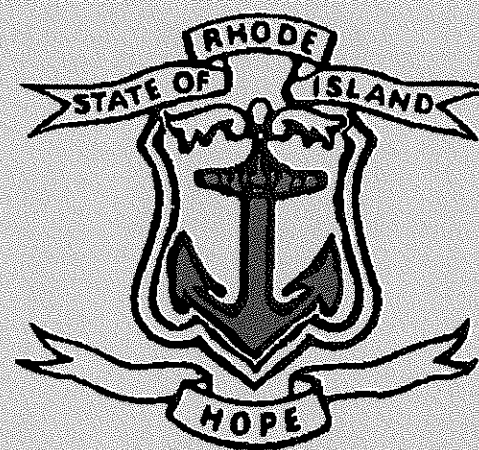
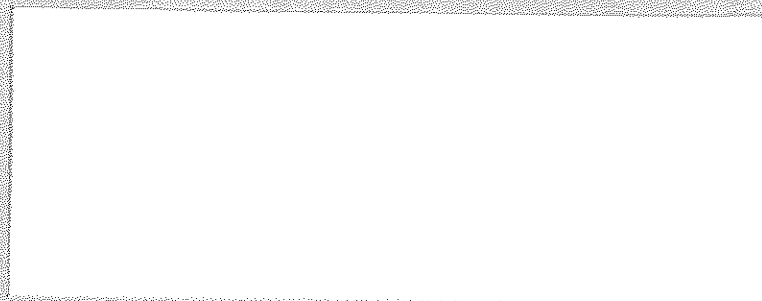


# State of Rhode Island and Providence Plantations



Office of the General Treasurer

Paul J. Tavares  
General Treasurer

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
AUGUST 31, 2003**

**GEORGE A. CREPEAU**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Hon. Paul J. Tavares, Chair**

**J. Michael Costello  
Rosemary Booth Gallogly  
Marcia Reback  
William J. Whitty**

**Sen. Daniel DaPonte  
Dr. Robert J. McKenna  
James E. Thorsen**



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

Paul J. Tavares  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, September 24, 2003 at 9:00 a.m. in Room 135 of the State House.

**AGENDA**

1. Membership Roll Call
2. Approval of Minutes
  - State Investment Commission Meeting held on 8/27/03 \*
3. Finalist Interviews for Real Estate Consultant \*
  - Pension Consulting Alliance, Inc.
  - The Townsend Group
4. General Consultant's Report – Wilshire Associates Incorporated
  - Capital Market Update
5. Legal Counsel Report
6. Deputy Treasurer for Finance Report
7. Treasurer's Report
8. New Business

\* Commission members will be asked to vote on this item.



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

**Regular Meeting August 27, 2003**

A State Investment Commission meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, August 27, 2003. There being a quorum present, the Treasurer called the meeting to order at 9:00 a.m.

Membership Roll Call. Present were: Mr. J. Michael Costello, Senator Daniel DaPonte (joined at 9:05 a.m.), Ms. Rosemary Booth Gallogly, Ms. Marcia Reback, Mr. James E. Thorsen, Mr. William J. Whitty, and General Treasurer Paul J. Tavares. Also present were: Ms. Joan M. Caine, Deputy Treasurer for Finance, Mr. William G. Bensus, Jr., of Wilshire Associates Incorporated, Consultant to the Commission, Jayne Donegan, Esq., of Brown, Rudnick, Berlack, Israels, Legal Counsel to the Commission and other members of the Treasurer's Staff. Dr. Robert McKenna was absent.

State Investment Commission Minutes. Mr. Thorsen moved, Mr. Whitty seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Ms. Reback, Mr. Thorsen, Mr. Whitty, and Treasurer Tavares. (Note: Sen. DaPonte was not present for this vote.)

**VOTED: To approve the Minutes of the June 25, 2003 Regular Meeting.**

Investment Manager Review – MacKay Shields (“MacKay”). Mr. William G. Bensus of Wilshire Associates Incorporated gave a brief overview of MacKay. He noted that MacKay was retained in 2002 to provide a long-term, strategic exposure to the general investment characteristics of the high yield segment of the US fixed income market. As of June 30, 2003, the portfolio's market value was \$110 million. MacKay comprises approximately 8.6% of the fixed income composite and approximately 2% of the total fund.

Mr. Donald Morgan, Senior Managing Director and Mr. Kirk Kashevaroff, Director represented MacKay. Mr. Morgan stated that the portfolio is up 20.8% year-to-date and up 31% since inception. He noted that the lower tier credit quality (CCC and below) overweight greatly contributed as it outperformed significantly from the fourth quarter in 2002 to present. He stressed that BBB's also outperformed.

MacKay's current strategy includes the following: reduce duration by selling remaining BBB names; raise credit quality by reducing CCC/B- exposure; and increase exposure to selected cyclicals. They intend to buy mostly new issues and swap existing positions to implement the above strategy.

Investment Manager Review – Shenkman Capital Management, Inc. (“Shenkman”). Shenkman was also retained in 2002 to provide a long-term, strategic exposure to the general investment characteristics of the high yield segment of the US fixed income market. As of June 30, 2003, the portfolio's market value was \$100 million. Shenkman comprises approximately 7.9% of the fixed income composite and approximately 1.8% of the total fund. The portfolio is up 7.47% year-to-date and 11.37% since inception.

Ms. Kim Hekking, Senior Vice President/Client Service and Mr. Frank Whitley, Executive Vice President and Portfolio Manager represented Shenkman. Mr. Whitley noted that Shenkman has beaten the benchmark for eleven consecutive years until 2002. He stressed that Shenkman is a cautious, conservative, defensive manager and discussed how the portfolio's underweight to lower quality issues has hurt performance. He noted that year-to-date, 2003 represents the largest year of inflows ever into high yield funds. However, after eight consecutive months of substantial inflows into high yield mutual funds, outflows have been dominant over the past four weeks.

Mr. Whitley noted that the telecom, technology, cable television and utility industries peaked in mid-July and are now being driven more by fundamentals. Default rates should continue to decline from the current 6% rate (vs. the peak rate of 10.9% in January, 2002). Shenkman's strategy includes the following: invest in moderately discounted paper focusing on new issues; de-emphasize the lowest yielding credits that are most sensitive to rising interest rates; identify companies with stable or improving cash flow and operating results; and emphasize investments in industries where there are recurring revenues.

Wilshire Associates Incorporated – Manager Continuation Policy Analysis. Mr. Bensus reviewed all the investment managers by assignment, benchmark, value added and returns versus their indexes. Wilshire recommends continuing to retain all of the following US Equity Managers: Columbia Management Co., NorthPointe Capital, PIMCO StocksPlus, State Street Global Advisors, Wasatch Advisors, Inc. and Wellington Management Co.

Wilshire also recommends continuing to retain the following Non-US Equity Managers: Bank of Ireland Asset Management and Putnam Investments, Inc. Of the six fixed income managers, Wilshire recommends continuing to retain the following: Brown Brothers Harriman & Co., Fidelity Management Trust Co., Fleet National Bank, MacKay Shields, and Shenkman Capital. With regard to Taplin, Canida & Habacht, Wilshire recommends removing them from the "Watch List" and continuing to retain them for their assignment. Mr. Bensus noted that Taplin, Canida and Habacht has made a tremendous recovery since being put on the "Watch List".

Ms. Reback moved, Mr. Costello seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Sen. DaPonte, Ms. Gallogly, Ms. Reback, Mr. Thorsen, Mr. Whitty, and Treasurer Tavares.

**VOTED: To accept Wilshire Associates' recommendations in the Manager Continuation Policy Report presented at the August 27, 2003 Meeting.**

Note: Senator DaPonte left the meeting at 10:35 a.m.

Wilshire Associates Incorporated – Capital Market Update. Mr. Bensus noted that the economy shows meaningful signs of recovery and he has expectations for a solid second half of 2003. Year-to-date, the S&P 500 was up 14.2% , Nasdaq was up 32.2%, the Russell 2000 was up 27.8% and the Wilshire 5000 was up 16.5%. Non-US equities were up 15.4% and bonds were up .9%.

State Street Bank & Trust Company – Custody Contract Renewal. Mr. Thorsen recused himself from this portion of the meeting. Ms. Caine explained that since the new contract was signed in 2000, the securities lending program was re-established and we agreed to keep index portfolios with them. As a result of that new bundled structure, we were able to reduce the fees from \$1.2 million to approximately \$200,000 per year. The securities lending program produces approximately \$2 million per year for the fund. We also negotiated for some premium products and services such as Performance Analytics and Investment Policy Reporting. She noted that the contract expired in 2002 and was renewed at that point for one year. She stated that staff recommends extending the contract for one year under the same terms and conditions.

Mr. Costello moved, Ms. Reback seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Ms. Reback, Mr. Whitty, and Treasurer Tavares. (Note: Senator DaPonte and Mr. Thorsen were not present for this vote.)

**VOTED: To extend the custody contract with State Street Bank & Trust Co. for the period of one year under the same terms and conditions.**

Note: Mr. Thorsen re-joined the meeting after the above vote.

Deputy Treasurer for Finance Report. Ms. Caine stated that after two years of negative numbers, the fund is up 2.95% for FY 03.

Real Estate Consultant - Request for Proposal (“RFP”). Ms Caine noted that sixteen requests were received for the RFP and that four highly qualified firms responded. They are: Callan Associates, Courtland Partners Ltd., Pension Consulting Alliance, Inc. and the Townsend Group. The Search Committee will interview all four firms in early September in order to bring two finalists before the Commission at its September meeting.

Alternative Investment - Triumph Partners III. Ms. Caine updated the Commission on the fund’s alternative investment in Triumph Partners III. She stated that the fund had been linked to the scandal with the former Connecticut Treasurer, Paul Sylvester. Triumph’s counsel was convicted in July of federal conspiracy, racketeering and bribery, but that did not trigger the key-man clause provisions, which relate to general partners and not legal counsel. Mr. McCarthy, a partner in Triumph, is scheduled to appear in court in September and if he is convicted it would trigger the key-man clause. Pacific Corporate Group and Jayne Donegan will be working with the existing partner who is not involved, Mr. Rick Mosely. The remaining General Partners are proposing a new limited partnership agreement going forward to exclude Fred McCarthy, along with a name change to remove itself from association with Triumph. Under the plan, Triumph III will be replaced as general partner of the fund by a new company, Washington & Congress Advisors. Our original investment was \$15 million and there are approximately eleven companies valued at \$300 million left in the total fund.

Ms. Gallogly moved, Ms. Reback seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Ms. Reback, Mr. Thorsen, Mr. Whitty, and Treasurer Tavares.

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 10:52 a.m.

Respectfully submitted,

Paul J. Tavares  
General Treasurer





RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
August 31, 2003

**PORTFOLIO PERFORMANCE**

**August**

The ERSRI portfolio posted a gain of 2.35% for the month of August against the policy index of 2.04%. Domestic equities were up by 3.03%, international equities gained 1.81%, and the fixed income asset class increased by 1.28%. Additionally, the retirement fund earned \$122,699 from the securities lending program during this month.

**Calendar Year-to-Date**

On a calendar year basis, the portfolio is up 14.55% against the policy index of 13.36%. Domestic equities gained 21.82%, international equities were up 12.17%, and fixed income gained 5.51%.

**Fiscal Year-to-Date**

For the two months ended August 31, 2003, the fund gained 3.95%, against the fiscal year to date policy index of 2.93%.

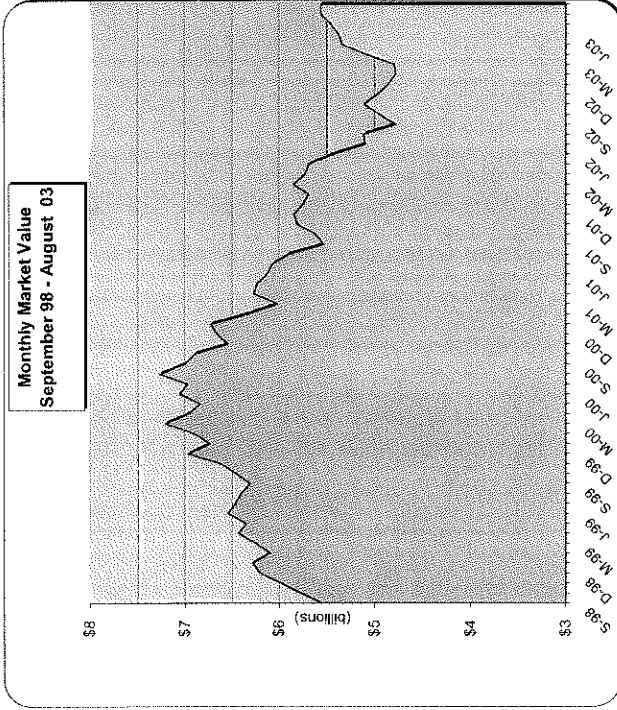
Index Performance Summary - August 2003		
Market Indices	Aug-03	Calendar YTD
<b>Domestic Equity</b>		
S & P 500	1.95%	15.95%
Wilshire 5000	2.40%	18.41%
Russell 2000	4.58%	31.00%
Russell 2500	4.63%	28.91%
Russell 1000	2.03%	16.90%
Policy Index	2.04%	13.28%
<b>International Equity</b>		
MSCI ACWI	2.98%	17.46%
<b>Fixed Income</b>		
Lehman AGG	0.66%	1.10%
<b>Real Estate</b>		
Wilshire RE Sec Inde	1.07%	21.34%

ERSRI Performance By Asset Class	Aug-03	Calendar YTD
Domestic Equity	3.03%	21.82%
Fixed Income	1.28%	5.51%
International Equity	1.81%	12.17%
<b>Total Fund Composite*</b>	<b>2.35%</b>	<b>14.55%</b>
<b>Manager Summary</b>		
<b>Aug-03</b>	<b>Aug-03</b>	<b>CYTD</b>
<b>DOMESTIC EQUITY</b>		
Wellington	6.25%	38.19%
Columbia	5.88%	33.12%
NorthPointe	4.29%	26.80%
Wasatch	3.56%	27.89%
PIMCO	2.09%	16.07%
SSgA Russell 1000	2.03%	N/A
SSgA Core	1.78%	15.14%
Shott Capital	1.53%	7.21%
<i>Total Domestic Equity</i>	3.03%	21.82%
<b>FIXED INCOME</b>		
Brown Brothers, Harriman	4.95%	7.77%
Taplin Canida & Habacht	1.38%	8.48%
Fleet Investment Advisors	0.64%	1.45%
Mackay Shields	0.63%	24.34%
Fidelity	1.11%	1.58%
InState Fixed Income	0.56%	4.47%
Shenkman	-0.09%	8.39%
<i>Total Fixed Income</i>	1.28%	5.51%
<b>INTERNATIONAL EQUITY</b>		
Putnam Investments	2.68%	13.96%
Bank of Ireland	0.93%	10.30%
<i>Total International Equity</i>	1.81%	12.17%

\*Total Fund Composite includes all classes

### Market Values

The total portfolio value increased in July by \$104 million, including transfers, to \$5.560 billion. This compares with an increase in value of \$14.6 million for the same period in 2002. The domestic equity market values increased by \$78.8 million; fixed income increased by \$10.9 million, including transfers, while international equity values were up by \$22.7 million. Alternative investments increased in value by \$12.9 million, while the cash accounts were down by \$14.7 million.



