



Transparent Treasury

General Treasurer Seth Magaziner | 2018

Transparent Treasury

In 2015 Treasurer Magaziner launched Transparent Treasury, one of the most comprehensive transparency policies in the nation

| Requires pension fund managers to allow their performance and fees to be published online in order for state to invest

| Since Rhode Island launched Transparent Treasury in 2015, New York City, California, and other large funds are have adopted similar policies

| Former SEC Chairman Arthur Levitt Jr said RI's transparency model "should be implemented in every public fund"

Transparent Treasury

| Each manager must sign:

- A Transparency Agreement, committing to disclosure of fees, terms and basic information of the fund.
- An Investor Code of Conduct, affirming that the firm will maintain high ethical standards and strictly adhere to SEC and MSRB rules.
- A Placement Agent Certificate, affirming that no placement agents were compensated in connection with RI's investment.

Implementation

- | All funds new to the ERSRI portfolio after June of 2015 are required to permit public reporting of their fees and expenses.
- | While funds that received investment from the SIC prior to June 2015 are grandfathered from the individualized reporting requirement, Treasury staff has requested that they voluntarily allow disclosure, which most (85%) have agreed to do.
- | Since 2015, the Investment division has not had any difficulty accessing investment opportunities as a result of this policy.
- | With this effort, and other similar efforts around the country, transparency is becoming the new normal.

Making Information Accessible

State of Rhode Island
State Investment Information Center
Seth Magaziner, General Treasurer

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Rhode Island Treasury - Committed to Transparent Investing
Rhode Island's investments, including more than \$8 billion of state pension assets, are managed by the Office of the General Treasurer under the direction of the [State Investment Commission \(SIC\)](#).
On this site, you will find information about where the state's pension funds are invested, how they are performing, and an overview of the state's investment strategy and philosophies.

Quick Links
Current SIC Report
RI Treasury Home Page
Data Portal
Contact Us

Investment Policy Update
On September 28, 2016 the [State Investment Commission](#) voted to adopt a new "Back to Basics" asset allocation policy which is expected to significantly improve the performance of the portfolio while reducing risk. The data and graphs on this site will be updated over time as the new policy is implemented by Treasury's investment division.

