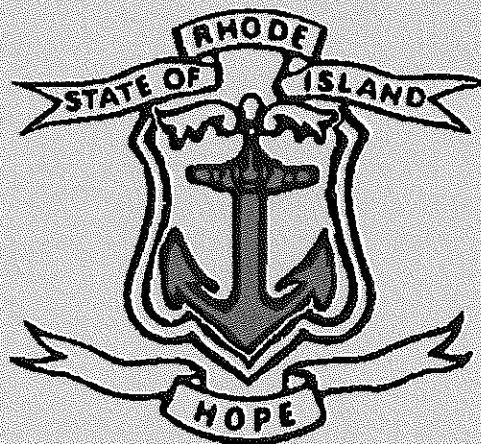


State of Rhode Island and Providence Plantations



Office of the General Treasurer
Paul J. Tanurea
General Treasurer

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
MAY 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, June 27, 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 5/23/01 *
3. Investment Manager Reviews
 - Fleet Investment Advisors
 - Shott Capital Management, LLC
4. Pacific Corporate Group – Alternative Investments Review
5. Alliance Capital Management – Recommended allocation changes to CollegeBoundfund *
6. Public Hearing regarding Short-Term Investment Policies *
7. General Consultant's Report – Wilshire Associates Incorporated
 - Capital Market Update
8. Legal Counsel Report
9. Deputy Treasurer for Finance Report
10. Treasurer's Report
11. New Business

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

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

Minutes of Regular Meeting May 23, 2001

A State Investment Commission meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, May 23, 2001. There being a quorum present, the Treasurer called the meeting to order at 9:10 a.m.

Membership Roll Call. Present were: Mr. J. Michael Costello, Senator Daniel DaPonte, Ms. Rosemary Booth Gallogly, Designee of the Director of Administration, Dr. Robert J. McKenna, 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, Mr. William G. Bensur, Jr., of Wilshire Associates Incorporated, Consultant to the Commission, Andrew M. Hodgkin, Esq., Legal Counsel to the Commission and other members of the Treasurer's Staff. Absent was: Ms. Marcia Reback.

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

VOTED: To approve the Minutes of the April 25, 2001 Regular Meeting.

Loomis, Sayles & Company. Mr. Bensur gave a brief overview of Loomis, Sayles & Company ("Loomis"), which was retained in 1996 to provide a long-term, strategic exposure to the high yield and convertible securities sectors of the fixed income market. At 3/31/01, the Loomis portfolio represented 13.7% of the fixed income composite and approximately 5.1% of the total fund. Market value at 3/31/01 was approximately \$303.6 million.

Ms. Kathleen Gaffney, Vice President and Ms. Maureen Keough represented the firm. Ms. Gaffney noted that Loomis uses a duration neutral approach which focuses on proprietary in-house credit research to add value through security selection, yield curve strategies and credit bias in the high yield fixed income and convertible securities sectors.

Ms. Gaffney stated that Loomis' strong points include a broad, in-depth market coverage, a highly disciplined methodology and proprietary in house credit rating system. They try to capture the long-term credit trends. Their style, however, is not benchmark driven. Loomis' custom benchmark consists of 70% Merrill Lynch High Yield Index and 30% CSFB Convertible Bond Index. Ms. Gaffney explained that success in anticipating changes in credit ratings has been a large contributor to Loomis' performance. Credit perspective (fundamental, relative and economic analysis) plus market pricing equals Loomis' buy/sell decision based on relative value.

Board members expressed concern over Loomis' performance over the last 3-4 years. The Treasurer requested that Ms. Caine and Mr. Bensur look into the strategy of this assignment versus the benchmark assigned.

Proposed Revisions to Short Term Investment Policies. Mr. Corsino Delgado, Cash Manager, reviewed the proposed revisions to the short-term investment policies highlighting the following:

- New guidelines for Commercial Paper investments. Maximum exposure increased from 15% to 25%, subject to new restrictions on term, and issuer's maximum exposure.
- New guideline limiting total exposure by one single institution to 35% of the total short-term portfolio;
- Introduction of U.S. Agency obligations (Ginnie Mae, Fannie Mae, etc.) as acceptable investment collateral, to be consistent with the fact that U. S. Agency Notes already are identified as an authorized investment instrument;
- Identification of Sweep Investment Account as an acceptable short-term instrument;
- Identification of 60-day maturity restriction for term deposits, consistent with RIGL Chapter 35-10.1;
- Replacement of the Currently utilized rating agencies, Veribanc and Weiss, by Moody's and S&P;
- Introduction of the Fed Reserve risk-based minimum capital ratio requirement for commercial banks.

Mr. Hodgkin reviewed the background of the Statement of Investment Policies ("Statement") which is a compilation of guidelines and policies adopted by the State Investment Commission over the years. The Statement contains overall policy, long-term and short-term investment guidelines and other policies and procedures relating to the investment of funds under the jurisdiction of the SIC. He noted that although the Statement recites in the Preamble that it was promulgated pursuant to Section 35-10-8 of the R.I.General Laws as official "rules of procedure and regulation", the Secretary of State's records evidence no such filing.

Mr. Hodgkin recommended adopting the proposed Short-Term Investment Policy as a policy, rather than as a "rule and regulation" under the Administrative Procedures Act. This does not make the Policy any less official since it is designed for internal control, not the need to provide guidance to third parties or the public.

The Treasurer indicated a desire to promulgate the Short-Term Investment Policies as a regulation. Mr. Costello moved, Ms. Gallogly seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Dr. McKenna, Mr. Thorsen, Mr. Whitty and Treasurer Tavares. Note: Sen. DaPonte was not present for this vote.

VOTED: To accept the proposed revisions to the Short-Term Investment Policies and to instruct Legal Counsel to start the process of promulgating them as regulations.

Note: The Treasurer called a brief recess from 10:22 a.m. to 10:25 a.m.

Securities Class Action Litigation Against Cisco Systems. Treasurer Tavares introduced representatives of the law firm of Milberg, Weiss, Bershad, Hynes & Lerach, LLP, who previously had been engaged to monitor potential securities claims for the SIC. William S. Lerach, Esq. of that firm explained to the Commission why the firm believes that the RIERS should serve as the, or one of the, lead plaintiffs in a securities class action litigation against Cisco Systems and its top executives on behalf of all purchasers of Cisco common stock during 8/10/99 – 2/6/01. The firm estimated that the RIERS suffered a substantial loss due to this alleged fraud.

Mr. Lerach stated that because serving as lead plaintiff would not involve financial investment to pay legal fees or expenses, because the RIIERS has suffered a substantial loss and because the case appears to be a very strong one on the merits and likely to produce a substantial financial recovery, it is his firm's opinion that the RIIERS should serve as the lead, or one of the lead plaintiffs in this action.

Treasurer Tavares explained that consistent with the Commission's fiduciary responsibility, an arrangement had been entered into with the firm Milberg, Weiss, Bershad, Hynes and Lerach LLP to monitor securities litigation that may have an effect upon the RIIERS. In most notifications of cases received by the Treasurer's Office from the firm, the RIIERS losses had been minimal. However, it was the belief of the Treasurer's Office that the proposed class action litigation against Cisco Systems warranted Commission review and evaluation.

Mr. Hodgkin stated that the Commission would not have any liability if they did not want to participate as lead plaintiff in this case provided it prudently evaluated the advantages and disadvantages to the Fund and reasonably determined that such action was not necessarily in the best interests of the Fund participants. In short, the Commissioners had the responsibility to act as prudent persons in the best interests of the Fund. He and Mr. Carvalho did not have a recommendation for the Commission.

After a lengthy discussion, it was agreed by Commission members not to take the lead plaintiff position in this case. Mr. Hodgkin explained that without taking the lead plaintiff position, the RIIERS would still be able to participate in any class action recovery to come from the lawsuit being discussed.

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

VOTED: That after review and analysis of all materials submitted and the presentation by the firm of Milberg, Weiss, Bershad, Hynes & Lerach, LLP, the Commission members hereby determine in the reasonable exercise of their judgment that there is insufficient additional benefit to the Fund to warrant taking the lead plaintiff position in the Securities Class Action Litigation against Cisco Systems; but that the Employees' Retirement System would proceed as a member of the class if the action proceeds.

Executive Director – Employees' Retirement System Report. Mr. Frank Karpinski gave a brief overview of the Actuarial Experience Study for the four-year period ending June 30, 2000. He noted that teachers are retiring sooner and younger but that state employees tend to stay in service as assumed or a little longer.

The Treasurer reminded Commission members that the General Treasurer's Office proposed legislation last year that did not pass, but that will be re-submitted this year, recommending a change in methodology taking us from frozen initial liability to entry-age normal and re-amortize the time frame.

Consultant Report - Wilshire Associates Incorporated. Mr. Bensur distributed his Capital Market Update, noting that so far May has seen improvement over April which had seen improvement over March. Hopefully the trend will continue.

Deputy Treasurer for Finance Report. Ms. Caine noted that the fund is down 9% for the ten months ended 4/30/01. She stated that most likely the fund would not meet the actuarial return of 8.25% this year. Ms. Caine also noted that two new sections had been added to the monthly financial booklet: one for the 529 Plan and one for the 457 Plan which will be reported on a quarterly basis.

General Treasurer's Report. Treasurer Tavares reported that the *CollegeBoundfund* currently has \$15 million in assets from the State of Rhode Island and \$324 million in total assets.

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

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 11:55 a.m.

Respectfully submitted,

Paul J. Tavares
General Treasurer

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

PORTFOLIO PERFORMANCE

May

The ERSRI portfolio posted a loss of -0.43% for the month of May, against the Policy Index of 0.14%. Domestic equities and fixed income asset classes were up 0.94% and 1.01% respectively, while the international asset class lost -4.82%. Additionally, the retirement fund earned \$219,908 from the securities lending program during the month of May.

Calendar Year-to-Date

On a calendar year basis, the portfolio is down -5.55%, against the Policy Index of -3.07%. Domestic and international equities fell by -6.14% and -13.22% respectively, while fixed income registered a gain of 2.90%.

