State of Rhode Island and Providence Plantations

Office of the General Treasurer

Nancy J. Mayer
General Treasurer

STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING
JUNE 24, 1998

<u>MEMBERS OF THE STATE INVESTMENT COMMISSION</u>

Hon. Nancy J. Mayer, Chair

Rosemary Booth Gallogly
Rep. Mark B. Heffner
Mr. James M. Seed

Mr. Kenneth R. Dulgarian
B. Gen. (Ret.) Jack A. Apperson
Sen. Paul J. Tavares

State of Rhode Island and Providence Plantations

Office of the General Treasurer
102 State House
Providence, Rhode Island 02903

Telephone
(401) 277-2397
Fax
(401) 277-6140
treasury@treasury.state.ri.us

Nancy J. Mayer
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 24, 1998 at 10:30 a.m. in Room 135 of the State House.

AGENDA
STATE INVESTMENT COMMISSION

1. Approval of Minutes
   - Regular Meeting held on May 27, 1998

2. Approval of Management Agreement between Rhode Island Higher Education Assistance Authority and Collegiate Capital Group, Inc.

3. Trustee Educational and Informational Session

sicagend.doc

State of Rhode Island and Providence Plantations
STATE INVESTMENT COMMISSION

Minutes of the Regular Meeting
May 27, 1998

The following members were present at the meeting held in Room 135, State House, Providence: B. Gen. (Ret.) Jack A. Apperson, Ms. Rosemary Booth Gallogly, Designee of the Director of Administration, Representative Mark B. Heffner, General Treasurer Nancy J. Mayer, Mr. James M. Seed, Senator Paul J. Tavares and Ms. Joann E. Flaminio, Ex-Officio. Also present were Ms. Barbara B. Schoenfeld, Legal Counsel to the Commission; Mr. William G. Bensur, Jr. of Wilshire Associates Incorporated, Consultant to the Commission, Mr. James E. Thorsen, Deputy Treasurer for Finance and other members of the Treasurer's Staff. Mr. Kenneth R. Dulgarian was absent.

There being a quorum present, the Treasurer called the meeting to order at 9:20 a.m.

Welcome to New Member. The Treasurer introduced and welcomed new member of the Commission, (Retired) Brigadier General Jack A. Apperson who replaces Mr. Karl Ericson.

Minutes. Ms. Gallogly moved, Senator Tavares seconded and the following motion was passed unanimously. The following members voted in favor: Gen. Apperson, Ms. Gallogly, Representative Heffner, Treasurer Mayer, Mr. Seed and Senator Tavares.

VOTED: To approve the Minutes of the April 29, 1998 Regular Meeting.

Minutes. Ms. Gallogly moved, Senator Tavares seconded and the following motion was passed unanimously. The following members voted in favor: Gen. Apperson, Ms. Gallogly, Representative Heffner, Treasurer Mayer, Mr. Seed and Senator Tavares.

VOTED: To approve the Minutes of the May 20, 1998 Meeting of the Alternative Investments Committee.

Alternative Investments Committee Recommendation. The Treasurer reported that the Committee had met on May 20, 1998 to consider a proposed alternative investment in CVC European Equity Partners II, L.P. The Treasurer gave a brief synopsis of the fund, which is being organized to invest in management buy-outs, acquisitions, recapitalizations and related transactions on a pan-European basis.

Ms. Gallogly moved, Senator Tavares seconded and the following motion was passed unanimously. The following members voted in favor: Gen. Apperson, Ms. Gallogly, Representative Heffner, Treasurer Mayer, Mr. Seed and Senator Tavares.

VOTED: To invest $15 million in CVC European Equity Partners II, L.P., as recommended by Pacific Corporate Group contingent upon satisfactory review and negotiation of investment and other legal documents.

Fixed Income Policy. Ms. Schoenfeld reviewed a memo she had distributed to the Commission members regarding a recommendation for changes in the fixed income policy. At the January 27, 1998 meeting of the Commission it was voted to adopt the fixed income portfolio structure recommendations made by Wilshire Associates, subject to due diligence by the Treasurer's Office. After due diligence was conducted, the Treasurer's office recommended some modifications to the policy which Ms. Schoenfeld explained to the members of the Commission as follows:

1. Decrease from 10% to 5% the allocation to Taplin, Canida & Habacht,
2. Increase from 30% to 32.5% the broad core allocation to Fleet,
3. Increase from 20% to 32.5% the allocation to Brown Brothers for opportunistic core, and
4. Decrease from 25% to 15% the mortgage allocation to Fidelity.

Ms. Seed moved, Gen. Apperson seconded and the following motion was passed unanimously. The following members voted in favor: Gen. Apperson, Ms. Gallogly, Representative Heffner, Treasurer Mayer, Mr. Seed and Senator Tavares.

VOTED: To revise the January 27, 1998 decisions on the fixed income structure so that it is restated as follows, subject to the drafting of guidelines:

	% of bond portfolio	% of total portfolio
Fleet - broad core	**32.5%**	**10.563%**
Brown Brothers - opportunistic core	**32.5%**	**10.563%**
Fidelity - mortgage oriented	**15%**	**4.815%**
Taplin, Canida & Habacht - investment grade corporate	**5%**	**1.625%**
Loomis, Sayles - high yield/convertible	**15%**	**4.875%**
	100.0%	**32.50%**

Extension of State Street Contract. The Treasurer explained that the Custodian Contract with State Street Bank and Trust Company was due to expire and she recommended that it be extended as is until December 31, 1998.

Ms. Seed moved, Representative Heffner seconded and the following motion was passed unanimously. The following members voted in favor: Gen. Apperson, Ms. Gallogly, Representative Heffner, Treasurer Mayer, Mr. Seed and Senator Tavares.

VOTED: To extend the State Street Bank and Trust Company Custodian Contract until December 31, 1998 on the same terms and conditions as are currently in place.

June SIC Meeting. It was agreed by members of the Commission to schedule the June meeting of the State Investment Commission as an educational session.

David L. Babson & Co. Inc. Mr. Bensur gave a brief overview of David L. Babson & Co. Inc. which was retained in the second quarter of 1995 to provide a strategic allocation to the small/stock value-oriented segment of the domestic equity market. Babson's approach emphasizes fundamental analysis and employs a quantitative approach to the construction of the portfolio. At 3/31/98, the Babson allocation represented approximately 3.3% of the total fund and approximately 6.5% of the domestic equity composite. Market value at 3/31/98 was $197.5 million. The portfolio is constructed with 45 securities.

Mr. Bensur introduced Mr. Stephen B. O'Brien, Senior Vice President, Mr. Lance F. James, Senior Vice President and Mr. Eugene H. Gardner, Jr., Vice President. Mr. James explained that sales growth and improving profit margins points to accelerating earnings. In terms of relative performance, small stocks have underperformed for several years; however, small cap profit growth continues to outpace that of large cap. Some macroeconomic factors were the Asian downturn; Federal Reserve policy of low inflation; consumer vitality; pick-up in non-residential construction/renovation and profitability enhancement challenges such as strong dollar, risking labor costs and weak Asian export markets.

Note: The Treasurer called a short recess from 10:40 a.m. to 10:45 a.m.

J. & W. Seligman & Co. Inc. Mr. Bensur gave a brief overview of J. & W. Seligman & Co., Inc. which was retained in the second quarter of 1995 to provide a strategic allocation to the small/stock growth-oriented segment of the domestic equity market. Seligman's philosophy is to maximize total return by creating a well-diversified portfolio of companies with market capitalizations predominantly between $600 and $800 million. At 3/31/98 Seligman's allocation represented approximately 3.2% of the total fund and approximately 6.3% of the domestic equity composite. Market value at 3/31/98 was $193.9 million. The portfolio is constructed with 97 securities.

Mr. Bensur introduced Mr. Ronald T. Schroeder, Managing Director and Mr. Arsen Mrakovcic, Managing Director and Portfolio Manager. Mr. Schroeder stated that Seligman invests in strong growing businesses and industries, focusing on firms that are growing faster than their industry peers. They seek out those firms that have some competitive advantage over their peers and invest in firms that will deliver exceptional stock performance over time.

Mr. Mrakovcic reviewed the top ten holdings which comprise 21.1% of the portfolio. He also reviewed 1998 new holdings and holdings recently sold. The largest portfolio sector allocation is in technology followed by capital goods, health care, consumer staples and consumer cyclicals.

Note: The Treasurer left the meeting at 11:05 a.m.

Consultant Report - Wilshire Associates Incorporated. Providing his Capital Market Update, Mr. Bensur reported that stocks ended higher for the week ending 5/22/98, encouraged by the Federal Reserve's decision to leave key lending rates unchanged. If inflation remains constant and Asia stabilizes, investors speculate that interest rates will stay at current levels throughout 1998.