Returns vs. Benchmarks Asset Allocation Expenses Cashflows

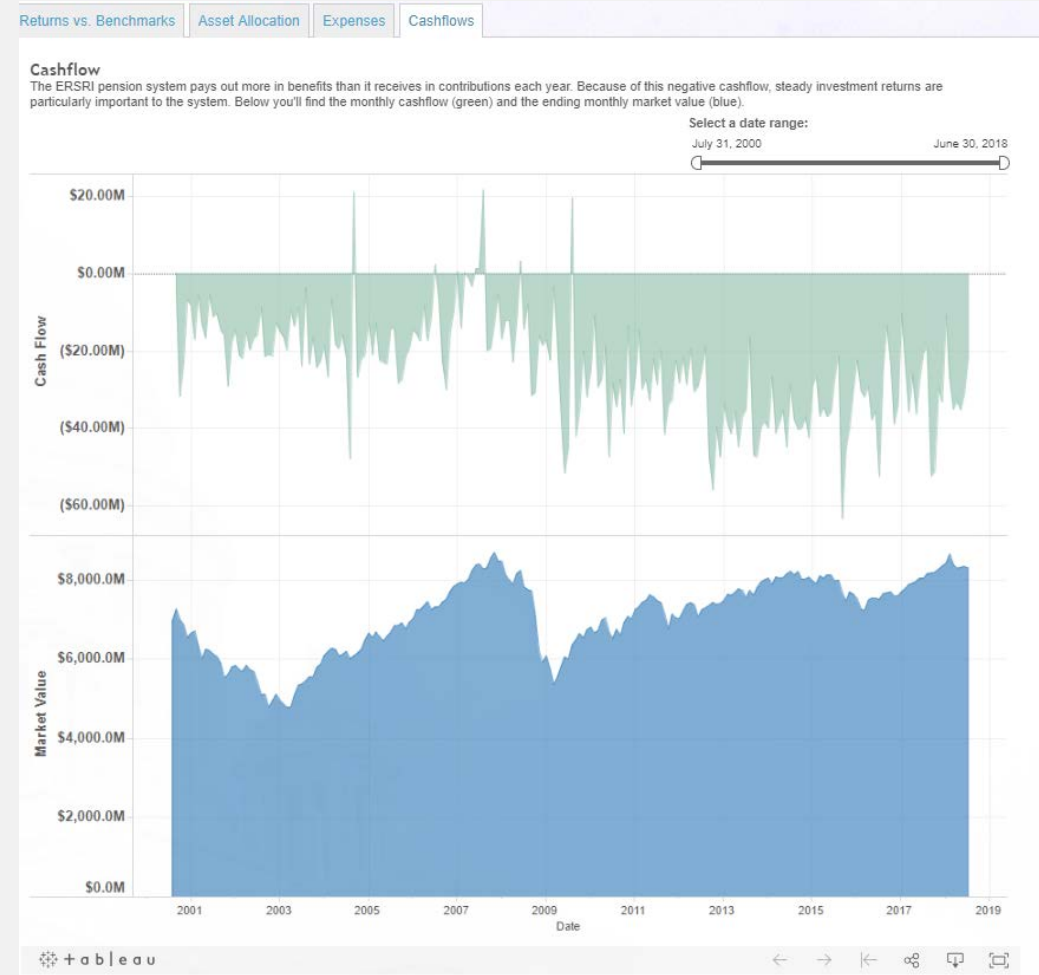
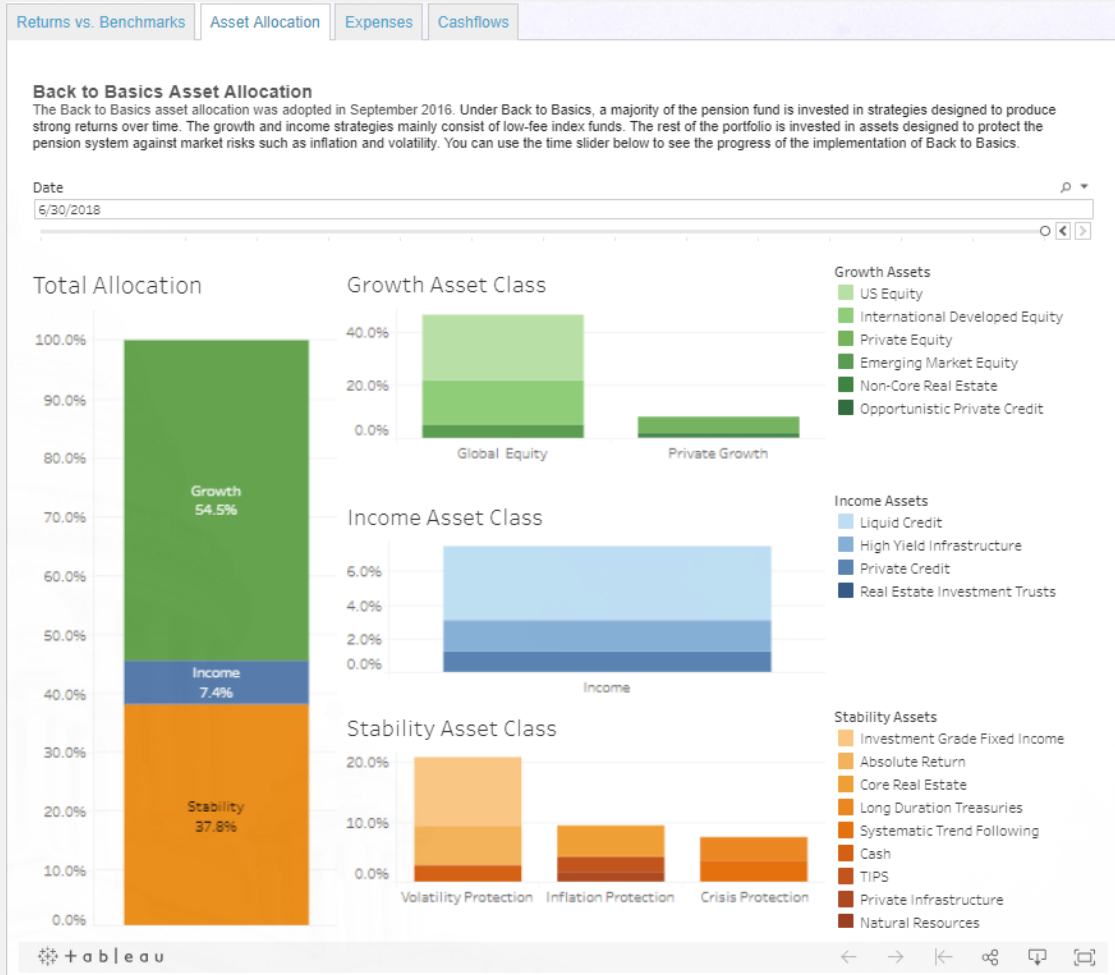
Total Plan Returns
Compare the returns for the investments of the RI pension system against its benchmark and a "60/40" blend of stocks and bonds. Returns greater than 1 year are annualized.
Move the slider below to see returns for different periods. Returns as of: June 30, 2018 Total Plan Value \$8,299.1M

