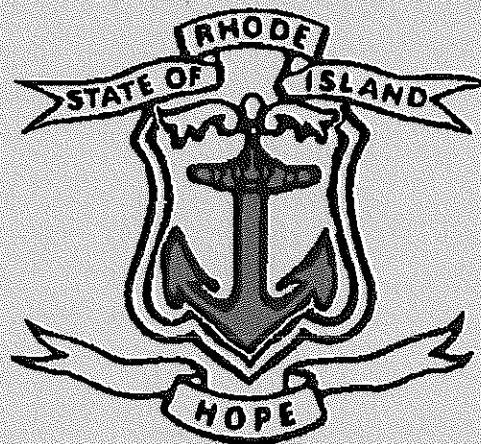


# State of Rhode Island and Providence Plantations



Office of the General Treasurer  
Paul J. Tanurea  
General Treasurer

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
MARCH 31, 2001**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Hon. Paul J. Tavares, Chair**

**J. Michael Costello  
Rosemary Booth Gallogly  
Marcia Reback  
William J. Whitty**

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



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

Paul J. Tavares  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, April 25, 2001 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 3/28/01 \*
3. Investment Manager Interviews – Active Non-US Equity Manager \*
  - Putnam Investments
  - Baille Gifford Overseas Ltd.
  - Bank of Ireland
4. General Consultant's Report – Wilshire Associates Incorporated
  - Capital Market Update
5. Legal Counsel Report
6. Deputy Treasurer for Finance Report
7. Treasurer's Report
8. New Business

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



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

**Minutes of the Regular Meeting  
March 28, 2001**

A State Investment Commission meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, March 28, 2001. There being a quorum present, the Treasurer called the meeting to order at 9:03 a.m.

Membership Roll Call. Present were: Ms. Rosemary Booth Gallogly, Designee of the Director of Administration, Dr. Robert J. McKenna, Ms. Marcia Reback, Mr. James E. Thorsen, Mr. William J. Whitty and General Treasurer Paul J. Tavares. Also present were: Ms. Joan M. Caine, Deputy Treasurer for Finance, Ms. Donna Kling, of Wilshire Associates Incorporated, Consultant to the Commission, Mr. Kelly DePonte and Ms. Kara King, of Pacific Corporate Group, Alternative Investment Consultant to the Commission, Andrew M. Hodgkin, Esq., Legal Counsel to the Commission and other members of the Treasurer's Staff. Sen. Daniel DaPonte joined the meeting at 9:05 a.m. and Mr. J. Michael Costello joined the meeting at 9:06 a.m.

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

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

CVC European Equity Partners III, L.P. ("CVC"). Ms. Caine requested that the Commission give consideration to an extension of the existing relationship with CVC European Equity Partners with approval of a \$20 million investment in its new fund, CVC European Equity Partners III, L.P. She stated that the pension fund invested \$15 million in CVC European Equity Partners II, L.P. in May of 1998. CVC has generated a net IRR of 32% since 1981. Mr. DePonte from Pacific Corporate Group introduced Mr. James Joy, Managing Director, European Business Development who represented the fund.

Mr. DePonte stated that Citicorp Venture Capital was established in 1981. In 1993, CVC completed its own buy-out and is now independently owned by its management. CVC manages over \$4 billion in equity capital in Europe. Mr. Joy stated that CVC has invested in 195 predominantly European management buy-outs. From 1996 through September, 2000, CVC invested \$2.8 billion in 64 transactions. He noted that CVC European Equity Partners III, L.P. is being organized to make investments in management buy-outs, buy-ins, acquisitions, recapitalizations and related transactions on a pan-European basis. The Fund will seek to invest in companies that have talented and experienced management teams with strong market positions, the opportunity for cash flow and profit growth, revenues in excess of \$50 million, a realistic business plan and a persuasive strategy to achieve it. The targeted fund size is \$3.5 - \$4 billion.

Mr. Joy explained that CVC will typically seek controlling equity positions and intends to broadly diversify its European investments in a variety of industries and geographical locations in order to mitigate portfolio risk. He noted that the European private equity market has significant growth potential compared to the US. Since 1993, CVC generated IRRs of 82.5% on 31 exited

transactions. CVC's IRR on all investments for the period 1993 through June, 2000 is 49.9% and since inception in 1981, exceeds 40% (gross). He stated that European corporate restructuring is accelerating, abundant buy-out opportunities exist and that attractive returns continue.

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

**VOTED: To invest \$20 million in CVC European Equity Partners III, L.P. as recommended by Pacific Corporate Group, contingent upon satisfactory review and negotiation of investment and other legal documents.**

Zurich Scudder Investments, Inc. Ms. Kling gave a brief overview of Scudder, which was retained in 1994 to provide a strategic allocation to the non-US equity market. The portfolio is expected to achieve long-term capital growth by investing in marketable securities of companies based in the developed and emerging non-US markets. As of 12/31/00 the Scudder portfolio represented approximately 33.2% of the non-US equity composite and approximately 5.4% of the total fund. Market value at 12/31/00 was \$361 million.

Ms. Theresa Gusman, Managing Director and Lead Portfolio Manager and Mark J. Majka, Senior Vice President and Client Investment Specialist represented the firm. Mr. Majka noted that Scudder changed its name to Zurich Scudder Investments in January of 2001. The firm has \$371 billion of assets under management, \$225 billion of which represents institutional assets. Ms. Gusman reviewed the firm's investment process stating that the portfolio incorporates top-down investment themes, along with company and country analysis. It is comprised of their highest conviction bottom-up ideas. The portfolio is core international with a blend of value and growth stocks, diversified by country and sector. It is constructed to perform well under multiple economic scenarios, which reflects Scudder's risk management disciplines.

Ms. Gusman stated that the firm underperformed its benchmark last year by 190 basis points. Attributes that helped performance in 2000 were excellent stock selection in consumer staples, industrial and utilities and being underweighted in fixed line telecommunications service companies. Attributes that hurt performance in 2000 were overweighting in information technology, technology holdings in Japan and emerging markets, and an early underweight in financials. She stated that 75% of the value added was from stock selection and 25% of the value added was from sector allocation.

Consultant Report – Wilshire Associates Incorporated. Providing her Capital Market Update, Ms. Kling noted that year-to-date 2001, the Fed has lowered interest rates three times for a total reduction of 1.5%. The second major trend is continued market volatility. The Dow is down 15% since the record close of January, 2000 and down 7.8% year-to-date. The Nasdaq is down 61% since its record high in March, 2000, and is down 20% year-to-date. As a result of weak corporate earnings, technology has fallen 25% year-to-date. The best performing sector year-to-date is consumer cyclicals which is only down .01%.

Ms. Kling stated that the S&P was down 10.2% as of 3/27/01. Small cap stocks are down 6.3% and value stocks continue to outperform growth stocks. Large value is down 5.2% year-to-date versus large growth which is down 15.5%. Small value stocks are down .2% versus small growth which is down 11.8%. High yield is up 4.5%.

Deputy Treasurer for Finance Report. Ms. Caine stated that through 2/28/01 (eight months into our fiscal year) the Pension Fund is down 9.1%. The Fund lost 5.7% in February, 2001, the bulk of which came from the domestic equity portfolio. She noted that Provident Investment Counsel, who had previously been an extremely good performer, lost 21% in February alone, underperforming its benchmark by 840 basis points. The Treasurer and members of Treasury staff met with Provident on March 14, 2001. They were informed that the firm had not been maintaining their investment discipline which had served them well in the past. The underlying source of Provident's underperformance was overexposure to the technology sector and the timing of technology purchases. On a positive note, Loomis, Sayles & Co. is presently approximately 440 basis points above their benchmark.

Ms. Caine announced that the State Street Bank & Trust Co. has installed as part of their custody agreement, an automated compliance monitoring system on treasury staff computers. This includes all the investment policy statements, guidelines and restrictions for all managers so that treasury staff can monitor investment managers' compliance with their guidelines.

Ms. Caine introduced Mr. Frank Karpinski, Executive Director of the Employees' Retirement System, who announced that an Experience Study Workshop is to be held on Tuesday, April 17<sup>th</sup> from 10:00 a.m. to 11:30 a.m. He invited Commission members to attend to learn more about the demographics of the plan – retirement rates and assumptions. This is held on a bi-annual basis to determine appropriate funding of the plan.

General Treasurer's Report. Treasurer Tavares stated that the CollegeBoundfund had \$4 million in assets when he started as Treasurer. The fund had \$9 million in assets after his first year and is presently at \$180 million. He announced that Lifespan will soon offer it to all 9,000 of their employees through payroll deduction.

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

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 10:45 a.m.

Respectfully submitted,

Paul J. Tavares  
General Treasurer





**RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
March 31, 2001**

**PORTFOLIO PERFORMANCE**

**March**

The ERSRI portfolio posted a loss of -4.79% for the month of March, against the Policy Index of -4.81%. Domestic and international equities were down -7.27% and -6.98% respectively, while the fixed income asset class lost a modest 0.21%. Additionally, the retirement fund earned \$194,107 from the securities lending program during the month of March.

**Calendar Year-to-Date**

On a calendar year basis, the portfolio is down -9.08%, against the Policy Index of -8.31%. Domestic and international equities fell by -14.27% and -14.81% respectively, while fixed income gained 2.88%.

**Fiscal Year-to-Date**

For the nine months ended March 31, 2001, the fund has lost -13.42%, against the fiscal year to date policy index of -13.65%.