The broad US equity market generated a 14.0% return through 5/21/98. Large stocks continue to outperform small stocks by 5.4% on a year-to-date basis. The S&P 500 Index generated a 15.6% return and the Wilshire 4500 Index generated a 10.2% return through 5/21/98. Growth-oriented stocks have been in favor year-to-date. Large growth stocks lead large value stocks by 5.2% and small growth stocks lead small value stocks by 0.1%. Small growth stocks have performed well year-to-date due to the strong performance of the technology sector.

International equity markets returned 17.1% through 5/21/98. European markets, propelled by strong economic growth and low inflation, continue to outpace the Pacific Rim. The UK/Europe region returned 27.2% and the Pacific Basin region fell 2.1%. The bond market returned 2.5% through 5/21/98.

Mr. Seed asked Mr. Bensur if he thinks the Commission should complete its funding of the Pacific Rim mandate managed by Scudder. Mr. Bensur responded that he believes it should be done and the Commission should work toward full weightings. However, Mr. Bensur reported that the Treasurer's office is working on a proposal to modify the international portfolio to allow active strategic allocations between regions.

Note: Representative Heffner left the meeting at 11:40 a.m.

There being no further business, the meeting was adjourned at 11:50 a.m.

Respectfully submitted,

Barbara B. Schoenfeld
Legal Counsel to the
State Investment Commission

RHODE ISLAND STATE INVESTMENT COMMISSION

STAFF SUMMARY ANALYSIS

MAY 1998 PORTFOLIO HIGHLIGHTS

MARKET VALUES

In line with all major indices, the total portfolio value decreased in May by $84.7 Million to $5,930.5 Billion (-1.41%). This compares with an increase in value of $203.9 Million (+4.36%) for the same period in 1997. For the first five months of 1998, the fund increased in value by $437.1 Million, for a period return of 8.17%.

- The equity market values decreased by $78.8 Million (-2.55%). Fixed income increased by $17.6 Million, net of transfers (+0.93%), while international equities decreased by $20.3 Million (-2.49%). Alternative investments increased by $3.3 Million (+1.84%) net of capital calls, cash distributions and transfers, while cash decreased by $6.5 Million.
- While every equity portfolio lost market value during the month of May, the managers having the least amount of losses are as follows:

Manager	*Market Value Gains(Losses)*	*Percentage Gains*
Brinson Ptnrs	($3.8 Million)	-1.31%
Fleet	($10.9 Million	-1.73%
Provident	($9.2 Million)	-1.94%

- Brown Brothers' fixed income portfolio increased in value by $972,211, net of transfers. Fleet's fixed income portfolio increased in value by $14.4 Million net of transfers, while Fidelity's value increased by $4.0 Million. The Loomis Sayles portfolio decreased by $2.5 Million , and Taplin, Canida & Habacht's portfolio increased by $554,576.

ASSET ALLOCATION

- There is a 5.85% over allocation in domestic equities; fixed income is slightly over-allocated by 0..29%, and the international equity asset class is under-allocated by 1.57%; the alternative investments asset class is under-allocated by 4.76%. We expect that the over-allocation to equities will persist due to the challenge of investing the alternative investment commitment in an orderly fashion. However, staff expects the mix to change significantly with implementation of the recent mandates within the domestic equity and fixed income portfolios.

- Cash and equivalents increased from $172.0 Million in April to $177.3 Million in May (+3.08%).

INVESTMENT MANAGER FUNDING

- A total of five supplemental fundings were provided to: ABS Capital $445,858, Blackstone Equity Partners $611,415, OCM Principal Opportunities $250,000, TPG Partners 1,160,000, and Willis Stein $473,162. The total amount of funding was $2,940,435.

- Cash distributions received during the month were as follows: Doughty Hanson $1,372,497, THL Equity Partners $32,917 and Aetna $125,607, for a total of $1,531,021.

At this time, the alternative investment asset class has an unfunded allocation of approximately $282.3 Million.

EXPENSES

Expenses for fiscal 1998 to date are $15,563,558. This figure is in line with budget expectations and market conditions. No significant adjustments to expense forecasts are required at this time.

CASH FLOW

May's combined state and teacher contributions were insufficient to cover the month's pension payroll, requiring a transfer of $1.5 Million from the long term plan; the municipal plan also required the transfer of an additional $1 Million.

SHORT TERM CASH

The short term cash portfolio had a 27.35 day weighted average maturity vs. 16.51 days in April, and 24.61 days in May 1997.

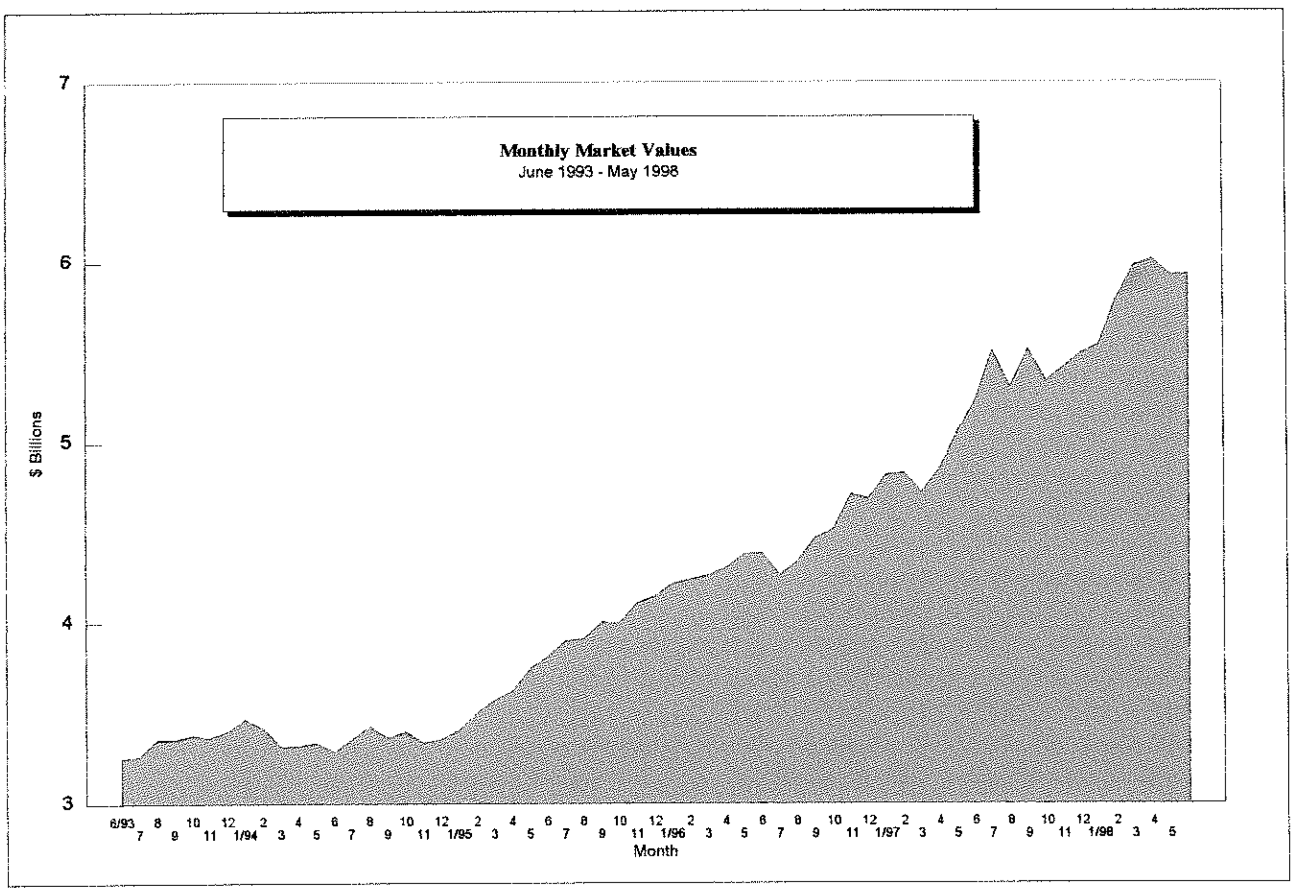
RHODE ISLAND STATE INVESTMENT COMMISSION

Market Value Report

EMPLOYEES' RETIREMENT SYSTEMS
Market Values at May 31, 1998

ASSET CLASS	NET ASSET VALUE $ (millions)
Domestic Equity	2,972.53
Alternative Investments	162.39
Fixed Income	1,841.81
International Equity	776.42
Cash & Equivalents	177.38
Total	**5,930.53**

