

# 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  
APRIL 30, 2005**

**GEORGE A. CREPEAU**

**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  
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**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, May 25, 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 4/27/05 \*
  - State Investment Commission Executive Session held on 4/27/05 \*
3. Investment Manager Review
  - Taplin, Canida & Habacht
4. General Consultant's Report – Wilshire Associates Incorporated
  - Capital Market Update
5. Gateway Eight Litigation Related Matters \* / \*\*
  - Brown Rudnick Berlack Israels, LLP
  - Great Point Investors LLC
6. Legal Counsel Report
7. Deputy Treasurer for Finance Report
8. Treasurer's Report
9. New Business

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

\*\* Commission members may seek to convene in Executive Session to discuss this matter.

**POSTED ON WEDNESDAY, MAY 18, 2005**





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

**Regular Meeting April 27, 2005**

A State Investment Commission ("SIC") meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, April 27, 2005. The Treasurer called the meeting to order at 9:15 a.m.

Membership Roll Call. Present were: Mr. Michael J. Costello, Dr. Robert J. McKenna, Ms. Marcia Reback, Mr. John R. Treat, and General Treasurer Paul J. Tavares. Ms. Rosemary Booth Gallogly joined the meeting at 9:22. Also present were: Mr. George Carvalho, Chief of Staff, Ms. Joan M. Caine, Deputy Treasurer for Finance, Jayne Donegan, Esq. and William Baldiga, Esq. of Brown Rudnick Berlack Israels, Legal Counsel to the Commission, Mr. David Lindberg of Wilshire Associates Incorporated, Consultant to the Commission, Mr. Peter Martenson of Pacific Corporate Group, Alternative Investments Consultant to the Commission, Mr. Frank Blaschka of The Townsend Group, Real Estate Consultant to the Commission, and other members of the Treasurer's Staff.

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

**VOTED: To approve the Minutes of the March 23, 2005 Regular Meeting.**

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

**VOTED: To approve and seal the Minutes of the March 23, 2005 Executive Session.**

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

**VOTED: Pursuant to R.I.G.L. § 42-46-5(2) and R.I.G.L. § 42-46-5(7) the Commission votes to close the meeting to the public to discuss the litigation regarding the Gateway Eight mortgage; and to discuss the investment of public funds regarding the Gateway Eight mortgage.**

The Commission went into Executive Session at 9:20 a.m.

Open Session. Ms. Gallogly moved, Ms. Reback seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Dr. McKenna, Ms. Reback, Mr. Treat, and Treasurer Tavares.

**VOTED: To reconvene the meeting into Open Session.**

The Commission reconvened into Open Session at 9:40 a.m. Treasurer Tavares noted that no votes were taken while the Commission was in Executive Session.

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

**VOTED: To seal the Minutes of the Executive Session held today, April 27, 2005.**

Proposed Alternative Investment – CVC European Equity Partners IV, L.P. (“CVC IV”). Mr. Martenson of Pacific Corporate Group (“PCG”) gave a brief overview of CVC IV, which is being formed to make investments in buy-outs, buy-ins, acquisitions, recapitalizations, and related transactions on a pan-European basis. Some transactions may extend beyond Europe as the fund does not set predetermined geographic or sector targets, but rather invests opportunistically across Europe. CVC Capital Partners has raised \$7 billion through three previous funds and made investments in 95 portfolio companies. The Employees’ Retirement System of Rhode Island (“ERSRI”) is a limited partner in both CVC II and CVC III.

Mr. James Joy, Managing Director represented CVC IV. He noted that CVC IV will invest in companies possessing talented and experienced management teams, strong market positions, and opportunities for profit growth. CVC IV intends to broadly diversify its European investments in a variety of industries and geographical locations in order to mitigate portfolio risk. Historic investments are in the manufacturing, leisure, food and beverage, distribution, chemicals, automotive, utilities, services, and retail industries among others.

Target size of CVC IV is € 5 billion with a cap of € 6 billion. CVC funds have achieved top quartile returns. Fund I has a net IRR of 24.7%, Fund II has a net IRR of 21.0% and Fund III has a net IRR of 44.6%. Mr. Joy noted that CVC is very well positioned, having operated in Europe for 24 years.

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

**VOTED: To invest up to \$20 million (USD) in CVC European Equity Partners IV, L.P. contingent upon satisfactory review and negotiation of investment and other legal documents.**

The Townsend Group (“Townsend”) – Real Estate Overview. Mr. Frank Blaschka noted that The RREEF America REIT II Fund (“RREEF II”) and the Morgan Stanley Prime Property Fund (“Prime”) are both open end commingled funds. They are rated as Tier II open-end core funds in Townsend’s four-tiered rating system. Tier II funds are essentially good tactical investments that complement other broader, more diversified funds. They tend to be strong performers and rank among the top of the open end core fund universe.

Proposed Real Estate Investment – RREEF America REIT II Fund (“RREEF II”). Mr. Jon Thompson, Director, Client Relations and Mr. Frank Garcia, Director, Portfolio Management represented RREEF II. Mr. Thompson noted that RREEF is an acronym for Rosenberg Real Estate and Equity Funds (“RREEF”), which was founded in 1975. RREEF II will invest in the four major property groups: office, industrial, retail, and apartment; and will not invest in hotels.

RREEF has \$27.1 billion of assets under management, which includes \$14.8 billion in core real estate, which is income producing real estate. Since 1975 RREEF has sponsored twenty different commingled funds.

Mr. Garcia noted that RREEF II is structured as a private real estate investment trust. The three main goals for the fund are: the preservation of capital; a high dividend payment; and property appreciation. RREEF II has a strict leverage maximum of 30% and is presently at approximately 19%. Total returns are as follows: 14.5% for one year; 11.3% for three years; and 11.0% for five years. The existing RREEF II portfolio is invested 33% in industrial, 32% in office, 18% in retail and 17% in apartments. The geographic composition consists of 56% in the west; 25% in the east; 15% in the south; and 4% in the mid-west.

Mr. Garcia noted that the portfolio currently has 90% occupancy, projecting 92% average occupancy through 2005. The average lease term is 3.2 years, excluding apartments and he expects a stable dividend pay-out going forward. He also stated that there is not as much market volatility in private REITs as there is in public REITs.

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

**VOTED: To invest up to \$35 million in RREEF America REIT II fund contingent upon satisfactory review and negotiation of investment and other legal documents.**

Proposed Real Estate Investment – Morgan Stanley Prime Property Fund (“Prime”). Mr. Michael Wright, Executive Director, Mr. Scott Brown, Executive Director and Mr. Robert Weaver, Managing Director represented Prime. Mr. Wright noted that Morgan Stanley Real Estate (“MSRE”) is a global business located in eleven countries. MSRE has approximately \$32 billion of assets under management with a very stable management team.

Mr. Brown noted he is one of three investment officers that are 100% dedicated to this fund as a portfolio manager. Prime is a core return, open-end commingled equity real estate fund diversified by property type and geographic location and designed to provide a stable, income-driven rate of return over the long term. Prime is a franchise product of MSRE with a thirty-two year operating history. Prime is currently focused on high-quality office buildings, top tier super regional malls, high-demand multifamily projects and distribution warehouses in targeted markets.

Mr. Brown stated that Prime favors investing in major gateway markets, particularly coastal cities such as New York, Boston, Washington, Miami, San Francisco, Los Angeles, and San Diego. He noted time-weighted returns (before fees) were 18.5% for one year; 11.5% for three years; and 10.2% for five years, consistently outperforming the benchmark. Prime has 34.8% in office space; 31.9% in retail; 15.7% in industrial; 13.4% in residential; and 4.2% in hotels/other. The geographic composition is 42.7% in the west; 34.3% in the east; 14.6% in the mid-west; and 8.4% in the south. Mr. Brown stressed that Prime has access to all Morgan Stanley’s relationships, resources and capabilities.

Mr. Weaver reported on the national press that Morgan Stanley has been experiencing lately. He noted that Morgan Stanley and Dean Witter merged in 1997. There has been tension between the leadership teams since the beginning. When Mr. Philip Purcell, Chief Executive Officer recently promoted two individuals, other aspirants to those positions left the firm. A

group of eight top executives wrote a letter to the Board of Directors expressing their dissatisfaction with Mr. Purcell. Mr. Weaver stated that the core issue is not about fraud or accounting practices, but rather about a CEO, who does have the full support of the Board, being engaged in a dispute with former leaders of the firm.

The Board maintains its confidence in the leadership of the firm and is not planning on making any changes. The press is making the case that those leaving the firm have left as a result of their dissatisfaction with Mr. Purcell. This has caused a disruption in the executive offices. There are several scenarios that could happen going forward: 1) the disruption could die down and business could return to normal; 2) the Board could decide to take a further look at Mr. Purcell and his leadership, wherein Mr. Purcell could split his responsibilities by giving up either the chairmanship or the CEO position; or 3) a small chance that Morgan Stanley could be acquired by another financial services firm.

Mr. Weaver stated that as it relates to the real estate business, all twenty-four partners are still in place and not planning to leave. There has been zero impact at the operating level. It has not affected Prime's ability to buy properties or manage its assets.

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

**VOTED: To invest up to \$35 million in Morgan Stanley Prime Property Fund contingent upon satisfactory review and negotiation of investment and other legal documents.**

Wilshire Associates Incorporated – Capital Market Review. Mr. Lindberg noted that 2005 has had a rough first quarter with large stocks down 2.2%, small stocks down 5% and bonds down as well. April has shown a positive fixed income return and earnings announcements will be out this week. Small stocks continue to lag large stocks. As of 4/22/05, the S&P 500 is down 4.5%, the Russell 2000 is down 9.2% and the DJ Wilshire 5000 is down 4.6%.

Deputy Treasurer for Finance Report. Ms. Caine noted that the pension fund is down 70 basis points for the first quarter, which is 50 basis points ahead of the benchmark. For the fiscal year, the fund is up 8.6%, 80 basis points ahead of the benchmark. Ms. Caine distributed a copy of an article from Pensions & Investments which gives more information on portable alpha strategies, the program that Mr. Bensur of Wilshire talked about at the last meeting. She noted that several other plans are actively engaged in similar programs, which have added value over the long-term. Ms. Caine and Mr. Bensur will continue to research this strategy.

Ms. Caine also noted that two of the three providers to the Deferred Compensation Program (457 Program) will be coming before the Commission to recommend some changes in their investment options to better diversify the program. The two providers are ING Aetna and VALIC. The third provider, Fidelity, does not require any changes to their investment options at this time.



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

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,

Paul J. Tavares  
General Treasurer



**RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
April 30, 2005**

**PORTFOLIO PERFORMANCE**

**April**

The ERSRI portfolio posted a loss of -1.29% for the month of April, against the policy index of -1.38%. Domestic equities were down -2.86%, international equities lost -2.55%, and the fixed income asset class gained 0.95%. Additionally, the retirement fund earned \$357,718 from the securities lending program during this month.

**Calendar Year to Date**

For the four months ended April 30, 2005, the portfolio is down -1.94% against the policy index of -2.55%. Domestic equities lost -5.10%, international equities were down -1.32%, while fixed income generated a return of 0.75%.

**Fiscal Year to Date**

For the ten months ended April 30, 2005, the fund has gained 7.20%, against the policy index of 6.28%.

