

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
JUNE 30, 2004**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Paul J. Tavares, Chair

**J. Michael Costello
Rosemary Booth Gallogly
Marcia Reback
John R. Treat**

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

**RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
June 30, 2004**

PORTFOLIO PERFORMANCE

June

The ERSRI portfolio posted a gain of 1.82% for the month of June against the policy index of 1.75%. Domestic equities were up by 2.22%, international equities gained 2.19%, and the fixed income asset class gained 0.66%. Additionally, the retirement fund earned \$185,159 from the securities lending program during this month.

Calendar Year

For the six months ended June 30th, 2004, the portfolio is up 3.59% against the policy index of 3.06%. Domestic equities gained 3.69%, international equities were up 3.89%, and fixed income gained 0.45%.

Fiscal Year

For the twelve months ended June 30th, 2004, the fund gained 19.65%, against the fiscal year policy index of 18.13%.

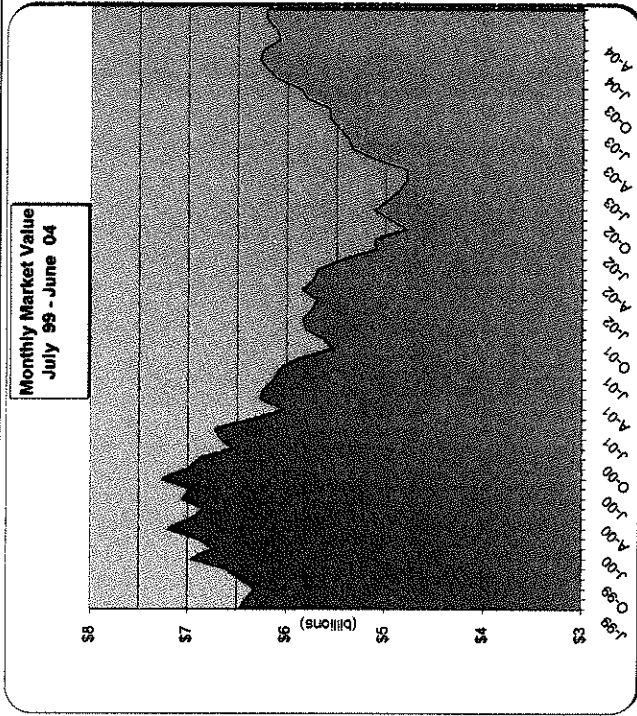
Index Performance Summary - June 30, 2004		
Market Indices	Jun-04	Calendar YTD
<u>Domestic Equity</u>		
S & P 500	1.94%	3.44%
Wilshire 5000	2.14%	3.99%
Russell 2000	4.21%	6.76%
Russell 2500	3.29%	6.25%
Russell 1000	1.80%	3.32%
Policy Index	1.75%	3.06%
<u>International Equity</u>		
MSCI ACWI	2.17%	4.11%
<u>Fixed Income</u>		
Lehman AGG	0.57%	0.15%
<u>Real Estate</u>		
Wilshire RE Sec Inde	3.10%	7.04%

ERSRI Performance By Asset Class	Jun-04	Calendar YTD
Domestic Equity	2.22%	3.69%
Fixed Income	0.66%	0.45%
International Equity	2.19%	3.89%
Total Fund Composite*	1.82%	3.59%
Manager Summary		
	Jun-04	CYTD
<u>DOMESTIC EQUITY</u>		
NorthPointe	3.45%	3.93%
Columbia	3.21%	5.05%
Wellington	2.96%	3.57%
Wasatch	2.20%	8.33%
SSgA Core	2.01%	2.79%
PIMCO	1.92%	3.21%
SSgA Russell 1000	1.80%	3.36%
Shott	-2.03%	14.83%
Total Domestic Equity	2.22%	3.69%
<u>FIXED INCOME</u>		
Mackay Shield	1.35%	3.75%
Shenkman	1.08%	0.66%
Fidelity	0.84%	1.01%
Taplin Canida & Habacht	0.81%	0.15%
In State Fixed Income	0.56%	3.35%
Brown Bros, Harriman (Bonds)	0.54%	0.27%
Brown Bros, Harriman (TIPS)	0.20%	N/A
	0.66%	0.45%
<u>INTERNATIONAL EQUITY</u>		
Delaware	2.85%	N/A
SSgA- MSCI	2.23%	4.51%
Bank of Ireland	1.46%	2.80%
Total International Equity	2.19%	3.89%

*Total Fund Composite includes all classes

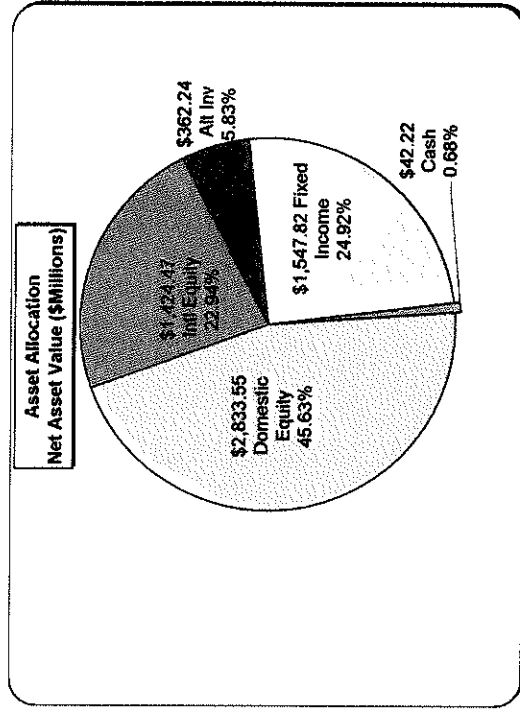
Market Values

The total portfolio value increased in June by \$99.9 million to \$6.2 billion. This compares with an increase in value of \$35.1 million for the same period in 2003. The domestic equity market values increased by \$56.9 million; fixed income increased by \$10.1 million net of transfers, while international values were up by \$36.6 million net of transfers. The cash accounts were up \$3.3 million and alternative investments decreased in value by \$7.1 million.



Asset Allocation

The domestic equities portfolio is over-allocated by 0.6%. The fixed income portfolio is under-allocated by 0.1%. The international equity portfolio is over-allocated by 0.4%, while the alternative investment assets are under-allocated by 1.7%. 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

June's pension payroll of \$45.3 million exceeded the \$23.6 million in contributions received by \$21.7 million. To meet this shortfall along with other obligations, \$21 million was transferred from long term investments.

Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$408.9 million, on commitments of \$773 million.

Short Term Cash

The short term cash portfolio had a 1.6 day weighted average maturity vs 2.4 days in May, and 4.4 days in June of 2003. Investments at June 30th totaled \$294.9 million. Interest earned during the month was \$ 236,113 of which \$ 10,876 was credited to the retirement accounts. The average investment rate of 0.99% was 5 basis points above the average 30 day treasury rate.

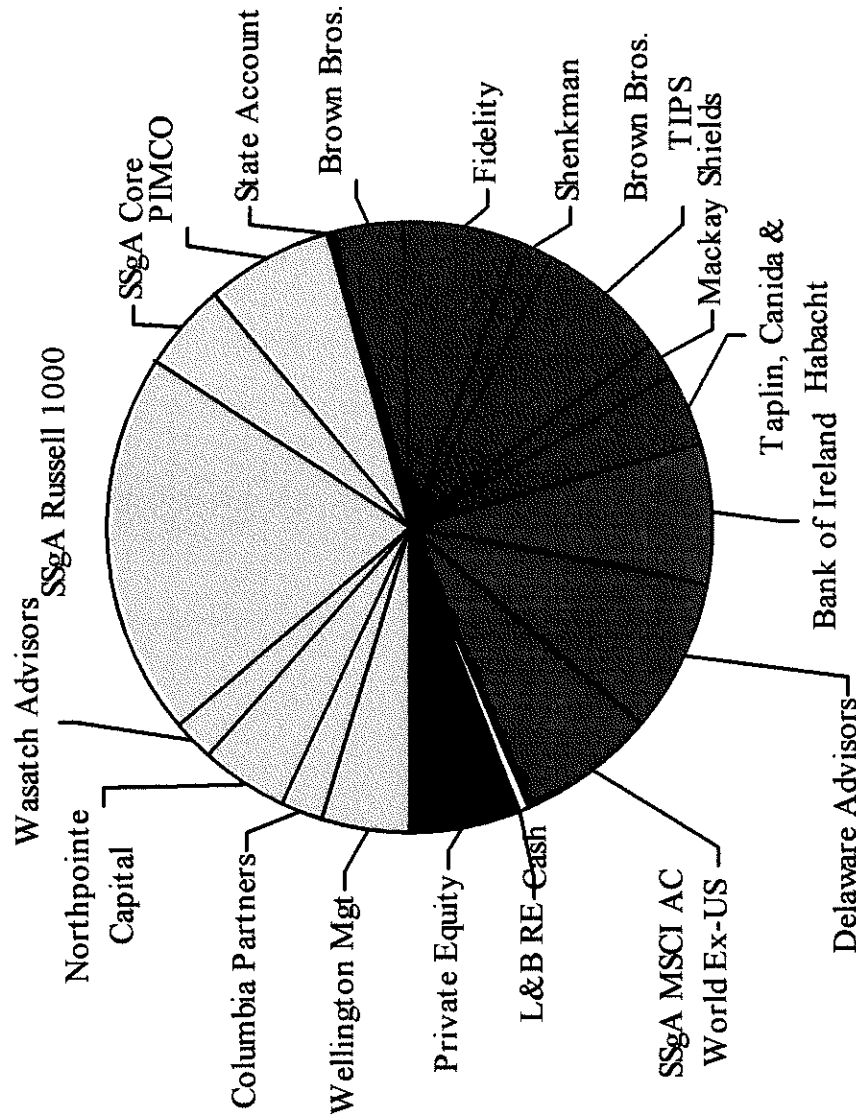
**CAPITAL CALLS
Net of Distributions**

JUNE 2004	FYTD	UNFUNDED BALANCE
-\$3,505,051	\$20,453,113	\$408,983,605
JUNE 2003	FYTD	UNFUNDED BALANCE
\$3,959,092	\$53,785,709	\$358,868,087

Individual Manager Allocation

June 30, 2004

\$ 6,210 MM



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

Portfolio	SMM	Allocation
Columbia Partners	\$149	2.40
Northpointe Capital	287	4.63
PIMCO	421	6.79
SSgA - Core	281	4.52
SSgA Russell 1000	1,258	20.25
Wasatch Advisors	149	2.39
Wellington Management	286	4.60
U.S. Equity	2,834	45.63
Brown Bros. Harriman	\$ 227	3.66
Fidelity Mgmt. Trust	386	6.21
Brown Bros. Harriman-TIPS	437	7.04
Mackay Shields	117	1.88
Shenkman Capital	117	1.89
State Account	22	0.36
Taplin, Canida & Habacht	241	3.88
Fixed Income	1,548	24.92
Bank of Ireland	\$ 467	7.52
SSGA	462	7.44
Delaware Investment Advisors	496	7.98
International Equity	1,424	22.94
L&B Real Estate	19	0.31
Private Equity	343	5.52
Contingency Reserve	1	0.01
Alternative Invest.	362	5.83
Cash Account (inside)	\$ 28	0.45
Cash Account (outside)	14	0.23
Cash Equivalents	42	0.68
Total	\$6,210	100.0