ERSRI	-	87.0828459%
MERSRI	-	12.7432425%
ST POL	-	00.1086934%
JUDICIAL	-	00.0652182%



RHODE ISLAND STATE INVESTMENT COMMISSION

TIME WEIGHTED PERFORMANCE REPORT

Rhode Island Employees' Retirement Systems
Performance as of May 31, 1998

DOMESTIC EQUITY	MAY 1998	YTD
Fleet	-1.73%	11.62%
Bankers Trust	-2.69%	11.14%
Provident	-1.94%	14.01%
Brinson	-1.31%	13.17%
Mackay-Shields	-2.41%	7.47%
Babson	-3.16%	4.42%
J & W Seligman	-6.03%	6.80%
HLM Management	-9.07%	1.81%
ValueQuest	-4.79%	11.56%
Total Domestic Equity	**-2.55%**	**10.70%**

FIXED INCOME		
Fleet	1.26%	3.25%
Fidelity	1.73%	3.90%
Brown Brothers	0.46%	2.77%
In-State F.I.	1.29%	4.52%
Taplin, Canida & Habacht	0.89%	3.34%
Loomis Sayles	-1.02%	3.30%
Total Fixed Income	**0.93%**	**3.29%**

INTERNATIONAL EQUITY		
Alliance	-0.11%	15.19%
Schroder	1.42%	24.19%
Scudder	-9.18%	-4.97%
Schroder Emerging Markets	-13.15%	-8.30%
Total International Equity	**-2.49%**	**12.05%**

RHODE ISLAND STATE INVESTMENT COMMISSION

SUMMARY PORTFOLIO

PERFORMANCE REPORT

ASSET CLASS	MAY 1998	YTD
Domestic Equity	-2.55%	10.70%
Fixed Income	0.93%	3.29%
International Equity	-2.49%	12.05%
TOTAL FUND COMPOSITE*	**-1.41%**	**8.17%**

INDICES	MAY 1998	YTD
Domestic Equity		
S & P 500	-1.74%	13.14%
Wilshire 5000	-2.66%	11.55%
Russell 2000	-5.39%	4.68%
Russell 2500	-4.64%	5.83%
International Equity		
MSCI EAFE	-0.49%	15.05%
Fixed Income		
Lehman AGG	0.95%	3.04%

* Total Fund Composite includes all asset classes.

RHODE ISLAND STATE INVESTMENT COMMISSION

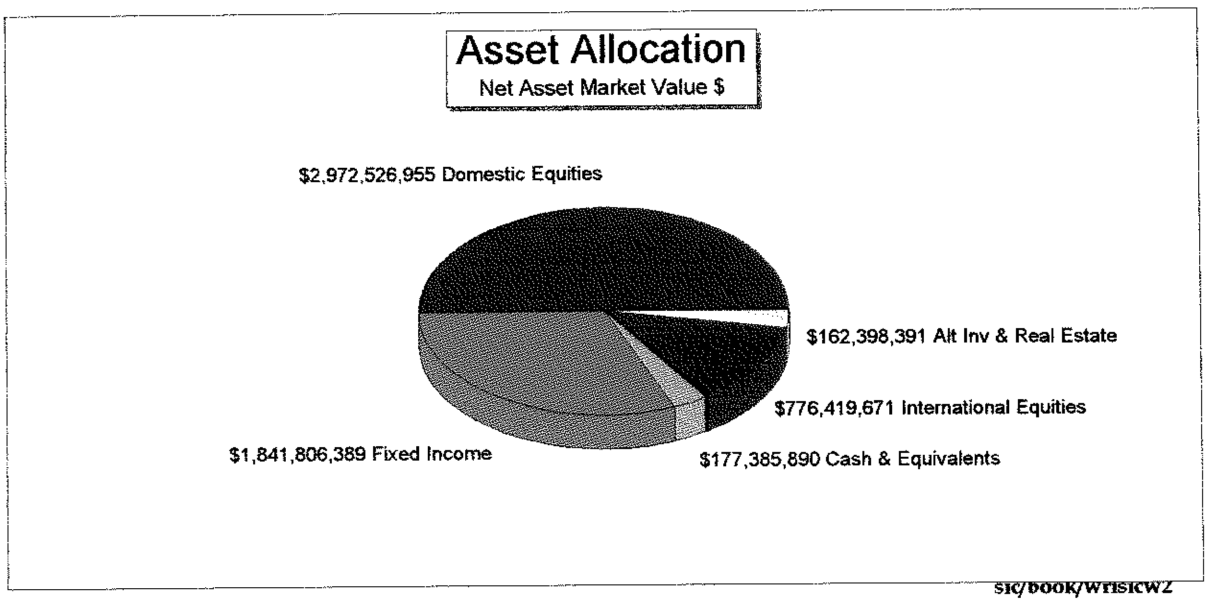
EMPLOYEES' RETIREMENT SYSTEMS

ASSET ALLOCATION

May 31, 1998

PERCENTAGE OF TOTAL DOLLARS

ASSET CLASS	ACTUAL	TARGET	ACTUAL/TARGET DIFFERENCE
Domestic Equity	50.85%	45.00%	5.85%
Fixed Income	32.79%	32.50%	0.29%
Alt Inv & Real Estate	2.74%	7.50%	-4.76%
International Equity	13.43%	15.00%	-1.57%
Cash	0.19%	0.00%	0.19%
	100.00%	100.00%	0.00%

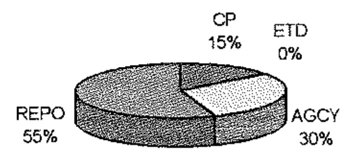


sic/book/wrisicw2

RHODE ISLAND STATE INVESTMENT COMMISSION

SHORT TERM CASH INVESTMENTS AT MAY 31, 1998

Portfolio By Instrument



Vendor	CP	ETD	Treasury	Agency	Money Mkt	Repo	Total ($)
Guidelines-Total/Vendor	15%/15%	15%/15%	100%/100%	75%/35%	50%/35%	100%/20%	
Bank Boston	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Bear Stearns	13,965,504	0	0	0	0	0	13,965,504
	6%	0%	0%	0%	0%	0%	6%
Citi-Corp	21,475,437	0	0	0	0	42,319,983	63,795,420
	9%	0%	0%	0%	0%	18%	27%
Dean Witter	0	0	0	26,627,664	0	15,000,000	41,627,664
	0%	0%	0%	11%	0%	6%	17%
Fidelity	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
BancAmerica	0	0	0	6,903,221	0	0	6,903,221
	0%	0%	0%	3%	0%	0%	3%
First Tennessee	0	0	0	21,193,964	0	0	21,193,964
	0%	0%	0%	9%	0%	0%	9%
Goldman Sachs	0	0	0	0	0	39,750,881	39,750,881
	0%	0%	0%	0%	0%	17%	17%
Merrill Lynch	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Wachovia	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Prudential	0	0	0	17,391,382	0	0	17,391,382
	0%	0%	0%	7%	0%	0%	7%
Sun Trust	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
State St Bank	0	0	0	0	0	36,000,000	36,000,000
	0%	0%	0%	0%	0%	15%	15%
TOTALS	**35,440,941**	**0**	**0**	**72,116,231**	**0**	**133,070,864**	**240,628,036**
(%) PORTFOLIO	**15%**	**0%**	**0%**	**30%**	**0%**	**55%**	**100%**

State of Rhode Island and Providence Plantations

Office of the General Treasurer
102 State House
Providence, Rhode Island 02903

Telephone
(401) 277-2397

Fax
(401) 277-6140

treasury@treasury.state.ri.us

Nancy J. Mayer
General Treasurer

June 24, 1998

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

This is to certify that the amounts so listed on the following page 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, 1998.