<b>Index Performance Summary - Apr 30, 2005</b>		
<b>Market Indices</b>	<b>Apr-05</b>	<b>Calendar YTD</b>
<b><u>Domestic Equity</u></b>		
S & P 500	-1.90%	-4.00%
DJ Wilshire 5000	-2.21%	-4.38%
Russell 2000	-6.36%	-12.76%
Russell 1000	-1.84%	-3.71%
Policy Index	-1.38%	-2.55%
<b><u>International Equity</u></b>		
MSCI ACWI	-2.47%	-2.15%
<b><u>Fixed Income</u></b>		
Lehman AGG	1.35%	0.87%
<b><u>Real Estate</u></b>		
NCREIF	4.66%	4.66%

<b>ERSRI Performance By Asset Class</b>	<b>Apr-05</b>	<b>Calendar YTD</b>
Domestic Equity	-2.86%	-5.10%
Fixed Income	0.95%	0.75%
International Equity	-2.55%	-1.32%
<b><u>Total Fund Composite*</u></b>	<b>-1.29%</b>	<b>-1.94%</b>
<b>Manager Summary</b>	<b>Apr-05</b>	<b>CYT D</b>
<b><u>DOMESTIC EQUITY</u></b>		
Shott	0.37%	5.31%
PIMCO	-1.86%	-4.18%
SSgA Russell 1000	-1.86%	-3.72%
SSgA Core	-2.91%	-3.68%
Wasatch	-3.18%	-7.09%
Northpointe	-4.97%	-6.67%
Wellington	-5.61%	-9.79%
<b><u>Total Domestic Equity</u></b>	<b>-2.86%</b>	<b>-5.10%</b>
<b><u>FIXED INCOME</u></b>		
Brown Bros TIPS	2.00%	1.83%
Brown Bros Core	1.37%	0.98%
Fidelity	1.08%	1.26%
Taplin Canida & Habacht	0.55%	0.21%
InState Fixed Income	0.00%	0.00%
Shenkman	-0.86%	-1.91%
Mackay Shield	-1.66%	-1.75%
<b><u>Total Fixed Income</u></b>	<b>0.95%</b>	<b>0.75%</b>
<b><u>INTERNATIONAL EQUITY</u></b>		
Mondrian	-2.35%	-1.13%
Goldman Sachs	-2.80%	-0.78%
Boston Co	-2.71%	-2.00%
<b><u>Total International Equity</u></b>	<b>-2.55%</b>	<b>-1.32%</b>
*Total Fund Composite includes all classes		

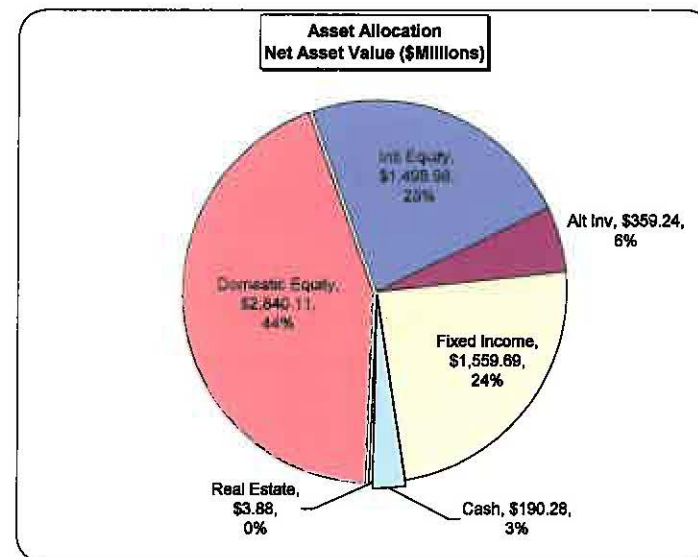
### Market Values

The total portfolio value decreased in April by \$107.7 million to \$6.452 billion. This compares with a decrease in value of \$168.7 million for the same period in 2004. The domestic equity market values decreased by \$84.6 million; fixed income increased by \$15.6 million net of transfers, while international values decreased by \$40.3 million net of transfers. The cash accounts were down by \$ 9.9 million and alternative investments increased in value by \$25.4 million.



### Asset Allocation

The domestic equity portfolio is under-allocated by 0.40%. The fixed income portfolio is over-allocated by 0.70%. The international equity portfolio is over-allocated by 1.3%, while the alternative investment assets are under-allocated by 1.90%. Domestic and international equities targets each include an additional 2.5% for future real estate allocations. Rebalancing of these asset classes is on-going.





### Cash Flow

April's pension payroll of \$49.3 million exceeded the \$31.1 million in contributions received by \$18.2 million. To meet this shortfall along with other obligations, \$26.5 million was transferred from long-term investments.

### Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$437 million on commitments of \$843 million.

#### **CAPITAL CALLS Net of Distributions**

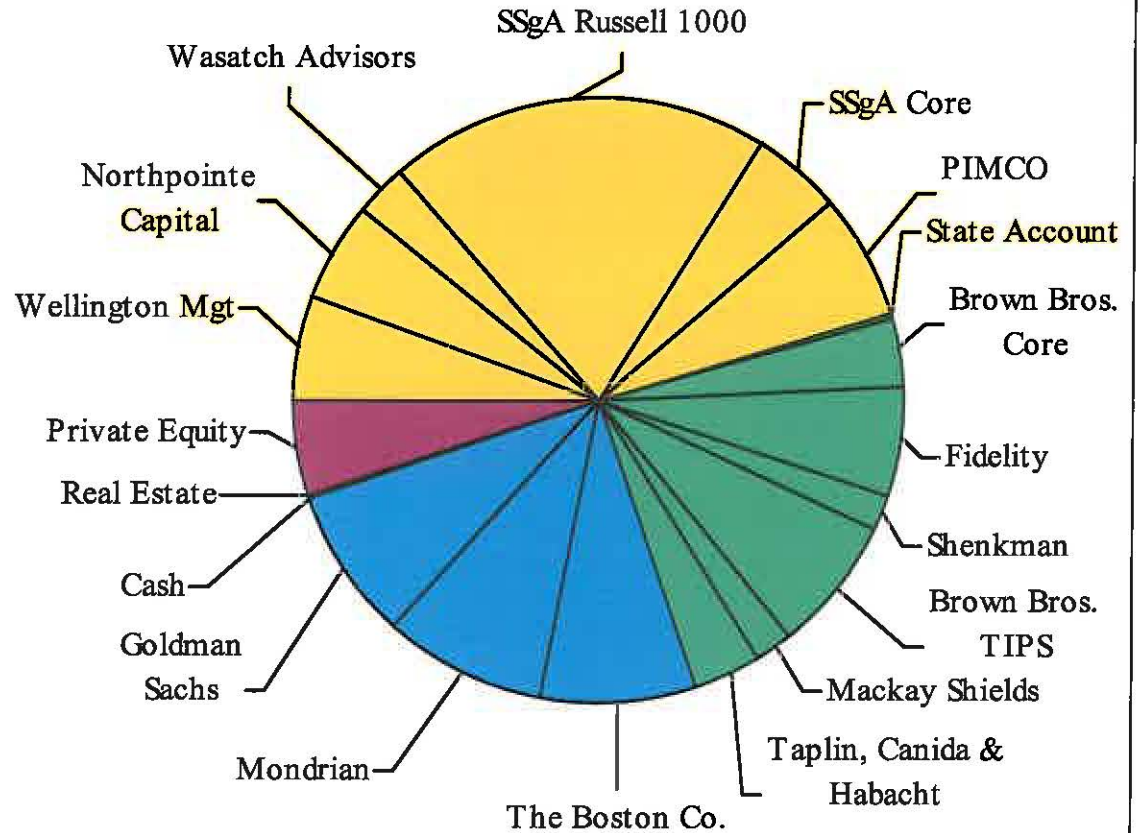
<b>APRIL 2005</b>	<b>FYTD</b>	<b>UNFUNDED BALANCE</b>
\$6,654,429	\$30,862,049	\$437,136,949
<b>APRIL 2004</b>	<b>FYTD</b>	<b>UNFUNDED BALANCE</b>
\$2,918,727	\$21,991,248	\$396,258,057

# Individual Manager Allocation

April 30, 2005

\$ 6,452 MM

Portfolio	\$MM	Allocation
Northpointe Capital	\$ 316	4.89
PIMCO	435	6.75
SSgA - Core	294	4.55
SSgA Russell 1000	1,307	20.25
Wasatch Advisors	180	2.78
Wellington Management	<u>348</u>	<u>5.39</u>
<b>U.S. Equity</b>	<b>2,879</b>	<b>44.61</b>
Brown Bros. Harriman - Core	\$ 245	3.80
Fidelity Mgmt. Trust	407	6.31
Brown Bros. Harriman-TIPS	491	7.61
Mackay Shields	120	1.86
Shenkman Capital	120	1.86
State Account	22	0.34
Taplin, Canida & Habacht	<u>253</u>	<u>3.92</u>
<b>Fixed Income</b>	<b>1,659</b>	<b>25.71</b>
Goldman Sachs	\$ 526	8.16
The Boston Company	517	8.01
Mondrian	<u>493</u>	<u>7.64</u>
<b>International Equity</b>	<b>1,537</b>	<b>23.82</b>
Real Estate	\$ 4	0.06
Private Equity	<u>359</u>	<u>5.57</u>
<b>Alternative Invest.</b>	<b>363</b>	<b>5.63</b>
Cash Account (inside)	\$ 10	0.15
Cash Account (outside)	4	<u>0.08</u>
<b>Cash Equivalents</b>	<b>14</b>	<b>0.23</b>
<b>Total</b>	<b>\$ 6,452</b>	<b>100.0</b>



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

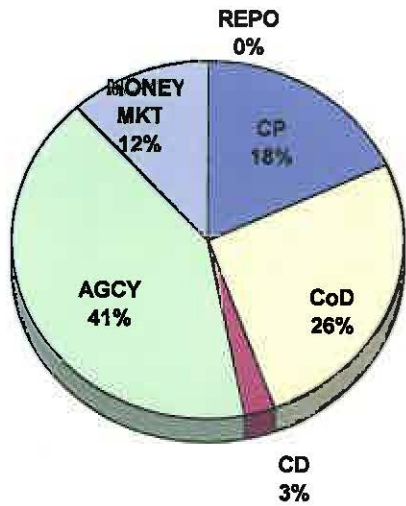
## Market Environment

### Quarter Ended April 30, 2005

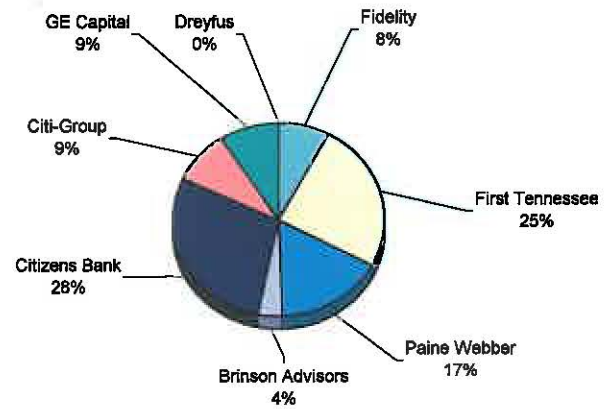
	<u>QTR</u>	<u>FYTD</u>	<u>1 YR.</u>	<u>2 YRS.</u>	<u>3 YRS.</u>	<u>4 YRS.</u>	<u>5 YRS.</u>
<b>U.S. EQUITY</b>							
RUSSELL 1000	-1.23	3.81	7.20	15.25	4.75	0.29	-2.97
RUSSELL 2000	-6.87	-1.09	4.71	21.95	5.62	5.89	4.08
RUSSELL 2000 GROWTH	-8.64	-5.63	-0.55	18.65	2.50	-0.37	-5.83
RUSSELL 2000 VALUE	-5.27	3.25	9.80	25.07	8.28	11.65	14.07
S&P 500	-1.61	2.90	6.34	14.31	4.24	-0.26	-2.94
DOW WILSHIRE 5000 FREE FLOAT	-1.80	3.43	7.10	16.21	5.28	1.27	-2.00
<b>INTERNATIONAL EQUITY</b>							
MSCI AC WORLD FREE ex US (gross)	-0.43	14.07	16.92	28.54	11.89	5.60	0.58
MSCI EAFE (net)	-0.69	12.11	14.95	26.96	10.52	3.83	-0.55
<b>U.S. FIXED INCOME</b>							
FB GLOBAL HIGH YIELD	-2.07	6.97	6.92	11.72	11.56	10.17	8.03
LB AGGREGATE	0.24	5.09	5.26	3.53	5.79	6.30	7.49
LB CREDIT	-0.51	5.82	5.52	4.40	7.50	7.49	8.58
LB GOV/CREDIT	0.12	5.25	5.14	3.46	6.37	6.64	7.72
CITIGROUP BROAD INV GRADE	0.25	5.22	5.39	3.62	5.85	6.34	7.52
CITIGROUP LARGE PENSION FUND	0.36	8.49	8.72	5.13	7.96	8.02	8.98
CITIGROUP LPF COLLATERALIZED	0.47	5.09	5.65	3.75	4.88	5.71	7.09
<b>TOTAL PLAN</b>	<b>-0.95</b>	<b>6.28</b>	<b>8.90</b>	<b>15.65</b>	<b>7.45</b>	<b>4.13</b>	<b>1.64</b>

**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**SHORT TERM CASH INVESTMENTS AT APRIL 30, 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  
April, 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	9%	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	25%	A1		P-1	A-1	A1	A	Stable
Fidelity	6	8%				N/R		N/R	N/R
GE Capital	2	9%	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	17%	Aa2		P-1	A-1+	Aa2	AA+	Stable
UBS Brinson Advisors	6	4%	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

May 12, 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 April 30, 2005.

Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation  
April 30, 2005

Asset Class		
Cash/Short Term Investments		\$ 190,283,042
Equities – Domestic		\$ 2,840,109,256
Equities – International		\$ 1,498,983,780
Fixed Income – Government	\$ 950,372,907	
Fixed Income – Corporate	\$ 587,280,822	
Fixed Income – In State	\$ 22,034,150	
Total Fixed Income		\$ 1,559,687,879
Alternative Investments		\$ 359,237,413
Real Estate		\$ 3,884,244
<b>Total Fund Investments</b>		<b>\$ 6,452,185,614</b>
Plan Allocation		
State Employees & Teachers	86.33%	\$ 5,570,176,357
Municipal Employees	12.94%	\$ 834,849,587
State Police	0.44%	\$ 28,535,436
Judicial	0.29%	\$ 18,624,234
<b>Total Fund Investments</b>	<b>100.00%</b>	<b>\$ 6,452,185,614</b>

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



**ERSRI Monthly Market Value Report With Time Weighted Returns**

**April 30, 2005**

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								3/31/2005	In/(out)	4/30/2005	Increase/Decrease
<b>Domestic Equity</b>											
Shott Capital Management IRR	5.31%	N/A	N/A	S & P 500	0.37%	N/A	N/A	158,556	(803)	145,559	(12,193)
SSgA Russell 1000	-3.72%	-3.71%	-0.01%	Russell 1000	-1.86%	-1.84%	-0.02%	1,331,189,285	99,645	1,306,577,265	(24,711,665)
SSgA Core	-3.68%	-3.71%	0.03%	Russell 1000	-2.91%	-1.84%	-1.07%	302,381,716	22,295	293,617,559	(8,786,452)
PIMCO	-4.18%	-4.00%	-0.18%	S & P 500	-1.86%	-1.90%	0.04%	443,817,997	33,215	435,408,504	(8,242,708)
NorthPointe Capital	-6.67%	-8.93%	2.26%	Russell 2000 Value	-4.97%	-5.16%	0.19%	332,037,249	24,570	315,564,912	(16,496,907)
Wellington Mgmt	-9.79%	-12.76%	2.97%	Russell 2000	-5.61%	-6.36%	0.75%	368,239,894	27,300	347,602,395	(20,664,799)
Wasatch Advisors	-7.09%	-12.76%	5.67%	Russell 2000	-3.18%	-6.36%	3.18%	185,508,180	14,560	179,621,419	(5,901,321)
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	22	-	-	(22)
<b>Total Domestic Equity</b>	<b>-5.10%</b>				<b>-2.86%</b>			<b>2,963,132,899</b>	<b>220,782</b>	<b>2,878,537,814</b>	<b>(84,816,067)</b>
<b>International Equity</b>											
Boston Company	-2.00%	-2.15%	0.15%	MSCI ACWI	-2.71%	-2.47%	-0.24%	537,941,375	(6,962,578)	516,608,347	(14,370,450)
Goldman Sachs	-0.78%	-2.15%	1.37%	MSCI ACWI	-2.60%	-2.47%	-0.13%	540,391,704	36,855	526,370,230	(14,058,330)
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	713,106	-	713,849	743
Mondrian	-1.13%	-2.15%	1.02%	MSCI ACWI	-2.35%	-2.47%	0.12%	512,076,736	(6,963,145)	493,250,828	(11,862,763)
								-	-	-	-
<b>Total International Equity</b>	<b>-1.32%</b>				<b>-2.55%</b>			<b>1,591,122,922</b>	<b>(13,888,868)</b>	<b>1,536,943,254</b>	<b>(40,290,800)</b>
<b>Fixed Income</b>											
Fidelity Management & Research	1.26%	0.98%	0.28%	Citigroup Mortgage Index	1.08%	1.18%	-0.10%	402,492,546	30,485	406,852,553	4,329,522
Brown Brothers, Harriman	0.98%	0.89%	0.09%	Citigroup Brd Inv Grade	1.37%	1.40%	-0.03%	241,855,615	18,655	245,189,887	3,315,617
In-State Fixed Income		( Non performing/In Default)						22,034,150	-	22,034,150	-
Taplin, Carida & Habacht	0.21%	0.28%	-0.07%	Lehman Credit Index	0.55%	1.34%	-0.79%	251,457,315	18,655	252,854,941	1,378,971
Mackay Shields	-1.75%	-2.09%	0.34%	CS First BoshIYield	-1.66%	-0.99%	-0.67%	122,252,055	9,100	120,233,189	(2,027,966)
Shenkman Capital Mgmt	-1.91%	-2.09%	0.18%	CS First BoshIYield	-0.86%	-0.99%	0.13%	120,901,969	9,100	119,865,592	(1,045,477)
Brown Bros TIPS	1.83%	1.57%	0.26%	Lehman US TIPS Index	2.00%	1.91%	0.09%	481,584,337	36,855	491,232,244	9,611,053
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	575,238	-	575,238	-
<b>Total Fixed Income</b>	<b>0.75%</b>				<b>0.95%</b>			<b>1,643,153,224</b>	<b>122,850</b>	<b>1,658,837,794</b>	<b>15,561,720</b>
<b>Alternative Investments</b>											
Private Equity	9.80%	N/A	N/A	N/A	7.53%	N/A	N/A	336,089,171	(2,307,122)	359,237,413	25,455,364
Real Estate	2.87%	4.66%	N/A	NCREIF + 100	-2.04%	4.66%	N/A	1,676,312	2,281,878	3,884,244	(73,945)
								-	-	-	-
<b>Total Alternatives</b>	<b>9.73%</b>				<b>7.45%</b>			<b>337,765,482</b>	<b>(25,244)</b>	<b>363,121,657</b>	<b>25,381,419</b>
<b>Cash Accounts</b>											
Cash in Trust	6.73%	N/A	N/A		5.10%	N/A	N/A	18,711,974	(8,355,440)	9,807,088	(549,446)
Cash Outside Trust	0.50%	N/A	N/A		0.20%	N/A	N/A	5,953,154	(3,500,000)	4,938,206	2,485,052
<b>Total Cash</b>	<b>N/A</b>	<b>*</b>	<b>0</b>		<b>N/A</b>	<b>*</b>	<b>0</b>	<b>24,665,128</b>	<b>(11,855,440)</b>	<b>14,745,294</b>	<b>1,935,806</b>
<b>Total</b>	<b>-1.94%</b>	<b>-2.55%</b>	<b>0.61%</b>		<b>-1.29%</b>	<b>-1.38%</b>	<b>0.09%</b>	<b>6,559,839,655</b>	<b>(25,425,920)</b>	<b>6,452,185,614</b>	<b>(82,226,121)</b>

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

52.5% Wilshire 5000

25.0% Lehman Aggregate

22.5% MSCI ACWI X-US



**State of Rhode Island**  
**SUMMARY OF PERFORMANCE**  
**RATES OF RETURN**  
**PERIODS ENDING April 30, 2005**



	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>U.S. EQUITY</b>												
NORTHPOINTE CAPITAL	315,565	4.89	-4.97	-3.21	3.93	-6.67	5.18	8.72	24.75	9.51		
PIMCO	435,409	6.75	-1.86	-1.72	2.93	-4.18	3.19	6.64	14.26	4.35	0.03	
SHOTT CAPITAL	146	0.00										
SSGA - CORE	293,618	4.55	-2.91	-1.10	5.03	-3.68	4.53	8.07	13.33	4.42	2.10	-1.69
SSGA RUSSELL 1000	1,306,577	20.25	-1.86	-1.23	4.04	-3.72	3.80	7.21	15.28			
WASATCH ADVISORS	179,621	2.78	-3.18	-4.29	6.27	-7.09	4.70	10.68	24.67	3.94		
WELLINGTON MANAGEMENT CO. LLC	347,602	5.39	-5.61	-6.33	1.67	-9.79	-0.72	3.55	25.14	8.25		
TOTAL US EQUITY	2,878,538	44.61	-2.86	-2.35	3.81	-5.10	3.15	6.89	17.61	5.92	1.66	-3.24
<i>RUSSELL 1000</i>			<i>-1.84</i>	<i>-1.23</i>	<i>4.04</i>	<i>-3.71</i>	<i>3.81</i>	<i>7.20</i>	<i>15.25</i>	<i>4.75</i>	<i>0.29</i>	<i>-2.67</i>
<i>RUSSELL 2000</i>			<i>-5.73</i>	<i>-6.87</i>	<i>-0.15</i>	<i>-10.76</i>	<i>-1.09</i>	<i>4.71</i>	<i>21.95</i>	<i>5.62</i>	<i>5.89</i>	<i>4.08</i>
<i>RUSSELL 2000 GROWTH</i>			<i>-6.36</i>	<i>-8.64</i>	<i>-1.98</i>	<i>-12.76</i>	<i>-5.63</i>	<i>-0.55</i>	<i>18.65</i>	<i>2.50</i>	<i>-0.37</i>	<i>-5.83</i>
<i>RUSSELL 2000 VALUE</i>			<i>-5.16</i>	<i>-5.27</i>	<i>1.52</i>	<i>-8.93</i>	<i>3.25</i>	<i>9.80</i>	<i>25.07</i>	<i>8.28</i>	<i>11.65</i>	<i>14.07</i>
<i>S&amp;P 500</i>			<i>-1.90</i>	<i>-1.61</i>	<i>3.28</i>	<i>-4.00</i>	<i>2.90</i>	<i>6.34</i>	<i>14.31</i>	<i>4.24</i>	<i>-0.26</i>	<i>-2.94</i>
<i>DOW WILSHIRE 5000 FREE FLOAT</i>			<i>-2.21</i>	<i>-1.80</i>	<i>3.69</i>	<i>-4.38</i>	<i>3.43</i>	<i>7.10</i>	<i>16.21</i>	<i>5.28</i>	<i>1.27</i>	<i>-2.00</i>
<b>INTERNATIONAL EQUITY</b>												
GOLDMAN SACHS	526,370	8.16	-2.60	0.24	11.18	-0.78						
BANK OF IRELAND	3	0.00										
THE BOSTON COMPANY	516,605	8.01	-2.71	-0.84		-2.00						
MONDRIAN	493,251	7.64	-2.35	0.20	9.46	-1.13	17.11	20.62				
PUTNAM INVESTMENTS	4	0.00										
SSGA MSCI ALL COUNTRY WORLD EX-US	640	0.01										
TRANSITION ACCOUNT INT EQUITY	66	0.00										