ERSRI Performance By Asset Class	Mar-01	CALENDAR YTD
Domestic Equity	-7.27%	-14.27%
Fixed Income	-0.21%	2.88%
International Equity	-6.98%	-14.81%
<b>Total Fund Composite*</b>	<b>-4.79%</b>	<b>-9.08%</b>
Manager Summary	Mar-01	CYTD
<b>DOMESTIC EQUITY</b>		
SSgA Russell Value	-3.52%	-5.87%
SSgA Core	-5.87%	-12.15%
PIMCO	-6.29%	-11.66%
JP Morgan	-6.48%	-12.12%
SSgA Wisshire 5000	-6.93%	-12.71%
Shott Capital Management IRR	-7.84%	-11.18%
Provident Investment Advisors	-15.26%	-31.90%
<b>Total Domestic Equity</b>	<b>-7.27%</b>	<b>-14.27%</b>
<b>FIXED INCOME</b>		
Taplin, Canada & Habacht	0.84%	4.66%
In-State Fixed Income	0.57%	1.67%
Fidelity Management	0.50%	2.66%
Brown Bros. Harriman	0.46%	2.95%
Fleet Investment Advisors	0.29%	2.27%
Loomis Sayles	-4.33%	3.04%
<b>Total Fixed Income</b>	<b>-0.21%</b>	<b>2.88%</b>
<b>INTERNATIONAL EQUITY</b>		
Schroder Capital Mgmt	-6.63%	-14.62%
Zurich Scudder Investments	-6.99%	-16.21%
Baring Asset Mgmt	-7.56%	-13.18%
<b>Total International Equity</b>	<b>-6.98%</b>	<b>-14.81%</b>

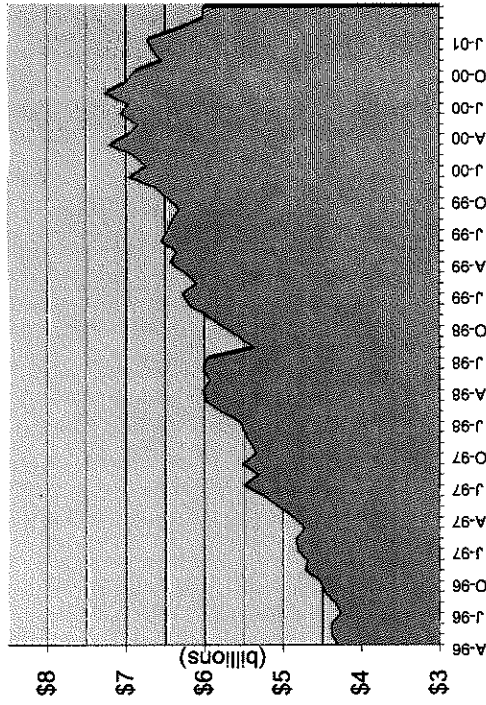
\*Total Fund Composite includes all classes

Index Performance Summary - Mar 2001	Mar-01	Calendar YTD
<b>Market Indices</b>		
<b>Domestic Equity</b>		
S & P 500	-6.35%	-11.85%
Wisshire 5000	-6.73%	-12.34%
Russell 2000	-4.89%	-6.50%
Russell 2500	-5.49%	-8.67%
Russell 1000	-6.64%	-12.57%
Policy Index	-4.81%	-8.31%
<b>International Equity</b>		
MSCI EAFE	-6.67%	-13.71%
MSCI ACWI	-7.07%	-13.15%
<b>Fixed Income</b>		
Lehman AGG	0.50%	3.03%
<b>Real Estate</b>		
Wisshire	0.08%	-1.02%

### Market Values

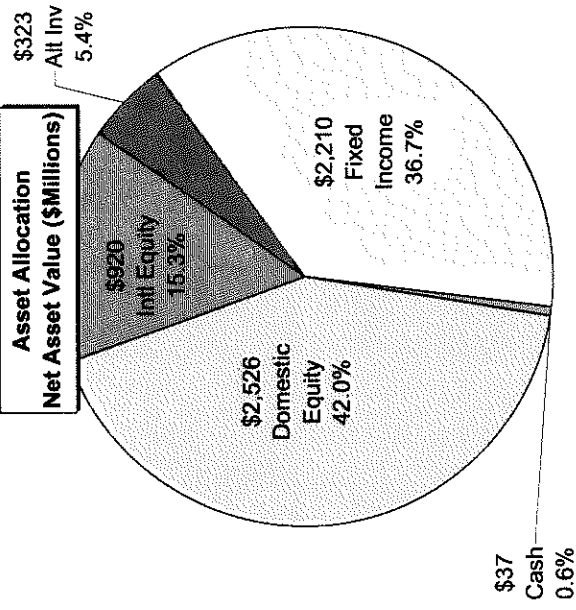
The total portfolio value decreased in March by \$317.4 million to \$6.016 billion. This compares with an increase in value of \$311.4 million for the same period in 2000. The equity market values depreciated by \$197.1 million during the month of March. Fixed income decreased by \$18.7 million, net of transfers, while international equity values were down by \$68.9 million. Alternative investments declined by \$30 million, due to a decrease in market values as reflected in the 4th quarter 2000 alternative investment manager financial reports.

**Monthly Market Values**  
April 96- March 01



### Asset Allocation

The domestic equities portfolio is under-allocated by 3.0%. The fixed income portfolio is over-allocated by 9.2%. The international equity portfolio is under-allocated by 4.7%, while the alternative investment assets remain under-allocated by 2.1%.



*Employees' Retirement Systems of Rhode Island  
Summary of Transfers by Asset Class  
March 31, 2001*

<b>Asset Class</b>	<b>Cash In</b>	<b>Cash Out</b>
Domestic Equities	1,547,543	1,328,120
Int'l Equities	89,640	0
Fixed Income	123,278	14,133,314
Real Estate	0	0
Venture Capital	3,042,401	4,169,825
Cash outside Trust	14,135,582	17,200,023
Cash in Trust	4,152,507	3,042,401
<b>TOTAL</b>	<b>23,090,952</b>	<b>39,873,683</b>

**Manager Funding**

A summary of cash transfers by asset class which took place during March is presented at right. Such transfers are required to provide sufficient cash for alternative investment funding (\$2.8 mm) as well as to meet current retirement payroll obligations (\$15.5mm).

**Cash Flow**

March's pension payroll of \$33.7 million exceeded the \$19 million in contributions received by \$14.7 million. The transfer of \$15.5 million from long term investments to short term was sufficient to cover that shortfall.

**Alternative Investments**

At this time the alternative investment asset class has an unfunded allocation of approximately \$236.8 million, vs. a commitment of \$493 million.

**CAPITAL CALLS  
Net of Contributions**

<b>MARCH 2001</b>	<b>FYTD</b>	<b>UNFUNDED BALANCE</b>
\$2,863,015	\$29,873,273	\$236,804,498

<b>MARCH 2000</b>	<b>FYTD</b>	<b>UNFUNDED BALANCE</b>
\$8,615,559	\$62,482,866	\$155,235,676

**Expenses**

Expenses paid during March totalled a mere \$179,386, consisting solely of alternative manager fees.

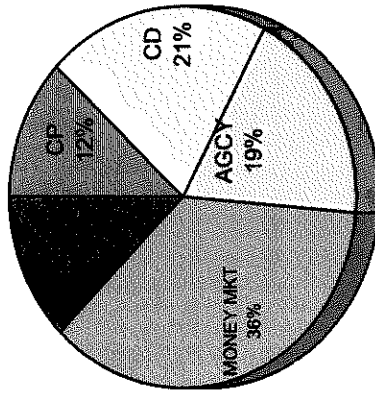
**Short Term Cash**

The short term cash portfolio had a 4.5 day weighted average maturity vs 9.8 days in February, and 15.4 days in March of 2000. Investments at March 31st totalled \$293 million. Interest earned during the month was \$963,361, of which \$41,706 was credited to the retirement accounts. The average investment rate of 5.08% was 36 basis points over the average 30 day treasury rate.

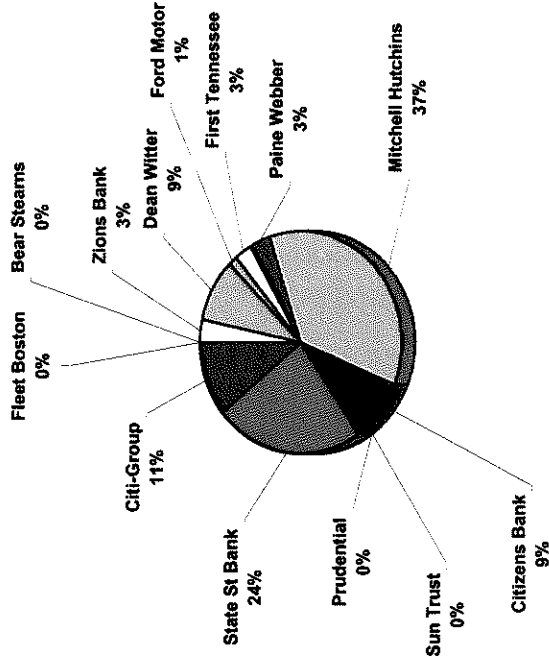
**RHODE ISLAND STATE INVESTMENT COMMISSION**

**SHORT TERM CASH INVESTMENTS AT MARCH 31, 2001**

**Portfolio By Instrument**



**Portfolio by Issuer**



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

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

**Issuer Credit Ratings  
March, 2001**

Issuer	Issuer Ratings		S-T Debt Rating		L-T Debt Rating		Credit Outlook
	Moody's		Moody's	S&P	Moody's	S&P	S&P
FleetBoston Robertson Stephens	A-2		P-1	A-1	A2	A	Positive
Bear Stearns	A-2		P-1	A-1	A2	A	Negative
Citigroup Inc.	Aa3		P-1	A-1+	Aa2	AA-	Stable
Citizens Bank RI	Aa3		P-1	A-1+	Aa3	AA-	Stable
First Tennessee Capital Markets	A-1		P-1	N/A	A1	A-	Negative
Ford Motor Credit	A-2		P-1	A-1	A2	A	Negative
Morgan Stanley Dean Witter	Aa3		P-1	A-1+	Aa3	AA-	Stable
Paine Webber	Aa1		P-1	A-1+	Aa1	AA+	Stable
Prudential Securities Incorporated	A-2		P-1	A-2	A2	BBB+	Stable
State Street Bank & Trust Company	Aa2		P-1	A-1+	Aa2	AA	Stable
SunTrust Equitable Securities	Aa3		P-1	A-1	Aa3	A+	Stable
Zions Bank	A-2		P-1	A-2	A3	BBB+	Stable

**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

April 25, 2001

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 March 31, 2001.

**Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation  
March 31, 2001**

Asset Class		
Cash/Short Term Investments		\$ 226,544,493
Equities – Domestic		\$ 2,512,544,533
Equities – International		\$ 897,157,427
Fixed Income – Government	\$ 1,205,369,985	
Fixed Income – Corporate	\$ 825,091,130	
Fixed Income – In State	\$ 26,815,254	
Total Fixed Income		\$ 2,057,276,369
Alternative Investments		\$ 322,114,026
Other – Escrow		\$ 500,000
Total Fund Investments		\$ 6,016,136,849
Plan Allocation		
State Employees & Teachers	87.0%	\$ 5,231,225,137
Municipal Employees	12.7%	\$ 766,056,532
State Police	0.2	\$ 11,511,192
Judicial	0.1%	\$ 7,343,988
Total Fund Investments	100.0%	\$ 6,016,136,849

The amount listed for 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**  
**March 31, 2001**

	Performance		Benchmark Description	Performance		Valuation Change								
	Calendar YTD	Benchmark		Current Month	Benchmark	Market Value	Transfers		Market Value					
							Net of Xfers	Benchmark		Alpha	2/28/01	In/Out	3/31/01	
<b>Domestic Equity</b>														
Shott Capital Management IRR	-11.18%	N/A	N/A	N/A	-7.84%	N/A	N/A	1,538,650	17,318	1,298,829	(257,139)			
JP Morgan Investment Management	-12.12%	-12.57%	0.45%	0.16%	-6.48%	-6.64%	0.16%	343,033,640	22,410	320,834,990	(22,221,060)			
Provident Investment Council	-31.90%	-20.90%	-11.00%	-4.38%	-15.26%	-10.88%	-4.38%	299,827,101	22,410	264,099,791	(45,749,720)			
SSGA Core	-12.15%	-12.57%	0.42%	0.77%	-5.87%	-6.64%	0.77%	326,980,911	22,410	307,810,848	(19,192,473)			
SSGA Russell Value	-5.87%	-5.86%	-0.01%	0.01%	-3.52%	-3.53%	0.01%	231,216,851	22,410	223,093,712	(8,145,549)			
SSGA Wilshire 5000	-12.71%	-12.34%	-0.37%	-0.20%	-6.93%	-6.73%	-0.20%	1,086,563,246	78,850	1,011,373,288	(75,268,808)			
PIMCO	-11.66%	-11.85%	0.19%	0.06%	-6.29%	-6.35%	0.06%	435,042,448	33,615	407,728,388	(27,347,675)			
<b>Total Domestic Equity</b>	<b>-14.27%</b>				<b>-7.27%</b>			<b>2,724,202,847</b>	<b>219,423</b>	<b>2,526,239,845</b>	<b>(198,187,425)</b>			
<b>International Equity</b>														
Bering Asset Management	-13.18%	-13.71%	0.53%	-0.89%	-7.56%	-6.67%	-0.89%	245,529,847	22,410	226,991,416	(18,560,841)			
Schroder Capital Management Intl	-14.62%	-13.15%	-1.47%	0.44%	-6.63%	-7.07%	0.44%	399,262,395	40,255	373,557,604	(25,745,048)			
Zurich Scudder Investments	-16.21%	-13.15%	-3.06%	0.08%	-6.99%	-7.07%	0.08%	325,153,229	26,975	302,442,056	(22,738,148)			
Schroder Emerging Markets	0.00%	N/A	N/A	N/A	0.00%	N/A	N/A	18,481,526	-	16,526,527	(1,954,999)			
<b>Total International Equity</b>	<b>-14.81%</b>				<b>-6.98%</b>			<b>988,426,997</b>	<b>89,640</b>	<b>919,517,602</b>	<b>(68,999,035)</b>			
<b>Fixed Income</b>														
Fleet Investment Advisors	2.27%	3.03%	-0.76%	-0.21%	0.29%	0.50%	-0.21%	741,561,985	(7,959,330)	735,723,344	2,120,709			
Fidelity Management & Research	2.66%	2.77%	-0.11%	-0.15%	0.50%	0.65%	-0.15%	565,099,529	(3,968,875)	563,957,275	2,826,621			
Brown Brothers, Harriman	2.95%	3.09%	-0.14%	-0.06%	0.46%	0.52%	-0.06%	242,625,101	(1,985,060)	241,751,272	1,111,231			
In-State Fixed Income	1.67%	N/A	N/A	N/A	0.57%	N/A	N/A	26,797,545	(133,291)	26,815,254	151,000			
Taplin, Canida & Habacht	4.66%	4.28%	0.38%	0.22%	0.84%	0.62%	0.22%	335,021,085	18,260	337,852,343	2,812,998			
Loomis, Sayles & Co.	3.04%	1.88%	1.16%	-1.94%	-4.33%	-2.39%	-1.94%	317,358,028	18,260	303,644,065	(13,732,223)			
<b>Total Fixed Income</b>	<b>2.88%</b>				<b>-0.21%</b>			<b>2,228,463,253</b>	<b>(14,010,036)</b>	<b>2,209,743,553</b>	<b>(4,709,664)</b>			
<b>Alternative Investments</b>														
Pacific Corporate Group	-24.99%	N/A	N/A	N/A	-9.76%	N/A	N/A	299,676,506	(1,127,424)	269,335,489	(29,213,592)			
JMB/Hellman Advisory Group	0.89%	-1.02%	1.91%	-0.08%	0.00%	0.08%	-0.08%	4,216,741	-	4,216,741	0			
L & B Real Estate Counsel	2.46%	-1.02%	3.48%	-0.08%	0.00%	0.08%	-0.08%	48,561,796	-	48,561,796	0			
Bank Acquisition Contingency	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	500,000	-	500,000	0			
<b>Total Alternatives</b>	<b>-21.79%</b>				<b>-8.30%</b>			<b>352,955,043</b>	<b>(1,127,424)</b>	<b>322,614,026</b>	<b>(29,213,592)</b>			
<b>Cash Accounts</b>														
Cash in Trust	N/A	N/A	N/A	N/A	N/A	N/A	N/A	38,613,133	(1,956,603)	37,067,310	410,779			
Internal Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	925,000	-	954,513	29,513			
<b>Total Cash</b>	<b>N/A</b>	<b>*</b>			<b>N/A</b>	<b>*</b>		<b>39,538,133</b>	<b>(1,956,603)</b>	<b>38,021,823</b>	<b>440,292</b>			
<b>Fund Grand Total</b>	<b>-9.08%</b>	<b>-8.31%</b>	<b>-0.77%</b>	<b>0.02%</b>	<b>-4.79%</b>	<b>-4.81%</b>	<b>0.02%</b>	<b>6,333,586,273</b>	<b>(16,785,000)</b>	<b>6,016,136,849</b>	<b>(300,664,424)</b>			

\*Policy Index:  
52.5% Wilshire 5000  
27.5% Lehman Aggregate  
20.0% MSCI ACWI X-US



**STATE OF RHODE ISLAND  
SUMMARY OF MANAGER PERFORMANCE  
RATES OF RETURN  
Periods Ending March 31, 2001**

	MKT VAL	% OF FUND	1 Month	3 Months	YTD	PYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>U.S. EQUITY</b>											
ZU48 J.P. MORGAN	320,835	5.3	-6.5	-12.1	-12.1	-18.8	-22.1	-4.1			
ZU55 PIMCO	407,728	6.8	-6.3	-11.7	-11.7						
ZU22 PROVIDENT INVESTMENT	254,100	4.2	-15.3	-31.9	-31.9	-49.0	-52.5	-20.5	-6.3	5.6	7.3
ZU49 SHOTT CAPITAL	1,299	0.0	-10.3	-30.8	-30.8	-52.7	-58.7	14.1			
ZU99 SSGA - CORE	307,811	5.1	-5.9	-12.1	-12.1	-20.9	-22.3	-3.0			
ZU98 SSGA RUSSELL 1000 VALUE	223,094	3.7	-3.5	-5.9	-5.9	5.5					
ZU50 SSGA WILSHIRE 5000	1,011,373	16.8	-6.9	-12.7	-12.7						
ZU00EQ TOTAL US EQUITY	2,526,240	42.0	-7.3	-14.3	-14.3	-23.4	-26.8	-6.2	-1.8	8.4	9.7
<b>RUSSELL 1000</b>											
RUSSELL 1000			-6.6	-12.6	-12.6	-20.0	-22.7	-3.2	3.0	12.8	13.8
RUSSELL 1000 GROWTH			-10.9	-20.9	-20.9	-41.1	-42.7	-12.3	-0.5	10.1	11.6
RUSSELL 1000 VALUE			-3.5	-5.9	-5.9	5.2	0.3	3.3	3.8	13.3	14.2
WILSHIRE 5000			-6.7	-12.3	-12.3	-21.2	-24.7	-3.5	1.7	11.7	12.4
<b>INTERNATIONAL EQUITY</b>											
ZU26 BARING ASSET MANAGEMENT	226,991	3.8	-7.6	-13.2	-13.2	-21.4	-24.5	-4.5			
ZU28 SCHRODER CAPITAL MANAGEMENT	390,084	6.5	-6.6	-14.6	-14.6	-21.8	-22.5	1.4	2.0	9.8	12.6
ZU70 SCUDDER KEMPER INVESTMENTS	302,442	5.0	-7.0	-16.2	-16.2	-28.2	-31.2	-2.4	-5.9	-7.6	-6.2
ZUINTEQ TOTAL INTERNATIONAL EQUITY	919,518	15.3	-7.0	-14.8	-14.8	-23.9	-26.0	-1.4	-1.3	2.4	3.8
<b>MSCI AC WORLD EX USA (GROSS)</b>											
MSCI AC WORLD EX USA (GROSS)			-7.1	-13.1	-13.1	-23.8	-26.9	-2.6	-0.8	3.1	3.2
<b>MSCIEAFE (NET)</b>											
MSCIEAFE (NET)			-6.7	-13.7	-13.7	-22.8	-25.9	-3.7	-0.5	3.9	3.4
<b>U.S. FIXED INCOME</b>											
ZU44 BROWN BROTHERS HARRIMEN	241,751	4.0	0.5	2.9	2.9	11.8	13.4	7.2	6.9	7.0	6.7
ZU46 FIDELITY MANAGEMENT TRUST	563,957	9.4	0.5	2.7	2.7	10.1	12.6	7.6	7.1	8.0	7.7
ZU42 FLEET INVESTMENT	735,723	12.2	0.3	2.3	2.3	10.0	11.7	7.1	7.0	8.7	7.8
ZU90 LOOMIS SAYLES	303,644	5.1	-4.3	3.0	3.0	0.5	-1.2	4.7	1.9	5.5	

