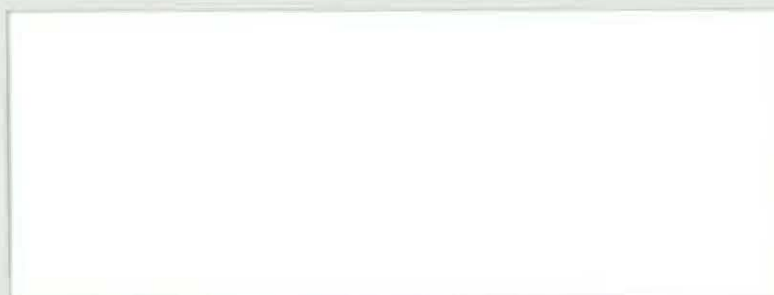


State of Rhode Island and Providence Plantations



Office of the General Treasurer

Paul J. Tavares
General Treasurer

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
JULY 31, 2005**

JAN ROBERTS

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Paul J. Tavares, Chair

**Mr. J. Michael Costello ✓
Dr. Robert J. McKenna
Mr. James E. Thorsen ✓**

**Ms. Rosemary Booth Gallogly
Ms. Marcia Reback
Mr. John R. Treat**



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, August 24, 2005 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 6/22/05 *
3. Alternative Investments Consultant – Pacific Corporate Group
 - Avenue Special Situations Fund IV, L.P. *
4. Real Estate Consultant – The Townsend Group
 - Westbrook Real Estate Fund VI *
 - JP Morgan Alternative Property Fund *
5. Investment Manager Review
 - Mondrian Investment Partners Ltd.
6. General Consultant's Report – Wilshire Associates Incorporated
 - Capital Market Update
7. Legal Counsel Report
8. Deputy Treasurer for Finance Report
9. Treasurer's Report
10. New Business

* Commission members may be asked to vote on this item.

POSTED ON THURSDAY, AUGUST 18, 2005

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

Regular Meeting June 22, 2005

A State Investment Commission ("SIC") meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, June 22, 2005. Ms. Caine, as the Designee of General Treasurer Paul J. Tavares, called the meeting to order at 9:05 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Dr. Robert McKenna, Mr. James E. Thorsen, Mr. John Treat, and Ms. Joan M. Caine, Deputy Treasurer for Finance serving as the Designee of General Treasurer Paul J. Tavares. Also present were: Jayne Donegan, Esq, of Brown Rudnick Berlack Israels, Legal Counsel to the Commission, Ms. Tara Blackburn and Mr. Monte Brem, of Pacific Corporate Group, Alternative Investments Consultant to the Commission and Mr. Frank Blaschka and Mr. Anthony Frammartino, of The Townsend Group, Real Estate Consultants to the Commission, and other members of the Treasurer's Staff. Mr. David Lindberg, of Wilshire Associates Incorporated, General Consultant to the Commission joined the meeting at 10:20 a.m. Ms. Rosemary Booth Gallogly and Ms. Marcia Reback were absent.

State Investment Commission Minutes. Mr. Costello moved, Dr. McKenna seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Dr. McKenna, Mr. Thorsen, Mr. Treat and Ms. Caine.

VOTED: To approve the Minutes of the May 25, 2005 regular meeting.

Mr. Costello moved, Mr. Treat seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Dr. McKenna, Mr. Thorsen, Mr. Treat and Ms. Caine.

VOTED: To approve and seal the Minutes of the May 25, 2005 Executive Session.

Ms. Caine asked for the indulgence of the Commission in rearrangement of the Agenda, as the presenters from the private equity investments were delayed, but the presenters from the real estate funds were present.

The Townsend Group ("Townsend") – Real Estate Overview. Mr. Frank Blaschka noted that Starwood Capital Hospitality Fund I ("Starwood") and Fillmore East Fund I ("Fillmore") are closed end fund investments in the High Return and Enhanced Return categories. These two funds represent a targeted hospitality related strategy seeking to take advantage of improving cyclical performance related to improving economic conditions and increased business travel, as well as demographic trends that favor travel and resort oriented leisure activities. These two funds offer both downside protection (Fillmore with its high coupon mezzanine loans or other income oriented structured finance investments) and upside potential (Starwood with its development/redevelopment strategies, repositioning assets, and global opportunities).

Proposed Real Estate Investment – Fillmore East Fund I. Mr. Timothy C. Getz, Executive Vice President and Mr. Ronald Silva, President and CEO represented Fillmore. Mr. Getz noted that Fillmore manages both commingled fund and separate account investments, with a current portfolio of \$840 million. He described Fillmore as a disciplined contrarian with a bias

towards current cash yields and premium total returns. Its focus is on non-traditional, non-commodity investments and market inefficiencies.

Mr. Silva noted that the fund will be capped at \$400 million. The fund will have approximately 62% in mezzanine investments, 17% in entity level finance, 14% in first mortgages and 7% in B-notes/second mortgages. He expects approximately 39% of the properties to be in hospitality full service, 34% in hospitality limited service, 14% in office space, 8% in senior housing and 5% in manufactured housing. Representative Fillmore Partners annualized returns for the 1-year period ended 12/31/04 were 14.49%, 3-year annualized returns were 15.09% and 5-year annualized returns were 14.85%.

Fillmore is a new firm formed in 2003 by investment professionals who departed Lowe Enterprises Investment Management ("LEIM"). Mr. Silva, Mr. Getz and Mr. Michael Reinardy were instrumental in managing the prior successful investment activity of LEIM under the same strategy. Mr. Silva spent 13 years at LEIM and was head of the structured finance group originating both debt and equity investments. Mr. Getz joined LEIM in 1998 and Mr. Reinardy in 2000. The three structured more than \$2 billion debt and equity investments, at LEIM and/or Fillmore. Townsend has had ten years of investment experience with Mr. Silva as a manager of separate account investments for two Townsend pension fund clients.

Mr. Thorsen moved, Mr. Treat seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Dr. McKenna, Mr. Thorsen, Mr. Treat and Ms. Caine.

VOTED: To invest up to \$10 million in Fillmore East Fund I, contingent upon satisfactory review and negotiation of investment and other legal documents.

Proposed Real Estate Investment – Starwood Capital Hospitality Fund I. Mr. Frammartino gave a brief overview of Starwood. Mr. Jerome C. Silvey, Executive Vice President and Chief Financial Officer represented Starwood. Mr. Silvey noted that Starwood has over \$9 billion invested in 260 separate transactions. Approximately 80% of Starwood's investments since inception have been realized. Starwood co-invests 3% with the limited partners. It has an experienced team that has been together from 12 to 16 years. Principals of Starwood have combined real estate, capital markets, and corporate transaction expertise which allows them to alter their investment focus as markets have changed.

Starwood has unique hotel experience in Mr. Barry Sternlicht, former CEO of Starwood Hotels. Mr. Sternlicht brings a wealth of private and public hotel experience, reputation, network and contacts to bear that should be a strong positive factor to enable the fund to source and execute a wide variety of hotel and hotel related strategies. Some of his accomplishments include the recapitalization of Starwood Hotels, the purchase of the Westin chain, the growth of the Starwood Hotel company including the large ITT portfolio purchase. He created and introduced the W Hotel chain. Starwood has invested over \$9 billion in 260 transactions since 1991.

Mr. Silvey noted that Starwood's historical annual performance from 1991 through 2004 was 37%. Target size of the fund is \$800 million. The strategy will focus on hospitality related investments that may include operating companies, resorts, condominiums and may have a significant redevelopment component as well as new format such as condo/hotels. Starwood has an exceptional global capability in this sector, having been involved in \$15 billion of hotel transactions.

Mr. Thorsen moved, Mr. Costello seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Dr. McKenna, Mr. Thorsen, Mr. Treat and Ms. Caine.

VOTED: To invest up to \$10 million in Starwood Capital Hospitality Fund I, contingent upon satisfactory review and negotiation of investment and other legal documents.

Real Estate Portfolio Status. Mr. Blaschka reported that the current focus is on building the portfolio. The portfolio will consist of 27% in office properties, and approximately 18-19% each in the retail, apartment and industrial property types. The remaining 18% will be invested in hotels and other specialized property types. With today's commitments to Fillmore and Starwood as non-core investments, Townsend views these as the most compelling opportunities in the market, taking advantage of specialized property types using proven teams with competitive advantages. All commitments are falling well within the ranges in the Investment Policy.

Pacific Corporate Group ("PCG") - Reorganization Structure. Mr. Monte Brem, President of PCG Asset Management distributed PCG's new organizational chart and explained that a year ago PCG began to explore ways to reorganize their business in order to better serve their clients. It was decided that the fund investment activities should focus completely on fund investments. The direct investment activities should focus solely on direct investments. Mr. Brem was appointed President of PCG Asset Management to oversee the fund investments in April, 2005. Mr. Christopher Bower, CEO heads PCG Capital Partners and oversees the direct investments. Nearly 95% of PCG's employees are focused on the fund investment activities. The direct investment side is more of a project based business and much less people intensive. Mr. Brem noted that the changes were made to coincide with changes seen in the market and to optimize how they operate in that market.

Proposed Alternative Investment - Apollo Investment Fund VI, L.P. ("Apollo"). Ms. Blackburn gave a brief overview noting that the fund will be capped at \$6 billion. The general partner has committed \$100 million to the fund and/or transactions executed by the fund. Apollo will follow the same investment strategy as in previous funds by investing in distressed debt with (1) control or influential minority equity and equity-like positions and (2) debt or other securities that are expected to generate equity-like returns.

Ms. Stephanie Drescher and Mr. Marc Becker represented Apollo. Mr. Becker noted that the Apollo group was founded in 1990 and since then has invested approximately \$12 billion of capital in buyouts generating a gross IRR of approximately 41%. The founding partners have been together for 18 years with deep industry expertise in several core industries. Ms. Drescher noted that Fund V generated a gross IRR of 78% and Fund IV generated a gross IRR of 14%. Apollo focuses on downside protection. Approximately 90% of the investments have generated positive returns.

Ms. Drescher noted Apollo builds significant value through its "hands on" approach. It has taken advantage of the debt markets while creating stable long-term capital structures for portfolio companies. The fund will focus on nine industries: chemicals, communications, consumer/retail, distribution/transportation, financial services, hospitality/leisure, manufacturing/industrial, media/entertainment/cable and printing/publishing.

Mr. Thorsen inquired if the SIC should invest \$20 million in Apollo instead of the \$15 million commitment recommended by PCG. Ms. Blackburn noted that she believed the amended amount may be available.

Mr. Thorsen moved, Mr. Costello seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Dr. McKenna, Mr. Thorsen, Mr. Treat and Ms. Caine.

VOTED: To invest up to \$20 million in Apollo Investment Fund VI, L.P., contingent upon satisfactory review and negotiation of investment and other legal documents.

Proposed Alternative Investment - Birch Hill Equity Partners III, L.P. ("Birch Hill"). Ms. Blackburn gave a brief overview of Birch Hill which will make investments in sustainable growth opportunities, under-managed companies and special opportunities. The investments will be in middle-market companies principally located in Canada. Historically the investments have been in the manufacturing, software, outsourced services, healthcare, energy, entertainment and media/communications sectors.

Mr. Stephen J. Dent, Partner and Mr. Joseph P. Wiley, partner represented Birch Hill. Mr. Dent noted that Birch Hill is the leading middle-market buyout firm in Canada with C\$805 million invested in 31 portfolio companies. Eighteen fully realized investments have generated a 30% gross IRR. It has produced a 25% gross IRR on all investments since 1994. Birch Hill has been backed by the Toronto Dominion Bank ("TD") which is Canada's second largest financial institution since the 1990s.

Mr. Wiley noted that the Canadian market is unique and makes it difficult for foreign funds to compete. It's a small, tight business community where reputation is paramount and with a limited number of top management teams. Canada has a concentrated customer and competitor base and fewer, more conservative domestic banks. Birch Hill has team longevity and a reputation for fair dealing which draws top companies, managers and business partners. It also has deep relationships with top tax, legal and regulatory advisors which enables effective, value-enhancing structuring. Also, the Canadian public markets are less liquid and less efficient, making private equity a relatively more attractive alternative.

Mr. Costello moved, Dr. McKenna seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Dr. McKenna, Mr. Thorsen, Mr. Treat and Ms. Caine.

VOTED: To invest up to \$15 million in Birch Hill Equity Partners III, L.P., contingent upon satisfactory review and negotiation of investment and other legal documents.

State Street Bank & Trust Company ("State Street") - Custody Contract. Ms. Caine reminded Commission members that in 2000 a Request for Proposals was issued for a custodial bank. The Employees' Retirement System of Rhode Island ("ERSRI") has had a long-term relationship with State Street and they were again chosen for this mandate for a variety of reasons. State Street has an exceptional team in place and are very responsive to our requests. State Street continues to introduce new and enhanced products to us, particularly tools to help us monitor investment managers with regard to performance and compliance with investment policy statement guidelines.