**State of Rhode Island**  
**SUMMARY OF PERFORMANCE**  
**RATES OF RETURN**  
**PERIODS ENDING April 30, 2005**



	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
TOTAL INTERNATIONAL EQUITY	1,536,940	23.82	-2.55	-0.15	9.75	-1.32	14.48	17.11	25.19	9.19	3.36	-2.00
<i>MSCI AC WORLD ex US (GROSS)</i>			-2.47	-0.43	9.14	-2.15	14.07	16.92	28.54	11.89	5.60	0.58
<i>MSCI EAFE (NET)</i>			-2.35	-0.69	8.71	-2.51	12.11	14.95	26.96	10.52	3.83	-0.55
<b>U.S. FIXED INCOME</b>												
BROWN BROTHERS HARRIMAN - CORE	245,190	3.80	1.37	0.36	1.15	0.98	5.66	5.74	4.34	6.86	7.10	8.19
FIDELITY MANAGEMENT TRUST	406,853	6.31	1.08	0.62	1.70	1.26	5.44	6.16	4.77	5.74	6.52	7.70
BROWN BROTHERS HARRIMAN - TIPS	491,232	7.61	2.00	1.62	3.18	1.83	8.58					
MACKAY SHIELDS, LLC	120,233	1.86	-1.66	-1.53	1.79	-1.75	8.21	7.87	15.25			
SHENKMAN CAPITAL MANAGEMENT	119,866	1.86	-0.86	-1.64	-0.37	-1.91	6.38	5.63	8.04			
STATE ACCOUNT (IN DEFAULT)	22,034	0.34	0.00	-0.00	0.55	-0.01	2.78	3.92	5.36	5.83	6.07	
TAPLIN, CANIDA & HABACHT	252,855	3.92	0.55	-0.46	1.15	0.21	5.79	5.62	6.46	9.02	8.07	8.73
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	1,658,838	25.71	0.95	0.38	1.81	0.75	6.69	6.50	6.03	7.32	6.98	7.39
<i>FIRST BOSTON GLOBAL HIGH YIELD</i>			-0.99	-2.07	0.64	-2.09	6.97	6.92	11.72	11.56	10.17	8.03
<i>LB AGGREGATE</i>			1.35	0.24	0.98	0.87	5.09	5.26	3.53	5.79	6.30	7.49
<i>LB CREDIT</i>			1.34	-0.51	0.58	0.28	5.82	5.52	4.40	7.50	7.49	8.58
<i>LB GOV/CREDIT</i>			1.50	0.12	0.75	0.82	5.25	5.14	3.46	6.37	6.64	7.72
<i>CITIGROUP BROAD INVESTMENT GRADE</i>			1.40	0.25	1.01	0.89	5.22	5.39	3.62	5.85	6.34	7.52
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			2.17	0.36	2.15	1.79	8.49	8.72	5.13	7.96	8.02	8.98
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			1.19	0.47	1.43	0.98	5.09	5.65	3.75	4.88	5.71	7.09

State of Rhode Island  
SUMMARY OF PERFORMANCE  
RATES OF RETURN  
PERIODS ENDING April 30, 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
<b>ALTERNATIVE INVESTMENTS</b>												
REAL ESTATE	3,884	0.06	-2.04	2.87		2.87						
PRIVATE EQUITY	359,237	5.57	7.53	8.71	12.86	9.80	12.59	22.73	23.52	10.65	6.50	1.65
TOTAL ALTERNATIVE INVESTMENTS	363,122	5.63	7.45	8.64	12.99	9.73	12.80	22.49	22.71	10.58	6.64	
<i>NCREIF PROPERTY INDEX QTR LAG</i>			0.00	4.66	8.24	4.66	11.63	14.48	11.70	10.02	9.33	9.91
<b>CASH EQUIVALENTS</b>												
CASH ACCOUNT (INSIDE)	9,807	0.15	-7.25	-0.95	3.04	-1.01	7.62	9.74	16.91	37.87	48.68	
CASH ACCOUNT (OUTSIDE)	4,938	0.08	0.19	0.56	0.98	0.70	1.42	1.57	3.07	2.54	2.65	
<b>TOTAL PLAN</b>												
TOTAL PLAN	6,452,182	100.00	-1.29	-0.52	5.19	-1.94	7.20	10.01	16.77	7.96	4.51	1.17
<sup>1</sup> TOTAL PLAN BENCHMARK			-1.38	-0.95	4.29	-2.55	6.28	8.90	15.65	7.45	4.13	1.64

**State of Rhode Island**  
SUMMARY OF PERFORMANCE  
RATES OF RETURN  
PERIODS ENDING April 30, 2005



**STATE STREET.**  
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**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





Asset Allocation Report Market Values at April 30, 2005 (\$Millions)		Style Mandata	Actual		Target		Difference	Cash	% of Total
<b>Domestic Equity</b>									
Shott Capital Mgmt	Alternative Distribution	0.15	0.0%	0.00	0.00%	0.15	0.00	0.0%	
SSgA Russell 1000	Passive	1,306.58	20.3%	1,306.57	20.25%	0.01	0.20	0.0%	
SSgA Core	Active core	293.62	4.6%	290.35	4.50%	3.27	4.01	1.4%	
PIMCO	Enhanced Equity	435.41	6.7%	435.52	6.75%	-0.11	(0.00)	0.0%	
NorthPointe Capital	Small Cap Value	315.56	4.9%	322.61	5.00%	-7.04	13.24	4.2%	
Wellington Mgmt	Small Cap Core	347.60	5.4%	354.87	5.50%	-7.27	9.38	2.7%	
Wasatch Advisors	Small Cap Growth	179.62	2.8%	183.57	3.00%	-13.94	11.59	8.5%	
Transition Account	Small Cap Growth	0.00	0.0%	0.00	0.00%	0.00	0.00	0.00%	
<b>TOTAL DOMESTIC EQUITY</b>		<b>\$2,878.54</b>	<b>44.6%</b>	<b>\$2,903.48</b>	<b>45.00%</b>	<b>-\$24.95</b>	<b>\$38.43</b>	<b>1.3%</b>	
<b>International Equity</b>									
Boston Company	MSCI ACWI	518.61	8.0%	483.91	7.50%	32.69	17.67	3.4%	
Goldman Sachs	MSCI ACWI	526.37	8.2%	483.91	7.50%	42.46	15.91	3.0%	
Transition Account	MSCI ACWI	0.71	0.0%	0.00	0.00%	0.71	0.08	8.8%	
Mondrian	MSCI ACWI	493.25	7.6%	483.91	7.50%	9.34	4.32	0.9%	
<b>TOTAL INT'L EQUITY</b>		<b>\$1,536.94</b>	<b>23.8%</b>	<b>\$1,451.74</b>	<b>22.50%</b>	<b>\$85.20</b>	<b>\$37.96</b>	<b>2.5%</b>	
<b>Domestic Fixed Income</b>									
Fidelity Management & Research	Mortgages	406.85	6.3%	403.26	6.25%	3.59	50.69	12.5%	
Brown Brothers, Harriman	Opportunistic core	245.19	3.8%	241.96	3.75%	3.23	21.25	8.7%	
In-State Fixed Income	Mortgages	22.03	0.3%	0.00	0.00%	22.03	(0.00)	0.0%	
Taplin, Canida & Habacht	Corporates	252.85	3.9%	241.96	3.75%	10.90	0.00	0.0%	
Mackay Shields	High yield	120.23	1.9%	120.98	1.88%	-0.75	16.34	13.6%	
Shenkman Capital Mgmt	High yield	119.87	1.9%	120.98	1.88%	-1.11	10.11	8.4%	
Brown Bros TIPS	TIPS	491.23	7.6%	483.91	7.50%	7.32	0.77	0.2%	
Transition Account		0.58	0.0%	0.00	0.00%	0.58	0.00	0.0%	
<b>TOTAL FIXED-INCOME</b>		<b>1,658.84</b>	<b>25.7%</b>	<b>\$1,613.05</b>	<b>25.00%</b>	<b>\$45.79</b>	<b>\$99.15</b>	<b>6.0%</b>	
<b>Alternative Investments</b>									
Real Estate	Real Estate	3.88	0.1%				-		
Shott Capital Mgmt	Alternative Distribution	0.00	0.0%				-		
Private Equity	Private Equity	359.24	5.6%	483.91	7.50%	-124.68	-	0.0%	
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$363.12</b>	<b>5.6%</b>	<b>\$483.91</b>	<b>7.50%</b>	<b>-\$120.79</b>	<b>-</b>	<b>0.0%</b>	
<b>CASH EQUIVALENTS</b>		<b>14.75</b>	<b>0.2%</b>	<b>0.00</b>	<b>0.00%</b>	<b>14.75</b>	<b>14.49</b>	<b>100.0%</b>	
<b>TOTAL ASSETS</b>		<b>\$6,452.19</b>	<b>100.0%</b>	<b>\$6,452.19</b>	<b>100.00%</b>	<b>\$0.00</b>	<b>\$190.02</b>	<b>2.9%</b>	
<b>Allocation By Management Style</b>									
<b>Domestic Equity</b>									
Core		293.62	4.6%	290.35	4.50%	3.27	4.01	1.4%	
Index		1,306.58	20.3%	1,306.57	20.25%	0.01	0.20	0.0%	
Enhanced Equity		435.41	6.7%	435.52	6.75%	(0.11)	(0.00)	0.0%	
Alt Distribution		0.15	0.0%	-	0.00%	0.15	-	0.0%	
Active Small Cap		842.79	13.1%	871.05	13.50%	(28.26)	34.22	4.1%	
<b>TOTAL DOMESTIC EQUITY</b>		<b>\$2,878.54</b>	<b>44.6%</b>	<b>\$2,903.48</b>	<b>45.00%</b>	<b>(\$24.95)</b>	<b>\$38.43</b>	<b>1.3%</b>	
<b>International Equity</b>									
Active		1,536.94	23.8%	1,451.74	22.50%	85.20	37.96	2.5%	
<b>TOTAL INT'L EQUITY</b>		<b>\$1,536.94</b>	<b>23.8%</b>	<b>\$1,451.74</b>	<b>22.50%</b>	<b>\$85.20</b>	<b>\$37.96</b>	<b>2.5%</b>	
<b>Domestic Fixed Income</b>									
Mortgage		406.85	6.3%	403.26	6.25%	3.59	50.69	12.5%	
Core		267.22	4.1%	241.96	3.75%	25.27	21.24	7.9%	
Corporates		252.85	3.9%	241.96	3.75%	10.90	-	0.0%	
High Yield		240.67	3.7%	241.96	3.75%	(1.28)	26.45	11.0%	
TIPS		491.23	7.6%	483.91	7.50%	7.32	0.77	0.2%	
<b>TOTAL FIXED-INCOME</b>		<b>1,658.84</b>	<b>25.7%</b>	<b>\$1,613.05</b>	<b>25.00%</b>	<b>\$45.79</b>	<b>\$99.15</b>	<b>6.0%</b>	
<b>Alternative Investments</b>									
Real Estate		3.88	0.1%				-		
Other Alternative Investments		359.24	5.6%				-		
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$363.12</b>	<b>5.6%</b>	<b>\$483.91</b>	<b>7.50%</b>	<b>(\$120.79)</b>	<b>-</b>	<b>0.0%</b>	
<b>CASH EQUIVALENTS</b>		<b>14.75</b>	<b>0.2%</b>	<b>0.00</b>	<b>0.00%</b>	<b>14.75</b>	<b>14.49</b>	<b>100.0%</b>	
<b>TOTAL ASSETS</b>		<b>\$6,452.19</b>	<b>100.0%</b>	<b>\$6,452.19</b>	<b>100.00%</b>	<b>\$0.00</b>	<b>\$190.02</b>	<b>2.9%</b>	

\* Domestic and international equities targets each include an additional 2.5% for future real estate allocations.