**STATE OF RHODE ISLAND  
SUMMARY OF MANAGER PERFORMANCE  
RATES OF RETURN  
Periods Ending March 31, 2001**

	MKT VAL	% OF FUND	1 Month	3 Months	YTD	PYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>U.S. FIXED INCOME</b>											
ZU40 STATE ACCOUNT	26,815	0.4	0.6	1.7	1.7	5.3					
ZU84 TAPLIN, CANIDIA & HABACHT	337,852	5.6	0.8	4.7	4.7	10.9	11.8	6.2	6.4	8.3	7.6
ZU0USFI TOTAL US FIXED INCOME	2,209,744	36.8	-0.2	2.9	2.9	8.9	10.1	6.8	6.4	8.1	7.5
<b>70% MERRILL LYNCH HY/30% FB CONV HY</b>											
LB AGGREGATE			-2.0	5.5	5.5	1.1	1.7	0.5	0.7	4.1	5.5
SSBI BROAD INV GRADE			0.5	3.0	3.0	10.6	12.5	7.1	6.9	8.1	7.5
SSBI LARGE PENSION FUND			0.5	3.1	3.1	10.7	12.6	7.0	6.9	8.1	7.5
SSBI LPF MORTGAGE			0.2	3.1	3.1	11.9	13.4	6.9			
			0.6	2.8	2.8	10.2	12.7	7.4			
<b>ALTERNATIVE INVESTMENTS</b>											
ZU34 HEITMAN REAL ESTATE	4,217	0.1	0.0	0.9	0.9	8.4	13.8	15.2	15.0	11.9	10.5
ZU36 L&B REAL ESTATE	48,562	0.8	0.0	2.5	2.5	6.6	8.1	7.8	9.1	12.8	11.3
ZU32 PRIVATE EQUITY INVESTMENT	269,335	4.5	-9.7	-24.9	-24.9	-18.9	-15.9	10.4	8.6	9.0	19.0
ZUALT TOTAL ALTERNATIVE INVESTMENTS	322,114	5.4	-8.3	-21.5	-21.5	-15.6					
<b>CASH EQUIVALENTS</b>											
ZU76 CASH ACCOUNT (INSIDE)	31,577	0.5	1.1	2.7	2.7	6.5					
ZU66 CASH ACCOUNT (OUTSIDE)	5,490	0.1	0.5	1.5	1.5	5.1					
<b>TOTAL PLAN</b>											
ZUALLD TOTAL PLAN	6,009,192	100.0	-4.8	-9.1	-9.1	-13.4	-14.8	-0.2	1.6	7.7	8.4
TOTAL PLAN BENCHMARK			-4.8	-8.3	-8.3	-13.7	-16.1	-0.2	3.0	9.4	9.5



Asset Allocation Report Market Values at Mar 31, 2001 (\$Millions)	Style	Actual		Target		Difference	Cash	% of
	Mandate							Total
<b>Domestic Equity</b>								
Shott Capital Mgmt	alternative distribution	1.30	0.0%	0.00	0.0%	1.30	0.00	0.0%
JP Morgan Investment Management	active core	320.83	5.3%	300.81	5.0%	20.03	0.21	0.1%
Provident Investment Council	Active lrg cap grwth	254.10	4.2%	300.81	5.0%	-46.71	10.94	4.3%
SSgA Core	active core	307.81	5.1%	300.81	5.0%	7.00	2.55	0.8%
SSgA Russell	lrg cap value Index	223.09	3.7%	300.81	5.0%	-77.71	0.00	0.0%
SSgA Wilshire 5000	Equity Index	1,011.37	16.8%	1,052.82	17.5%	-41.45	(0.01)	0.0%
PIMCO	enhanced equity	407.73	6.8%	451.21	7.5%	-43.48	0.00	0.0%
<b>TOTAL DOMESTIC EQUITY</b>		<b>\$2,526.24</b>	<b>42.0%</b>	<b>\$2,707.26</b>	<b>45.0%</b>	<b>-\$181.02</b>	<b>\$13.70</b>	<b>0.5%</b>
<b>International Equity</b>								
Baring Asset Management	passive EAFE	226.99	3.8%	300.81	5.0%	-73.82	0.00	0.0%
Schroder Capital Management Intl	M/S all country ex US	373.56	6.2%	360.97	6.0%	12.59	15.93	4.3%
Zurich Scudder Investments	M/S all country ex US	302.44	5.0%	360.97	6.0%	-58.53	6.43	2.1%
Schroder Emerging Markets	M/S Emrg Mkts	16.53	0.3%	180.48	3.0%	-163.96	0.00	0.0%
<b>TOTAL INT'L EQUITY</b>		<b>\$919.52</b>	<b>15.3%</b>	<b>\$1,203.23</b>	<b>20.0%</b>	<b>-\$283.71</b>	<b>\$22.36</b>	<b>2.4%</b>
<b>Domestic Fixed Income</b>								
Fleet Investment Advisors	active core	735.72	12.2%	545.96	9.1%	189.76	114.38	15.5%
Fidelity Management & Research	mortgages	563.96	9.4%	413.61	6.9%	150.35	1.52	0.3%
Brown Brothers, Harriman	opportunistic core	241.75	4.0%	198.53	3.3%	43.22	22.67	9.4%
In-State Fixed Income	short/int govt	26.82	0.4%	0.00	0.0%	26.82	0.00	0.0%
Taplin, Canida & Habacht	corporates	337.85	5.6%	248.17	4.1%	89.69	13.33	3.9%
Loomis, Sayles & Co.	convt/hi yield	303.64	5.0%	248.17	4.1%	55.48	0.57	0.2%
<b>TOTAL FIXED-INCOME</b>		<b>\$2,209.74</b>	<b>36.7%</b>	<b>\$1,654.44</b>	<b>27.5%</b>	<b>\$555.31</b>	<b>\$152.47</b>	<b>6.9%</b>
<b>Alternative Investments</b>								
JMB/ Heitman Advisory Corp	real estate	4.22	0.1%					
L&B Real Estate Counsel	real estate	48.56	0.8%					
Shott Capital Mgmt	alternative distribution	0.00	0.0%					
Pacific Corp Group	Private Equity	269.34	4.5%					
Bank Disposition	contingency	0.50	0.0%					
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$322.61</b>	<b>5.4%</b>	<b>\$451.21</b>	<b>7.5%</b>	<b>-\$128.60</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>CASH EQUIVALENTS</b>	STIF, Yield+	38.02	0.6%	0.00	0.0%	38.02	38.02	100.0%
<b>TOTAL ASSETS</b>		<b>\$6,016.14</b>	<b>100.0%</b>	<b>\$6,016.14</b>	<b>100.0%</b>	<b>\$0.00</b>	<b>\$226.54</b>	<b>3.8%</b>
<b>Allocation By Management Style</b>								
<b>Domestic Equity</b>								
Core		626.65	10.4%	601.61	10.0%	27.03	2.76	0.4%
Large Cap Growth		254.10	4.2%	300.81	5.0%	(46.71)	10.94	4.3%
Large Cap Value		223.09	3.7%	300.81	5.0%	(77.71)	-	0.0%
Enhanced Equity		1,419.10	23.6%	1,504.03	25.0%	(84.93)	(0.01)	0.0%
Alt Distribution		1.30	0.0%	-	0.0%	1.30	-	0.0%
<b>TOTAL DOMESTIC EQUITY</b>		<b>\$2,526.24</b>	<b>42.0%</b>	<b>\$2,707.26</b>	<b>45.0%</b>	<b>(\$181.02)</b>	<b>\$13.70</b>	<b>0.5%</b>
<b>International Equity</b>								
Passive		226.99	3.8%	300.81	5.0%	(73.82)	0.00	0.0%
Active		676.00	11.2%	721.94	12.0%	(45.94)	22.36	3.3%
Emerging Markets		16.53	0.3%	180.48	3.0%	(163.96)	-	0.0%
<b>TOTAL INT'L EQUITY</b>		<b>\$919.52</b>	<b>15.3%</b>	<b>\$1,203.23</b>	<b>20.0%</b>	<b>(\$283.71)</b>	<b>\$22.36</b>	<b>2.4%</b>
<b>Domestic Fixed Income</b>								
Mortgage		563.96	21.6%	413.61	6.875%	150.35	1.52	0.3%
Core		1,004.29	4.5%	744.50	12.375%	259.79	137.04	13.6%
Corporates		337.85	5.6%	248.17	4.125%	89.69	13.33	3.9%
Convertible/High Yield		303.64	5.0%	248.17	4.125%	55.48	0.57	0.2%
<b>TOTAL FIXED-INCOME</b>		<b>\$2,209.74</b>	<b>36.7%</b>	<b>\$1,654.44</b>	<b>27.5%</b>	<b>\$555.31</b>	<b>\$152.47</b>	<b>6.9%</b>
<b>Alternative Investments</b>								
Real Estate		52.78	0.9%					
Other Alternative Investments		269.84	4.5%					
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$322.61</b>	<b>5.4%</b>	<b>\$451.21</b>	<b>7.5%</b>	<b>(\$128.60)</b>		
<b>CASH EQUIVALENTS</b>	STIF, Yield+	38.02	0.6%	0.00	0.0%	38.02	38.02	100.0%
<b>TOTAL ASSETS</b>		<b>\$6,016.14</b>	<b>100.0%</b>	<b>\$6,016.14</b>	<b>100.0%</b>	<b>(\$0.00)</b>	<b>\$226.55</b>	<b>3.8%</b>