**Manager Funding**

Cash transfers by asset class which took place during August are required to provide sufficient cash for alternative investment funding as well as to meet current retirement payroll obligations of \$21 million.

**Cash Flow**

August's pension payroll of \$42.4 million exceeded the \$19.8 million in contributions received by \$22.6 million. To meet this shortfall \$21 million was transferred from long term investments.

**Alternative Investments**

At this time the alternative investment asset class has unfunded commitments of approximately \$357 million, on commitments of \$702.6 million.

**Expenses**

Expenses accrued during August totalled \$351,106 was comprised of private equity, investment management, and other professional management fees.

**CAPITAL CALLS  
Net of Contributions**

AUGUST 2003	FYTD	UNFUNDED BALANCE
-\$3,146,406	-\$282,049	\$356,956,787

AUGUST 2002	FYTD	UNFUNDED BALANCE
\$908,809	\$6,597,017	\$263,642,431

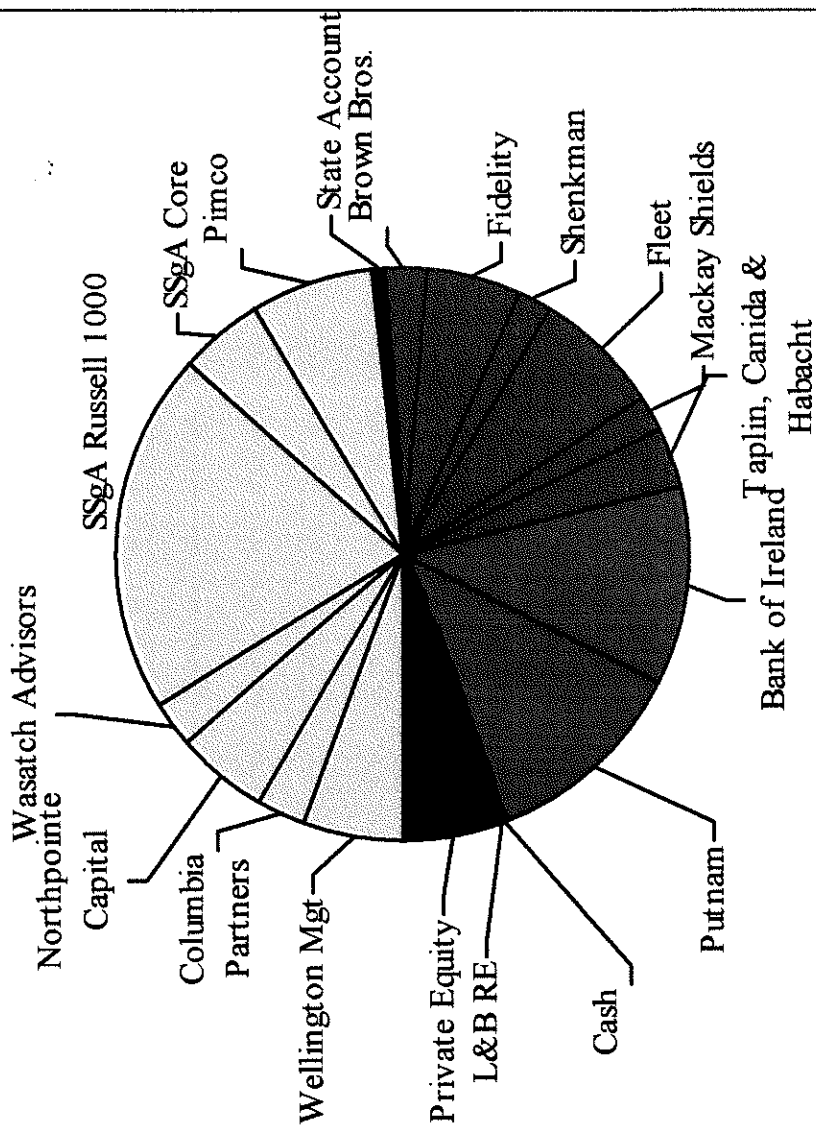
**Short Term Cash**

The short term cash portfolio had a 3.9 day weighted average maturity vs 3.0 days in August, and 39.6 days in August of 2002. Investments at August 31st totalled \$306.6 million. Interest earned during the month was \$106,805 of which \$11,492 was credited to the retirement accounts. The average investment rate of 0.97% was 7 basis points above the average 30 day treasury rate.

# Individual Manager Allocation

August 31, 2003

\$ 5,561 MM



- U.S. Equity
- Fixed Income
- Non-U.S. Equity
- Cash Equivalents
- Alternative Investments

Portfolio	\$MM	Allocation
Columbia Partners	\$ 151	2.7
Northpointe Capital	292	5.3
PIMCO	384	6.9
SSgA - Core	260	4.7
SSgA Russell 1000	1,147	20.6
Wasatch Advisors	143	2.6
Wellington Management	312	5.6
<b>U.S. Equity</b>	<b>2,691</b>	<b>48.4</b>
Brown Bros. Harrinen	\$ 146	2.6
Fidelity Mgmt. Trust	293	5.3
Fleet Investment	399	7.2
Loomis Sayles	1	0.0
Mackay Shields	112	2.0
Shenkman Capital	100	1.8
State Account	22	0.4
Taplin, Canida & Habacht	195	3.5
<b>Fixed Income</b>	<b>1,268</b>	<b>22.8</b>
Bank of Ireland	\$ 632	11.4
Putnam Investments	642	11.5
<b>International Equity</b>	<b>1,273</b>	<b>22.9</b>
L&B Real Estate	19	0.3
Private Equity	296	5.3
Contingency Reserve	1	0.0
<b>Alternative Invest.</b>	<b>315</b>	<b>5.7</b>
Cash Account (inside)	\$ 11	0.2
Cash Account (outside)	3	0.1
<b>Cash Equivalents</b>	<b>14</b>	<b>0.3</b>
<b>Total</b>	<b>\$5,561</b>	<b>100.0</b>

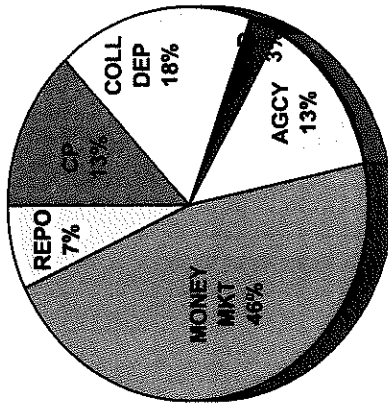
**Market Environment**  
**Quarter Ended August 31, 2003**

	<u>QTR</u>	<u>YTD</u>	<u>1 YR.</u>	<u>2 YRS.</u>	<u>3 YRS.</u>	<u>4 YRS.</u>	<u>5 YRS.</u>
<b>U.S. EQUITY</b>							
RUSSELL 2000	13.14	31.00	29.08	4.48	-1.19	5.24	9.50
RUSSELL 2000 GROWTH	15.52	35.25	34.90	-0.10	-13.41	-2.52	5.29
RUSSELL 2000 VALUE	10.82	26.94	23.68	8.05	11.28	11.88	12.32
S&P 500	5.07	15.95	12.07	-4.13	-11.43	-5.18	2.48
WILSHIRE 5000	6.42	18.41	14.87	-2.09	-10.63	-3.80	3.53
<b>INTERNATIONAL EQUITY</b>							
MSCI AC WORLD FREE ex US (gross)	8.65	17.46	12.22	-1.23	-10.01	-4.98	-1.12
MSCIEAFE (net)	7.43	14.83	9.11	-3.67	-11.12	-6.35	-0.68
<b>U.S. FIXED INCOME</b>							
FB DOM PLUS HIGH YIELD	3.15	17.57	22.95	9.59	6.50	5.03	
FB GLOBAL HIGH YIELD	3.23	17.67	23.10	9.59	6.49	5.37	5.24
LB AGGREGATE	-2.91	1.11	4.36	6.22	8.23	8.06	6.56
CITIGROUP BROAD INV GRADE	-2.89	1.18	4.43	6.20	8.24	8.04	6.57
CITIGROUP LARGE PENSION FUND	-5.31	0.96	5.14	6.83	9.02	8.84	
CITIGROUP LPF COLLATERALIZED	-0.98	0.39	2.48	5.34	7.47	7.63	6.46
<b>TOTAL PLAN</b>	4.24	13.36	11.84	0.77	-5.22	-0.50	4.31

**RHODE ISLAND STATE INVESTMENT COMMISSION**

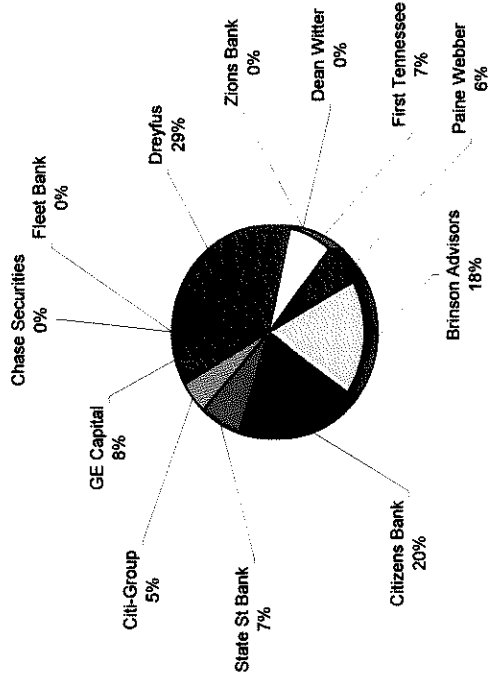
**SHORT TERM CASH INVESTMENTS AT AUGUST 31, 2003**

**Portfolio By Instrument**



REPO = Repurchase Agreement  
 CP = Commercial Paper  
 CD = Certificate of Deposit  
 CD = Collateralized Deposit  
 Agency = US Government Agency

**Portfolio by issuer**



**State of Rhode Island  
Office of the General Treasurer  
Short-Term Investments**

**Issuer Credit Ratings  
August, 2003**

Issuer	Issuer Ratings		S-T Debt Rating		L-T Debt Rating		Credit Outlook
	Moody's		Moody's	S&P	Moody's	S&P	S&P
FleetBoston	A1		P-1	A-1	A1	A	Negative
Chase Securities	Aa3		P-1	A-1	Aa3	A+	Negative
Citigroup Inc.	Aa1		P-1	A-1+	Aa1	AA-	Stable
Citizens Bank RI	Aa2		P-1	A-1+	Aa2	AA-	Stable
Dreyfus	Aa3		P-1	A-1+	Aa3	AA-	Stable
First Tennessee Capital Markets	A1		P-1	N/A	A1	A-	Stable
GE Capital	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley	Aa3		P-1	A-1	Aa3	A+	Stable
Paine Webber	Aa2		P-1	A-1+	Aa2	AA+	Negative
UBS Brinson Advisors	Aa2		P-1	N/A	Aa2	AA+	Negative
State Street Bank & Trust Company	Aa2		P-1	A-1+	Aa2	AA	Stable

**Ratings Definitions**

**Moody's Short-Term Debt Ratings:**

P-1 - Prime-1 have a superior ability for repayment of sr. S-T debt obligations  
P-2 - Prime-2 have a strong ability for repayment of sr. S-T debt obligations  
P-3 - Prime-3 have an acceptable ability for repayment of sr. S-T debt obligations  
NP - Not Prime

**Moody's Issuer Rating Symbols:**

Aaa - Offer exceptional financial security (high-grade)  
Aa - Offer excellent financial security (high-grade)  
A - Offer good financial security  
Baa - Offer adequate financial security  
Ba - Offer questionable financial security  
B - Offer poor financial security  
Caa - Offer very poor financial security  
Ca - Offer extremely poor financial security  
C - Lowest rated class, usually in default

**Modifiers:**

1 - Higher end of letter rating category  
2 - Mid-range of letter rating category  
3 - Lower end of letter rating category

**Moody's Long-Term Debt Ratings:**

Aaa - Best Quality  
Aa - High Quality  
A - Possess many favorable investment attributes  
Baa - Medium-grade obligations  
Ba - Possess speculative elements  
B - Generally lack characteristics of desirable investments  
Caa - Poor standing  
Ca - Speculative in a high degree  
C - Lowest rated class of bonds

**Modifiers:**

1 - Higher end of letter rating category  
2 - Mid-range of letter rating category  
3 - Lower end of letter rating category

**S&P Short-Term Credit Ratings:**

A-1 - Highest rated, strong capacity to meet obligations  
A-2 - Somewhat more susceptible to adverse effects of changes in financial conditions, satisfactory  
A-3 - Exhibits adequate protection parameters  
B - Significant speculative characteristics, faces major ongoing uncertainties  
C - Vulnerable to non-payment  
D - Payment default

**Modifiers:**

+ or - show relative standing within the category.