Fiscal Year-to-Date

For the eleven months ended May 31st, 2001, the fund has lost -9.67%, against the fiscal year to date policy index of -8.72%.

| ERSRI Performance By Asset Class | | May-01 | CALENDAR YTD |
|-----------------------------------|--|---------------|----------------|
| Domestic Equity | | 0.94% | -6.14% |
| Fixed Income | | 1.01% | 2.90% |
| International Equity | | -4.82% | -13.22% |
| Total Fund Composite* | | -0.43% | -5.55% |
| Manager Summary | | May-01 | CYTD |
| DOMESTIC EQUITY | | | |
| Shott Capital Management IRR | | 16.95% | 10.72% |
| SSgA Russell Value | | 2.22% | 0.97% |
| JP Morgan | | 1.19% | -3.50% |
| PIMCO | | 1.06% | -3.69% |
| SSgA Wilshire 5000 | | 1.01% | -4.48% |
| SSgA Core | | 0.75% | -3.69% |
| Provident Investment Counsel | | -0.72% | -23.97% |
| Total Domestic Equity | | 0.94% | -6.14% |
| FIXED INCOME | | | |
| Loomis Sayles | | 2.87% | 2.09% |
| Taplin, Canida & Habacht | | 1.39% | 5.77% |
| Fidelity Management | | 0.65% | 3.35% |
| Brown Bros, Harriman | | 0.63% | 2.95% |
| In-State Fixed Income | | 0.55% | 2.81% |
| Fleet Investment Advisors | | 0.46% | 1.61% |
| Total Fixed Income | | 1.01% | 2.90% |
| INTERNATIONAL EQUITY | | | |
| Baring Asset Management | | -0.16% | -8.80% |
| Schroder Capital Mgmt | | -2.71% | -10.39% |
| Zurich Scudder Investments | | -3.25% | -13.05% |
| Total International Equity | | -4.82% | -13.22% |

*Total Fund Composite includes all classes

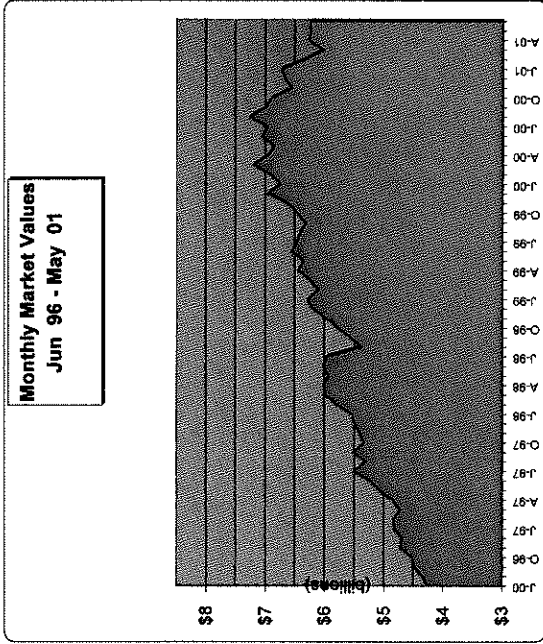
| Index Performance Summary - May 2001 | | |
|--------------------------------------|--------|--------------|
| Market Indices | May-01 | Calendar YTD |
| Domestic Equity | | |
| S & P 500 | 0.67% | -4.35% |
| Wilshire 5000 | 1.00% | -4.18% |
| Russell 2000 | 2.46% | 3.29% |
| Russell 2500 | 3.01% | 2.39% |
| Russell 1000 | 0.68% | -4.90% |
| Policy Index | 0.14% | -3.07% |
| International Equity | | |
| MSCI EAFE | -3.53% | -10.97% |
| MSCI ACWI | -2.76% | -9.80% |
| Fixed Income | | |
| Lehman AGG | 0.60% | 3.21% |
| Real Estate | | |
| Wilshire | 2.80% | 4.17% |

Market Environment
Quarter Ended May 31, 2001

| | <u>OIR.</u> | <u>YTD</u> | <u>1 YR.</u> | <u>2 YRS.</u> | <u>3 YRS.</u> | <u>4 YRS.</u> | <u>5 YRS.</u> |
|-----------------------------------|-------------|------------|--------------|---------------|---------------|---------------|---------------|
| U.S. EQUITY | | | | | | | |
| RUSSELL 1000 | 1.54 | -4.90 | -10.77 | -0.05 | 6.32 | 11.95 | 14.84 |
| RUSSELL 1000 GROWTH | -1.09 | -12.21 | -29.71 | -6.27 | 3.51 | 9.31 | 12.55 |
| RUSSELL 1000 VALUE | 3.47 | 0.98 | 7.68 | 2.84 | 6.60 | 12.59 | 15.48 |
| WILSHIRE 5000 | 1.95 | -4.18 | -10.07 | -0.40 | 5.30 | 11.04 | 13.27 |
| INTERNATIONAL EQUITY | | | | | | | |
| MSCI AC WORLD EX USA | -3.52 | -9.75 | -17.56 | -0.92 | 0.92 | 2.34 | 3.56 |
| MSCIEAFE | -3.70 | -10.97 | -17.23 | -1.53 | 0.39 | 2.97 | 3.87 |
| U.S. FIXED INCOME | | | | | | | |
| 70% MERR. LYNCH HY/30% FB CONV HY | -1.46 | 6.10 | 3.66 | 0.32 | 0.53 | 3.45 | 5.36 |
| LB AGGREGATE | 0.68 | 3.21 | 13.11 | 7.47 | 6.41 | 7.52 | 7.68 |
| SSBI BROAD INV GRADE | 0.71 | 3.27 | 13.21 | 7.47 | 6.41 | 7.54 | 7.68 |
| SSBI LARGE PENSION FUND | -0.29 | 2.59 | 14.25 | 7.25 | | | |
| SSBI SPF MORTGAGE | 1.38 | 3.52 | 13.38 | 7.87 | | | |
| TOTAL PLAN | | | | | | | |
| TOTAL PLAN BENCHMARK | 0.62 | -3.13 | -5.41 | 1.98 | 5.19 | 8.72 | 10.12 |

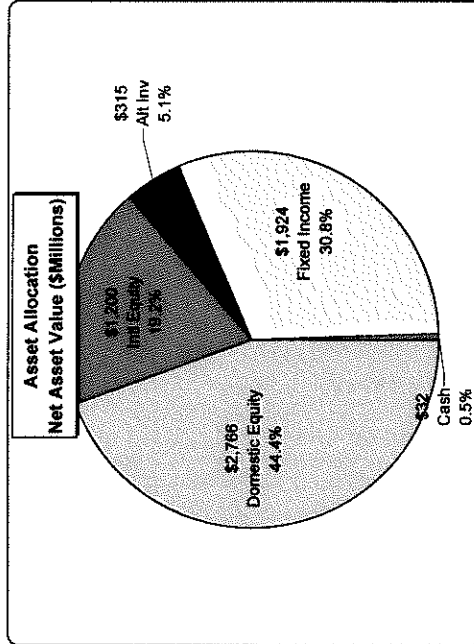
Market Values

The total portfolio value decreased in May by \$28.2 million to \$6.237 billion. This compares with a decrease in value of \$115.6 million for the same period in 2000. The equity market values appreciated by \$25 million during the month of May. Fixed income decreased by \$248.7 million, net of transfers, while international equity values were up by \$216.6 million. Alternative investments decreased by 12.1 million.



Asset Allocation

The domestic equities portfolio is under-allocated by 0.7%. The fixed income portfolio is over-allocated by 3.3%. The international equity portfolio is under-allocated by 0.7%, while the alternative investment assets remain under-allocated by 2.4%.



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

Manager Funding

A summary of cash transfers by asset class which took place during April is presented at right. Such transfers are required to provide sufficient cash for alternative investment funding (\$5.3 mm) as well as to meet current retirement payroll obligations (\$10.5mm).

Cash Flow

May's pension payroll of \$33.7 million exceeded the \$22.8 million in contributions received by \$10.9 million. The transfer of \$13.5 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 commitments of approximately \$231.4 million, vs. commitments of \$493 million.

**CAPITAL CALLS
Net of Contributions**

| MAY 2001 | FYTD | UNFUNDED BALANCE |
|-------------|--------------|---------------------|
| \$5,308,967 | \$35,182,240 | \$231,422,839 |
| MAY 2000 | FYTD | UNFUNDED BALANCE |
| \$5,541,748 | \$68,024,614 | \$149,617,727 |

| Asset Class | Cash In | Cash Out |
|--------------------|--------------------|--------------------|
| Domestic Equities | 1,136,157 | 1,202,689 |
| Int'l Equities | 920,492,595 | 653,434,275 |
| Fixed Income | 80,190 | 270,141,328 |
| Real Estate | 0 | 0 |
| Venture Capital | 4,126,165 | 2,226,406 |
| Cash outside Trust | 11,143,433 | 15,000,000 |
| Cash in Trust | 2,424,428 | 12,126,165 |
| TOTAL | 939,402,968 | 954,130,863 |

Expenses

Expenses paid during May totalled \$340,714, comprised primarily of investment management fees.

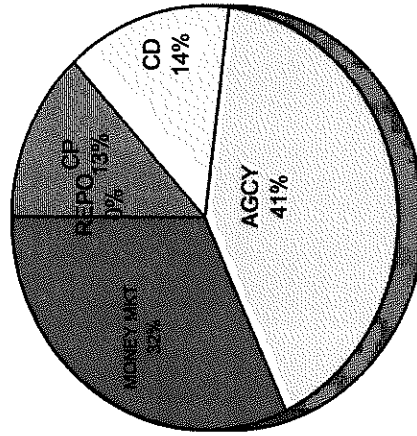
Short Term Cash

The short term cash portfolio had a 7.5 day weighted average maturity vs 6.3 days in April, and 31.1 days in May of 2000. Investments at May 31st totaled \$324 million. Interest earned during the month was \$1,279,000, of which \$37,339 was credited to the retirement accounts. The average investment rate of 4.11% was 51 basis points over the average 30 day treasury rate.

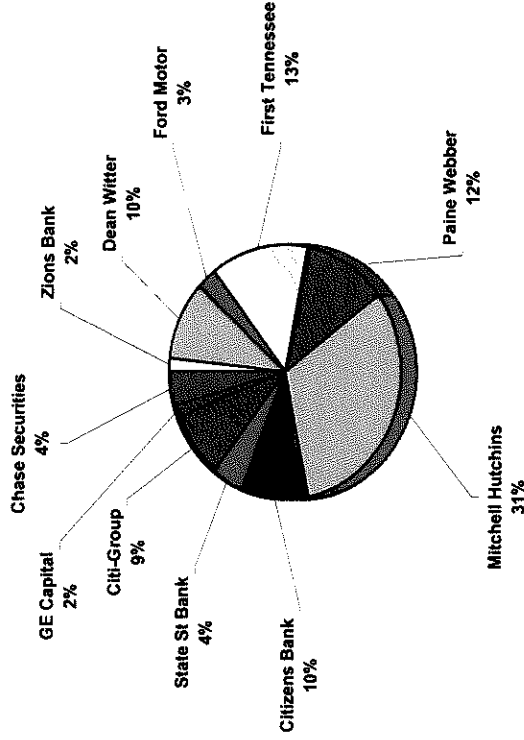
RHODE ISLAND STATE INVESTMENT COMMISSION

SHORT TERM CASH INVESTMENTS AT MAY 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
May, 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

June 20, 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 May 31, 2001.

