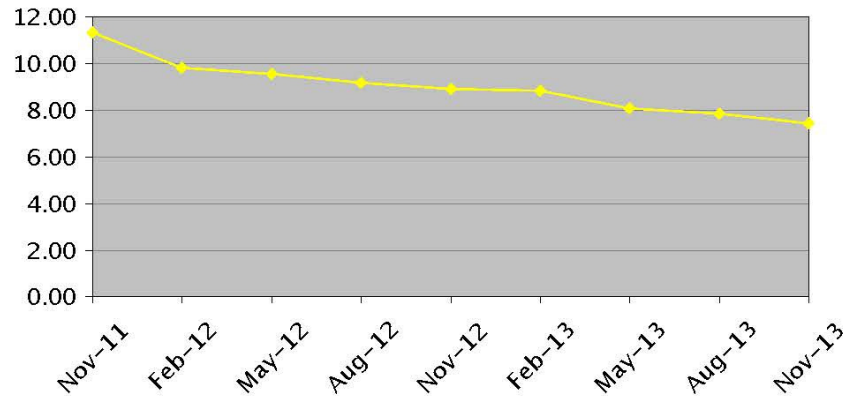
Annualized Alpha



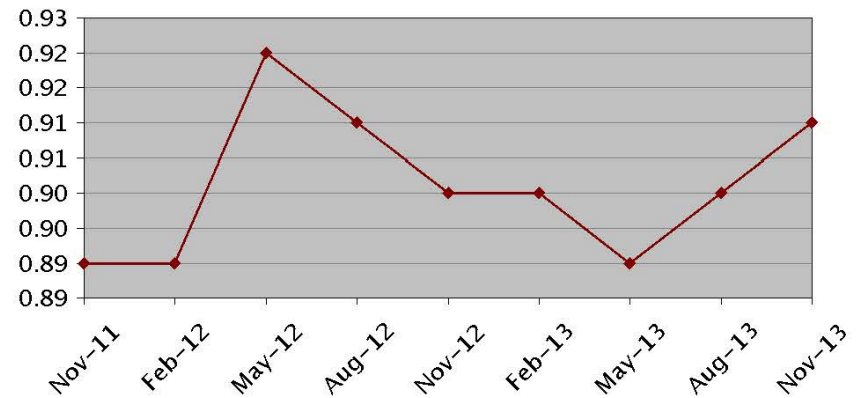
Annualized Sharpe Ratio



Annualized Standard Deviation



Beta



Policy Benchmark is Total Plan Benchmark. Risk-free Proxy is BofA Merrill Lynch 3 Month US Treasury Bill G001

Section IV.

Asset Allocation

Section V.

Risk Overview

5 Years Ending November 30, 2013 Comparison

	TOTAL PLAN	Total Plan Benchmark
Ann Return	11.87	12.06
Ann Ex Ret vs Mkt	-0.17	0.00
Ann Tracking Error	1.72	0.00
Ann Std Dev	9.50	10.52
Beta	0.89	1.00
R-Squared	0.98	1.00
Ann Alpha	0.98	0.00
Ann Sharpe Ratio	1.22	1.13

Risk Exposures

3 Years Ending November 30, 2013

	Annualized Return	Ann Std Dev	Beta (ACWI)	Beta (BC AGG)	Beta (GSCI)
US Public Equity	16.83	13.04	0.87	-1.35	0.50
Non-US Public Equity	7.63	16.71	1.14	-0.63	0.65
Equity Hedge Funds	---	---	---	---	---
Private Equity	13.33	6.61	0.02	-0.47	0.07
Traditional Fixed Income	3.84	2.74	0.05	0.84	0.01
Real Estate	11.38	3.91	0.04	0.14	0.01
Real Return Hedge Funds	---	---	---	---	---
Inflation-Linked Bonds	5.43	5.10	0.01	1.50	0.00
Cash	0.15	0.08	0.00	0.00	0.00
Russell Overlay Fd	-0.22	0.73	0.00	0.02	0.00

