

# **Ocean State Investment Pool**

Seth Magaziner  
General Treasurer

**Annual Report**  
June 30, 2015







Thank you for your participation in the Ocean State Investment Pool (OSIP) and for recognizing the value of using this high-quality, cost-effective investment option as part of your liquidity management strategy. Now in its fourth year, OSIP has become a valuable resource for Rhode Island government finance professionals, like you, who are seeking to diversify their short-term investment portfolio while complementing existing local bank relationships.

I am pleased to present you with this year's OSIP Annual Report of financial activities for the fiscal year ended June 30, 2015. As of June 30, 2015, OSIP's one-year annualized return was 0.11%, outperforming its benchmark, Citigroup 3-Month T-Bill Index, by 0.09 percentage points. For the same 12 month period, maturity averages for the Trust ranged from 25 to 55 days. Managed by Pyramis Global Advisors, LLC, a Fidelity Investments company, OSIP has continued to be a safe and diversified investment option for Rhode Island municipalities and state agencies. As we enter into a rising interest rate environment, OSIP is well positioned to be a competitive complement to other short-term investment products.

As we move forward in the new fiscal year, I want to assure you that you can rely on OSIP to help you meet your liquidity management objectives. If you have any questions, or if you would like to share your thoughts about OSIP, please contact the OSIP Client Service team at 1-855-900-OSIP, or visit <https://advisor.fidelity.com/osip>.

Sincerely,

A handwritten signature in black ink, appearing to read "Seth Magaziner". The signature is fluid and cursive, with a long horizontal flourish at the end.

Seth Magaziner

General Treasurer  
The State of Rhode Island

Past performance is no guarantee of future results.

As of 6/30/15, the 7-Day SEC Yield for the Ocean State Investment Pool was 0.13%. As of 6/30/15, the one-year annualized return for Citigroup 3-Month T-Bill index is 0.02% Source: Fidelity Investments as of 6/30/15

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

The Ocean State Investment Pool Trust (OSIP) is offered by the State of Rhode Island and managed by Pyramis Global Advisors, LLC (Pyramis), a Fidelity Investments company. Pyramis is an investment adviser registered under the Investment Advisers Act of 1940. Fidelity Investments Institutional Services Company, Inc. (FIISC), an affiliate of Pyramis, is the servicing agent of OSIP. OSIP is not a mutual fund and is exempted from the Investment Company Act of 1940.

**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 (6474) 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.**

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

732168.1.0

# Investments June 30, 2015

Showing Percentage of Net Position

## Certificate of Deposit — 5.5%

	Yield (a)	Principal Amount	Value
<b>New York Branch, Yankee Dollar, Foreign Banks – 5.5%</b>			
Landesbank Baden-Wuerttemberg New York Branch			
7/1/15 to 7/29/15	0.16 to 0.27%	\$ 13,000,000	\$ 13,000,000
Natexis Banques Populaires New York Branch			
7/6/15	0.14	2,000,000	<u>2,000,000</u>
<b>TOTAL CERTIFICATE OF DEPOSIT</b>			
(Cost \$15,000,000) .....			<b>15,000,000</b>

## Financial Company Commercial Paper — 38.8%

ABN AMRO Funding U.S.A. LLC			
8/10/15 to 10/2/15	0.28 to 0.29	13,400,000	13,393,956
BNP Paribas Finance, Inc.			
7/6/15	0.27	9,000,000	8,999,663
BNP Paribas New York Branch			
7/6/15	0.20	3,000,000	2,999,917
Commonwealth Bank of Australia			
7/13/15 to 11/25/15	0.28 (c)	9,000,000	9,000,194
Credit Agricole CIB			
9/1/15	0.30	2,000,000	1,998,967
DNB Bank ASA			
8/24/15	0.30	10,000,000	9,995,500
JPMorgan Securities LLC			
11/2/15 to 12/11/15	0.31 to 0.39 (c)	7,000,000	7,000,000
Landesbank Baden-Wuerttemberg			
7/2/15	0.16	1,000,000	999,996
Mitsubishi UFJ Trust & Banking Corp.			
9/1/15 to 10/8/15	0.27 to 0.31	11,000,000	10,992,948
Natexis Banques Populaires New York Branch			
7/31/15	0.31	2,000,000	1,999,483
Nationwide Building Society			
7/27/15 to 9/8/15	0.44	5,000,000	4,996,847
PNC Bank NA			
8/7/15	0.35	1,000,000	999,640
Skandinaviska Enskilda Banken AB			
7/8/15 to 9/18/15	0.14 to 0.27	5,800,000	5,797,581
State Street Corp.			
12/15/15	0.45	1,000,000	997,913

See accompanying notes which are an integral part of the financial statements.