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

Respectfully submitted,

Nancy J. Mayer

Nancy J. Mayer
General Treasurer

c:sic/mthlyltr

COMPOSITE REPORTING

BALANCE SHEET

MAY 31, 1998

ASSET CLASS

Cash/Short Term Investments		
Short Term Investment Fund		
Money Market Instruments		$177,385,890.28
Equities - Domestic		$2,972,526,955.08
Equities - International		$776,419,670.60
Fixed Income - Government	$1,512,934,083.33	
Fixed Income - Corporate	$301,517,325.05	
Fixed Income - In State	$27,354,980.25	
Total Fixed Income		$1,841,806,388.63
Alternative Investments		$161,898,391.26
Other - Escrow		$500,000.00
TOTAL FUND INVESTMENTS		$5,930,537,295.85

ERSRI - 87.0828459%
MERSRI - 12.7432425%
STPOL - 0.1086934%
JUDC'L - 0.0652182%

balsheet.xls

TIME WEIGHTED ERSRI MARKET VALUE CHANGE REPORT
5/01/98 -5/31/98

PORTFOLIO	BENCHMARK DESCRIPTION	MARKET VALUE 4/30/98	TRANSFERS IN/OUT	MARKET VALUE 5/31/98	MONTHLY CHANGE: NET INCREASE/ (DECREASE)	MONTHLY CHANGE: MARKET VALUE %OF CHANGE NET OF TRFRS	MONTHLY CHANGE: BENCHMARK %OF CHANGE	MKT VARIANCE TO BENCHMARK	CALENDAR YTD PERFORMANCE	CALENDAR YTD BENCHMARK
DOMESTIC EQUITY										
FLEET	S&P 500	631,677,957		620,718,864	(10,959,093)	-1.73%	-1.74%	0.01%	11.62%	13.14%
BANKERS	W. 5000	962,401,420	36,900	936,559,069	(25,879,251)	-2.69%	-2.66%	-0.03%	11.14%	11.55%
PROVIDENT	RUSSL 1000 GRWTH	478,594,802		469,297,264	(9,297,538)	-1.94%	-2.16%	0.22%	14.01%	11.88%
BRINSON	W. 5000	293,820,238		289,980,434	(3,839,804)	-1.31%	-2.66%	1.35%	13.17%	11.55%
MCKY-SHLDS	W. 5000	266,595,665		260,174,149	(6,421,516)	-2.41%	-2.66%	0.25%	7.47%	11.55%
BABSON	RUSSL 2500 SMLCAP	201,082,316		194,718,804	(6,363,512)	-3.16%	-4.64%	1.48%	4.42%	5.83%
JW SELIGMAN	RUSSL 2000 SMLCAP	200,134,716		188,059,336	(12,075,379)	-6.03%	-5.39%	-0.64%	6.80%	4.68%
HLM Management	RUSSL 2000	27,031,673		24,580,992	(2,450,681)	-9.07%	-5.39%	-3.68%	1.81%	4.68%
VALUEQUEST LTD	W. LRGE VALUE	33,478,143		31,874,590	(1,603,553)	-4.79%	-1.67%	-3.12%	11.56%	11.04%
TOTAL EQUITY		3,094,816,930	36,900	3,015,963,503	(78,890,327)	-2.55%			10.70%	
FIXED INCOME										
FLEET	LEHMAN AGG	1,144,919,919	36,900	1,159,402,684	14,445,865	1.26%	0.95%	0.31%	3.25%	3.04%
FIDELITY	SALOMON MORT.	235,243,351		239,302,460	4,059,109	1.73%	0.70%	1.03%	3.90%	2.91%
BROWN BROS.	LEHMAN 1-3YR	209,720,040	76,000	210,768,251	972,211	0.46%	0.54%	-0.08%	2.77%	2.47%
IN STATE F.I.		27,549,891	(149,689)	27,601,045	200,842	1.29%	N/A	N/A	4.52%	N/A
TAPLIN CANIDA & HABECHT	LB INT GOVT/CORP	61,148,092		61,692,668	544,576	0.89%	0.73%	0.16%	3.34%	2.81%
LOOMIS SAYLES COMPANY	MERRLYNCH/1ST BOSTO COMPOSITE	248,654,980		246,124,207	(2,530,774)	-1.02%	-0.35%	-0.67%	3.30%	4.44%
TOTAL FIXED INCOME		1,927,236,275	(36,789)	1,944,891,315	17,691,830	0.93%			3.29%	

PORTFOLIO

	BENCHMARK DESCRIPTION	MARKET VALUE 4/30/98	TRANSFERS IN/OUT	MARKET VALUE 5/31/98	NET INCREASE/ (DECREASE)	MARKET VALUE %OF CHANGE NET OF TRFRS	BENCHMARK %OF CHANGE	MKT VARIANCE TO BENCHMARK	CALENDAR YTD PERFORMANCE	CALENDAR YTD BENCHMARK
INTERNATIONAL EQUITY										
ALLIANCE	MSCI EAFE	233,846,324	8,200	233,608,844	(245,680)	-0.11%	-0.49%	0.38%	15.19%	15.62%
SCHRODER	MSCI EUROPE	348,120,690		353,058,723	4,938,032	1.42%	2.03%	-0.61%	24.19%	22.64%
SCUDDER	WIL CSTM ASIA	147,281,054		133,760,373	(13,520,681)	-9.18%	-8.77%	-0.41%	-4.97%	-7.02%
SCHRODER EMERGING MKTS	MSCI EMERG MKTS EX MALAYSIA	87,746,495		76,209,404	(11,537,091)	-13.15%	-13.46%	0.31%	-8.30%	4.74%
TOTAL INT'L EQUITY		816,994,563	8,200	796,637,344	(20,365,419)	-2.49%			12.05%	
ALTERNATIVE INVESTMENTS										
ALTERNATIVE INVESTMENT		84,660,235	1,642,854	87,916,684	1,613,595	3.00%	N/A	N/A	12.42%	N/A
BANK ACQUISITION		500,000	(2,286)	500,000	2,286	0.00%	N/A	N/A	0.00%	N/A
HEITMAN	WILSHIRE R.E	25,135,168		24,506,238	(628,930)	-2.50%	N/A	N/A	-3.95%	N/A
L & B	WILSHIRE R.E	42,875,396		43,671,906	796,511	1.86%	N/A	N/A	21.67%	N/A
ÆTNA	WILSHIRE R.E	340,759	(125,607)	293,394	78,242	71.19%	N/A	N/A	146.30%	N/A
PHOENIX	WILSHIRE R.E	5,510,168		5,510,169	1	0.00%	N/A	N/A	129.04%	N/A
TOTAL ALTERNATIVE INVESTMENTS		159,021,726	1,514,961	162,398,391	1,861,705	1.84%			14.47%	
CASH ACCOUNTS										
CASH ACCOUNT		12,983,300	(3,865,272)	9,175,641	57,613	N/A	N/A	N/A	N/A	N/A
INTERNAL CASH		4,179,963		1,471,101	(2,708,862)	N/A	N/A	N/A	N/A	N/A
TOTAL CASH		17,163,263	(3,865,272)	10,646,742	(2,651,249)	N/A				
GRAND TOTAL		6,015,232,757	(2,342,000)	5,930,537,296	(82,353,460)	-1.41%			8.17%	

scchg98b

RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values

MAY 31, 1998

Equities

RANK	SECURITY NAME	PAR VALUE/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	AMERICAN INTL GROUP INC	378,812	$46,901,661	Fleet,Bankers,Provident
2	MICROSOFT CORP	543,500	46,095,594	Bankers,Provident
3	MERCK & CO INC	357,700	41,850,900	Fleet,Bankers
4	FEDERAL NATL MTG ASSN	671,200	40,146,150	Fleet,Bankers,Provident
5	PFIZER INC	363,800	38,130,788	Fleet,Bankers,Provident
6	AUTOMATICDATA PROCESSING INC	575,000	36,584,375	Fleet,Bankers,Brinson
7	INTEL CORP	501,500	35,825,906	Fleet,Bankers,ValueQuest
8	PROCTER & GAMBLE CO	389400	32,660,925	Fleet,Bankers
9	WAL MART STORES INC	563,100	31,040,888	Fleet,Bankers
10	SCHERING PLOUGH CORP	362,000	30,272,250	Bankers,Provident,Brinson
		12.58%	$379,509,437 of total equity market value	

** Total Composite Equities ** $3,015,963,503.

International Equity Holdings By Top 10 Market Values

MAY 31, 1998

International Equities

RANK	SECURITY NAME	COUNTRY	PAR VALUE/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	NOVARTIS AG	Switzerland	10,339	$17,536,659	Alliance,Schroders
2	BRITISH PETROLEUM	England	824,837	12,092,096	Alliance,Schroders
3	ZURICH VERSICHERUN	Switzerland	18,929	11,841,594	Alliance,Schroders
4	ROYAL DUTCH PETROL	Netherlands	205,091	11,698,626	Alliance,Schroders
5	ROCHE HLDGS AG GENUSSCHEINE	Switzerland	1,133	11,673,824	Alliance,Schroders
6	ING GROUP NV CVA	Netherlands	160,974	11,065,042	Alliance,Schroders
7	ELF AQUITAINE	France	77,035	10,700,078	Alliance,Schroders
8	PHILIPS ELECTRONIC	Netherlands	106,094	1,091,487	Alliance,Schroders
9	LLOYDS TSB GROUP	England	685,844	9,948,213	Alliance,Schroders
10	ZENECA GROUP ORD	England	205,037	8,322,061	Alliance,Schroders
			13.30%	$105,969,680 of total international equity market value	

