

Ocean State Investment Pool Overview

April 27, 2016

Not FDIC insured. May lose value. No bank guarantee.

Not NCUA or NCUSIF insured. May lose value. No credit union guarantee.

For Institutional Use Only



Agenda

1. Government Accounting Standards Board (GASB) Change
2. Current Market Conditions
3. Ocean State Investment Pool Composition
4. Appendix
 1. Organizational Overview



Government Accounting Standards Board Statement No. 79

GASB – Statement No. 79

Criteria for amortized cost-based measurement

Key criteria to utilize amortized cost accounting:

1. Unit holders can transact at a stable net asset value per share at \$1.00
2. Portfolio meets the following requirements:
 - a. Maturity
 - i. Less than 60 days in weighted average maturity (WAM)
 - ii. Less than 120 days in weighted average life (WAL)
 - iii. Less than 397 days maturity for each holding
 - b. Quality
 - i. Minimal credit risk
 - ii. All holdings carry NRSRO¹ highest category of short-term credit rating (or long-term equivalent category)
 - c. Diversification
 - i. 5% single issuer concentration limit
 - ii. 10% single issuer credit support limit
 - d. Liquidity
 - i. Able to meet reasonably foreseeable redemptions
 - ii. Less than 5% illiquid assets
 - iii. More than 10% of total assets in daily liquid assets
 - iv. More than 30% of total assets in weekly liquid assets
 - e. Shadow pricing standard
 - i. The monthly “shadow” price (market value) within $\pm 0.5\%$ of the NAV calculated using amortized cost accounting

1. NRSRO (Nationally recognized statistical rating organization)

GASB – Statement No. 79

Criteria for amortized cost-based measurement

GASB – Statement No. 79 - Criteria for amortized cost based measurements

Investment Modifications to Meet GASB 79 Standard

1. Increase weekly liquid assets to 30% of total assets
 - a. The current investment guidelines require that only 20% of total assets in weekly liquid assets
 - b. Given the current portfolio management practices, the increase to 30% will have minimal impact.

2. NRSRO¹ highest category of short-term credit rating (or long-term equivalent category)
 - a. Currently repo collateral are not required to have the highest short-term rating.
 - i. Under GASB's requirements, non-traditional repurchase agreements will no longer be eligible investments.
 - ii. Removing non-traditional repurchase agreements reduces portfolio diversification and yield
 - b. The current investment guidelines² allow for a 3% allocation to tier 2 securities
 - i. Under GASB's requirements, tier 2 securities will no longer be eligible investments
 - ii. Removing tier 2 securities reduces portfolio diversification and yield

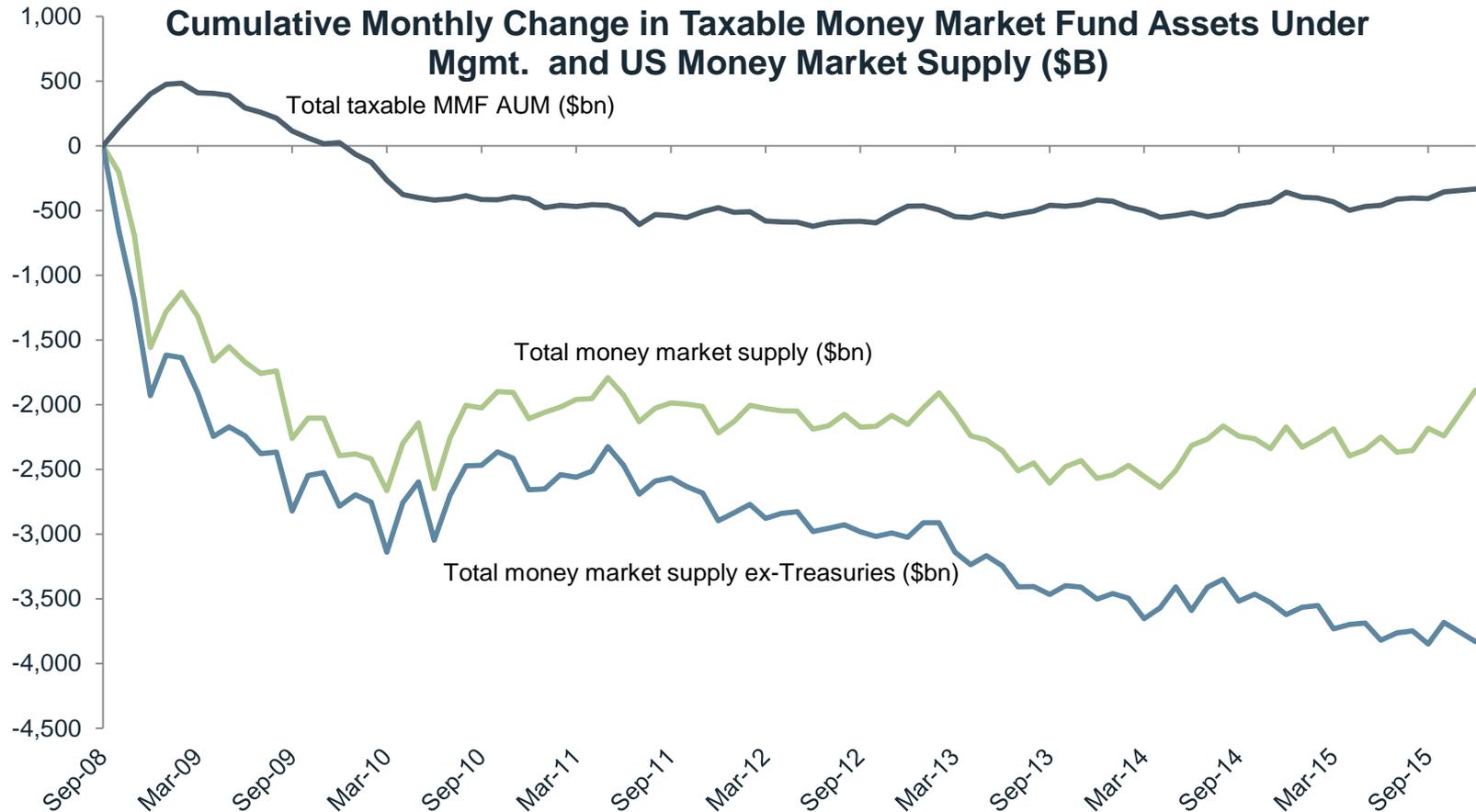
1. NRSRO: (Nationally recognized statistical rating organization)