Market Environment

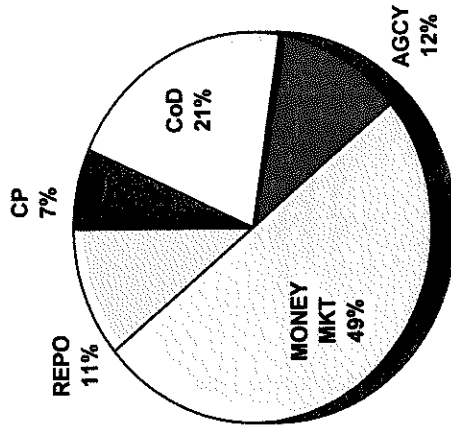
Quarter Ended June 30, 2004

	<u>QTR</u>	<u>YTD</u>	<u>1 YR.</u>	<u>2 YRS.</u>	<u>3 YRS.</u>	<u>4 YRS.</u>	<u>5 YRS.</u>
U.S. EQUITY							
RUSSELL 1000	1.40	3.33	19.48	9.83	-0.32	-4.20	-1.65
RUSSELL 2000	0.47	6.76	33.37	14.53	6.24	4.79	6.63
RUSSELL 2000 GROWTH	0.09	5.68	31.55	15.09	-0.22	-6.59	-0.45
RUSSELL 2000 VALUE	0.85	7.83	35.17	14.03	12.16	16.55	12.82
S&P 500	1.72	3.44	19.11	9.27	-0.69	-4.43	-2.21
DOW WILSHIRE 5000 FREE FLOAT	1.34	3.99	21.24	10.82	0.79	-3.50	-1.03
INTERNATIONAL EQUITY							
MSCI AC WORLD FREE ex US (gross)	-0.69	4.10	32.50	12.67	5.25	-2.92	0.96
MSCI EAFE (net)	0.22	4.56	32.37	11.28	3.87	-3.87	0.06
U.S. FIXED INCOME							
FB DOM PLUS HIGH YIELD	-0.12	2.40	11.68	16.08	11.18	8.07	6.09
FB GLOBAL HIGH YIELD	-0.19	2.47	11.75	16.17	11.10	8.13	6.37
LB AGGREGATE	-2.44	0.15	0.32	5.24	6.36	7.56	6.95
LB CREDIT	-3.42	-0.26	0.09	7.56	7.54	8.71	7.54
LB GOV/CREDIT	-3.17	-0.19	-0.72	5.99	6.73	7.82	7.10
CITIGROUP BROAD INV GRADE	-2.44	0.18	0.37	5.33	6.37	7.57	6.95
CITIGROUP LARGE PENSION FUND	-3.68	0.02	-0.79	6.84	7.48	8.55	7.67
CITIGROUP LPF COLLATERALIZED	-1.23	0.71	2.16	3.97	5.65	7.00	6.61
TOTAL PLAN	-0.07	3.06	18.13	10.55	3.92	0.19	2.09

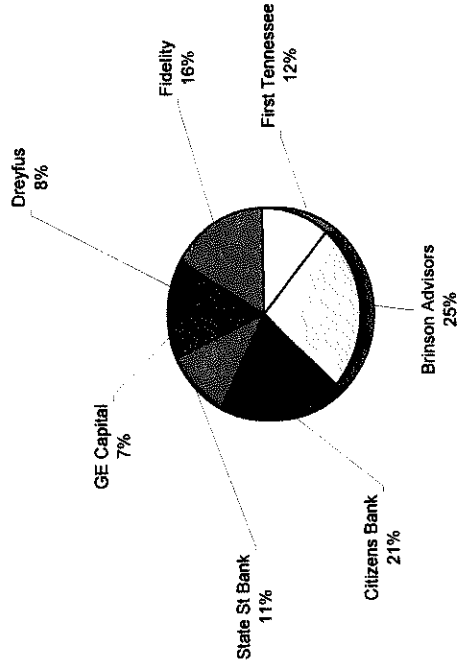
RHODE ISLAND STATE INVESTMENT COMMISSION

SHORT TERM CASH INVESTMENTS AT JUNE 30, 2004

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
June, 2004**

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	0%	Aa1		P-1	A-1+	Aa1	AA-	Stable
Citizens Bank RI	3,4	21%	Aa2		P-1	A-1+	Aa2	AA-	Negative
Dreyfus	6	8%	Aa3		P-1	A-1+	Aa3	AA-	Stable
First Tennessee Capital Markets	5	12%	A1		P-1	A-1	A1	A	Stable
GE Capital	2	7%	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley	1,2,5	0%	Aa3		P-1	A-1	Aa3	A+	Stable
Paine Webber	5	0%	Aa2		P-1	A-1+	Aa2	AA+	Stable
UBS Brinson Advisors	6	25%	Aa2		P-1	A-1+	Aa2	AA+	Stable
State Street Bank & Tru	1,3	11%	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

July 26, 2004

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 June 30, 2004.

**Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation
June 30, 2004**

Asset Class		
Cash/Short Term Investments		\$ 159,591,477
Equities – Domestic		\$ 2,796,281,756
Equities – International		\$ 1,414,413,537
Fixed Income – Government	\$ 865,330,222	
Fixed Income – Corporate	\$ 590,317,107	
Fixed Income – In State	\$ 22,129,221	
Total Fixed Income		\$ 1,477,776,551
Alternative Investments		\$ 361,749,763
Other – Escrow		\$ 500,000
Total Fund Investments		\$ 6,210,313,083
Plan Allocation		
State Employees & Teachers	86.41%	\$ 5,366,449,239
Municipal Employees	12.94%	\$ 803,490,574
State Police	0.40%	\$ 24,546,946
Judicial	0.25%	\$ 15,826,325
Total Fund Investments	100.00%	\$ 6,210,313,083

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

Respectfully submitted,

Paul J. Tavares
General Treasurer

Monthly SIC Letter for Book.doc

ERSRI Monthly Market Value Report With Time Weighted Returns
June 30, 2004

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value 5/31/2004	Transfers In/(out)	Market Value 6/30/2004	Market Value Increase/Decrease
Domestic Equity											
Shott Capital Management IRR	14.83%	N/A	N/A	S & P 500	-2.03%	N/A	N/A	1,181,098	1,427,476	2,637,671	29,099
SSGA Russell 1000	3.36%	3.32%	0.04%	Russell 1000	1.80%	1.80%	0.00%	1,235,452,288	75,836	1,257,768,588	22,240,484
SSGA Core	2.79%	3.32%	-0.53%	Russell 1000	2.01%	1.80%	0.21%	275,128,148	18,250	280,670,899	5,524,501
PIMCO	3.21%	3.44%	-0.23%	S & P 500	1.92%	1.94%	-0.02%	413,641,329	26,645	421,611,457	7,943,483
NorthPointe Capital	3.83%	7.83%	-3.90%	Russell 2000 Value	3.45%	5.08%	-1.63%	277,795,181	18,250	287,392,782	9,579,351
Wellington Mgmt	3.57%	6.76%	-3.19%	Russell 2000	2.96%	4.21%	-1.25%	277,529,252	18,250	285,761,387	8,213,895
Wasatch Advisors	8.33%	5.69%	2.64%	Russell 2000 Growth	2.20%	3.33%	-1.13%	149,451,666	(3,989,780)	148,660,369	3,198,563
Columbia Mgmt	5.05%	5.69%	-0.64%	Russell 2000 Growth	3.21%	3.33%	-0.12%	146,396,491	(1,990,145)	149,047,503	4,641,157
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	13	13
Total Domestic Equity	3.65%				2.22%			2,776,575,351	(4,395,218)	2,833,550,680	61,370,547
International Equity											
Bank of Ireland	2.80%	4.11%	-1.31%	MSCI ACWI	1.46%	2.17%	-0.71%	460,001,990	44,165	466,774,761	6,728,806
SSGA - MSCI	4.51%	4.11%	0.40%	MSCI ACWI	2.23%	2.17%	0.06%	451,700,643	44,165	461,834,731	10,089,923
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	235,946	-	237,124	1,178
Delaware	N/A	4.11%	N/A	MSCI ACWI	2.85%	2.17%	N/A	475,918,739	5,990,008	495,627,012	13,718,265
Total International Equity	3.89%				2.19%			1,387,857,318	6,078,338	1,424,473,629	30,637,972
Fidelity Management & Research											
Brown Brothers, Harriman	1.01%	0.72%	0.29%	CIHgroup Mortgage Index	0.84%	0.87%	-0.03%	382,449,096	24,090	385,693,261	3,220,075
In-State Fixed Income	0.27%	0.17%	0.10%	Citigroup Brd Inv Grade	0.54%	0.59%	-0.05%	225,948,669	11,680	227,166,774	1,206,425
Taplin, Canida & Habacht	3.35%	N/A	N/A	N/A	0.56%	N/A	N/A	22,147,654	(141,631)	22,129,221	123,188
Mackay Shields	0.15%	-0.26%	0.41%	Lehman Credit Index	0.81%	0.42%	0.39%	238,824,289	14,965	240,770,809	1,931,555
Shenkan Capital Mgmt	3.75%	2.47%	1.28%	CS First BoshYield	1.35%	1.55%	-0.20%	115,213,548	8,395	116,775,985	1,554,042
Brown Bros TIPS	0.66%	2.47%	-1.81%	CS First BoshYield	1.08%	1.55%	-0.47%	116,181,719	8,050	117,424,846	1,255,077
Transition Account	N/A	N/A	N/A	Lehman US TIPS Index	0.20%	0.04%	0.16%	436,381,104	-	437,250,057	868,953
Total Fixed Income	0.45%				0.66%			1,537,707,471	(42,331)	1,547,822,897	10,157,757
Alternative Investments											
Pacific Corporate Group	16.49%	N/A	N/A	Private Equity	2.68%	N/A	N/A	349,882,870	(14,173,332)	342,796,656	7,027,318
JMB/Heitman Advisory Group	N/A	N/A	N/A	Wilshire Real Estate Securities Index	N/A	N/A	N/A	-	-	-	-
L & B Real Estate Counsel	2.54%	7.04%	-4.50%	Wilshire Real Estate Securities Index	0.00%	3.10%	-3.10%	19,002,472	-	19,002,472	-
Bank Acquisition Contingency	2.32%	N/A	N/A		1.08%	N/A	N/A	500,809	-	501,209	400
Total Alternatives	15.66%				2.54%			369,386,151	(14,173,332)	362,240,538	7,027,718
Cash Accounts											
Cash in Trust	9.81%	N/A	N/A		1.06%	N/A	N/A	22,981,746	4,776,346	27,961,913	203,821
Cash Outside Trust	0.50%	N/A	N/A		0.06%	N/A	N/A	15,926,168	(858,369)	14,263,427	(804,372)
Total Cash	N/A				N/A			38,907,914	3,917,977	42,225,340	(600,551)
Fund Grand Total	3.59%	3.06%	0.53%		1.82%	1.75%	0.07%	6,110,434,205	(8,614,565)	6,210,313,083	108,493,443

*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 MANAGER PERFORMANCE
RATES OF RETURN
Periods Ending June 30, 2004**