## RHODE ISLAND STATE INVESTMENT COMMISSION

### Domestic Equity Holdings By Top 10 Market Values Separately Managed

APRIL 30, 2005

<i>Equities</i>				
RANK	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	GENERAL ELEC CO	250,600	\$9,071,720	SSgA
2	EXXON MOBIL CORP	154,770	8,826,533	SSgA
3	BANK AMERICA CORP	195,900	8,823,336	SSgA
4	INGRAM MICRO INC	519,900	8,661,534	Wellington,SSgA
5	AMERICREDIT CORP	368,850	8,631,090	Wasatch
6	ADVANTA CORP	336,100	8,251,255	NorthPointe,Wellington
7	JOHNSON + JOHNSON	120,200	8,249,326	SSgA
8	REDWOOD TR INC.	159,100	7,974,092	Wasatch,Wellington
9	PROVIDIAN FINL CORP	474,100	7,903,247	Wellington,SSgA
10	FOOT LOCKER INC	295,100	7,867,366	Wellington
		<b>2.93%</b>	<b>\$84,259,499</b>	
	<b>Total Composite Equities</b>		<b>\$2,878,537,614</b>	

### International Equity Holdings By Top 10 Market Values

APRIL 30, 2005

<i>International Equities</i>				
RANK	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	ROYAL DUTCH PETROL	362,482	\$21,165,213	Mondrian,Goldman,Boston Co.
2	ING GROEP	671,689	18,296,175	Mondrian,Goldman
3	BANCA INTESA SPA	3,838,542	18,272,919	Mondrian,Goldman
4	TOTAL SA	75,787	16,876,929	Mondrian,Goldman,Boston Co.
5	CIE DE ST GOBAIN	295,314	16,621,880	Mondrian,Goldman
6	GLAXOSMITHKLINE	608,168	15,239,395	Mondrian,Boston Co.
7	HITACHI	2,557,071	15,111,128	Mondrian,Goldman
8	RWE AG (NEU)	253,458	15,090,545	Mondrian
9	KOREA MSCI EMERGING MKT	1,024,910	13,994,127	Goldman
10	ZURICH FIN SVS GRP	82,979	13,975,631	Goldman,Boston Co.
		<b>10.71%</b>	<b>\$164,643,942</b>	
	<b>Total Composite International Equities</b>		<b>\$1,536,943,254</b>	

## Alternative Investments Funding

### Private Equity

2005

Manager	Inception Date	Partnership Commitment	Prior Funding Thru Mar 31, 2005	Current Month Funding	Cumulative Total at Apr 30, 2005	Unfunded Balance	Market Values at Apr 30, 2005
<i>ABS Capital Partners</i>	May 1996	5,000,000	2,422,370	0	2,422,370	2,577,630	504,769
<i>Apollo Investment Fund IV L.P.</i>	Apr 1998	15,000,000	8,974,638	(908,454)	8,066,184	6,933,816	7,970,718
<i>Alta BioPharma Partners, L.P.</i>	Mar 1998	10,000,000	1,439,429	0	1,439,429	8,560,571	1,859,700
<i>Alta BioPharma Ptnrs III, L.P.</i>	Mar 2003	15,000,000	4,500,000	750,000	5,250,000	9,750,000	4,818,172
<i>Alta California Partners II L.P.</i>	Oct 1998	10,000,000	9,500,063	0	9,500,063	499,937	5,121,620
<i>Alta California Partners III L.P.</i>	Jan 2001	15,000,000	11,250,000	750,000	12,000,000	3,000,000	9,961,224
<i>Aurora Equity Partners II</i>	Mar 1998	15,000,000	14,012,037	0	14,012,037	987,963	16,320,989
<i>Aurora III</i>	Sept 2004	15,000,000	2,999,277	0	2,999,277	12,000,723	2,999,277
<i>Avenue Special Situations Fund III</i>	Oct 2002	15,000,000	14,079,389	0	14,079,389	920,611	18,354,524
<i>Blackstone Capital Ptnrs III</i>	May 1997	20,000,000	11,953,531	(379,407)	11,574,124	8,425,876	13,368,464
<i>Blackstone Capital Ptnrs IV</i>	Sept 2001	25,000,000	10,929,412	(369,713)	10,559,699	14,440,301	9,723,691
<i>Boston Ventures Ltd</i>	Sept 1996	5,000,000	3,479,256	0	3,479,256	1,520,744	1,949,761
<i>Catterton Partners</i>	Jun 2003	15,000,000	6,029,366	0	6,029,366	8,970,634	6,457,051
<i>Charterhouse Capital Partners VII L.P. *</i>	Dec 2002	17,375,000	4,665,373	522,217	5,187,590	12,187,410	1,077,875
<i>Coller Capital</i>	Mar 2002	15,000,000	2,705,164	(261,825)	2,443,339	12,556,661	1,538,807
<i>Crossroads/Providence LP</i>	Dec 1988	37,319,303	35,819,432	(24,238)	35,795,194	0	6,306,620
<i>CVC Capital Partners</i>	Mar 1998	15,000,000	4,810,380	37,181	4,847,561	10,152,439	5,807,174
<i>CVC Capital Partners III</i>	Mar 2001	20,000,000	12,460,300	(363,572)	12,096,728	7,903,272	12,290,608
<i>CVC European Equity Ptnrs IV</i>	Apr 2005	20,000,000	0	0	0	20,000,000	0
<i>Doughty Hanson II</i>	Mar 1996	5,000,000	1,904,717	0	1,904,717	3,095,283	2,322,847
<i>Doughty Hanson III</i>	Nov 1997	15,000,000	8,445,016	0	8,445,016	6,554,984	7,956,979
<i>Fenway</i>	Aug 1998	15,000,000	9,348,618	0	9,348,618	5,651,382	6,225,443
<i>First Reserve Fund VIII L.P.</i>	Apr 1998	15,000,000	9,002,944	(799,426)	8,203,518	6,796,482	7,335,069
<i>First Reserve Fund IX L.P.</i>	Jan 2001	20,000,000	12,840,887	(429,040)	12,411,847	7,588,153	14,922,770
<i>First Reserve Fund X L.P.</i>	Oct 2003	20,000,000	4,507,357	656,769	5,164,126	14,835,874	5,181,297
<i>Granite Global Ventures II, L.P.</i>	Oct 2004	15,000,000	1,500,000	1,406,250	2,906,250	12,093,750	2,906,250
<i>Green Equity Investors IV L.P.</i>	Oct 2002	15,000,000	1,725,332	0	1,725,332	13,274,668	2,386,697
<i>Harvest Partners III</i>	Dec 1997	15,000,000	12,832,497	(921,105)	11,911,392	3,088,608	8,362,210
<i>Harvest Partners IV</i>	Aug 2001	15,000,000	10,374,025	0	10,374,025	4,625,975	9,998,868
<i>Heitman</i>	1988	0	0	0	0	0	174,361
<i>Heritage Fund</i>	May 1997	5,000,000	3,847,408	0	3,847,408	1,152,592	3,461,750
<i>Kayne Anderson</i>	Dec 2004	15,000,000	0	0	0	15,000,000	0
<i>Leapfrog Ventures II, L.P.</i>	Feb 2004	10,000,000	470,000	0	470,000	9,530,000	470,000



**Manager**

	Inception Date	Partnership Commitment	Prior Funding Thru Mar 31, 2005	Current Month Funding	Cumulative Total at Apr 30, 2005	Untunded Balance	Market Values at Apr 30, 2005
<i>Leeds Weld Equity Partners IV</i>	Jun 2004	10,000,000	268,813	0	268,813	9,731,187	268,813
<i>Lighthouse Capital Partners</i>	Mar 2003	15,000,000	4,837,500	0	4,837,500	10,162,500	4,742,206
<i>Matlin Patterson Global Oppor Ptnrs L P</i>	Sep 2001	15,000,000	9,954,062	(408,603)	9,545,459	5,454,541	10,015,394
<i>Nautic Partners V</i>	Feb 2001	20,000,000	9,168,520	0	9,168,520	10,831,480	16,026,972
<i>Nordic Capital III</i>	Feb 1998	10,000,000	3,305,132	0	3,305,132	6,694,868	11,415,364
<i>Nordic Capital V L.P.</i>	Dec 2002	15,000,000	9,041,788	918,898	9,960,686	5,039,314	10,541,257
<i>OCM Opportunities Fund</i>	Jan 1996	8,000,000	823,006	0	823,006	7,176,994	1,224,568
<i>OCM Principal Opportunities</i>	Nov 1996	5,000,000	1,844,430	(800,192)	1,044,238	3,955,762	2,104,211
<i>OCM Opportunities II</i>	Oct 1997	12,000,000	1,123,042	(599,979)	523,063	11,476,937	3,311,796
<i>Parthenon Investors, L.P.</i>	Feb 1999	15,000,000	11,759,770	0	11,759,770	3,240,230	8,400,709
<i>Parthenon Investors II, L.P.</i>	Dec 2000	20,000,000	8,625,465	166,723	8,792,188	11,207,812	9,701,297
<i>Providence Equity Partners</i>	Dec 1996	10,000,000	3,955,107	0	3,955,107	6,044,893	737,477
<i>Providence Equity Partners III L.P.</i>	Dec 1998	15,000,000	2,326,669	(225,902)	2,100,767	12,899,233	1,553,199
<i>Providence Equity Partners IV, L.P.</i>	Sep 2000	25,000,000	15,302,565	873,495	16,176,060	8,823,940	19,442,463
<i>Providence Equity Partners V, L.P.</i>	Aug 2004	25,000,000	0	1,247,494	1,247,494	23,752,506	1,247,494
<i>SKM Equity Fund II</i>	Dec 1996	10,000,000	7,780,324	0	7,780,324	2,219,676	3,715,050
<i>THL Equity Fund IV</i>	Dec 1997	9,000,000	4,942,865	0	4,942,865	4,057,135	4,464,603
<i>Thomas, McNerney</i>	Sep 2002	15,000,000	4,841,667	0	4,841,667	10,158,333	4,254,019
<i>TPG Partners II</i>	Apr 1997	10,000,000	6,045,450	0	6,045,450	3,954,550	4,258,668
<i>TPG Partners IV L.P.</i>	Dec 2003	15,000,000	3,641,720	477,735	4,119,455	10,880,545	3,985,204
<i>Washington &amp; Congress</i>	Feb 1998	15,000,000	9,350,185	0	9,350,185	5,649,815	5,455,708
<i>VS &amp; A Communications Ptnrs III L.P.</i>	Nov 1998	15,000,000	10,115,372	175,267	10,290,639	4,709,361	11,621,516
<i>W Capital Partners L.P.</i>	Dec 2003	15,000,000	3,263,833	0	3,263,833	11,736,167	5,012,503
<i>Wellspring Capital Partners</i>	Sep 1998	15,000,000	5,060,008	0	5,060,008	9,939,992	3,769,854
<i>Wellspring Capital Partners III</i>	Sep 2002	20,000,000	8,344,104	0	8,344,104	11,655,896	8,876,353
<i>Welsh, Carson, Anderson &amp; Stowe</i>	Oct 1995	15,000,000	7,886,392	0	7,886,392	7,113,608	3,854,235
<i>Willis Stein</i>	Jun 1996	5,000,000	2,317,627	0	2,317,627	2,682,373	1,100,990
	Stif						
<b>TOTAL PRIVATE EQUITY:</b>		<b>\$863,694,303</b>	<b>\$394,753,634</b>	<b>\$1,490,574</b>	<b>\$396,244,208</b>	<b>\$465,925,987</b>	<b>\$359,237,508</b>

\* Euro/US dollar equivalency at 11/30/03

**Alternative Funding - Real Estate**

<b>Manager</b>	<b>Inception Date</b>	<b>Partnership Commitment</b>	<b>Prior Funding Thru Mar 31, 2005</b>	<b>Current Month Funding</b>	<b>Cumulative Total at Apr 30, 2005</b>	<b>Unfunded Balance</b>	<b>Values at Apr 30, 2005</b>
<i>Fremont Strategic Property Partners II L.P</i>	Aug 2004	15,000,000	1,622,200	0	1,622,200	13,377,800	1,619,554
<i>LaSalle Income &amp; Growth Fund IV</i>	Mar 2005	15,000,000	0	0	0	15,000,000	-
<i>JP Morgan Fleming Strategic Property Fund</i>	Jan 2005	50,000,000	0	0	0	50,000,000	-
<i>Morgan Stanley Prime Property Fund</i>	Apr 2005	35,000,000	0	0	0	35,000,000	-
<i>Prudential Real Estate Investors</i>	Jan 2005	50,000,000	0	0	0	50,000,000	-
<i>RREEF America REIT II</i>		35,000,000	0	0	0	35,000,000	-
<i>Tri Continental Capital VII, L.P.</i>	Mar 2005	15,000,000	0	2,264,690	2,264,690	12,735,310	2,264,690
<b>TOTAL REAL ESTATE</b>		<b>\$215,000,000</b>	<b>\$1,622,200</b>	<b>\$2,264,690</b>	<b>\$3,886,890</b>	<b>\$211,113,110</b>	<b>\$3,884,244</b>
				<b>\$3,755,264</b>	<b>\$400,131,098</b>	<b>\$677,039,097</b>	<b>\$363,121,752</b>



