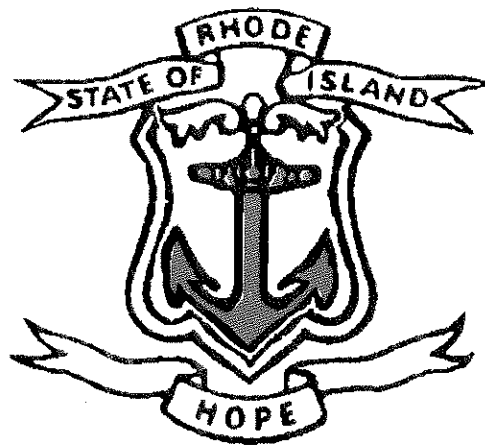


# State of Rhode Island and Providence Plantations



Office of the General Treasurer

Nancy J. Mayer  
General Treasurer

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING  
JANUARY 28, 1997**

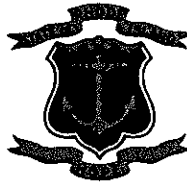
**GEORGE A. CREPEAU**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Hon. Nancy J. Mayer, Chair**

**Robert L. Carl, Jr., Ph.D.  
Rep. Mark B. Heffner  
Mr. James M. Seed**

**Mr. Kenneth R. Dulgarian  
Mr. Karl F. Ericson  
Sen. M. Teresa Paiva Weed**



State of Rhode Island and Providence Plantations

Office of the General Treasurer

102 State House

Providence, Rhode Island 02903

Telephone  
(401) 277-2397

Fax  
(401) 277-6140

Nancy J. Mayer  
General Treasurer

RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE

The next meeting of the Rhode Island State Investment Commission has been scheduled for Tuesday, January 28, 1997 at 9:00 a.m. in Room 135 of the State House.

AGENDA

STATE INVESTMENT COMMISSION  
Regular Meeting to be Held on January 28, 1997

1. Approval of Minutes
  - Regular Meeting held on December 17, 1996
2. Pacific Corporate Advisors, Inc.
  - Proposed Alternative Investment - SKM Equity Fund II, L.P. (\$10 million)
3. Section 457 Deferred Compensation Program
  - Interviews of Finalists
4. General Consultant's Report - Wilshire Associates Incorporated
  - Capital Market Update
5. Investment Manager Review
  - Fidelity Management Trust Company
6. Proposed Amendment to Statement of Investment Policies for Wilshire 3000 Index Portfolio
7. Treasurer's Report
  - Possible Change of Meeting Dates for February and April Meetings
8. Deputy General Treasurer for Finance Report
9. Legal Counsel Report
10. New Business

**State of Rhode Island and Providence Plantations  
STATE INVESTMENT COMMISSION**

**Minutes of the Regular Meeting  
December 17, 1996**

The following members were present at the meeting held in Room 135, State House, Providence: Mr. Leonard Clingham, Designee of the Director of Administration, Mr. Karl F. Ericson, General Treasurer Nancy J. Mayer, Chair and Mr. James M. Seed. Also present were Ms. Barbara Braun Schoenfeld, Legal Counsel to the Commission, Mr. William G. Bensus, Jr., of Wilshire Associates Incorporated, Consultant to the Commission, Mr. James E. Thorsen, Deputy Treasurer for Finance and other members of the Treasurer's Staff. The following members were absent: Mr. Kenneth R. Dulgarian, Representative Mark B. Heffner and Senator M. Teresa Paiva Weed.

There being a quorum present, Treasurer Mayer called the meeting to order at 9:20 a.m.

Minutes. Mr. Seed moved, Mr. Ericson seconded, and the following motion passed unanimously. The following members voted in favor: Mr. Clingham, Mr. Ericson, Treasurer Mayer and Mr. Seed.

**VOTED: To approve the Minutes of the October 22, 1996 Regular Meeting.**

Scudder, Stevens & Clark, Inc. Mr. Bensus gave a brief overview of Scudder, Stevens & Clark, Inc. which was retained in the first quarter of 1994 to provide a strategic allocation to the Pacific Basin equity markets. The allocation managed by Scudder represents 3.9% of the total fund and 38.3% of the international equity composite. Scudder is overweighted in the multi-industry sector and underweighted in the consumer goods sector. He reviewed their objectives and stated that they had failed to meet objectives for one-year, two-years and since inception comparisons. However, value has been added during 1996.

Mr. Bensus introduced Mr. Brian Harris, Vice President, Ms. Theresa Gusman, Vice President and Mr. Nicholas Bratt, Managing Director of Global Equity. Mr. Bratt reviewed performance and summarized the problems in 1995 which were: 1) stock selection in Australia, Malaysia and New Zealand which was not positive; and 2) the extraordinary weakness in some Pacific Basin markets; namely, India, Taiwan and Philippines. The portfolio's underweighting in Japan caused underperformance in 1994. Positive Australia, Thai and Japan stock selection has contributed to the more solid performance in 1996.

Ms. Gusman then reviewed the structure of the portfolio. She stated that Indonesia is one of the top performing Asian markets in 1996, being up 25%. The stock selection was disappointing through the first 9 months of 1996, but the companies are excellent and returns have improved enormously in the last quarter of 1996. She

reviewed the company characteristics and the country considerations they look for as well as their investment approach. Ms. Gusman explained that Ms. Elizabeth J. Allan, Principal, specializes in Japan and Ms. Gusman specializes in the rest of Asia; she and Ms. Allan comprise the management team for the portfolio. They bring complimentary skill sets to the process and believe going forward that they will improve the performance.

A discussion followed regarding Scudder's performance. It was agreed by Commission members to place Scudder, Stevens & Clark, Inc. on probation until June 30, 1997 and to so notify them. Mr. Thorsen reminded the Commission that he has recently completed a rebalancing of the portfolio and he had not yet funded Scudder. It was recommended by the Commission not to transfer additional funds to Scudder in the rebalancing. Instead, the \$60 million of funds that otherwise would have gone to Scudder, will be allocated to Alliance Capital Management.

Consultant's Report - Wilshire Associates Incorporated. Providing his Capital Market Update, Mr. Bensus stated that inflation reports and comments from the Federal Reserve Chairman recently generated increased volatility in the stock and bond markets. Through December 13, 1996: large growth stocks continue to outperform large value stocks by 7.8% and large stocks continue to lead small stocks by 5.5%.

The UK/Europe region continues to be one of the best performing categories in international markets. They have generated a 4.5% return. The bond market has generated a 3.6% return. The bond market fell recently due to concerns over inflation and the slowing of Japanese investment in U.S. Treasury bonds.

NOTE: Mr. Clingham left the meeting at 11:00 a.m.

Mr. Bensus then gave a summary of investment performance through the third quarter of 1996. He reviewed the pension fund's asset allocation policy and the fund's asset allocation as of 9/30/96. He stated that the total fund was up 8.4% through 9/30/96. He reviewed the performance of each investment manager.

Emerging Markets Equity Investment Manager Search. Treasurer Mayer and Mrs. Schoenfeld reported that they had completed three due diligence site visits to Emerging Markets Semi-finalists and had an additional three coming up in mid-January in London.

Ethics Commission Regulation. Mrs. Schoenfeld reported that the Ethics Commission has proposed three different sets of regulations which will affect members of the Commission. Each proposal is divided into various options. She explained what the impact might be on Commission members and how they might be exposed to charges of an ethics violation. She distributed copies of her testimony at the last hearing, along with copies of the most recent draft of the regulations. She also informed the Commission members that a hearing was scheduled for December 18, 1996 at noon.

NOTE: Mr. Ericson left the meeting at 11:50 a.m.

Section 457. Mrs. Schoenfeld reported that 10 responses to the Request for Proposal were received and they are in the process of being analyzed by the selection team.

She clarified a point that new participants in the Section 457 Program will only be allowed to invest in the new investment program and would not be permitted to participate in the insurance-based programs offered by Aetna and VALIC.

There being no further business, the meeting was adjourned at 12:00 p.m.

Respectfully submitted,

Barbara Braun Schoenfeld  
Legal Counsel to the  
State Investment Commission

# RHODE ISLAND STATE INVESTMENT COMMISSION

## STAFF SUMMARY ANALYSIS

### DECEMBER 1996 PORTFOLIO HIGHLIGHTS

#### MARKET VALUES

The total portfolio value decreased in December by \$27.95 Million to \$4,686.7 Billion (-0.27%). This compares with an increase in value of \$35.6 Million (+0.94%) for the same period in 1995.

The equity market value decreased by \$11 Million (-0.50%). Fixed Income values decreased by \$18.2 Million (-1.02%), compared to the Lehman aggregate long term index of -0.93%. International equities increased by \$4.9 Million (+0.49%). Alternative investments decreased by \$5 Million, net of capital calls; real estate values decreased by \$5.6 Million due primarily to the sale and transfer out of an Aetna property; cash increased by \$7.1 Million.

- The top three equity manager performers for December were as follows:

<i>Manager</i>	<i>Market Value Gains (\$)</i>	<i>Percentage Gains</i>
J&W Seligman	\$6.9 Million	+5.24%
HLM Mgmt	0.7 "	+3.42%
Babson	3.9 "	+2.77%

- Brown Brothers' fixed income portfolio decreased in value by \$713,416 (-0.28%) adjusting for the transfer of \$20 Million to Loomis Sayles. Fleet's fixed income portfolio decreased in value by \$15.8 Million, (-1.51%), while Fidelity's value decreased by \$994,168 (-0.58%).

#### ASSET ALLOCATION

- Despite the recent major rebalancing, we continue to report slight over-allocation in domestic equities as well as fixed-income, due primarily to the continued market appreciation, while being under-allocated in real estate, international equities, and alternative investments.
- Cash and equivalents increased from \$174.8 Million to \$185.4 Million.

#### INVESTMENT MANAGER FUNDING

- Two cash distributions totaling \$6,692,469 were received from the Crossroads Providence Partnership; a \$670,903 distribution was forthcoming from Heitman Realty Partnership and a return of capital amounting to \$4,691,431 was received from Aetna after the sale of an investment property.

- Supplemental funding for \$79,616 was provided to ABS Capital Partnership, and \$100,000 to Boston Venture Partners. Initial funding for \$839,614 was provided to the Providence Equity Partnership.

At this time, all managers are essentially fully funded with the exception of the alternative investment asset class, which has an unfunded balance of approximately \$187.5 Million.

### COMMISSIONS/EXPENSES

#### DECEMBER

- The average commission cost per share was \$.041 cents, slightly higher than the previous month's \$.039 cents.
- Total shares traded in November were 1.0 million, down more than 50% from the previous month.
- Commissions paid for the month were only \$42,875, due to the lower trading volume.
- There were 292 commissionable trades during December, down substantially from 527 in November.
- During November a total of \$1,337,775 was paid for investment management and consultant fees, versus \$925,196 for the comparable period in 1995.
- Expenses for fiscal 1997 are in line with budget expectations and market conditions.

