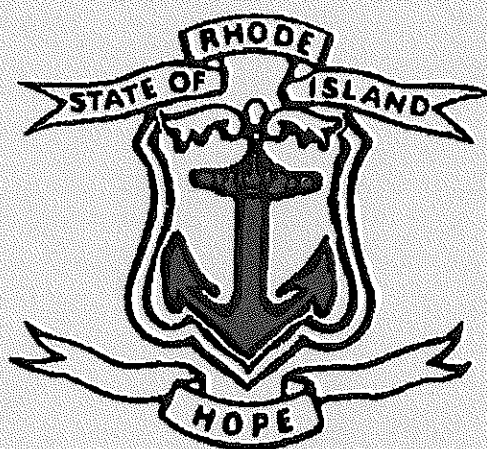


# State of Rhode Island and Providence Plantations



Office of the General Treasurer

Paul J. Tanurea  
General Treasurer

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
SEPTEMBER 30, 2001**

**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, October 24, 2001 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 9/26/01 \*
3. Investment Manager Review
  - Taplin, Canida & Habacht, Inc.
4. CollegeBoundfund
  - Investment Options – Stable Value Option \*
5. General Consultant's Report – Wilshire Associates Incorporated
  - Asset Allocation
  - Capital Market Update
6. Legal Counsel Report
7. Deputy Treasurer for Finance Report
8. Treasurer's Report
9. New Business

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



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

**Minutes of the Regular Meeting September 26, 2001**

A State Investment Commission meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, September 26, 2001. There being a quorum present, the Treasurer called the meeting to order at 9:10 a.m.

Membership Roll Call. Present were: Mr. J. Michael Costello, Senator Daniel DaPonte, Ms. Rosemary Booth Gallogly, Designee of the Director of Administration, Mr. James E. Thorsen and General Treasurer Paul J. Tavares. Also present were: Ms. Joan M. Caine, Deputy Treasurer for Finance, Andrew M. Hodgkin, Esq., Legal Counsel to the Commission, Ms. Tara Blackburn, of Pacific Corporation Group, Alternative Investments Consultant to the Commission, and other members of the Treasurer's Staff. Absent were: Dr. Robert J. McKenna, Ms. Marcia Reback, and Mr. William J. Whitty. Mr. William G. Bensus, Jr., of Wilshire Associates Incorporated, Consultant to the Commission was conferenced in by telephone.

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

**VOTED: To approve the Minutes of the August 22, 2001 Regular Meeting.**

Provident Investment Counsel. Mr. Bensus noted that Provident was retained in 1988 to provide a strategic allocation to the large stock, growth-oriented segment of the US equity market. As of 6/30/01 the Provident portfolio represented approximately 10.1% of the US equity composite and approximately 4.5% of the total fund. Market value at 6/30/01 was \$272.6 million.

Mr. John McMurtrie, Senior Vice President and Mr. Jeffrey J. Miller, Chairman & Managing Director represented the firm. Mr. McMurtrie discussed second quarter performance highlights noting that growth stocks outperformed value stocks during the quarter. The portfolio's largest five sectors represented 75% of the portfolio and were up 12.5%. The five best performing sectors represented 59% of the portfolio and were up 17.4%. Stock selection was strong adding 2.6% versus the Russell 1000G.

Mr. Miller reviewed strategic assumptions and portfolio strategy in the aftermath of the WTC/Pentagon disasters. He noted specific portfolio changes since 9/11/01 such as reducing a GE position and selling Tiffany due to reduced expectations for consumer spending on discretionary items. He stated that near-term performance was unacceptable on any long-term basis. Provident's style has suffered during this severe bear market, but he expects it also will recover more rapidly when the investment environment improves. He stated that Provident believes continued monetary ease and strong fiscal stimulus will start to take hold in mid-2002 and that the stock market and growth stocks in particular should be significantly higher 12 months from now. He recommends staying the course.

Mr. Bensus stated that Wilshire believes Provident is a high quality, institutionally oriented manager with sound investment philosophy, approach and resources. However, he noted that the portfolio profile and investment results have been highly correlated to the large growth stock cycle and that Provident has failed to meet the performance objectives of the portfolio. During the last 18 months, as large growth stocks have cycled out of favor, Provident's results have been poor to an extreme degree on both a relative and absolute basis. A discussion followed regarding Provident's poor performance and whether to keep them as a manager. It was agreed that terminating Provident at this time would not be in the best interests of the pension fund as they are at a cyclical low. The probability of experiencing a cyclical recovery from this point is high. Wilshire advice is to allow Provident's results to recover on a cyclical basis and then make a decision about the ongoing relationship.

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

**VOTED: To start the Request for Proposals process for a large stock, growth oriented US equity manager and to monitor Provident Investment Counsel closely on a monthly basis.**

Zurich Scudder Investments, Inc. Ms. Caine reminded Commission members that Treasury Staff and Wilshire has been monitoring the proposed sale of Zurich Scudder to Deutsche Asset Management. Mr. Bensus noted the following concerns about the Deutsche/Scudder business combination: 1) organizational uncertainty; 2) personnel stability – loss of intellectual capital; 3) philosophical differences; 4) overlapping non-US equity businesses; and 5) Deutsche's track record in asset management acquisitions.

Upon Wilshire's recommendation, Mr. Costello moved, Sen. DaPonte seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Sen. DaPonte, Ms. Gallogly, Mr. Thorsen and Treasurer Tavares.

**VOTED: To terminate the investment management relationship with Zurich Scudder Investments, Inc. immediately and to deploy the assets equally between the recently retained non-US investment managers – Bank of Ireland Asset Management and Putnam Investments.**

The Treasurer called a short break from 10:15 a.m. to 10:20 a.m.

CSFB Global Opportunities Partners, L.P. ("CSFB"). Ms. Blackburn recommended that the Commission give consideration to CSFB which is being raised to invest globally in severely discounted securities and obligations of financially distressed companies with the objective of obtaining corporate control. The fund will engage in the same investment strategy employed by the investment professionals from 1994 to 2000, when they invested in distressed investments using CSFB's internal capital. The fund represents their first effort raising and investing outside capital.

Mr. Mark R. Patterson, Vice Chairman and David J. Matlin, CEO, represented the partnership. Mr. Patterson explained that the fund will screen financial markets for situations in which securities are offered at less than half their issue price and where there are no real bids. Another initial screening factor includes a potential four-to-one reward to risk ratio, a potential

internal rate of return in excess of 40%. Initial investments will be between \$2 million and \$10 million.

The fund will focus on issuers that have: (1) a capital structure and/or legal posture which suggests that any reorganization will be unusually contentious and protracted; (2) obligations whose junior position in the capital structure suggests the possibility of total loss; (3) dramatic events that place the entire enterprise value at risk; and (4) complex problems with numerous critical variables and incomplete and/or unreliable information.

Mr. Matlin noted the proposed fund expects 70-75% of capital to be invested in the US and Canada, 15% in Asia, 5-10% in Europe and the remaining 5% in Latin America. Fund size is expected to be between \$1.5 billion and \$2 billion. PCG recommends investment in this fund because of the experienced management team, their opportunistic, global focus, and their value-added control strategy.

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

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

Blackstone Capital Partners IV, L.P. Ms. Caine requested that the Commission give consideration to an extension of the existing relationship with Blackstone with approval of a \$25 million investment in its new fund, Blackstone Capital Partners IV, L.P. She stated that the pension fund invested \$20 million in Blackstone Capital Partners III Merchant Banking Fund, L.P. in May of 1997.

Mr. Kenneth C. Whitney, Senior Managing Director and Mr. Howard A. Lipson, Senior Managing Director represented the partnership. Mr. Whitney explained that The Blackstone Group is a private merchant banking firm whose businesses include corporate private equity investing, private mezzanine investing, mergers and acquisitions advisory to major corporate clients, restructuring and reorganization advisory services, and liquid alternative asset management. Target fund size is approximately \$5 billion.

Mr. Lipson explained that since 1988 Blackstone has invested \$4.8 billion in 58 investments. Twenty-three investments have been exited. They have generated a gross annual IRR of 44.2%. Blackstone maintains an investment process that is defined by the following four core elements: 1) corporate partnership investment strategy with strictly friendly capital; 2) disciplined, value-oriented investment approach; 3) focus on out-of-favor/under-appreciated industries; and 4) focus on communications sector. No more than 33% will be invested in portfolio companies outside of the US and Canada.

PCG recommends investment in this fund because of its strong track record, investment experience of the General Partner Group, its access to deal flow by leveraging Blackstone relationships, utilization of other Blackstone resources, conservative geographic diversification, and the significant capital commitment by the General Partner.

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

**VOTED: To invest \$25 million in Blackstone Capital Partners IV, L.P., as recommended by Pacific Corporation Group, contingent upon satisfactory review and negotiation of investment and other legal documents.**

Deferred Compensation – 457 Plan – VALIC Options. Ms. Caine explained that she and George Carvalho, Legal Counsel have been working with VALIC, one of the deferred compensation providers, because the number of investment options that they were offering exceeded the number they were permitted to offer by contract. They have been working over the last several months to put together a diversified portfolio package that represents all asset classes and investment styles. VALIC proposes reducing some of the duplication and map most of these funds into one or two funds within the asset class. The old funds will be closed to new contributions.

Ms. Caine also noted that a merger is in process between American General and American International Group (AIG). Some of the funds will become SunAmerica funds. She expects to come before the Commission in the near future to revise several more funds. Mr. Carvalho advised the Commission that this move would bring them into compliance and bring their fund offerings to twenty.

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

**VOTED: To approve the investment options proposed by American General/VALIC for inclusion in the State's 457 Deferred Compensation Plan.**

General Treasurer's Report. Treasurer Tavares indicated that since the attacks on the World Trade Center/Pentagon, that he has asked Ms. Caine to review liquidity, technical and back-up issues and how the Treasurer's Office and pension fund could be affected. Ms. Caine briefly reported on how the fund has fared since the attack on 9/11/01. All investment managers have remained fully operational and our custodian, State Street Bank and Trust Company, did a great job in settling all the trades made the morning of September 11<sup>th</sup>. There were no trades for several days thereafter in the equity market. During the week of the 21<sup>st</sup>, NASDAQ was down 17%; the S&P was down 15% and the DOW was down 12%. Ms. Caine noted that she has had discussions with Wilshire regarding an asset/liability study and asset allocation realignment.

Ms. Caine distributed the following reports for Mr. Bensus: Capital Market Update and Economic/Market Review – Post Attack.

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



**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Paul J. Tavares  
General Treasurer



**RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
September 30, 2001**

**PORTFOLIO PERFORMANCE**

**September**

The ERSRI portfolio posted a loss of -5.86% for the month of September, against the Policy Index of -6.52%. Domestic and international equities were down -8.97% and -9.78% respectively, and the fixed income asset class lost a modest -0.15%. Additionally, the retirement fund earned \$182,026 from the securities lending program during the month of September.

**Calendar Year-to-Date**

On a calendar year basis, the portfolio is down -15.32%, against the Policy Index of -14.38%. Domestic and international equities have fallen by -22.91% and -28.08% respectively, while fixed income registered a gain of 5.61%.

**Fiscal Year-to-Date**

For the three months ended September 30th, 2001, the fund has lost -9.08%, against the fiscal year policy index of -10.28%.

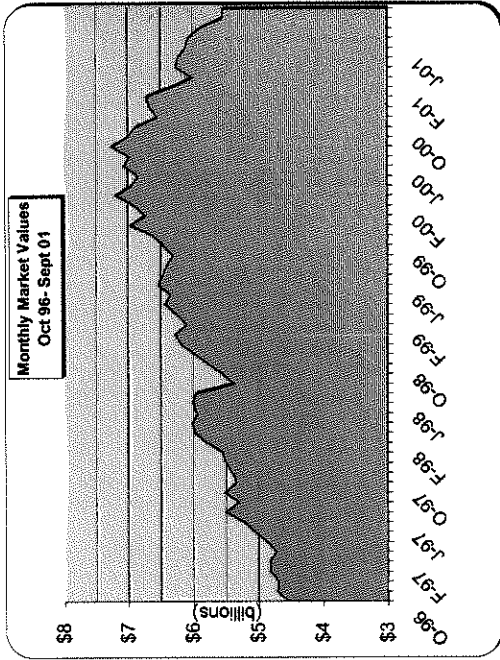
Index Performance Summary - Sept 2001		Calendar	
Market Indices	Sep-01	Calendar	YTD
<b>Domestic Equity</b>			
S & P 500	-8.09%	-20.39%	-20.39%
Wilshire 5000	-8.98%	-20.76%	-20.76%
Russell 2000	-13.46%	-15.35%	-15.35%
Russell 2500	-12.94%	-15.69%	-15.69%
Russell 1000	-8.48%	-21.22%	-21.22%
Policy Index	-6.52%	-14.38%	-14.38%
<b>International Equity</b>			
MSCI ACWI	-10.61%	-26.07%	-26.07%
<b>Fixed Income</b>			
Lehman AGG	1.16%	8.38%	8.38%
<b>Real Estate</b>			
Wilshire	-8.98%	4.57%	4.57%

ERSRI Performance By Asset Class	Sep-01	CALENDAR	
		YTD	CYTD
Domestic Equity	-8.97%	-22.91%	-22.91%
Fixed Income	-0.15%	5.61%	5.61%
International Equity	-9.78%	-28.08%	-28.08%
<b>Total Fund Composite*</b>	<b>-5.86%</b>	<b>-15.32%</b>	<b>-15.32%</b>
<b>Manager Summary</b>			
	Sep-01		
<b>DOMESTIC EQUITY</b>			
SSgA Russell Value	-7.04%	-12.09%	-12.09%
SSgA Core	-7.54%	17.31%	17.31%
PIMCO	-8.17%	-19.46%	-19.46%
SSgA Wilshire 5000	-9.04%	-21.10%	-21.10%
JP Morgan	-9.61%	-20.83%	-20.83%
Provident Investment Counsel	-13.21%	-47.23%	-47.23%
Shott Capital Management	-23.25%	0.26%	0.26%
<i>Total Domestic Equity</i>	<i>-8.97%</i>	<i>-22.91%</i>	<i>-22.91%</i>
<b>FIXED INCOME</b>			
Fidelity	1.58%	8.25%	8.25%
Fleet	1.46%	7.28%	7.28%
Brown Brothers, Harriman	1.16%	8.40%	8.40%
In-State Fixed Income	0.54%	5.12%	5.12%
Taplin, Canida & Habacht	-1.31%	7.89%	7.89%
Loomis Sayles	-5.91%	-5.38%	-5.38%
<i>Total Fixed Income</i>	<i>1.05%</i>	<i>5.77%</i>	<i>5.77%</i>
<b>INTERNATIONAL EQUITY</b>			
Bank of Ireland	-8.91%	N/A	N/A
Putnam Investments	-9.99%	N/A	N/A
Zurich Scudder Investments	-10.68%	-0.05%	-0.05%
<i>Total International Equity</i>	<i>-9.78%</i>	<i>-28.08%</i>	<i>-28.08%</i>

\*Total Fund Composite includes all classes

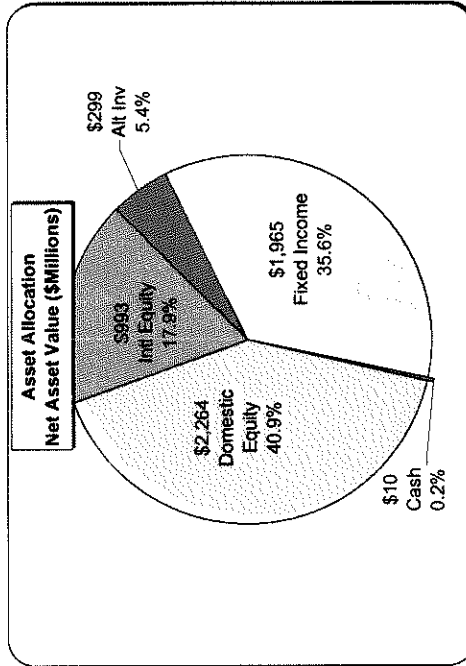
### Market Values

The total portfolio value decreased in September by \$361.6 million to \$5.531 billion. This compares with a decrease in value of \$260 million for the same period in 2000. The domestic equity market values depreciated by \$223 million during the month of September; fixed income decreased by \$3 million, net of transfers, while international equity values were down by \$107 million. Alternative investments decreased by \$13 million, net of transfers, while the cash accounts were down by \$15 million.