** Total Composite International Equities ** $796,647,056

Asset Allocation Monitoring Report
Market Values at May 31, 1998

ERSRI
&
MERSRI

Asset Class	Style	May 31, 1998 Actual $	%	Target $	%	Difference	Cash	% of Total
Domestic Equity								
Fleet	active	620.72	10.47%	533.75	9.000%	86.97	1.31	0.21%
Bankers	passive	936.56	15.79%	800.62	13.500%	135.94	4.47	0.48%
Total Core		**1,557.28**	**26.26%**	**1,334.37**	**22.500%**			
Provident	growth	469.30	7.91%	444.79	7.500%	24.51	23.58	5.02%
Total Growth		**469.30**	**7.91%**	**444.79**	**7.500%**			
Brinson Partners	lrge cap val	289.98	4.89%	237.22	4.000%	52.76	1.89	0.65%
Mackay-Shields	lrge cap val	260.17	4.39%	237.22	4.000%	22.95	5.26	2.02%
Total Large Cap Value		**550.15**	**9.28%**	**474.44**	**8.000%**			
David L. Babson	value	194.72	3.28%	177.92	3.000%	16.80	3.71	1.90%
J.W. Seligman	sml cap grwth	188.06	3.17%	177.92	3.000%	10.14	1.22	0.65%
Total Small Cap		**382.78**	**6.45%**	**355.83**	**6.000%**			
HLM Management	sml grwth	24.58	0.41%	29.65	0.500%	-5.07	1.58	6.44%
ValueQuest Ltd	value	31.87	0.54%	29.65	0.500%	2.22	0.41	1.29%
Total Emerging Managers		**56.46**	**0.95%**	**59.31**	**1.000%**			
TOTAL DOMESTIC EQUITY		**3,015.96**	**50.85%**	**2,668.74**	**45.000%**	**347.23**	**43.44**	**1.44%**
International Equity								
Alliance	core intl	233.61	3.94%	177.92	3.000%	55.69	5.36	2.29%
Schroder	Euro/region	353.06	5.95%	296.53	5.000%	56.53	10.45	2.96%
Scudder	Pac Basin	133.76	2.26%	296.53	5.000%	-162.77	4.41	3.29%
Schroder Emerging Markets	Int'l	76.21	1.29%	118.61	2.000%	-42.40	0.00	0.00%
TOTAL INT'L EQUITY		**796.64**	**13.43%**	**889.58**	**15.000%**	**-92.94**	**20.22**	**2.54%**
Domestic Fixed Income								
Fidelity	Mtg.-bkd sec	239.30	4.04%	285.55	4.815%	-46.25	16.53	6.91%
In-State	n/a	27.60	0.47%	3.50	0.059%	24.10	0.25	0.89%
Total Mortgage		**266.90**	**4.50%**	**289.05**	**4.874%**			
Fleet	Fixed/Inc.	1,159.40	19.55%	626.44	10.563%	532.96	45.50	3.92%
Brown Bros (Short)	Short Term F/	210.77	3.55%	626.44	10.563%	-415.67	21.30	10.11%
Total Other Fixed Income		**1,370.17**	**23.10%**	**1,252.88**	**21.126%**			
Taplin, Canida & Habacht	core/fixed inc	61.69	1.04%	96.37	1.625%	-34.68	11.55	18.73%
Total Emerging Managers		**61.69**	**1.04%**	**96.37**	**1.625%**			
Loomis Sayles & Co		246.12	4.15%	289.11	4.875%	-42.99	7.96	
Total Convertibles		**246.12**	**4.15%**	**289.11**	**4.875%**			
TOTAL FIXED-INCOME		**1,944.89**	**32.79%**	**1,927.42**	**32.500%**	**17.47**	**103.08**	**5.30%**
Real Estate								
Heitman	core	24.51	0.41%		0.800%			
L&B	core	43.67	0.74%		0.780%			
Ætna	cong. care r/e	0.29	0.00%		0.250%			
Phoenix	dvlpmtl. r/e	5.51	0.09%		0.260%			
Total Real Estate		**73.98**	**1.25%**		**2.090%**			
Alternative Investments								
Crossroads & Narragansett	venture cap.	25.86	0.44%					
Pacific Corp Group	venture cap.	62.05	1.05%					
Bank Acquisition	n/a	0.50	0.01%					
Total Alternative Investments		**88.42**	**1.49%**					
TOTAL ALTERNATIVE INVESTMENTS AND REAL ESTATE		**162.40**	**2.74%**	**444.79**	**7.500%**	**-282.39**	**0.00**	**0.00%**
Cash Equivalents	money mkt	10.64	0.18%	0.00	0.000%	10.64	10.58	99.46%
TOTAL ASSETS		**5,930.53**	**100.00%**	**5,930.53**	**100.000%**	**-0.00**	**177.32**	**2.99%**

sic/book/astallo/astall98

Alternative Investments Funding

1998

Manager	Partnership Commitment	Prior Funding Thru 4/30/98	Current Month Funding	Cumulative Total at 5/31/98	Unfunded Balance	Market Values at 5/31/98
ABS Capital Partners	5,000,000	2,213,058	445,858	2,658,916	2,341,084.00	3,047,817
Apollo RE Investment Fund IV L.P.	15,000,000	0	0	0	15,000,000.00	0
Alta BioPharma Partners, L.P.	10,000,000	1,000,000	0	1,000,000	9,000,000.00	1,000,000
Aurora Equity Partners II	15,000,000	0	0	0	15,000,000.00	0
Blackstone Capital Ptnrs	20,000,000	2,072,502	611,415	2,683,917	17,316,083.00	2,682,943
Boston Ventures Ltd	5,000,000	1,550,000	0	1,550,000	3,450,000.00	1,292,601
Crossroads/Providence LP	42,509,665	42,185,871	0	42,185,871	323,794.45	24,710,084
Doughty Hanson II	5,000,000	3,574,797	(347,675)	3,227,122	1,772,878.14	2,702,017
Doughty Hanson III	15,000,000	15,000	0	15,000	14,985,000.00	15,000
First Reserve Fund VIII L.P.	15,000,000	446,466	0	446,466	14,553,534.00	446,466
Harvest Partners III	15,000,000	2,341,886	0	2,341,886	12,658,114.00	2,397,644
Heritage Fund	5,000,000	1,275,379	0	1,275,379	3,724,621.00	1,300,914
Narragansett First Fund	218,566	198,498	0	198,498	20,068.46	5,205
Narragansett Capital Partners	1,671,121	1,425,005	0	1,425,005	246,116.46	1,147,482
Nordic Capital III	7,500,000	509,256	0	509,256	6,990,744.00	520,986
OCM Opportunities Fund	8,000,000	8,000,000	0	8,000,000	0.00	10,528,648
OCM Principal Opportunities	5,000,000	2,000,000	250,000	2,250,000	2,750,000.00	2,636,545
OCM Opportunities II	12,000,000	3,600,000	0	3,600,000	8,400,000.00	3,700,840
Providence Equity Partners	10,000,000	3,700,918	0	3,700,918	6,299,082.00	7,632,110
SKM Equity Fund II	10,000,000	2,462,008	0	2,462,008	7,537,992.00	2,473,726
THL Equity Fund IV	15,000,000	290,611	(32,917)	257,694	14,742,306.00	257,604
TPG Partners	10,000,000	2,547,388	1,160,000	3,707,388	6,292,612.00	3,719,433
Triumph Partners III	15,000,000	1,633,873	0	1,633,873	13,366,127.00	1,633,873
Wellspring Capital Partners	15,000,000	0	0	0	15,000,000.00	0
Welsh, Carson, Anderson & Stowe	15,000,000	9,750,000	0	9,750,000	5,250,000.00	9,448,043
Willis Stein	5,000,000	3,465,797	473,162	3,938,959	1,061,041.00	4,616,702
TOTALS:	$296,899,353	$96,258,313	$2,559,843	$98,818,155	$198,081,198	$87,916,683

work/vncapfnd

Retirement Systems
Investment Earnings
Fiscal Year 1998 to Date Summary

ERSRI
&
MERSRI at May 31, 1998

	LONG TERM	SHORT TERM	TOTAL
INTEREST SOLD	13,401,032		13,401,032
DIVIDENDS	43,327,659		43,327,659
INTEREST	117,123,157	541,092	117,664,249
MISCELLANEOUS	20,403,877		20,403,877
CAPITAL GAINS	262,801,203		262,801,203
GRAND TOTAL:	457,056,929	541,092	457,598,021

