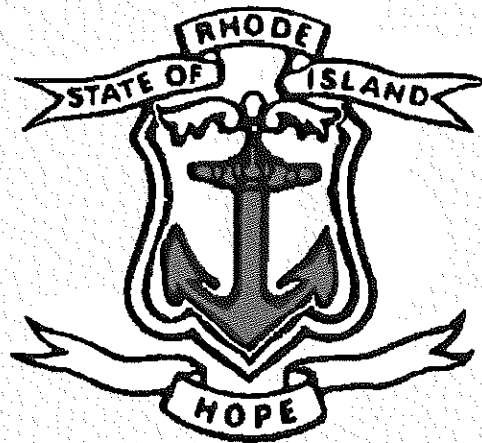
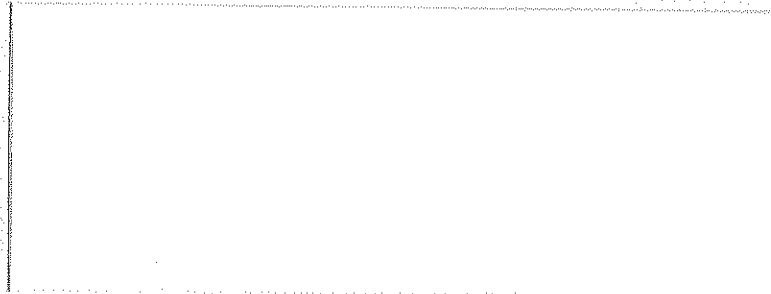


State of Rhode Island and Providence Plantations



Office of the General Treasurer

Nancy J. Mayer
General Treasurer

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING
MARCH 25, 1998**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Nancy J. Mayer, Chair

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

**Mr. Kenneth R. Dulgarian
Mr. Karl F. Ericson
Sen. Paul J. Tavares**



State of Rhode Island and Providence Plantations

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General Treasurer

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RHODE ISLAND STATE INVESTMENT COMMISSION MEETING NOTICE

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, March 25, 1998 at 9:00 a.m. in Room 135 of the State House.

AGENDA STATE INVESTMENT COMMISSION

1. Approval of Minutes
 - Regular Meeting held on February 24, 1998
 - Alternative Investments Committee Meeting held on February 17, 1998
2. General Consultant's Report - Wilshire Associates Incorporated
 - Capital Market Update
3. Investment Manager Review
 - Loomis, Sayles & Company Inc. - High Yield Bond/Convertible Securities
 - Fidelity Management Trust Co. - Mortgage Backed Securities
4. Alternative Investments Committee Recommendations from Meeting held March 23, 1998
 - Apollo Investment Fund IV, L.P.
 - Aurora Equity Partners II, L.P.
 - First Reserve Fund VIII, L.P.
5. Treasurer's Report
 - Reconsideration of Apollo Real Estate Investment Fund III, L.P.
6. Deputy General Treasurer for Finance Report
7. Legal Counsel Report
8. New Business

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

**Minutes of the Regular Meeting
February 24, 1998**

The following members were present at the meeting held in Room 135, State House, Providence: Mr. Kenneth R. Dulgarian, Ms. Rosemary Booth Gallogly, Designee of the Director of Administration, General Treasurer Nancy J. Mayer, Mr. James M. Seed and Senator Paul J. Tavares. Also present were Ms. Joann E. Flaminio, Ex-Officio; Ms. Barbara B. Schoenfeld, Legal Counsel to the Commission; Ms. Rosalind M. Hewsenian, of Wilshire Associates Incorporated, Consultant to the Commission; Ms. Tara Blackburn of Pacific Corporate Group, Alternative Investments Consultant to the Commission; Mr. James E. Thorsen, Deputy Treasurer for Finance and other members of the Treasurer's Staff. Mr. Karl F. Ericson was absent. Representative Mark B. Heffner joined the meeting at 11:05 a.m.

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

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

VOTED: To approve the Minutes of the January 27, 1998 Regular Meeting.

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

VOTED: To approve the Minutes of the January 22, 1998 Meeting of the Alternative Investments Committee.

Scudder, Stevens & Clark, Inc. Ms. Hewsenian gave a brief overview of Scudder, Stevens & Clark which was retained in April of 1994 to provide a long-term, strategic allocation to the overall return and risk profile of the Pacific Basin equity markets. The Scudder allocation represents approximately 2.6% of the total fund and 19.8% of the international equity composite. The market value at 12/31/97 was \$140.7 million.

Ms. Hewsenian introduced Mr. Brian Harris, Senior Vice President, who gave a brief synopsis of Scudder's objectives, philosophy and approach. He introduced Ms. Theresa Gusman and Ms. Elizabeth Allan, co-managers of the portfolio.

Ms. Gusman reported that the Asian crisis is entering its 9th month. It spread farther than anyone anticipated, engulfing the region. The currency weakness began in Thailand and spread quickly to other countries. Stocks plunged in the wake of reduced

growth expectations, rising interest rates and waning confidence. Rising interest expense, ballooning foreign currency debt and prospects for a sharp fall in demand called corporate earnings and, in some cases corporate survival, into question. Markets remain volatile.

Ms. Allan explained that the economic revival will take time. Needed reforms include: establishing proper monetary and fiscal policy frameworks ; improving banking sector supervision; corporate and statistical transparency; and undertaking confidence-building initiatives. Higher rates of bankruptcy and unemployment are likely. Scudder believes that new opportunities are visible. The changes should lead to more open markets for capital, goods, labor and services, which will benefit the region by reducing costs and boosting global competitiveness. Once through this painful transition period, Scudder believes that economies and stock markets will be poised for vibrant and substantial growth.

Recent portfolio additions and current holdings reflect Scudder's views that recent sell-offs present an opportunity to invest in "the best" companies in Hong Kong at attractive valuations; currency devaluations make Asian low-cost producers even more competitive globally; and equity and currency market volatility will likely persist in Southeast Asia.

Scudder was down 18.7% for 4th quarter, 1997 as opposed to the benchmark which was down 25.1%. For all of 1997, Scudder was down 20.7% as opposed to the benchmark which was down 33.9%. For the first month of 1998, Scudder was up 1.1% and the benchmark was up .7%.

Consultant Report - Pacific Corporate Group. Providing Pacific Corporate Group's 3rd Quarter 1997 Report on the Alternative Investments Portfolio, Ms. Tara Blackburn stated that the size of the portfolio as of 9/30/97 was \$289.8 million. Since 9/30/97, an additional \$72.25 million has been committed. The Alternative Investment Program's investments are allocated among four investment sectors with the following targets: buyouts/acquisitions (40-60%); venture capital (10-20%); mezzanine/current pay (5-15%); and special situations (10-30%). The Program's real estate portfolio is included in the "special situation" category.

NOTE: Representative Heffner arrived at 11:05 a.m.

As of 9/30/97 the Program had \$167.3 million of aggregate commitments to 16 partnership vehicles and \$94.4 million of outstanding real estate investments through four real estate vehicles. The partnership portfolio has generated a 20.3% return and the real estate portfolio a 2.1% return. Given the sizable real estate investments, the lower performance of this sector decreases the program's overall return considerably. The portfolio's oldest and largest investment, Crossroads Providence, L.P. has a net IRR of 21.9% as of 9/30/97 and is the driving force behind the partnership portfolio's overall performance to date.

Alternative Investments Committee Recommendations. The Treasurer reported that the Committee had met on February 17, 1998 to consider two proposed alternative

investments: Apollo Real Estate Investment Fund III, L.P. and Fox Paine Capital Fund, L.P. The Treasurer gave a brief synopsis of the Apollo Fund which is being raised to invest in a broad range of direct equity and debt investments in real estate assets, portfolios, joint ventures and operating companies.

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

VOTED: To invest \$10 million in Apollo Real Estate Investment Fund III, L.P., as recommended by Pacific Corporate Group contingent upon satisfactory review and negotiation of investment and other legal documents.

The Treasurer gave a brief explanation of the Fox Paine Capital Fund, L.P. The fund is being raised to acquire middle-market operating businesses on a conservative price-to-value basis. They will focus on "out-of-favor" industries and companies, complex transactions requiring careful due diligence and innovative structuring. Treasurer Mayer explained that the Committee felt that although the two key principals had considerable experience, the investment team had not worked together in the same firm. The Committee declined to recommend the investment to the Commission.

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

VOTED: To decline Pacific Corporate Group's recommendation that the Commission invest in Fox Paine Capital Fund, L.P.

NOTE: Mr. Dulgarian left the meeting at 11:20 a.m.

Treasurer's Report. The Treasurer reported to the Commission members on the status of Crossroads/Providence. A meeting was held in September, 1997 with representatives of the Crossroads Group, which has taken over management of the General Partner. The Treasurer's Office requested two changes to the Limited Partnership Agreement: (1) to allow for the distribution of securities-in-kind to the State Investment Commission, so the Treasurer's Office has control over the decisions to hold or liquidate securities distributed to the partnership; and (2) to reduce the management fee.

Crossroads has proposed to agree to distribute securities directly to the State Investment Commission and to reduce the management fee by \$315,000 per year, if the Commission will agree to a substitution of the General Partner.

There was discussion as to whether the fee proposed is consistent with current market rates. Tara Blackburn confirmed that the proposed decrease would be consistent with general partners' rates for funds-of-funds which are currently offered in the marketplace.