### Asset Allocation

The domestic equities portfolio is under-allocated by 4.1%. The fixed income portfolio is over-allocated by 8.0%. The international equity portfolio is under-allocated by 2.1%, while the alternative investment assets remain under-allocated by 2.1%.

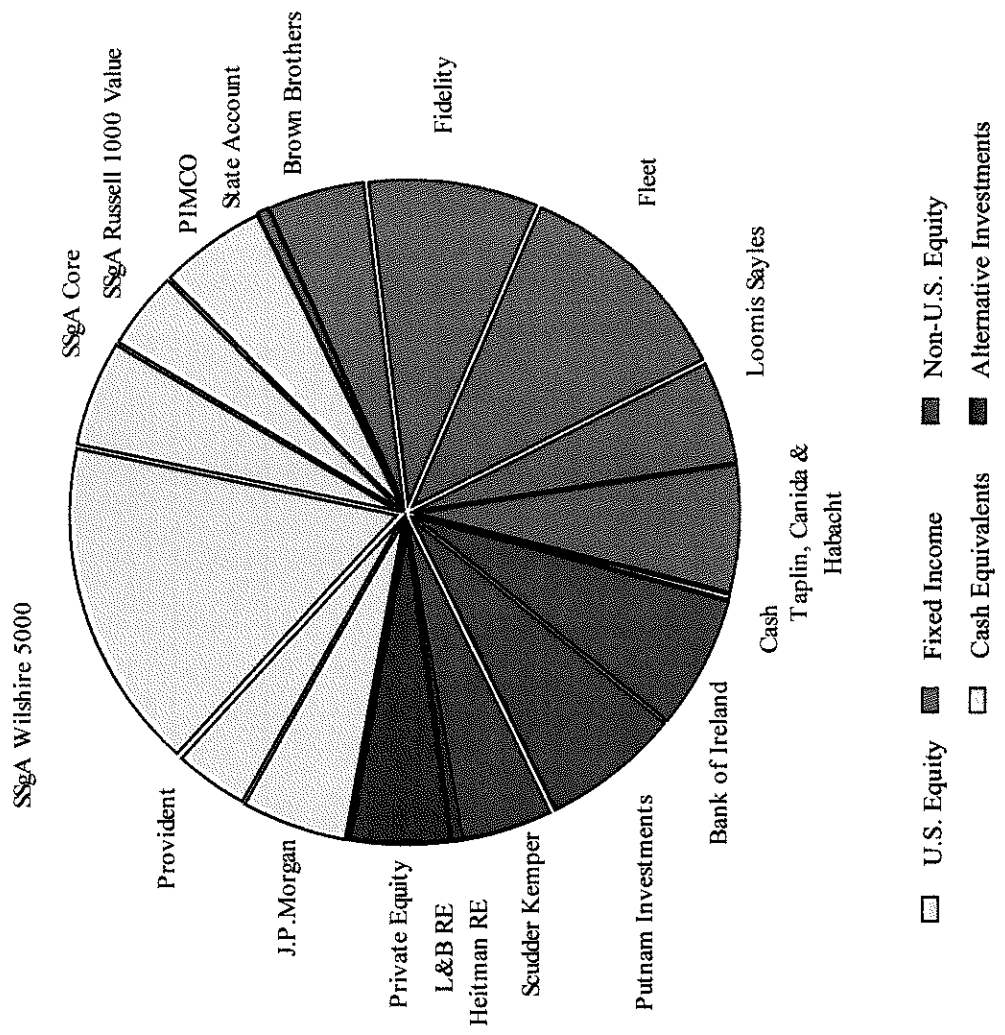


# Individual Manager Allocation

## September 30, 2001

### \$ 5,531 MM

Portfolio	\$MM	Allocation
J.P. Morgan	\$ 289	5.2
PIMCO	371	6.7
Provident Investment	191	3.5
Shott Capital	0	0.0
SSgA Core	290	5.2
SSgA Russell 1000 Value	208	3.8
SSgA Wilshire 5000	914	16.5
<b>U.S. Equity</b>	<u>2,264</u>	<u>40.9</u>
Brown Bros. Harriman	\$ 255	4.6
Fidelity Mgmt. Trust	458	8.3
Fleet Investment	607	11.0
Loomis Sayles	276	5.0
State Account	27	0.5
Taplin, Canida & Habacht	343	6.2
<b>Fixed Income</b>	<u>1,965</u>	<u>35.5</u>
Bank of Ireland	\$ 370	6.7
Putnam Investments	372	6.7
Schroder Capital Mgmt.	1	0.0
Souder Kemper Investments	250	4.5
<b>International Equity</b>	<u>993</u>	<u>17.9</u>
Heitman Real Estate	\$ 3	0.1
L&B Real Estate	30	0.5
Private Equity	265	4.8
Contingency Reserve	1	0.0
<b>Alternative Invest.</b>	<u>299</u>	<u>5.4</u>
Cash Account (inside)	\$ 10	0.2
Cash Account (outside)	0	0.0
<b>Cash Equivalents</b>	<u>10</u>	<u>0.2</u>
<b>Total</b>	<b>\$5,531</b>	<b>100.0</b>



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

**Market Environment**  
Quarter Ended September 30, 2001

	<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 1000	-15.23	-21.21	-28.42	-8.17	2.30	3.54	9.87
RUSSELL 1000 GROWTH	-19.41	-30.89	-45.64	-18.09	-3.28	0.13	6.50
RUSSELL 1000 VALUE	-10.95	-12.07	-8.91	-0.40	5.61	5.10	11.67
WILSHIRE 5000	-15.90	-20.77	-28.95	-8.61	1.97	2.30	8.61
<b>INTERNATIONAL EQUITY</b>							
MSCI AC WORLD EX USA	-14.83	-26.08	-29.38	-13.82	-0.13	-3.72	-0.51
MSCIEAFE	-14.00	-26.56	-28.53	-14.13	-1.16	-3.01	-0.14
<b>U.S. FIXED INCOME</b>							
70% ML HY/30% FB CONV HY	-4.45	-0.96	-5.77	-2.31	-0.27	0.21	3.01
LB AGGREGATE	4.62	8.38	12.95	9.93	6.38	7.64	8.06
SSBI BROAD INV GRADE	4.72	8.50	13.06	9.94	6.43	7.67	8.07
SSBI LARGE PENSION FUND	5.34	8.50	14.12	10.63	5.89		
SSBI LPF COLLATERALIZED	4.31	8.13	12.32	9.85			
<b>TOTAL PLAN</b>							
TOTAL PLAN BENCHMARK	-10.30	-14.44	-18.90	-4.55	3.13	2.93	6.99

*Employees' Retirement Systems of Rhode Island  
Summary of Transfers by Asset Class  
September 30, 2001*

<b>Asset Class</b>	<b>Cash In</b>	<b>Cash Out</b>
Domestic Equities	247,933	104,713
Int'l Equities	203,898	99,738
Fixed Income	142,560	145,017
Real Estate	0	0
Venture Capital	1,082,659	2,433,785
Cash outside Trust	15,146,627	15,500,000
Cash in Trust	2,523,845	16,082,658
<b>TOTAL</b>	<b>19,347,522</b>	<b>34,365,912</b>

**Manager Funding**

A summary of cash transfers by asset class which took place during September is presented at right. Such transfers are required to provide sufficient cash for alternative investment funding as well as to meet current retirement payroll obligations (\$26.5mm).

**Cash Flow**

September's pension payroll of \$36.7 million exceeded the \$10.2 million in contributions received by \$26.5 million. The transfer of \$26.5 million from long term investments to short term was sufficient to cover that shortfall, as well as other investment management expenses.

**Alternative Investments**

At this time the alternative investment asset class has unfunded commitments of approximately \$280 million, on commitments of \$548 million.

**CAPITAL CALLS  
Net of Contributions**

<b>SEPTEMBER 2001</b>	<b>FYTD</b>	<b>UNFUNDED BALANCE</b>
-\$1,068,259	\$1,648,351	\$280,555,817
<b>SEPTEMBER 2000</b>	<b>FYTD</b>	<b>UNFUNDED BALANCE</b>
\$3,454,128	\$12,348,106	\$124,638,316

**Expenses**

Expenses paid during September totalled \$650,906, was comprised of private equity, investment management and other professional management fees.

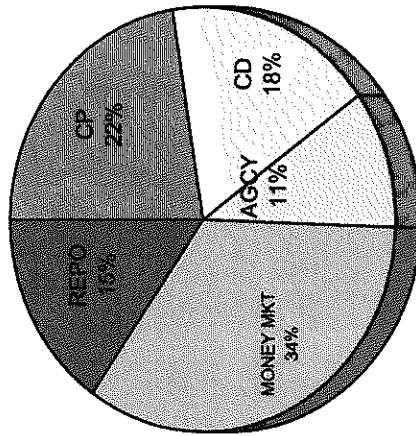
**Short Term Cash**

The short term cash portfolio had a 6.9 day weighted average maturity vs 7.8 days in August, and 18.9 days in September of 2000. Investments at September 30th totaled \$288.5 million. Interest earned during the month was \$496,735, of which \$11,452 was credited to the retirement accounts. The average investment rate of 3.07% was 28 basis points over the average 30 day treasury rate.

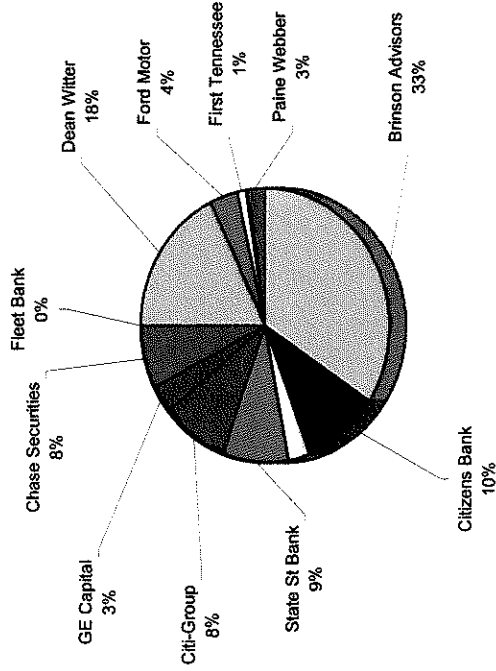
**RHODE ISLAND STATE INVESTMENT COMMISSION**

**SHORT TERM CASH INVESTMENTS AT SEPTEMBER 30, 2001**

**Portfolio By Instrument**



**Portfolio by Issuer**



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



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

**Issuer Credit Ratings  
September, 2001**

Issuer	Issuer Ratings		S-T Debt Rating		L-T Debt Rating		Credit Outlook
	Moody's		Moody's	S&P	Moody's	S&P	
FleetBoston	A2		P-1	A-1	A2	A	Positive
Bear Stearns	A2		P-1	A-1	A2	A	Negative
Chase Securities	Aa2		P-1	A-1+	Aa2	AA-	Stable
Citigroup Inc.	Aa2		P-1	A-1+	Aa2	AA-	Stable
Citizens Bank RI	Aa3		P-1	A-1+	Aa3	AA-	Stable
First Tennessee Capital Markets	A1		P-1	N/A	A1	A-	Negative
Ford Motor Credit	A2		P-1	A-1*	A2	A	Negative
GE Capital	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley Dean Witter	Aa3		P-1	A-1+	Aa3	AA-	Stable
Paine Webber	Aa1		P-1	A-1+	Aa1	AA+	Stable
Prudential Securities Incorporated	A2		P-1	A-2	A2	BBB+	Stable
State Street Bank & Trust Company	Aa2		P-1	A-1+	Aa2	AA	Stable
SunTrust Equitable Securities	Aa3		P-1	A-1	Aa3	A+	Stable
Zions Bank	A2		P-1	A-2	A3	BBB+	Stable

\* On October 15, Standard and Poor revised downward to A-2, Ford Motor's Short-Term Credit Rating.

**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-1 have a strong ability for repayment of sr. S-T debt obligations  
P-3 - Prime-1 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

October 17, 2001

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 September 30, 2001.

**Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation  
September 30, 2001**

Asset Class		
Cash/Short Term Investments		\$ 178,169,114
Equities – Domestic		\$ 2,241,195,755
Equities – International		\$ 969,700,594
Fixed Income – Government	\$ 994,414,473	
Fixed Income – Corporate	\$ 822,032,922	
Fixed Income – In State	\$ 26,825,115	
Total Fixed Income		\$ 1,843,272,510
Alternative Investments		\$ 298,448,450
Other – Escrow		\$ 500,000
Total Fund Investments		\$ 5,531,286,423
Plan Allocation		
State Employees & Teachers	86.88%	\$ 4,805,457,268
Municipal Employees	12.77%	\$ 706,349,696
State Police	0.21%	\$ 11,882,890
Judicial	0.14%	\$ 7,596,569
Total Fund Investments	100.00%	\$ 5,531,286,423

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**  
**September 30, 2001**

	Performance		Benchmark Description	Performance		Valuation Change			
	Calendar YTD			Current Month		Market Value	Transfers	Market Value	Increase/
	Benchmark	Alpha		Net of Xfers	Benchmark	Alpha	8/31/01	In/(out)	9/30/01
<b>Domestic Equity</b>									
Shott Capital Management IRR	0.26%	N/A	N/A	N/A	N/A	217,245	(90,060)	100,910	(26,275)
JP Morgan Investment Management	-20.83%	-21.22%	0.39%	-1.13%	-8.48%	319,865,494	25,920	289,138,755	(30,752,659)
Provident Investment Council	-47.23%	-30.89%	-16.34%	-3.23%	-9.98%	219,763,984	25,920	190,746,086	(29,043,818)
SSgA Core	-17.31%	-21.22%	3.91%	0.94%	-8.48%	313,431,068	25,920	289,811,686	(23,645,302)
SSgA Russell Value	-12.09%	-12.08%	-0.01%	0.00%	-7.04%	224,214,461	25,920	208,456,047	(15,784,334)
SSgA Wilshire 5000	-21.10%	-20.76%	-0.34%	-0.06%	-8.98%	1,005,004,294	90,720	914,212,013	(90,883,001)
PIMCO	-19.46%	-20.39%	0.93%	-0.08%	-8.17%	404,894,430	38,880	371,852,389	(33,080,921)
<b>Total Domestic Equity</b>	<b>-22.91%</b>				<b>-8.97%</b>	<b>2,487,390,976</b>	<b>143,220</b>	<b>2,264,317,886</b>	<b>(223,216,309)</b>
<b>International Equity</b>									
Bank of Ireland	N/A	26.07%	N/A	1.70%	-10.61%	406,236,486	36,480	370,000,514	(36,272,452)
Putnam Investments	N/A	26.07%	N/A	0.62%	-10.61%	413,814,621	36,480	372,435,428	(41,415,673)
Zurich Scudder Investments	-30.05%	-26.07%	-3.98%	-0.07%	-10.68%	280,195,255	31,200	250,292,055	(29,934,400)
<b>Total International Equity</b>	<b>-28.08%</b>				<b>-9.78%</b>	<b>1,100,246,362</b>	<b>104,160</b>	<b>992,727,997</b>	<b>(107,622,525)</b>
<b>Fixed Income</b>									
Fleet Investment Advisors	7.28%	8.38%	-1.10%	0.30%	1.46%	598,023,392	47,040	606,790,242	8,719,810
Fidelity Management & Research	8.25%	8.12%	0.13%	0.11%	1.58%	450,611,504	36,000	457,764,227	7,116,723
Brown Brothers, Harriman	8.34%	8.49%	-0.15%	-0.07%	1.16%	251,575,520	17,280	254,510,431	2,917,631
In-State Fixed Income	5.12%	N/A	N/A	N/A	0.54%	26,824,767	(145,017)	26,825,115	145,365
Taplin, Canida & Habacht	7.89%	9.43%	-1.54%	-1.16%	-1.31%	347,810,596	21,120	343,282,414	(4,549,302)
Loomis, Sayles & Co.	-5.38%	-3.55%	-1.83%	0.33%	-5.91%	293,552,425	21,120	276,210,661	(17,362,684)
<b>Total Fixed Income</b>	<b>5.61%</b>				<b>-0.15%</b>	<b>1,968,398,204</b>	<b>(2,457)</b>	<b>1,965,383,291</b>	<b>(3,012,456)</b>
<b>Alternative Investments</b>									
Pacific Corporate Group	-27.51%	N/A	N/A	N/A	-4.09%	278,411,668	(1,351,126)	285,421,873	(11,638,669)
JMB/Heitman Advisory Group	-2.88%	4.57%	-7.45%	-4.57%	0.00%	3,231,256	-	3,231,256	(0)
L & B Real Estate Counsel	4.90%	4.57%	0.33%	-4.57%	0.00%	29,795,321	-	29,795,321	0
Bank Acquisition Contingency	0.00%	N/A	N/A	N/A	N/A	500,000	-	500,000	0
<b>Total Alternatives</b>	<b>-23.69%</b>				<b>-3.65%</b>	<b>311,938,245</b>	<b>(1,351,126)</b>	<b>298,948,450</b>	<b>(11,638,669)</b>
<b>Cash Accounts</b>									
Cash in Trust	N/A	N/A	N/A	N/A	N/A	23,644,421	(13,912,186)	9,949,519	217,284
Internal Cash	N/A	N/A	N/A	N/A	N/A	1,259,694	-	(40,720)	(1,300,414)
<b>Total Cash</b>	<b>N/A</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>N/A</b>	<b>24,904,115</b>	<b>(13,912,186)</b>	<b>9,908,799</b>	<b>(1,083,129)</b>
<b>Fund Grand Total</b>	<b>-15.32%</b>	<b>-14.38%</b>	<b>-0.94%</b>	<b>0.66%</b>	<b>-5.86%</b>	<b>5,892,877,902</b>	<b>(15,018,390)</b>	<b>5,531,286,423</b>	<b>(346,573,089)</b>

\*Policy Index:  
52.5% Wilshire 5000  
27.5% Lehman Aggregate  
20.0% MSCI ACWI X-US

**STATE OF RHODE ISLAND  
SUMMARY OF MANAGER PERFORMANCE  
RATES OF RETURN**

**Periods Ending September 30, 2001**

	MKT VAL	% OF FUND	1 Month	3 Months	6 Months	YTD	PYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>U.S. EQUITY</b>												
J.P. MORGAN	289,139	5.23	-9.61	-16.23	-9.91	-20.83	-16.23	-27.19	-9.56	1.45		
PIMCO	371,852	6.72	-8.17	-14.27	-8.84	-19.46	-14.27	-60.50	-27.92	-13.57	-7.48	-0.11
PROVIDENT INVESTMENT	190,746	3.45	-13.21	-27.74	-22.50	-47.23	-27.74	-50.00	23.91			
SHOTT CAPITAL	101	0.00	-19.17	-34.19	-15.70	-41.65	-34.19	-25.34	-8.17	3.14		
SSGA - CORE	289,812	5.24	-7.54	-13.71	-5.88	-17.31	-13.71	-8.85				
SSGA RUSSELL 1000 VALUE	208,456	3.77	-7.04	-10.96	-6.61	-12.09	-10.96					
SSGA WILSHIRE 5000	914,212	16.53	-9.04	-15.94	-9.64	-21.10	-15.94	-31.62	-11.49	-1.18	-0.72	5.88
TOTAL US EQUITY	2,264,318	40.94	-8.97	-16.17	-10.09	-22.91	-16.17					
<b>RUSSELL 1000</b>												
RUSSELL 1000 GROWTH			-8.48	-15.23	-9.88	-21.21	-15.23	-28.42	-8.17	2.30	3.54	9.87
RUSSELL 1000 VALUE			-9.98	-19.41	-12.63	-30.89	-19.41	-45.64	-18.09	-3.28	0.13	6.50
WILSHIRE 5000			-7.04	-10.95	-6.61	-12.07	-10.95	-8.91	-0.40	5.61	5.10	11.67
			-8.98	-15.90	-9.61	-20.77	-15.90	-28.95	-8.61	1.97	2.30	8.61
<b>INTERNATIONAL EQUITY</b>												
BANK OF IRELAND	369,627	6.68	-8.91	-13.78			-13.78					
PUTNAM INVESTMENTS	372,062	6.73	-9.99	-14.38			-14.38					
SSGA TRANSITION ACCOUNT	6	0.00										
BARING ASSET MANAGEMENT	77	0.00										
SCHRODER CAPITAL MANAGEMENT	664	0.01										
SCUDDER KEMPER INVESTMENTS	250,292	4.53	-10.68	-15.95	-16.51	-30.05	-15.95	-32.65	-15.53	-3.11	-11.46	-9.45
TOTAL INTERNATIONAL EQUITY	992,728	17.95	-9.78	-14.50	-15.57	-28.08	-14.50	-29.26	-12.35	-0.60	-4.11	-0.43
<b>MSCI AC WORLD EX USA (GROSS)</b>												
MSCI EAFE (NET)			-10.64	-14.83	-14.98	-26.08	-14.83	-29.38	-13.82	-0.13	-3.72	-0.51
			-10.13	-14.00	-14.90	-26.56	-14.00	-28.53	-14.13	-1.16	-3.01	-0.14

**STATE OF RHODE ISLAND  
SUMMARY OF MANAGER PERFORMANCE  
RATES OF RETURN  
Periods Ending September 30, 2001**

	MKT VAL	% OF FUND	1 Month	3 Months	6 Months	YTD	PYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>U.S. FIXED INCOME</b>												
BROWN BROTHERS HARRIMEN	254,510	4.60	1.16	4.11	5.25	8.34	4.11	14.03	10.11	6.35	7.30	7.24
FIDELITY MANAGEMENT TRUST	457,764	8.28	1.58	4.28	5.44	8.25	4.28	12.45	10.14	7.50	7.68	8.21
FLEET INVESTMENT	606,790	10.97	1.46	5.09	4.90	7.28	5.09	12.36	10.06	5.52	7.97	8.37
LOOMIS SAYLES	276,211	4.99	-5.91	-5.25	-8.15	-5.38	-5.25	-9.23	-1.21	4.16	-0.11	3.56
STATE ACCOUNT	26,825	0.48	0.54	1.62	3.32	5.12	1.62	6.96				
TAPLIN, CANIDA & HABACHT	343,282	6.21	-1.31	1.77	3.09	7.89	1.77	10.41	8.38	5.68	6.91	7.81
TOTAL US FIXED INCOME	1,965,383	35.53	-0.15	2.57	2.64	5.61	2.57	8.68	8.05	5.73	6.70	7.52
<b>70% MERRILL LYNCH HY/30% FB CONV HY</b>												
LB AGGREGATE			-6.73	-4.45	-6.15	-0.96	-4.45	-5.77	-2.31	-0.27	0.21	3.01
SSBI BROAD INV GRADE			1.16	4.62	5.20	8.38	4.62	12.95	9.93	6.38	7.64	8.06
SSBI LARGE PENSION FUND			1.23	4.72	5.25	8.50	4.72	13.06	9.94	6.43	7.67	8.07
SSBI LPF COLLATERALIZED			0.76	5.34	5.26	8.50	5.34	14.12	10.63	5.89		
			1.48	4.31	5.21	8.13	4.31	12.32	9.85			
<b>ALTERNATIVE INVESTMENTS</b>												
HEITMAN REAL ESTATE	3,231	0.06	0.00	2.68	-3.74	-2.88	2.68	-0.43	9.76	9.89	10.06	8.55
L&B REAL ESTATE	29,795	0.54	0.00	0.94	2.38	4.90	0.94	7.47	7.65	8.83	12.42	11.06
PRIVATE EQUITY INVESTMENT	265,422	4.80	-4.09	0.15	-3.52	-27.51	0.15	-23.23	4.04	5.11	7.26	12.22
CONTINGENCY RESERVE FUND	500	0.01	0.00									
TOTAL ALTERNATIVE INVESTMENTS	298,948	5.40	-3.65	0.12	-2.82	-23.69	0.12	-19.53				
<b>CASH EQUIVALENTS</b>												
CASH ACCOUNT (INSIDE)	9,898	0.18	1.86	9.81	15.81	18.90	9.81	20.87				
CASH ACCOUNT (OUTSIDE)	10	0.00	0.27	0.88	2.06	3.56	0.88	5.28				
<b>TOTAL PLAN</b>												
TOTAL PLAN	5,531,285	100.00	-5.86	-9.08	-6.80	-15.32	-9.08	-19.07	-4.61	1.58	1.70	5.74
TOTAL PLAN BENCHMARK			-6.52	-10.30	-6.65	-14.44	-10.30	-18.90	-4.55	3.13	2.93	6.99