Ms. Caine noted that in 1999 ERSRI was paying between \$1 million to \$2 million for their services. The past four years ERSRI has been paying between \$100,000 to \$200,000. The amount varies depending upon what type of investment activity the fund is involved in. ERSRI has also benefited because we have a bundled relationship with State Street. They manage a good deal of indexed money and as a result ERSRI receives a discount on the custody services. Therefore, because of great services, a responsive, knowledgeable team, and a below market price, staff recommends extending the custody contract for two years.

Mr. Thorsen noted that he needed to recuse himself from the vote to extend the custody contract, which meant that a quorum was no longer present. Therefore, at 11:00 a.m. Ms. Rosemary Booth Gallogly was conferenced in by telephone and brought up to date on the custody contract matter by Ms. Caine. After which Mr. Treat moved, Dr. McKenna seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Dr. McKenna, Mr. Treat and Ms. Caine. Mr. Thorsen recused himself from this vote.

VOTED: To approve the extension for a term of two years (to July 31, 2007), upon the existing terms and conditions, of the custodian contract between the Commission and State Street Bank and Trust Company, dated September 13, 2000, as thereafter extended to July 31, 2005.

Dr. McKenna moved, Mr. Costello seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Dr. McKenna, Mr. Treat and Ms. Caine. Mr. Thorsen recused himself from this vote.

VOTED: That the General Treasurer, be, and he hereby is, authorized, empowered and directed to execute, acknowledge, and deliver any and all certificates, agreements and other documents, take any and all steps and do any and all things as he may deem necessary or advisable, in his sole discretion, in order to effect the purposes of the foregoing vote.

Note: The telephone call to Ms. Gallogly was completed at 11:05 a.m.

CollegeBoundfund - AllianceBernstein ("Alliance"). Mr. Tom Fontaine, Senior Portfolio Manager, Mr. Richard A. Davies, Executive Vice President and Ms. Jennifer DeLong, Senior Vice President represented Alliance. Mr. Davies introduced a proposed enhancement to the CollegeBoundfund known as a "pooling structure", which is essentially a collection of institutional mutual funds that mirror the exact same retail funds currently used, but that add some additional asset classes such as international growth and inflation protected securities. It also helps to globalize Alliance's REIT position. It will also allow Alliance to tie-in to some other similar asset allocation products that Alliance manages for purposes of continued marketing focus within Alliance.

Mr. Davies noted eleven new style-pure pools created through funding from some other products. Alliance will continue to use exchange reserves which is a cash fund. It is not unlike the fund-of-funds structure Alliance has been using over the last five years. Alliance has built these institutional pools from successful institutional product lines that Alliance offers to institutional investors. They have outperformed versus the benchmark since inception in these categories as a group. Mr. Davies noted that style blend portfolio management teams were created when Bernstein and Alliance came together as companies in 2000, specifically to put together the value style of Bernstein together with the growth style of Alliance. The team has had

great success bringing in over \$40 billion of new assets with this strategy and are responsible for overseeing over \$60 billion of assets within the firm.

Mr. Fontaine noted that Alliance is offering two different equity glide paths of age-based portfolios. The reason to offer two different paths is so that individuals can express their risk tolerance - if they want to seek more return with a slightly more aggressive allocation. He also noted an additional offering to the fixed allocation portfolios. These portfolios maintain the same equity bond mix regardless of the age of the beneficiary. Alliance proposes to consolidate the "Growth" and "Aggressive Growth" portfolios into one single "Appreciation" portfolio. Alliance also proposes to retain the "Balanced" portfolio and to add a new fixed allocation portfolio called "Preservation" which has a constant 35% equity allocation. This portfolio is for individuals who want the safety of a high allocation to bonds but want the opportunity to earn more returns than the stable value portfolio.

Ms. DeLong stated that Alliance requests an amendment to the Management Agreement relating to the manner in which remuneration is paid to Alliance. Mr. Davies noted that the intention for the overall expense ratios of the mutual fund complex goes down, and Alliance wants to pass those similar savings along to CollegeBound*fund* participants so that the CollegeBound*fund* pricing and traditional mutual fund pricing is in alignment. It protects investors should the costs go up. Alliance indicated that it intends to annually review the expense ratios and program management fees in light of the expense ratios of retail mutual funds managed by Alliance that are comparable to the underlying mutual funds that comprise the education strategies portfolios. Ms. DeLong noted that with the Commission's approval, these changes would be implemented in early August.

Mr. Costello moved, Dr. McKenna seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Dr. McKenna, Mr. Thorsen, Mr. Treat and Ms. Caine.

VOTED: To approve the recommended modifications to the CollegeBound*fund* investment options and portfolio construction modifications to include a pooling structure as outlined in alliance's proposed portfolio enhancement presentation dated June 22, 2005.

Dr. McKenna moved, Mr. Thorsen seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Dr. McKenna, Mr. Thorsen, Mr. Treat and Ms. Caine.

VOTED: To approve the seventh amendment to the Investment Management Agreement, dated as of August 1, 2000, as amended, by and among the Rhode Island Higher Education Assistance Authority, the State Investment Commission and Alliance Capital Management, L.P., in substantially the form presented to the Commission, which amendment implements a revised expense structure of the CollegeBound*fund* investment portfolios.

Wilshire Associates Incorporated - Capital Market Update. Mr. Lindberg noted that 1st quarter 2005 was difficult as was April. The equity market and fixed income market have been much improved in May and June. Consumer and business spending have been strong with a significant number of good earnings reports coming out. Retail sales have been stronger and home sales continue to be strong. The Fed is expected to raise rates two more times this year.

We now have a slightly positive year-to-date return. The S&P is up approximately 1% half way through the year and international markets are up a little bit also.

Deputy Treasurer for Finance Report. Ms. Caine noted that there will be no July meeting of the SIC. The next meeting will be held on Wednesday, August 24, 2005 at 9:00 a.m. She also noted that fiscal year-to-date return for the eleven months ended 5/31/05 for the fund is 9.6% which is ahead of the hurdle rate.

General Treasurer's Report. Ms. Caine noted that the Treasurer was disappointed not to be in attendance today to present a Citation to George Crepeau who is retiring at the end of June. Mr. Crepeau has worked for the Treasurer's Office for 23½ years and is presently an investment analyst in the Investments Department. She thanked Mr. Crepeau for his dedication to the State of Rhode Island and wished him well in his retirement plans. Commission members gave Mr. Crepeau a standing ovation.

Mr. Costello moved, Mr. Thorsen seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Dr. McKenna, Mr. Thorsen, Mr. Treat and Ms. Caine.

VOTED: To adjourn the meeting.

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

Respectfully submitted,

Joan M. Caine
Deputy Treasurer for Finance

RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
July 31, 2005

PORTFOLIO PERFORMANCE

July

The ERSRI portfolio posted a gain of 2.61% for the month of July, against the policy index of 2.78%. Domestic equities were up 4.43%, international equities returned 3.40%, and the fixed income asset class lost 0.71%. Additionally, the retirement fund earned \$216,584 from the securities lending program during this month.

Calendar Year to Date

For the seven months ended July 31, 2005, the portfolio is up 4.92% against the policy index of 3.57%. Domestic equities were up 4.90%, international equities were up 4.83%, while fixed income generated a return of 1.62%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2006, the fund has gained 2.61%, against the policy index of 2.78%.

Index Performance Summary - July 31, 2005		
Market Indices	Jul-05	Calendar YTD
<u>Domestic Equity</u>		
S & P 500	3.72%	2.88%
DJ Wilshire 5000	4.14%	4.19%
Russell 2000	6.34%	5.00%
Russell 1000	3.89%	4.00%
Policy Index	2.78%	3.57%
<u>International Equity</u>		
MSCI ACWI	3.69%	4.02%
<u>Fixed Income</u>		
Lehman AGG	-0.91%	1.58%
<u>Real Estate</u>		
NCREIF	3.51%	8.33%

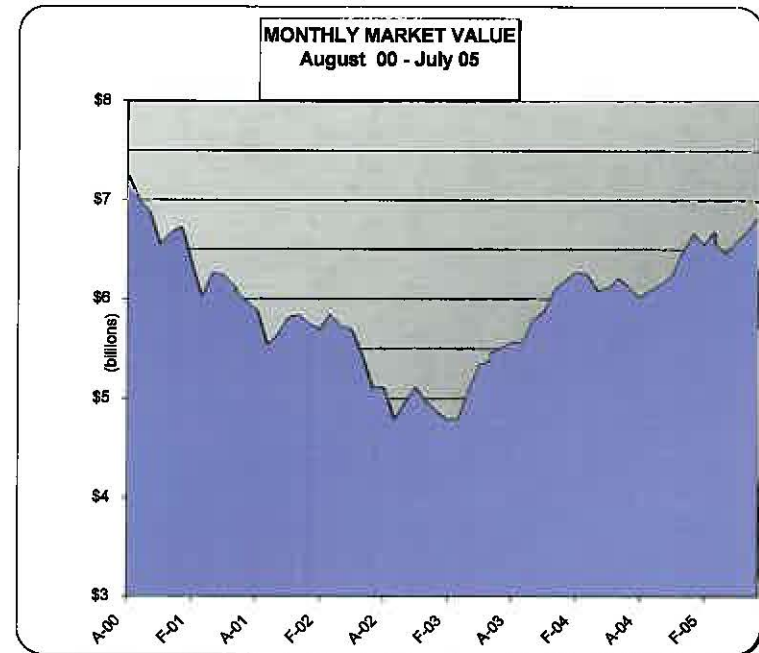
ERSRI Performance By Asset Class	Jul-05	Calendar YTD
Domestic Equity	4.43%	4.90%
Fixed Income	-0.71%	1.62%
International Equity	3.40%	4.83%
Total Fund Composite*	2.61%	4.92%
Manager Summary	Jul-05	CYTD
<u>DOMESTIC EQUITY</u>		
Shott	1.94%	21.93%
PIMCO	3.64%	2.59%
SSgA Russell 1000	3.89%	4.01%
SSgA Core	4.14%	6.42%
Wasatch	4.97%	7.27%
Northpointe	6.19%	9.50%
Wellington	5.63%	4.37%
Total Domestic Equity	4.43%	4.90%
<u>FIXED INCOME</u>		
Brown Bros TIPS	-1.91%	1.18%
Brown Bros Core	-1.07%	1.82%
Fidelity	-0.48%	2.16%
Taplin Canida & Habacht	-0.14%	1.25%
InState Fixed Income	0.00%	0.00%
Shenkman	1.33%	2.07%
Mackay Shield	0.73%	1.73%
Total Fixed Income	-0.71%	1.62%
<u>INTERNATIONAL EQUITY</u>		
Mondrian	3.33%	5.55%
Goldman Sachs	3.95%	6.31%
Boston Co	2.90%	2.69%
Total International Equity	3.40%	4.83%

*Total Fund Composite includes all classes

Market Valuation Report
July, 2005

Market Values

The total portfolio value increased in July by \$160 million to \$6.850 billion. This compares with a decrease in value of \$195 million for the same period in 2004. The domestic equity market values increased by \$134.7 million; fixed income decreased by \$12.0 million net of transfers, while international values increased by \$51.7 million net of transfers. The cash accounts were down by \$ 5.5 million and alternative investments decreased in value by \$0.6 million net of transfers.



Cash Flow

July's pension payroll of \$50.3 million exceeded the \$ 37.0 million in contributions received by \$12.7 million. To meet this shortfall along with other obligations, \$14.5 million was transferred from long-term investments.

Alternative Investments

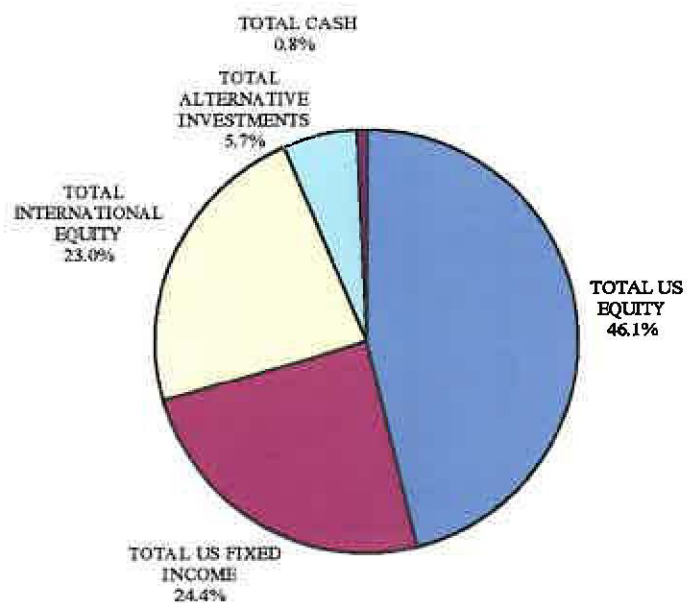
At this time the alternative investment asset class has unfunded commitments of approximately \$419 million on commitments of \$843 million.

