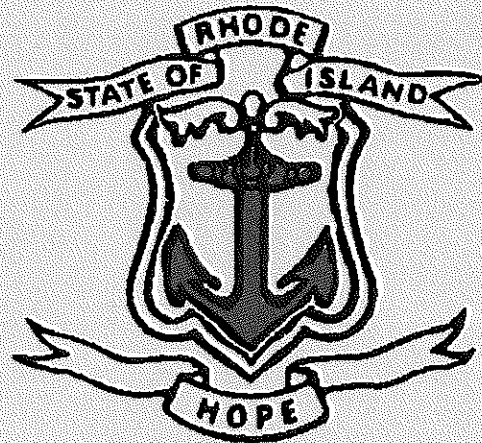


# State of Rhode Island and Providence Plantations



Office of the General Treasurer

Paul J. Tavares  
General Treasurer

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
JANUARY 31, 2002**

**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, February 27, 2002 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 1/23/02 \*
3. Investment Manager Review
  - JP Morgan Investment Management
4. Alliance Capital Mgmt. – Proposed partnership with USAA \*
5. General Consultant's Report – Wilshire Associates Incorporated
  - 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 January 23, 2002**

A State Investment Commission meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, January 23, 2002. There being a quorum present, the Treasurer called the meeting to order at 9:07 a.m.

Membership Roll Call. Present were: Mr. J. Michael Costello, Ms. Rosemary Booth Gallogly, Designee of the Director of Administration, Dr. Robert J. McKenna, Mr. James E. Thorsen, Mr. William J. Whitty and General Treasurer Paul J. Tavares. Senator Daniel DaPonte joined the meeting at 9:15 a.m. Also present were: Ms. Joan M. Caine, Deputy Treasurer for Finance, Andrew M. Hodgkin, Esq., Legal Counsel to the Commission, and Mr. William G. Bensur, Jr. and Mr. David Lindberg, of Wilshire Associates Incorporated, Consultant to the Commission and other members of the Treasurer's Staff. Ms. Marcia Reback was absent.

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

**VOTED: To approve the Minutes of the November 28, 2001 Regular Meeting.**

Small Cap US Equity Manager Search Summary and Finalist Review. Ms. Caine noted that 77 investment managers responded to the Request for Proposals. After interviewing ten semi-finalists, the search committee has brought five finalists to the meeting for presentations to the Commission. Mr. Bensur explained that the first two presenters are small cap core/value managers and the last three presenters are small cap growth managers. Ms. Caine also noted that the small cap US equity manager assignment is for approximately \$375 million split between either two or three managers.

NorthPointe Capital. Mr. Michael Hayden, Managing Director, Mr. Jeffrey Petherick, Portfolio Manager and Ms. Mary Champagne, Portfolio Manager represented the firm. Mr. Hayden explained that NorthPointe was created through a strategic venture with Villanova Capital, the independent asset management arm of Nationwide Financial. NorthPointe's employees own 35% of the firm and Villanova Capital owns the remainder. NorthPointe has set a maximum target for its small cap value strategy (reserved for large institutional investors) at \$800 million. The team has worked together for nine years and was formerly associated with Loomis, Sayles & Co. NorthPointe has \$1.3 billion in total assets with 29 clients.

Mr. Petherick explained that NorthPointe's investment philosophy is that strong fundamental research is the key to good stock selection. Their strategy relies on a fundamental, bottom-up investment process which highlights attractively valued, small companies with a market capitalization of \$100 million to \$3 billion.

Ms. Champagne explained that the buy decision is made within the framework of a well-diversified portfolio of 100-125 stocks with a maximum allocation of 2% to a single issue. The sell decision is triggered by a fundamental deterioration in the company or industry, the attainment of a predetermined valuation target, or the identification of better alternatives.

Wellington Management Company, LLP. Mr. Kenneth L. Abrams, Senior Vice President, Portfolio Manager, Mr. Adam T. Puritz, Vice President and Ms. Nancy G. Welling, Vice President represented the firm. Ms. Welling explained that Wellington was started in 1928 and is now owned by 68 active employees. Wellington plans to close its small cap value strategy at \$3 billion and currently has over \$311 billion of total assets under management.

Mr. Abrams explained that the portfolio emphasizes fundamental research and bottom-up stock selection. The style is both total-return and benchmark oriented. Risk measures include portfolio diversification by security, industry and sector. The buy discipline focuses on companies with significant management ownership, a business focus and appreciation potential. Companies are sold when target prices are reached and detailed evaluation suggests that future upside potential is limited, company fundamentals are no longer up to standard, or alternative buy candidates are identified.

Mr. Puritz noted that a typical portfolio contains 70-100 stocks in all ten sectors. Security weighting is limited to 5% of the portfolio, while industry and sector limitations are 25%. He stated that Wellington has strong returns over all time periods and consistent returns in up and down markets. Due to the size of Wellington, Mr. Puritz stressed the strength and depth of its research capabilities and outstanding long-term performance record versus the index and peers.

Wasatch Advisors, Inc. Mr. Eric Bergeson, Vice President and Mr. J.B. Taylor, Portfolio Manager represented the firm. Mr. Bergeson explained that Wasatch, which was founded in 1975 by Samuel Stewart, is unique for two reasons. The first is that Wasatch manages only small cap and the second that the investment management team has an average tenure of 15 years working together. Wasatch is 100% owned by its employees. The five principals own 90% of the firm's equity with no one shareholder owning more than 30%. Wasatch has a total of \$5.6 billion in assets under management.

Mr. Bergeson stressed that they have a repeatable investment philosophy. Wasatch's investment philosophy is based on the belief that over long-term horizons, only earnings growth will drive stock prices. Also that small companies grow faster, longer. Wasatch employs a true bottom-up stock selection process of getting on board early and staying the course. They buy only at reasonable prices. Through this growth discipline with a value flavor, Wasatch seeks to provide superior returns with less volatility.

Mr. Taylor noted that Wasatch invests in companies with the ability to at least double in size within five years. The companies must have superior management, a sustainable competitive advantage and a high quality financial structure. A typical portfolio contains 35-45 holdings.

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

Columbia Management Company. Mr. Steven N. Marshman, Portfolio Manager, Mr. Brian D. Davis, Portfolio Manager and Mr. Roger Begin, of Fleet Asset Management represented the firm. Mr. Begin explained that Columbia, which was organized in 1969, was acquired by FleetBoston Financial in 1997; however it continues to operate as a separate business unit with its own investment, client service and management teams.

Mr. Davis explained that Columbia focuses on fundamental research to identify businesses delivering superior earnings growth. Columbia has over \$20 billion of assets under

management. Columbia is the largest investment management firm in the Northwest and has \$2 billion in small cap.

Mr. Marshman noted that Columbia is a bottom-up growth manager. Columbia's philosophy maintains that stock prices follow earnings and that recognizing trends which produce above average growth rates among investment opportunities can generate consistently superior returns over long-term horizons. Columbia reviews companies with the ability to grow revenue and earnings at least 20% annually and that have a sustainable valuation. The firm purchases the best risk/reward candidates. Columbia has consistently outperformed the Russell 2000 Growth Index in up and down markets.

Times Square Capital Management. Mr. Patrick J. McNelis, Managing Director, Mr. Grant R. Babyak, Managing Director and Portfolio Manager and Ms. Yvette C. Bockstein, Managing Director represented the firm. Mr. McNelis explained that Times Square was founded in 2000 as a subsidiary of CIGNA Corporation. Times Square uses a research driven bottom-up fundamental analysis discipline. They plan to close the small cap product at \$2.5 billion and have approximately \$48 billion in total assets under management.

Mr. Babyak noted that portfolios are comprised of approximately 100-120 stocks that are characterized by market capitalization between \$50 million and \$1.5 billion at time of purchase and a demonstrated ability to grow earnings and sales at least 15% per year. Times Square looks for companies with exceptional management, a distinct, sustainable competitive advantage and a strong, consistent growth. They have no more than 5% in any one stock.

Ms. Bockstein explained Times Square's strong sell discipline, focusing on the following factors: operating objectives not being met; management has been unable to sustain a competitive advantage; reasons for the purchase have changed; and overvaluation. Mr. McNelis stressed Times Square's consistent returns over time.

The Treasurer asked Ms. Caine and Mr. Bensur for their recommendations. Ms. Caine expressed a desire to gain exposure in both the core/value and growth categories. Both Ms. Caine and Mr. Bensur recommended hiring three firms - two in the core/value category and one from the growth category. It was agreed by Commission members to retain three firms for the small cap US equity assignment.

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, Dr. McKenna, Mr. Thorsen, Mr. Whitty and Treasurer Tavares.

**VOTED: To retain Wasatch Advisors, Inc. as a small cap US equity investment manager subject to successful negotiation of appropriate contracts and fee schedules.**

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

**VOTED: To retain Wellington Management Company as a small cap US equity investment manager subject to successful negotiation of appropriate contracts and fee schedules.**

Dr. McKenna moved to retain Columbia Management Company and the motion was not seconded. Therefore the motion was withdrawn.

Mr. Thorsen moved and Ms. Gallogly seconded a motion to retain NorthPointe Capital. This motion was withdrawn following discussion because a recommendation was made to vote first on whether to hire two growth managers and one core/value manager or to hire one growth manager and two core/value managers.

When asked by the Treasurer, Ms. Caine replied that given the current composition of the domestic equity portfolio, she believed that two core/value managers would be the most appropriate choice.

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

**VOTED: To retain one small cap US equity investment manager in the core/value category and two managers in the growth category.**

Mr. Bensur advised the Commission that there were weighting issues to be addressed by hiring one core/value manager and two growth managers. He noted that the weighting should no longer be divided equally into thirds. He stated that by hiring two growth managers, there would be a growth tilt in the portfolio which would dictate that the core/value manager should be overweighted. When asked by the Treasurer, Ms. Caine agreed with Mr. Bensur that the weighting should change.

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

**VOTED: To retain Columbia Management Company as a small cap US equity investment manager for half of the growth side of the portfolio, subject to successful negotiation of appropriate contracts and fee schedules.**

Note: Dr. McKenna left the meeting at 12:25 p.m.

Treasurer Tavares explained that the Office of the Attorney General has been investigating the possibility of becoming involved in a lawsuit regarding Enron securities. He requested Commission approval should the Office of the Attorney General decide involvement would be to the advantage of the State of RI.

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, Mr. Whitty and Treasurer Tavares. (Note: Dr. McKenna was not present for this vote.)

**VOTED: To authorize the General Treasurer to include the Rhode Island Employees' Retirement System in a lawsuit against Enron, should it be the recommendation of the Office of the Attorney General.**



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

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Paul J. Tavares  
General Treasurer



RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
January 31, 2002

PORTFOLIO PERFORMANCE

January

The ERSRI portfolio posted a loss of -1.17% for the month of January, against the Policy Index of -1.28%. Domestic and international equities were down -1.30% and -4.73% respectively, while the fixed income asset class gained a modest 0.74%. Additionally, the retirement fund earned \$196,566 from the securities lending program during the month of January.

Fiscal Year-to-Date

For the seven months ended January 31st, 2002, the fund has lost -4.12%, against the fiscal year policy index of -4.15%.

