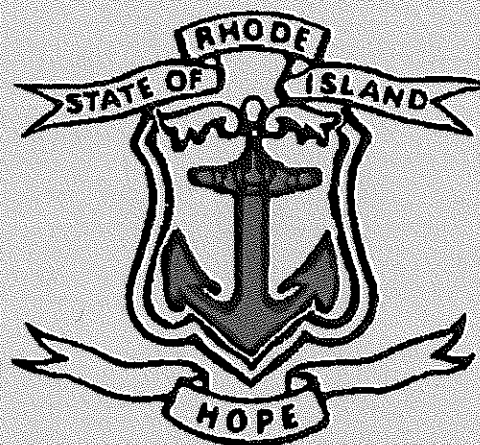


# State of Rhode Island and Providence Plantations



Office of the General Treasurer

Paul J. Tavares  
General Treasurer

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
JULY 31, 2004**

**STEPHEN F. IAFRATE**

**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**



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

Paul J. Tavares  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, August 25, 2004 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 7/20/04 \*
3. Alternative Investment – Pacific Corporate Group
  - Proposed Investment – Providence Equity Partners V, L.P. \*
4. Real Estate Investment – The Townsend Group
  - Proposed Investment – Fremont Strategic Property Partners II, L.P. \*
5. State Street Custody Contract \*
6. General Consultant's Report – Wilshire Associates Incorporated
  - Capital Market Update
7. Legal Counsel Report
8. Deputy Treasurer for Finance Report
9. Treasurer's Report
10. New Business

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

**POSTED ON THURSDAY, AUGUST 19, 2004**



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

**Special Meeting July 20, 2004**

A Special State Investment Commission ("SIC") meeting was held in Room 135, State House, Providence, Rhode Island on Tuesday, July 20, 2004. There being a quorum present, the Treasurer called the meeting to order at 10:05 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Sen. Daniel DaPonte, Ms. Rosemary Booth Gallogly, Ms. Marcia Reback, Mr. James E. Thorsen, Mr. John R. Treat, and General Treasurer Paul J. Tavares. Also present were: Mr. George Carvalho, Chief of Staff, Ms. Joan M. Caine, Deputy Treasurer for Finance, Jayne Donegan, Esq., of Brown Rudnick Berlack Israels, Legal Counsel to the Commission, and other members of the Treasurer's Staff. Mr. William G. Bensur of Wilshire Associates Incorporated, General Consultant to the Commission was conferenced in by telephone. Absent was Dr. Robert J. McKenna.

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

**VOTED: To approve the Minutes of the June 23, 2004 Regular Meeting.**

Columbia Management Co. ("Columbia") Treasurer Tavares thanked Commission members for attending this Special Meeting of the SIC on short notice.

Mr. Bensur gave a brief overview of the small stock manager search in which Columbia was selected in 2002. At that time, Columbia had a solid investment team and a solid investment philosophy process. He noted that Columbia has experienced significant changes to both their organizational structure and investment personnel since that time. He stated that in mid-2002, Columbia lost one senior portfolio manager and two small stock analysts.

Mr. Bensur explained that Columbia was a subsidiary of FleetBoston Financial. In April 2004, Columbia became a wholly-owned subsidiary of Bank of America as a result of the acquisition of FleetBoston Financial by Bank of America. On June 30, 2004, Columbia's small stock portfolio management team, headed by Chief Investment Officer and lead portfolio manager Rick Johnson, announced that they would be leaving the organization to start their own firm.

Mr. Bensur stated that these were significant changes, at both the organizational and product levels, and that the Columbia small stock product is no longer the same product that was retained as the result of the selection process. He noted that Wilshire recommends termination of the investment management relationship with Columbia, effective immediately. He recommended the following distribution of proceeds from the Columbia termination in order to fully fund the TIPS strategy and maintain the small stock strategic profile of the Employees' Retirement System of RI:

<u>Source of Funds</u>	<u>Uses of Funds</u>
Columbia (\$140 million)	Brown Brothers (TIPS) \$25 million
	NorthPointe Capital \$27.5 million
	Wasatch \$27.5 million
	Wellington \$60 million

These amounts are based on market values as of July 8, 2004 and are subject to adjustments at the time of action.

Mr. Costello inquired regarding whether it made sense to send out an RFP for another small cap manager to replace Columbia. Mr. Bensus noted that the RFP process, which would be required to hire an additional small cap investment manager, is not time sensitive. The process takes approximately six months and could take longer. Treasurer Tavares noted that the overall allocation to small cap would remain the same after the distribution of proceeds; and that Wilshire and staff would review the allocation of the small cap portfolio.

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

**VOTED: To terminate Columbia Management Co., effective immediately, based on significant changes to investment personnel and organizational structure and to invest the assets with existing small cap managers as indicated in Wilshire Associates' recommendation letter dated July 13, 2004.**

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

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 10:16 a.m.

Respectfully submitted,

Paul J. Tavares  
General Treasurer



**RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
July 31, 2004**

**PORTFOLIO PERFORMANCE**

**July**

The ERSRI portfolio posted a loss of -2.37% for the month of July, the same return as the policy index. Domestic equities were down -4.43%, international equities lost -2.43%, and the fixed income asset class gained 0.75%. Additionally, the retirement fund earned \$106,686 from the securities lending program during this month.

**Calendar Year**

For the seven months ended July 31st, 2004, the portfolio is up 1.14% against the policy index of 0.62%. Domestic equities lost -0.90%, international equities were up 1.36%, and fixed income gained 1.20%.

**Fiscal Year to Date**

For one month ended July 31st, 2004, the fund lost -2.37%, the same return as the policy index.

Index Performance Summary - July 31, 2004		
Market Indices	Jul-04	Calendar YTD
<b>Domestic Equity</b>		
S & P 500	-3.31%	0.02%
Wilshire 5000	-3.73%	0.12%
Russell 2000	-6.73%	-0.43%
Russell 2500	-5.82%	0.06%
Russell 1000	-3.51%	-0.30%
Policy Index	-2.37%	0.64%
<b>International Equity</b>		
MSCI ACWI	-2.91%	1.07%
<b>Fixed Income</b>		
Lehman AGG	0.99%	1.14%
<b>Real Estate</b>		
Wilshire RE Sec Inde	0.53%	7.60%

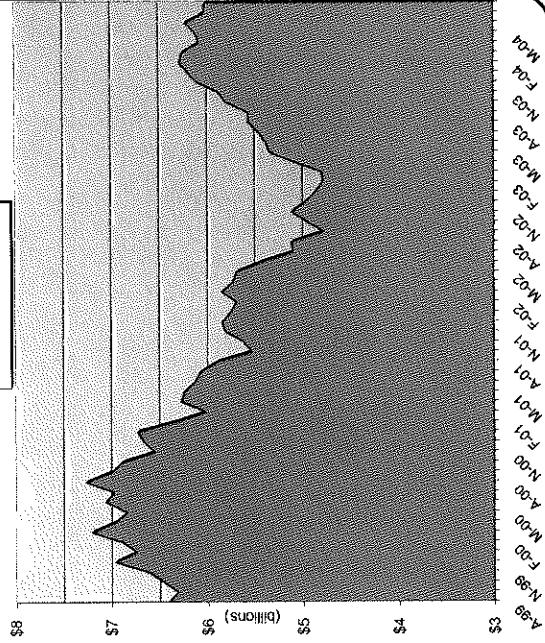
ERSRI Performance By Asset Class	Jul-04	Calendar YTD
Domestic Equity	-4.43%	-0.90%
Fixed Income	0.75%	1.20%
International Equity	-2.43%	1.36%
<b>Total Fund Composite*</b>	<b>-2.37%</b>	<b>1.14%</b>
<b>Manager Summary</b>		
<b>Jul-04</b>		
<b>CYTD</b>		
<b>DOMESTIC EQUITY</b>		
PIMCO	-3.21%	-0.11%
SSGa Core	-3.50%	-0.81%
SSGa Russell 1000	-3.51%	-0.27%
NorthPointe	-4.66%	-0.92%
Wasatch	-5.41%	2.47%
Wellington	-7.21%	-3.90%
Shott	-7.68%	-0.46%
<b>Total Domestic Equity</b>	<b>-4.43%</b>	<b>-0.90%</b>
<b>FIXED INCOME</b>		
Sherkman	1.42%	2.09%
Mackay Shield	1.38%	5.18%
Taplin, Canida & Habacht	1.26%	1.41%
Brown Bros TIPS	1.21%	N/A
Brown Bros, Harriman	0.99%	1.26%
In-State Fixed Income	0.55%	3.91%
Fidelity	-0.67%	0.34%
<b>Total Fixed Income</b>	<b>0.75%</b>	<b>1.20%</b>
<b>INTERNATIONAL EQUITY</b>		
Delaware	-0.57%	N/A
Bank of Ireland	-2.98%	-0.26%
<b>Total International Equity</b>	<b>2.43%</b>	<b>1.36%</b>
*Total Fund Composite includes all classes		



**Market Values**

The total portfolio value decreased in July by \$195 million to \$6.015 billion. This compares with an increase in value of \$61.5 million for the same period in 2003. The domestic equity market values decreased by \$132.1 million; fixed income increased by \$11.4 million net of transfers, while international values were down by \$77.7 million net of transfers. The cash accounts were up \$3.4 million and alternative investments decreased in value by \$459,000.00.