### CASH FLOW

December's combined state and teacher contributions were insufficient to cover the month's pension payroll, requiring a transfer of \$4,500,000 from the long term portfolio; municipal contributions were also insufficient to meet pension payroll and required a transfer of \$1,000,000 from the long term plan.

### SHORT TERM CASH

The short term cash portfolio had a 23.34 day weighted average maturity vs 30.23 days in November.



RHODE ISLAND STATE INVESTMENT COMMISSION

STAFF SUMMARY ANALYSIS

CALENDAR YEAR 1996

PORTFOLIO HIGHLIGHTS

MARKET VALUES

<i>Calendar</i>	<i>Beginning Value</i>	<i>Ending Value</i>	<i>Dollar Change</i>	<i>% Change</i>	<i>Time-Weighted Return</i>
1996	4,145,573,896	4,686,722,050	541,148,154	13.05%	15.36%
1995	3,353,992,356	4,145,573,896	791,581,540	23.60%	23.82%

INVESTMENT MANAGER CHANGES

<i>Manager</i>	<i>Date</i>	<i>Style</i>	<i>Amount</i>
HLM Management	Jan 1996	Equity/Small Growth	20,000,000
ValueQuest	Jan 1996	Equity/Contrarian	20,000,000
Taplin, Canida, Habacht	Jan 1996	Fixed Income/Corporates	20,000,000
(Penn Capital)	Jan 1996	Fixed Income	(15,000,000)
Loomis Sayles	Aug 1996	High Yield/Convertible	180,000,000

MANAGER FUNDS TRANSFERRED DURING 1996

<i>Date</i>	<i>From</i>	<i>Amount</i>	<i>Reason</i>	<i>To</i>	<i>Amount</i>
Jan 3	Fleet Equities Fleet Equities	15,000,000 60,000,000	Funding	HLM Mgmt Penn Capital Taplin Canida ValueQuest	20,000,000 15,000,000 20,000,000 20,000,000
Mar 23	Alliance Capital	20,000,000	Rebalancing	Scudder	20,000,000
Mar 29	Fleet Equities Brinson Provident	63,000,000 50,000,000 31,000,000	Rebalancing	Fidelity Schroder Scudder Brown Bros	50,000,000 25,000,000 25,000,000 44,000,000
Apr 4	Fleet Equities Provident	22,000,000 9,000,000	Rebalancing	Brown Bros	31,000,000
Aug 1	Provident Cash in Trust Cash outside Tr	15,000,000 20,000,000 15,000,000	Funding	Loomis Sayles	50,000,000
Sep 3	Fleet Equities Brown Bros Cash in Trust Cash outside Tr	22,000,000 20,000,000 5,000,000 3,000,000	Funding	Loomis Sayles	50,000,000
Oct 31	Fleet Equities	83,000,000 ** 56,000,000	Rebalancing	Bankers	139,000,000
Nov 1	Brown Bros Provident Mackay Shield Fleet Equities Seligman	50,000,000 20,000,000 24,000,000 5,000,000 11,000,000	Rebalancing & Funding	Loomis Sayles Alliance Cash outside Tr	50,000,000 44,000,000 16,000,000
Dec 2	Brown Bros	20,000,000	Rebalancing	Loomis Sayles	20,000,000
** In-kind transfers					
TOTAL		639,000,000			639,000,000

CAPITAL CALLS

<i>Month</i>	<i>Venture Capital Fund</i>	<i>Amount</i>
January	OCM Opportunities	1,600,000
	Bigler Crossroads	220,000
February	Bigler Crossroads	156,231
March	Doughty Hanson	843,301
	OCM Opportunities	800,000
April	Doughty Hanson	97,968
	Bigler Crossroads	304,063
May	OCM Opportunities	800,000
	Welsh, Carson	750,000
	Bigler Crossroads	54,517
June	Willis Stein	861,142
	Bigler Crossroads	382,695
July	ABS Capital Partnership	238,854
	Doughty Hanson	68,715
	OCM Opportunities	800,000
	Willis Stein	370,294
	Bigler Crossroads	340,868
August	OCM Opportunities	800,000
September	Willis Stein	721,767
October	OCM Opportunities	800,000
	Bigler Crossroads	153,076
November	Boston Ventures	350,000
	OCM Principal Opportunities	500,000
	Bigler Crossroads	195,886
December	ABS Capital Partners	79,616
	Boston Ventures	100,000
	Providence Equity Partners	762,279
TOTAL		13,151,272

PAYROLL FUNDS TRANSFERRED DURING 1996

Transfers from Long Term Investments:	No. Transfers	Total Amount
Employees Retirement System	9	\$36,500,000
Municipal Employees Retirement	10	\$8,050,000
Transfers into Long Term Investments		
State Police Retirement	9	\$860,000
Judicial Retirement	9	\$563,000

MANAGER RETURNS FOR CALENDAR 1996

<i>Style</i>	<i>1996 \$ Return</i>	<i>1996 % Return</i>	<i>1996 Fees Paid</i>
<i>Equities</i>			
Fleet	134,544,183	22.06%	273,000
Bankers	88,018,239	21.52%	263,591
Provident	85,857,452	23.59%	2,379,692
Brinson	56,087,378	26.37%	708,767
Mackay Shield	47,391,348	24.03%	549,284
Babson	20,198,257	15.98%	397,339
Seligman	21,861,396	16.23%	477,226
Hlm Mgmt	2,890,058	13.60%	164,340
ValueQuest	3,766,771	19.15%	101,340
Total Equities	460,615,082	21.90%	5,314,579
<i>Fixed Income</i>			
Fleet	378,584,498	3.47%	777,000
Fidelity	6,454,909	5.74%	724,875
Brown Bros	17,449,714	5.83%	546,913
Taplin Canida	689,124	3.41%	42,430
Loomis Sayles	2,871,621	0.42%	63,614
Total Fixed Income	406,049,866	3.43%	2,154,832
<i>Int'l Equities</i>			
Alliance	6,428,271	6.07%	114,881
Schroders	26,286,132	26.75%	469,876
Scudder	(1,018,722)	-1.16%	536,527
Total International	31,695,681	12.19%	1,121,284

COMMISSIONS

<i>Calendar</i>	<i>Trades</i>	<i>Shares</i>	<i>Commissions</i>
1996	5,408	33,222,000	1,530,836
1995	3,634	29,276,000	1,377,217

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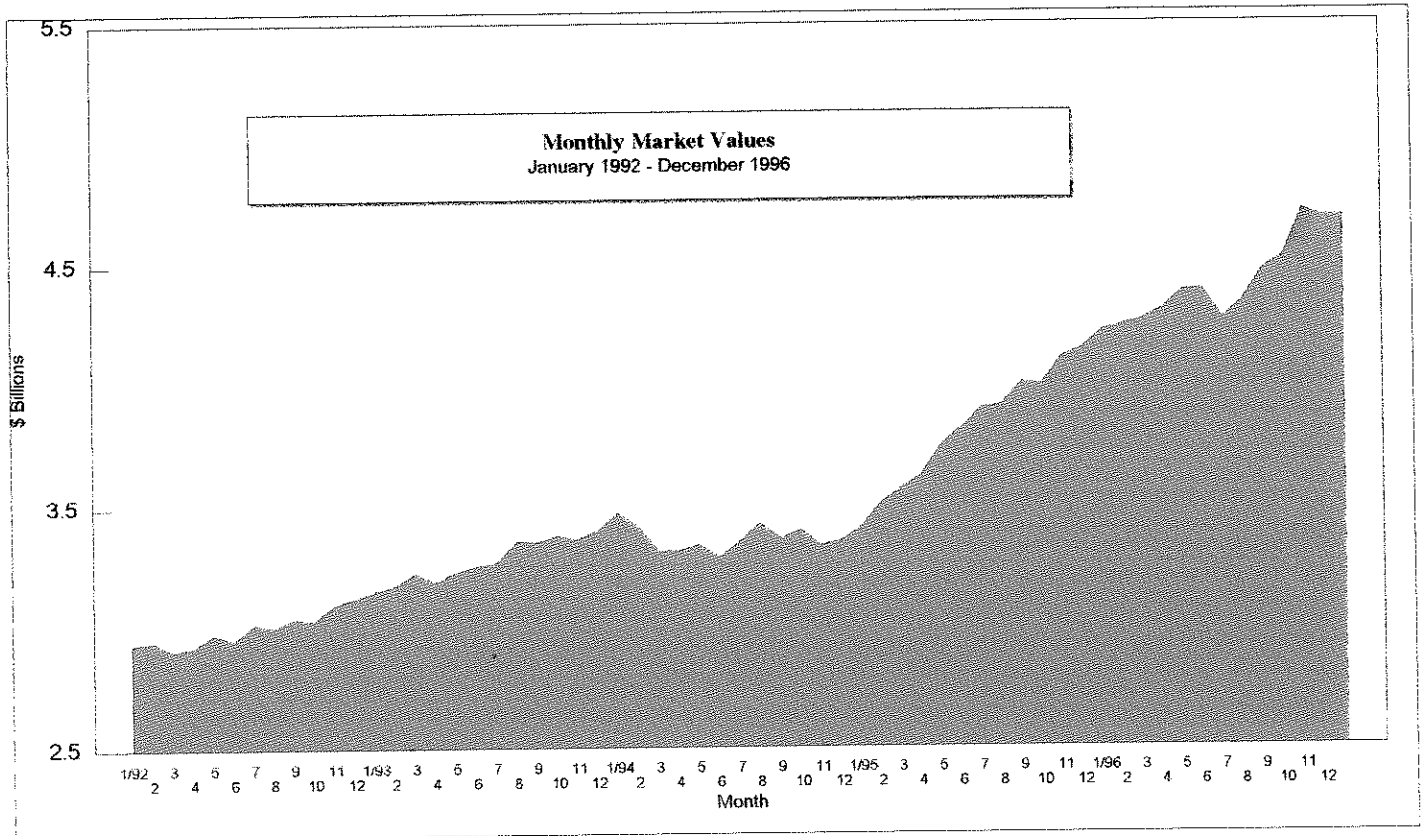
# RHODE ISLAND STATE INVESTMENT COMMISSION

## Market Value Report

### EMPLOYEES' RETIREMENT SYSTEMS Market Values at December 31, 1996

<u>ASSET CLASS</u>	<u>MARKET VALUE \$ (millions)</u>
Domestic Equity	2,149.10
Real Estate	91.03
Fixed Income	1,658.37
Alternative Investments	62.50
International Equity	540.30
Cash & Equivalents	185.43
<b>Total</b>	<b>4,686.72</b>

ERSRI - 87.0990434%  
MERSRI - 12.7784279%  
ST POL - 00.0834945%  
JUDICIAL - 00.0390342%



RHODE ISLAND STATE INVESTMENT COMMISSION

TIME WEIGHTED PERFORMANCE REPORT

Rhode Island Employees' Retirement Systems  
Performance as of December 31, 1996

<u>DOMESTIC EQUITY</u>	<u>DECEMBER 1996</u>	<u>YTD</u>
Fleet	-1.54%	22.06%
Bankers Trust	-1.14%	21.52%
Provident	-2.73%	23.59%
Brinson	0.15%	26.37%
Mackay-Shields	0.74%	24.03%
Babson	2.77%	15.98%
J & W Seligman	5.24%	16.23%
HLM Management	3.42%	13.60%
ValueQuest	-0.13%	19.15%
Total Domestic Equity	-0.50%	21.90%