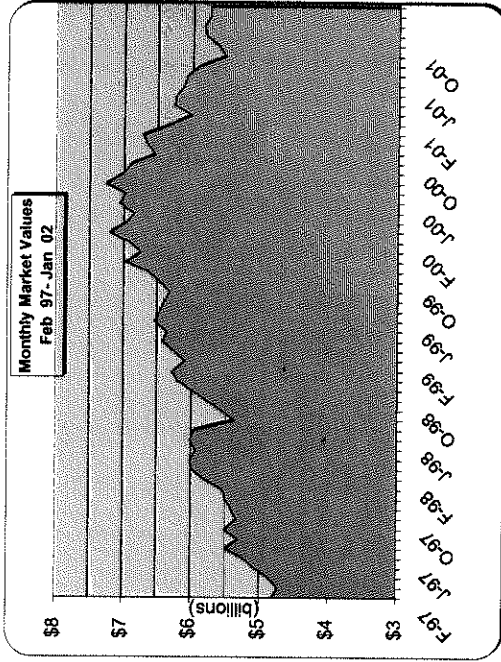
ERSRI Performance By Asset Class	Jan-02	CALENDAR YTD
Domestic Equity	-1.30%	-1.30%
Fixed Income	0.74%	0.74%
International Equity	-4.73%	-4.73%
<b>Total Fund Composite*</b>	<b>-1.17%</b>	<b>-1.17%</b>
<b>Manager Summary</b>	<b>Jan-02</b>	<b>CYTD</b>
<b>DOMESTIC EQUITY</b>		
Shott Capital Management IRR	7.78%	7.78%
SSgA Core	0.24%	0.24%
SSgA Russell Value	-0.78%	-0.78%
PIMCO	-1.02%	-1.02%
SSgA Wilshire 5000	-1.53%	-1.53%
JP Morgan	-1.80%	-1.80%
Provident Investment Counsel	-2.45%	-2.45%
<b>Total Domestic Equity</b>	<b>-1.30%</b>	<b>-1.30%</b>
<b>FIXED INCOME</b>		
Loomis Sayles	1.09%	1.09%
Fidelity Management	0.83%	0.83%
Fleet Investment Advisors	0.72%	0.72%
Brown Brothers	0.62%	0.62%
InState Fixed Income	0.56%	0.56%
Taplan, Canida & Habacht	0.41%	0.41%
<b>Total Fixed Income</b>	<b>0.74%</b>	<b>0.74%</b>
<b>INTERNATIONAL EQUITY</b>		
Putnam Investments	-4.12%	-4.12%
Bank of Ireland	-5.33%	-5.33%
<b>Total International Equity</b>	<b>-4.73%</b>	<b>-4.73%</b>

\*Total Fund Composite includes all classes

Index Performance Summary - Jan 2002	Jan-02	Calendar YTD
<b>Market Indices</b>		
<b>Domestic Equity</b>		
S & P 500	-1.46%	-1.46%
Wilshire 5000	-1.24%	-1.24%
Russell 2000	-1.04%	-1.04%
Russell 2500	-1.24%	-1.24%
Russell 1000	-1.27%	-1.27%
Policy Index	-1.28%	-1.28%
<b>International Equity</b>		
MSCI ACWI	-4.28%	-4.28%
<b>Fixed Income</b>		
Lehman AGG	0.81%	0.81%
<b>Real Estate</b>		
Wilshire RE Sec Inde	0.43%	0.43%

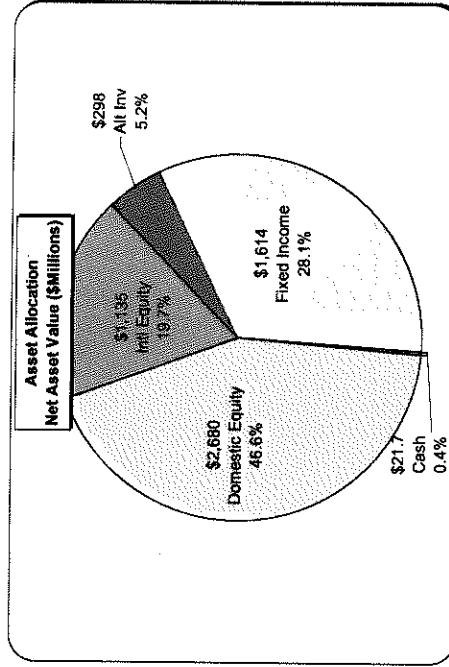
### Market Values

The total portfolio value decreased in January by \$89 million, including transfers, to \$5.749 billion. This compares with an increase in value of \$65 million for the same period in 2001. The domestic equity market values declined by \$35 million during the month of January; fixed income decreased by \$13.8 million, including transfers, while international equity values were down by \$55.8 million. Alternative investments increased in value by 2.8 million, while the cash accounts were up by 13 million.



### Asset Allocation

The domestic equities portfolio is over-allocated by 1.6%. The fixed income portfolio is over-allocated by 0.6%. The international equity portfolio is under-allocated by 0.3%, while the alternative investment assets remain under-allocated by 2.3%. The domestic and international equity classes, along with the fixed income asset class, were recently rebalanced.



*Employees' Retirement Systems of Rhode Island  
Summary of Transfers by Asset Class  
January 31, 2002*

<b>Asset Class</b>	<b>Cash In</b>	<b>Cash Out</b>
Domestic Equities	175,938	296,626
Int'l Equities	66,185	0
Fixed Income	90,585	25,904,982
Real Estate	0	80,910
Alternative Investments	8,514,738	15,172,965
Cash outside Trust	17,906,007	19,500,000
Cash in Trust	23,522,793	8,514,738
<b>TOTAL</b>	<b>50,276,245</b>	<b>69,470,221</b>

**Manager Funding**

A summary of cash transfers by asset class which took place during January 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 (\$19.5mm).

**Cash Flow**

January's pension payroll of \$37.8 million exceeded the \$19.0 million in contributions received by \$18.8 million. The transfer of \$19.5 million from long term investments to short term was sufficient to cover that shortfall, as well as other investment management and administrative expenses.

**Alternative Investments**

At this time the alternative investment asset class has unfunded commitments of approximately \$266.7 million, on commitments of \$548 million.

**CAPITAL CALLS  
Net of Contributions**

<b>JANUARY 2002</b>	<b>FYTD</b>	<b>UNFUNDED BALANCE</b>
\$2,523,628	\$12,790,378	\$266,743,397
<b>JANUARY 2001</b>	<b>FYTD</b>	<b>UNFUNDED BALANCE</b>
\$2,249,282	\$25,001,608	\$195,613,194

**Expenses**

Expenses paid during January totalled \$4,159,234, was comprised of private equity, investment management and other professional management fees.

**Short Term Cash**

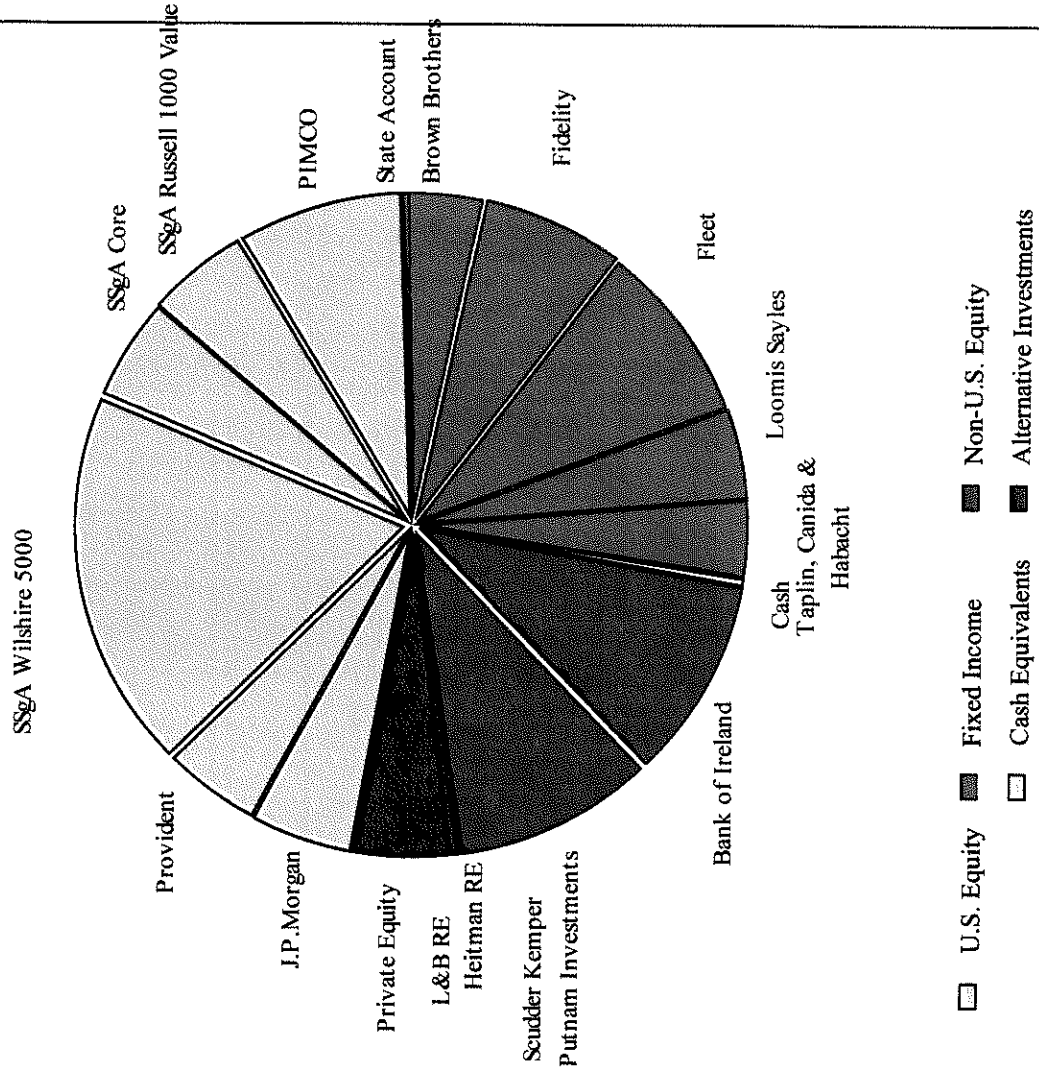
The short term cash portfolio had a 3.9 day weighted average maturity vs 3.9 days in December, and 11.2 days in January of 2001. Investments at January 31st totaled \$182.2 million. Interest earned during the month was \$185,772 of which \$14,714 was credited to the retirement accounts. The average investment rate of 1.71 % was 8 basis points over the average 30 day treasury rate.