2. Amendments to SEC Rule 2a-7 removes the references to certain credit ratings



Current Market Conditions

Supply Stabilizes - Industry Assets Trend Higher

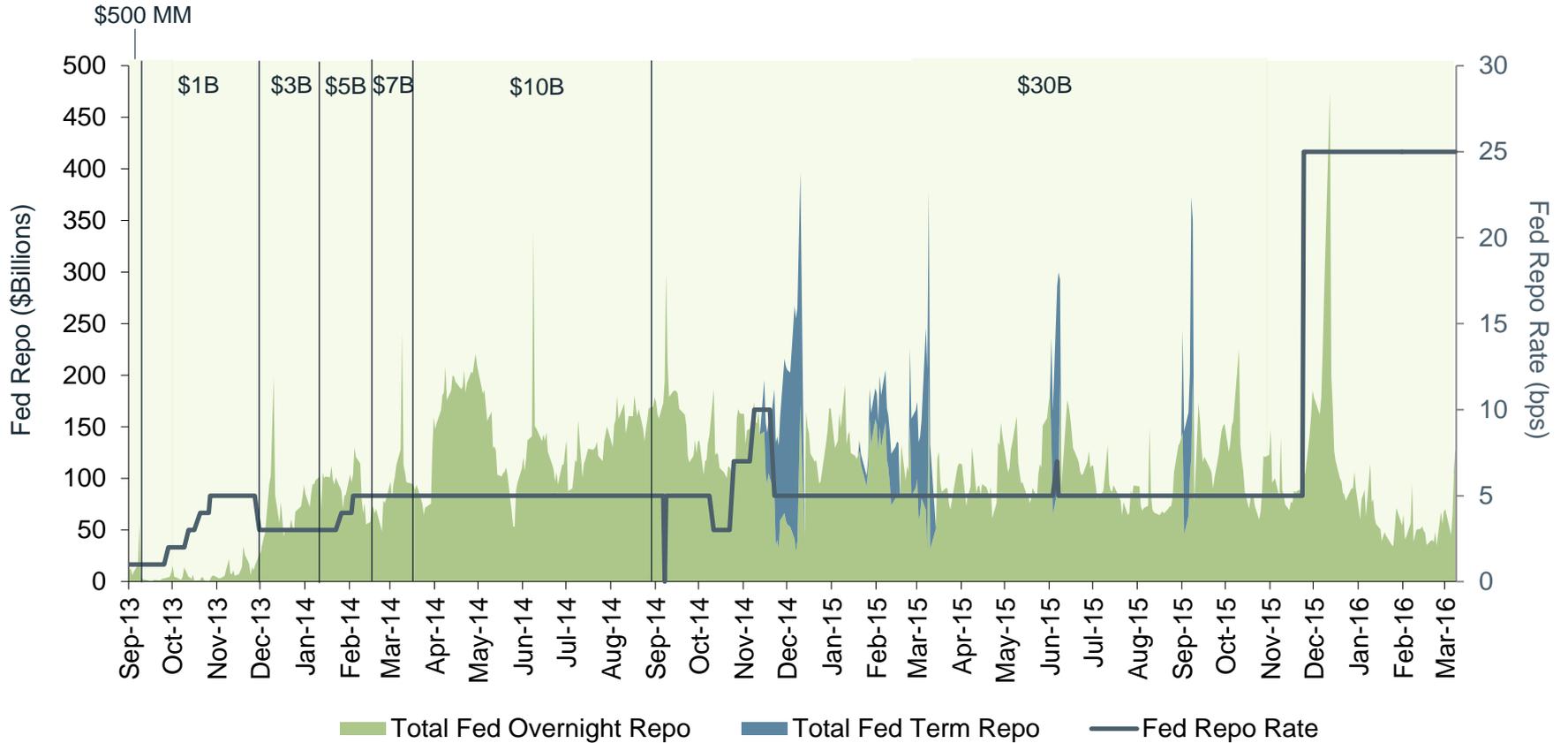


Source: J.P. Morgan, iMoneyNet as of 12/31/2015.



Supply Reduces Demand for the Fed's Reverse Repo

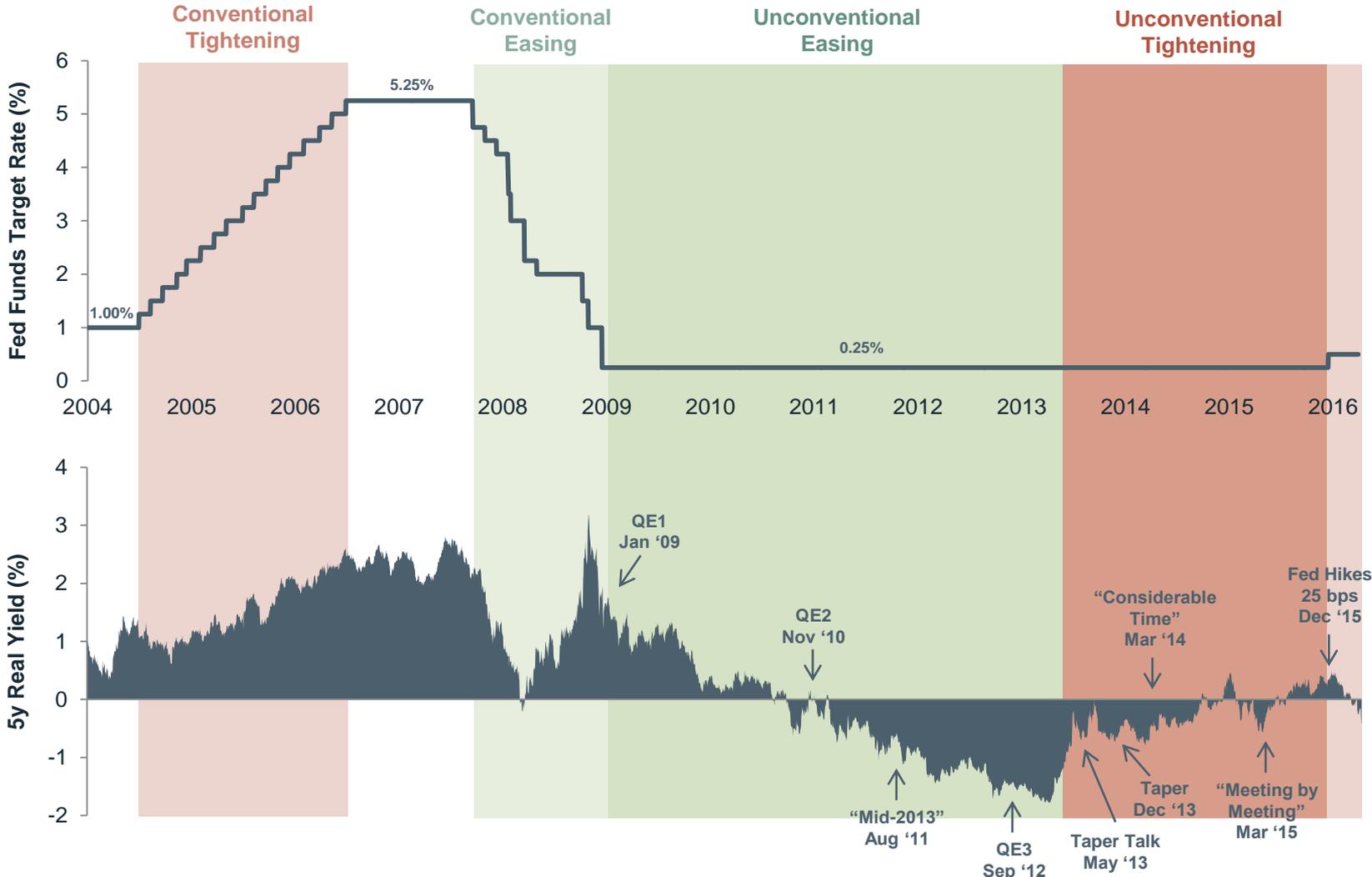
Maximum Allotment Cap, Fixed Rate, Outstanding Amounts