**S&P Outlook Definitions:**

Positive - A rating may be raised  
Negative - A rating may be lowered  
Stable - A rating is not likely to change  
Developing - May be raised or lowered  
NM - Not meaningful

**S&P Long-Term Debt Ratings:**

AAA - Highest rating, extremely strong  
AA - Differs slightly from highest rating, very strong  
A - Somewhat more susceptible to adverse effects of change in economic condition, strong  
BBB - Exhibits adequate protection parameters  
BB, B, CCC, CC, C - Have significant speculative characteristics. BB least speculative, C highest degree  
D - Payment default

**Modifiers:**

+ or - show relative standing within the category.







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

Paul J. Tavares  
General Treasurer

September 12, 2003

State Investment Commission  
Rhode Island State House  
Providence, RI 02903

This is to certify that the amounts so listed below 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 August 31, 2003.

**Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation  
August 31, 2003**

Asset Class		
Cash/Short Term Investments		\$ 213,822,318
Equities – Domestic		\$ 2,645,375,206
Equities – International		\$ 1,253,587,398
Fixed Income – Government	\$ 474,749,316	
Fixed Income – Corporate	\$ 636,151,361	
Fixed Income – In State	\$ 22,313,547	
Total Fixed Income		\$ 1,133,214,224
Alternative Investments		\$ 314,222,477
Other – Escrow		\$ 500,000
Total Fund Investments		\$ 5,560,721,623
Plan Allocation		
State Employees & Teachers	86.519%	\$ 4,811,105,925
Municipal Employees	12.925%	\$ 718,727,257
State Police	0.339%	\$ 18,838,780
Judicial	0.217%	\$ 12,049,661
Total Fund Investments	100.000%	\$ 5,560,721,623

The amount listed for the alternative investments designation is illiquid and does not have a readily determinable market value. It is based on appraisals only.

Respectfully submitted,

Paul J. Tavares  
General Treasurer

Monthly SIC Letter for Book.doc

**ERSRI Monthly Market Value Report With Time Weighted Returns**  
**August 31, 2003**

	Performance		Benchmark Description	Performance		Valuation Change			Increase/ (Decrease)	
	Performance	Calendar YTD Benchmark		Alpha	Current Month		Market Value 7/31/2003	Transfers In/(out)		Market Value 8/31/2003
					Net of Xfers	Benchmark				
<b>Domestic Equity</b>										
Shott Capital Management IRR	7.21%	N/A	N/A	N/A	N/A	492,115	(379,400)	188,323	85,608	
SSgA Russell 1000	N/A	N/A	N/A	2.03%	2.03%	1,123,707,671	82,160	1,146,620,448	22,830,617	
SSgA Core	15.14%	16.90%	-1.76%	2.03%	-0.25%	255,672,619	19,750	260,241,024	4,548,655	
PIMCO	16.07%	15.95%	0.12%	1.95%	0.14%	376,539,009	28,835	384,431,709	7,863,865	
NorthPointe Capital	26.80%	26.94%	-0.14%	3.80%	0.49%	280,358,701	19,750	292,407,523	12,029,072	
Wellington Mgmt	38.19%	31.00%	7.19%	4.58%	1.67%	293,919,301	19,750	312,307,797	18,368,746	
Wasatch Advisors	27.89%	35.25%	-7.36%	5.37%	-1.81%	138,478,857	11,080	143,426,059	4,936,142	
Columbia Mgmt	33.12%	35.25%	-2.13%	5.88%	0.51%	142,744,879	10,865	151,142,513	8,386,969	
Transition Account	N/A	N/A	N/A	N/A	N/A	-	-	-	-	
<b>Total Domestic Equity</b>	<b>21.82%</b>					<b>2,611,913,152</b>	<b>(187,430)</b>	<b>2,690,775,397</b>	<b>79,049,675</b>	
<b>International Equity</b>										
Bank of Ireland	10.30%	17.46%	-7.16%	2.98%	-2.05%	625,722,741	47,795	631,615,363	5,844,827	
Putnam Investments	13.96%	17.46%	-3.50%	2.98%	-0.30%	624,756,848	47,795	641,572,557	16,767,914	
Transition Account	N/A	N/A	N/A	N/A	N/A	9,331	-	9,083	(248)	
<b>Total International Equity</b>	<b>12.17%</b>					<b>1,250,488,920</b>	<b>95,590</b>	<b>1,273,197,003</b>	<b>22,612,493</b>	
<b>Fixed Income</b>										
Fleet Investment Advisors	1.45%	1.48%	-0.03%	0.66%	-0.02%	396,735,856	34,760	399,304,893	2,534,277	
Fidelity Management & Research	1.58%	0.40%	1.18%	0.65%	0.46%	294,679,318	(4,973,930)	292,915,923	3,210,535	
Brown Brothers, Harriman	7.77%	1.19%	6.59%	0.69%	4.28%	139,446,131	12,640	146,358,223	6,899,452	
In-State Fixed Income	4.47%	N/A	N/A	N/A	N/A	22,331,980	(142,657)	22,313,547	124,224	
Taplin, Camida & Habacht	8.48%	3.55%	4.93%	0.78%	0.60%	192,241,243	16,195	194,908,163	2,650,725	
Mackay Shields	24.34%	17.64%	6.70%	1.09%	-0.46%	111,466,130	9,085	112,180,947	705,732	
Shenkan Capital Mgmt	8.39%	17.64%	-9.25%	1.09%	-1.18%	99,879,638	8,690	99,798,310	(90,018)	
Transition Account	N/A	N/A	N/A	N/A	N/A	578,673	-	578,716	43	
<b>Total Fixed Income</b>	<b>5.51%</b>					<b>1,257,358,969</b>	<b>(5,035,217)</b>	<b>1,268,358,724</b>	<b>16,034,971</b>	
<b>Alternative Investments</b>										
Pacific Corporate Group	1.55%	N/A	N/A	N/A	N/A	288,894,818	(3,176,870)	295,527,335	9,809,387	
JMB/Heltman Advisory Group	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	
L & B Real Estate Counsel	2.31%	21.34%	-19.03%	1.07%	-1.07%	18,959,112	-	18,959,112	-	
Bank Acquisition Contingency	0.00%	N/A	N/A	N/A	N/A	500,000	-	500,000	-	
<b>Total Alternatives</b>	<b>1.74%</b>					<b>308,353,930</b>	<b>(3,176,870)</b>	<b>314,986,447</b>	<b>9,809,387</b>	
<b>Cash Accounts</b>										
Cash in Trust	28.88%	N/A	N/A	N/A	N/A	24,119,233	(12,301,074)	11,998,003	179,843	
Internal Cash	0.71%	N/A	N/A	N/A	N/A	4,064,943	-	1,406,049	(2,658,894)	
<b>Total Cash</b>	<b>N/A</b>					<b>28,184,176</b>	<b>(12,301,074)</b>	<b>13,404,052</b>	<b>(2,479,051)</b>	
<b>Fund Grand Total</b>	<b>14.55%</b>	<b>13.28%</b>	<b>1.27%</b>	<b>2.04%</b>	<b>0.31%</b>	<b>5,456,299,147</b>	<b>(20,605,001)</b>	<b>5,560,721,623</b>	<b>125,027,477</b>	

\*Policy Index:  
52.5% Wilshire 5000  
25.0% Lehman Aggregate  
22.5% MSCI ACWI X-US

**STATE OF RHODE ISLAND  
SUMMARY OF MANAGER PERFORMANCE  
RATES OF RETURN  
Periods Ending August 31, 2003**

	MKT VAL	% OF FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>U.S. EQUITY</b>												
COLUMBIA PARTNERS	151,143	2.72	5.88	12.76	35.49	33.12	9.86	30.63				
NORTHPOINTE CAPITAL	292,408	5.26	4.29	13.70	36.56	26.80	10.50	27.66				
PIMCO	384,432	6.91	2.09	4.45	20.52	16.07	3.29	12.20	-4.21			
SHOTT CAPITAL	198	0.00										
SSGA - CORE	260,241	4.68	1.78	3.47	18.37	15.14	2.91	8.76	-1.12	-9.76	-3.94	
SSGA RUSSELL 1000	1,146,626	20.62	2.03	5.44	21.71	4.08	4.08					
WASATCH ADVISORS	143,426	2.58	3.56	13.79	41.49	27.89	7.95	16.30				
WELLINGTON MANAGEMENT CO. LLC	312,308	5.62	6.25	15.67	46.73	38.19	14.20	39.05				
TRANSITION ACCOUNT	\$-	-0.00	0.00									
TOTAL US EQUITY	2,690,775	48.39	3.03	7.88	26.72	21.82	6.13	17.70	-1.10	-11.27	-6.06	-1.94
<b>RUSSELL 1000</b>												
RUSSELL 1000			2.03	5.43	21.69	16.90	4.06	12.86	-3.49	-11.44	-4.42	3.07
RUSSELL 2000			4.58	13.14	38.93	31.00	11.13	29.08	4.48	-1.19	5.24	9.50
RUSSELL 2000 GROWTH			5.37	15.52	42.83	35.25	13.34	34.90	-0.10	-13.41	-2.52	5.29
RUSSELL 2000 VALUE			3.80	10.82	35.17	26.94	8.97	23.68	8.05	11.28	11.88	12.32
S&P 500			1.95	5.07	20.88	15.95	3.75	12.07	-4.13	-11.43	-5.18	2.48
WILSHIRE 5000			2.40	6.42	23.56	18.41	4.87	14.87	-2.09	-10.63	-3.80	3.53
<b>NON-U.S. EQUITY</b>												
MSCIEAFE (NET)			2.41	7.43	22.65	14.83	4.89	9.11	-3.67	-11.12	-6.35	-0.68
<b>INTERNATIONAL EQUITY</b>												
BANK OF IRELAND	631,615	11.36	0.93	4.94	21.67	10.30	2.87	4.06	-5.87			
POTNAM INVESTMENTS	641,573	11.54	2.68	6.38	21.54	13.96	5.48	10.84	-1.94			
TRANSITION ACCOUNT INT EQUITY	9	0.00	-2.71									
TOTAL INTERNATIONAL EQUITY	1,273,197	22.90	1.81	5.66	21.60	12.17	4.17	7.49	-3.56	-11.72	-5.15	-2.69
MSCI AC WORLD FREE ex US (GROSS)			2.98	8.65	24.25	17.46	5.72	12.22	-1.23	-10.01	-4.98	1.12
<b>U.S. FIXED INCOME</b>												
BROWN BROTHERS HARRIMEN	146,358	2.63	4.95	2.21	5.76	7.77	1.92	10.54	9.50	10.87	9.72	8.47
FIDELITY MANAGEMENT TRUST	292,916	5.27	1.11	-0.37	0.87	1.58	-0.15	3.84	6.41	8.08	8.09	7.21
FLEET INVESTMENT	399,305	7.18	0.64	-3.60	0.04	1.45	-3.22	4.65	6.38	7.84	7.95	6.81
MACKAY SHIELDS, LLC	112,181	2.02	0.63	4.12	17.27	24.34	1.09					
SHENKMAN CAPITAL MANAGEMENT	99,798	1.79	-0.09	1.28	6.69	8.39	-0.55					
STATE ACCOUNT	22,314	0.40	0.56	1.67	3.31	4.47	1.10	6.79	6.82	6.89		

**STATE OF RHODE ISLAND  
SUMMARY OF MANAGER PERFORMANCE  
RATES OF RETURN  
Periods Ending August 31, 2003**

	MKT VAL	% OF FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>U.S. FIXED INCOME</b>												
TAPLN, CANIDA & HABACHT	194,908	3.51	1.38	-1.72	5.33	8.48	-2.03	14.53	7.97	9.64	8.59	7.46
TRANSITION ACCOUNT FIXED INCOME	579	0.01	0.00									
TOTAL US FIXED INCOME	1,268,359	22.81	1.28	-0.80	3.59	5.51	-1.09	8.78	6.55	7.41	7.51	6.60
FIRST BOSTON DOMESTIC PLUS HIGH YIELD			1.12	3.15	12.68	17.57	0.26	22.95	9.59	6.50	5.03	
FIRST BOSTON GLOBAL HIGH YIELD			1.12	3.23	12.89	17.67	0.30	23.10	9.59	6.49	5.37	5.24
LB AGGREGATE			0.66	-2.91	-0.36	1.11	-2.72	4.36	6.22	8.23	8.06	6.56
LB CREDIT			0.78	-3.75	1.19	3.55	-3.51	8.76	7.37	9.50	8.73	7.08
CITIGROUP BROAD INV GRADE			0.69	-2.89	-0.32	1.18	-2.72	4.43	6.20	8.24	8.04	6.57
CITIGROUP LARGE PENSION FUND			1.25	-5.31	-1.19	0.96	-4.68	5.14	6.83	9.02	8.84	
CITIGROUP LPF COLLATERALIZED			0.64	-0.98	-0.58	0.39	-1.19	2.48	5.34	7.47	7.63	6.46
<b>ALTERNATIVE INVESTMENTS</b>												
L&B REAL ESTATE	18,959	0.34	0.00	1.81	1.81	2.31	1.81	1.80	0.05	2.46	4.00	5.57
PRIVATE EQUITY INVESTMENT	295,526	5.31	3.54	5.48	5.95	1.55	6.89	0.39	-4.37	-9.48	1.26	2.57
CONTINGENCY RESERVE FUND	500	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
TOTAL ALTERNATIVE INVESTMENTS	314,986	5.66	3.31	5.30	5.76	1.74	6.57	0.57	-3.88	-7.93		
<b>REAL ESTATE</b>												
NCREIF PROPERTY INDEX ONE QTR LAG			0.00	1.88	3.58	3.58	0.00	7.13	6.76	8.55	9.20	10.24
<b>CASH EQUIVALENTS</b>												
CASH ACCOUNT (INSIDE)	10,588	0.19	2.05	7.19	19.99	28.88	4.50	64.92	87.18	61.09		
CASH ACCOUNT (OUTSIDE)	2,816	0.05	0.08	0.24	0.51	0.71	0.16	1.25	1.71	2.98		
<b>TOTAL PLAN</b>	5,560,721	100.00	2.35	5.10	18.07	14.55	3.95	12.91	0.93	-5.35	-1.15	0.99
TOTAL PLAN			2.04	4.24	16.73	13.36	2.93	11.84	0.77	-5.22	-0.50	4.31
TOTAL PLAN BENCHMARK*												