**3 Years Ending November 30, 2013
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	0.89	1.00									
Eq HF	---	---	---								
PE	0.05	0.05	---	1.00							
FI	0.13	0.33	---	-0.21	1.00						
RE	0.12	0.19	---	0.27	0.17	1.00					
RR HF	---	---	---	---	---	---	---				
GILBS	-0.08	0.09	---	-0.10	0.76	0.13	---	1.00			
Cash	0.01	0.01	---	-0.03	0.03	0.31	---	-0.11	1.00		
Overlay	0.03	0.04	---	-0.07	0.05	-0.15	---	0.11	-0.04	1.00	
Total	0.96	0.97	---	0.10	0.31	0.20	---	0.09	0.02	0.03	1.00
Tot BM	0.97	0.97	---	0.04	0.28	0.17	---	0.04	0.02	0.03	0.99

**5 Years Ending November 30, 2013
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	---	---									
Eq HF	---	---	---								
PE	0.09	---	---	1.00							
FI	0.19	---	---	-0.25	1.00						
RE	-0.01	---	---	0.28	-0.31	1.00					
RR HF	---	---	---	---	---	---	---				
GILBS	---	---	---	---	---	---	---	---			
Cash	-0.12	---	---	-0.27	0.29	-0.29	---	---	1.00		
Overlay	0.30	---	---	-0.10	0.27	-0.20	---	---	-0.03	1.00	
Total	0.96	---	---	0.14	0.36	0.00	---	---	-0.07	0.35	1.00
Tot BM	0.97	---	---	0.05	0.35	-0.02	---	---	-0.06	0.38	0.99

Section VI.

Performance Overview

TOTAL NET OF FEES

11/30/2013

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>	2,059,883,174	26	2.88 2.90	14.06 14.08	31.68 31.71				25.56 25.58	10/1/2012 10/1/2012
US Public Equity <i>Russell 3000 Index</i>	2,059,883,248	26	2.88 2.90	14.06 14.08	31.68 31.71	16.83 17.78	17.40 18.54		6.16 6.19	8/1/2007 8/1/2007
SSGA MSCI EAFE <i>MSCI EAFE Net Dividend Index</i>	1,399,082,124	17	0.75 0.77	16.20 16.20	25.15 24.84				25.70 25.42	9/1/2012 9/1/2012
SSGA MSCI CANADA <i>MSCI Canada Net Dividend Index</i>	139,396,384	2	-0.86 -0.91	11.68 11.37	6.28 5.54				7.47 6.73	9/1/2012 9/1/2012
SSGA MSCI EM <i>MSCI Emerging Markets Net Dividend Index</i>	436,254,553	5	-1.49 -1.46	9.22 9.28	3.39 3.66				8.15 8.42	9/1/2012 9/1/2012
Non-US Public Equity <i>Total International Equity BM</i>	1,974,733,157	25	0.13 0.17	14.27 14.33	18.20 18.24	7.63 8.14			13.72 12.43	5/1/2009 5/1/2009
Global Public Equity <i>MSCI All Country World Net Index</i>	4,034,616,405	50	1.52 1.42	14.15 13.83	24.75 23.45	13.43 11.71	16.35 15.34	8.01 7.64	3.92	7/1/2000 7/1/2000
Private Equity <i>Venture Economics Custom BM</i> <i>S&P + 300 BP</i>	554,011,596	7	3.71 0.00 3.24	9.81 3.43 14.36	16.05 20.56 33.30	13.33 16.98 20.96	9.26 18.53 20.93	11.83 9.70 10.81	4.33	1/1/1993 1/1/1993 1/1/1993
Equity Hedge Funds <i>HFRI Equity Hedge (Total) Index</i>	629,387,637	8	2.09 1.22	7.37 7.70	16.08 14.79				10.62 8.17	11/1/2011 11/1/2011
Total Equity	5,218,015,638	65	1.82	12.80	22.57	12.87	14.97	8.20	3.10	6/1/1996
MACKAY SHIELDS <i>Barclays U.S. Aggregate Bond Index</i>	540,863,946	7	-0.26 -0.37	1.21 1.00	-1.25 -1.61				-1.08 -1.34	11/1/2012 11/1/2012
PYRAMIS GLOBAL ADV <i>Barclays U.S. Aggregate Bond Index</i>	542,875,548	7	-0.38 -0.37	1.13 1.00	-1.63 -1.61				-1.22 -1.34	11/1/2012 11/1/2012
Traditional Fixed Income <i>Barclays U.S. Aggregate Bond Index</i>	1,084,069,419	14	-0.32 -0.37	1.17 1.00	-1.45 -1.61	3.84 3.09	7.11 5.33	5.07 4.71	5.82 5.67	7/1/2000 7/1/2000