# Individual Manager Allocation

January 31, 2002

\$ 5,749 MM

Portfolio	\$MM	Allocation
J.P. Morgan	\$ 281	4.9
PIMCO	456	7.9
Provident Investment	279	4.9
Shott Capital	0	0.0
SSgA Core	290	5.0
SSgA Russell 1000 Value	293	5.1
SSgA Wilshire 5000	1,081	18.8
<b>U.S. Equity</b>	<u>2,680</u>	<u>46.6</u>
Brown Bros. Harriman	\$ 196	3.4
Fidelity Mgmt. Trust	405	7.0
Fleet Investment	515	9.0
Loomis Sayles	247	4.3
State Account	23	0.4
Taplin, Canida & Habacht	228	4.0
<b>Fixed Income</b>	<u>1,614</u>	<u>28.1</u>
Bank of Ireland	\$ 564	9.8
Putnam Investments	570	9.9
Schroder Capital Mgmt.	1	0.0
Scudder Kemper Investments	0	0.0
<b>International Equity</b>	<u>1,135</u>	<u>19.7</u>
Heitman Real Estate	\$ 3	0.1
L&B Real Estate	30	0.5
Private Equity	264	4.6
Contingency Reserve	1	0.0
<b>Alternative Invest.</b>	<u>298</u>	<u>5.2</u>
Cash Account (inside)	\$ 19	0.3
Cash Account (outside)	3	0.0
<b>Cash Equivalents</b>	<u>22</u>	<u>0.3</u>
<b>Total</b>	<b>\$5,749</b>	<b>100.0</b>



## Market Environment

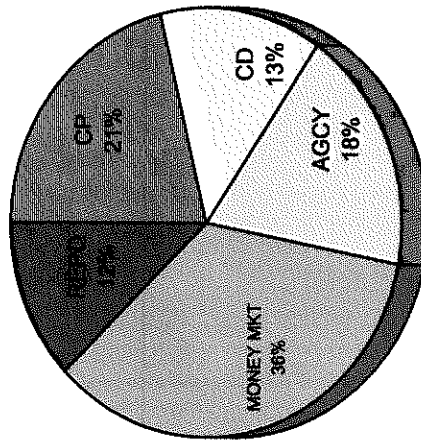
Quarter Ended January 31, 2002

	<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	7.47	-1.27	-16.32	-8.84	-2.37	4.99	8.95
RUSSELL 1000 GROWTH	7.47	-1.77	-26.88	-20.23	-8.63	2.12	6.43
RUSSELL 1000 VALUE	7.47	-0.77	-6.68	1.80	2.21	6.00	9.92
S&P 500	7.03	-1.46	-16.15	-8.84	-2.85	4.99	9.04
WILSHIRE 5000	8.23	-1.24	-15.31	-9.58	-2.25	4.42	8.30
<b>INTERNATIONAL EQUITY</b>							
MSCI AC WORLD FREE ex USA	1.38	-4.28	-24.08	-16.82	-5.00	-1.22	0.38
MSCI EAFE	-1.24	-5.31	-25.58	-17.43	-6.67	-1.79	0.51
<b>U.S. FIXED INCOME</b>							
70% ML HY/30% FB CONV HY	3.57	0.67	-0.61	0.27	0.54	0.87	3.38
LB AGGREGATE	-1.22	0.81	7.55	10.64	6.31	6.75	7.53
SSBI BROAD INV GRADE	-1.19	0.79	7.60	10.63	6.31	6.76	7.52
SSBI LARGE PENSION FUND	-2.24	1.04	7.38	11.49	5.74		
SSBI LPF COLLATERALIZED	-0.32	0.98	7.58	10.69	7.13		
<b>TOTAL PLAN</b>							
TOTAL PLAN BENCHMARK	4.27	-1.28	-11.05	-5.63	-0.13	4.37	6.88

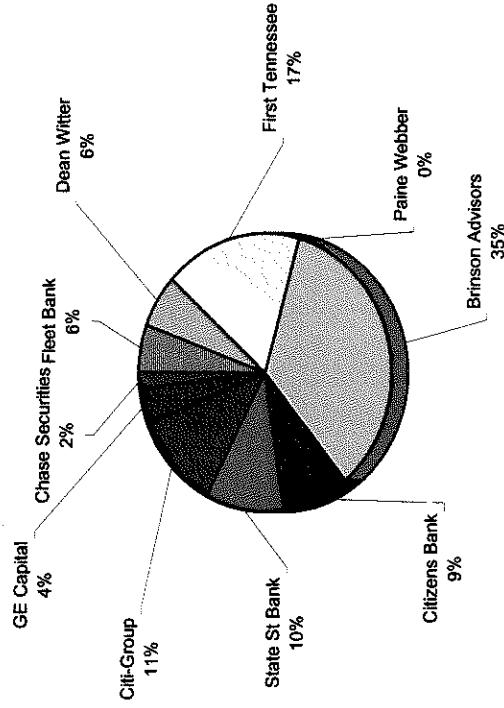
**RHODE ISLAND STATE INVESTMENT COMMISSION**

**SHORT TERM CASH INVESTMENTS AT JANUARY 31, 2002**

**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  
January, 2001**

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	Positive
Chase Securities	Aa2		P-1	A-1+		Aa2	AA-	Stable
Citigroup Inc.	Aa1		P-1	A-1+		Aa1	AA-	Stable
Citizens Bank RI	Aa2		P-1	A-1+		Aa2	AA-	Stable
First Tennessee Capital Markets	A1		P-1	N/A		A1	A-	Negative
Ford Motor Credit	A2		P-1	A-2*		A2	BBB+	Stable
GE Capital	Aaa		P-1	A-1+		Aaa	AAA	Stable
Morgan Stanley Dean Witter	Aa3		P-1	A-1+		Aa3	AA-	Negative
Paine Webber	Aa1		P-1	A-1+		Aa1	AA+	Stable
Brinson Advisors	Aaa							
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. Outlook now is stable. State has suspended short-term trading.

**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

February 20, 2002

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 January 31, 2002.

**Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation  
January 31, 2002**

Asset Class		
Cash/Short Term Investments		\$ 232,970,696
Equities – Domestic		\$ 2,667,654,086
Equities – International		\$ 1,092,734,937
Fixed Income – Government	\$ 716,944,818	
Fixed Income – Corporate	\$ 718,308,838	
Fixed Income – In State	\$ 22,663,769	
Total Fixed Income		\$ 1,457,917,425
Alternative Investments		\$ 297,289,768
Other – Escrow		\$ 500,000
Total Fund Investments		\$ 5,749,066,912
Plan Allocation		
State Employees & Teachers	86.76%	\$ 4,988,050,731
Municipal Employees	12.86%	\$ 739,214,828
State Police	0.23%	\$ 13,268,944
Judicial	0.15%	\$ 8,532,409
Total Fund Investments	100.00%	\$ 5,749,066,912

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

**ERSRU Monthly Market Value Report With Time Weighted Returns**  
**January 31, 2002**

	Performance		Benchmark Description	Performance		Valuation Change		
	Calendar YTD Benchmark	Alpha		Net of Fees	Current Month Benchmark	Transfers	Market Value	Market Value
					in/(out)		Increase/ (Decrease)	
<b>Domestic Equity</b>								
Shott Capital Management IRR	7.78%	N/A	S & P 500	N/A	7.78%	(268,918)	270,701	22,660
JP Morgan Investment Management	-1.80%	-0.53%	Russell 1000	-1.27%	-1.80%	16,470	280,957,819	(5,162,718)
Provident Investment Council	-2.45%	-0.68%	Russell 1000 Growth	-1.77%	-2.45%	16,470	279,451,573	(7,009,988)
SSgA Core	0.24%	1.51%	Russell 1000	-1.27%	0.24%	16,470	290,141,097	702,221
SSgA Russell Value	-0.78%	-0.01%	Russell 1000 Val.	-0.77%	-0.78%	16,470	292,519,283	(2,293,704)
SSgA Wilshire 5000	-1.53%	-0.29%	Wilshire 5000	-1.24%	-1.53%	57,645	1,080,882,167	(16,784,946)
PIMCO	-1.02%	0.44%	S & P 500	-1.46%	-1.02%	24,705	456,005,788	(4,691,944)
<b>Total Domestic Equity</b>	<b>-1.30%</b>				<b>-1.30%</b>	<b>(120,686)</b>	<b>2,680,228,428</b>	<b>(35,218,419)</b>
<b>International Equity</b>								
Bank of Ireland	-5.33%	-1.05%	M/S All Country EX US	-4.28%	-5.33%	33,245	564,065,790	(31,770,386)
Putnam Investments	-4.12%	0.16%	M/S All Country EX US	-4.28%	-4.12%	32,940	570,184,020	(24,525,213)
Transition Account	N/A	N/A	M/S All Country EX US	0.00%	N/A	-	1,112,944	374,618
<b>Total International Equity</b>	<b>-4.73%</b>				<b>-4.73%</b>	<b>66,185</b>	<b>1,135,362,754</b>	<b>(55,920,981)</b>
<b>Fixed Income</b>								
Fleet Investment Advisors	0.72%	-0.09%	Lehman Govt/Credit Bond Index	0.81%	0.72%	(3,970,110)	515,017,531	3,659,347
Fidelity Management & Research	0.83%	-0.15%	Lehman MBS Fixed Rate	0.98%	0.83%	(7,977,125)	404,916,915	3,343,657
Brown Brothers, Harriman	0.62%	-0.17%	Salomon Bro Inv Grade	0.79%	0.62%	10,980	196,341,151	1,208,583
In-State Fixed Income	0.56%	N/A	N/A	N/A	0.56%	(3,904,982)	22,663,769	126,174
Taplin, Canida & Hebsacht	0.41%	-0.44%	Lehman Corporate	0.85%	0.41%	(9,986,580)	228,157,808	924,956
Loomis, Syles & Co.	1.09%	0.96%	Merrill/First Bosh/Conv	0.13%	1.09%	13,420	246,907,710	2,661,919
<b>Total Fixed Income</b>	<b>0.74%</b>				<b>0.74%</b>	<b>(25,814,397)</b>	<b>1,614,004,885</b>	<b>11,924,637</b>
<b>Alternative Investments</b>								
Pacific Corporate Group	4.18%	N/A	Wilshire Real Estate Securities Index	N/A	4.18%	(6,658,226)	263,897,340	9,619,656
JMB/Heitman Advisory Group	0.29%	-0.14%	Wilshire Real Estate Securities Index	0.43%	0.29%	(80,910)	3,107,181	9,118
L & B Real Estate Counsel	0.00%	-0.43%	Wilshire Real Estate Securities Index	0.43%	0.00%	-	30,284,300	0
Bank Acquisition Contingency	0.00%	N/A		N/A	0.00%	-	500,000	0
<b>Total Alternatives</b>	<b>3.70%</b>				<b>3.70%</b>	<b>(6,739,136)</b>	<b>297,788,821</b>	<b>9,628,774</b>
<b>Cash Accounts</b>								
Cash in Trust	2.35%	N/A		N/A	2.35%	13,413,037	20,777,358	314,932
Internal Cash	0.18%	N/A		N/A	0.18%	-	904,666	(658,844)
<b>Total Cash</b>	<b>N/A</b>				<b>N/A</b>	<b>13,413,037</b>	<b>21,682,024</b>	<b>(343,912)</b>
<b>Fund Grand Total</b>	<b>-1.17%</b>	<b>-1.28%</b>			<b>-1.17%</b>	<b>(19,195,000)</b>	<b>5,748,066,912</b>	<b>(69,929,900)</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 January 31, 2002**