FISCAL YEAR 2005

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

SUMMARY BY ASSET CLASS

	Actual Jul 04	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Projected Jan 05	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
EQUITIES			1,530,635			1,484,586			1,471,000			1,471,000	5,957,221
FIXED INCOME			797,974			745,561			750,000			750,000	3,043,535
INTERNATIONAL EQUITIES	1,720		932,746	107,847		796,075			682,000			682,000	3,202,388
REAL ESTATE			91,430			85,000			85,000			85,000	346,430
ALTERNATIVE INVESTMENTS	1,118,844	21,209	378,160	106,554	468,844	612,780	610,427	204,006	276,750	438,691	50,000	50,000	4,336,265
<b>SUB TOTAL-INV MGMT FEES</b>	<b>1,122,283</b>	<b>21,209</b>	<b>3,730,945</b>	<b>214,401</b>	<b>468,844</b>	<b>3,724,002</b>	<b>610,427</b>	<b>204,006</b>	<b>3,264,750</b>	<b>438,691</b>	<b>50,000</b>	<b>3,038,000</b>	<b>16,885,839</b>
PROFESSIONAL FEES	58,691	24,313	141,542	40,434	126,417	82,559	78,724	135,406	104,306	107,457	28,333	132,783	1,060,965
OPERATING EXPENSE	0	0	0	2,126,026	0	2,250,000	0	0	2,253,000	0	0	2,250,000	8,879,026
<b>TOTAL:</b>	<b>1,180,974</b>	<b>45,522</b>	<b>3,872,487</b>	<b>2,380,861</b>	<b>595,261</b>	<b>6,056,561</b>	<b>889,151</b>	<b>339,412</b>	<b>5,622,056</b>	<b>546,148</b>	<b>78,333</b>	<b>5,420,783</b>	<b>26,825,830</b>

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2005

	FY 2004-05 Actual July 2004	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2005	Actual February	Actual March	Actual April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	42,552,485	43,783,950	44,061,033	43,990,891	44,230,390	43,892,989	45,437,321	45,530,037	45,750,332	45,554,808	41,120,000	41,120,000	527,024,236
ADMINISTRATIVE EXPENSES	0	30,383	152,407	1,886,022	134,375	2,014,324	67,980	116,717	2,035,263	92,768	745,600	745,600	8,021,439
INVESTMENT EXPENSES	966,733	18,324	2,346,464	92,032	404,933	3,544,084	527,118	176,150	2,818,736	378,722	140,000	3,500,000	14,913,296
TOTAL OUTFLOW	43,519,218	43,832,657	46,559,904	45,968,945	44,769,698	49,451,397	46,032,419	45,822,904	50,604,331	46,026,298	42,005,600	45,365,600	549,958,971
CONTRIBUTIONS	40,409,066	25,303,163	21,861,471	26,756,236	26,598,184	32,480,260	29,049,160	33,299,179	29,312,275	28,671,548	33,300,000	26,640,000	353,680,542
OTHER INCOME*	2,526,833	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	825,000	2,625,000	57,561,423
TOTAL INCOME	42,935,899	33,118,918	26,721,132	30,926,754	32,600,680	43,432,554	32,232,005	40,471,600	33,843,753	31,568,670	34,125,000	29,265,000	411,241,965
DIFFERENCE	(583,319)	(10,713,739)	(19,838,772)	(15,042,191)	(12,169,018)	(6,018,843)	(13,800,414)	(5,351,304)	(16,760,578)	(14,457,628)	(7,880,600)	(16,100,600)	(138,717,006)

Municipal Employees Retirement System

	Actual July 2004	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2005	Actual February	Actual March	Actual April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	3,425,810	3,522,109	3,533,738	3,557,657	3,617,871	3,590,150	3,703,442	3,674,934	3,738,332	3,758,467	3,301,200	3,301,200	42,724,910
ADMINISTRATIVE EXPENSES	0	4,549	22,819	282,667	20,129	301,896	10,189	17,523	305,038	13,904	87,500	87,500	1,153,714
INVESTMENT EXPENSES	144,745	2,743	501,051	13,793	60,689	531,168	79,002	26,401	422,462	56,762	138,000	86,250	2,063,066
TOTAL OUTFLOW	3,570,555	3,529,401	4,057,608	3,854,117	3,698,689	4,423,214	3,792,633	3,718,858	4,465,832	3,829,133	3,526,700	3,474,950	45,941,690
CONTRIBUTIONS	2,638,948	2,893,138	2,455,972	2,740,148	2,480,220	2,314,804	2,823,181	3,572,856	2,628,980	2,447,778	3,317,500	2,654,000	32,967,525
OTHER INCOME*	378,332	1,170,221	727,616	625,055	899,615	1,641,471	477,029	1,074,974	679,161	434,216	262,500	393,750	8,763,940
TOTAL INCOME	3,017,280	4,063,359	3,183,588	3,365,203	3,379,835	3,956,275	3,300,210	4,647,830	3,308,141	2,881,994	3,580,000	3,047,750	41,731,465
DIFFERENCE	(553,275)	533,958	(874,020)	(488,914)	(318,854)	(466,939)	(492,423)	928,972	(1,157,691)	(947,139)	53,300	(427,200)	(4,210,225)

**ALTERNATIVE INVESTMENTS**

**FISCAL YEAR ANALYSES**

**CASH FLOW**

<u>FISCAL YEAR 2002</u>	<u>JUL 2001</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN 2002</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
<b>FUNDING</b>	2,811,969	2,446,774	887,809	7,070,705	2,539,487	4,008,151	7,307,155	6,607,182	4,926,838	2,754,691	3,785,407	3,374,775	48,520,943
<b>DISTRIB &amp; RET OF CAPITAL</b>	1,900,266	572,212	1,949,501	48,098	1,255,339	1,773,166	2,539,580	559,306	2,194,701	637,233	1,183,349	3,353,124	17,965,875
<b>GAINS/LOSSES/INCOME</b>	443,245	20,359,100	398,539	23,394	479,230	1,882,213	10,453,060	301,945	213,708	871,873	1,101,240	2,851,061	39,378,608

<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>
<b>FUNDING</b>	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
<b>DISTRIB &amp; RET OF CAPITAL</b>	8,481,884	0	109,159	971,928	45,320	2,377,624	14,171	594,985	1,877,116	802,572	4,510,023	3,341,833	23,126,615
<b>GAINS/LOSSES/INCOME</b>	648,652	0	0	2,743,091	374,518	1,236,224	63,688	1,116,815	286,585	3,307,790	725,727	605,961	11,109,051

<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>
<b>FUNDING</b>	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
<b>DISTRIB &amp; RET OF CAPITAL</b>	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
<b>GAINS/LOSSES/INCOME</b>	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>
<b>FUNDING</b>	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	0	0	92,177,998
<b>DISTRIB &amp; RET OF CAPITAL</b>	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	0	0	51,556,787
<b>GAINS/LOSSES/INCOME</b>	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	0	0	69,535,154

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

<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<b><u>DOMESTIC EQUITY</u></b>		
Wellington Mgmt. Co., LLP	37,660	87,887,637
Wasatch Advisors	4,826	28,259,569
NorthPointe Capital	11,695	72,989,355
SSgA Core	<u>1,835</u>	<u>15,194,589</u>
<b>Total Domestic Equity</b>	<b>\$ 56,017</b>	<b>\$ 204,331,150</b>
<b><u>INTERNATIONAL EQUITY</u></b>		
Goldman Sachs	114,959	156,323,704
Boston Company	76,015	130,409,603
Mondrian	<u>46,533</u>	<u>107,109,538</u>
<b>Total International Equity</b>	<b>\$ 237,507</b>	<b>\$ 393,842,845</b>
<b><u>FIXED INCOME</u></b>		
Brown Brothers, Harriman	11,264	65,126,717
Taplin, Canida & Habacht	2,716	28,981,670
Mackay Shields	8,389	20,048,434
Shenkman Capital Management	4,374	15,793,167
Brown Brothers, Harriman (TIPS)	<u>37,451</u>	<u>386,592,410</u>
<b>Total Fixed Income</b>	<b>\$ 64,194</b>	<b>\$ 516,542,398</b>
<b>TOTAL SECURITIES LENDING INCOME</b>	<b>\$ 357,718</b>	<b>\$ 1,114,716,392</b>
<b>Calendar Year 2005 YTD</b>	<b>\$ 874,300</b>	



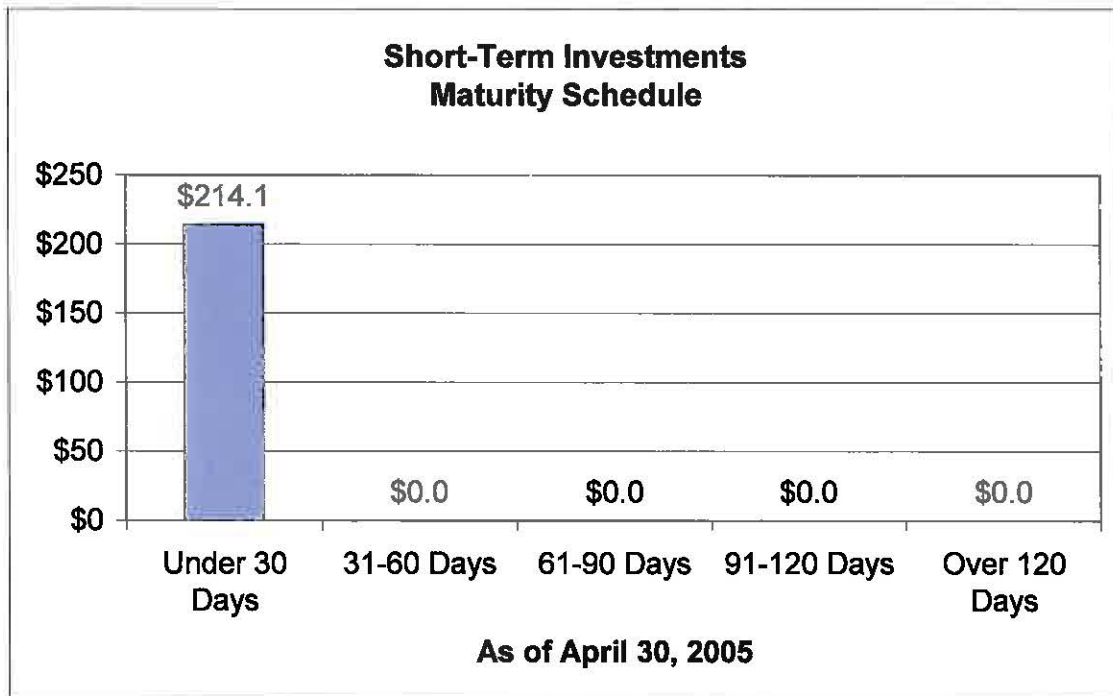


State of Rhode Island and Providence Plantations  
Office of the General Treasurer