## Investments - continued

### Financial Company Commercial Paper – continued

	Yield (a)	Principal Amount	Value
Sumitomo Mitsui Banking Corp.			
10/13/15	0.32%	\$ 10,000,000	\$ 9,990,756
Sumitomo Trust & Banking Co. Ltd.			
8/27/15 to 8/31/15	0.26 to 0.29	12,000,000	11,994,343
Toronto Dominion Holdings (U.S.A.)			
11/25/15	0.31	4,000,000	<u>3,994,937</u>
<b>TOTAL FINANCIAL COMPANY COMMERCIAL PAPER</b>			
(Cost \$106,152,641) .....			<b><u>106,152,641</u></b>

### Asset Backed Commercial Paper – 12.1%

Atlantic Asset Securitization Corp. (Credit Agricole CIB Guaranteed)			
7/1/15	0.14	1,605,000	1,605,000
8/3/15	0.24 (c)	12,000,000	11,999,561
Autobahn Funding Co. LLC (Liquidity Facility DZ BANK AG)			
7/1/15	0.12	3,000,000	3,000,000
Manhattan Asset Funding Co. LLC (Liquidity Facility Sumitomo Mitsui Banking Corp.)			
7/2/15	0.18	2,000,000	1,999,990
7/2/15	0.14	2,000,000	1,999,992
7/2/15	0.18	1,000,000	999,995
7/8/15	0.13	4,000,000	3,999,899
Sheffield Receivables Corp. (Barclays Bank PLC Guaranteed)			
7/13/15	0.30	1,000,000	999,900
7/14/15	0.22	1,500,000	1,499,881
7/28/15	0.30	1,000,000	999,775
7/8/15	0.15	2,000,000	1,999,942
9/11/15	0.35	1,000,000	999,300
9/24/15	0.40	1,000,000	<u>999,056</u>
<b>TOTAL ASSET BACKED COMMERCIAL PAPER</b>			
(Cost \$33,102,291) .....			<b><u>33,102,291</u></b>

See accompanying notes which are an integral part of the financial statements.

**Other Commercial Paper – 9.9%**

	Yield (a)	Principal Amount	Value
Caisse centrale Desjardins			
7/2/15 to 7/6/15	0.12 to 0.13%	\$ 13,000,000	\$ 12,999,941
Florida Power & Light Co.			
7/2/15 to 7/6/15	0.23 to 0.24	3,000,000	2,999,955
Nordea Bank AB			
11/20/15 to 12/11/15	0.35 to 0.38	10,000,000	9,985,525
Sempra Global			
7/27/15	0.50	1,000,000	999,639
<b>TOTAL OTHER COMMERCIAL PAPER</b>			
(Cost \$26,985,060) .....			<b>26,985,060</b>

**Other Note – 2.6%****Medium-Term Notes – 2.6%**

Dominion Resources, Inc.			
8/13/15	0.39 (b)(c)	1,000,000	1,000,000
International Bank Reconstruction & Development			
10/28/15	0.30	1,000,000	1,000,000
Svenska Handelsbanken AB			
12/15/15 to 12/24/15	0.36 (b)(c)	5,000,000	5,000,000
<b>TOTAL OTHER NOTE</b>			
(Cost \$7,000,000) .....			<b>7,000,000</b>

**Other Instrument – 8.0%****Time Deposits – 8.0%**

Bank of Tokyo-Mitsubishi			
7/1/15	0.05	2,000,000	2,000,000
Barclays Bank PLC			
7/1/15	0.12	13,000,000	13,000,000
Credit Agricole CIB			
7/1/15	0.07	6,000,000	6,000,000
ING Bank NV			
7/2/15	0.14	1,000,000	1,000,000
<b>TOTAL OTHER INSTRUMENT</b>			
(Cost \$22,000,000) .....			<b>22,000,000</b>

See accompanying notes which are an integral part of the financial statements.