Asset Allocation Report Market Values at August 31, 2003 (\$Millions)		Style Mandate	Actual		Target		Difference	Cash	% of Total
<b>Domestic Equity</b>									
Shott Capital Mgmt	alternative distribution	0.20	0.0%	0.00	0.00%	0.20	0.00	0.0%	
SSgA Russell 1000	Passive	1,146.62	20.6%	1,126.05	20.25%	20.57	(0.01)	0.0%	
SSgA Core	active core	260.24	4.7%	250.23	4.50%	10.01	3.92	1.5%	
PIMCO	Enhanced Equity	384.43	6.9%	375.35	6.75%	9.08	0.03	0.0%	
NorthPointe Capital	Small Cap Value	292.41	5.3%	250.23	4.50%	42.18	13.10	4.5%	
Wellington Mgmt	Small Cap Core	312.31	5.6%	250.23	4.50%	62.08	10.33	3.3%	
Wasatch Advisors	Small Cap Growth	143.43	2.6%	125.12	2.25%	18.31	11.86	8.3%	
Columbia Mgmt	Small Cap Growth	151.14	2.7%	125.12	2.25%	26.03	6.16	4.1%	
Transition Account		0.00	0.0%	0.00	0.00%	0.00	0.00	0.0%	
<b>TOTAL DOMESTIC EQUITY</b>		<b>\$2,690.78</b>	<b>48.4%</b>	<b>2,502.32</b>	<b>45.00%</b>	<b>\$188.45</b>	<b>\$45.40</b>	<b>1.7%</b>	
<b>International Equity</b>									
Bank of Ireland	MSCI ACWI	631.62	11.4%	625.58	11.25%	6.03	11.98	1.9%	
Putnam Investments	MSCI ACWI	641.57	11.5%	625.58	11.25%	15.99	7.63	1.2%	
Transition Account	MSCI ACWI	0.01	0.0%	0.00	0.00%	0.01	0.01	0.0%	
<b>TOTAL INT'L EQUITY</b>		<b>\$1,273.20</b>	<b>22.9%</b>	<b>\$1,251.16</b>	<b>22.50%</b>	<b>\$22.03</b>	<b>\$19.61</b>	<b>1.5%</b>	
<b>Domestic Fixed Income</b>									
Fleet Investment Advisors	active core	399.30	7.2%	469.32	8.44%	-70.02	13.11	3.3%	
Fidelity Management & Research	mortgages	292.92	5.3%	347.55	6.25%	-54.63	63.83	21.8%	
Brown Brothers, Harriman	opportunistic core	146.36	2.6%	156.26	2.81%	-9.90	16.32	11.2%	
In-State Fixed Income	short/int govt	22.31	0.4%	0.00	0.00%	22.31	0.00	0.0%	
Taplin, Carida & Hebach	corporates	194.91	3.5%	208.53	3.75%	-13.62	32.51	16.7%	
Mackay Shields	high yield	112.18	2.0%	104.26	1.88%	7.92	5.57	5.0%	
Shenkman Capital Mgmt	high yield	99.80	1.8%	104.26	1.88%	-4.47	3.80	3.8%	
Transition Account		0.58					0.00	0.6%	
<b>TOTAL FIXED-INCOME</b>		<b>1,288.36</b>	<b>22.8%</b>	<b>1,380.18</b>	<b>25.00%</b>	<b>-\$122.40</b>	<b>\$135.14</b>	<b>10.7%</b>	
<b>Alternative Investments</b>									
JMB/ Heitman Advisory Corp	real estate	0.00	0.0%						
L&B Real Estate Counsel	real estate	18.96	0.3%						
Shott Capital Mgmt	alternative distribution	0.00	0.0%						
Pacific Corp Group	Private Equity	295.53	5.3%	417.05	7.50%	-121.53	0.3	0.1%	
Bank Disposition	contingency	0.50	0.0%				-		
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$314.99</b>	<b>5.7%</b>	<b>\$417.05</b>	<b>7.50%</b>	<b>-\$102.07</b>	<b>0.3</b>	<b>0.1%</b>	
<b>CASH EQUIVALENTS</b>		<b>13.40</b>	<b>0.2%</b>	<b>0.00</b>	<b>0.00%</b>	<b>13.40</b>	<b>13.40</b>	<b>100.0%</b>	
<b>TOTAL ASSETS</b>		<b>\$5,580.72</b>	<b>100.0%</b>	<b>\$5,580.72</b>	<b>100.00%</b>	<b>-\$0.58</b>	<b>\$213.82</b>	<b>3.8%</b>	
<b>Allocation By Management Style</b>									
<b>Domestic Equity</b>									
Core		260.24	4.7%	250.23	4.50%	10.01	3.92	1.5%	
Index		1,146.62	20.6%	1,126.05	20.25%	20.57	0.00	0.0%	
Enhanced Equity		384.43	6.9%	375.35	6.75%	9.08	0.03	0.0%	
Alt Distribution		0.20	0.0%	-	0.00%	0.20	-	0.0%	
Active Small Cap		899.28	16.2%	750.70	13.50%	148.59	41.46	4.6%	
<b>TOTAL DOMESTIC EQUITY</b>		<b>\$2,690.78</b>	<b>48.4%</b>	<b>2,502.32</b>	<b>45.00%</b>	<b>188.45</b>	<b>45.41</b>	<b>1.7%</b>	
<b>International Equity</b>									
Active		1,273.20	22.9%	1,251.16	22.50%	22.03	19.61	1.5%	
<b>TOTAL INT'L EQUITY</b>		<b>\$1,273.20</b>	<b>22.9%</b>	<b>\$1,251.16</b>	<b>22.50%</b>	<b>\$22.03</b>	<b>\$19.61</b>	<b>1.5%</b>	
<b>Domestic Fixed Income</b>									
Mortgage		292.92	12.4%	347.55	6.25%	(54.63)	63.83	21.8%	
Core		567.98	3.0%	625.58	11.25%	(57.60)	29.43	5.2%	
Corporates		194.91	3.5%	208.53	3.75%	(13.62)	32.51	16.7%	
High Yield		212.56	3.8%	208.53	3.75%	4.03	9.37	4.4%	
<b>TOTAL FIXED-INCOME</b>		<b>\$1,288.36</b>	<b>22.8%</b>	<b>\$1,380.18</b>	<b>25.00%</b>	<b>(\$121.82)</b>	<b>\$135.14</b>	<b>10.7%</b>	
<b>Alternative Investments</b>									
Real Estate		18.96	0.3%						
Other Alternative Investments		296.03	5.3%				0.26		
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$314.99</b>	<b>5.7%</b>	<b>\$417.05</b>	<b>7.50%</b>	<b>(\$102.07)</b>	<b>0.26</b>		
<b>CASH EQUIVALENTS</b>		<b>13.40</b>	<b>0.2%</b>	<b>0.00</b>	<b>0.00%</b>	<b>13.40</b>	<b>13.40</b>	<b>100.0%</b>	
<b>TOTAL ASSETS</b>		<b>\$5,580.72</b>	<b>100.0%</b>	<b>\$5,580.72</b>	<b>100.00%</b>	<b>(\$0.00)</b>	<b>\$213.83</b>	<b>3.8%</b>	

## Alternative Investments Funding

2003

Manager	Inception Date	Partnership Commitment	Prior Funding Thru July 31, 2003	Current Month Funding	Cumulative Total at August 31, 2003	Unfunded Balance	Market Values at August 31, 2003
<i>ABS Capital Partners</i>	May 1996	5,000,000 ✓	2,422,370	0	2,422,370	2,577,630	596,235
<i>Apollo Investment Fund IV L.P.</i>	Apr 1998	15,000,000 ✓	12,217,011	(278,152)	11,938,859	3,061,141	13,885,344
<i>Alta BioPharma Partners, L.P.</i>	Mar 1998	10,000,000 ✓	6,196,042	(352,991)	5,843,051	4,156,949	4,813,745
<i>Alta BioPharma Pturs III, L.P.</i>	May-03	15,000,000 ✓	0	0	0	15,000,000	0
<i>Alta California Partners II L.P.</i>	Oct 1998	10,000,000 ✓	9,253,607	0	9,253,607	746,393	5,442,484
<i>Alta California Partners III L.P.</i>	Jan 2001	15,000,000 ✓	8,250,000	0	8,250,000	6,750,000	7,136,894
<i>Aurora Equity Partners II</i>	Mar 1998	15,000,000 ✓	12,171,122	0	12,171,122	2,828,878	14,580,189
<i>Avenue Special Situations Fund III</i>	Oct 2002	15,000,000 ✓	4,951,313	(2,417,871)	2,533,442	12,466,558	2,533,440
<i>Blackstone Capital Pturs III</i>	May 1997	20,000,000 ✓	16,376,535	(75,802)	16,300,733	3,699,267	16,016,206
<i>Blackstone Capital Pturs IV</i>	Sept 2001	25,000,000 ✓	1,656,097	0	1,656,097	23,343,903	1,656,097
<i>Boston Ventures Ltd</i>	Sept 1996	5,000,000 ✓	4,331,331	0	4,331,331	668,669	2,139,525
<i>Catterton Partners</i>	Jun 2003	15,000,000 ✓	0	0	0	15,000,000	0
<i>Charterhouse Capital Partners VII L.P. *</i>	Dec 2002	16,309,500 ✓	1,377,151	(169,061)	1,208,090	15,101,410	1,230,870
<i>Coller Capital</i>	Mar 2002	15,000,000 ✓	764,269	336,600	1,100,869	13,899,131	1,100,869
<i>Crossroads/Providence LP</i>	Dec 1988	37,319,303 ✓	36,388,356	0	36,388,356	0	6,663,785
<i>CVC Capital Partners</i>	Mar 1998	15,000,000 ✓	9,589,407	0	9,589,407	5,410,593	11,571,781
<i>CVC Capital Partners III</i>	Mar 2001	20,000,000 ✓	7,647,169	422,204	8,069,373	11,930,627	8,673,502
<i>Doughty Hanson II</i>	Mar 1996	5,000,000 ✓	1,904,717	0	1,904,717	3,095,283	3,238,312
<i>Doughty Hanson III</i>	Nov 1997	15,000,000 ✓	11,806,469	0	11,806,469	3,193,531	10,727,953
<i>Femvoy</i>	Aug 1998	15,000,000 ✓	9,608,803	0	9,608,803	5,391,197	9,362,772
<i>First Reserve Fund VIII L.P.</i>	Apr 1998	15,000,000 ✓	12,269,212	0	12,269,212	2,730,788	16,095,094
<i>First Reserve Fund IX L.P.</i>	Jan 2001	20,000,000 ✓	9,331,068	1,818,181	11,149,249	8,850,751	11,026,182
<i>Green Equity Investors IV L.P.</i>	Oct 2002	15,000,000 ✓	0	0	0	15,000,000	0
<i>Harvest Partners III</i>	Dec 1997	15,000,000 ✓	13,275,926	0	13,275,926	1,724,074	13,336,040
<i>Harvest Partners IV</i>	Aug 2001	15,000,000 ✓	2,265,009	0	2,265,009	12,734,991	3,414,272
<i>Heitman</i>	1988	0	0	0	0	0	441,183
<i>Heritage Fund</i>	May 1997	5,000,000 ✓	3,983,159	0	3,983,159	1,016,841	3,794,632
<i>Lighthouse Capital Partners</i>	Mar 2003	15,000,000 ✓	0	0	0	15,000,000	0
<i>Matlin Patterson Global Oppor Pturs L P</i>	Sep 2001	15,000,000 ✓	14,827,757	0	14,827,757	172,243	14,827,757
<i>Nautic Partners V</i>	Feb 2001	20,000,000 ✓	6,092,946	0	6,092,946	13,907,054	5,604,751
<i>Nordic Capital III</i>	Feb 1998	10,000,000 ✓	5,299,640	0	5,299,640	4,700,360	8,517,227
<i>Nordic Capital V L.P.</i>	Dec 2002	15,000,000 ✓	0	230,750	230,750	14,769,250	0



**Manager**

	Inception Date	Partnership Commitment	Prior Funding Thru July 31, 2003	Current Month Funding	Cumulative Total at August 31, 2003	Unfunded Balance	Market Values at August 31, 2003
<i>OCM Opportunities Fund</i>	Jan 1996	8,000,000 ✓	823,006	0	823,006	7,176,994	2,103,744
<i>OCM Principal Opportunities</i>	Nov 1996	5,000,000 ✓	4,133,638	0	4,133,638	866,362	3,820,059
<i>OCM Opportunities II</i>	Oct 1997	12,000,000 ✓	5,807,820	0	5,807,820	6,192,180	5,939,160
<i>Parthenon Investors, L.P.</i>	Feb 1999	15,000,000 ✓	11,717,052	(232,600)	11,484,452	3,515,548	11,510,498
<i>Parthenon Investors II, L.P.</i>	Dec 2000	20,000,000 ✓	4,238,240	513,021	4,751,261	15,248,739	4,489,519
<i>Providence Equity Partners</i>	Dec 1996	10,000,000 ✓	3,955,107	0	3,955,107	6,044,893	737,543
<i>Providence Equity Partners III L.P.</i>	Dec 1998	15,000,000 ✓	9,157,223	(1,188,575)	7,968,648	7,031,352	1,537,699
<i>Providence Equity Partners IV L.P.</i>	Sep 2000	25,000,000 ✓	11,103,278	(1,220,090)	9,883,188	15,116,812	9,928,301
<i>SKM Equity Fund II</i>	Dec 1996	10,000,000 ✓	7,774,718	0	7,774,718	2,225,282	5,711,508
<i>THL Equity Fund IV</i>	Dec 1997	9,000,000 ✓	7,285,770	0	7,285,770	1,714,230	5,874,613
<i>Thomas, McNerney</i>	Sep 2002	15,000,000 ✓	1,016,667	825,000	1,841,667	13,158,333	1,841,667
<i>TPG Partners</i>	Apr 1997	10,000,000 ✓	8,046,199	0	8,046,199	1,953,801	4,463,340
<i>Triumph Partners III</i>	Feb 1998	15,000,000 ✓	10,065,745	0	10,065,745	4,934,255	8,107,286
<i>VS &amp; A Communications Ptnrs III L.P.</i>	Nov 1998	15,000,000 ✓	10,322,892	0	10,322,892	4,677,108	6,929,450
<i>Wellspring Capital Partners</i>	Sep 1998	15,000,000 ✓	8,700,647	0	8,700,647	6,299,353	7,198,142
<i>Wellspring Capital Partners III</i>	Sep 2002	20,000,000 ✓	3,548,692	0	3,548,692	16,451,308	4,500,307
<i>Welsh, Carson, Anderson &amp; Stowe</i>	Oct 1995	15,000,000	11,979,754	0	11,979,754	3,020,246	10,622,055
<i>Willis Stein</i>	Jun 1996	5,000,000	2,597,521	0	2,597,521	2,402,479	1,215,603
<i>Real Estate Investments</i>	Various	80,544,204	19,128,388	0	19,128,388	0	19,400,295
<i>Contingency Fund</i>		500,000	500,000	0	500,000	0	500,000
<b>TOTALS:</b>		<b>\$783,673,007</b>	<b>\$366,196,676</b>	<b>(\$1,789,386)</b>	<b>\$364,407,321</b>	<b>\$356,956,787</b>	<b>\$314,895,794</b>

