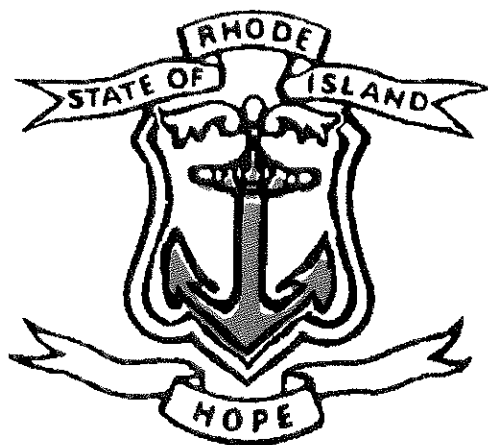


State of Rhode Island and Providence Plantations



Office of the General Treasurer
Nancy J. Mayer
General Treasurer

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

STEPHEN F. IAFRATE

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**



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General Treasurer

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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 Wednesday, May 28, 1997 at 9:00 a.m. in Room 135 of the State House.

AGENDA

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

1. Approval of Minutes
 - Regular Meeting held on April 15, 1997
2. Pacific Corporate Advisors, Inc.
 - Proposed Alternative Investment
 - Blackstone Capital Partners III Merchant Banking Fund L.P.
3. Alternative Investment Consultant Review
 - Pacific Corporate Group, Inc.
4. General Consultant's Report - Wilshire Associates Incorporated
 - Capital Market Update
5. Treasurer's Report
6. Deputy General Treasurer for Finance Report
7. Legal Counsel Report
8. New Business

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

**Minutes of the Regular Meeting
April 15, 1997**

The following members were present at the meeting held in Room 135, State House, Providence: Mr. Kenneth R. Dulgarian, Ms. Rosemary Booth Gallogly, Designee of the Director of Administration, General Treasurer Nancy J. Mayer, Chair, Mr. James M. Seed and Senator Paul J. Tavares. Also present were Ms. Barbara Braun Schoenfeld, Legal Counsel to the Commission, Mr. William G. Bensur, 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 joined the meeting at 10:20 a.m.). Mr. Karl F. Ericson was absent.

There being a quorum present, Treasurer Mayer called the meeting to order at 9:05 a.m.

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

VOTED: To approve the Minutes of the March 25, 1997 Regular Meeting.

TPG Partners II, L.P. The Treasurer introduced Mr. David Graus of Pacific Corporate Group, the Commission's Alternative Investment Consultant. Mr. Graus gave an overview of TPG Partners II, L.P. for the Commission to consider as a proposed alternative investment. The Fund is being established to make control investments in operating companies through acquisitions and restructurings. The Fund had a first closing in March with approximately \$2.3 billion and will have a final closing in April to bring the total to \$2.5 billion. Mr. Graus explained that the quality of the returns are exemplary and that TPG has a unique strategy that has been extremely successful over a period of twelve years through various cycles in the economy.

Mr. Graus introduced Mr. James Coulter, Principal and Mr. James Gates who represented the Fund. Mr. Coulter stated that TPG's strategy has three key elements: 1) a thematic focus on industries undergoing change; 2) the adapting of tactics to changes in the economic and business cycles; and 3) the pursuit of complicated transactions.

TPG employs a "top-down" methodology as opposed to the most commonly used opportunistic "bottoms-up" approach. This resource intensive approach allows TPG to source transactions that many financial investors possessing less specific industry knowledge did not uncover. Mr. Coulter stated that the Principals of TPG are investing \$125 million in this Fund.

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

VOTED: To invest \$10 million in TPG Partners II, L.P. , as recommended by Pacific Corporate Group contingent upon satisfactory review and negotiation of investment and other legal documents.

The Commission members agreed to revise the order of the Agenda.

HLM Management Co., Inc. Mr. Bensus gave a brief overview of HLM Management Co., Inc., which began investing for the SIC in January, 1996 as an emerging manager. This allocation represents .5% of the total fund and 1% of the domestic equity composite. Market value at 12/31/96 was \$22.9 million and the portfolio holds 46 securities.

Mr. Bensus introduced Ms. Frances Hawk, Principal, Mr. James Mahoney, Principal and Ms. Mary Ann Holmes, Marketing and Client Services Representative. Ms. Hawk stated that HLM is a research driven, bottom-up investment manager, specializing in small-cap stocks. Mr. Mahoney reviewed performance for 1996 highlighting a return of nearly 14%. Ms. Hawk explained some of the reasons for underperformance which were: general underperformance of small cap growth stocks; price corrections in previously best performing stocks; above normal number of earnings disappointments; and they were not aggressive enough in selling.

Note: Representative Mark B. Heffner joined the meeting at 10:20 a.m.

Mr. Mahoney described the ten largest holdings in the portfolio which include three technology companies, two health care companies and companies in business services, consumer goods/services and producer goods/services.

Note: The Treasurer called a recess from 10:45 a.m. to 10:50 a.m.

ValueQuest Ltd. Mr. Bensus gave a brief overview of ValueQuest Ltd., which began investing for the SIC in January, 1996 as an emerging manager. The firm utilizes a fundamentally driven, bottom-up investment process. Their allocation represents .5% of the total fund and 1.1% of the domestic equity composite. Market value at 12/31/96 was \$23.8 million and the portfolio holds 52 securities.

Mr. Bensus introduced Ms. Kristin J. Weisker, Associate, Marketing/Client Services, Ms. Katherine Busboom Magrath, Founding Partner and Chief Investment Officer and John C. Moore, Jr., Associate, Senior Investment Professional. Ms. Magrath explained that ValueQuest focuses solely on contrarian value investing. They have \$960 million of assets under management. Their philosophy is to purchase undervalued securities - those priced by the market below their intrinsic value - because they tend to gravitate towards their intrinsic value over time; and to sell them when they are fairly-to-fully valued.

Note: Mr. Dulgarian left the meeting at 11:20 a.m.

Mr. Moore explained ValueQuest's buy and sell disciplines, process highlights and reviewed performance. They have a focused stock selection with an emphasis on fundamental analysis and experienced judgment; and have a 3 to 5 year investment horizon per security.

Treasurer's Report. The Treasurer stated that Scudder, Stevens & Clark, Inc. had reported that they have outperformed the benchmark by 1000 basis points during the first quarter.

Consultant's Report - Wilshire Associates Incorporated. Providing his Capital Market Update, Mr. Bensur reported that over the past month, the stock and bond markets have experienced a period of volatility and a significant downturn. The main reason for the downturn is concern that the recent rate increase by the Federal Reserve is only the first of many needed to slow the strong domestic economy. Large stocks have outpaced small stocks; and large growth stocks have outperformed their value counterparts. Small growth stocks have also fallen. Emerging markets continue to generate competitive returns in 1997.

The Treasurer and Mrs. Schoenfeld reported to the Commission on the progress of implementing the 457 Deferred Compensation Program.

Deputy Treasurer for Finance Report. Mr. Thorsen reported that despite the extreme fluctuations in the market in the first quarter of 1997, the returns on the fund have been essentially flat since January.

There being no further business, the meeting was adjourned at 12:25 p.m.