**Short Term Investments Portfolio by Fund**

**As of April 30, 2005**

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	116,743,795	27,378	116,771,172
4904 PENSION C	4,248,760	1,240	4,250,000
4908 PAYROLL A	0	0	0
4916 GENERAL FUND H.A.V.A.	10,257,810	0	10,257,810
4920 GENERAL FUND (HIST PRES)	459,133	1,894	461,027
5400 HIGHWAY FUND	157,231	0	157,231
5500 UNIVERSITY COLLEGE	6,497,040	3,910	6,500,950
6920 AUTO EQUIPMENT SERVICE	1,014,218	0	1,014,218
8000 T.D.I. RESERVE (DET)	27,670,838	110,334	27,781,172
8300 PERMANENT SCHOOL FUND	705,286	377	705,663
8400 EMP RETIREMENT FUND	7,255,333	0	7,255,333
8500 MUN EMP RETIREMENT FUND	5,051	0	5,051
8700 R.I. CLEAN WATER ACT	10,687	0	10,687
9000 BOND CAPITAL FUND	78,388	0	78,388
9700 STATE LOTTERY FUND	35,446,068	53,932	35,500,000
9800 INDUS. BLDG. & MTG. INS.	3,565,526	0	3,565,526
9900 SINKING FUND	0	0	0
 4911 TANS	 0	 0	 0
Subtotal	214,115,163	199,065	214,314,228
 8702 CLEAN WATER 1993 SER. A	 5,136		
8703 CLEAN WATER 1991 SERIES A	662,418		
8704 CLEAN WATER 96 SERIES A	72,428		
8706 CLEAN WATER CCDL 1994 (A)	58,483		
8707 CAP DEV. OF 1997 SERIES A	30,793		
8710 CLEAN WATER CCDL 2002 A	369,020		
8711 CLEAN WATER 2004 SERIES A	718,530		
8733 CAP DEV. OF 1997 SERIES A	40,063		
8737 RI POLLUT. CONT 94 SER. A	6,334		
8739 CCDL99A 1999A	368,000		
8742 POLLUTION CNTRL 2002 A	45,331		
8743 POLL.CONTRL 2004 SERIES A	942,909		
9114 G.O. NOTE 1991 SER. B	3,782		
9116 BOND CCDL 1993 SERIES A	442,467		
9117 BOND CCDL 1994 SERIES A	858,792		
9120 BOND CCBL96A	1,665,441		
9121 CAP DEV OF 1997 SERIES A	969,779		
9123 CCDL 1998B	2,553,835		
9124 CCDL99A 1999A	1,606,893		
9125 MMG099 1999	3,165		
9126 BOND CAPITAL CCDL2000A	4,380,112		
9127 MULTI-MODAL GEN OBL 2000	2,811		
9128 BOND 2001	568,956		
9129 BOND CCDL 2002 SERIES A	4,138,266		
9131 CCDL 2004 SERIES A	27,210,467		
 Subtotal Bond Proceed Accounts	 47,724,211		
 Total Short Term Portfolio	 261,839,374		



Maturities in \$Millions

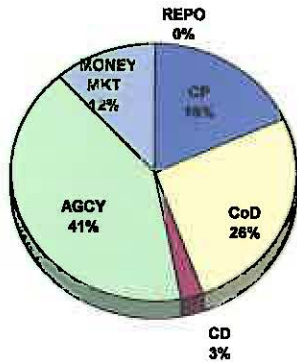
Note: Includes \$81.4 Million of Money Market investments with no specific maturity

#### Summary Portfolio Yields

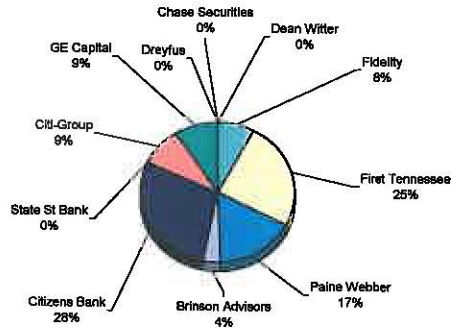
April, 2005	2.68%
March, 2005	2.50%
April, 2004	1.05%

**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**SHORT TERM CASH INVESTMENTS AT APRIL 30, 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 (\$)
Dreyfus	0	0	0	156,129	0	0	156,129
Dean Witter	0	0	0	0	0	0	0
Chase Securities	0	0	0	0	0	0	0
Paine Webber	0	0	35,585,647	0	0	0	35,585,647
Fidelity	0	0	0	16,594,302	0	0	16,594,302
First Tennessee	0	0	53,260,179	0	0	0	53,260,179
Brinson Advisors	0	0	0	8,179,189	0	0	8,179,189
Citizens Bank	0	5,464,419	0	0	56,483,989	0	61,928,408
GE Capital	19,523,506	0	0	0	0	0	19,523,506
Citi-Group	18,887,803	0	0	0	0	0	18,887,803
State St Bank	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>38,411,309</b>	<b>5,464,419</b>	<b>88,845,828</b>	<b>24,929,620</b>	<b>68,483,989</b>	<b>0</b>	<b>214,115,163</b>
<b>(%) PORTFOLIO</b>	<b>18%</b>	<b>3%</b>	<b>41%</b>	<b>12%</b>	<b>26%</b>	<b>0%</b>	<b>100%</b>

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



**SPECIAL FUNDS  
INVESTMENT SUMMARY  
APRIL 30, 2005**

<b><u>FUND NAME</u></b>	<b>April Gain/Loss</b>	<b>TOTAL MARKET VALUE</b>
<b>Abraham Touro Fund ( Fidelity Balanced Fund)</b>	<b>\$ (38,467)</b>	<b>\$ 1,950,272</b>
<b><u>TOTALS</u></b>	<b>\$ (38,467)</b>	<b>\$ 1,950,272</b>



ING Life Insurance and Annuity Company



STATE OF RHODE ISLAND

State of Rhode Island

Average Annual Total Returns as of 03/31/2005

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	Relative Risk Level#	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		
<b>Global / International</b>																		
ING JPMorgan International Portfolio - Initial Class - 104	A	MSCISAF	-2.69%	-2.47%	-1.22%	-0.10%	-1.22%	-0.10%	12.40%	15.49%	7.69%	12.07%	-9.91%	-8.61%	4.69%		11/28/1997	
ING Oppenheimer Global Portfolio - Initial Class - 432	A	MSCIAC	-1.59%	-2.16%	-3.20%	-0.85%	-3.20%	-0.85%	8.78%	11.38%					8.06%		05/01/2002	
<b>Aggressive Growth</b>																		
AIM Capital Appreciation Fund - Series I Shares - 076	A	SPXRE	-2.45%		-3.65%		-3.35%		2.14%		0.40%		-0.53%		7.07%		06/05/1993	
ING T. Rowe Price Diversified Mid Cap Growth Port - I Class - 449	A	RSMIDGRW	-1.27%	-1.46%	-3.47%	-1.67%	-3.47%	-1.67%	0.78%	8.31%	3.48%	6.18%			2.72%		12/10/2001	
ING VP Small Company Portfolio - Class I - 042	A	RS2000	-2.62%	-2.66%	-3.24%	-5.94%	-3.24%	-5.94%	4.56%	5.44%	5.34%	8.05%	0.25%	-4.04%	10.76%		12/27/1986	
<b>Growth</b>																		
Fidelity VIP Contrafund Portfolio - Initial Class - 133	M	SPXRE	-1.26%		0.43%		0.43%		11.67%		9.50%		0.97%		13.19%		01/03/1995	
Fidelity VIP Growth Portfolio - Initial Class - 109	M	RS3000G	-1.99%	-1.99%	-3.93%	-4.33%	-3.93%	-4.33%	-1.07%	1.13%	-2.31%	-0.37%	-9.07%	-10.04%	8.00%	7.87%	10/09/1986	
ING MFS Capital Opportunities Portfolio - Initial Class - 100	M	SPXRE	-0.98%		-3.71%		-3.71%		6.79%		-0.53%		-9.77%		3.87%		11/28/1997	
ING UBS L&S Large Cap Equity Portfolio - Initial Class - 105	M	SPXRE	-0.62%		-1.40%		-1.40%		9.10%		1.96%		-5.96%		2.54%		11/28/1997	
ING VP Value Opportunity Portfolio - Class I - 041	M	SPXRE	-2.38%		-0.45%		-0.45%		7.95%		0.23%		-0.62%		9.35%		12/13/1996	
<b>Growth &amp; Income (Stocks)</b>																		
AIM Core Equity Fund - Series I Shares - 079	M	SPXRE	-1.66%		-0.62%		-0.62%		7.78%		3.99%		-7.08%		9.09%		05/02/1994	
Fidelity VIP Equity-Income Portfolio - Initial Class - 108	M	RS3000V	-2.27%	-1.43%	-1.86%	-0.27%	-1.86%	-0.27%	7.51%	12.87%	4.50%	7.47%	4.61%	5.89%	10.14%	12.84%	10/09/1986	

## Performance Update

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

### Benchmark Id Benchmark Description

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





# STATE OF RHODE ISLAND RETIREMENT PLANS INVESTMENT OPTIONS

## PERFORMANCE UPDATE

AS OF MARCH 31, 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](http://www.fidelity.com).

Fund No.	Fund Name	Cumulative Total Returns % Period Ending March 31, 2005			Average Annual Total Returns % Period Ending March 31, 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			
<b>LIFE-CYCLE♣</b>											
00370	Fidelity Freedom 2000++		-0.66	-0.66	2.18	2.21	n/a	6.95	n/a	10/17/96	0.71○
00371	Fidelity Freedom 2010++		-1.25	-1.25	3.59	1.25	n/a	8.17	n/a	10/17/96	0.81○
00372	Fidelity Freedom 2020++		-1.79	-1.79	5.01	-0.62	n/a	8.23	n/a	10/17/96	0.87○
00373	Fidelity Freedom 2030++		-1.92	-1.92	5.72	-1.81	n/a	7.87	n/a	10/17/96	0.89○
00369	Fidelity Freedom Income++		-0.53	-0.53	1.77	3.15	n/a	5.84	n/a	10/17/96	0.68○
<b>MONEY MARKET (SHORT-TERM)*</b>											
00630	Fidelity Retirement Money Market	2.43	0.52	0.52	1.40	2.57	3.97	4.63	n/a	12/02/88	0.42
<b>BOND</b>											
99474	PIMCO Total Return - Administrative Class		-0.36	-0.36	1.82	7.66	7.71	7.66	2.00/7	9/08/94	0.68
<b>BALANCED/HYBRID</b>											
00004	Fidelity Puritan®		-1.37	-1.37	5.56	5.29	9.72	11.74	n/a	4/16/47	0.63
<b>DOMESTIC EQUITY - LARGE VALUE</b>											
00023	Fidelity Equity-Income		-1.86	-1.86	7.34	4.42	10.97	13.05	n/a	5/16/66	0.70
<b>DOMESTIC EQUITY - MID VALUE■</b>											
00039	Fidelity Value		0.74	0.74	16.34	13.98	12.93	14.32	n/a	12/01/78	0.95
<b>DOMESTIC EQUITY - LARGE BLEND</b>											
00330	Fidelity Dividend Growth		-4.25	-4.25	-0.05	1.09	12.86	13.67	n/a	4/27/93	0.71
00027	Fidelity Growth & Income		-2.46	-2.46	5.72	-1.58	9.98	13.47	n/a	12/30/85	0.69
00021	Fidelity Magellan®		-2.69	-2.69	3.14	-5.30	8.97	18.80	n/a	5/02/63	0.64
00650	Spartan® U.S. Equity Index++		-2.17	-2.17	6.58	-3.29	10.60	11.54	n/a	2/17/88	0.10

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

continued



AS OF MARCH 31, 2005

Fund No.	Fund Name	Cumulative Total Returns % Period Ending March 31, 2005		Average Annual Total Returns % Period Ending March 31, 2005			Short-Term Trading Fee (%/Days)	Fund Inception	Expense Ratio	
		3 Month	YTD	1 Year	5 Year	10 Year				Life of Fund
<b>DOMESTIC EQUITY - LARGE GROWTH</b>										
00312	Fidelity Blue Chip Growth	-3.98	-3.98	1.04	-7.67	7.86	12.40	n/a	12/31/87	0.66
00022	Fidelity Contrafund®	0.33	0.33	11.28	0.60	13.17	13.21	n/a	5/17/67	0.94
00093	Fidelity OTC	-6.17	-6.17	-0.21	-12.75	9.44	13.95	n/a	12/31/84	0.86
<b>DOMESTIC EQUITY - MID GROWTH</b>										
00337	Fidelity Mid-Cap Stock	-3.58	-3.58	1.93	-1.07	13.21	13.68	0.75/30	3/29/94	0.71
93392	Franklin Small-Mid Cap Growth - Class A	-3.72	-3.72	6.44	-7.83	10.73	12.34	2.00/5	2/14/92	0.98
<b>INTERNATIONAL/GLOBAL††</b>										
00325	Fidelity Diversified International	0.14	0.14	12.28	4.08	12.87	11.16	1.00/30	12/27/91	1.15
<b>MARKET INDICES^^</b>										
For comparison only. These are not Fidelity funds.										
	Dow Jones Industrial Average	-2.03	-2.03	3.66	1.23	11.85				
	Lehman Brothers Intermediate Gov't/Credit Bond Index	-0.87	-0.87	-0.32	6.71	6.60				
	Morgan Stanley EAFE® Index	-0.15	-0.15	15.22	-0.94	5.59				
	Standard & Poor's 500 <sup>SM</sup> Index	-2.15	-2.15	6.69	-3.16	10.79				

The funds are arranged according to Morningstar categories. Categories for some equity funds may change over time. For details, please consult the fund's prospectus at [fidelity.com](http://fidelity.com).