CAPITAL CALLS Net of Distributions

July 2005	FYTD	UNFUNDED BALANCE
\$2,645,796	\$2,645,796	\$418,726,540
July 2004	FYTD	UNFUNDED BALANCE
\$4,459,884	\$4,459,884	\$404,523,021



CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)

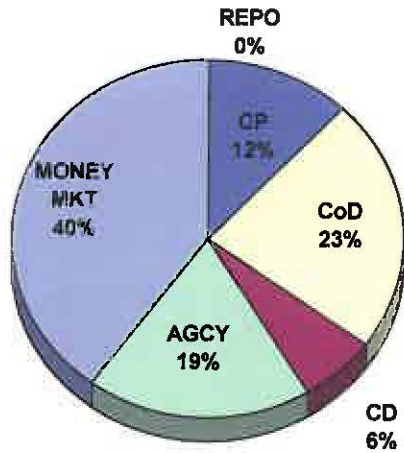


MANAGER	CURRENT PERIOD
TOTAL US EQUITY	3,159.5
TOTAL US FIXED INCOME	1,671.3
TOTAL INTERNATIONAL EQUITY	1,574.8
TOTAL ALTERNATIVE INVESTMENTS	389.9
TOTAL CASH	54.9
TOTAL	6,850.4

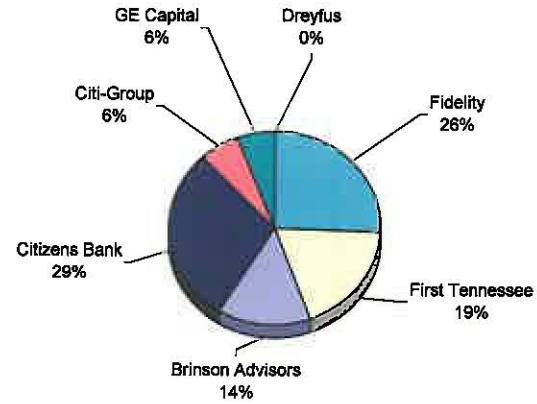
RHODE ISLAND STATE INVESTMENT COMMISSION

SHORT TERM CASH INVESTMENTS AT JULY 31, 2005

Portfolio By Instrument



Portfolio by Issuer



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

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

**Issuer Credit Ratings
July, 2005**

Issuer	Type of Instrument	Month End % Portfolio	Issuer Ratings		S-T Debt Rating		L-T Debt Rating		Credit Outlook
			Moody's		Moody's	S&P	Moody's	S&P	S&P
Chase Securities	2,3,5	0%	Aa3		P-1	A-1	Aa3	A+	Stable
Citigroup Inc.	2	6%	Aa1		P-1	A-1+	Aa1	AA-	Stable
Citizens Bank RI	3,4	29%	Aa2		P-1	A-1+	Aa2	AA-	Stable
Dreyfus	6	0%	Aa3		P-1	A-1+	Aa3	AA-	Stable
First Tennessee Capital Markets	5	19%	A1		P-1	A-1	A1	A	Stable
Fidelity	6	28%				N/R		N/R	N/R
GE Capital	2	6%	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley	1,2,5	0%	Aa3		P-1	A-1	Aa3	A+	Negative
Paine Webber	5	0%	Aa2		P-1	A-1+	Aa2	AA+	Stable
UBS Brinson Advisors	6	14%	Aa2		P-1	A-1+	Aa2	AA+	Stable
State Street Bank & Tru	1,3	0%	Aa2		P-1	A-1+	Aa2	AA	Stable

Instrument Codes

- 1 Repurchase Agreement
- 2 Commercial Paper
- 3 Certificate of Deposit
- 4 Collateralized Deposit
- 5 US Agency Discount Note
- 6 Government Money Market

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

August 16, 2005

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 July 31, 2005.

**Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation
July 31, 2005**

Asset Class		
Cash/Short Term Investments		\$ 292,503,508
Equities – Domestic		\$ 3,104,994,136
Equities – International		\$ 1,530,956,536
Fixed Income – Government	\$ 889,284,502	
Fixed Income – Corporate	\$ 621,737,792	
Fixed Income – In State	\$ 21,870,024	
Total Fixed Income		\$ 1,532,892,319
Alternative Investments		\$ 371,757,527
Real Estate		\$ 17,207,486
Total Fund Investments		\$ 6,850,311,511
Plan Allocation		
State Employees & Teachers	86.31%	\$ 5,912,284,998
Municipal Employees	12.93%	\$ 886,149,789
State Police	0.46%	\$ 31,379,907
Judicial	0.30%	\$ 20,496,817
Total Fund Investments	100.00%	\$ 6,850,311,511

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,

Joan M. Caine
Deputy Treasurer for Finance

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING July 31, 2005



STATE STREET
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
U.S. EQUITY												
NORTHPOINTE CAPITAL	370,315	5.41	6.19	17.32	13.56	9.50	6.19	29.43	23.84	24.01		
PIMCO	466,274	6.81	3.64	7.07	5.22	2.59	3.64	14.15	13.85	12.96	2.25	
SHOTT CAPITAL	376	0.01										
SSGA - CORE	321,847	4.70	4.14	10.49	9.27	6.42	4.14	19.68	15.59	12.75	4.92	0.82
SSGA RUSSELL 1000	1,390,973	20.31	3.89	8.03	6.70	4.01	3.89	16.21	14.63			
WASATCH ADVISORS	207,442	3.03	4.97	15.46	10.51	7.27	4.97	27.80	22.26	18.53		
WELLINGTON MANAGEMENT CO. LLC	402,271	5.87	5.63	15.70	8.37	4.37	5.63	23.80	21.87	25.25		
TOTAL US EQUITY	3,159,498	46.12	4.43	10.54	7.95	4.90	4.43	19.31	16.85	16.25	5.01	0.04
<i>RUSSELL 1000</i>			3.89	8.01	6.69	4.00	3.89	16.20	14.61	13.46	3.01	-0.80
<i>RUSSELL 2000</i>			6.34	17.67	9.58	5.00	6.34	24.78	20.86	21.60	10.21	7.71
<i>RUSSELL 2000 GROWTH</i>			6.99	18.24	8.02	3.15	6.99	22.58	16.82	20.42	4.92	-1.46
<i>RUSSELL 2000 VALUE</i>			5.69	17.09	10.93	6.64	5.69	26.73	24.76	22.68	14.93	16.64
<i>S&P 500</i>			3.72	7.17	5.45	2.88	3.72	14.05	13.61	12.61	2.19	-1.35
<i>DOW WILSHIRE 5000 FREE FLOAT</i>			4.14	8.96	7.00	4.19	4.14	17.07	15.51	14.61	4.08	-0.05
INTERNATIONAL EQUITY												
GOLDMAN SACHS	537,313	7.84	3.95	7.15	7.40	6.31	3.95	28.42				
BANK OF IRELAND	4	0.00										
THE BOSTON COMPANY	510,084	7.45	2.90	4.79	3.90	2.69	2.90					
MONDRIAN	526,686	7.69	3.33	6.76	6.97	5.55	3.33	25.73				
PUTNAM INVESTMENTS	4	0.00										
SSGA MSCI ALL COUNTRY WORLD EX-US	640	0.01										
TRANSITION ACCOUNT INT EQUITY	63	0.00										
TOTAL INTERNATIONAL EQUITY	1,574,793	22.99	3.40	6.24	6.08	4.83	3.40	24.64	23.20	16.97	7.77	0.48

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING July 31, 2005



STATE STREET.
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<i>MSCI AC WORLD ex US (GROSS)</i>			3.69	6.30	5.84	4.02	3.69	24.90	25.10	19.48	9.66	2.32
<i>MSCI EAFE (NET)</i>			3.07	4.48	3.76	1.86	3.07	21.07	23.04	17.19	7.53	0.92
U.S. FIXED INCOME												
BROWN BROTHERS HARRIMAN - CORE	247,279	3.61	-1.07	0.83	1.19	1.82	-1.07	5.49	5.31	6.07	6.38	7.88
FIDELITY MANAGEMENT TRUST	410,551	5.99	-0.48	0.89	1.51	2.16	-0.48	7.09	5.71	4.97	6.00	7.28
BROWN BROTHERS HARRIMAN - TIPS	488,205	7.13	-1.91	-0.64	0.97	1.18	-1.91	6.60				
MACKAY SHIELDS, LLC	124,516	1.82	0.73	3.54	1.96	1.73	0.73	10.51	13.20			
SHENKMAN CAPITAL MANAGEMENT	124,752	1.82	1.33	4.05	2.35	2.07	1.33	9.15	9.11			
STATE ACCOUNT (IN DEFAULT)	21,870	0.32	0.01	0.03	0.03	0.02	0.01	2.26	4.51	5.27	5.66	5.94
TAPLIN, CANIDA & HABACHT	253,513	3.70	-0.14	1.04	0.57	1.25	-0.14	5.56	6.96	10.23	7.37	8.57
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	1,671,261	24.40	-0.71	0.86	1.24	1.62	-0.71	6.81	6.55	7.42	6.49	7.14
<i>FB GLOBAL HIGH YIELD</i>			1.37	4.32	2.16	2.15	1.37	10.19	12.12	15.74	10.93	8.61
<i>LB AGGREGATE</i>			-0.91	0.71	0.95	1.58	-0.91	4.79	4.81	5.02	5.64	7.01
<i>LB CREDIT</i>			-1.00	1.18	0.67	1.46	-1.00	5.76	5.80	7.41	6.73	8.12
<i>LB GOV/CREDIT</i>			-1.13	0.77	0.89	1.59	-1.13	4.95	4.84	5.59	5.91	7.24
<i>CITIGROUP BIG</i>			-0.88	0.80	1.05	1.70	-0.88	5.02	4.97	5.16	5.69	7.08
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			-1.47	1.26	1.62	3.07	-1.47	8.34	7.59	7.38	7.26	8.55
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			-0.48	0.68	1.16	1.67	-0.48	4.81	4.92	4.18	5.20	6.62

State of Rhode Island
 SUMMARY OF PERFORMANCE
 RATES OF RETURN
 PERIODS ENDING July 31, 2005



STATE STREET.
 For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
ALTERNATIVE INVESTMENTS												
REAL ESTATE	17,222	0.25	-0.00	-0.00	2.87	2.87	-0.00					
PRIVATE EQUITY	372,720	5.44	0.03	11.27	20.96	22.17	0.03	25.16	27.13	15.59	10.02	3.24
TOTAL ALTERNATIVE INVESTMENTS	389,942	5.69	0.03	10.90	20.49	21.69	0.03	24.88	26.21	15.29	9.90	4.05
<i>NCREIF PROPERTY INDEX QTR LAG</i>			<i>0.00</i>	<i>3.51</i>	<i>8.33</i>	<i>8.33</i>	<i>0.00</i>	<i>15.55</i>	<i>12.59</i>	<i>10.74</i>	<i>9.64</i>	<i>10.15</i>
CASH EQUIVALENTS												
CASH ACCOUNT (INSIDE)	39,879	0.58	0.88	4.07	3.08	3.02	0.88	10.75	14.97	29.62	46.54	40.34
CASH ACCOUNT (OUTSIDE)	14,997	0.22	0.25	0.71	1.27	1.41	0.25	2.05	3.30	2.63	2.55	3.21
TOTAL PLAN												
TOTAL PLAN	6,850,370	100.00	2.61	7.00	6.44	4.92	2.61	17.48	16.24	14.50	6.94	3.17
¹ TOTAL PLAN BENCHMARK			2.78	6.28	5.27	3.57	2.78	15.69	14.93	13.60	6.29	2.95

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING July 31, 2005



STATE STREET.
For Everything You Invest In

Endnotes

- 1 As of 02/2003 52.5% W5000/25.0% LB AGG/22.5% MSCIAWORLDFREEexUSA
Prior to 02/2003 52.5% W5000/27.5% LB AGG/20% MSCIAWORLDFREEexUSA

