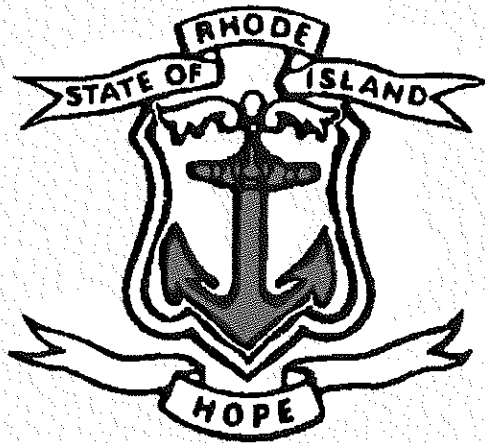
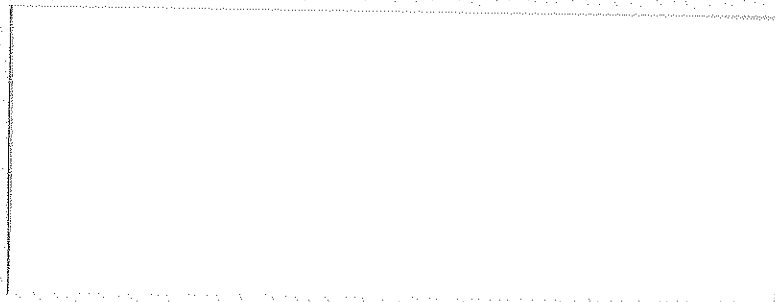


# State of Rhode Island and Providence Plantations



Office of the General Treasurer

Nancy J. Mayer  
General Treasurer

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING  
NOVEMBER 25, 1997**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

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

**Rosemary Booth Gallogly  
Rep. Mark B. Heffner  
Mr. James M. Seed**

**Mr. Kenneth R. Dulgarian  
Mr. Karl F. Ericson  
Sen. Paul J. Tavares**



State of Rhode Island and Providence Plantations

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RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE

The next meeting of the Rhode Island State Investment Commission has been scheduled for Thursday, December 11, 1997 at 9:00 a.m. in Room 135 of the State House.

AGENDA  
STATE INVESTMENT COMMISSION

Suggested Time Schedule

- |    |   |               |
|----|---|---------------|
| 1. | Approval of Minutes   | 9:00          |
|    | • Regular Meeting held on October 28, 1997                              |               |
| 2. | Pacific Corporate Group - Alternative Investments Consultant            |               |
|    | • Proposed Alternative Investment - Thomas H. Lee Equity Fund, IV, L.P. | 9:00 - 9:30   |
|    | • Proposed Alternative Investment - Triumph Capital                     | 9:30 - 10:00  |
|    | • Portfolio Performance Report - Second Quarter, 1997                   | 10:00 - 10:10 |
| 3. | General Consultant's Report - Wilshire Associates Incorporated          |               |
|    | • Capital Market Update   | 10:10 - 10:20 |
|    | • Investment Performance Review - Third Quarter, 1997                   | 10:20 - 10:40 |
|    | • Review of Fixed Income Asset Allocation and Investment Strategy       | 10:40 - 11:40 |
| 4. | Proposed Modification to Alternative Investments Funding Procedures     | 11:40 - 11:45 |
| 5. | Treasurer's Report  | 11:45 - 11:55 |
| 6. | Deputy General Treasurer for Finance Report                             | 11:55 - 12:00 |
| 7. | Legal Counsel Report  | 12:00 - 12:05 |
| 8. | New Business  |               |

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

**Minutes of the Regular Meeting  
October 28, 1997**

The following members were present at the meeting held in Room 135, State House, Providence: Mr. Kenneth R. Dulgarian, Mr. Karl F. Ericson, Ms. Rosemary Booth Gallogly, Designee of the Director of Administration, General Treasurer Nancy J. Mayer, Chair and Mr. James M. Seed. Also present were Ms. Barbara B. Schoenfeld, Legal Counsel to the Commission, Mr. William G. Bensusan, 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. Representative Mark B. Heffner and Senator Paul J. Tavares were absent. The Treasurer arrived at 9:15 a.m.

There being a quorum present, Ms. Schoenfeld called the meeting to order at 9:10 a.m.

Minutes. Mr. Dulgarian moved, Mr. Seed seconded and the following motion passed unanimously. The following members voted in favor: Mr. Dulgarian, Mr. Ericson, Ms. Gallogly and Mr. Seed.

**VOTED: To approve the Minutes of the September 23, 1997 Regular Meeting and the Minutes of the September 23, 1997 Closed Session.**

OCM Opportunities Fund II, L.P. Mrs. Schoenfeld introduced Mr. Kelly DePonte of Pacific Corporate Group, the Commission's Alternative Investment Consultant. Mr. DePonte gave an overview of OCM Opportunities Fund II, L.P. for the Commission to Consider as a proposed alternative investment. The Fund is being established to take advantage of opportunities arising from financial distress. The Fund size is targeted at \$1 to \$1.5 billion. This pension fund has commitments to two previous OCM funds: an \$8 million commitment to OCM Opportunities Fund, L.P. and a \$5 million commitment to OCM Principal Opportunities Fund, L.P.

Mr. DePonte introduced Mr. Howard S. Marks, Chairman and founder of Oaktree Capital Management, the General Partner. Mr. Marks stated that Oaktree has a strong record of raising funds, investing them promptly, generating and harvesting profits and effecting distributions. Previous funds have returns to date of 30% before fees and expenses and 25% after.

The Treasurer joined the meeting.

Mr. Marks explained that Oaktree includes among its strengths a high yield bond management team which is responsible for more than \$3 billion, has an outstanding performance record spanning nineteen years and has worked closely with the distressed team since its inception in 1988. He listed Oaktree's view of the six principal elements

critical to success in distressed debt investing. They are: access to deal flow, valuation skills, legal/strategic analysis, restructuring ability, performing corporate oversight and creating exit strategies.

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

**VOTED: To invest \$12 million in OCM Opportunities Fund II, L.P., as recommended by Pacific Corporate Group contingent upon satisfactory review and negotiation of investment and other legal documents.**

Wellspring Capital Partners II, L.P. Mr. Jefferson Stone of Pacific Corporate Group gave an overview of Wellspring Capital Partners II, L.P. for the Commission to consider as a proposed alternative investment. The Fund is being established to acquire controlling interests in undermanaged or underperforming companies. The Fund size will be between \$200 and \$350 million. The principals of Wellspring have committed \$10 million to the Partnership, and are willing to increase their commitment if the Fund exceeds \$200 million.

Mr. Stone introduced Mr. Martin S. Davis and Mr. Greg S. Feldman, the Managing Partners of Wellspring Associates. Mr. Davis explained that he was the Chairman and CEO of Gulf & Western Industries, Inc. and its successor company Paramount Communications, Inc. He was responsible for transforming the financially troubled and strategically mismanaged industrial conglomerate into a leading worldwide media and entertainment company. Mr. Feldman has been a principal in the private equity business for approximately nine years. Prior to that he practiced law in New York.

Mr. Feldman stated that the principals have extensive transaction experience in mergers and acquisitions, debt and equity financings and restructurings. Given the economic environment and market conditions of the past five years and the increase in leveraged loans and high yield issuance, Wellspring expects to have access to substantial deal flow and quality investment opportunities at attractive valuations.

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

**VOTED: To invest \$15 million in Wellspring Capital Partners II, L.P., as recommended by Pacific Corporate Group contingent upon satisfactory review and negotiation of investment and other legal documents.**

Harvest Partners III, L.P. Mr. Jefferson Stone of Pacific Corporate Group gave an overview of Harvest Partners III, L.P. The Fund is being established to invest in a diversified portfolio of control equity investments in the management buyout or growth financing of middle-market companies. The Fund's size is targeted at \$250 million and will be capped at \$350 million.

Mr. Stone introduced Mr. Harvey Wertheim and Mr. Harvey Mallement of Harvest Partners, Inc. Mr. Wertheim explained that Harvest is a multinational oriented firm that does domestic transactions. Harvest will use its existing European investor base as a competitive advantage in sourcing, executing, monitoring and exiting acquisitions and growth financings of companies with a strong multinational orientation. The firm will also look to invest in companies that are located and do business solely in the U.S.

Mr. Mallement stated that Harvest will target basic manufacturing, specialty services and distribution companies which have experienced management teams, leading positions in their market niches and the potential to increase in value, primarily through increases in operating income.

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

**VOTED: To invest \$15 million in Harvest Partners III, L.P., as recommended by Pacific Corporate Group contingent upon satisfactory review and negotiation of investment and other legal documents.**

NOTE: The Treasurer called a recess from 11:00 to 11:10 a.m. during which Mr. Dulgarian left the meeting.

Schroder Capital Management International. Mr. Bensur gave a brief overview of Schroder Capital Management International which was retained in the second quarter of 1997 to manage a long-term, strategic allocation to global emerging equity markets. The emerging markets portfolio is targeted to represent 2% of the total Fund and 13.5% of the International Equity Composite. Market value at 6/30/97 was \$106.7 million. The Commission's investment in emerging markets is through a commingled fund, rather than a separate account. The portfolio holds 368 securities and is fully invested.

Mr. Bensur introduced Ms. Ellen Sullivan, First Vice President and Mr. John Troiano, Portfolio Manager and Chairman of the Emerging Markets Committee. Mr. Troiano explained that investing in emerging markets still makes sense because they grow very rapidly. He stated that Asia has struggled this past year as opposed to Latin America and Russia which have performed extremely well. Thailand and Malaysia have been the worst performers. Schroders does not invest in Malaysia and the emerging markets portfolio has never had more than a 2% position in Thailand.