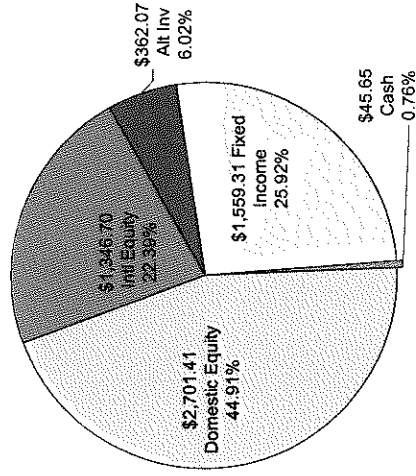
Monthly Market Value  
August 99 - July 04



**Asset Allocation**

The domestic equities portfolio is under-allocated by 0.1%. The fixed income portfolio is under-allocated by 0.9%. The international equity portfolio is under-allocated by 0.1%, while the alternative investments are under-allocated by 1.8%. Domestic and international equities targets each include an additional 2.5% for future real estate allocations. Rebalancing of these asset classes is on-going.

Asset Allocation  
Net Asset Value (\$Millions)



**Cash Flow**

July's pension payroll of \$45.9 million exceeded the \$36.9 million in contributions received by \$9.0 million. To meet this shortfall along with other obligations, \$5.0 million was transferred from long term investments.

**Alternative Investments**

At this time the alternative investment asset class has unfunded commitments of approximately \$404.5 million, on commitments of \$773 million.

**Short Term Cash**

The short term cash portfolio had a 3.1 day weighted average maturity vs 1.6 days in June, and 3.0 days in July of 2003. Investments at July 31st totaled \$268.6 million. Interest earned during the month was \$ 247,752 of which \$ 46,336 was credited to the retirement accounts. The average investment rate of 1.24% was 8 basis points above the average 30 day treasury rate.

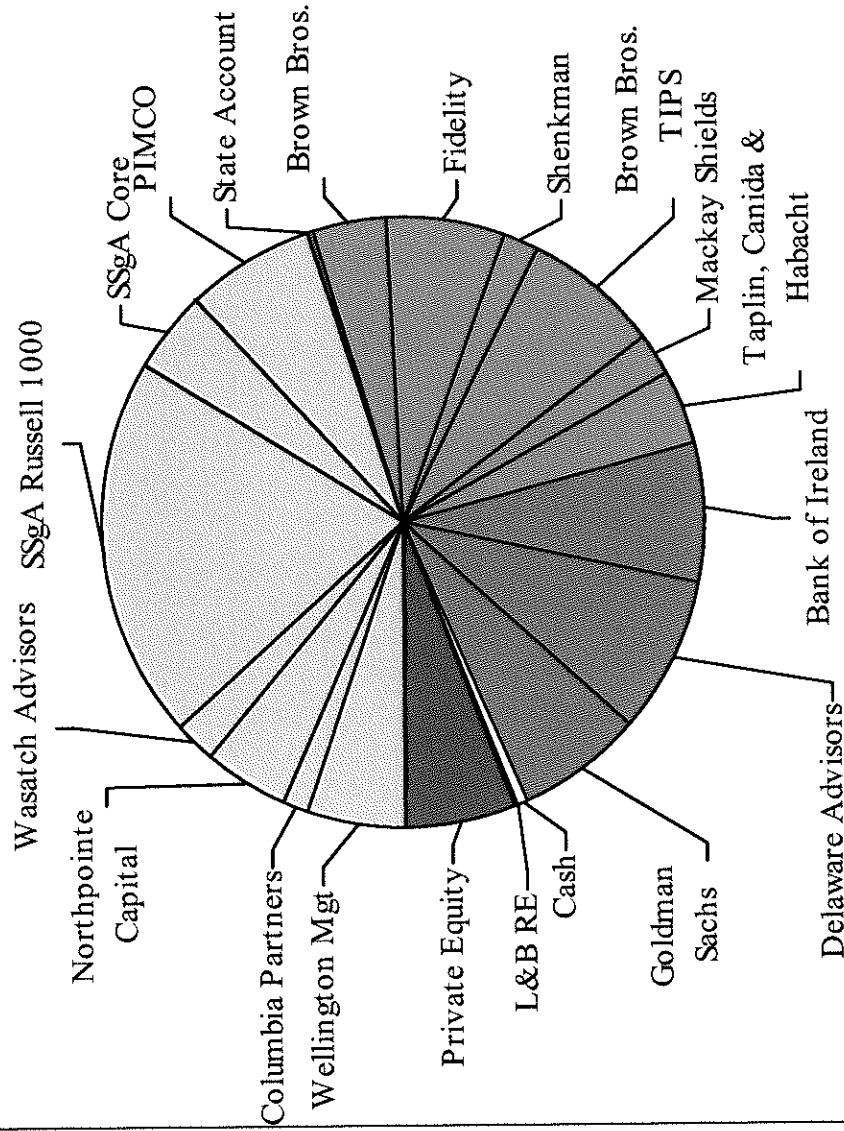
**CAPITAL CALLS  
Net of Distributions**

JULY 2004	FYTD	UNFUNDED BALANCE
\$4,459,884	\$4,459,884	\$404,523,021
JULY 2003	FYTD	UNFUNDED BALANCE
\$2,864,357	\$2,864,357	\$356,003,730

# Individual Manager Allocation

July 31, 2004

\$ 6,015 MM



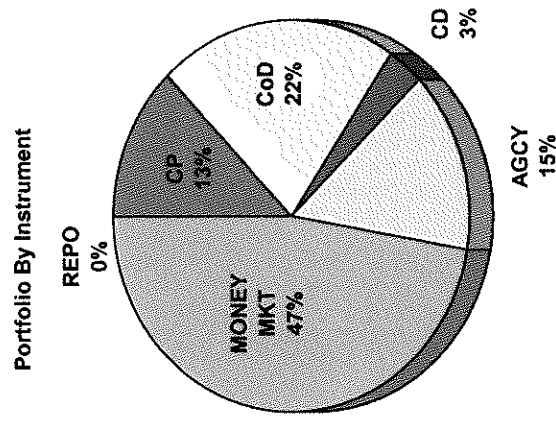
Portfolio	SMM	Allocation
Columbia Partners	\$ 74	1.23
Northpointe Capital	270	4.49
PIMCO	408	6.78
SSgA - Core	270	4.50
SSgA Russell 1000	1,214	20.18
Wasatch Advisors	138	2.29
Wellington Management	325	5.40
<b>U.S. Equity</b>	<b>2,701</b>	<b>44.91</b>
Brown Bros. Harriman	\$ 229	3.81
Fidelity Mgmt. Trust	383	6.37
Brown Bros. Harriman-TIPS	443	7.36
Mackay Shields	118	1.97
Shenkman Capital	119	1.98
State Account	22	0.37
Taplin, Canida & Habacht	244	4.05
<b>Fixed Income</b>	<b>1,559</b>	<b>25.92</b>
Goldman Sachs	\$ 401	6.66
Bank of Ireland	452	7.53
Delaware Investment Advisors	490	8.14
<b>International Equity</b>	<b>1,347</b>	<b>22.39</b>
L&B Real Estate	\$ 19	0.32
Private Equity	342	5.69
Contingency Reserve	1	0.01
<b>Alternative Invest.</b>	<b>362</b>	<b>6.02</b>
Cash Account (inside)	\$ 29	0.48
Cash Account (outside)	17	0.28
<b>Cash Equivalents</b>	<b>46</b>	<b>0.76</b>
<b>Total</b>	<b>\$6,015</b>	<b>100.0</b>