Respectfully submitted,

Barbara Braun Schoenfeld
Legal Counsel to the
State Investment Commission

RHODE ISLAND STATE INVESTMENT COMMISSION

STAFF SUMMARY ANALYSIS

APRIL 1997 PORTFOLIO HIGHLIGHTS

MARKET VALUES

The total portfolio value increased in April by \$130.7 Million to \$4,853.48 Billion (+2.68%). This compares with an increase in value of \$42.1 Million (+1.08%) for the same period in 1996.

- The equity market value increased by \$103.9 Million (+4.75%). Fixed Income values increased by \$25.5 Million (+1.51%), while international equities increased by \$3.0 Million (+0.46%). Alternative investments increased by \$1.3 Million, net of capital calls and cash distributions; real estate values increased by \$1.7 million net of cash distributions, and cash increased by \$570,834, while transfers in/out netted a decrease of \$5.4 Million.
- The top three equity manager performers for April were as follows:

<i>Manager</i>	<i>Market Value Gains/Losses</i>	<i>Percentage Gains</i>
Provident	\$25.5 Million	+7.3%
Fleet	\$32.7 Million	+7.27%
Bankers	\$31.0 Million	+4.79%

- Brown Brothers' fixed income portfolio increased in value by \$2.1 Million. Fleet's fixed income portfolio increased in value by \$17.1 Million, while Fidelity's value increased by \$2.5 Million. The Loomis Sayles portfolio increased by \$3.2 Million, and Taplin, Canida & Habacht's portfolio increased by \$321,831.

ASSET ALLOCATION

- We continue to report a slight over-allocation in domestic equities as well as fixed-income, while being under-allocated in alternative investments and international equities.
- Cash and equivalents increased from \$162.8 Million to \$174.0 Million.

INVESTMENT MANAGER FUNDING

- A cash distribution of \$2,972,825 was received from the Crossroads Providence Partnership. Cumulative distributions received from this partnership since inception total \$69,766,940. Additionally, \$608,870 was received as a distribution from the Heitman Real Estate Fund.
- Supplemental funding of \$79,618 was provided to ABS Capital Partners, \$800,000 and \$500,000 to the OCM Opportunities Fund and the OCM Principal Opportunities

Fund respectively. Alternative Investment funding totaled \$1,379,618 for the month of April 1997.

- At this time, the alternative investment asset class has an unfunded balance of approximately \$203 Million; funding commenced on April 1 for Schroder Emerging Markets for \$25 Million; Schroder's unfunded balance is now approximately \$70 Million. These funds will be drawn down upon receipt of capital calls.

COMMISSIONS/EXPENSES

MARCH

- The average commission cost per share was .05 cents, - no change from the previous month.
- Shares traded totaled 3.8 million, up by more than 1.0 million from the prior month.
- Commissions paid for the month were \$186,667, up slightly from the previous month due primarily to an increase in trading volume.
- There were 491 commissionable trades for the month, an increase of 130 trades over February.
- Expenses for fiscal 1997 are in line with budget expectations and market conditions.

CASH FLOW

March's combined state and teacher contributions were insufficient to cover the month's pension payroll requiring an additional \$6.4 Million transfer; municipal contributions were also insufficient to meet pension payroll and required a transfer of \$1,200,000 from the long term plan.

SHORT TERM CASH

The short term cash portfolio had a 18.71 day weighted average maturity vs. 18.21 days in March.

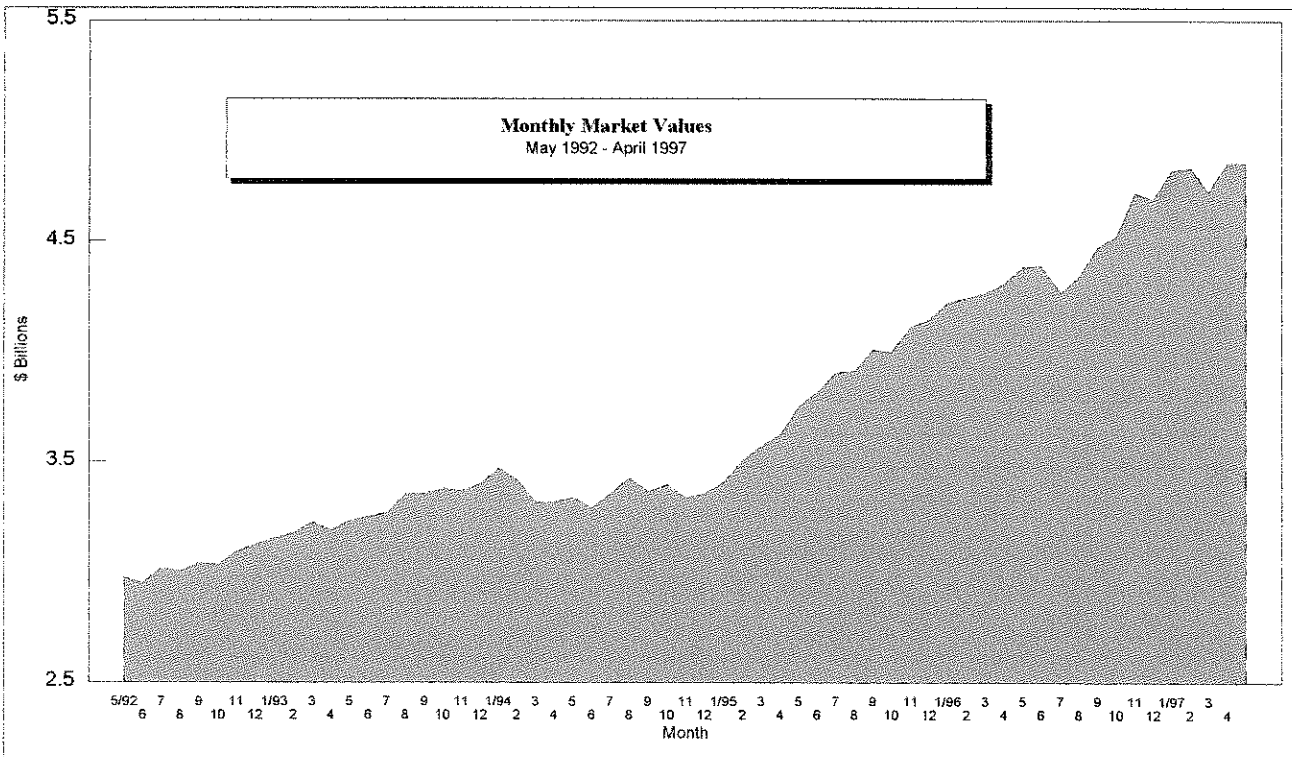
RHODE ISLAND STATE INVESTMENT COMMISSION

Market Value Report

EMPLOYEES' RETIREMENT SYSTEMS
Market Values at April 30, 1997

<u>ASSET CLASS</u>	<u>NET ASSET VALUE \$ (millions)</u>
<i>Domestic Equity</i>	2,224.25
<i>Real Estate</i>	93.45
<i>Fixed Income</i>	1,670.51
<i>Alternative Investments</i>	59.54
<i>International Equity</i>	631.66
<i>Cash & Equivalents</i>	174.01
Total	4,853.41