Sources: Federal Reserve and Fidelity Investments as of 3/31/2016
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Fed Hiked Rates After Unconventional Tightening



Source: Federal Reserve, Bloomberg as of 3/31/2016
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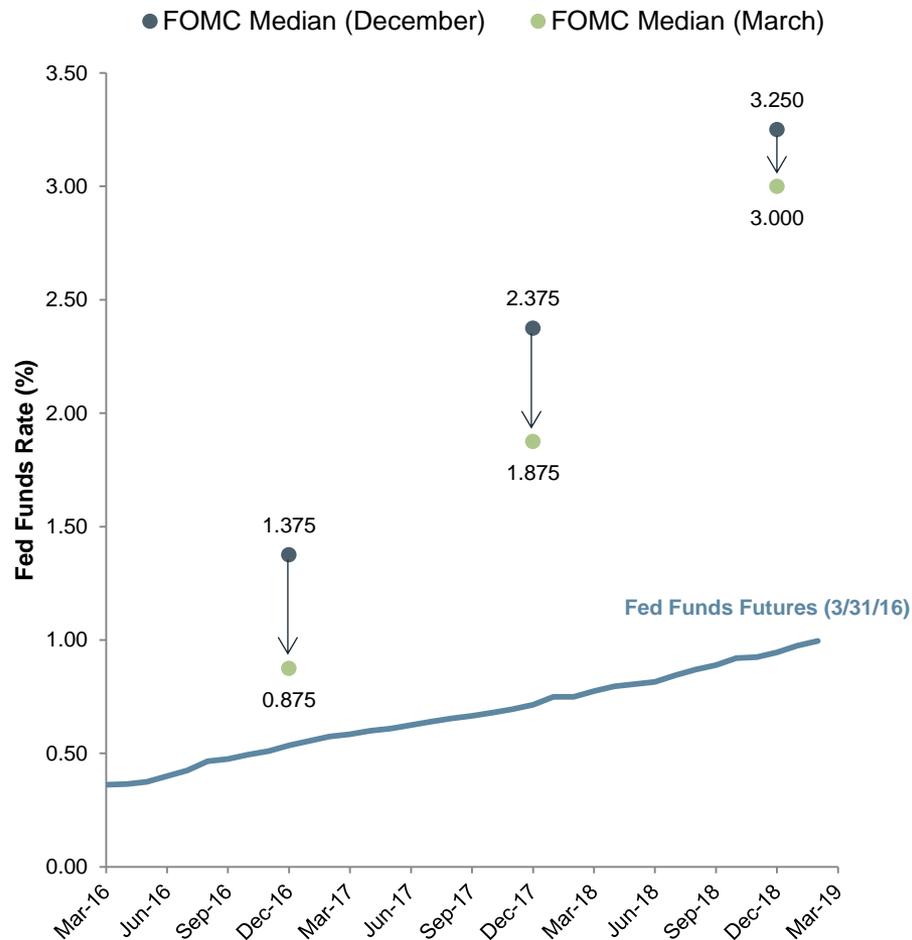


Forward Rate Expectations and Guidance Trend Lower

Probability of a June Fed Rate Hike

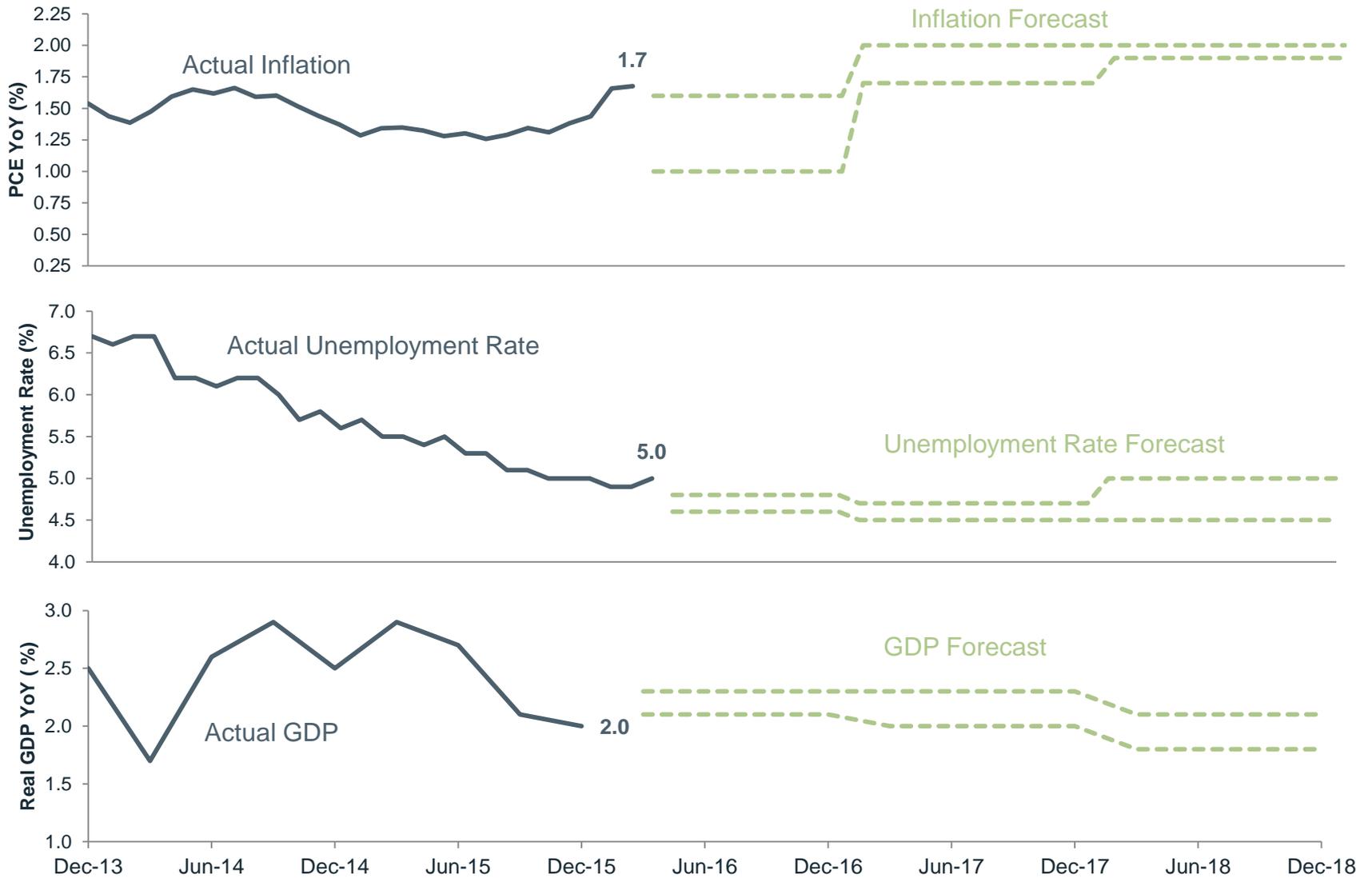


Forward Fed Funds Futures



Source: Federal Reserve as of 3/16/2016 and Bloomberg as of 3/31/2016
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Federal Reserve's Economic Projections