	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												
COLUMBIA PARTNERS	149,048	2.40	3.21	0.16	5.05	5.05	26.59	26.59	15.92			
NORTHPOINTE CAPITAL	287,393	4.63	3.45	-1.89	3.93	3.93	31.69	31.69	15.55			
PIMCO	421,611	6.79	1.92	1.22	3.21	3.21	18.71	18.71	9.67	-0.52		
SHOTT CAPITAL	2,638	0.04										
SSGA - CORE	280,671	4.52	2.01	0.72	2.79	2.79	16.96	16.96	7.96	1.22	-2.73	-0.65
SSGA RUSSELL 1000	1,257,769	20.25	1.80	1.42	3.36	3.36	19.53	19.53				
WASATCH ADVISORS	148,660	2.39	2.20	-0.94	8.33	8.33	28.89	28.89	8.69			
WELLINGTON MANAGEMENT CO. LLC	285,761	4.60	2.96	0.09	3.57	3.57	38.96	38.96	21.79			
TOTAL US EQUITY	2,833,551	45.63	2.22	0.63	3.69	3.69	23.35	23.35	12.12	1.54	-3.69	-1.97
RUSSELL 1000												
RUSSELL 2000			1.80	1.40	3.33	3.33	19.48	19.48	9.83	-0.32	-4.20	-1.65
RUSSELL 2000 GROWTH			4.21	0.47	6.76	6.76	33.37	33.37	14.53	6.24	4.79	6.63
RUSSELL 2000 VALUE			3.33	0.09	5.68	5.68	31.55	31.55	15.09	-0.22	-6.59	-0.45
S&P 500			5.08	0.85	7.83	7.83	35.17	35.17	14.03	12.16	16.55	12.82
DOW WILSHIRE 5000 FREE FLOAT			1.94	1.72	3.44	3.44	19.11	19.11	9.27	-0.69	-4.43	-2.21
			2.14	1.34	3.99	3.99	21.24	21.24	10.82	0.79	-3.50	-1.03
INTERNATIONAL EQUITY												
SSGA TRANSITION ACCOUNT	225	0.00										
BANK OF IRELAND	466,775	7.52	1.46	-0.24	2.80	2.80	25.19	25.19	6.48	0.68		
DELAWARE INVESTMENT ADVISOR	495,627	7.98	2.85									
PUTNAM INVESTMENTS	11	0.00										
SSGA MSCI ALL COUNTRY WORLD EX-US	461,835	7.44	2.23	-0.48	4.51	4.51						
TRANSITION ACCOUNT INT EQUITY	226	0.00										
TOTAL INTERNATIONAL EQUITY	1,424,474	22.94	2.19	-0.36	3.89	3.89	27.70	27.70	8.76	2.62	-5.08	-0.15
MSCI AC WORLD FREE ex US (GROSS)			2.17	-0.69	4.10	4.10	32.50	32.50	12.67	5.25	-2.92	0.96
MSCI EAFE (NET)			2.19	0.22	4.56	4.56	32.37	32.37	11.28	3.87	-3.81	0.06
U.S. FIXED INCOME												
BROWN BROTHERS HARRIMAN	227,167	3.66	0.54	-2.45	0.27	0.27	1.10	1.10	6.50	6.97	8.45	7.53
FIDELITY MANAGEMENT TRUST	385,693	6.21	0.84	-1.03	1.01	1.01	3.75	3.75	4.95	6.49	7.68	7.24
COLUMBIA FIXED INCOME	37	0.00										
BROWN BROTHERS HARRIMAN	437,250	7.04	0.20									
MACKAY SHIELDS, LLC	116,776	1.88	1.35	-0.21	3.75	3.75	14.89	14.89				
SHENKMAN CAPITAL MANAGEMENT	117,425	1.89	1.08	-0.84	0.66	0.66	7.06	7.06				
STATE ACCOUNT	22,129	0.36	0.56	1.67	3.35	3.35	6.81	6.81	6.80	6.81	6.87	

**STATE OF RHODE ISLAND
SUMMARY OF MANAGER PERFORMANCE
RATES OF RETURN
Periods Ending June 30, 2004**

	MKT VAL	% OF FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
U.S. FIXED INCOME												
TAPLIN, CANIDA & HABACHT	240,771	3.88	0.81	-2.52	0.15	0.15	3.43	3.43	11.21	8.27	9.28	7.98
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	1,547,823	24.92	0.66	-2.08	0.45	0.45	3.03	3.03	7.62	6.71	7.27	6.83
FIRST BOSTON DOMESTIC PLUS HIGH YIELD												
FIRST BOSTON GLOBAL HIGH YIELD			1.54	-0.12	2.40	2.40	11.68	11.68	16.08	11.18	8.07	6.09
LB AGGREGATE			1.55	-0.19	2.47	2.47	11.75	11.75	16.17	11.10	8.13	6.37
LB CREDIT			0.57	-2.44	0.15	0.15	0.32	0.32	5.24	6.36	7.56	6.95
LB GOV/CREDIT			0.42	-3.42	-0.26	-0.26	0.09	0.09	7.56	7.54	8.71	7.54
CITIGROUP BROAD INV GRADE			0.41	-3.17	-0.19	-0.19	-0.72	-0.72	5.99	6.73	7.57	7.10
CITIGROUP LARGE PENSION FUND			0.59	-2.44	0.18	0.18	0.37	0.37	5.33	6.37	7.57	6.95
CITIGROUP LPF COLLATERALIZED			0.84	-3.68	0.02	0.02	-0.79	-0.79	6.84	7.48	8.55	7.67
			0.86	-1.23	0.71	0.71	2.16	2.16	3.97	5.65	7.00	6.61
ALTERNATIVE INVESTMENTS												
L&B REAL ESTATE	19,002	0.31	0.00	1.63	2.54	2.54	4.40	4.40	3.35	1.19	2.88	3.71
PRIVATE EQUITY INVESTMENT	342,737	5.52	2.68	8.98	16.49	16.49	33.19	33.19	10.86	5.97	-1.82	5.55
CONTINGENCY RESERVE FUND	500	0.01	1.08	2.05	2.32	2.32	6.46	6.46	3.88			
TOTAL ALTERNATIVE INVESTMENTS	362,239	5.83	2.54	8.57	15.68	15.68	31.34	31.34	10.52	5.77	-0.77	
NCREIF PROPERTY INDEX ONE QTR LAG			2.56	2.56	5.39	5.39	9.71	9.71	8.42	7.74	8.84	9.30
CASH EQUIVALENTS												
CASH ACCOUNT (INSIDE)	27,962	0.45	1.08	4.65	9.81	9.81	20.84	20.84	42.85	63.46	48.83	
CASH ACCOUNT (OUTSIDE)	14,263	0.23	0.06	0.23	0.50	0.50	4.56	4.56	2.95	2.81	3.67	
TOTAL PLAN												
TOTAL PLAN	6,210,312	100.00	1.82	0.18	3.59	3.59	19.65	19.65	10.99	4.23	0.13	1.91
TOTAL PLAN BENCHMARK*			1.75	-0.07	3.06	3.06	18.13	18.13	10.55	3.92	0.19	2.09

*52.5% W5000/25.0% LBAGG/22.5% MSCIA/CWORLD/FREEexUSA

Asset Allocation Report Market Values at June 30, 2004 (\$Millions)	Style Mandate	Actual		Target	Difference	Cash	% of Total
Domestic Equity							
Shott Capital Mgmt	alternative distribution	2.64	0.0%	0.00	0.00%	2.64	3.7%
SSgA Russell 1000	Passive	1,257.77	20.3%	1,257.59	20.25%	0.18	0.0%
SSgA Core	active core	280.67	4.5%	279.46	4.50%	1.21	0.5%
PIMCO	Enhanced Equity	421.61	6.8%	419.20	6.75%	2.42	0.0%
NorthPointe Capital	Small Cap Value	287.39	4.6%	279.46	4.50%	7.93	5.0%
Wellington Mgmt	Small Cap Core	295.76	4.6%	279.46	4.50%	6.30	4.1%
Wasatch Advisors	Small Cap Growth	148.66	2.4%	139.73	2.25%	8.93	4.2%
Columbia Mgmt	Small Cap Growth	149.05	2.4%	139.73	2.25%	9.32	2.0%
Transition Account		0.00	0.0%	0.00	0.00%	0.00	100.1%
TOTAL DOMESTIC EQUITY		\$2,833.55	45.6%	2,794.64	45.00%	\$38.91	1.3%
International Equity							
Bank of Ireland	MSCI ACWI	466.77	7.5%	465.77	7.50%	1.00	1.1%
SSgA - MSCI-ACWI	MSCI ACWI	461.83	7.4%	465.77	7.50%	-3.94	0.0%
Transition Account	MSCI ACWI	0.24	0.0%	0.00	0.00%	0.24	95.9%
Delaware	MSCI ACWI	495.63	8.0%	465.77	7.50%	29.85	1.0%
TOTAL INT'L EQUITY		\$1,424.47	22.9%	\$1,397.32	22.50%	\$27.15	0.7%
Domestic Fixed Income							
Columbia Mgmt	active core	0.00	0.0%	0.00	0.00%	0.00	0.0%
Fidelity Management & Research	mortgages	385.69	6.2%	388.14	6.25%	-2.45	6.8%
Brown Brothers, Harriman	opportunistic core	227.17	3.7%	232.89	3.75%	-5.72	6.0%
In-State Fixed Income	short/intl govt	22.13	0.4%	0.00	0.00%	22.13	0.0%
Taplin, Canida & Habacht	corporates	240.77	3.9%	232.89	3.75%	7.88	5.4%
Mackay Shields	high yield	116.78	1.9%	116.44	1.88%	0.33	7.1%
Shenkman Capital Mgmt	high yield	117.42	1.9%	116.44	1.88%	0.98	6.7%
Brown Bros TIPS	TIPS	437.25	7.0%	465.77	7.50%	-28.52	0.2%
Transition Account		0.61	0.0%	0.00	0.00%	0.61	0.0%
TOTAL FIXED-INCOME		1,547.82	24.9%	1,552.58	25.00%	-\$4.76	4.5%
Alternative Investments							
JMB/ Heitman Advisory Corp	real estate	0.00	0.0%				0.0
L&B Real Estate Counsel	real estate	19.00	0.3%				
Shott Capital Mgmt	alternative distribution	0.00	0.0%				
Pacific Corp Group	Private Equity	342.74	5.5%	465.77	7.50%	-123.04	(0.0)
Bank Disposition	contingency	0.50	0.0%				-
TOTAL ALTERNATIVE INVESTMENTS		\$362.24	5.8%	\$465.77	7.50%	-\$103.53	(0.0)
CASH EQUIVALENTS	STIF, Yield+	42.23	0.7%	0.00	0.00%	42.23	100.0%
TOTAL ASSETS		\$6,210.31	100.0%	\$6,210.31	100.00%	\$0.00	2.6%
Allocation By Management Style							
Domestic Equity							
Core		280.67	4.5%	279.46	4.50%	1.21	0.5%
Index		1,257.77	20.3%	1,257.59	20.25%	0.18	0.0%
Enhanced Equity		421.61	6.8%	419.20	6.75%	2.42	0.0%
Alt Distribution		2.64	0.0%	-	0.00%	2.64	0.1%
Active Small Cap		870.86	14.0%	838.39	13.50%	32.47	4.1%
TOTAL DOMESTIC EQUITY		\$2,833.55	45.6%	\$2,794.64	45.00%	\$38.91	1.3%
International Equity							
Active		1,424.47	22.9%	1,397.32	22.50%	27.15	0.7%
TOTAL INT'L EQUITY		\$1,424.47	22.9%	\$1,397.32	22.50%	\$27.15	0.7%
Domestic Fixed Income							
Mortgage		385.69	6.2%	388.14	6.25%	(2.45)	6.8%
Core		249.30	4.0%	232.89	3.75%	16.41	5.5%
Corporates		240.77	3.9%	232.89	3.75%	7.88	5.4%
High Yield		234.81	3.8%	232.89	3.75%	1.93	6.9%
TIPS		437.25	7.0%	465.77	7.50%	(28.52)	0.2%
TOTAL FIXED-INCOME		1,547.82	24.9%	1,552.58	25.00%	(4.76)	4.5%
Alternative Investments							
Real Estate		19.00	0.3%				(0.01)
Other Alternative Investments		343.24	5.5%				
TOTAL ALTERNATIVE INVESTMENTS		\$362.24	5.8%	\$465.77	7.50%	(\$103.53)	(0.01)
CASH EQUIVALENTS	STIF, Yield+	42.23	0.7%	0.00	0.00%	42.23	100.0%
TOTAL ASSETS		\$6,210.31	100.0%	\$6,210.31	100.00%	\$0.00	2.6%

