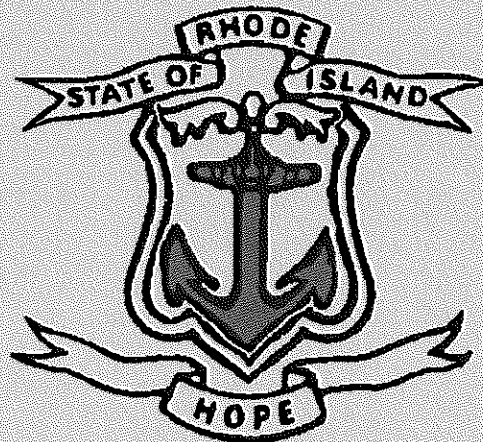
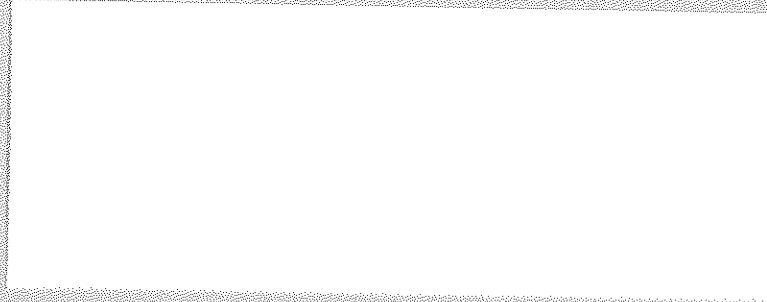


# State of Rhode Island and Providence Plantations



Office of the General Treasurer

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING  
AUGUST 25, 1999  
DATA AT  
JULY 31, 1999**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

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

**Rep. Mark B. Heffner  
B.Gen.(Ret.) Jack A. Apperson  
Sen. Daniel P. Connors**

**James E. Thorsen  
J. Michael Costello  
Rosemary Booth Gallogly**



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

Paul J. Tavares  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, August 25, 1999 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 6/23/99
3. Gateway Eight Limited Partnership
4. Y2K Update
5. General Consultant's Report - Wilshire Associates Incorporated
  - Capital Market Update
  - Y2K Update
6. Executive Director-Employees Retirement System Report
7. Treasurer's Report
8. New Business

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

**Minutes of the Regular Meeting  
June 23, 1999**

A State Investment Commission meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, June 23, 1999. There being a quorum present, the Treasurer called the meeting to order at 9:05 a.m.

Membership Roll Call. Present were: B. Gen. (Ret.) Jack A. Apperson, Mr. J. Michael Costello, Ms. Rosemary Booth Gallogly, Designee of the Director of Administration, Mr. James E. Thorsen and General Treasurer Paul J. Tavares. Senator Daniel P. Connors arrived at 9:15 a.m. Absent was: Representative Mark B. Heffner. Also present were Mr. William G. Bensur, Jr., of Wilshire Associates Incorporated, Consultant to the Commission and other members of the Treasurer's Staff.

State Investment Commission Minutes. Mr. Costello moved, Mr. Thorsen seconded and the following motion was passed. The following members voted in favor: Gen. Apperson, Mr. Costello, Ms. Gallogly, Mr. Thorsen and Treasurer Tavares. Sen. Connors was not present for this vote.

**VOTED: To approve the Minutes of the May 26, 1999 Regular Meeting.**

Fidelity Management Trust Company. Mr. Bensur gave a brief overview of Fidelity Management Trust Company, which was retained in 1989 to provide a long-term, strategic allocation to the mortgage-backed sector of the fixed income market. Fidelity's approach to mortgage bond investing is duration neutral and focuses on enhancing portfolio returns using securities research, credit research, yield curve strategies and opportunistic execution. Fidelity's allocation represents approximately 4.7% of the total fund and 15.1% of the fixed income composite. Market value at 3/31/99 was \$297.2 million and the portfolio is comprised of 440 securities with an effective duration of 3.04 years.

Mr. Paul Robertson, Senior Account Executive and Mr. Thomas Silvia, Portfolio Manager represented the firm. Mr. Robertson announced an August groundbreaking for a new building at Fidelity's Smithfield, Rhode Island location. Mr. Silvia explained that in the first quarter of 1998, interest rates began falling, thus causing increased prepayment fears. Due to historic low rates and the Federal Reserve's three 25 basis point rate cuts, the portfolio strategy was to avoid prepayment risk. In the fourth quarter, 1998, economic weakness in Asia and Russia continued and liquidity was the chief concern. Investors fled risk to buy Treasuries, thus causing commercial mortgage-backed securities ("CMBS") and mortgage pass-throughs, to underperform. Mortgages have since started to recover as more liquidity has returned to the market.

Mr. Silvia further explained that the market had declined for technical, not fundamental reasons - namely, supply and demand imbalance resulting from substantial deleveraging of CMBS positions by hedge funds and the departure of many CMBS originators. Fidelity did not alter their investment strategy or sell CMBS positions because they were fundamentally strong and prudent investments. In 1999, these positions have rebounded and still offer the potential for above-market returns. However, in the first quarter of 1999, Fidelity implemented a new strategy: selling 15-year mortgage pass-through securities and buying 30-year mortgage pass-through securities. This reversed its underweight in conventional FNMA and FHLMC and moved to an overweight in the sector, relative to its GNMA counterparts.

Mr. Silvia reported that Mr. Kevin Grant, who had previously co-managed the portfolio with him had been shifting his focus away from commercial mortgage-backed securities. With the approval of the Commission, Mr. Silvia will be the sole portfolio manager going forward.

Loomis, Sayles & Company. Mr. Bensur gave a brief overview of Loomis, Sayles & Company, 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. Loomis uses a duration neutral approach that focuses on proprietary in-house credit research to add value. Loomis seeks to limit portfolio volatility and to add value through security selection, yield curve strategies and credit bias in the high yield fixed income and convertible securities sectors. Loomis' allocation comprises 4.4% of the total fund and approximately 14.0% of the fixed income composite. Market value at 3/31/99 was \$276.9 million and the portfolio is comprised of 121 securities with an effective duration of 5.70 years.

Ms. Kathleen Gaffney, Vice President, Portfolio Manager and Mr. Fred E. Sweeney, Vice President, Portfolio Advisor represented the firm. Mr. Sweeney explained that Loomis has a custom benchmark: 70% Merrill Lynch High Yield and 30% First Boston Convertible. Ms. Gaffney reviewed the portfolio characteristics compared to the benchmark. The portfolio's Yield to Maturity was 12.8% to the benchmark's 8.5%; and the maturity was 12.1 years to the benchmark's 7.9 years. She stated that it was a good time to be in the high yield marketplace. Loomis has a positive outlook on the bond market, especially in corporates, which offer a solid opportunity to upgrade the portfolio.

Y2K Update. Mr. Bensur provided an update on the progress of Wilshire's Y2K survey of investment managers and custodian on Year 2000 readiness. He gave a summary of each managers' readiness and suggested that five managers be brought in to discuss their Year 2000 preparation efforts and to provide reassurances to the Commission that they will be ready for the new millennium. Those managers to be brought in are: David L. Babson, Fidelity Management Trust Company, Loomis, Sayles & Company, MacKay Shields and Scudder Kemper Investments.

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

**VOTED: To accept the report of Wilshire Associates Incorporated on the Y2K readiness of all investment managers of the Pension Fund.**

The Treasurer stated that the report would be forwarded to the internal Y2K committees of the Office of the General Treasurer.

A brief discussion followed regarding notifying managers of a "drop-dead" date of September 30, 1999 for being 100% compliant for mission critical functions. Assets may be moved after that date, if managers are not in compliance.

Custodian Contract. The Treasurer explained that the Custodial Contract with State Street Bank and Trust Company had previously been extended to 6/30/99. He recommended a further extension to 12/31/99 as time had not allowed for an RFP process and/or investigation of an alternative to the present custodial relationship.

Mr. Costello moved, Sen. Connors seconded and the following motion was passed. The following members voted in favor: Gen. Apperson, Sen. Connors, Mr. Costello, Ms. Gallogly and Treasurer Tavares. Mr. Thorsen abstained.

**VOTED: To authorize Legal Counsel to negotiate extending the Contract with State Street Bank and Trust Company to 12/31/99 with an option to extend an additional six months to 6/30/2000.**

Consultant Report - Wilshire Associates Incorporated. Providing his Capital Market Update, Mr. Bensus reported that the broad US equity market, as measured by the Wilshire 5000 Index, has returned 9.9% through 6/21/99. Large cap stocks, as measured by the S&P 500 Index, have returned 10.4% year-to-date. Small stocks continue trailing larger stocks. Large growth stocks have outpaced large value stocks by 0.6% (8.0% vs. 7.4%), while small value stocks have outperformed small growth stocks by 4.4% (5.2% vs. -0.8%).