	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	280,958	4.89	-1.80	7.17	-7.32	-1.80	-8.42	-16.71	-10.93	-2.13		
PIMCO	456,006	7.93	-1.02	6.80	-5.99	-1.02	-6.46	-15.42				
PROVIDENT INVESTMENT	279,452	4.86	-2.45	9.81	-7.61	-2.45	-14.64	-38.66	-31.41	-14.96	-3.32	2.44
SHOTT CAPITAL	271	0.00	5.86	14.27	-14.98	5.86	-24.57	-39.87	-30.35			
SSGA - CORE	290,141	5.05	0.24	8.15	-3.51	0.24	-4.61	-9.22	-8.03	-0.16		
SSGA RUSSELL 1000 VALUE	292,519	5.09	-0.78	7.48	-4.91	-0.78	-5.10	-6.67				
SSGA WILSHIRE 5000	1,080,877	18.80	-1.53	7.96	-5.33	-1.53	-6.94	-15.93				
TOTAL US EQUITY	2,680,223	46.62	-1.30	7.81	-5.64	-1.30	-7.38	-17.29	-13.32	-3.85	1.51	6.61
<b>RUSSELL 1000</b>												
RUSSELL 1000 GROWTH			-1.27	7.47	-5.72	-1.27	-7.01	-16.32	-8.84	-2.37	4.99	8.95
RUSSELL 1000 VALUE			-1.77	7.47	-6.51	-1.77	-8.85	-26.88	-20.23	-8.63	2.12	6.43
S&P 500			-0.77	7.47	-4.92	-0.77	-5.12	-6.68	1.80	2.21	6.00	9.92
WILSHIRE 5000			-1.46	7.03	-6.01	-1.46	-6.94	-16.15	-8.84	-2.85	4.99	9.04
			-1.24	8.23	-5.10	-1.24	-6.67	-15.31	-9.58	-2.25	4.42	8.30
<b>INTERNATIONAL EQUITY</b>												
BANK OF IRELAND	564,066	9.81	-5.33	-0.03	-10.43	-5.33	-12.36					
PUTNAM INVESTMENTS	570,184	9.92	-4.12	2.56	-8.26	-4.12	-10.60					
SSGA TRANSITION ACCOUNT	17	0.00										
BARING ASSET MANAGEMENT	72	0.00										
SCHRODER CAPITAL MANAGEMENT	628	0.01										
SCUDDER KEMPER INVESTMENTS	396	0.01										
TOTAL INTERNATIONAL EQUITY	1,135,363	19.75	-4.73	1.36	-8.65	-4.73	-11.01	-24.80	-18.83	-3.99	-0.87	-0.51
<b>MSCI AC WORLD FREE ex US (GROSS)</b>												
MSCI EAFE (NET)			-4.28	1.38	-9.15	-4.28	-11.17	-24.08	-16.82	-5.00	-1.22	0.38
			-5.31	-1.24	-11.28	-5.31	-12.89	-25.58	-17.43	-6.67	-1.79	0.51
<b>U.S. FIXED INCOME</b>												
BROWN BROTHERS HARRIMEN	196,341	3.42	0.62	-0.60	2.87	0.62	4.75	7.31	10.66	6.50	7.07	6.92
FIDELITY MANAGEMENT TRUST	404,917	7.04	0.83	-0.23	3.68	0.83	5.52	8.01	10.61	7.72	7.44	7.82
FLEET INVESTMENT	515,018	8.96	0.72	-2.31	2.86	0.72	5.26	6.56	10.56	5.67	6.94	7.72
LOOMIS SAYLES	246,908	4.29	1.09	2.54	-1.04	1.09	-1.38	-7.66	-0.95	2.70	1.23	3.82
STATE ACCOUNT	22,664	0.39	0.56	1.72	3.41	0.56	3.95	6.86				
TAPLIN, CANADA & HABACHT	228,158	3.97	0.41	1.25	2.98	0.41	5.09	8.25	10.23	6.49	6.89	7.76
TOTAL US FIXED INCOME	1,614,005	28.07	0.74	-0.38	2.36	0.74	4.07	4.87	8.74	5.83	6.34	7.19

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

**Periods Ending January 31, 2002**

	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>												
70% MERRILL LYNCH HY/30% FB CONV HY			0.67	3.57	0.39	0.67	1.85	-0.61	0.27	0.54	0.87	3.38
LB AGGREGATE			0.81	-1.22	3.19	0.81	5.50	7.55	10.64	6.31	6.75	7.53
SSBI BROAD INV GRADE			0.79	-1.19	3.18	0.79	5.56	7.60	10.63	6.31	6.76	7.52
SSBI LARGE PENSION FUND			1.04	-2.24	2.96	1.04	6.10	7.38	11.49	5.74		
SSBI LPF COLLATERALIZED			0.98	-0.32	3.46	0.98	5.38	7.58	10.69	7.13		
<b>ALTERNATIVE INVESTMENTS</b>												
HEITMAN REAL ESTATE	3,107	0.05	0.29	0.29	2.63	0.29	5.38	-1.20	7.08	10.15	11.35	9.57
L&B REAL ESTATE	30,284	0.53	0.00	5.75	6.74	0.00	6.74	10.93	9.08	8.54	9.42	12.30
PRIVATE EQUITY INVESTMENT	263,897	4.59	4.18	-0.07	-2.37	4.18	-0.65	-15.19	1.13	5.15	6.78	6.34
CONTINGENCY RESERVE FUND	500	0.01	0.00	0.00	0.00	0.00						
TOTAL ALTERNATIVE INVESTMENTS	297,789	5.18	3.70	0.52	-1.47	3.70	0.01	-12.07				
NCREIF PROPERTY INDEX			0.00	0.74	2.36	0.00	2.36	7.41	9.81	10.33	11.78	12.20
<b>CASH EQUIVALENTS</b>												
CASH ACCOUNT (INSIDE)	18,824	0.33	2.35	21.82	36.17	2.35	44.45	55.55				
CASH ACCOUNT (OUTSIDE)	2,857	0.05	0.18	0.58	1.41	0.18	1.74	3.88				
<b>TOTAL PLAN</b>												
TOTAL PLAN	5,749,061	100.00	-1.17	3.26	-3.45	-1.17	-4.12	-11.71	-6.91	-0.31	2.98	5.79
TOTAL PLAN BENCHMARK*			-1.28	4.27	-3.48	-1.28	-4.15	-11.05	-5.63	-0.13	4.37	6.88



Asset Allocation Report Market Values at Jan 31, 2002 (\$Millions)	Style	Actual		Target		Difference	Cash	% of
	Mandate							Total
<b>Domestic Equity</b>								
Shott Capital Mgmt	alternative distribution	0.27	0.0%	0.00	0.0%	0.27	0.00	0.0%
JP Morgan Investment Management	active core	280.96	4.9%	287.45	5.0%	-6.50	0.57	0.2%
Provident Investment Council	Active lrg cap grwth	279.45	4.9%	287.45	5.0%	-8.00	8.36	3.0%
SSgA Core	active core	290.14	5.0%	287.45	5.0%	2.69	3.65	1.3%
SSgA Russell	lrg cap value Index	292.52	5.1%	287.45	5.0%	5.07	0.00	0.0%
SSgA Wilshire 5000	Equity Index	1,080.88	18.8%	1,006.09	17.5%	74.80	(0.01)	0.0%
PIMCO	enhanced equity	456.01	7.9%	431.18	7.5%	24.83	0.00	0.0%
<b>TOTAL DOMESTIC EQUITY</b>		<b>\$2,680.23</b>	<b>46.6%</b>	<b>\$2,587.08</b>	<b>45.0%</b>	<b>\$93.15</b>	<b>\$12.57</b>	<b>0.5%</b>
<b>International Equity</b>								
Bank of Ireland	M/S all country ex US	564.07	9.8%	574.91	10.0%	-10.84	30.81	5.5%
Putnam Investments	M/S all country ex US	570.18	9.9%	574.91	10.0%	-4.72	11.69	2.0%
Transition Account	M/S all country ex US	1.11	0.0%	0.00	0.0%	1.11	0.13	11.7%
<b>TOTAL INT'L EQUITY</b>		<b>\$1,135.36</b>	<b>19.7%</b>	<b>\$1,149.81</b>	<b>20.0%</b>	<b>-\$14.45</b>	<b>\$42.63</b>	<b>3.8%</b>
<b>Domestic Fixed Income</b>								
Fleet Investment Advisors	active core	515.02	9.0%	521.73	9.1%	-6.71	34.38	6.7%
Fidelity Management & Research	mortgages	404.92	7.0%	395.25	6.9%	9.67	77.15	19.1%
Brown Brothers, Harriman	opportunistic core	196.34	3.4%	189.72	3.3%	6.62	20.12	10.2%
In-State Fixed Income	short/int govt	22.66	0.4%	0.00	0.0%	22.66	0.00	0.0%
Taplin, Canida & Habacht	corporates	228.16	4.0%	237.15	4.1%	-8.99	12.18	5.3%
Loomis, Sayles & Co.	convt/hi yield	246.91	4.3%	237.15	4.1%	9.76	12.25	5.0%
<b>TOTAL FIXED-INCOME</b>		<b>\$1,614.00</b>	<b>28.1%</b>	<b>\$1,580.99</b>	<b>27.5%</b>	<b>\$33.01</b>	<b>\$156.09</b>	<b>9.7%</b>
<b>Alternative Investments</b>								
JMB/ Heitman Advisory Corp	real estate	3.11	0.1%					
L&B Real Estate Counsel	real estate	30.28	0.5%					
Shott Capital Mgmt	alternative distribution	0.00	0.0%					
Pacific Corp Group	Private Equity	263.90	4.6%					
Bank Disposition	contingency	0.50	0.0%					
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$297.79</b>	<b>5.2%</b>	<b>\$431.18</b>	<b>7.5%</b>	<b>-\$133.39</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>CASH EQUIVALENTS</b>	STIF, Yield+	21.68	0.4%	0.00	0.0%	21.68	21.68	100.0%
<b>TOTAL ASSETS</b>		<b>\$5,749.07</b>	<b>100.0%</b>	<b>\$5,749.07</b>	<b>100.0%</b>	<b>\$0.00</b>	<b>\$232.97</b>	<b>4.1%</b>
<b>Allocation By Management Style</b>								
<b>Domestic Equity</b>								
Core		571.10	9.9%	574.91	10.0%	(3.81)	4.21	0.7%
Large Cap Growth		279.45	4.9%	287.45	5.0%	(8.00)	8.36	3.0%
Large Cap Value		292.52	5.1%	287.45	5.0%	5.07	-	0.0%
Enhanced Equity		1,536.89	26.7%	1,437.27	25.0%	99.62	(0.01)	0.0%
Alt Distribution		0.27	0.0%	-	0.0%	0.27	-	0.0%
<b>TOTAL DOMESTIC EQUITY</b>		<b>\$2,680.23</b>	<b>46.6%</b>	<b>\$2,587.08</b>	<b>45.0%</b>	<b>\$93.15</b>	<b>\$12.57</b>	<b>0.5%</b>
<b>International Equity</b>								
Passive		564.07	9.8%	574.91	10.0%	(10.84)	30.81	5.5%
Active		571.30	9.9%	574.91	10.0%	(3.61)	11.82	2.1%
Emerging Markets			0.0%	-	0.0%	-	-	0.0%
<b>TOTAL INT'L EQUITY</b>		<b>\$1,135.36</b>	<b>19.7%</b>	<b>\$1,149.81</b>	<b>20.0%</b>	<b>(\$14.45)</b>	<b>\$42.63</b>	<b>3.8%</b>
<b>Domestic Fixed Income</b>								
Mortgage		404.92	16.0%	395.25	6.875%	9.67	77.15	19.1%
Core		734.02	3.8%	711.45	12.375%	22.58	54.50	7.4%
Corporates		228.16	4.0%	237.15	4.125%	(8.99)	12.18	5.3%
Convertible/High Yield		246.91	4.3%	237.15	4.125%	9.76	12.25	5.0%
<b>TOTAL FIXED-INCOME</b>		<b>\$1,614.00</b>	<b>28.1%</b>	<b>\$1,580.99</b>	<b>27.5%</b>	<b>\$33.01</b>	<b>\$156.09</b>	<b>9.7%</b>
<b>Alternative Investments</b>								
Real Estate		33.39	0.6%					
Other Alternative Investments		264.40	4.6%					
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$297.79</b>	<b>5.2%</b>	<b>\$431.18</b>	<b>7.5%</b>	<b>(\$133.39)</b>		
<b>CASH EQUIVALENTS</b>	STIF, Yield+	21.68	0.4%	0.00	0.0%	21.68	21.68	100.0%
<b>TOTAL ASSETS</b>		<b>\$5,749.07</b>	<b>100.0%</b>	<b>\$5,749.07</b>	<b>100.0%</b>	<b>(\$0.00)</b>	<b>\$232.97</b>	<b>4.1%</b>