ERSRI Monthly Market Value Report With Time Weighted Returns

July 31, 2005

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								6/30/2005	In/(out)	7/31/2005	Increase/Decrease
Domestic Equity											
Shott Capital Management IRR	21.93%	N/A	N/A	S & P 500	1.94%	N/A	N/A	12,203	363,729	375,811	(121)
SSgA Russell 1000	4.01%	4.00%	0.01%	Russell 1000	3.89%	3.89%	0.00%	1,338,822,883	95,265	1,390,972,910	52,054,782
SSgA Core	6.42%	4.00%	2.42%	Russell 1000	4.14%	3.89%	0.25%	309,026,241	21,315	321,846,687	12,799,132
PIMCO	2.59%	2.88%	-0.29%	S & P 500	3.64%	3.72%	-0.08%	449,847,283	31,755	466,274,105	16,395,087
NorthPointe Capital	9.50%	6.64%	2.86%	Russell 2000 Value	6.19%	5.69%	0.50%	348,693,933	23,490	370,327,490	21,610,067
Wellington Mgmt	4.37%	5.00%	-0.63%	Russell 2000	5.63%	6.34%	-0.71%	380,805,822	28,100	402,271,102	21,459,380
Wasatch Advisors	7.27%	5.00%	2.27%	Russell 2000	4.97%	6.34%	-1.37%	197,604,229	13,920	207,442,126	9,823,977
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	22		22	0
Total Domestic Equity	4.90%				4.43%			3,024,812,395	575,574	3,159,510,253	134,122,283
International Equity											
Boston Company	2.69%	4.02%	-1.33%	MSCI ACWI	2.90%	3.89%	-0.79%	495,682,917	35,235	510,084,002	14,365,849
Goldman Sachs	6.31%	4.02%	2.29%	MSCI ACWI	3.95%	3.89%	0.28%	516,882,948	35,235	537,312,580	20,394,397
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,284,188		1,288,737	4,568
Mondrian	5.55%	4.02%	1.53%	MSCI ACWI	3.33%	3.89%	-0.36%	509,669,424	35,235	526,686,141	16,981,481
Total International Equity	4.83%				3.40%			1,523,519,458	105,705	1,576,371,459	51,748,296
Fixed Income											
Fidelity Management & Research	2.16%	1.64%	0.52%	Lehman Mortgage Backed	-0.48%	-0.50%	0.02%	412,516,626	29,145	410,550,879	(1,994,892)
Brown Brothers, Harriman	1.82%	1.70%	0.12%	Salomon Brd Inv Grade	-1.07%	-0.88%	-0.19%	249,945,972	17,835	247,494,338	(2,469,469)
In-State Fixed Income (Non performing/in Default)				N/A	0.00%	N/A	N/A	21,916,210		21,870,024	(43,186)
Taplin, Canida & Habacht	1.25%	1.46%	-0.21%	Lehman Credit Index	-0.14%	-1.00%	0.86%	253,882,042	17,835	253,512,799	(367,078)
Mackay Shields	1.73%	2.15%	-0.42%	CS First BoshIYield	0.73%	1.37%	-0.64%	123,611,004	8,700	124,226,782	607,078
Shenkman Capital Mgmt	2.07%	2.15%	-0.08%	CS First BoshIYield	1.33%	1.37%	-0.04%	123,104,003	8,700	124,751,792	1,639,089
Brown Bros TIPS	1.18%	1.59%	-0.41%	Lehman US TIPS Index	-1.91%	-1.13%	-0.78%	497,656,438	35,235	488,205,274	(9,486,399)
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Total Fixed Income	1.62%				-0.71%			1,682,612,285	117,450	1,670,611,887	(12,117,858)
Alternative Investments											
Private Equity	22.17%	N/A	N/A	N/A	0.03%	N/A	N/A	382,487,056	(9,182,984)	372,719,875	(604,197)
Real Estate	2.87%	8.33%	N/A	NCREIF + 100				16,350,658	888,592	17,222,058	(17,192)
Total Alternatives	21.69%				0.03%			398,837,714	(8,274,392)	389,941,933	(621,389)
Cash Accounts											
Cash in Trust	3.02%	N/A	N/A		0.88%	N/A	N/A	44,854,730	(5,089,337)	39,878,765	313,372
Cash Outside Trust	1.41%	N/A	N/A		0.25%	N/A	N/A	15,771,993	(1,500,000)	14,997,214	725,221
Total Cash	N/A	*	0		N/A	*	0	60,426,723	(6,589,337)	54,875,979	1,038,593
Total	4.92%	3.57%	1.35%		2.61%	2.78%	-0.17%	6,690,208,586	(14,065,000)	6,850,311,511	174,167,926

*Policy Index: (Effective 03/01/03)

52.5% Wilshire 5000

25.0% Lehman Aggregate

22.5% MSCI ACWI X-US

State of Rhode Island

RATES OF RETURN - Total

Periods Ending July 31, 2005



STATE STREET.
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PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
U.S. EQUITY									
SHOTT CAPITAL	S&P 500		3.72			2.88	376	364	
SSGA RUSSELL 1000	RUSSELL 1000	3.89	3.89	0.00	4.01	4.00	1,390,973	95	
SSGA - CORE	RUSSELL 1000	4.14	3.89	0.25	6.42	4.00	321,847	21	
PIMCO	S&P 500	3.64	3.72	-0.08	2.59	2.88	466,274	32	
NORTHPOINTE CAPITAL	RUSSELL 2000 VALUE	6.19	5.69	0.50	9.50	6.64	370,315	23	
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	5.63	6.34	-0.71	4.37	5.00	402,271	26	
WASATCH ADVISORS	RUSSELL 2000	4.97	6.34	-1.37	7.27	5.00	207,442	14	
TOTAL US EQUITY		4.43			4.90		3,159,498	576	
INTERNATIONAL EQUITY									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	2.90	3.69	-0.79	2.69	4.02	510,084	35	
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	3.95	3.69	0.26	6.31	4.02	537,313	35	
MONDRIAN	MSCI AC WORLD ex US (GROSS)	3.33	3.69	-0.36	5.55	4.02	526,686	35	
TRANSITION ACCOUNT INT EQUITY							63	0	
TOTAL INTERNATIONAL EQUITY		3.40			4.83		1,574,793	106	
U.S. FIXED INCOME									
FIDELITY MANAGEMENT TRUST	LB MBS	-0.48	-0.50	0.02	2.16	1.64	410,551	29	
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	-1.07	-0.88	-0.19	1.82	1.70	247,279	18	
TAPLIN, CANIDA & HABACHT	LB CREDIT	-0.14	-1.00	0.86	1.25	1.46	253,513	18	
MACKAY SHIELDS, LLC	FB GLOBAL HIGH YIELD	0.73	1.37	-0.64	1.73	2.15	124,516	9	
SHENKMAN CAPITAL MANAGEMENT	FB GLOBAL HIGH YIELD	1.33	1.37	-0.04	2.07	2.15	124,752	9	
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	-1.91	-2.10	0.19	1.18	0.55	488,205	35	
STATE ACCOUNT (IN DEFAULT)		0.01			0.02		21,870	-49	
TRANSITION ACCOUNT FIXED INCOME							575	0	

State of Rhode Island

RATES OF RETURN - Total

Periods Ending July 31, 2005



STATE STREET.
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PERFORMANCE SUMMARY REPORT

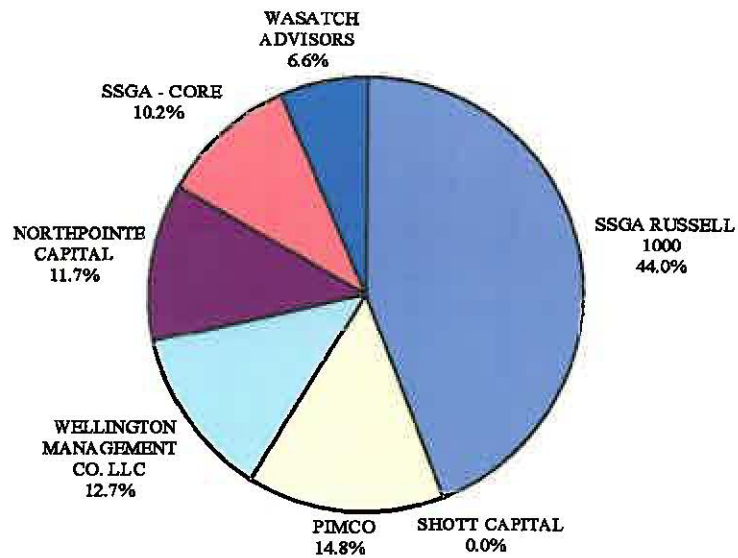
	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
TOTAL US FIXED INCOME		-0.71			1.62			1,671,261	69
ALTERNATIVE INVESTMENTS									
PRIVATE EQUITY		0.03			22.17			372,720	-9,885
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	-0.00	0.08	-0.08	2.87			17,222	871
TOTAL ALTERNATIVE INVESTMENTS		0.03			21.69			389,942	-9,013
CASH EQUIVALENTS									
CASH ACCOUNT (INSIDE)		0.88			3.02			39,879	-5,089
CASH ACCOUNT (OUTSIDE)		0.25			1.41			14,997	-847
TOTAL CASH		0.60			3.08			54,876	-5,936
TOTAL PLAN									
TOTAL PLAN	TOTAL PLAN BENCHMARK	2.61	2.78	-0.17	4.92	3.57	1.35	6,850,370	-14,200

State of Rhode Island
MANAGER ALLOCATION ANALYSIS
PERIOD ENDING 07/31/2005



STATE STREET.
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
SSGA RUSSELL 1000	1,391.0	1,213.7
SHOTT CAPITAL	0.4	2.3
PIMCO	466.3	408.1
WELLINGTON MANAGEMENT CO. LLC	402.3	324.7
NORTHPOINTE CAPITAL	370.3	270.2
SSGA - CORE	321.8	270.9
WASATCH ADVISORS	207.4	137.8
COLUMBIA PARTNERS	0.0	73.8
TOTAL	3,159.5	2,701.5

State of Rhode Island

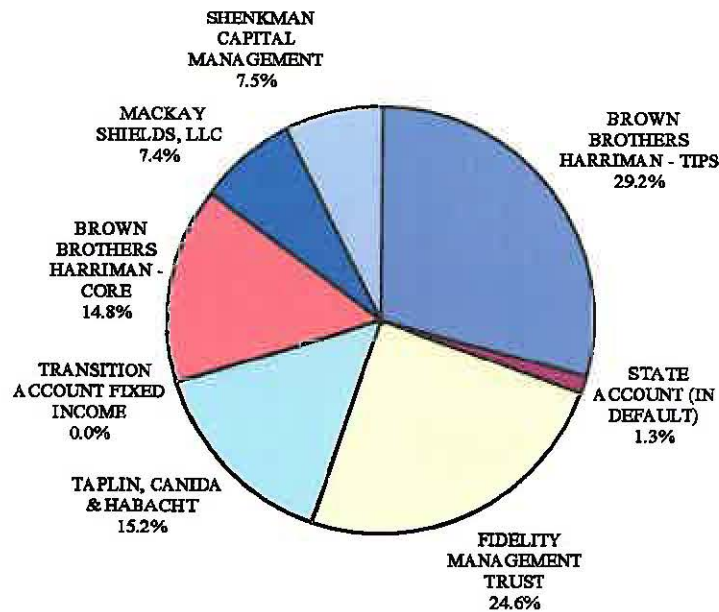
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 07/31/2005



STATE STREET.
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
BROWN BROTHERS HARRIMAN - TIPS	488.2	442.6
STATE ACCOUNT (IN DEFAULT)	21.9	22.1
FIDELITY MANAGEMENT TRUST	410.6	383.1
TAPLIN, CANIDA & HABACHT	253.5	243.8
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
BROWN BROTHERS HARRIMAN - CORE	247.3	229.4
MACKAY SHIELDS, LLC	124.5	118.4
SHENKMAN CAPITAL MANAGEMENT	124.8	119.1
TOTAL	1,671.4	1,559.1

State of Rhode Island

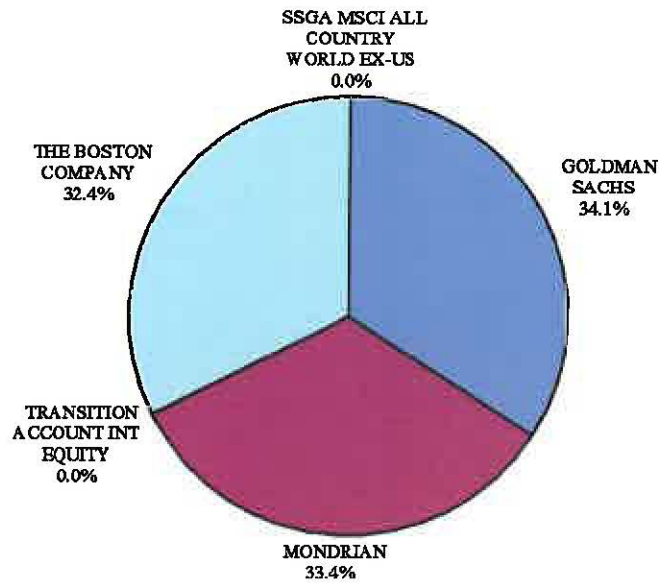
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 07/31/2005