ERSRI - 87.2116582%
MERSRI - 12.6531121%
ST POL - 00.0898714%
JUDICIAL - 00.0453583%



RHODE ISLAND STATE INVESTMENT COMMISSION

SUMMARY PORTFOLIO

PERFORMANCE REPORT

<u>ASSET CLASS</u>	<u>APRIL 1997</u>	<u>YTD</u>
<i>Domestic Equity</i>	4.75%	5.01%
<i>International Equity</i>	0.46%	1.38%
<i>Fixed Income</i>	1.51%	1.16%
TOTAL FUND COMPOSITE*	2.68%	3.00%

<u>INDICES</u>	<u>APRIL 1997</u>	<u>YTD</u>
<u>Domestic Equity</u>		
<i>S & P 500</i>	5.97%	8.76%
<i>Wilshire 3000</i>	4.69%	5.40%
<i>Russell 2000</i>	0.28%	-4.91%
<i>Russell 2500</i>	1.27%	-2.13%
<u>International Equity</u>		
<i>MSCI EAFE</i>	0.53%	-1.04%
<u>Fixed Income</u>		
<i>Lehman AGG</i>	1.30%	0.93%

* Total Fund Composite includes all asset classes.

RHODE ISLAND STATE INVESTMENT COMMISSION

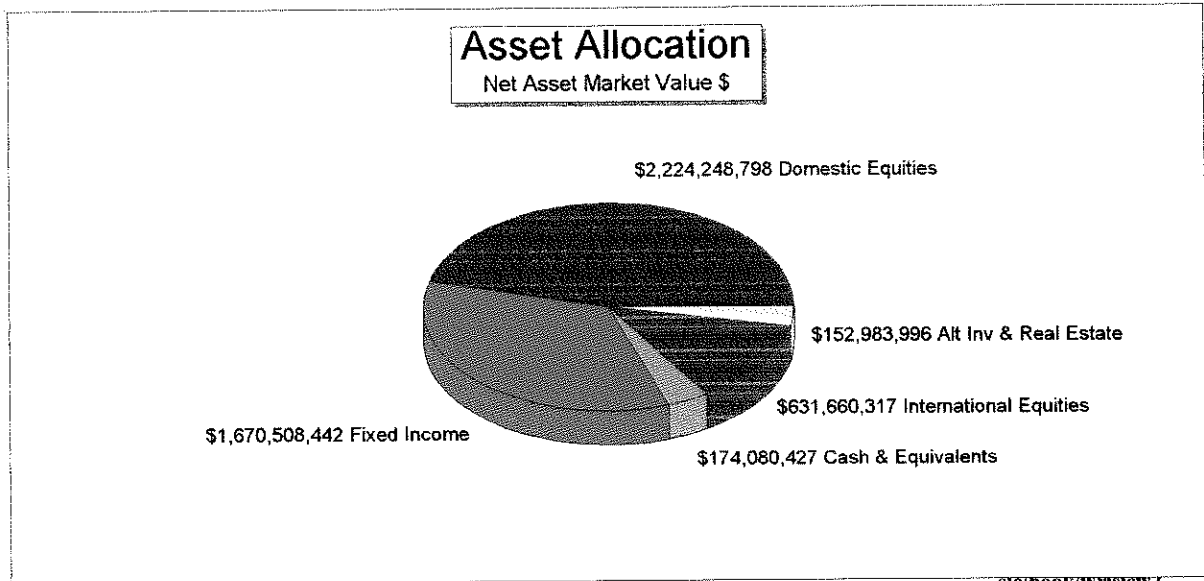
EMPLOYEES' RETIREMENT SYSTEMS

ASSET ALLOCATION

April 30, 1997

PERCENTAGE OF TOTAL DOLLARS

<u>ASSET CLASS</u>	<u>ACTUAL</u>	<u>TARGET</u>	<u>ACTUAL/TARGET DIFFERENCE</u>
<i>Domestic Equity</i>	47.22%	45.00%	2.22%
<i>Fixed Income</i>	35.88%	32.50%	3.38%
<i>Alt Inv & Real Estate</i>	3.15%	7.50%	-4.35%
<i>International Equity</i>	13.44%	15.00%	-1.56%
<i>Cash</i>	0.31%	0.00%	0.31%
	100.00%	100.00%	0.00%





State of Rhode Island and Providence Plantations

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Nancy J. Mayer
General Treasurer

May 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, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on April 30, 1997.

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

TIME WEIGHTED ERSRI MARKET VALUE CHANGE REPORT
4/30/97-3/30/97

MONTHLY CHANGE

PORTFOLIO	BENCHMARK DESCRIPTION	MARKET VALUE 3/31/97	TRANSFERS IN/OUT	MARKET VALUE 4/30/97	NET INCREASE/ (DECREASE)	MARKET VALUE		CALENDAR YTD PERFORMANCE	CALENDAR YTD BENCHMARK	
						3/31/97	4/30/97			
DOMESTIC EQUITY						% OF CHANGE	% OF CHANGE			
FLEET	S&P 500	450,694,057	0	463,481,495	32,787,438	7.27%	5.97%	1.30%	11.02%	8.73%
BANKERS	W. 3000	649,225,395	25,680	680,347,311	31,096,236	4.79%	4.69%	0.10%	5.14%	5.40%
PROVIDENT	RUSSEL 1000 GRWTH	349,460,276	0	374,972,071	25,511,795	7.30%	5.41%	1.89%	6.37%	7.04%
BRINSON	W. 5000	213,582,134	0	219,656,219	6,074,086	2.84%	4.36%	-1.52%	4.10%	5.03%
NICKY-SHLDS	W. 5000	206,425,516	0	211,777,990	5,352,474	2.59%	4.36%	-1.77%	2.50%	5.03%
BABSON	RUSSEL 2500 SMLCAP	149,639,302	0	149,810,950	171,647	0.11%	1.27%	-1.16%	1.82%	-2.13%
JW SULLIVAN	RUSSEL 2000 SMLCAP	124,619,647	0	127,382,923	2,763,276	2.22%	0.28%	1.94%	-8.57%	-4.91%
HLM Management	RUSSEL 2000	19,954,756	0	19,214,791	(739,965)	-3.71%	0.28%	-3.99%	-16.09%	-4.91%
VALUEQUEST LTD	W. LRGE VALUE	24,479,109	0	25,449,826	970,717	3.97%	4.34%	-0.37%	6.76%	6.86%
TOTAL EQUITY		2,188,080,192	25,680	2,292,093,576	103,987,704	4.75%			5.01%	
FIXED INCOME										
FLEET	LEHMAN AGG	1,043,102,600	25,650	1,060,284,554	17,156,304	1.64%	1.50%	0.14%	-1.20%	0.93%
FIDELITY	SALOMON MORT.	173,528,012	0	176,108,437	2,580,425	1.49%	1.52%	-0.03%	1.20%	1.64%
BROWN BROS.	LEHMAN 1-3YR	254,348,900	(14,932,000)	241,530,289	(12,818,611)	-5.04%	0.82%	0.06%	-0.14%	1.46%
IN STATE F.I.		27,579,108	(148,542)	27,612,267	181,700	0.66%	N/A	N/A	4.05%	N/A
TAPLIN CANADA & HABECHT	LB INT GOVT/CORP	20,776,431	0	21,300,262	321,831	1.55%	1.18%	0.37%	1.45%	1.07%
LOONIS SAYLES COMPANY	MERRLYNCH/IST BOSTON COMPOSITE	211,464,356	0	214,684,328	3,219,972	1.52%	1.10%	0.42%	1.36%	1.85%
TOTAL FIXED INCOME		1,730,801,407	(15,054,892)	1,741,320,137	25,573,621	1.51%			1.16%	
ALTERNATIVE INVESTMENTS										
ALTERNATIVE INVESTMENT		59,201,398	(1,523,117)	59,037,285	1,359,004	3.81%	N/A	N/A	19.76%	N/A
BANK ACQUISITION		500,000	0	500,000	0	0.00%	N/A	N/A	0.00%	N/A
TOTAL		59,701,398	(1,523,117)	59,537,285	1,359,004	3.81%			19.76%	

