

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
December 30, 2011**

**January 25, 2012
MEETING**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Honorable Gina M. Raimondo, Chair

**Ms. Rosemary Booth Gallogly
Mr. Thomas P. Fay
Ms. Paula M. McNamara
Mr. Andrew K. Reilly**

**Mr. J. Michael Costello
Mr. Robert Giudici
Ms. Marcia Reback**

AGENDA



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

Gina M. Raimondo
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, January 25, 2012 at 9:00 a.m. in Room 135 of the State House.

AGENDA

1. Chairperson Call to Order
2. Membership Roll Call
3. Approval of Minutes
 - State Investment Commission Meeting held on November 23, 2011 *
4. Ocean State Investment Pool Investment Policy*
5. Update on Defined Contribution Plan Vendor Selection Process
6. Real Estate Consultant*
7. Alternative Consultant —Cliffwater Hedge Fund Recommendations*
8. General Consultant Update
9. Legal Counsel Report
10. Chief Investment Officer Report
11. Treasurer's Report

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

POSTED ON FRIDAY, JANUARY 20, 2012

APPROVAL OF MINUTES



State Investment Commission

Monthly Meeting Minutes

Wednesday, November 23, 2011

9:00 a.m.

Room 135, State House

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:00 a.m., Wednesday, November 23, 2011 in Room 135, State House.

I. Roll Call of Members

The following members were present: Ms. Rosemary Booth Gallogly, Mr. J. Michael Costello, Mr. Thomas Fay, Mr. Robert Giudici, Ms. Paula McNamara, Ms. Marcia Reback, Mr. Andrew Reilly and General Treasurer Gina Raimondo.

Also in attendance: Ms. Sally Dowling, of Adler Pollock, & Sheehan, and Mr. Joe Rodio Jr., of Rodio & Ursillo, Legal Counsel to the Commission; Mr. John Burns and Mr. Alan Emkin, of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Mr. Thomas Lynch and Daniel Stern, of Cliffwater, Alternative Investment Consultant to the Commission; Ms. Lisa Tyrell, of State Street Corporation; and members of the Treasurer's staff.

Treasurer Raimondo called the meeting to order at 9:00 a.m.

II. Approval of Minutes

On a motion by Mr. Reback and seconded by Mr. Fay, it was unanimously **VOTED: To approve the draft of the minutes of the October 26, 2011 meeting of the State Investment Commission.**

III. Cliffwater Presentation

Mr. Lynch recommended five managers and presented operations, investment and performance due diligence of each for the managers. He explained two of the managers fall in the global equity category: Indus Asia Pacific and Third Point Partners. Graham Global, Blue Crest Capital and Wexford Spectrum are considered real return investments. Mr. Stern provided greater detail on each of the funds and answered any questions or concerns from board members.

Mr. Lynch reviewed the Cliffwater recommendation for dollar allocation and share classes of each.

Mr. Fay asked about the benchmarks and Mr. Lynch explained he is still finalizing performance measures with staff. For fixed income he recommends using the existing benchmark the Barclays Aggregate. He recommends the HFRI series for global equities and real return.

On a motion by Mr. Fay and seconded by Mr. Costello, it was unanimously **VOTED: to approve all funds on page two of the presentation, subject to negotiation and finalization of documentation after legal counsel review and after further diligence on asset classes.**

-Ocean State Investment Pool-

IV. PFM Presentation

David Sallack, Marty Margolis and William Fazioli from PFM Asset Management, LLC entered the room to present.

Mr. Sallack introduced PFM and explained their core business including the Local Government Investment Pool (LGIP). He explained PFM manages 17 funds around the country and have been in the space for 30 years. These plans have \$15.3 Billion and 4,500 local government units in them. He went on to explain what PFM thinks will make the Ocean State Investment Pool (OSIP) successful.

Mr. Margolis explained PFM's philosophy on LGIP type investments and stated above all else they are focused on risk management. They have 14 portfolio managers and traders with vast experience and institutional knowledge. He reviewed their credit process and asset allocation.

Mr. Fazioli discussed the marketing of the fund and their relationship management strategy.

Ms. Booth Gallogly took the opportunity to ask PFM about LGIP best practices.

Mr. Fay asked if they ever owned any of the investment vehicles which were problematic during the money market crisis of 2008 and Mr. Sallack explained they did, but sold most before it became an issue in 2008.

V. Fidelity Presentation

PFM left the room and Joyce Marsilia , Michael Morin and Margie Vose from Fidelity Investments entered.

Mr. Morin discussed Fidelity's approach to managing money and stressed the importance of capital preservation, daily liquidity and competitive returns. He explained their conservative investment strategy is based on credit research and quantitative analytics and how they use stress tests to anticipate the worst case scenario. Fidelity has over 150 investment professionals in their fixed income team.

Ms. Marsilla began reviewing Fidelity's strategic business plan for how to start OSIP and noted Fidelity has 17 people already in Rhode Island focused on getting OSIP launched.

The Fidelity team answered questions and then exited the room.

Mr. Vincent Izzo and Mr. Andrew Raucci, both Treasury staff, reviewed the general RFP process and the scoring criterion. After extensive due diligence on both finalists the RFP committee recommended Fidelity to the board.

On a motion by Ms. Booth Gallogly and seconded by Mr. Giudici, it was unanimously

VOTED: to award the mandate to Fidelity subject to finalization of documentation after legal counsel review. Ms. McNamara abstained.

VI. Custodian Contract Extension

Mr. Mark Dingley, general counsel to the Treasurer, explained State Street's contract expires December 31, 2011. Treasury anticipates issuing an RFP for custodial services in the next six months, but is requesting a six month extension in the meantime. Mr. Dingley explained there will be no changes to the fees.