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

JANUARY 31, 2002

<i>Equities</i>				
RANK	SECURITY NAME	PAR VALUES/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	PFIZER INC	884,000	\$36,836,280	SSgA,Provident,J.P.Morgan
2	MICROSOFT CORP	521,900	33,250,249	SSgA,Provident,J.P.Morgan
3	INTEL CORP	925,400	32,426,016	SSgA,Provident,J.P.Morgan
4	GENERAL ELC. CO	750,500	27,881,075	SSgA,Provident,J.P.Morgan
5	CISCO SYS INC	1,104,300	21,865,140	SSgA,J.P.Morgan
6	EXXON MOBIL CORP	413,770	16,157,719	SSgA,J.P.Morgan
7	CITIGROUP INC	319,330	15,122,164	SSgA,J.P.Morgan
8	HOME DEPOT INC	297,201	14,886,798	SSgA,Provident,J.P.Morgan
9	AMERICAN INTL GROUP	196,325	14,557,499	SSgA,Provident,J.P.Morgan
10	AMERICAN HOME PROD.	218,900	14,154,074	Provident,J.P.Morgan
		8.48%	\$227,137,014	
	AOL TIME WARNER INC			
	<b>Total Composite Equities</b>		<b>\$2,679,974,792</b>	

International Equity Holdings By Top 10 Market Values

JANUARY 31, 2002

<i>International Equities</i>				
RANK	SECURITY NAME	PAR VALUES/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	TOTAL FINA ELF	279,161	\$39,868,496	Bank of Ireland,Putnam
2	ING GROEP NV CVA	1,489,324	37,978,075	Bank of Ireland,Putnam
3	VODAFONE GROUP	14,763,208	37,785,151	Bank of Ireland,Putnam
4	NESTLE SA	146,507	31,725,126	Bank of Ireland,Putnam
5	SHELL TRNSPT+TRDG	4,457,893	30,623,457	Bank of Ireland,Putnam
6	GLAXOSMITHLINE	1,265,131	29,297,162	Bank of Ireland,Putnam
7	ASTREZENECA ORD	547,869	24,702,489	Bank of Ireland,Putnam
8	SAMSUNG ELECTRS LTD	187,300	21,726,800	Putnam
9	AVENTIS SA	282,860	21,115,370	Bank of Ireland,Putnam
10	NTT DOCOMO	1,797	19,707,290	Bank of Ireland,Putnam
	BARCLAYS ORD	25.94%	\$294,529,416	
	<b>Total Composite International Equities</b>		<b>\$1,135,345,690</b>	

## Alternative Investments Funding

2002

Manager	Inception Date	Partnership Commitment	Prior Funding Thru 12/31/01	Current Month Funding	Cumulative Total at 1/31/02	Unfunded Balance	Market Values at 1/31/02
<i>ABS Capital Partners</i>	May 1996	5,000,000	2,813,914	2,598	2,816,512	2,183,488	1,562,276
<i>Apollo RE Investment Fund IV L.P.</i>	Apr 1998	15,000,000	13,112,766	(416,554)	12,696,212	2,303,788	14,775,443
<i>Alta BioPharma Partners, L.P.</i>	Mar 1998	10,000,000	7,492,435	0	7,492,435	2,507,565	5,202,219
<i>Alta California Partners II L.P.</i>	Oct 1998	10,000,000	8,053,607	0	8,053,607	1,946,393	6,158,608
<i>Alta California Partners III L.P.</i>	Jan 2001	15,000,000	3,750,000	1,500,000	5,250,000	9,750,000	4,173,509
<i>Aurora Equity Partners II</i>	Mar 1998	15,000,000	10,189,985	0	10,189,985	4,810,015	11,192,114
<i>Blackstone Capital Ptnrs III</i>	May 1997	20,000,000	13,266,975	0	13,266,975	6,733,025	14,747,455
<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	4,176,783	0	4,176,783	823,217	2,768,006
<i>Crossroads/Providence LP</i>	Dec 1988	37,319,303	36,562,076	(9,951)	36,552,125	0	8,328,773
<i>CSFB Global Opportunities Ptnrs, L.P.</i>	Sept 2001	15,000,000	0	5,077,757	5,077,757	9,922,243	5,077,757
<i>CVC Capital Partners</i>	Mar 1998	15,000,000	10,089,627	0	10,089,627	4,910,373	10,739,934
<i>CVC Capital Partners III</i>	Mar 2001	20,000,000	707,058	0	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	731,852
<i>Doughty Hanson III</i>	Nov 1997	15,000,000	9,279,861	0	9,279,861	5,720,139	8,169,595
<i>Fenway</i>	Aug 1998	15,000,000	7,437,382	247,500	7,684,882	7,315,118	6,694,827
<i>First Reserve Fund VIII L.P.</i>	Apr 1998	15,000,000	14,153,052	0	14,153,052	846,948	13,741,842
<i>First Reserve Fund IX L.P.</i>	Jan 2001	20,000,000	3,091,069	0	3,091,069	16,908,931	3,091,069
<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	27,356	3,987,804	1,012,196	4,146,521
<i>Narragansett Capital Partners</i>	Jan 1987	1,671,121	0	0	0	0	0
<i>Nautic Partners V</i>	Feb 2001	20,000,000	690,208	0	690,208	19,309,792	793,116
<i>Nordic Capital III</i>	Feb 1998	10,000,000	7,757,274	0	7,757,274	2,242,726	7,048,568
<i>OCM Opportunities Fund</i>	Jan 1996	8,000,000	1,430,038	0	1,430,038	6,569,962	4,246,328
<i>OCM Principal Opportunities</i>	Nov 1996	5,000,000	4,633,633	0	4,633,633	366,367	5,567,946
<i>OCM Opportunities II</i>	Oct 1997	12,000,000	7,666,907	(607,032)	7,059,875	4,940,125	10,103,772
<i>Parthenon Investors, L.P.</i>	Feb 1999	15,000,000	11,207,607	0	11,207,607	3,792,393	14,060,257
<i>Parthenon Investors II, L.P.</i>	Dec 2000	20,000,000	1,856,605	0	1,856,605	18,143,395	1,834,186
<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	8,002,542	220,365	8,222,907	6,777,093	6,066,049
<i>Providence Equity Partners IV L.P.</i>	Sep 2000	25,000,000	2,328,826	0	2,328,826	22,671,174	2,373,480
<i>SKM Equity Fund II</i>	Dec 1996	10,000,000	7,784,244	0	7,784,244	2,215,756	7,356,725
<i>THL Equity Fund IV</i>	Dec 1997	9,000,000	7,117,045	59,140	7,176,185	1,823,815	9,302,351
<i>TPG Partners</i>	Apr 1997	10,000,000	8,415,698	0	8,415,698	1,584,302	6,710,741
<i>Triumph Partners III</i>	Feb 1998	15,000,000	9,528,821	172,450	9,701,271	5,298,729	10,182,288
<i>VS &amp; A Communications Ptnrs III L.P.</i>	Nov 1998	15,000,000	6,989,943	0	6,989,943	8,010,057	5,938,475
<i>Wellspring Capital Partners</i>	Sep 1998	15,000,000	8,537,238	(3,750,000)	4,787,238	10,212,762	4,857,270
<i>Welsh, Carson, Anderson &amp; Stowe</i>	Oct 1995	15,000,000	12,478,087	0	12,478,087	2,521,913	16,068,345
<i>Willis Stein</i>	Jun 1996	5,000,000	3,613,319	0	3,613,319	1,386,681	2,887,396
<i>Real Estate Investments</i>	Various	80,544,204	39,281,597	0	39,281,597	0	33,391,481
<i>Contingency Fund</i>		500,000	500,000	0	500,000	0	500,000
<b>TOTALS:</b>		<b>\$629,034,628</b>	<b>\$316,066,696</b>	<b>\$2,523,628</b>	<b>\$318,590,324</b>	<b>\$266,743,397</b>	<b>\$297,788,816</b>



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

**ERSRI  
&  
MERSRI**

**at January 31, 2002**

	<u>LONG TERM</u>	<u>SHORT TERM</u>	<u>TOTAL</u>
INTEREST SOLD	\$10,498,319		\$10,498,319
SECURITIES LENDING	1,354,438		1,354,438
DIVIDENDS	15,385,848		15,385,848
INTEREST	72,917,700	119,582	73,037,282
MISCELLANEOUS	1,023,269		1,023,269
CAPITAL GAINS/LOSSES	(180,531,010)		(180,531,010)
	-----	-----	-----
<b>GRAND TOTAL:</b>	<b>(\$79,351,436)</b>	<b>\$119,582</b>	<b>(\$79,231,854)</b>