## Market Environment

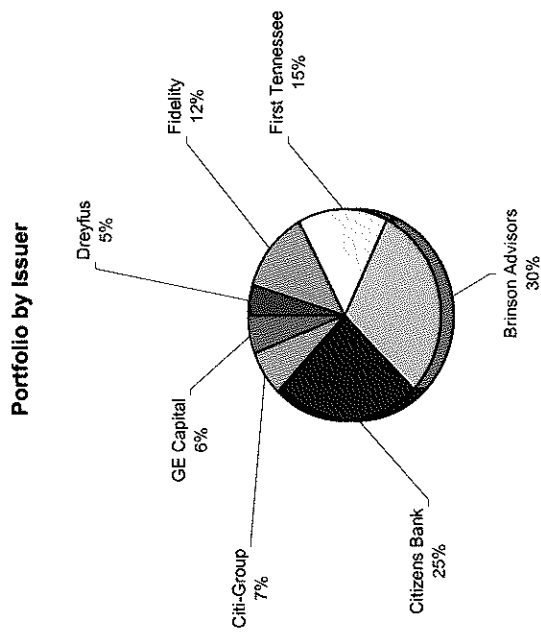
### Quarter Ended July 31, 2004

	<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	-0.36	-3.51	13.03	12.11	-1.05	-4.65	-1.74
RUSSELL 2000	-1.26	-6.73	17.06	20.05	5.74	3.83	5.74
RUSSELL 2000 GROWTH	-4.08	-8.98	11.32	19.36	-0.38	-6.69	-1.69
RUSSELL 2000 VALUE	1.46	-4.60	22.83	20.71	11.25	14.25	12.30
S&P 500	-0.08	-3.31	13.17	11.90	-1.48	-4.86	-2.24
DOW WILSHIRE 5000 FREE FLOAT	-0.31	-3.73	13.98	13.40	0.08	-3.92	-1.14
<b>INTERNATIONAL EQUITY</b>							
MSCI AC WORLD FREE ex US (gross)	-0.50	-2.91	25.30	16.86	5.00	-2.66	-0.10
MSCIEAFE (net)	-0.79	-3.25	25.05	15.29	3.36	-3.57	-1.18
<b>U.S. FIXED INCOME</b>							
FB DOM PLUS HIGH YIELD	1.22	1.24	14.04	18.51	11.13	8.19	6.33
FB GLOBAL HIGH YIELD	1.23	1.28	14.09	18.62	11.18	8.22	6.63
LB AGGREGATE	1.16	0.99	4.84	5.13	5.93	7.58	7.25
LB CREDIT	0.94	1.23	5.83	8.25	7.05	8.71	7.93
LB GOV/CREDIT	0.96	1.06	4.73	5.92	6.24	7.82	7.39
CITIGROUP BROAD INV GRADE	1.15	0.99	4.92	5.22	5.91	7.60	7.25
CITIGROUP LARGE PENSION FUND	1.61	1.39	6.86	6.90	6.90	8.60	8.11
CITIGROUP LPF COLLATERALIZED	1.49	0.94	5.02	3.87	5.33	7.08	6.96
<b>TOTAL PLAN</b>	0.04	-2.37	14.17	12.57	3.33	-0.01	1.89

**RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM CASH INVESTMENTS AT JULY 31, 2004**



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



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

Issuer Credit Ratings  
July, 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	7%	Aa1		P-1	A-1+	Aa1	AA-	Stable
Citizens Bank RI	3,4	25%	Aa2		P-1	A-1+	Aa2	AA-	Negative
Dreyfus	6	5%	Aa3		P-1	A-1+	Aa3	AA-	Stable
First Tennessee Capital Markets	5	15%	A1		P-1	A-1	A1	A	Stable
Fidelity	6	12%				N/R		N/R	N/R
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	30%	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

**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.

**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

**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

**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 Long-Term Debt Ratings:**

- AAA - Highest rating, extremely strong
- AA - Differs slightly from highest rating, very strong
- A - Somewhat more susceptible to adverse effects of change in economic condition, strong
- BBB - Exhibits adequate protection parameters
- BB, B, CCC, CC, C - Have significant speculative characteristics. BB least speculative, C highest degree.
- D - Payment default
- Modifiers:  
+ or - show relative standing within the category.





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

Paul J. Tavares  
General Treasurer

August 16, 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 July 31, 2004.

**Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation  
July 31, 2004**

Asset Class		
Cash/Short Term Investments		\$ 274,641,096
Equities – Domestic		\$ 2,638,958,479
Equities – International		\$ 1,331,487,042
Fixed Income – Government	\$ 796,382,094	
Fixed Income – Corporate	\$ 589,529,573	
Fixed Income – In State	\$ 22,110,788	
Total Fixed Income		\$ 1,408,022,456
Alternative Investments		\$ 361,528,281
Other – Escrow		\$ 500,000
Total Fund Investments		\$ 6,015,137,353
Plan Allocation		
State Employees & Teachers	86.40%	\$ 5,197,359,562
Municipal Employees	12.94%	\$ 778,178,235
State Police	0.40%	\$ 24,060,351
Judicial	0.26%	\$ 15,539,205
Total Fund Investments	100.00%	\$ 6,015,137,353

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**  
**July 31, 2004**

	Calendar YTD			Current Month			Valuation Change			
	Performance	Benchmark	Alpha	Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
		Description					8/30/2004	In/Out	7/31/2004	Increase/Decrease
<b>Domestic Equity</b>										
Shott Capital Management IRR	-0.46%	N/A	N/A	-7.68%	N/A	N/A	2,637,671	(186,752)	2,279,002	(189,917)
SSGA Russell 1000	-0.27%	-0.30%	0.03%	-3.51%	-3.51%	0.00%	1,257,768,588	79,043	1,213,710,295	(44,137,336)
SSGA Core	-0.81%	-0.30%	-0.51%	-3.50%	-3.51%	0.01%	280,670,899	19,000	270,874,726	(9,815,173)
PIMCO	-0.11%	0.02%	-0.13%	-3.21%	-3.31%	0.10%	421,611,457	27,740	408,111,509	(13,527,888)
NorthPointe Capital	-0.92%	2.87%	-3.79%	-4.66%	-4.60%	-0.06%	287,392,782	(3,961,000)	270,207,218	(13,204,564)
Wellington Mgmt	-3.90%	-0.43%	-3.47%	-7.21%	-6.73%	-0.48%	285,761,397	60,019,023	324,677,798	(21,102,922)
Wasatch Advisors	2.47%	-3.81%	6.28%	-5.41%	-8.98%	3.57%	148,660,369	(2,989,360)	137,788,501	(7,882,508)
Columbia Mgmt	N/A	N/A	N/A	N/A	N/A	N/A	149,047,503	(59,989,740)	73,759,443	(15,298,320)
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	13	-	13	0
<b>Total Domestic Equity</b>	-0.90%	N/A	N/A	-4.43%	N/A	N/A	2,833,550,679	(6,984,045)	2,701,408,504	(125,158,129)
<b>International Equity</b>										
Bank of Ireland	-0.26%	1.07%	-1.33%	-2.98%	-2.91%	-0.07%	466,774,761	45,980	452,911,009	(13,909,732)
Goldman Sachs	N/A	N/A	N/A	N/A	N/A	N/A	-	397,407,322	400,709,796	3,302,474
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	462,071,855	(437,673,121)	3,255,310	(21,143,424)
Delaware	N/A	N/A	N/A	-0.57%	-2.91%	2.34%	495,627,012	(2,988,890)	489,827,922	(2,800,200)
<b>Total International Equity</b>	1.36%	N/A	N/A	-2.43%	N/A	N/A	1,424,473,628	(43,218,709)	1,346,704,037	(34,550,882)
<b>Fidelity Management &amp; Research</b>										
Brown Brothers, Harriman	0.34%	1.65%	-1.31%	-0.67%	0.94%	-1.61%	385,693,261	25,080	383,144,093	(2,574,248)
In-State Fixed Income	1.26%	1.17%	0.09%	0.99%	0.99%	0.00%	227,166,774	12,160	229,433,348	2,254,414
Taplin, Canida & Habacht	3.91%	N/A	N/A	0.55%	N/A	N/A	22,129,221	(141,631)	22,110,788	123,198
Mackay Shields	1.41%	0.96%	0.45%	1.26%	1.23%	0.03%	240,770,809	15,580	243,917,480	3,131,091
Shenkan Capital Mgmt	5.18%	3.79%	1.39%	1.38%	1.28%	0.10%	116,775,985	8,740	118,394,921	1,610,196
Brown Bros TIPS	2.09%	3.79%	-1.70%	1.42%	1.28%	0.14%	117,424,846	8,360	119,091,786	1,658,580
Transition Account	N/A	N/A	N/A	1.21%	0.93%	0.28%	437,250,057	-	442,562,986	5,312,929
<b>Total Fixed Income</b>	1.20%	N/A	N/A	0.75%	N/A	N/A	611,944	(98,731)	653,452	140,240
<b>Alternative Investments</b>										
Pacific Corporate Group	16.60%	N/A	N/A	0.10%	N/A	N/A	342,736,856	205,467	342,277,677	(664,646)
JMB/Heilman Advisory Group	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
L & B Real Estate Counsel	4.11%	7.60%	-3.49%	1.53%	0.53%	1.00%	19,002,472	-	19,293,483	291,011
Bank Acquisition Contingency	0.58%	N/A	N/A	0.08%	N/A	N/A	501,209	-	501,209	0
<b>Total Alternatives</b>	15.88%	N/A	N/A	0.18%	N/A	N/A	362,240,537	205,467	362,072,369	(373,635)
<b>Cash Accounts</b>										
Cash in Trust	11.05%	N/A	N/A	1.13%	N/A	N/A	27,961,913	(11,207,287)	16,959,947	205,321
Cash Outside Trust	0.58%	N/A	N/A	0.08%	N/A	N/A	14,263,427	16,299,726	28,664,862	(1,848,291)
<b>Total Cash</b>	N/A	-	-	N/A	-	0	42,225,340	5,082,439	45,644,809	(1,642,970)
<b>Fund Grand Total</b>	<b>1.14%</b>	<b>0.64%</b>	<b>0.50%</b>	<b>-2.37%</b>	<b>-2.37%</b>	<b>0.00%</b>	<b>6,210,313,081</b>	<b>(45,105,291)</b>	<b>6,015,138,575</b>	<b>(150,065,215)</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 July 31, 2004