On a motion by Ms. Reback and seconded by Mr. Reilly, it was unanimously **VOTED: to extend State Street's contract by six months.**

VI. Defined Contribution Plan

Treasurer Raimondo explained the Rhode Island Retirement Security Act gives the SIC board the mandate to establish a defined contribution program for the state. The staff will begin putting together an RFP with the guidance of the board. The goals for the vendor include best investment products, transparency, capital preservation, low fees and communication and education with employees. The Treasurer requested volunteers for a subcommittee.

VIII. Legal Counsel Report

Ms. Dowling informed the board the hedge fund paperwork is complete.

IX. Chief Investment Officer Report

Mr. Goodreau gave a brief update on the portfolio which is up about 6% in October making up for some damage in the third quarter.

X. Treasurer's Report

Treasurer Raimondo thanked the board for meeting, especially because of the holiday.

XI. New Business

None this month

XII. Adjournment

There being no other business to come before the Board, on a motion by Ms. Reback and seconded by Mr. Reilly the meeting adjourned at 10:56 a.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer

STAFF SUMMARY

**RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
December 31, 2011**

PORTFOLIO PERFORMANCE

December

The ERSRI portfolio posted a 0.14% gain for the month of December, against the policy index of 0.38%. Global Equities gained 0.18%, the Fixed Income asset class returned 1.33%, and the Real Return class returned 0.07%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was 0.40% against its 0.38% index.

Calendar Year to Date

For the twelve months ending December 31, 2011, the portfolio is up 1.52% against the policy index of 1.55%. Global Equities were down 5.09%, fixed income returned 5.62%, while Real return generated a return of 13.76%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2012, the fund has lost 3.60%, against the policy index of -3.40%.

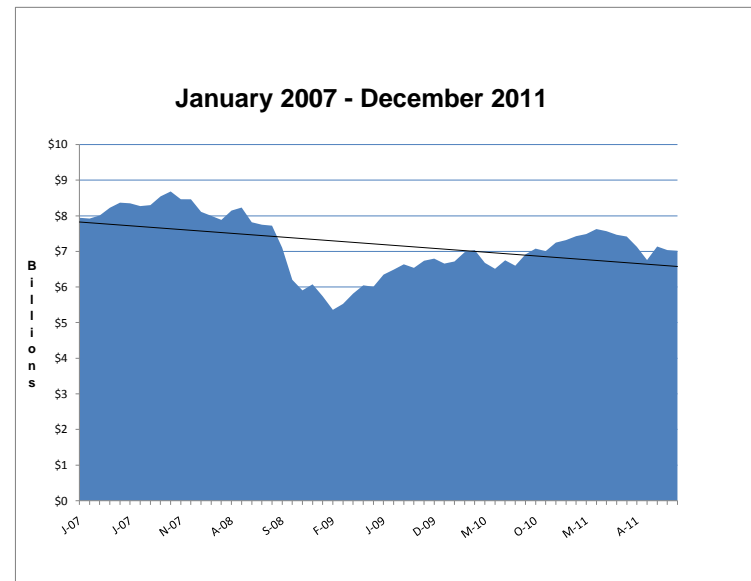
Index Performance Summary - December 31, 2011		
Market Indices	Dec-11	Calendar YTD
<u>Global Equity</u>		
S & P 500	1.02%	2.11%
MSCI AC World	-0.20%	-7.35%
Russell 2000	0.66%	-4.18%
MSCI ACWI ex US	-1.12%	-13.71%
Policy Index	0.40%	0.66%
<u>Fixed Income</u>		
BC AGG	1.10%	7.84%
HFRI Fund Wgt Com	0.50%	
<u>Real Return</u>		
CPI +4%	0.24%	7.24%

ERSRI Performance By Asset Class	Dec-11	Calendar YTD
Global Equity	0.18%	-5.09%
Fixed Income	1.33%	5.62%
Real Return	0.07%	13.76%
Total Fund Composite*	0.42%	-0.12%
Manager Summary	Dec-11	CYTD
<u>GLOBAL EQUITY</u>		
Shott	0.00%	2.93%
SSgA S&P 500	1.03%	2.14%
Russell Overlay	-0.01%	-0.78%
Wellington Technical Eq	-1.94%	-15.25%
Russell 2000 Index	0.68%	-4.10%
MSCI Ex US Index Fund	-1.09%	-13.52%
Global Equity Hedge Funds	-0.04%	
Total Global Equity	0.18%	-5.09%
<u>FIXED INCOME</u>		
Brown Bros Core	1.24%	7.57%
Fidelity	0.68%	6.63%
Taplin Canida & Habacht	2.21%	7.76%
Fixed Income Cash Acct	0.01%	0.15%
Mackay Shield	2.04%	7.09%
Alternative Fixed Income		
Total Fixed Income	1.33%	5.62%
<u>Real Return</u>		
Brown Bros TIPS	0.10%	13.93%
Alternative Absolute Return	0.02%	
Total Real Return	0.07%	13.76%
*Total Fund Composite includes all classes ex PE & RE		

**Market Valuation Report
December 31, 2011**

Market Values

The total portfolio value decreased in December by \$19.3 million to \$7.02 billion. This compares with a decrease in value of \$240 million for the same period in 2010. The Global Equity Market values decreased by \$43.6 million, including transfers out of \$50.0 million; Fixed Income decreased by \$187.1 million, including transfers out of \$206.6 million; The Cash Accounts increased by \$221.4 million including transfers in of \$220.6 million, and Alternative Investments decreased by \$19.9 million, including transfers out of \$3.0 million. The Real Return Pool increased by \$180.4 million including transfers in of \$180.0 million. The overlay account decreased by \$170.0 million, including transfers out of \$170.0 million. In December, additional Hedge Funds were introduced to the Global Equity, Fixed Income and Real Return categories.



Cash Flow

December's pension payroll of \$74.2 million was greater than the \$46.6 million in contributions and wire transfers received by \$27.5 million.

To meet pension and other obligations, a transfer from long-term investments of \$29.7 million was necessary.

Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$170.8 million on commitments of \$1,183 million.