## Investments - continued

### Other Municipal Debt — 0.7%

	Principal Amount (a)	Value
<b>Ohio — 0.7%</b>		
Ohio Wtr. Dev. Auth. Rev. Bonds 0.381%, tender 5/1/16 (c)		
(Cost \$1,900,000) .....	\$ 1,900,000	<b>\$ 1,900,000</b>

### Government Agency Repurchase Agreement — 10.7%

	Maturity Amount	
In a joint trading account at:		
0.11% dated 6/30/15 due 7/1/15 (Collateralized by U.S. Government Obligations) # .....	\$12,263,039	12,263,000
0.15% dated 6/30/15 due 7/1/15 (Collateralized by U.S. Government Obligations) # .....	16,018,067	16,018,000
With Mizuho Securities U.S.A., Inc. at 0.18%, dated 5/15/15 due 7/7/15 (Collateralized by U.S. Treasury Obligations valued at \$1,020,319, 2.13%, 2/29/16) .....	1,000,455	<u>1,000,000</u>
<b>TOTAL GOVERNMENT AGENCY REPURCHASE AGREEMENT</b>		
(Cost \$29,281,000) .....		<b><u>29,281,000</u></b>

### Other Repurchase Agreement — 12.1%

#### Other Repurchase Agreement — 12.1%

With:

Citigroup Global Markets, Inc. at 1.15%, dated 6/11/15 due 11/2/15 (Collateralized by Corporate Obligations valued at \$1,080,690, 0.7%, 5/11/35) .....	1,006,708	1,000,000
ING Financial Markets LLC at 0.2%, dated 6/30/15 due 7/1/15 (Collateralized by Equity Securities valued at \$1,080,032) .....	1,000,006	1,000,000
J.P. Morgan Clearing Corp. at:		
0.34%, dated:		
6/8/15 due 7/7/15 (Collateralized by Equity Securities valued at \$1,087,242) .....	1,000,283	1,000,000
6/10/15 due 7/7/15 (Collateralized by Equity Securities valued at \$1,087,176) .....	1,000,264	1,000,000
6/26/15 due 7/7/15 (Collateralized by Equity Securities valued at \$1,087,022) .....	1,000,293	1,000,000
0.78%, dated 5/28/15 due 9/28/15 (Collateralized by Corporate Obligations valued at \$1,087,773, 2.25%, 5/1/17 – 11/15/18) .....	1,003,488	1,000,000
J.P. Morgan Securities, LLC at:		
0.25%, dated 6/24/15 due 7/1/15 (Collateralized by U.S. Government Obligations valued at \$1,030,310, 5.86%, 3/25/44) .....	1,000,049	1,000,000

See accompanying notes which are an integral part of the financial statements.



## Other Repurchase Agreement – continued

	Maturity Amount	Value
<b>Other Repurchase Agreement – continued</b>		
With: – continued		
J.P. Morgan Securities, LLC at:		
0.78%, dated 5/13/15 due 9/28/15 (Collateralized by Equity Securities valued at \$1,088,119) .....	\$ 1,003,900	\$ 1,000,000
Merrill Lynch, Pierce, Fenner & Smith at:		
0.2%, dated 6/30/15 due 7/1/15 (Collateralized by Equity Securities valued at \$1,080,066) .....	1,000,006	1,000,000
0.28%, dated 6/25/15 due 7/2/15 (Collateralized by U.S. Government Obligations valued at \$1,030,048, 3%, 10/15/39) .....	1,000,054	1,000,000
0.5%, dated 6/30/15 due 7/1/15 (Collateralized by Mortgage Loan Obligations valued at \$1,050,015, 3.5%, 9/25/43) .....	1,000,014	1,000,000
0.81%, dated 5/7/15 due 8/5/15 (Collateralized by Equity Securities valued at \$6,488,100) .....	6,012,150	6,000,000
0.87%, dated:		
6/8/15 due 8/6/15 (Collateralized by Commercial Paper Obligations valued at \$1,050,585, 7/21/15)	1,001,426	1,000,000
6/25/15 due 8/5/15 (Collateralized by Commercial Paper Obligations valued at \$2,100,305, 7/21/15)	2,001,982	2,000,000
0.96%, dated 6/30/15 due 10/30/15 (Collateralized by Commercial Paper Obligations valued at \$1,050,029, 7/21/15) .....	1,003,253	1,000,000
Mizuho Securities U.S.A., Inc. at 0.18%, dated 6/30/15 due 7/1/15 (Collateralized by U.S. Treasury Obligations valued at \$12,240,142, 1.75%, 9/30/19)	12,000,060	<u>12,000,000</u>
<b>TOTAL OTHER REPURCHASE AGREEMENT</b> (Cost \$33,000,000) .....		<b><u>33,000,000</u></b>
<b>TOTAL INVESTMENT PORTFOLIO – 100.4%</b> (Cost \$274,420,992) .....		<b><u>274,420,992</u></b>
<b>Other Assets, Less Liabilities – (0.4)%</b>		
Other Assets .....		5,017,961
Less Liabilities .....		<u>6,038,609</u>
		(1,020,648)
<b>NET POSITION – 100%</b> .....		<b><u>\$ 273,400,344</u></b>

See accompanying notes which are an integral part of the financial statements.