European equity markets continue to experience a downturn as the Pacific and Emerging Markets recover from their recent difficulties. As of 6/21/99, the MSCI EAFE Index (a measure of developed international equity markets) has returned 4.8%. European and Pacific equity markets (as measured by the MSCI Europe and Pacific Indexes) have returned 1.1% and 20.7% year-to-date respectively.

The bond market drifted lower amid continued concerns of upcoming interest rate increases. The Dollar rose sharply versus the Yen after the Bank of Japan intervened to stem the Yen's recent advances. The Dollar traded modestly lower against the Euro.

Attribution Analysis. In response to a request from Ms. Gallogly at the May meeting, Mr. Bensur reported on US Equity Manager Attribution for the first quarter of 1999. He reviewed each manager's performance, highlighting that Babson and Brinson lost significant amounts of money relative to the benchmark at -0.57% and -0.42% respectively. Seligman at -0.92% cost nearly 1% of total return. The lone positive contributor was Provident at 0.40%. Total manager attribution was -2.19% for the quarter. The RIEERS US Equity Composite earned 1.39% for the quarter and the Wilshire 500 Index was up 3.77%. The value added was -2.38%. All figures are net of fees.

Executive Director - Employees Retirement System Report. Ms. Joann Flaminio reported on the valuation results of the retirement system as of June 30, 1998. The number of active state employees has risen to 13,105 and the number of state employee retirees has grown to 9,033; both figures are up from last year. The unfunded liability for the state employee group is \$500.6 million. For public school teachers, the number of active members has risen to 12,883, and the number of teacher retirees has grown to 5,775; again, both figures are up from last year. The unfunded liability for the public school group is \$953.8 million. The employer contribution rate for both groups for FY'2001 has yet to be determined and will depend on the smoothing methodology adopted by the Board at the July meeting.

The Municipal Employees Retirement System has an active membership of 6,716 with a retiree population of 3,257. Employee contribution rates differ according to the type of plan adopted by the city or town or employing authority. Again, the employer contribution rates for all municipal plans have yet to be determined. The State Police and Judicial Retirement Plans have active memberships of 130 and 29 respectively and each have no retirees. Finally, the Teachers Survivors Benefit Plan has an active membership of 7,027 with 278 survivors. This plan for non-Social Security teachers is severely overfunded at this time.

In total, the system has over 19,000 retirees at the present time. Ms. Flaminio stated that the valuation results show that our retirees are retiring slightly earlier than in the past and generally living longer than what was previously valued. The valuations utilize an investment return rate of 8.25%.

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

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 11:15 a.m.

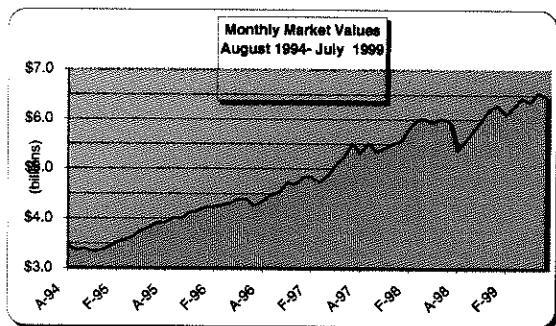
Respectfully submitted,

Paul J. Tavares  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
July 31, 1999**

**MARKET VALUES**

The total portfolio value decreased in July by \$81.3 Million to \$6.414 Billion (-1.17%), in line with broad market indices. This compares with an decrease in value of \$49.7 Million (-0.80%) for the same period in 1998. The equity market values decreased by \$95.5 Million (-2.93%). Fixed income decreased by \$13.6 Million, net of transfers (-0.40%), while international equities increased by \$25.1 Million (+2.51%). Alternative investments increased by \$6.8 Million net of capital calls, cash distributions and transfers, while cash decreased by \$4.1 Million.



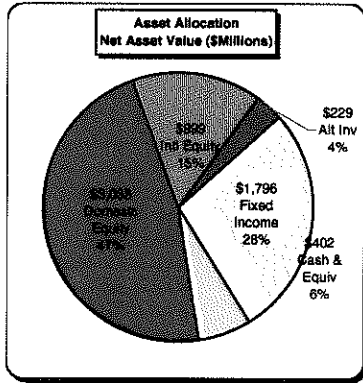
Brown Brothers' fixed income portfolio decreased in value by \$2.7 million, net of transfers. Fleet's fixed income portfolio decreased in value by \$7.3 million net transfers, while Fidelity's value decreased by \$1.6 Million. The Loomis Sayles portfolio decreased by \$1.0 Million, and Taplin Canida & Habacht's portfolio decreased by \$870,817.

<b>Performance Summary - July 1999</b>		
<b>Market Indices</b>	<b>Jul-99</b>	<b>YTD</b>
<b>Domestic Equity</b>		
S & P 500	-3.05%	8.83%
Wilshire 5000	-3.21%	8.28%
Russell 2000	-2.74%	6.29%
Russell 2500	-1.96%	8.71%
<b>International Equity</b>		
MSCI EAFE	2.97%	7.05%
<b>Fixed Income</b>		
Lehman AGG	-0.42%	-1.80%
<b>Fund By Asset Class</b>		
Domestic Equity	-2.93%	7.56%
Fixed Income	-0.40%	-0.95%
International Equity	2.51%	10.38%
<b>Total Fund Composite*</b>	<b>3.28%</b>	<b>6.34%</b>
<b>Manager Summary</b>		
<b>DOMESTIC EQUITY</b>		
Shott Capital Mgmt	2.52%	138.52%
Mackay Shields	-1.10%	14.43%
J&W Seligman	-1.10%	1.80%
State Street Global Advisors	-1.83%	9.75%
J P Morgan	-2.81%	9.51%
Bankers Trust	-3.29%	8.22%
Provident Investment	-3.52%	3.22%
Brinson Partners	-4.05%	6.53%
David L. Babson	-4.88%	4.56%
<b>Total Domestic Equity</b>	<b>-2.93%</b>	<b>7.56%</b>
<b>FIXED INCOME</b>		
Instate Fixed Income	1.19%	7.04%
Fleet Investment Advisors	-0.30%	-3.54%
Loomis Sayles	-0.36%	6.89%
Brown Brothers	-0.47%	-2.27%
Fidelity Management	-0.55%	0.30%
Taplin, Canida & Habacht	-0.89%	-1.53%
<b>Total Fixed Income</b>	<b>-0.40%</b>	<b>-0.95%</b>
<b>INTERNATIONAL EQUITY</b>		
Scudder Kemper	2.83%	13.20%
Schroder Capital Mgmt	2.62%	8.79%
Baring Asset Mgmt	1.92%	5.56%
<b>Total International Equity</b>	<b>2.51%</b>	<b>10.38%</b>
*Total Fund Composite includes all classes		



**ASSET ALLOCATION**

Despite the rebalancing which recently took place, there remains a 2.7% over-allocation in domestic equities; fixed income is over-allocated by 0.4%, the international equity asset class is virtually on target at 0.8%, while the alternative investments asset class is under-allocated by 4.0%. The challenge of investing the alternative investment commitment in an orderly fashion will continue to persist.



Cash and equivalents decreased from \$444.3 Million in June to \$401.7 Million in July.

**MANAGER FUNDING**

The following thirty five cash transfers took place during July, principally to provide sufficient cash for alternative investment funding as well as retirement payroll.

At this time, the alternative investment asset class has an unfunded allocation of approximately \$214 Million, vs a commitment of \$381.9.

**EXPENSES**

Expenses for July 1999 were not reported.

**CASH FLOW**

July's combined state and teacher contributions were insufficient to cover the month's pension payroll, requiring a transfer of \$7,000,000 from the long term plan; the municipal plan also required a transfer of \$1,500,000.