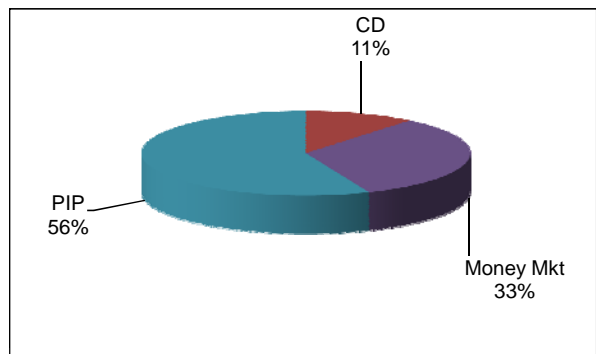
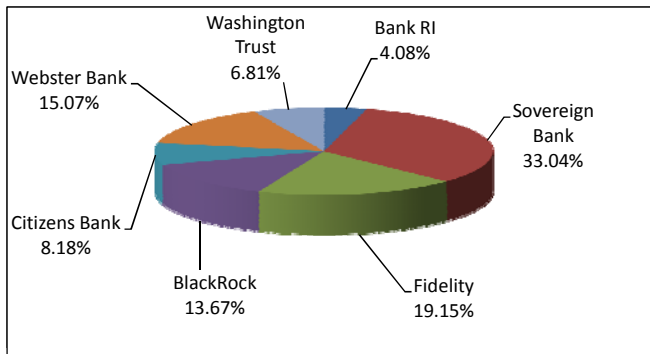
CAPITAL CALLS Net of Distributions

December 2011	FYTD	UNFUNDED BALANCE
-\$1,714,230	-\$42,793,300	\$ 170,783,044
December 2010	FYTD	UNFUNDED BALANCE
-\$10,069,715	-\$42,480,946	\$189,509,759

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

**Issuer Credit Ratings
December 31, 2011**

Issuer	Type of Instrument*	Month End % Portfolio	Issuer Ratings			S-T Debt Rating		L-T Debt Rating		Credit Outlook
			Moody's	Moody's	S&P	Moody's	S&P	S&P		
Bank RI	3,4	4.08%			N/R		N/R			
Sovereign Bank	3,4	33.04%	A2	P-1	A-1	A2	A+		Negative	
JP Morgan Chase	2,3,5	0.00%	Aa1	P-1	A-1	Aa1	A+		Stable	
Federated	6	0.00%			N/R		N/R		N/R	
Fidelity	6	19.15%			N/R		N/R		N/R	
BlackRock Inc.	6	13.67%	A1	P-1	A-1	A1	A+		Stable	
State Street Bank & Trust Compan	1,3	0.00%	Aa2	P-1	A-1+	Aa2	AA-		Stable	
RBS Citizens	3,4	8.18%	A2	P-1	A-1	A2	A		Stable	
Webster Bank	3,4	15.07%	A3	P-2	A-2	A3	BBB		Stable	
Oppenheimer	5	0.00%				B2	B+		Stable	
Washington Trust	3,7	6.81%			N/R		N/R		N/R	
Merrill Lynch	2,5,6	0.00%	Baa1	P-2	A-2	Baa1	A-		Negative	
Morgan Stanley	1,2,5	0.00%	A2	P-1	A-2	A2	A-		Negative	



REPO = Repurchase Agreement	1*
CP = Commercial Paper	2*
CD = Certificate of Deposit	3*
CoD = Collateralized Deposit	4*
AG = US Government Agency Note	5*
MM = Government Money Market	6*
GID = Government Insured Deposit	7*

Ratings Definitions

Moody's Short-Term Debt Ratings:

P-1 - Prime-1 have a superior ability for repayment of sr. S-T debt obligations
P-2 - Prime-1 have a strong ability for repayment of sr. S-T debt obligations
P-3 - Prime-1 have an acceptable ability for repayment of sr. S-T debt obligations
NP - Not Prime

Moody's Issuer Rating Symbols:

Aaa - Offer exceptional financial security (high-grade)
Aa - Offer excellent financial security (high-grade)
A - Offer good financial security
Baa - Offer adequate financial security
Ba - Offer questionable financial security
B - Offer poor financial security
Caa - Offer very poor financial security
Ca - Offer extremely poor financial security
C - Lowest rated class, usually in default

Moody's Long-Term Debt Ratings:

Aaa - Best Quality
Aa - High Quality
A - Posses many favorable investment attributes
Baa - Medium-grade obligations
Ba - Posses speculative elements
B - Generally lack characteristics of desirable investments
Caa - Poor standing
Ca - Speculative in a high degree
C - Lowest rated class of bonds

Modifiers:

1 - Higher end of letter rating category
2 - Mid-range of letter rating category
3 - Lower end of letter rating category

S&P Short-Term Credit Ratings:

A-1 - Highest rated, strong capacity to meet obligations
A-2 - Somewhat more susceptible to adverse effects of changes in financial conditions; satisfactory
A-3 - Exhibits adequate protection parameters
B - Significant speculative characteristics, faces major ongoing uncertainties
C - Vulnerable to non-payment
D - Payment default

Modifiers:

+ or - show relative standing within the category.

S&P Outlook Definitions:

Positive - A rating may be raised
Negative - A rating may be lowered
Stable - A rating is not likely to change
Developing - May be raised or lowered
NM - Not meaningful

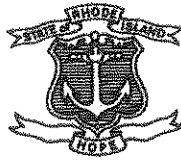
S&P Long-Term Debt Ratings:

AAA - Highest rating, extremely strong
AA - Differs slightly from highest rating, very strong
A - More susceptible to adverse effects of change in economic condition, strong
BBB - Exhibits adequate protection parameters
BB, B, - Have significant speculative characteristics. BB least speculative
CCC, CC, C - C highest degree
D - Payment default

Modifiers:

+ or - show relative standing within the category.

PERFORMANCE



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

Gina M. Raimondo
General Treasurer

January 20, 2012

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 December 31, 2011.