FISCAL YEAR 2002

ERSRI & MERSRI

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

CASH BASIS

	Actual Jul 01	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 02	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	PROJECTED TOTAL
<b>EQUITIES</b>													
<i>Provident Instrmnt</i>		222,496			198,738	214,049			250,000			250,000	921,234
<i>JP Morgnt</i>	224,746	217,218			211,144				225,000			225,000	888,795
<i>SSgA Core</i>		24,292			23,531				225,000			225,000	878,362
<i>SSgA Russell</i>	1,040				12,857				30,000			30,000	107,822
<i>Skott Capital</i>					49,801				12,500			12,500	38,898
<i>SSgA Wilshire 5000</i>		52,415							55,000			55,000	212,216
<b>FIXED INCOME</b>													
<i>Fleet Investment Advisors</i>		262,500			262,500				262,500			262,500	1,050,000
<i>Brown Bros.</i>		121,029			124,928				130,000			130,000	505,957
<i>Fidelity</i>		134,643			150,136				150,000			150,000	584,779
<i>Tapint</i>	213,470			215,167			184,354		200,000			200,000	1,012,991
<i>Loomis Sayles</i>		370,831			353,672				375,000			375,000	1,474,503
<b>INT'L EQUITIES</b>													
<i>Bank of Ireland</i>			116,722		330,270				325,000			325,000	1,096,992
<i>Putnam Investments</i>			106,890			338,898			200,000			200,000	845,788
<i>Scudder</i>		287,555			257,505								545,060
<i>Schroder</i>			177,584				68,125						177,584
<i>Baring</i>													0
<b>REAL ESTATE</b>													
<i>Hertman 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	76,535	313,617	289,937	1,102,887	200,000	200,000			200,000	3,875,075
<b>SUB TOTAL - INV MGMT FEES</b>	<b>1,582,243</b>	<b>1,828,492</b>	<b>614,795</b>	<b>291,702</b>	<b>2,288,698</b>	<b>842,884</b>	<b>1,355,367</b>	<b>200,000</b>	<b>2,640,000</b>	<b>0</b>	<b>0</b>	<b>2,640,000</b>	<b>14,216,056</b>
<b>PROFESSIONAL FEES</b>													
<i>Consulting</i>													0
<i>Legal</i>													0
<i>State Street Bank Custodial</i>	71,539	68,750	19,444		22,701	8,839	167	68,750	36,000			36,000	194,689
<i>Pacific Corp Group</i>		16,667	16,667		16,667	16,667	16,667	16,667	68,750			68,750	343,750
<i>Wilshire Assoc</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	200,002
<b>OPERATING EXPENSE</b>													
<i>Retirement Transfers</i>			5,574,068				2,787,034			2,787,034		3,000	11,148,136
<i>Other Expense</i>													3,000
<b>TOTAL:</b>	<b>1,687,115</b>	<b>1,913,909</b>	<b>6,224,974</b>	<b>308,369</b>	<b>2,396,817</b>	<b>868,389</b>	<b>4,159,234</b>	<b>268,750</b>	<b>2,761,417</b>	<b>2,803,701</b>	<b>16,667</b>	<b>2,764,417</b>	<b>26,105,633</b>

**CASH FLOW ANALYSIS - INCOME & EXPENSES**

Employees Retirement System

**FISCAL YEAR 2002**

FY 2001-02	Actual July 2001	Actual August	Actual September	Actual October	Actual November	Actual December	Actual 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	33,827,990	33,994,406	33,793,534	34,850,397	34,800,000	35,000,000	35,000,000	34,800,000	34,800,000	411,503,316
ADMINISTRATIVE EXPENSES	0	0	31,372	14,473	93,867	22,135	2,433,254	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	7,595,101
INVESTMENT EXPENSES	993,475	117,782	534,120	253,307	1,987,023	731,472	1,176,215	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	11,793,994
TOTAL OUTFLOW	33,595,761	34,179,365	34,538,612	34,095,770	36,075,296	34,547,141	38,459,866	37,000,000	37,200,000	37,200,000	37,000,000	37,000,000	430,891,811
CONTRIBUTIONS	24,368,335	20,599,000	9,707,898	12,643,827	22,402,933	20,168,992	18,362,123	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	233,253,108
OTHER INCOME*	590,788	1,877,333	391,245	265,009	744,863	1,140,924	8,221,786	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	25,731,948
TOTAL INCOME	24,959,123	22,476,333	10,099,143	12,908,836	23,147,796	21,309,916	26,583,909	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	258,985,056
DIFFERENCE	(8,636,638)	(11,703,032)	(24,439,469)	(21,186,934)	(12,927,500)	(13,237,225)	(11,875,957)	(13,500,000)	(13,700,000)	(13,700,000)	(13,500,000)	(13,500,000)	(171,906,755)

Municipal Employees Retirement System

Actual July 2001	Actual August	Actual September	Actual October	Actual November	Actual December	Actual 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	2,866,037	2,840,481	2,899,316	2,949,812	3,000,000	2,950,000	3,100,000	3,000,000	2,950,000	34,985,015
ADMINISTRATIVE EXPENSES	0	0	4,611	2,133	13,855	3,276	360,154	150,000	150,000	150,000	150,000	150,000	1,134,029
INVESTMENT EXPENSES	145,714	17,275	78,510	37,346	293,284	108,268	174,095	200,000	200,000	200,000	200,000	200,000	1,854,492
TOTAL OUTFLOW	2,948,060	2,821,275	2,906,144	2,905,516	3,147,620	3,010,860	3,484,061	3,350,000	3,300,000	3,450,000	3,350,000	3,300,000	37,973,536
CONTRIBUTIONS	1,505,428	1,610,883	559,349	1,536,688	1,306,745	3,642,335	631,696	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	18,793,124
OTHER INCOME*	86,652	275,343	57,508	39,071	109,942	168,872	1,216,933	375,000	375,000	375,000	375,000	375,000	3,829,321
TOTAL INCOME	1,592,080	1,886,226	616,857	1,575,759	1,416,687	3,811,207	1,848,629	1,975,000	1,975,000	1,975,000	1,975,000	1,975,000	22,622,445
DIFFERENCE	(1,355,980)	(935,049)	(2,289,287)	(1,329,757)	(1,730,933)	(800,347)	(1,635,432)	(1,375,000)	(1,325,000)	(1,475,000)	(1,375,000)	(1,325,000)	(15,351,091)

Judges/State Police  
Retirement System

	Actual July 2001	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2002	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	7,678	7,678	7,678	7,678	7,678	7,678	7,678	7,500	7,500	7,500	7,500	7,500	91,246
ADMINISTRATIVE EXPENSES	0	0	128	61	396	95	10,460	3,250	3,250	3,250	3,250	3,250	27,390
INVESTMENT EXPENSES	3,797	457	2,165	1,049	8,391	3,144	5,057	4,250	4,250	4,250	4,250	4,250	45,310
TOTAL OUTFLOW	11,475	8,135	9,971	8,788	16,465	10,917	23,195	15,000	15,000	15,000	15,000	15,000	163,946
CONTRIBUTIONS	317,942	480,000	325,850	326,678	320,000	326,838	302,840	350,000	350,000	350,000	350,000	350,000	4,150,149
OTHER INCOME*	2,258	7,287	1,587	1,098	3,146	4,905	35,345	8,000	8,000	8,000	8,000	8,000	95,626
TOTAL INCOME	320,200	487,287	327,437	327,776	323,146	331,743	338,185	358,000	358,000	358,000	358,000	358,000	4,245,775
DIFFERENCE	308,725	479,152	317,466	318,988	306,681	320,826	314,990	343,000	343,000	343,000	343,000	343,000	4,081,829

\*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	7,559,316	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	1,828,927	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	4,752,500	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	8,845,848	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	7,070,705	2,539,487	4,008,151	7,307,155						27,072,050
<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						10,038,162
<b>GAINS/LOSSES/INCOME</b>	443,245	20,359,100	398,539	23,394	479,230	1,882,213	10,453,060						34,038,781



<b>Rhode Island Employees Retirement System</b> <b>Securities Lending Report</b> <b>January, 2002</b>
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<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<b><u>DOMESTIC EQUITY</u></b>		
Provident Investment Council	9,490	20,268,275
JP Morgan Investment Management	3,890	8,854,618
SSgA Core	<u>4,562</u>	<u>9,842,109</u>
<b>Total Domestic Equity</b>	<b><u>\$17,941</u></b>	<b><u>\$38,965,002</u></b>
<b><u>INTERNATIONAL EQUITY</u></b>		
Bank of Ireland	33,434	45,885,613
Putnam Investments	49,987	84,270,152
<b>Total International Equity</b>	<b><u>\$83,421</u></b>	<b><u>\$130,155,764</u></b>
<b><u>FIXED INCOME</u></b>		
Fleet Investment Advisors	75,107	224,904,357
Brown Brothers, Harriman	3,514	7,565,293
Taplin, Canida & Habacht	7,973	17,557,517
Loomis, Sayles & Co.	<u>8,609</u>	<u>17,947,116</u>
<b>Total Fixed Income</b>	<b><u>\$95,203</u></b>	<b><u>\$267,974,283</u></b>
<b>TOTAL SECURITIES LENDING INCOME</b>	<b><u>\$196,566</u></b>	<b><u>\$437,095,049</u></b>
Calendar Year 2002 YTD	<b>\$ 196,566</b>	
Calendar Year 2001 YTD	<b>\$ 2,288,904.58</b>	



## **General Information**

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<b>B. Summary Portfolio Yields</b>	

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

**Short Term Investments Portfolio by Fund**

**As of January 31, 2002**

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	62,327,569	7,347	62,334,916
4904 PENSION C	5,499,720	280	5,500,000
4908 PAYROLL A	299,985	15	300,000
4920 GENERAL FUND (HIST PRES)	437,210	1,224	438,435
5200 RI UNDERGROUND STORAGE TNK	1,500,170	575	1,500,745
5400 HIGHWAY FUND	9,999,017	1,928	10,000,944
5500 UNIVERSITY COLLEGE	500,024	71	500,095
5800 PROV. RIVER RELOCATION	0	0	0
6920 AUTO EQUIPMENT SERVICE	700,034	99	700,133
8000 T.D.I. RESERVE (DET)	50,372,821	7,758	50,380,579
8300 PERMANENT SCHOOL FUND	656,112	666	656,778
8400 EMP RETIREMENT FUND	0	0	0
8500 MUN EMP RETIREMENT FUND	0	0	0
8700 R.I. CLEAN WATER ACT	4,002,774	3,922	4,006,696
9000 BOND CAPITAL FUND	15,795,284	15,427	15,810,711
9400 R.I. HIGHER EDUCATION	0	0	0
9700 STATE LOTTERY FUND	23,684,599	21,184	23,705,783
9800 INDUS. BLDG. & MTG. INS.	3,104,559	3,719	3,108,278
9900 SINKING FUND	3,350,000	4,904	3,354,904
4911 TANS PROCEEDS	0	0	0
Subtotal	182,229,879	69,120	182,298,998
8701 CLEAN WATER CCDL2000 A	2,595		
8702 CLEAN WATER 1993 SER. A	53,065		
8703 CLEAN WATER 1991 SERIES A	704,068		
8704 CLEAN WATER 96 SERIES A	315,828		
8706 CLEAN WATER CCDL 1994 (A)	193,387		
8707 CAP DEV. OF 1997 SERIES A	156,546		
8733 CAP DEV. OF 1997 SERIES A	101,358		
8737 RI POLLUT. CONT 94 SER. A	45,053		
8738 POLLUTION CONTROL 1998B	5,630		
8739 CCDL99A 1999A	416,099		
8740 POLLUTION CONTROL CCDL200A	3,859,923		
8741 BOND 2001	1,266,706		
9108 BOND SALE 1990 SER. A&B	1,946		
9114 G.O. NOTE 1991 SER. B	12,396		
9115 BOND CCDL 1992 SERIES A	588		
9116 BOND CCDL 1993 SERIES A	3,050,909		
9117 BOND CCDL 1994 SERIES A	1,833,508		
9118 BOND CCDL 1995 SER. A	5,277		
9120 BOND CCBL96A	2,478,071		
9121 CAP DEV OF 1997 SERIES A	2,471,227		
9123 CCDL 1998B	11,517,301		
9124 CCDL99A 1999A	32,135,061		
9125 MMG099 1999	3,516,374		
9126 BOND CAPITOL CCDL2000A	21,506,966		
9127 MULTI-MODAL GEN OBL 2000	1,591,336		
9128 BOND 2001	41,345,682		
Subtotal Bond Proceed Accounts	128,586,900		
Total Short Term Portfolio	310,816,778		

\* General Fund (4901) & TDI (8000) Investments do not reflect Interest earnings on Brinson Advisors MM due to nature of Money Market investments. Principal balances w/ Brinson @ Jan 31 are GF \$20,630,414.45 and TDI \$43,027,212.42. Interest is posted on the 1st business day of the next month and for January totalled \$31,972.96 and \$76,895.41 respectively.