Employees' Retirement System of Rhode Island  
Asset Transfers  
July 31, 1999

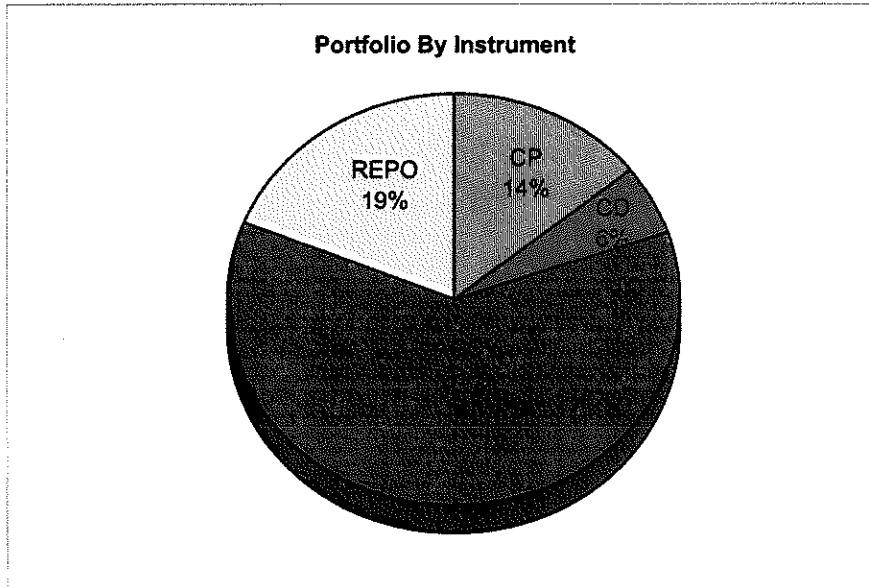
Manager	Cash In	Cash Out
ABS	159,264	209,086
Alta Bio Pharm	500,000	
Apollo	1,579,296	
Aurora	42,432	
Bkckstne Ptnrs	1,794,529	
Boston Vent.	500,000	147,878
CVC	1,000,000	
Doughty Hanson	98,647	314,286
First Reserve	1,049,261	
Heritage	93,146	
TH Lee	140,348	
Nordic	836,124	
OCM Princ	500,000	
Prov Equity	708,491	1,542,407
SKM	42,720	
TPG	1,415,704	
Willis Stein	68,426	
Welsh Carson		410,649
Misc		275
Wellspring	150,000	
Bankers	49,500	
Provident		1,000,000
St St Global		1,500,000
Brinson		1,500,000
Shott Cap'l	1,585,491	
Pac Corp Grp		1,585,491
Fleet	49,503	5,000,000
Brown Bros	100,000	
In-State		148,541
Escrow		2,018
Cash Out Trust	2,018	
Cash in Trust	14,352,768	19,178,830
Barring	11,000	
Heitman		2,579,634
Aetna		11
<b>TOTAL</b>	<b>26,828,668</b>	<b>35,119,106</b>

**SHORT TERM CASH**

The short-term cash portfolio had a 21.83 day weighted average maturity vs. 21.09 days in June, and 21.99 days in July, 1998.

**RHODE ISLAND STATE INVESTMENT COMMISSION**

**SHORT TERM CASH INVESTMENTS AT JULY 30 , 1999**



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

Vendor	CP	ETD	CD	Agency	Money Mkt	Repo	Total (\$)
<b>Guidelines-Total/Vendor</b>	<b>15%/15%</b>	<b>15%/15%</b>	<b>25%/10%</b>	<b>75%/35%</b>	<b>50%/35%</b>	<b>100%/20%</b>	
Bank Boston Robertson	0	0	0	7,806,676	0	0	7,806,676
	0%	0%	0%	3%	0%	0%	3%
Zions Bank	0	0	0	74,996,896	0	0	74,996,896
	0%	0%	0%	28%	0%	0%	28%
Dean Witter	10,446,931	0	0	52,266,364	0	0	62,713,294
	4%	0%	0%	19%	0%	0%	23%
Ford Motor	7,791,160	0	0	0	0	0	7,791,160
	3%	0%	0%	0%	0%	0%	3%
First Tennessee	0	0	0	23,099,534	0	0	23,099,534
	0%	0%	0%	9%	0%	0%	9%
Citizens Bank	0	0	15,278,442	0	0	0	15,278,442
	0%	0%	6%	0%	0%	0%	6%
Prudential	0	0	0	6,946,169	0	1,000,000	7,946,169
	0%	0%	0%	3%	0%	0%	3%
Citi-Group	19,907,215	0	0	0	0	0	19,907,215
	7%	0%	0%	0%	0%	0%	7%
State St Bank	0	0	0	0	0	50,254,318	50,254,318
	0%	0%	0%	0%	0%	19%	19%
<b>TOTALS</b>	<b>38,145,306</b>	<b>0</b>	<b>15,278,442</b>	<b>165,115,638</b>	<b>0</b>	<b>51,254,318</b>	<b>269,793,704</b>
<b>(%) PORTFOLIO</b>	<b>14%</b>	<b>0%</b>	<b>6%</b>	<b>61%</b>	<b>0%</b>	<b>19%</b>	<b>100%</b>



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

Paul J. Tavares  
General Treasurer

August 25, 1999

State Investment Commission  
State of Rhode Island, State House  
Providence, Rhode Island

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on July 31, 1999.

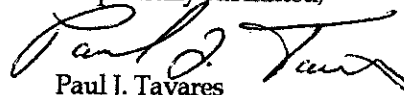
Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation

July 31, 1999

Asset Class		
Cash/Short Term Investments		\$401,758,887.85
Equities - Domestic		\$3,038,431,531.12
Equities - International		\$999,092,749.81
Fixed Income - Governme	\$1,135,573,625.05	
Fixed Income - Corporate	\$633,464,659.85	
Fixed Income - In State	\$27,264,307.22	
Total Fixed Income		\$1,796,302,592.12
Alternative Investments		\$228,196,678.76
Other - Escrow		\$500,000.00
Total Fund Investments		\$6,464,281,439.66
Plan Allocation		
State Employees & Teachers	87.0514258%	\$5,627,249,160.95
Municipal Employees	12.7303114%	822,923,157.04
State Police	0.1321812%	8,544,564.78
Judicial	0.0860816%	5,564,556.89
Total Fund Investments		\$6,464,281,439.66

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

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

**July 31, 1998**

	Performance Update		Current Month		Valuation Change		Increase/ (Decrease)	
	Performance	Calendar YTD Benchmark	Net of Xfers	Performance Benchmark	Market Value 6/30/98	Transfers In/(out)		Market Value 7/31/98
<b>Domestic Equity</b>								
Bankers Trust Co	8.2%	8.2%	-3.2%	-3.2%	1,143,898,738	49,500	1,106,308,215	(37,638,023)
Shott Capital Manag	138.52%	N/A	2.52%	N/A	2,607,672	1,585,491	4,297,612	104,449
JP Morgan Investme	9.51%	8.15%	-2.81%	-3.05%	380,816,335	-	370,122,971	(10,693,364)
State Street Global A	9.7%	8.15%	-1.83%	-3.05%	365,871,341	(1,500,000)	357,703,311	(6,668,030)
Provident Investment	3.22%	8.15%	-3.52%	-3.05%	426,370,173	(1,000,000)	410,395,153	(14,975,020)
Brinson Partners	6.53%	8.28%	-4.05%	-3.21%	277,630,204	(1,500,000)	264,957,825	(11,172,379)
MackKay Shields	14.43%	8.28%	-1.10%	-3.21%	257,790,914	-	254,947,060	(2,843,854)
D.L. Babson	4.56%	8.71%	-4.88%	-1.96%	145,711,782	-	138,607,088	(7,104,694)
JW Seligman	1.80%	6.29%	-1.10%	-2.74%	177,331,496	-	175,384,800	(1,946,696)
HLM Management	N/A	6.29%	N/A	-2.74%	191,903	(1)	-	(191,902)
ValueQuest	N/A	9.13%	N/A	-3.19%	31,915	(3)	2,480	(29,432)
<b>Total Domestic Equity</b>	7.56%		-2.93%		3,178,250,473	(2,365,013)	3,082,726,515	(93,568,945)
<b>International Equity</b>								
Barrington Asset Manag	5.5%	7.05%	1.92%	2.97%	255,179,147	11,000	260,094,570	4,904,423
Schroder Capital Ma	8.79%	10.23%	2.62%	2.13%	402,276,242	-	412,801,339	10,525,097
Scudder Kemper	13.20%	10.23%	2.83%	2.13%	341,556,607	-	351,231,556	9,674,949
Schroder Capital Ma	N/A	N/A	N/A	N/A	-	-	-	-
<b>Total International Equity</b>	10.38%		2.51%		999,011,996	11,000	1,024,127,465	25,104,469
<b>Fixed Income</b>								
Fleet Investment Adv	-3.54%	-1.80%	-0.30%	-0.42%	831,384,554	(4,850,497)	823,986,531	(2,445,526)
Fidelity Management	0.30%	-0.09%	-0.55%	-0.68%	295,328,276	-	293,689,781	(1,628,495)
Brown Brothers, Harr	-2.27%	1.42%	-0.47%	0.34%	602,833,735	100,000	600,072,923	(2,860,812)
In-State Fixed Incom	7.04%	N/A	1.19%	N/A	27,286,464	(148,542)	27,310,947	173,025
Taplin, Canida & Hab	-1.53%	-0.67%	-0.89%	-0.09%	97,678,530	-	96,807,713	(870,817)
Loomis, Sayles & Co	6.89%	3.40%	-0.38%	-0.33%	285,444,967	-	284,415,536	(1,029,431)
<b>Total Fixed Income</b>	-0.95%		-0.40%		2,138,956,626	(4,999,039)	2,126,285,431	(6,662,097)
<b>Alternative Investments</b>								
Pacific Corporate Gr	5.93%	N/A	3.90%	N/A	157,930,871	6,468,758	166,301,072	1,901,443
Shott Capital Manag	0.00%	N/A	N/A	N/A	-	-	-	-
Bank Acquisition Co	0.00%	N/A	N/A	N/A	502,018	-	500,000	(2,018)
JMB/Hellman Adviso	10.90%	N/A	3.24%	N/A	17,178,344	(2,579,634)	14,854,280	255,570
L & B Real Estate Co	12.80%	N/A	1.82%	N/A	46,171,273	-	47,012,419	841,146
AETNA Realty Adviso	-99.75%	N/A	0.00%	N/A	11	(11)	-	(0)
Phoenix Home Life	80.35%	N/A	0.00%	N/A	27,907	-	27,907	0
<b>Total Alternatives</b>	10.18%		1.93%		221,810,424	3,889,114	228,695,679	2,998,141
<b>Cash Accounts</b>								
Cash in Trust	N/A	N/A	N/A	N/A	6,106,022	(4,826,063)	1,304,489	24,529
Internal Cash	N/A	N/A	N/A	N/A	509,414	-	1,131,862	622,448
<b>Total Cash</b>	N/A		N/A		6,615,436	(4,826,063)	2,436,351	646,977
<b>Fund Grand Total</b>	5.10%		-1.17%		6,545,644,955	(8,290,000)	6,464,281,440	(73,073,415)

RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values

JULY 31, 1999

*Equities*

<b>RANK</b>	<b>SECURITY NAME</b>	<b>PAR VALUE/SHARES</b>	<b>BASE MARKET AMOUNT</b>	<b>MONEY MANAGERS</b>
1	MICROSOFT CORP	977,600	\$83,890,300	Provident, Bankers, J.P. Morgan, SSGA
2	GENERAL ELEC. CO	426,100	46,444,900	Bankers, J.P. Morgan, SSGA
3	LUCENT TECHNOLOGIES INC	666,586	43,786,368	Provident, Bankers, J.P. Morgan, SSGA
4	MCI WORLDCOM INC	486,400	40,128,000	Provident, Bankers, J.P. Morgan, SSGA
5	INTERNATIONAL BUSINESS MACHS	303,400	38,133,588	Bankers, J.P. Morgan, SSGA
6	CISCO SYS INC	610,385	37,920,168	Provident, Bankers, J.P. Morgan, SSGA
7	INTEL CORP	515,000	35,535,000	Bankers, J.P. Morgan, SSGA
8	CITIGROUP INC	778,152	34,676,399	Bankers, J.P. Morgan, SSGA, MacKay Shields
9	AMERICA ONLINE INC	323,422	31,412,362	Provident, Bankers, J.P. Morgan, SSGA
10	TYGO INTLLTD	291,200	28,446,600	Provident, J.P. Morgan,
		13.66%	\$420,373,685	
			of total equity market value	
		** Total Composite Equities **	\$3,078,428,918.	

International Equity Holdings By Top 10 Market Values

JULY 31, 1999

*International Equities*

<b>RANK</b>	<b>SECURITY NAME</b>	<b>COUNTRY</b>	<b>PAR VALUE/SHARES</b>	<b>BASE MARKET AMOUNT</b>	<b>MONEY MANAGERS</b>
1	ELF AQUITAINE	Euro	75,107	\$12,861,875	Schroders, Scudder, Baring
2	BRITISH TELECOM	England	705,434	12,285,132	Schroders, Scudder, Baring
3	MANNESMANN AG	Germany	79,307	12,061,727	Schroders, Scudder, Baring
4	ROYAL DUTCH PETROL	Netherlands	180,160	11,260,952	Schroders, Scudder, Baring
5	VODAFONE GROUP	U.S.	502,400	10,710,765	Schroders, Scudder, Baring
6	VIVENDI	Euro	136,233	10,709,717	Schroders, Scudder, Baring
7	GLAXO WELLCOME	England	390,671	10,075,561	Schroders, Scudder, Baring
8	BP AMOCO	U.S.	505,501	9,884,246	Schroders, Scudder, Baring
9	PHILIPS ELEC	Euro	93,762	9,578,703	Schroders, Scudder, Baring
10	SONY CORP	Japan	68,000	8,645,061	Schroders, Scudder, Baring
			10.55%	\$108,073,739	
				of total international equity market value	
		** Total Composite International Equities **		\$1,024,113,491.	

Asset Allocation Report Market Values at July 31, 1999 Allocation by Manager		Style Mandate	Actual		Target	Difference	Cash	% of Total
<b>Domestic Equity</b>								
Bankers Trust	passive core	1,106.31	17.1%	872.68	13.5%	233.63	7.27	0.7%
Shott Capital Mgmt	alternative distribution	4.30	0.1%	0.00	0.0%	4.30	3.31	0.0%
JP Morgan Investment Management	active core	370.12	5.7%	290.89	4.5%	79.23	1.73	0.5%
State Street global Advisors	active core	357.70	5.5%	290.89	4.5%	66.81	2.06	0.6%
Provident Investment Council	large cap grwth	410.40	6.3%	484.82	7.5%	-74.43	5.46	1.3%
Brinson Partners	lrge cap val	264.96	4.1%	258.57	4.0%	6.39	5.09	1.9%
MacKay Shields	lrge cap val	254.95	3.9%	258.57	4.0%	-3.62	8.18	3.2%
D.L. Babson	sm cap value	138.61	2.1%	193.93	3.0%	-55.32	1.33	1.0%
JW Seigman	sm cap grwth	175.38	2.7%	193.93	3.0%	-18.54	9.87	5.6%
HLM Management	sm cap grwth	0.00	0.0%	32.32	0.5%	-32.32	0.00	0.0%
ValueQuest	contrarian value	0.00	0.0%	32.32	0.5%	-32.32	0.00	0.0%
<b>TOTAL DOMESTIC EQUITY</b>		<b>3,082.73</b>	<b>47.7%</b>	<b>2,908.93</b>	<b>45.0%</b>	<b>173.80</b>	<b>44.30</b>	<b>1.4%</b>
<b>International Equity</b>								
Baring Asset Management	passive EAFE	280.09	4.0%	193.93	3.0%	66.17	0.02	0.0%
Schroder Capital Management Intl	M/S all country ex US	412.80	6.4%	323.21	5.0%	89.59	12.36	3.0%
Scudder Kemper	M/S all country ex US	351.23	5.4%	323.21	5.0%	28.02	12.65	3.6%
Schroder Capital Management Intl	emerging mkts	0.00	0.0%	129.29	2.0%	-129.29	0.00	0.0%
<b>TOTAL INTL EQUITY</b>		<b>1,024.13</b>	<b>15.8%</b>	<b>969.64</b>	<b>15.0%</b>	<b>54.49</b>	<b>25.04</b>	<b>2.4%</b>
<b>Domestic Fixed Income</b>								
Fleet Investment Advisors	active core	823.99	12.7%	682.82	10.6%	141.17	132.14	16.0%
Fidelity Management & Research	mortgages	293.70	4.5%	311.26	4.8%	-17.56	16.65	5.7%
Brown Brothers, Harriman	opportunistic core	600.07	9.3%	682.82	10.6%	-82.75	166.90	27.8%
In-State Fixed Income	short/int govt	27.31	0.4%	3.81	0.1%	23.50	0.00	0.0%
Taplin, Canida & Habacht	corporates	96.81	1.5%	105.04	1.6%	-8.24	4.34	4.5%
Loomis, Sayles & Co.	convt/hi yield	284.42	4.4%	315.13	4.9%	-30.72	9.96	3.5%
<b>TOTAL FIXED-INCOME</b>		<b>2,126.30</b>	<b>32.9%</b>	<b>2,100.89</b>	<b>32.5%</b>	<b>25.40</b>	<b>329.99</b>	<b>15.5%</b>
<b>Alternative Investments</b>								
JMB/ Heltman Advisory Corp	real estate	14.85	0.2%					
L&B Real Estate Counsel	office/shopping	47.01	0.7%					
Aetna Realty Advisors, Inc.	cong. care	0.00	0.0%					
Phoenix Home Life	developmental	0.03	0.0%					
Shott Capital Mgmt	alternative distribution	0.00	0.0%					
Pacific Corp Group	various pvt eq	166.30	2.6%					
Bank Disposition	contingency	0.50	0.0%					
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>228.70</b>	<b>3.5%</b>	<b>484.82</b>	<b>7.5%</b>	<b>-256.13</b>	<b>0.00</b>	<b>0.0%</b>
<b>CASH EQUIVALENTS</b>	STIF, Yield+	2.44	0.0%	0.00	0.0%	2.44	2.43	99.9%
<b>TOTAL ASSETS</b>		<b>6,464.28</b>	<b>100.0%</b>	<b>6,464.28</b>	<b>100.0%</b>	<b>0.00</b>	<b>401.76</b>	<b>6.2%</b>