After a lengthy discussion, it was agreed to have Pacific Corporate Group complete additional due diligence on the new management and the management fees. The Treasurer suggested that the fee for the renewal period be reduced significantly.

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

VOTED: To authorize the Treasurer to enter into an amendment agreement with Crossroads Management Partners, the general partner of Crossroads Providence Limited Partnership, subject to satisfactory due diligence on the proposed replacement general partner and confirmation that the proposal is reasonable market terms, in consultation with Pacific Corporate Group, the Commission's Alternative Investment Consultant.

Consultant Report - Wilshire Associates Incorporated. Providing Wilshire's Capital Market Update, Ms. Hewsenian reported that large stocks have outperformed small stocks on a year to date basis. Large growth stocks lead large value stocks and small growth stocks lead small value stocks. The UK/Europe region has generated an 8.9% return and the Pacific Basin region has generated a 7.3% return through 2/19/98. Emerging Markets returns have been -0.7% through 2/19/98. The bond market returned 1.6% through 2/19/98.

Deputy Treasurer for Finance Report. Mr. James E. Thorsen explained that he and his staff were continuing to streamline the coordination of performance reporting. In particular, the Commission was advised that performance net of investment management fees will be reported in the future. Staff has worked with Wilshire to incorporate this information in the performance database.

The Treasurer reported that eight site visits were planned regarding the search for an active core-oriented domestic equity manager. Three site visits have been completed and the plan is to bring finalists to the April, 1998 State Investment Commission meeting.

There being no further business, the meeting was adjourned at 12:10 p.m.

Respectfully submitted,

Barbara B. Schoenfeld
Legal Counsel to the
State Investment Commission

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

ALTERNATIVE INVESTMENTS COMMITTEE

**Minutes of the Meeting
January 22, 1998**

The following members were present at the meeting held in Room 135, State House, Providence: General Treasurer Nancy J. Mayer, Mr. James M. Seed and Senator Paul J. Tavares. Also present were Ms. Barbara B. Schoenfeld, Deputy Treasurer/General Counsel and Mr. James E. Thorsen, Deputy Treasurer for Finance and other members of the Treasurer's Staff.

There being a quorum present, the Treasurer called the meeting to order at 10:15 a.m.

Alta BioPharma Partners, L.P. The Treasurer introduced Mr. Kelly DePonte of Pacific Corporate Group, the Alternative Investment Consultant. Mr. DePonte gave a brief overview of Alta BioPharma Partners, L.P. for the Committee to consider as a proposed alternative investment in venture capital. Alta BioPharma Partners is a specialized fund being formed to invest in clinical-stage biopharmaceutical companies. The planned size of the fund is \$150 - \$180 million and is scheduled to close during the first quarter of 1998.

Mr. DePonte introduced Mr. Marino R. Polestra, General Partner, and Mr. Daniel S. Janney of Alta Partners who explained that the industry is capital-intensive and the partnership believes it has a distinct advantage in terms of superior knowledge of the relevant technologies and their products' regulatory, clinical and commercial prospects. Specifically, the partnership looks for companies in Phase II of FDA clinical trials that have selected well-defined, achievable endpoints for Phase III trials; have demonstrated statistically and clinically significant efficacy; have strong scientific rationale behind the product; have similar treatment groups at beginning of trials; have addressed safety issues in a manner acceptable to the FDA; have product differentiation and a large potential market share; have a pipeline of products in trials; and have conducted the trials in a manner acceptable to the partnership.

Mr. Janney and Mr. Polestra stated that their strategy is to invest in: companies needing capital to fund remaining development and commercialization; companies that have successfully introduced products to the market and are profitable but earnings-sensitive; spin-outs of pharmaceutical company programs, divisions or equity positions; infrastructure investments-technology bottlenecks, asset-based financing with equity participation; and "fallen angels".

After much questioning and discussion, Mr. Seed moved, Senator Tavares seconded and the following motion passed unanimously. The following members voted in favor: Treasurer Mayer, Mr. Seed and Senator Tavares.

VOTED: To invest \$10 million in Alta BioPharma Partners, L.P., as recommended by Pacific Corporate Group, contingent upon satisfactory review and negotiation of investment and other legal documents.

Nordic Capital Fund III, L.P. The Treasurer introduced Mr. Ivan Vercoutere of Pacific Corporate Group. Mr. Vercoutere gave a brief overview of Nordic Capital Fund III, L.P. for the Committee to consider as a proposed alternative investment as an international buyout fund. Nordic Capital Fund III is being formed to make acquisitions of companies that have a potential for long term capital growth and that are primarily based in the Nordic region which includes Denmark, Finland, Norway and Sweden. The planned size of the fund is \$400 million and is oversubscribed.

Mr. Vercoutere introduced Mr. Morgan Olsson, one of two founders of Nordic Capital who explained that the investment strategy is to make investment acquisitions in Nordic companies with significant value appreciation potential. Investments will involve new industrial combinations; partial divestitures and partnerships with vendors and/or other industrial companies; complex situations; and leveraged build-ups. The market for private equity investments in the Nordic region has expanded substantially since 1990 and has provided institutional investors with some of the most attractive private equity returns over the last ten years.

Mr. Olsson explained that the environment in the Nordic Region is now more favorable for private equity investments as private equity firms are increasingly accepted as active owners of companies and access financing is more readily available. The fund will seek investments in a wide range of industries including manufacturing, distribution, retailing and service companies.

Senator Tavares moved, Mr. Seed seconded and the following motion passed unanimously. The following members voted in favor: Treasurer Mayer, Mr. Seed and Senator Tavares.

VOTED: To invest up to \$10 million, but no less than \$7.5 million, in Nordic Capital Fund III, L.P., as recommended by Pacific Corporate Group, contingent upon satisfactory review and negotiation of investment and other legal documents.

Senator Tavares requested that exceptional care be given in examining the "key personnel" clause in the legal agreements to provide whatever protections might be available should key personnel change.

There being no further business, the meeting was adjourned at 12:45 p.m.

Respectfully submitted,

Barbara B. Schoenfeld
Deputy Treasurer/General Counsel

RHODE ISLAND STATE INVESTMENT COMMISSION

STAFF SUMMARY ANALYSIS

FEBRUARY 1998 PORTFOLIO HIGHLIGHTS

MARKET VALUES

The total portfolio value increased in February by \$254.8 Million to \$5,797.1 Billion (+4.53%). This compares with an increase in value of \$11.9 Million (+0.22%) for the same period in 1997.

- The equity market values increased by \$207.2 Million (+7.46%). Fixed income decreased by \$3.9 Million, net of transfers (-0.20%), while international equities increased by \$52.9 Million (+7.21%). Alternative investments increased by \$9.0 Million (+4.32%) net of capital calls, cash distributions and transfers, while cash decreased by \$10.5 Million.
- The top three equity manager performers for February were as follows:

<i>Manager</i>	<i>Market Value Gains(Losses)</i>	<i>Percentage Gains</i>
HLM	\$ 2.2 Million	+9.54%
Provident	\$38.5 Million	+8.97%
Seligman	\$16.7 Million	+8.88%

- Brown Brothers' fixed income portfolio increased in value by \$337,451, net of transfers. Fleet's fixed income portfolio decreased in value by \$3.9 Million, while Fidelity's value increased by \$471,867. The Loomis Sayles portfolio decreased by \$899,920, and Taplin, Canida & Habacht's portfolio increased by \$86,267.

ASSET ALLOCATION

- There is a 6.51% over allocation in domestic equities; fixed income is slightly under-allocated by 0.41%, and the international equity asset class is under-allocated by 1.43%; the alternative investments asset class is under by 4.96%. We expect that the over-allocation to equities will persist due to the challenge of investing the alternative investment commitment in an orderly fashion.
- Cash and equivalents increased from \$229.11 Million in January to \$262.74 Million in February.

INVESTMENT MANAGER FUNDING

- Cash distributions received during the month were as follows: Blackstone Capital \$133,017 and OCM Opportunities II \$30,247, for a total of \$163,264.
- Supplemental funding of \$318,471 was provided to ABS, \$468,222 to Nordic, \$250,000 to OCM Principal Opportunities, \$600,000 to OCM Opportunities II, \$55,008 to Providence Equity Partners, \$179,963 to SKM, \$312,400 to TPG Partners, and \$656,634 to Triumph Partners, for a total of \$2,840,698.

At this time, the alternative investment asset class has an unfunded allocation of approximately \$287.55 Million.

EXPENSES

Expenses for fiscal 1998 to date are \$11,060,771. This figure is in line with budget expectations and market conditions. No significant adjustments to expense forecasts are required at this time.

CASH FLOW

February's combined state and teacher contributions were insufficient to cover the month's pension payroll, requiring a transfer of \$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 20.16 day weighted average maturity vs. 22.28 days in January, and 31.64 days in February 1997.