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

| Asset Class | | |
|-----------------------------|----------------|------------------|
| Cash/Short Term Investments | | \$ 192,331,255 |
| Equities – Domestic | | \$ 2,755,215,929 |
| Equities – International | | \$ 1,164,943,363 |
| Fixed Income – Government | \$ 975,540,608 | |
| Fixed Income – Corporate | \$ 807,129,689 | |
| Fixed Income – In State | \$ 26,826,284 | |
| Total Fixed Income | | \$ 1,809,496,581 |
| Alternative Investments | | \$ 314,756,851 |
| Other – Escrow | | \$ 500,000 |
| Total Fund Investments | | \$ 6,237,243,979 |
| Plan Allocation | | |
| State Employees & Teachers | 87.0% | \$ 5,422,276,911 |
| Municipal Employees | 12.7% | \$ 794,602,317 |
| State Police | 0.2 | \$ 12,439,416 |
| Judicial | 0.1% | \$ 7,925,335 |
| Total Fund Investments | 100.0% | \$ 6,237,243,979 |

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
May 31, 2001

| | Performance | | Calendar YTD Benchmark | Alpha | Benchmark Description | Performance | | Valuation Changes | | | | |
|-----------------------------------|----------------|---------------|------------------------|--------------|-------------------------|---------------|-------------------------|-------------------|----------------------|----------------------|----------------------|---------------------|
| | Performance | Benchmark | | | | Net of Xfers | Current Month Benchmark | Alpha | Market Value 4/30/01 | Transfers In/(out) | Market Value 5/31/01 | Increase/Decrease |
| | | | | | | | | | | | | |
| Domestic Equity | | | | | | | | | | | | |
| Shott Capital Management IRR | 10.72% | N/A | N/A | N/A | S & P 500 | 16.95% | N/A | N/A | 1,294,250 | (198,022) | 1,280,199 | 183,971 |
| JP Morgan Investment Management | -3.50% | -4.90% | -1.40% | 1.40% | Russell 1000 | 1.19% | 0.68% | 0.51% | 348,193,359 | 14,580 | 352,351,419 | 4,143,480 |
| Provident Investment Council | -23.97% | -12.20% | -11.77% | 11.77% | Russell 1000 Growth | -0.72% | -1.47% | 0.75% | 285,794,845 | 14,580 | 283,754,459 | (2,054,966) |
| SSgA Core | -3.69% | -4.90% | 1.21% | 1.21% | Russell 1000 | 0.75% | 0.68% | 0.07% | 394,964,314 | 14,580 | 387,463,445 | 2,504,551 |
| SSgA Russell Value | 0.97% | 0.98% | -0.01% | -0.01% | Russell 1000 Val. | 2.22% | 2.25% | -0.03% | 234,111,580 | 14,580 | 239,333,083 | 5,206,923 |
| SSgA Wilshire 5000 | -4.48% | -4.18% | -0.30% | -0.30% | Wilshire 5000 | 1.01% | 1.00% | 0.01% | 1,095,704,981 | 51,300 | 1,106,787,707 | 11,031,426 |
| PIMCO | -3.69% | -4.35% | 0.66% | 0.66% | S & P 500 | 1.06% | 0.87% | 0.39% | 439,893,970 | 21,870 | 444,574,799 | 4,658,959 |
| Total Domestic Equity | -6.14% | | | | | 0.94% | | | 2,739,957,299 | (66,532) | 2,765,565,110 | 25,674,343 |
| International Equity | | | | | | | | | | | | |
| Bank of Ireland | 0.00% | 0.00% | 0.00% | 0.00% | M/S All Country EX US | 0.00% | 0.00% | 0.00% | - | 460,217,137 | 443,524,160 | (16,692,978) |
| Putnam Investments | 0.00% | 0.00% | 0.00% | 0.00% | M/S All Country EX US | 0.00% | 0.00% | 0.00% | - | 460,217,137 | 445,053,964 | (15,163,174) |
| Zurich Scudder Investments | -13.05% | -9.80% | -3.25% | 3.25% | M/S All Country EX US | -3.25% | -2.76% | -0.49% | 324,384,907 | (2,982,450) | 310,940,755 | (10,461,702) |
| Baring Asset Mgmt | -8.80% | -10.97% | 2.17% | 2.17% | MSCI EAFE | -0.16% | -3.53% | 3.37% | 238,864,318 | (238,668,568) | (63,679) | (259,429) |
| Schroder Capital Mgmt | -10.39% | -9.80% | -0.59% | 0.59% | M/S All Country EX US | -2.71% | -2.76% | 0.05% | 420,878,700 | (411,724,936) | 1,356,029 | (7,797,735) |
| Total International Equity | -13.22% | | | | | -4.82% | | | 984,127,925 | 267,058,320 | 1,200,811,228 | (50,375,017) |
| Fixed Income | | | | | | | | | | | | |
| Fleet Investment Advisors | 1.61% | 3.21% | -1.60% | 1.60% | Lehman Aggregate | 0.46% | 0.60% | -0.14% | 711,816,355 | (199,973,540) | 574,941,949 | 3,095,134 |
| Fidelity Management & Research | 3.35% | 3.52% | -0.17% | 0.17% | Salomon Mortgage | 0.65% | 0.62% | 0.03% | 564,109,007 | (129,979,750) | 437,600,379 | 3,471,122 |
| Brown Brothers, Harriman | 2.95% | 3.27% | -0.32% | 0.32% | Salomon Bid Inv Grade | 0.63% | 0.65% | -0.02% | 240,263,979 | 9,720 | 241,797,418 | 1,523,719 |
| In-State Fixed Income | 2.81% | N/A | N/A | N/A | N/A | 0.55% | N/A | N/A | 26,821,806 | (141,328) | 26,826,284 | 145,806 |
| Taplin, Canida & Habacht | 5.77% | 4.86% | 0.91% | 0.91% | Lehman Corporate | 1.39% | 0.92% | 0.47% | 336,795,784 | 11,880 | 341,501,835 | 4,694,171 |
| Loomis, Sayles & Co. | 2.09% | 3.88% | -1.79% | 1.79% | Merrill/First Bosh/Conv | 2.87% | 0.67% | 2.20% | 292,468,353 | 11,880 | 300,868,629 | 8,388,396 |
| Total Fixed Income | 2.90% | | | | | 1.01% | | | 2,172,275,284 | (270,061,138) | 1,923,536,493 | 21,322,347 |
| Alternative Investments | | | | | | | | | | | | |
| Pacific Corporate Group | -28.79% | N/A | N/A | N/A | | -5.21% | N/A | N/A | 274,461,507 | 1,899,758 | 261,527,676 | (14,833,590) |
| JMB/Heitman Advisory Group | -1.55% | 4.17% | -5.72% | 5.72% | | 1.96% | 2.80% | -0.84% | 3,894,711 | - | 3,971,033 | 76,322 |
| L & B Real Estate Counsel | 3.93% | 4.17% | -0.24% | 0.24% | | 1.43% | 2.80% | -1.37% | 48,561,796 | - | 49,256,173 | 694,377 |
| Bank Acquisition Contingency | 0.00% | N/A | N/A | N/A | | N/A | N/A | N/A | 500,000 | - | 500,000 | 0 |
| Total Alternatives | -24.98% | | | | | -4.14% | | | 327,418,014 | 1,899,758 | 315,254,882 | (14,062,891) |
| Cash Accounts | | | | | | | | | | | | |
| Cash in Trust | N/A | N/A | N/A | N/A | | N/A | N/A | N/A | 40,335,792 | (13,558,303) | 27,208,005 | 430,516 |
| Internal Cash | N/A | N/A | N/A | N/A | | N/A | N/A | N/A | 1,333,790 | - | 4,868,261 | 3,534,471 |
| Total Cash | N/A | | | | | N/A | | | 41,669,582 | (13,558,303) | 32,076,266 | 3,964,987 |
| Fund Grand Total | -5.55% | -3.07% | -2.48% | 2.48% | | -0.43% | 0.14% | -0.57% | 6,265,448,104 | (14,727,895) | 6,237,243,979 | (13,476,231) |

*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 May 31, 2001**

| | MKT VAL | % OF FUND | 1 Month | 3 Months | 6 Months | YTD | PYTD | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|-------------------------------------|-----------|-----------|---------|----------|----------|--------|--------|--------|---------|---------|---------|---------|
| U.S. EQUITY | | | | | | | | | | | | |
| J.P. MORGAN | 352,351 | 5.66 | 1.19 | 2.70 | -1.98 | -3.50 | -10.86 | -14.42 | 0.53 | | | |
| PIMCO | 444,575 | 7.14 | 1.06 | 2.17 | -4.87 | -3.68 | | | | | | |
| PROVIDENT INVESTMENT | 283,754 | 4.56 | -0.72 | -5.38 | -24.03 | -23.97 | -43.05 | -46.95 | -16.00 | -2.75 | 8.52 | 9.67 |
| SHOTT CAPITAL | 1,280 | 0.02 | 10.95 | 12.81 | -4.99 | -12.94 | -40.56 | -48.05 | 28.01 | | | |
| SSGA - CORE | 337,483 | 5.42 | 0.75 | 3.19 | -3.14 | -3.69 | -13.25 | -14.85 | 1.54 | | | |
| SSGA RUSSELL 1000 VALUE | 239,333 | 3.85 | 2.22 | 3.48 | 6.06 | 0.96 | 13.16 | | | | | |
| SSGA WILSHIRE 5000 | 1,106,788 | 17.79 | 1.01 | 1.84 | -2.81 | -4.45 | | | | | | |
| TOTAL US EQUITY | 2,765,565 | 44.44 | 0.94 | 1.51 | -5.08 | -6.14 | -16.12 | -19.83 | -1.82 | 1.23 | 10.92 | 11.67 |
| RUSSELL 1000 | | | 0.68 | 1.54 | -3.75 | -4.90 | -12.99 | -10.77 | -0.05 | 6.32 | 11.95 | 14.84 |
| RUSSELL 1000 GROWTH | | | -1.47 | -1.09 | -14.99 | -12.21 | -34.66 | -29.71 | -6.27 | 3.51 | 9.31 | 12.55 |
| RUSSELL 1000 VALUE | | | 2.25 | 3.47 | 6.04 | 0.98 | 12.84 | 7.68 | 2.84 | 6.60 | 12.59 | 15.48 |
| WILSHIRE 5000 | | | 1.00 | 1.95 | -2.47 | -4.18 | -13.87 | -10.07 | -0.40 | 5.30 | 11.04 | 13.27 |
| INTERNATIONAL EQUITY | | | | | | | | | | | | |
| BANK OF IRELAND | 422,429 | 6.79 | | | | | | | | | | |
| PUTNAM INVESTMENTS | 436,781 | 7.02 | | | | | | | | | | |
| SSGA TRANSITION ACCOUNT | 29,368 | 0.47 | | | | | | | | | | |
| BARING ASSET MANAGEMENT | -64 | -0.00 | | | | | | | | | | |
| SCHRODER CAPITAL MANAGEMENT | 1,356 | 0.02 | | | | | | | | | | |
| SCUDDER KEMPER INVESTMENTS | 310,941 | 5.00 | -3.26 | -3.50 | -10.34 | -13.07 | -25.52 | -28.58 | -0.54 | -4.77 | -6.70 | -5.51 |
| TOTAL INTERNATIONAL EQUITY | 1,200,811 | 19.30 | -5.04 | -5.47 | -9.75 | -13.43 | -22.68 | -24.81 | -0.58 | -0.73 | 2.80 | 4.09 |
| MSCI AC WORLD EX USA (GROSS) | | | -2.76 | -3.52 | -6.69 | -9.75 | -20.88 | -17.56 | -0.92 | 0.92 | 2.34 | 3.56 |
| MSCI EAFE (NET) | | | -3.53 | -3.70 | -7.81 | -10.97 | -20.35 | -17.23 | -1.53 | 0.39 | 2.97 | 3.87 |