**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>U.S. EQUITY</b>												
COLUMBIA PARTNERS	73,759	1.23										
NORTHPOINTE CAPITAL	270,207	4.49	-4.66	-1.45	-4.85	-0.92	-4.66	18.50	21.38			
PIMCO	408,112	6.78	-3.21	0.02	-1.93	-0.11	-3.21	13.56	12.38	-1.43		
SHOTT CAPITAL	2,279	0.04										
SSGA - CORE	270,875	4.50	-3.50	-0.23	-2.41	-0.81	-3.50	11.64	9.44	0.41	-3.42	-1.36
SSGA RUSSELL 1000	1,213,710	20.18	-3.51	-0.34	-2.13	-0.27	-3.51	13.06				
WASATCH ADVISORS	137,789	2.29	-5.41	-0.01	-1.06	2.47	-5.41	16.96	14.15			
WELLINGTON MANAGEMENT CO. LLC	324,678	5.40	-7.21	-3.22	-6.96	-3.90	-7.21	19.97	25.98			
TOTAL US EQUITY	2,701,408	44.91	-4.43	-0.96	-3.35	-0.90	-4.43	14.44	14.74	0.64	-4.27	-2.86
<i>RUSSELL 1000</i>												
<i>RUSSELL 2000</i>			-3.51	-0.36	-2.15	-0.29	-3.51	13.03	12.11	-1.05	-4.65	-1.74
<i>RUSSELL 2000 GROWTH</i>			-6.73	-1.26	-4.57	-0.43	-6.73	17.06	20.05	5.74	3.83	5.74
<i>RUSSELL 2000 VALUE</i>			-8.98	-4.08	-8.61	-3.81	-8.98	11.32	19.36	-0.38	-6.69	-1.69
<i>S&amp;P 500 INDEX</i>			-4.60	1.46	-0.57	2.87	-4.60	22.83	20.71	11.25	14.25	12.30
<i>DOW WILSHIRE 5000 FREE FLOAT</i>			-3.31	-0.08	-1.78	0.02	-3.31	13.17	11.90	-1.48	-4.86	-2.24
			-3.73	-0.31	-2.07	0.11	-3.73	13.98	13.40	0.08	-3.92	-1.14
<b>INTERNATIONAL EQUITY</b>												
GOLDMAN SACHS	400,710	6.66										
SSGA TRANSITION ACCOUNT	2,916	0.05										
BANK OF IRELAND	452,911	7.53	-2.98	-1.46	-2.51	-0.26	-2.98	19.17	10.46	0.40		
DELAWARE INVESTMENT ADVISOR	489,828	8.14	-0.57	2.42			-0.57					
PUTNAM INVESTMENTS	26	0.00										
SSGA MSCI ALL COUNTRY WORLD EX-US	249	0.00										

**State of Rhode Island**

SUMMARY OF PERFORMANCE  
 RATES OF RETURN  
 PERIODS ENDING July 31, 2004



**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
TRANSITION ACCOUNT INT EQUITY	2,978	0.05										
TOTAL INTERNATIONAL EQUITY	1,346,702	22.39	-2.43	-0.19	-0.82	1.36	-2.43	21.78	13.31	2.67	-4.79	-0.64
<i>MSCI AC WORLD EX US (GROSS)</i>			-2.91	-0.50	-0.53	1.07	-2.91	25.30	16.86	5.00	-2.66	-0.10
<i>MSCI EAFE (NET)</i>			-3.25	-0.79	-0.24	1.17	-3.25	25.05	15.29	3.36	-3.57	-1.18
<b>U.S. FIXED INCOME</b>												
BROWN BROTHERS HARRIMAN	229,433	3.81	0.99	1.07	0.41	1.26	0.99	5.13	6.36	6.68	8.48	7.74
FIDELITY MANAGEMENT TRUST	383,144	6.37	-0.67	0.01	-0.33	0.34	-0.67	4.35	3.92	5.63	7.32	7.10
COLUMBIA FIXED INCOME	70	0.00										
BROWN BROTHERS HARRIMAN	442,561	7.36	1.21				1.21					
MACKAY SHIELDS, LLC	118,395	1.97	1.38	1.06	1.67	5.18	1.38	15.95				
SHENKMAN CAPITAL MANAGEMENT	119,092	1.98	1.42	0.70	0.99	2.09	1.42	9.07				
STATE ACCOUNT	22,111	0.37	0.55	1.66	3.34	3.91	0.55	6.82	6.80	6.81	6.88	
TAPLIN, CANIDA & HABACHT	243,817	4.05	1.26	1.09	0.40	1.41	1.26	8.38	12.65	7.99	9.34	8.25
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	1,559,199	25.92	0.75	0.57	0.32	1.20	0.75	6.30	7.72	6.38	7.22	6.99
<i>FIRST BOSTON DOMESTIC PLUS HIGH YIELD</i>			1.24	1.22	1.71	3.68	1.24	14.04	18.51	11.13	8.19	6.33
<i>FIRST BOSTON GLOBAL HIGH YIELD</i>			1.28	1.23	1.80	3.78	1.28	14.09	18.62	11.18	8.22	6.63
<i>LB AGGREGATE</i>			0.99	1.16	0.34	1.14	0.99	4.84	5.13	5.93	7.58	7.25
<i>LB CREDIT</i>			1.23	0.94	-0.04	0.97	1.23	5.83	8.25	7.05	8.71	7.93
<i>LB GOV/CREDIT</i>			1.06	0.96	-0.04	0.87	1.06	4.73	5.92	6.24	7.82	7.39
<i>CITIGROUP BROAD INVESTMENT GRADE</i>			0.99	1.15	0.34	1.17	0.99	4.92	5.22	5.91	7.60	7.25
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			1.39	1.61	0.14	1.41	1.39	6.86	6.90	6.90	8.60	8.11

**State of Rhode Island**  
SUMMARY OF PERFORMANCE  
RATES OF RETURN  
PERIODS ENDING July 31, 2004



**STATE STREET**  
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>												
ALTERNATIVE INVESTMENTS												
L&B REAL ESTATE	19,293	0.32	1.53	3.18	4.11	4.11	1.53	4.11	4.13	1.70	3.27	4.02
PRIVATE EQUITY INVESTMENT	342,278	5.69	0.10	9.11	14.13	16.60	0.10	29.14	11.08	5.39	-1.61	5.57
CONTINGENCY RESERVE FUND	500	0.01	0.08	0.23	0.48	0.58	0.08	4.56	2.92			
TOTAL ALTERNATIVE INVESTMENTS	362,071	6.02	0.18	8.78	13.56	15.88	0.18	27.56	10.77	5.31	-0.59	
<i>NCREIF PROPERTY 1 QTR LAG INDEX</i>												
CASH EQUIVALENTS												
CASH ACCOUNT (INSIDE)	16,960	0.28	1.13	3.12	9.17	11.05	1.13	19.35	40.22	60.88	48.90	
CASH ACCOUNT (OUTSIDE)	28,685	0.48	0.08	0.23	0.48	0.58	0.08	4.56	2.92	2.72	3.50	
<b>TOTAL PLAN</b>	6,015,025	100.00	-2.37	0.19	-0.88	1.14	-2.37	15.01	13.04	3.64	-0.13	1.42
<b>1 TOTAL PLAN BENCHMARK</b>			-2.37	0.04	-1.10	0.62	-2.37	14.17	12.57	3.33	-0.01	1.89