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

JUNE 30, 2004

<i>Equities</i>				
RANK	SECURITY NAME	PAR VALUES/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	MICROSOFT CORP	311,600	\$8,899,296	SSgA
2	TRIAD HOSPS INC	237,600	8,845,296	Columbia,NorthPointe
3	NEXTEL PARTNERS INC	533,650	8,495,708	Columbia,NorthPointe
4	AFFILIATED MANAGERS GROUP	159,070	8,012,356	Wellington,NorthPointe
5	FOOT LOCKER INC	299,500	7,289,830	Wasatch
6	RED HAT INC	312,800	7,185,016	Wellington
7	BANK AMER CORP	84,200	7,125,004	SSgA
8	EXXON MOBIL CORP	154,770	6,873,336	SSgA
9	RENT A CTR INC	227,837	6,819,161	Wasatch
10	PROVIDIAN FINL CORP	464,700	6,817,149	Wellington,SSgA
		2.70%	\$76,362,152	
Total Composite Equities		\$2,831,910,013		

International Equity Holdings By Top 10 Market Values

JUNE 30, 2004

<i>International Equities</i>				
RANK	SECURITY NAME	PAR VALUES/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	NESTLE SA	64,604	\$17,229,109	Bank of Ireland
2	TOTAL SA EUR10	84,881	16,182,484	Bank of Ireland
3	CANON INC	274,300	14,454,704	Bank of Ireland
4	UBS	195,793	13,796,497	Bank of Ireland
5	ING GROEP	494,944	11,682,169	Bank of Ireland
6	E ON AG	157,940	11,394,953	Bank of Ireland
7	HSBC HLDGS	713,277	10,606,926	Bank of Ireland
8	NIPPON TEL+TEL	1,976	10,557,742	Bank of Ireland
9	NOVARTIS AG	230,206	10,155,606	Bank of Ireland
10	SAMSUNG ELECTRS LTD	24,401	10,072,936	Bank of Ireland
		8.88%	\$126,133,125	
Total Composite International Equities		\$1,420,506,944		

Top 10 Market Values SIC

FISCAL YEAR 2004

ERSKI & MERSRI

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ACCURAL BASIS

	Actual Jul 03	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 04	Actual Feb	Actual Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
EQUITIES													
SSGA Core		172,446				184,262			196,325			200,000	753,033
SSGA Russell 1000		30,031				29,775			36,992			37,500	134,297
Shott Capital		3,316				4,061			2,129			2,500	12,006
PIMCO		210,435				264,069			163,721			0	638,225
Columbia Equities		227,523				233,767			236,490			240,000	937,780
Wellington Mgmt		458,480				482,467			483,602			490,000	1,914,549
Wasatch Advisors		88,452				88,119			94,087			100,000	370,658
NorthPointe		402,628				413,949			425,095			425,000	1,666,673
FIXED INCOME													
Columbia Fixed Income		172,549				170,214			193,750			0	536,513
Brown Bros.		71,509				79,307			91,302			92,000	334,117
Fidelity		111,389				118,220			139,344			135,000	508,953
Taplin		127,577				129,644			138,295			135,000	530,517
Mackay Shields		125,851				126,619			127,241			125,000	504,711
Shenkman		113,199				117,719			127,798			125,000	483,716
Brown Bros.TIPS												125,000	125,000
INT'L EQUITIES													
Bank of Ireland		445,098				477,217			497,431			500,000	1,919,746
Futnam Investments		509,717				183,056			0			0	692,773
SSGA MSCI ACWI		0				24,024			12,982			15,000	52,006
Delaware Int'l Advisors												382,500	382,500
REAL ESTATE													
Heitman		12,885				83,156			88,329			85,000	12,885
L & B Real Estate		84,181											340,666
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fees	701,173	554,077	32,002	643,059	173,838	527,647	1,432,618	23,832	218,542	14,528	(47,021)	(228,985)	4,045,310
SUB TOTAL-INV MGMT FEES	701,173	554,077	3,399,368	643,059	173,838	3,737,290	1,432,618	23,832	3,273,456	14,528	(47,021)	2,990,515	16,896,633
PROFESSIONAL FEES													
Legal	8,000	3,500	10,500	3,500	9,850	3,500	8,500	3,500	10,500	3,500	3,500	3,500	71,850
St St Bank Custodial	14,943	13,044	42,852	23,132	55,982	22,786	16,246	3,252	3,307	22,000	22,000	22,000	261,544
Pacific Corp Group			68,750		68,750		68,750	68,750	68,750			68,750	343,750
Wiltshire Assoc	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667		16,667	16,667	200,004
Townsend						11,875			35,625			35,500	83,000
OPERATING EXPENSE													
Retirement Transfers				2,467,248					3,075	2,313,340		2,400,000	7,180,588
Other Expense													3,075
TOTAL:	740,783	587,388	3,538,036	3,153,606	335,087	3,792,118	1,474,031	116,001	3,411,381	2,370,035	(4,854)	5,556,932	25,040,444

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2004

	FY 2003-04												Actual		
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	TOTAL
	July	August	September	October	November	December	January	February	March	April	May	June			
	2003						2004								
MEMBER BENEFITS	38,021,120	39,132,922	40,830,514	40,030,681	40,433,605	40,254,915	41,688,982	41,739,227	42,311,322	41,958,890	41,899,694	41,899,505	490,201,377		
ADMINISTRATIVE EXPENSES	30,379	27,356	2,112,712	2,163,035	89,372	24,069	32,033	36,461	135,301	2,036,367	36,441	2,200,407	8,923,933		
INVESTMENT EXPENSES	696,090	276,418	2,871,377	556,803	149,978	2,681,933	1,238,804	20,607	2,282,895	12,560	(40,635)	2,584,161	13,330,991		
TOTAL OUTFLOW	38,747,589	39,436,696	45,814,603	42,750,519	40,672,955	42,960,917	42,959,819	41,796,295	44,729,518	44,007,817	41,895,500	46,684,073	512,456,301		
CONTRIBUTIONS	39,110,571	18,169,970	20,475,754	21,466,447	26,277,579	27,170,108	29,076,056	30,015,760	29,270,358	27,461,361	28,399,275	20,930,938	317,824,177		
OTHER INCOME*	1,460,222	1,725,619	4,904,196	2,134,799	1,950,307	1,446,900	5,249,645	1,437,852	5,995,344	1,770,703	2,400,221	8,291,941	38,767,749		
TOTAL INCOME	40,570,793	19,895,589	25,379,950	23,601,246	28,227,886	28,617,008	34,325,701	31,453,612	35,265,702	29,232,064	30,799,496	29,222,879	356,591,926		
DIFFERENCE	1,823,204	(19,541,107)	(20,434,653)	(19,149,273)	(12,445,069)	(14,343,909)	(8,634,118)	(10,342,683)	(9,463,816)	(14,775,753)	(11,096,004)	(17,461,194)	(155,864,375)		

Municipal Employees Retirement System

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	TOTAL
	July	August	September	October	November	December	January	February	March	April	May	June			
	2003						2004								
MEMBER BENEFITS	3,144,487	3,270,011	3,194,235	3,170,133	3,285,973	3,264,885	3,318,850	3,298,111	3,416,897	3,369,091	3,375,757	3,414,055	39,522,485		
ADMINISTRATIVE EXPENSES	4,538	4,087	315,988	320,654	13,248	3,596	4,789	5,447	20,217	304,254	5,452	329,456	1,331,726		
INVESTMENT EXPENSES	103,988	41,294	371,462	82,542	22,232	400,723	185,189	3,079	341,113	1,877	(6,083)	386,913	1,934,329		
TOTAL OUTFLOW	3,253,013	3,315,392	3,881,685	3,573,329	3,321,453	3,669,204	3,508,828	3,306,637	3,707,759	3,675,222	3,375,126	4,130,424	42,718,072		
CONTRIBUTIONS	2,300,995	1,610,728	2,345,799	2,992,926	2,221,368	2,276,985	2,522,158	2,095,203	3,707,759	4,889,221	2,813,909	27,207,250	56,984,301		
OTHER INCOME*	218,141	257,789	733,496	316,468	43,830	289,110	784,772	214,821	895,831	264,561	359,329	1,241,509	5,619,657		
TOTAL INCOME	2,519,136	1,868,517	3,079,295	3,309,394	2,265,198	2,566,095	3,306,930	2,310,024	4,603,590	5,153,782	3,173,238	28,448,759	62,603,958		
DIFFERENCE	(733,877)	(1,446,875)	(802,390)	(263,935)	(1,056,255)	(1,103,109)	(201,898)	(996,613)	(895,831)	(1,478,560)	(201,888)	(24,318,335)	(19,885,886)		

Judges/State Police
Retirement System

	Actual July 2003	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2004	Actual February	Actual March	Actual April	Actual May	Actual June	Actual TOTAL
MEMBER BENEFITS	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
ADMINISTRATIVE EXPENSES	193	176	13,865	14,438	605	166	223	259	972	14,886	274	16,554	62,601
INVESTMENT EXPENSES	4,408	1,775	16,299	3,714	1,015	18,435	8,625	146	16,408	91	(302)	19,441	90,055
TOTAL OUTFLOW	18,601	15,951	44,164	32,142	15,620	32,601	22,848	14,405	31,380	28,977	13,972	49,995	320,656
CONTRIBUTIONS	395,000	320,000	375,000	365,000	390,000	360,000	580,000	436,759	550,000	405,000	365,000	380,000	4,921,759
OTHER INCOME*	9,246	11,079	32,185	14,239	13,197	8,068	36,550	10,198	43,090	12,944	17,845	62,383	271,024
TOTAL INCOME	404,246	331,079	407,185	379,239	403,197	368,068	616,550	446,957	593,090	417,944	382,845	442,383	5,192,783
DIFFERENCE	385,645	315,128	363,021	347,097	387,577	335,467	593,702	432,552	561,710	388,967	368,873	392,388	4,872,127