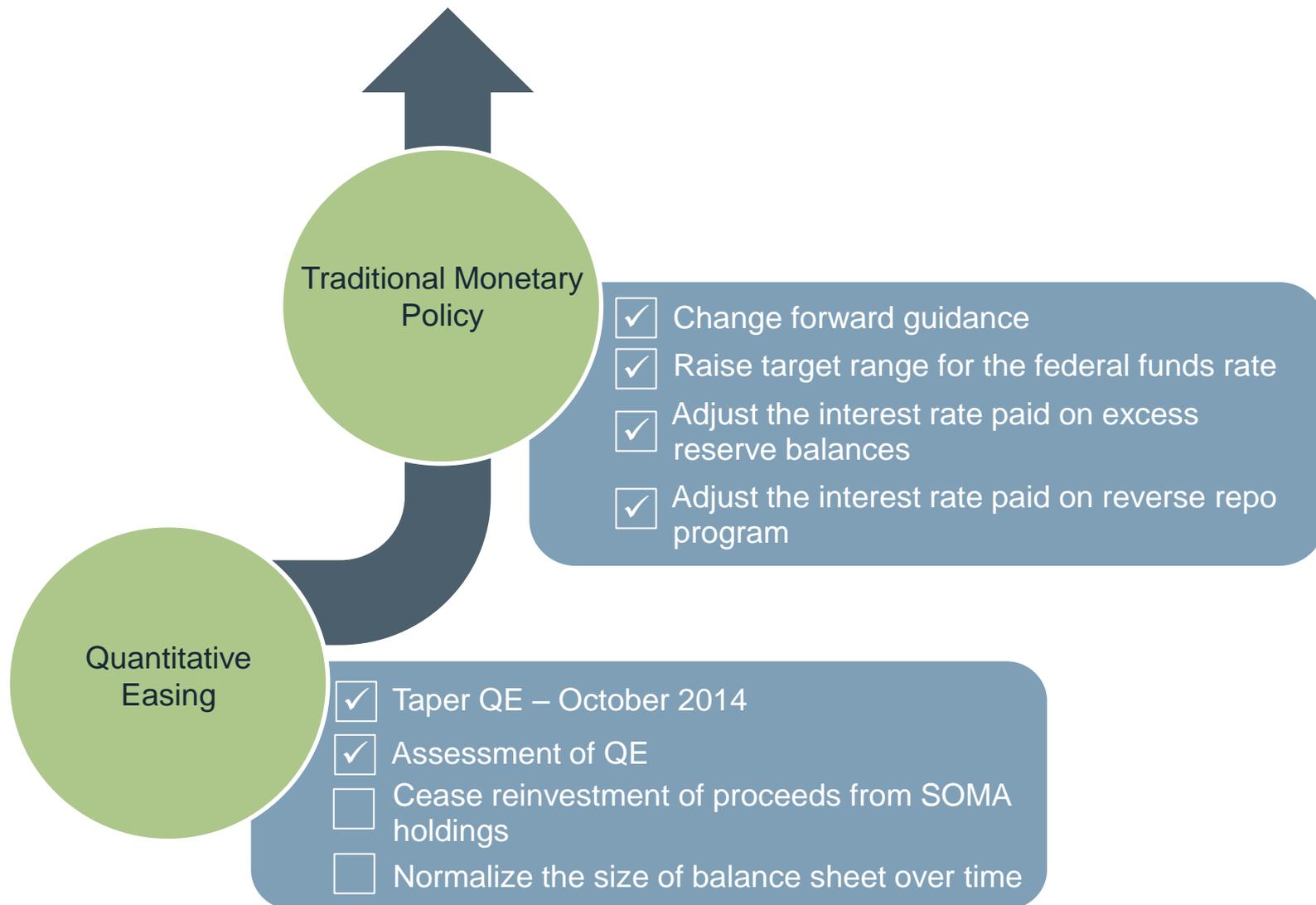


Source: Bloomberg and Federal Reserve
 Actual Inflation as of 2/29/2016, Actual Unemployment Rate as of 3/31/2016, and Actual GDP as of 12/31/2015
 FOMC Forecast based on the central tendency (excludes the three highest and three lowest projections for each variable in each year)
 as of 3/16/2016

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FOMC on Path Towards Higher Interest Rates