Mr. Troiano stated that poor performance from holdings in China and India was the primary reason for poor quarterly stock selection, partly offset by an excellent performance in Taiwan. Stock selection was particularly good in South Africa, Taiwan and Chile. The portfolio benefited from overweighting China and Eastern Europe and underweighting South Africa and Thailand.

Consultant's Report - Wilshire Associates Incorporated. Providing his Capital Market Update, Mr. Bensus reported that the market dropped 596 points for the biggest three-day slide since November, 1991. Key markets around the world also felt the Hong Kong crash, and investors expect volatility to continue until the Pacific Basin stabilizes.

He explained that large stocks have slightly edged out small stocks on a year to date basis. The S&P 500 Index, a measure of large stocks, has generated a 28.8 % return and the Wilshire 4500 Index, a measure of small stocks, has generated a 28.2% return through 10/24/97. The Hong Kong currency devaluation weakened exchange rates and produced smaller declines among the Pacific Rim countries. Through 10/24/97 the Pacific Rim had fallen 14.3%.

The continuing weakness in the Pacific Rim economies has also impacted Emerging Markets, which have yielded negative returns year to date. The UK/Europe region has generated a 19.8% return and the bond market has returned 7.3%, both through 10/24/97.

Note: Mr. Ericson left the meeting at 1:00 p.m.

Treasurer Mayer invited Commission members to the National Association of State Treasurers (NAST) Annual Pension Conference in Boston from November 16 through 18. Treasurer Mayer will be the Chair of the Conference and her office has organized the program panels.

It was agreed by Commission members to cancel the November meeting of the State Investment Commission and to reschedule the December meeting to Thursday, December 11, 1997 at 9:00 a.m.

There being no further business, the meeting was adjourned at 1:10 p.m.

Respectfully submitted,

Barbara B. Schoenfeld  
Legal Counsel to the  
State Investment Commission

# RHODE ISLAND STATE INVESTMENT COMMISSION

## STAFF SUMMARY ANALYSIS

### OCTOBER 1997 PORTFOLIO HIGHLIGHTS

#### MARKET VALUES

The total portfolio value decreased in October by \$173.8 Million to \$5,338.3 Billion (-2.56%). This compares with an increase in value of \$49.6 Million (+1.26%) for the same period in 1996.

- The equity market values decreased by \$115.7 Million (-3.81%). Fixed income increased by \$14.7 Million net of transfers (+1.37%), while international equities decreased by \$73.5 Million (-9.4%). Alternative investments decreased by \$3.9 Million, net of capital calls, cash distributions and transfers, while cash increased by \$4.6 Million.
- While every equity portfolio lost during October, the managers having the least amount of losses are as follows:

<i>Manager</i>	<i>Market Value Gains/Losses</i>	<i>Percentage Losses</i>
Babson	(\$4.3 Million)	-2.32%
Fleet	(\$18.2Million)	-3.35%
Bankers	(\$28.7Million)	-3.46%

- Brown Brothers' fixed income portfolio decreased in value by \$7.6 Million net of transfers. Fleet's fixed income portfolio increased in value by \$23.2 Million, while Fidelity's value increased by \$1.5 Million. The Loomis Sayles portfolio decreased by \$2.5 Million, and Taplin, Canida & Habacht's portfolio increased by \$342,018.

#### ASSET ALLOCATION

- There is a 4.61% over-allocation in domestic equities; fixed income is slightly over-allocated by 1.46% and the international equity asset class is slightly under-allocated by 1.71%; the alternative investment asset class is under by 4.64%.
- Cash and equivalents decreased from \$241.1 Million in September to \$234.51 Million in October.



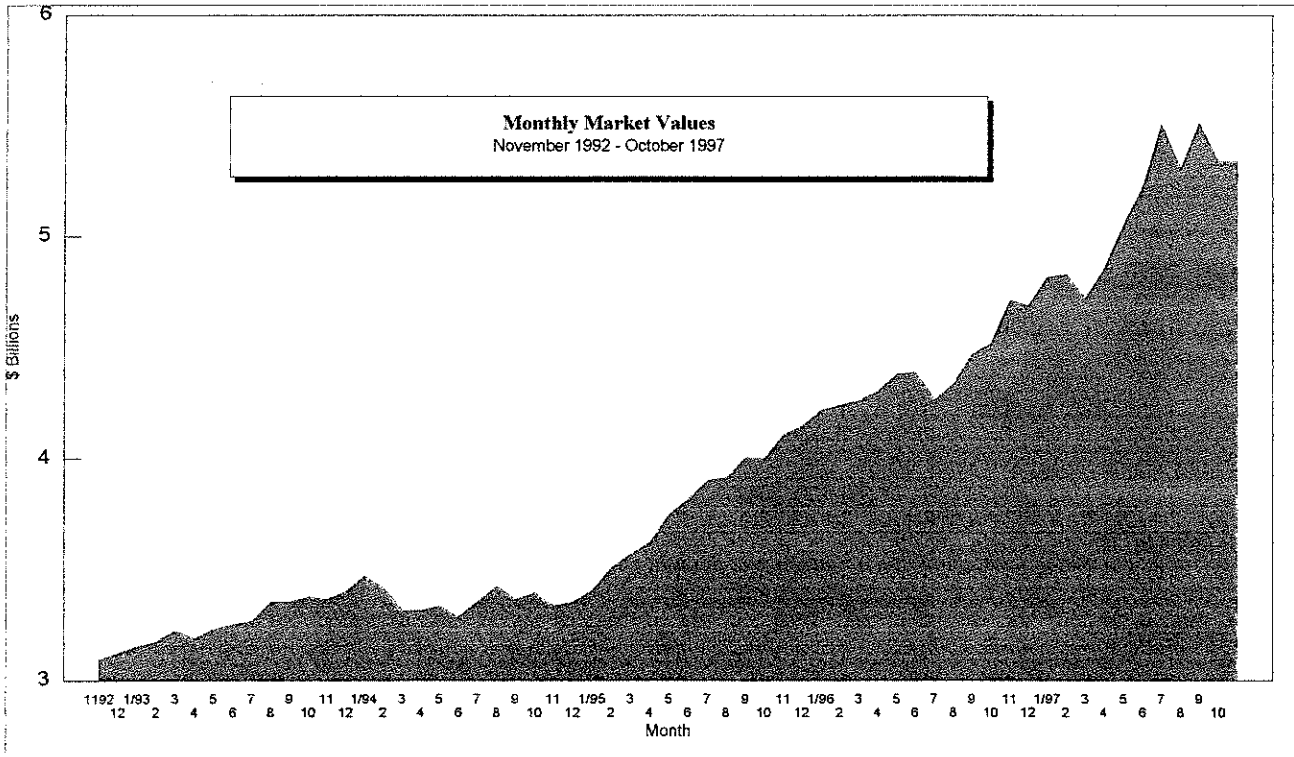
RHODE ISLAND STATE INVESTMENT COMMISSION

Market Value Report

EMPLOYEES' RETIREMENT SYSTEMS  
Market Values at October 31, 1997

<u>ASSET CLASS</u>	<u>NET ASSET VALUE \$ (millions)</u>
<i>Domestic Equity</i>	2,607.54
<i>Alternative Investments</i>	152.47
<i>Fixed Income</i>	1,661.89
<i>International Equity</i>	681.95
<i>Cash &amp; Equivalents</i>	234.51
	-----
<b>Total</b>	<b>5,338.36</b>

ERSRI - 87.0950337%  
MERSRI - 12.7524323%  
ST POL - 00.0978470%  
JUDICIAL - 00.0546870%



## INVESTMENT MANAGER FUNDING

- Cash distributions of \$1,580,910 were received from Crossroads, \$6,322,383 from Heitman Realty Trust, \$150,000 from Boston Venture Capital, and \$6,017 from SKM Equity Fund, for a total of \$8,059,310.
- Supplemental funding of \$450,000 was provided to Boston Ventures, \$224,053 to Heritage Fund, \$600,000 to OCM Opportunities Fund II, \$592,478 to SKM Equity Fund and \$652,000 to TPG Partners, for a total of \$2,518,531.

At this time, the alternative investment asset class has an unfunded allocation of approximately \$247.9 Million.

## EXPENSES

- Expenses as originally forecasted for fiscal 1998 have been increased by approximately 13% to reflected higher than projected investment manager fees and operating expenses.

## CASH FLOW

October's combined state and teacher contributions were insufficient to cover the month's pension payroll, requiring a transfer of \$8.350 Million from the long term plan; the municipal plan required the transfer of an additional \$1.5 Million.

## SHORT TERM CASH

The short term cash portfolio had a 20.21 day weighted average maturity vs. 22.37 days in September.