## Investments - continued

### Legend

(a) Yield represents either the annualized yield at the date of purchase, or the stated coupon rate, or, for floating and adjustable rate securities, the rate at period end.

(b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the end of the period, the value of these securities amounted to \$6,000,000 or 2.2% of net position.

(c) Coupon rates for floating and adjustable rate securities reflect the rates in effect at period end.

# Additional information on each counterparty to the repurchase agreement is as follows:

Repurchase Agreement / Counterparty	Value	Repurchase Agreement / Counterparty	Value
<b>\$12,263,000 due 7/01/15 at 0.11%</b>		<b>\$16,018,000 due 7/01/15 at 0.15%</b>	
BNP Paribas Securities Corp. ....	\$ 3,855,140	BNP Paribas Securities Corp. ....	\$ 718,589
Citibank NA .....	1,608,983	BNY Mellon Capital Markets LLC .....	2,482,398
Citigroup Global Markets, Inc. ....	804,492	Bank of America NA ....	6,469,913
HSBC Securities (USA), Inc. ....	1,045,839	HSBC Securities (USA), Inc. ....	180,300
Merrill Lynch, Pierce, Fenner & Smith, Inc. . .	1,127,968	Merrill Lynch, Pierce, Fenner & Smith, Inc. . .	1,998,984
Wells Fargo Securities LLC	3,820,578	Mizuho Securities USA, Inc. ....	3,396,966
	<u>\$ 12,263,000</u>	Societe Generale .....	770,850
			<u>\$ 16,018,000</u>

### Other Information

The date shown for securities represents the date when principal payments must be paid, taking into account any call options exercised by the issuer and any permissible maturity shortening features other than interest rate resets.

All investments are categorized as Level 2 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

*See accompanying notes which are an integral part of the financial statements.*

# Financial Statements

## Statement of Net Position

June 30, 2015

### Assets

Investments in securities, at amortized cost, which approximates fair value (including repurchase agreements of \$62,281,000) - See accompanying schedule .....	\$ 274,420,992
Cash .....	4,997,935
Interest receivable .....	20,026
Total assets .....	<u>279,438,953</u>

### Liabilities

Payable for investments purchased .....	\$ 5,997,677
Distributions payable .....	12,627
Accrued management fee .....	28,305
Total Liabilities .....	<u>6,038,609</u>

### Net Position (equivalent to \$1.00 Net asset value per unit

based on units outstanding) .....	\$ 273,400,344
Units outstanding .....	<u>273,400,344</u>

See accompanying notes which are an integral part of the financial statements.

## Financial Statements - continued

### Statement of Changes in Net Position

	Year Ended June 30, 2015
<b>Additions</b>	
Interest Income .....	\$ 776,693
Net realized and unrealized gain (loss) from securities transactions .....	14,163
Management fee .....	<u>(457,615)</u>
Net Investment Income .....	333,241
Affiliated share transactions at net asset value of \$1.00 per share	
Proceeds from sales of units and reinvestment of distributions .....	<u>282,616,747</u>
<b>Total additions</b> .....	<u>282,949,988</u>
<b>Deductions</b>	
Cost of units redeemed .....	508,710,579
Distributions to unit holders .....	<u>333,241</u>
<b>Total deductions</b> .....	<u>509,043,820</u>
Net increase (decrease) in net position .....	(226,093,832)
<b>Net Position</b>	
Beginning of period .....	<u>499,494,176</u>
End of period .....	<u>\$ 273,400,344</u>

See accompanying notes which are an integral part of the financial statements.