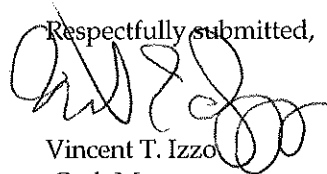
Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation

December 31, 2011

Asset Class	
Cash/Short Term Investments	404,592,474
Global Equities	3,604,823,559
<i>Fixed Income - Government</i>	\$692,227,294
<i>Fixed Income - Corporate</i>	\$695,472,967
<i>Fixed Income - In State</i>	\$0
Total Fixed Income	1,387,700,262
Real Return	770,476,594
Alternative Investments	587,892,508
Real Estate	266,352,110
Total Fund Investments	7,021,837,507
Plan Allocation	
State Employees & Teachers	82.51% 5,793,752,380
Municipal Employees	15.90% 1,116,269,331
State Police	1.04% 73,206,581
Judicial	0.55% 38,609,215
Total Fund Investments	100.00% 7,021,837,507

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,



Vincent T. Izzo
Cash Manager

State of Rhode Island
Summary of Performance
PERIODS ENDING December 31, 2011

	MKT VAL	% of FUND	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	7 Years	10Years	ITD	Incept Date
GLOBAL EQUITY FUNDS												
Index												
SSGA S&P 500 INDEX FUND S&P 500	1,490,191,223	21.2	1.0 1.0	11.8 11.8	2.1 2.1	2.1 2.1	14.2 14.1	-0.2 -0.3	2.6	2.9	0.5	11/01/2006
Index												
MSCI ACWI EX US INDEX FUND MSCI AC WORLD ex US (NET)	1,105,064,785	15.7	-1.1 10.5	3.8 -10.1	-13.5 -7.7	-13.5 -11.3	-4.3	4.1	13.4	-6.8	11.7	05/01/2009
Index												
RUSSELL 2000 INDEX FUND RUSSELL 2000	510,737,101	7.3	0.7 0.7	15.4 15.5	-4.1 -4.2	-4.1 -4.2	15.6	0.2	3.2	5.6	18.6	05/01/2009
Alternative												
ALTERNATIVE EQUITY HFRX EQUITY HEDGE	388,672,380	5.5	0.0 -0.9								-0.8	11/01/2011
Active Core												
WELLINGTON TECHNICAL EQUITY RUSSELL 3000	135,692,114	1.9	-1.9 0.8	-2.5 12.1	-16.0 1.0	-16.0 1.0	2.1 14.9	0.0	3.0	3.5	-1.4	08/01/2007
TOTAL GLOBAL EQUITY	3,630,357,603	51.7	0.2	9.0	-5.1	-5.1	12.7	-1.1	3.1	4.5	1.4	07/01/2000
MSCI AC WORLD (NET)			-0.2	7.2	-7.4	-7.4	12.0	-0.2	7.2	-7.4		
GLOBAL FIXED INCOME												
Core												
BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	385,725,891	5.5	1.2 1.1	1.2 1.1	7.4 7.9	7.4 7.9	7.2 6.4	5.6 6.7	5.0 5.8	5.7 5.9		03/01/1990
Mortgage												
PYRAMIS GLOBAL ADVISORS BC MBS	403,007,559	5.7	0.7 0.7	1.0 0.9	6.6 6.2	6.6 6.2	7.3 5.8	6.2 6.5	5.7 5.8	5.9 5.7	7.5	10/01/1989
Corporates												
TAPLIN, CANIDA & HABACHT BC CREDIT	390,987,602	5.6	2.2 1.9	1.7 1.7	7.5 8.4	7.5 8.4	13.5 10.9	5.8 6.8	5.2 5.7	6.2 6.4		04/01/1996
High Yield												
MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	183,096,802	2.6	2.0 2.5	5.4 6.0	6.8 5.5	6.8 5.5	20.4 23.0	6.5 7.1	6.9 7.1		11.0	10/01/2002
Other												
FIXED INCOME CASH ACCOUNT	13,151	0.0	0.0	0.0	0.2	0.2	-0.1				1.4	04/01/2007
Alternative												
ALTERNATIVE FIXED INCOME HFRJ FOF: Conservative Index	89,555,000	1.3	-0.5 -0.3	-0.1	-3.7	-3.7	3.5	-0.9	1.4	2.8	-0.5	
TOTAL FIXED INCOME	1,452,386,005	20.7	1.2	1.5	5.4	5.4	8.5	5.8	5.2	5.9		12/01/1992
BC AGGREGATE			1.1	1.1	7.8	7.8	6.8	6.5	5.6	5.8		
REAL RETURN POOL												
TIPS												
BROWN BROTHERS HARRIMAN - TIPS BC GLOBAL INFLATION LINKED: U.S. TIPS	362,341,783	5.2	0.1 0.0	2.4 2.7	13.8 13.6	13.8 13.6	10.1 10.4	8.2 8.0	6.3 6.1	6.7 7.6		06/01/2004
Alternative												
ALTERNATIVE ABSOLUTE RETURN HFRJ Fund Weighted Composite Index	350,882,365	5.0	0.0 -0.4	1.1	-5.0	-5.0	7.9	2.3	4.7	5.9	0.4	11/01/2011
TOTAL ALTERNATIVE ABSOLUTE RETURN	362,341,783	11.0	0.1	2.2	13.7	13.7	6.4	6.3	6.5	6.5	9.3	11/01/2009
CPI + 4%			0.1	0.5	7.1	7.1	6.4	6.3	6.5	6.5		
ALTERNATIVE INVESTMENTS												
REAL ESTATE NCREIF PROPERTY INDEX QTR LAG	266,352,648	3.8	2.3 3.3	3.4 3.3	17.1 16.1	17.1 16.1	-11.2 -1.5	-2.7 3.4	-1.7 7.5	-1.7 7.8	-1.7 -0.9	
PRIVATE EQUITY S&P 500 PLUS 300 BP	587,922,398	8.4	-3.8 1.3	-2.5 12.6	12.4 5.2	12.4 5.2	6.6 17.5	5.2 2.8	10.4 5.7	9.8 6.1		01/01/1989
TOTAL ALTERNATIVE INVESTMENTS	854,275,045	12.2	-1.9	-0.7	13.9	13.9	0.8	2.9	7.8	7.9	8.2	04/01/1996
TOTAL PLAN ALTERNATIVES BENCHMARK			2.1	8.9	9.9	9.9	10.2	3.6	6.9	7.2		
RE-BALANCING												
RUSSELL IMPLEMENTATION SERVICES	73,678,888	1.1	0.0	0.2	-0.8	-0.8	0.0				-0.3	09/01/2008
OTHER												
CASH ACCOUNT (INSIDE)	234,640,505	3.3										07/01/2000
CASH ACCOUNT (OUTSIDE)	1,509,844	0.0										07/01/2000
CLOSING ACCOUNTS*	1,765,469	0.0										
TOTAL PLAN	7,021,837,507	100.0	0.1	5.1	1.4	1.4	10.2	1.3	4.2	5.5		01/01/1984
TOTAL PLAN BENCHMARK**			0.4	6.2	1.6	1.6	10.7	1.3	4.2	5.3		