RHODE ISLAND STATE INVESTMENT COMMISSION

TIME WEIGHTED PERFORMANCE REPORT

Rhode Island Employees' Retirement Systems Performance as of October 31, 1997
--

<u>DOMESTIC EQUITY</u>	<u>OCTOBER 1997</u>	<u>YTD</u>
<i>Fleet</i>	-3.35%	26.37%
<i>Bankers Trust</i>	-3.46%	24.22%
<i>Provident</i>	-3.64%	25.51%
<i>Brinson</i>	-5.41%	19.92%
<i>Mackay-Shields</i>	-4.01%	15.60%
<i>Babson</i>	-2.32%	29.17%
<i>J &amp; W Seligman</i>	-4.93%	15.44%
<i>HLM Management</i>	-6.33%	5.23%
<i>ValueQuest</i>	-8.03%	21.22%
<i>Total Domestic Equity</i>	<b>-3.81%</b>	<b>23.42%</b>
 <u>INTERNATIONAL EQUITY</u>		
<i>Alliance</i>	-7.81%	2.59%
<i>Schroders</i>	-4.55%	15.99%
<i>Scudder</i>	-15.30%	-17.92%
<i>Schroder Emerging Markets</i>	-16.67%	-13.02%
<i>Total International Equity</i>	<b>-9.40%</b>	<b>0.25%</b>
 <u>FIXED INCOME</u>		
<i>Fleet</i>	2.07%	8.74%
<i>Fidelity</i>	0.91%	7.49%
<i>Brown Brothers</i>	0.63%	5.43%
<i>In-State F.I.</i>	1.89%	12.60%
<i>Taplin, Canida &amp; Habacht</i>	1.52%	10.11%
<i>Loomis Sayles</i>	-1.05%	12.79%
<i>Total Fixed Income</i>	<b>1.36%</b>	<b>9.16%</b>

RHODE ISLAND STATE INVESTMENT COMMISSION

SUMMARY PORTFOLIO

PERFORMANCE REPORT

<u>ASSET CLASS</u>	<u>OCTOBER 1997</u>	<u>YTD</u>
<i>Domestic Equity</i>	-3.81%	23.42%
<i>International Equity</i>	-9.40%	0.25%
<i>Fixed Income</i>	1.36%	9.16%
<b>TOTAL FUND COMPOSITE*</b>	<b>-2.56%</b>	<b>14.44%</b>

<u>INDICES</u>	<u>OCTOBER 1997</u>	<u>YTD</u>
<u>Domestic Equity</u>		
<i>S &amp; P 500</i>	-3.29%	25.28%
<i>Wilshire 3000</i>	-3.34%	24.88%
<i>Russell 2000</i>	-4.39%	21.05%
<i>Russell 2500</i>	-4.49%	21.51%
<u>International Equity</u>		
<i>MSCI EAFE</i>	-7.69%	1.93%
<u>Fixed Income</u>		
<i>Lehman AGG</i>	1.45%	8.09%

\* Total Fund Composite includes all asset classes.

RHODE ISLAND STATE INVESTMENT COMMISSION

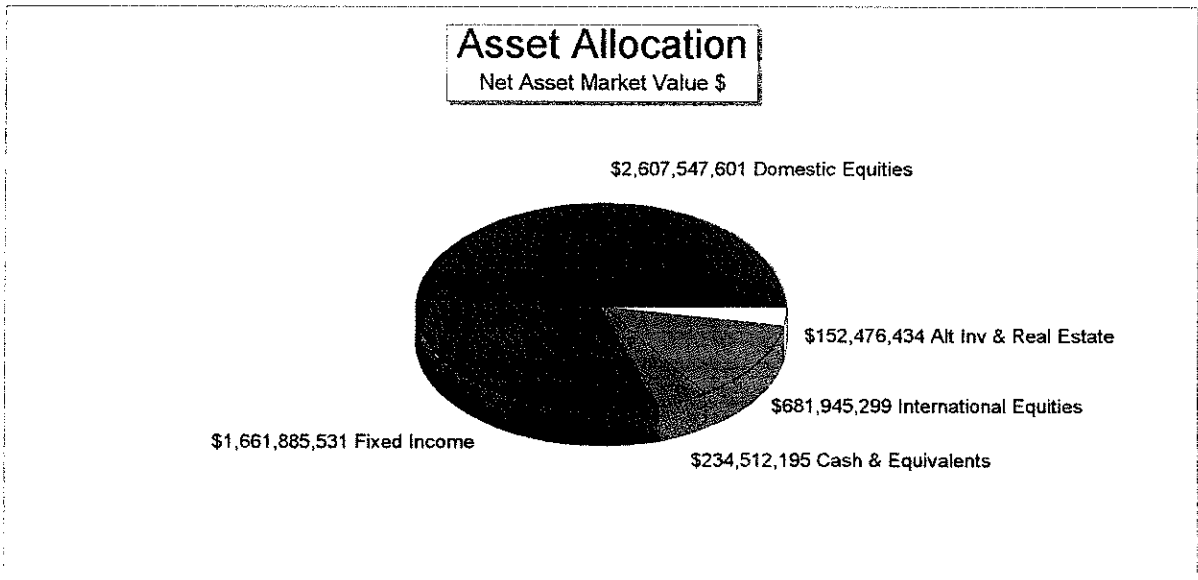
EMPLOYEES' RETIREMENT SYSTEMS

ASSET ALLOCATION

October 31, 1997

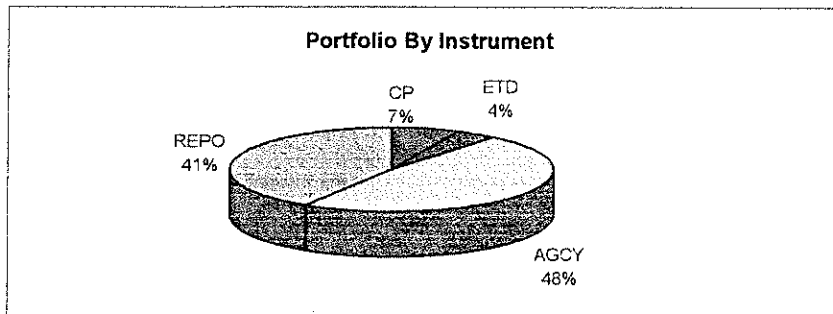
PERCENTAGE OF TOTAL DOLLARS

<u>ASSET CLASS</u>	<u>ACTUAL</u>	<u>TARGET</u>	<u>ACTUAL/TARGET DIFFERENCE</u>
<i>Domestic Equity</i>	49.61%	45.00%	4.61%
<i>Fixed Income</i>	33.96%	32.50%	1.46%
<i>Alt Inv &amp; Real Estate</i>	2.86%	7.50%	-4.64%
<i>International Equity</i>	13.29%	15.00%	-1.71%
<i>Cash</i>	0.28%	0.00%	0.28%
	100.00%	100.00%	0.00%



**RHODE ISLAND STATE INVESTMENT COMMISSION**

**SHORT TERM CASH INVESTMENTS AT OCTOBER 31, 1997**



Vendor	CP	ETD	Treasury	Agency	Money Mkt	Repo	Total (\$)
<b>Guidelines-Total/Vendor</b>	<b>15%/15%</b>	<b>15%/15%</b>	<b>100%/100%</b>	<b>75%/35%</b>	<b>50%/35%</b>	<b>100%/20%</b>	
	0%	4%	0%	0%	0%	0%	4%
Bear Stearns	13,974,461	0	0	0	0	0	13,974,461
	7%	0%	0%	0%	0%	0%	7%
Citi-Corp	0	0	0	0	0	35,117,653	35,117,653
	0%	0%	0%	0%	0%	17%	17%
Dean Witter	0	0	0	60,097,754	0	15,000,000	75,097,754
	0%	0%	0%	28%	0%	7%	36%
Fidelity	0	0	0	10,652,726	0	6,950,686	17,603,412
	0%	0%	0%	5%	0%	3%	8%
Mesirow	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
First Tennessee	0	0	0	16,962,122	0	0	16,962,122
	0%	0%	0%	8%	0%	0%	8%
Goldman Sachs	0	0	0	0	0	20,899,863	20,899,863
	0%	0%	0%	0%	0%	10%	10%
Merrill Lynch	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Wachovia	0	0	0	0	0	1,300,000	1,300,000
	0%	0%	0%	0%	0%	1%	1%
Prudential	0	0	0	13,985,534	0	4,589,000	18,574,534
	0%	0%	0%	7%	0%	2%	9%
Sun Trust	0	0	0	0	0	3,000,000	3,000,000
	0%	0%	0%	0%	0%	1%	1%
State St Bank	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
<b>TOTALS</b>	<b>13,974,461</b>	<b>9,000,000</b>	<b>0</b>	<b>101,698,136</b>	<b>0</b>	<b>86,857,202</b>	<b>211,529,798</b>
<b>(%) PORTFOLIO</b>	<b>7%</b>	<b>4%</b>	<b>0%</b>	<b>48%</b>	<b>0%</b>	<b>41%</b>	<b>100%</b>



State of Rhode Island and Providence Plantations

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General Treasurer

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December 11, 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, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on October 31, 1997.