\* Euro to dollar equivalency



FISCAL YEAR 2004

ERSRI & MERSRI

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ACCRUAL BASIS

	Actual Jul 03	Actual Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 04	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
<b>EQUITIES</b>													
SSGA Core		156,250	156,250						156,250			156,250	625,000
SSGA Russell 1000		28,750	28,750						28,750			28,750	115,000
Shott Capital		625	625						625			625	2,500
PTMCO		225,000	225,000						225,000			225,000	900,000
Columbia Ftrns		150,000	150,000						150,000			150,000	600,000
Wellington Mgmt		235,000	235,000						235,000			235,000	940,000
Masatch Advisors		150,000	150,000						150,000			150,000	600,000
NorthPointe		237,500	237,500						237,500			237,500	950,000
<b>FIXED INCOME</b>													
Fleet Inv Advisors		193,750	193,750						193,750			193,750	775,000
Brown Bros.		82,500	82,500						82,500			82,500	330,000
Fidelity		135,000	135,000						135,000			135,000	540,000
Taplin		135,000	135,000						135,000			135,000	540,000
Mackay Shields		125,000	125,000						125,000			125,000	500,000
Shenkman		112,500	112,500						112,500			112,500	337,500
<b>INT'L EQUITIES</b>													
Bank of Ireland		362,500	362,500						362,500			362,500	1,450,000
Putnam Investments		425,000	425,000						425,000			425,000	1,700,000
<b>REAL ESTATE</b>													
L & B Real Estate			85,000						85,000			85,000	340,000
<b>ALTERNATIVE INVESTMENTS</b>													
Other Alt Inv Mgmt Fees	701,173	319,487	137,707	132,033	366,926	704,835	6,327,082	28,162	218,542	133,872	265,000	180,000	9,514,819
<b>SUB TOTAL-INV MGMT FEES</b>	701,173	319,487	2,977,082	132,033	366,926	3,544,210	6,327,082	28,162	2,945,417	133,872	265,000	3,019,375	20,759,819
<b>PROFESSIONAL FEES</b>													
Consulting		3,500	10,500	3,500	3,500	10,500	3,500	3,500	10,500	3,500	3,500	3,500	63,000
Legal	14,943	11,452	20,212	10,702	7,958	7,664	11,878	22,000	22,000	22,000	22,000	22,000	194,809
St. St. Bank Custodial			68,750		68,750				68,750			68,750	275,000
Pacific Corp Group		16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	200,004
Wilshire Assoc													
<b>OPERATING EXPENSE</b>													
Retirement transfers		2,313,340	2,313,340						2,313,340			2,400,000	9,340,020
Other Expense													
<b>TOTAL:</b>	736,283	351,106	5,406,551	162,902	463,801	5,892,381	6,359,127	2,383,669	3,063,334	176,039	307,167	5,530,292	30,832,652

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2004

	Actual July 2003	Actual August	Projected September	Projected October	Projected November	Projected December	Projected January 2004	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	38,021,120	39,132,922	38,900,000	38,600,000	38,500,000	38,460,000	39,600,000	39,630,000	40,300,000	40,280,000	39,700,000	39,925,000	471,049,042
ADMINISTRATIVE EXPENSES	30,379	27,356	2,205,930	38,360	10,090	2,142,000	38,340	2,142,200	10,091	17,370	51,765	2,362,500	9,076,381
INVESTMENT EXPENSES	696,090	276,418	2,954,700	120,700	333,670	3,125,850	5,752,750	25,600	2,569,400	121,650	139,025	3,570,000	19,685,853
TOTAL OUTFLOW	38,747,589	39,436,696	44,060,630	38,759,060	38,843,760	43,727,850	45,391,090	41,797,800	42,879,491	40,419,020	39,890,790	45,857,500	499,811,276
CONTRIBUTIONS	39,110,571	18,169,970	19,900,000	20,000,000	31,660,000	25,465,000	29,900,000	29,000,000	32,925,000	26,775,000	33,875,000	23,625,000	330,405,541
OTHER INCOME*	1,460,222	1,725,619	151,135	3,596,250	273,945	1,446,900	795,360	1,036,175	352,700	5,851,435	824,505	2,625,000	20,139,246
TOTAL INCOME	40,570,793	19,895,589	20,051,135	23,596,250	31,933,945	26,911,900	30,695,360	30,036,175	33,277,700	32,626,435	34,699,505	26,250,000	350,544,787
DIFFERENCE	1,823,204	(19,541,107)	(24,009,495)	(15,162,810)	(6,909,815)	(16,815,950)	(14,695,730)	(11,761,625)	(9,601,791)	(7,792,585)	(5,191,285)	(19,607,500)	(149,266,489)

Municipal Employees Retirement System

	Actual July 2003	Actual August	Projected September	Projected October	Projected November	Projected December	Projected January 2004	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	3,144,487	3,270,011	3,230,000	3,260,000	3,235,000	3,235,000	3,275,000	3,300,000	3,370,000	3,375,000	3,325,000	3,300,000	39,319,498
ADMINISTRATIVE EXPENSES	4,538	4,087	318,000	6,625	1,325	304,750	6,625	304,750	13,250	6,625	6,625	331,250	1,308,450
INVESTMENT EXPENSES	103,988	41,294	649,375	17,886	49,775	466,160	858,075	3,820	386,686	18,175	20,770	131,350	2,747,254
TOTAL OUTFLOW	3,253,013	3,315,392	4,197,375	3,284,511	3,286,100	4,005,910	4,139,700	3,608,570	3,769,936	3,399,800	3,352,395	3,762,500	43,375,202
CONTRIBUTIONS	2,300,995	1,610,728	1,910,000	2,725,000	1,675,000	3,585,000	1,665,000	1,875,500	3,040,000	3,710,000	2,905,000	2,905,000	29,907,223
OTHER INCOME*	218,141	257,789	22,480	379,105	43,830	215,800	117,790	154,600	52,685	874,135	262,500	393,750	2,992,605
TOTAL INCOME	2,519,136	1,868,517	1,932,480	3,104,105	1,718,830	3,800,800	1,782,790	2,030,100	3,092,685	4,584,135	3,167,500	3,298,750	32,899,828
DIFFERENCE	(733,877)	(1,446,875)	(2,264,895)	(180,406)	(1,567,270)	(205,110)	(2,356,910)	(1,578,470)	(677,251)	(1,84,335)	(184,895)	(463,750)	(10,475,374)

Judge, William Po... Retirement System

	Actual July 2003	Actual August	Projected September	Projected October	Projected November	Projected December	Projected January 2004	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
ADMINISTRATIVE EXPENSES	193	176	15,500	210	550	14,040	220	14,585	600	231	320	22,670	69,295
INVESTMENT EXPENSES	4,408	1,775	36,750	645	1,825	17,430	32,650	150	15,385	735	850	22,670	135,273
TOTAL OUTFLOW	18,601	15,951	66,250	14,855	16,375	45,470	46,870	28,735	29,985	14,966	15,170	59,340	372,568
CONTRIBUTIONS	395,000	320,000	630,000	420,000	721,000	630,000	560,000	525,000	756,000	560,000	749,000	490,000	6,756,000
OTHER INCOME*	9,246	11,079	793	13,650	1,600	8,068	4,515	6,042	2,095	14,310	5,558	4,463	81,419
TOTAL INCOME	404,246	331,079	630,793	433,650	722,600	638,068	564,515	531,042	758,095	574,310	754,558	494,463	6,837,419
DIFFERENCE	385,645	315,128	564,543	418,795	706,225	592,598	517,645	502,307	728,110	559,344	739,388	435,123	6,464,851

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

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csflfy03

**ALTERNATIVE INVESTMENTS**

FISCAL YEAR ANALYSES

CASH FLOW

<u>FISCAL YEAR 2001</u>	<u>JUL 2000</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN 2001</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
<b>FUNDING</b>	7,850,261	7,940,976	2,416,691	3,798,586	2,964,509	4,678,116	3,051,803	1,099,937	2,863,015	9,106,342	4,013,476	1,925,133	51,708,245
<b>DISTRIB &amp; RET OF CAPITAL</b>	454,835	6,058,639	1,926,442	3,217,130	4,769,473	856,092	665,329	3,042,558	1,987,251	3,733,464	765,820	1,167,650	28,644,683
<b>GAINS/LOSSES/INCOME</b>	2,947,475	1,573,768	8,843,848	944,012	788,589	1,599,978	742,481	2,806,552	1,217,223	446,040	189,909	1,116,919	23,216,774
<b>FISCAL YEAR 2002</b>	<b>JUL 2001</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN 2002</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>YTD</b>
<b>FUNDING</b>	2,811,969	2,446,774	887,809	7,070,705	2,539,487	4,008,151	7,307,155	6,607,182	4,926,838	2,734,691	3,785,407	3,374,775	48,520,943
<b>DISTRIB &amp; RET OF CAPITAL</b>	1,900,266	572,212	1,949,501	48,098	1,255,339	1,773,166	2,539,580	559,306	2,194,701	637,233	1,183,349	3,353,124	17,965,875
<b>GAINS/LOSSES/INCOME</b>	443,245	20,359,100	398,539	23,394	479,230	1,882,213	10,453,040	301,945	213,708	871,873	1,101,240	2,851,061	39,378,608
<b>FISCAL YEAR 2003</b>	<b>JUL 2002</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN 2003</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>YTD</b>
<b>FUNDING</b>	5,688,208	908,809	4,008,692	2,784,612	6,031,671	10,055,487	5,984,640	8,945,952	8,302,275	1,559,849	7,039,468	7,321,599	68,611,262
<b>DISTRIB &amp; RET OF CAPITAL</b>	8,481,884	0	109,159	971,928	45,320	2,377,624	14,171	594,985	1,877,116	802,572	4,510,023	3,341,833	23,126,615
<b>GAINS/LOSSES/INCOME</b>	648,652	0	0	2,743,091	374,518	1,236,224	63,688	1,116,815	286,585	3,307,790	725,727	605,961	11,109,051
<b>FISCAL YEAR 2004</b>	<b>JUL 03</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN 04</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>YTD</b>
<b>FUNDING</b>	4,924,411	3,087,875											8,012,286
<b>DISTRIB &amp; RET OF CAPITAL</b>	2,060,054	6,234,281											8,294,335
<b>GAINS/LOSSES/INCOME</b>	2,089,455	2,015,513											4,104,968

<b>Rhode Island Employees Retirement System</b> <b>Securities Lending Report</b> <b>August, 2003</b>
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<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<b><u>DOMESTIC EQUITY</u></b>		
Columbia Partners	\$ 6,110	\$ 29,949,452
Wellington Mgmt. Co., LLP	11,420	44,130,182
Wasatch Advisors	11,269	29,905,161
NorthPointe Capital	11,429	39,073,039
SSgA Core	<u>1,218</u>	<u>6,588,406</u>
<b>Total Domestic Equity</b>	<b><u>\$ 41,445</u></b>	<b><u>\$ 149,646,241</u></b>
 <b><u>INTERNATIONAL EQUITY</u></b>		
Bank of Ireland	28,711	65,625,980
Putnam Investments	<u>21,378</u>	<u>74,145,045</u>
<b>Total International Equity</b>	<b><u>\$ 50,089</u></b>	<b><u>\$ 139,771,025</u></b>
 <b><u>FIXED INCOME</u></b>		
Fleet Investment Advisors	18,176	103,326,027
Brown Brothers, Harriman	3,122	10,148,613
Taplin, Canida & Habacht	1,661	4,604,468
MacKay Shields	4,081	12,860,514
Shenkman Capital Management	<u>4,125</u>	<u>17,728,253</u>
<b>Total Fixed Income</b>	<b><u>\$ 31,165</u></b>	<b><u>\$ 148,667,873</u></b>
 <b>TOTAL SECURITIES LENDING INCOME</b>	 <b><u>\$ 122,699</u></b>	 <b><u>\$ 438,085,138</u></b>
 <b>Calendar Year 2003 YTD</b>	 <b><u>\$ 1,244,142</u></b>	