STATE STREET.
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
GOLDMAN SACHS	537.3	400.7
MONDRIAN	526.7	489.8
TRANSITION ACCOUNT INT EQUITY	0.1	3.0
THE BOSTON COMPANY	510.1	
SSGA MSCI ALL COUNTRY WORLD EX-US	0.6	0.2
BANK OF IRELAND	0.0	452.9
SSGA TRANSITION ACCOUNT	0.0	2.9
TOTAL	1,574.8	1,349.5

ASSET ALLOCATION REPORT
JULY 31st, 2005

	Style Mandate	Actual (Millions \$)		Target (Millions \$)		Difference (Millions \$)
Domestic Equity						
Shott Capital Mgmt	Alternative distribution	0.38	0.0%	0.00	0.00%	0.38
SSgA Russell 1000	Passive	1,390.97	20.3%	1,387.20	20.25%	3.77
SSgA Core	Active core	321.85	4.7%	308.27	4.50%	13.58
PIMCO	Enhanced Equity	466.27	6.8%	462.40	6.75%	3.87
NorthPointe Capital	Small Cap Value	370.32	5.4%	342.52	5.00%	27.80
Wellington Mgmt	Small Cap Core	402.27	5.9%	376.77	5.50%	25.50
Wasatch Advisors	Small Cap Growth	207.44	3.0%	205.51	3.00%	1.93
TOTAL DOMESTIC EQUITY		3,159.50	46.1%	3,082.67	45.00%	76.83
International Equity						
Boston Company	MSCI ACWI	510.08	7.4%	513.78	7.50%	(3.69)
Goldman Sachs	MSCI ACWI	537.31	7.8%	513.78	7.50%	23.54
Mondrian	MSCI ACWI	526.69	7.7%	513.78	7.50%	12.91
Transition Account		1.29	0.0%	0.00	0.00%	0.06
TOTAL INT'L EQUITY		1,575.37	23.0%	1,541.33	22.50%	32.81
Domestic Fixed Income						
Fidelity Management & Research	Mortgages	410.55	6.0%	428.15	6.25%	(17.60)
Brown Brothers, Harriman	Opportunistic Core	247.28	3.6%	256.89	3.75%	(9.61)
In-State Fixed Income	Short/Int Govt	21.87	0.3%	0.00	0.00%	21.87
Taplin, Canida & Habacht	Corporates	253.51	3.7%	256.89	3.75%	(3.38)
Mackay Shields	High yield	124.52	1.8%	128.44	1.88%	(3.93)
Shenkman Capital Mgmt	High yield	124.75	1.8%	128.44	1.88%	(3.69)
Brown Brothers, Harriman TIPS	TIPS	488.21	7.1%	513.78	7.50%	(25.57)
Transition Account		0.58	0.0%	0.00	0.00%	0.58
TOTAL FIXED-INCOME		1,671.26	25.0%	1,712.59	25.00%	(41.33)
Alternative Investments						
Real Estate	Real Estate	17.22	0.3%			
Shott Capital Mgmt	Alternative Distribution	0.00	0.0%			
Pacific Corp Group	Private Equity	372.72	5.4%			
TOTAL ALTERNATIVE INVESTMENTS		389.94	5.7%	\$513.78	7.50%	(123.84)
CASH EQUIVALENTS	STIF, Yield+	54.88	0.8%	0.00	0.00%	54.88
TOTAL ASSETS		6,850.37	100.0%	6,850.37	100.00%	(0.65)

ALLOCATION BY MANAGEMENT STYLE

Domestic Equity						
Core		321.85	4.7%	308.27	4.50%	13.58
Index		1,390.97	20.3%	1,387.20	20.25%	3.77
Enhanced Equity		466.27	6.8%	462.40	6.75%	3.87
Alt Distribution		0.38	0.0%		0.00%	0.38
Active Small Cap		980.03	14.3%	924.80	13.50%	55.23
TOTAL DOMESTIC EQUITY		3,159.50	46.1%	3,082.67	45.00%	76.83
International Equity						
Active		1,575.37	23.0%	1,541.33	22.50%	32.81
TOTAL INT'L EQUITY		1,575.37	23.0%	1,541.33	22.50%	32.81
Domestic Fixed Income						
Mortgage		410.55	6.2%	428.15	6.25%	(17.60)
Core		269.15	4.0%	256.89	3.75%	12.26
Corporates		253.51	3.9%	256.89	3.75%	(3.38)
High Yield		249.84	3.8%	256.89	3.75%	(7.05)
TIPS		488.21	7.1%	513.78	7.50%	(25.57)
TOTAL FIXED-INCOME		1,671.26	25.0%	1,712.59	25.00%	(15.76)
Alternative Investments						
Real Estate		17.22	0.3%			
Other Alternative Investments		372.72	5.4%	\$513.78		
TOTAL ALTERNATIVE INVESTMENTS		389.94	5.7%	513.78	7.50%	(123.84)
CASH EQUIVALENTS	STIF, Yield+	54.88	0.8%	0.00	0.00%	54.88
TOTAL ASSETS		6,850.37	100.0%	6,850.37	100.00%	24.92

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

JULY 31, 2005

<i>Equities</i>				
RANK	SECURITY NAME	PAR VALUES/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	GENERAL ELEC CO	353,900	\$12,209,550	SSgA
2	ADVANTA CORP	394,023	11,785,228	SSgA
3	EXXON MOBIL CORP	173,470	10,191,363	Wellington,SSgA
4	ON SEMICONDUCTOR CORP	1,737,200	9,988,900	Wellington,NorthPointe
5	WESTCORP INC	165,100	9,567,545	Wellington,NorthPointe
6	PROVIDIAN FINL CORP	496,800	9,389,520	SSgA
7	BANK AMERICA CORP	200,400	8,737,440	Wasatch
8	REDWOOD TR INC.	159,100	8,639,130	Wellington
9	CNF INC	156,400	8,068,676	Wellington,SSgA
10	AMERICREDIT CORP	301,950	8,068,104	SSgA
		3.06%	\$96,645,456	
	Total Composite Equities		\$3,159,837,627	

International Equity Holdings By Top 10 Market Values

JULY 31, 2005

<i>International Equities</i>				
RANK	SECURITY NAME	PAR VALUES/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	ING GROEP	680,623	\$20,651,445	Mondrian,Goldman
2	ROYAL DUTCH PETROL	668,640	20,596,479	Mondrian,Goldman,Boston Co.
3	TOTAL SA	75,787	19,055,329	Mondrian,Goldman,Boston Co.
4	BANCA INTESA SPA	3,838,542	18,696,575	Mondrian,Goldman
5	RWE AG (NEU)	253,458	17,012,505	Mondrian
6	TELEFONICA SA	937,057	15,809,555	Mondrian
7	REPSOL YPF SA	539,038	15,137,855	Goldman,Boston Co.
8	ZURICH FIN SVS GRP	82,913	14,774,211	Mondrian,Boston Co.
9	KOREA MSCI EMERGING MKT	1,024,910	14,681,842	Goldman
10	BOUYGUES	328,597	14,412,604	Goldman
		10.84%	\$170,828,200	
	Total Composite International Equities		\$1,576,018,360	

Top 10 Market Values SIC

FISCAL YEAR 2005

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCURAL BASIS

	Actual Jul 04	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 05	Actual Feb	Actual Mar	Actual Apr	Actual May	Projected Jun	Projected TOTAL
EQUITIES													
SSgA Core			188,101			196,224			204,903			190,000	779,228
SSgA Russell 1000			39,523			38,155			35,587			30,000	143,266
Shott Capital			65,565			207			605			1,000	67,377
PIMCO			98,461			192,062			926			225,000	516,449
Wellington Mgmt			487,160			561,767			590,108			500,000	2,139,035
Wasatch Advisors			97,150			113,350			117,279			100,000	427,780
NorthPointe			<u>428,135</u>			<u>462,299</u>			<u>479,279</u>			<u>425,000</u>	<u>1,794,714</u>
			1,404,096			1,564,065			1,428,687			1,471,000	5,867,848
FIXED INCOME													
Brown Bros.			115,713			117,465			118,516			100,000	451,694
Fidelity			135,396			135,561			136,965			140,000	547,922
Taplin			155,781			159,368			159,908			140,000	615,058
Mackay Shields			131,770			134,550			134,794			125,000	526,114
Shenkman			132,079			133,606			134,734			125,000	525,419
Brown Bros.TIPS			<u>127,235</u>			<u>131,992</u>			<u>132,111</u>			<u>120,000</u>	<u>511,338</u>
			797,974			812,542			817,028			750,000	3,177,544
INT'L EQUITIES													
The Boston Company						326,714			541,007				
Bank of Ireland			359,145	107,847		107,847							574,839
Mondrian			233,601			233,366			241,536			342,000	1,050,503
Goldman Sachs Asset Mgmt			340,000			454,075			462,520			340,000	1,596,595
SSgA MSCI ACWI	<u>1,720</u>		<u>0</u>			<u>0</u>			<u>0</u>			<u>0</u>	<u>1,720</u>
	1,720		932,746	107,847		1,122,002			1,245,063			682,000	3,223,657
REAL ESTATE													
L & B Real Estate			91,430			27,501			85,000			85,000	288,931
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fees	1,118,844	21,209	378,160	106,554	468,844	612,780	610,427	204,006	276,750	438,691	100,000	281,164	4,617,429
SUB TOTAL-INV MGMT FEES													
	1,122,283	21,209	3,604,406	214,401	468,844	4,138,890	610,427	204,006	3,852,528	438,691	100,000	3,269,164	17,175,409
PROFESSIONAL FEES													
Legal	3,500	3,500	10,500	11,767	6,000	11,101	53,391	41,823	43,848	74,624	66,584	68,168	394,805
St St Bank Custodial	38,524	4,146	10,000	12,000	35,000	15,000	5,580	9,377	8,892	12,000	4,000	4,200	158,718
Pacific Corp Group		0	68,750	0	68,750	0	0	68,750	0	0	68,750	0	275,000
Wilshire Assoc	16,667	16,667	16,667	16,667	16,667	20,833	20,833	20,833	20,833	20,833	20,833	20,833	229,166
Townsend	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	<u>15,000</u>	<u>35,500</u>	<u>157,375</u>
	58,691	24,313	141,542	40,434	126,417	82,559	79,804	140,782	109,197	107,457	175,167	128,701	1,215,064
OPERATING EXPENSE													
Retirement Transfers	0	0	0	2,126,026	0	2,250,000	0	0	0	0	0	3,722,394	8,098,420
Other Expense	0	0	0	0	0	0	0	0	<u>3,000</u>	0	<u>66,688</u>	<u>6,989</u>	<u>76,677</u>
	0	0	0	2,126,026	0	2,250,000	0	0	3,000	0	66,688	3,729,383	8,175,098
TOTAL:	1,180,974	45,522	3,745,948	2,380,861	595,261	6,471,449	690,231	344,788	3,964,726	546,148	341,855	7,127,248	26,565,571

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2006

	FY 2005-06												
	Actual July 2005	Projected August	Projected September	Projected October	Projected November	Projected December	Projected January 2006	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	46,471,539	46,500,000	46,500,000	46,500,000	46,500,000	46,500,000	48,500,000	48,500,000	48,500,000	48,500,000	48,500,000	48,500,000	568,971,539
ADMINISTRATIVE EXPENSES	0	30,383	152,407	2,000,000	134,375	2,250,000	67,980	116,717	2,100,000	92,768	195,825	2,250,000	8,390,455
INVESTMENT EXPENSES	760,564	18,324	2,346,464	92,032	404,933	3,544,084	527,118	176,150	2,818,736	378,722	86,322	242,683	11,396,131
TOTAL OUTFLOW	47,232,103	46,548,707	48,998,871	48,592,032	47,039,308	52,294,084	49,095,098	48,792,867	53,418,736	48,971,490	48,782,146	50,992,683	580,756,125
CONTRIBUTIONS	34,225,197	26,500,000	22,000,000	27,000,000	27,000,000	32,500,000	29,500,000	33,500,000	30,000,000	29,000,000	27,500,000	39,000,000	357,725,197
OTHER INCOME*	8,144,259	7,815,755	4,859,661	4,170,518	6,002,496	10,952,294	3,182,845	7,172,421	4,531,478	2,897,122	6,375,491	8,146,706	72,251,046
TOTAL INCOME	42,369,456	34,315,755	26,859,661	31,170,518	33,002,496	43,452,294	32,682,845	40,672,421	34,531,478	31,897,122	33,875,491	45,146,706	429,976,243
DIFFERENCE	(4,862,647)	(12,232,952)	(22,139,210)	(17,421,514)	(14,036,812)	(8,841,790)	(16,412,253)	(8,120,446)	(18,887,258)	(17,074,368)	(14,906,655)	(5,845,977)	(160,781,882)