## Financial Highlights

Years ended June 30, Selected Per-Share Data	2015	2014	2013	2012 <sup>C</sup>
Net asset value, beginning of period . . . .	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations				
Net investment income (loss) <sup>E</sup> . . . . .	.001	.001	.001	.001
Distributions from net investment income . .	(.001)	(.001)	(.001)	(.001)
Net asset value, end of period . . . . .	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Total Return<sup>B</sup></b> . . . . .	.11%	.08%	.14%	.06%
<b>Ratios to Average Net Assets<sup>D</sup></b>				
Expenses before reductions . . . . .	.15%	.15%	.15%	.15% <sup>A</sup>
Expenses net of fee waivers, if any . . .	.15%	.15%	.15%	.15% <sup>A</sup>
Expenses net of all reductions . . . . .	.15%	.15%	.15%	.15% <sup>A</sup>
Net investment income (loss) <sup>E</sup> . . . . .	.11%	.08%	.14%	.19% <sup>A</sup>
<b>Supplemental Data</b>				
Net position, end of period (000 omitted) . . . . .	\$273,400	\$499,494	\$545,105	\$332,048

<sup>A</sup> Annualized

<sup>B</sup> Total returns for periods of less than one year are not annualized.

<sup>C</sup> For the period March 6, 2012 (commencement of operations) to June 30, 2012.

<sup>D</sup> Expense ratios reflect operating expenses of the Portfolio. Expenses before reductions do not reflect amounts reimbursed or waived or reductions from expense offset arrangements and do not represent the amount paid by the Portfolio during periods when reimbursements, waivers or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement and waivers but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the Portfolio.

<sup>E</sup> Adjusted to reflect realized gains or losses, if any.

See accompanying notes which are an integral part of the financial statements.

# Notes to Financial Statements

For the period ended June 30, 2015

## 1. Significant Accounting Policies.

OSIP Cash Portfolio (the Cash Portfolio) is a portfolio of the Ocean State Investment Pool Trust (OSIP or the Trust) which is an investment pool established by the General Treasurer of the State of Rhode Island under Declaration of Trust, dated January 25, 2012 under the Rhode Island Local Government Investment Pool Act Ch. 35-10.2 of the Rhode Island General Laws as amended, as a voluntary investment vehicle for funds of, and funds under custody of, agencies, authorities, commissions, boards, municipalities, political subdivisions, and other public units of the State of Rhode Island. Pyramis Global Advisors serves as the investment advisor on the Cash Portfolio as explained in note 4. The Cash Portfolio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but maintains a policy to operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940 (Rule 2a-7). In accordance with the Investment Objectives of the Rhode Island State Investment Commission, the Cash Portfolio may invest in securities that would constitute an "Eligible Security" under and as defined in Rule 2a-7 which may include certain U.S. government and government agency obligations, U.S. dollar-denominated money market securities of domestic and foreign issuers such as short-term certificates of deposits, commercial paper, corporate bonds and notes, time deposits, municipal securities, asset-backed securities and repurchase agreements. Government Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," establishes standards for accounting for investments held by government entities. The Cash Portfolio operates as a Rule 2a-7-like pool and thus, reports all investments at amortized cost rather than fair value. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. Events or transactions occurring after period end through the date the financial statements were issued, September 15, 2015, have been evaluated in the preparation of the financial statements. All applicable pronouncements required by the Governmental Accounting Standards Board (GASB) are presented in the financial statements.

The following is a summary of the significant accounting policies:

(A) *Security Valuation*. Investments are valued and net asset value per unit (NAV) is calculated as of 4:00 p.m. Eastern time on the last calendar day of the period. The Cash Portfolio categorizes the inputs to valuation techniques used to value its investments into a disclosure hierarchy consisting of three levels as shown below.

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, etc.)

## 1. Significant Accounting Policies - continued

Level 3 – unobservable inputs (including the fund's own assumptions based on the best information available)

The securities owned by the Cash Portfolio are valued at amortized cost, which approximates fair value. This method involves valuing a portfolio security initially at its cost and thereafter assuming a constant amortization to maturity of any discount or premium. Securities held by the Cash Portfolio are generally high quality and liquid; however, they are reflected as Level 2 in the hierarchy because the inputs used to determine fair value are not quoted prices in an active market.

(B) *Repurchase Agreements.* Under the Investment Guidelines of the Trust, the Cash Portfolio may invest in repurchase agreements through joint trading accounts. Affiliates of Pyramis have received an Exemptive Order from the SEC which permits accounts advised by Pyramis, among others, to use joint trading accounts to invest in repurchase agreements. These accounts are then invested in repurchase agreements that are collateralized by U.S. Treasury or Government obligations. The Cash Portfolio may also invest directly with institutions in repurchase agreements. These direct repurchase agreements are collateralized by government and non-government securities. Upon settlement date, collateral is held in segregated accounts with custodian banks and may be obtained in the event of a default of the counterparty. Collateral is marked-to-market daily and maintained at a value at least equal to the principal amount of the repurchase agreement (including accrued interest). In the event of a default by the counterparty, realization of the collateral proceeds could be delayed, during which time the value of the collateral may decline.