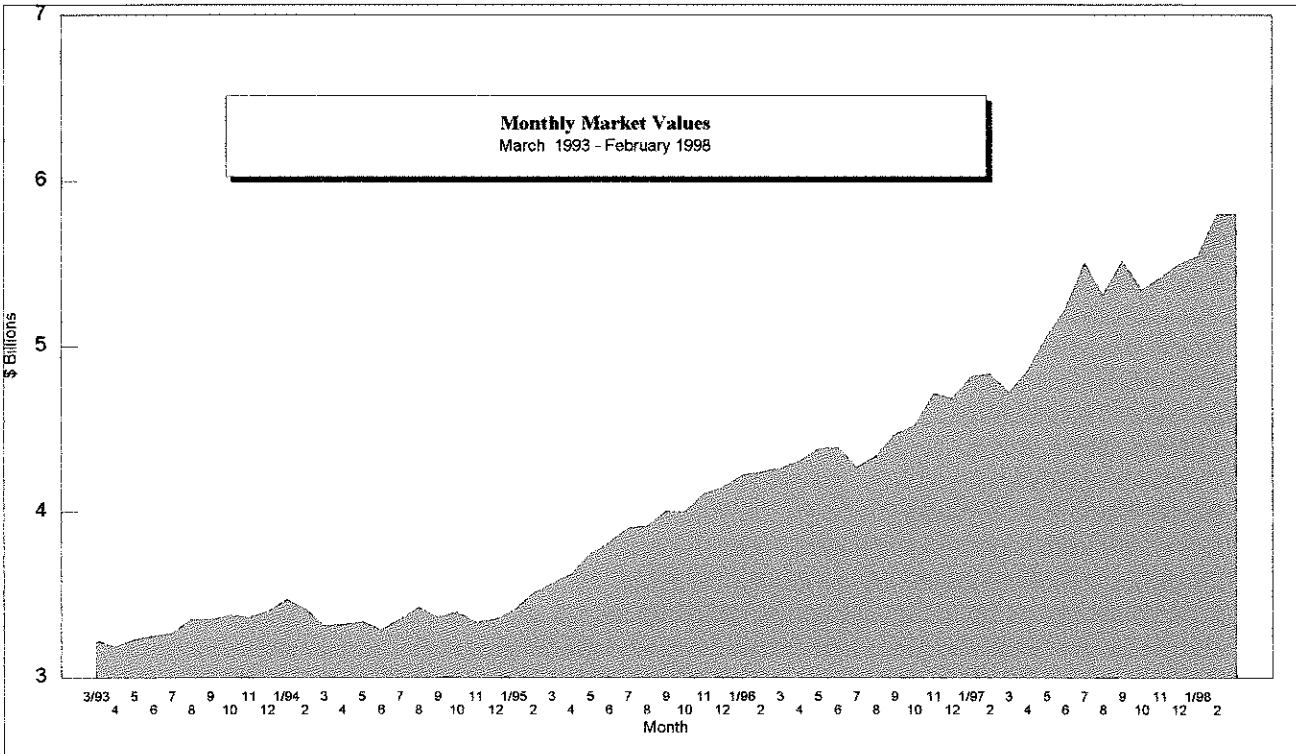
RHODE ISLAND STATE INVESTMENT COMMISSION

Market Value Report

EMPLOYEES' RETIREMENT SYSTEMS
Market Values at February 28, 1998

<u>ASSET CLASS</u>	<u>NET ASSET VALUE \$ (millions)</u>
<i>Domestic Equity</i>	2,910.44
<i>Alternative Investments</i>	147.22
<i>Fixed Income</i>	1,717.56
<i>International Equity</i>	759.05
<i>Cash & Equivalents</i>	262.83
Total	5,797.10

ERSRI - 87.0755857%
MERSRI - 12.7588439%
ST POL - 00.1043132%
JUDICIAL - 00.0612572%



RHODE ISLAND STATE INVESTMENT COMMISSION

TIME WEIGHTED PERFORMANCE REPORT

Rhode Island Employees' Retirement Systems
Performance as of February 28, 1998

<u>DOMESTIC EQUITY</u>	<u>FEBRUARY 1998</u>	<u>YTD</u>
<i>Fleet</i>	6.08%	7.90%
<i>Bankers Trust</i>	7.24%	7.73%
<i>Provident</i>	8.97%	10.70%
<i>Brinson</i>	8.62%	9.51%
<i>Mackay-Shields</i>	6.91%	4.83%
<i>Babson</i>	6.49%	1.97%
<i>J & W Seligman</i>	8.88%	6.65%
<i>HLM Management</i>	9.54%	8.13%
<i>ValueQuest</i>	8.34%	9.46%
<i>Total Domestic Equity</i>	7.46%	7.67%
 <u>INTERNATIONAL EQUITY</u>		
<i>Alliance</i>	5.97%	11.01%
<i>Schroders</i>	7.09%	12.97%
<i>Scudder</i>	9.34%	10.64%
<i>Schroder Emerging Markets</i>	7.17%	1.67%
<i>Total International Equity</i>	7.21%	10.63%
 <u>FIXED INCOME</u>		
<i>Fleet</i>	-0.34%	1.26%
<i>Fidelity</i>	0.27%	1.34%
<i>Brown Brothers</i>	0.13%	1.26%
<i>In-State F.I.</i>	1.20%	1.28%
<i>Taplin, Canida & Habacht</i>	0.37%	1.27%
<i>Loomis Sayles</i>	-0.38%	0.19%
<i>Total Fixed Income</i>	-0.20%	1.14%

RHODE ISLAND STATE INVESTMENT COMMISSION

SUMMARY PORTFOLIO

PERFORMANCE REPORT

<u>ASSET CLASS</u>	<u>FEBRUARY 1998</u>	<u>YTD</u>
<i>Domestic Equity</i>	7.46%	7.67%
<i>International Equity</i>	7.21%	10.63%
<i>Fixed Income</i>	-0.20%	1.14%
TOTAL FUND COMPOSITE*	4.53%	5.56%

<u>INDICES</u>	<u>FEBRUARY 1998</u>	<u>YTD</u>
<u>Domestic Equity</u>		
<i>S & P 500</i>	7.19%	8.40%
<i>Wilshire 3000</i>	7.31%	7.85%
<i>Russell 2000</i>	7.39%	5.69%
<i>Russell 2500</i>	7.26%	5.62%
<u>International Equity</u>		
<i>MSCI EAFE</i>	6.42%	11.28%
<u>Fixed Income</u>		
<i>Lehman AGG</i>	-0.08%	1.20%

* Total Fund Composite includes all asset classes.

RHODE ISLAND STATE INVESTMENT COMMISSION

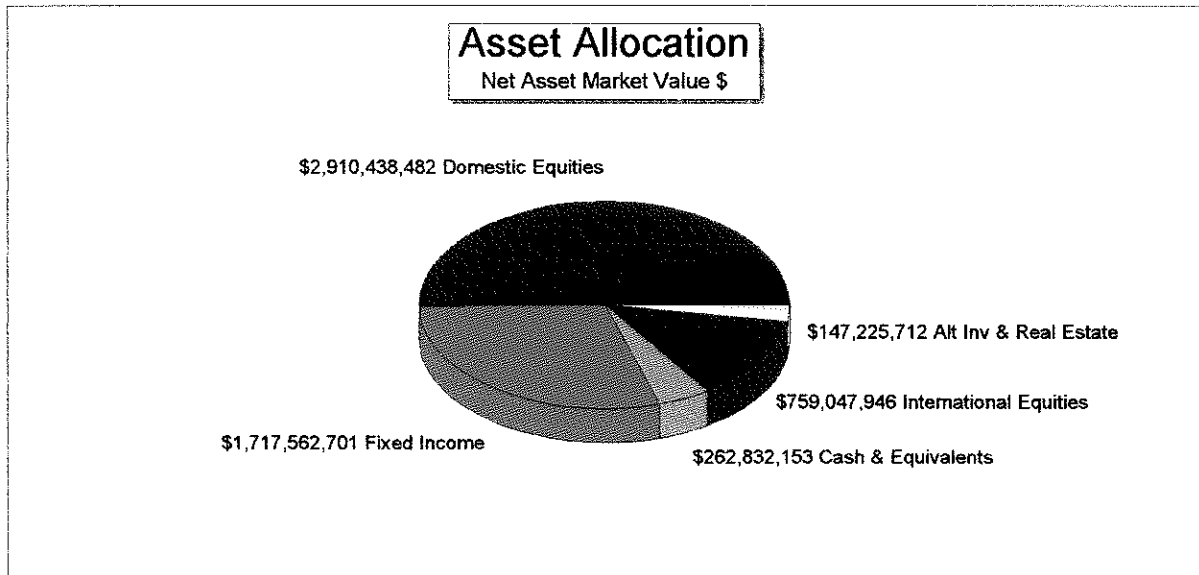
EMPLOYEES' RETIREMENT SYSTEMS

ASSET ALLOCATION

February 1998

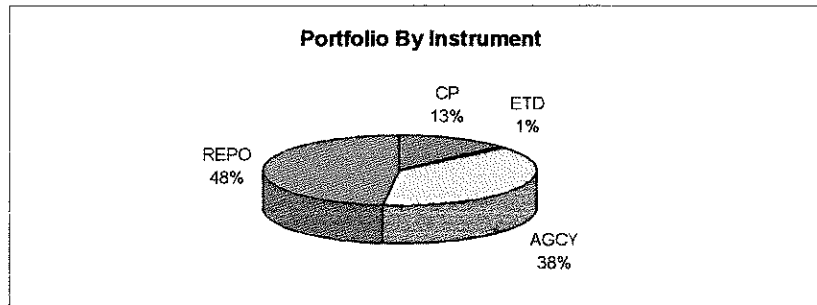
PERCENTAGE OF TOTAL DOLLARS

<u>ASSET CLASS</u>	<u>ACTUAL</u>	<u>TARGET</u>	<u>ACTUAL/TARGET DIFFERENCE</u>
<i>Domestic Equity</i>	51.51%	45.00%	6.51%
<i>Fixed Income</i>	32.09%	32.50%	-0.41%
<i>Alt Inv & Real Estate</i>	2.54%	7.50%	-4.96%
<i>International Equity</i>	13.57%	15.00%	-1.43%
<i>Cash</i>	0.29%	0.00%	0.29%
	100.00%	100.00%	-0.00%