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

CSFL04

Rhode Island Employees Retirement System Securities Lending Report June, 2004
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<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<u>DOMESTIC EQUITY</u>		
Columbia Partners	\$ 5,838	\$ 32,359,730
Wellington Mgmt. Co., LLP	9,645	57,049,296
Wasatch Advisors	11,743	32,317,645
NorthPointe Capital	10,744	54,788,068
SSgA Core	1,431	9,859,055
Total Domestic Equity	\$ 39,401	\$ 186,373,794
<u>INTERNATIONAL EQUITY</u>		
Bank of Ireland	52,128	88,337,756
Delaware Int'l Advisors	41,984	70,615,912
Total International Equity	\$ 94,111	\$ 158,953,668
<u>FIXED INCOME</u>		
Fidelity Management Trust Co	910	15,481,833
Columbia Management	0	0
Brown Brothers, Harriman	9,052	63,257,881
Taplin, Canida & Habacht	3,989	26,233,870
MacKay Shields	3,850	14,513,574
Shenkman Capital Management	4,367	13,988,989
Brown Brothers, Harriman (TIPS)	29,479	320,166,990
Total Fixed Income	\$ 51,647	\$ 453,643,137
TOTAL SECURITIES LENDING INCOME	\$ 185,159	\$ 798,970,598
Calendar Year 2004 YTD	\$ 878,756	

ALTERNATIVE INVESTMENTS

FISCAL YEAR ANALYSES

CASH FLOW

<u>FISCAL YEAR 2001</u>	<u>JUL 2000</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>IAN 2001</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
FUNDING	7,850,261	7,940,976	2,416,691	3,798,586	2,964,509	4,678,116	3,051,803	1,099,337	2,863,015	9,106,342	4,013,476	1,925,133	51,708,245
DISTRIB & RET OF CAPITAL	454,835	6,058,639	1,926,442	3,217,130	4,769,473	856,092	665,329	3,042,558	1,987,251	3,733,464	765,820	1,167,650	28,644,683
GAINS/LOSSES/INCOME	2,947,475	1,573,768	8,843,848	944,012	788,589	1,599,978	742,481	2,806,532	1,217,223	446,040	189,909	1,116,919	23,216,774
<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>IAN 2002</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
FUNDING	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
DISTRIB & RET OF CAPITAL	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	3,363,124	17,965,875
GAINS/LOSSES/INCOME	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>IAN 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	48,320	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>IAN 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

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

Short Term Investments Portfolio by Fund

As of June 30, 2004

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	157,797,994	8,778	157,806,772
4904 PENSION C	4,000,000	122	4,000,122
4908 PAYROLL A	0	0	0
4916 GENERAL FUND H.A.V.A.	2,561,185	0	2,561,185
4920 GENERAL FUND (HIST PRES)	452,197	422	452,619
5400 HIGHWAY FUND	8,093,775	0	8,093,775
5500 UNIVERSITY COLLEGE	1,800,000	55	1,800,055
5800 PROV. RIVER RELOCATION	0	0	0
6920 AUTO EQUIPMENT SERVICE	504,007	0	504,007
8000 T.D.I. RESERVE (DET)	89,535,838	49	89,535,886
8300 PERMANENT SCHOOL FUND	653,167	167	653,334
8400 EMP RETIREMENT FUND	6,015,088	0	6,015,088
8500 MUN EMP RETIREMENT FUND	406	0	406
8700 R.I. CLEAN WATER ACT	1,500,000	0	1,500,000
9000 BOND CAPITAL FUND	10,029,237	0	10,029,237
9400 R.I. HIGHER EDUCATION	0	0	0
9700 STATE LOTTERY FUND	7,834,281	122	7,834,403
9800 INDUS. BLDG. & MFG. INS.	3,513,164	0	3,513,164
9900 SINKING FUND	174,000	5	174,005
4911 TANS	0	0	0
Subtotal	294,464,338	9,720	294,474,059
8702 CLEAN WATER 1993 SER. A	15,692		
8703 CLEAN WATER 1991 SERIES A	694,911		
8704 CLEAN WATER 96 SERIES A	258,913		
8706 CLEAN WATER CCDL 1994 (A)	166,296		
8707 CAP DEV. OF 1997 SERIES A	74,899		
8710 CLEAN WATER CCDL 2002 A	421,784		
8711 CLEAN WATER 2004 SERIES A	753,119		
8733 CAP DEV. OF 1997 SERIES A	64,387		
8737 RI POLLUT. CONT 94 SER. A	6,335		
8739 CCDL99A 1999A	374,054		
8741 BOND 2001	0		
8742 POLLUTION CNTRL 2002 A	45,340		
8743 POLL.CONTRL 2004 SERIES A	1,238,003		
9114 G.O. NOTE 1991 SER. B	3,792		
9116 BOND CCDL 1993 SERIES A	544,372		
9117 BOND CCDL 1994 SERIES A	993,378		
9120 BOND CCBL96A	1,669,552		
9121 CAP DEV OF 1997 SERIES A	1,012,866		
9123 CCDL 1998B	2,575,714		
9124 CCDL99A 1999A	1,660,349		
9125 MMG099 1999	3,173		
9126 BOND CAPITOL CCDL2000A	5,045,940		
9127 MULTI-MODAL GEN OBL 2000	2,818		
9128 BOND 2001	899,686		
9129 BOND CCDL 2002 SERIES A	5,704,410		
9131 CCDL 2004 SERIES A	34,450,867		
Subtotal Bond Proceed Accounts	58,680,649		
Total Short Term Portfolio	353,144,988		

* General Fund (4901,4911,4916), TDJ (8000), & ISTE A (5400), Clean Water (8700), Lottery (9700), RI Ind Bidg (9800) and Auto Equip (6900) Investments do not reflect interest earnings on Brinson, Fidelity and Dreyfus MM, and Citizens Premium Investments due to nature of Money Market investments. Interest is posted on the 1st business day of the next month.

General Information

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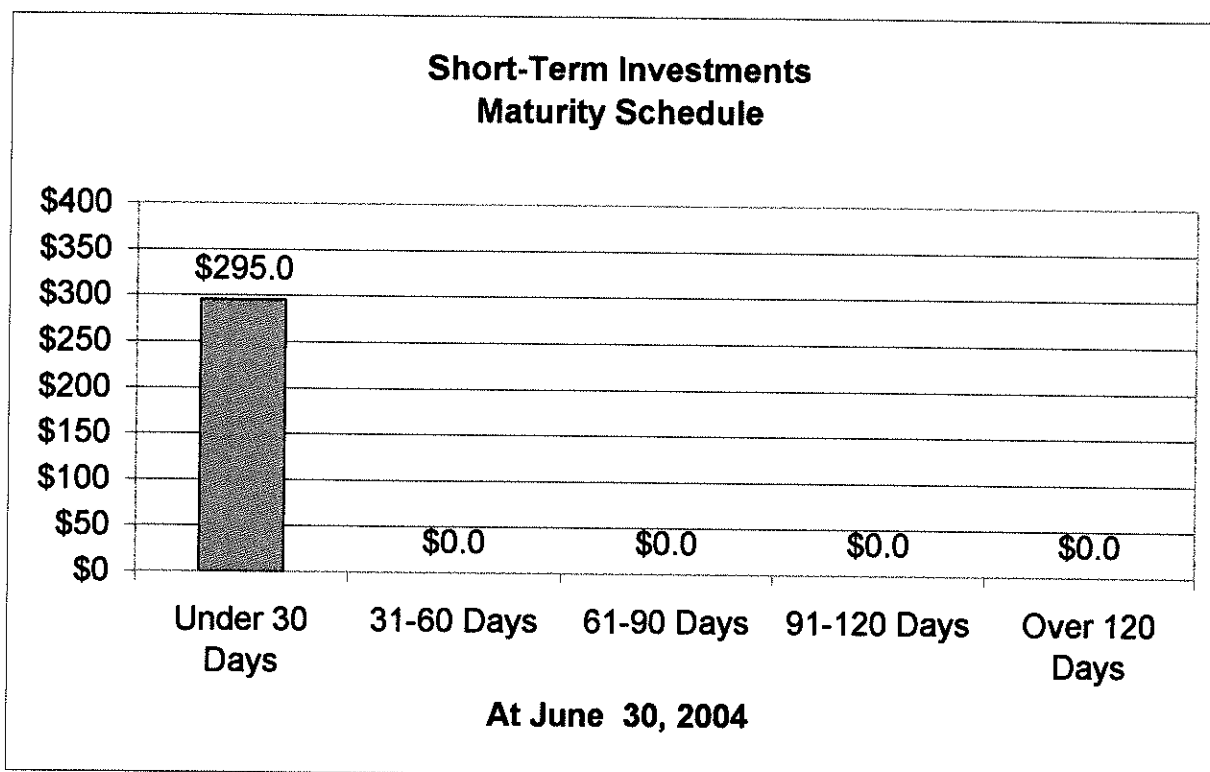
Short Term Interest Rate Performance
June 30, 2004

<u>Date</u>	<u>Amount Invested (millions)</u>	<u>Money Market Funds</u>	<u>Weighted Interest Rate</u>	<u>30 Day Treasury Rate</u>	<u>Basis Point Difference</u>	<u>Date</u>	<u>Total Investment (millions)</u>
6/01	\$11.90	\$0.14	0.94	0.89	5.00	6/01	\$403.45
6/02	\$22.78	\$0.00	0.98	0.94	4.34	6/02	\$407.52
6/03	\$34.25	\$0.14	0.93	0.94	-0.92	6/03	\$400.56
6/04	\$60.19	\$0.00	0.96	0.94	2.36	6/04	\$398.42
6/07	\$22.15	\$19.50	1.00	0.93	7.15	6/07	\$401.18
6/08	\$28.20	\$11.50	1.01	0.95	6.10	6/08	\$414.68
6/09	\$14.70	\$2.20	0.95	1.01	-5.77	6/09	\$415.78
6/10	\$67.70	\$0.00	0.98	1.01	-2.86	6/10	\$429.39
6/11	\$42.45	\$18.00	0.93	1.00	-7.36	6/11	\$446.24
6/14	\$67.74	\$0.00	0.94	0.00	94.33	6/14	\$474.44
6/15	\$61.40	\$0.00	1.02	1.05	-3.40	6/15	\$520.13
6/16	\$17.10	\$0.00	0.99	1.05	-5.94	6/16	\$523.63
6/17	\$21.90	\$5.00	0.98	1.03	-5.04	6/17	\$530.33
6/18	\$25.15	\$0.00	0.98	0.99	-1.02	6/18	\$512.04
6/21	\$124.55	\$0.00	0.93	1.00	-7.35	6/21	\$556.19
6/22	\$15.90	\$0.00	0.95	1.01	-6.42	6/22	\$552.69
6/23	\$14.60	\$4.60	0.99	1.03	-3.82	6/23	\$550.69
6/24	\$8.65	\$20.00	0.93	1.05	-12.00	6/24	\$565.64
6/25	\$35.80	\$13.10	0.96	1.08	-11.99	6/25	\$590.99
6/28	\$35.72	\$5.20	0.97	1.09	-11.54	6/28	\$602.88
6/29	\$32.33	\$5.00	1.08	1.12	-3.86	6/29	\$602.28
6/30	\$86.57	\$0.00	1.19	1.14	5.20	6/30	\$354.14