#### Allocation By Management Style

<b>Domestic Equity</b>								
Core		1,838.43	28.4%	1,454.46	22.5%	383.97	14.37	0.8%
Large Cap Growth		410.40	6.3%	484.82	7.5%	(74.43)	5.46	1.3%
Large Cap Value		519.90	8.0%	517.14	8.0%	2.76	13.27	2.6%
Small Cap		313.99	4.9%	387.86	6.0%	(73.86)	11.20	3.6%
Emerging Managers		0.00	0.0%	64.64	1.0%	(64.64)	-	0.0%
<b>TOTAL DOMESTIC EQUITY</b>		<b>3,082.73</b>	<b>47.7%</b>	<b>2,908.93</b>	<b>45.0%</b>	<b>173.80</b>	<b>44.30</b>	<b>1.4%</b>
<b>International Equity</b>								
Passive		280.09	4.0%	193.93	3.0%	66.17	0.02	0.0%
Active		764.03	11.8%	646.43	10.0%	117.60	25.02	3.3%
Emerging Markets		-	0.0%	129.29	2.0%	(129.29)	-	#DIV/0!
<b>TOTAL INTL EQUITY</b>		<b>1,024.13</b>	<b>15.8%</b>	<b>969.64</b>	<b>15.0%</b>	<b>54.49</b>	<b>25.04</b>	<b>2.4%</b>
<b>Domestic Fixed Income</b>								
Mortgage		1,117.69	17.3%	994.08	15.4%	123.61	148.79	13.3%
Core		627.38	9.7%	686.64	10.6%	(59.25)	166.90	26.6%
Corporates		96.81	1.5%	105.04	1.6%	(8.24)	4.34	4.5%
Convertible/High Yield		284.42	4.4%	315.13	4.9%	(30.72)	9.96	3.5%
<b>TOTAL FIXED-INCOME</b>		<b>2,126.30</b>	<b>32.9%</b>	<b>2,100.89</b>	<b>32.5%</b>	<b>25.40</b>	<b>329.99</b>	<b>15.5%</b>
<b>Alternative Investments</b>								
Real Estate		61.89	1.0%					
Other Alternative Investments		166.80	2.6%					
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>228.70</b>	<b>3.5%</b>	<b>484.82</b>	<b>7.5%</b>	<b>(256.13)</b>		
<b>CASH EQUIVALENTS</b>	STIF, Yield+	2.44	0.0%	0.00	0.0%	2.44	2.44	100.0%
<b>TOTAL ASSETS</b>		<b>6,464.28</b>	<b>100.0%</b>	<b>6,464.28</b>	<b>100.0%</b>	<b>0.00</b>	<b>401.76</b>	<b>6.2%</b>

## Alternative Investments Funding

1999

Manager	Partnership Commitment	Prior Funding Thru 6/30/99	Current Month Funding	Cumulative Total at 7/31/99	Unfunded Balance	Market Values at 7/31/99
<i>ABS Capital Partners</i>	5,000,000	3,502,130	139,170	3,641,300	1,358,700	3,709,261
<i>Apollo RE Investment Fund IV L.P.</i>	15,000,000	5,899,189	1,482,867	7,382,056	7,617,944	7,767,520
<i>Alta BioPharma Partners, L.P.</i>	10,000,000	3,700,000	500,000	4,200,000	5,800,000	3,768,066
<i>Alta California Partners II L.P.</i>	10,000,000	1,500,000	0	1,500,000	8,500,000	1,407,744
<i>Aurora Equity Partners II</i>	15,000,000	2,452,581	0	2,452,581	12,547,419	2,453,242
<i>Blackstone Capital Ptnrs</i>	20,000,000	4,346,462	1,735,501	6,081,963	13,918,037	6,551,332
<i>Boston Ventures Ltd</i>	5,000,000	2,078,750	380,504	2,459,254	2,540,746	2,736,350
<i>Crossroads/Providence LP</i>	42,509,665	39,244,849	0	39,244,849	3,264,816	14,272,750
<i>CVC Capital Partners</i>	15,000,000	5,100,404	918,898	6,019,302	8,980,698	5,869,009
<i>Doughty Hanson II</i>	5,000,000	2,244,351	(25,389)	2,218,962	2,781,038	1,871,982
<i>Doughty Hanson III</i>	15,000,000	3,333,688	0	3,333,688	11,666,312	3,200,087
<i>Fenway</i>	15,000,000	2,471,527	(207,086)	2,264,441	12,735,559	2,387,657
<i>First Reserve Fund VIII L.P.</i>	15,000,000	3,543,636	1,049,261	4,592,897	10,407,103	4,165,514
<i>Harvest Partners III</i>	15,000,000	6,471,920	0	6,471,920	8,528,080	6,430,772
<i>Heritage Fund</i>	5,000,000	3,028,069	70,638	3,098,707	1,901,293	3,106,239
<i>Narragansett First Fund</i>	218,566	0	0	0	0	0
<i>Narragansett Capital Partners</i>	1,671,121	999,377	0	999,377	671,744	1,175,590
<i>Nordic Capital III</i>	7,500,000	2,476,885	836,124	3,313,009	4,186,991	3,607,110
<i>OCM Opportunities Fund</i>	8,000,000	6,598,378	0	6,598,378	1,401,622	9,319,304
<i>OCM Principal Opportunities</i>	5,000,000	4,500,000	500,000	5,000,000	0	4,895,087
<i>OCM Opportunities II</i>	12,000,000	12,000,000	0	12,000,000	0	11,940,216
<i>Parthenon Investors, L.P.</i>	15,000,000	2,803,099	0	2,803,099	12,196,901	2,803,101
<i>Providence Equity Partners</i>	10,000,000	8,034,572	(452,329)	7,582,243	2,417,757	17,657,578
<i>Providence Equity Partners III L.P.</i>	15,000,000	2,022,233	506,865	2,529,098	12,470,902	2,529,098
<i>SKM Equity Fund II</i>	10,000,000	5,926,992	0	5,926,992	4,073,008	5,897,009
<i>THL Equity Fund IV</i>	15,000,000	3,266,523	129,608	3,396,131	11,603,869	3,317,578
<i>TPG Partners</i>	10,000,000	4,531,004	1,308,704	5,839,708	4,160,292	5,783,296
<i>Triumph Partners III</i>	15,000,000	5,211,257	0	5,211,257	9,788,743	4,868,768
<i>VS &amp; A Communications Ptnrs III L.P.</i>	15,000,000	0	0	0	15,000,000	0
<i>Wellspring Capital Partners</i>	15,000,000	2,239,751	0	2,239,751	12,760,249	2,239,751
<i>Welsh, Carson, Anderson &amp; Stowe</i>	15,000,000	13,528,988	(55,520)	13,473,468	1,526,532	17,235,860
<i>Willis Stein</i>	5,000,000	3,253,717	68,426	3,322,143	1,677,857	3,179,272
<i>Real Estate Investments</i>	80,544,204	74,511,849	(2,324,064)	72,187,785	8,356,419	61,894,606
<i>Contingency Fund</i>	500,000	500,000	0	500,000	0	500,000
<b>TOTALS:</b>	<b>\$462,943,557</b>	<b>\$241,322,181</b>	<b>\$6,562,178</b>	<b>\$247,884,359</b>	<b>\$214,840,632</b>	<b>\$228,540,749</b>

**Retirement Systems  
Investment Earnings  
Fiscal Year 2000 to Date Summary**

**ERSRI  
&  
MERSRI**                      **at July 31, 1999**

	<u>LONG TERM</u>	<u>SHORT TERM</u>	<u>TOTAL</u>
INTEREST SOLD	970,833		970,833
DIVIDENDS	4,119,425		4,119,425
INTEREST	7,344,201	38,806	7,383,007
MISCELLANEOUS	(293,636)		(293,636)
CAPITAL GAINS	29,286,892		29,286,892
	-----	-----	-----
GRAND TOTAL:	<b>41,427,715</b>	<b>38,806</b>	<b>41,466,520</b>