COMPOSITE REPORTING

BALANCE SHEET

APRIL 30, 1997

ASSET CLASS		NET ASSET MARKET <u>VALUES</u>
<i>Cash/Short Term Investments</i>		
<i>Short Term Investment Fund</i>		
<i>Money Market Instruments</i>		174,080,427.10
<i>Equities - Domestic</i>		2,224,248,797.79
<i>Equities - International</i>		631,660,316.67
<i>Fixed Income - Government</i>	1,585,458,798.49	
<i>Fixed Income - Corporate</i>	57,865,140.95	
<i>Fixed Income - In State</i>	<u>27,184,502.40</u>	1,670,508,441.84
<i>Real Estate</i>		93,446,710.69
<i>Alternative Investments</i>		59,037,285.04
<i>Other - Escrow</i>		500,000.00
		=====
TOTAL FUND INVESTMENTS		\$4,853,481,979.13

ERSRI - 87.2116582%
MERSRI - 12.6531121%
ST POL - 00.0898714%
JUDC'L - 00.0453583%

Balsheet.xls

PORTFOLIO

BENCHMARK DESCRIPTION	MARKET VALUE 3/31/97	TRANSFERS IN/OUT	MARKET VALUE 4/30/97	NET INCREASE/ (DECREASE)	MARKET VALUE % OF CHANGE NET OF TRFS	BENCHMARK % OF CHANGE TO BENCHMARK	MKT VARIANCE TO BENCHMARK	CALENDAR YTD PERFORMANCE	CALENDAR YTD BENCHMARK
INTERNATIONAL EQUITY									
ALLIANCE	194,711,176	5,700	195,822,770	1,105,894	0.57%	0.57%	0.04%	-0.90%	-1.04%
SCHRODER	254,925,472	0	253,833,362	(1,095,110)	-0.43%	-0.50%	0.07%	4.07%	4.35%
SCUDDER	174,440,410	0	177,081,205	2,640,795	1.51%	0.73%	0.78%	0.97%	-6.70%
SCHRODER EMERGING MKTS EX MALAYSIA	0	25,000,000	25,343,715	343,715	1.42%	2.25%	-0.83%	1.42%	2.25%
TOTAL INT'L EQUITY	624,080,058	25,005,700	652,081,053	2,995,295	0.46%			1.38%	
REAL ESTATE									
HEITMAN	33,697,989	(608,870)	33,089,119	0	1.84%	N/A	N/A	1.66%	N/A
L & B	37,190,020	0	37,890,785	700,765	1.88%	N/A	N/A	1.88%	N/A
ATNA	9,158,963	0	9,983,217	824,254	9.00%	N/A	N/A	12.02%	N/A
PHOENIX	12,285,931	0	12,483,590	197,659	1.61%	N/A	N/A	33.72%	N/A
TOTAL REAL ESTATE	92,332,903	(608,870)	93,446,710	1,722,678	2.54%			6.11%	
CASH ACCOUNTS									
CASH ACCOUNT	26,445,094	(13,317,170)	13,200,526	72,602	N/A	N/A	N/A	N/A	N/A
INTERNAL CASH	1,304,460	0	1,802,692	498,233	N/A	N/A	N/A	N/A	N/A
TOTAL CASH	27,749,554	(13,317,170)	15,003,218	570,834	N/A				
GRAND TOTAL	4,722,745,511	(5,472,669)	4,853,481,979	136,209,137	2.68%			3.00%	

RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values

APRIL 30, 1997

Equities

RANK	SECURITY NAME	PAR VALUE/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	MERCK & CO INC	466,400	\$42,150,900	Fleet,Bankers,Provident
2	MICROSOFT CORP	330,000	40,095,000	Bankers,Provident
3	INTEL CORP	254,500	38,970,313	Fleet,Bankers,Value Quest
4	AMERICAN INTL GROUP INC	275,025	35,340,713	Fleet,Bankers,Provident, MacKay-Shields,Value Quest
5	FEDERAL NATL MTG ASSN	765,400	31,572,750	Fleet,Bankers,Provident,Value Quest
6	PFIZER INC	279,900	26,870,400	Fleet,Bankers,Provident
7	PEPSICO INC	740,900	25,838,888	Fleet,Bankers
8	PROCTER & GAMBLE CO	201,200	25,300,900	Fleet,Bankers
9	AUTOMATIC DATA PROCESSING INC	557,700	25,235,925	Fleet,Bankers,MacKay-Shields
10	McDONALDS CORP	464,900	24,872,150	Fleet,Bankers
		14.23%	\$316,247,939 of total equity market value	
			** Total Composite Equities **	\$2,222,002,072

International Equity Holdings By Top 10 Market Values

APRIL 30, 1997

International Equities

RANK	SECURITY NAME	COUNTRY	PAR VALUE/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	NOVARTIS AG	Switzerland	11,319	\$14,918,509	Alliance,Schroeder
2	ROYAL DUTCH PETROL	Netherlands	58,965	10,539,258	Alliance,Schroeder
3	BRITISH PETRÓLEUM	England	806,728	9,267,695	Alliance,Schroeder
4	LLOYDS TSB GROUP	England	966,272	8,842,801	Alliance,Schroeder
5	ROCHE HLDGS AG	Switzerland	983	8,305,982	Alliance,Schroeder
6	ELF AQUITAINE	France	77,035	7,470,702	Alliance,Schroeder
7	PHILIPS ELECTRONIC	Netherlands	135,434	7,070,264	Alliance,Schroeder
8	ASTRA INTL	Indonesian	1,722,500	6,308,744	Scudder
9	TOYOTA MOTOR CORP	Japan	204,000	5,915,372	Alliance,Scudder
10	NATL AUSTRALIA BK	Australian	414,697	5,688,702	Alliance,Scudder
			14.21%	\$84,328,029 international equity market value	
			** Total Composite International Equities **	\$593,464,645	