1997-1998 EXPENSES

	Actual Jul 97	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 98	Actual Feb	Actual Mar	Actual Apr	Actual May	Projected Jun	PROJECTED TOTAL
EQUITIES													
Fleet/Norstar		262,500			262,500			262,500			262,500		1,050,000
Banker Trust			113,653			124,539				55,242		95,000	388,434
Provident Investmt						688,411	613,152			702,780		600,000	2,604,343
Brinson			189,077			201,348		205,697			214,191		810,314
Mackay-Shield				140,949		147,709			151,751			140,000	580,409
David L. Babson			118,785			133,204			142,590			110,000	504,579
J & W Seligman		124,644				145,595		149,296				125,000	544,536
HLM Mgmt		52,875			59,864			60,864			63,091		236,694
ValueQuest		59,422			64,619			64,985				60,000	249,027
FIXED INCOME													
Brown Bros.			102,615			66,431			51,942			100,000	320,988
Fidelity			186,340			159,733			126,503		140,683		613,259
Taplin	15,753				16,310			16,835			17,194		66,092
Loomis Sayles		272,972			291,681			299,772			303,335		1,167,760
INT'L EQUITIES													
Alliance Capital			62,352			66,134				63,404		35,000	226,890
Schroder		126,848	128,317	155,659		235,660	139,772	194,438		137,867			1,118,561
Scudder			180,233			179,752		0	162,235			165,000	687,220
Schroder Emgng Mkts													0
REAL ESTATE													
Heitman Advisory													0
L & B Real Estate													0
Aetna													0
Phoenix													0
ALTERNATIVE INVESTMENTS													
Bigler/Crossroads													0
Narragansett Cap.	4,367			4,396		3,232			4,042			4,700	20,738
Other Alt Inv Mgmt Fees	336,776	96,533		66,119	100,201	268,098	244,924	470,194	64,092	73,907			1,720,844
PROFESSIONAL FEES													
Consulting													0
Legal													0
State Street Bank		85,634	85,586	114,005				340,044		150,520	78,969	375,000	1,229,757
Pacific Corp Group				68,750		68,750		0	68,750			62,500	268,750
Wilshire Assoc	16,667		16,667	16,667	16,667	33,333		16,667	16,667	16,667	16,667	16,667	183,335
OPERATING EXPENSE													
Retirement Transfers				1,418,048				1,169,668		268,480			2,856,196
Other Expense					850			0	5,200				3,700
TOTAL:	373,563	1,081,429	1,183,624	1,984,593	812,692	2,521,930	997,848	3,250,960	793,772	1,468,866	1,096,631	1,888,867	17,452,425

CASH FLOW ANALYSIS

Employees Retirement System

FY 1997-98	Actual July 1997	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 1998	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
MEMBER BENEFITS	20,711,680	23,243,705	24,140,005	23,716,403	21,771,161	23,265,552	23,882,660	24,263,899	22,082,184	24,355,567	23,937,343	22,500,000	277,870,159
ADMINISTRATIVE EXPENSES	0	0	89,103	1,546,385	0	0	0	1,018,512	4,528	233,790	0	250,000	3,142,319
INVESTMENT EXPENSES	31,994	856,564	942,307	127,203	620,509	1,963,024	655,548	1,402,873	686,701	1,045,287	954,977	1,125,000	10,411,986
TOTAL OUTFLOW	20,743,674	24,100,269	25,171,415	25,389,991	22,391,670	25,228,576	24,538,208	26,685,284	22,773,413	25,634,644	24,892,320	23,875,000	291,424,463
CONTRIBUTIONS	16,858,425	13,809,794	18,891,089	9,859,191	17,380,616	21,040,847	29,548,542	17,217,279	22,374,799	23,983,785	18,204,827	25,500,000	234,669,194
OTHER INCOME	1,066,912	137,071	898,091	5,819,558	5,454,593	3,218,144	467,244	(277,760)	458,382	2,036,201	980,492	2,900,000	23,158,929
TOTAL INCOME	17,925,337	13,946,865	19,789,180	15,678,749	22,835,209	24,258,991	30,015,786	16,939,519	22,833,181	26,019,986	19,185,319	28,400,000	257,828,123
DIFFERENCE	(2,818,337)	(10,153,404)	(5,382,235)	(9,711,242)	443,539	(969,585)	5,477,578	(9,745,765)	59,769	385,342	(5,707,001)	4,525,000	(33,596,341)

Municipal Employees Retirement System

	Actual July 1997	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 1998	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
MEMBER BENEFITS	1,977,601	2,105,248	2,279,363	2,298,848	2,090,014	2,354,561	2,317,073	2,428,975	2,283,352	2,382,858	2,347,046	2,200,000	27,064,939
ADMINISTRATIVE EXPENSES	0	0	12,996	225,865	0	0	0	149,236	663	34,230	0	14,000	436,990
INVESTMENT EXPENSES	4,752	127,248	137,442	17,945	90,821	287,311	96,149	205,557	100,543	153,045	139,746	175,000	1,535,559
TOTAL OUTFLOW	1,982,353	2,232,496	2,429,801	2,542,658	2,180,835	2,641,872	2,413,222	2,783,768	2,384,558	2,570,133	2,486,792	2,389,000	29,037,488
CONTRIBUTIONS	1,170,401	1,388,638	1,601,231	699,271	1,855,769	1,256,460	1,615,239	1,576,204	1,820,819	2,939,788	1,307,149	1,650,000	18,880,969
OTHER INCOME	158,497	20,362	130,993	852,098	797,927	471,013	68,530	(40,699)	67,114	298,129	143,480	425,000	3,392,444
TOTAL INCOME	1,328,898	1,409,000	1,732,224	1,551,369	2,653,696	1,727,473	1,683,769	1,535,505	1,887,933	3,237,917	1,450,629	2,075,000	22,273,413
DIFFERENCE	(653,455)	(823,496)	(697,577)	(991,289)	472,861	(914,399)	(729,453)	(1,248,263)	(496,625)	667,784	(1,036,163)	(314,000)	(6,764,076)

Judges/State Police Retirement System	Actual July 1997	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 1998	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
MEMBER BENEFITS	1,685	0	7,308	566	0	0	0	1,073	0	0	0	0	10,632
ADMINISTRATIVE EXPENSES	0	0	154	878	0	0	0	1,920	9	460	0	0	3,421
INVESTMENT EXPENSES	41	1,084	1,623	197	1,161	3,497	1,227	2,668	1,329	2,054	1,908	1,400	18,189
TOTAL OUTFLOW	1,726	1,084	9,085	1,641	1,161	3,497	1,227	5,661	1,337	2,514	1,908	1,400	32,242
CONTRIBUTIONS	119,190	143,437	147,493	143,786	143,725	238,472	161,993	162,058	162,058	162,058	162,058	220,000	1,966,328
*OTHER INCOME**	1,350	175	1,547	10,193	10,648	5,732	275	(529)	887	4,001	1,958	3,600	39,836
TOTAL INCOME	120,540	143,612	149,040	153,979	154,373	244,204	162,268	161,529	162,945	166,059	164,016	223,600	2,006,164
DIFFERENCE	118,814	142,528	139,955	152,338	153,212	240,707	161,041	155,868	161,608	163,545	162,108	222,200	1,973,923