Period	Sum of 1 Year	Sum of 3 Year	Sum of 5 Year	Sum of 10 Year
Actual Returns	8.0	6.3	7.2	5.8
7.0% Target Return	7.0	7.0	7.0	7.0
Other Returns	7.6	6.0	7.0	5.6
Other Returns	6.2	5.7	6.6	5.3

<http://investments.treasury.ri.gov>

- Public portal providing information on pension investments
- Monthly performance, expenses, cash flows, asset allocation changes, and investment manager information.
- The site also includes public meeting notices and links to Investment Commission meeting materials

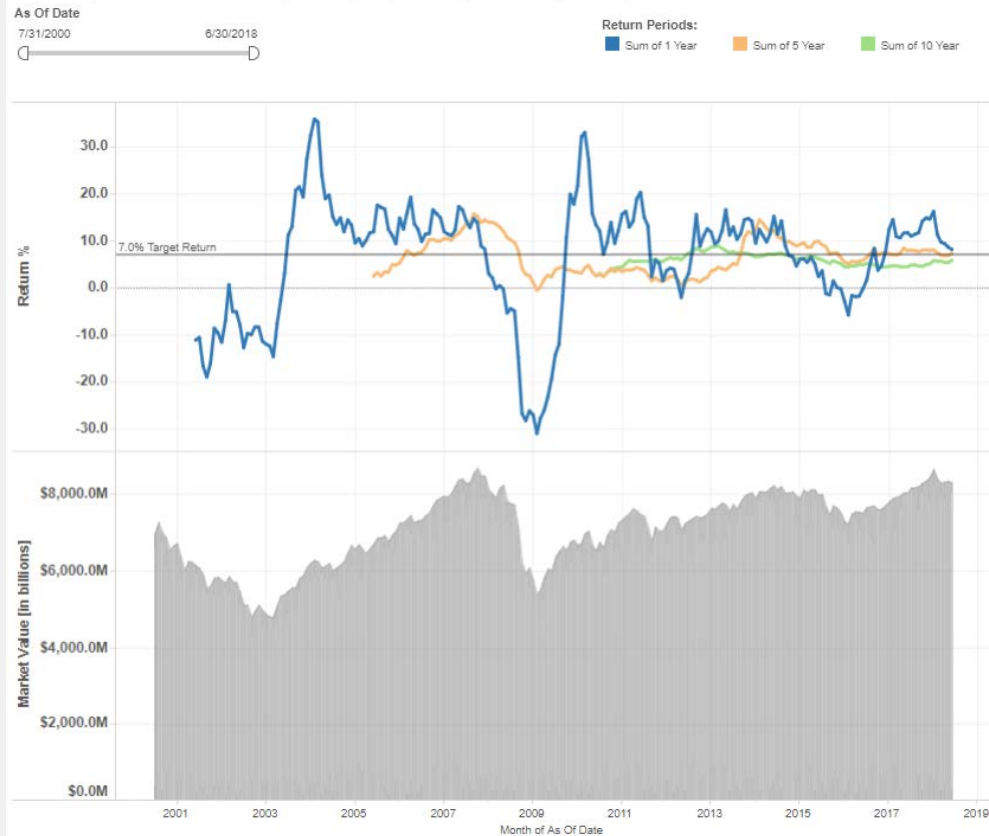
investments.treasury.ri.gov



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Total Plan Returns and Value History

The line chart shows the 1 Year (blue), 5 Year (orange), and 10 year (green) returns for the pension fund. The area chart at the bottom shows the growth over time of the total investment fund, in billions. (Returns and fund balances were reported on a quarterly basis until July 2000 and monthly thereafter.)