RHODE ISLAND STATE INVESTMENT COMMISSION

SHORT TERM CASH INVESTMENTS AT FEBRUARY 28, 1998



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	1,800,000	0	0	0	0	1,800,000
	0%	1%	0%	0%	0%	0%	1%
Bear Stearns	15,972,638	0	0	0	0	0	15,972,638
	8%	0%	0%	0%	0%	0%	8%
Citi-Corp	5,494,054	0	0	0	0	39,525,794	45,019,848
	3%	0%	0%	0%	0%	19%	22%
Dean Witter	4,982,103	0	0	34,064,310	0	0	39,046,413
	2%	0%	0%	17%	0%	0%	19%
Fidelity	0	0	0	10,652,726	0	0	10,652,726
	0%	0%	0%	5%	0%	0%	5%
Mesirow	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
First Tennessee	0	0	0	10,709,287	0	0	10,709,287
	0%	0%	0%	5%	0%	0%	5%
Goldman Sachs	0	0	0	0	0	38,045,477	38,045,477
	0%	0%	0%	0%	0%	19%	19%
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	22,608,454	0	0	22,608,454
	0%	0%	0%	11%	0%	0%	11%
Sun Trust	0	0	0	0	0	10,000,000	10,000,000
	0%	0%	0%	0%	0%	5%	5%
State St Bank	0	0	0	0	0	10,400,000	10,400,000
	0%	0%	0%	0%	0%	5%	5%
TOTALS	26,448,794	1,800,000	0	78,034,778	0	97,971,272	204,254,844
(%) PORTFOLIO	13%	1%	0%	38%	0%	48%	100%



State of Rhode Island and Providence Plantations

Office of the General Treasurer

State House

Providence, Rhode Island 02903

Nancy J. Mayer
General Treasurer

Telephone
(401) 277-2397

March 25, 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 February 28, 1998.

The amounts listed for our alternative investments designations are illiquid and do not have a readily determinable market value. They are based on appraisals only.

Respectfully submitted,

Nancy J. Mayer
General Treasurer

COMPOSITE REPORTING

BALANCE SHEET

FEBRUARY 28, 1998

ASSET CLASS

<i>Cash/Short Term Investments</i>		
<i>Short Term Investment Fund</i>		
<i>Money Market Instruments</i>		\$262,832,153.41
<i>Equities - Domestic</i>		\$2,910,438,481.90
<i>Equities - International</i>		\$759,047,945.86
<i>Fixed Income - Government</i>	\$1,441,628,925.86	
<i>Fixed Income - Corporate</i>	\$248,484,889.94	
<i>Fixed Income - In State</i>	<u>\$27,448,884.87</u>	
<i>Total Fixed Income</i>		\$1,717,562,700.67
<i>Alternative Investments</i>		\$146,725,712.46
<i>Other - Escrow</i>		\$500,000.00
TOTAL FUND INVESTMENTS		\$5,797,106,994.30

ERSRI - 87.0755857%
MERSRI - 12.7588439%
STPOL - 0.1043132%
JUDC'L - 0.0612572%

balsheet.xls

TIME-WEIGHTED IERSI MARKET VALUE CHANGE REPORT
2/01/98-2/28/98

MONTHLY CHANGE

PORTFOLIO	BENCHMARK DESCRIPTION	MARKET VALUE 1/31/98	TRANSFERS IN/OUT	MARKET VALUE 2/28/98	NET INCREASE/ (DECREASE)	MARKET VALUE		BENCHMARK		MKT VARIANCE		CALENDAR YTD CALENDAR YTD BENCHMARK
						% OF CHANGE	NET OF TRKS	% OF CHANGE	NET OF TRKS	% OF CHANGE	TO BENCHMARK PERFORMANCE	
DOMESTIC EQUITY												
FLEET	S&P 500	570,158,097	0	604,845,510	34,687,414	6.08%	7.19%	-1.11%	7.90%	7.90%	8.40%	
BANKERS	W 5000	850,930,715	38,250	912,536,985	61,568,019	7.24%	7.28%	-0.04%	7.73%	7.73%	7.86%	
PROVIDENT	RUSSEL 1000 GRWTH	429,601,009	0	468,123,116	38,522,107	8.97%	7.13%	1.84%	10.70%	10.70%	7.92%	
BRINSON	W 5000	262,242,635	0	284,843,879	22,601,244	8.62%	7.28%	1.34%	9.51%	9.51%	7.86%	
MCKY-SHLD.S	W 5000	247,123,130	0	264,200,417	17,077,287	6.91%	7.28%	-0.37%	4.83%	4.83%	7.86%	
BABSON	RUSSEL 2500 SMLCAP	183,996,336	0	195,932,231	11,935,895	6.49%	7.26%	-0.77%	1.97%	1.97%	5.62%	
IW SELIGMAN	RUSSEL 2000 SMLCAP	182,273,387	0	198,450,832	16,177,445	8.89%	7.39%	1.49%	6.65%	6.65%	5.69%	
HLM Management	RUSSEL 2000	23,830,774	0	26,104,032	2,273,259	9.54%	7.39%	2.15%	8.13%	8.13%	5.69%	
VALUEREQUEST LTD	W LRGE VALUE	28,865,110	0	31,272,260	2,407,150	8.34%	7.54%	0.80%	9.46%	9.46%	5.78%	
TOTAL EQUITY		2,779,021,194	38,250	2,986,309,263	207,249,819	7.46%			7.67%	7.67%		
FIXED INCOME												
FLEET	LEHMAN AGG	1,190,285,799	38,250	1,186,514,344	(4,009,706)	-0.34%	-0.08%	-0.26%	1.26%	1.26%	1.20%	
FIDELITY	SALOMON MORT	176,183,964	0	176,655,831	471,867	0.27%	0.30%	-0.03%	1.34%	1.34%	1.23%	
BROWN BROS.	LEHMAN 1-3YR	207,118,466	78,000	207,455,917	259,451	0.13%	0.08%	0.05%	1.26%	1.26%	1.05%	
IN STATE F.I.		27,665,584	(149,724)	27,694,949	179,089	1.20%	N/A	N/A	1.28%	1.28%	N/A	
TAPLIN CANIDA & HABECHT	LB INT GOVT/CORP	23,523,965	0	23,610,232	86,267	0.37%	-0.08%	0.45%	1.27%	1.27%	1.23%	
L OOMIS SAYLES COMPANY	MERRILYNCH/IST BOSTO COMPOSITE	239,595,855	0	238,695,935	(899,919)	-0.38%	1.63%	-2.01%	0.19%	0.19%	2.68%	
TOTAL FIXED INCOME		1,864,373,633	(33,474)	1,860,427,207	(3,912,951)	-0.20%			1.14%	1.14%		

PORTFOLIO

BENCHMARK DESCRIPTION	MARKET VALUE 1/31/98	MARKET VALUE 2/29/98	MARKET VALUE 2/29/98	MARKET VALUE NET INCREASE/ (DECREASE) NET OF TRFERS	MARKET VALUE % OF CHANGE NET OF TRFERS	BENCHMARK % OF CHANGE TO BENCHMARK PERFORMANCE	MKT VARIANCE CALENDAR YTD	CALENDAR YTD BENCHMARK
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INTERNATIONAL EQUITY

ALLIANCE	212,421,875	8,500	225,112,374	12,681,999	5.97%	6.42%	-0.45%	11.01%	11.28%
SCHRODER	299,924,876	0	321,176,991	21,252,115	7.09%	7.82%	-0.73%	12.97%	12.31%
SCUDDER	142,422,995	0	155,718,725	13,295,730	9.34%	7.91%	1.43%	10.64%	10.40%
SCHRODER EMERGING MKTSMSCI EMERG MKTS EX MALAYSIA	78,843,666	0	84,500,676	5,657,010	7.17%	8.02%	-0.85%	1.67%	-0.22%
TOTAL INT'L EQUITY	733,613,412	8,500	786,508,766	52,886,855	7.21%			10.63%	

ALTERNATIVE INVESTMENTS

ALTERNATIVE INVESTMENT	71,372,315	3,278,886	74,421,656	(229,546)	0.00%	N/A	N/A	0.02%	N/A
BANK ACQUISITION	500,000	0	500,000	0	0.00%	N/A	N/A	0.00%	N/A
HEFTMAN	26,169,202	0	25,546,717	(622,485)	-2.38%	N/A	N/A	0.13%	N/A
L & B	36,739,252	0	43,377,419	6,638,167	18.07%	N/A	N/A	18.07%	N/A
ATNA	455,417	0	434,748	(20,669)	-4.54%	N/A	N/A	17.71%	N/A
PHOENIX	2,945,172	0	2,945,172	0	0.00%	N/A	N/A	22.42%	N/A
TOTAL ALTERNATIVE INVESTMENTS	138,181,359	3,278,886	147,225,712	5,765,468	4.32%			5.48%	