**State of Rhode Island**  
SUMMARY OF PERFORMANCE  
RATES OF RETURN  
PERIODS ENDING July 31, 2004



**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 July 31, 2004 (\$Millions)	Style	Actual		Target		Difference	Cash	% of
	Mandate							Total
<b>Domestic Equity</b>								
0								
Shott Capital Mgmt	alternative distribution	2.28	0.0%	0.00	0.00%	2.28	0.04	1.8%
SSgA Russell 1000	Passive	1,213.71	20.2%	1,218.07	20.25%	-4.36	0.00	0.0%
SSgA Core	active core	270.87	4.5%	270.68	4.50%	0.19	1.15	0.4%
PIMCO	Enhanced Equity	408.11	6.8%	406.02	6.75%	2.09	0.00	0.0%
NorthPointe Capital	Small Cap Value	270.21	4.5%	270.68	4.50%	-0.47	5.42	2.0%
Wellington Mgmt	Small Cap Core	324.68	5.4%	270.68	4.50%	54.00	14.98	4.6%
Wasatch Advisors	Small Cap Growth	137.79	2.3%	135.34	2.25%	2.45	10.69	7.8%
Columbia Mgmt	Small Cap Growth	73.76	1.2%	135.34	2.25%	-61.58	29.16	39.5%
Transition Account		0.00	0.0%	0.00	0.00%	0.00	0.00	0.0%
<b>TOTAL DOMESTIC EQUITY</b>		<b>\$2,701.41</b>	<b>44.9%</b>	<b>2,706.81</b>	<b>45.00%</b>	<b>-\$5.40</b>	<b>\$61.45</b>	<b>2.3%</b>
<b>International Equity</b>								
Bank of Ireland	MSCI ACWI	452.91	7.5%	451.14	7.50%	1.78	5.49	1.2%
SSgA - MSCI-ACWI	MSCI ACWI	400.71	6.7%	451.14	7.50%	-50.43	5.96	1.5%
Transition Account	MSCI ACWI	3.26	0.1%	0.00	0.00%	3.26	1.33	40.9%
Delaware	MSCI ACWI	489.83	8.1%	451.14	7.50%	38.69	3.44	0.7%
<b>TOTAL INT'L EQUITY</b>		<b>\$1,346.70</b>	<b>22.4%</b>	<b>\$1,353.41</b>	<b>22.50%</b>	<b>-\$6.70</b>	<b>\$16.22</b>	<b>1.2%</b>
<b>Domestic Fixed Income</b>								
Columbia Mgmt	active core	0.00	0.0%	0.00	0.00%	0.00	0.00	0.0%
Fidelity Management & Research	mortgages	383.14	6.4%	375.95	6.25%	7.20	18.78	4.9%
Brown Brothers, Harriman	opportunistic core	229.43	3.8%	225.57	3.75%	3.87	8.36	3.7%
In-State Fixed Income	short/int govt	22.11	0.4%	0.00	0.00%	22.11	0.00	0.0%
Taplin, Canida & Habacht	corporates	243.92	4.1%	225.57	3.75%	18.35	13.23	5.4%
Mackay Shields	high yield	118.39	2.0%	112.78	1.88%	5.61	10.67	9.0%
Shenkman Capital Mgmt	high yield	119.09	2.0%	112.78	1.88%	6.31	4.63	3.9%
Brown Bros TIPS	TIPS	442.56	7.4%	451.14	7.50%	-8.57	95.51	21.6%
Transition Account		0.65	0.0%	0.00	0.00%	0.65	0.08	12.0%
<b>TOTAL FIXED-INCOME</b>		<b>1,559.31</b>	<b>25.9%</b>	<b>1,503.78</b>	<b>25.00%</b>	<b>\$55.52</b>	<b>\$151.29</b>	<b>9.7%</b>
<b>Alternative Investments</b>								
JMB/ Heitman Advisory Corp	real estate	0.00	0.0%				0.0	
L&B Real Estate Counsel	real estate	19.29	0.3%					
Shott Capital Mgmt	alternative distribution	0.00	0.0%					
Pacific Corp Group	Private Equity	342.28	5.7%	451.14	7.50%	-108.86	0.0	0.0%
Bank Disposition	contingency	0.50	0.0%				-	
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$362.07</b>	<b>6.0%</b>	<b>\$451.14</b>	<b>7.50%</b>	<b>-\$89.06</b>	<b>0.0</b>	<b>0.0%</b>
<b>CASH EQUIVALENTS</b>	STIF, Yield+	45.64	0.8%	0.00	0.00%	45.64	45.64	100.0%
<b>TOTAL ASSETS</b>		<b>\$6,015.14</b>	<b>100.0%</b>	<b>\$6,015.14</b>	<b>100.00%</b>	<b>\$0.00</b>	<b>\$274.64</b>	<b>4.6%</b>
<b>Allocation By Management Style</b>								
<b>Domestic Equity</b>								
Core		270.87	4.5%	270.68	4.50%	0.19	1.15	0.4%
Index		1,213.71	20.2%	1,218.07	20.25%	(4.36)	0.00	0.0%
Enhanced Equity		408.11	6.8%	406.02	6.75%	2.09	-	0.0%
Alt Distribution		2.28	0.0%	-	0.00%	2.28	0.04	0.0%
Active Small Cap		806.43	13.4%	812.04	13.50%	(5.61)	60.26	7.5%
<b>TOTAL DOMESTIC EQUITY</b>		<b>\$2,701.41</b>	<b>44.9%</b>	<b>\$2,706.81</b>	<b>45.00%</b>	<b>(\$5.40)</b>	<b>\$61.45</b>	<b>2.3%</b>
<b>International Equity</b>								
Active		1,346.70	22.4%	1,353.41	22.50%	(6.70)	16.22	1.2%
<b>TOTAL INT'L EQUITY</b>		<b>\$1,346.70</b>	<b>22.4%</b>	<b>\$1,353.41</b>	<b>22.50%</b>	<b>(\$6.70)</b>	<b>\$16.22</b>	<b>1.2%</b>
<b>Domestic Fixed Income</b>								
Mortgage		383.14	6.4%	375.95	6.25%	7.20	18.78	4.9%
Core		251.54	4.2%	225.57	3.75%	25.98	8.38	3.3%
Corporates		243.92	4.1%	225.57	3.75%	18.35	13.23	5.4%
High Yield		238.14	3.9%	225.57	3.75%	12.57	15.37	6.5%
TIPS		442.56	7.4%	451.14	7.50%	(8.57)	95.51	21.6%
<b>TOTAL FIXED-INCOME</b>		<b>1,559.31</b>	<b>25.9%</b>	<b>1,503.78</b>	<b>25.00%</b>	<b>55.52</b>	<b>151.29</b>	<b>9.7%</b>
<b>Alternative Investments</b>								
Real Estate		19.29	0.3%					
Other Alternative Investments		342.78	5.7%				0.04	
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$362.07</b>	<b>6.0%</b>	<b>\$451.14</b>	<b>7.50%</b>	<b>(\$89.06)</b>	<b>0.04</b>	
<b>CASH EQUIVALENTS</b>	STIF, Yield+	45.64	0.8%	0.00	0.00%	45.64	45.64	100.0%
<b>TOTAL ASSETS</b>		<b>\$6,015.14</b>	<b>100.0%</b>	<b>\$6,015.14</b>	<b>100.00%</b>	<b>(\$0.00)</b>	<b>\$274.64</b>	<b>4.6%</b>