	<u>Amount Invested</u>		<u>Weighted Average Rate</u>	<u>Average 30 day Rate</u>	<u>Basis Point Difference</u>
Investments	\$851.71	89.08%	0.99	0.94	5
Money Market	\$104.38	10.92%			
Total	<u>\$956.09</u>	<u>100.00%</u>			

SHORT TERM INVESTMENTS
June 30, 2004

INSTRUMENT	SELLER	BALANCE	AVERAGE RATE	PERCENT OF TOTAL	GUIDELINES PERCENTAGE BY INSTITUTION	GUIDELINES PERCENTAGE BY INSTRUMENT
(14) CD's	Citizens Bank	2,105,364.38	1.10%	0.71%	15%	15%
	State Street Bank	0.00	0.00%	0.00%		
	Sub-Total:	2,105,364.38		0.71%		
(19) US AGCY OBLIG	First Tennessee	33,993,200.00	1.20%	11.52%	35%	75%
	Fleet National Bank	0.00	0.00%	0.00%		
	Morgan Stanley	0.00	0.00%	0.00%		
	Zions Bank	0.00	0.00%	0.00%		
	Paine Webber	0.00	0.00%	0.00%		
	Chase Securities	0.00	0.00%	0.00%		
Sub-Total:	33,993,200.00		11.52%			
(15) COMMERCIAL PAPER	Fleet National Bank	0.00	0.00%	0.00%	10%	25%
	Dean Witter	0.00	0.00%	0.00%		
	GE	19,998,633.33	1.23%	6.78%		
	Citigroup	0.00	0.00%	0.00%		
	Ford Motor Co	0.00	0.00%	0.00%		
Sub-Total:	19,998,633.33		6.78%			
(17) GOVERNMENT MONEY MRKT	Fidelity	47,503,561.00	0.98%	16.10%	35%	50%
	Brinson Advisors	74,792,308.08	0.97%	25.36%		
	Dreyfus	24,905,892.90	0.89%	8.44%		
(16) REPURCHASE AGREEMENTS	M/S Dean Witter	0.00	0.00%	0.00%	20%	100%
	State Street Bank	31,574,000.00	1.10%	10.70%		
	Sun Trust	0.00	0.00%	0.00%		
	Paine Webber	0.00	0.00%	0.00%		
Sub-Total:	31,574,000.00		10.70%			
(12) COLLATERALIZED DEPOSITS	Citizens Bank	60,091,378.55	1.25%	20.37%	10%	25%
	State Street Bank	0.00	0.00%	0.00%		
	Chase Securities	0.00	0.00%	0.00%		
Sub-Total:	60,091,378.55		1.25%			
TOTAL:		=====	=====	=====		
		294,964,338.24	1.18%	100.00%		



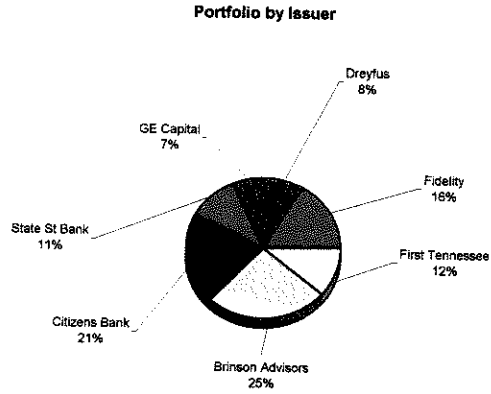
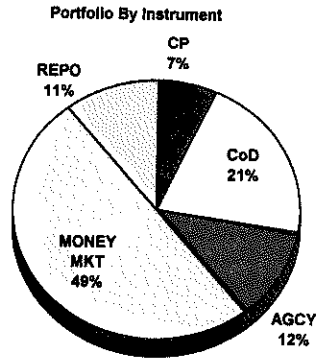
Maturities in \$Millions

Note: Includes \$207.29 Million of Money Market investments with no specific maturity

Summary Portfolio Yields

June, 2004	1.10%
May, 2004	1.04%
June, 2003	1.23%

RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT JUNE 30, 2004



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

Vendor	CP	CD	Agency	Money Mkt	CoD	Repo	Total (\$)
Guidelines-Total/Vendor	25%/10%	25%/10%	75%/35%	50%/35%	25%/25%	100%/20%	
Dreyfus	0	0	0	24,905,893	0	0	24,905,893
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	47,503,561	0	0	47,503,561
First Tennessee	0	0	33,993,200	0	0	0	33,993,200
Brinson Advisors	0	0	0	74,792,308	0	0	74,792,308
Citizens Bank	0	1,105,384	0	0	60,591,379	0	61,696,743
GE Capital	19,998,633	0	0	0	0	0	19,998,633
Sun Trust	0	0	0	0	0	0	0
Citi-Group	0	0	0	0	0	0	0
State St Bank	0	0	0	0	0	31,574,000	31,574,000
TOTALS	19,998,633	1,105,384	33,993,200	147,201,762	60,591,379	31,674,000	294,464,338
(%) PORTFOLIO	7%	0%	12%	50%	21%	11%	100%

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

SPECIAL FUNDS
 INVESTMENT SUMMARY
 JUNE 30, 2004

<u>FUND NAME</u>	<u>EQUITIES</u>	<u>CASH & EQUIVALENTS</u>	<u>Gain/Loss</u>	<u>TOTAL MARKET VALUE</u>
<u>Abraham Touro Fund</u>	\$0	\$1,908,498	\$12,143	\$1,908,498
<u>State of Rhode Island Land Grant Fund</u>	0	\$64,766	\$22	\$64,766
<u>TOTALS</u>	\$0	\$1,973,264	\$12,164	\$1,973,264

Performance Update

ING Life Insurance and Annuity Company

STATE OF RHODE ISLAND ING Custom Choice - Blend (wrapped)

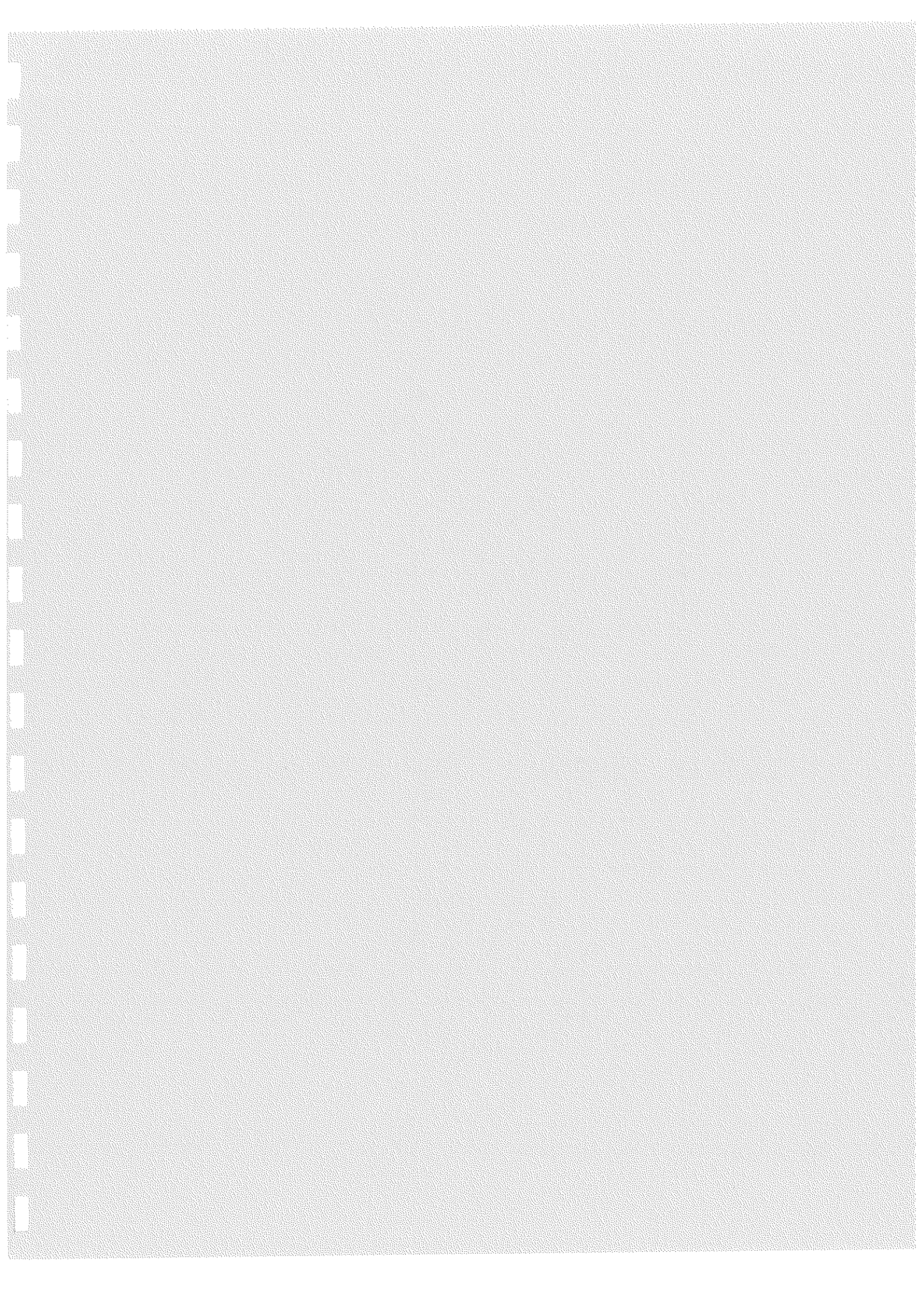
Average Annual Total Returns as of 06/30/2004

Past performance is no guarantee of future results. For month-end performance which may be higher / lower than shown, call 1-800-262-3862. Investing contains market risk, including the possible loss of principal. Consider the investment objectives, risks charges, expenses of the product and underlying fund options. The prospectus / prospectus summaries contain this and other information; you may obtain Separate Account / fund prospectuses by calling 1-877-882-5050, read carefully before investing. Current performance may be less than the figures shown. Please note that indexes are unmanaged and do not reflect the fees and expenses of the mutual funds to which they are compared. Individuals cannot invest directly into any index.