Employees' Retirement System of Rhode Island Investment Expense Analysis

FY 2017
in \$000's

Asset Class / Type	Management Fees	Fund Expenses	Performance Expense	Total Investment Expense	Expense Ratio
Global Equity Indexes	\$1,199	\$267		1,466	0.02%
Equity Hedge Funds	7,545	1,450	6,935	15,930	0.21%
Private Equity	10,056	3,267	11,067	24,389	0.31%
Subtotal Equity/Growth	18,800	4,984	18,002	41,785	0.54%
Subtotal Fixed Income	1,342			1,342	0.02%
Real Estate	5,884	934	306	7,124	0.09%
Infrastructure	2,848	469	282	3,599	0.05%
Subtotal Real Assets	8,732	1,402	588	10,722	0.14%
Bank Loans/High Yield	1,029			1,029	0.01%
Inflation Linked Bonds	309			309	0.00%
Absolute Return Hedge Funds	8,763	1,156	9,086	19,004	0.24%
Subtotal Real Return	10,101	1,156	9,086	20,342	0.26%
Subtotal Crisis Protection	18	106		124	0.00%
Beta Overlay	245	73		318	0.00%
Cash	361			361	0.00%
Subtotal Other Managers	606	73		679	0.01%
Subtotal Manager Expense	\$39,599	\$7,720	\$27,676	\$74,995	0.97%
Expense Ratio	0.51%	0.10%	0.36%	0.97%	
Consulting	\$950			\$950	0.01%
Custody	489			489	0.01%
Legal & Other	110			110	0.00%
Research	82			82	0.00%
Personnel / Operating	1,316			1,316	0.02%
Subtotal Other Expenses	\$2,946			\$2,946	0.04%

investments.treasury.ri.gov



State of Rhode Island

State Investment Information Center

Seth Magaziner, General Treasurer

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RI JOBS

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OVERVIEW / ASSET ALLOCATION / INVESTMENT MANAGERS

Investment Manager Directory

The investment manager directory is a comprehensive list of the investment managers hired by the State Investment Commission. The directory provides background on each manager, including how much money the SIC has invested, when the SIC invested with the manager, and a description of the asset class and approach.

The Expense tab lists annual expense reports which includes both direct and indirect fees paid to each manager.

Download the entire manager database as either a [.CSV](#) file or [.JSON](#)

Public Growth
Private Growth
Volatility Protection
Inflation Protection
Crisis Protection
Income
Manager Expenses

State Street Global Advisors (SSgA)

Founded in 1978 as the asset management division of State Street Corporation, SSgA provides institutional investment management services. In 1995, all of State Street's investment management services were reorganized as SSgA, headquartered in Boston, MA. At the time of investment, the division employed more than 2,000 people globally in 17 countries, with nine investment centers across the Americas, Europe and Asia.

Website: <http://www.ssga.com/>

Investment Approach	Initial Investment	Role in the Portfolio
<p>These passive funds seek investment returns that approximate as closely as practical the performance of the target indexes, all of which are weighted based on market capitalization. The MSCI Canada fund is composed of Canadian common stocks. The MSCI EAFE fund consists of developed-market common stocks across Europe, Australasia and the Far East. The MSCI Emerging Markets fund is composed of common stocks from emerging markets across Asia, Europe, Latin America, and Africa. The Russell 3000 fund consists of large-, mid- and small-capitalization common stocks in the U.S. equity market.</p>	<ul style="list-style-type: none"> \$1,636,329,331 investment to the Russell 3000 Index NL Fund in September 2012. \$98,364,000 investment to the MSCI Canada Index NL Fund in August 2012. \$804,223,000 investment to the MSCI EAFE Index NL Fund in 	<p>This investment is part of the 40% ERSRI policy allocation to public growth.</p>

Proxy Voting Guidelines

Rhode Island Treasury's proxy voting guidelines reflect the fiduciary duty of the Rhode Island Treasurer's Office to vote proxies in the best interest of our members and constituents. Our goal is to vote our proxies in accordance with both their financial interests and their values. You can download our current proxy voting policy [here](#).