Asset Allocation Monitoring Report
Market Values at April 30, 1997

ERSRI
 &
 MERSRI

Asset Class	Style	April 30, 1997		Target		Difference	Cash	% of Total
		Actual		\$	%			
Domestic Equity		\$	%	\$	%			
<i>Fleet</i>	active	483.48	9.96%	436.81	9.00%	46.67	21.17	4.38%
<i>Bankers</i>	passive	680.35	14.02%	655.22	13.50%	25.13	3.00	0.44%
Total Core		1,163.83	23.98%	1,092.03	22.50%			
<i>Provident</i>	growth	374.97	7.73%	364.01	7.50%	10.96	18.95	5.05%
Total Growth		374.97	7.73%	364.01	7.50%			
<i>Brinson Partners</i>	large cap	219.66	4.53%	194.14	4.00%	25.52	4.23	1.93%
<i>Mackay-Shields</i>	large cap	211.78	4.36%	194.14	4.00%	17.64	2.88	1.36%
Total Large Cap Value		431.43	8.89%	388.28	8.00%			
<i>David L. Babson</i>	value	149.81	3.09%	145.60	3.00%	4.21	9.51	6.34%
<i>J.W. Seligman</i>	s/c growth	127.38	2.62%	145.60	3.00%	-18.22	6.94	5.45%
Total Small Cap		277.19	5.71%	291.21	6.00%			
<i>HLM Management</i>	sml grwth	19.21	0.40%	24.27	0.50%	-5.05	1.05	5.44%
<i>ValueQuest Ltd</i>	lrg value	25.45	0.52%	24.27	0.50%	1.18	0.12	0.46%
Total Emerging Managers		44.66	0.92%	48.53	1.00%			
TOTAL DOMESTIC EQUITY		2,292.09	47.23%	2,184.07	45.00%	108.03	67.84	2.96%
International Equity								
<i>Alliance</i>	core	195.82	4.03%	145.60	3.00%	50.22	0.43	0.22%
<i>Schroder</i>	Euro/region	253.83	5.23%	242.67	5.00%	11.16	7.12	2.80%
<i>Scudder</i>	Pac Basin	177.08	3.65%	242.67	5.00%	-65.59	12.87	7.27%
<i>Schroder Emerging Markets</i>	Int'l	25.34	0.52%	97.07	2.00%	-71.73	0.00	0.00%
TOTAL INT'L EQUITY		652.08	13.44%	728.02	15.00%	-75.94	20.42	3.13%
Domestic Fixed Income								
<i>Fidelity</i>	Mort.-bk sec	176.11	3.63%	121.34	2.50%	54.77	19.77	11.23%
<i>In-State</i>	n/a	27.61	0.57%	24.27	0.50%	3.34	0.25	0.89%
Total Mortgage		203.72	4.20%	145.60	3.00%			
<i>Fleet</i>	Fixed/Inc.	1,060.28	21.85%	1,092.03	22.50%	-31.75	31.08	2.93%
<i>Brown Bros (Short)</i>	Short Term F/	241.53	4.98%	121.34	2.50%	120.19	18.09	7.49%
Total Other Fixed Income		1,301.81	26.82%	1,213.37	25.00%			
<i>Taplin, Canida & Habacht</i>	core/fixed inc	21.10	0.43%	24.27	0.50%	-3.17	0.81	3.82%
Total Emerging Managers		21.10	0.43%	24.27	0.50%			
<i>Loomis Sayles & Co</i>		214.68	4.42%	194.14	4.00%	20.55	0.82	
TOTAL FIXED-INCOME		1,741.32	35.88%	1,577.38	32.50%	163.94	70.81	4.07%
Real Estate								
<i>Heitman</i>	core	33.09	0.68%					
<i>L&B</i>	core	37.89	0.78%					
<i>Etna</i>	cong. care r/e	9.98	0.21%					
<i>Phoenix</i>	deve. r/e	12.48	0.26%					
Total Real Estate		93.45	1.93%					
Alternative Investments								
<i>Crossroads & Narragansett</i>	venture cap.	37.74	0.78%					
<i>Pacific Corp Group</i>	venture cap.	21.30	0.44%					
<i>Bank Acquisition</i>	n/a	0.50	0.01%					
Total Alternative Investments		59.54	1.23%					
TOTAL ALTERNATIVE INVESTMENTS AND REAL ESTATE		152.98	3.15%	364.01	7.50%	-211.03	0.00	0.00%
<i>Cash Equivalents</i>		15.00	0.31%	0.00	0.00%	15.00	14.93	99.51%
TOTAL ASSETS		4,853.48	100.00%	4,853.48	100.00%	0.00	174.01	3.59%

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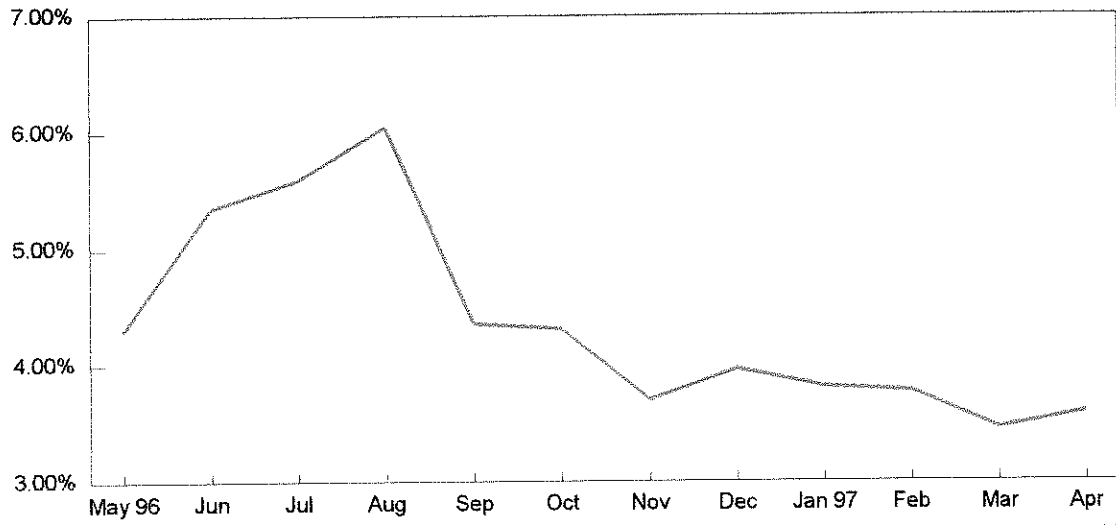
Alternative Investments Funding

1997

Manager	Partnership Commitment	Prior Funding Thru 3/31/97	Current Month Funding	Cumulative Total at 4/30/97	Unfunded Balance
<i>Boston Ventures Ltd</i>	\$5,000,000	\$450,000		\$450,000	\$4,550,000
<i>Crossroads/Providence LP</i>	\$45,000,000	\$44,484,875		\$44,484,875	\$515,125
<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	6,400,000	800,000	7,200,000	800,000
<i>OCM Principal Opportunities</i>	5,000,000	750,000	500,000	1,250,000	3,750,000
<i>Welsh, Carson, Anderson & Stowe</i>	15,000,000	5,250,000		5,250,000	9,750,000
<i>Doughty Hanson</i>	5,000,000	2,428,234		2,428,234	2,571,766
<i>Willis Stein</i>	5,000,000	2,317,174		2,317,174	2,682,826
<i>ABS Capital Partners</i>	5,000,000	636,943	79,618	716,561	4,283,439
<i>Providence Equity Partners</i>	10,000,000	1,603,896		1,603,896	8,396,104
<i>SKM Equity Fund II</i>	10,000,000	0		0	10,000,000
TOTALS:	\$115,335,771	\$66,656,893	\$1,379,618	\$68,036,511	\$47,299,260