CASH ACCOUNTS

CASH ACCOUNT	23,739,909	(9,129,162)	14,708,126	97,380	N/A	N/A	N/A	N/A	N/A
INTERNAL CASH	3,402,029	0	1,927,919	(1,474,109)	N/A	N/A	N/A	N/A	N/A
TOTAL CASH	27,141,937	(9,129,162)	16,636,046	(1,376,729)	N/A				

GRAND TOTAL

5,542,331,533 (5,837,000) 5,797,106,994 260,612,461 4.53%

5.56%

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RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values

FEBRUARY 28, 1998

Equities

<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUE/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	FEDERAL NATL MTG ASSN	751,100	\$47,882,625	Fleet,Bankers,Provident
2	MICROSOFT CORP	544,000	46,104,000	Bankers,Provident
3	MERCK & CO INC	359,000	45,794,938	Fleet,Bankers
4	AMERICAN INTL GROUP INC	379,612	45,624,617	Fleet,Bankers,Provident
5	INTEL CORP	502,300	45,050,031	Fleet,Bankers,ValueQuest
6	AUTOMATICDATA PROCESSING	577,200	35,245,275	Fleet,Bankers,Brinson Partners
7	PFIZER INC	364,700	32,275,950	Fleet,Bankers,Provident
8	FORD MOTOR CO.	495,400	28,201,063	Fleet,Bankers,MackKay Shields
9	MBNA CORP	763,930	27,358,243	Bankers,Provident
10	EXXON CORP	423,700	27,010,675	Fleet,Bankers
		12.74%	\$380,547,617 of total equity market value	
			** Total Composite Equities **	\$2,986,309,263.

International Equity Holdings By Top 10 Market Values

FEBRUARY 28, 1998

International Equities

<u>RANK</u>	<u>SECURITY NAME</u>	<u>COUNTRY</u>	<u>PAR VALUE/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	NOVARTIS AG	Switzerland	10,339	\$18,859,049	Alliance,Schroders
2	ROCHE HLDGS AG GENUSSSCHEINE	Switzerland	1,133	13,263,128	Alliance,Schroders
3	BRITISH PETROLEUM	England	819,774	11,310,970	Alliance,Schroders
4	ROYAL DUTCH PETROL	Netherlands	205,091	11,211,993	Alliance,Schroders
5	ZURICH VERSICHERUN	Switzerland	18,929	10,318,357	Alliance,Schroders
6	LLOYDS TSB GROUP	England	679,402	10,224,326	Alliance,Schroders
7	ZENECA GROUP ORD	England	205,037	8,912,465	Alliance,Schroders
8	ELF AQUITAINE	France	77,035	8,767,088	Alliance,Schroders
9	ING GROUP NV CVA	Netherlands	160,974	8,517,072	Alliance,Schroders
10	BCO POPULAR ESP	Spain	95,920	8,501,172	Alliance,Schroders
			13.97%	\$109,885,620 of total international equity market value	
			** Total Composite International Equities **	\$786,518,403.	

Asset Allocation Monitoring Report
Market Values at February 28, 1998

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Asset Class	Style	February 28, 1998		Target		Difference	Cash	% of Total
		Actual	%	\$	%			
Domestic Equity		\$	%	\$	%			
<i>Fleet</i>	active	604.85	10.43%	521.74	9.00%	83.11	4.34	0.72%
<i>Bankers</i>	passive	912.54	15.74%	782.61	13.50%	129.93	3.49	0.38%
Total Core		1,517.38	26.17%	1,304.35	22.50%			
<i>Provident</i>	growth	468.12	8.08%	434.78	7.50%	33.34	23.89	5.10%
Total Growth		468.12	8.08%	434.78	7.50%			
<i>Brinson Partners</i>	large cap	284.84	4.91%	231.88	4.00%	52.96	7.43	2.61%
<i>Mackay-Shields</i>	large cap	264.20	4.56%	231.88	4.00%	32.32	8.93	3.38%
Total Large Cap Value		549.04	9.47%	463.77	8.00%			
<i>David L. Babson</i>	value	195.93	3.38%	173.91	3.00%	22.02	6.68	3.41%
<i>J.W. Seligman</i>	s/c growth	198.45	3.42%	173.91	3.00%	24.54	19.53	9.84%
Total Small Cap		394.38	6.80%	347.83	6.00%			
<i>HLM Management</i>	sml grwth	26.10	0.45%	28.99	0.50%	-2.88	1.19	4.56%
<i>ValueQuest Ltd</i>	lrg value	31.27	0.54%	28.99	0.50%	2.29	0.38	1.22%
Total Emerging Managers		57.38	0.99%	57.97	1.00%			
TOTAL DOMESTIC EQUITY		2,986.31	51.51%	2,608.70	45.00%	377.61	75.87	2.54%
International Equity								
<i>Alliance</i>	core	225.11	3.88%	173.91	3.00%	51.20	1.73	0.77%
<i>Schroder</i>	Euro/region	321.18	5.54%	289.86	5.00%	31.32	11.49	3.58%
<i>Scudder</i>	Pac Basin	155.72	2.69%	289.86	5.00%	-134.14	14.24	9.15%
<i>Schroder Emerging Markets</i>	Int'l	84.50	1.46%	115.94	2.00%	-31.44	0.00	0.00%
TOTAL INT'L EQUITY		786.51	13.57%	869.57	15.00%	-83.06	27.46	3.49%
Domestic Fixed Income								
<i>Fidelity</i>	Mort.-bk sec	176.66	3.05%	144.93	2.50%	31.73	26.67	15.10%
<i>In-State</i>	n/a	27.69	0.48%	28.99	0.50%	-1.29	0.25	0.89%
Total Mortgage		204.35	3.53%	173.91	3.00%			
<i>Fleet</i>	Fixed/Inc.	1,186.31	20.46%	1,304.35	22.50%	-118.03	97.81	8.24%
<i>Brown Bros (Short)</i>	Short Term F/	207.46	3.58%	144.93	2.50%	62.53	9.76	4.70%
Total Other Fixed Income		1,393.77	24.04%	1,449.28	25.00%			
<i>Taplin, Canida & Habacht</i>	core/fixed inc	23.61	0.41%	28.99	0.50%	-5.38	1.24	5.27%
Total Emerging Managers		23.61	0.41%	28.99	0.50%			
<i>Loomis Sayles & Co</i>		238.70	4.12%	231.88	4.00%	6.81	7.13	
Total Convertibles		238.70	4.12%	231.88	4.00%			
TOTAL FIXED-INCOME		1,860.43	32.09%	1,884.06	32.50%	-23.63	142.86	7.68%
Real Estate								
<i>Heitman</i>	core	25.55	0.44%					
<i>L&B</i>	core	43.38	0.75%					
<i>Aetna</i>	cong. care r/e	0.43	0.01%					
<i>Phoenix</i>	deve. r/e	2.95	0.05%					
Total Real Estate		72.30	1.25%					
Alternative Investments								
<i>Crossroads & Narragansett</i>	venture cap.	29.58	0.51%					
<i>Pacific Corp Group</i>	venture cap.	44.84	0.77%					
<i>Bank Acquisition</i>	n/a	0.50	0.01%					
Total Alternative Investments		74.92	1.29%					
TOTAL ALTERNATIVE INVESTMENTS AND REAL ESTATE		147.23	2.54%	434.78	7.50%	-287.56	0.00	0.00%
<i>Cash Equivalents</i>		16.64	0.29%	0.00	0.00%	27.33	16.54	99.43%
TOTAL ASSETS		5,797.11	100.00%	5,797.11	100.00%	10.70	262.74	4.53%

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Alternative Investments Funding