**RHODE ISLAND STATE INVESTMENT COMMISSION**

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

**MARCH 31, 2001**

<i>Equities</i>				
<b>RANK</b>	<b>SECURITY NAME</b>	<b>PAR VALUES/SHARES</b>	<b>BASE MARKET AMOUNT</b>	<b>MONEY MANAGERS</b>
1	GENERAL ELC. CO	846,500	\$35,434,490	SSgA,Provident,J.P.Morgan
2	PFIZER INC	813,900	33,329,205	SSgA,Provident,J.P.Morgan
3	AOL TIME WARNER INC	611,299	24,543,655	SSgA,Provident,J.P.Morgan
4	MERCK & CO INC	233,400	17,715,060	SSgA,Provident,J.P.Morgan
5	EXXON MOBIL CORP	215,485	17,454,285	SSgA,Provident,J.P.Morgan
6	CITIGROUP INC	339,133	15,254,202	SSgA,Provident,J.P.Morgan
7	CISCO SYS INC	899,300	14,220,181	SSgA,Provident,J.P.Morgan
8	E M C CORP MASS	457,300	13,444,620	SSgA,Provident,J.P.Morgan
9	FEDERAL HOME LN MTG	201,800	13,082,694	SSgA,Provident,J.P.Morgan
10	MICROSOFT CORP	238,700	13,053,906	SSgA,Provident,J.P.Morgan
		<b>7.82%</b>	<b>\$197,532,299</b>	
<b>Total Composite Equities</b>		<b>\$2,524,941,016</b>		

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

**MARCH 31, 2001**

<i>International Equities</i>				
<b>RANK</b>	<b>SECURITY NAME</b>	<b>PAR VALUES/SHARES</b>	<b>BASE MARKET AMOUNT</b>	<b>MONEY MANAGERS</b>
1	VODAFONE GROUP	9,120,945	\$25,026,797	Schroders,Scudder
2	ROYAL DUTCH PETROL	303,142	16,880,512	Schroders,Scudder
3	SONY CORP	192,800	13,692,788	Schroders,Scudder
4	TOTAL FINA ELF	94,663	12,845,664	Schroders,Scudder
5	ING GROEP NV CVA	192,393	12,586,034	Schroders,Scudder
6	GLAXOSMITHLINE	479,809	12,558,274	Schroders,Scudder
7	HEINEKEN	217,630	11,408,836	Schroders,Scudder
8	NEC CORP	694,000	11,064,958	Schroders,Scudder
9	TELEFONICA SA	649,835	10,455,442	Schroders,Scudder
10	DRESDNER BANK	224,180	10,146,931	Schroders,Scudder
		<b>14.86%</b>	<b>\$136,666,236</b>	
<b>Total Composite International Equities</b>		<b>\$919,517,602</b>		

Alternative Investments Funding

2001

Manager	Inception Date	Partnership Commitment	Prior Funding Thru 2/28/01	Current Month Funding	Cumulative Total at 3/31/01	Unfunded Balance	Market Values at 3/31/01
<i>ABS Capital Partners</i>	May 1996	5,000,000	3,183,972	0	3,183,972	1,816,028	2,909,528
<i>Apollo RE Investment Fund IV L.P.</i>	Apr 1998	15,000,000	11,745,522	414,316	12,159,838	2,840,162	14,064,360
<i>Alta BioPharma Partners, L.P.</i>	Mar 1998	10,000,000	6,992,435	0	6,992,435	3,007,565	8,131,914
<i>Alta California Partners II L.P.</i>	Oct 1998	10,000,000	7,053,607	0	7,053,607	2,946,393	6,392,720
<i>Alta California Partners III L.P.</i>	Jan 2001	15,000,000	0	1,500,000	1,500,000	13,500,000	1,500,000
<i>Aurora Equity Partners II</i>	Mar 1998	15,000,000	8,072,367	0	8,072,367	6,927,633	8,075,179
<i>Blackstone Capital Ptnrs</i>	Jun 1997	20,000,000	11,329,327	0	11,329,327	8,670,673	14,151,237
<i>Boston Ventures Ltd</i>	Sept 1996	5,000,000	3,868,264	0	3,868,264	1,131,736	5,157,924
<i>Crossroads/Providence LP</i>	Dec 1988	37,319,303	36,823,327	0	36,823,327	0	14,127,773
<i>CVC Capital Partners</i>	Mar 1998	15,000,000	9,402,342	(127,316)	9,275,026	5,724,974	10,208,679
<i>CVC Capital Partners III</i>	Mar 2001	20,000,000	0	0	0	20,000,000	0
<i>Doughty Hanson II</i>	Mar 1996	5,000,000	2,263,566	(412,994)	1,850,572	3,149,428	1,034,019
<i>Doughty Hanson III</i>	Nov 1997	15,000,000	8,837,741	(79,866)	8,757,875	6,242,125	8,421,893
<i>Fenway</i>	Aug 1998	15,000,000	7,007,884	0	7,007,884	7,992,116	7,161,985
<i>First Reserve Fund VIII L.P.</i>	Apr 1998	15,000,000	10,071,223	(378,775)	9,692,448	5,307,552	13,948,386
<i>First Reserve Fund IX L.P.</i>	Jan 2001	20,000,000	0	0	0	20,000,000	0
<i>Harvest Partners III</i>	Dec 1997	15,000,000	11,587,288	705,496	12,292,784	2,707,216	13,246,999
<i>Heritage Fund</i>	May 1997	5,000,000	3,777,429	0	3,777,429	1,222,571	3,936,145
<i>Narmgansett Capital Partners</i>	Jan 1987	1,671,121	762,385	0	762,385	908,736	265,382
<i>Navis Partners V</i>	Feb 2001	20,000,000	0	0	0	20,000,000	0
<i>Nordic Capital III</i>	Feb 1998	10,000,000	7,626,659	0	7,626,659	2,373,341	6,398,527
<i>OCM Opportunities Fund</i>	Jan 1996	8,000,000	2,177,721	(747,683)	1,430,038	6,569,962	4,422,888
<i>OCM Principal Opportunities</i>	Nov 1996	5,000,000	4,633,633	0	4,633,633	366,367	5,640,005
<i>OCM Opportunities II</i>	Oct 1997	12,000,000	11,292,378	0	11,292,378	707,622	12,858,480
<i>Parthenon Investors, L.P.</i>	Feb 1999	15,000,000	10,372,378	141,291	10,513,669	4,486,331	10,783,209
<i>Parthenon Investors II, L.P.</i>	Dec 2000	20,000,000	459,534	0	459,534	19,540,466	459,534
<i>Providence Equity Partners</i>	Dec 1996	10,000,000	4,038,220	0	4,038,220	5,961,780	14,468,035
<i>Providence Equity Partners III L.P.</i>	Dec 1998	15,000,000	9,790,500	0	9,790,500	5,209,500	15,071,100
<i>Providence Equity Partners IV L.P.</i>	Sep 2000	25,000,000	44,644	0	44,644	24,955,356	44,644
<i>SKM Equity Fund II</i>	Dec 1996	10,000,000	7,564,971	0	7,564,971	2,435,029	7,153,753
<i>THL Equity Fund IV</i>	Dec 1997	9,000,000	7,142,283	0	7,142,283	1,857,717	9,493,131
<i>TPG Partners</i>	Apr 1997	10,000,000	7,778,028	(313,654)	7,464,374	2,535,626	8,062,704
<i>Triumph Partners III</i>	Feb 1998	15,000,000	8,924,537	0	8,924,537	6,075,463	9,182,503
<i>VS &amp; A Communications Ptnrs III</i>	Nov 1998	15,000,000	5,880,584	0	5,880,584	9,119,416	5,071,786
<i>Wellspring Capital Partners</i>	Sep 1998	15,000,000	7,665,729	0	7,665,729	7,334,271	7,660,616
<i>Welsh, Carson, Anderson &amp; Stowe</i>	Oct 1995	15,000,000	13,205,338	0	13,205,338	1,794,662	16,782,810
<i>Willis Stein</i>	Jun 1996	5,000,000	3,511,407	101,912	3,613,319	1,386,681	3,047,644
<i>Real Estate Investments</i>		80,544,204	58,171,057	0	58,171,057	0	52,778,537
<i>Contingency Fund</i>		500,000	500,000	0	500,000	0	500,000

TOTALS: \$574,034,628 \$313,558,280 \$802,727 \$314,361,007 \$236,804,498 \$322,614,029



**Retirement Systems  
Investment Earnings  
Fiscal Year 2001 to Date Summary**

**ERSRI  
&  
MERSRI** at March 31, 2001

	<u>LONG TERM</u>	<u>SHORT TERM</u>	<u>TOTAL</u>
INTEREST SOLD	13,172,425		13,172,425
SECURITIES LENDING	394,856		394,856
DIVIDENDS	22,149,775		22,149,775
INTEREST	114,840,038	456,076	115,296,113
MISCELLANEOUS	21,552,811		21,552,811
CAPITAL GAINS	499,462,836		499,462,836
	<hr/>	<hr/>	<hr/>
GRAND TOTAL:	<b>671,572,741</b>	<b>456,076</b>	<b>672,028,816</b>