EMPLOYEES RETIREMENT SYSTEM

CASH PERCENTAGE OF TOTAL PORTFOLIO



Retirement Systems
Investment Earnings
Fiscal Year 1997 to Date Summary

ERSRI
&
MERSRI at April 30, 1997

	<u>LONG TERM</u>	<u>SHORT TERM</u>	<u>TOTAL</u>
INTEREST SOLD	15,937,428		15,937,428
SECURITIES LENDING	0		0
DIVIDENDS	40,745,270		40,745,270
INTEREST	95,791,805	471,063	96,262,869
MISCELLANEOUS	23,932,740		23,932,740
CAPITAL GAINS	216,209,800		216,209,800
 GRAND TOTAL:	 392,617,042	 471,063	 393,088,106

ERSRI & MERSRI

1996-1997 EXPENSES

	Actual Jul 96	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Actual Jan 97	Actual Feb	Actual Mar	Actual Apr	Projected May	Projected Jun	PROJECTED TOTAL
EQUITIES		525,000							262,500		262,500		1,312,500
Fleet/Nonstar			67,598		262,500	69,698			96,886		60,000		294,182
Banker Trust			592,582			602,160				587,598		585,000	2,367,340
Provident Insurmt			179,151		165,949				175,962		175,000		696,063
Brinson			139,519			141,442			139,952		130,000		550,913
MacKay-Shield		103,814			103,682			106,407			60,000		472,881
David L. Bobson	98,978				123,984			121,958			75,000		559,047
J & W Seligman	117,334	120,771			57,506			57,394			25,000		253,363
HLM Mgmt	59,407		51,981					107,082				25,000	184,063
ValueQuest													
FIXED INCOME				94,133		95,586			114,549		150,000	160,000	464,269
Brave Bros.			204,866		207,732			213,104			13,000		775,702
Fidelity	14,906				15,043			15,368					58,317
Tappin					63,614			193,758					257,372
Loomis Sayles													
INT'L EQUITIES					27,313	114,322			34,211		30,000	85,000	118,568
Alliance Capital										138,338			555,864
Schroder			133,204		310,451			155,781			95,000		561,232
Saudier													0
Schroder Enging Mkts												4,500	18,217
REAL ESTATE													0
Heffman Advisory													0
L & B Real Estate													0
Actua													0
Phoenix													0
ALTERNATIVE INVESTMENTS			4,690			4,541			4,486				18,217
Bigler/Crossroads													0
Narragansett Cap.													0
PROFESSIONAL FEES													0
Consulting													0
Legal													0
State Street Bank						913,344			167,571		45,000	45,000	1,170,914
Pacific Corp Group						62,500			62,500		56,250		243,750
Wilshire Assoc	16,667	16,667		33,351		33,333			50,001		33,334	16,667	200,020
OPERATING EXPENSE							937,523			5,200	1,800,000	1,000	3,582,328
Retirement Transfers		716,640	128,166										10,950
Other Expense		3,750											
TOTAL:	307,292	1,486,642	1,591,301	127,484	1,337,775	1,123,583	937,523	0	2,825,243	952,762	3,096,084	922,167	14,707,856

CASH FLOW ANALYSIS

Employees Retirement System

	FY 1996-97	Actual July 1996	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 1997	Actual February	Actual March	Actual April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	20,649,261	20,830,029	20,842,083	22,239,222	21,689,611	21,454,576	22,253,184	22,073,322	22,014,083	22,350,168	20,000,000	20,000,000	20,000,000	256,395,539
ADMINISTRATIVE EXPENSES	0	626,523	111,504	0	0	0	937,523	0	0	4,522	6,000	6,000	6,000	1,692,072
INVESTMENT EXPENSES	287,282	666,409	1,272,489	110,872	1,163,463	977,180	0	0	2,457,113	824,094	650,000	650,000	650,000	9,038,902
TOTAL OUTFLOW	20,916,543	22,122,961	22,226,076	22,350,094	22,853,074	22,431,756	23,190,707	22,073,322	24,471,196	23,178,784	20,656,000	20,656,000	20,656,000	267,126,513
CONTRIBUTIONS	16,841,030	13,432,880	15,805,518	13,110,467	15,676,411	20,304,617	22,545,843	22,833,898	20,010,837	13,622,376	18,500,000	18,500,000	18,500,000	211,183,679
OTHER INCOME*	168,281	3,240,077	1,110,353	3,950,460	(2,586,261)	2,172,564	2,447,869	539,315	3,503,378	3,155,118	2,500,000	2,500,000	2,500,000	22,701,154
TOTAL INCOME	17,009,311	16,672,757	16,915,871	17,060,927	13,090,150	22,477,181	24,993,712	23,373,213	23,514,215	16,777,496	21,000,000	21,000,000	21,000,000	233,884,833
DIFFERENCE	(3,907,232)	(5,450,204)	(5,310,205)	(5,289,167)	(9,762,924)	45,425	1,803,005	1,299,891	(956,981)	(6,401,288)	344,000	344,000	344,000	(33,241,680)

Municipal Employees Retirement System

	Actual July 1996	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 1997	Actual February	Actual March	Actual April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	1,977,801	1,909,417	2,021,425	2,106,332	2,090,014	2,190,996	2,111,757	2,151,615	2,283,352	2,283,439	2,150,000	2,150,000	25,425,948
ADMINISTRATIVE EXPENSES	0	93,074	16,662	0	0	0	0	0	500	672	500	500	111,908
INVESTMENT EXPENSES	39,702	98,999	189,037	16,470	172,840	145,166	0	0	365,021	122,425	85,000	85,000	1,319,660
TOTAL OUTFLOW	2,017,303	2,101,490	2,227,124	2,122,802	2,262,854	2,336,162	2,111,757	2,151,615	2,648,873	2,406,536	2,235,500	2,235,500	26,857,516
CONTRIBUTIONS	1,170,042	1,478,894	1,333,516	1,150,064	1,255,835	1,313,452	1,365,651	1,437,714	1,158,883	1,152,334	1,400,000	1,400,000	15,616,385
OTHER INCOME*	24,996	481,336	164,951	586,868	(384,207)	322,749	358,529	78,862	520,451	468,715	35,000	35,000	2,693,250
TOTAL INCOME	1,195,038	1,960,230	1,498,467	1,736,932	871,628	1,636,201	1,724,180	1,516,576	1,679,334	1,621,049	1,435,000	1,435,000	18,309,635
DIFFERENCE	(822,265)	(141,260)	(728,657)	(385,870)	(1,391,226)	(699,961)	(387,577)	(635,039)	(969,539)	(785,487)	(800,500)	(800,500)	(8,547,881)