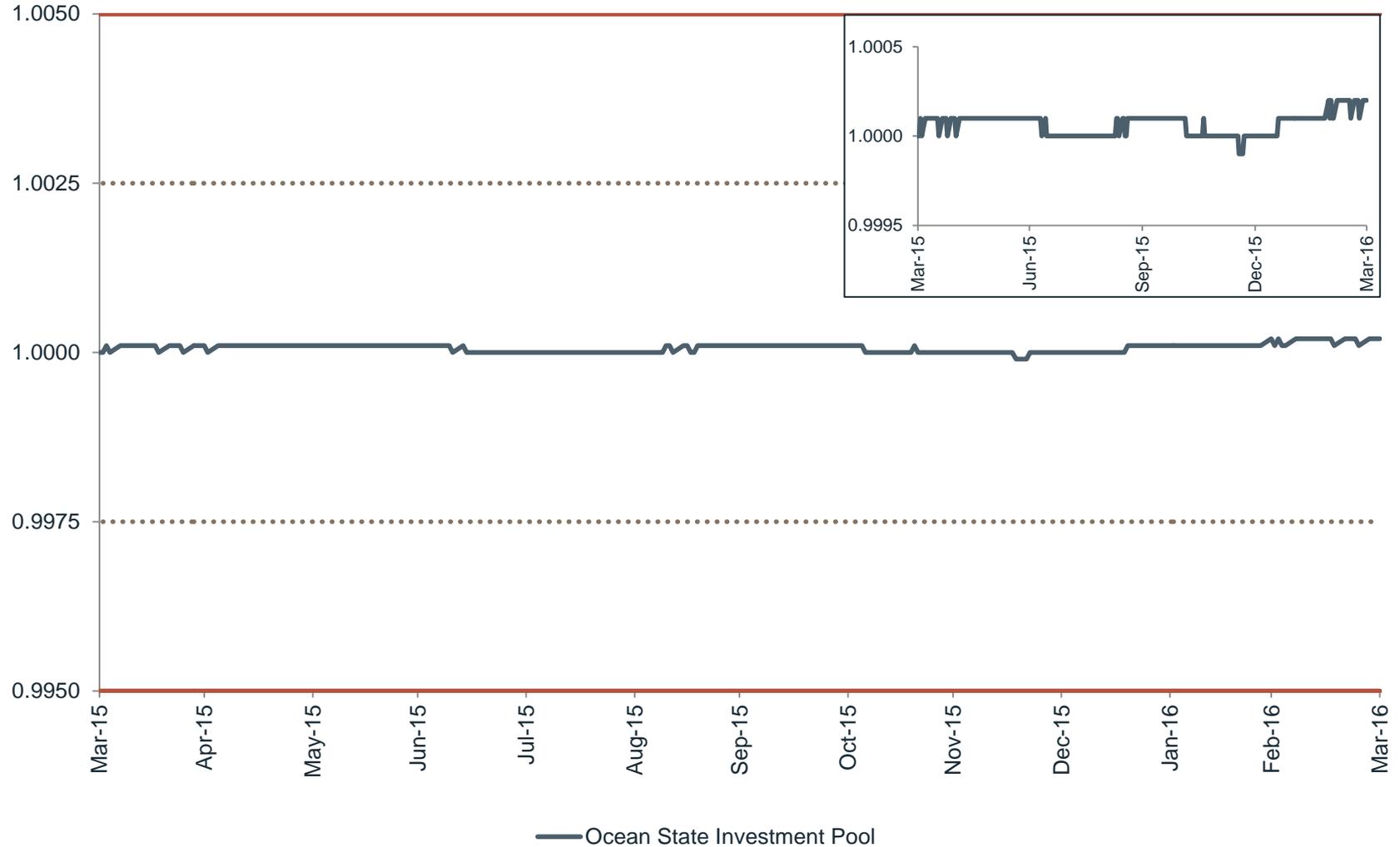




Ocean State Investment Pool Composition

Minimizing NAV Volatility

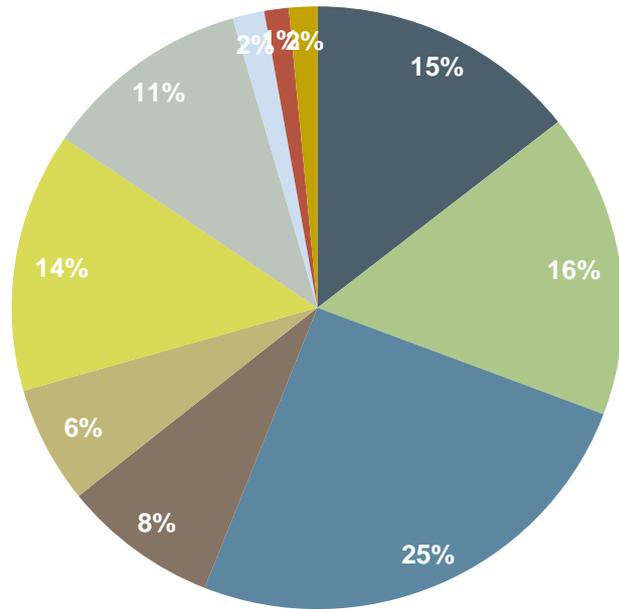
Market Value NAV



Source: Fidelity Investments as of 3/31/2016

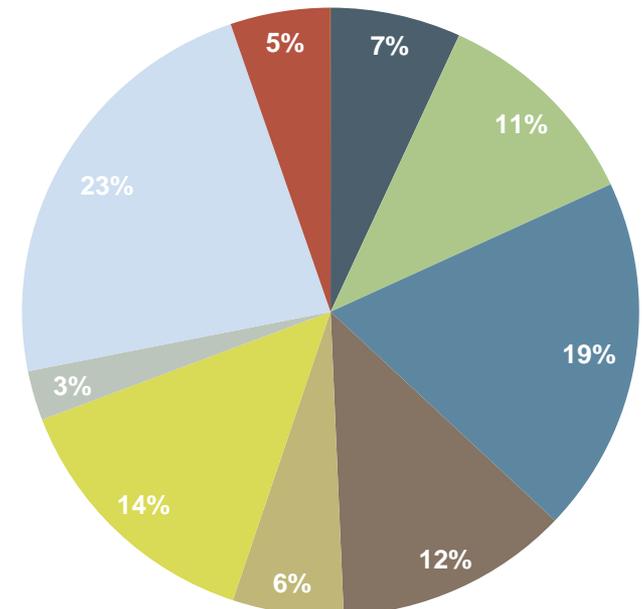
OSIP Composition

March 31, 2016



- North American Banks
- Asian/Australian Banks
- Eurozone Banks
- Nordic/Swiss Banks
- UK Banks
- Asset Backed CP
- Non-Traditional Repo
- Other Corp/VRDN
- Government/Repo
- Finance Companies
- Net Other Assets*

March 31, 2015



Pool Characteristics

Net Assets	\$387 Million
Weighted Average Maturity (WAM)	49 Days
Weighted Average Life (WAL)	51 Days