ERSRI & MEKRSRI

	Actual Jul 99	Projected Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 00	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	PROJECTED TOTAL
<b>EQUITIES</b>													
Fleef/Norsiar		262,500	50,000		262,500	50,000		262,500	50,000		262,500	50,000	1,050,000
Banker Trust			1,050,000			1,050,000			1,050,000			1,050,000	4,200,000
Provident Investment			220,000		200,000	220,000		200,000	220,000		200,000	220,000	880,000
Brianson		200,000			200,000			200,000			200,000		800,000
Mackay-Shield			150,000		150,000	150,000		150,000	150,000		150,000	150,000	600,000
David L. Babson		150,000			150,000			150,000			150,000		600,000
J & W Seligman			200,000			200,000			200,000			200,000	800,000
HLM Management			225,000		4,500	225,000		4,500	225,000		4,500	225,000	900,000
ValueQuest		4,500											18,000
J.P. Morgan													0
State Street Global Advisors													0
Sheff Capital													0
<b>FIXED INCOME</b>													
Brown Bros.			180,000			180,000			180,000			180,000	720,000
Fidelity		67,500	225,000		67,500	225,000		67,500	225,000		67,500	225,000	900,000
Taplin		320,000			320,000			320,000			320,000		1,280,000
Loomis Sayles													0
<b>INT'L EQUITIES</b>													
Baring Asset Management		80,000	400,000		80,000	400,000		80,000	400,000		80,000	400,000	320,000
Schroder													1,600,000
Scaudder		220,000			220,000			220,000			220,000		880,000
Schroder Emrgng Mkts													0
<b>REAL ESTATE</b>													
Heitman Advisory													0
L & B Real Estate													0
Aetna													0
Phoenix													0
<b>ALTERNATIVE INVESTMENTS</b>													
Bigley/Crossroads			2,250			2,250			2,250			2,250	9,000
Narrangsett Cap.		200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,200,000
Other Alt Inv Mgmt Fees													0
<b>PROFESSIONAL FEES</b>													
Consulting													0
Legal		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	880,000
State Street Bank			68,750			68,750			68,750			68,750	275,000
Pacific Corp Group		33,333	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	200,000
Willsire Assoc													0
<b>OPERATING EXPENSE</b>													
Retirement Transfers		850,000			850,000			850,000			850,000		3,400,000
Other Expense													0
<b>TOTAL:</b>	<b>0</b>	<b>2,467,833</b>	<b>3,067,667</b>	<b>296,667</b>	<b>2,451,167</b>	<b>3,067,667</b>	<b>296,667</b>	<b>2,451,167</b>	<b>3,067,667</b>	<b>296,667</b>	<b>2,451,167</b>	<b>3,067,667</b>	<b>22,982,003</b>

CASH FLOW ANALYSIS

Employees Retirement System

TY 1999-00	Actual July 1999	Projected August	Projected September	Projected October	Projected November	Projected December	Projected January 2000	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	26,933,982	27,000,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	328,933,982
ADMINISTRATIVE EXPENSES	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,750,000
INVESTMENT EXPENSES	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	16,500,000
TOTAL OUTFLOW	26,933,982	28,750,000	29,250,000	29,250,000	29,250,000	29,250,000	29,250,000	29,250,000	29,250,000	29,250,000	29,250,000	29,250,000	348,183,982
CONTRIBUTIONS	21,968,030	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	285,968,030
OTHER INCOME*	2,465,668	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	13,465,668
TOTAL INCOME	24,433,698	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	299,433,698
DIFFERENCE	(2,500,284)	(3,750,000)	(4,250,000)	(4,250,000)	(4,250,000)	(4,250,000)	(4,250,000)	(4,250,000)	(4,250,000)	(4,250,000)	(4,250,000)	(4,250,000)	(48,750,284)

Municipal Employees Retirement System

Actual July 1999	Projected August	Projected September	Projected October	Projected November	Projected December	Projected January 2000	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	2,564,770	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	31,164,770
ADMINISTRATIVE EXPENSES	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	440,000
INVESTMENT EXPENSES	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,200,000
TOTAL OUTFLOW	2,564,770	2,840,000	2,840,000	2,840,000	2,840,000	2,840,000	2,840,000	2,840,000	2,840,000	2,840,000	2,840,000	33,804,770
CONTRIBUTIONS	1,099,974	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	20,349,974
OTHER INCOME*	360,577	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	2,285,577
TOTAL INCOME	1,460,551	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	22,635,551
DIFFERENCE	(1,104,219)	(915,000)	(915,000)	(915,000)	(915,000)	(915,000)	(915,000)	(915,000)	(915,000)	(915,000)	(915,000)	(11,169,219)

Judges/State Police  
Retirement System

Actual July 1999	Projected August	Projected September	Projected October	Projected November	Projected December	Projected January 2000	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
0	0	0	0	0	0	0	0	0	0	0	0	0
0	700	700	700	700	700	700	700	700	700	700	700	7,700
0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	44,000
0	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	51,700
250,228	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	2,725,228
6,183	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	30,983
256,411	227,250	227,250	227,250	227,250	227,250	227,250	227,250	227,250	227,250	227,250	227,250	2,756,161
256,411	222,550	222,550	222,550	222,550	222,550	222,550	222,550	222,550	222,550	222,550	222,550	2,704,461

123r5w / csflfy99

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

## **General Information**

### **Table of Contents**

	<b>Page</b>
<b>I. Investment Balances</b>	
<b>By Fund</b>	<b>1.</b>
<b>II. Interest Rate Performance</b>	<b>2.</b>
<b>III. A. Daily Investment Balances Graph</b>	<b>3.</b>
<b>B. Daily Investment Performance vs. Benchmark Graph</b>	
<b>IV. A. Treasury Bill Yield Curve Graph</b>	<b>4.</b>
<b>B. comparative Market Yields Graph</b>	
<b>V. A. Portfolio Maturities by Week Graph</b>	<b>5.</b>
<b>B. Summary Portfolio Yields</b>	