The amounts listed for our 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

OCTOBER 31, 1997

ASSET CLASS

<i>Cash/Short Term Investments</i>		
<i>Short Term Investment Fund</i>		
<i>Money Market Instruments</i>		\$234,512,194.78
<i>Equities - Domestic</i>		\$2,607,547,601.29
<i>Equities - International</i>		\$681,945,299.44
<i>Fixed Income - Government</i>	\$1,576,835,887.47	
<i>Fixed Income - Corporate</i>	\$57,865,140.95	
<i>Fixed Income - In State</i>	<u>\$27,184,502.40</u>	
<i>Total Fixed Income</i>		\$1,661,885,530.82
<i>Alternative Investments</i>		\$151,976,433.88
<i>Other - Escrow</i>		\$500,000.00
		\$5,338,367,060.21

TOTAL FUND INVESTMENTS

ERSRI - 87.0950337%  
MERSRI - 12.7524323%  
STPOL - 0.0978470%  
JUDC'L - 0.0546870%

balsheet.xls



**TIME WEIGHTED ERSRI MARKET VALUE CHANGE REPORT**  
10/01/97-3/31/97

MONTHLY CHANGE

PORTFOLIO	BENCHMARK DESCRIPTION	MARKET VALUE 9/30/97	TRANSFERS IN/OUT	MARKET VALUE 10/31/97	NET INCREASE/ (DECREASE)	MONTHLY CHANGE			CALENDAR YTD PERFORMANCE	CALENDAR YTD BENCHMARK
						MARKET VALUE 9/30/97	% OF CHANGE NET OF TRFS	% OF CHANGE TO BENCHMARK		
DOMESTIC EQUITY										
FLEET	S&P 500	545,868,437	(2,000,000)	525,660,798	(18,207,639)	-3.35%	-3.29%	-0.06%	26.37%	25.28%
BANKERS	W. 3000	830,259,636	31,050	801,557,688	(28,732,998)	-3.46%	-3.34%	-0.12%	24.22%	24.88%
PROVIDENT	RUSSEL 1000 GRWTH	442,087,029	(9,000,000)	417,297,885	(15,789,144)	-3.64%	-3.24%	-0.40%	25.51%	24.77%
BRINSON	W. 5000	262,666,763	0	248,468,614	(14,198,169)	-5.41%	-3.33%	-2.08%	19.92%	24.82%
MCKY-SHILDS	W. 5000	246,489,096	0	236,607,940	(9,881,156)	-4.01%	-3.33%	-0.68%	15.60%	24.82%
BARBON	RUSSEL 2500 SMLCAP	188,091,434	0	183,720,361	(4,371,073)	-2.32%	-4.49%	2.17%	29.17%	21.51%
JW SELIGMAN	RUSSEL 2000 SMLCAP	191,662,719	0	182,206,408	(9,456,311)	-4.93%	-4.39%	-0.54%	15.44%	21.05%
HLM Management	RUSSEL 2000	25,724,771	0	24,096,045	(1,628,726)	-6.33%	-4.39%	-1.94%	5.23%	21.05%
VALUEQUEST LTD	W. LARGE VALUE	31,408,610	0	28,885,574	(2,523,036)	-8.03%	-3.23%	-4.80%	21.22%	25.31%
TOTAL EQUITY		2,764,258,515	(10,968,950)	2,648,501,314	(104,788,251)	-3.81%			23.42%	
FIXED INCOME										
FLEET	LEHMAN AGG	1,125,103,407	31,050	1,148,386,291	23,251,834	2.07%	1.45%	0.62%	8.74%	8.09%
FIDELITY	SALOMON MORT.	170,733,729	0	172,283,077	1,549,348	0.91%	1.08%	-0.17%	7.49%	7.91%
BROWN BROS.	LEHMAN 1-3YR	210,809,886	(8,924,000)	203,153,559	(1,267,673)	0.63%	0.75%	-0.12%	5.43%	5.68%
IN STATE F.I.		27,490,547	(374,392)	27,294,410	(178,255)	1.89%	N/A	N/A	12.60%	N/A
TAPLIN CANIDA & HABECH	LB INT GOVT/CORP	22,559,531	0	22,901,549	342,018	1.52%	1.11%	0.41%	10.11%	6.78%
LOOMIS SAYLES COMPANY	MERRLYNCH/IST BOSTO COMPOSITE	241,397,667	0	238,854,725	(2,542,942)	-1.05%	-0.36%	-0.69%	12.79%	12.42%
TOTAL FIXED INCOME		1,798,094,767	(9,267,342)	1,812,873,611	24,046,186	1.36%			9.16%	

PORTFOLIO

BENCHMARK DESCRIPTION	MARKET VALUE 9/30/97	TRANSFERS IN/OUT	MARKET VALUE 10/31/97	NET INCREASE/ (DECREASE)	MARKET VALUE % OF CHANGE NET OF TRFS	BENCHMARK % OF CHANGE TO BENCHMARK PERFORMANCE	MARKET VALUE % OF CHANGE TO BENCHMARK PERFORMANCE	CALENDAR YTD CALENDAR YTD BENCHMARK
<b>INTERNATIONAL EQUITY</b>								
ALLIANCE	219,920,805	6,900	202,751,490	(17,176,215)	-7.81%	-7.69%	-0.12%	2.59%
SCHRODER	289,391,541	0	276,231,040	(13,160,501)	-4.55%	-4.92%	0.37%	15.99%
SCUDDER	173,288,288	0	146,776,151	(26,512,137)	-15.30%	-14.96%	-0.34%	-17.92%
SCHRODER EMERGING MKTSMSCI EMERG MKTS EX MALAYSIA	100,492,328	0	83,743,727	(16,748,601)	-16.67%	-16.02%	-0.65%	-13.02%
TOTAL INT'L EQUITY	783,092,962	6,900	709,502,409	(73,597,453)	-9.40%			0.25%
<b>ALTERNATIVE INVESTMENTS</b>								
ALTERNATIVE INVESTMENT	62,890,920	847,855	63,847,528	108,753	0.75%	N/A	N/A	33.96%
BANK ACQUISITION	500,000	0	500,000	0	0.00%	N/A	N/A	0.00%
HEITMAN	33,892,933	(6,322,383)	27,906,628	336,078	23.17%	N/A	N/A	33.61%
L & B	37,096,413	0	37,743,299	646,886	1.74%	N/A	N/A	9.95%
AETNA	9,722,056	0	9,977,842	255,786	2.63%	N/A	N/A	18.27%
PHOENIX	12,262,917	0	12,501,137	238,220	5.86%	N/A	N/A	48.90%
TOTAL ALTERNATIVE INVESTMENTS	156,365,239	(5,474,528)	152,476,434	1,585,723	5.76%			19.40%
<b>CASH ACCOUNTS</b>								
CASH ACCOUNT	10,167,745	3,998,921	14,262,113	95,447	N/A	N/A	N/A	N/A
INTERNAL CASH	241,909	0	751,180	509,271	N/A	N/A	N/A	N/A
TOTAL CASH	10,409,654	3,998,921	15,013,293	604,718	N/A			
<b>GRAND TOTAL</b>								
	5,512,221,137	(21,705,000)	5,338,367,060	(152,149,077)	-2.56%			14.44%

RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values

OCTOBER 31, 1997

Equities

<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUE/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	MICROSOFT CORP	331,100	\$43,043,000	Bankers,Provident
2	AMERICAN INTL GROUP INC	411,187	41,966,773	Fleet,Bankers,Provident, MacKay-Shields,Value Quest
3	INTEL CORP	505,300	38,908,100	Fleet,Bankers,Value Quest
4	FEDERAL NATL MTG ASSN	759,900	36,950,138	Fleet,Bankers,Provident,Value Quest
5	MERCK & CO INC	361,600	32,272,800	Fleet,Bankers,Provident
6	SCHLUMBERGER LTD	353,100	30,896,250	Fleet,Bankers,Provident
7	LILLY ELI + CO COM	447,108	29,984,180	Bankers,Provident
8	AUTOMATIC DATA PROCESSING INC	577,200	29,509,350	Fleet,Bankers,MacKay-Shields
9	PEPSICO INC	730,900	26,951,938	Fleet,Bankers
10	PROCTER & GAMBLE CO	394,400	26,819,200	Fleet,Bankers
		12.73%	\$337,301,729 of total equity market value	
			** Total Composite Equities **	\$2,648,501,314

International Equity Holdings By Top 10 Market Values

OCTOBER 31, 1997

International Equities

<u>RANK</u>	<u>SECURITY NAME</u>	<u>COUNTRY</u>	<u>PAR VALUE/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	NOVARTIS AG	Switzerland	10,339	\$16,237,220	Alliance,Schroders
2	BRITISH PETROLEUM	England	809,822	11,772,799	Alliance,Schroders
3	ROYAL DUTCH PETROL	Netherlands	205,091	10,853,087	Alliance,Schroders
4	LLOYDS TSB GROUP	England	814,902	10,180,501	Alliance,Schroders
5	ROCHE HLDGS AG GENUSSSCHEINE	Switzerland	1,133	9,984,034	Alliance,Schroders
6	ELF AQUITAINE	France	77,035	9,555,703	Alliance,Schroders
7	PHILIPS ELECTRONIC	Netherlands	106,094	8,309,419	Alliance,Schroders
8	ZURICH VERSICHERUN	Switzerland	18,929	7,835,199	Alliance,Scudder
9	SCHW BANKGESELLSCH	Switzerland	5,863	6,768,298	Alliance,Schroders
10	ZENECA GROUP ORD	England	205,037	6,467,383	Alliance,Schroders
			13.80%	\$97,963,643 international equity market value	
			** Total Composite International Equities **	\$709,502,409	