Judges/State Police

	Actual July 1996	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 1997	Actual February	Actual March	Actual April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE EXPENSES	0	793	0	0	0	50	0	0	50	6	50	50	999
INVESTMENT EXPENSES	308	844	1,609	142	1,472	1,237	0	0	3,109	1,042	300	300	10,363
TOTAL OUTFLOW	308	1,637	1,609	142	1,472	1,287	0	0	3,159	1,048	350	350	11,362
CONTRIBUTIONS	119,190	120,557	122,895	130,198	125,331	188,045	125,611	125,438	125,716	58,815	125,000	125,000	1,491,796
OTHER INCOME*	194	4,097	1,404	4,997	(3,272)	2,749	2,556	800	4,431	3,991	200	200	22,347
TOTAL INCOME	119,384	124,654	124,299	135,195	122,059	190,794	128,167	126,238	130,147	62,806	125,200	125,200	1,514,143
DIFFERENCE	119,076	123,017	122,690	135,053	120,587	189,507	128,167	126,238	126,988	61,758	124,850	124,850	1,502,781

*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

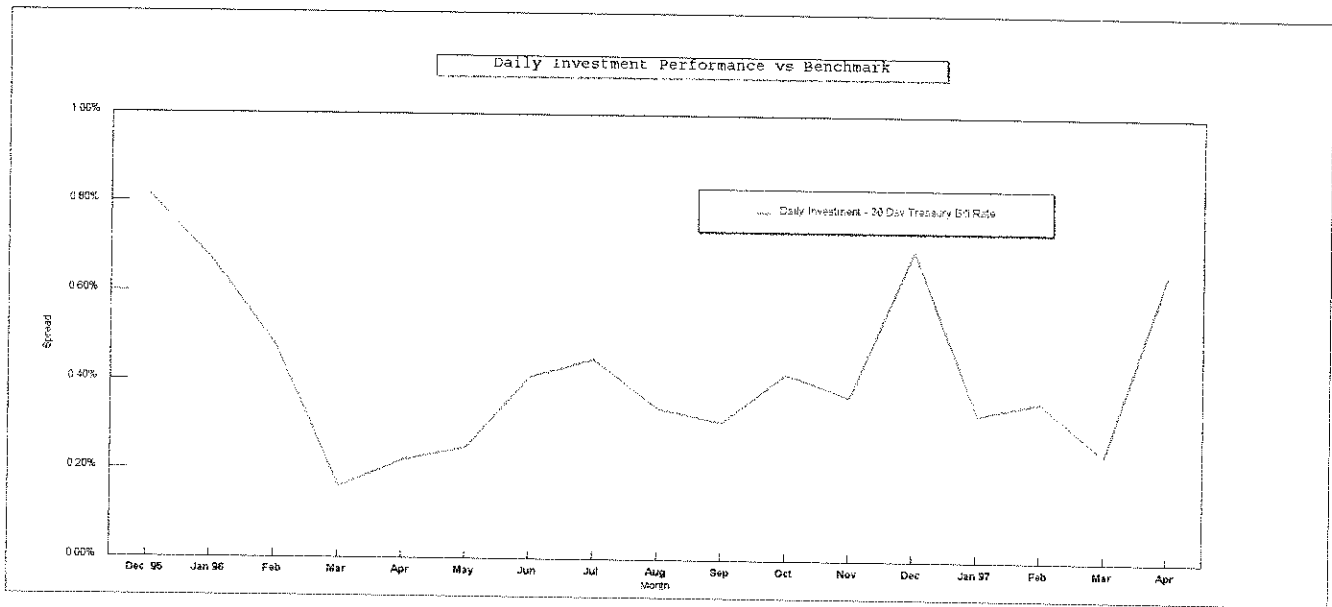
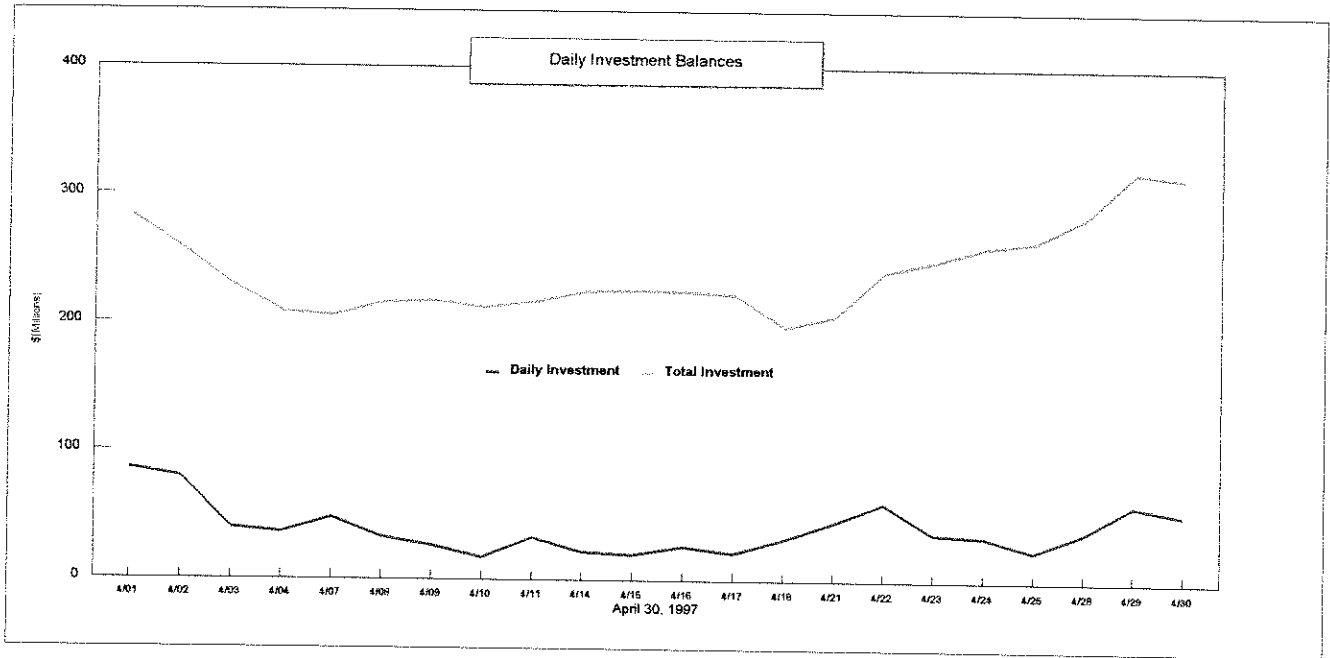
As of April 30, 1997