Municipal Employees Retirement System

	FY 2005-06												
	Actual July 2005	Projected August	Projected September	Projected October	Projected November	Projected December	Projected January 2006	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	3,818,954	3,850,000	3,850,000	3,850,000	3,850,000	3,850,000	3,850,000	3,850,000	3,850,000	3,850,000	3,850,000	3,850,000	46,168,954
ADMINISTRATIVE EXPENSES	0	4,549	22,819	282,667	20,129	301,896	10,189	17,523	305,036	13,904	29,350	484,465	1,492,529
INVESTMENT EXPENSES	113,996	2,743	501,051	13,793	60,689	531,168	79,002	26,401	422,462	56,762	12,938	36,374	1,857,378
TOTAL OUTFLOW	3,932,950	3,857,292	4,373,870	4,146,460	3,930,818	4,683,064	3,939,191	3,893,924	4,577,500	3,920,666	3,892,288	4,370,839	49,518,661
CONTRIBUTIONS	2,758,951	2,900,000	2,500,000	2,900,000	2,500,000	2,500,000	2,900,000	3,800,000	2,700,000	2,500,000	3,000,000	2,600,000	33,158,951
OTHER INCOME*	1,220,685	1,170,221	727,816	625,055	899,615	1,641,471	477,029	1,074,974	679,161	434,216	955,561	921,280	10,826,864
TOTAL INCOME	3,979,636	4,070,221	3,227,816	3,425,055	3,399,615	4,141,471	3,277,029	4,674,974	3,379,161	2,934,216	3,955,561	3,521,280	43,985,835
DIFFERENCE	46,686	212,929	(1,146,254)	(721,405)	(531,203)	(541,593)	(662,162)	781,050	(1,198,339)	(986,450)	63,273	(849,559)	(5,533,026)

Judges/State Police
Retirement System

	Actual July 2005	Projected August	Projected September	Projected October	Projected November	Projected December	Projected January 2006	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
ADMINISTRATIVE EXPENSES	0	235	1,191	14,936	1,069	16,214	555	996	17,001	785	1,680	27,951	82,583
INVESTMENT EXPENSES	6,673	142	26,145	729	3,222	28,528	4,307	1,455	23,552	3,206	741	2,107	100,807
TOTAL OUTFLOW	20,673	14,377	41,336	29,865	18,291	58,742	18,862	16,421	54,553	17,991	16,421	44,058	351,391
CONTRIBUTIONS	720,000	415,000	410,000	325,000	410,000	635,000	410,000	450,000	455,000	435,000	779,800	435,000	5,879,800
OTHER INCOME*	71,461	60,534	38,236	33,029	47,765	88,158	26,007	59,237	27,863	24,529	54,698	53,373	584,891
TOTAL INCOME	791,461	475,534	448,236	358,029	457,765	723,158	436,007	509,237	482,863	459,529	834,498	488,373	6,464,691
DIFFERENCE	770,787	461,157	406,900	328,364	439,474	664,416	417,145	492,816	428,310	441,538	818,078	444,315	6,113,300

*Includes Income from Real Estate Investments, Private Equity, Securities
Lending, and Cash Accounts.

CSFL05

ALTERNATIVE INVESTMENTS

FISCAL YEAR ANALYSES

CASH FLOW

<u>FISCAL YEAR 2003</u>	<u>JUL 2002</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN 2003</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
FUNDING	5,688,208	908,809	4,008,692	2,784,612	6,031,671	10,055,487	5,964,640	8,945,952	8,302,275	1,559,849	7,039,468	7,321,599	68,611,262
DISTRIB & RET OF CAPITAL	8,481,884	0	109,159	971,928	45,320	2,377,624	14,171	594,985	1,877,116	802,572	4,510,023	3,341,833	23,126,615
GAINS/LOSSES/INCOME	648,652	0	0	2,743,091	374,518	1,236,224	63,688	1,116,815	286,585	3,307,790	725,727	605,961	11,109,051

<u>FISCAL YEAR 2004</u>	<u>JUL 03</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN 04</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
FUNDING	4,924,411	3,087,875	1,603,013	9,156,260	7,458,137	10,907,301	5,750,254	6,474,008	5,673,844	8,296,537	5,221,607	3,534,857	72,088,104
DISTRIB & RET OF CAPITAL	2,060,054	6,234,281	1,389,280	5,416,336	2,150,302	4,788,822	4,987,015	2,721,615	4,582,495	5,377,810	3,254,901	7,039,908	50,002,819
GAINS/LOSSES/INCOME	2,089,455	2,015,513	1,284,082	2,258,648	399,549	2,469,072	7,138,295	731,671	7,538,531	1,791,386	1,864,424	8,034,926	37,615,552

<u>FISCAL YEAR 2005</u>	<u>JUL 04</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN 05</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
FUNDING	11,269,926	9,034,631	3,551,444	17,085,063	10,799,740	9,687,896	5,137,847	7,820,785	11,136,237	6,654,429	8,585,623	23,224,768	123,988,389
DISTRIB & RET OF CAPITAL	6,810,042	7,627,585	3,522,840	3,572,094	3,098,474	9,796,703	3,139,189	3,453,185	4,943,021	5,593,654	2,339,545	13,706,233	67,602,565
GAINS/LOSSES/INCOME	3,484,802	5,456,821	4,316,856	18,627,181	5,113,221	14,695,497	2,805,862	6,890,681	3,176,517	4,967,716	1,488,502	6,957,580	77,981,236

<u>FISCAL YEAR 2006</u>	<u>JUL 05</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN 06</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
FUNDING	8,514,981												8,514,981
DISTRIB & RET OF CAPITAL	5,869,185												5,869,185
GAINS/LOSSES/INCOME	14,259,888												14,259,888

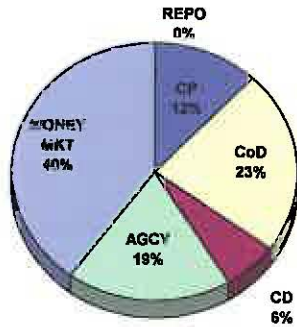
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**Rhode Island Employees Retirement System
Securities Lending Report
July, 2005**

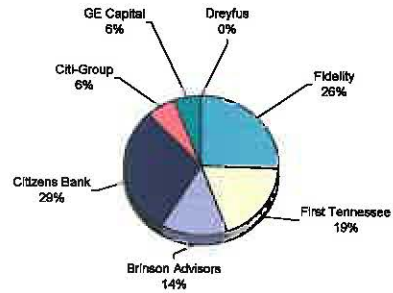
<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<u>DOMESTIC EQUITY</u>		
Wellington Mgmt. Co., LLP	55,600	109,389,523
Wasatch Advisors	6,416	41,003,705
NorthPointe Capital	14,926	86,479,078
SSgA Core	<u>2,143</u>	<u>20,204,496</u>
Total Domestic Equity	\$ <u>79,085</u>	\$ <u>257,076,802</u>
<u>INTERNATIONAL EQUITY</u>		
Goldman Sachs	33,459	104,534,904
Boston Company	37,693	98,523,778
Mondrian	<u>15,208</u>	<u>76,210,176</u>
Total International Equity	\$ <u>86,361</u>	\$ <u>279,268,858</u>
<u>FIXED INCOME</u>		
Brown Brothers, Harriman	6,225	71,509,427
Taplin, Canida & Habacht	2,924	28,451,821
MacKay Shields	9,511	21,546,186
Shenkman Capital Management	6,686	18,092,479
Brown Brothers, Harriman (TIPS)	<u>25,792</u>	<u>376,086,180</u>
Total Fixed Income	\$ <u>51,138</u>	\$ <u>515,686,093</u>
TOTAL SECURITIES LENDING INCOME	\$ <u>216,584</u>	\$ <u>1,052,031,753</u>
Calendar Year 2005 YTD	\$ <u>1,629,283</u>	

RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT JULY 31, 2005

Portfolio By Instrument



Portfolio by Issuer



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

Vendor	CP 25%/10%	CD 25%/10%	Agency 75%/35%	Money Mkt 50%/35%	CoD 25%/25%	Repo 100%/20%	Total (\$)
Guidelines-Total/Vendor							
Dreyfus	0	0	0	157,208	0	0	157,208
Dean Witter	0	0	0	0	0	0	0
Chase Securities	0	0	0	0	0	0	0
Paine Webber	0	0	0	0	0	0	0
Fidelity	0	0	0	69,333,069	0	0	69,333,069
First Tennessee	0	0	50,967,768	0	0	0	50,967,768
Brinson Advisors	0	0	0	39,085,056	0	0	39,085,056
Citizens Bank	0	16,673,842	0	0	62,828,666	0	79,502,508
GE Capital	16,066,312	0	0	0	0	0	16,066,312
Citi-Group	16,566,333	0	0	0	0	0	16,566,333
State St Bank	0	0	0	0	0	0	0
TOTALS	32,632,645	16,673,842	50,967,768	108,578,331	62,828,666	0	271,678,252
(%) PORTFOLIO	12%	6%	19%	40%	23%	0%	100%

Note: Maximum participation by any one vendor limited to 35% of total portfolio.

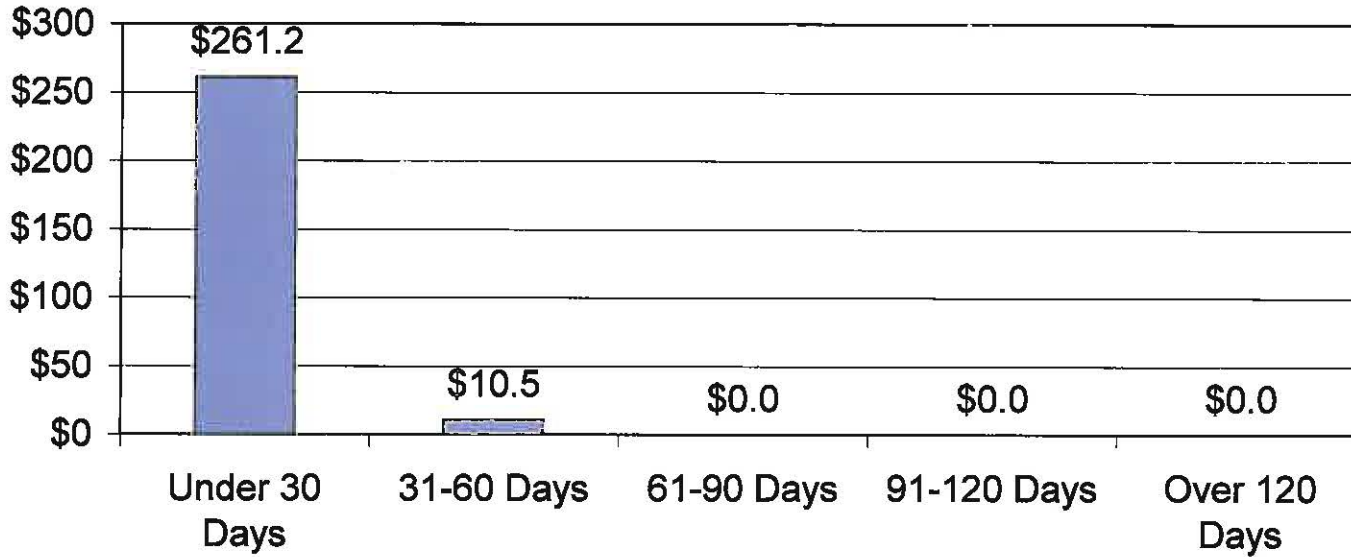
State of Rhode Island and Providence Plantations
Office of the General Treasurer