FISCAL YEAR 01

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

CASH BASIS

ERSRI & MERSRI

	Actual Jul 00	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 01	Actual Feb	Actual Mar	Projected Apr	Projected May	Projected Jun	PROJECTED TOTAL
<b>EQUITIES</b>													
Deutsche Asset Mgmt		89,765		842,787			90,194	317,903		65,000		65,000	219,765
Proident Investmnt		272,311					349,163	257,178		500,000		800,000	2,809,853
JP Morgan		265,016					267,555			250,000		250,000	1,046,843
SSgA Core		92,610		(71,355)			262,235						1,027,251
SSgA Russell		5,544			6,847		23,536	5,790		5,000		12,000	44,791
Stott Capital							135,406			750,000		250,000	1,705,87
SSgA Wilshire 5000													1,000,000
<b>FIXED INCOME</b>													
<b>Fleet Investment Advisors</b>													
Brown Bros.		127,350					127,650	525,000		262,500		262,500	1,050,000
Fidelity		152,461					466,240			240,000		240,000	735,000
Taplin		192,141					196,251	201,947		210,000		75,000	828,701
Loannis Snydes		380,955					380,845	376,236		400,000		400,000	1,538,037
<b>INT'L EQUITIES</b>													
Baring Asset Management		235,192					232,254	221,153		240,000		350,000	928,599
Schroder		385,242		374,790			359,730			350,000			1,434,519
Scauder							361,064						1,446,306
Schroder Engaug Mkts													0
<b>REAL ESTATE</b>													
Heitman Advisory													0
L & B Real Estate													0
<b>ALTERNATIVE INVESTMENTS</b>													
Bigler/Crossroads		127,645	0	94,315			1,324,264	152,145	179,386	600,000	300,000	300,000	3,565,677
Narrangessett Cap													0
Other Alt Inv Mgmt Fees													0
<b>SUB TOTAL - INV MGMT FEES</b>	<b>487,922</b>	<b>127,645</b>	<b>2,198,588</b>	<b>1,240,536</b>	<b>6,847</b>	<b>0</b>	<b>4,109,946</b>	<b>2,523,591</b>	<b>179,386</b>	<b>3,372,500</b>	<b>1,575,000</b>	<b>2,779,500</b>	<b>18,511,268</b>
<b>PROFESSIONAL FEES</b>													
Consulting		0	101,324	103,530			56,250	33,333		60,000	10,000	10,000	393,906
Legal		0	16,667	16,667	16,667		16,667			70,000	70,000	70,000	252,500
State Street Bank										33,334	16,667	16,667	183,336
Pacific Corp Group													
Wilshire Assoc													
<b>OPERATING EXPENSE</b>													
Retirement Transfers			5,574,362					5,900		4,000,000		2,000,000	11,574,362
Other Expense													5,900
<b>TOTAL:</b>	<b>487,922</b>	<b>245,636</b>	<b>7,954,918</b>	<b>1,360,733</b>	<b>23,514</b>	<b>0</b>	<b>4,182,863</b>	<b>2,562,825</b>	<b>179,386</b>	<b>7,535,834</b>	<b>1,601,667</b>	<b>4,876,167</b>	<b>30,921,272</b>

## CASH FLOW ANALYSIS - INCOME & EXPENSES

### Employees Retirement System

FY 2000-01 Actual July 2000	Actual 2001												Projected June	Projected TOTAL
	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2001	Actual February	Actual March	Projected April	Projected May	Projected June			
29,551,428	30,881,485	30,545,409	35,421,000	29,721,359	29,793,000	30,708,546	30,861,877	30,931,735	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	308,415,839
0	102,671	5,007,642	104,538	14,495	0	63,418	34,121	0	725,000	725,000	725,000	725,000	725,000	7,501,885
424,469	111,072	1,912,632	1,078,924	5,954	0	3,574,561	2,194,820	155,981	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	13,658,413
29,975,897	31,095,228	37,465,683	36,604,462	29,741,808	29,793,000	34,346,525	33,090,818	31,087,716	32,125,000	32,125,000	32,125,000	32,125,000	32,125,000	389,576,137
23,323,855	7,629,536	20,082,360	28,160,402	17,352,540	16,804,326	26,939,089	20,988,521	17,599,916	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	253,880,545
0	1,718,397	10,015,411	897,100	2,697,797	1,813,886	163,016	2,635,299	2,117,434	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	31,358,340
23,323,855	9,347,933	30,097,771	29,057,502	20,050,337	18,618,212	27,102,105	23,623,820	19,717,350	28,100,000	28,100,000	28,100,000	28,100,000	28,100,000	285,238,885
(6,652,042)	(21,747,295)	(7,367,912)	(7,546,960)	(9,691,471)	(11,174,788)	(7,244,420)	(9,466,998)	(11,370,366)	(4,025,000)	(4,025,000)	(4,025,000)	(4,025,000)	(4,025,000)	(104,337,252)

### Municipal Employees Retirement System

Actual July 2000	Actual 2001												Projected June	Projected TOTAL
	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2001	Actual February	Actual March	Projected April	Projected May	Projected June			
2,700,949	2,843,544	2,897,088	2,743,000	2,667,477	2,667,477	2,757,390	2,833,180	2,794,249	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	33,304,354
0	14,994	732,517	15,313	2,124	0	9,279	4,991	0	72,000	72,000	72,000	72,000	72,000	995,218
62,127	16,220	279,780	158,042	873	0	523,031	321,046	22,841	267,000	267,000	267,000	267,000	267,000	2,184,960
2,763,076	2,874,758	3,909,385	2,916,355	2,670,474	2,667,477	3,289,700	3,159,217	2,817,090	3,139,000	3,139,000	3,139,000	3,139,000	3,139,000	36,484,532
1,305,001	1,322,463	2,056,399	900,000	1,331,549	2,100,000	1,523,685	1,564,891	1,436,785	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	19,540,773
0	250,953	1,465,052	131,409	395,255	265,393	23,852	385,476	310,075	450,000	450,000	450,000	450,000	450,000	4,577,465
1,305,001	1,573,416	3,521,451	1,031,409	1,726,804	2,365,393	1,547,537	1,950,367	1,746,860	2,450,000	2,450,000	2,450,000	2,450,000	2,450,000	24,118,238
(1,458,075)	(1,301,342)	(387,934)	(1,884,946)	(943,670)	(302,084)	(1,742,163)	(1,208,850)	(1,070,230)	(689,000)	(689,000)	(689,000)	(689,000)	(689,000)	(12,366,294)

Judges/State Police Retirement System

	Actual July 2000	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2001	Actual February	Actual March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	0	0	16,452	7,678	7,678	7,678	7,678	7,678	7,678	7,700	7,700	7,700	85,620
ADMINISTRATIVE EXPENSES	0	326	16,171	346	48	0	220	121	0	1,500	1,500	1,500	21,732
INVESTMENT EXPENSES	1,326	353	6,176	3,570	20	0	12,354	7,725	564	4,500	4,500	4,500	45,588
TOTAL OUTFLOW	1,326	679	38,799	11,594	7,746	7,678	20,252	15,524	8,242	13,700	13,700	13,700	152,940
CONTRIBUTIONS	281,467	280,419	426,063	283,276	289,329	288,249	291,217	427,111	325,000	250,000	250,000	250,000	3,642,131
OTHER INCOME*	0	5,456	32,344	2,968	9,064	6,191	565	9,277	7,633	9,000	9,000	9,000	100,498
TOTAL INCOME	281,467	285,875	458,407	286,244	298,393	294,440	291,782	436,388	332,633	259,000	259,000	259,000	3,742,629
DIFFERENCE	280,141	285,196	419,608	274,650	290,647	286,762	271,530	420,864	324,391	245,300	245,300	245,300	3,285,298

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

**ALTERNATIVE INVESTMENTS**

FISCAL YEAR ANALYSES

CASH FLOW

	JUL 1998	AUG	SEPT	OCT	NOV	DEC	JAN 1999	FEB	MAR	APR	MAY	JUN	YTD
FISCAL YEAR 1999													
FUNDING	7,541,470	3,002,627	7,539,316	6,956,633	3,010,334	6,553,062	5,360,631	4,784,922	10,481,384	8,451,170	5,527,463	7,448,986	76,657,798
DISTRIB & RET OF CAPITAL	4,074,945	1,091,360	1,828,927	143,592	52,642	2,118,583	1,173,899	314,341	3,295,430	2,498,433	2,419,342	1,834,848	20,846,342
GAINS/LOSSES/INCOME	1,077,292	158,475	1,771,770	343,364	35,695	1,584,290	3,078,622	481,227	1,462,144	1,387,253	692,624	2,192,543	14,265,299
FISCAL YEAR 2000													
FUNDING	9,823,066	5,110,752	9,901,425	6,380,627	3,468,723	8,796,622	8,253,423	8,993,081	8,615,559	7,611,390	4,752,500	3,911,269	85,618,437
DISTRIB & RET OF CAPITAL	936,824	943,255	614,451	625,662	1,479,086	2,264,032	613,896	626,829	4,401,772	1,193,941	908,508	621,479	15,229,735
GAINS/LOSSES/INCOME	4,494,508	482,472	2,183,904	1,137,446	917,857	433,686	1,006,405	288,160	9,976,688	1,546,109	502,193	2,169,983	25,139,411
FISCAL YEAR 2001													
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				36,665,294
DISTRIB & RET OF CAPITAL	454,835	5,943,478	1,926,442	3,217,130	4,757,912	856,092	665,329	3,042,558	1,987,251				22,851,027
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				21,463,906

**Rhode Island Employees Retirement System  
Securities Lending Income  
March, 2001**

<u>INVESTMENT MANAGER</u>	<u>INCOME</u>
<b><u>DOMESTIC EQUITY</u></b>	
Provident Investment Council	2,028.59
JP Morgan Investment Management	2,182.34
SSgA Core	2,146.92
<b>Total Domestic Equity</b>	<b>\$6,357.85</b>
<b><u>INTERNATIONAL EQUITY</u></b>	
Schroder Capital Management	76,999.90
Zurich, Scudder Investments	42,643.98
<b>Total International Equity</b>	<b>\$119,643.88</b>
<b><u>FIXED INCOME</u></b>	
Fleet Investment Advisors	55,022.70
Brown Brothers, Harriman	5,968.74
Taplin, Canida & Habacht	788.04
Loomis, Sayles & Co.	6,325.44
<b>Total Fixed Income</b>	<b>\$68,104.92</b>
<b>TOTAL SECURITIES LENDING INCOME</b>	<b>\$194,106.65</b>
<b><u>Cumulative Securities Lending Income</u></b>	
Calander Year 2000 (includes Dec. only)	<b>\$84,466.00</b>
<b>Calander Year 2001 YTD</b>	<b>\$504,496.65</b>