	Principal	Interest	Total Value @ Maturity	Rate of Return
4901 GENERAL FUND	154,362,609	156,723	154,519,332	5.3629%
4902 GENERAL FUND	500,000	229	500,229	5.5000%
4906 PERSONAL INCOME TAX	445,000	514	445,514	5.2000%
4920 GENERAL FUND (HIST PRES)	342,158	3,182	345,340	5.4000%
5200 RI UNDERGROUND STORAG TNK	3,198,763	27,237	3,226,000	5.2047%
5400 HIGHWAY FUND	2,997,330	2,670	3,000,000	5.3448%
5800 PROV. RIVER RELOCATION	2,284,512	4,444	2,288,956	5.3645%
6920 AUTO EQUIPMENT SERVICE	299,778	223	300,000	5.3440%
8000 T.D.I. RESERVE (DET)	43,066,975	1,046,144	44,113,120	5.5280%
8225 JOB DEVELOPMENT (DET)	5,542,603	29,107	5,571,710	5.4492%
8230 E.T. TARDY (DET)	1,212,526	5,777	1,218,303	5.4140%
8240 E.T. INTEREST (DET)	100,436	499	100,935	5.4200%
8300 PERMANENT SCHOOL FUND	299,197	803	300,000	5.3687%
8700 R.I. CLEAN WATER ACT	550,000	566	550,566	5.2900%
9000 BOND CAPITAL FUND	2,698,665	1,512	2,700,177	5.3395%
9200 NARRAGANSETT BAY WATER	3,601,600	13,057	3,614,657	5.2970%
9285 NARR.BAY.ENVR.ENFORCE.	102,000	472	102,472	5.3700%
9286 NARR.BAY.CASH RESTRICTED	1,230,000	5,516	1,235,516	5.3936%
9700 STATE LOTTERY FUND	9,800,000	21,928	9,821,928	5.3775%
9800 INDUS. BLDG. & MTG. INS.	1,406,129	5,603	1,411,733	5.3670%
4911 TANS PROCEEDS	11,881,287	42,773	11,924,060	5.4000%
Subtotal	245,921,569	1,368,978	247,290,547	5.4878%
8701 CLEAN WATER 1991 SER. B	618,805			
8702 CLEAN WATER 1993 SER. A	182,929			
8703 CLEAN WATER 1991 SERIES A	297			
8704 CLEAN WATER 96 SERIES A	1,053,756			
8705 CLEAN WATER 1992 SER. A	258,506			
8706 CLEAN WATER CCDL 1994 (A)	1,309,270			
8708 CLEAN WATER BOND 1990 A&B	21,790			
8709 CLEAN WATER 1990 SER. C	840			
8734 POLLUTION CONTROL 96A	2,165,154			
8735 RI POLLUTION CONTROL	57,703			
8736 RI POLLUT. CONT 93 SER. A	154,563			
8737 RI POLLUT. CONT 94 SER. A	720,909			
9101 BOND SALE A 11-4-87	65,714			
9102 BOND CAPITAL CCDL 1988	21,491			
9104 BOND CAPITAL 1989 SER. A	2,036			
9105 BOND CAPITAL 1989 SER. B	88,523			
9108 BOND SALE 1990 SER. A&B	263,250			
9114 G.O. NOTE 1991 SER. B	186,323			
9115 BOND CCDL 1992 SERIES A	3,351,066			
9116 BOND CCDL 1993 SERIES A	14,666,472			
9117 BOND CCDL 1994 SERIES A	15,390,753			
9118 BOND CCDL 1995 SER. A	821,514			
9119 CCDL 95 B	3,399			
9120 BOND CCBL96A	14,297,613			
9204 NARR.BAY 1991 SER. B NOTE	541,202			
9205 NARR.BAY 1992 SER. A BOND	138,214			
9206 NARR.BAY. 1993 SER. A	3,942			
9207 NARR.BAY CCDL 1994 SER. A	2,651,483			
9208 NARRAGANSET BAY 96A	9,865,137			
9291 B.V.DIST.COMM.BOND 1987	33,109			
9292 B.V.DIST.COMM.BOND 1988	12,587			
9294 B.V. 1991 SERIES B NOTE	242,023			
9295 B.V.D.C. 1992 SERIES A	192,606			
9298 B.V.D.C. BOND 90 SER.A+B	48,661			
Subtotal Bond Proceed Accounts	69,431,639			
Total Short Term Portfolio	315,353,208			

**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>
4/01	\$86.11	5.48	5.08	40.00
4/02	\$79.47	5.75	5.12	63.00
4/03	\$40.03	5.44	5.07	37.00
4/04	\$36.60	5.34	5.04	30.00
4/07	\$48.35	5.39	5.06	33.00
4/08	\$33.22	5.39	5.06	33.00
4/09	\$26.55	5.41	5.07	34.00
4/10	\$17.65	5.37	5.04	33.00
4/11	\$32.92	5.35	5.05	30.00
4/14	\$21.89	5.39	5.05	34.00
4/15	\$20.18	5.42	5.07	35.00
4/16	\$26.69	5.42	5.07	35.00
4/17	\$21.44	5.32	5.04	28.00
4/18	\$32.49	5.33	5.04	29.00
4/21	\$45.37	5.39	5.06	33.00
4/22	\$60.86	5.38	5.06	32.00
4/23	\$36.84	5.37	5.06	31.00
4/24	\$35.17	5.33	5.04	29.00
4/25	\$24.16	5.35	5.05	30.00
4/28	\$38.79	5.36	5.05	31.00
4/29	\$60.09	5.30	5.03	27.00
4/30	\$53.03	5.35	5.04	31.00
	\$877.90	5.41	4.76	66
	total	weighted	average	basis
	amount	average	30 day	point
	invested	rate	rate	difference

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



SPECIAL FUNDS
 INVESTMENT SUMMARY
 APRIL 30, 1997

FUND NAME	EQUITIES	CASH & EQUIVALENTS	FIXED INCOME	Gain/Loss	TOTAL MARKET VALUE
<u>Abraham Touro Fund</u>	1,283,083	64,863	569,731	(138,159)	1,917,677
	**				
<u>Rhode Island Temporary Disability Insurance Fund</u>	0	0	1,008,750	(2,188)	1,008,750
<u>State of Rhode Island Land Grant Fund</u>	42,692	722	0	(730)	43,414
<u>TOTALS</u>	1,325,775	65,585	1,578,481	(141,077)	2,969,841

** BALANCES AS OF 3/31/97

INCOME FILE

	September	October	November	December	January 1997	February	March	April	May	June	YTD
297,083	980	148,704	148,704	148,776	149,095	173,557	148,765	340,984	0	0	1,951,757
298,064	395,272	148,704	148,704	148,776	149,095	173,557	148,765	340,984	0	0	1,951,757
2,265	0	2,269	2,204	2,287	2,288	2,058	2,301	2,301	0	0	20,155
1,207,822	3,886,437	1,070,751	6,472,662	2,325,406	247,488	3,918,116	2,896,375	2,896,375	0	0	24,773,545
12,147	15,767	2,865,392	1,005,278	2,325,399	247,488	3,918,075	2,896,375	2,896,375	0	0	23,709,644
1,195,675	1,070,743	83	6,472,578	7	0	41	0	0	0	0	58,622
42,329	26,068	2,456	3,441	46,223	33,689	13,725	40,232	42,292	0	0	345,901
977	2,456	3,441	46,223	33,689	13,725	40,232	42,292	42,292	0	0	345,901
27,425	14,610	19,511	12,780	169,702	333,710	1,047	1,047	1,047	0	0	13,055
70,731	43,134	43,570	60,311	204,318	347,815	376,308	64,791	64,791	0	0	1,057,743
1,416,693	1,057,743	1,057,743	1,057,743	1,057,743	1,057,743	1,057,743	1,057,743	1,057,743	0	0	1,416,693