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

123r5w/csflfy98

General Information

Table of Contents

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

Short Term Investments Portfolio by Fund

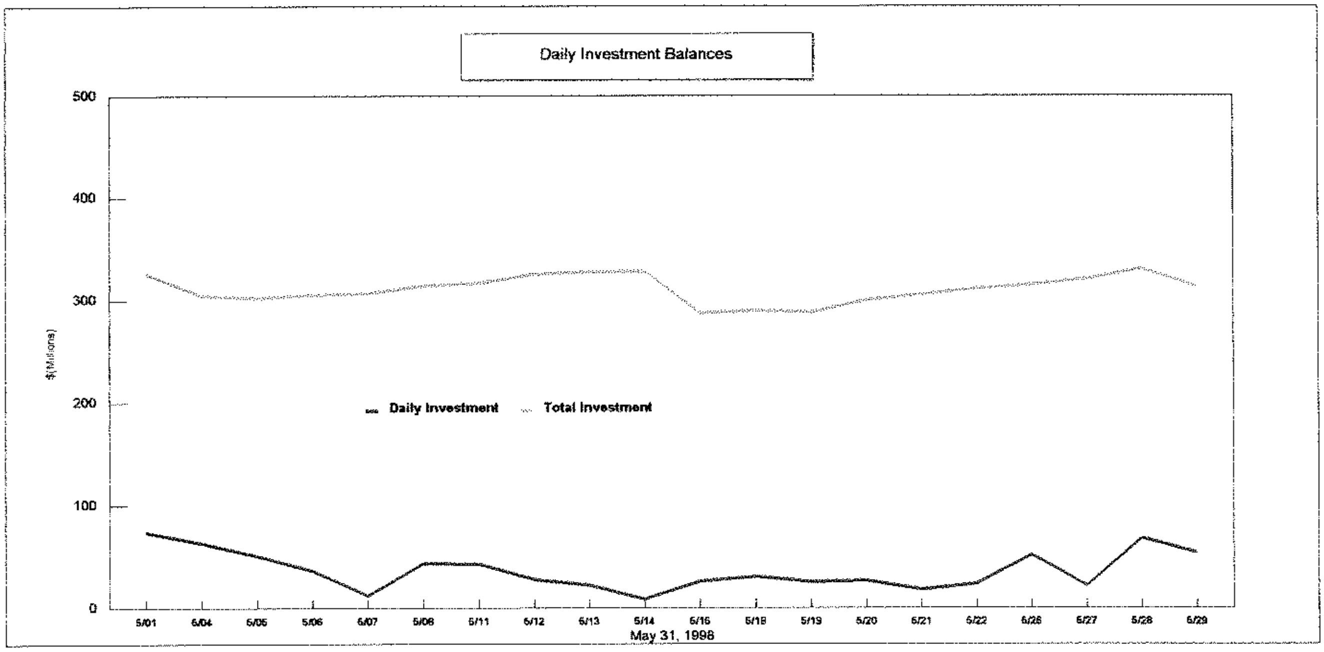
As of May 31, 1998

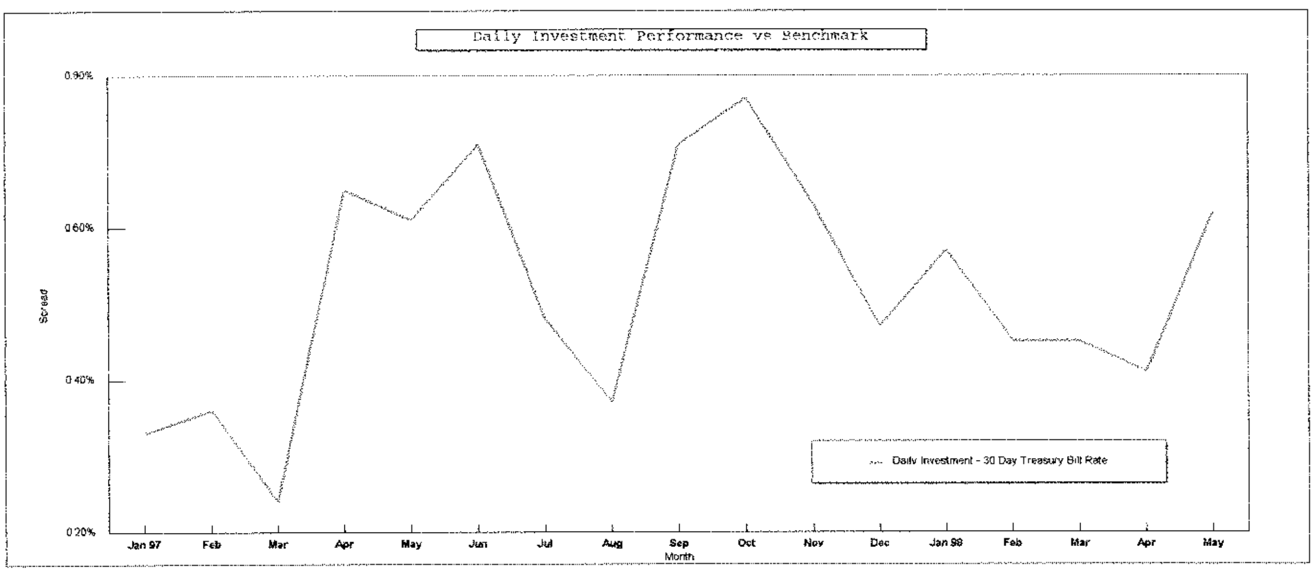
	Principal	Interest	Total Value @ Maturity
4901 GENERAL FUND	119,556,955	174,707	119,731,662
4902 GENERAL FUND	1,500,000	5,625	1,505,625
4904 PENSION C	7,000,000	3,208	7,003,208
4908 PAYROLL A	6,000,000	2,750	6,002,750
4920 GENERAL FUND (HIST PRES)	361,643	3,240	364,883
5200 RI UNDERGROUND STORAG TNK	3,100,641	4,374	3,105,014
5400 HIGHWAY FUND	9,100,000	11,474	9,111,474
5500 UNIVERSITY COLLEGE	1,800,000	825	1,800,825
5800 PROV. RIVER RELOCATION	902,986	1,798	904,784
6920 AUTO EQUIPMENT SERVICE	0	0	0
8000 T.D.I. RESERVE (DET)	63,531,465	1,150,040	64,681,505
8225 JOB DEVELOPMENT (DET)	7,522,382	15,856	7,538,238
8230 E.T. TARDY (DET)	1,077,854	5,606	1,083,460
8240 E.T. INTEREST (DET)	355,895	1,851	357,746
8300 PERMANENT SCHOOL FUND	352,539	743	353,282
8400 EMP RETIREMENT FUND	1,295,209	4,929	1,300,138
8500 MUN EMP RETIREMENT FUND	548,084	1,985	550,069
8700 R.I. CLEAN WATER ACT	552,564	505	553,069
9000 BOND CAPITAL FUND	700,000	321	700,321
9700 STATE LOTTERY FUND	13,660,000	43,773	13,703,773
9800 INDUS. BLDG. & MTG. INS.	1,709,819	5,988	1,715,807
4911 TANS PROCEEDS	0	0	0
Subtotal	240,628,036	1,439,597	242,067,633
8701 CLEAN WATER 1991 SER. B	656,393		
8702 CLEAN WATER 1993 SER. A	191,417		
8703 CLEAN WATER 1991 SERIES A	316		
8704 CLEAN WATER 96 SERIES A	945,650		
8705 CLEAN WATER 1992 SER. A	173,312		
8706 CLEAN WATER CCDL 1994 (A)	872,453		
8707 CAP DEV. OF 1997 SERIES A	162,115		
8708 CLEAN WATER BOND 1990 A&B	23,113		
8709 CLEAN WATER 1990 SER. C	891		
8733 CAP DEV. OF 1997 SERIES A	104,902		
8734 POLUTION CONTROL 96A	2,091,372		
8735 RI POLLUTION CONTROL	61,208		
8736 RI POLLUT. CONT 93 SER. A	163,952		
8737 RI POLLUT. CONT 94 SER. A	626,053		
9101 BOND SALE A 11-4-87	65,756		
9102 BOND CAPITAL CCDL 1988	21,391		
9104 BOND CAPITAL 1989 SER. A	2,037		
9105 BOND CAPITAL 1989 SER. B	88,561		
9108 BOND SALE 1990 SER. A&B	263,416		
9114 G.O. NOTE 1991 SER. B	171,316		
9115 BOND CCDL 1992 SERIES A	1,732,986		
9116 BOND CCDL 1993 SERIES A	11,344,395		
9117 BOND CCDL 1994 SERIES A	6,444,058		
9118 BOND CCDL 1995 SER. A	288,284		
9119 CCDL 95 B	3,401		
9120 BOND CCBL96A	11,521,391		
9121 CAP DEV OF 1997 SERIES A	34,583,659		
Subtotal Bond Proceed Accounts	72,603,796		
Total Short Term Portfolio	313,231,832		