Pool Characteristics

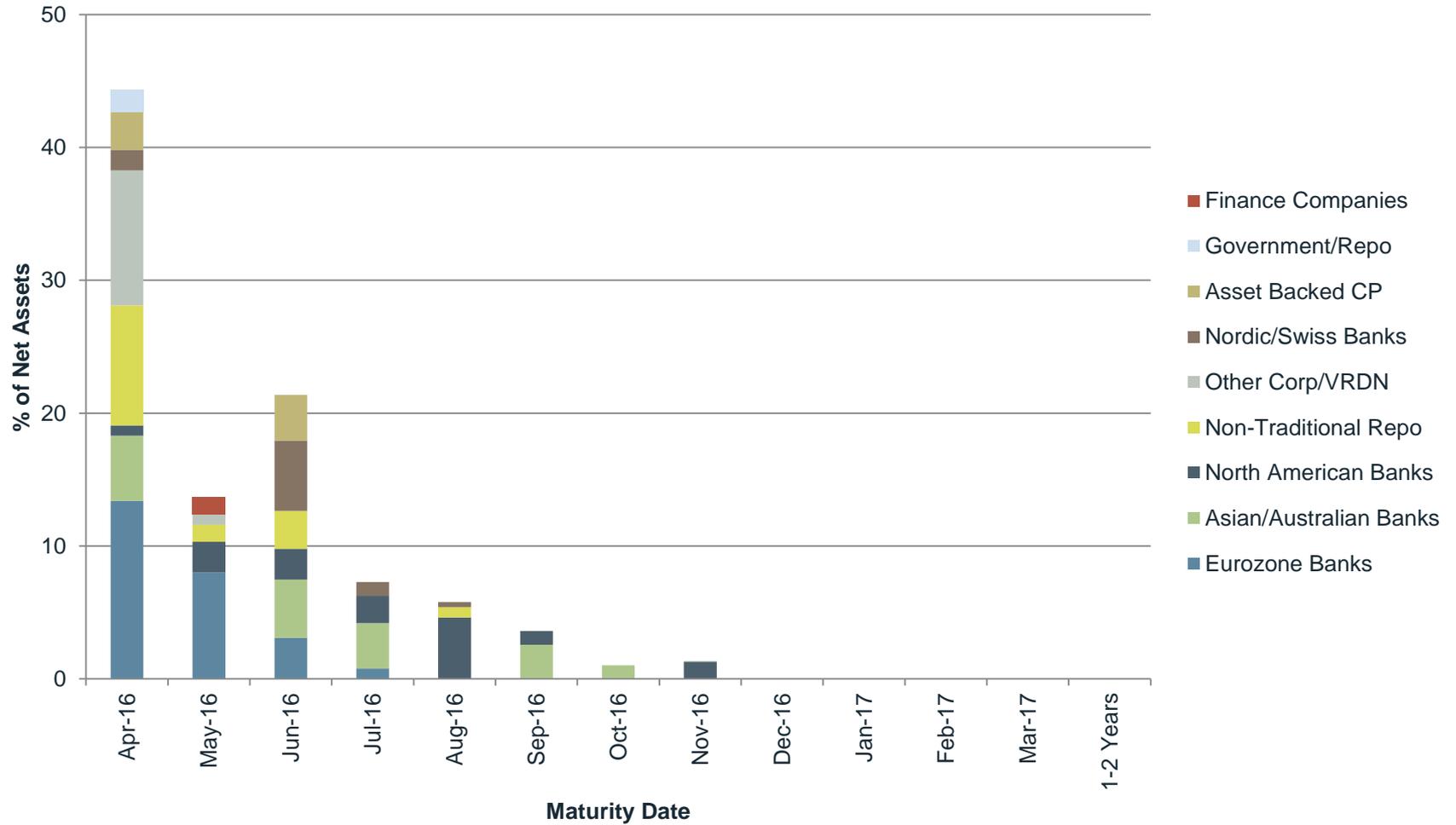
Net Assets	\$248 Million
Weighted Average Maturity (WAM)	37 Days
Weighted Average Life (WAL)	50 Days

Portfolio diversification is presented to illustrate examples of the securities that each fund has bought and may not be representative of a fund's current or future investments. Each fund's investments may change at any time. Percentages may not add up to 100 due to rounding.

*Net Other Assets may include cash and receivables and payables related to open security or capital stock trades