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

**Short Term Investments Portfolio by Fund**

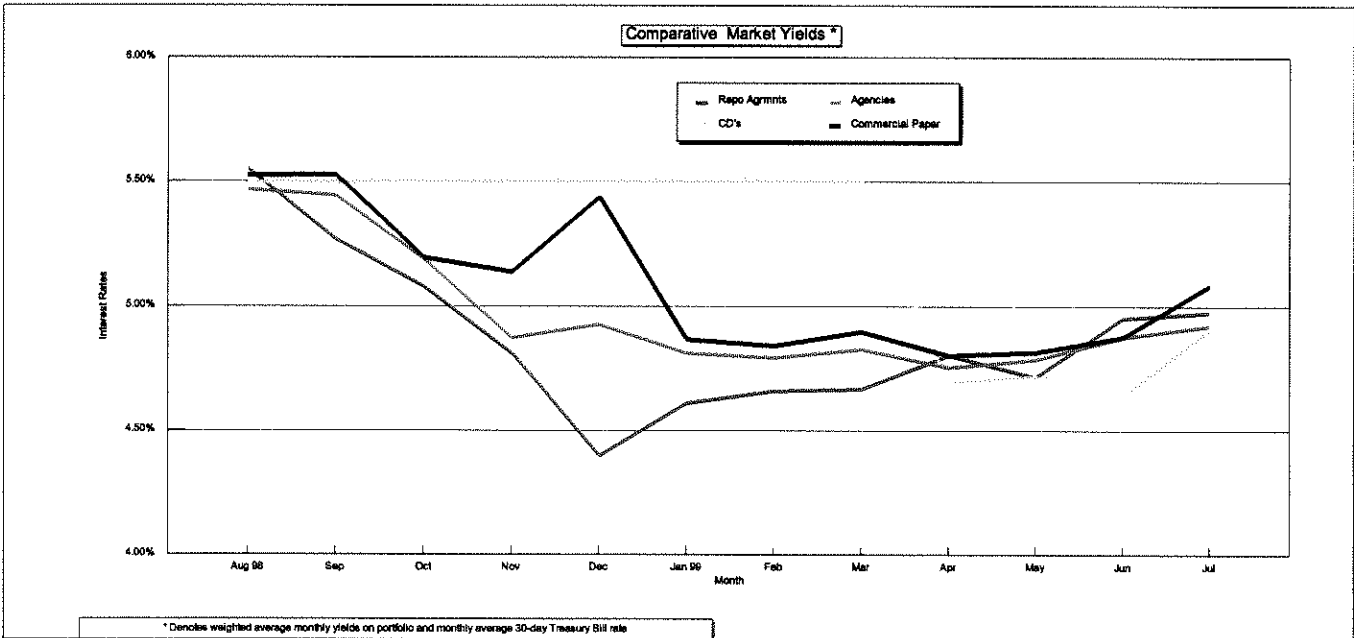
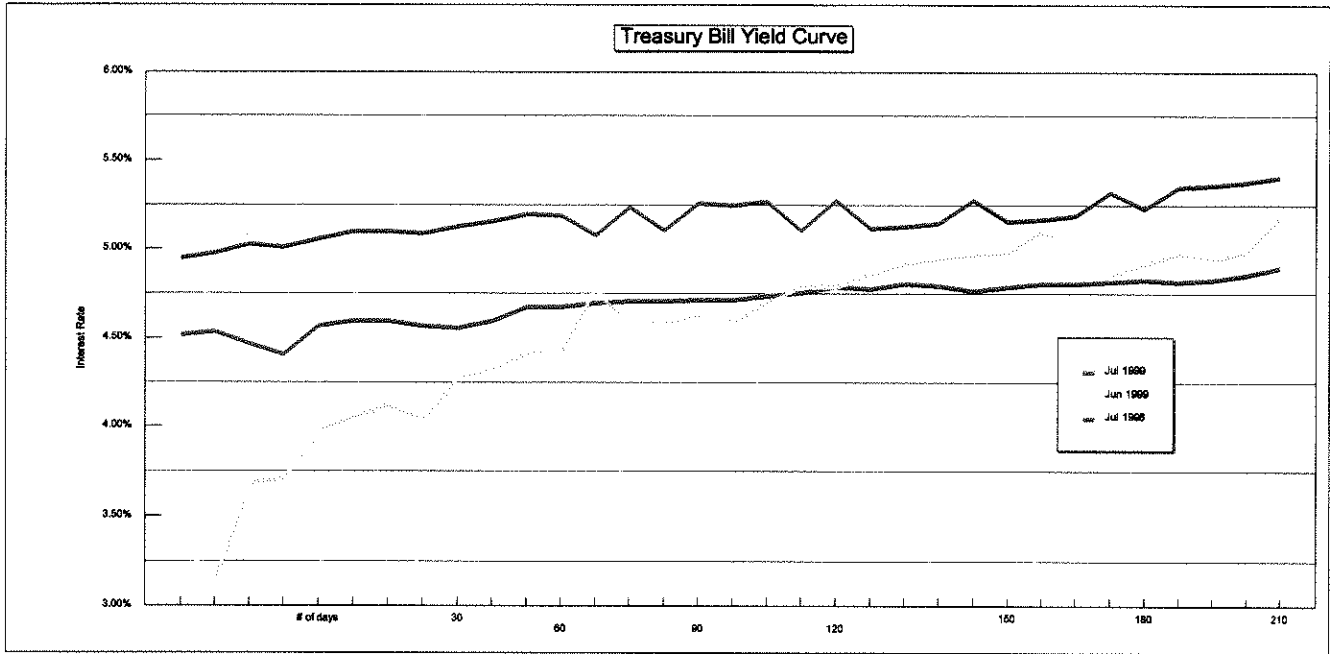
As of July 30, 1999

	Principal	Interest	Total Value @ Maturity
4901 GENERAL FUND	173,066,175	618,263	173,684,437
4902 GENERAL FUND	2,475,210	24,790	2,500,000
4904 PENSION C	6,300,000	2,615	6,302,615
4908 PAYROLL A	600,000	249	600,249
4920 GENERAL FUND (HIST PRES)	383,187	4,833	388,021
5200 RI UNDERGROUND STORAG TNK	1,200,654	498	1,201,152
5400 HIGHWAY FUND	5,303,664	2,201	5,305,865
5500 UNIVERSITY COLLEGE	0	0	0
5800 PROV. RIVER RELOCATION	300,000	290	300,290
6920 AUTO EQUIPMENT SERVICE	0	0	0
8000 T.D.I. RESERVE (DET)	45,141,998	773,514	45,915,512
8225 JOB DEVELOPMENT (DET)	6,974,833	50,345	7,025,178
8230 E.T. TARDY (DET)	0	0	0
8240 E.T. INTEREST (DET)	540,000	1,112	541,112
8300 PERMANENT SCHOOL FUND	406,405	782	407,188
8400 EMP RETIREMENT FUND	0	0	0
8500 MUN EMP RETIREMENT FUND	0	0	0
8700 R.I. CLEAN WATER ACT	1,776,698	1,710	1,778,408
9000 BOND CAPITAL FUND	2,497,963	3,043	2,501,006
9700 STATE LOTTERY FUND	20,764,708	48,555	20,813,263
9800 INDUS. BLDG. & MTG. INS.	2,062,209	9,698	2,071,907
4911 TANS PROCEEDS	0	0	0
Subtotal	269,793,704	1,542,497	271,336,201
8701 CLEAN WATER 1991 SER. B	0		
8702 CLEAN WATER 1993 SER. A	52,255		
8703 CLEAN WATER 1991 SERIES A	693,324		
8704 CLEAN WATER 96 SERIES A	591,216		
8705 CLEAN WATER 1992 SER. A	0		
8706 CLEAN WATER CCDL 1994 (A)	190,436		
8707 CAP DEV. OF 1997 SERIES A	154,157		
8733 CAP DEV. OF 1997 SERIES A	100,000		
8734 POLUTION CONTROL 96A	4,566		
8735 RI POLLUTION CONTROL	0		
8736 RI POLLUT. CONT 93 SER. A	0		
8737 RI POLLUT. CONT 94 SER. A	57,582		
8738 POLUTION CONTROL 1998B	167,607		
9101 BOND SALE A 11-4-87	65,159		
9102 BOND CAPITAL CCDL 1988	21,196		
9104 BOND CAPITAL 1989 SER. A	2,019		
9105 BOND CAPITAL 1989 SER. B	6,440		
9108 BOND SALE 1990 SER. A&B	121,588		
9114 G.O. NOTE 1991 SER. B	145,330		
9115 BOND CCDL 1992 SERIES A	48,035		
9116 BOND CCDL 1993 SERIES A	9,327,236		
9117 BOND CCDL 1994 SERIES A	4,976,813		
9118 BOND CCDL 1995 SER. A	64,640		
9119 CCDL 95 B	3,370		
9120 BOND CCBL96A	5,921,166		
9121 CAP DEV OF 1997 SERIES A	18,476,944		
9122 1998 MULTIMODAL GEN OBLIG	1,337,318		
9123 CCDL 1998B	37,878,554		
Subtotal Bond Proceed Accounts	80,406,951		
Total Short Term Portfolio	350,200,655		