**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 March 31, 2001

	Principal	Interest	Total Value @ Maturity
4901 GENERAL FUND	122,205,487	82,803	122,288,290
4902 GENERAL FUND	0	0	0
4904 PENSION C	0	0	0
4908 PAYROLL A	10,600,000	4,593	10,604,593
4920 GENERAL FUND (HIST PRES)	424,227	3,574	427,800
5200 RI UNDERGROUND STORAGE TNK	1,000,000	674	1,000,674
5400 HIGHWAY FUND	35,864,595	47,976	35,912,571
5500 UNIVERSITY COLLEGE	1,000,000	433	1,000,433
5800 PROV. RIVER RELOCATION	0	0	0
6920 AUTO EQUIPMENT SERVICE	250,000	236	250,236
8000 T.D.I. RESERVE (DET)	52,236,019	755,544	52,991,563
8300 PERMANENT SCHOOL FUND	602,827	813	603,640
8400 EMP RETIREMENT FUND	3,900,000	5,114	3,905,114
8500 MUN EMP RETIREMENT FUND	300,000	130	300,130
8700 R.I. CLEAN WATER ACT	3,880,000	5,507	3,885,507
9000 BOND CAPITAL FUND	17,901,498	25,643	17,927,141
9400 R.I. HIGHER EDUCATION	1,000,139	433	1,000,572
9700 STATE LOTTERY FUND	19,458,850	48,187	19,507,037
9800 INDUS. BLDG. & MTG. INS.	3,100,000	9,319	3,109,319
9900 SINKING FUND	19,607,500	82,592	19,690,092
4911 TANS PROCEEDS	0	0	0
Subtotal	293,331,142	1,073,570	294,404,713
8701 CLEAN WATER CCDL2000 A	2,555		
8702 CLEAN WATER 1993 SER. A	52,255		
8703 CLEAN WATER 1991 SERIES A	693,324		
8704 CLEAN WATER 96 SERIES A	317,179		
8706 CLEAN WATER CCDL 1994 (A)	190,436		
8707 CAP DEV. OF 1997 SERIES A	154,157		
8733 CAP DEV. OF 1997 SERIES A	99,811		
8734 POLUTION CONTROL 96A	0		
8737 RI POLLUT. CONT 94 SER. A	44,366		
8738 POLUTION CONTROL 1998B	5,544		
8739 CCDL99A 1999A	409,749		
8740 POLUTION CONTROL CCDL200A	3,801,019		
9102 BOND CAPITAL CCDL 1988	0		
9108 BOND SALE 1990 SER. A&B	1,910		
9114 G.O. NOTE 1991 SER. B	42,146		
9115 BOND CCDL 1992 SERIES A	34,843		
9116 BOND CCDL 1993 SERIES A	4,919,433		
9117 BOND CCDL 1994 SERIES A	2,655,782		
9118 BOND CCDL 1995 SER. A	27,502		
9119 CCDL 95 B	1,082		
9120 BOND CCBL96A	2,785,684		
9121 CAP DEV OF 1997 SERIES A	3,707,973		
9122 1998 MULTIMODAL GEN OBLIG	1,337,318		
9123 CCDL 1998B	14,577,668		
9124 CCDL99A 1999A	38,479,869		
9125 MMG099 1999	3,555,839		
9126 BOND CAPITOL CCDL2000A	24,324,485		
9127 MULTI-MODAL GEN OBL 2000	14,199,055		
Subtotal Bond Proceed Accounts	116,420,984		
Total Short Term Portfolio	409,752,126		



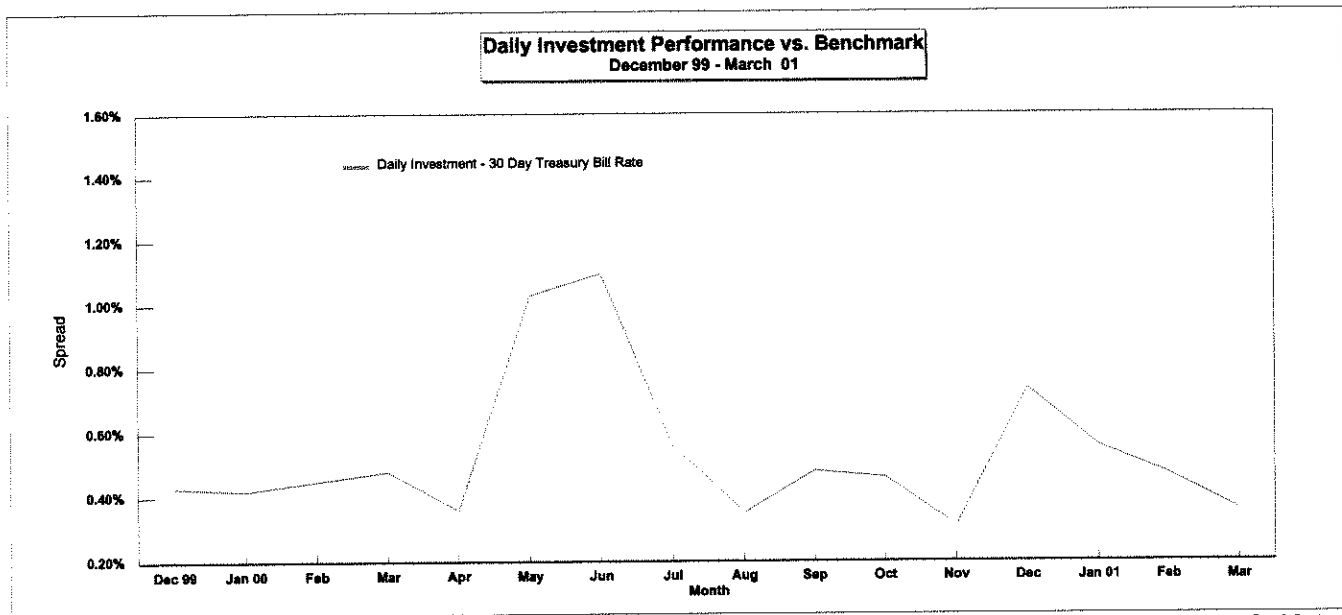
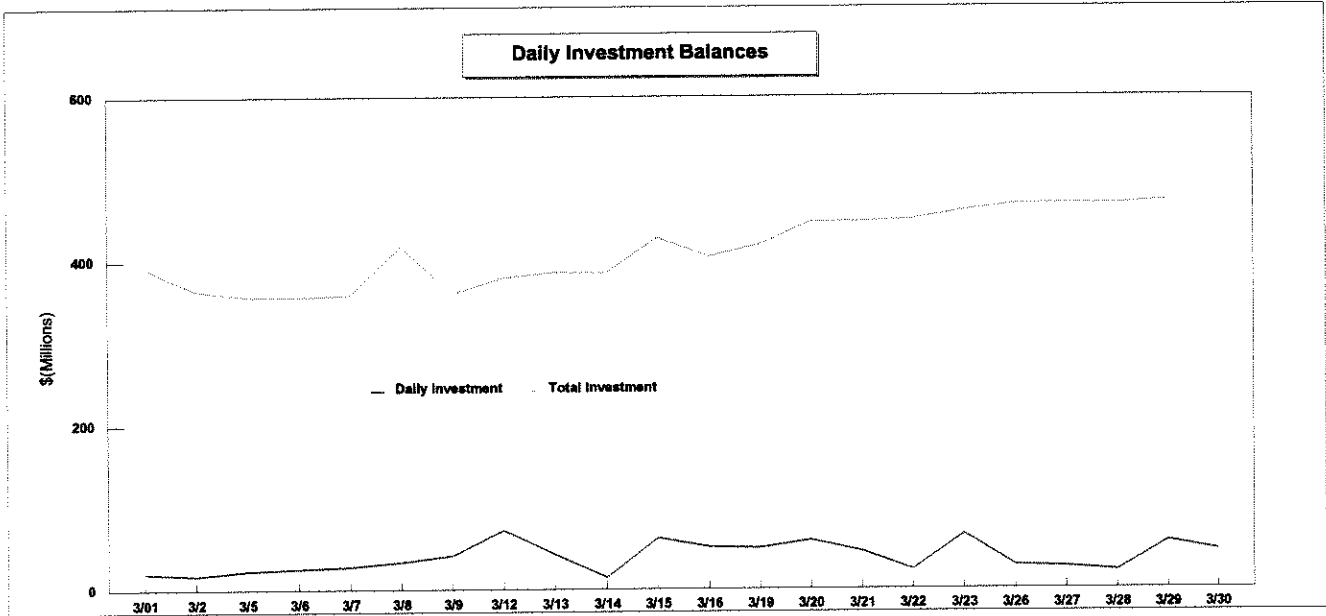
**Short Term Interest Rate Performance  
2001**

<u>Date</u>	<u>Amount Invested (millions)</u>	<u>Weighted Interest Rate</u>	<u>30 Day Treasury Rate</u>	<u>Basis Point Difference</u>	<u>Date</u>	<u>Total Investment (millions)</u>
3/01	\$21.32	5.43	4.80	63.20	3/01	\$393.12
3/02	\$18.02	5.39	4.99	40.11	3/02	\$365.22
3/05	\$23.89	5.41	4.91	50.33	3/05	\$357.94
3/06	\$26.20	5.14	4.87	26.99	3/06	\$357.56
3/07	\$28.64	5.36	4.87	48.50	3/07	\$359.71
3/08	\$34.29	5.30	4.88	42.37	3/08	\$418.36
3/09	\$41.88	5.33	4.89	44.09	3/09	\$360.80
3/12	\$72.55	5.26	4.75	51.34	3/12	\$380.76
3/13	\$43.01	5.11	4.68	42.73	3/13	\$386.82
3/14	\$15.10	5.24	4.73	50.62	3/14	\$386.15
3/15	\$62.59	5.20	4.75	45.02	3/15	\$428.03
3/16	\$51.48	5.06	4.81	25.10	3/16	\$405.14
3/19	\$50.07	4.90	4.81	8.92	3/19	\$419.63
3/20	\$59.23	4.82	4.78	3.70	3/20	\$447.06
3/21	\$45.88	4.88	4.78	9.92	3/21	\$447.27
3/22	\$23.59	4.79	4.46	32.87	3/22	\$449.91
3/23	\$66.45	4.85	4.27	58.36	3/23	\$460.67
3/26	\$28.93	4.86	4.59	26.68	3/26	\$468.55
3/27	\$27.03	4.90	4.58	32.17	3/27	\$469.50
3/28	\$22.30	4.94	4.63	31.39	3/28	\$468.91
3/29	\$57.79	5.03	4.67	36.20	3/29	\$472.73
3/30	\$46.49	5.13	4.67	45.54	3/30	\$409.75
	<b>Total Amount Invested</b>	<b>Weighted Average Rate</b>	<b>Average 30 day Rate</b>	<b>Basis Point Difference</b>		
	\$866.75	5.08	4.72	36		