(C) *Federal Income Taxes.* Pursuant to Internal Revenue Code Section 115, the Cash Portfolio is not subject to federal income tax.

(D) *Distribution of Net Investment Income and Capital Gains.* Net investment income is determined at the close of business each day, and consists of (i) interest accrued or discount earned (including both original issue and market discount); (ii) plus or minus amortization of accumulated gains or losses realized on the sale of Cash Portfolio assets; (iii) less amortization of premium and the estimated expenses of the Trust applicable to the dividend period. The principal amount on inflation-indexed securities is periodically adjusted to the rate of inflation and interest is accrued based on the principal amount. The adjustments to principal due to inflation are reflected as increases or decreases to Interest in the accompanying Statement of Changes in Net Position. All net

## Notes to Financial Statements - continued

### 1. Significant Accounting Policies - continued

investment income so determined is declared as a dividend to participants each day and paid monthly.

(E) *Security Transactions.* Security transactions are accounted for as of trade date. Gains and losses on securities sold are determined on the basis of identified cost. For financial reporting purposes, the Cash Portfolio's investment holdings and net position include trades executed through the end of the last business day of the period. The NAV per unit for processing unit holder transactions is calculated as of the close of business, normally 4:00 p.m. Eastern time, on days when both the Federal Reserve Bank of Boston and the New York Stock Exchange (NYSE) are open and includes trades executed through the end of the current business day.

**New Accounting Pronouncement.** The GASB issued in February 2015 Statement No. 72, Fair Value Measurement and Application, which prescribes how state and local governments should define and measure fair value. The disclosure requirements are effective for annual reporting periods beginning on or after June 15, 2015. The State of Rhode Island is currently evaluating the impact of this update's adoption on the Portfolio's financial statement disclosures

### 2. Investment Risk Disclosure

**(A) Interest Rate Risk.** The Cash Portfolio's Investment Guidelines follow, with certain exceptions, Rule 2a-7 as it pertains to portfolio quality, maturity, diversification and liquidity. Interest rate risk is managed by limiting the weighted average maturity and weighted average life of its investments to not exceed 60 days and 120 days, respectively. The risk associated with changes in interest rates could adversely affect the fair value of the investment. The Cash Portfolio uses the Segmented Time Distribution (Investment Maturities) as the method of disclosure.

Investment Type	at Fair Value	Investment Maturities (in days) (at Amortized Cost)			
		0 - 30	31 - 90	91 - 180	181 - 397
Certificates of Deposit	\$ 15,000,319	\$ 15,000,000	\$ —	\$ —	—
Financial Company					
Commercial Paper	106,162,554	19,799,207	51,376,137	34,977,297	—
Asset Backed Commercial					
Paper	33,103,118	19,104,374	13,997,917	—	—
Other Commercial Paper	26,986,752	16,999,535	—	9,985,525	—
Other Note	7,000,028	—	1,000,000	6,000,000	—



## 2. Investment Risk Disclosure - continued

### (A) Interest Rate Risk - continued

Investment Type	at Fair Value	Investment Maturities (in days) (at Amortized Cost)			
		0 - 30	31 - 90	91 - 180	181 - 397
Other Instrument . . . . .	\$ 22,000,000	\$ 22,000,000	\$ —	\$ —	\$ —
Other Municipal Debt . . .	1,899,962	—	—	—	1,900,000
Government Agency Repurchase Agreement	29,281,000	29,281,000	—	—	—
Other Repurchase Agreement . . . . .	33,004,305	20,000,000	11,000,000	2,000,000	—
<b>Grand Total . . . . .</b>	<b>\$ 274,438,038</b>	<b>\$ 142,184,116</b>	<b>\$ 77,374,054</b>	<b>\$ 52,962,822</b>	<b>\$ 1,900,000</b>

**(B) Credit Risk.** Risk that the issuer or counterparty to an investment may default. The Cash Portfolio's investments are required to be invested in only the "highest quality securities" defined as being rated in one of the highest categories by at least two Nationally Recognized Statistical Rating Organizations. Credit quality for the Cash Portfolio represents ratings assigned at the security level or ratings assigned to the entities that issue the securities. Repurchase Agreements in a joint trading account have been classified by PGATC and approved by the General Treasurer as P1. The Cash Portfolio uses ratings from Moody's Investors Services, Inc. Where Moody's ratings are not available, S&P ratings have been used. Credit ratings for the securities held are shown in the table below.