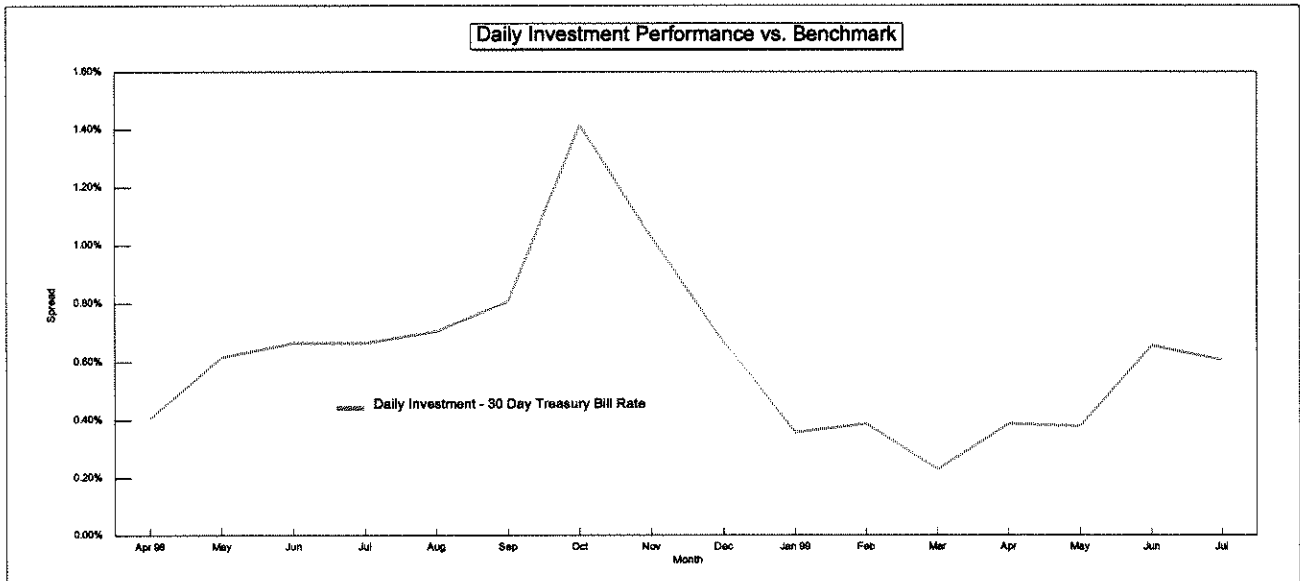
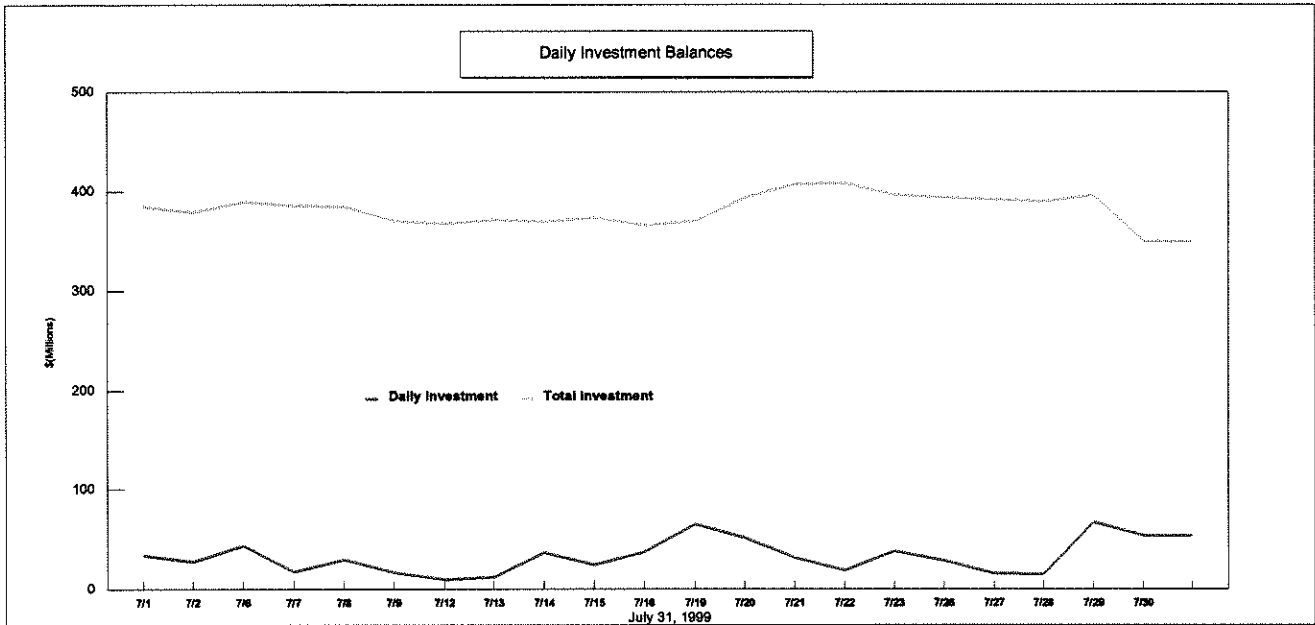
**Short Term Interest Rate Performance  
1999**

<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>
7/01	\$35.13	4.95	3.95	99.73	7/01	\$385.84
7/02	\$28.06	4.86	3.94	91.70	7/02	\$379.65
7/06	\$44.42	5.05	3.87	117.61	7/06	\$390.09
7/07	\$18.20	4.92	4.00	91.62	7/07	\$386.50
7/08	\$30.24	4.91	4.12	79.21	7/08	\$385.82
7/09	\$17.28	4.88	4.30	58.09	7/09	\$371.04
7/12	\$10.35	4.91	4.22	69.50	7/12	\$368.33
7/13	\$12.90	4.93	4.27	66.33	7/13	\$371.91
7/14	\$37.07	4.90	4.44	46.14	7/14	\$370.12
7/15	\$24.83	4.96	4.42	54.46	7/15	\$373.69
7/16	\$38.18	4.97	4.51	45.63	7/16	\$366.42
7/19	\$65.76	4.99	4.52	47.21	7/19	\$370.70
7/20	\$52.50	4.96	4.48	48.43	7/20	\$393.75
7/21	\$32.25	4.95	4.49	45.70	7/21	\$407.78
7/22	\$18.88	4.91	4.45	45.55	7/22	\$408.51
7/23	\$38.53	4.90	4.36	53.68	7/23	\$396.42
7/26	\$28.73	5.04	4.37	67.28	7/26	\$393.98
7/27	\$16.30	4.89	4.43	45.75	7/27	\$392.36
7/28	\$15.16	4.93	4.49	44.21	7/28	\$390.26
7/29	\$67.53	4.95	4.50	45.00	7/29	\$396.27
7/30	\$53.94	5.02	4.42	60.23	7/30	\$350.20
	\$686.23	4.95	4.34	62		
	total amount invested	weighted average rate	average 30 day rate	basis point difference		

RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS

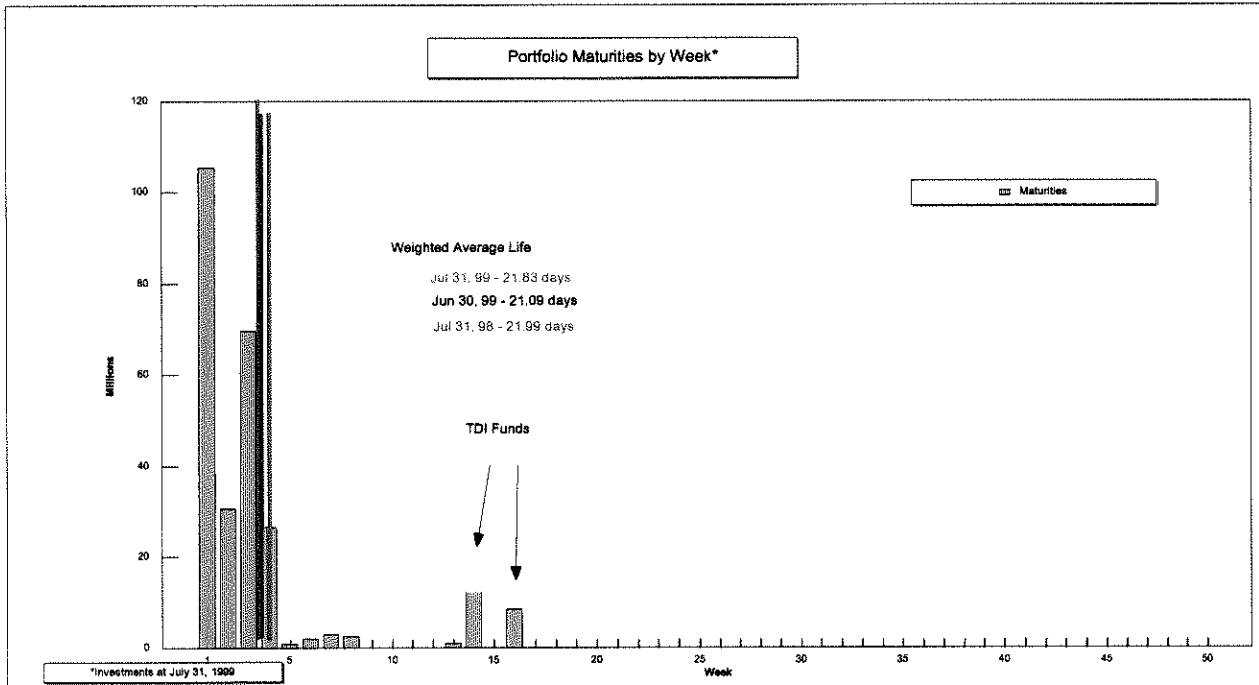


**RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS**





RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM INVESTMENTS



**SUMMARY PORTFOLIO YIELDS**

	<b>WEIGHTED AVERAGE YIELD(%)</b>
<b>July 31, 1999</b>	<b>4.957%</b>
<b>June 30, 1999</b>	<b>4.859%</b>
<b>July 31, 1998</b>	<b>5.486%</b>

SPECIAL FUNDS  
INVESTMENT SUMMARY  
JULY 31, 1999

<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>
<u>Abraham Touro Fund</u>	** 1,819,435	72,632	772,466	54,128	2,664,533
<u>State of Rhode Island Land Grant Fund</u>	0	60,173	0	2,976	60,173
<u>TOTALS</u>	1,819,435	132,805	772,466	57,104	2,724,706

\*\* Balances as of 6/30/99