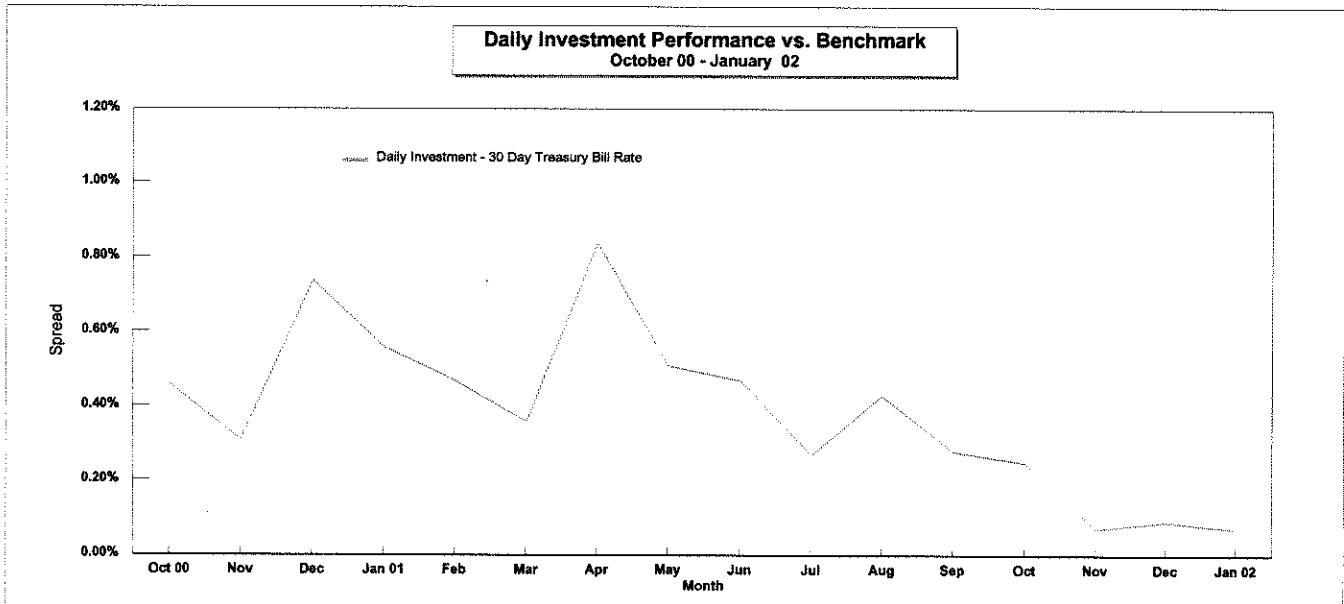
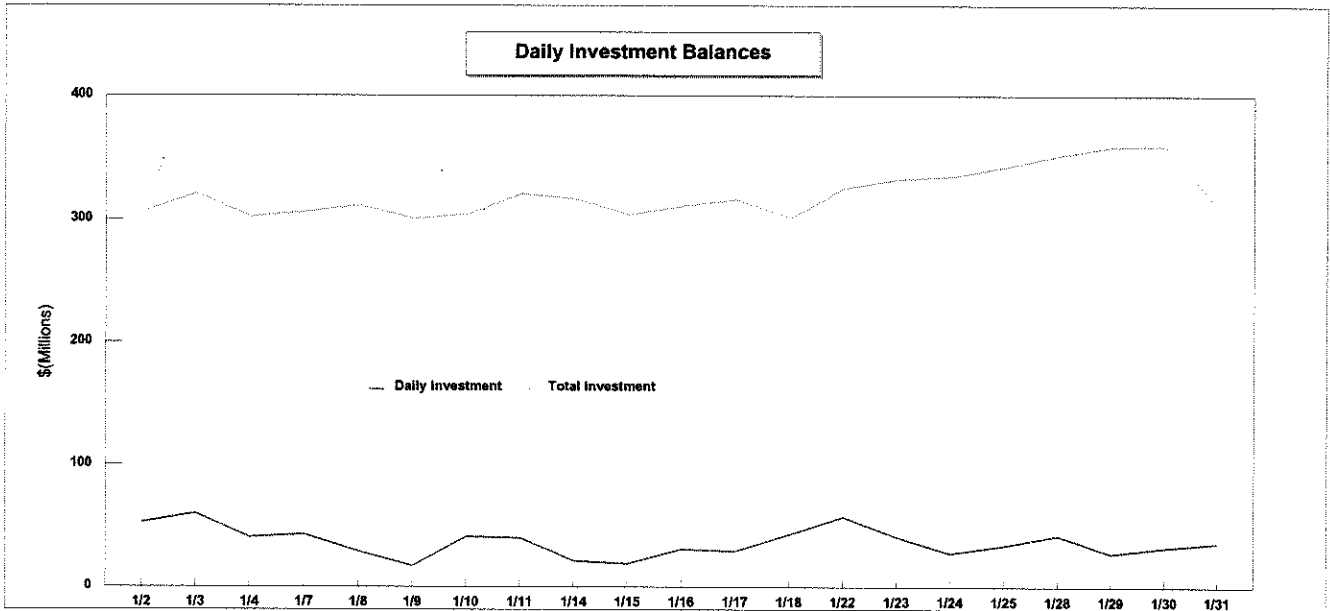
**Short Term Inverest Rate Performance**  
**January 2002**

<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 Investment (millions)</u>
1/02	\$53.03	1.75	1.63	11.80	1/02	\$306.94
1/03	\$60.30	1.70	1.64	5.71	1/03	\$321.63
1/04	\$40.99	1.72	1.67	4.97	1/04	\$302.93
1/07	\$43.50	1.76	1.67	9.27	1/07	\$306.73
1/08	\$29.50	1.70	1.67	3.00	1/08	\$312.18
1/09	\$17.70	1.76	1.67	8.71	1/09	\$301.07
1/10	\$41.54	1.72	1.65	6.58	1/10	\$304.88
1/11	\$40.64	1.70	1.65	4.54	1/11	\$321.78
1/14	\$22.00	1.72	1.58	13.85	1/14	\$317.49
1/15	\$19.70	1.74	1.58	15.58	1/15	\$304.64
1/16	\$31.50	1.66	1.61	4.67	1/16	\$311.44
1/17	\$29.86	1.67	1.59	8.04	1/17	\$317.24
1/18	\$43.69	1.61	1.58	3.02	1/18	\$301.65
1/22	\$57.89	1.68	1.56	12.03	1/22	\$326.85
1/23	\$41.60	1.71	1.64	7.40	1/23	\$333.85
1/24	\$28.20	1.74	1.66	7.75	1/24	\$335.94
1/25	\$34.55	1.71	1.65	5.56	1/25	\$343.75
1/28	\$42.70	1.73	1.65	8.12	1/28	\$352.85
1/29	\$27.90	1.72	1.69	3.37	1/29	\$359.86
1/30	\$32.91	1.76	1.68	7.80	1/30	\$360.87
1/31	\$36.65	1.80	1.67	13.43	1/31	\$310.82
	<b>Total Amount Invested</b>	<b>Weighted Average Rate</b>	<b>Average 30 day Rate</b>	<b>Basis Point Difference</b>		
	\$776.32	1.71	1.64	8		

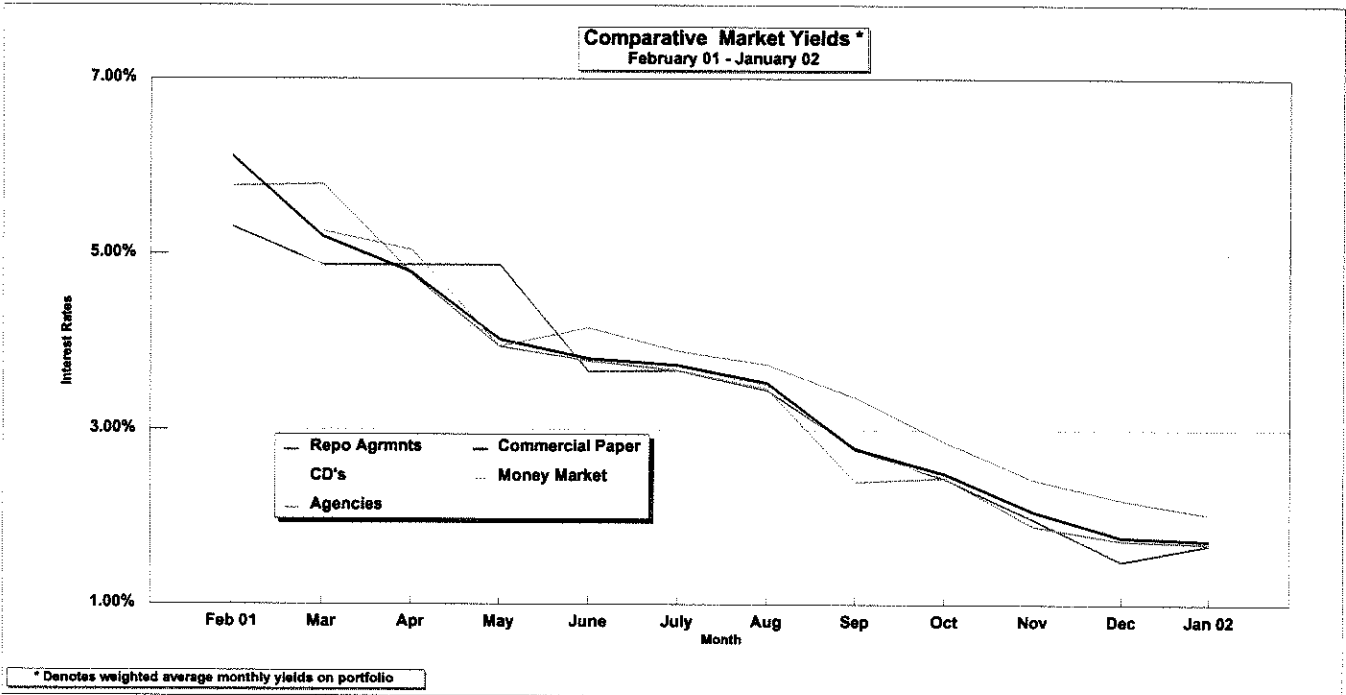
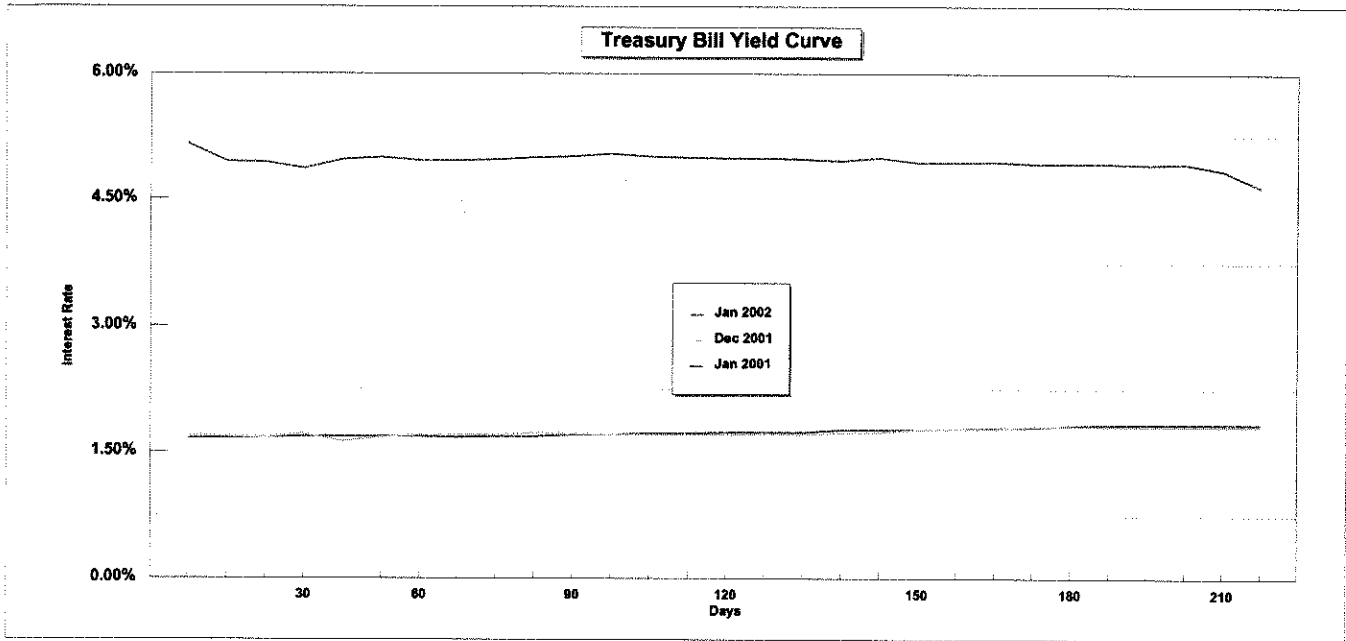
INTEREST