Asset Allocation Report		Style	Actual		Target		Difference	Cash	% of
Market Values at Sept 30, 2001 (\$Millions)		Mandate							Total
<b>Domestic Equity</b>									
Shott Capital Mgmt	alternative distribution	0.10	0.0%	0.00	0.0%	0.10	0.00	0.0%	
JP Morgan Investment Management	active core	289.14	5.2%	276.56	5.0%	12.57	0.82	0.3%	
Provident Investment Council	Active lrg cap grwth	190.75	3.4%	276.56	5.0%	-85.82	16.59	8.7%	
SSgA Core	active core	289.81	5.2%	276.56	5.0%	13.25	5.71	2.0%	
SSgA Russell	lrg cap value Index	208.46	3.8%	276.56	5.0%	-68.11	0.00	0.0%	
SSgA Wilshire 5000	Equity Index	914.21	16.5%	967.98	17.5%	-53.76	(0.01)	0.0%	
PIMCO	enhanced equity	371.85	6.7%	414.85	7.5%	-42.99	0.00	0.0%	
<b>TOTAL DOMESTIC EQUITY</b>			<b>\$2,264.32</b>	<b>40.9%</b>	<b>\$2,489.08</b>	<b>45.0%</b>	<b>-\$224.76</b>	<b>\$23.12</b>	<b>1.0%</b>
<b>International Equity</b>									
Bank of Ireland	M/S all country ex US	370.00	6.7%	387.19	7.0%	-17.19	9.21	2.5%	
Putnam Investments	M/S all country ex US	372.44	6.7%	387.19	7.0%	-14.75	8.80	2.4%	
Zurich Scudder Investments	M/S all country ex US	250.29	4.5%	331.88	6.0%	-81.59	5.02	2.0%	
<b>TOTAL INT'L EQUITY</b>			<b>\$992.73</b>	<b>17.9%</b>	<b>\$1,106.26</b>	<b>20.0%</b>	<b>-\$113.53</b>	<b>\$23.12</b>	<b>2.3%</b>
<b>Domestic Fixed Income</b>									
Fleet Investment Advisors	active core	606.79	11.0%	501.96	9.1%	104.83	17.91	3.0%	
Fidelity Management & Research	mortgages	457.76	8.3%	380.28	6.9%	77.49	57.95	12.7%	
Brown Brothers, Harriman	opportunistic core	254.51	4.6%	182.53	3.3%	71.98	15.96	6.3%	
In-State Fixed Income	short/int govt	26.83	0.5%	0.00	0.0%	26.83	0.17	0.6%	
Taplin, Canida & Habacht	corporates	343.28	6.2%	228.17	4.1%	115.12	20.90	6.1%	
Loomis, Sayles & Co.	convt/hi yield	276.21	5.0%	228.17	4.1%	48.05	9.20	3.3%	
<b>TOTAL FIXED-INCOME</b>			<b>\$1,965.38</b>	<b>35.5%</b>	<b>\$1,521.10</b>	<b>27.5%</b>	<b>\$444.28</b>	<b>\$122.11</b>	<b>6.2%</b>
<b>Alternative Investments</b>									
JMB/ Heitman Advisory Corp	real estate	3.23	0.1%						
L&B Real Estate Counsel	real estate	29.80	0.5%						
Shott Capital Mgmt	alternative distribution	0.00	0.0%						
Pacific Corp Group	Private Equity	265.42	4.8%						
Bank Disposition	contingency	0.50	0.0%						
<b>TOTAL ALTERNATIVE INVESTMENTS</b>			<b>\$298.95</b>	<b>5.4%</b>	<b>\$414.85</b>	<b>7.5%</b>	<b>-\$115.90</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>CASH EQUIVALENTS</b>		STIF, Yield+	9.91	0.2%	0.00	0.0%	9.91	9.91	100.0%
<b>TOTAL ASSETS</b>			<b>\$5,531.29</b>	<b>100.0%</b>	<b>\$5,531.29</b>	<b>100.0%</b>	<b>\$0.00</b>	<b>\$178.27</b>	<b>3.2%</b>
<b>Allocation By Management Style</b>									
<b>Domestic Equity</b>									
Core		578.95	10.5%	553.13	10.0%	25.82	6.53	1.1%	
Large Cap Growth		190.75	3.4%	276.56	5.0%	(85.82)	16.59	8.7%	
Large Cap Value		208.46	3.8%	276.56	5.0%	(68.11)	-	0.0%	
Enhanced Equity		1,286.06	23.3%	1,382.82	25.0%	(96.76)	(0.01)	0.0%	
Alt Distribution		0.10	0.0%	-	0.0%	0.10	-	0.0%	
<b>TOTAL DOMESTIC EQUITY</b>			<b>\$2,264.32</b>	<b>40.9%</b>	<b>\$2,489.08</b>	<b>45.0%</b>	<b>(\$224.76)</b>	<b>\$23.12</b>	<b>1.0%</b>
<b>International Equity</b>									
Passive		370.00	6.7%	387.19	7.0%	(17.19)	9.21	2.5%	
Active		622.73	11.3%	719.07	13.0%	(96.34)	13.82	2.2%	
Emerging Markets		-	0.0%	-	0.0%	-	0.10	0.0%	
<b>TOTAL INT'L EQUITY</b>			<b>\$992.73</b>	<b>17.9%</b>	<b>\$1,106.26</b>	<b>20.0%</b>	<b>(\$113.53)</b>	<b>\$23.12</b>	<b>2.3%</b>
<b>Domestic Fixed Income</b>									
Mortgage		457.76	19.2%	380.28	6.875%	77.49	57.95	12.7%	
Core		888.13	5.1%	684.50	12.375%	203.63	34.06	3.8%	
Corporates		343.28	6.2%	228.17	4.125%	115.12	20.90	6.1%	
Convertible/High Yield		276.21	5.0%	228.17	4.125%	48.05	9.20	3.3%	
<b>TOTAL FIXED-INCOME</b>			<b>\$1,965.38</b>	<b>35.5%</b>	<b>\$1,521.10</b>	<b>27.5%</b>	<b>\$444.28</b>	<b>\$122.11</b>	<b>6.2%</b>
<b>Alternative Investments</b>									
Real Estate		33.03	0.6%						
Other Alternative Investments		265.92	4.8%						
<b>TOTAL ALTERNATIVE INVESTMENTS</b>			<b>\$298.95</b>	<b>5.4%</b>	<b>\$414.85</b>	<b>7.5%</b>	<b>(\$115.90)</b>		
<b>CASH EQUIVALENTS</b>		STIF, Yield+	9.91	0.2%	0.00	0.0%	9.91	9.91	100.0%
<b>TOTAL ASSETS</b>			<b>\$5,531.29</b>	<b>100.0%</b>	<b>\$5,531.29</b>	<b>100.0%</b>	<b>\$0.00</b>	<b>\$178.27</b>	<b>3.2%</b>



**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**Domestic Equity Holdings By Top 10 Market Values**

SEPTEMBER 30, 2001

<i>Equities</i>				
<b>RANK</b>	<b>SECURITY NAME</b>	<b>PAR VALUES/SHARES</b>	<b>BASE MARKET AMOUNT</b>	<b>MONEY MANAGERS</b>
1	PFIZER INC	855,800	\$34,317,580	SSgA,Provident,J.P.Morgan
2	GENERAL ELC. CO	759,300	28,245,960	SSgA,Provident,J.P.Morgan
3	MICROSOFT CORP	440,200	22,525,034	SSgA,Provident,J.P.Morgan
4	AOL TIME WARNER INC	612,500	20,273,750	SSgA,Provident,J.P.Morgan
5	EXXON MOBIL CORP	397,370	15,656,378	SSgA,J.P.Morgan
6	CITIGROUP INC	348,833	14,127,737	SSgA,J.P.Morgan
7	FEDERAL HOME LN MTG	208,000	13,520,000	SSgA,Provident,J.P.Morgan
8	INTEL CORP	657,700	13,443,388	SSgA,J.P.Morgan
9	JOHNSON & JOHNSON	205,400	11,379,160	SSgA,J.P.Morgan
10	CISCO SYS INC	905,900	11,033,862	SSgA,J.P.Morgan
		8.15%	\$184,522,849	
<b>Total Composite Equities</b>			<b>\$2,264,231,010</b>	

**International Equity Holdings By Top 10 Market Values**

SEPTEMBER 30, 2001

<i>International Equities</i>				
<b>RANK</b>	<b>SECURITY NAME</b>	<b>PAR VALUES/SHARES</b>	<b>BASE MARKET AMOUNT</b>	<b>MONEY MANAGERS</b>
1	TOTAL FINA ELF	239,012	\$32,106,340	Bank of Ireland,Zurich,Putnam
2	GLAXOSMITHLINE	1,134,818	32,022,565	Bank of Ireland,Zurich,Putnam
3	ING GROEP NV CVA	1,153,817	30,924,755	Bank of Ireland,Zurich,Putnam
4	VODAFONE GROUP	13,293,408	29,305,981	Bank of Ireland,Zurich,Putnam
5	SHELL TRNSPT+TRDG	3,652,938	27,380,486	Bank of Ireland,Zurich,Putnam
6	NESTLE SA	123,592	26,377,181	Bank of Ireland,Zurich,Putnam
7	AVENTIS SA	268,284	20,352,551	Bank of Ireland,Zurich,Putnam
8	NTT DOCOMO	1,308	17,677,155	Bank of Ireland,Zurich,Putnam
9	ASTREZENECA ORD	375,769	17,479,282	Bank of Ireland,Zurich,Putnam
10	BARCLAYS ORD	613,377	16,866,693	Bank of Ireland,Zurich,Putnam
		25.23%	\$250,492,989	
<b>Total Composite International Equities</b>			<b>\$992,722,011</b>	

**Alternative Investments Funding**

2001

Manager	Inception Date	Partnership Commitment	Prior Funding Thru 8/31/01	Current Month Funding	Cumulative Total at 9/30/01	Unfunded Balance	Market Values at 9/30/01
<i>ABS Capital Partners</i>	May 1996	5,000,000	2,813,914	0	2,813,914	2,186,086	1,917,988
<i>Apollo RE Investment Fund IV L.P.</i>	Apr 1998	15,000,000	13,112,766	0	13,112,766	1,887,234	15,191,985
<i>Alta BioPharma Partners, L.P.</i>	Mar 1998	10,000,000	7,492,435	0	7,492,435	2,507,565	8,155,161
<i>Alta California Partners II L.P.</i>	Oct 1998	10,000,000	7,553,607	0	7,553,607	2,446,393	6,384,557
<i>Alta California Partners III L.P.</i>	Jan 2001	15,000,000	3,000,000	0	3,000,000	12,000,000	2,749,230
<i>Aurora Equity Partners II</i>	Mar 1998	15,000,000	9,650,803	131,480	9,782,283	5,217,717	10,680,668
<i>Blackstone Capital Ptnrs III</i>	Jun 1997	20,000,000	11,759,776	0	11,759,776	8,240,224	8,018,649
<i>Blackstone Capital Ptnrs IV</i>	Sept 2001	25,000,000	0	0	0	25,000,000	0
<i>Boston Ventures Ltd</i>	Sept 1996	5,000,000	4,053,033	0	4,053,033	946,967	3,331,721
<i>Crossroads/Providence LP</i>	Dec 1988	37,319,303	36,766,499	0	36,766,499	0	12,533,780
<i>CSFB Global Opportunities Ptnrs, L.P.</i>	Sept 2001	15,000,000	0	0	0	15,000,000	0
<i>CVC Capital Partners</i>	Mar 1998	15,000,000	11,131,769	(1,133,676)	9,998,093	5,001,907	13,193,185
<i>CVC Capital Partners III</i>	Mar 2001	20,000,000	0	707,058	707,058	19,292,942	707,057
<i>Doughty Hanson II</i>	Mar 1996	5,000,000	1,830,606	0	1,830,606	3,169,394	769,417
<i>Doughty Hanson III</i>	Nov 1997	15,000,000	9,271,505	0	9,271,505	5,728,495	8,161,243
<i>Fenway</i>	Aug 1998	15,000,000	7,276,834	0	7,276,834	7,723,166	6,284,042
<i>First Reserve Fund VIII L.P.</i>	Apr 1998	15,000,000	13,106,216	0	13,106,216	1,893,784	16,374,005
<i>First Reserve Fund IX L.P.</i>	Jan 2001	20,000,000	2,043,796	0	2,043,796	17,956,204	2,043,796
<i>Harvest Partners III</i>	Dec 1997	15,000,000	12,241,200	0	12,241,200	2,758,800	21,334,483
<i>Harvest Partners IV</i>	Aug 2001	15,000,000	0	0	0	15,000,000	0
<i>Heritage Fund</i>	May 1997	5,000,000	3,960,448	0	3,960,448	1,039,552	4,119,163
<i>Narragansett Capital Partners</i>	Jan 1987	1,671,121	762,385	0	762,385	908,736	228,474
<i>Navis Partners V</i>	Feb 2001	20,000,000	362,484	0	362,484	19,637,516	362,518
<i>Nordic Capital III</i>	Feb 1998	10,000,000	7,663,912	0	7,663,912	2,336,088	6,964,305
<i>OCM Opportunities Fund</i>	Jan 1996	8,000,000	1,430,038	0	1,430,038	6,569,962	4,207,160
<i>OCM Principal Opportunities</i>	Nov 1996	5,000,000	4,633,633	0	4,633,633	366,367	5,764,308
<i>OCM Opportunities II</i>	Oct 1997	12,000,000	9,522,340	(775,279)	8,747,061	3,252,939	11,509,560
<i>Parthenon Investors, L.P.</i>	Feb 1999	15,000,000	10,729,733	0	10,729,733	4,270,267	14,082,820
<i>Parthenon Investors II, L.P.</i>	Dec 2000	20,000,000	871,265	0	871,265	19,128,735	801,919
<i>Providence Equity Partners</i>	Dec 1996	10,000,000	4,038,220	0	4,038,220	5,961,780	5,156,702
<i>Providence Equity Partners III L.P.</i>	Dec 1998	15,000,000	6,832,546	(9,070)	6,823,476	8,176,524	4,886,993
<i>Providence Equity Partners IV L.P.</i>	Sep 2000	25,000,000	(9)	0	(9)	25,000,009	44,644
<i>SKM Equity Fund II</i>	Dec 1996	10,000,000	7,784,244	0	7,784,244	2,215,756	7,353,197
<i>THL Equity Fund IV</i>	Dec 1997	9,000,000	7,168,370	0	7,168,370	1,831,630	10,482,156
<i>TPG Partners</i>	Apr 1997	10,000,000	8,159,147	0	8,159,147	1,840,853	7,963,990
<i>Triumph Partners III</i>	Feb 1998	15,000,000	9,387,166	49,271	9,436,437	5,563,563	9,917,453
<i>VS &amp; A Communications Ptnrs III L.P.</i>	Nov 1998	15,000,000	6,505,874	0	6,505,874	8,494,126	5,571,138
<i>Wellspring Capital Partners</i>	Sep 1998	15,000,000	8,537,238	0	8,537,238	6,462,762	8,532,235
<i>Welsh, Carson, Anderson &amp; Stowe</i>	Oct 1995	15,000,000	12,882,951	(38,043)	12,844,908	2,155,092	16,435,170
<i>Willis Stein</i>	Jun 1996	5,000,000	3,613,319	0	3,613,319	1,386,681	3,206,958
<i>Real Estate Investments</i>	Various	80,544,204	39,382,796	0	39,382,796	0	33,026,577
<i>Contingency Fund</i>		500,000	500,000	0	500,000	0	500,000
<b>TOTALS:</b>		<b>\$629,034,628</b>	<b>\$307,832,859</b>	<b>(\$1,068,259)</b>	<b>\$306,764,599</b>	<b>\$280,555,817</b>	<b>\$298,948,407</b>



**Retirement Systems  
Investment Earnings  
Fiscal Year 2002 to Date Summary**

**ERSRI  
&  
MERSRI**

**at September 30, 2001**

	<u>LONG TERM</u>	<u>SHORT TERM</u>	<u>TOTAL</u>
INTEREST SOLD	\$2,890,942		\$2,890,942
SECURITIES LENDING	447,867		447,867
DIVIDENDS	6,757,134		6,757,134
INTEREST	36,151,892	82,972	36,234,864
MISCELLANEOUS	(545,784)		(545,784)
CAPITAL GAINS/LOSSES	(73,712,792)		(73,712,792)
<b>GRAND TOTAL:</b>	<b>(\$28,010,740)</b>	<b>\$82,972</b>	<b>(\$27,927,768)</b>