INTERNATIONAL EQUITY

Alliance	-1.21%	6.07%
Schroders	1.90%	26.75%
Scudder	+1.38 <del>-0.06%</del>	+4.65 <del>-11.16%</del>
Total International Equity	0.49%	12.19%

FIXED INCOME

Fleet	-1.51%	3.47%
Fidelity	-0.58%	5.74%
Brown Brothers	-0.28%	5.83%
In-State F.I.	1.10%	12.33%
Taplin, Canida & Habacht	-1.06 <del>-0.65%</del>	+4.91 <del>3.41%</del>
Loomis Sayles	-0.21 <del>-0.25%</del>	+6.10 <del>0.42%</del>
Total Fixed Income	-1.02%	3.43%

# RHODE ISLAND STATE INVESTMENT COMMISSION

## SUMMARY PORTFOLIO

### PERFORMANCE REPORT

<u>ASSET CLASS</u>	<u>DECEMBER 1996</u>	<u>YTD</u>
Domestic Equity	-0.50%	21.90%
International Equity	0.49%	12.19%
Fixed Income	-1.02%	3.43%
<b>TOTAL FUND COMPOSITE*</b>	<b>-0.27%</b>	<b>15.36%</b>

<u>INDICES</u>	<u>DECEMBER 1996</u>	<u>YTD</u>
<u>Domestic Equity</u>		
S & P 500	-1.96%	23.07%
Wilshire 3000	-1.19%	21.54%
Russell 2000	2.62%	16.51%
Russell 2500	1.37%	19.02%
<u>International Equity</u>		
MSCI EAFE	-1.29%	6.05%
<u>Fixed Income</u>		
Lehman AGG	-0.93%	3.61%

\* Total Fund Composite includes all asset classes.

RHODE ISLAND STATE INVESTMENT COMMISSION

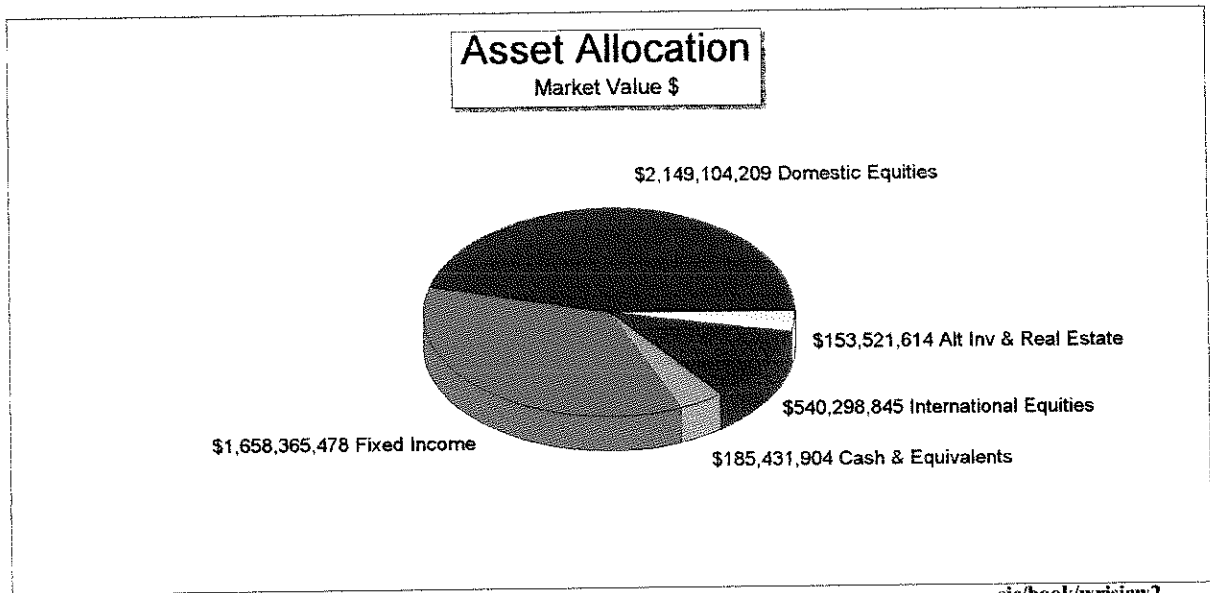
EMPLOYEES' RETIREMENT SYSTEMS

ASSET ALLOCATION

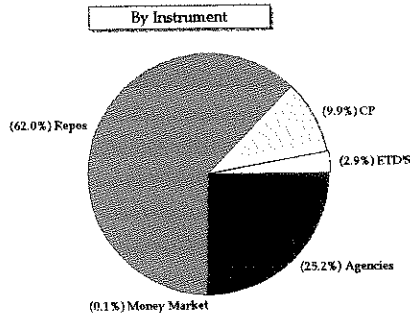
December 31, 1996

PERCENTAGE OF TOTAL DOLLARS

<u>ASSET CLASS</u>	<u>ACTUAL</u>	<u>TARGET</u>	<u>ACTUAL/TARGET DIFFERENCE</u>
Domestic Equity	47.07%	45.00%	2.07%
Fixed Income	37.18%	32.50%	4.68%
Alt Inv & Real Estate	3.28%	7.50%	-4.22%
International Equity	11.87%	15.00%	-3.13%
Cash	0.60%	0.00%	0.60%
			0.00%
	100.00%	100.00%	0.00%



**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**SHORT TERM CASH INVESTMENTS AT DECEMBER 31, 1996**



**SUMMARY DETAIL**

Vendor	CP	ETD'S	TREASURIES	AGENCIES	MONEY MARKET	REPOS	(\$) TOTAL
Guidelines-Total/Vendor	15%/15%	15%/15%	100%/100%	75%/35%	50%/35%	100%/20%	
Bank of Boston	0	5,000,000	0	0	0	0	5,000,000
	0%	3%	0%	0%	0%	0%	3%
Bear Stearns	12,324,829	0	0	0	0	0	12,324,829
	7%	0%	0%	0%	0%	0%	7%
Citicorp	4,851,500	0	0	0	0	26,300,000	31,151,500
	3%	0%	0%	0%	0%	15%	18%
Dean Witter	0	0	0	5,178,976	0	0	5,178,976
	0%	0%	0%	3%	0%	0%	3%
Fidelity	0	0	0	0	136,366	0	136,366
	0%	0%	0%	0%	0%	0%	0%
First Tennessee	0	0	0	10,000,049	0	0	10,000,049
	0%	0%	0%	6%	0%	0%	6%
Goldman Sachs	0	0	0	2,200,332	0	38,742,616	40,942,948
	0%	0%	0%	1%	0%	22%	24%
Merrill Lynch	0	0	0	5,911,670	0	33,000,000	38,911,670
	0%	0%	0%	3%	0%	19%	22%
Mesirow	0	0	0	9,998,580	0	0	9,998,580
	0%	0%	0%	6%	0%	0%	6%
Prudential	0	0	0	10,489,044	0	0	10,489,044
	0%	0%	0%	6%	0%	0%	6%
State Street Bank	0	0	0	0	0	9,730,493	9,730,493
	0%	0%	0%	0%	0%	6%	6%
<b>TOTALS</b>	<b>17,176,329</b>	<b>5,000,000</b>	<b>0</b>	<b>43,778,651</b>	<b>136,366</b>	<b>107,773,109</b>	<b>173,864,454</b>
<b>(%) PORTFOLIO</b>	<b>10%</b>	<b>3%</b>	<b>0%</b>	<b>25%</b>	<b>0%</b>	<b>62%</b>	<b>100%</b>





State of Rhode Island and Providence Plantations

Office of the General Treasurer  
102 State House  
Providence, Rhode Island 02903

Telephone  
(401) 277-2397

Fax  
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Nancy J. Mayer  
General Treasurer


January 28, 1997

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

This is to certify that the amounts so listed on the following page belong to the credit of the Employees' Retirement and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on December 31, 1996.

The amounts listed for our real estate and alternative investments designations are illiquid and do not have a readily determinable market value. They are based on appraisals only.

Respectfully submitted,

  
Nancy J. Mayer  
General Treasurer

COMPOSITE REPORTING

BALANCE SHEET

DECEMBER 31, 1996

ASSET CLASS		<u>MARKET VALUES</u>
<i>Cash/Short Term Investments</i>		
<i>Short Term Investment Fund</i>		
<i>Money Market Instruments</i>		185,431,904.10
<i>Equities - Domestic</i>		2,149,104,208.85
<i>Equities - International</i>		540,298,845.16
<i>Fixed Income - Government</i>	1,572,377,887.79	
<i>Fixed Income - Corporate</i>	58,803,088.29	
<i>Fixed Income - In State</i>	<u>27,184,502.40</u>	1,658,365,478.48
<i>Real Estate</i>		91,026,027.71
<i>Alternative Investments</i>		61,995,586.10
<i>Other - Escrow</i>		500,000.00
		=====
<b>TOTAL FUND INVESTMENTS</b>		<b>\$4,686,722,050.40</b>