Proxy Voting Dashboard

[Filters](#) [Votes](#) [Management](#) [Proposal](#) [Sector](#)

Filters

[Reset Filters](#)

Meeting Date Range

From to

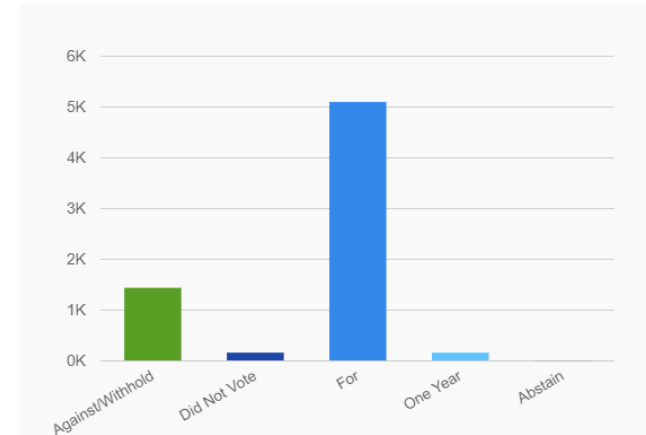
Fund

Company Search

[Update](#)

Voting Statistics

Across 6,687 unique proposals available to vote, we voted 6,606 for which 0 proposals were voted in varying ways for the same meeting agenda item.



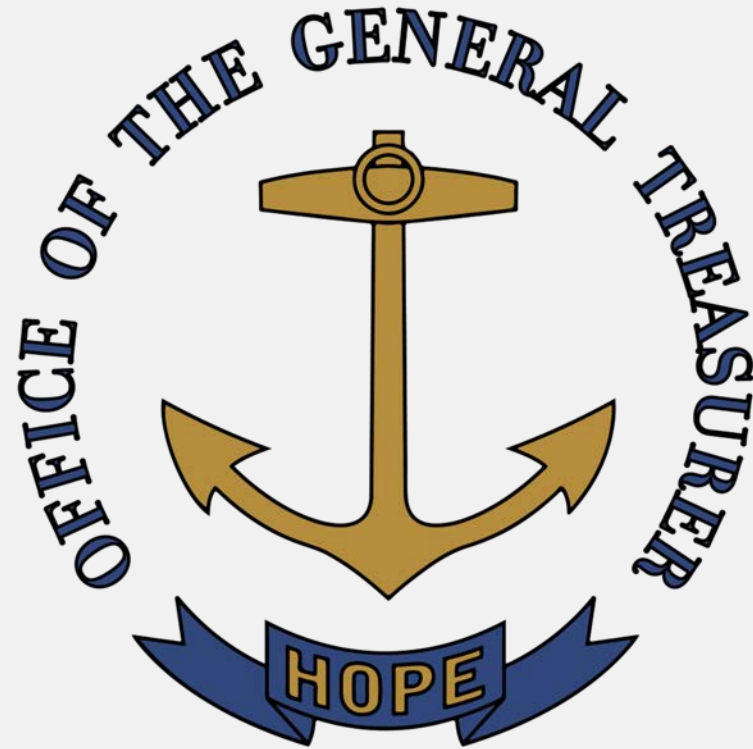
[+ Expand](#)

Transparent Treasury is Now the Law in RI

In 2017, at the request of Treasurer Magaziner, the Rhode Island General Assembly enacted RIGL 35-10-15.

“Transparency is essential to good government. As Treasurer, I take seriously my obligation to set a high standard of reporting that publicly discloses investment performance and fees. I commend the General Assembly for codifying my "Transparent Treasury" policy, ensuring this level of transparency will continue across future Treasury administrations.”

-Treasurer Seth Magaziner



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<http://www.treasury.ri.gov>