1998

Manager	Partnership Commitment	Prior Funding Thru 1/31/98	Current Month Funding	Cumulative Total at 2/28/98	Unfunded Balance	Market Values at 2/28/98
<i>ABS Capital Partners</i>	5,000,000	1,846,816	318,471	2,165,287	2,834,713.00	2,146,666
<i>Apollo RE Investment Fund III L.P.</i>	10,000,000	0	0	0	10,000,000.00	0
<i>Alta BioPharma Partners, L.P.</i>	10,000,000	0	0	0	10,000,000.00	0
<i>Blackstone Capital Ptnrs</i>	20,000,000	1,780,699	0	1,780,699	18,219,301.00	1,780,668
<i>Boston Ventures Ltd</i>	5,000,000	1,200,000	0	1,200,000	3,800,000.00	975,671
<i>Crossroads/Providence LP</i>	42,509,665	42,509,665	0	42,509,665	0.00	27,924,748
<i>Doughty Hanson II</i>	5,000,000	3,574,797	0	3,574,797	1,425,203.00	2,890,980
<i>Doughty Hanson III</i>	15,000,000	15,000	0	15,000	14,985,000.00	15,000
<i>Harvest Partners III</i>	15,000,000	1,493,173	0	1,493,173	13,506,827.00	1,493,173
<i>Heritage Fund</i>	5,000,000	695,467	0	695,467	4,304,533.00	695,467
<i>Narragansett First Fund</i>	218,566	198,498	0	198,498	20,068.46	5,122
<i>Narragansett Capital Partners</i>	1,671,121	1,671,121	0	1,671,121	0.00	1,652,657
<i>Nordic Capital III</i>	7,500,000	0	468,222	468,222	7,031,778.12	470,012
<i>OCM Opportunities Fund</i>	8,000,000	8,000,000	0	8,000,000	0.00	9,815,928
<i>OCM Principlal Opportunities</i>	5,000,000	1,750,000	250,000	2,000,000	3,000,000.00	2,142,889
<i>OCM Opportunities II</i>	12,000,000	1,800,000	600,000	2,400,000	9,600,000.00	2,369,630
<i>Providence Equity Partners</i>	10,000,000	2,990,897	55,008	3,045,905	6,954,095.00	2,735,764
<i>SKM Equity Fund II</i>	10,000,000	2,282,045	179,963	2,462,008	7,537,992.00	2,461,050
<i>THL Equity Fund IV</i>	15,000,000	0	0	0	15,000,000.00	0
<i>TPG Partners</i>	10,000,000	2,064,000	312,400	2,376,400	7,623,600.00	2,431,052
<i>Triumph Partners III</i>	15,000,000	0	656,634	656,634	14,343,366.00	656,634
<i>Wellspring Capital Partners</i>	15,000,000	0	0	0	15,000,000.00	0
<i>Welsh, Carson, Anderson & Stowe</i>	15,000,000	9,000,000	0	9,000,000	6,000,000.00	8,383,671
<i>Willis Stein</i>	5,000,000	3,462,983	0	3,462,983	1,537,017.00	3,374,873
TOTALS:	\$261,899,353	\$86,335,161	\$2,840,698	\$89,175,859	\$172,723,494	\$74,421,655

**Retirement Systems
Investment Earnings
Fiscal Year 1998 to Date Summary**

ERSRI
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at February 28, 1998

	<u>LONG TERM</u>	<u>SHORT TERM</u>	<u>TOTAL</u>
INTEREST SOLD	10,993,153		10,993,153
DIVIDENDS	28,716,476		28,716,476
INTEREST	85,053,686	362,942	85,416,628
MISCELLANEOUS	16,593,763		16,593,763
CAPITAL GAINS	180,417,616		180,417,616
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GRAND TOTAL:	321,774,695	362,942	322,137,637

ERSRI & MERSRI

1997-1998 EXPENSES

	Actual Jul 97	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 98	Actual Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	PROJECTED TOTAL
EQUITIES													
Fleef/NoStar		262,500	113,653		262,500	124,539		262,500	95,000		262,500	95,000	1,050,000
Banker Trust						688,411	613,152		600,000			600,000	428,192
President Investment			189,077			201,348		205,697				180,000	2,501,563
Brisson				140,949		147,709			140,000			140,000	776,122
Alcock-Shield			178,785			133,204		0	110,000		110,000		568,658
David L. Bohson						145,595		149,296			125,000		471,989
J & IV Seligman		124,644			59,864			60,864		60,000			544,536
HLM Mgmt		52,875			64,619			64,985	0				233,604
ValueQuest		59,422										60,000	249,027
FIXED INCOME													
Brown Bros.			102,615			66,431		0	100,000	100,000			369,046
Fidelity	15,753		186,340		16,310	159,733			210,000			210,000	766,073
Toplin					291,681			16,835	0			260,000	48,898
Loomis Stajles		272,972						299,772					1,124,425
INT'L EQUITIES													
Alliance Capital		136,848	62,352			66,134			35,000			35,000	198,486
Schroder			128,317	155,659		235,660	139,772	194,438			130,000		1,110,694
Schneider			180,233			179,752		0	165,000		165,000		689,985
Schneider Engung MKts													0
REAL ESTATE													
Heitman Advisory													0
L & B Real Estate													0
Actna													0
Pheonix													0
ALTERNATIVE INVESTMENTS													
Bigley/Crossroads	4,367			4,396	100,201	3,232		0	4,700		200,000	4,700	21,395
Narragansett Corp.	336,776								200,000				836,977
Other AH Inv Mgmt Fees													0
PROFESSIONAL FEES													
Consulting													0
Legal													0
State Street Bank		85,634	85,586	114,005		68,750		340,044	300,000			300,000	1,225,268
Pacific Corp Group			16,667	68,750	16,667	33,333		0	62,500		62,500		262,500
Wishnick Assoc	16,667			16,667	16,667			16,667	33,334	16,667	16,667	16,667	200,002
OPERATING EXPENSE													
Retirement Transfers				1,418,048	850			1,169,668	3,000	3,750	900,000		3,487,715
Other Expense								0					3,700
TOTAL:	373,563	984,896	1,183,624	1,918,474	812,692	2,253,832	752,924	2,780,766	2,058,534	180,417	1,971,667	1,901,367	17,168,857

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	Projected March	Projected April	Projected 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	24,283,899	22,500,000	22,500,000	22,000,000	22,500,000	274,495,065
ADMINISTRATIVE EXPENSES	0	0	89,103	1,546,385	0	0	0	1,018,512	300,000	300,000	250,000	250,000	3,754,000
INVESTMENT EXPENSES	31,994	856,564	942,307	127,203	620,509	1,963,024	655,548	1,402,873	800,000	850,000	1,025,000	1,125,000	10,400,021
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	23,600,000	23,650,000	23,275,000	23,875,000	288,649,087
CONTRIBUTIONS	16,858,425	13,809,794	18,891,089	9,859,191	17,380,616	21,940,847	29,548,542	17,217,279	20,500,000	14,500,000	23,500,000	25,500,000	228,605,783
OTHER INCOME*	1,066,912	1,97,071	898,091	5,819,558	5,454,593	3,218,144	467,244	(277,760)	3,500,000	3,200,000	75,000	2,900,000	26,458,853
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	24,000,000	17,700,000	23,575,000	28,400,000	255,064,636
DIFFERENCE	(2,818,337)	(10,153,404)	(5,382,235)	(9,711,242)	443,539	(969,585)	5,477,578	(9,745,765)	400,000	(5,950,000)	300,000	4,525,000	(33,584,451)

Municipal Employees Retirement System

	Actual July 1997	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 1998	Actual February	Projected March	Projected April	Projected 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	2,300,000	2,300,000	2,100,000	2,200,000	26,751,683
ADMINISTRATIVE EXPENSES	0	0	12,996	225,865	0	0	0	149,236	500	675	100	14,000	403,372
INVESTMENT EXPENSES	4,752	127,248	137,442	17,945	90,821	287,311	96,149	205,557	375,000	125,000	150,000	175,000	1,792,226
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	2,675,500	2,425,675	2,250,100	2,389,000	28,947,280
CONTRIBUTIONS	1,170,401	1,388,638	1,601,231	699,271	1,855,769	1,256,460	1,615,239	1,576,204	1,200,000	1,200,000	1,500,000	1,650,000	16,713,213
OTHER INCOME*	158,197	20,362	130,993	852,098	797,927	471,013	68,530	(40,699)	525,000	475,000	50,000	425,000	3,933,721
TOTAL INCOME	1,328,698	1,409,000	1,732,224	1,551,369	2,653,696	1,727,473	1,683,769	1,535,505	1,725,000	1,675,000	1,550,000	2,075,000	20,646,934
DIFFERENCE	(653,455)	(823,496)	(697,577)	(991,289)	472,861	(914,399)	(729,453)	(1,248,263)	(950,500)	(750,675)	(700,100)	(314,000)	(8,300,346)

Judges/State Police Retirement System

	Actual July 1997	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 1998	Actual February	Projected March	Projected April	Projected 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	50	0	0	0	3,002
INVESTMENT EXPENSES	41	1,084	1,623	197	1,161	3,497	1,227	2,668	3,200	1,100	1,600	1,400	18,799
TOTAL OUTFLOW	1,726	1,084	9,085	1,641	1,161	3,497	1,227	5,661	3,250	1,100	1,600	1,400	32,433
CONTRIBUTIONS	119,190	143,437	147,493	143,786	143,725	238,472	161,993	162,058	160,000	160,000	160,000	220,000	1,960,154
OTHER INCOME*	1,350	175	1,547	10,193	10,648	5,732	275	(529)	4,500	4,000	200	3,600	41,691
TOTAL INCOME	120,540	143,612	149,040	153,979	154,373	244,204	162,268	161,529	164,500	164,000	160,200	223,600	2,001,845
DIFFERENCE	118,814	142,528	139,955	152,338	153,212	240,707	161,041	155,868	161,250	162,900	158,600	222,200	1,969,412