FISCAL YEAR 2002

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

CASH BASIS

ERSRI & MERSRI

	Actual Jul 01	Actual Aug	Actual Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 02	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	PROJECTED TOTAL
<b>EQUITIES</b>													
<i>Provident Investmnt</i>		222,496		300,000		300,000			300,000			300,000	0
<i>JP Morgan</i>	224,746			275,000		275,000			275,000			275,000	1,122,496
<i>SSgA Core</i>		217,218		275,000		275,000			275,000			275,000	1,049,746
<i>SSgA Russell</i>		24,292		30,000		30,000			30,000			30,000	1,042,218
<i>Shoht Capital</i>	1,040			7,500		7,500			7,500			7,500	114,292
<i>SSgA Wilshire 5000</i>		52,415		55,000		55,000			55,000			55,000	23,540
													217,415
<b>FIXED INCOME</b>													
<i>Fleet Investment Advisors</i>		262,500		262,500		262,500			262,500			262,500	1,050,000
<i>Brown Bros.</i>		121,029		130,000		130,000			130,000			130,000	511,029
<i>Fidelity</i>		134,643		350,000		350,000			350,000			350,000	1,184,643
<i>Taplin</i>	213,470			200,000		200,000			200,000			200,000	813,470
<i>Loomis Sayles</i>		370,831		400,000		400,000			400,000			400,000	1,570,831
<b>INT'L EQUITIES</b>													
<i>Bank of Ireland</i>			116,722	250,000		250,000			250,000			250,000	866,722
<i>Pitman Investments</i>		287,555	106,890	350,000		350,000			350,000			350,000	1,156,890
<i>Scaudder</i>				350,000		350,000			350,000			350,000	1,337,555
<i>Schroder</i>			177,584										177,584
<b>REAL ESTATE</b>													
<i>Heitman Advisory</i>													0
<i>L &amp; B Real Estate</i>													0
<b>ALTERNATIVE INVESTMENTS</b>													
<i>Other Alt Inv Mgmt Fees</i>	1,142,986	135,514	213,599	200,000	200,000	200,000	200,000	200,000	200,000	0	0	200,000	2,892,099
<b>SUB TOTAL - INV MGMT FEES</b>	<b>1,582,243</b>	<b>1,828,492</b>	<b>614,795</b>	<b>200,000</b>	<b>200,000</b>	<b>3,435,000</b>	<b>200,000</b>	<b>200,000</b>	<b>3,435,000</b>	<b>0</b>	<b>0</b>	<b>3,435,000</b>	<b>15,130,530</b>
<b>PROFESSIONAL FEES</b>													
<i>Consulting</i>													0
<i>Legal</i>	71,539	68,750	19,444	16,667	16,667	36,000	16,667	16,667	68,750	16,667	16,667	36,000	198,983
<i>State Street Bank Custodial</i>						68,750	16,667	16,667	68,750	16,667	16,667	68,750	275,000
<i>Pacific Corp Group</i>	33,333	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	216,670
<i>Wilshire Assoc</i>													
<b>OPERATING EXPENSE</b>													
<i>Retirement Transfers</i>				3,000,000		3,000,000			3,000,000			3,000,000	12,000,000
<i>Other Expense</i>				3,000		3,000			3,000			3,000	6,000
<b>TOTAL:</b>	<b>1,687,115</b>	<b>1,913,909</b>	<b>650,906</b>	<b>3,216,667</b>	<b>216,667</b>	<b>6,559,417</b>	<b>216,667</b>	<b>216,667</b>	<b>6,556,417</b>	<b>16,667</b>	<b>16,667</b>	<b>6,559,417</b>	<b>27,827,183</b>

**CASH FLOW ANALYSIS - INCOME & EXPENSES**

Employees Retirement System

**FISCAL YEAR 2002**

	FY 2001-02 Actual July 2001	Actual August	Actual September	Projected October	Projected November	Projected December	Projected January 2002	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	32,602,286	34,061,583	33,973,120	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	388,636,989
ADMINISTRATIVE EXPENSES	0	0	31,372	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	9,031,372
INVESTMENT EXPENSES	993,475	117,782	534,120	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	12,445,377
TOTAL OUTFLOW	33,595,761	34,179,365	34,538,612	34,200,000	34,200,000	34,200,000	34,200,000	34,200,000	34,200,000	34,200,000	34,200,000	34,200,000	410,113,738
CONTRIBUTIONS	24,368,335	20,599,000	9,707,898	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	243,675,233
OTHER INCOME*	590,788	1,877,333	391,245	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	25,359,366
TOTAL INCOME	24,959,123	22,476,333	10,099,143	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	269,034,599
DIFFERENCE	(6,636,638)	(11,703,032)	(24,439,469)	(10,700,000)	(10,700,000)	(10,700,000)	(10,700,000)	(10,700,000)	(10,700,000)	(10,700,000)	(10,700,000)	(10,700,000)	(141,079,139)

Municipal Employees Retirement System

	Actual July 2001	Actual August	Actual September	Projected October	Projected November	Projected December	Projected January 2002	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	2,802,346	2,804,000	2,823,023	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	34,529,369
ADMINISTRATIVE EXPENSES	0	0	4,611	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,354,611
INVESTMENT EXPENSES	145,714	17,275	78,510	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,041,499
TOTAL OUTFLOW	2,948,060	2,821,275	2,906,144	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	37,925,479
CONTRIBUTIONS	1,505,428	1,610,883	559,349	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	18,075,660
OTHER INCOME*	86,652	275,343	57,508	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	3,794,503
TOTAL INCOME	1,592,080	1,886,226	616,857	1,975,000	1,975,000	1,975,000	1,975,000	1,975,000	1,975,000	1,975,000	1,975,000	1,975,000	21,870,163
DIFFERENCE	(1,355,980)	(935,049)	(2,289,287)	(1,275,000)	(1,275,000)	(1,275,000)	(1,275,000)	(1,275,000)	(1,275,000)	(1,275,000)	(1,275,000)	(1,275,000)	(16,055,316)

Judges/State Police Retirement System

	Actual July 2001	Actual August	Actual September	Projected October	Projected November	Actual December	Projected January 2002	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	7,678	7,678	7,678	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,534
ADMINISTRATIVE EXPENSES	0	0	128	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	29,378
INVESTMENT EXPENSES	3,797	457	2,165	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	44,669
TOTAL OUTFLOW	11,475	8,135	9,971	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	164,581
CONTRIBUTIONS	317,942	480,000	325,850	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	4,273,792
OTHER INCOME*	2,258	7,287	1,587	8,250	8,250	8,250	8,000	8,000	8,000	8,000	8,000	8,000	83,882
TOTAL INCOME	320,200	487,287	327,437	358,250	358,250	358,250	358,000	358,000	358,000	358,000	358,000	358,000	4,357,674
DIFFERENCE	308,725	479,152	317,466	343,250	343,250	343,250	343,000	343,000	343,000	343,000	343,000	343,000	4,193,093

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

**ALTERNATIVE INVESTMENTS**

**FISCAL YEAR ANALYSES**

**CASH FLOW**

FISCAL YEAR 1999	JUL 1998	AUG	SEPT	OCT	NOV	DEC	JAN 1999	FEB	MAR	APR	MAY	JUN	YTD
<b>FUNDING</b>	7,541,470	3,002,627	7,539,316	6,956,433	3,010,334	6,553,062	5,360,631	4,784,922	10,481,384	8,451,170	5,527,463	7,448,986	76,657,798
<b>DISTRIB &amp; RET OF CAPITAL</b>	4,074,945	1,091,360	1,928,927	143,592	52,642	2,118,583	1,173,899	314,341	3,295,430	2,498,433	2,419,342	1,834,848	20,846,342
<b>GAINS/LOSSES/INCOME</b>	1,077,292	158,475	1,771,770	343,364	35,695	1,584,290	3,078,622	481,227	1,462,144	1,387,253	692,624	2,192,543	14,265,299
<b>FISCAL YEAR 2000</b>	<b>JUL 1999</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN 2000</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>YTD</b>
<b>FUNDING</b>	9,823,066	5,110,752	9,901,425	6,380,627	3,468,723	8,796,622	8,253,423	8,993,081	8,615,559	7,611,390	4,732,500	3,911,269	85,618,437
<b>DISTRIB &amp; RET OF CAPITAL</b>	936,824	943,255	614,451	625,662	1,479,086	2,264,032	613,896	626,829	4,401,772	1,193,941	908,508	621,479	15,229,735
<b>GAINS/LOSSES/INCOME</b>	4,494,508	482,472	2,183,904	1,137,446	917,857	433,686	1,006,405	288,160	9,976,688	1,546,109	502,193	2,169,983	25,139,411
<b>FISCAL YEAR 2001</b>	<b>JUL 2000</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN 2001</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>YTD</b>
<b>FUNDING</b>	7,850,261	7,940,976	2,416,691	3,798,586	2,964,509	4,678,116	3,051,803	1,099,337	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	2,806,532	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										6,146,552
<b>DISTRIB &amp; RET OF CAPITAL</b>	1,900,266	572,212	1,949,501										4,421,979
<b>GAINS/LOSSES/INCOME</b>	443,245	20,359,100	398,539										21,200,884



**Rhode Island Employees Retirement System  
Securities Lending Report  
September, 2001**

<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<b><u>DOMESTIC EQUITY</u></b>		
Provident Investment Council	6,619	13,930,258
JP Morgan Investment Management	4,692	11,422,831
SSgA Core	<u>8,195</u>	<u>17,875,926</u>
<b>Total Domestic Equity</b>	<b><u>\$19,507</u></b>	<b><u>\$43,229,015</u></b>
<b><u>INTERNATIONAL EQUITY</u></b>		
Bank of Ireland	12,468	17,291,042
Putnam Investments	31,157	58,473,563
Zurich, Scudder Investments	<u>18,431</u>	<u>49,019,937</u>
<b>Total International Equity</b>	<b><u>\$62,056</u></b>	<b><u>\$124,784,542</u></b>
<b><u>FIXED INCOME</u></b>		
Fleet Investment Advisors	78,656	282,708,897
Brown Brothers, Harriman	8,165	15,934,250
Taplin, Canida & Habacht	4,252	17,344,526
Loomis, Sayles & Co.	<u>9,391</u>	<u>21,880,522</u>
<b>Total Fixed Income</b>	<b><u>\$100,464</u></b>	<b><u>\$337,868,195</u></b>
 <b>TOTAL SECURITIES LENDING INCOME</b>	 <b><u>\$182,026</u></b>	 <b><u>\$505,881,752</u></b>
  Calendar Year 2001 YTD	  <b><u>\$ 1,578,899</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 September 30, 2001

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	145,258,364	155,941	145,414,305
4902 GENERAL FUND	0	0	0
4904 PENSION C	600,000	153	600,153
4908 PAYROLL A	4,800,000	1,220	4,801,220
4920 GENERAL FUND (HIST PRES)	433,192	2,325	435,517
5200 RI UNDERGROUND STORAGE TNK	1,300,000	330	1,300,330
5400 HIGHWAY FUND	21,094,397	10,130	21,104,527
5500 UNIVERSITY COLLEGE	0	0	0
5800 PROV. RIVER RELOCATION	0	0	0
6920 AUTO EQUIPMENT SERVICE	0	0	0
8000 T.D.I. RESERVE (DET)	60,762,223	12,827	60,775,049
8300 PERMANENT SCHOOL FUND	651,727	597	652,325
8400 EMP RETIREMENT FUND	0	0	0
8500 MUN EMP RETIREMENT FUND	0	0	0
8700 R.I. CLEAN WATER ACT	4,003,279	6,335	4,009,615
9000 BOND CAPITAL FUND	22,190,497	28,493	22,218,989
9400 R.I. HIGHER EDUCATION	0	0	0
9700 STATE LOTTERY FUND	21,183,528	36,905	21,220,433
9800 INDUS. BLDG. & MTG. INS.	3,002,212	6,412	3,008,624
9900 SINKING FUND	3,277,413	9,587	3,287,000
4911 TANS PROCEEDS	0	0	0
Subtotal	288,556,832	271,255	288,828,087
8701 CLEAN WATER CCDL2000 A	2,572		
8702 CLEAN WATER 1993 SER. A	52,591		
8703 CLEAN WATER 1991 SERIES A	697,786		
8704 CLEAN WATER 96 SERIES A	313,010		
8706 CLEAN WATER CCDL 1994 (A)	191,661		
8707 CAP DEV. OF 1997 SERIES A	155,149		
8733 CAP DEV. OF 1997 SERIES A	100,453		
8737 RI POLLUT. CONT 94 SER. A	44,651		
8738 POLLUTION CONTROL 1998B	5,580		
8739 CCDL99A 1999A	412,386		
8740 POLLUTION CONTROL CCDL200A	3,825,480		
8741 BOND 2001	1,255,403		
9108 BOND SALE 1990 SER. A&B	1,929		
9114 G.O. NOTE 1991 SER. B	19,446		
9115 BOND CCDL 1992 SERIES A	35,183		
9116 BOND CCDL 1993 SERIES A	3,216,672		
9117 BOND CCDL 1994 SERIES A	1,823,257		
9118 BOND CCDL 1995 SER. A	5,230		
9120 BOND CCBL96A	2,508,510		
9121 CAP DEV OF 1997 SERIES A	2,451,807		
9123 CCDL 1998B	11,908,227		
9124 CCDL99A 1999A	32,719,254		
9125 MMG099 1999	3,490,133		
9126 BOND CAPITOL CCDL2000A	22,315,456		
9127 MULTI-MODAL GEN OBL 2000	1,577,136		
9128 BOND 2001	70,767,398		
Subtotal Bond Proceed Accounts	159,896,358		
Total Short Term Portfolio	448,453,190		

\* General Fund (4901) & TDI (8000) Investments w/Brinson Advisors do not reflect Interest earnings due to nature of Money Market investments. Principal balances w/ Brinson @ Sep 30 are GF \$44,851,488.82 and TDI \$53,774,515.57. Interest is posted on the 1st business day of the next month.