TOTAL NET OF FEES

11/30/2013

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	507,787,819	6	1.15	2.24	7.69				5.71	11/1/2011
<i>HFRI Fund of Funds Composite Index</i>			<i>1.01</i>	<i>3.96</i>	<i>8.75</i>				<i>5.09</i>	<i>11/1/2011</i>
PIMCO	203,501,677	3	0.39	2.35					1.57	5/1/2013
<i>30% BoA1-3BB-B HY/70%CSInstLLI</i>			<i>0.45</i>	<i>3.25</i>					<i>2.66</i>	<i>5/1/2013</i>
WAMCO	205,766,156	3	0.38	3.22					3.13	4/1/2013
<i>30% BoA 1-3 BB-B HY/70% CS LLI</i>			<i>0.50</i>	<i>3.21</i>					<i>3.39</i>	<i>4/1/2013</i>
Credit Aggregate	409,267,833	5	0.38	2.79					2.02	5/1/2013
30% BoA1-3BB-B HY/70%CSInstLLI			0.45	3.25					4.12	3/1/2013
BROWN BROTHERS HARR	279,896,416	4	-0.59	0.20	-3.72				-2.15	11/1/2012
<i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>			<i>-0.93</i>	<i>0.58</i>	<i>-4.10</i>				<i>-2.62</i>	<i>11/1/2012</i>
Inflation-Linked Bonds	279,896,416	4	-0.59	0.20	-3.72	5.43			6.05	11/1/2009
<i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>			<i>-0.93</i>	<i>0.58</i>	<i>-4.10</i>	<i>4.07</i>			<i>4.42</i>	<i>11/1/2009</i>
Total Real Return	1,196,952,068	15	0.48	1.96	4.10	7.05	9.13		6.37	6/1/2004
Real Estate	259,140,142	3	0.51	3.63	8.59	11.38	-4.54		0.25	1/1/2005
<i>NCREIF Property Lagged + 100bp</i>			<i>0.07</i>	<i>3.25</i>	<i>11.73</i>	<i>14.14</i>	<i>3.80</i>		<i>9.03</i>	<i>1/1/2005</i>
ERSRI CASH	224,615,147	3	0.04	0.07	0.17	0.14	0.24	5.07	15.88	7/1/2000
<i>BofA Merrill Lynch 3 Month US Treasury Bill GOO1</i>			<i>0.01</i>	<i>0.02</i>	<i>0.08</i>	<i>0.10</i>	<i>0.12</i>	<i>1.68</i>	<i>2.03</i>	<i>7/1/2000</i>
Total Cash	228,388,781	3	0.04	0.07	0.16	0.16	0.23		2.87	4/1/2004
Russell Overlay Fd	15,452,999	0	-0.03	-0.05	0.21	-0.22	0.12		-0.10	9/1/2008
TOTAL PLAN	8,003,301,789	100	1.20	8.65	14.64	10.18	11.87	7.19	4.76	7/1/2000
<i>Total Plan Benchmark</i>			<i>0.95</i>	<i>8.30</i>	<i>14.76</i>	<i>10.30</i>	<i>12.06</i>	<i>7.05</i>		<i>7/1/2000</i>
Total Plan ex PE & RE	7,190,150,050	90	1.04	8.76	14.77	9.38	12.93	6.98	6.63	4/1/1996
<i>Total Plan BM ex PE RE</i>			<i>1.14</i>	<i>8.95</i>	<i>14.87</i>	<i>10.06</i>	<i>12.31</i>	<i>6.85</i>		<i>4/1/1996</i>
Additional Benchmarks										
<i>60/40 Blend</i>			<i>0.70</i>	<i>8.58</i>	<i>12.87</i>	<i>8.48</i>	<i>11.65</i>	<i>6.82</i>	<i>5.26</i>	<i>1/1/2001</i>