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

General Information

Table of Contents

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

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

Short Term Investments Portfolio by Fund

As of February 28, 1998

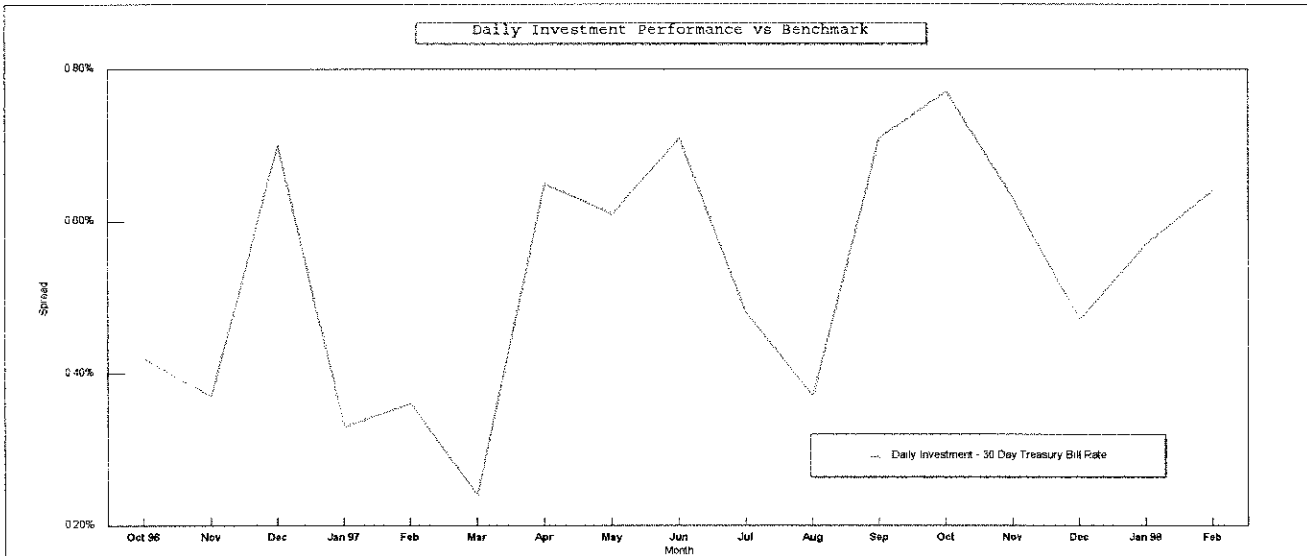
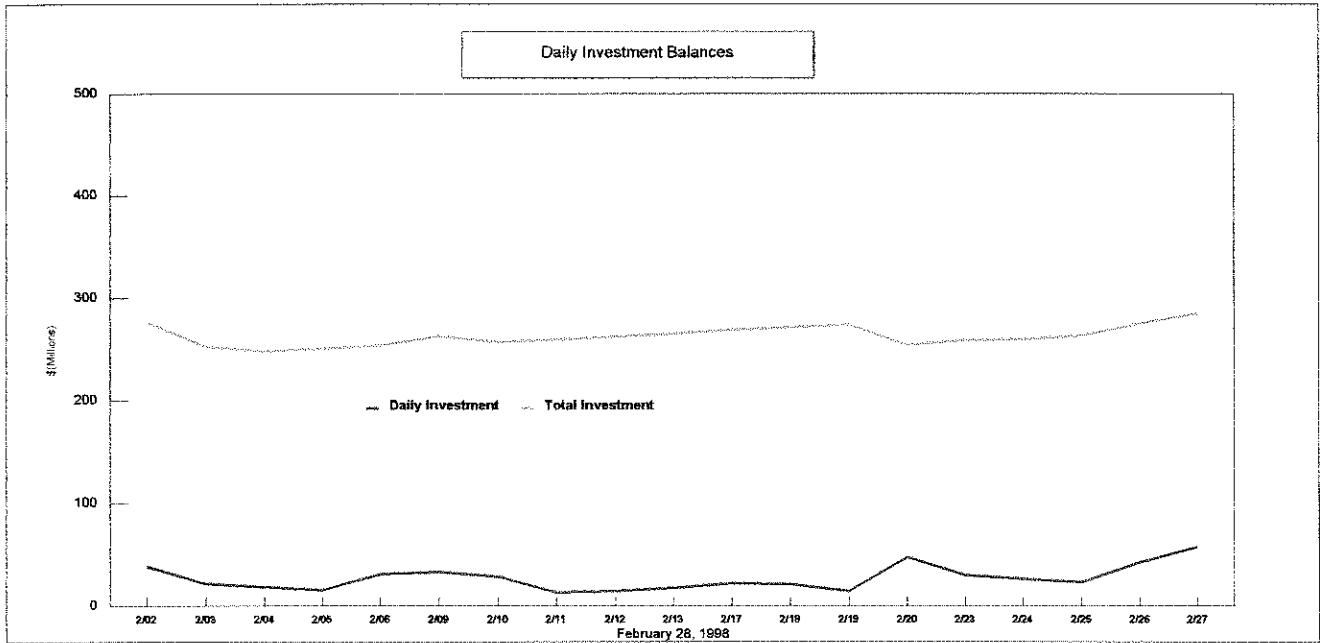
	Principal	Interest	Total Value @ Maturity
4901 GENERAL FUND	85,134,006	117,868	85,251,874
4902 GENERAL FUND	6,200,000	6,640	6,206,640
4904 PENSION C	7,496,506	3,494	7,500,000
4908 PAYROLL A	600,000	278	600,278
4920 GENERAL FUND (HIST PRES)	358,239	3,404	361,643
5200 RI UNDERGROUND STORAG TNK	5,185,262	16,553	5,201,815
5400 HIGHWAY FUND	18,498,137	18,995	18,517,132
5500 UNIVERSITY COLLEGE	0	0	0
5800 PROV. RIVER RELOCATION	900,000	954	900,954
6920 AUTO EQUIPMENT SERVICE	0	0	0
8000 T.D.I. RESERVE (DET)	58,857,798	1,007,213	59,865,011
8225 JOB DEVELOPMENT (DET)	6,713,143	21,182	6,734,324
8230 E.T. TARDY (DET)	1,064,427	4,429	1,068,856
8240 E.T. INTEREST (DET)	351,462	1,462	352,924
8300 PERMANENT SCHOOL FUND	331,731	697	332,428
8400 EMP RETIREMENT FUND	2,499,534	7,454	2,506,988
8500 MUN EMP RETIREMENT FUND	450,000	2,096	452,096
8700 R.I. CLEAN WATER ACT	0	0	0
9000 BOND CAPITAL FUND	0	0	0
9700 STATE LOTTERY FUND	7,999,534	21,087	8,020,621
9800 INDUS. BLDG. & MTG. INS.	1,615,066	5,404	1,620,470
4911 TANS PROCEEDS	0	0	0
Subtotal	204,254,844	1,239,211	205,494,054
8701 CLEAN WATER 1991 SER. B	647,753		
8702 CLEAN WATER 1993 SER. A	191,486		
8703 CLEAN WATER 1991 SERIES A	311		
8704 CLEAN WATER 96 SERIES A	1,060,672		
8705 CLEAN WATER 1992 SER. A	270,599		
8706 CLEAN WATER CCDL 1994 (A)	1,286,031		
8707 CAP DEV. OF 1997 SERIES A	160,403		
8708 CLEAN WATER BOND 1990 A&B	22,809		
8709 CLEAN WATER 1990 SER. C	879		
8733 CAP DEV. OF 1997 SERIES A	103,521		
8734 POLLUTION CONTROL 96A	2,063,843		
8735 RI POLLUTION CONTROL	60,402		
8736 RI POLLUT. CONT 93 SER. A	161,794		
8737 RI POLLUT. CONT 94 SER. A	642,288		
9101 BOND SALE A 11-4-87	65,468		
9102 BOND CAPITAL CCDL 1988	21,397		
9104 BOND CAPITAL 1989 SER. A	2,028		
9105 BOND CAPITAL 1989 SER. B	88,173		
9108 BOND SALE 1990 SER. A&B	262,262		
9114 G.O. NOTE 1991 SER. B	171,313		
9115 BOND CCDL 1992 SERIES A	2,125,621		
9116 BOND CCDL 1993 SERIES A	11,470,395		
9117 BOND CCDL 1994 SERIES A	10,289,839		
9118 BOND CCDL 1995 SER. A	292,035		
9119 CCDL 95 B	3,386		
9120 BOND CCBL96A	11,884,836		
9121 CAP DEV OF 1997 SERIES A	37,149,525		
Subtotal Bond Proceed Accounts	80,499,068		
Total Short Term Portfolio	284,753,911		