**Asset Allocation Monitoring Report**  
**Market Values at October 31, 1997**

ERSRI  
 &  
 MERSRI

Asset Class	Style	October 31, 1997		Target		Difference	Cash	% of Total
		Actual						
		\$	%	\$	%			
<b>Domestic Equity</b>								
<i>Fleet</i>	active	325.66	9.85%	480.45	9.00%	45.21	2.28	0.43%
<i>Bankers</i>	passive	801.56	15.02%	720.68	13.50%	80.88	2.00	0.25%
<b>Total Core</b>		<b>1,327.22</b>	<b>24.86%</b>	<b>1,201.13</b>	<b>22.50%</b>			
<i>Provident</i>	growth	417.30	7.82%	400.38	7.50%	16.92	11.64	2.79%
<b>Total Growth</b>		<b>417.30</b>	<b>7.82%</b>	<b>400.38</b>	<b>7.50%</b>			
<i>Brinson Partners</i>	large cap	248.47	4.65%	213.53	4.00%	34.93	2.40	0.97%
<i>Mackay-Shields</i>	large cap	236.61	4.43%	213.53	4.00%	23.07	8.32	3.52%
<b>Total Large Cap Value</b>		<b>485.08</b>	<b>9.09%</b>	<b>427.07</b>	<b>8.00%</b>			
<i>David L. Babson</i>	value	183.72	3.44%	160.15	3.00%	23.57	5.39	2.93%
<i>J.W. Seligman</i>	s/c growth	182.21	3.41%	160.15	3.00%	22.06	7.41	4.07%
<b>Total Small Cap</b>		<b>365.93</b>	<b>6.85%</b>	<b>320.30</b>	<b>6.00%</b>			
<i>HLM Management</i>	sml grwth	24.10	0.45%	26.69	0.50%	-2.60	1.37	5.69%
<i>ValueQuest Ltd</i>	lrg value	28.89	0.54%	26.69	0.50%	2.19	0.15	0.52%
<b>Total Emerging Managers</b>		<b>52.98</b>	<b>0.99%</b>	<b>53.38</b>	<b>1.00%</b>			
<b>TOTAL DOMESTIC EQUITY</b>		<b>2,648.50</b>	<b>49.61%</b>	<b>2,402.26</b>	<b>45.00%</b>	<b>246.24</b>	<b>40.95</b>	<b>1.55%</b>
<b>International Equity</b>								
<i>Alliance</i>	core	202.75	3.80%	160.15	3.00%	42.60	1.08	0.53%
<i>Schroder</i>	Euro/region	276.23	5.17%	266.92	5.00%	9.31	6.08	2.20%
<i>Scudder</i>	Pac Basin	146.78	2.75%	266.92	5.00%	-120.14	20.40	13.90%
<i>Schroder Emerging Markets</i>	Int'l	83.74	1.57%	106.77	2.00%	-23.02	0.00	0.00%
<b>TOTAL INT'L EQUITY</b>		<b>709.50</b>	<b>13.29%</b>	<b>800.75</b>	<b>15.00%</b>	<b>-91.25</b>	<b>27.56</b>	<b>3.88%</b>
<b>Domestic Fixed Income</b>								
<i>Fidelity</i>	Mort.-bk sec	172.28	3.23%	133.46	2.50%	38.82	2.52	1.46%
<i>In-State</i>	n/a	27.29	0.51%	26.69	0.50%	0.60	0.25	0.90%
<b>Total Mortgage</b>		<b>199.58</b>	<b>3.74%</b>	<b>160.15</b>	<b>3.00%</b>			
<i>Fleet</i>	Fixed/Inc.	1,148.39	21.51%	1,201.13	22.50%	-52.75	89.14	7.76%
<i>Brown Bros (Short)</i>	Short Term F/	203.15	3.81%	133.46	2.50%	69.69	51.82	25.51%
<b>Total Other Fixed Income</b>		<b>1,351.54</b>	<b>25.32%</b>	<b>1,334.59</b>	<b>25.00%</b>			
<i>Taplin, Canida &amp; Habacht</i>	core/fixed inc	22.90	0.43%	26.69	0.50%	-3.79	0.54	2.37%
<b>Total Emerging Managers</b>		<b>22.90</b>	<b>0.43%</b>	<b>26.69</b>	<b>0.50%</b>			
<i>Loomis Sayles &amp; Co</i>		238.85	4.47%	213.53	4.00%	25.32	6.72	
<b>TOTAL FIXED-INCOME</b>		<b>1,812.87</b>	<b>33.96%</b>	<b>1,734.97</b>	<b>32.50%</b>	<b>77.91</b>	<b>150.99</b>	<b>8.33%</b>
<b>Real Estate</b>								
<i>Heitman</i>	core	27.91	0.52%					
<i>L&amp;B</i>	core	37.74	0.71%					
<i>Aetna</i>	cong. care r/e	9.98	0.19%					
<i>Phoenix</i>	deve. r/e	12.50	0.23%					
<b>Total Real Estate</b>		<b>88.13</b>	<b>1.65%</b>					
<b>Alternative Investments</b>								
<i>Crossroads &amp; Narragansett</i>	venture cap.	30.13	0.56%					
<i>Pacific Corp Group</i>	venture cap.	33.72	0.63%					
<i>Bank Acquisition</i>	n/a	0.50	0.01%					
<b>Total Alternative Investments</b>		<b>64.35</b>	<b>1.21%</b>					
<b>TOTAL ALTERNATIVE INVESTMENTS AND REAL ESTATE</b>		<b>152.47</b>	<b>2.86%</b>	<b>400.38</b>	<b>7.50%</b>	<b>-247.90</b>	<b>0.00</b>	<b>0.00%</b>
<b>Cash Equivalents</b>		<b>15.01</b>	<b>0.28%</b>	<b>0.00</b>	<b>0.00%</b>	<b>15.01</b>	<b>14.92</b>	<b>99.38%</b>
<b>TOTAL ASSETS</b>		<b>5,338.36</b>	<b>100.00%</b>	<b>5,338.36</b>	<b>100.00%</b>	<b>-0.00</b>	<b>234.42</b>	<b>4.39%</b>

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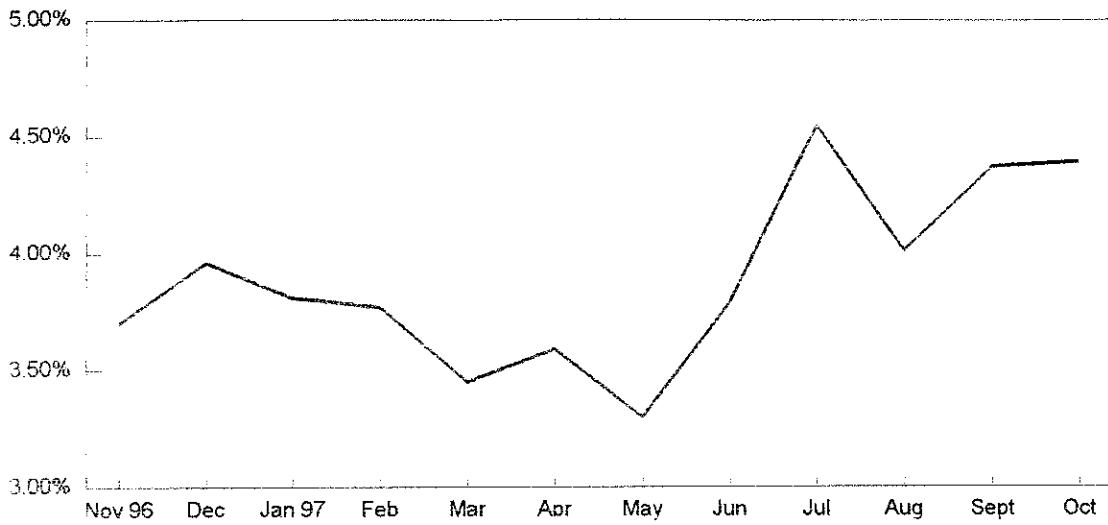
## Alternative Investments Funding

1997

Manager	Partnership Commitment	Prior Funding Thru 9/30/97	Current Month Funding	Cumulative Total at 10/31/97	Unfunded Balance	Market Values at 10/31/97
<i>Blackstone Capital Pttrs</i>	\$20,000,000	\$0	0	\$0	\$20,000,000	\$0
<i>Boston Ventures Ltd</i>	\$5,000,000	\$750,000	450,000	\$1,200,000	\$3,800,000	\$995,136
<i>Crossroads/Providence LP</i>	\$41,200,000	\$39,273,302	0	\$39,273,302	\$1,926,698	\$28,058,634
<i>Heritage Fund</i>	\$5,000,000	\$471,414	\$224,053	\$695,467	\$4,304,533	\$695,467
<i>Narragansett First Fund</i>	\$218,566	\$218,566	\$0	\$218,566	\$0	\$60,728
<i>Narragansett Capital Partners</i>	\$1,514,605	\$1,514,605	\$0	\$1,514,605	\$0	\$2,008,823
<i>OCM Opportunities Fund</i>	\$8,000,000	\$8,000,000	\$0	\$8,000,000	\$0	\$9,458,568
<i>OCM Principal Opportunities</i>	\$5,000,000	\$1,750,000	\$0	\$1,750,000	\$3,250,000	\$1,831,354
<i>OCM Opportunities II</i>	\$12,000,000	\$0	\$600,000	\$600,000	\$11,400,000	\$600,000
<i>Welsh, Carson, Anderson &amp; Stowe</i>	\$15,000,000	\$8,250,000	\$0	\$8,250,000	\$6,750,000	\$7,633,667
<i>Doughty Hanson</i>	\$5,000,000	\$2,684,233	\$0	\$2,684,233	\$2,315,767	\$2,092,754
<i>Willis Stein</i>	\$5,000,000	\$2,556,184	\$0	\$2,556,184	\$2,443,816	\$2,468,074
<i>ABS Capital Partners</i>	\$5,000,000	\$1,846,816	\$0	\$1,846,816	\$3,153,184	\$1,828,195
<i>Providence Equity Partners</i>	\$10,000,000	\$2,508,335	\$0	\$2,508,335	\$7,491,665	\$2,519,287
<i>SKM Equity Fund II</i>	\$10,000,000	\$934,901	\$592,478	\$1,527,379	\$8,472,621	\$1,521,363
<i>TPG Partners</i>	\$10,000,000	\$1,412,000	\$652,000	\$2,064,000	\$7,936,000	\$2,073,108
<b>TOTALS:</b>	<b>\$157,933,171</b>	<b>\$72,170,356</b>	<b>\$2,518,531</b>	<b>\$74,688,887</b>	<b>\$83,244,284</b>	<b>\$63,845,158</b>