TOTAL NET OF FEES

11/30/2013

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				10/1/2013 - 10/31/2013	9/1/2013 - 9/30/2013					
SSGA R3000 INDEX <i>Russell 3000 Index</i>	2,059,883,174	26	2.88 2.90	4.27 4.25	3.72 3.72				10/1/2012 10/1/2012	
US Public Equity <i>Russell 3000 Index</i>	2,059,883,248	26	2.88 2.90	4.27 4.25	3.72 3.72	15.66 16.42	-0.86 1.03	17.33 16.93	8/1/2007 8/1/2007	
SSGA MSCI EAFE <i>MSCI EAFE Net Dividend Index</i>	1,399,082,124	17	0.75 0.77	3.35 3.36	7.41 7.39				9/1/2012 9/1/2012	
SSGA MSCI CANADA <i>MSCI Canada Net Dividend Index</i>	139,396,384	2	-0.86 -0.91	3.33 3.28	3.98 3.91				9/1/2012 9/1/2012	
SSGA MSCI EM <i>MSCI Emerging Markets Net Dividend Index</i>	436,254,553	5	-1.49 -1.46	4.85 4.86	6.47 6.50				9/1/2012 9/1/2012	
Non-US Public Equity <i>Total International Equity BM</i>	1,974,733,157	25	0.13 0.17	3.68 3.67	6.95 6.95	17.02 16.52	-13.47 -12.14	11.26 7.75	5/1/2009 5/1/2009	
Global Public Equity <i>MSCI All Country World Net Index</i>	4,034,616,405	50	1.52 1.42	3.98 4.02	5.29 5.17	17.82 16.13	-5.16 -7.35	15.37 12.67	7/1/2000 7/1/2000	
Private Equity <i>Venture Economics Custom BM</i> <i>S&P + 300 BP</i>	554,011,596	7	3.71 0.00 3.24	1.45 0.00 4.70	0.50 3.43 3.28	11.77 19.44 19.44	12.37 5.17 5.17	14.00 18.48 18.48	1/1/1993 1/1/1993 1/1/1993	
Equity Hedge Funds <i>HFRI Equity Hedge (Total) Index</i>	629,387,637	8	2.09 1.22	1.75 2.14	1.96 2.79	7.98 7.41			11/1/2011 11/1/2011	
Total Equity	5,218,015,638	65	1.82	3.43	4.32	15.88	-2.89	15.42	6/1/1996	
MACKAY SHIELDS <i>Barclays U.S. Aggregate Bond Index</i>	540,863,946	7	-0.26 -0.37	0.88 0.81	0.90 0.95				11/1/2012 11/1/2012	
PYRAMIS GLOBAL ADV <i>Barclays U.S. Aggregate Bond Index</i>	542,875,548	7	-0.38 -0.37	0.88 0.81	1.03 0.95				11/1/2012 11/1/2012	
Traditional Fixed Income <i>Barclays U.S. Aggregate Bond Index</i>	1,084,069,419	14	-0.32 -0.37	0.88 0.81	0.96 0.95	7.95 4.21	5.50 7.84	6.05 6.54	7/1/2000 7/1/2000	
Real Return Hedge Funds <i>HFRI Fund of Funds Composite Index</i>	507,787,819	6	1.15 1.01	0.66 1.25	0.98 1.36	5.33 4.79			11/1/2011 11/1/2011	
PIMCO <i>30% BoA1-3BB-B HY/70%CSInstLLI</i>	203,501,677	3	0.39 0.45	0.82 0.91	0.14 0.43				5/1/2013 5/1/2013	