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

| | MKT VAL | % OF FUND | 1 Month | 3 Months | 6 Months | YTD | PYTD | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|--|-----------|-----------|---------|----------|----------|--------|--------|--------|---------|---------|---------|---------|
| U.S. FIXED INCOME | | | | | | | | | | | | |
| BROWN BROTHERS HARRIMEN | 241,797 | 3.89 | 0.63 | 0.47 | 5.63 | 2.95 | 11.81 | 13.38 | 7.19 | 6.89 | 7.00 | 6.75 |
| FIDELITY MANAGEMENT TRUST | 437,600 | 7.03 | 0.80 | 1.32 | 5.17 | 3.51 | 11.00 | 13.47 | 8.06 | 7.35 | 8.25 | 7.84 |
| FLEET INVESTMENT | 574,942 | 9.24 | 0.53 | -0.29 | 3.53 | 1.67 | 9.39 | 11.07 | 6.83 | 6.80 | 8.56 | 7.63 |
| LOOMIS SAYLES | 300,869 | 4.83 | 2.87 | -5.21 | 5.85 | 2.07 | -0.43 | -2.15 | 4.23 | 1.61 | 5.22 | |
| STATE ACCOUNT | 26,826 | 0.43 | 0.55 | 1.69 | 3.77 | 2.88 | 6.50 | | | | | |
| TAPLIN, CANIDA & HABACHT | 341,502 | 5.49 | 1.39 | 1.92 | 7.26 | 5.78 | 12.11 | 12.96 | 6.77 | 6.81 | 8.59 | 7.87 |
| TOTAL US FIXED INCOME | 1,923,536 | 30.91 | 1.02 | -0.18 | 5.01 | 2.92 | 8.95 | 10.16 | 6.80 | 6.42 | 8.08 | 7.47 |
| 70% MERRILL LYNCH HY/30% FB CONV HY | | | | | | | | | | | | |
| LB AGGREGATE | | | 1.83 | -1.46 | 8.43 | 6.10 | 1.61 | 3.66 | 0.32 | 0.53 | 3.45 | 5.36 |
| SSBI BROAD INV GRADE | | | 0.60 | 0.68 | 5.13 | 3.21 | 10.80 | 13.11 | 7.47 | 6.41 | 7.52 | 7.68 |
| SSBI LARGE PENSION FUND | | | 0.66 | 0.71 | 5.23 | 3.27 | 10.89 | 13.21 | 7.47 | 6.41 | 7.54 | 7.68 |
| SSBI LPF MORTGAGE | | | 0.68 | -0.29 | 4.93 | 2.59 | 11.37 | 14.25 | 7.25 | | | |
| | | | 0.62 | 1.38 | 5.18 | 3.52 | 10.99 | 13.38 | 7.87 | | | |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | | |
| HEITMAN REAL ESTATE | 3,971 | 0.06 | 1.96 | -2.42 | -1.55 | -1.55 | 5.77 | 11.06 | 13.80 | 14.05 | 11.26 | 10.00 |
| L&B REAL ESTATE | 49,256 | 0.79 | 1.43 | 5.04 | 3.93 | 3.93 | 8.12 | 9.66 | 8.57 | 9.66 | 13.21 | 11.61 |
| PRIVATE EQUITY INVESTMENT | 261,528 | 4.20 | -5.35 | -14.29 | -27.45 | -28.66 | -23.04 | -20.16 | 7.58 | 6.76 | 7.61 | 17.77 |
| TOTAL ALTERNATIVE INVESTMENTS | 314,755 | 5.06 | -4.26 | -11.99 | -23.45 | -24.66 | -19.02 | | | | | |
| NCREIF PROPERTY INDEX | | | 0.00 | 2.23 | 5.46 | 2.23 | 8.56 | 11.88 | 11.52 | 12.51 | 13.35 | 12.72 |
| CASH EQUIVALENTS | | | | | | | | | | | | |
| CASH ACCOUNT (INSIDE) | 18,251 | 0.29 | 1.84 | 4.39 | 6.64 | 6.05 | 10.02 | | | | | |
| CASH ACCOUNT (OUTSIDE) | 8,955 | 0.14 | 0.39 | 1.29 | 2.87 | 2.30 | 5.96 | | | | | |
| TOTAL PLAN | | | | | | | | | | | | |
| TOTAL PLAN | 6,222,919 | 100.00 | -0.36 | -1.02 | -3.74 | -5.58 | -10.00 | -11.46 | 1.74 | 2.94 | 8.75 | 9.20 |
| TOTAL PLAN BENCHMARK | | | 0.14 | 0.62 | -1.07 | -3.13 | -8.81 | -5.41 | 1.98 | 5.19 | 8.72 | 10.12 |

| Asset Allocation Report Market Values at May 31, 2001 (\$Millions) | Style | Actual | | Target | | Difference | Cash | % of |
|--|--------------------------|-------------------|---------------|-------------------|---------------|-------------------|-----------------|-------------|
| | Mandate | | | | | | | Total |
| Domestic Equity | | | | | | | | |
| Shott Capital Mgmt | alternative distribution | 1.28 | 0.0% | 0.00 | 0.0% | 1.28 | 0.01 | 0.5% |
| JP Morgan Investment Management | active core | 352.35 | 5.6% | 311.86 | 5.0% | 40.49 | 0.53 | 0.1% |
| Provident Investment Council | Active lrg cap growth | 283.75 | 4.5% | 311.86 | 5.0% | -28.11 | 5.88 | 2.1% |
| SSgA Core | active core | 337.48 | 5.4% | 311.86 | 5.0% | 25.62 | 3.95 | 1.2% |
| SSgA Russell | lrg cap value index | 239.33 | 3.8% | 311.86 | 5.0% | -72.53 | 0.00 | 0.0% |
| SSgA Wilshire 5000 | Equity Index | 1,106.79 | 17.7% | 1,091.52 | 17.5% | 15.27 | (0.01) | 0.0% |
| PIMCO | enhanced equity | 444.57 | 7.1% | 467.79 | 7.5% | -23.22 | 0.00 | 0.0% |
| TOTAL DOMESTIC EQUITY | | \$2,765.57 | 44.3% | \$2,806.76 | 45.0% | -\$41.19 | \$10.35 | 0.4% |
| International Equity | | | | | | | | |
| Bank of Ireland | M/S all country ex US | 443.52 | 7.1% | 436.61 | 7.0% | 6.92 | 14.35 | 3.2% |
| Putnam Investments | M/S all country ex US | 445.05 | 7.1% | 436.61 | 7.0% | 8.45 | 14.38 | 3.2% |
| Zurich Scudder Investments | M/S all country ex US | 310.94 | 5.0% | 374.23 | 8.0% | -63.29 | 7.71 | 2.5% |
| Baring | | (0.06) | | | | | (0.13) | |
| Schroder | | 1.36 | 0.0% | 0.00 | 0.0% | 1.36 | (0.44) | 0.0% |
| TOTAL INT'L EQUITY | | \$1,200.81 | 19.3% | \$1,247.45 | 20.0% | -\$46.67 | \$35.87 | 3.0% |
| Domestic Fixed Income | | | | | | | | |
| Fleet Investment Advisors | active core | 574.94 | 9.2% | 566.03 | 9.1% | 8.91 | 38.68 | 6.7% |
| Fidelity Management & Research | mortgages | 437.60 | 7.0% | 428.81 | 6.9% | 8.79 | 39.70 | 9.1% |
| Brown Brothers, Harriman | opportunistic core | 241.80 | 3.9% | 205.83 | 3.3% | 35.97 | 7.87 | 3.3% |
| In-State Fixed Income | short/int govt | 26.83 | 0.4% | 0.00 | 0.0% | 26.83 | 0.17 | 0.6% |
| Taplin, Canida & Habacht | corporates | 341.50 | 5.5% | 257.29 | 4.1% | 84.22 | 18.60 | 5.4% |
| Loomis, Sayles & Co. | convt/hi yield | 300.87 | 4.8% | 257.29 | 4.1% | 43.58 | 9.01 | 3.0% |
| TOTAL FIXED-INCOME | | \$1,923.54 | 30.8% | \$1,715.24 | 27.5% | \$208.29 | \$114.04 | 5.9% |
| Alternative Investments | | | | | | | | |
| JMB/ Heitman Advisory Corp | real estate | 3.97 | 0.1% | | | | | |
| L&B Real Estate Counsel | real estate | 49.26 | 0.8% | | | | | |
| Shott Capital Mgmt | alternative distribution | 0.00 | 0.0% | | | | | |
| Pacific Corp Group | Private Equity | 261.53 | 4.2% | | | | | |
| Bank Disposition | contingency | 0.50 | 0.0% | | | | | |
| TOTAL ALTERNATIVE INVESTMENTS | | \$315.25 | 5.1% | \$467.79 | 7.5% | -\$152.54 | \$0.00 | 0.0% |
| CASH EQUIVALENTS | STIF, Yield+ | 32.08 | 0.5% | 0.00 | 0.0% | 32.08 | 32.07 | 100.0% |
| TOTAL ASSETS | | \$6,237.24 | 100.0% | \$6,237.24 | 100.0% | \$0.06 | \$192.33 | 3.1% |
| Allocation By Management Style | | | | | | | | |
| Domestic Equity | | | | | | | | |
| Core | | 689.83 | 11.1% | 623.72 | 10.0% | 66.11 | 4.47 | 0.6% |
| Large Cap Growth | | 283.75 | 4.5% | 311.86 | 5.0% | (28.11) | 5.88 | 2.1% |
| Large Cap Value | | 239.33 | 3.8% | 311.86 | 5.0% | (72.53) | - | 0.0% |
| Enhanced Equity | | 1,551.36 | 24.9% | 1,559.31 | 25.0% | (7.95) | (0.01) | 0.0% |
| Alt Distribution | | 1.28 | 0.0% | - | 0.0% | 1.28 | 0.01 | 0.0% |
| TOTAL DOMESTIC EQUITY | | \$2,765.57 | 44.3% | \$2,806.76 | 45.0% | (\$41.19) | \$10.35 | 0.4% |
| International Equity | | | | | | | | |
| Passive | | 443.52 | 7.1% | 436.61 | 7.0% | 6.92 | 14.35 | 3.2% |
| Active | | 755.99 | 12.1% | 810.84 | 13.0% | (54.85) | 22.09 | 2.9% |
| Emerging Markets | | 1.29 | 0.0% | - | 0.0% | 1.29 | (0.57) | 0.0% |
| TOTAL INT'L EQUITY | | \$1,200.81 | 19.3% | \$1,247.45 | 20.0% | (\$46.64) | \$35.87 | 3.0% |
| Domestic Fixed Income | | | | | | | | |
| Mortgage | | 437.60 | 16.2% | 428.81 | 6.875% | 8.79 | 39.70 | 9.1% |
| Core | | 843.57 | 4.3% | 771.86 | 12.375% | 71.71 | 46.73 | 5.5% |
| Corporates | | 341.50 | 5.5% | 257.29 | 4.125% | 84.22 | 18.60 | 5.4% |
| Convertible/High Yield | | 300.87 | 4.8% | 257.29 | 4.125% | 43.58 | 9.01 | 3.0% |
| TOTAL FIXED-INCOME | | \$1,923.54 | 30.8% | \$1,715.24 | 27.5% | \$208.29 | \$114.04 | 5.9% |
| Alternative Investments | | | | | | | | |
| Real Estate | | 53.23 | 0.9% | | | | | |
| Other Alternative Investments | | 262.03 | 4.2% | | | | | |
| TOTAL ALTERNATIVE INVESTMENTS | | \$315.25 | 5.1% | \$467.79 | 7.5% | (\$152.54) | | |
| CASH EQUIVALENTS | STIF, Yield+ | 32.08 | 0.5% | 0.00 | 0.0% | 32.08 | 32.08 | 100.0% |
| TOTAL ASSETS | | \$6,237.24 | 100.0% | \$6,237.24 | 100.0% | (\$0.00) | \$192.33 | 3.1% |

RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values

MAY 31, 2001

| <i>Equities</i> | | | | |
|---------------------------------|-----------------------|--------------------------|---------------------------|---------------------------|
| RANK | SECURITY NAME | PAR VALUES/SHARES | BASE MARKET AMOUNT | MONEY MANAGERS |
| 1 | GENERAL ELC. CO | 825,700 | \$40,459,300 | SSgA,Provident,J.P.Morgan |
| 2 | PFIZER INC | 813,900 | 34,908,171 | SSgA,Provident,J.P.Morgan |
| 3 | AOL TIME WARNER INC | 556,700 | 29,076,441 | SSgA,Provident,J.P.Morgan |
| 4 | MICROSOFT CORP | 353,800 | 24,475,884 | SSgA,Provident,J.P.Morgan |
| 5 | EXXON MOBIL CORP | 214,785 | 19,062,169 | SSgA,Provident,J.P.Morgan |
| 6 | CISCO SYS INC | 899,300 | 17,320,518 | SSgA,Provident,J.P.Morgan |
| 7 | MERCK & CO INC | 229,600 | 16,758,504 | SSgA,Provident,J.P.Morgan |
| 8 | CITIGROUP INC | 323,433 | 16,575,941 | SSgA,Provident,J.P.Morgan |
| 9 | PHILIP MORRIS COS INC | 255,800 | 13,150,678 | SSgA,Provident,J.P.Morgan |
| 10 | FEDERAL HOME LN MTG | 190,400 | 12,604,480 | SSgA,Provident,J.P.Morgan |
| | | 8.11% | \$224,392,086 | |
| Total Composite Equities | | \$2,765,565,110 | | |

International Equity Holdings By Top 10 Market Values

MAY 31, 2001

| <i>International Equities</i> | | | | |
|---|----------------------|--------------------------|---------------------------|-----------------------|
| RANK | SECURITY NAME | PAR VALUES/SHARES | BASE MARKET AMOUNT | MONEY MANAGERS |
| 1 | TOTAL FINA ELF | 171,891 | \$25,045,278 | Schroders,Scudder |
| 2 | ING GROEP NV CVA | 381,742 | 24,914,849 | Schroders,Scudder |
| 3 | SHELL TRNSPT+TRDG | 2,426,230 | 21,042,115 | Schroders,Scudder |
| 4 | GLAXOSMITHLINE | 773,545 | 21,010,937 | Schroders,Scudder |
| 5 | VODAFONE GROUP | 7,678,107 | 19,769,876 | Schroders,Scudder |
| 6 | NESTLE SA | 9,192 | 19,030,215 | Schroders,Scudder |
| 7 | AVENTIS SA | 176,643 | 13,115,946 | Schroders,Scudder |
| 8 | NTT DOCOMO | 650 | 12,473,271 | Schroders,Scudder |
| 9 | BARCLAYS ORD | 404,058 | 12,120,155 | Schroders,Scudder |
| 10 | ASTREZENECA ORD | 251,896 | 11,898,290 | Schroders,Scudder |
| | | 15.02% | \$180,420,931 | |
| Total Composite International Equities | | \$1,200,811,228 | | |

Alternative Investments Funding

2001

| Manager | Inception Date | Partnership Commitment | Prior Funding Thru 4/30/01 | Current Month Funding | Cumulative Total at 5/31/01 | Unfunded Balance | Market Values at 5/31/01 |
|--|----------------|------------------------|----------------------------|-----------------------|-----------------------------|----------------------|--------------------------|
| <i>ABS Capital Partners</i> | May 1996 | 5,000,000 | 3,092,725 | 0 | 3,092,725 | 1,907,275 | 2,818,280 |
| <i>Apollo RE Investment Fund IV L.P.</i> | Apr 1998 | 15,000,000 | 13,112,766 | 0 | 13,112,766 | 1,887,234 | 15,017,298 |
| <i>Alta BioPharma Partners, L.P.</i> | Mar 1998 | 10,000,000 | 6,992,435 | 500,000 | 7,492,435 | 2,507,565 | 6,322,887 |
| <i>Alta California Partners II L.P.</i> | Oct 1998 | 10,000,000 | 7,053,607 | 0 | 7,053,607 | 2,946,393 | 6,018,799 |
| <i>Alta California Partners III L.P.</i> | Jan 2001 | 15,000,000 | 1,500,000 | 750,000 | 2,250,000 | 12,750,000 | 2,084,477 |
| <i>Aurora Equity Partners II</i> | Mar 1998 | 15,000,000 | 9,289,047 | 0 | 9,289,047 | 5,710,953 | 10,175,514 |
| <i>Blackstone Capital Ptnrs</i> | Jun 1997 | 20,000,000 | 11,329,327 | 0 | 11,329,327 | 8,670,673 | 12,766,963 |
| <i>Boston Ventures Ltd</i> | Sept 1996 | 5,000,000 | 4,053,033 | 0 | 4,053,033 | 946,967 | 3,452,901 |
| <i>Crossroads/Providence LP</i> | Dec 1988 | 37,319,303 | 36,807,622 | 0 | 36,807,622 | 0 | 12,983,321 |
| <i>CVC Capital Partners</i> | Mar 1998 | 15,000,000 | 9,303,993 | 826,072 | 10,130,065 | 4,869,935 | 13,473,000 |
| <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 | 1,850,572 | 0 | 1,850,572 | 3,149,428 | 1,006,536 |
| <i>Doughty Hanson III</i> | Nov 1997 | 15,000,000 | 8,757,875 | 474,656 | 9,232,531 | 5,767,469 | 8,896,853 |
| <i>Fenway</i> | Aug 1998 | 15,000,000 | 7,007,884 | 0 | 7,007,884 | 7,992,116 | 6,034,765 |
| <i>First Reserve Fund VIII L.P.</i> | Apr 1998 | 15,000,000 | 12,740,478 | 158,202 | 12,898,680 | 2,101,320 | 17,206,596 |
| <i>First Reserve Fund IX L.P.</i> | Jan 2001 | 20,000,000 | 2,043,796 | 0 | 2,043,796 | 17,956,204 | 2,043,796 |
| <i>Harvest Partners III</i> | Dec 1997 | 15,000,000 | 12,292,784 | 0 | 12,292,784 | 2,707,216 | 13,178,430 |
| <i>Heritage Fund</i> | May 1997 | 5,000,000 | 3,908,343 | 52,105 | 3,960,448 | 1,039,552 | 4,119,163 |
| <i>Narragansett 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 | 422,691 | 0 | 422,691 | 19,577,309 | 422,691 |
| <i>Nordic Capital III</i> | Feb 1998 | 10,000,000 | 7,626,659 | 37,253 | 7,663,912 | 2,336,088 | 6,160,289 |
| <i>OCM Opportunities Fund</i> | Jan 1996 | 8,000,000 | 1,430,038 | 0 | 1,430,038 | 6,569,962 | 4,060,392 |
| <i>OCM Principal Opportunities</i> | Nov 1996 | 5,000,000 | 4,633,633 | 0 | 4,633,633 | 366,367 | 5,887,397 |
| <i>OCM Opportunities II</i> | Oct 1997 | 12,000,000 | 11,292,378 | 0 | 11,292,378 | 707,622 | 13,235,544 |
| <i>Parthenon Investors, L.P.</i> | Feb 1999 | 15,000,000 | 10,513,669 | 0 | 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 | 10,690,888 |
| <i>Providence Equity Partners III L.P.</i> | Dec 1998 | 15,000,000 | 7,327,491 | (765,820) | 6,561,671 | 8,438,329 | 8,324,195 |
| <i>Providence Equity Partners IV L.P.</i> | Sep 2000 | 25,000,000 | (9) | 0 | (9) | 25,000,009 | 0 |
| <i>SKM Equity Fund II</i> | Dec 1996 | 10,000,000 | 7,564,971 | 0 | 7,564,971 | 2,435,029 | 7,133,923 |
| <i>THL Equity Fund IV</i> | Dec 1997 | 9,000,000 | 7,142,283 | 0 | 7,142,283 | 1,857,717 | 8,999,381 |
| <i>TPG Partners</i> | Apr 1997 | 10,000,000 | 7,464,374 | 0 | 7,464,374 | 2,535,626 | 7,393,906 |
| <i>Triumph Partners III</i> | Feb 1998 | 15,000,000 | 8,924,537 | 160,132 | 9,084,669 | 5,915,331 | 9,342,605 |
| <i>VS & 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 | 871,509 | 8,537,238 | 6,462,762 | 8,607,243 |
| <i>Welsh, Carson, Anderson & Stowe</i> | Oct 1995 | 15,000,000 | 13,157,132 | (48,034) | 13,109,098 | 1,890,902 | 13,964,235 |
| <i>Willis Stein</i> | Jun 1996 | 5,000,000 | 3,613,319 | 0 | 3,613,319 | 1,386,681 | 3,125,497 |
| <i>Real Estate Investments</i> | Various | 80,544,204 | 58,114,069 | 0 | 58,114,069 | 0 | 53,227,206 |
| <i>Contingency Fund</i> | | 500,000 | 500,000 | 0 | 500,000 | 0 | 500,000 |
| TOTALS: | | \$574,034,628 | \$319,669,974 | \$3,016,075 | \$322,686,049 | \$228,406,763 | \$315,254,882 |