# EMPLOYEES RETIREMENT SYSTEM

## CASH PERCENTAGE OF TOTAL PORTFOLIO



Retirement Systems  
Investment Earnings  
Fiscal Year 1997 to Date Summary

ERSRI  
&  
MERSRI at October 31, 1997

	<u>LONG TERM</u>	<u>SHORT TERM</u>	<u>TOTAL</u>
INTEREST SOLD	5,220,139		5,220,139
DIVIDENDS	15,620,012		15,620,012
INTEREST	37,871,170	170,846	38,042,016
MISCELLANEOUS	6,768,217		6,768,217
CAPITAL GAINS	113,820,671		113,820,671
	-----	-----	-----
GRAND TOTAL:	179,300,209	170,846	179,471,055

	Actual Jul 97	Actual Aug	Actual Sept	Actual Oct	Projected Nov	Projected Dec	Projected Jan 98	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	PROJECTED TOTAL
<b>EQUITIES</b>													
Fleet/Novstar			113,653		262,500	90,000		262,500	95,000		262,500	95,000	1,050,000
Banker Trust			189,077		600,000	600,000		600,000	600,000		600,000	600,000	393,653
Prudential Investment				140,949		180,000		180,000	180,000		180,000	180,000	2,400,000
Brinson			116,785		110,000	140,000		110,000	140,000		110,000	140,000	560,949
Mackay-Shield					125,000			125,000			125,000		448,785
David L. Robinson					60,000			60,000					499,644
J & W Seligman													232,875
HLMI Mgmt													239,422
ValueQuest													
<b>FIXED INCOME</b>													
Brown Bro.			102,615		100,000	210,000		100,000			100,000		402,615
Fidelity			186,340		15,000	260,000		260,000			260,000		816,340
Taplin	15,753												45,753
Leomin Savings		272,972											1,312,972
<b>INTL EQUITIES</b>													
Alliance Capital		126,848	62,352		165,000	35,000		130,000			130,000	35,000	167,352
Schroder			128,317					165,000			165,000		670,824
Saudler			180,233										675,233
Schroder Emerging Mkts													0
<b>REAL ESTATE</b>													
Hedman Advisory													0
L & H Real Estate													0
Actna													0
Phoenix													0
<b>ALTERNATIVE INVESTMENTS</b>													
Bigler/Crossroads													0
Narragansett Cap.	4,367			4,396	200,000	4,700		200,000	4,700		200,000	4,700	22,863
Other Alt Inv Mgmt Fees	536,776												936,776
<b>PROFESSIONAL FEES</b>													
Legal													0
Consulting													0
State Street Bank		85,634	85,586	114,005	62,500	300,000		62,500	300,000		62,500	300,000	1,185,225
Pacific Corp Group				68,750	16,667	16,667		16,667	16,667		16,667	16,667	256,250
Windsor Assoc	16,667		16,667	16,667	16,667	16,667		16,667	16,667		16,667	16,667	183,336
<b>OPERATING EXPENSE:</b>													
Retirement Transfers				1,418,048	3,750			900,000		3,750	900,000		3,218,048
Other Expense													3,700
<b>TOTAL:</b>	373,563	984,896	1,183,624	1,918,474	1,980,417	1,896,367	195,417	1,971,667	1,901,367	180,417	1,971,667	1,901,367	16,451,693



CASH FLOW ANALYSIS

Employees Retirement System

	FY 1997-98	Actual July 1997	Actual August	Actual September	Actual October	Projected November	Projected December	Projected January 1998	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	20,711,680	23,243,705	24,140,005	23,716,403	22,000,000	22,000,000	22,000,000	22,500,000	22,500,000	22,500,000	22,500,000	22,000,000	22,500,000	270,311,793
ADMINISTRATIVE EXPENSES	0	0	89,103	1,546,385	250,000	250,000	250,000	300,000	300,000	300,000	300,000	250,000	250,000	3,785,488
INVESTMENT EXPENSES	31,994	856,564	942,307	127,203	1,200,000	1,000,000	800,000	800,000	800,000	800,000	850,000	1,025,000	1,125,000	9,558,068
TOTAL OUTFLOW	20,743,674	24,100,269	25,171,415	25,389,991	23,450,000	23,250,000	23,600,000	23,600,000	23,600,000	23,600,000	23,650,000	23,275,000	23,875,000	283,655,349
CONTRIBUTIONS	16,858,425	13,809,794	18,691,089	9,859,191	16,000,000	21,000,000	23,000,000	23,500,000	20,500,000	14,500,000	14,500,000	23,500,000	25,500,000	226,918,499
OTHER INCOME*	1,066,912	137,071	898,091	5,819,558	1,750,000	2,175,000	2,500,000	600,000	3,500,000	3,200,000	75,000	75,000	2,900,000	21,621,632
TOTAL INCOME	17,925,337	13,946,865	19,789,180	15,678,749	17,750,000	23,175,000	25,500,000	24,100,000	24,000,000	17,700,000	23,575,000	23,575,000	28,400,000	251,540,131
DIFFERENCE	(2,818,337)	(10,153,404)	(5,382,235)	(9,711,242)	(5,700,000)	(75,000)	1,950,000	500,000	400,000	(5,950,000)	300,000	4,525,000		(32,115,218)

Municipal Employees Retirement System

	Actual July 1997	Actual August	Actual September	Actual October	Projected November	Projected December	Projected January 1998	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	1,977,601	2,105,248	2,279,363	2,298,848	2,150,000	2,250,000	2,150,000	2,600,000	2,300,000	2,300,000	2,100,000	2,200,000	26,711,060
ADMINISTRATIVE EXPENSES	0	0	12,996	225,865	0	0	0	0	500	675	100	14,000	254,136
INVESTMENT EXPENSES	4,752	127,248	137,442	17,945	200,000	175,000	0	0	375,000	125,000	150,000	175,000	1,487,387
TOTAL OUTFLOW	1,982,353	2,232,496	2,429,801	2,542,658	2,350,000	2,425,000	2,150,000	2,600,000	2,675,500	2,425,675	2,250,100	2,389,000	28,452,583
CONTRIBUTIONS	1,170,401	1,388,638	1,601,231	699,271	1,300,000	1,350,000	1,400,000	1,450,000	1,200,000	1,200,000	1,500,000	1,650,000	15,909,541
OTHER INCOME*	158,497	20,362	130,993	852,098	0	325,000	375,000	100,000	525,000	475,000	50,000	425,000	3,436,950
TOTAL INCOME	1,328,898	1,409,000	1,732,224	1,551,369	1,300,000	1,675,000	1,775,000	1,550,000	1,725,000	1,675,000	1,550,000	2,075,000	19,346,491
DIFFERENCE	(653,455)	(823,496)	(697,577)	(991,289)	(1,050,000)	(750,000)	(375,000)	(1,050,000)	(950,500)	(750,675)	(700,100)	(314,000)	(9,106,092)

Judges/State Police Retirement System

	Actual July 1997	Actual August	Actual September	Actual October	Projected November	Projected December	Projected January 1998	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	1,685	0	7,308	566	0	0	0	0	0	0	0	0	9,559
ADMINISTRATIVE EXPENSES	0	0	154	878	0	50	0	0	50	0	0	0	1,132
INVESTMENT EXPENSES	41	1,084	1,623	197	1,500	1,300	0	0	3,200	1,100	1,600	1,400	13,045
TOTAL OUTFLOW	1,726	1,084	9,085	1,641	1,500	1,350	0	0	3,250	1,100	1,600	1,400	23,736
CONTRIBUTIONS	119,190	143,437	147,493	143,786	125,000	190,000	125,000	125,000	125,000	60,000	130,000	220,000	1,653,906
OTHER INCOME*	1,350	175	1,547	10,193	0	3,000	3,000	800	4,500	4,000	200	3,600	32,365
TOTAL INCOME	120,540	143,612	149,040	153,979	125,000	193,000	128,000	125,800	129,500	64,000	130,200	223,600	1,686,271
DIFFERENCE	118,814	142,528	139,955	152,338	123,500	191,650	128,000	125,800	126,250	62,900	128,600	222,200	1,662,535