* Includes Schott Capital, SSGA Transition Account and Tax Reclaims

** Effective 4/1/09: 36.0% RUSSELL 3000/ 22.0% BC AGG / 17.5% MSCI AC WORLD FREE EX USA / 10.0% CPI + 4% / 7.5% S&P 500 + 3% / 5.0%NCREIF PROPERTY LAGG / 2.0% 91 DAY T-BILL

Employees' Retirement System of the State of Rhode Island
Hedge Fund Portfolio
Portfolio Performance Summary
Estimated as of December 31, 2011



Fund	Mkt Value ¹	Actual %	Returns ¹							Ann Std Dev	Sharpe Ratio	Incep. Date
			Dec	YTD	FYTD	1 Year	3 Year	5 Year	Incep			
Fixed Income												
Gracie Credit Opportunities Fund LP	39,660,000	100.0%	-0.85%	-	-	-	-	-	-0.85%	-	-	Dec-11
Total Fixed Income	39,660,000	100.0%	-0.85%	-	-	-	-	-	-0.85%	-	-	Dec-11
Barclays Aggregate Bond Index			1.10%	-	-	-	-	-	1.10%	-	-	Dec-11
Global Equities												
Ascend Partners Fund II	59,640,548	25.0%	-0.05%	-	-	-	-	-	-0.60%	1.22%	-	Nov-11
Davidson Kempner Institutional Partners LP	60,187,066	25.2%	0.31%	-	-	-	-	-	0.31%	0.76%	-	Nov-11
Elliott Associates, LP	58,892,790	24.7%	-0.30%	-	-	-	-	-	-1.85%	3.06%	-	Nov-11
Viking Global Equities LP	59,940,000	25.1%	-0.10%	-	-	-	-	-	-0.10%	-	-	Dec-11
Total Global Equities	238,660,404	100.0%	-0.03%	-	-	-	-	-	-0.84%	1.91%	-	Nov-11
MSCI AC World Index Free - Net			-0.20%	-	-	-	-	-	-3.18%	6.82%	-	Nov-11
Russell 3000 Index (DRI)			0.82%	-	-	-	-	-	0.55%	2.68%	-	Nov-11
HFRI Equity Hedge (Total) Index			-0.66%	-	-	-	-	-	-2.53%	2.98%	-	Nov-11
Absolute Return												
Brevan Howard LP	75,811,858	27.0%	-0.45%	-	-	-	-	-	1.08%	4.87%	-	Nov-11
Capula Global Relative Value Fund Ltd	49,895,000	17.8%	-0.21%	-	-	-	-	-	-0.21%	-	-	Dec-11
DE Shaw Composite International Fund	50,198,982	17.9%	0.60%	-	-	-	-	-	0.40%	1.96%	-	Nov-11
OZ Domestic Fund II LP	74,475,859	26.5%	0.00%	-	-	-	-	-	-0.70%	1.71%	-	Nov-11
Winton Futures Fund Ltd	30,395,809	10.8%	1.32%	-	-	-	-	-	1.32%	-	-	Dec-11
Total Absolute Return	280,777,507	100.0%	0.09%	-	-	-	-	-	0.35%	0.42%	-	Nov-11
ML 3-month T-Bills			0.00%	-	-	-	-	-	0.00%	0.00%	-	Nov-11
HFRI Fund of Funds Composite Index			-0.31%	-	-	-	-	-	-1.30%	1.66%	-	Nov-11
Market Indices												
3 Month Libor Rate			0.05%	-	-	-	-	-	0.09%	0.01%	-	Nov-11
Barclays Aggregate Bond Index			1.10%	-	-	-	-	-	1.01%	2.91%	-	Nov-11
Barclays High Yield Credit Bond Index			2.66%	-	-	-	-	-	0.44%	11.81%	-	Nov-11
S&P 500 TR			1.02%	-	-	-	-	-	0.80%	3.05%	-	Nov-11
MSCI EAFE - Net			-0.95%	-	-	-	-	-	-5.75%	9.56%	-	Nov-11
MSCI EMF (Emerging Markets Free) - Net			-1.21%	-	-	-	-	-	-7.79%	13.36%	-	Nov-11

¹Most recent month returns are based on manager estimates; prior months use final market values.

Hedge Fund Research, Inc. ("HFR") is the source and owner of the HFR data contained or reflected in this report. The HFR indices included in this report are revised by HFR for up to three months following their initial release. The revisions are reflected in the trailing period returns.