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

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

| | <u>LONG TERM</u> | <u>SHORT TERM</u> | <u>TOTAL</u> |
|--------------------|--------------------|-------------------|--------------------|
| INTEREST SOLD | 16,904,805 | | 16,904,805 |
| SECURITIES LENDING | 1,053,119 | | 1,053,119 |
| DIVIDENDS | 27,958,029 | | 27,958,029 |
| INTEREST | 140,196,032 | 550,123 | 140,746,155 |
| MISCELLANEOUS | 20,834,308 | | 20,834,308 |
| CAPITAL GAINS | 415,817,904 | | 415,817,904 |
| | ----- | ----- | ----- |
| GRAND TOTAL: | 622,764,197 | 550,123 | 623,314,321 |

FISCAL YEAR 01

ERSRI & MERSRI

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

CASH BASIS

| | Actual Jul00 | Actual Aug | Actual Sept | Actual Oct | Actual Nov | Actual Dec | Actual Jan01 | Actual Feb | Actual Mar | Actual Apr | Actual May | Projected Jun | PROJECTED TOTAL |
|----------------------------------|--------------|------------|-------------|------------|------------|------------|--------------|------------|------------|------------|------------|---------------|-----------------|
| EQUITIES | | | | | | | | | | | | | |
| Deutsche Asset Mgmt | | 89,765 | | | | | 90,194 | | | | | 1,300,000 | 89,765 |
| Provident Investmt | | 272,311 | | 842,787 | | | 349,163 | 317,903 | | | | 250,000 | 2,809,853 |
| JP Morgan | | 265,016 | | (71,355) | | | 267,355 | 257,178 | | 249,200 | 83 | 250,000 | 1,046,843 |
| SSgA Core | | 92,610 | | | | | 262,235 | | | 24,045 | | | 1,026,534 |
| SSgA Russell | | 5,544 | | | 6,847 | | 23,536 | | | | 2,324 | 12,000 | 68,836 |
| Sheff Capital | | | | | | | 135,406 | 5,790 | | | | 1,000,000 | 1,67,911 |
| SSgA Wilshire 5000 | | | | | | | | | | | | | 1,000,000 |
| FIXED INCOME | | | | | | | | | | | | | |
| Fleet Investment Advisors | | 127,350 | | | | | 127,650 | 525,000 | | 262,500 | | 262,500 | 1,050,000 |
| Brown Bros. | | 152,461 | | | | | | 466,240 | | 117,397 | | 240,000 | 612,397 |
| Fidelity | | 192,141 | | | | | 196,251 | 201,947 | | 379,069 | | 200,000 | 1,197,770 |
| Taplin | | 380,955 | | | | | 380,845 | 376,236 | | | 208,952 | 400,000 | 799,291 |
| Loomis Sayles | | | | | | | | | | | | | 1,538,037 |
| INT'L EQUITIES | | | | | | | | | | | | | |
| Baring Asset Management | | 235,192 | | | | | 232,254 | 221,153 | | | | 240,000 | 928,599 |
| Schroder | | 385,242 | | 374,790 | | | 359,730 | | | 346,447 | | 350,000 | 1,430,966 |
| Scaudder | | | | | | | 361,064 | | | 338,437 | | | 1,084,743 |
| Schroder Emgng Mkt | | | | | | | | | | | | | 0 |
| REAL ESTATE | | | | | | | | | | | | | |
| Heitman Advisory | | | | | | | | | | | | | 0 |
| L & B Real Estate | | | | | | | | | | | | | 0 |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | | | |
| Biger/Crossroads | | 127,645 | 0 | 94,315 | | | 1,324,264 | 152,145 | 179,386 | 505,042 | 112,688 | 300,000 | 3,283,407 |
| Narragansett Cap. | | | | | | | | | | | | | 0 |
| Other Alt Inv Mgmt Fees | | | | | | | | | | | | | 0 |
| SUB TOTAL - INV MGMT FEES | 487,922 | 127,645 | 2,198,588 | 1,240,536 | 6,847 | 0 | 4,109,946 | 2,523,591 | 179,386 | 2,222,137 | 324,047 | 4,804,500 | 18,134,952 |
| PROFESSIONAL FEES | | | | | | | | | | | | | |
| Consulting | | | | | | | | | | | | | 0 |
| Legal | | 101,324 | 109,051 | 103,530 | | | 56,250 | | | 64,954 | | 20,000 | 398,860 |
| State Street Bank | | 16,667 | 56,250 | 16,667 | | | 16,667 | 33,333 | | 68,750 | | 70,000 | 251,250 |
| Pacific Corp Group | | | 16,667 | 16,667 | 16,667 | | | | | 33,334 | | 16,667 | 183,336 |
| Wilshire Assoc | | | | | | | | | | | | | 0 |
| OPERATING EXPENSE | | | | | | | | | | | | | |
| Retirement Transfers | | | 5,574,362 | | | | | 5,900 | | 2,787,181 | | 2,000,000 | 10,361,543 |
| Other Expense | | | | | | | | | | | | | 5,900 |
| TOTAL: | 487,922 | 245,636 | 7,954,918 | 1,360,733 | 23,514 | 0 | 4,182,863 | 2,562,825 | 179,386 | 5,176,357 | 340,714 | 6,911,167 | 29,335,842 |

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

| | Actual July 2000 | Actual August 2000 | Actual September 2000 | Actual October 2000 | Actual November 2000 | Actual December 2000 | Actual January 2001 | Actual February 2001 | Actual March 2001 | Actual April 2001 | Actual May 2001 | Projected June 2001 | Projected TOTAL |
|-------------------------|------------------------|--------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|-----------------------|---------------------------|--------------------|
| MEMBER BENEFITS | 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 | 30,922,551 | 30,874,795 | 30,000,000 | 370,213,185 |
| ADMINISTRATIVE EXPENSES | 0 | 102,671 | 5,007,642 | 104,538 | 14,495 | 0 | 63,418 | 34,121 | 0 | 2,568,062 | 14,489 | 725,000 | 8,634,436 |
| INVESTMENT EXPENSES | 424,469 | 111,072 | 1,912,632 | 1,078,924 | 5,954 | 0 | 3,574,561 | 2,194,820 | 155,981 | 1,931,672 | 281,706 | 1,400,000 | 13,071,791 |
| TOTAL OUTFLOW | 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 | 35,422,285 | 31,170,990 | 32,125,000 | 391,919,412 |
| CONTRIBUTIONS | 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 | 24,354,588 | 21,327,191 | 25,000,000 | 249,562,324 |
| OTHER INCOME* | 0 | 1,718,397 | 10,015,411 | 897,100 | 2,697,797 | 1,813,886 | 163,016 | 2,635,299 | 2,117,434 | 1,062,424 | 1,384,784 | 3,100,000 | 27,605,548 |
| TOTAL INCOME | 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 | 25,417,012 | 22,711,975 | 28,100,000 | 277,167,872 |
| DIFFERENCE | (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) | (10,005,273) | (8,459,015) | (4,025,000) | (114,751,540) |

Municipal Employees Retirement System

| | Actual July 2000 | Actual August 2000 | Actual September 2000 | Actual October 2000 | Actual November 2000 | Actual December 2000 | Actual January 2001 | Actual February 2001 | Actual March 2001 | Actual April 2001 | Actual May 2001 | Projected June 2001 | Projected TOTAL |
|-------------------------|------------------------|--------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|-----------------------|---------------------------|--------------------|
| MEMBER BENEFITS | 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 | 2,809,700 | 2,808,411 | 2,800,000 | 33,322,465 |
| ADMINISTRATIVE EXPENSES | 0 | 14,994 | 732,517 | 15,313 | 2,124 | 0 | 9,279 | 4,991 | 0 | 376,657 | 2,123 | 72,000 | 1,229,998 |
| INVESTMENT EXPENSES | 62,127 | 16,220 | 279,780 | 158,042 | 873 | 0 | 523,031 | 321,046 | 22,841 | 283,318 | 41,282 | 267,000 | 1,975,560 |
| TOTAL OUTFLOW | 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 | 3,469,675 | 2,851,816 | 3,139,000 | 36,528,023 |
| CONTRIBUTIONS | 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 | 2,302,321 | 1,500,686 | 2,000,000 | 19,343,780 |
| OTHER INCOME* | 0 | 250,953 | 1,465,052 | 131,409 | 395,255 | 265,393 | 23,852 | 385,476 | 310,075 | 155,826 | 202,932 | 450,000 | 4,036,223 |
| TOTAL INCOME | 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 | 2,458,147 | 1,703,618 | 2,450,000 | 23,380,003 |
| DIFFERENCE | (1,458,075) | (1,301,342) | (367,934) | (1,884,946) | (943,670) | (302,084) | (1,742,163) | (1,208,850) | (1,070,230) | (1,011,528) | (1,148,198) | (689,000) | (13,148,020) |

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 | Actual April | Actual May | Projected June | Projected TOTAL |
|-------------------------|------------------|---------------|------------------|----------------|-----------------|-----------------|---------------------|-----------------|--------------|--------------|------------|----------------|-----------------|
| MEMBER BENEFITS | 0 | 0 | 16,452 | 7,678 | 7,678 | 7,678 | 7,678 | 7,678 | 7,678 | 7,678 | 7,678 | 7,678 | 85,554 |
| ADMINISTRATIVE EXPENSES | 0 | 326 | 16,171 | 346 | 48 | 0 | 220 | 121 | 0 | 9,501 | 55 | 1,500 | 28,288 |
| INVESTMENT EXPENSES | 1,326 | 353 | 6,176 | 3,570 | 20 | 0 | 12,354 | 7,725 | 564 | 7,147 | 1,059 | 4,500 | 44,794 |
| TOTAL OUTFLOW | 1,326 | 679 | 38,799 | 11,594 | 7,746 | 7,678 | 20,252 | 15,524 | 8,242 | 24,326 | 8,792 | 13,678 | 158,636 |
| CONTRIBUTIONS | 281,467 | 280,419 | 426,063 | 283,276 | 289,329 | 288,249 | 291,217 | 427,111 | 325,000 | 289,222 | 312,860 | 250,000 | 3,744,213 |
| OTHER INCOME* | 0 | 5,456 | 32,344 | 2,968 | 9,064 | 6,191 | 565 | 9,277 | 7,633 | 3,930 | 5,201 | 9,000 | 91,629 |
| TOTAL INCOME | 281,467 | 285,875 | 458,407 | 286,244 | 298,393 | 294,440 | 291,782 | 436,388 | 332,633 | 293,152 | 318,061 | 259,000 | 3,835,842 |
| DIFFERENCE | 280,141 | 285,196 | 419,608 | 274,650 | 290,647 | 286,762 | 271,530 | 420,864 | 324,391 | 268,826 | 309,269 | 245,322 | 3,352,815 |