\*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

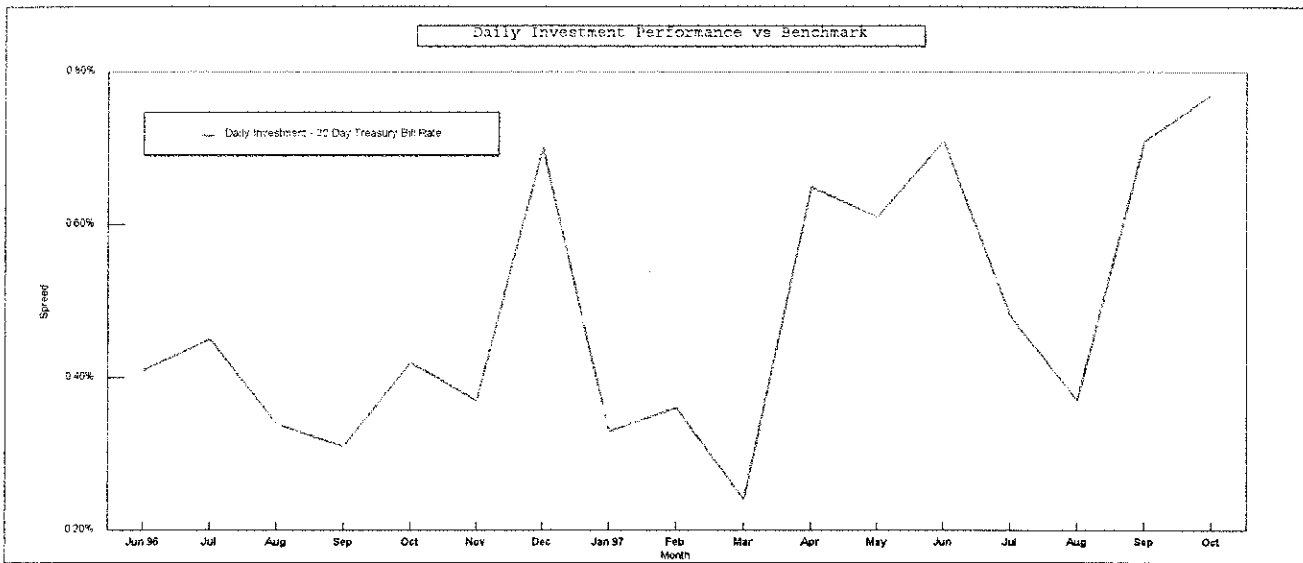
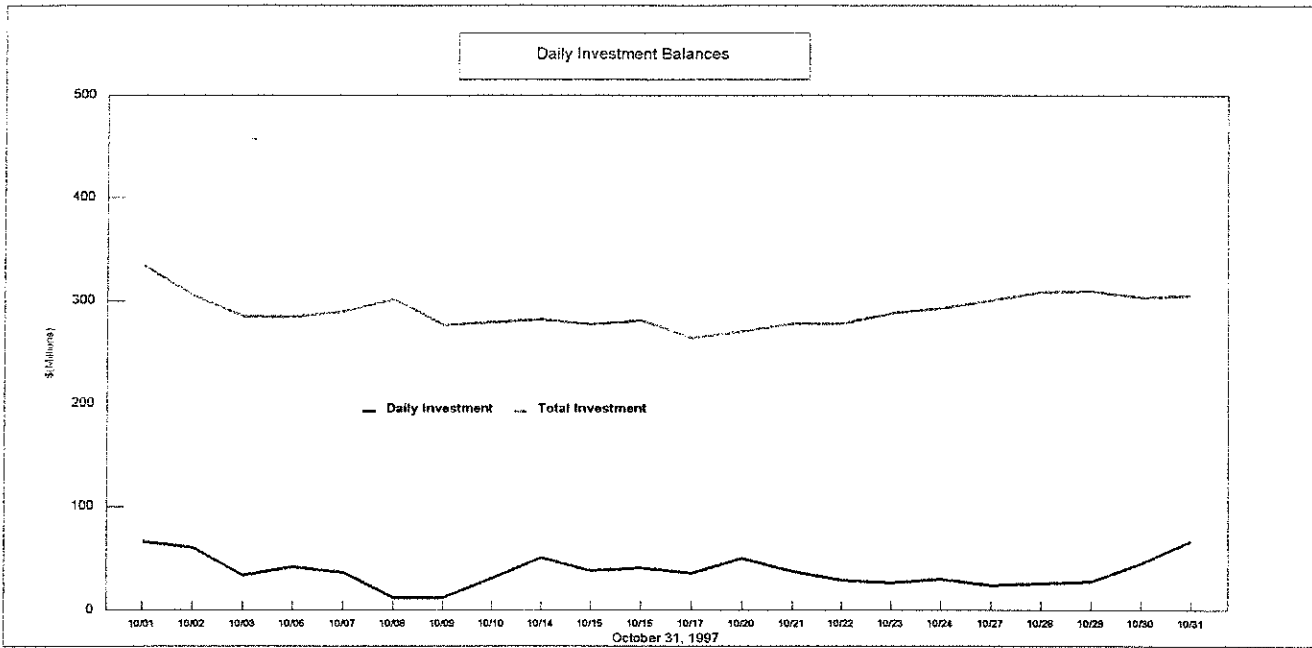
As of October 31, 1997

	Principal	Interest	Total Value @ Maturity
4901 GENERAL FUND	95,880,205	137,928	96,018,133
4902 GENERAL FUND	4,000,000	4,695	4,004,695
4904 PENSION C	4,000,000	1,854	4,001,854
4908 PAYROLL A	5,000,000	2,318	5,002,318
4920 GENERAL FUND (HIST PRES)	351,741	3,136	354,877
5200 RI UNDERGROUND STORAG TNK	4,268,970	4,495	4,273,465
5400 HIGHWAY FUND	21,492,434	24,116	21,516,551
5500 UNIVERSITY COLLEGE	3,000,461	1,400	3,001,861
5800 PROV. RIVER RELOCATION	1,100,106	2,217	1,102,322
6920 AUTO EQUIPMENT SERVICE	0	0	0
8000 T.D.I. RESERVE (DET)	49,105,249	894,886	50,000,135
8225 JOB DEVELOPMENT (DET)	6,602,691	28,150	6,630,841
8230 E.T. TARDY (DET)	757,075	3,293	760,368
8240 E.T. INTEREST (DET)	252,358	1,098	253,456
8300 PERMANENT SCHOOL FUND	329,041	959	330,000
8400 EMP RETIREMENT FUND	600,000	280	600,280
8500 MUN EMP RETIREMENT FUND	250,000	117	250,117
8700 R.I. CLEAN WATER ACT	550,581	578	551,159
9000 BOND CAPITAL FUND	0	0	0
9700 STATE LOTTERY FUND	12,492,350	29,178	12,521,528
9800 INDUS. BLDG. & MTG. INS.	1,496,537	3,463	1,500,000
4911 TANS PROCEEDS	0	0	0
Subtotal	211,529,798	1,144,161	212,673,959
8701 CLEAN WATER 1991 SER. B	635,873		
8702 CLEAN WATER 1993 SER. A	187,975		
8703 CLEAN WATER 1991 SERIES A	306		
8704 CLEAN WATER 96 SERIES A	1,082,821		
8705 CLEAN WATER 1992 SER. A	265,636		
8706 CLEAN WATER CCDL 1994 (A)	1,333,302		
8707 CAP DEV. OF 1997 SERIES A	157,478		
8708 CLEAN WATER BOND 1990 A&B	22,391		
8709 CLEAN WATER 1990 SER. C	863		
8733 CAP DEV. OF 1997 SERIES A	101,622		
8734 POLLUTION CONTROL 96A	2,025,726		
8735 RI POLLUTION CONTROL	59,294		
8736 RI POLLUT. CONT 93 SER. A	158,826		
8737 RI POLLUT. CONT 94 SER. A	694,553		
9101 BOND SALE A 11-4-87	66,063		
9102 BOND CAPITAL CCDL 1988	21,490		
9104 BOND CAPITAL 1989 SER. A	2,047		
9105 BOND CAPITAL 1989 SER. B	88,975		
9108 BOND SALE 1990 SER. A&B	264,648		
9114 G.O. NOTE 1991 SER. B	187,247		
9115 BOND CCDL 1992 SERIES A	2,403,794		
9116 BOND CCDL 1993 SERIES A	11,855,011		
9117 BOND CCDL 1994 SERIES A	14,309,644		
9118 BOND CCDL 1995 SER. A	568,427		
9119 CCDL 95 B	3,417		
9120 BOND CCBL96A	13,277,816		
9121 CAP DEV OF 1997 SERIES A	43,629,430		
9204 NARR.BAY 1991 SER. B NOTE	316,456		
9205 NARR.BAY 1992 SER. A BOND	323		
9206 NARR.BAY. 1993 SER. A	9		
9207 NARR.BAY CCDL 1994 SER. A	4,844		
9208 NARRAGANSET BAY 96A	10,355		
9291 B.V.DIST.COMM.BOND 1987	34,022		
9292 B.V.DIST.COMM.BOND 1988	11,336		
9294 B.V. 1991 SERIES B NOTE	82,984		
9295 B.V.D.C. 1992 SERIES A	94,749		
9298 B.V.D.C. BOND 90 SER A+B	4,173		
Subtotal Bond Proceed Accounts	93,963,924		
Total Short Term Portfolio	305,493,722		