Investment Type	at Fair Value	A-1+	A-1	A-2
Certificates of Deposit . . . . .	\$ 15,000,319	\$ 13,000,000	\$ 2,000,000	\$ —
Financial Company Commercial Paper . . . . .	106,162,554	13,995,127	92,157,515	—
Asset Backed Commercial Paper . .	33,103,118	3,000,000	30,102,290	—
Other Commercial Paper . . . . .	26,986,752	9,985,525	12,999,941	3,999,594
Other Note . . . . .	7,000,028	6,000,000	—	1,000,000
Other Instrument . . . . .	22,000,000	—	9,000,000	13,000,000
Other Municipal Debt . . . . .	1,899,962	1,900,000	—	—
Government Agency Repurchase Agreement . . . . .	29,281,000	28,281,000	1,000,000	—
Other Repurchase Agreement . . . .	33,004,305	—	33,000,000	—
<b>Grand Total . . . . .</b>	<b>\$ 274,438,038</b>	<b>\$ 76,161,652</b>	<b>\$ 180,259,746</b>	<b>\$ 17,999,594</b>

## Notes to Financial Statements - continued

### 2. Investment Risk Disclosure - continued

**(C) Custodial Credit Risk.** Risk that in the event of the failure of the counterparty the Cash Portfolio will not be able to recover the value of its investments. The Federal Deposit Insurance Corporation (FDIC) provides insurance protection up to \$250,000 for deposits in the Cash Portfolio's custodian bank account. Net Other Assets may include cash and receivables and payables related to open security or capital stock trades. As of June 30, 2015, cash balances contributing to Net Other Assets totaled \$4,997,935.

**(D) Concentration of Credit Risk.** Risk associated with losses that may occur due to lack of diversification. Concentration of credit risk is mitigated by limiting the percentage invested with any one issuer. The Cash Portfolio's Investment Circular limits the maximum investment, at the time of purchase, in the securities of any single issuer to 5% of the portfolio. Obligations issued by the U.S. government, U.S. government agencies, U.S. government-sponsored enterprises or in repurchase agreements collateralized fully by such obligations are exempt from this limitation. As of June 30, 2015 no holdings exceeded this limit.

**(E) Other.** The Cash Portfolio is subject to other various business and market risks. The value of investments made for the Cash Portfolio may increase as well as decrease. No guarantees as to any specific level of performance of the assets or to support the value of units has been obtained or provided by the State of Rhode Island.

### 3. Units of Participation.

The beneficial interest for the Cash Portfolio shall at all times be divided into an unlimited number of units.

### 4. Management Fee.

The Cash Portfolio pays one all-inclusive management fee for the investment management, custody, administrative and other participant services. These fees are paid to Pyramis pursuant to a contract dated February 28, 2012. Pyramis is responsible for paying all operating expenses (excluding expenses of the Trustee, brokerage fees, commissions, taxes and extraordinary non-recurring expenses); no direct fees are charged to participants. Under its contract, Pyramis provides advice and assistance in the selection of portfolio investments; provides all necessary office space, facilities, and personnel; assists in providing participant communications; pays all operating expenses of the Cash Portfolio; and generally maintains the Cash Portfolio's organization.

#### **4. Management Fee - continued**

For these services and the assumption of all operating expenses of the Cash Portfolio, the Cash Portfolio pays Pyramis a fee that is calculated daily and paid monthly. The fee for the Cash Portfolio is based on a graduated series of rates ranging from .138% to .148% of average net assets. The rates decrease as assets under management increase and increase as assets under management decrease. For the fiscal year ended June 30, 2015, the fee amounted to \$457,615 and was equivalent to an annual rate of .146% of average net assets for the period.

Fidelity Investments Institutional Operations Company, Inc., an affiliate of Pyramis, performs the processing activities associated with the transfer agent and participant servicing functions for the Cash Portfolio. Fidelity Service Company, Inc., an affiliate of Pyramis, determines the net asset value per unit and income distributions and maintains the portfolio and general accounting records of the Cash Portfolio. The Cash Portfolio does not pay any additional fees for these services.