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

ALTERNATIVE INVESTMENTS

FISCAL YEAR ANALYSES

CASH FLOW

| FISCAL YEAR 1999 | JUL 1998 | AUG | SEPT | OCT | NOV | DEC | JAN 1999 | FEB | MAR | APR | MAY | JUN | YTD |
|--------------------------|-----------|-----------|-----------|-----------|-----------|---|-----------|-----------|------------|-----------|-----------|-----------|------------|
| FUNDING | 7,541,470 | 3,002,627 | 7,539,316 | 6,956,433 | 3,010,334 | 6,553,062 | 5,360,631 | 4,784,922 | 10,461,384 | 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 | JUL 1999 | AUG | SEPT | OCT | NOV | DEC <td>JAN 2000</td> <td>FEB</td> <td>MAR</td> <td>APR</td> <td>MAY</td> <td>JUN</td> <td>YTD</td> | JAN 2000 | FEB | MAR | APR | MAY | JUN | YTD |
| 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 | JUL 2000 | AUG | SEPT | OCT | NOV | DEC <td>JAN 2001</td> <td>FEB</td> <td>MAR</td> <td>APR</td> <td>MAY</td> <td>JUN</td> <td>YTD</td> | JAN 2001 | FEB | MAR | APR | MAY | JUN | YTD |
| FUNDING | 7,850,261 | 7,940,976 | 2,416,691 | 3,798,586 | 2,964,509 | 4,678,116 | 3,051,803 | 1,099,337 | 2,863,015 | 9,106,342 | 4,013,476 | | 49,783,112 |
| DISTRIB & RET OF CAPITAL | 454,835 | 6,058,639 | 1,926,442 | 3,217,130 | 4,769,473 | 856,092 | 665,329 | 3,042,558 | 1,987,251 | 3,733,464 | 765,820 | | 27,477,033 |
| GAINS/LOSSES/INCOME | 2,947,475 | 1,573,768 | 8,843,648 | 944,012 | 788,589 | 1,599,978 | 742,461 | 2,806,532 | 1,217,223 | 446,040 | 189,909 | | 22,099,855 |

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

| <u>INVESTMENT MANAGER</u> | <u>INCOME</u> |
|--|---------------------|
| <u>DOMESTIC EQUITY</u> | |
| Provident Investment Council | 8,692.66 |
| JP Morgan Investment Management | 2,832.49 |
| SSgA Core | 8,715.95 |
| Total Domestic Equity | \$20,241.10 |
| <u>INTERNATIONAL EQUITY</u> | |
| Schroder Capital Management | 31,513.48 |
| Zurich, Scudder Investments | 58,617.84 |
| Total International Equity | \$90,131.32 |
| <u>FIXED INCOME</u> | |
| Fleet Investment Advisors | 93,528.97 |
| Brown Brothers, Harriman | 5,627.48 |
| Taplin, Canida & Habacht | 4,744.22 |
| Loomis, Sayles & Co. | 5,635.51 |
| Total Fixed Income | \$109,536.18 |
| TOTAL SECURITIES LENDING INCOME | \$219,908.60 |
| <u>Cumulative Securities Lending Income</u> | |
| Calander Year 2000 (includes Dec. only) | \$84,466.00 |
| Calander Year 2001 YTD | \$968,653.77 |

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 May 31, 2001

| | Principal | Interest | Total Value @ Maturity |
|---------------------------------|-------------|----------|---------------------------|
| 4901 GENERAL FUND | 129,961,236 | 128,817 | 130,090,053 |
| 4902 GENERAL FUND | 0 | 0 | 0 |
| 4904 PENSION C | 5,999,318 | 682 | 6,000,000 |
| 4908 PAYROLL A | 899,898 | 102 | 900,000 |
| 4920 GENERAL FUND (HIST PRES) | 427,800 | 2,903 | 430,703 |
| 5200 RI UNDERGROUND STORAGE TNK | 1,145,870 | 1,130 | 1,147,000 |
| 5400 HIGHWAY FUND | 41,455,884 | 49,114 | 41,504,998 |
| 5500 UNIVERSITY COLLEGE | 1,299,852 | 148 | 1,300,000 |
| 5800 PROV. RIVER RELOCATION | 0 | 0 | 0 |
| 6920 AUTO EQUIPMENT SERVICE | 400,000 | 310 | 400,310 |
| 8000 T.D.I. RESERVE (DET) | 72,271,666 | 134,453 | 72,406,119 |
| 8300 PERMANENT SCHOOL FUND | 612,204 | 1,380 | 613,583 |
| 8400 EMP RETIREMENT FUND | 4,500,000 | 14,536 | 4,514,536 |
| 8500 MUN EMP RETIREMENT FUND | 0 | 0 | 0 |
| 8700 R.I. CLEAN WATER ACT | 3,914,998 | 6,834 | 3,921,832 |
| 9000 BOND CAPITAL FUND | 19,187,189 | 21,282 | 19,208,471 |
| 9400 R.I. HIGHER EDUCATION | 0 | 0 | 0 |
| 9700 STATE LOTTERY FUND | 19,869,130 | 45,738 | 19,914,868 |
| 9800 INDUS. BLDG. & MTG. INS. | 3,111,863 | 9,144 | 3,121,006 |
| 9900 SINKING FUND | 19,927,134 | 52,925 | 19,980,060 |
| 4911 TANS PROCEEDS | 0 | 0 | 0 |
| Subtotal | 324,984,042 | 469,497 | 325,453,539 |
| 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 | | |
| 8737 RI POLLUT. CONT 94 SER. A | 44,366 | | |
| 8738 POLLUTION CONTROL 1998B | 5,544 | | |
| 8739 CCDL99A 1999A | 409,749 | | |
| 8740 POLLUTION CONTROL CCDL200A | 3,801,019 | | |
| 9108 BOND SALE 1990 SER. A&B | 1,910 | | |
| 9114 G.O. NOTE 1991 SER. B | 29,822 | | |
| 9115 BOND CCDL 1992 SERIES A | 34,843 | | |
| 9116 BOND CCDL 1993 SERIES A | 3,342,309 | | |
| 9117 BOND CCDL 1994 SERIES A | 1,917,664 | | |
| 9118 BOND CCDL 1995 SER. A | 23,077 | | |
| 9120 BOND CCBL96A | 2,785,684 | | |
| 9121 CAP DEV OF 1997 SERIES A | 2,668,648 | | |
| 9123 CCDL 1998B | 13,959,571 | | |
| 9124 CCDL99A 1999A | 34,765,903 | | |
| 9125 MMG099 1999 | 3,528,598 | | |
| 9126 BOND CAPITOL CCDL2000A | 23,530,074 | | |
| 9127 MULTI-MODAL GEN OBL 2000 | 14,186,555 | | |
| Subtotal Bond Proceed Accounts | 106,545,052 | | |
| Total Short Term Portfolio | 431,529,094 | | |

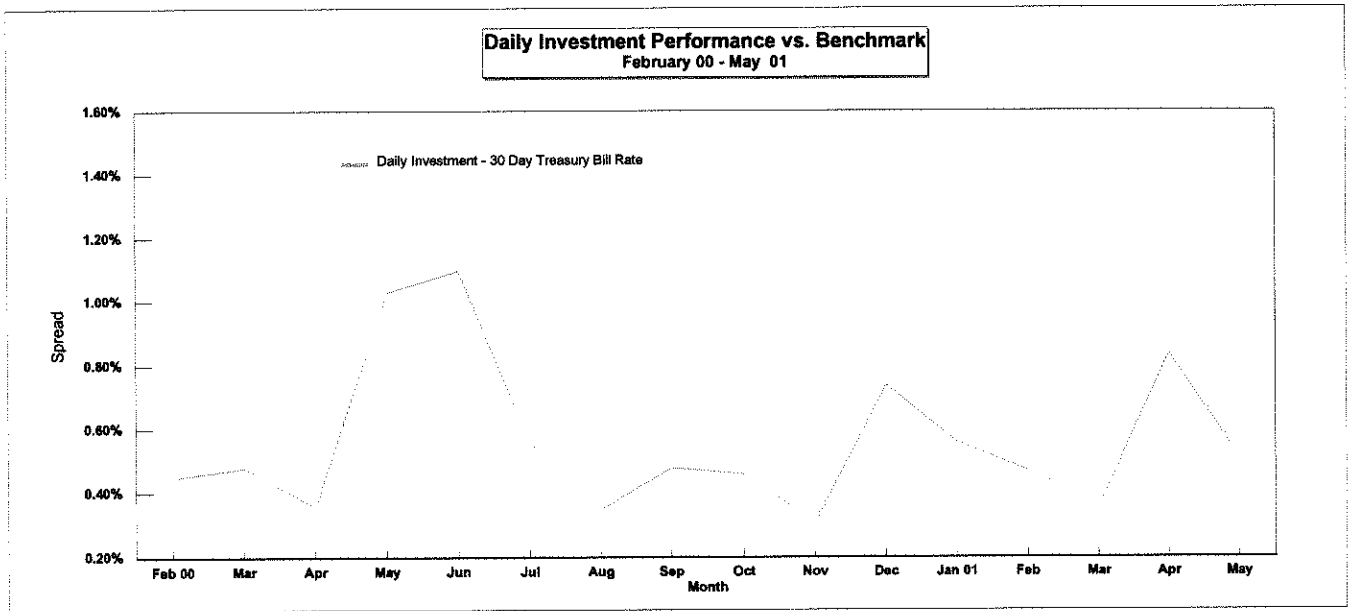
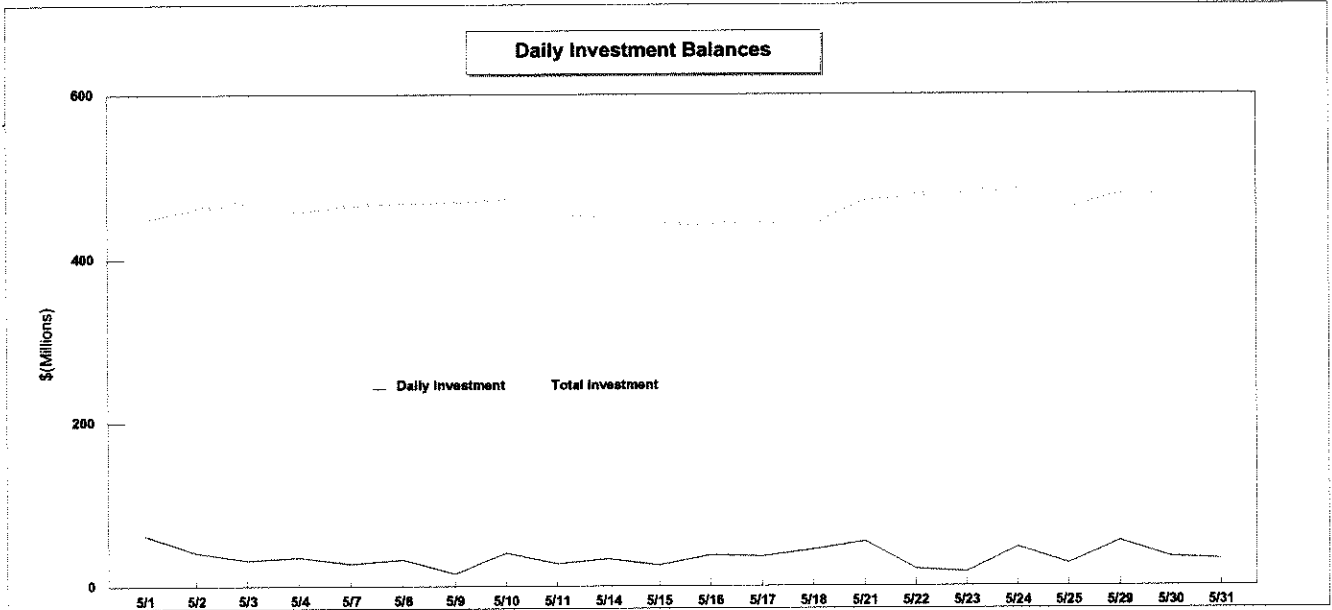
Short Term Interest Rate Performance
May 2001