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 August 31, 2003

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	49,137,153	0	49,137,153
4904 PENSION C	4,999,691	691	5,000,382
4908 PAYROLL A	2,500,000	239	2,500,239
4916 GENERAL FUND H.A.V.A.	5,003,945	0	5,003,945
4920 GENERAL FUND (HIST PRES)	448,089	685	448,773
5400 HIGHWAY FUND	6,576,779	191	6,576,970
5500 UNIVERSITY COLLEGE	5,500,000	526	5,500,526
5800 PROV. RIVER RELOCATION	0	0	0
6920 AUTO EQUIPMENT SERVICE	400,000	91	400,091
8000 T.D.I. RESERVE (DET)	89,597,283	36,641	89,633,924
8300 PERMANENT SCHOOL FUND	655,393	279	655,671
8400 EMP RETIREMENT FUND	0	0	0
8500 MUN EMP RETIREMENT FUND	0	0	0
8700 R.I. CLEAN WATER ACT	2,500,496	561	2,501,057
9000 BOND CAPITAL FUND	4,000,000	0	4,000,000
9400 R.I. HIGHER EDUCATION	0	0	0
9700 STATE LOTTERY FUND	26,483,825	16,270	26,500,096
9800 INDUS. BLDG. & MTG. INS.	3,300,770	763	3,301,533
9900 SINKING FUND	0	0	0
4911 TANS	0	0	0
4913 TOBACCO SETTLEMENT FY03	382,719	0	382,719
4914 TOBACCO SETTLEMENT FY04	29,627,598	0	29,627,598
Subtotal	231,113,740	56,936	231,170,676
8702 CLEAN WATER 1993 SER. A	33,783		
8703 CLEAN WATER 1991 SERIES A	693,871		
8704 CLEAN WATER 96 SERIES A	258,525		
8706 CLEAN WATER CCDL 1994 (A)	172,373		
8707 CAP DEV. OF 1997 SERIES A	154,279		
8710 CLEAN WATER CCDL 2002 A	492,332		
8733 CAP DEV. OF 1997 SERIES A	99,890		
8737 RI POLLUT. CONT 94 SER. A	36,332		
8739 CCDL99A 1999A	373,494		
8741 BOND 2001	35,586		
8742 POLLUTION CNTRL 2002 A	799,378		
9114 G.O. NOTE 1991 SER. B	3,844		
9116 BOND CCDL 1993 SERIES A	608,020		
9117 BOND CCDL 1994 SERIES A	995,361		
9120 BOND CCBL96A	1,761,427		
9121 CAP DEV OF 1997 SERIES A	1,146,454		
9123 CCDL 1998B	3,457,086		
9124 CCDL99A 1999A	4,365,964		
9125 MMG099 1999	1,655,400		
9126 BOND CAPITOL CCDL2000A	10,197,602		
9127 MULTI-MODAL GEN OBL 2000	1,548,240		
9128 BOND 2001	5,651,308		
9129 BOND CCDL 2002 SERIES A	40,906,360		
Subtotal Bond Proceed Accounts	75,446,910		
Total Short Term Portfolio	306,560,650		

\* General Fund (4901,4911,4913,4914,4916), TDI (8000), & ISTE (5400), Lottery (9700) and RI Ind Bldg (9800) Investments do not reflect interest earnings on Brinson and Dreyfus MM, and Citizens Premium Investments due to nature of Money Market investments. Interest is posted on the 1st business day of the next month.

**Short Term Interest Rate Performance**  
**August 31, 2003**

<u>Date</u>	<u>Amount Invested (millions)</u>	<u>Money Market Funds</u>	<u>Weighted Interest Rate</u>	<u>30 Day Treasury Rate</u>	<u>Basis Point Difference</u>	<u>Date</u>	<u>Total Investment (millions)</u>
8/01	\$43.25	\$0.00	1.02	0.92	10.40	8/01	\$263.04
8/04	\$46.78	\$0.00	1.02	0.86	15.82	8/04	\$262.77
8/05	\$27.60	\$9.50	0.98	0.90	8.02	8/05	\$279.37
8/06	\$34.45	\$0.00	0.89	0.89	-0.42	8/06	\$288.57
8/07	\$27.10	\$0.00	0.95	0.90	4.75	8/07	\$293.37
8/08	\$65.59	\$0.00	0.95	0.89	6.19	8/08	\$301.07
8/12	\$44.49	\$0.00	1.01	0.87	13.80	8/12	\$315.47
8/13	\$29.65	\$1.30	0.99	0.90	9.21	8/13	\$317.11
8/14	\$23.30	\$0.00	0.98	0.92	5.71	8/14	\$322.51
8/15	\$27.80	\$0.00	1.08	0.93	14.80	8/15	\$286.62
8/18	\$27.46	\$0.00	0.97	0.89	8.10	8/18	\$282.01
8/19	\$41.50	\$0.00	0.96	0.94	1.96	8/19	\$291.91
8/20	\$64.70	\$0.00	0.97	0.90	7.40	8/20	\$335.51
8/21	\$20.95	\$0.00	0.96	0.92	4.12	8/21	\$340.46
8/22	\$24.83	\$0.00	0.86	0.93	-6.77	8/22	\$348.33
8/25	\$19.50	\$9.50	1.00	0.91	9.25	8/25	\$340.78
8/26	\$27.30	\$0.00	0.95	0.94	0.70	8/26	\$346.58
8/27	\$19.40	\$11.50	0.99	0.93	6.24	8/27	\$352.18
8/28	\$16.90	\$0.00	0.91	0.94	-3.00	8/28	\$351.08
8/29	\$24.19	\$0.00	0.98	0.97	1.20	8/29	\$306.56
	Amount Invested		Weighted Average Rate	Average 30 day Rate	Basis Point Difference		
	\$656.73	\$31.80	0.97	0.91	7		
Money Market	\$31.80	95.38%					
Total	\$688.53	4.62%					

INTEREST

SHORT TERM INVESTMENTS  
August 31, 2003

INSTRUMENT	SELLER	BALANCE	AVERAGE RATE	PERCENT OF TOTAL	GUIDELINES PERCENTAGE BY INSTITUTION	GUIDELINES PERCENTAGE BY INSTRUMENT
(12) PREMIUM INVESTMENT PRODUCT	Citizens Bank	40,700,000.00	1.39%	17.61%	15%	15%
	State Street Bank	0.00	0.00%	0.00%		
	Sub-Total:	40,700,000.00		17.61%		
(19) US AGCY OBLIG	First Tennessee	16,184,397.06	1.02%	7.00%	35%	75%
	Fleet National Bank	0.00	0.00%	0.00%		
	Dean Witter	0.00	0.00%	0.00%		
	Zions Bank	0.00	0.00%	0.00%		
	Paine Webber	14,986,473.06	1.03%	6.48%		
	Chase Securities	0.00	0.00%	0.00%		
Sub-Total:	31,170,870.12		13.49%			
(15) COMMERCIAL PAPER	Fleet National Bank	0.00	0.00%	0.00%	10%	25%
	Dean Witter	0.00	0.00%	0.00%		
	GE	18,685,003.17	1.04%	8.08%		
	Citigroup	11,391,097.50	1.03%	4.93%		
	Ford Motor Co	0.00	0.00%	0.00%		
Sub-Total:	30,076,100.67		13.01%			
(17) GOVERNMENT MONEY MRKT	Fidelity	0.00	0.00%	0.00%	35%	50%
	Brinson Advisors	40,775,287.19	0.93%	17.64%		
	Dreyfus	66,386,734.75	0.95%	28.72%		
(16) REPURCHASE AGREEMENTS	Dean Witter	0.00	0.00%	0.00%	20%	100%
	State Street Bank	16,000,000.00	0.86%	6.92%		
	Sun Trust	0.00	0.00%	0.00%		
	Paine Webber	0.00	0.00%	0.00%		
Sub-Total:	16,000,000.00		6.92%			
(14) CD's	Citizens Bank	6,004,747.23	1.00%	2.60%	10%	25%
	State Street Bank	0.00	0.00%	0.00%		
	Chase Securities	0.00	0.00%	0.00%		
Sub-Total:	6,004,747.23	0.00	2.60%			
TOTAL:		231,113,739.96	1.02%	100.00%		

SHORT TERM INVESTMENT ANALYSIS

Investment Maturity Schedule

August 31, 2003

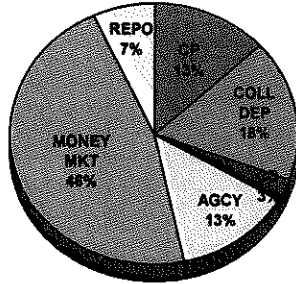
	INVESTMENTS	PERCENT OF TOTAL
Under 30 days	220,924,765.12	95.59%
Under 60 days	10,188,974.84	4.41%
Under 90 days	0.00	0.00%
Under 120 days		0.00%
Over 120 days		0.00%
Total	231,113,739.96	100.00%

SUMMARY PORTFOLIO YIELDS

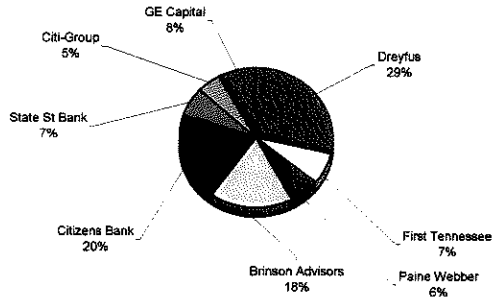
August 31, 2003	1.01%
July 31, 2003	0.98%
August 31, 2002	1.76%

**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**SHORT TERM CASH INVESTMENTS AT AUGUST 31, 2003**

**Portfolio By Instrument**



**Portfolio by Issuer**



REPO = Repurchase Agreement  
 CP = Commercial Paper  
 CD = Certificate of Deposit  
 CD = Collateralized Deposits  
 Agency = US Government Agency

Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	Total (\$)
Guidelines-Total/Vendor	25%/10%	25%/10%	75%/35%	50%/35%	25%/25%	100%/20%	
Fleet Bank	0	0	0	0	0	0	0
Dreyfus	0	0	0	66,386,735	0	0	66,386,735
Zions Bank	0	0	0	0	0	0	0
Dean Witter	0	0	0	0	0	0	0
Chase Securities	0	0	0	0	0	0	0
Paine Webber	0	0	14,986,473	0	0	0	14,986,473
First Tennessee	0	0	16,184,397	0	0	0	16,184,397
Brinson Advisors	0	0	0	40,775,287	0	0	40,775,287
Citizens Bank	0	6,004,747	0	0	40,700,000	0	46,704,747
GE Capital	18,685,003	0	0	0	0	0	18,685,003
Sun Trust	0	0	0	0	0	0	0
Citi-Group	11,391,098	0	0	0	0	0	11,391,098
State St Bank	0	0	0	0	0	16,000,000	16,000,000
<b>TOTALS</b>	<b>30,076,101</b>	<b>6,004,747</b>	<b>31,170,870</b>	<b>107,162,022</b>	<b>40,700,000</b>	<b>16,000,000</b>	<b>231,113,740</b>
<b>(%) PORTFOLIO</b>	<b>13%</b>	<b>3%</b>	<b>13%</b>	<b>46%</b>	<b>18%</b>	<b>7%</b>	<b>100%</b>



**SPECIAL FUNDS  
INVESTMENT SUMMARY  
AUGUST 31, 2003**

<b>FUND_NAME</b>	<b>EQUITIES</b>	<b>CASH &amp; EQUIVALENTS</b>	<b>FIXED INCOME</b>	<b>Gain/Loss</b>	<b>TOTAL MARKET VALUE</b>
<b>Abraham Touro Fund</b>	<b>\$1,295,900</b>	<b>\$164,705</b>	<b>\$433,934</b>	<b>\$15,888</b>	<b>\$1,894,539</b>
<b>State of Rhode Island Land Grant Fund</b>	<b>0</b>	<b>\$65,094</b>	<b>0</b>	<b>\$24</b>	<b>\$65,094</b>
<b>TOTALS</b>	<b>\$1,295,900</b>	<b>\$229,799</b>	<b>\$433,934</b>	<b>\$15,912</b>	<b>\$1,959,633</b>





ING Life Insurance and Annuity Company

State of Rhode Island  
ING Custom Choice Classic

Average Annual Total Returns as of 06/30/2003

Investment returns and principal values fluctuate so that, if surrendered, an investment may be worth more or less than the original amount. Past performance is not a guarantee of future results. Please note that indexes are unmanaged and do not reflect the fees and expenses of the mutual funds to which they are compared. Individuals cannot invest directly into any index. Current performance may be less than the figures shown.