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

JULY 31, 2004

<i>Equities</i>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	TRIAD HOSPS INC	287,000	\$9,775,220	Columbia,NorthPointe
2	MICROSOFT CORP	311,600	8,868,136	SSgA
3	NEXTEL PARTNERS INC	549,450	8,829,662	Columbia,NorthPointe
4	FOOT LOCKER INC	382,500	8,606,250	Wasatch
5	AFFILIATED MANAGERS GROUP	162,770	7,472,771	Wellington,NorthPointe
6	CHECKFREE CORP	246,600	7,407,864	Wellington,NorthPointe
7	RENT A CTR INC	250,012	7,335,352	Wasatch
8	JOHNSON + JOHNSON	130,200	7,196,154	SSgA
9	EXXON MOBIL CORP	154,770	7,165,851	SSgA
10	BANK AMER CORP	84,200	7,157,842	SSgA
		2.82%	\$79,815,102	
<b>Total Composite Equities</b>		<b>\$2,833,550,667</b>		

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

JUNE 30, 2004

<i>International Equities</i>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	NESTLE SA	64,604	\$16,512,688	Bank of Ireland
2	TOTAL SA EUR10	84,881	16,483,653	Bank of Ireland
3	CANON INC	274,300	13,388,291	Bank of Ireland
4	UBS	195,793	13,100,309	Bank of Ireland
5	ING GROEP	494,944	11,488,721	Bank of Ireland
6	VODAFONE GROUP	5,293,082	11,478,055	Bank of Ireland
7	NOVARTIS AG	251,239	11,242,766	Bank of Ireland
8	E ON AG	154,122	10,971,882	Bank of Ireland
9	ENI	499,800	10,289,658	Bank of Ireland
10	NIPPON TEL+TEL	1,976	9,839,666	Bank of Ireland
		8.76%	\$124,795,689	
<b>Total Composite International Equities</b>		<b>\$1,424,473,629</b>		

Top 10 Market Values SIC





FISCAL YEAR 2005

ERSRI & MERSRI

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ACCRUAL BASIS

SUMMARY BY ASSET CLASS

	Actual Jul 04	Projected Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 05	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
<b>EQUITIES</b>		1,473,500	1,474,000	1,471,000	1,471,000	1,471,000	1,471,000	1,471,000	1,471,000	1,471,000	1,471,000	1,471,000	5,889,500
<b>FIXED INCOME</b>		750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	3,000,000
<b>INTERNATIONAL EQUITIES</b>		1,187,000	1,182,000	1,182,000	1,182,000	1,182,000	1,182,000	1,182,000	1,182,000	1,182,000	1,182,000	1,182,000	4,733,000
<b>REAL ESTATE</b>		85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	340,000
<b>ALTERNATIVE INVESTMENTS</b>	1,118,844	550,000	35,000	650,000	175,000	530,000	1,400,000	25,000	210,000	15,000	50,000	50,000	4,808,844
<b>SUB TOTAL-INV MGMT FEES</b>	1,118,844	550,000	3,530,500	650,000	175,000	4,021,000	1,400,000	25,000	3,698,000	15,000	50,000	3,538,000	18,771,344
<b>PROFESSIONAL FEES</b>	35,167	35,167	176,417	45,167	155,267	80,667	40,167	92,917	66,667	45,167	45,167	149,417	967,354
<b>OPERATING EXPENSE</b>	0	0	2,250,000	0	0	2,250,000	0	0	2,253,000	0	0	2,250,000	9,003,000
<b>TOTAL:</b>	1,154,011	585,167	5,956,917	695,167	330,267	6,351,667	1,440,167	117,917	6,017,667	60,167	95,167	5,937,417	28,741,698

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2005	FY 2004-05												Projected TOTAL
	Actual July 2004	Projected August	Projected September	Projected October	Projected November	Projected December	Projected January 2005	Projected February	Projected March	Projected April	Projected May	Projected June	
MEMBER BENEFITS	42,552,485	41,120,000	41,120,000	41,120,000	41,120,000	41,120,000	46,260,000	46,260,000	46,260,000	46,260,000	41,120,000	41,120,000	515,432,486
ADMINISTRATIVE EXPENSES	0	745,600	745,600	745,600	745,600	745,600	838,800	838,800	838,800	838,800	745,600	745,600	8,574,400
INVESTMENT EXPENSES	966,733	280,000	2,800,000	560,000	140,000	2,660,000	1,260,000	140,000	2,520,000	140,000	140,000	3,500,000	15,106,733
TOTAL OUTFLOW	43,519,218	42,145,600	44,665,600	42,425,600	42,005,600	44,525,600	48,358,800	47,238,800	49,618,800	47,238,800	42,005,600	45,365,600	539,113,618
CONTRIBUTIONS	40,409,066	19,980,000	19,980,000	23,310,000	26,640,000	26,640,000	29,970,000	29,970,000	29,970,000	26,640,000	33,300,000	26,640,000	333,449,066
OTHER INCOME*	2,526,833	1,725,000	5,000,000	2,150,000	1,950,000	1,500,000	5,250,000	1,450,000	6,000,000	5,850,000	825,000	2,625,000	36,851,833
TOTAL INCOME	42,935,899	21,705,000	24,980,000	25,460,000	28,590,000	28,140,000	35,220,000	31,420,000	35,970,000	32,490,000	34,125,000	29,265,000	370,300,899
DIFFERENCE	(583,319)	(20,440,600)	(19,685,600)	(16,965,600)	(13,415,600)	(16,385,600)	(13,138,800)	(15,818,800)	(13,648,800)	(14,748,800)	(7,880,600)	(16,100,600)	(168,812,719)

Municipal Employees Retirement System

FISCAL YEAR 2005	FY 2004-05												Projected TOTAL
	Actual July 2004	Projected August	Projected September	Projected October	Projected November	Projected December	Projected January 2005	Projected February	Projected March	Projected April	Projected May	Projected June	
MEMBER BENEFITS	3,425,810	3,301,200	3,301,200	3,301,200	3,301,200	3,301,200	3,713,850	3,713,850	3,713,850	3,713,850	3,301,200	3,301,200	41,389,610
ADMINISTRATIVE EXPENSES	0	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500	962,500
INVESTMENT EXPENSES	144,745	34,500	345,000	69,000	17,250	327,750	155,250	17,250	310,500	138,000	138,000	66,250	1,783,495
TOTAL OUTFLOW	3,570,555	3,423,200	3,733,700	3,457,700	3,405,950	3,716,450	3,856,600	3,818,600	3,707,759	3,939,350	3,526,700	3,474,950	43,731,514
CONTRIBUTIONS	2,638,948	1,990,500	1,990,500	2,322,250	2,654,000	2,654,000	2,985,750	2,985,750	2,985,750	2,654,000	3,317,500	2,654,000	31,832,948
OTHER INCOME*	378,332	260,000	735,000	320,000	45,000	300,000	785,000	220,000	900,000	875,000	262,500	393,750	5,474,582
TOTAL INCOME	3,017,280	2,250,500	2,725,500	2,642,250	2,699,000	2,954,000	3,770,750	3,205,750	3,885,750	3,529,000	3,580,000	3,047,750	37,307,530
DIFFERENCE	(553,275)	(1,172,700)	(1,008,200)	(815,450)	(706,950)	(762,450)	(185,850)	(612,850)	177,991	(410,350)	59,300	(427,200)	(6,423,984)

Judges/State Police Retirement System

	Actual July 2004	Projected August	Projected September	Projected October	Projected November	Projected December	Projected January 2005	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
ADMINISTRATIVE EXPENSES	0	4,580	4,580	4,580	4,580	4,580	4,580	4,580	4,580	4,580	4,580	4,580	50,360
INVESTMENT EXPENSES	7,366	1,900	16,150	3,800	950	19,000	8,550	95	16,150	760	760	22,800	98,281
TOTAL OUTFLOW	21,366	20,480	34,730	22,380	19,530	37,560	27,130	18,675	34,730	19,340	19,340	41,380	316,661
CONTRIBUTIONS	625,000	334,200	389,900	334,200	389,900	334,200	557,000	445,600	557,000	557,000	779,800	501,300	5,805,100
OTHER INCOME*	19,252	10,250	30,750	14,350	12,300	8,200	36,900	10,250	43,050	14,350	4,100	4,100	207,852
TOTAL INCOME	644,252	344,450	420,650	348,550	402,200	342,400	593,900	455,850	600,050	571,350	783,900	505,400	6,012,952
DIFFERENCE	622,886	323,970	385,920	326,170	382,670	304,820	566,770	437,175	565,320	552,010	764,560	464,020	5,696,291

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

CSFL04

<b>Rhode Island Employees Retirement System</b> <b>Securities Lending Report</b> <b>July, 2004</b>
--