Source: Fidelity Investments as of 3/31/2016

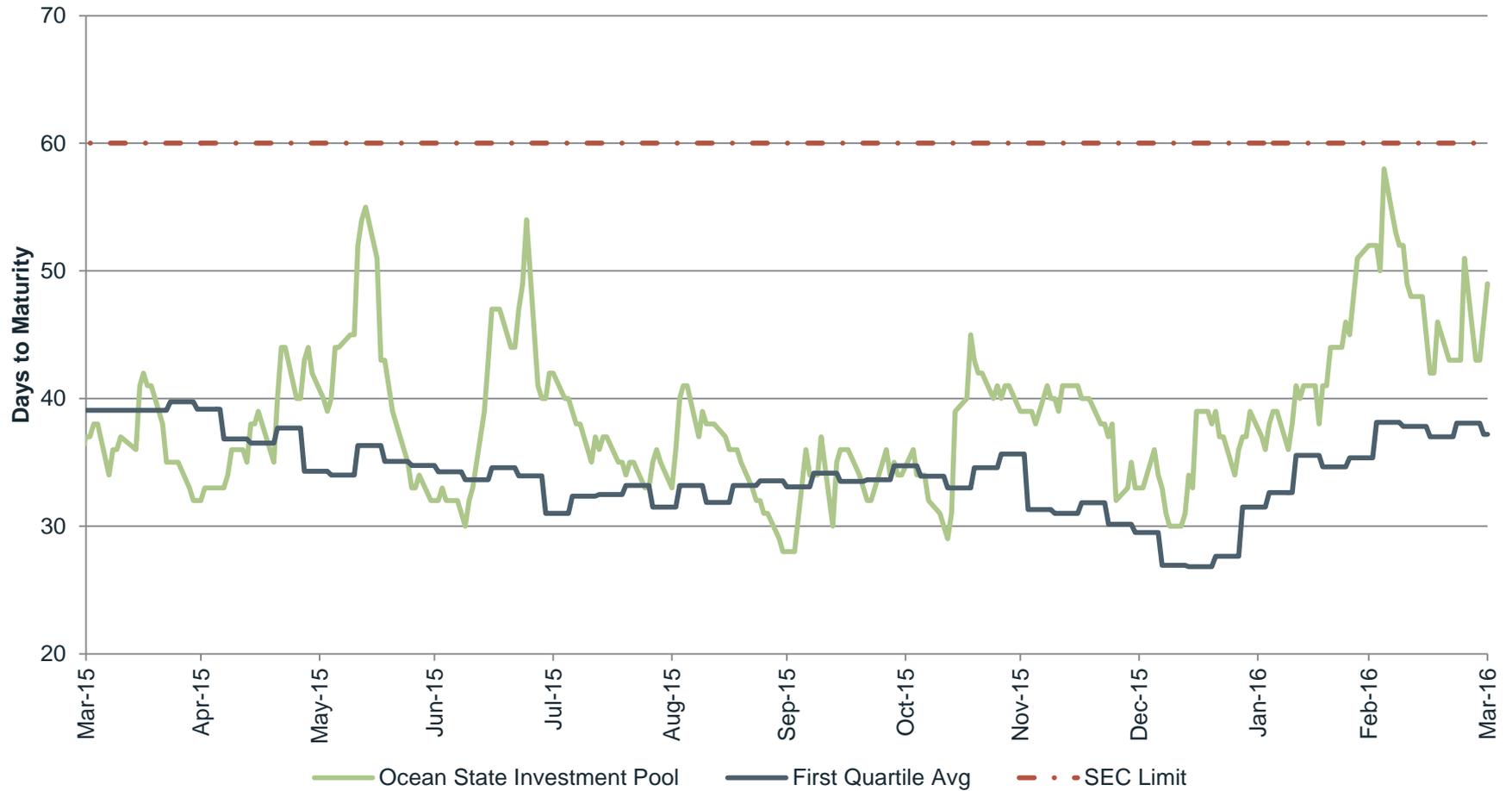
Maturity Schedule



Source: Fidelity Investments as of 3/31/2016



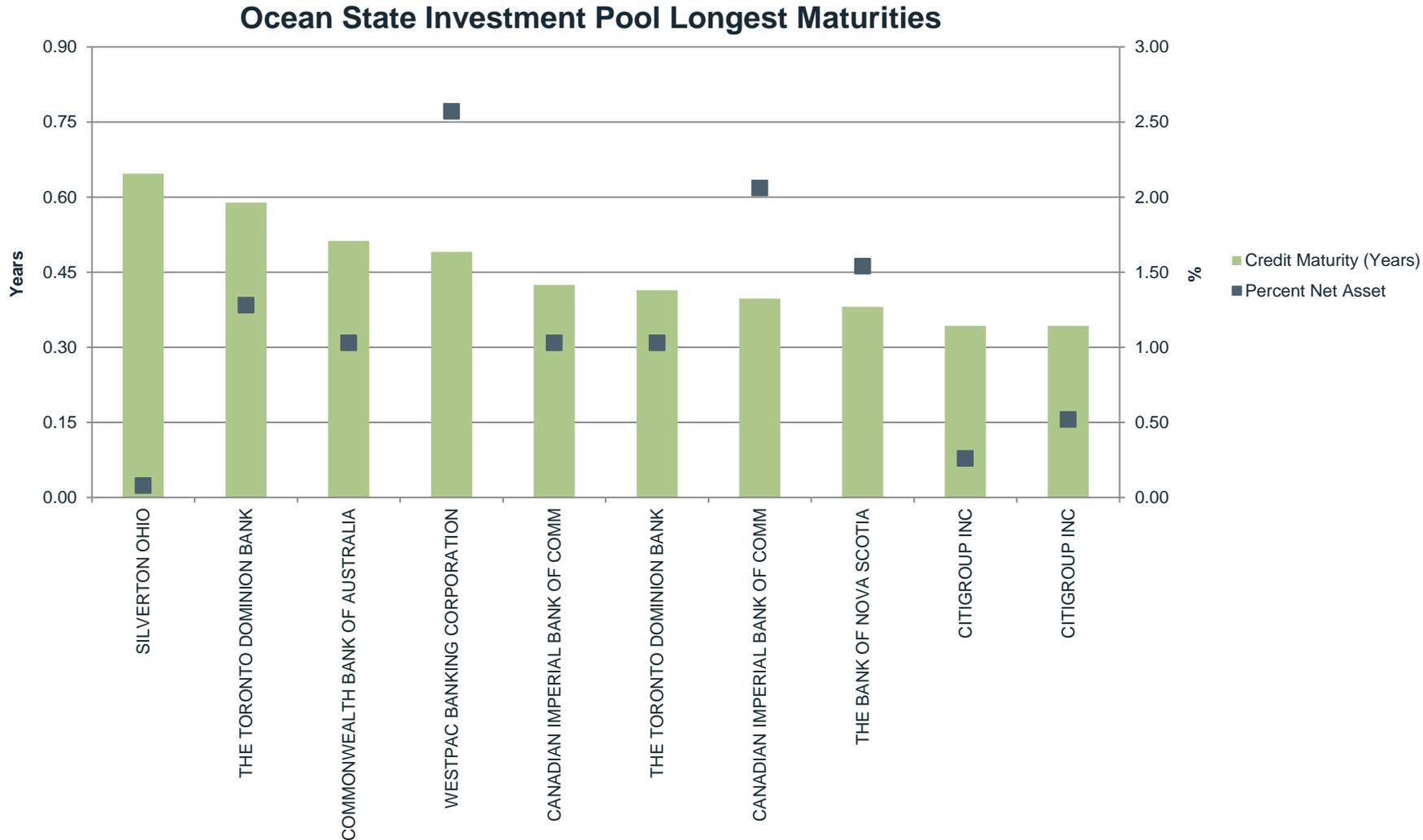
Active Maturity Management



Source: Fidelity Investments as of 3/31/2016



Longest Maturities - Concentrations



Source: Fidelity Investments as of 3/31/2016 excludes Treasuries and Agencies

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Performance Review

Ocean State Investment Pool	7-Day Yield	Cumulative			Annualized	
		3-Month	6-Month	1-Year	3-Year	LOF*
Net Returns	0.55%	0.12%	0.19%	0.27%	0.15%	0.15%
Citigroup 3 Month Treasury Bill		0.05%	0.07%	0.08%	0.05%	0.06%
Value Added		0.07%	0.12%	0.19%	0.10%	0.09%

*Inception date is March 6, 2012

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any.

Performance data shown represents past performance and is no guarantee of future results.

Sources: Fidelity Investments as of 3/31/2016.

Second Quarter Investment Strategy and Outlook

Investment Strategy

- Seeking to preserve principal, maintain liquidity and achieve superior risk-adjusted performance
 - Emphasize fundamental and macro research in formulating portfolio structures
 - Increase prime fund liquidity given heightened redemption risk associated with regulatory reform
 - Manage weighted average maturities (WAM) and weighted average life (WAL) constraints to enhance NAV stability, liquidity and performance
 - Position portfolios based on our assessment of relative value across the money market yield curve within the context of our approved credits

Outlook

- US economy starts 2016 slowly
 - Weak 1Q GDP - Recent economic data stabilize as dollar weakens and oil & commodities rally
 - Improvements in China may reduce the headwind to global growth going forward
 - Growing wage pressures, political uncertainty, higher interest rates may reduce hiring and investment plans
 - Ageing/retiring workforce and the elevated level of global debt continue to weigh on the medium-term outlook
- Monetary policy divergence remains the key macro theme
 - Global market volatility remains elevated
 - Fed's forward guidance suggest two rate hikes in 2016 while the ECB and BOJ expanded accommodation
 - Fed futures are pricing in about 50% probability of one rate hike by December 2016
- Supply adjusting to market demands
 - Fed's RRP facility increased to \$2 trillion from \$300 billion
 - Treasury has announced increased Bill issuance and is exploring a 2-week and 2-month Bill
 - B/D repo books are high as a result of foreign central banks selling Treasuries and GSEs to fund operations