ERSRI - 87.0990434%  
MERSRI - 12.7784279%  
- ST POL - 00.0834945%  
JUDC'L - 00.0390342%

Balsheet.xls

TIME WEIGHTED ERSRI MARKET VALUE CHANGE REPORT  
12/01/96 - 12/31/96

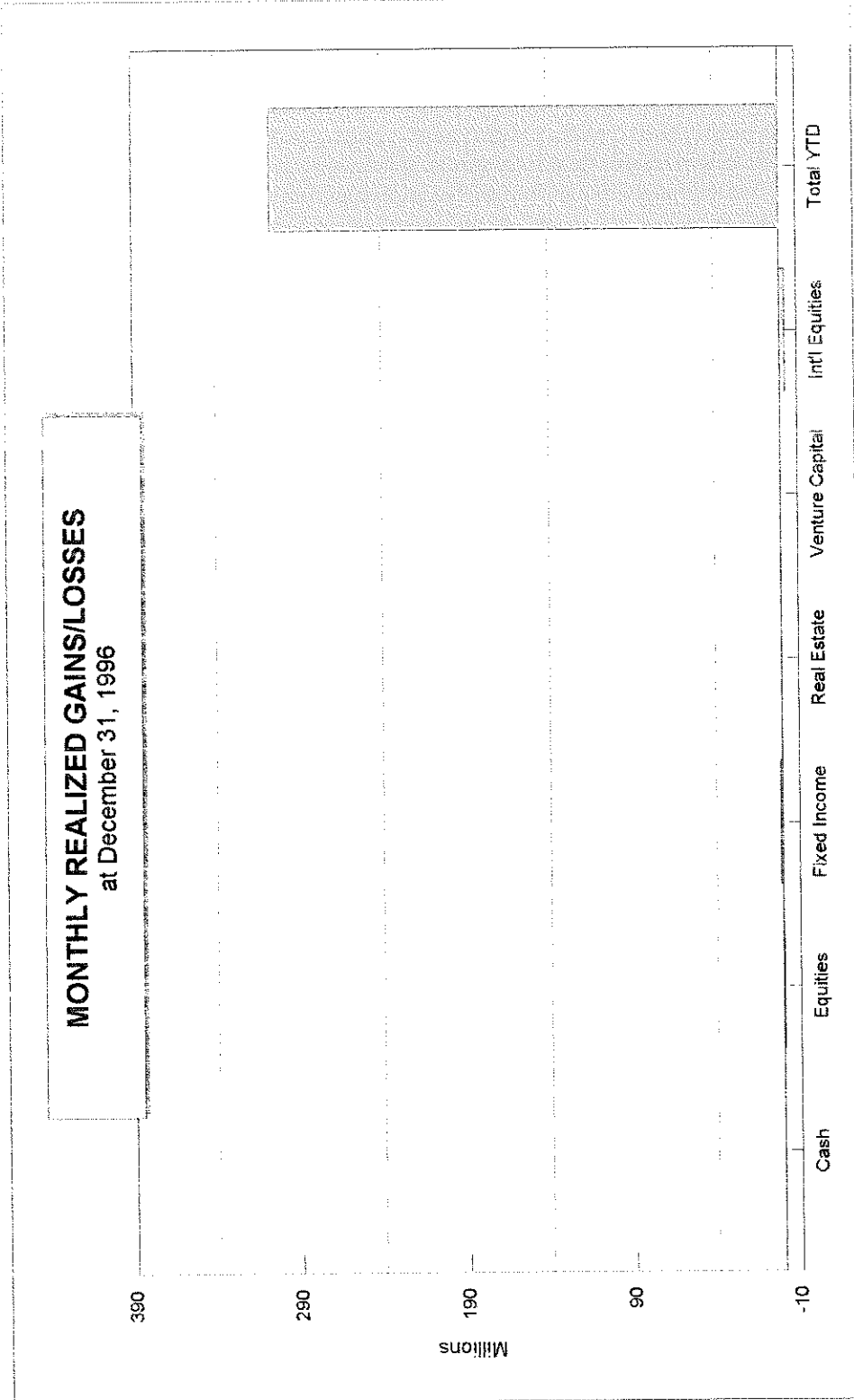
MONTHLY CHANGE

PORTFOLIO	BENCHMARK DESCRIPTION	MARKET VALUE 1/1/96	MARKET VALUE 11/30/96	MARKET VALUE 12/31/96	INCREASE/DECREASE	MARKET VALUE % OF CHANGE	BENCHMARK % OF CHANGE	MKT VARIANCE TO BENCHMARK	CALENDAR YTD PERFORMANCE	CALENDAR YTD BENCHMARK	
											NET OF TRFERS
EQUITY	FLEET	609,903,101	467,907,820	460,699,326	(7,208,494)	-1.34%	-1.96%	0.42%	22.06%	23.07%	
	BANKERS	409,006,689	652,313,090	644,877,508	(7,435,582)	-1.14%	-1.19%	0.05%	21.52%	21.54%	
	PROVIDENT	363,956,980	361,953,982	352,070,298	(9,883,684)	-2.73%	-1.62%	-1.11%	23.59%	22.82%	
	BRINSON	212,693,887	210,022,975	210,351,281	308,306	0.15%	-1.13%	1.28%	26.37%	21.30%	
	AICKY-SHILDS	197,217,430	204,122,442	205,638,069	1,515,626	0.74%	-1.13%	1.87%	24.03%	21.20%	
	BABSON	126,397,105	142,604,253	146,557,768	3,953,515	2.77%	1.37%	1.40%	15.98%	19.02%	
	JW SELICMAN	134,697,448	132,337,540	139,267,869	6,930,329	5.24%	2.62%	2.62%	16.23%	16.51%	
	HLAM Management	0	22,133,545	22,890,058	756,514	3.42%	2.62%	0.80%	13.60%	16.51%	
	VALUEQUEST LTD	0	23,798,618	23,766,771	(31,847)	-0.13%	-1.47%	1.34%	19.15%	23.92%	
	TOTAL EQUITY	2,053,870,640	2,217,194,264	2,206,098,949	(11,095,316)	-0.50%			21.90%		
FIXED INCOME	FLEET	1,090,216,067	1,054,638,589	1,038,750,134	(15,888,456)	-1.51%	-0.93%	-0.58%	3.47%	3.61%	
	FIDELITY	112,454,868	172,798,589	171,804,421	(994,168)	-0.58%	-0.44%	-0.14%	5.74%	5.99%	
	BROWN BROS.	299,308,996	301,809,532	281,096,116	(20,713,416)	-0.28%	0.01%	-0.29%	5.83%	5.04%	
	IN STATE F.I.	31,233,205	27,236,992	27,236,992	0	1.10%	N/A	N/A	12.33%	N/A	
	TAPLIN CANADA & HABECHT	0	20,824,725	20,689,124	(135,601)	-1.06%	-1.38%	0.32%	4.91%	3.28%	
	LOOMIS SAYLES COMPANY	0	183,376,376	202,871,621	19,495,244	10.64%	0.31%		6.10%	7.96%	
	MERRILYNCH/ST BOSTON COMPOSITE										
	TOTAL FIXED INCOME	1,533,213,136	1,760,694,803	1,742,448,407	(18,236,396)	-1.02%			3.43%		
	ALTERNATIVE INVESTMENTS	ALTERNATIVE INVESTMENT	63,407,111	67,021,138	61,997,247	(5,023,891)	10.06%	N/A	N/A	100.02%	N/A
		BANK ACQUISITION	500,000	500,000	500,000	0	0.00%	N/A	N/A	0.00%	N/A
TOTAL		63,907,111	67,521,138	62,497,247	(5,023,891)	10.06%			100.02%		

PORTFOLIO

BENCHMARK DESCRIPTION	MARKET VALUE 7/1/96	MARKET VALUE 11/30/96	MARKET VALUE 12/31/96	INCREASE/DECREASE	MARKET VALUE % OF CHANGE NET OF TRFRS	BENCHMARK % OF CHANGE	MKT VARIANCE TO BENCHMARK	CALENDAR YTD PERFORMANCE	CALENDAR YTD BENCHMARK
<b>INTERNATIONAL EQUITY</b>									
ALLIANCE	105,902,316	138,622,761	136,947,512	(1,675,250)	-1.21%	-1.29%	0.08%	6.07%	6.05%
SCHROEDERS	98,285,913	238,560,917	243,084,844	4,523,927	1.90%	1.94%	-0.04%	26.75%	21.08%
SCUDDER	87,820,860	174,418,684	176,462,956	2,044,272	1.38%	-3.63%	5.01%	4.65%	-1.05%
<b>EMERGING MARKETS</b>									
TOTAL INT'L EQUITY	291,989,089	551,602,363	556,495,312	4,892,949	0.49%			12.19%	
<b>REAL ESTATE</b>									
HEITMAN	37,859,799	35,089,775	35,089,776	1	0.00%	N/A	N/A	1.14%	N/A
I & B	35,314,982	37,755,521	37,190,746	(564,775)	1.55%	N/A	N/A	15.91%	N/A
ATNA	11,373,829	14,447,031	9,410,178	(5,036,853)	0.00%	N/A	N/A	40.45%	N/A
PHOENIX	10,574,135	9,335,865	9,335,865	0	0.00%	N/A	N/A	-25.55%	N/A
TOTAL REAL ESTATE	95,122,745	96,628,192	91,026,565	(5,603,627)	0.59%			6.33%	
<b>CASH/ACCOUNTS</b>									
CASH ACCOUNT	25,013,131	20,446,034	25,526,028	5,079,994	N/A	N/A	N/A	N/A	N/A
INTERNAL CASH	1,139,108	597,687	2,629,543	2,031,856	N/A	N/A	N/A	N/A	N/A
TOTAL CASH	26,152,239	21,043,721	28,155,571	7,111,851	N/A				
GRAND TOTAL	414,573,896	4,714,674,481	4,686,722,050	(27,952,431)	-0.27%			15.36%	

**RHODE ISLAND STATE INVESTMENT COMMISSION  
 EMPLOYEES RETIREMENT SYSTEM  
 LONG TERM INVESTMENTS**



GN&LS

RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values

DECEMBER 31, 1996

*Equities*

RANK	SECURITY NAME	PAR VALUE/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	MERCK & CO INC	466,400	\$37,137,100	Fleet,Bankers,Provident
2	INTEL CORP	255,100	33,402,156	Fleet,Bankers,Provident,Brinson
3	AMERICAN INTL GROUP INC	281,125	30,431,781	Fleet,Bankers,Provident,MacKay-Shields,Value Quest
4	FEDERAL NATL MTG ASSN	772,900	29,080,363	Fleet,Bankers,Provident, Value Quest
5	MICROSOFT CORP	329,300	27,208,413	Bankers,Provident
6	AUTOMATIC DATA PROCESSING	602,800	25,845,050	Fleet,Bankers,Provident
7	PFIZER INC	279,900	23,231,700	Fleet,Bankers,Provident
8	PEPSICO INC	740,900	21,671,325	Fleet,Bankers,Provident
9	PROCTER & GAMBLE CO	201,200	21,654,150	Fleet,Bankers,Provident
10	EXXON CORP	218,900	21,452,200	Fleet,Bankers
		12.60%	\$271,114,238 of total equity market value	
			** Total Composite Equities **	\$2,151,485,625

International Equity Holdings By Top 10 Market Values

DECEMBER 31, 1996

*International Equities*

RANK	SECURITY NAME	COUNTRY	PAR VALUE/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	ROYAL DUTCH PETROL	Netherlands	54,047	\$9,464,344	Alliance,Schroeder
2	BRITISH PETROLEUM	England	724,459	8,684,567	Alliance,Schroeder
3	BAYER AG	Denmark	212,550	8,661,386	Alliance,Schroeder
4	ELF AQUITAINE	France	74,535	6,771,428	Alliance,Schroeder
5	LLOYDS TSB GROUP	England	878,502	6,472,054	Alliance,Schroeder
6	CIBA GEIGY AG	Switzerland	5,050	5,998,822	Alliance,Schroeder
7	ROCHE HLDGS AG	Switzerland	667	5,173,673	Alliance,Schroeder
8	HUTCHISON WHAMPOA	Hong Kong	651,000	5,112,898	Schroeder,Scudder
9	VEBA AG	Denmark	87,780	5,069,349	Alliance,Scudder
10	ABB AG	Switzerland	3,928	4,870,792	Alliance,Scudder
			12.47%	\$66,279,313 of total international equity market value	
			** Total Composite International Equities **	\$531,618,631	