<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<b><u>DOMESTIC EQUITY</u></b>		
Columbia Partners	\$ 3,102	\$ 27,538,734
Wellington Mgmt. Co., LLP	6,815	60,143,668
Wasatch Advisors	10,980	35,104,518
NorthPointe Capital	8,293	55,392,275
SSgA Core	<u>1,052</u>	<u>8,890,182</u>
<b>Total Domestic Equity</b>	<b><u>\$ 30,243</u></b>	<b><u>\$ 187,069,378</u></b>
 <b><u>INTERNATIONAL EQUITY</u></b>		
Bank of Ireland	14,657	61,313,603
Delaware Int'l Advisors	<u>33,171</u>	<u>68,905,851</u>
<b>Total International Equity</b>	<b><u>\$ 47,828</u></b>	<b><u>\$ 130,219,454</u></b>
 <b><u>FIXED INCOME</u></b>		
Fidelity Management Trust Co	218	9,966,048
Brown Brothers, Harriman	8,907	60,184,211
Taplin, Canida & Habacht	2,621	21,064,046
MackKay Shields	3,578	13,648,135
Shenkman Capital Management	4,705	16,579,874
Brown Brothers, Harriman (TIPS)	<u>8,585</u>	<u>335,285,122</u>
<b>Total Fixed Income</b>	<b><u>\$ 28,615</u></b>	<b><u>\$ 456,727,436</u></b>
 <b>TOTAL SECURITIES LENDING INCOME</b>	 <b><u>\$ 106,686</u></b>	 <b><u>\$ 774,016,267</u></b>
 <b>Calendar Year 2004 YTD</b>	 <b><u>\$ 985,443</u></b>	

**ALTERNATIVE INVESTMENTS**

FISCAL YEAR ANALYSES

CASH FLOW

FISCAL YEAR 2002	JUL 2001	AUG	SEPT	OCT	NOV	DEC	JAN 2002	FEB	MAR	APR	MAY	JUN	YTD
<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
FISCAL YEAR 2003	JUL 2002	AUG	SEPT	OCT	NOV	DEC	JAN 2003	FEB	MAR	APR	MAY	JUN	YTD
<b>FUNDING</b>	5,688,208	908,809	4,006,692	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	286,385	3,307,790	725,727	605,961	11,109,051
FISCAL YEAR 2004	JUL 03	AUG	SEPT	OCT	NOV	DEC	JAN 04	FEB	MAR	APR	MAY	JUN	YTD
<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
FISCAL YEAR 2005	JUL 04	AUG	SEPT	OCT	NOV	DEC	JAN 05	FEB	MAR	APR	MAY	JUN	YTD
<b>FUNDING</b>	11,269,926	0	0	0	0	0	0	0	0	0	0	0	11,269,926
<b>DISTRIB &amp; RET OF CAPITAL</b>	6,810,042	0	0	0	0	0	0	0	0	0	0	0	6,810,042
<b>GAINS/LOSSES/INCOME</b>	3,484,802	0	0	0	0	0	0	0	0	0	0	0	3,484,802

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General Information

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

**Short Term Investments Portfolio by Fund**

**As of July 31, 2004**

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	63,577,151	758	63,577,909
4904 PENSION C	5,449,336	664	5,450,000
4908 PAYROLL A	3,499,627	373	3,500,000
4916 GENERAL FUND H.A.V.A.	1,169,217	0	1,169,217
4920 GENERAL FUND (HIST PRES)	452,619	513	453,132
5400 HIGHWAY FUND	100,692	0	100,692
5500 UNIVERSITY COLLEGE	2,999,680	320	3,000,000
6920 AUTO EQUIPMENT SERVICE	5,178	0	5,178
8000 T.D.I. RESERVE (DET)	82,293,808	17,386	82,311,194
8300 PERMANENT SCHOOL FUND	653,683	227	653,910
8400 EMP RETIREMENT FUND	4,520,602	0	4,520,602
8500 MUN EMP RETIREMENT FUND	407	0	407
8700 R.I. CLEAN WATER ACT	1,500,265	0	1,500,265
9000 BOND CAPITAL FUND	8,542,713	506	8,543,219
9700 STATE LOTTERY FUND	31,580,235	22,981	31,603,216
9800 INDUS. BLDG. & MTG. INS.	3,516,267	0	3,516,267
9900 SINKING FUND	173,777	223	174,000
4911 TANS	0	0	0
Subtotal	210,035,255	43,951	210,079,206
8702 CLEAN WATER 1993 SER. A	15,656		
8703 CLEAN WATER 1991 SERIES A	693,324		
8704 CLEAN WATER 96 SERIES A	258,322		
8706 CLEAN WATER CCDL 1994 (A)	165,916		
8707 CAP DEV. OF 1997 SERIES A	74,728		
8710 CLEAN WATER CCDL 2002 A	420,670		
8711 CLEAN WATER 2004 SERIES A	751,401		
8733 CAP DEV. OF 1997 SERIES A	64,158		
8737 RI POLLUT. CONT 94 SER. A	6,320		
8739 CCDL99A 1999A	373,200		
8742 POLLUTION CNTRL 2002 A	45,236		
8743 POLL.CONTRL 2004 SERIES A	1,235,179		
9114 G.O. NOTE 1991 SER. B	3,789		
9116 BOND CCDL 1993 SERIES A	543,948		
9117 BOND CCDL 1994 SERIES A	992,606		
9120 BOND CCBL96A	1,668,253		
9121 CAP DEV OF 1997 SERIES A	1,012,044		
9123 CCDL 1998B	2,573,707		
9124 CCDL99A 1999A	1,658,890		
9125 MMG099 1999	3,171		
9126 BOND CAPITOL CCDL2000A	5,042,010		
9127 MULTI-MODAL GEN OBL 2000	2,816		
9128 BOND 2001	898,873		
9129 BOND CCDL 2002 SERIES A	5,697,331		
9131 CCDL 2004 SERIES A	34,392,136		
Subtotal Bond Proceed Accounts	58,593,684		
Total Short Term Portfolio	268,628,940		

\* General Fund (4901,4911,4916), TDI (8000), & ISTEPA (5400), Clean Water (8700), Lottery (9700), RI Ind Bldg (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.