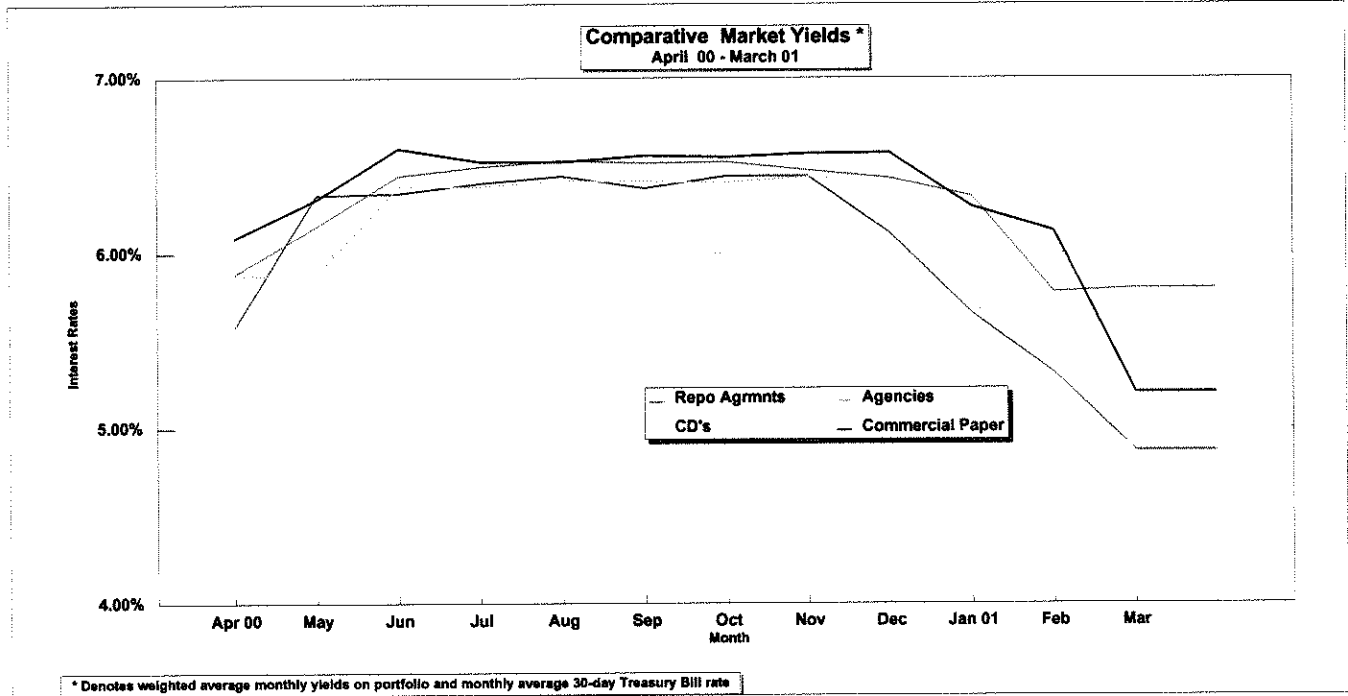
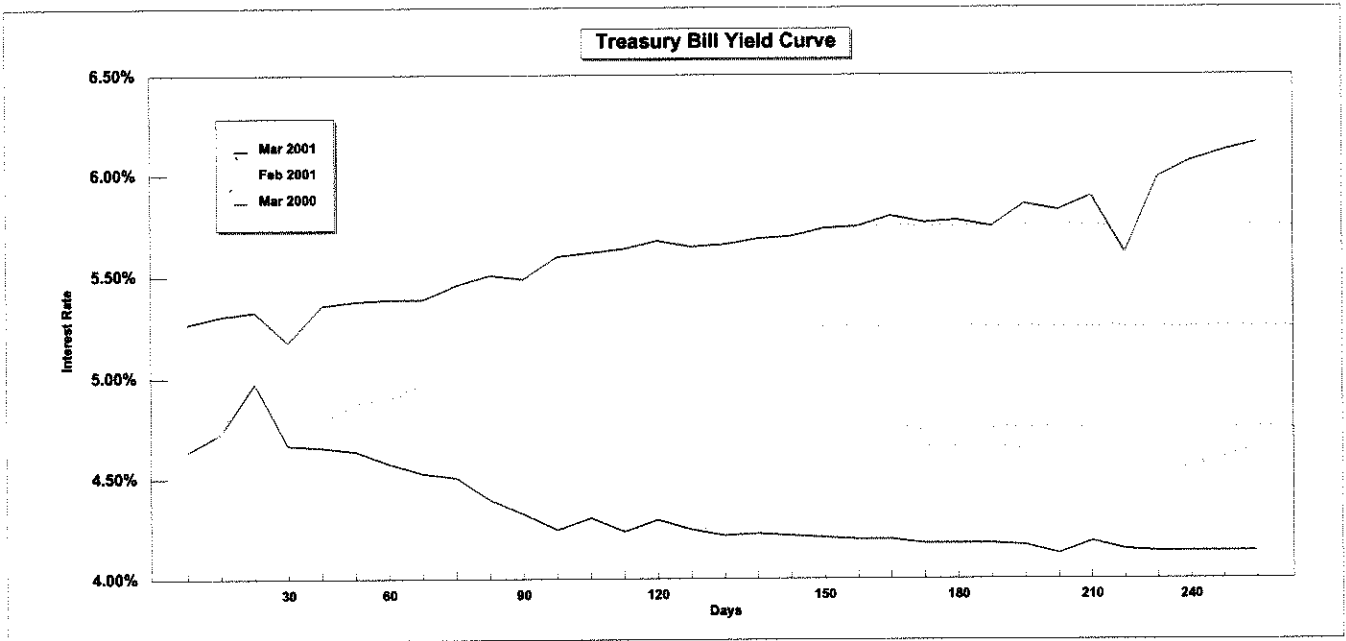
INTEREST

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

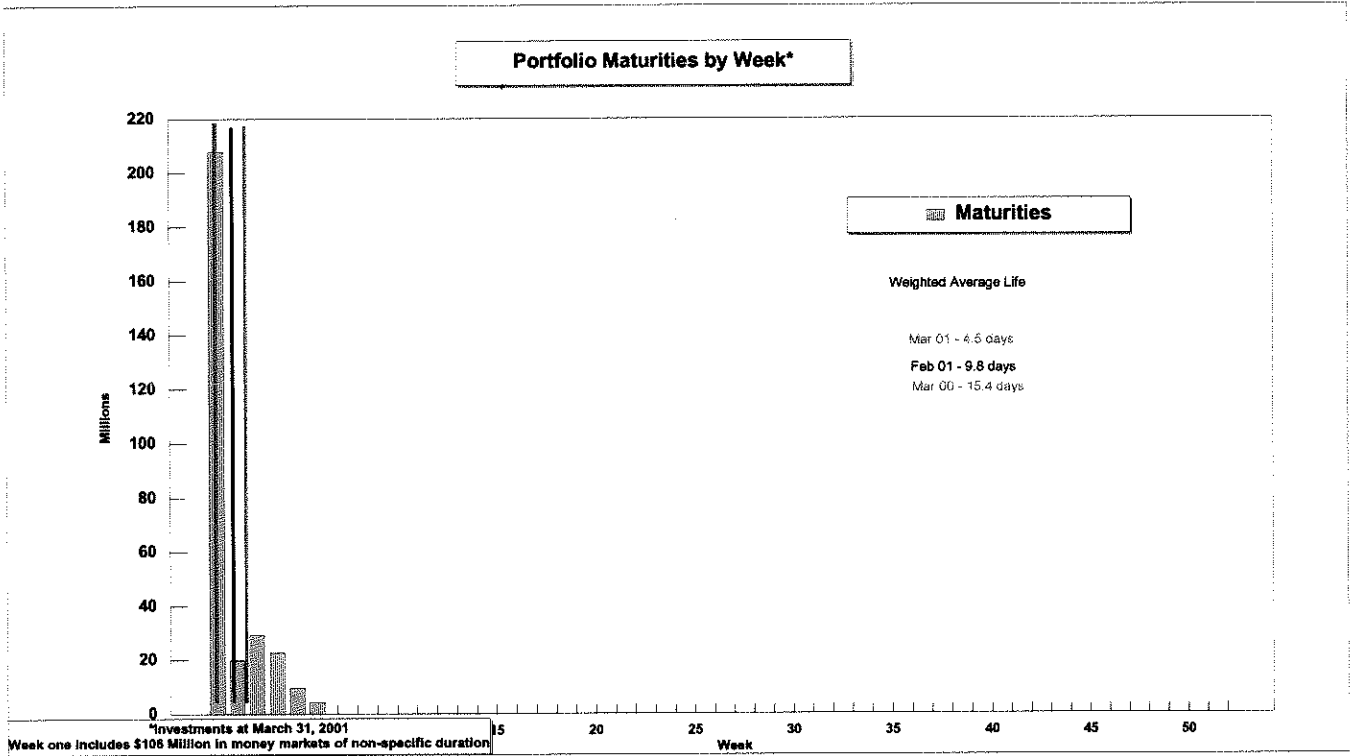
March 31, 2001



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



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**SUMMARY PORTFOLIO YIELDS**

	<b>WEIGHTED AVERAGE YIELD(%)</b>
<b>Mar 31, 2001</b>	<b>5.3%</b>
<b>Feb 28, 2001</b>	<b>5.5%</b>
<b>Mar 31, 2000</b>	<b>5.9%</b>



SPECIAL FUNDS  
 INVESTMENT SUMMARY  
 MARCH 31, 2001

<u>FUND NAME</u>	<u>EQUITIES</u>	<u>CASH &amp; EQUIVALENTS</u>	<u>FIXED INCOME</u>	<u>Gain/Loss</u>	<u>TOTAL MARKET VALUE</u>
Abraham Touro Fund	\$1,337,769	\$114,508	\$953,962	(\$163,516)	\$2,406,239
State of Rhode Island Land Grant Fund	0	\$64,259	0	\$247	\$64,259
<b>TOTALS</b>	<b>\$1,337,769</b>	<b>\$178,767</b>	<b>\$953,962</b>	<b>(\$163,269)</b>	<b>\$2,470,498</b>

\*\* Balances as of 2/28/2001