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

January 31, 2002

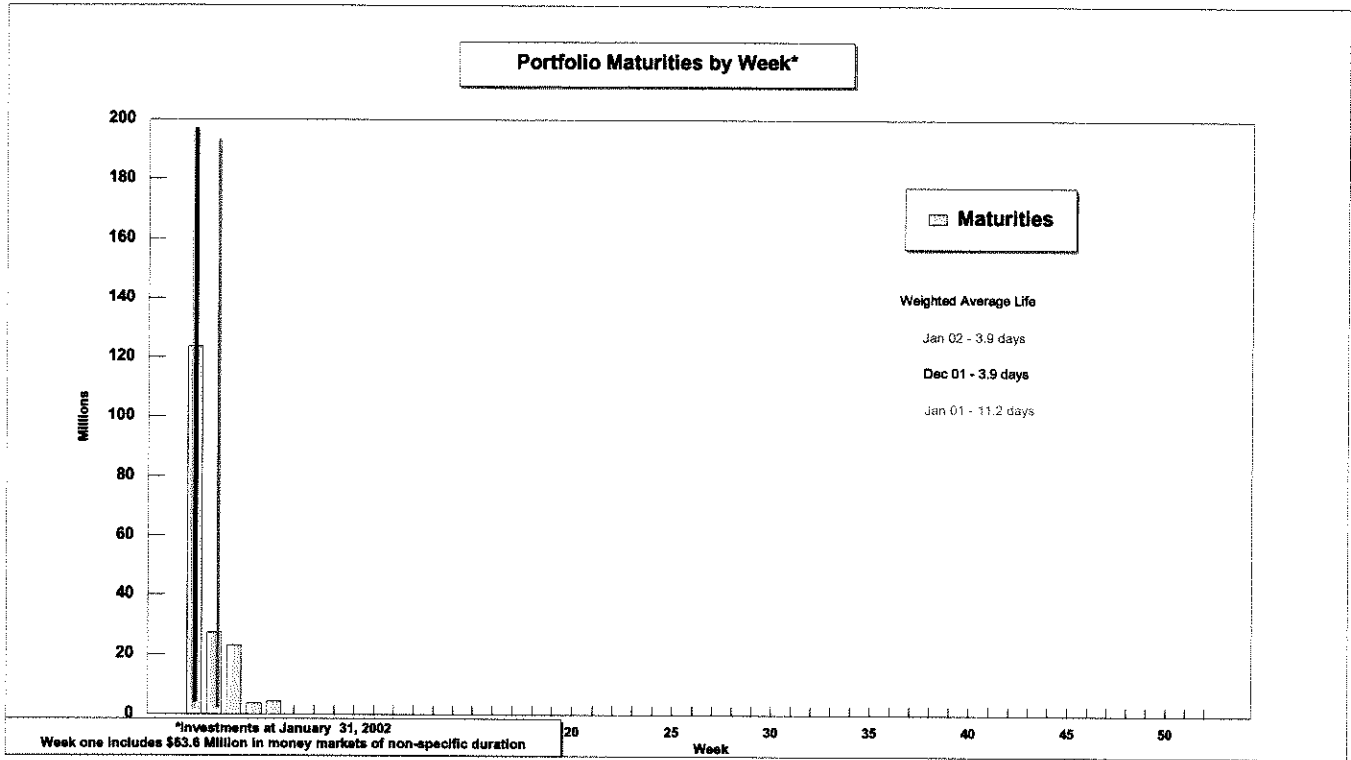


**RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS**



\* Denotes weighted average monthly yields on portfolio

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



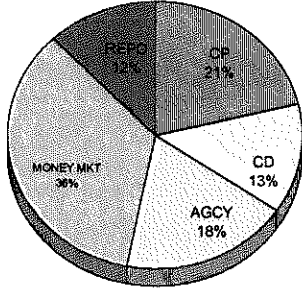
**SUMMARY PORTFOLIO YIELDS**

	<b>WEIGHTED AVERAGE YIELD(%)</b>
<b>Jan 31, 2002</b>	<b>1.8%</b>
<b>Dec 31, 2001</b>	<b>1.9%</b>
<b>Jan 31, 2001</b>	<b>5.1%</b>

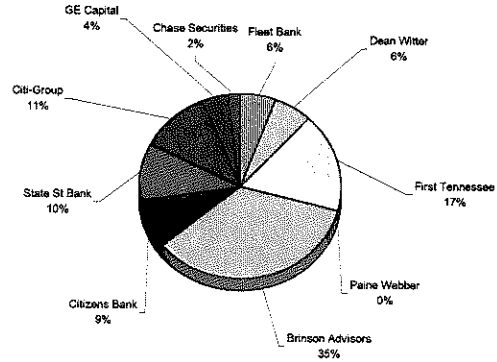


**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**SHORT TERM CASH INVESTMENTS AT JANUARY 31, 2002**

**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	10,086,106	0	0	0	0	10,086,106
	6%	0%	0%	0%	0%	6%
Bear Stearns	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%
Zions Bank	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%
Dean Witter	0	0	1,997,067	0	9,200,000	11,197,067
	0%	0%	1%	0%	5%	6%
Chase Securities	0	3,350,000	0	0	0	3,350,000
	0%	2%	0%	0%	0%	2%
Paine Webber	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%
Ford Motor	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%
First Tennessee	0	0	31,645,926	0	0	31,645,926
	0%	0%	17%	0%	0%	17%
Brinson Advisors	0	0	0	63,657,627	0	63,657,627
	0%	0%	0%	35%	0%	35%
Citizens Bank	0	15,505,995	0	0	0	15,505,995
	0%	9%	0%	0%	0%	9%
GE Capital	7,797,520	0	0	0	0	7,797,520
	4%	0%	0%	0%	0%	4%
Prudential	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%
Sun Trust	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%
Citi-Group	20,789,472	0	0	0	0	20,789,472
	11%	0%	0%	0%	0%	11%
State St Bank	0	5,300,000	0	0	12,900,165	18,200,165
	0%	3%	0%	0%	7%	10%
<b>TOTALS</b>	<b>38,673,099</b>	<b>24,155,995</b>	<b>33,642,993</b>	<b>63,657,627</b>	<b>22,100,165</b>	<b>182,229,879</b>
<b>(%) PORTFOLIO</b>	<b>21%</b>	<b>13%</b>	<b>18%</b>	<b>35%</b>	<b>12%</b>	<b>100%</b>



SPECIAL FUNDS  
 INVESTMENT SUMMARY  
 JANUARY 31, 2002

<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>	\$1,323,133	\$21,818	\$779,167	(\$29,777)	\$2,124,118
<u>State of Rhode Island Land Grant Fund</u> *	0	\$65,198	0	\$90	\$65,198
<b>TOTALS</b>	\$1,323,133	\$87,016	\$779,167	(\$29,688)	\$2,189,316

\* Balances as of 12/31/01





**CollegeBoundfundsm**

*Underlying Mutual Fund Performance  
through December 31, 2001*

**Alliance Capital** 

# CollegeBoundfund Underlying Mutual Fund Performance through 12/31/01

	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS
• The Alliance Fund - Adv Russell Midcap Growth	-17.97% -20.15%	-17.97% -20.15%	-2.52% 2.16%	4.26% 9.02%	N/A 11.10%
• Alliance Growth & Income - Adv Russell 1000 Value	-1.62% -5.59%	-1.62% -5.59%	7.63% 2.74%	14.44% 11.13%	N/A 14.13%
• Alliance Premier Growth - Adv Russell 1000 Growth	-23.72% -20.42%	-23.72% -20.42%	-7.41% -6.32%	N/A 8.27%	N/A 10.79%
• Alliance Quasar - Instl Russell 2000 Growth	-11.65% -9.23%	-11.65% -9.23%	4.07% 0.25%	N/A 2.87%	N/A 7.19%
• Alliance Technology - Adv Goldman Sachs Technology	-25.66% -28.58%	-25.66% -28.58%	-1.07% -5.70%	10.69% 9.13%	N/A N/A
• AllianceBernstein Int'l Value - Adv MSCI EAFE	-1.38%* -7.95%*	N/A -21.21%	N/A -4.79%	N/A 1.17%	N/A 4.76%
• AllianceBernstein Small Cap Value - Adv Russell 2500 Value	9.36%* 1.79%*	N/A 9.74%	N/A 10.39%	N/A 11.92%	N/A 15.14%
• Alliance High Yield Fund - Adv CSFB High Yield	-0.27% 5.80%	-0.27% 5.80%	-4.58% 1.18%	N/A 3.25%	N/A 7.84%
• Alliance US Gov't Portfolio - Adv Lehman Brothers Gov't Bond Index	5.26% 7.23%	5.26% 7.23%	N/A 5.89%	N/A 7.40%	N/A 7.14%
• Alliance Quality Bond Portfolio - Adv Lehman Aggregate	7.71% 8.44%	7.71% 8.44%	N/A 6.28%	N/A 7.43%	N/A 7.23%

\* AB Int'l Value and AB Small Cap Value were added to CollegeBoundfund on 7/1/01. YTD performance for these funds is for the period 7/1/01-12/31/01.