**Short Term Interest Rate Performance**  
July 2004

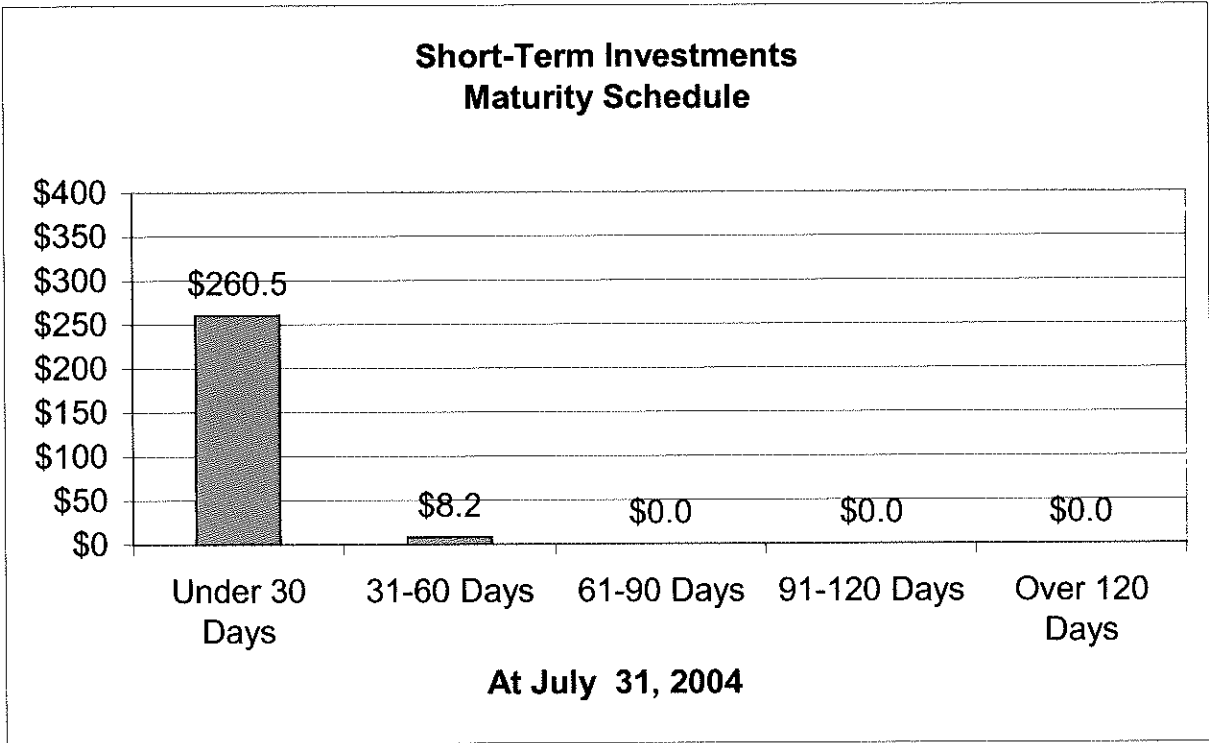
<u>Date</u>	<u>Amount Invested (millions)</u>	<u>Money Market Funds</u>	<u>Weighted Interest Rate</u>	<u>30 Day Treasury Rate</u>	<u>Basis Point Difference</u>	<u>Date</u>	<u>Total Investment (millions)</u>
7/01	\$38.87	\$0.32	1.22	1.14	7.81	7/01	\$361.20
7/02	\$34.48	\$0.00	1.27	1.01	26.18	7/02	\$340.39
7/06	\$66.85	\$0.00	1.21	1.11	10.34	7/06	\$349.24
7/07	\$20.70	\$0.00	1.21	1.14	7.08	7/07	\$355.19
7/08	\$10.50	\$2.70	1.26	1.13	13.27	7/08	\$360.09
7/09	\$15.94	\$0.00	1.26	1.12	13.63	7/09	\$363.18
7/12	\$28.50	\$0.00	1.23	1.12	10.57	7/12	\$361.84
7/13	\$22.35	\$0.00	1.20	1.13	7.00	7/13	\$364.24
7/14	\$22.40	\$0.00	1.22	1.15	7.16	7/14	\$364.93
7/15	\$19.10	\$0.00	1.26	1.15	10.80	7/15	\$366.32
7/16	\$31.69	\$0.00	1.26	1.12	13.69	7/16	\$323.81
7/19	\$17.10	\$0.50	1.19	1.11	8.27	7/19	\$319.96
7/20	\$59.29	\$0.00	1.23	1.16	6.99	7/20	\$362.96
7/21	\$30.30	\$0.00	1.24	1.19	4.54	7/21	\$369.45
7/22	\$24.10	\$0.00	1.24	1.19	5.43	7/22	\$373.65
7/23	\$28.00	\$0.00	1.20	1.19	1.45	7/23	\$382.37
7/26	\$18.70	\$0.00	1.20	1.20	0.16	7/26	\$375.32
7/27	\$22.25	\$0.00	1.23	1.29	-5.84	7/27	\$382.87
7/28	\$11.20	\$0.00	1.23	1.33	-10.00	7/28	\$376.47
7/29	\$10.37	\$0.00	1.30	1.30	0.37	7/29	\$375.47
7/30	\$25.89	\$0.00	1.36	1.26	9.84	7/30	\$268.63

			<u>Weighted Average Rate</u>	<u>30 day Rate</u>	<u>Basis Point Difference</u>	
Total Investments	\$558.58	99.37%	1.24	1.15	8	7,497.59
Money Market	\$3.52	0.63%				
Total	<u>\$562.10</u>	<u>100.00%</u>				

INTEREST

SHORT TERM INVESTMENTS  
July 31, 2004

INSTRUMENT	SELLER	BALANCE	AVERAGE RATE	PERCENT OF TOTAL	GUIDELINES PERCENTAGE BY INSTITUTION	GUIDELINES PERCENTAGE BY INSTRUMENT
(14) CD's	Citizens Bank	7,106,301.79	1.28%	2.65%	15%	15%
	State Street Bank	0.00	0.00%	0.00%		
	Sub-Total:	7,106,301.79		2.65%		
(19) US AGCY OBLIG	First Tennessee	31,704,842.18	1.26%	11.80%	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:	31,704,842.18		11.80%		
(15) COMMERCIAL PAPER	Fleet National Bank	0.00	0.00%	0.00%	10%	25%
	Dean Witter	0.00	0.00%	0.00%		
	GE	11,987,028.61	1.31%	4.46%		
	Citigroup	14,992,062.50	1.27%	5.58%		
	Ford Motor Co	0.00	0.00%	0.00%		
Sub-Total:	26,979,091.11		10.04%			
(17) GOVERNMENT MONEY MRKT	Fidelity	84,634,304.59	1.15%	31.51%	35%	50%
	Brinson Advisors	62,965,097.06	1.15%	23.44%		
	Dreyfus	9,921,846.10	1.07%	3.69%		
(16) REPURCHASE AGREEMENTS	M/S Dean Witter	0.00	0.00%	0.00%	20%	100%
	State Street Bank	0.00	0.00%	0.00%		
	Sun Trust	0.00	0.00%	0.00%		
	Paine Webber	0.00	0.00%	0.00%		
Sub-Total:	0.00		0.00%			
(12) COLLATERALIZED DEPOSITS	Citizens Bank	45,317,456.77	1.22%	16.87%	10%	25%
	State Street Bank	0.00	0.00%	0.00%		
	Chase Securities	0.00	0.00%	0.00%		
Sub-Total:	45,317,456.77		16.87%			
TOTAL:		=====	=====	=====		
		268,628,939.60	1.27%	100.00%		



Maturities in \$Millions

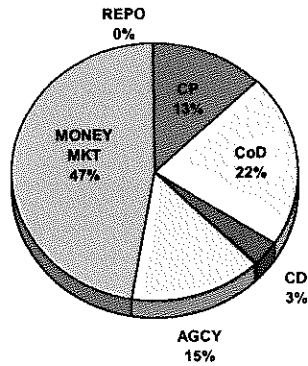
Note: Includes \$202.8 Million of Money Market investments with no specific maturity

#### Summary Portfolio Yields

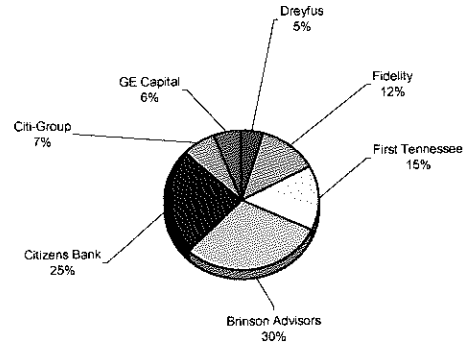
July, 2004	1.20%
June, 2004	1.10%
July, 2003	0.98%

**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**SHORT TERM CASH INVESTMENTS AT JULY 31, 2004**

**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	CD	Agency	Money Mkt	CoD	Repo	Total (\$)
Guidelines-Total/Vendor	25%/10%	25%/10%	75%/35%	60%/35%	25%/25%	100%/20%	
Dreyfus	0	0	0	9,921,846	0	0	9,921,846
	0%	0%	0%	5%	0%	0%	5%
Dean Witter	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Chase Securities	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Paine Webber	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Fidelity	0	0	0	26,040,620	0	0	26,040,620
	0%	0%	0%	12%	0%	0%	12%
First Tennessee	0	0	31,704,842	0	0	0	31,704,842
	0%	0%	15%	0%	0%	0%	15%
Brinson Advisors	0	0	0	62,965,097	0	0	62,965,097
	0%	0%	0%	30%	0%	0%	30%
Citizens Bank	0	7,106,302	0	0	45,317,457	0	52,423,759
	0%	3%	0%	0%	22%	0%	25%
GE Capital	11,987,029	0	0	0	0	0	11,987,029
	6%	0%	0%	0%	0%	0%	6%
Sun Trust	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Citi-Group	14,992,063	0	0	0	0	0	14,992,063
	7%	0%	0%	0%	0%	0%	7%
State St Bank	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
<b>TOTALS</b>	<b>26,979,091</b>	<b>7,106,302</b>	<b>31,704,842</b>	<b>98,927,563</b>	<b>45,317,457</b>	<b>0</b>	<b>210,035,255</b>
<b>(%) PORTFOLIO</b>	<b>13%</b>	<b>3%</b>	<b>15%</b>	<b>47%</b>	<b>22%</b>	<b>0%</b>	<b>100%</b>

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

SPECIAL FUNDS  
 INVESTMENT SUMMARY  
 JULY 31, 2004

TOTAL MARKET VALUE

<u>FUND NAME</u>	<u>Gain/Loss</u>	<u>TOTAL MARKET VALUE</u>
Abraham Touro Fund Balanced Fund	-\$63,723	\$1,844,775
Land Grant Fund	-\$164	\$64,766
State of Rhode Island Treasury Mutual Fund	-\$63,887	\$1,909,541

TOTALS