This report reflects information only through the date hereof. Our due diligence and reporting rely upon the accuracy and completeness of financial information (which may or may not be audited by the fund manager) and other information publicly available or provided to us by the fund manager, its professional staff, and through other references we have contacted. We have not conducted an independent verification of the information provided other than as described in this report. Our conclusions do not reflect an audit of the investment nor should they be construed as providing legal advice. Past performance does not guarantee future performance. The information contained herein is confidential commercial or financial information, the disclosure of which would cause substantial competitive harm to you, Cliffwater LLC, or the person or entity from whom the information was obtained, and may not be disclosed except as required by applicable law.

ERSRI Monthly Market Value Report With Time Weighted Returns											
December 31, 2011											
	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value 11/30/2011	Transfers In/(out)	Market Value 12/31/2011	Market Value Increase/decrease
Global Equity											
Shott Capital Management IRR	2.93%	1.08%	1.85%	S & P 500		0.00%	1,257,616	(5,911)	1,267,225	15,521	
SSGa S&P 500	2.14%	2.11%	0.03%	S & P 500	1.03%	0.01%	1,622,815,476	(150,000,000)	1,490,191,223	17,375,747	
Wellington Tech Eq	-15.25%	1.03%	-16.28%	Russell 3000	-1.94%	-2.76%	138,373,856	-	135,692,114	(2,681,742)	
Russell 2000 Index Fund	-4.10%	-4.18%	0.08%	Russell 2000	0.68%	0.02%	556,697,770	(50,000,000)	510,737,101	4,039,331	
Boston Company	-13.71%	-13.71%		MSCI ACWI		-1.12%	42,163	(26,340)	16,089	266	
Goldman Sachs		-13.71%		MSCI ACWI		-1.12%	78,639	(24,442)	53,115	(1,082)	
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	384,289	-	404,146	19,857	
Mondrian		-13.71%		MSCI ACWI		-1.12%	68,626	(44,219)	24,894	487	
MSCI Ex US Index Fund	-13.52%	-13.71%	0.19%	MSCI Ex US Index Fund	-1.09%	-1.12%	1,117,200,170	-	1,105,064,785	(12,135,385)	
Sub-Total Global Equity	-5.13%	-7.35%	2.22%	MSCI AC World	0.19%	-0.20%	3,436,918,604	(200,100,912)	3,243,450,692	6,633,000	
Global Equity Hedge Funds											
Davidson Kempner			0.00%	HFRX Equity Hedge	0.30%	-0.85%	60,007,020	-	60,187,020	180,000	
Mason Capital			0.00%	HFRX Equity Hedge			-	60,000,000	60,000,000	-	
Viking Global Equities III			0.00%	HFRX Equity Hedge	-0.10%	-0.85%	60,000,000	-	59,940,000	(60,000)	
Ascend Partners Fund II			0.00%	HFRX Equity Hedge	-0.16%	-0.85%	59,748,000	-	59,652,600	(95,400)	
Elliott Associates			0.00%	HFRX Equity Hedge	-0.30%	-0.85%	59,070,000	-	58,892,760	(177,240)	
Third Point Partners			0.00%	HFRX Equity Hedge			-	50,000,000	50,000,000	-	
Indus Asia Pacific Fund			0.00%	HFRX Equity Hedge			-	40,000,000	40,000,000	-	
Sub-Total Global Equity Hedge Funds			0.00%	HFRX Equity Hedge	-0.04%	-0.85%	238,825,020	150,000,000	388,672,380	(152,640)	
Total Global Equity	-5.09%	-7.35%	2.26%	MSCI AC World	0.18%	-0.20%	3,675,743,624	(50,100,912)	3,632,123,072	6,480,360	
Fixed Income											
Fidelity Management & Research	6.63%	6.23%	0.40%	BC MBS	0.68%	0.70%	489,881,149	(90,000,000)	403,007,559	3,126,410	
Brown Brothers, Harriman	7.57%	7.85%	-0.28%	Citigroup BIG	1.24%	1.11%	381,004,474	-	385,725,891	4,721,417	
Taplin, Canida & Habacht	7.76%	8.35%	-0.59%	BC Credit	2.21%	1.94%	382,544,436	-	390,987,602	8,443,166	
Mackay Shields	7.09%	5.47%	1.62%	CS First BoshYield	2.04%	2.47%	179,437,311	-	183,096,802	3,659,491	
Fixed Income Cash Acct	0.15%	0.10%	0.05%		0.01%	0.01%	116,621,372	(116,620,804)	13,151	12,583	
Sub-Total Fixed Income	5.62%	7.84%	-2.22%	BC Aggregate	1.33%	1.10%	1,549,488,742	(206,620,804)	1,362,831,005	19,963,067	
Alternative Fixed Income											
Capula Global Master Fund					-0.21%	0.08%	50,000,000	-	49,895,000	(105,000)	
Gracie Credit Fund					-0.85%	0.08%	40,000,000	-	39,660,000	(340,000)	
Sub-Total Alternative Fixed Income				HFRI FOF Conservative	-0.49%	0.08%	90,000,000	-	89,555,000	(445,000)	
Total Fixed Income	5.52%	7.84%	-2.32%	BC Aggregate	1.23%	1.10%	1,639,488,742	(206,620,804)	1,452,386,005	19,518,067	
Alternative Investments											
Private Equity	13.06%	5.17%	7.89%	N/A	-3.68%	1.27%	612,627,369	(1,714,230)	587,922,398	(22,990,741)	
Real Estate	17.73%	17.24%	0.49%	NCREIF + 100	2.35%	3.38%	261,593,517	(1,306,933)	266,352,648	6,066,064	
Total Alternatives	14.55%	9.86%	4.69%		-1.87%	2.08%	874,220,886	(3,021,163)	854,275,045	(16,924,678)	
Cash Accounts											
Cash in Trust	0.16%	0.10%	0.06%		0.01%	0.00%	14,130,013	220,571,879	234,640,505	(61,387)	
Cash Outside Trust	0.00%	0.10%	-0.10%		0.00%	0.00%	656,673	-	1,509,844	853,171	
Total Cash	0.16%	0.10%	0.06%	91 Day T-Bill	0.01%	0.00%	14,786,686	220,571,879	236,150,349	791,784	
Real Return Pool											
Brown Bros TIPS	13.93%	13.98%	-0.05%	Barclays US TIPS Index	0.10%	0.06%	361,989,610	-	362,341,783	352,173	
Sub-Total Real Return	13.93%	7.24%	6.69%	CPI +4%	0.10%	0.24%	361,989,610	-	362,341,783	352,173	
Alternative Absolute Return											
Brevan Howard Master Fund				HFRI Fund Wgt Comp Index	-0.54%	0.50%	76,222,500	-	75,811,800	(410,700)	
OZ Domestic Partners II				HFRI Fund Wgt Comp Index	-0.10%	0.50%	74,550,000	-	74,475,825	(74,175)	
DE Shaw Composite Fund				HFRI Fund Wgt Comp Index	0.30%	0.50%	50,050,000	-	50,198,950	148,950	
Graham Global Inv Fund				HFRI Fund Wgt Comp Index				50,000,000	50,000,000	-	
Wexford Spectrum Fund				HFRI Fund Wgt Comp Index				50,000,000	50,000,000	-	
Winton Future Fund Ltd				HFRI Fund Wgt Comp Index	1.32%	0.50%	30,000,000	-	30,395,790	395,790	
Samlyn On/Off Shore Fund				HFRI Fund Wgt Comp Index				60,000,000	60,000,000	-	
Blue Crest Capital				HFRI Fund Wgt Comp Index				20,000,000	20,000,000	-	
Sub-Total Alt Absolute Return				HFRI Fund Wgt Comp Index	0.02%	0.50%	230,822,500	180,000,000	410,882,365	59,865	
Total Real Return	13.76%	7.24%	6.52%	CPI +4%	0.07%	0.24%	592,812,110	180,000,000	773,224,148	412,038	
Other											
Russell Overlay	-0.78%				-0.01%		244,112,182	(170,000,000)	73,678,888	(433,294)	
Total Plan Ex PE & RE	-0.12%	0.66%	-0.78%		0.42%	0.40%	7,041,164,229	(29,170,999)	7,021,837,507	9,844,277	
Total Plan	1.52%	1.55%	-0.03%		0.14%	0.38%	7,041,164,229	(29,170,999)	7,021,837,507	9,844,277	