Short Term Interest Rate Performance
1998

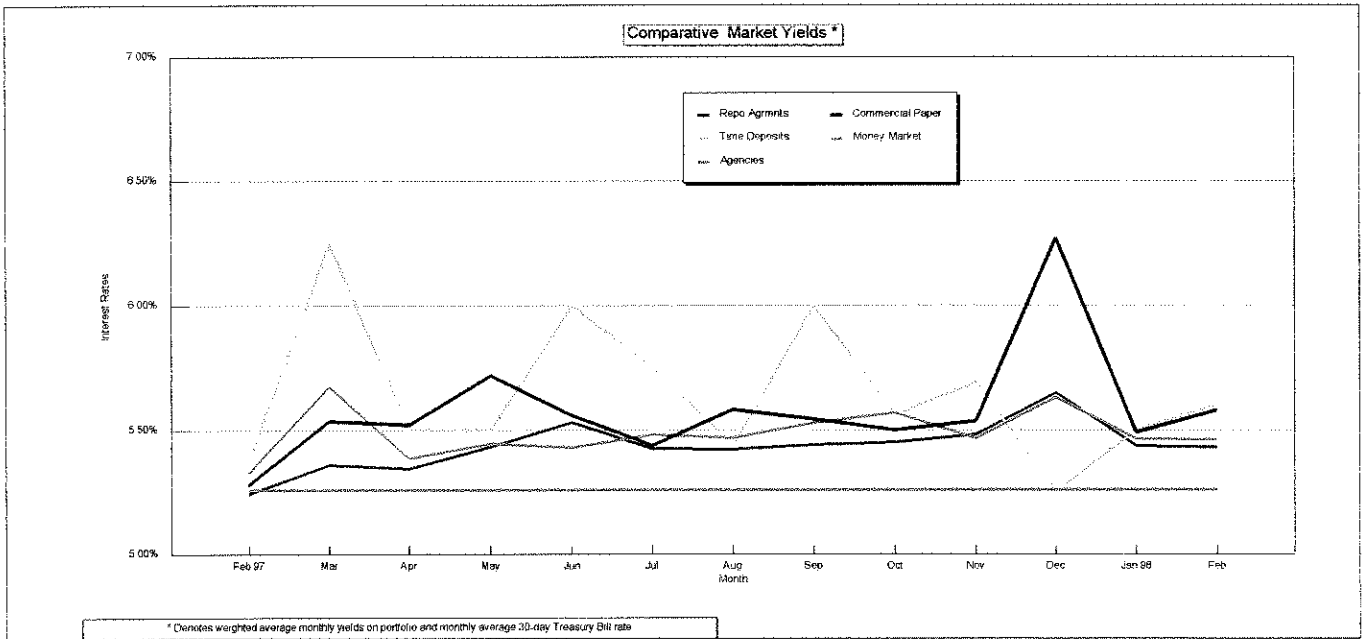
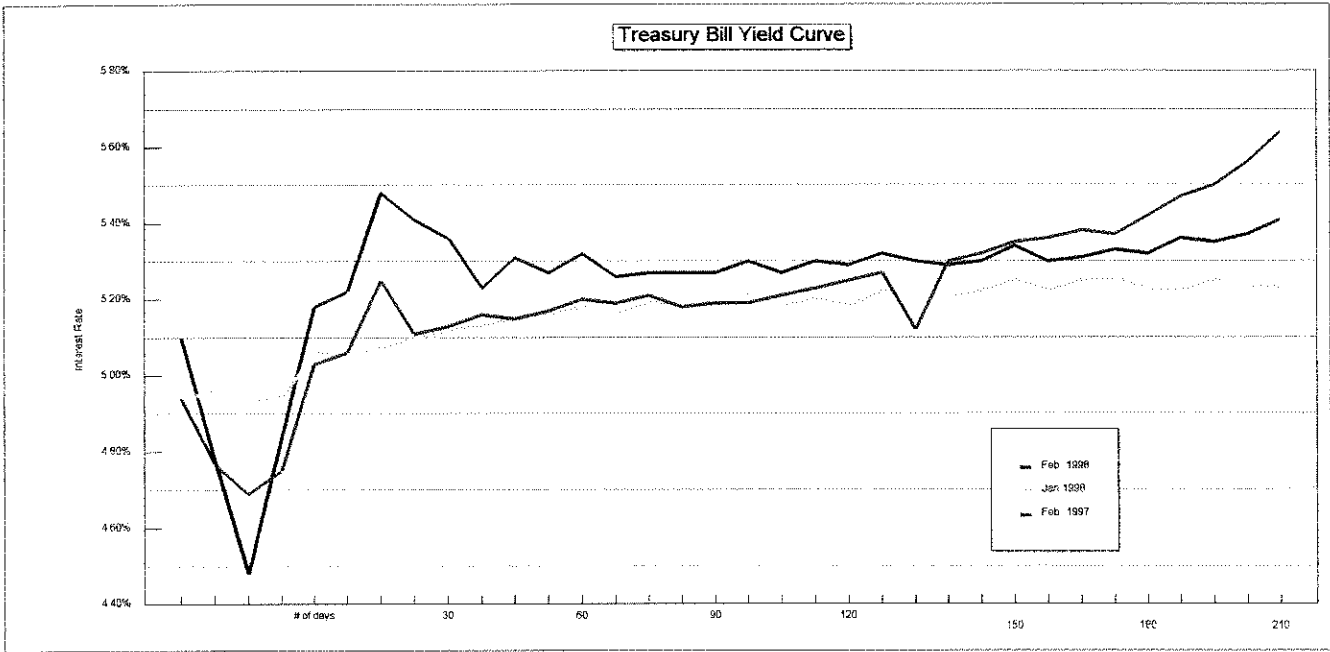
<u>Date</u>	<u>Amount Invested (millions)</u>	<u>Weighted Interest Rate</u>	<u>30 Day Treasury Rate</u>	<u>Basis Point Difference</u>
2/02	\$38.85	5.52	4.85	67.00
2/03	\$22.02	5.47	4.84	63.00
2/04	\$18.48	5.38	4.80	58.00
2/05	\$15.59	5.43	4.82	61.00
2/06	\$31.12	5.40	4.81	59.00
2/09	\$33.39	5.41	4.81	60.00
2/10	\$28.79	5.44	4.80	64.00
2/11	\$13.28	5.41	4.79	62.00
2/12	\$14.60	5.40	4.78	62.00
2/13	\$17.80	5.38	4.78	60.00
2/17	\$22.10	5.45	4.81	64.00
2/18	\$21.08	5.49	4.82	67.00
2/19	\$14.36	5.40	4.81	59.00
2/20	\$47.48	5.38	4.80	58.00
2/23	\$30.12	5.39	4.80	59.00
2/24	\$26.18	5.42	4.81	61.00
2/25	\$22.89	5.55	4.82	73.00
2/26	\$42.83	5.51	4.82	69.00
2/27	\$57.24	5.54	4.83	71.00

\$518.20	5.45	4.81	64
total	weighted	average	basis
amount	average	30 day	point
invested	rate	rate	difference

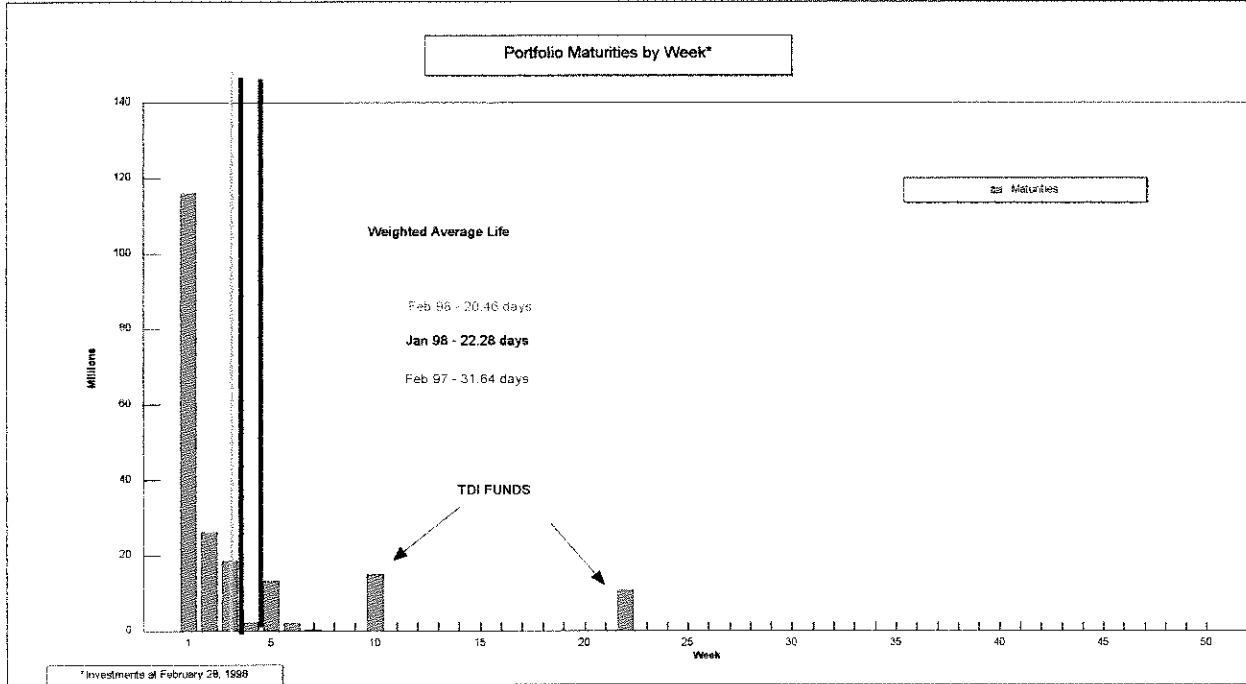
**RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM INVESTMENTS**



RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM INVESTMENTS



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



SUMMARY PORTFOLIO YIELDS

	WEIGHTED AVERAGE YIELD(%)
Feb 28, 1998	5.466%
Jan 31, 1998	5.451%
Feb 28, 1997	5.275%

SPECIAL FUNDS
 INVESTMENT SUMMARY
 FEBRUARY 28, 1998

<u>FUND NAME</u>	<u>EQUITIES</u>	<u>CASH & EQUIVALENTS</u>	<u>FIXED INCOME</u>	<u>Gain/Loss</u>	<u>TOTAL MARKET VALUE</u>
<u>Abraham Touro Fund</u>	1,671,553	155,440	641,177	47,158	2,468,170
<u>State of Rhode Island Land Grant Fund</u>	59,112	0	0	1,026	59,112
<u>TOTALS</u>	1,730,665	155,440	641,177	48,184	2,527,282