**Asset Allocation Monitoring Report**  
Market Values at December 31, 1996

ERSRI  
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MERSRI

Asset Class	Style	December 31, 1996		Target		Difference	Cash	% of Total
		Actual	%	\$	%			
<b>Domestic Equity</b>								
Fleet *	active	460.70	9.83%	421.80	9.00%	38.89	27.99	6.08%
Bankers	passive	644.88	13.76%	632.71	13.50%	12.17	0.50	0.08%
<b>Total Core</b>		<b>1,105.58</b>	<b>23.59%</b>	<b>1,054.51</b>	<b>22.50%</b>			
Provident *	growth	352.07	7.51%	351.50	7.50%	0.57	5.05	1.43%
<b>Total Growth</b>		<b>352.07</b>	<b>7.51%</b>	<b>351.50</b>	<b>7.50%</b>			
Brinson Partners	large cap	210.33	4.49%	187.47	4.00%	22.86	5.50	2.62%
Mackay-Shields	large cap	205.64	4.39%	187.47	4.00%	18.17	8.36	4.07%
<b>Total Large Cap Value</b>		<b>415.97</b>	<b>8.88%</b>	<b>374.94</b>	<b>8.00%</b>			
David L. Babson	value	146.56	3.13%	140.60	3.00%	5.96	4.33	2.96%
J.W. Seligman	s/c growth	139.27	2.97%	140.60	3.00%	-1.33	4.46	3.20%
<b>Total Small Cap</b>		<b>285.83</b>	<b>6.10%</b>	<b>281.20</b>	<b>6.00%</b>			
HLM Management	sml grwth	22.89	0.49%	23.43	0.50%	-0.54	0.67	2.94%
ValueQuest Ltd	lrg value	23.77	0.51%	23.43	0.50%	0.33	0.12	0.51%
<b>Total Emerging Managers</b>		<b>46.66</b>	<b>1.00%</b>	<b>46.87</b>	<b>1.00%</b>			
<b>TOTAL DOMESTIC EQUITY</b>		<b>2,206.10</b>	<b>47.07%</b>	<b>2,109.02</b>	<b>45.00%</b>	<b>97.07</b>	<b>56.99</b>	<b>2.58%</b>
<b>International Equity</b>								
Alliance	core	136.95	2.92%	140.60	3.00%	-3.65	0.96	0.70%
Schroder	Euro/region	243.08	5.19%	234.34	5.00%	8.75	1.86	0.76%
Scudder	Pac Basin	176.46	3.77%	234.34	5.00%	-57.87	13.38	7.58%
Emerging Markets				93.73	2.00%	-93.73	0.00	
<b>TOTAL INT'L EQUITY</b>		<b>556.50</b>	<b>11.87%</b>	<b>703.01</b>	<b>15.00%</b>	<b>-146.51</b>	<b>16.20</b>	<b>2.91%</b>
<b>Domestic Fixed Income</b>								
Fidelity	Mort.-bk sec	171.80	3.67%	117.17	2.50%	54.64	5.43	3.16%
In-State	n/a	27.24	0.58%	23.43	0.50%	3.80	0.05	0.19%
<b>Total Mortgage</b>		<b>199.04</b>	<b>4.25%</b>	<b>140.60</b>	<b>3.00%</b>			
Fleet	Fixed/Inc.	1,038.75	22.16%	1,054.51	22.50%	-15.76	70.59	6.80%
Brown Bros (Short)	Short Term F/	281.10	6.00%	117.17	2.50%	163.93	4.05	1.44%
<b>Total Other Fixed Income</b>		<b>1,319.85</b>	<b>28.16%</b>	<b>1,171.68</b>	<b>25.00%</b>			
Taplin, Canida & Habacht	core/fixed inc	20.69	0.44%	23.43	0.50%	-2.74	2.08	10.07%
<b>Total Emerging Managers</b>		<b>20.69</b>	<b>0.44%</b>	<b>23.43</b>	<b>0.50%</b>			
Loomis Sayles & Co		202.87	4.33%	187.47	4.00%	15.40	1.87	
<b>TOTAL FIXED-INCOME</b>		<b>1,742.45</b>	<b>37.18%</b>	<b>1,523.18</b>	<b>32.50%</b>	<b>219.26</b>	<b>84.08</b>	<b>4.83%</b>
<b>Real Estate</b>								
Heitman	core	35.09	0.75%	37.49	0.80%	-2.40	0.00	0.00%
L&B	core	37.19	0.79%	36.56	0.78%	0.63	0.00	0.00%
Aetna	cong. care r/e	9.41	0.20%	11.72	0.25%	-2.31	0.00	0.00%
Phoenix	deve. r/e	9.34	0.20%	12.19	0.26%	-2.85	0.00	0.00%
<b>Total Real Estate</b>		<b>91.03</b>	<b>1.94%</b>	<b>97.95</b>	<b>2.09%</b>	<b>(6.93)</b>		
<b>Alternative Investments</b>								
Crossroads & Narragansett	venture cap.	45.38	0.97%				0.00	
Pacific Corp Group	venture cap.	16.61	0.35%					
Bank Acquisition	n/a	0.50	0.01%					
<b>Total Alternative Investments</b>		<b>62.50</b>	<b>1.33%</b>	<b>253.55</b>	<b>5.41%</b>	<b>(191.06)</b>	<b>0.00</b>	<b>0.00%</b>
<b>TOTAL ALTERNATIVE INVESTMENTS AND REAL ESTATE</b>		<b>153.52</b>	<b>3.28%</b>	<b>351.50</b>	<b>7.50%</b>	<b>(197.98)</b>	<b>0.00</b>	<b>0.00%</b>
<b>Cash Equivalents</b>		<b>28.16</b>	<b>0.60%</b>	<b>0.00</b>	<b>0.00%</b>	<b>28.16</b>	<b>28.16</b>	<b>100.00%</b>
<b>TOTAL ASSETS</b>		<b>4,686.72</b>	<b>100.00%</b>	<b>4,686.72</b>	<b>100.00%</b>	<b>0.00</b>	<b>185.43</b>	<b>3.96%</b>

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## Alternative Investments Funding

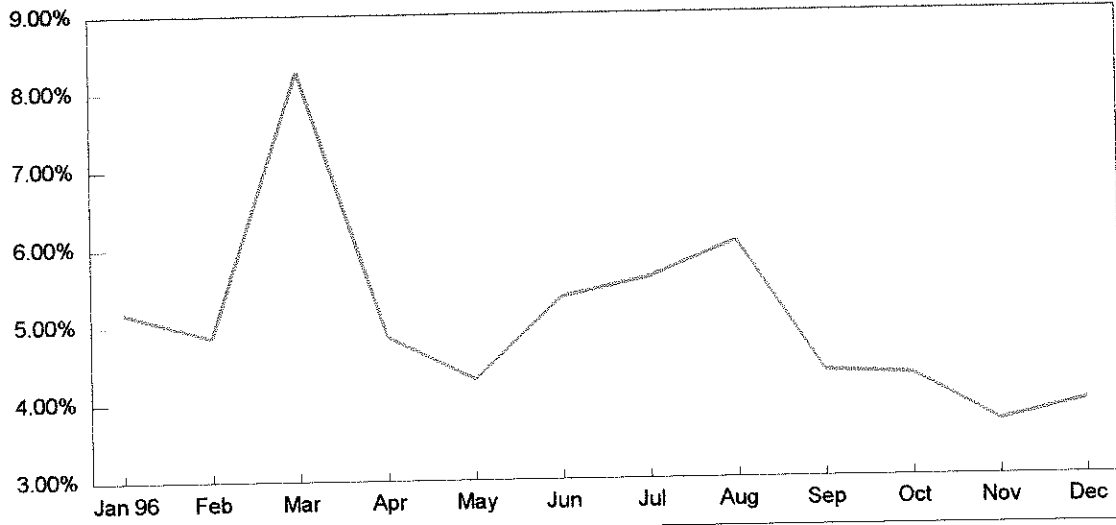
1996

Manager	Partnership Commitment	Prior Funding Thru 11/30/96	Current Month Funding	Cumulative Total at 12/31/96	Unfunded Balance
<i>Boston Ventures Ltd</i>	\$5,000,000	\$350,000	100,000	\$450,000	\$4,550,000
<i>Crossroads/Providence LP</i>	\$45,000,000	\$44,213,907		\$44,213,907	\$786,093
<i>Narragansett First Fund</i>	239,647	239,647		239,647	0
<i>Narragansett Capital Partners</i>	2,096,124	2,096,124		2,096,124	0
<i>OCM Opportunities Fund</i>	8,000,000	5,600,000		5,600,000	2,400,000
<i>OCM Principal Opportunities</i>	5,000,000	500,000		500,000	4,500,000
<i>Welsh, Carson, Anderson &amp; Stowe</i>	15,000,000	5,250,000		5,250,000	9,750,000
<i>Doughty Hanson</i>	5,000,000	984,972		984,972	4,015,028
<i>Willis Stein</i>	5,000,000	1,953,203		1,953,203	3,046,797
<i>ABS Capital Partners</i>	5,000,000	238,854	79,616	318,470	4,681,530
<i>Providence Equity Partners</i>	10,000,000	0	839,614	839,614	9,160,386
<b>TOTALS:</b>	\$105,335,771	\$61,426,707	\$1,019,230	\$62,445,937	\$42,889,834



# EMPLOYEES RETIREMENT SYSTEM

CASH PERCENTAGE OF TOTAL PORTFOLIO



Retirement Systems  
Investment Earnings  
Fiscal Year 1997 to Date Summary

ERSRI  
&  
MERSRI

at December 31, 1996

	LONG TERM	SHORT TERM	TOTAL
INTEREST SOLD	11,309,040		11,309,040
SECURITIES LENDING	0		0
DIVIDENDS	20,079,866		20,079,866
INTEREST	57,576,318	280,579	57,856,897
MISCELLANEOUS	13,181,979		13,181,979
CAPITAL GAINS	156,494,208		156,494,208
	=====	=====	=====
GRAND TOTAL:	258,641,410	280,579	258,921,989

ERSRI & MERSRI

1996-1997 EXPENSES...