Investment Options	Fund Benchmark ID (BM)	1-Mo.* Fund BM	3-Mo.* Fund BM	YTD* Fund BM	1-Yr Fund BM	3-Yr Fund BM	5-Yr Fund BM	10-Yr Fund BM	Since Fund Inception	Fund Inception Date				
Global / International														
ING JPMorgan International Portfolio - Initial Class - 104	MSDUEAFE	1.78%	0.43%	4.86%	26.88%	32.85%	-1.07%	4.26%	-1.58%	0.41%	3.27%	11/28/1997		
Janus Aspen Series Worldwide Growth Portfolio - Inst Shares - 123	MSDUWIC	-0.82%	-8.15%	1.05%	12.56%	24.57%	-7.10%	1.32%	-3.13%	-1.31%	9.93%	09/13/1993		
Aggressive Growth														
AIM V.I. Capital Appreciation Fund - Series I Shares - 076	SPXRE	2.31%	1.94%	1.72%	18.69%	19.11%	-3.08%	-0.68%	-2.03%	-2.19%	8.95%	11.83%	05/05/1993	
ING VP Small Company Portfolio - Class I - 042	RS2000	2.39%	4.21%	2.86%	6.76%	24.16%	33.36%	2.29%	7.62%	6.63%	10.87%	12/27/1996		
Janus Aspen Series Mid Cap Growth Portfolio - Inst Shares - 119	RSMIDGRW	2.65%	1.59%	3.43%	5.94%	26.07%	27.34%	-4.54%	0.23%	-5.55%	0.49%	9.69%	10.88%	09/13/1993
Growth														
Fidelity® VIP Contrafund® Portfolio - Initial Class - 133	SPXRE	2.25%	1.94%	1.72%	24.65%	19.11%	6.45%	-0.68%	2.53%	-2.19%	13.92%	01/03/1995		
Fidelity® VIP Growth Portfolio - Initial Class - 109	RS3000G	1.62%	1.41%	1.79%	18.81%	18.81%	-4.95%	-3.50%	-3.67%	-6.05%	10.88%	9.78%	10/09/1986	
ING MFS Capital Opportunities Portfolio - Initial Class - 100	SPXRE	2.78%	1.94%	1.72%	16.63%	19.11%	-7.27%	-0.68%	-3.74%	-2.19%	3.56%	11/28/1997		
ING UBS U.S. Large Cap Equity Portfolio - Initial Class - 105	SPXRE	2.34%	1.94%	1.72%	17.13%	19.11%	-3.91%	-0.68%	-3.42%	-2.19%	1.56%	11/28/1997		
ING VP Value Opportunity Portfolio - Class I - 041	SPXRE	1.72%	1.94%	1.72%	16.56%	19.11%	-5.06%	-0.68%	0.41%	-2.19%	9.36%	12/13/1996		
Growth & Income (Stocks)														
AIM V.I. Core Equity Fund - Series I Shares - 079	SPXRE	1.87%	1.94%	1.72%	18.07%	19.11%	-0.64%	-0.68%	-3.33%	-2.19%	9.82%	11.83%	05/02/1994	
Fidelity® VIP Equity-Income Portfolio - Initial Class - 108	RS3000V	2.57%	1.64%	0.87%	4.24%	21.83%	22.13%	2.42%	3.62%	1.72%	2.62%	11.11%	12.65%	10/09/1986
ING VP Growth and Income Portfolio - Class I - 001	SPXRE	2.08%	1.94%	1.72%	17.95%	19.11%	-4.06%	-0.68%	-5.44%	-2.19%	7.62%	11.83%	05/01/1975	
ING VP Index Plus LargeCap Portfolio - Class I - 035	SPXRE	1.90%	1.94%	1.72%	17.88%	19.11%	-1.42%	-0.68%	-2.42%	-2.19%	8.72%	09/16/1996		
Growth & Income (Stocks & Bonds)														
Calvert Social Balanced Portfolio - 101	SPXRE	1.18%	1.94%	0.28%	12.27%	19.11%	1.07%	-0.68%	0.68%	-2.19%	8.47%	11.83%	09/02/1986	
ING VP Balanced Portfolio, Inc. - Class I - 008	SPX_L	1.59%	1.67%	-0.31%	2.58%	10.97%	14.70%	2.54%	2.68%	1.87%	9.84%	10.44%	04/03/1989	
Janus Aspen Series Balanced Portfolio - Inst Shares - 124	SPXRE	1.49%	1.94%	0.10%	3.45%	9.32%	19.11%	2.38%	-0.68%	2.76%	-2.19%	11.77%	11.83%	09/13/1993
Income														
ING VP Bond Portfolio - Class I - 004	LEHM	0.61%	0.57%	-2.14%	1.37%	0.33%	6.51%	6.36%	6.71%	6.95%	7.12%	7.39%	05/23/1973	
Stability of Principal	MFR	0.31%	0.05%	0.93%	1.92%	0.25%	4.26%	0.49%	5.00%	1.15%	5.41%	2.81%	5.92%	3.90%
ING Fixed Account - 457/401 - Base+40 (***) - 043														

Performance Update

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 iMoneyNet, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.
MSDUEAFE	Morgan Stanley Capital International Europe, Australia, Far East Index is a market value-weighted average of the performance of more than 900 securities listed on the stock exchanges of countries in Europe, Australia and the Far East. The MSCI EAFE returns assume reinvestment of all dividends.
MSDUWIC	The MSCI World Index (an equity index calculated by Morgan Stanley Capital International) is a market value-weighted average of the performance of more than 1,460 securities listed on the stock exchanges of the developed nations of the world. The MSCI World Index returns assume reinvestment of all dividends.
RS2000	The Russell 2000 Index (a small cap index) consists of the smallest 2,000 companies in the Russell 3000 Index and represents approximately 10% of the Russell 3000 total market capitalization. The Russell 2000 returns assume reinvestment of all dividends.
RS3000G	The Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.
RS3000V	The Russell 3000 Value Index is a market capitalization-weighted index of value-oriented stocks of U.S. domiciled corporations.
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 JUNE 30, 2004

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**.

For the Fidelity Select (Equity) Portfolios, you may pay a \$7.50 fee for each exchange out of a Select Equity Portfolio unless you use one of Fidelity's automated exchange services.

Fund No.	Fund Name	7-Day Yield▲	Cumulative Total Returns % Period Ending June 30, 2004		Average Annual Total Returns % Period Ending June 30, 2004				Short-Term Trading Fee (%/Days)	Fund Inception	Expense Ratio
			3 Month	YTD	1 Year	5 Year	10 Year	Life of Fund			
LIFE-CYCLE♣											
00370	Fidelity Freedom 2000++		-0.66	0.94	5.16	3.79	n/a	7.26	n/a	10/17/96	0.71○
00371	Fidelity Freedom 2010++		-0.62	1.59	9.94	3.40	n/a	8.41	n/a	10/17/96	0.81○
00372	Fidelity Freedom 2020++		-0.09	2.37	15.27	2.13	n/a	8.37	n/a	10/17/96	0.87○
00373	Fidelity Freedom 2030++		0.24	2.71	17.94	1.18	n/a	7.92	n/a	10/17/96	0.89○
00369	Fidelity Freedom Income++		-0.74	0.78	4.02	4.13	n/a	6.08	n/a	10/17/96	0.68○
MONEY MARKET (SHORT-TERM)*											
00630	Fidelity Retirement Money Market	0.86	0.20	0.39	0.79	3.14	4.23	4.77	n/a	12/02/88	0.42
BOND											
99474	PIMCO Total Return - Administrative Class		-2.24	0.33	0.78	7.40	n/a	7.82	n/a	9/08/94	0.68
BALANCED/HYBRID											
00004	Fidelity Puritan®		0.38	2.49	15.15	3.85	9.85	11.80	n/a	4/16/47	0.64
DOMESTIC EQUITY - LARGE VALUE											
00023	Fidelity Equity-Income		1.63	3.41	21.64	1.66	11.28	13.16	n/a	5/16/66	0.71
DOMESTIC EQUITY - MID VALUE■											
00039	Fidelity Value		3.67	8.81	30.47	7.34	12.56	14.25	n/a	12/01/78	0.95
DOMESTIC EQUITY - LARGE BLEND											
00022	Fidelity Contrafund®		2.36	6.20	24.18	2.30	13.33	13.24	n/a	5/17/67	1.00
00330	Fidelity Dividend Growth		0.61	2.01	12.62	1.01	15.18	14.72	n/a	4/27/93	0.96
00027	Fidelity Growth & Income		1.11	2.47	12.99	-1.70	10.77	13.78	n/a	12/30/85	0.70

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

continued



AS OF JUNE 30, 2004

Fund No.	Fund Name	Cumulative Total Returns % Period Ending June 30, 2004		Average Annual Total Returns % Period Ending June 30, 2004				Short-Term Trading Fee (%/Days)	Fund Inception	Expense Ratio
		3 Month	YTD	1 Year	5 Year	10 Year	Life of Fund			
DOMESTIC EQUITY - LARGE BLEND (CONTINUED)										
00021	Fidelity Magellan®	0.77	2.21	14.97	-3.17	10.09	19.10	n/a	5/02/63	0.70
00650	Spartan® U.S. Equity Index++	1.68	3.35	18.91	-2.34	11.62	11.78	n/a	2/17/88	0.19
DOMESTIC EQUITY - LARGE GROWTH										
00312	Fidelity Blue Chip Growth	1.75	2.75	15.37	-3.91	9.32	13.04	n/a	12/31/87	0.65
00093	Fidelity OTC	1.94	3.63	25.28	-2.63	11.33	14.65	n/a	12/31/84	0.90
DOMESTIC EQUITY - MID GROWTH■										
00337	Fidelity Mid-Cap Stock	-1.03	2.09	20.81	6.81	15.19	14.42	0.75/30	3/29/94	0.70
93392	Franklin Small-Mid Cap Growth - Class A	2.07	4.37	23.93	3.94	13.34	12.74	n/a	2/14/92	1.02
INTERNATIONAL/GLOBAL††										
00325	Fidelity Diversified International	-1.83	4.77	32.22	8.03	11.36	10.68	1.00/30	12/27/91	1.15
MARKET INDICES^^										
For comparison only. These are not Fidelity funds.										
	Dow Jones Industrial Average	1.27	0.86	18.60	0.90	13.35				
	Lehman Brothers Intermediate Gov't/Credit Bond Index	-2.52	-0.11	-0.07	6.75	6.90				
	Morgan Stanley EAFE® Index	0.31	4.69	32.54	0.29	4.23				
	Standard & Poor's 500™ Index	1.72	3.44	19.11	-2.20	11.83				

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.

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™ 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.