Short Term Investments Portfolio by Fund

As of July 31, 2005

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	102,378,234	5,333	102,383,567
4904 PENSION C	4,798,772	1,228	4,800,000
4908 PAYROLL A	3,799,028	972	3,800,000
4916 GENERAL FUND H.A.V.A.	9,816,997	0	9,816,997
4920 GENERAL FUND (HIST PRES)	461,027	2,116	463,143
5400 HIGHWAY FUND	5,160,782	384	5,161,165
5500 UNIVERSITY COLLEGE	9,498,431	8,105	9,506,536
6920 AUTO EQUIPMENT SERVICE	518,647	0	518,647
8000 T.D.I. RESERVE (DET)	83,410,742	122,388	83,533,130
8300 PERMANENT SCHOOL FUND	710,637	884	711,521
8400 EMP RETIREMENT FUND	94,064	0	94,064
8500 MUN EMP RETIREMENT FUND	5,087	0	5,087
8700 R.I. CLEAN WATER ACT	10,762	0	10,762
9000 BOND CAPITAL FUND	13,789,373	8,601	13,797,974
9700 STATE LOTTERY FUND	33,634,977	68,490	33,703,467
9800 INDUS. BLDG. & MTG. INS.	3,590,692	0	3,590,692
9900 SINKING FUND	0	0	0
4911 TANS	0	0	0
Subtotal	271,678,252	218,500	271,896,752
8702 CLEAN WATER 1993 SER. A	704		
8703 CLEAN WATER 1991 SERIES A	649,029		
8704 CLEAN WATER 96 SERIES A	34,599		
8706 CLEAN WATER CCDL 1994 (A)	13,222		
8707 CAP DEV. OF 1997 SERIES A	30,802		
8710 CLEAN WATER CCDL 2002 A	363,005		
8711 CLEAN WATER 2004 SERIES A	718,755		
8733 CAP DEV. OF 1997 SERIES A	37,329		
8737 RI POLLUT. CONT 94 SER. A	6,336		
8739 CCDL99A 1999A	347,149		
8742 POLLUTION CNTRL 2002 A	45,346		
8743 POLL.CONTRL 2004 SERIES A	943,204		
8744 POLLUTION CON 2005 SER C	1,885,338		
9114 G.O. NOTE 1991 SER. B	3,783		
9116 BOND CCDL 1993 SERIES A	432,037		
9117 BOND CCDL 1994 SERIES A	858,950		
9120 BOND CCBL96A	1,665,962		
9121 CAP DEV OF 1997 SERIES A	955,230		
9123 CCDL 1998B	2,415,860		
9124 CCDL99A 1999A	1,607,390		
9125 MMG099 1999	2,840		
9126 BOND CAPITAL CCDL2000A	2,220,745		
9127 MULTI-MODAL GEN OBL 2000	2,812		
9128 BOND 2001	528,096		
9129 BOND CCDL 2002 SERIES A	0		
9131 CCDL 2004 SERIES A	25,001,260		
9132 BOND CCDL 2005 SERIES C	47,564,598		
Subtotal Bond Proceed Accounts	88,334,379		
Total Short Term Portfolio	360,012,631		

Short-Term Investments Maturity Schedule



As of July 31, 2005

Maturities in \$Millions

Note: Includes \$171.4 Million of Money Market investments with no specific maturity

July, 2005	3.22%
June, 2005	3.11%
July, 2004	1.20%

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
JULY 31, 2005**

<u>FUND NAME</u>	May Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund (Fidelity Balanced Fund)	\$ 73,396	\$ 2,083,312
<u>TOTALS</u>	\$ 73,396	\$ 2,083,312

**CollegeBoundfund Underlying Mutual Fund Performance
July 31, 2005**

	1 MOS Cum Tot Return	3 MOS Cum Tot Return	YTD Cum Tot Return	1 YRS Cum Tot Return	2 YRS Ann Tot Return	3 YRS Ann Tot Return	5 YRS Ann Tot Return	10 YRS Ann Tot Return
VALUE								
AllianceBernstein Int'l Value;Adv	4.51	6.65	3.75	26.68	24.47	21.90	---	---
Lipper International Multi Cap Value Average	3.53	5.42	2.67	21.91	23.58	18.50	---	---
MSCI EAFE IX ND	3.07	4.48	1.86	21.06	23.04	17.19	---	---
AllianceBernstein Growth & Income;Adv	2.42	5.54	1.93	13.18	13.69	13.34	3.18	---
Lipper Large Cap Value Funds Average	3.13	6.42	3.37	14.87	14.87	12.62	4.42	---
Russell 1000 Value IX Tr	2.89	6.52	4.71	19.04	18.35	15.76	6.90	---
AllianceBernstein Small/Mid Cap Value;Adv	5.63	14.85	8.29	24.08	25.05	22.21	---	---
Lipper Mid Cap Value Funds Average	4.83	12.58	7.34	23.79	22.83	20.54	---	---
RUSSELL 2500 VALUE IX TR	5.36	15.28	8.61	28.92	26.01	23.04	---	---
AllianceBernstein Value;Adv	3.05	6.73	3.95	15.58	16.39	14.75	---	---
Lipper Multi Cap Value Average	3.40	7.86	4.26	17.55	17.22	14.88	---	---
Russell 1000 Value IX Tr	2.89	6.52	4.71	19.04	18.35	15.76	---	---
AllianceBernstein REIT;Adv	8.08	16.29	12.37	41.10	32.33	26.75	19.37	---
Lipper Real Estate Funds Average	6.64	15.22	12.54	39.86	30.42	25.83	19.50	---
NAREIT Equity Index	7.14	16.42	13.97	41.66	30.93	25.61	20.09	---
GROWTH								
AllianceBernstein Large-Cap Growth;Adv	5.78	14.35	5.22	18.04	11.23	9.36	-10.86	---
Lipper Large Cap Growth Funds Average	4.63	10.14	2.75	14.20	10.06	10.04	-7.53	---
Russell 1000 Growth IX Tr	4.89	9.56	3.08	13.04	10.75	11.05	-8.72	---
AllianceBernstein Mid-Cap Growth;Adv	6.84	17.77	-0.76	20.37	20.47	24.49	0.01	---
Lipper Mid-Cap Growth Average	5.58	14.43	5.71	22.58	16.16	15.94	-3.18	---
Russell Midcap Growth	5.83	13.98	7.64	25.65	20.10	21.11	-2.89	---
AllianceBernstein Global Technology;Adv	3.65	11.63	-0.63	15.44	9.53	11.23	-15.01	---
Lipper Science & Technology Funds Average	6.20	14.63	-0.29	16.17	10.75	16.62	-16.97	---
MSCI World IT Index ND	4.39	9.95	-1.55	9.65	9.57	13.33	-16.62	---
AllianceBernstein Small Cap Growth;Inst'l	6.13	17.02	2.63	21.74	18.04	19.79	0.11	---
Lipper Small Cap Growth Funds Average	6.10	17.05	4.25	22.12	15.75	17.74	-1.12	---
Russell 2000 Growth IX Tr	6.99	18.24	3.16	22.58	16.82	20.42	-1.46	---
FIXED INCOME								
AllianceBernstein US Gov't Bond;Adv	-1.20	0.49	1.77	4.80	3.99	3.38	---	---
Lipper General U.S Government Funds Average	-1.15	0.38	1.54	4.24	3.84	3.40	---	---
Lehman Govt Bd Tr	-1.21	0.50	1.69	4.39	4.12	4.23	---	---
AllianceBernstein High Yield;Adv	1.65	4.96	2.38	9.61	10.30	14.75	3.65	---
Lipper High Current Yield Funds Average	1.59	4.74	1.86	9.55	10.72	14.00	5.72	---
CSFB High Yield	1.37	4.32	2.14	10.19	12.12	15.74	8.61	---
AllianceBernstein Quality Bond;Adv	-0.63	0.85	1.58	4.51	4.58	4.88	---	---
Lipper Int. Investment Grade Debt Funds Average	-0.75	0.69	1.23	4.35	4.46	4.93	---	---
Lehman Aggregate Bd Tr	-0.91	0.71	1.58	4.79	4.81	5.02	---	---
STABLE VALUE OPTION								
Principal-Protection Income Portfolio; R	0.34	1.03	2.38	4.11	4.10	4.34	---	---
Lipper Money Market	0.20	0.57	1.12	1.52	0.94	0.86	---	---

STATE OF RHODE ISLAND RETIREMENT PLANS INVESTMENT OPTIONS

PERFORMANCE UPDATE

AS OF JUNE 30, 2005

Understanding investment performance

As you review this update, please remember that the data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current investment performance may be higher or lower than quoted in this table. To learn more or obtain the most recent month-end performance figures, call Fidelity at 1-800-343-0860 or visit www.fidelity.com.

Fund No.	Name	Cumulative Total Returns % Period Ending June 30, 2005			Average Annual Total Returns % Period Ending June 30, 2005				Short-Term Trading Fee (%/Days)	Fund Inception	Expense Ratio
		7-Day Yield▲	3 Month	YTD	1 Year	5 Year	10 Year	Life of Fund			
LIFE-CYCLE ♣ →											
00370	Fidelity Freedom 2000++		1.93	1.25	4.84	2.59	n/a	6.98	n/a	10/17/96	0.58○
00371	Fidelity Freedom 2010++		2.17	0.90	6.50	1.89	n/a	8.19	n/a	10/17/96	0.69○
00372	Fidelity Freedom 2020++		2.17	0.34	7.39	0.21	n/a	8.25	n/a	10/17/96	0.75○
00373	Fidelity Freedom 2030++		2.08	0.12	7.67	-0.91	n/a	7.89	n/a	10/17/96	0.77○
00369	Fidelity Freedom Income++		1.70	1.25	4.38	3.32	n/a	5.88	n/a	10/17/96	0.56○
MONEY MARKET (SHORT-TERM)*											
00630	Fidelity Retirement Money Market	2.87	0.67	1.19	1.88	2.40	3.89	4.60	n/a	12/02/88	0.42
BOND											
99474	PIMCO Total Return - Administrative Class		3.15	2.77	7.44	7.95	7.53	7.78	2/7	9/08/94	0.68
BALANCED/HYBRID											
00004	Fidelity Puritan®		1.24	-0.15	6.46	5.43	9.28	11.71	n/a	4/16/47	0.63
DOMESTIC EQUITY - LARGE VALUE											
00023	Fidelity Equity-Income		0.53	-1.34	6.18	4.55	10.15	12.97	n/a	5/16/66	0.70
DOMESTIC EQUITY - MID VALUE ■											
00039	Fidelity Value		3.72	4.49	16.39	14.67	12.71	14.33	n/a	12/01/78	0.83
DOMESTIC EQUITY - LARGE BLEND											
00330	Fidelity Dividend Growth		2.24	-2.11	1.56	0.37	11.61	13.58	n/a	4/27/93	0.71
00027	Fidelity Growth & Income		0.89	-1.59	5.49	-1.45	9.27	13.34	n/a	12/30/85	0.69
00021	Fidelity Magellan®		1.51	-1.22	3.89	-4.24	7.55	18.72	n/a	5/02/63	0.63
00650	Spartan® U.S. Equity Index++		1.36	-0.83	6.25	-2.50	9.75	11.46	n/a	2/17/88	0.10

Please see important disclosures on the last page(s).

continued



AS OF JUNE 30, 2005

Fund No.	Fund Name	Cumulative Total Returns % Period Ending June 30, 2005		Average Annual Total Returns % Period Ending June 30, 2005				Short-Term Trading Fee (%/Days)	Fund Inception	Expense Ratio
		3 Month	YTD	1 Year	5 Year	10 Year	Life of Fund			
DOMESTIC EQUITY - LARGE GROWTH										
00312	Fidelity Blue Chip Growth	1.97	-2.09	1.26	-6.92	6.86	12.33	n/a	12/31/87	0.66
00022	Fidelity <i>Contrafund</i> [®]	2.97	3.31	11.94	2.58	12.05	13.20	n/a	5/17/67	0.94
00093	Fidelity OTC	4.88	-1.59	2.68	-10.36	8.39	14.03	n/a	12/31/84	0.86
DOMESTIC EQUITY - MID GROWTH										
00337	Fidelity Mid-Cap Stock	5.00	1.24	8.15	-0.02	12.74	13.85	0.75/30	3/29/94	0.71
93392	Franklin Small-Mid Cap Growth - Class A	4.01	0.15	8.47	-6.68	9.85	12.43	2/7	2/14/92	0.97
INTERNATIONAL/GLOBAL										
00325	Fidelity Diversified International	0.42	0.56	14.85	5.03	12.31	10.98	1.00/30	12/27/91	1.11

MARKET INDICES^{^^}

For comparison only. These are not Fidelity funds.

Dow Jones Industrial Average	-1.57	-3.57	0.75	1.73	10.58
Lehman Brothers Intermediate Gov't/Credit Bond Index	2.48	1.59	4.80	6.87	6.35
Morgan Stanley EAFE [®] Index	-0.90	-1.05	13.83	-0.33	5.42
Standard & Poor's 500 SM Index	1.37	-0.81	6.32	-2.37	9.94

With the exception of domestic equity mutual funds, investment options have been assigned to investment categories based on Fidelity's analysis. Fidelity has verified the accuracy of the placement of certain third party non-mutual funds with either the plan sponsor or the plan sponsor's consultant. Within Domestic Equities, mutual funds are listed according to their actual Morningstar categories as of the date indicated. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past 3 years and may change at any time. These style calculations do not represent the funds' objectives and do not predict the funds' future styles.

Although the information contained in this report has been carefully verified, its accuracy cannot be guaranteed. All numbers are unaudited.

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HISTORICAL PERFORMANCE

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the inception date to the period indicated. The figures do not include the effects of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plan. If sales charges were included, returns would have been lower.

SPECIFIC FUNDS

Fidelity Management & Research Company manages Fidelity mutual funds.

Non-Fidelity mutual funds are managed by non-Fidelity entities. Please consult the prospectus for more information. If applicable, class of shares will vary. Please consult your plan document or enrollment materials for the specific class of shares available through your plan. Performance information for non-Fidelity mutual funds was provided by a third-party. Fidelity Investments Institutional Services Company, Inc., is not affiliated with any of the outside fund companies.