	Actual Jul 96	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Projected Jan 96	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	PROJECTED TOTAL
<b>EQUITIES</b>													
Fleef/Norstar		525,000	67,598		262,500	69,698	262,500	60,000		262,500	60,000	585,000	1,312,500
Banker Trust			592,582			602,160			585,000				257,296
Provident Investmt			179,151		165,949		175,000			175,000			2,364,742
Brinson			139,519			141,442		130,000			130,000		695,101
Mackay-Shield					103,682		60,000			60,000			540,961
David L. Babson	98,978	103,814			123,984		75,000			75,000			426,474
J & W Seligman	117,334	120,771			57,506		25,000				25,000		512,089
HLM Mgmt	59,407								25,000				166,913
ValueQuest			51,981									25,000	126,981
<b>FIXED INCOME</b>													
Brown Bros.			204,866	94,133	207,732	95,586		150,000	160,000		150,000	160,000	509,720
Fidelity					15,043			13,000			13,000		712,598
Taplin	14,906				63,614								55,949
Loomis Sayles													63,614
<b>INTEL. EQUITIES</b>													
Alliance Capital			27,044		27,313	114,322		30,000	85,000		30,000	85,000	114,357
Schroder			133,204		310,451			95,000			95,000		417,526
Scudder													500,451
<b>REAL ESTATE</b>													
Heitman Advisory													0
L & B Real Estate													0
Aetna													0
Phoenix													0
<b>VENTURE CAPITAL</b>													
Bigler/Crossroads			4,690			4,541			4,500			4,500	18,231
Narragansett Cap.													0
<b>PROFESSIONAL FEES</b>													
Consulting													0
Legal													0
State Street Bank			62,500	33,351		62,500	45,000	45,000	45,000	45,000	45,000	45,000	270,000
Pacific Corp Group		16,667				33,333	16,667	16,667	16,667	16,667	16,667	16,667	237,500
Wilsfire Assoc													200,020
<b>OPERATING EXPENSE</b>													
Retirement Transfers		716,640	128,166				900,000	900,000	1,000	1,000	900,000	1,000	3,544,806
Other Expense		3,750					1,000	1,000	1,000	1,000	1,000	1,000	9,750
<b>TOTAL:</b>	307,292	1,486,642	1,591,301	127,484	1,337,775	1,123,583	1,560,167	1,521,917	922,167	635,167	1,521,917	922,167	13,057,579

CASH FLOW ANALYSIS

Employees Retirement System													
	FY 1996-97 Actual July 1996	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 1997	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
EMPL BEN	20,649,261	20,830,029	20,842,083	22,239,222	21,689,611	21,454,576	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	247,704,782
ADMIN EXP	0	626,523	111,504	0	0	0	6,000	6,000	6,000	6,000	6,000	6,000	774,027
INVEST EXP	267,282	666,409	1,272,489	110,872	1,163,463	977,180	650,000	650,000	650,000	650,000	650,000	650,000	8,357,695
TOTAL OUT	20,916,543	22,122,961	22,226,076	22,350,094	22,853,074	22,431,756	20,656,000	20,656,000	20,656,000	20,656,000	20,656,000	20,656,000	256,836,504
CONT	16,841,030	13,432,680	15,805,518	13,110,467	15,676,411	20,304,617	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000	206,170,723
OTHER INC*	168,281	3,240,077	1,110,353	3,950,460	(2,586,261)	2,172,564	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	23,055,474
TOTAL INC	17,009,311	16,672,757	16,915,871	17,060,927	13,090,150	22,477,181	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	229,226,197
DIFFERENCE	(3,907,232)	(5,450,204)	(5,310,205)	(5,289,167)	(9,762,924)	45,425	344,000	344,000	344,000	344,000	344,000	344,000	(27,610,307)
Municipal Employees Retirement System													
	Actual July 1996	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 1997	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
EMPL BEN	1,977,601	1,909,417	2,021,425	2,106,332	2,090,014	2,190,996	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	23,995,785
ADMIN EXP	0	93,074	16,662	0	0	0	500	500	500	500	500	500	112,736
INVEST EXP	39,702	98,999	189,037	16,470	172,840	145,166	85,000	85,000	85,000	85,000	85,000	85,000	1,172,214
TOTAL OUT	2,017,303	2,101,490	2,227,124	2,122,802	2,262,854	2,336,162	2,035,500	2,035,500	2,035,500	2,035,500	2,035,500	2,035,500	25,280,735
CONT	1,170,042	1,478,894	1,333,516	1,150,064	1,255,835	1,313,452	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	16,101,803
OTHER INC*	24,996	481,336	164,951	586,868	(384,207)	322,749	35,000	35,000	35,000	35,000	35,000	35,000	1,406,693
TOTAL INC	1,195,038	1,960,230	1,498,467	1,736,932	871,628	1,636,201	1,435,000	1,435,000	1,435,000	1,435,000	1,435,000	1,435,000	17,508,496
DIFFERENCE	(822,265)	(141,260)	(728,657)	(385,870)	(1,391,226)	(699,961)	(600,500)	(600,500)	(600,500)	(600,500)	(600,500)	(600,500)	(7,772,239)

Judges/State Police	Actual July 1996	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 1997	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
EMPL BEN	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMIN EXP	0	793	0	0	0	50	50	50	50	50	50	50	1,143
INVEST EXP	308	844	1,609	142	1,472	1,237	300	300	300	300	300	300	7,412
TOTAL OUT	308	1,637	1,609	142	1,472	1,287	350	350	350	350	350	350	8,555
CONT	119,190	120,557	122,895	130,198	125,331	188,045	120,000	120,000	120,000	120,000	120,000	120,000	1,526,216
OTHER INC*	194	4,097	1,404	4,997	(3,272)	2,749	200	200	200	200	200	200	11,369
TOTAL INC	119,384	124,654	124,299	135,195	122,059	190,794	120,200	120,200	120,200	120,200	120,200	120,200	1,537,585
DIFFERENCE	119,076	123,017	122,690	135,053	120,587	189,507	119,850	119,850	119,850	119,850	119,850	119,850	1,529,030

\*Includes Income from Real Estate Investments, Venture Capital, Securities Lending, and Cash Accounts.

**General Information**

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

Short Term Investments Portfolio by Fund

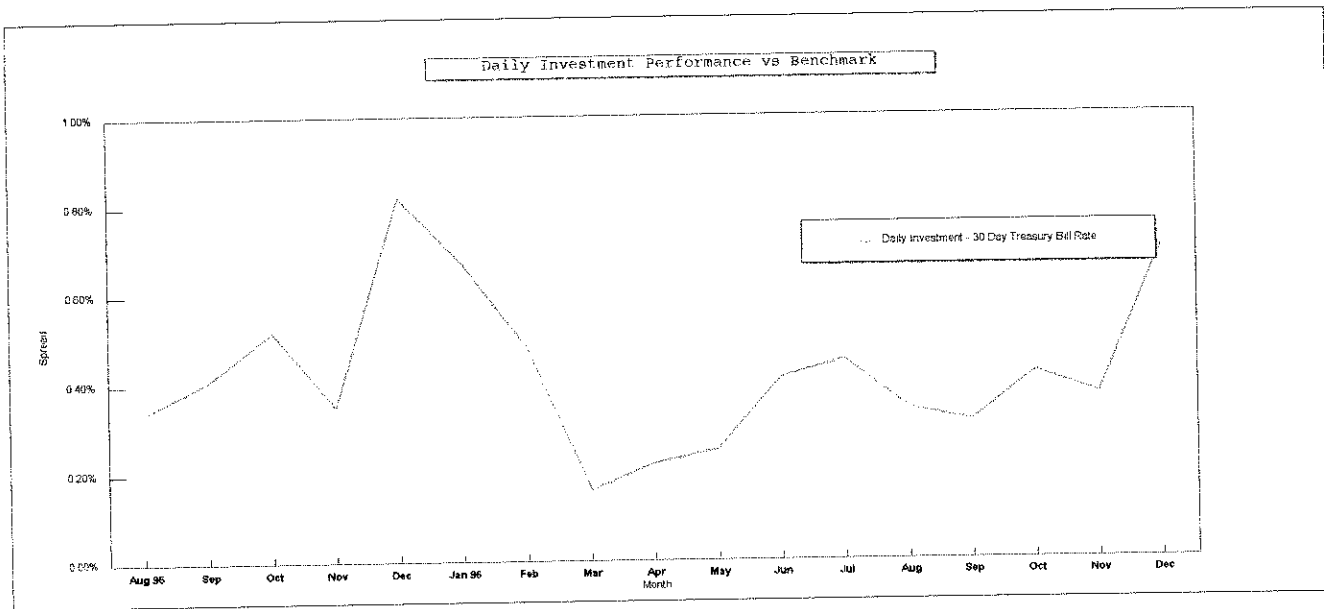
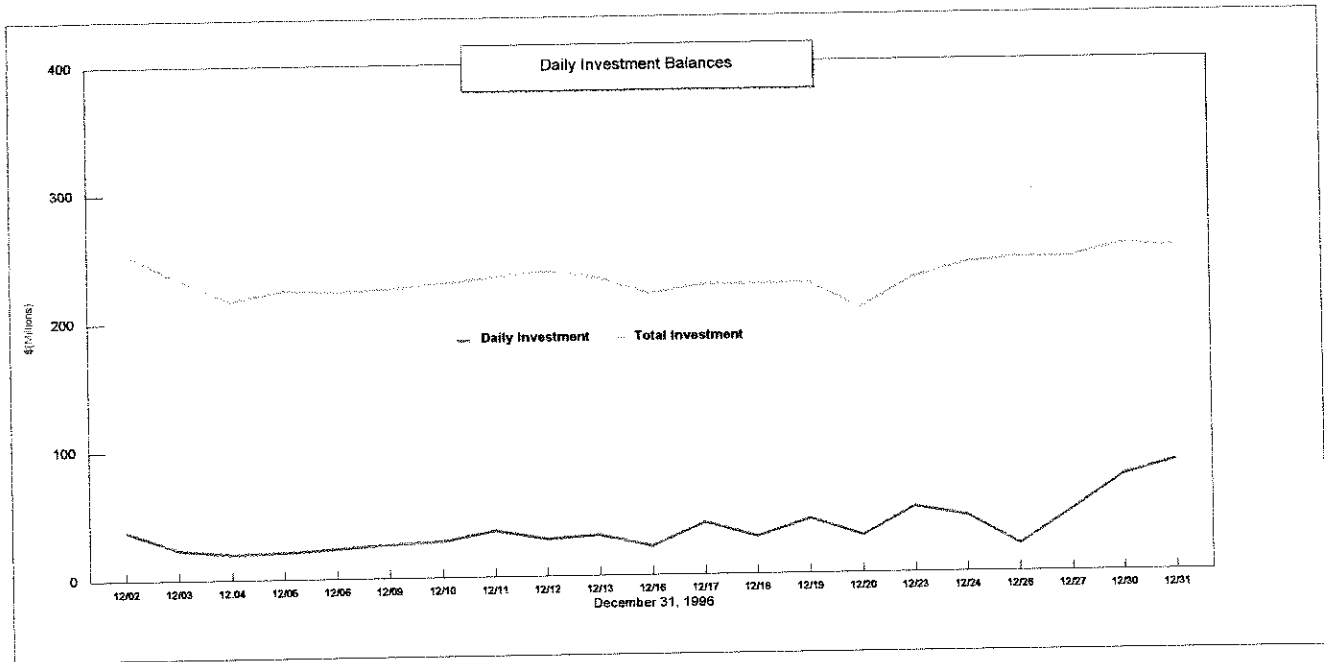
As of December 31, 1996