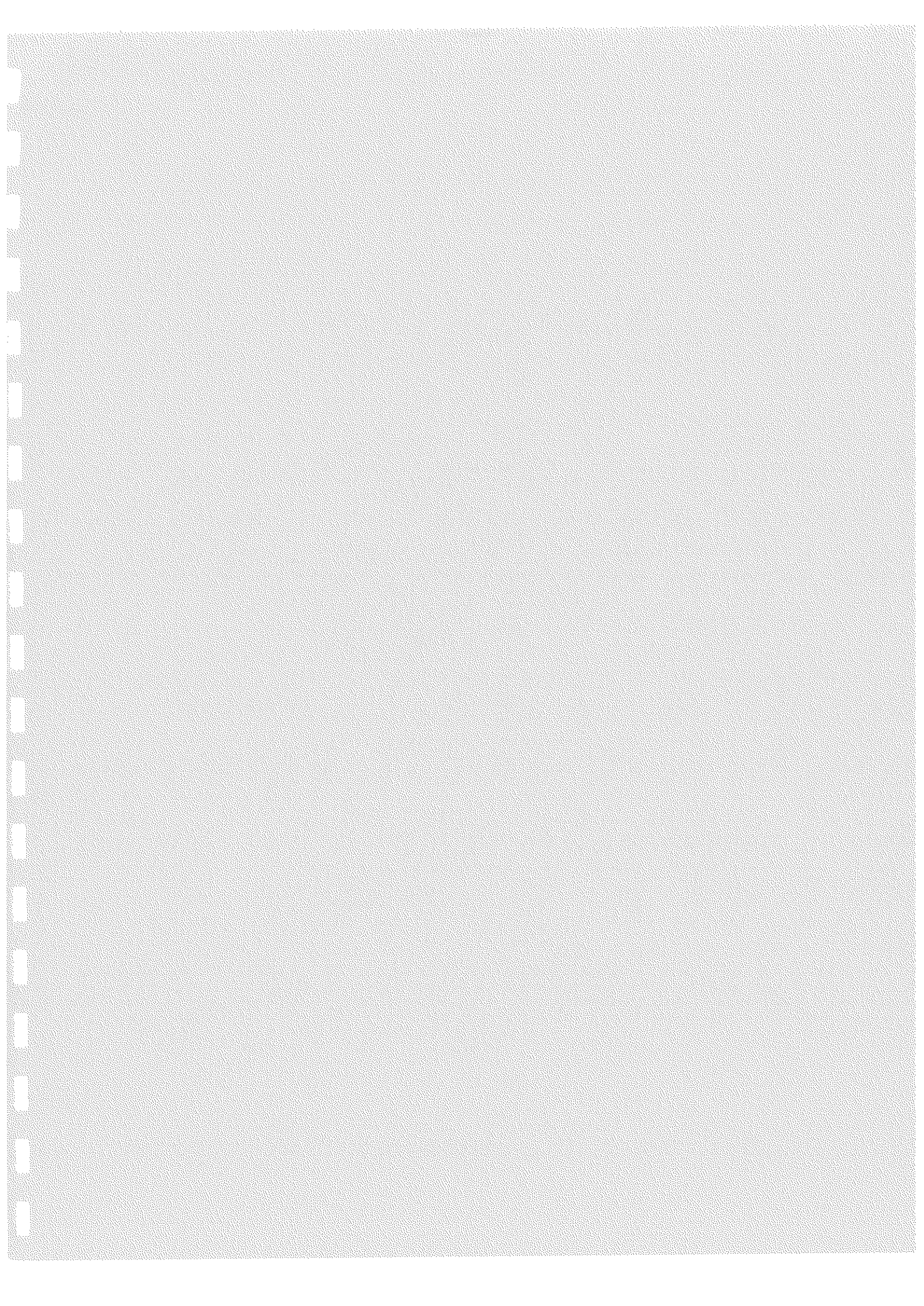
Please see important disclosures on the last page(s).

continued

AS OF JUNE 30, 2004

†† 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.

Before investing in any investment option, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call Fidelity at 1-800-343-0860 or visit www.fidelity.com for a free mutual fund or variable annuity prospectus or a fixed annuity fact sheet. Read it carefully before you invest.



VALIC

**STATE OF RHODE ISLAND
MUTUAL FUND SELECTION**

The information is current as of 06/30/2004.

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	(3.52)	11.68	(7.58)	(2.99)	**	4.88	1.20	5/1/1997
MSCI World	2.53	21.98	(0.69)	(3.05)	5.62			
Aggressive Growth								
<i>Large Growth</i>								
Putnam Voyager A	1.45	14.12	(5.82)	(3.89)	9.88	11.82	1.02	4/1/1969
S&P 500	3.44	19.10	(0.69)	(2.20)	11.82			
Science & Tech								
<i>Large Growth</i>								
Franklin DynaTech A	3.98	22.86	3.50	1.88	12.18	9.00	1.00	12/27/1967
S&P 500	3.44	19.10	(0.69)	(2.20)	11.82			
Socially Responsible								
<i>Large Blend</i>								
Calvert Social Inv Equity A	1.30	13.30	1.78	4.75	10.47	8.60	1.29	8/24/1987
S&P 500	3.44	19.10	(0.69)	(2.20)	11.82			
Growth								
<i>Large Growth</i>								
MFS Massachusetts Inv Grth A	2.65	11.73	(6.66)	(4.90)	11.89	**	0.95	1/1/1935
SunAmerica Blue Chip Growth I	1.51	15.26	**	**	**	(3.61)	2.44	11/16/2001
S&P 500	3.44	19.10	(0.69)	(2.20)	11.82			
Growth & Income								
<i>Large Blend</i>								
Dreyfus Disc Stock	1.18	14.98	(3.44)	(4.12)	10.17	11.53	1.00	12/31/1987
SunAmerica Growth & Income I	0.88	15.13	**	**	**	(2.53)	1.32	11/16/2001
S&P 500	3.44	19.10	(0.69)	(2.20)	11.82			
Index								
<i>Large Blend</i>								
Dreyfus Intl Stock Index	4.44	31.77	2.58	(0.97)	**	0.94	0.60	6/30/1997
MSCI (EAFE)	4.56	32.37	3.87	0.06	4.06			
Vanguard 500 Index	3.37	18.91	(0.81)	(2.26)	11.75	12.35	0.18	8/31/1976
S&P 500	3.44	19.10	(0.69)	(2.20)	11.82			
<i>Small Growth</i>								
Dreyfus Small Cap Stock Idx	9.80	34.34	8.80	10.22	**	9.49	0.50	6/30/1997
S&P 600	10.05	35.25	9.35	10.69	13.60			
<i>Mid-Cap Blend</i>								
Dreyfus MidCap Index	5.82	27.34	6.03	8.46	14.85	14.06	0.50	6/19/1991
S&P Midcap 400	6.08	27.98	6.58	9.05	15.47			
Balanced								
<i>Large Growth/ Bond: Interm Corp/Govt</i>								
Dreyfus Founders Balanced F	0.34	8.51	(2.58)	(5.12)	4.70	8.66	1.54	2/19/1963
60% S&P500 / 40% LB Aggregate Bond	2.08	11.59	2.13	1.46	10.05			
<i>Large Blend/ Bond: Interm Corp</i>								
SunAmerica Balanced Assets I	0.82	8.90	**	**	**	(1.24)	1.33	11/16/2001
60% S&P500 / 40% LB Aggregate Bond	2.08	11.59	2.13	1.46	10.05			
Lifecycle								
<i>Asset Allocation</i>								
SunAmerica Focused Balanced Strategy I	**	**	**	**	**	0.14	0.36	2/23/2004
SunAmerica Focused Equity Strategy I	**	**	**	**	**	0.99	0.51	2/23/2004
Bond								
<i>Interm Corp/Govt</i>								
SunAmerica Core Bond I	(0.53)	-0.97	4.51	**	**	5.69	1.24	7/10/2000
LB Aggregate	0.15	0.32	6.36	6.95	7.39			
<i>Interm-Term Govt</i>								
Strong Government Secs Inv	(0.12)	-0.58	6.09	6.60	7.15	7.89	0.90	10/29/1986
LB Intermediate Government Bond	2.21	-0.48	5.49	6.25	6.56			
Fixed Account								
VALIC Fixed-Interest Option ***		June 2004		4.00%				
		Calendar Year 2004		3.50% (min. guaranteed)				

Source: Morningstar Principia Pro (as of 06-30-04)

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.

For more complete information about the mutual funds and services, including charges and expenses, please call 1-888-568-2542 for a prospectus kit. Please read the prospectus carefully before investing or sending money. Securities and investment advisory services are offered through VALIC Financial Advisors Inc., 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 11/19/2001, 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).

Portfolio Director

Financial Research Agency

The information is current as of 06/30/2004.

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
International Equity									
<i>Large Cap Value</i>									
	Templeton Foreign ³	2.22	24.35	4.81	3.40	6.44		2.03	10/5/1982
<i>Large Cap Blend</i>									
	International Equities	3.54	25.61	(0.79)	(3.60)	1.84		1.48	10/2/1989
<i>Large Cap Growth</i>									
	Putnam Global Growth ²	1.47	18.12	(1.99)	(0.22)	**	9.38	2.16	7/1/1994
<i>Large Cap Value</i>									
	Vanguard Windsor II ³	6.32	20.91	2.07	0.98	11.45		1.47	6/24/1985
<i>Large Cap Blend</i>									
	Core Equity (Wellington/WAMU)	3.10	16.79	(2.11)	(5.48)	7.92		1.65	4/29/1994
<i>Large Cap Growth</i>									
	Putnam New Opportunities ³	2.88	17.87	(7.45)	(6.56)	8.24		1.78	8/31/1990
	American Century – 20th Century Ultra	4.80	16.77	(2.37)	(3.41)	9.63		1.83	11/2/1981
	Large Cap Growth (SunAmerica)	1.20	14.56	(5.12)	**	**	(12.70)	1.86	12/8/2000
	Income & Growth (American Century)	4.34	19.97	0.48	**	**	(1.45)	1.63	12/8/2000
<i>Mid Cap Growth</i>									
	Putnam OTC & Emerging Growth ³	3.26	18.50	(10.21)	(14.33)	1.96		2.04	11/1/1982
Index									
<i>Small Cap Blend</i>									
	Small Cap Index	6.27	31.92	4.94	5.56	9.82		1.32	5/1/1992
<i>Mid Cap Blend</i>									
	Mid Cap Index	5.42	26.45	5.30	7.73	14.17		1.25	10/1/1991
<i>Large Cap Blend</i>									
	Stock Index	2.88	17.78	(1.84)	(3.34)	10.61		1.20	4/20/1987
Socially Responsible									
<i>Large Cap Blend</i>									
	Social Awareness	3.07	16.61	(1.48)	(3.84)	10.18		1.45	10/2/1989
Specialty									
<i>Specialty - Technology</i>									
	Science & Technology (T. Rowe Price)	(0.66)	22.51	(10.72)	(12.34)	8.71		1.84	4/29/1994
Lifestyle									
<i>Mid Cap Blend</i>									
	Aggressive Growth Lifestyle	2.28	18.87	0.44	0.55	**	4.64	0.65	9/22/1998
	Moderate Growth Lifestyle	1.67	14.01	2.78	2.78	**	5.99	0.65	9/22/1998
<i>Large Cap Blend</i>									
	Conservative Growth Lifestyle	1.15	9.23	3.44	3.81	**	6.24	0.65	9/22/1998
Balanced									
<i>Large Cap Blend Interm Corp Bond</i>									
	Asset Allocation	1.78	10.85	2.04	0.84	8.22		1.52	9/6/1983
<i>Large Cap Value Interm Corp Bond</i>									
	Vanguard Wellington ³	2.08	12.71	4.09	4.1	10.47		1.41	7/1/1929
Non-US Govt Bond									
<i>High Quality Med Duration</i>									
	International Government	(2.72)	3.56	11.80	5.13	4.60		1.57	10/1/1991
Corporate Bond									
<i>Long Term Corp Bond</i>									
	Capital Conservation	(0.53)	(0.91)	4.59	5.18	5.83		1.50	1/16/1986
	Vanguard Long-Term Corporate ³	(0.74)	(3.26)	7.35	6.84	7.20		1.11	7/9/1973
US Govt Bond									
<i>Intermediate Government</i>									
	Government Securities	(0.73)	(3.01)	4.90	5.48	5.77		1.46	1/16/1986
<i>Long Government</i>									
	Vanguard Long-Term Treasury ³	(0.65)	(4.63)	6.83	6.98	7.53		1.08	5/19/1986
Money Market									
<i>Short Term Money Market Instruments</i>									
	Money Market I	(0.15)	(0.30)	0.32	2.03	3.12		1.40	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.

¹ 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

² 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.

³ 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.

⁴ 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.