Investment Options	Fund Benchmark ID (BM)	1-Mo.* Fund	3-Mo.* Fund	YTD* Fund	1-Yr Fund	3-Yr Fund	5-Yr Fund	10-Yr Fund	Since Fund Inception	Fund Inception Date				
<b>Global / International</b>														
ING JPMorgan Fleming International Portfolio - Initial Class	MSDUEAFE	0.82%	18.54%	5.63%	-1.62%	-6.04%	-17.70%	-13.20%	-4.52%	-3.68%	-0.46%	11/28/1997		
Janus Aspen Series Worldwide Growth Portfolio - Inst Shares	MSDUWIC	1.84%	16.12%	17.24%	6.63%	-1.89%	-20.15%	-12.59%	-2.81%	-2.69%	10.57%	09/13/1993		
<b>Aggressive Growth</b>														
AIM V.I. Capital Appreciation Fund - Series I Shares	SPXRE	1.27%	13.38%	15.39%	11.38%	11.78%	-1.82%	-18.97%	-11.26%	-2.51%	-1.65%	05/05/1993		
ING VP Small Company Portfolio - Class R	RS2000	2.33%	19.51%	23.42%	13.88%	17.88%	-6.04%	-6.38%	-3.30%	3.68%	0.97%	12/27/1996		
Janus Aspen Series Mid Cap Growth Portfolio - Inst Shares	SPXMID	1.88%	16.30%	17.64%	16.22%	12.42%	3.72%	-0.71%	-30.17%	0.99%	-2.25%	09/13/1993		
<b>Growth</b>														
Fidelity® VIP Contrafund® Portfolio - Initial Class	SPXRE	1.86%	11.91%	15.39%	9.58%	11.78%	0.12%	-6.22%	-11.26%	2.40%	-1.65%	01/03/1995		
Fidelity® VIP Growth Portfolio - Initial Class	RS3000G	0.49%	16.78%	14.91%	13.46%	13.48%	-1.79%	-17.91%	-21.19%	-1.32%	-5.01%	10/09/1986		
ING MFS Capital Opportunities Portfolio - Initial Class	SPXRE	2.08%	18.77%	15.39%	13.94%	11.78%	-0.87%	-19.43%	-11.26%	-2.16%	-1.65%	11/28/1997		
ING MFS Research Equity Portfolio - Initial Class	SPXRE	0.90%	14.60%	15.39%	11.20%	11.78%	-1.95%	-15.93%	-11.26%	-3.99%	-1.65%	11/28/1997		
ING VP Value Opportunity Portfolio - Class R	SPXRE	1.13%	13.92%	15.39%	9.72%	11.78%	-9.40%	-8.24%	-11.26%	1.07%	-1.65%	12/13/1996		
<b>Growth &amp; Income (Stocks)</b>														
AIM V.I. Core Equity Fund - Series I Shares	SPXRE	0.87%	15.28%	15.39%	9.65%	11.78%	-0.06%	-15.49%	-11.26%	-1.77%	-1.65%	05/02/1994		
Fidelity® VIP Equity-Income Portfolio - Initial Class	RS3000V	1.55%	18.12%	17.65%	10.71%	11.92%	-2.03%	-0.89%	0.57%	0.35%	1.29%	10/09/1986		
ING VP Growth and Income Portfolio - Class R	SPXRE	1.01%	14.64%	15.39%	10.14%	11.78%	-5.93%	-15.22%	-11.26%	-6.47%	-1.65%	05/01/1975		
ING VP Index Plus LargeCap Portfolio - Class R	SPXRE	1.18%	14.00%	15.39%	10.32%	11.78%	-1.16%	-12.02%	-11.26%	-1.36%	-1.65%	09/16/1996		
<b>Growth &amp; Income (Stocks &amp; Bonds)</b>														
Calvert Social Balanced Portfolio	SPXRE	0.43%	10.18%	15.39%	9.00%	11.78%	3.97%	-5.63%	-11.26%	0.45%	-1.65%	09/02/1986		
ING VP Balanced Portfolio, Inc. - Class R	SPX_L	1.03%	10.73%	12.25%	9.60%	9.94%	3.98%	-3.31%	-3.49%	2.35%	1.96%	04/03/1989		
Janus Aspen Series Balanced Portfolio - Inst Shares	SPXRE	0.07%	7.17%	15.39%	6.29%	11.78%	2.71%	-2.75%	-11.26%	6.07%	-1.65%	11/94%	09/13/1993	
<b>Income</b>														
ING VP Bond Portfolio - Class R	LEHM	0.00%	-0.20%	3.11%	2.50%	3.92%	11.02%	10.40%	9.65%	10.08%	7.03%	7.55%	05/15/1973	
<b>Stability of Principal</b>														
ING Fixed Account - 457/401 -Base+40 (***)	MFR	0.37%	0.06%	1.13%	0.18%	2.33%	0.38%	0.97%	5.59%	2.80%	5.78%	3.65%	6.18%	4.15%

**ING Life Insurance and Annuity Company**

**State of Rhode Island  
ING Custom Choice Classic**

**Average Annual Total Returns as of 06/30/2003**

Investment returns and principal values fluctuate so that, if surrendered, an investment may be worth more or less than the original amount. Past performance is not a guarantee of future results. Please note that indexes are unmanaged and do not reflect the fees and expenses of the mutual funds to which they are compared. Individuals cannot invest directly into any index. Current performance may be less than the figures shown.

Investment Options	Fund Benchmark ID (BM)	1-Mo.* Fund BM	3-Mo.* Fund BM	YTD* Fund BM	1-Yr Fund BM	3-Yr Fund BM	5-Yr Fund BM	10-Yr Fund BM	Since Fund Inception	Fund Inception Date
<b>Stability of Principal</b>										
ING VP Money Market Portfolio - Class R	IBCM	0.09%	0.27%	0.51%	1.26%	3.13%	4.04%	4.54%	4.05%	08/01/1975
<i>The 7-day annualized yield as of 06/30/2003 is 0.92%. (+)</i>										

The fund inception date indicates the inception date of the underlying investment portfolio, which may precede the portfolio's inclusion in the product. (+) The current yield more closely reflects current earnings.

An investment in ING VP Money Market Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund is a money market fund which does not seek to maintain a stable \$1.00 net asset value. While the fund's investment objective includes the preservation of capital, it is possible to lose money by investing in the fund.

\*\*\* This investment option is not a mutual fund, but an investment option providing rates of return declared in advance. It is offered through ING Life Insurance Company and ING Life Insurance and Annuity Company.

The returns listed do not include the impact of contract charges.

The CURRENT rate for the ING Fixed Account - 4577401 - is 4.600%, expressed as an annual effective yield, and is guaranteed not to drop below 4.60% through 12/31/2003. The annual rate of interest applied to your account may be higher or lower than the current rate. Restrictions apply to transfers of funds from the Fixed Account to other contract investment options. Please refer to your product prospectus / disclosure booklet and call your 800 number for more information. The chart shows the performance for each investment option for the time periods shown. The returns assume reinvestment of all dividends (ordinary income and capital gains) and are net of management fees and other fund operating expenses.

\* Returns for less than 1 year are not annualized.

ING MFS Research Portfolio - Initial Class was renamed ING MFS Research Equity Portfolio - Initial Class as of 5/1/03.

Janus Aspen Series Aggressive Growth Portfolio - Inst Shares was renamed Janus Aspen Series Mid Cap Growth Portfolio - Inst Shares as of 5/1/03.

The above investment options are in Variable Annuity Account D. Please Note that the figures do not include the product's applicable Separate Account Charge, which can range between 0.30% and 0.90% or other applicable contract charges; if included, the performance would be less favorable.

For a performance report reflecting the charges or more information regarding product expenses, please contact your ING Representative.

Fund prospectuses, containing more complete information regarding charges and expenses, are available by calling 1-800-584-6001. Please read them carefully before investing.

Insurance Products issued by ING Life Insurance and Annuity Company. The risks of investing in small company stocks may include relatively low trading volumes, a greater degree of change in earnings and greater short-term volatility.

Foreign investing involves special risks such as currency fluctuation and public disclosure, as well as economic and political risks.

Some of the Funds invest in securities guaranteed by the U.S. Government as to the timely payment of principal and interest; however, shares of the Funds are not insured nor guaranteed.

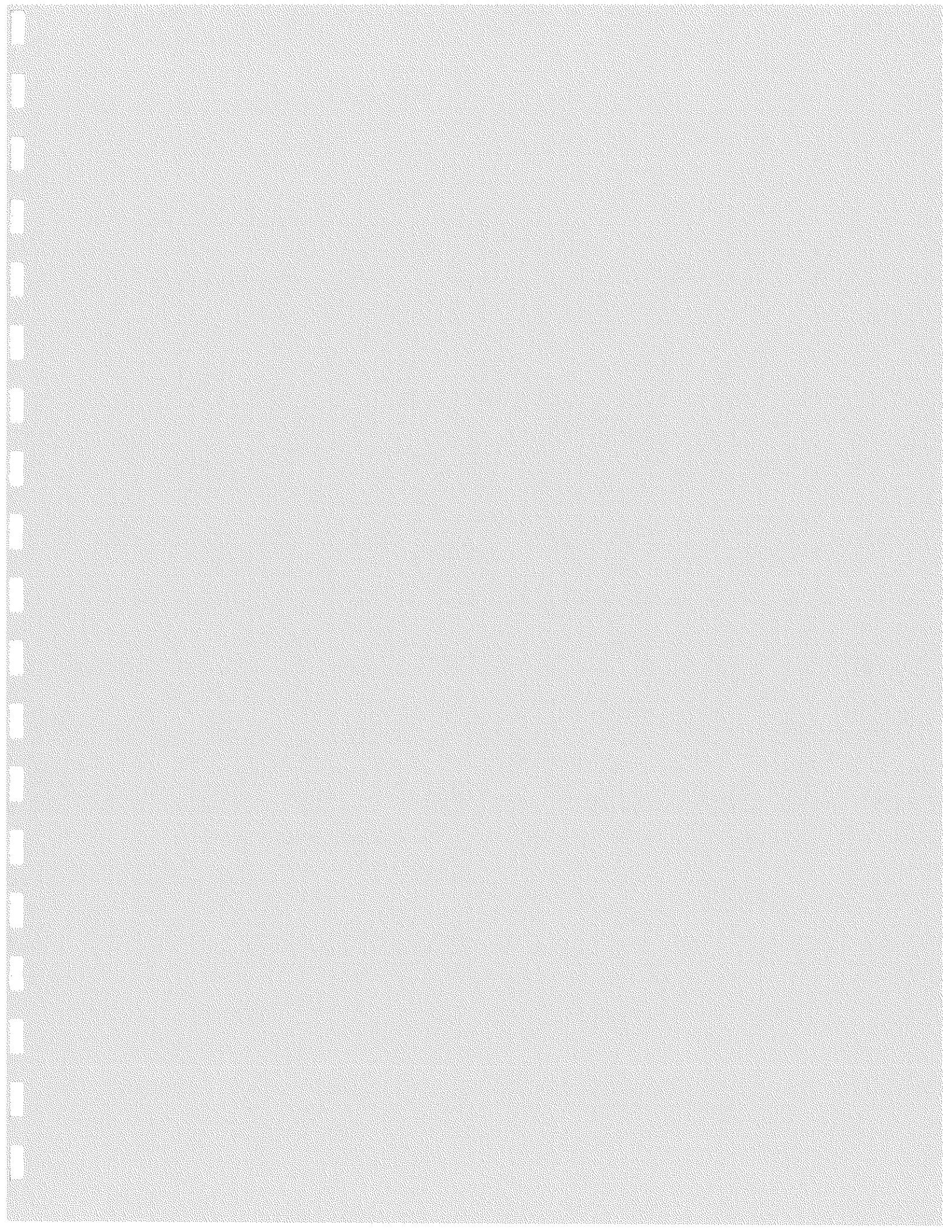
High yielding fixed-income securities generally are subject to greater market fluctuations and risk of loss of income and principal than are investments in lower yielding fixed-income securities.

The principal risks of investing in technology funds are those generally attributed to stock investing. Stocks of smaller companies tend to be less liquid, more volatile and sensitive to expected changes in interest rates. Because the Fund's investments are concentrated in information technology industries, the value of its shares will be especially affected by factors peculiar to those industries and may fluctuate more widely than the value of shares of more diversified portfolios.

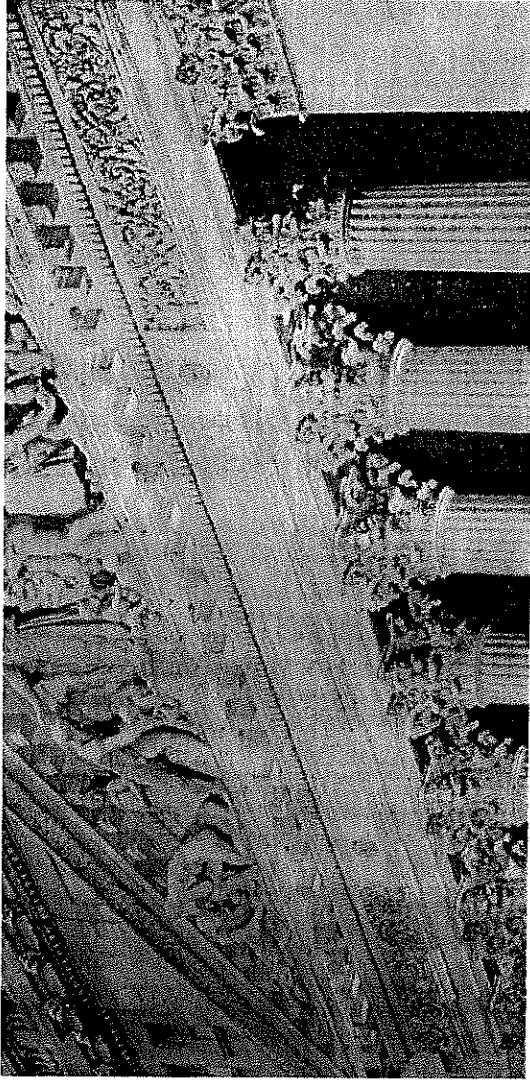
## Performance Update

Insurance products and/or third party administration services are offered by ING Life Insurance and Annuity Company. Securities offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.

Benchmark Id	Benchmark Description
IECM	The Money Fund Report Averages™ - All Taxable is an average of the returns of over 250 money market mutual funds surveyed each month by IBC/Donoghue, Inc.
LEHM	The Lehman Brothers Aggregate Bond Index is an unmanaged index composed of securities from the Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index, and the Asset-Backed Securities Index, including securities that are of investment-grade quality or better and have at least one year to maturity.
MFR	Returns are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by iMoney.net, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.
MSDUEAFE	Morgan Stanley Capital International Europe, Australia, Far East Index is a market value-weighted average of the performance of more than 900 securities listed on the stock exchanges of countries in Europe, Australia and the Far East. The MSCI EAFE returns assume reinvestment of all dividends.
MSDUWIC	The MSCI World Index (an equity index calculated by Morgan Stanley Capital International) is a market value-weighted average of the performance of more than 1,460 securities listed on the stock exchanges of the developed nations of the world. The MSCI World Index returns assume reinvestment of all dividends.
RS2000	The Russell 2000 Index (a small cap index) consists of the smallest 2,000 companies in the Russell 3000 Index and represents approximately 10% of the Russell 3000 total market capitalization. The Russell 2000 returns assume reinvestment of all dividends.
RS3000G	The Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.
RS3000V	The Russell 3000 Value Index is a market capitalization-weighted index of value-oriented stocks of U.S. domiciled corporations.
SPX	A benchmark consisting of a mix of 60% of an unmanaged stock index (The Standard & Poor's 500) and 40% of an unmanaged bond index (Lehman Aggregate Bond Index).
SPXMID	The Standard & Poor's (S&P) MidCap 400 Index is a market value-weighted index of 400 medium-sized domestic stocks.
SPXRE	The Standard & Poor's (S&P) 500 Index is considered to be representative of the stock market in general. The S&P 500 returns assume reinvestment of all dividends.