Appendix – Organizational Overview

Asset Management

Premier global institutional asset manager

History

Fidelity Founded in 1946

Fidelity has been managing
Fixed Income Since 1971

Global Multi-Asset Class
Solutions Provider

People

**Global Investment
Professionals:** **876**

**Fixed Income
Professionals:** **206**
Research: 104
Trading: 34
Portfolio Management: 41
Other: 27

Assets

**Fidelity Assets Under
Management:** **\$2.1T**

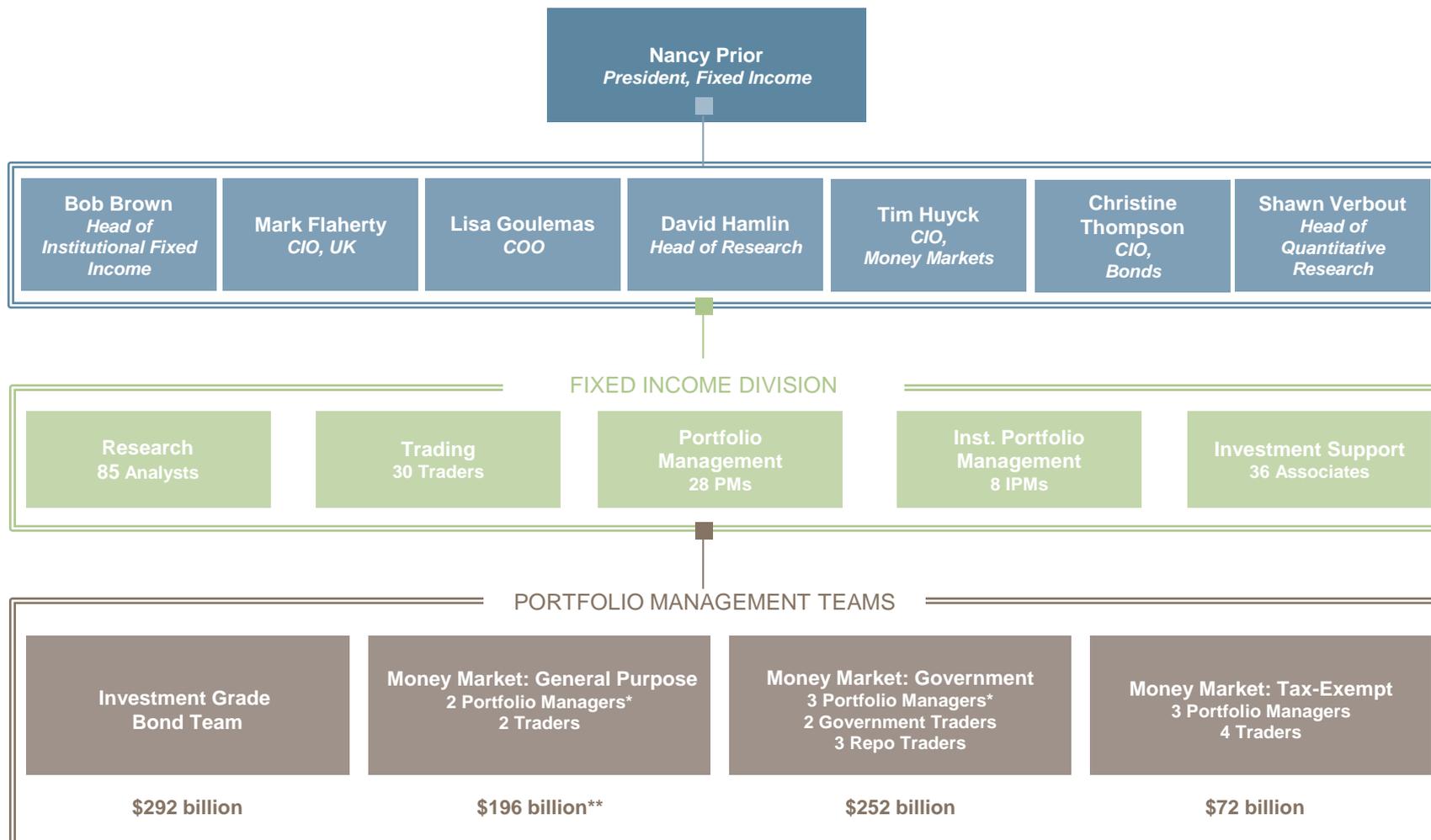
Fixed Income Assets: **\$898.6B**
Bond Assets: \$378.8B
Money Market Assets: \$519.8B

Assets noted are as of December 31, 2015.

Investment professionals described include the combined resources of FIAMSM and Fidelity Investments as of December 31, 2015.

Fixed Income assets include investment grade and high income products, bond sub-portfolios of multi-asset class strategies and money market cash management vehicles.

Fixed Income Team Structure



Sources: FMR as of 12/31/2015

* Kevin Gaffney manages both general purpose and government funds

** General Purpose is comprised of General Purpose, FIAM and Cash Management

Liquidity Management Solutions Team

Dedicated and experienced team offering diverse strategies

	GOVERNMENT	GENERAL PURPOSE	MUNICIPAL	LIQUIDITY MANAGEMENT SOLUTIONS
Duration (DWAM):	Less than 60 Days	Less than 60 Days	Less than 60 Days	Less than 365 days
Quality:	Tier 1	Tier 1/Tier 2	Tier 1/Tier 2	Investment grade
Primary Sectors:	U.S. Treasury and other U.S. government securities and repurchase agreements	U.S. Treasury and other U.S. government securities and repurchase agreements, CP, CDs, corporate notes, and other private instruments	Tax-exempt securities issued by agencies of the federal government, state and local governments, and non-profit entities	Taxable and tax-exempt U.S. dollar-denominated money market and high quality investment-grade debt securities of all types, and repurchase agreements



DEDICATED RESOURCES	CIO	Tim Huyck, 28 years experience
	Portfolio Managers	Kevin Gaffney, 23 years experience Rob Mandeville, CFA, 8 years Doug McGinley, 25 years Elizah McLaughlin, CFA, 16 years Andy Messier, CFA, 20 years Maura Walsh, CFA, 23 years Michael Widrig, CFA, 25 years
	Institutional Portfolio Managers	Michael Morin, CFA, 25 years experience Kerry Pope, CFA, 26 years
	Quantitative Analysts	Shawn Verbout, Ph.D, 28 years experience Prashant Kharade, 11 years Akash Vallecha, 16 years

AUM noted as of December 31, 2015.

* General Purpose is comprised of General Purpose, FIAMSM and Cash Management.



Important Information

Not NCUA or NCUSIF insured. May lose value. No credit union guarantee.

Not a deposit of a bank.

No guarantee by the State of Rhode Island or the U.S. government or any of its agencies.

The views expressed in this statement reflect those of the portfolio manager only through the end of the period of the report as stated on the cover and do not necessarily represent the views of Fidelity or any other person in the Fidelity organization. Any such views are subject to change at any time based upon market or other conditions and Fidelity disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Fidelity fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Fidelity fund.

Past performance is no guarantee of future results. Investment return will fluctuate, therefore you may have a gain or loss when you sell shares.

Diversification does not ensure a profit or guarantee against a loss.

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Fidelity Investments Institutional Services Company, Inc., 500 Salem Street, Smithfield, RI 02917

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Before investing in the Ocean State Investment Pool Trust, consider its investment objectives, risks, charges, and expenses. For additional information, call FIISC at 855-900-OSIP (6747) for a free Investment Circular. To view the Investment Circular online, please go to <https://advisor.fidelity.com/osip>. Please read the Investment Circular carefully before you invest. The Investment Circular is the only authorized source of definitive information regarding investment in the Ocean State Investment Pool Cash Portfolio.

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