| <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> |
|-------------|-----------------------------------|-------------------------------|-----------------------------|-------------------------------|-------------|------------------------------------|
| 5/01 | \$63.64 | 4.47 | 3.76 | 71.50 | 5/01 | \$449.30 |
| 5/02 | \$42.53 | 4.69 | 3.69 | 100.01 | 5/02 | \$461.44 |
| 5/03 | \$33.00 | 4.33 | 3.61 | 72.12 | 5/03 | \$469.16 |
| 5/04 | \$36.69 | 4.43 | 3.71 | 72.18 | 5/04 | \$458.36 |
| 5/07 | \$28.69 | 4.13 | 3.61 | 52.34 | 5/07 | \$465.17 |
| 5/08 | \$33.88 | 4.05 | 3.71 | 33.86 | 5/08 | \$469.07 |
| 5/09 | \$16.64 | 4.25 | 3.71 | 54.37 | 5/09 | \$469.39 |
| 5/10 | \$42.08 | 4.15 | 3.81 | 33.98 | 5/10 | \$472.61 |
| 5/11 | \$28.65 | 4.11 | 3.72 | 39.41 | 5/11 | \$454.17 |
| 5/14 | \$34.70 | 4.08 | 3.61 | 46.81 | 5/14 | \$451.18 |
| 5/15 | \$26.48 | 3.96 | 3.60 | 36.41 | 5/15 | \$441.34 |
| 5/16 | \$38.74 | 3.93 | 3.49 | 44.17 | 5/16 | \$442.58 |
| 5/17 | \$37.16 | 3.97 | 3.36 | 60.68 | 5/17 | \$444.88 |
| 5/18 | \$45.52 | 3.90 | 3.49 | 40.61 | 5/18 | \$440.49 |
| 5/21 | \$55.47 | 3.94 | 3.55 | 38.61 | 5/21 | \$471.97 |
| 5/22 | \$21.49 | 3.96 | 3.54 | 41.69 | 5/22 | \$476.22 |
| 5/23 | \$18.01 | 3.96 | 3.53 | 43.38 | 5/23 | \$480.60 |
| 5/24 | \$48.40 | 3.96 | 3.55 | 40.83 | 5/24 | \$482.96 |
| 5/25 | \$28.28 | 3.86 | 3.49 | 36.52 | 5/25 | \$462.12 |
| 5/29 | \$55.86 | 3.91 | 3.46 | 45.29 | 5/29 | \$479.91 |
| 5/30 | \$36.14 | 3.95 | 3.47 | 47.89 | 5/30 | \$478.82 |
| 5/31 | \$33.30 | 4.02 | 3.47 | 55.41 | 5/31 | \$431.53 |
| | Total Amount Invested | Weighted Average Rate | Average 30 day Rate | Basis Point Difference | | |
| | \$805.36 | 4.10 | 3.59 | 51 | | |

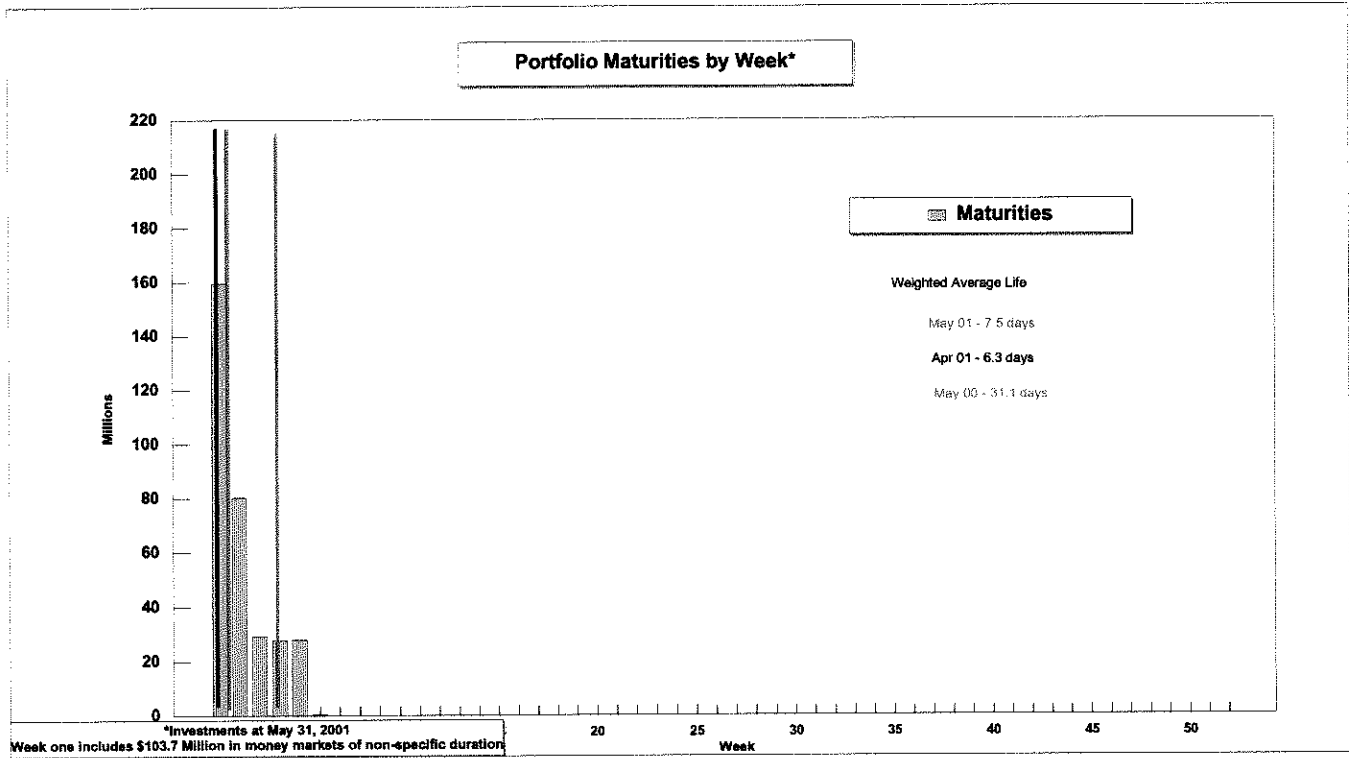
INTEREST

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

May 31, 2001



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

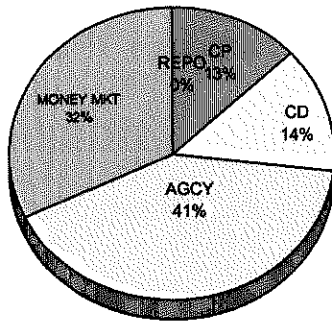


SUMMARY PORTFOLIO YIELDS

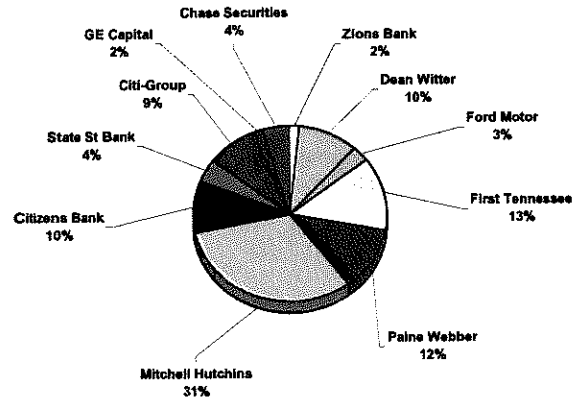
| | WEIGHTED AVERAGE YIELD(%) |
|-----------------------|--|
| May 31, 2001 | 3.9% |
| April 30, 2001 | 4.8% |
| May 31, 2000 | 6.3% |

RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT MAY 31, 2001

Portfolio By Instrument



Portfolio by Issuer



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

| Vendor | CP | CD | Agency | Money Mkt | Repo | Total (\$) |
|-------------------------|-------------------|-------------------|--------------------|--------------------|-----------|--------------------|
| Guidelines-Total/Vendor | 15%/15% | 25%/10% | 75%/35% | 50%/35% | 100%/20% | |
| Fleet Boston | 0 | 0 | 0 | 0 | 0 | 0 |
| Bear Stearns | 0 | 0 | 0 | 0 | 0 | 0 |
| Zions Bank | 0 | 0 | 5,483,558 | 0 | 0 | 5,483,558 |
| Dean Witter | 0 | 0 | 32,420,831 | 0 | 0 | 32,420,831 |
| Chase Securities | 0 | 0 | 14,438,738 | 0 | 0 | 14,438,738 |
| Paine Webber | 0 | 0 | 37,661,157 | 0 | 0 | 37,661,157 |
| Ford Motor | 9,480,024 | 0 | 0 | 0 | 0 | 9,480,024 |
| First Tennessee | 0 | 0 | 43,800,992 | 0 | 0 | 43,800,992 |
| Mitchell Hutchins | 0 | 0 | 0 | 103,767,372 | 0 | 103,767,372 |
| Citizens Bank | 0 | 30,972,180 | 0 | 0 | 0 | 30,972,180 |
| GE Capital | 4,986,333 | 0 | 0 | 0 | 0 | 4,986,333 |
| Prudential | 0 | 0 | 0 | 0 | 0 | 0 |
| Sun Trust | 0 | 0 | 0 | 0 | 0 | 0 |
| Citi-Group | 27,756,858 | 0 | 0 | 0 | 0 | 27,756,858 |
| State St Bank | 0 | 14,216,000 | 0 | 0 | 0 | 14,216,000 |
| TOTALS | 42,223,215 | 45,188,180 | 133,805,276 | 103,767,372 | 0 | 324,984,042 |
| (%) PORTFOLIO | 13% | 14% | 41% | 32% | 0% | 100% |

SPECIAL FUNDS
 INVESTMENT SUMMARY
 May 31, 2001

| FUND NAME | EQUITIES | CASH & EQUIVALENTS | FIXED INCOME | Gain/Loss | TOTAL MARKET VALUE |
|---------------------------------------|--------------------|-----------------------|------------------|-------------------|--------------------|
| Abraham Touro Fund | ** \$1,225,635 | \$265,897 | \$829,439 | (\$85,267) | \$2,320,971 |
| State of Rhode Island Land Grant Fund | 0 | \$64,565 | 0 | \$553 | \$64,565 |
| TOTALS | \$1,225,635 | \$330,462 | \$829,439 | (\$84,714) | \$2,385,536 |

** Balances as of 4/30/01