THE MEANING OF LEADERSHIP



FUND PERFORMANCE

State of Rhode Island

June 2003

FIDELITY  
INVESTMENT  
SERVICES



# Current Performance

## HISTORICAL PERFORMANCE

Average Annual Total Return for Periods  
Ending June 30, 2003

Product Name:	QE Cumulative	1 Year Average Annual	MStar Rank Count	3 Year Average Annual	MStar Rank Count	5 Year Average Annual	MStar Rank Count	10 Year Average Annual	MStar Rank Count	LOF Average Annual	Inception Date	Expense Ratio
Fidelity Growth & Income Portfolio	10.43	-2.04		-7.95		-0.83		9.94		13.82	12/30/1985	0.74
S&P 500	15.39	0.25		-11.20		-1.61		10.04				
Morningstar Large Blend Funds (Count)	14.81	-1.23	1322	-10.95	1037	-1.90	717	8.45	222			
Morningstar Large Blend % rank in Category			64%		19%		27%		18%			
Fidelity Magellan® Fund	14.25	-0.23		-12.32		-0.96		8.71		19.21	5/2/1963	0.77
S&P 500	15.39	0.25		-11.20		-1.61		10.04				
Morningstar Large Blend Funds (Count)	14.81	-1.23	1322	-10.95	1037	-1.90	717	8.45	222			
Morningstar Large Blend % rank in Category			36%		69%		29%		49%			
Spartan® U.S. Equity Index Fund	15.38	0.14		-11.33		-1.75		9.84		11.34	2/17/1988	0.39
S&P 500	15.39	0.25		-11.20		-1.61		10.04				
Morningstar Large Blend Funds (Count)	14.81	-1.23	1322	-10.95	1037	-1.90	717	8.45	222			
Morningstar Large Blend % rank in Category			28%		47%		43%		21%			
<b>Large Growth</b>												
Fidelity Blue Chip Growth Fund	13.20	-0.30		-15.75		-2.67		9.01		12.90	12/31/1987	0.77
S&P 500	15.39	0.25		-11.20		-1.61		10.04				
Russell 1000 Growth	14.31	2.94		-21.54		-5.03		8.29				
Morningstar Large Growth Funds (Count)	14.09	-0.46	1202	-19.24	912	-3.74	590	7.41	178			
Morningstar Large Growth % rank in Category			41%		29%		38%		26%			
Fidelity OTC Portfolio	17.14	2.09		-23.37		-0.46		8.69		14.10	12/31/1984	1.29
NASDAQ	21.11	11.41		-25.51		-2.74		9.33				
Morningstar Large Growth Funds (Count)	14.09	-0.46	1202	-19.24	912	-3.74	590	7.41	178			
Morningstar Large Growth % rank in Category			23%		79%		19%		29%			
<b>Mid Value</b>												
Fidelity Value Fund	17.22	-0.87		9.29		4.22		11.13		13.64	12/1/1978	1.03
Russell Midcap Value	17.89	-0.64		7.87		4.07		11.25				
S&P 500	15.39	0.25		-11.20		-1.61		10.04				
Morningstar Mid-Cap Value Funds (Count)	17.96	-0.80	264	6.63	169	4.00	121	10.61	44			
Morningstar Mid-Cap Value % rank in Category			43%		33%		55%		47%			

Mutual fund performance changes over time, sometimes significantly. Most recent performance data is provided online at each month end. Please visit [Fidelity.com](http://Fidelity.com) or call Fidelity for current performance figures.

# Current Performance

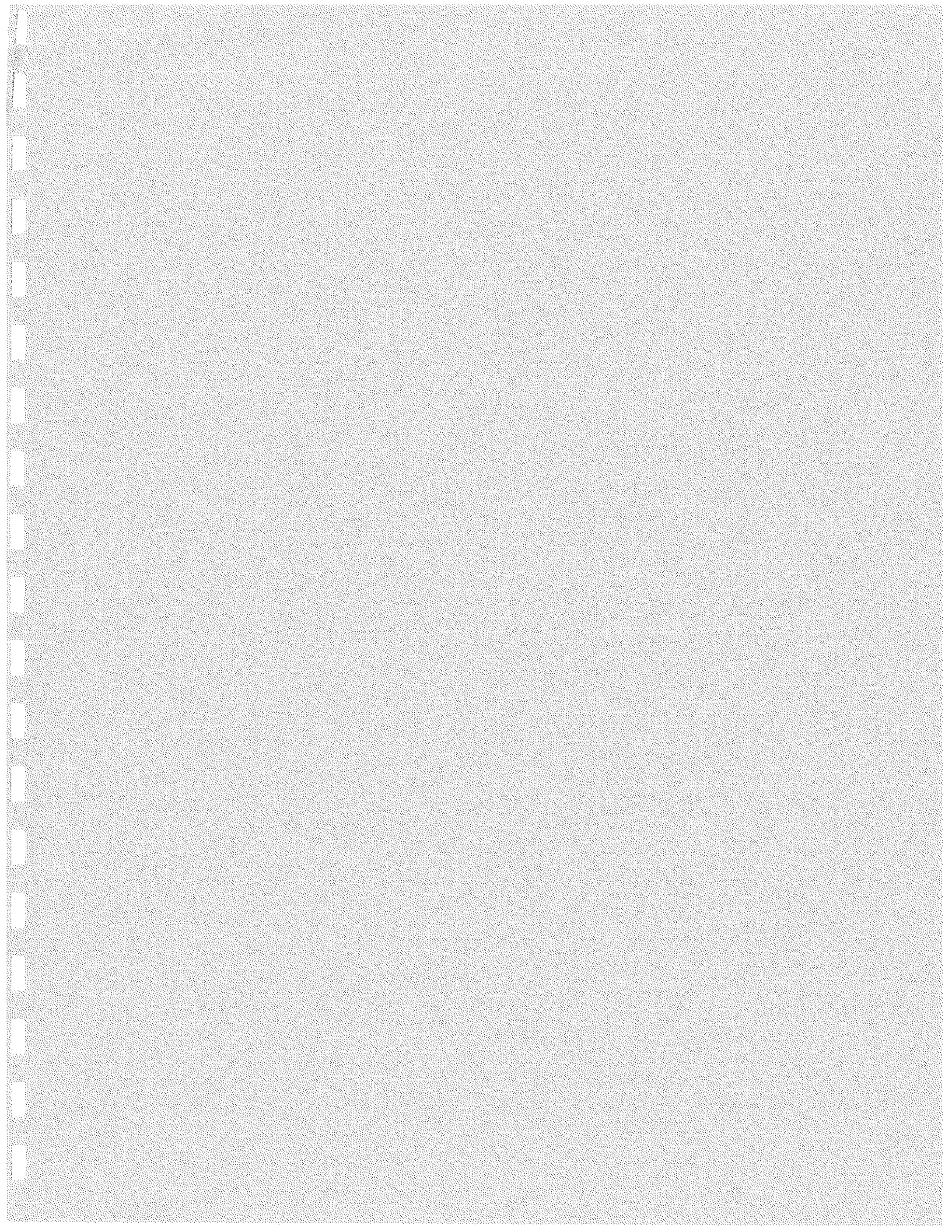
## HISTORICAL PERFORMANCE

Average Annual Total Return for Periods  
Ending June 30, 2003

Product Name:	GE Cumulative	1 Year Average Annual	MStar Rank Count	3 Year Average Annual	MStar Rank Count	5 Year Average Annual	MStar Rank Count	10 Year Average Annual	MStar Rank Count	LOF Average Annual	Inception Date	Expense Ratio	Expense Ratio Date
<b>Mid Growth</b>													
Fidelity Mid-Cap Stock Fund	15.74	-0.57		-8.56		6.13		N/A		13.75	3/29/1994	0.74	04/30/2003
S&P MidCap 400	17.63	-0.71		0.99		7.14		12.65					
Morningstar Mid-Cap Growth Funds (Count)	17.83	0.12	713	-17.11	516	-0.34	345	7.70	102				
Morningstar Mid-Cap Growth % rank in Category			52%		21%		11%		N/A				
<b>Franklin Small-Mid Cap Growth Fund - Class A</b>													
Russell Midcap Growth	18.81	0.71		-19.26		1.69		12.22		11.81	2/14/1992	0.00	04/30/1993
Morningstar Mid-Cap Growth Funds (Count)	18.76	7.35		-18.49		-0.64		8.46					
Morningstar Mid-Cap Growth % rank in Category	17.83	0.12	713	-17.11	516	-0.34	345	7.70	102				
			41%		57%		33%		7%				
<b>Asset Class: International/Global</b>													
Fidelity Diversified International Fund	19.73	-0.87		-5.58		3.76		9.89		8.98	12/27/1991	1.28	04/30/2003
MS EAFE (Net MA tax)	19.53	-6.15		-13.29		-3.76		2.94					
Morningstar Foreign Stock Funds (Count)	18.93	-7.41	890	-14.26	682	-3.26	524	4.41	111				
Morningstar Foreign Stock % rank in Category			10%		10%		8%		2%				
<b>Asset Class: Life Cycle Funds</b>													
Fidelity Freedom Income Fund®	3.88	4.87		2.75		4.89		N/A		6.39	10/17/1996	0.10	03/31/2003
FID Freedom Income	4.33	5.32		3.33		4.70		N/A					
Fidelity Freedom 2000 Fund®	4.83	5.11		1.01		4.91		N/A		7.58	10/17/1996	0.10	03/31/2003
FID Freedom 2000	4.87	5.20		1.77		4.37		N/A					
Fidelity Freedom 2010 Fund®	8.62	6.15		-2.12		4.28		N/A		8.19	10/17/1996	0.10	03/31/2003
FID Freedom 2010	8.84	5.75		-1.13		3.29		N/A					
Fidelity Freedom 2020 Fund®	12.40	4.54		-6.53		2.53		N/A		7.38	10/17/1996	0.10	03/31/2003
FID Freedom 2020	12.86	4.21		-6.43		1.14		N/A					
Fidelity Freedom 2030 Fund®	14.07	2.90		-9.05		1.27		N/A		6.50	10/17/1996	0.10	03/31/2003
FID Freedom 2030	14.81	2.76		-7.84		-0.25		N/A					

Mutual fund performance changes over time, sometimes significantly. Most recent performance data is published online at each month end. Please visit [Fidelity.com](http://Fidelity.com) or call Fidelity for current performance figures.







## State of Rhode Island and Providence Plantations Deferred Compensation Plan

**Mutual Fund Performance Information**  
Average Annual Returns (%) as of June 30, 2003

Asset Category Fund Name - Benchmark Index (Current Yield)	1-Year Return	3-Year Return	5-Year Return	10-Year Return	Since Incep.	Incep. Date	Exp. Ratio
<b>Foreign Stock</b>							
Dreyfus Ind Stock Index - MSCI (EAFE)	-8.15	-14.70	-5.04	NA	-3.44	06/30/1997	0.60
<b>World Stock</b>							
Janus Adviser Worldwide I - MSCI World	-9.65	-19.61	-2.61	NA	3.81	05/01/1997	1.20
<b>Small Blend</b>							
Dreyfus Sm Cap Stk Indx - S&P 600	-3.88	1.95	3.32	NA	5.82	06/30/1997	0.50
<b>Mid-Cap Blend</b>							
Dreyfus MidCap Index - S & P Midcap 400	-1.24	0.46	6.52	12.05	13.02	06/19/1991	0.50
SunAmerica Agg Gr Life I - S & P Midcap 400	-4.51	-12.27	NA	NA	-0.83	11/02/1998	0.10
<b>Large Growth</b>							
Franklin DynaTech A - S&P 500	10.11	-12.26	2.28	9.77	8.63	12/27/1967	1.00
MFS Mass Inv Grth Stk A - S&P 500	-1.42	-18.38	-2.49	10.21	NA	01/01/1935	0.94
Putnam Voyager A - S&P 500	-2.29	-19.54	-2.71	8.85	11.76	04/01/1969	0.96
SunAmerica BlueChip Gr I - S&P 500	-3.17	NA	NA	NA	-13.68	11/16/2001	1.33
<b>Large Blend</b>							
Calvert Soc Inv Equity A - S&P 500	1.57	-1.34	6.15	8.67	8.31	08/24/1987	1.29
Dreyfus Disc Stock - S&P 500	-3.98	-13.13	-3.52	8.76	11.31	12/31/1987	1.00
SunAmerica Growth & Incl - S&P 500	-6.20	NA	NA	NA	-12.04	11/16/2001	1.32
Vanguard 500 Index - S&P 500	0.23	-11.26	-1.63	9.97	12.10	08/31/1976	0.18
<b>Domestic Hybrid</b>							
Dreyfus Founders Bal F - LB Aggreg*S&P 500	2.01	-10.04	-5.69	4.78	8.67	02/19/1963	1.22
SunAmerica Bal Assets I - LB Aggreg*S&P 500	-1.29	NA	NA	NA	-7.01	11/16/2001	1.33
SunAmerica Con Gr I - LB Aggreg*S&P 500	2.58	-2.74	NA	NA	3.01	11/02/1998	0.10
SunAmerica Mod Gr Life I - S & P Midcap 400	-0.82	-6.99	NA	NA	1.19	11/02/1998	0.10
<b>Intermediate-term Bond</b>							
SunAmerica Core Bond I - LB Aggreg	9.53	NA	NA	NA	8.03	07/10/2000	1.23
<b>Intermediate Government</b>							
Strong Govt Secs Inv - Intmdt US Treas Funds	9.95	10.02	7.29	7.12	8.42	10/29/1986	0.90
<b>Other Options</b>							
VALIC Fixed Interest Option - 3-Month T-Bill	4.76	5.43	5.61	NA	NA	01/01/1998	NA

Note: Performance data does not include plan administrative charges of 0.27%. Plan administrative charges do not apply to the VALIC Fixed Interest Option.

Performance data prior to the inception date of the new class of funds is hypothetical and reflects the historical returns of an existing share class at net asset value adjusted to reflect the additional 12b-1 fees relating to the new class of funds.

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value will fluctuate so an investor's shares, when redeemed, may be worth more or less than their original cost. For more complete information about these mutual funds including charges and expenses call 1-888-568-2542 for a prospectus. Please read the prospectus carefully before investing or sending money.

Securities and investment advisory services offered through VALIC Financial Advisors Inc., member NASD/SIPC.