**Short Term Inverest Rate Performance**  
**September 2001**

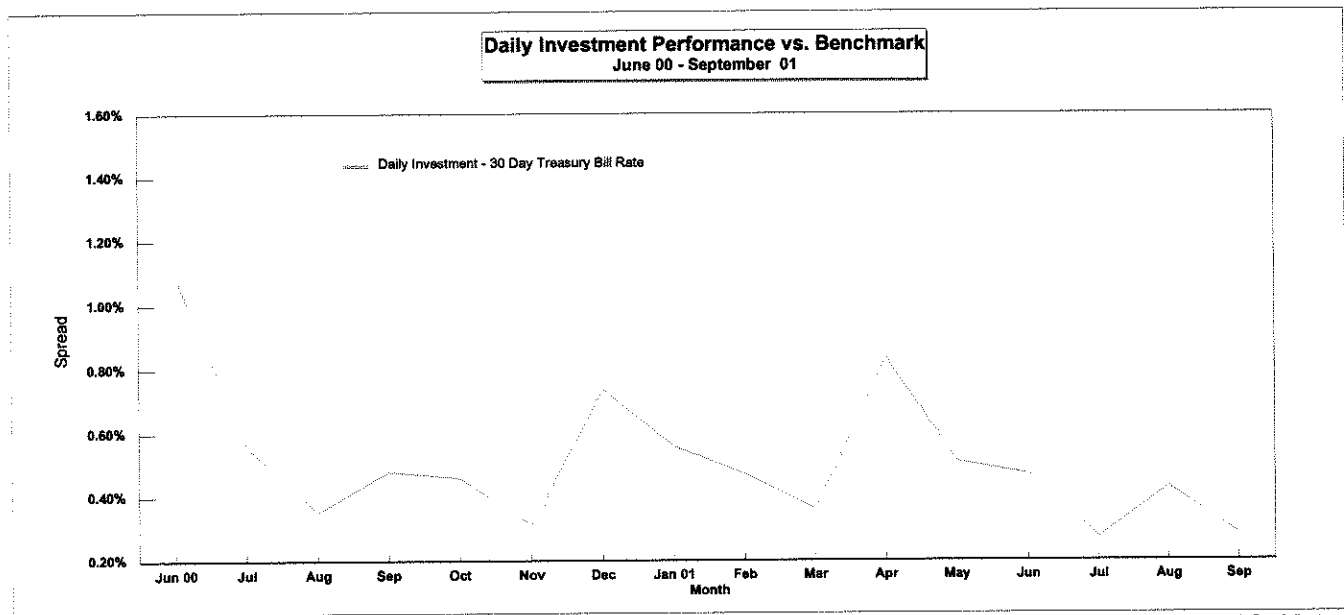
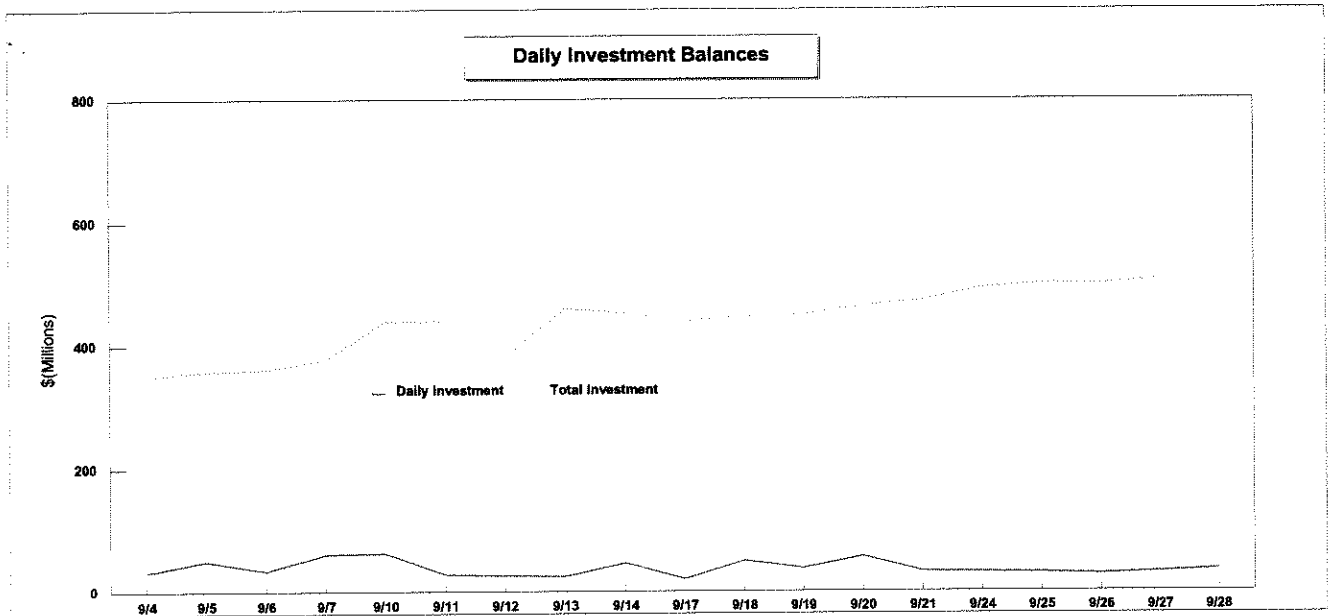
<u>Date</u>	<u>Amount Invested (millions)</u>	<u>Weighted Interest Rate</u>	<u>30 Day Treasury Rate</u>	<u>Basis Point Difference</u>	<u>Date</u>	<u>Total Invest (millions)</u>
9/04	\$32.21	3.54	3.44	10.41	9/04	\$349.48
9/05	\$51.07	3.51	3.36	14.93	9/05	\$358.44
9/06	\$34.73	3.46	3.44	1.86	9/06	\$361.47
9/07	\$61.80	3.43	3.39	4.28	9/07	\$376.67
9/10	\$63.49	3.41	3.30	11.38	9/10	\$440.29
9/11	\$28.50	3.39	3.30	9.00	9/11	\$439.66
9/12	\$26.83	3.46	3.46	-0.45	9/12	\$381.10
9/13	\$25.03	3.48	3.46	2.22	9/13	\$460.41
9/14	\$46.59	3.44	2.50	94.45	9/14	\$452.50
9/17	\$20.11	2.90	2.45	44.97	9/17	\$440.11
9/18	\$50.38	2.86	2.40	46.01	9/18	\$446.53
9/19	\$37.74	2.31	2.25	5.78	9/19	\$449.58
9/20	\$57.17	2.38	2.20	18.14	9/20	\$463.88
9/21	\$32.16	2.22	2.05	16.51	9/21	\$472.48
9/24	\$31.55	2.74	2.11	63.08	9/24	\$492.82
9/25	\$30.45	2.93	2.38	54.81	9/25	\$500.03
9/26	\$27.95	2.94	2.41	52.99	9/26	\$499.02
9/27	\$31.46	2.80	2.48	32.03	9/27	\$506.62
9/28	\$35.60	2.97	2.30	67.02	9/28	\$448.45

<u>Total Amount Invested</u>	<u>Weighted Average Rate</u>	<u>Average 30 day Rate</u>	<u>Basis Point Difference</u>
\$724.80	3.07	2.79	28

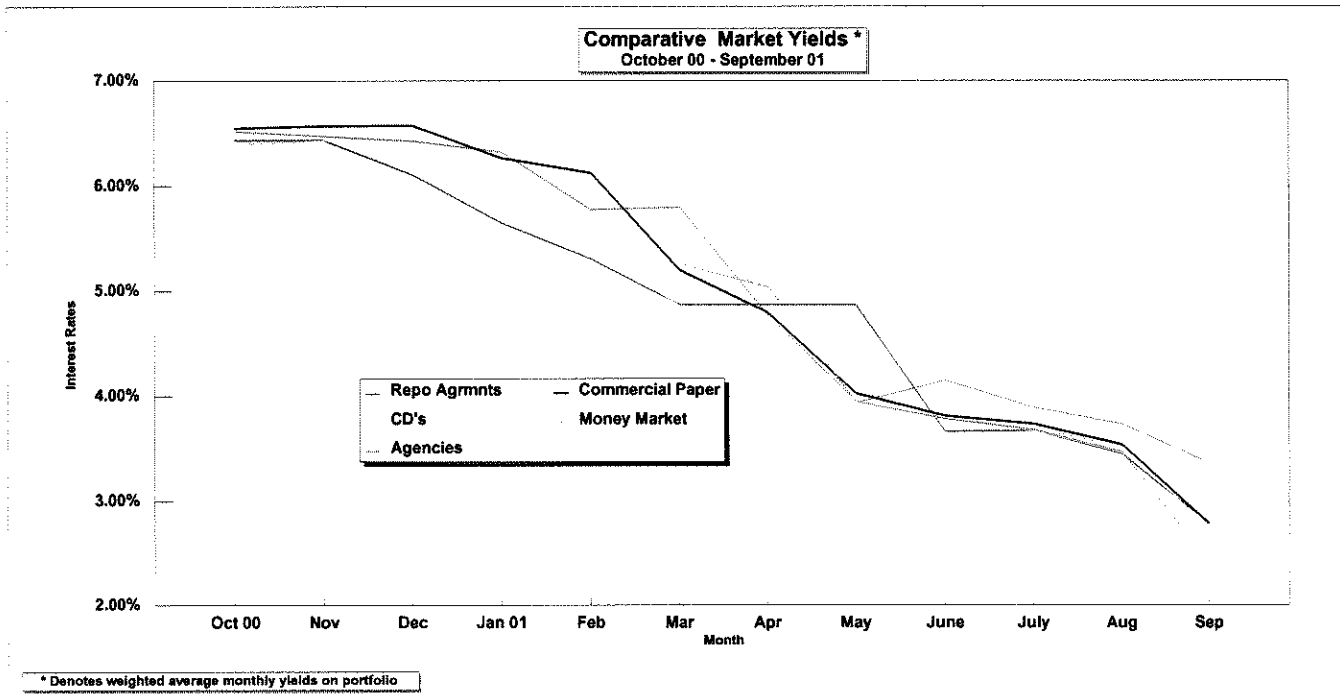
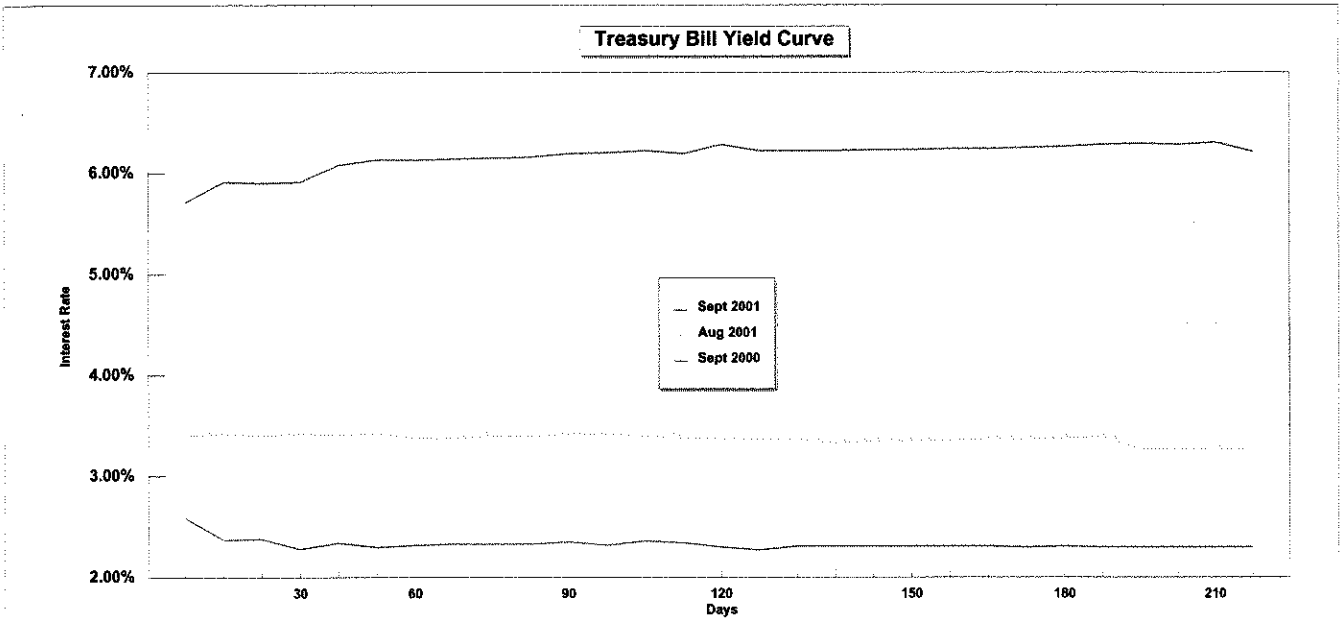
INTEREST