	Principal	Interest	Total Value @ Maturity	Rate of Return %
4901 General Fund	59,991,117	25,411	60,016,528	5.7194
4902 General Fund	5,000,000	1,528	5,001,528	5.5000
4904 Pension C	5,000,000	1,806	5,001,806	6.5000
5200 RI Underground Storage	2,476,700	18,863	2,495,563	5.4610
5400 Highway Fund	5,000,000	1,597	5,001,597	5.7500
5500 University College	3,000,000	958	3,000,958	5.7500
5800 Prov River Relocation	2,227,286	7,276	2,234,562	5.3477
8000 TDI Reserve	50,737,109	1,198,968	51,936,077	5.4629
8225 Job Development	6,388,093	28,588	6,416,681	5.3941
8230 ET Tardy	700,000	3,098	703,098	5.3100
8300 Permanent School Fund	290,000	614	290,614	5.4400
8400 Employees Retirement	3,197,003	3,303	3,200,306	5.4613
8700 RI Clean Water Act	500,000	644	500,644	5.1500
9000 Bond Capital	2,005,000	613	2,005,613	5.5000
9200 Narragansett Bay Water	3,378,287	21,713	3,400,000	5.3315
9286 Narr Bay Cash Restricted	1,074,655	3,373	1,078,027	5.3800
9700 State Lottery Fund	9,780,736	29,987	9,810,723	5.4429
9800 Industrial Bldg Mtg Ins	1,298,570	2,460	1,301,030	5.4660
4911 TANS Proceeds	11,819,900	13,667	11,833,567	5.7206
Subtotal	173,864,454	1,364,466	175,228,921	5.4660
8701 Clean Water 1991 Ser B	608,219			
8702 Clean Water 1993 Ser A	179,741			
8703 Clean Water 1991 Ser A	292			
8704 CCDL 1989 Ser A	1,035,627			
8705 Clean Water 1992 Ser A	254,058			
8706 Clean Water CCDL 1994 (A)	1,286,745			
8708 Clean Water Bond 1990 A&B	21,415			
8709 Clean Water 1990 Ser C	825			
8734 Pollution Control 96A	2,546,456			
8735 RI Pollution Control	56,710			
8736 RI Pollution Control 93 Ser A	151,904			
8737 RI Pollution Control 94 Ser A	3,082,382			
9101 Bond Sale A 87	66,021			
9102 Bond Capital CCDL 1988	81,728			
9104 Bond Capital 1989 Ser A	2,241			
9105 Bond Capital 1989 Ser B	88,890			
9108 Bond Sale 1990 Ser A&B	263,807			
9114 GO Note 1991 Ser B	221,530			
9115 Bond CCDL 1992 Ser A	3,872,294			
9116 Bond CCDL 1993 Ser A	17,821,318			
9117 Bond CCDL 1994 Ser A	16,836,540			
9118 Bond CCDL 1995 Ser A	1,057,767			
9119 Bond CCDL 1995 Ser B	4,054			
9120 Bond CCDL 1996 Ser A	14,738,948			
9204 Narr Bay 1991 Ser B	546,848			
9205 Narr Bay 1992 Ser A	135,785			
9206 Narr Bay 1993 Ser A	3,869			
9207 Narr Bay CCDL 1994 Ser A	2,814,745			
9208 Narr Bay 96 A	9,695,409			
9291 BV Dist Comm Bond 1987	32,539			
9292 BV Dist Comm Bond 1988	12,545			
9294 BV 1991 Ser B Note	261,497			
9295 BVDC 1992 Ser A	189,254			
9298 BVDC Bond 1990 Ser A & B	53,591			
Subtotal Bond Proceed Accounts	78,025,594			
Total Short-Term Portfolio	251,890,049			

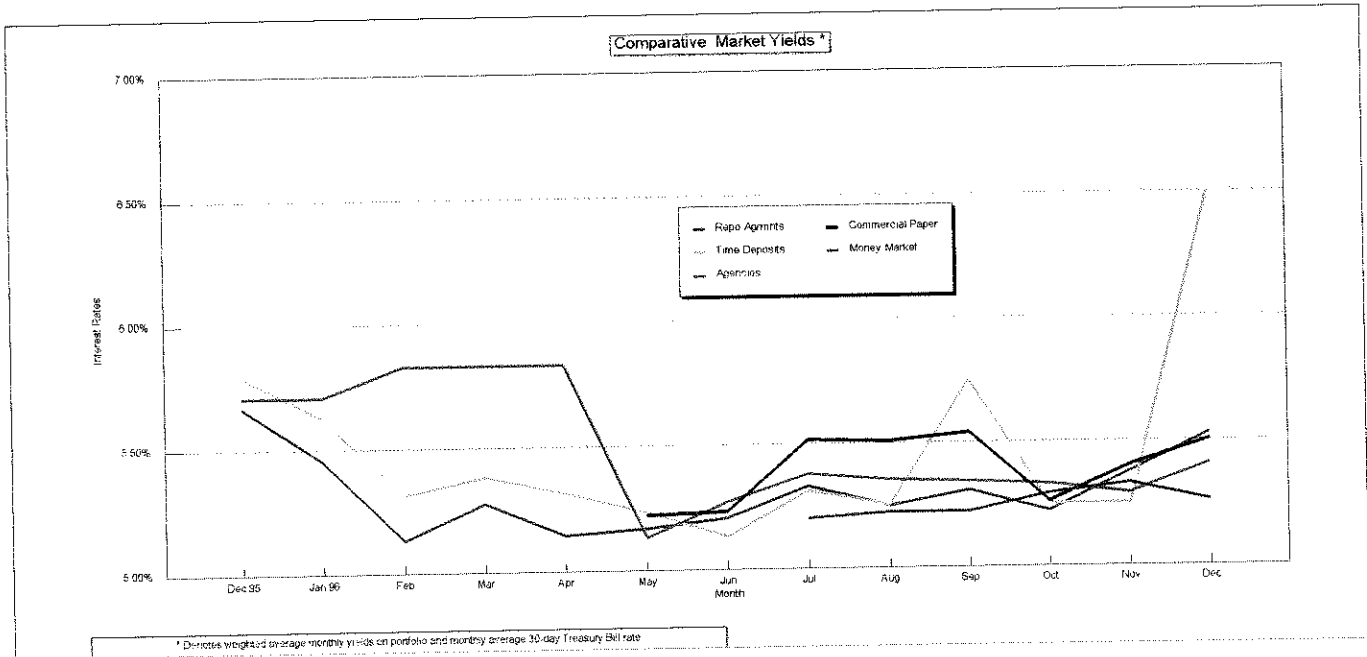
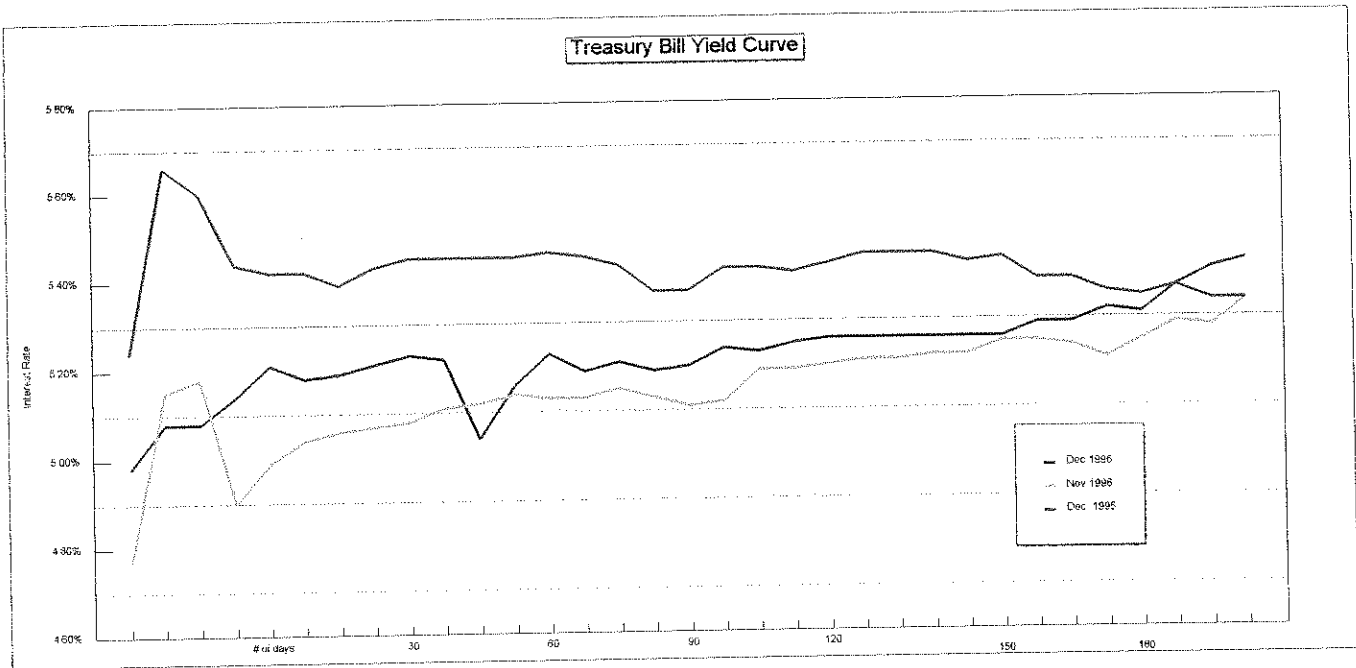




**RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS**

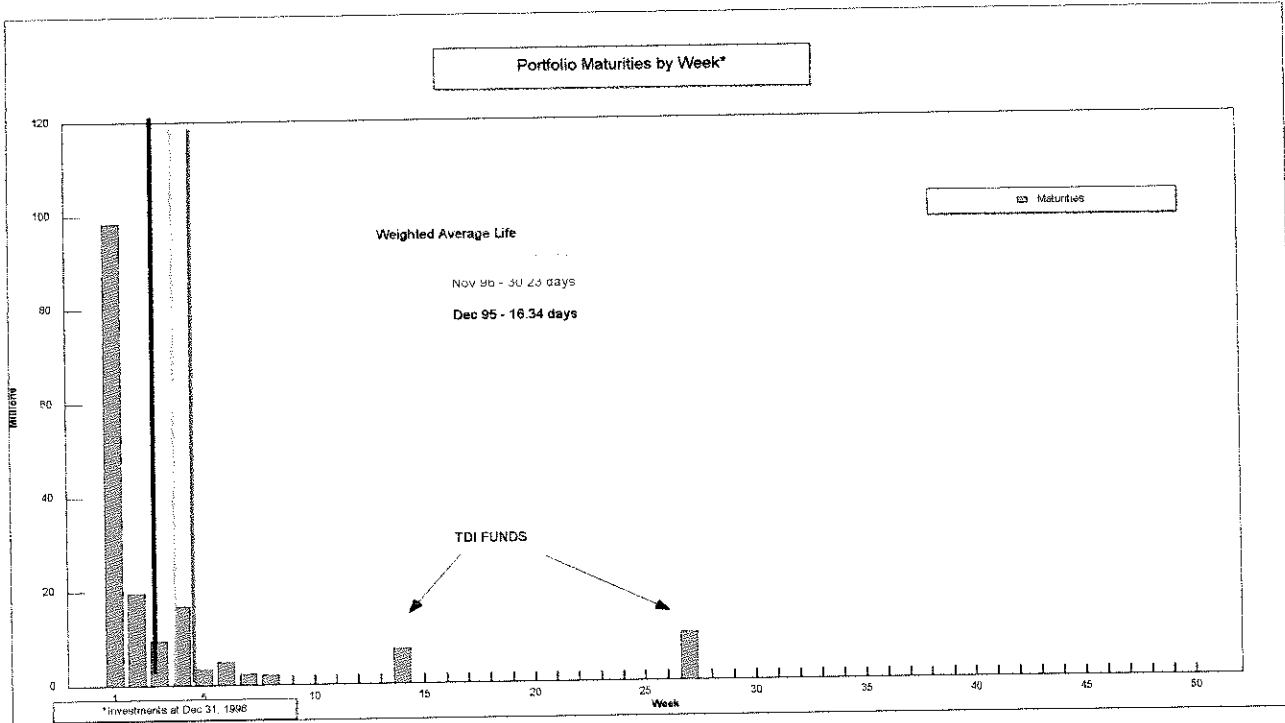


RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS



\* Deposits weighted average monthly yields on portfolio and monthly average 30-day Treasury Bill rate

RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS



SUMMARY PORTFOLIO YIELDS

	WEIGHTED AVERAGE YIELD(%)
Dec 31, 1996	5.526%
Nov 30, 1996	5.335%
Dec 31, 1995	5.693%

SPECIAL FUNDS  
INVESTMENT SUMMARY  
DECEMBER 31, 1996

FUND NAME	EQUITIES	CASH & EQUIVALENTS	FIXED INCOME	Gain/Loss	TOTAL MARKET VALUE
<u>Touro Synagogue Fund</u>	** 1,416,989	140,574	486,044	110,942	2,043,607
<u>Rhode Island Temporary Disability Insurance Fund</u>	0	0	1,018,750	(3,438)	1,018,750
<u>State of Rhode Island Land Grant Fund</u>	44,344	0	0	205	44,344
<b>TOTALS</b>	1,461,333	140,574	1,504,794	107,709	3,106,701

\*\* Balances as of 11/30/96



INCOME FILE

	July 1996	August	September	October	November	December	January 1997	February	March	April	May	June	YTD
<b>Mackay-Shield ZU 74</b>													
ISO													0
SCL	577,577	252,671	456,195	556,755	225,272	401,818							0
DIV	33,557	27,681	45,984	57,967	70,201	23,801							2,470,288
INT						(2,751)							259,190
MIS	(43)												(2,794)
CAPGN/LSS	2,029,645	2,370,720	(17,149)	6,323,390	786,787	(2,845,998)							8,647,395
TOTAL	2,640,737	2,651,071	485,030	6,938,111	1,082,261	(2,423,130)	0	0	0	0	0	0	11,374,079
<b>David Babson ZU 78</b>													
ISO													0
SCL	314,739	84,648	281,527	304,112	84,648	256,400							0
DIV	26,614	24,757	23,630	35,245	17,662	18,876							1,326,075
INT					(101)								146,783
MIS													(101)
CAPGN/LSS	654,202	329,612	407,851	200,416	391,761								1,983,840
TOTAL	995,555	439,017	713,007	539,772	493,970	275,276	0	0	0	0	0	0	3,456,597
<b>J &amp; W Seligman ZU 80</b>													
ISO													0
SCL	23,114	31,795	20,482	26,606	29,465	17,264							0
DIV	51,524	61,561	60,871	53,149	69,260	10,729							148,727
INT						(1,188)							307,094
MIS													(1,188)
CAPGN/LSS	550,367	1,461,353	38,434	2,303,617	1,306,452	886,975							6,547,197
TOTAL	625,005	1,554,708	119,788	2,383,372	1,405,178	913,779	0	0	0	0	0	0	7,001,830
<b>HLM Mngmnt ZU 86</b>													
ISO													0
SCL	2,442	6,760		2,442	8,320								0
DIV	6,413	4,262	3,479	4,687	4,938	7,577							19,964
INT	(120)	(31)											31,355
MIS													(152)
CAPGN/LSS	200,228	(245,468)	375,690	(132,232)	(600,027)	(96,650)							(498,458)
TOTAL	208,962	(234,477)	379,169	(125,103)	(586,769)	(89,072)	0	0	0	0	0	0	(447,291)



INCOME FILE

	July 1996	August	September	October	November	December	January 1997	February	March	April	May	June	YTD
<b>Fleet ZU 42</b>													
ISO													0
SCL													0
DIV													0
INT	3,368,737	13,552,712	1,623,581	2,936,839	13,104,121	3,237,751							37,823,740
MIS	(2)	(1,439)				(5,819)							(7,260)
CAPGN/LSS	228,922	(746,159)	(264,615)	(71,646)	(249,331)	(336)							(1,103,166)
TOTAL	3,597,657	12,805,115	1,358,965	2,865,193	12,854,790	3,231,595							36,713,315
<b>Brown Bros Zu 44</b>													
ISO	1,540,805	1,219,255	1,751,014	2,773,180	1,410,692	1,818,473							10,513,419
SCL													0
DIV													0
INT	818,659	361,622	1,588,385	249,302	1,584,878	408,522							5,011,368
MIS	(406,056)	(91,667)	(408,416)	23,903	653,228	76							(41)
CAPGN/LSS						781,234							552,225
TOTAL	1,953,408	1,489,092	2,930,983	3,046,386	3,648,798	3,008,304							16,076,971
<b>Fidelity ZU 46</b>													
ISO	11,077	(41)	34,122	4,607	38,406	396,655							127,837
SCL													0
DIV													0
INT	1,033,118	1,030,251	1,026,820	1,040,421	1,080,892	1,062,720							6,274,221
MIS	(309)					(462)							(765)
CAPGN/LSS	(71,221)	(16,115)	(17,337)	(211,996)	401,238	147,725							232,294
TOTAL	972,670	1,014,095	1,043,604	833,032	1,520,536	1,249,649							6,639,587
<b>Taplin, Canida &amp; Habecht ZU 84</b>													
ISO	6,137			16,243		4,667							27,046
SCL													0
DIV													0
INT	27,390	188,574	133,434	35,218	87,089	206,656							678,361
MIS													0
CAPGN/LSS	(17)	(16)	(11)	(29,698)	(1)	3							(29,740)
TOTAL	33,510	188,558	133,423	21,763	87,088	211,326							675,668



INCOME FILE

	July 1996	August	September	October	November	December	January 1997	February	March	April	May	June	YTD
<b>Heitman ZU34</b>													
ISO													0
SCL													0
DIV													0
INT													0
MIS	707,308	0	0	625,842	277 (1,377,743)	1							278 (44,593)
CAPGN/LSS													0
<b>TOTAL</b>	<b>707,308</b>	<b>0</b>	<b>0</b>	<b>625,842</b>	<b>(1,377,466)</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(44,315)</b>
<b>L &amp; B ZU 36</b>													
ISO													0
SCL													0
DIV													0
INT													0
MIS	254	0	0	0	1	564,776							256
CAPGN/LSS		564,776											1,129,553
<b>TOTAL</b>	<b>254</b>	<b>564,776</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>564,778</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,129,809</b>
<b>Aetna ZU 52</b>													
ISO													0
SCL													0
DIV													0
INT													0
MIS	0	188,411	0	0	345,420	207	0	0	0	0			207
CAPGN/LSS													533,831
<b>TOTAL</b>	<b>0</b>	<b>188,411</b>	<b>0</b>	<b>0</b>	<b>345,420</b>	<b>207</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>534,038</b>
<b>Phoenix ZU 54</b>													
ISO													0
SCL													0
DIV													0
INT													0
MIS	0	0	0	0	(3,060,314)	0	0	0	0	0	0	0	(3,060,314)
CAPGN/LSS													0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,060,314)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,060,314)</b>

INCOME FILE

	July 1996	August	September	October	November	December	January 1997	February	March	April	May	June	YTD
<b>Cash - Out of Trust ZU 66</b>													
ISO													0
SCL													0
DIV													0
INT	99,131	103,615	33,256	16,214	10,823	98,487		0					361,526
MIS													0
CAPGN													0
<b>TOTAL</b>	<b>99,131</b>	<b>103,615</b>	<b>33,256</b>	<b>16,214</b>	<b>10,823</b>	<b>98,487</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>361,526</b>
<b>Cash - In Trust ZU 76</b>													
ISO													0
SCL													0
DIV													0
INT	84,081	128,275	33,365	13,832	34,776	17,069							311,397
MIS													0
CAPGN													0
<b>TOTAL</b>	<b>84,081</b>	<b>128,275</b>	<b>33,365</b>	<b>13,832</b>	<b>34,776</b>	<b>17,069</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>311,397</b>
<b>Loomis Sayles ZU 90</b>													
ISO													590,216
SCL													0
DIV													215,891
INT	66,500	13,927	229,499	137,451	183,979	25,359							3,679,002
MIS													(2,179)
CAPGN													1,111,229
<b>TOTAL</b>	<b>66,500</b>	<b>13,927</b>	<b>229,499</b>	<b>137,451</b>	<b>183,979</b>	<b>25,359</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,594,159</b>
ISO													0
SCL													0
DIV													0
INT													0
MIS													0
CAPGN													0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

INCOME FILE

	July 1996	August	September	October	November	December	January 1997	February	March	April	May	June	YTD
<b>Alliance</b>													
ZU 26													
ISO													0
SCL													0
DIV	215,903	112,563	91,686	131,918	93,867	166,211							812,149
INT	1,773	1,651	1,114	1,478	1,676	59,207							66,898
MIS			(0)	(0)	(1,317)	(72)							(1,389)
CAPGN	(42,936)	5,335	179,939	5,887	(322,624)	(23,787)							(198,187)
TOTAL	174,740	119,549	272,740	139,283	(228,398)	201,559	0	0	0	0	0	0	679,472
<b>Schroder</b>													
ZU 28													
ISO													0
SCL													0
DIV	272,661	313,368	252,457	379,662	176,964	148,064							1,543,176
INT	27,177	23,578	48,798	45,876	11,346	88,602							245,378
MIS		(51)	(936)	(936)	14,336	1,501							14,850
CAPGN	2,493,967	1,362,705	96,986	1,281,221	390,819	911,476							6,537,174
TOTAL	2,793,805	1,699,652	398,191	1,705,823	593,465	1,149,643	0	0	0	0	0	0	8,340,579
<b>Scudder</b>													
ZU 70													
ISO													50,521
SCL													0
DIV	431,605	151,533	206,311	172,541	189,098	127,074							1,278,163
INT	73,895	15,061	48,731	62,658	7,020	84,663							292,028
MIS	(199)	(753)	(236)	(236)	(319)	(7)							(1,514)
CAPGN	871,710	1,129,950	(877,951)	53,940	(1,639,575)	(1,647,927)							(2,109,853)
TOTAL	1,386,322	1,309,460	(605,764)	294,415	(1,443,776)	(1,431,312)	0	0	0	0	0	0	(490,655)
<b>Emerg Markets</b>													
ZU													
ISO													0
SCL													0
DIV													0
INT													0
MIS													0
CAPGN													0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0