#### **5. Other Information.**

At the end of the period, the State of Rhode Island or its agencies, authorities, commission, boards, municipalities, political subdivisions, or other public units were the owners of record of 100% of the total outstanding units of the Cash Portfolio.

# Report of Independent Registered Public Accounting Firm

To the Trustees of the Ocean State Investment Pool:

We have audited the accompanying financial statements of the Ocean State Investment Pool (a fund of the Ocean State Investment Pool Trust) ("the Fund"), which comprise the statement of net position, including the schedule of investments as of June 30, 2015, and the related statement of changes in net position and the financial highlights for the year then ended. These financial statements and financial highlights are hereafter collectively referred to as "financial statements."

## ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's Internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ocean State Investment Pool at June 30, 2015 and the results of its operations, changes in its net position and the financial highlights for the

year then ended, in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

The financial statements present only the Ocean State Investment Pool and do not purport to, and do not, present fairly the net position of the State of Rhode Island at June 30, 2015 or the changes in its net position for the period then ended.

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 2015 on our consideration of the Ocean State Investment Pool's internal control over financial reporting and our tests of their compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Supplemental Schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP  
Boston, Massachusetts  
September 15, 2015

# Supplemental Schedules

## Statement of Net Position

June 30, 2015

	Primary Government - State of Rhode Island	Component Units	External Government Entities	Total Portfolio
<b>Assets</b>				
Investments in securities, at amortized cost, which approximates fair value (including repurchase agreements of \$62,281,000) - See accompanying schedule .....	\$ 258,421,412	\$ 10,166,868	\$ 5,832,712	\$ 274,420,992
Cash .....	4,706,540	185,166	106,229	4,997,935
Interest receivable .....	18,858	742	426	20,026
<b>Total assets</b> .....	<u>263,146,810</u>	<u>10,352,776</u>	<u>5,939,367</u>	<u>279,438,953</u>
<b>Liabilities</b>				
Payable for investments purchased .....	\$ 5,647,994	\$ 222,205	\$ 127,478	\$ 5,997,677
Distributions payable .....	11,891	468	268	12,627
Accrued management fee .....	26,655	1,048	602	28,305
<b>Total Liabilities</b> .....	<u>5,686,540</u>	<u>223,721</u>	<u>128,348</u>	<u>6,038,609</u>
<b>Net Position</b> (equivalent to \$1.00 Net asset value per unit based on units outstanding) .....				
	\$ 257,460,270	\$ 10,129,055	\$ 5,811,019	\$ 273,400,344
Units outstanding .....	<u>257,460,270</u>	<u>10,129,055</u>	<u>5,811,019</u>	<u>273,400,344</u>

## Statement of Changes in Net Position

For the Year Ended June 30, 2015

	Primary Government - State of Rhode Island	Component Units	External Government Entities	Total Portfolio
<b>Additions</b>				
Interest Income . . . . .	\$ 737,385	\$ 26,342	\$ 12,966	\$ 776,693
Net realized and unre- alized gain (loss) from securities transactions . . . . .	13,447	480	236	14,163
Management fee . . . . .	(434,456)	(15,520)	(7,639)	(457,615)
Net Investment Income . .	316,376	11,302	5,563	333,241
Affiliated share transactions at net asset value of \$1.00 per share				
Proceeds from sales of units and reinvestment of distributions . . . . .	280,549,912	11,302	2,055,533	282,616,747
<b>Total additions . . . . .</b>	<b>280,866,288</b>	<b>22,604</b>	<b>2,061,096</b>	<b>282,949,988</b>
<b>Deductions</b>				
Cost of units redeemed	507,149,341	—	1,561,238	508,710,579
Distributions to unit holders . . . . .	316,376	11,302	5,563	333,241
<b>Total deductions . . . . .</b>	<b>507,465,717</b>	<b>11,302</b>	<b>1,566,801</b>	<b>509,043,820</b>
Net increase (decrease) in net position . . . . .	(226,599,429)	11,302	494,295	(226,093,832)
<b>Net Position</b>				
Beginning of period . . .	484,059,699	10,117,753	5,316,724	499,494,176
End of period . . . . .	<u>\$ 257,460,270</u>	<u>\$ 10,129,055</u>	<u>\$ 5,811,019</u>	<u>\$ 273,400,344</u>

## **Trustee**

Seth Magaziner

## **Investment Adviser**

Pyramis Global Advisors, LLC

## **Custodian**

State Street Bank & Trust Company

## **Independent Auditors**

PricewaterhouseCoopers LLP