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

September 30, 2001

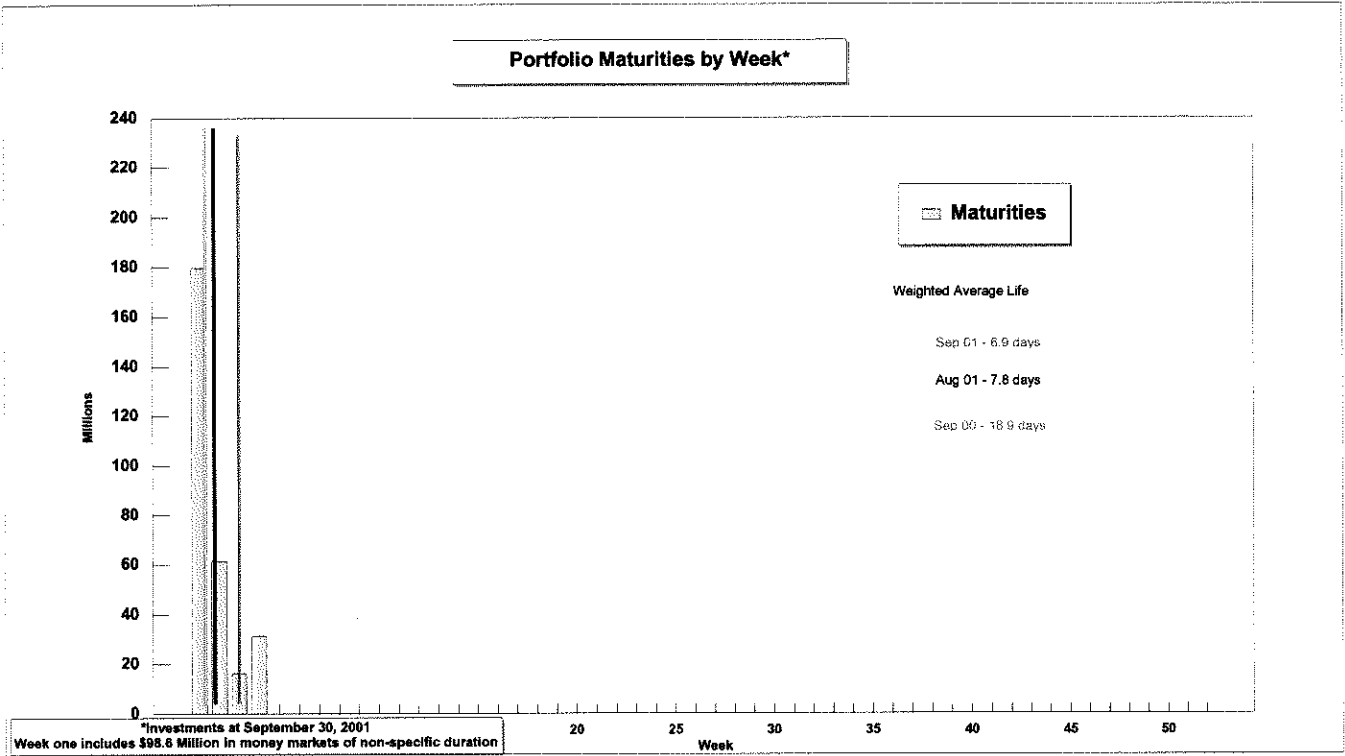


**RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS**



\* Denotes weighted average monthly yields on portfolio

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



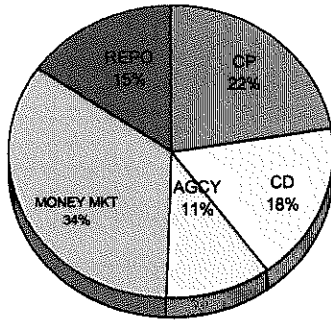
**SUMMARY PORTFOLIO YIELDS**

	<b>WEIGHTED AVERAGE YIELD(%)</b>
<b>September 30, 200</b>	<b>2.9%</b>
<b>August 31, 2001</b>	<b>3.6%</b>
<b>September 30, 200</b>	<b>6.5%</b>

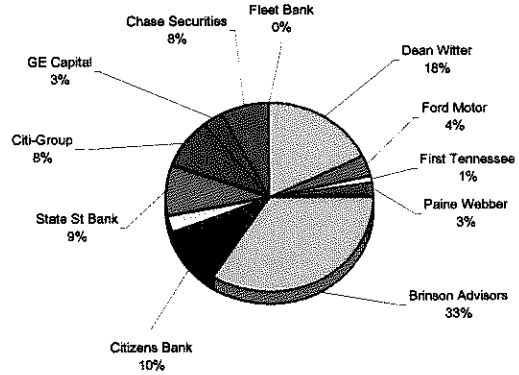


**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**SHORT TERM CASH INVESTMENTS AT SEPTEMBER 30, 2001**

**Portfolio By Instrument**



**Portfolio by Issuer**



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

Vendor	CP	CD	Agency	Money Mkt	Repo	Total (\$)
Guidelines-Total/Vendor	25%/10%	25%/10%	75%/35%	50%/35%	100%/20%	
Fleet Bank	0	0	0	0	0	0
Bear Stearns	0	0	0	0	0	0
Zions Bank	0	0	0	0	0	0
Dean Witter	19,970,911	0	19,957,878	0	11,000,000	50,928,789
	7%	0%	7%	0%	4%	18%
Chase Securities	0	22,000,000	0	0	0	22,000,000
	0%	8%	0%	0%	0%	8%
Paine Webber	0	0	7,386,364	0	0	7,386,364
	0%	0%	3%	0%	0%	3%
Ford Motor	11,084,611	0	0	0	0	11,084,611
	4%	0%	0%	0%	0%	4%
First Tennessee	0	0	2,996,750	0	0	2,996,750
	0%	0%	1%	0%	0%	1%
Brinson Advisors	0	0	0	98,626,004	0	98,626,004
	0%	0%	0%	34%	0%	34%
Citizens Bank	0	28,795,895	0	0	0	28,795,895
	0%	10%	0%	0%	0%	10%
GE Capital	9,263,607	0	0	0	0	9,263,607
	3%	0%	0%	0%	0%	3%
Prudential	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%
Sun Trust	0	0	0	0	8,000,000	8,000,000
	0%	0%	0%	0%	3%	3%
Citi-Group	24,474,812	0	0	0	0	24,474,812
	8%	0%	0%	0%	0%	8%
State St Bank	0	0	0	0	25,000,000	25,000,000
	0%	0%	0%	0%	9%	9%
<b>TOTALS</b>	<b>64,793,941</b>	<b>50,795,895</b>	<b>30,340,992</b>	<b>98,626,004</b>	<b>44,000,000</b>	<b>288,556,832</b>
<b>(%) PORTFOLIO</b>	<b>22%</b>	<b>18%</b>	<b>11%</b>	<b>34%</b>	<b>15%</b>	<b>100%</b>



SPECIAL FUNDS  
 INVESTMENT SUMMARY  
 September 30, 2001

<u>FUND NAME</u>	<u>EQUITIES</u>	<u>CASH &amp; EQUIVALENTS</u>	<u>FIXED INCOME</u>	<u>Gain/Loss</u>	<u>TOTAL MARKET VALUE</u>
<u>Abraham Touro Fund</u>	\$1,231,273	\$58,528	\$790,628	(\$115,843)	\$2,080,429
<u>State of Rhode Island Land Grant Fund</u>	0	\$65,129	0	\$179	\$65,129
<b><u>TOTALS</u></b>	<b>\$1,231,273</b>	<b>\$123,657</b>	<b>\$790,628</b>	<b>(\$115,664)</b>	<b>\$2,145,558</b>



## Performance Update

### STATE OF RHODE ISLAND

#### Aetna Government Custom Choice Classic sm

Variable Annuity Account D, Group Annuity Contract

Average Annual Total Returns as of 09/30/2001

Investment returns and principal values fluctuate so that, if surrendered, an investment may be worth more or less than the original amount. Results are historical and not intended to portray future performance. Current performance may be less than the figures shown.

Investment Options	Relative Risk Level	1-Mo*	3-Mo*	YTD*	1-Yr	3-Yr	5-Yr	10-Yr	Since	Fund
									Inception	Inception
<b>Global / International</b>										
Janus Aspen Series Worldwide Growth Portfolio - 123	A	-10.25%	-20.66%	-31.65%	-40.51%	3.97%	8.66%		13.59%	09/13/1993
PPI Scudder International Growth Portfolio - 104	A	-11.33%	-15.07%	-29.93%	-31.59%	0.29%			1.27%	11/28/1997
<b>Aggressive Growth</b>										
AIM V.I. Capital Appreciation Fund - 076	A	-12.65%	-23.25%	-35.59%	-49.97%	0.32%	1.84%		8.97%	05/05/1993
Aetna Small Company VP - 042	A	-10.29%	-15.75%	-11.43%	-18.71%	12.54%			11.17%	12/27/1996
Janus Aspen Series Aggressive Growth Portfolio - 119	A	-16.04%	-27.67%	-47.06%	-63.72%	2.43%	2.91%		10.21%	09/13/1993
<b>Growth</b>										
Aetna Value Opportunity VP - 041	M	-8.36%	-15.84%	-16.13%	-16.65%	12.47%			13.96%	12/13/1996
Fidelity® VIP Growth Portfolio - Initial Class - 109	M	-12.56%	-22.16%	-29.96%	-38.71%	1.48%	7.76%	11.77%		10/09/1986
Fidelity® VIP II Contrafund® Portfolio - initial Class - 133	M	-5.58%	-9.05%	-18.43%	-23.95%	4.68%	9.85%		14.28%	01/03/1995
PPI MFS Capital Opportunities Portfolio - 100	M	-15.31%	-27.84%	-37.06%	-45.47%	2.60%			2.65%	11/28/1997
PPI MFS Research Growth Portfolio - 105	M	-9.60%	-19.44%	-30.02%	-38.82%	-0.06%			-0.65%	11/28/1997
<b>Growth &amp; Income (Stocks)</b>										
AIM V.I. Growth and Income Fund - 079	M	-11.62%	-21.70%	-32.96%	-44.03%	-1.55%	4.75%		8.84%	05/02/1994
Aetna Growth and Income VP - 001	M	-7.40%	-14.79%	-23.53%	-30.76%	-1.87%	4.65%	8.48%		05/01/1975
Aetna Index Plus Large Cap VP - 035	M	-7.20%	-13.78%	-20.94%	-27.66%	2.48%	10.64%		10.70%	09/16/1996
Fidelity® VIP Equity-Income Portfolio - Initial Class - 108	M	-8.23%	-12.50%	-13.65%	-10.39%	4.08%	7.93%	12.19%		10/09/1986
<b>Growth &amp; Income (Stocks &amp; Bonds)</b>										
Aetna Balanced VP, Inc. - 008	M	-4.60%	-7.63%	-10.77%	-14.37%	3.91%	7.90%	9.39%		04/03/1989
Calvert Social Balanced Portfolio - 101	M	-5.74%	-9.37%	-12.55%	-18.69%	1.49%	5.82%	7.92%		09/02/1986
Janus Aspen Series Balanced Portfolio - 124	M	-3.85%	-6.07%	-9.70%	-12.04%	9.72%	12.83%		13.16%	09/13/1993
<b>Income</b>										
Aetna Bond VP - 004	M	0.91%	3.94%	7.74%	12.09%	5.33%	6.47%	6.63%		05/15/1973
<b>Stability of Principal</b>										
Aetna Money Market VP - 003	C	0.26%	0.79%	2.79%	4.30%	4.64%	4.69%	4.23%		08/01/1975

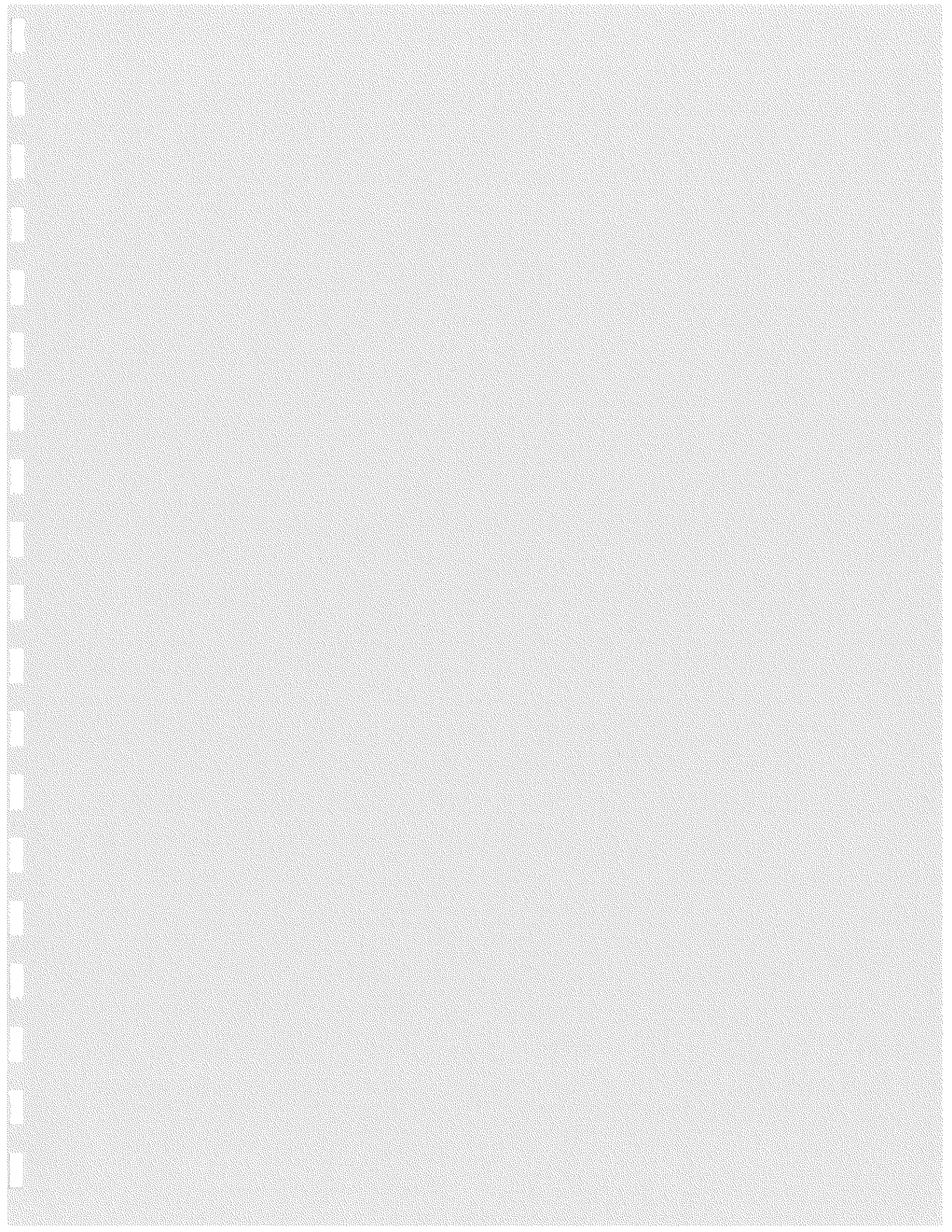
The 7-day annualized Subaccount yield as of 09/30/2001 is 2.53%. (+)

(+) The current yield reflects the deduction of all charges under the Contract that are deducted from the total return quotations shown. The current yield more closely reflects current earnings.

An investment in Aetna Money Market VP 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.

The chart shows the performance for each investment option for the time periods shown.

\* Returns not annualized.