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

The trademarks and service marks appearing herein are the property of their respective owners.

**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 500<sup>SM</sup> 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**

- \* 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.
- †† Foreign investments, especially those in emerging markets, involve greater risks and may offer greater potential returns than U.S. investments. These risks include political and economic uncertainties of foreign countries and currency fluctuations. There are additional risks associated with those funds that concentrate their investments in one geographic location.

**NOTES:**



# Portfolio Director

The information is current as of 03/31/2005.

Effective December 31, 2001, all future contributions for all existing and new participants will be directed to VALIC Retirement Services for investment into the mutual fund and fixed-interest option investments. All VALIC annuity investment options will be closed to current or future Plan participants after this date.

Category/Funds	YTD Return	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	ITD Date
<b>International Equity</b>								
<i>Large Cap Value</i>								
Templeton Foreign <sup>3</sup>	(0.44)	12.37	9.44	4.87	6.76	7.79	2.02	10/5/1982
<i>Large Cap Blend</i>								
International Equities	(0.60)	12.42	6.29	(4.88)	3.06	3.06	1.41	10/2/1989
<i>Large Cap Growth</i>								
Putnam Global Equity <sup>2</sup>	(1.50)	7.57	4.15	(12.67)	3.17	9.74	2.05	7/1/1994
<i>Large Cap Value</i>								
Vanguard Windsor II <sup>3</sup>	0.07	12.13	6.14	6.59	9.21	11.48	1.48	6/24/1985
<i>Large Cap Blend</i>								
Core Equity (Wellington/WAMU)	(2.08)	4.12	0.89	(5.45)	6.32	6.32	1.65	4/29/1994
<i>Large Cap Growth</i>								
Putnam New Opportunities <sup>3</sup>	(2.72)	3.55	0.08	(15.74)	1.81	6.02	1.89	8/31/1990
American Century Ultra Fund	(5.10)	0.96	0.14	(9.00)	5.41	8.41	1.84	11/2/1981
Large Cap Growth (AIG SunAmerica)	(4.60)	(0.32)	(3.33)	**	-10.94	(10.94)	1.76	12/8/2000
Income & Growth (American Century)	(1.63)	7.36	3.70	**	0.03	0.03	1.63	12/8/2000
<i>Mid Cap Growth</i>								
Putnam OTC & Emerging Growth <sup>3</sup>	(3.05)	1.33	(1.08)	(26.41)	6.00	(0.48)	2.18	11/1/1982
<b>Index</b>								
<i>Small Cap Blend</i>								
Small Cap Index	(5.60)	4.16	6.69	2.87	9.32	9.32	1.28	5/1/1992
<i>Mid Cap Blend</i>								
Mid Cap Index	(0.71)	9.15	6.75	5.53	13.83	13.83	1.21	10/1/1991
<i>Large Cap Blend</i>								
Stock Index	(2.43)	5.50	1.54	(4.28)	9.58	9.58	1.18	4/20/1987
<b>Socially Responsible</b>								
<i>Large Cap Blend</i>								
Social Awareness	(3.10)	4.34	1.20	(4.73)	9.33	9.33	1.43	10/2/1989
<b>Specialty</b>								
<i>Specialty - Technology</i>								
Science & Technology (T. Rowe Price)	(6.84)	(3.78)	(3.47)	(22.22)	4.04	4.04	1.82	4/29/1994
<b>Lifestyle</b>								
<i>Mid Cap Blend</i>								
Aggressive Growth Lifestyle							0.65	9/22/1998
<i>Large Cap Blend</i>								
Moderate Growth Lifestyle							0.65	9/22/1998
<i>Large Cap Blend</i>								
Conservative Growth Lifestyle							0.65	9/22/1998
<b>Balanced</b>								
<i>Large Cap Blend Interm Corp Bond</i>								
Asset Allocation	(1.90)	3.78	4.11	0.43	7.82	7.82	1.48	9/6/1983
<i>Large Cap Value Interm Corp Bond</i>								
Vanguard Wellington <sup>3</sup>	(0.78)	7.08	5.25	6.61	8.75	10.2	1.41	7/1/1929
<b>Non-US Govt Bond</b>								
<i>High Quality Med Duration</i>								
International Government	(2.66)	4.81	13.51	6.95	4.21	4.21	1.52	10/1/1991
<b>Corporate Bond</b>								
<i>Long Term Corp Bond</i>								
Capital Conservation	(0.85)	(0.02)	4.65	5.42	5.58	5.58	1.53	1/16/1986
Vanguard Long-Term Corporate <sup>3</sup>	0.50	3.75	9.03	8.62	7.20	7.49	1.08	7/9/1973
<b>US Govt Bond</b>								
<i>Intermediate Government</i>								
Government Securities	(0.33)	(0.16)	4.61	5.71	5.60	5.60	1.45	1/16/1986
<i>Long Government</i>								
Vanguard Long-Term Treasury <sup>3</sup>	0.36	1.54	8.54	7.56	7.31	7.62	1.06	5/19/1986
<b>Money Market</b>								
<i>Short Term Money Market Instruments</i>								
Money Market I	0.26	0.34	0.12	1.45	2.86	2.86	1.36	1/16/1986

\*\* performance figure is not available due to the inception date of the fund

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- and mid-cap funds. Risks for emerging markets include, for instance, risks relating to the relatively smaller size and reduced 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 reduced liquidity. 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 risks associated with an investment in the fund. International fund unit values and returns will fluctuate with market conditions, currencies, and economic and political climates where investments are made. Government securities offer a high degree of safety and are guaranteed as to the timely payment of principal and interest if held to maturity.

The performance data quoted represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's units, when withdrawn, may be worth more or less than the original cost. Returns may be higher or lower than the performance stated due to recent stock market volatility. The funds' returns may have been achieved during favorable market conditions. There can be no assurance that the fund(s) will continue to achieve substantially similar performance as they previously experienced.

<sup>1</sup> Returns in this chart reflect the overall change in accumulation unit values from the beginning of the relevant period net of management fee, administrative fee and fund expenses

<sup>2</sup> These funds became available through the Portfolio Director contract on July 11, 1994. Returns prior to that time for the funds noted were calculated on a pro forma basis from the inception date of the underlying funds. Current applicable contract charges have been assessed in determining pro forma returns.

<sup>3</sup> These funds became available through the Portfolio Director contract on July 1, 1996. Returns prior to that time for the funds noted were calculated on a pro forma basis from the inception date of the underlying funds. Current applicable contract charges have been assessed in determining pro forma returns.

<sup>4</sup> The Federal Deposit Insurance Corporation or any other government agency does not insure any investment in the money market funds. Although the funds seek to preserve the value of your investment at \$1.000 per share, it is possible to lose money by investing in these funds.



## MUTUAL FUND SELECTION

The information is current as of 03/31/2005.

Category/Funds	YTD	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	Inception Date
<b>International Equity</b>								
<i>Large Growth</i>								
Janus Adviser Worldwide	(0.54)	(1.16)	(1.48)	(10.50)	**	5.34	1.20	5/1/1997
MSCI World	(1.54)	8.70	4.62	(4.27)	5.97			
<b>Aggressive Growth</b>								
<i>Large Growth</i>								
Putnam Voyager A	(4.46)	4.79	(1.35)	(9.13)	9.10	11.75	1.02	4/1/1969
S&P 500	(2.15)	6.69	2.74	(3.16)	10.79			
<b>Science &amp; Tech</b>								
<i>Large Growth</i>								
Franklin DynaTech A	(6.81)	(0.13)	4.59	-5.20	10.07	8.72	0.97	12/27/1967
S&P 500	(2.15)	6.69	2.74	(3.16)	10.79			
<b>Socially Responsible</b>								
<i>Large Blend</i>								
Calvert Social Inv Equity A	(2.21)	6.69	3.54	4.52	11.55	8.66	1.29	8/24/1987
S&P 500	(2.15)	6.69	2.74	(3.16)	10.79			
<b>Growth</b>								
<i>Large Growth</i>								
MFS Massachusetts Inv Grth A	(4.29)	3.74	(1.79)	(10.00)	10.89	10.71	0.92	1/1/1935
SunAmerica Blue Chip Growth I	(4.50)	0.14	-2.45	-11.70	6.72	(3.10)	1.33	11/16/2001
S&P 500	(2.15)	6.69	2.74	(3.16)	10.79			
<b>Growth &amp; Income</b>								
<i>Large Blend</i>								
Dreyfus Disc Stock	(0.94)	5.26	0.89	(5.13)	9.51	11.35	0.93	12/31/1987
SunAmerica Growth & Income I	(1.52)	7.53	0.39	-8.10	8.86	0.08	1.18	11/16/2001
S&P 500	(2.15)	6.69	2.74	(3.16)	10.79			
<b>Index</b>								
<i>Large Blend</i>								
Dreyfus Intl Stock Index	(0.29)	14.53	10.31	(2.21)	**	2.60	0.80	6/30/1997
MSCI (EAFE)	(0.17)	15.06	11.47	(1.15)	5.41			
Vanguard 500 Index	(2.16)	6.57	2.64	(3.24)	10.72	12.19	0.18	8/31/1976
S&P 500	(2.15)	6.69	2.74	(3.16)	10.79			
<i>Small Growth</i>								
Dreyfus Small Cap Stock Idx	(2.10)	12.74	9.58	9.40	**	9.74	0.50	6/30/1997
S&P 600	(2.07)	13.08	9.99	9.88	13.52			
<i>Mid-Cap Blend</i>								
Dreyfus MidCap Index	(0.53)	9.91	7.46	6.33	14.53	13.95	0.50	6/19/1991
S&P Midcap 400	(0.40)	10.43	8.02	6.87	15.14			
<b>Balanced</b>								
<i>Large Growth/ Bond: Interm Corp/Govt</i>								
Dreyfus Founders Balanced F	(1.04)	6.70	1.46	(4.31)	4.89	7.01	1.34	2/19/1963
60% S&P500 / 40% LB Aggregate Bond	(1.48)	4.47	4.04	0.96	9.33			
<i>Large Blend/ Bond: Interm Corp</i>								
SunAmerica Balanced Assets I	(2.31)	2.64	0.76	(6.03)	6.03	(0.16)	1.05	11/16/2001
60% S&P500 / 40% LB Aggregate Bond	(1.48)	4.47	4.04	0.96	9.33			
<b>Lifecycle</b>								
<i>Asset Allocation</i>								
SunAmerica Focused Balanced Strategy I	(1.85)	3.18	**	**	**	12.15	0.20	11/8/2002
LB Aggregate	(0.48)	1.15	5.99	7.14	7.14			
SunAmerica Focused Equity Strategy I	(2.43)	4.12	**	**	**	16.33	0.19	11/8/2002
LB Aggregate	(0.48)	1.15	5.99	7.14	7.14			
<b>Bond</b>								
<i>Interm Corp/Govt</i>								
SunAmerica Core Bond I	(0.67)	2.14	5.46	5.54	5.91	5.80	1.23	7/10/2000
LB Aggregate	(0.48)	1.15	5.99	7.14	7.14			
<i>Interm-Term Govt</i>								
Strong Government Secs Inv	(0.20)	0.35	5.55	6.76	6.81	7.74	1.00	10/29/1986
LB Intermediate Government Bond	(0.68)	-0.55	4.55	6.08	6.24			
<b>Fixed Account</b>								
VALIC Fixed-Interest Option ***		December 2004	4.00%					
		Calendar Year 2004	3.50% (min. guaranteed)					

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.

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 11/16/2001, 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).