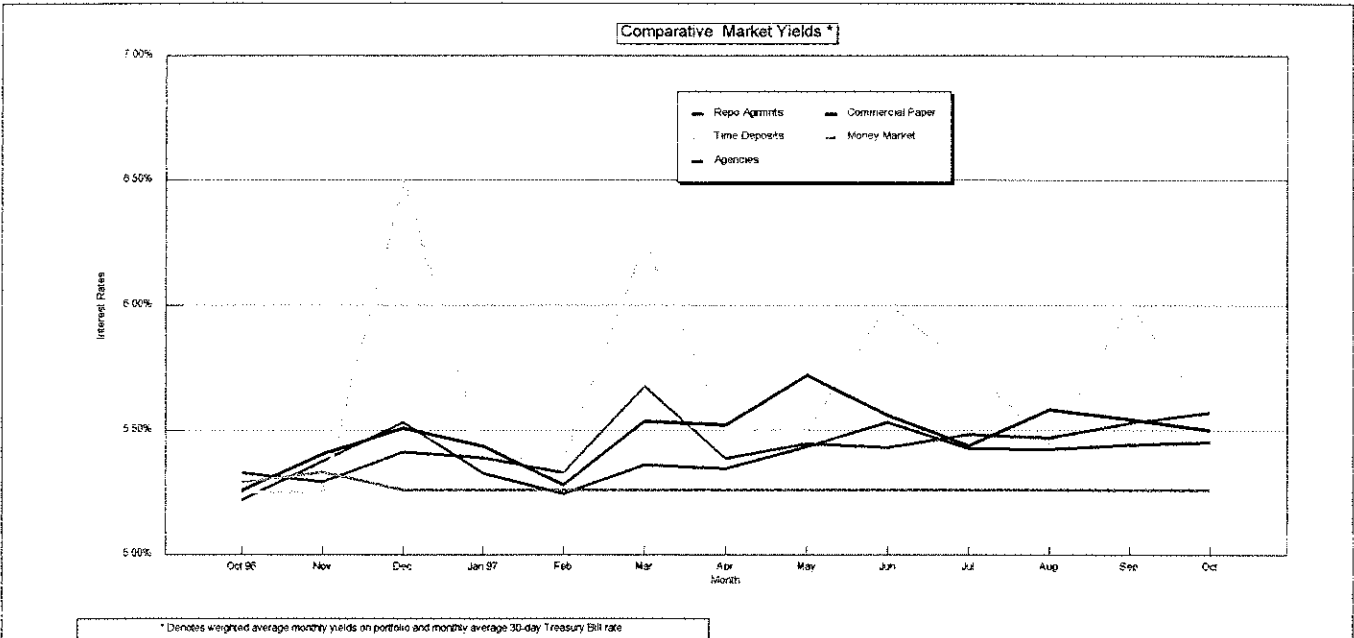
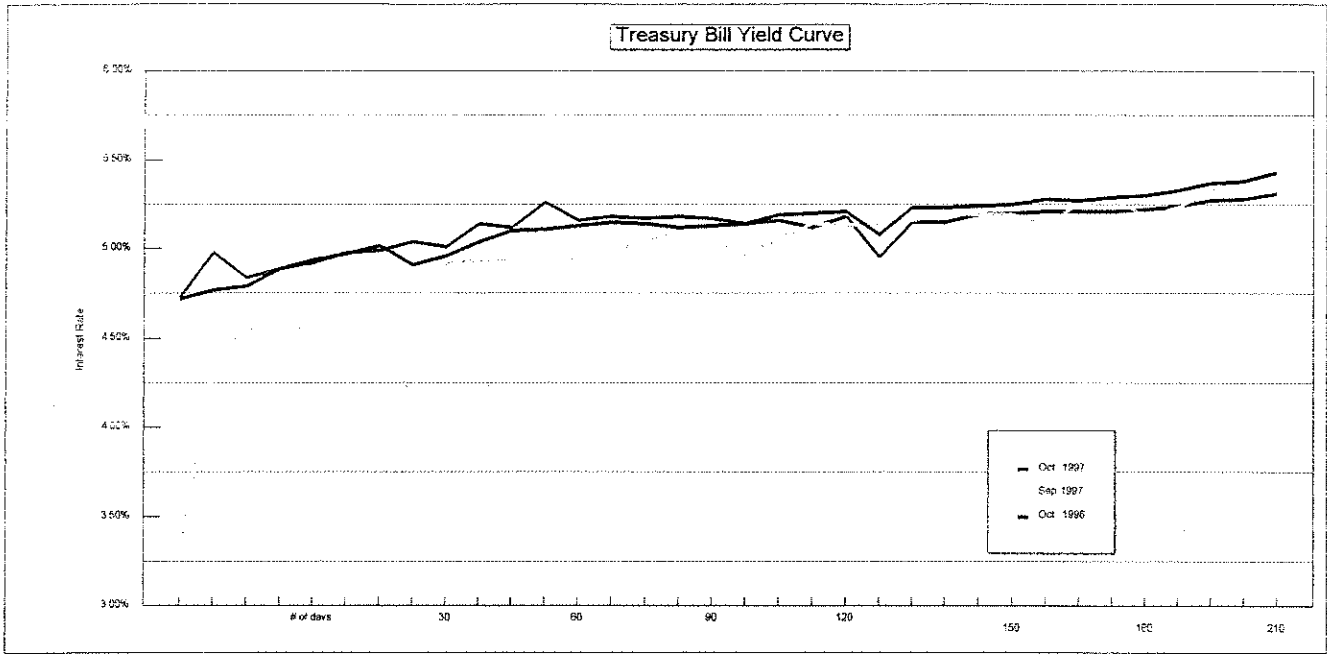
Short Term Interest Rate Performance  
1997

<u>Date</u>	<u>Amount Invested (millions)</u>	<u>Weighted Interest Rate</u>	<u>30 Day Treasury Rate</u>	<u>Basis Point Difference</u>
10/01				
10/02	\$66.50			
10/03	\$60.64			
10/06	\$33.59	5.44	4.65	
10/07	\$41.70	5.41	4.70	
10/08	\$36.21	5.38	4.70	79.00
10/09	\$11.81	5.40	4.71	71.00
10/10	\$12.15	5.41	4.72	68.00
10/14	\$30.82	5.41	4.72	69.00
10/15	\$50.78	5.43	4.72	68.00
10/16	\$37.91	5.42	4.74	69.00
10/17	\$40.78	5.39	4.68	69.00
10/20	\$35.64	5.42	4.68	69.00
10/21	\$50.12	5.42	4.69	74.00
10/22	\$37.29	5.46	4.72	71.00
10/23	\$28.45	5.40	4.68	73.00
10/24	\$26.37	5.42	4.65	74.00
10/27	\$29.96	5.43	4.62	72.00
10/28	\$23.92	5.44	4.62	77.00
10/29	\$26.00	5.47	4.62	81.00
10/30	\$27.58	5.48	4.63	82.00
10/31	\$45.26	5.45	4.62	84.00
	\$66.74	5.42	4.60	86.00
		5.45	4.59	85.00
		5.49	4.61	83.00
		5.56	4.63	84.00
			4.68	86.00
				88.00
<u>total amount invested</u>	\$820.22	5.44 weighted average rate	4.67 average 30 day rate	77 basis point difference

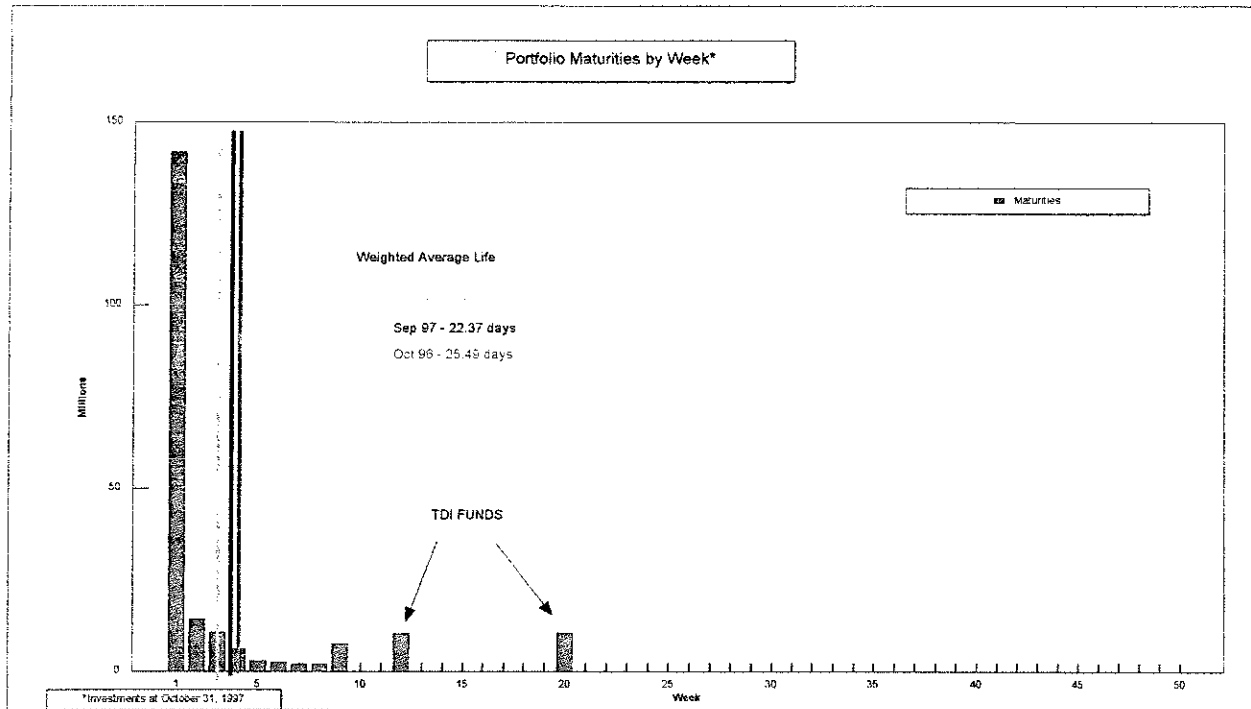
**RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS**



RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS



RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS



**SUMMARY PORTFOLIO YIELDS**

	WEIGHTED AVERAGE YIELD(%)
Oct 31, 1997	5.513%
Sept 30, 1997	5.489%
Oct 31, 1996	5.254%



SPECIAL FUNDS  
 INVESTMENT SUMMARY  
 OCTOBER 31, 1997

FUND NAME	EQUITIES	CASH & EQUIVALENTS	FIXED INCOME	Gain/Loss	TOTAL MARKET VALUE
<u>Abraham Touro Fund</u>	1,531,745	141,538	640,711	(15,084)	2,313,994
<u>State of Rhode Island Land Grant Fund</u>	51,826	0	0	2,361	51,826
<u>TOTALS</u>	1,583,571	141,538	640,711	(12,723)	2,365,820