THE MEANING OF LEADERSHIP



INVESTMENT

# State of Rhode Island

FIDELITY INSTITUTIONAL RETIREMENT SERVICES COMPANY<sup>SM</sup>

FIDELITY INVESTMENTS TAX-EXEMPT SERVICES COMPANY<sup>SM</sup>

82 DEVONSHIRE STREET, BOSTON, MA 02109

A DIVISION OF FIDELITY INVESTMENTS INSTITUTIONAL SERVICES COMPANY

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REVIEW

INVESTMENT  
SERVICES

FALL 2001

# FUND PERFORMANCE

## HISTORICAL PERFORMANCE

Average Annual Total Return for Periods  
Ending September 30, 2001

Fund Name	YTD 09/30/01	1 YR		3 YRS		5 YRS		10 YRS		% Lipper Peers Beaten
		YTD	% Lipper Peers Beaten	3 YRS	% Lipper Peers Beaten	5 YRS	% Lipper Peers Beaten	10 YRS	% Lipper Peers Beaten	
Fidelity Blue Chip Grow	-26.37	-35.45	85%	0.32	52%	8.26	62%	13.21	94%	
S&P 500	-20.39	-26.62		2.04		10.23		12.70		
<b>Large-Cap Growth Funds</b>	<b>-32.62</b>	<b>-43.77</b>		<b>-0.86</b>		<b>6.01</b>		<b>9.79</b>		
Fidelity Gro & Inc	-14.84	-18.21	92%	3.57	75%	10.48	85%	13.61	90%	
S&P 500	-20.39	-26.62		2.04		10.23		12.70		
<b>Large-Cap Core Funds</b>	<b>-21.79</b>	<b>-27.41</b>		<b>1.46</b>		<b>7.55</b>		<b>10.77</b>		
Fidelity Retirement Money Market	3.44	5.10	65%	5.36	65%	5.38	58%	4.88	60%	
SSB 3-Month Treasury Bill	3.42	5.04		5.09		5.15		4.75		
<b>Lipper Inst'l Money Market Funds</b>	<b>3.02</b>	<b>4.55</b>		<b>4.78</b>		<b>4.89</b>		<b>4.42</b>		
Fidelity Lw-Priced Stk	8.78	15.02	91%	14.98	78%	13.81	90%	16.82	97%	
Russell 2000	-15.36	-21.21		5.00		4.54		10.01		
<b>Small-Cap Value Funds</b>	<b>-0.55</b>	<b>4.51</b>		<b>11.37</b>		<b>9.18</b>		<b>12.03</b>		
Fidelity Sprt US Eq Indx	-20.53	-26.76	79%	1.87	80%	10.01	82%	12.46	79%	
S&P 500	-20.39	-26.62		2.04		10.23		12.70		
<b>S&amp;P 500 Index Objective Funds</b>	<b>-20.75</b>	<b>-26.97</b>		<b>1.51</b>		<b>9.71</b>		<b>12.27</b>		
Fidelity Magellan Fund	-20.53	-28.00	46%	4.39	82%	10.08	78%	12.55	79%	
S&P 500	-20.39	-26.62		2.04		10.23		12.70		
<b>Large-Cap Core Funds</b>	<b>-21.79</b>	<b>-27.41</b>		<b>1.46</b>		<b>7.55</b>		<b>10.77</b>		

See appendix for rank/count  
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.



## FUND PERFORMANCE

### HISTORICAL PERFORMANCE

Average Annual Total Return for Periods  
Ending September 30, 2001

Fund Name	YTD 09/30/01	% Lipper Peers		1 YR	% Lipper Peers		3 YRS	% Lipper Peers		5 YRS	% Lipper Peers		10 YRS	% Lipper Peers	
		Beaten	Beaten		Beaten	Beaten		Beaten	Beaten		Beaten	Beaten			
Fidelity Puritan 60% RS 3000V/40% LB Aggr	-6.62 -3.77	81%		-4.08 0.14	71%		5.28 6.30	9.37 10.40	79%		11.85 11.54	94%			
<b>Balanced Funds</b>	<b>-10.36</b>			<b>-11.76</b>			<b>3.50</b>	<b>7.35</b>			<b>9.20</b>				
Fidelity Contrafund S&P 500	-18.08 -20.39	63%		-23.44 -26.62	62%		5.71 2.04	10.88 10.23	71%		14.55 12.70	86%			
<b>Multi-Cap Core Funds</b>	<b>-21.03</b>			<b>-26.52</b>			<b>4.84</b>	<b>8.03</b>			<b>11.22</b>				
Templeton Fds:For:A MS EAFE (Net MA tax)	-17.31 -26.41	98%		-12.64 -28.35	93%		7.49 -0.94	3.86 0.07	81%		7.59 4.04	80%			
<b>International Funds</b>	<b>-27.80</b>			<b>-30.93</b>			<b>-0.13</b>	<b>1.02</b>			<b>5.41</b>				
Fidelity Mid-Cap Stock S&P MidCap 400	-28.47 -15.76	14%		-28.59 -19.00	80%		17.81 13.34	14.21 13.67	86%		N/A 14.45	N/A			
<b>Mid-Cap Core Funds</b>	<b>-17.88</b>			<b>-21.90</b>			<b>11.63</b>	<b>9.38</b>			<b>11.88</b>				

See appendix for rank/count  
Mutual fund performance changes over time, sometimes significantly. Most recent performance data is published online at  
each month end. Please visit Fidelity.com or call Fidelity for current performance figures.

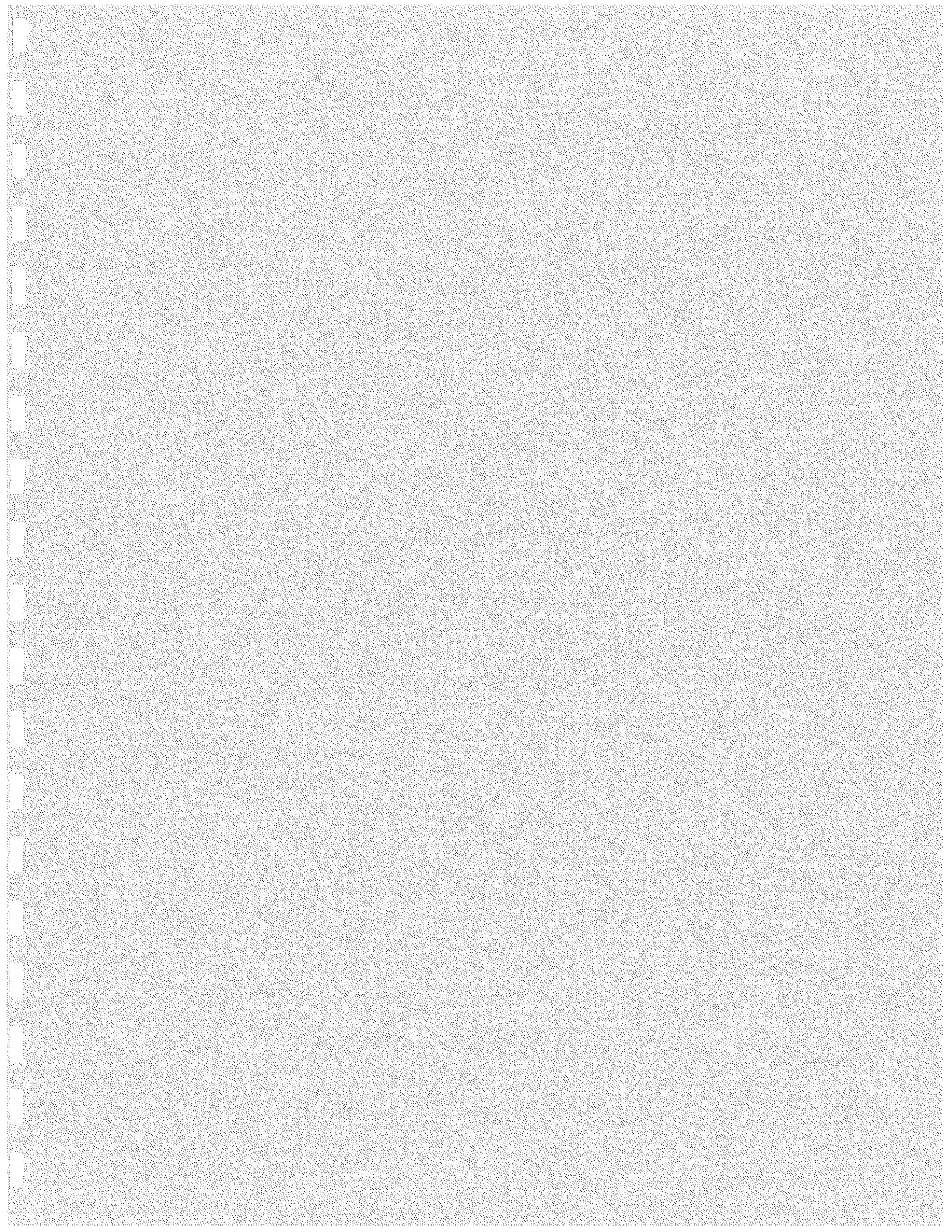
## FUND PERFORMANCE

### HISTORICAL PERFORMANCE

Average Annual Total Return for Periods  
Ending September 30, 2001

Fund Name	YTD 09/30/01	1 YR		3 YRS		5 YRS		10 YRS		% Lipper Peers Beaten
		% Lipper Peers Beaten	% Lipper Peers Beaten	% Lipper Peers Beaten	% Lipper Peers Beaten	% Lipper Peers Beaten				
Fidelity Freedom 2000	-3.81	-5.21	79%	6.90	84%	N/A	N/A	N/A	N/A	N/A
FID Freedom 2000	-2.11	-3.44		5.91		8.85				
<b>Flexible Portfolio Funds</b>	<b>-12.83</b>	<b>-14.94</b>		<b>3.30</b>		<b>6.83</b>		<b>9.01</b>		
Fidelity Freedom 2010	-10.21	-13.74	24%	6.89	82%	N/A	N/A	N/A	N/A	N/A
FID Freedom 2010	-7.59	-11.03		5.40		9.27				
<b>Equity Income Funds</b>	<b>-11.94</b>	<b>-9.25</b>		<b>3.68</b>		<b>8.12</b>		<b>10.79</b>		
Fidelity Freedom 2020	-17.10	-22.70	66%	5.68	61%	N/A	N/A	N/A	N/A	N/A
FID Freedom 2020	-14.22	-19.67		3.53		8.27				
<b>Multi-Cap Core Funds</b>	<b>-21.03</b>	<b>-26.52</b>		<b>4.84</b>		<b>8.03</b>		<b>11.22</b>		
Fidelity Freedom 2030	-20.65	-27.07	51%	4.66	52%	N/A	N/A	N/A	N/A	N/A
FID Freedom 2030	-17.51	-23.80		2.21		7.27				
<b>Multi-Cap Core Funds</b>	<b>-21.03</b>	<b>-26.52</b>		<b>4.84</b>		<b>8.03</b>		<b>11.22</b>		
Fidelity Freedom 2040	-23.12	-30.17	34%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FID Freedom 2040	-19.77	-26.67								
<b>Multi-Cap Core Funds</b>	<b>-21.03</b>	<b>-26.52</b>		<b>4.84</b>		<b>8.03</b>		<b>11.22</b>		
Fidelity Freedom Income	-0.47	-0.12	67%	5.96	84%	N/A	N/A	N/A	N/A	N/A
FID Freedom Income	0.38	0.63		5.37		7.41				
<b>Income Funds</b>	<b>-4.01</b>	<b>-3.19</b>		<b>4.00</b>		<b>6.90</b>		<b>9.69</b>		

See appendix for rank/count  
Mutual fund performance changes over time, sometimes significantly. Most recent performance data is published online at  
each month end. Please visit Fidelity.com or call Fidelity for current performance figures.



VALIC

**STATE OF RHODE ISLAND  
MUTUAL FUND SELECTION**

The information is current as of 09/30/2001

Category/Funds	YTD	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Expense Ratio
<b>International Equity</b>						
<i>Large Growth</i>						
Janus Adviser Worldwide	-29.41	-37.49	5.98	n/a	n/a	1.20
<b>Aggressive Growth</b>						
<i>Large Growth</i>						
Putnam Voyager A	-29.96	-40.25	4.87	6.16	12.45	0.86
<b>Science &amp; Tech</b>						
<i>Large Growth</i>						
Franklin DynaTech A	-21.21	-32.86	3.41	9.10	11.29	1.00
<b>Socially Responsible</b>						
<i>Large Blend</i>						
North American Soc Res I	-20.71	-26.41	n/a	n/a	n/a	1.20
<b>Growth</b>						
<i>Large Growth</i>						
MFS Massachusetts Inv Grth A	-34.66	-43.57	1.83	12.61	13.30	0.85
North American Large Cap Growth I	-32.74	-48.95	-6.33	1.59	n/a	1.27
<b>Growth &amp; Income</b>						
<i>Large Blend</i>						
Dreyfus Disc Stock	-21.71	-29.73	0.98	9.04	12.18	1.00
North American Growth & Income I	-19.21	-24.13	1.87	9.47	11.32	1.36
<b>Index</b>						
<i>Large Blend</i>						
Dreyfus Intl Stock Index	-26.72	-28.89	-1.81	n/a	n/a	0.60
Vanguard 500 Index	-20.49	-26.70	2.05	10.20	12.61	0.18
<i>Small Growth</i>						
Dreyfus Small Cap Stock Idx	-12.13	-11.11	8.73	n/a	n/a	0.51
<i>Mid-Cap Blend</i>						
Dreyfus MidCap Index	-16.02	-26.70	2.05	10.20	12.61	0.50
<b>Balanced</b>						
<i>Large Growth/ Bond: Interm Corp/Govt</i>						
Dreyfus Founders Balanced F	-20.83	-30.38	-9.36	-0.72	6.63	0.98
<i>Large Blend/ Bond: Interm Corp</i>						
North American Balanced I	-20.16	-25.90	-6.62	0.90	5.77	1.61
<b>Lifecycle</b>						
<i>Asset Allocation</i>						
North American Agg Growth Lifestyle I	-23.36	-29.97	**	**	**	1.45
North American Mod Growth Lifestyle I	-14.76	-19.28	**	**	**	1.39
North American Con Growth Lifestyle I	-8.76	-11.71	**	**	**	1.33
<b>Bond</b>						
<i>Interm Corp/Govt</i>						
North American Core Bond I	6.94	10.13	4.18	6.38	6.61	1.23
<i>Interm-Term Govt</i>						
Strong Government Secs Inv	8.63	13.40	6.12	7.88	8.22	0.80
<b>Fixed Account</b>						
VALIC Fixed-Interest Option		4th Qtr 2001		5.60%		
		Calendar Year 2001		5.50% (min. guaranteed)		

Commencement of operations for NAF funds was 07/07/2000; therefore, all performance prior to this date represents managers' prior performance, including fees and expenses as they applied to their previously managed assets.

Source: Morningstar and Investment Company Prospectus

Past performance does not guarantee future results. The investment return and principle 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. Mutual funds are offered through American General Financial Advisors, member NASD/SIPC.