*Policy Index: (Effective 12/1/11)

20% BC Agg

52% MSCI World Free

11% CPI + 4%

7.5% S&P 500 + 3%

5% NCREIF Prop LAGC

Effective 11/1/09 Moved TIPS from Fixed Income to Real Return. The history remains in Fixed Income.

State of Rhode Island

TOTAL PLAN

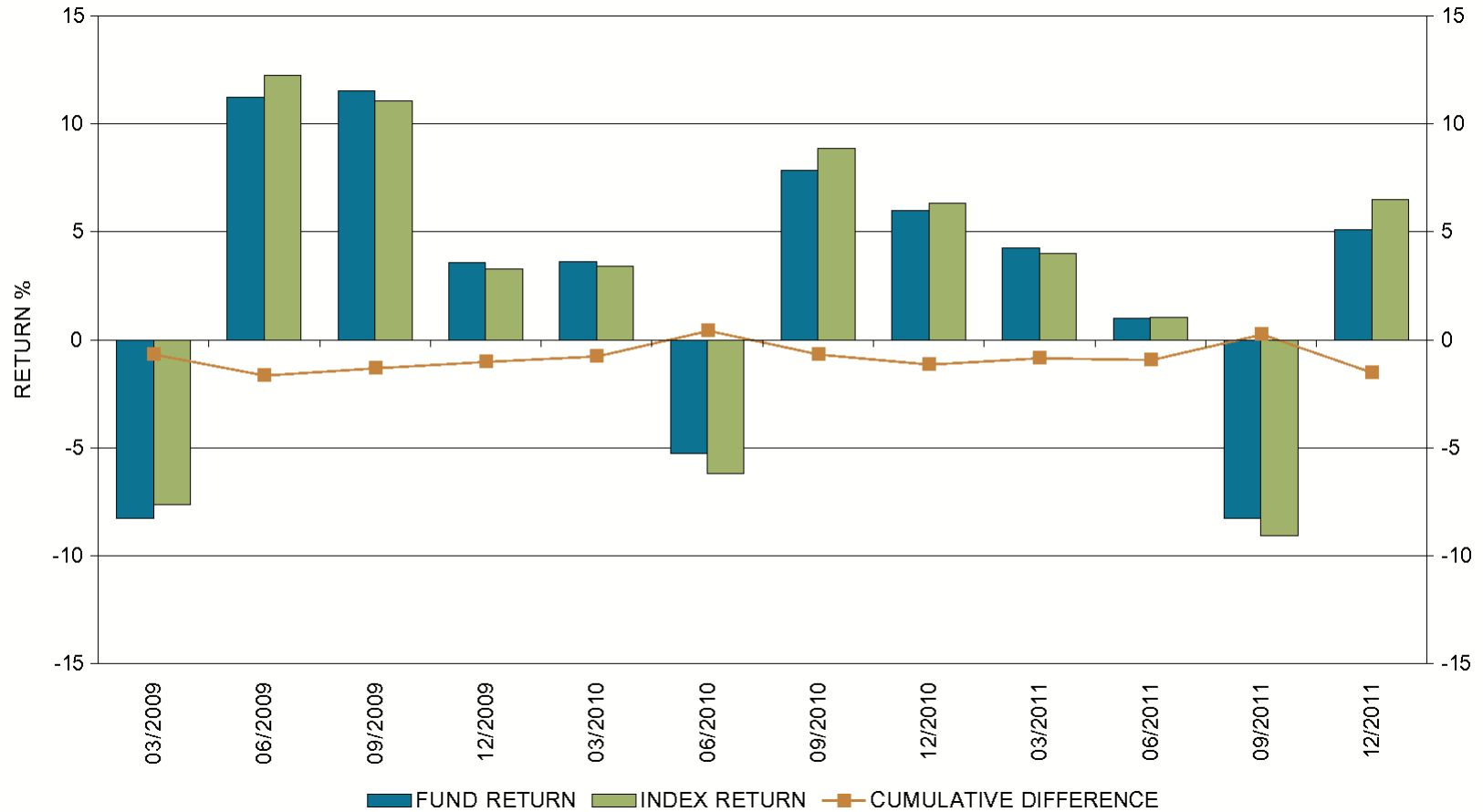
Index: TOTAL PLAN BENCHMARK

PERIODS: December 31, 2008 - December 31, 2011



STATE STREET

CUMULATIVE PERFORMANCE REPORT



State of Rhode Island

TOTAL PLAN