- ▲ The current yield more closely reflects the current earnings of the fund, while total return refers to a specific past holding period.
- ⚙ The Fidelity Freedom Funds are managed by Strategic Advisers, Inc., a subsidiary of FMR Corp.
- ++ Fidelity is temporarily reimbursing a portion of the fund's expenses. Absent such reimbursement, returns would have been lower.
- The combined total expense ratio reflects expense reimbursements and reductions and is based on the total operating expense ratio of the fund plus a weighted average of the total operating expense ratios of the underlying Fidelity funds in which it was invested. This ratio may be higher or lower depending on the allocation of the fund's assets among the underlying Fidelity funds and the actual expenses of the underlying Fidelity funds.

INDICES

^{^^} The following indices are defined for informational purposes only. All indices are unmanaged and performance of the indices are not illustrative of any particular investment. An investment cannot be made in any index.

Dow Jones Industrial Average (DJIA), published by Dow Jones and Company, is an unmanaged average of 30 actively traded stocks (primarily industrial) and assumes reinvestment of dividends. It is not offered as a comparison for any investment option but rather as a general stock market indicator. **Lehman Brothers Intermediate Government/Credit Bond Index** is an unmanaged, market-value weighted index of government and investment-grade corporate fixed-rate debt issues with maturities between one and ten years. **EAFE[®] Index (Morgan Stanley Capital International Europe, Australasia, Far East Index)** is an unmanaged index of over 1,000 foreign common stock prices and includes the reinvestment of dividends. The EAFE[®] Index is a registered service mark of Morgan Stanley and has been licensed for use by FMR Corp. The investment options offered through the plan are neither sponsored by nor affiliated with Morgan Stanley. **The Standard & Poor's 500SM Index (S&P 500[®])** is a registered service mark of the McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks.

INVESTMENT RISK

- ⇒ These funds are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risks associated with investing in high yield, small cap and foreign securities.
- * An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in these funds.
- Investments in mid-sized companies may involve greater risks than those of larger, more well-known companies, but may be less volatile than investments in smaller companies.

Please see important disclosures on the last page(s).

continued

ING Life Insurance and Annuity Company



State of Rhode Island

Average Annual Total Returns as of 06/30/2005

Mutual funds offered through a retirement plan are investments designed for retirement purposes. Early withdrawals will reduce your account value and if taken prior to age 59 1/2, a 10% IRS penalty may apply.

THE PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. FOR MONTH-END PERFORMANCE WHICH MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA SHOWN PLEASE CALL 1-800-262-3862. INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE SO THAT, WHEN SOLD, AN INVESTMENT MAY BE WORTH MORE OR LESS THAN THE ORIGINAL COST.

The returns assume reinvestment of all dividends (ordinary income and capital gains) and are net of management fees and other fund operating expenses.

YOU SHOULD CONSIDER THE INVESTMENT OBJECTIVES, RISKS AND CHARGES, AND EXPENSES OF THE FUNDS CAREFULLY BEFORE INVESTING. THE PROSPECTUS CONTAINS THIS AND OTHER INFORMATION. ANYONE WHO WISHES TO OBTAIN A FREE COPY OF THE FUND PROSPECTUSES MAY CALL THEIR ING REPRESENTATIVE OR THE NUMBER ABOVE. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

Returns less than one year are not annualized. Fund Inception Date is the date of inception for the underlying fund, and is the date used in calculating the periodic returns. This date may also precede the portfolio's inclusion in the product.

Investment Options	Fund Benchmark (BM)	Returns Not Annualized						Average Annual Total Returns								Since Fund Inception	Fund Inception Date
		1-Mo		3-Mo		YTD		1-Yr		3-Yr		5-Yr		10-Yr			
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM		
Stability of Principal																	
ING Fixed Account - 457/401 -Base+40 (***) - 043	MFR	0.29%	0.21%	0.87%	0.57%	1.74%	0.93%	3.67%	1.49%	4.35%	0.98%	4.93%	2.07%	5.61%	3.55%		
Money Market																	
ING VP Money Market Portfolio - Class I - 003	IBCM	0.21%	0.25%	0.67%	0.73%	1.21%	1.34%	1.95%	2.20%	1.31%	1.78%	2.41%	2.53%	3.93%	3.72%		08/01/1975
<i>The 7-day annualized yield as of 06/30/2005 is 2.07%. (+)</i>																	
Bonds																	
Intermediate-Term Bond																	
ING VP Intermediate Bond Portfolio - Class I - 004	LEHM	0.60%	0.55%	2.89%	3.01%	2.82%	2.52%	7.43%	6.81%	6.53%	5.76%	7.50%	7.41%	6.61%	6.83%		05/23/1973
Balanced																	
Moderate Allocation																	
Calvert Social Balanced Portfolio - 101	SPXRE	0.58%	0.14%	2.37%	1.36%	1.55%	-0.82%	7.19%	6.29%	7.76%	8.28%	0.23%	-2.37%	7.32%	9.94%		09/02/1986
ING VP Balanced Portfolio, Inc. - Class I - 008	SPX_L	0.59%	0.22%	1.95%	1.69%	1.19%	-0.17%	8.22%	6.41%	7.68%	7.88%	1.66%	1.87%	8.92%	9.07%		04/03/1989
ING Van Kampen Equity and Income Portfolio - Initial Class - 452	SPXRE	1.04%	0.14%	2.31%	1.36%	1.88%	-0.82%	10.65%	6.29%	8.64%	8.28%					3.15%	12/10/2001
Large Cap Value																	
Large Blend																	
AIM V.I. Core Equity Fund - Series I Shares - 079	SPXRE	0.49%	0.14%	-0.36%	1.36%	-0.97%	-0.82%	3.70%	6.29%	6.96%	8.28%	-5.87%	-2.37%	7.97%	9.94%		05/02/1994
ING VP Growth and Income Portfolio - Class I - 001	SPXRE	0.62%	0.14%	1.68%	1.36%	0.21%	-0.82%	5.41%	6.29%	5.36%	8.28%	-5.40%	-2.37%	6.36%	9.94%		05/01/1975

MUTUAL FUND SELECTION

The information is current as of 06/30/2005.

Category/Funds		YTD	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	Inception Date
International Equity									
<i>Large Growth</i>									
	Janus Adviser Worldwide	(3.09)	5.21	2.01	(9.40)	**	4.84	1.20	5/1/1997
	MSCI World	(1.76)	8.12	8.16	(3.57)	5.55			
Aggressive Growth									
<i>Large Growth</i>									
	Putnam Voyager A	(1.51)	1.74	4.30	(9.57)	7.23	11.89	1.04	4/1/1969
	S&P 500	(0.81)	6.32	8.28	(2.37)	9.94			
Science & Tech									
<i>Large Growth</i>									
	Franklin DynaTech A	(3.08)	0.38	10.74	(3.58)	8.92	8.77	0.97	1/2/1968
	S&P 500	(0.81)	6.32	8.28	(2.37)	9.94			
Socially Responsible									
<i>Large Blend</i>									
	Calvert Social Inv Equity A	0.23	5.56	6.70	2.81	10.34	8.41	1.24	8/24/1987
	S&P 500	(0.81)	6.32	8.28	(2.37)	9.94			
Growth									
<i>Large Growth</i>									
	MFS Massachusetts Inv Grth A	(2.43)	4.21	4.70	(8.74)	9.79	10.70	0.92	1/1/1935
	SunAmerica Blue Chip Growth I	(3.33)	0.14	3.78	-9.45	6.32	(2.56)	1.33	11/16/2001
	S&P 500	(0.81)	6.32	8.28	(2.37)	9.94			
Growth & Income									
<i>Large Blend</i>									
	Dreyfus Disciplined Stock	0.06	6.55	5.57	(4.29)	8.62	11.24	0.93	12/31/1987
	SunAmerica Growth & Income I	(1.36)	7.42	5.07	(6.95)	8.48	0.12	1.18	11/16/2001
	S&P 500	(0.81)	6.32	8.28	(2.37)	9.94			
Index									
<i>Large Blend</i>									
	Dreyfus Intl Stock Index	(1.38)	13.00	11.00	(1.57)	**	2.38	0.60	6/30/1997
	MSCI (EAFE)	(1.17)	13.65	12.06	(0.55)	5.22			
	Vanguard 500 Index	(0.87)	6.19	8.17	(2.47)	9.87	12.13	0.18	8/31/1976
	S&P 500	(0.81)	6.32	8.28	(2.37)	9.94			
<i>Small Growth</i>									
	Dreyfus Small Cap Stock Idx	1.69	13.18	13.48	10.01	**	9.95	0.50	6/30/1997
	S&P 600	1.79	13.45	13.95	10.51	12.93			
<i>Mid-Cap Blend</i>									
	Dreyfus MidCap Index	3.60	13.49	12.59	7.94	14.03	14.01	0.50	6/19/1991
	S&P Midcap 400	3.85	14.03	13.16	8.49	14.66			
Balanced									
<i>Large Growth/ Bond: Interm Corp/Govt</i>									
	Dreyfus Founders Balanced F	(1.12)	6.99	5.80	(3.31)	4.17	6.96	1.34	2/19/1963
	60% S&P500 / 40% LB Aggregate Bond	0.52	6.51	7.27	1.54	8.69			
<i>Large Blend/ Bond: Interm Corp</i>									
	SunAmerica Balanced Assets I	(1.42)	3.70	3.68	(4.98)	5.49	0.10	1.05	2/20/2004
	60% S&P500 / 40% LB Aggregate Bond	0.52	6.51	7.27	1.54	8.69			
Lifecycle									
<i>Asset Allocation</i>									
	SunAmerica Focused Balanced Strategy I	0.17	5.83	**	**	**	4.17	0.15	2/20/2004
	LB Aggregate	2.51	6.80	5.76	7.40	6.83			
	SunAmerica Focused Equity Strategy I	(0.61)	5.82	**	**	**	4.51	0.15	11/8/2002
	LB Aggregate	2.51	6.80	5.76	7.40	6.83			
Bond									
<i>Interm Corp/Govt</i>									
	SunAmerica Core Bond I	2.25	7.95	5.40	6.11	5.58	6.12	1.07	7/10/2000
	LB Aggregate	2.51	6.80	5.76	7.40	6.83			
<i>Interm-Term Govt</i>									
	Wells Fargo Advantage Government Sec Inv	2.42	5.93	5.01	7.00	6.42	7.78	1.00	10/29/1988
	LB Intermediate Government Bond	1.62	4.14	4.03	6.18	6.00			
Fixed Account									
	VALIC Fixed-Interest Option ***		June 2005		3.75%				
			Calendar Year 2005		3.25%				

Source: Morningstar Principia Pro (as of 12-31-04)

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.

International fund unit values and returns will fluctuate with market conditions, currencies, and economic climates where investments are made. Higher potential return generally involves greater risk, and short-term volatility is not uncommon when investing in various types of funds, including but not limited to: sector funds, emerging market funds and small & mid-cap funds.

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Risks for emerging markets include, for instance, risks relating to the relatively smaller size and lesser liquidity of these markets, high inflation rates and adverse political developments. Risks for smaller companies include for instance, business risks, significant stock price fluctuations and illiquidity. Government securities offer a high degree of safety and are guaranteed as to the timely payment of principal and interest if held to maturity. Fund shares are not insured and their value and yield will vary with market conditions. Investing in higher-yielding, lower rated bonds has a greater risk of price fluctuation and loss of principal and income than U.S. government securities, such as U.S. Treasury bonds and bills. Treasuries are guaranteed by the government for repayment of principal and interest if held to maturity. Investors should carefully assess the risk associated with an investment in the Fund.

An investment in a money market fund is not insured by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

For periods prior to inception of Class I shares (11/16/2001), performance is based on the past performance of Class A shares, adjusted to reflect that there are no sales charges paid by Class I shares. The Class A shares do not show the effect of operating expenses currently applicable to I shares. Effective 11/19/2001, SunAmerica Asset Management Corp. assumed management responsibilities.

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

** Performance figure not available due to the inception date of the fund.

*** A VALIC (The Variable Annuity Life Insurance Company Houston, Texas) fixed annuity applicable to policy form GFUA-398.

**** VALIC declares a portfolio interest rate monthly for the Fixed-Interest Option. That declared portfolio interest rate is guaranteed until the end of that month and is credited to all new and old deposits as well as credited interest. The contractual lifetime minimum guaranteed interest rate is 3%; however, VALIC guarantees -- for calendar year 2002 -- a minimum portfolio interest rate of 5.00%. All interest is compounded daily at the declared annual effective rate. VALIC's interest-crediting policy is subject to change, but any changes will not reduce the current rate below the contractually guaranteed minimum or money already credited to the account.

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

AIG VALIC, a member of American International Group, Inc., is the marketing name for the family of companies comprising VALIC Retirement Services Company; VALIC Financial Advisors, Inc. VALIC Trust Company; and the Variable Annuity Life Insurance Company (VALIC).