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11/30/2013

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WAMCO <i>30% BoA 1-3 BB-B HY/70% CS LLI</i>	205,766,156	3	0.38 0.50	1.02 0.87	0.47 0.46				4/1/2013 4/1/2013	
Credit Aggregate	409,267,833	5	0.38	0.92	0.31				5/1/2013	
30% BoA 1-3 BB-B HY/70% CS LLI			0.50	0.87	0.46				3/1/2013	
BROWN BROTHERS HARR <i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>	279,896,416	4	-0.59 -0.93	0.53 0.99	0.85 0.96				11/1/2012 11/1/2012	
Inflation-Linked Bonds <i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>	279,896,416	4	-0.59 -0.93	0.53 0.99	0.85 0.96	9.20 5.60	13.80 11.08	6.00 5.43	11/1/2009 11/1/2009	
Total Real Return	1,196,952,068	15	0.48	0.72	0.73	6.55	13.58	6.00	6/1/2004	
Real Estate <i>NCREIF Property Lagged + 100bp</i>	259,140,142	3	0.51 0.07	1.71 0.07	0.28 2.94	9.62 12.00	17.14 17.10	3.74 6.84	1/1/2005 1/1/2005	
ERSRI CASH <i>BofA Merrill Lynch 3 Month US Treasury Bill G001</i>	224,615,147	3	0.04 0.01	0.01 0.00	0.01 0.00	0.11 0.11	0.16 0.10	0.19 0.13	7/1/2000 7/1/2000	
Total Cash	228,388,781	3	0.04	0.01	0.01	0.18	0.14	0.18	4/1/2004	
Russell Overlay Fd	15,452,999	0	-0.03	-0.02	-0.01	0.18	-0.78	0.21	9/1/2008	
TOTAL PLAN ¹ <i>Total Plan Benchmark</i>	8,003,301,789	100	1.20 0.95	2.47 2.31	3.02 3.22	12.49 11.80	1.39 1.55	12.07 12.24	7/1/2000 7/1/2000	
Total Plan ex Overlay <i>Total Plan Benchmark</i>	7,987,848,789	100	1.23 0.95	2.50 2.31	3.03 3.22	12.39 11.80	0.98 1.55	12.07 12.24	8/1/2008 8/1/2008	
Total Plan ex PE & RE <i>Total Plan BM ex PE RE</i>	7,190,150,050	90	1.04 1.14	2.58 2.70	3.34 3.38	11.25 12.08	-0.19 0.66	12.12 12.03	4/1/1996 4/1/1996	
Additional Benchmarks <i>60/40 Blend</i>			0.70	2.73	3.48	11.48	-1.13	10.77	1/1/2001	

END NOTES

11/30/2013

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

2012, 2011, 2010 - Calendar Years

Section VII.

Cash Flow

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

11/30/2013

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	29,666,214.1	34.2	-0.32	1.00					-2.38	5/1/2013
<i>Barclays U.S. Aggregate Bond Index</i>			<i>-0.37</i>	<i>1.00</i>					<i>-2.34</i>	<i>5/1/2013</i>
SSGA S&P 500 INDX	57,085,524.7	65.8	3.04	13.39	30.00				15.77	5/1/2011
<i>S&P 500 - Total Return Index</i>			<i>3.05</i>	<i>13.44</i>	<i>30.30</i>				<i>13.99</i>	<i>5/1/2011</i>
Total OPEB	86,751,738.8	100.0	1.87	8.94	14.33				10.16	5/1/2011
<i>OPEB Custom Blend</i>			<i>1.85</i>	<i>8.99</i>	<i>14.34</i>				<i>8.12</i>	<i>5/1/2011</i>

END NOTES

11/30/2013

1 RI7GX0903OPE OPEB Custom Blend

65% Barclays Aggregate and 35% S&P 500



Total Performance Summary

Report ID: IPM0005

Reporting Currency: USD

TOTAL NET OF FEES

11/30/2013

Account Name Benchmark Name	Market Value	% of Total	YTD	Month	Cumulative			2011	2010	Inception Date
					10/1/2013 - 10/31/2013	9/1/2013 - 9/30/2013	2012			
Mackay Shields OPEB	29,666,214.1	34.2		-0.32	0.89	0.82			5/1/2013	
Barclays U.S. Aggregate Bond Index				-0.37	0.81	0.95			5/1/2013	
SSGA S&P 500 INDX	57,085,524.7	65.8	28.83	3.04	4.59	3.13	15.96		5/1/2011	
S&P 500 - Total Return Index			29.12	3.05	4.60	3.14	16.00		5/1/2011	
Total OPEB	86,751,738.8	100.0	14.07	1.87	3.36	2.27	9.74		5/1/2011	
OPEB Custom Blend			14.08	1.85	3.27	2.37	8.30		5/1/2011	

END NOTES

11/30/2013

- | | | | |
|---|--------------|-------------------|---|
| 1 | RI7G10000000 | Total OPEB | YTD - Calendar Year to Dat
Month - Current Mont
Cumulative Months - Prior Month and Second Prior Mont |
| 2 | RI7GX0903OPE | OPEB Custom Blend | 2012, 2011, 2010 - Calendar Yea
65% S&P 500 and 35% Barclays Aggregate |