Short Term Interest Rate Performance
1998

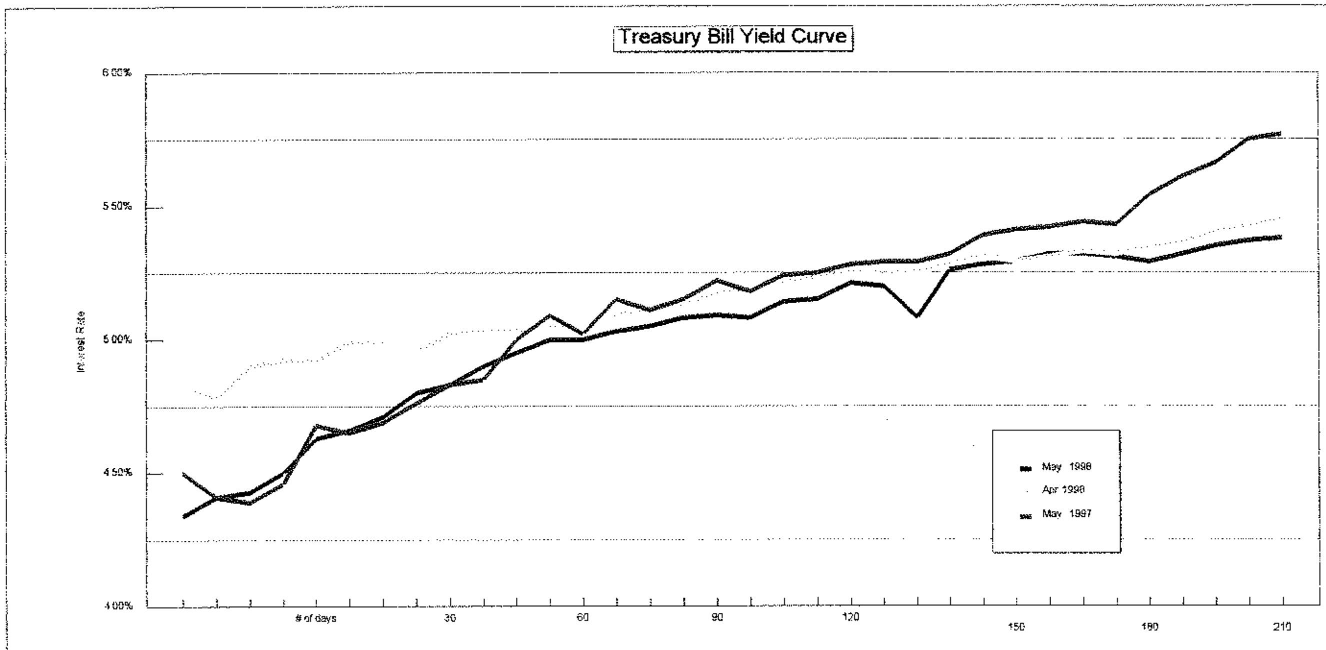
Date	Amount Invested (millions)	Weighted Interest Rate	30 Day Treasury Rate	Basis Point Difference
5/01	$74.17	5.35	4.79	56.00
5/04	$64.06	5.49	4.82	67.00
5/05	$51.13	5.43	4.80	63.00
5/06	$37.23	5.40	4.80	60.00
5/07	$12.74	5.46	4.83	63.00
5/08	$43.85	5.36	4.79	57.00
5/11	$43.40	5.41	4.80	61.00
5/12	$27.99	5.42	4.80	62.00
5/13	$22.50	5.49	4.81	68.00
5/14	$8.85	5.44	4.80	64.00
5/15	$26.06	5.57	4.86	71.00
5/18	$30.30	5.43	4.79	64.00
5/19	$25.60	5.49	4.82	67.00
5/20	$26.92	5.40	4.80	60.00
5/21	$17.97	5.44	4.81	63.00
5/22	$23.58	5.38	4.80	58.00
5/26	$52.02	5.43	4.80	63.00
5/27	$21.89	5.48	4.83	65.00
5/28	$68.35	5.44	4.81	63.00
5/29	$53.93	5.47	4.82	65.00
	$732.54 total amount invested	5.43 weighted average rate	4.81 average 30 day rate	63 basis point difference

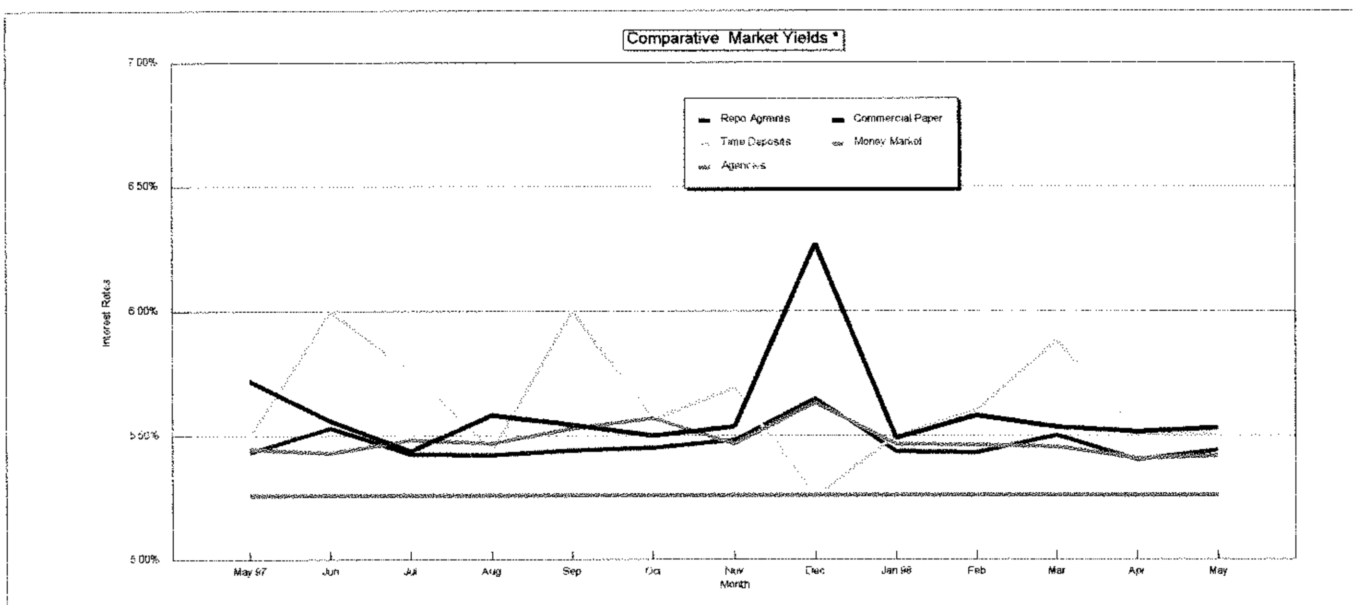
RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM INVESTMENTS





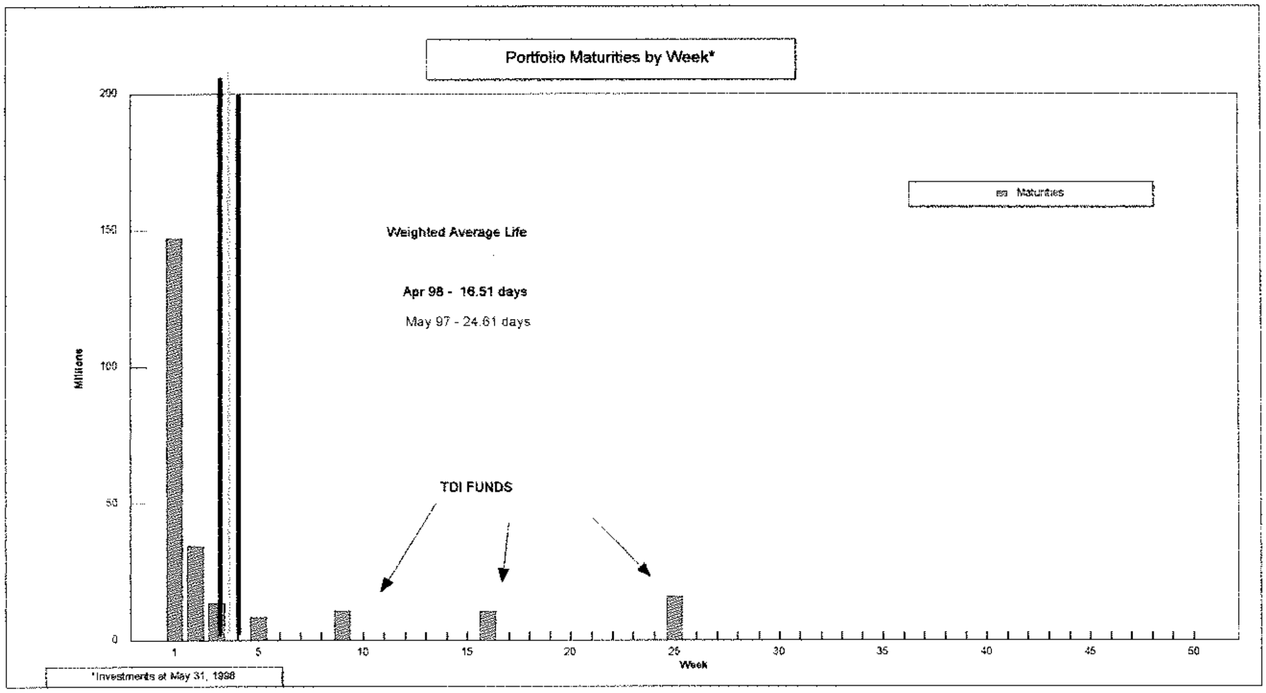
RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM INVESTMENTS





* Denotes weighted average monthly yields on portfolio and monthly average 30-day Treasury Bill rate

RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM INVESTMENTS



SUMMARY PORTFOLIO YIELDS

	WEIGHTED AVERAGE YIELD(%)
May 31, 1998	5.447%
Apr 30, 1998	5.418%
May 31, 1997	5.472%

SPECIAL FUNDS
INVESTMENT SUMMARY
MAY 31, 1998

FUND NAME	EQUITIES	CASH & EQUIVALENTS	FIXED INCOME	Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund	1,649,559	91,292	747,694	(47,006)	2,488,545
State of Rhode Island Land Grant Fund	58,394	0	0	(3,386)	58,394
TOTALS	1,707,953	91,292	747,694	(50,392)	2,546,939