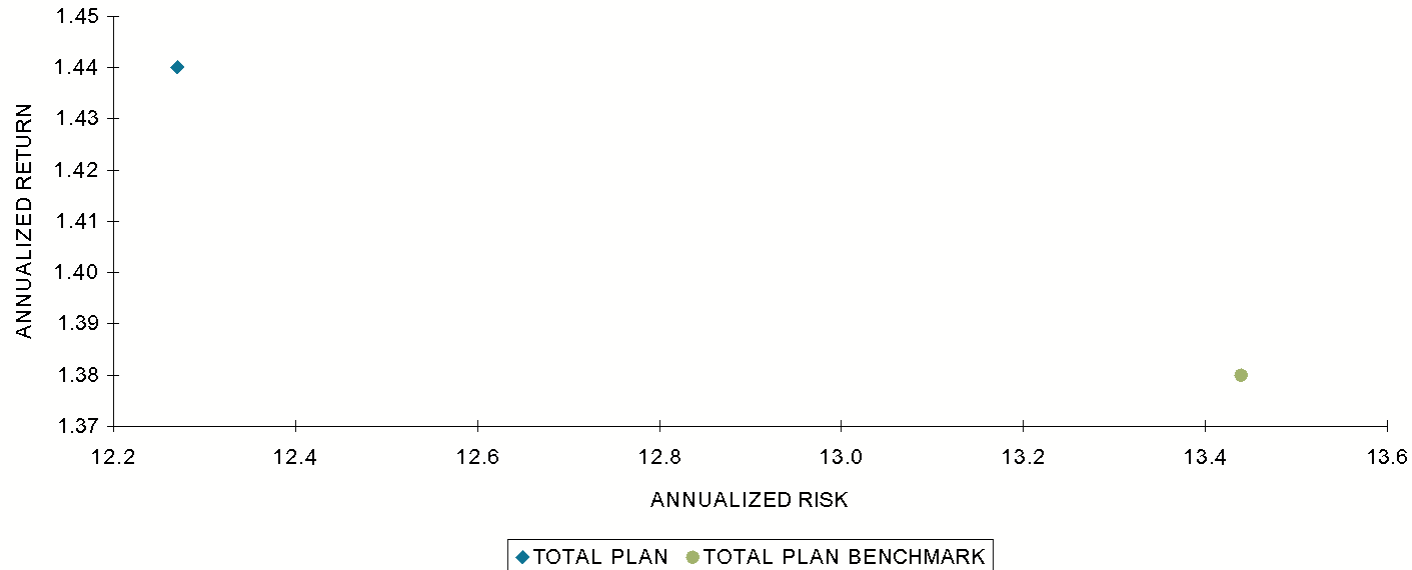
Benchmark: TOTAL PLAN BENCHMARK

December 31, 2006 - December 31, 2011



STATE STREET

RISK VS. RETURN



RISK INFORMATION

Portfolio Return	1.44
Benchmark Return	1.38
Return Differences	0.06
Portfolio Standard Deviation	12.27
Benchmark Standard	13.44
Tracking Error	1.91

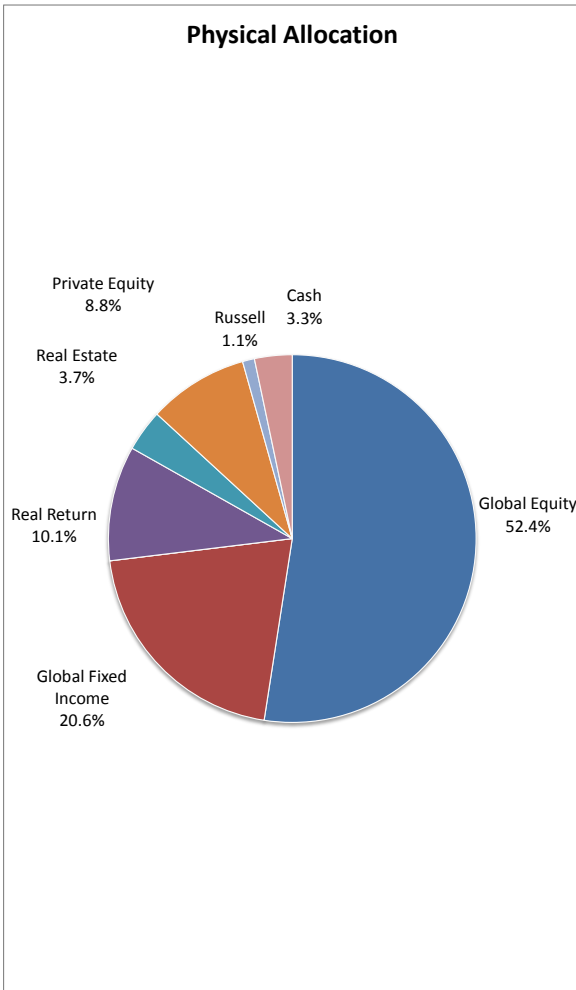
RISK STATISTICS

Historic Beta	0.91
R-squared	0.99
Jensen's Alpha	0.05
Sharpe Ratio	-0.00
Treynor Ratio	-0.05
Information Ratio	0.03

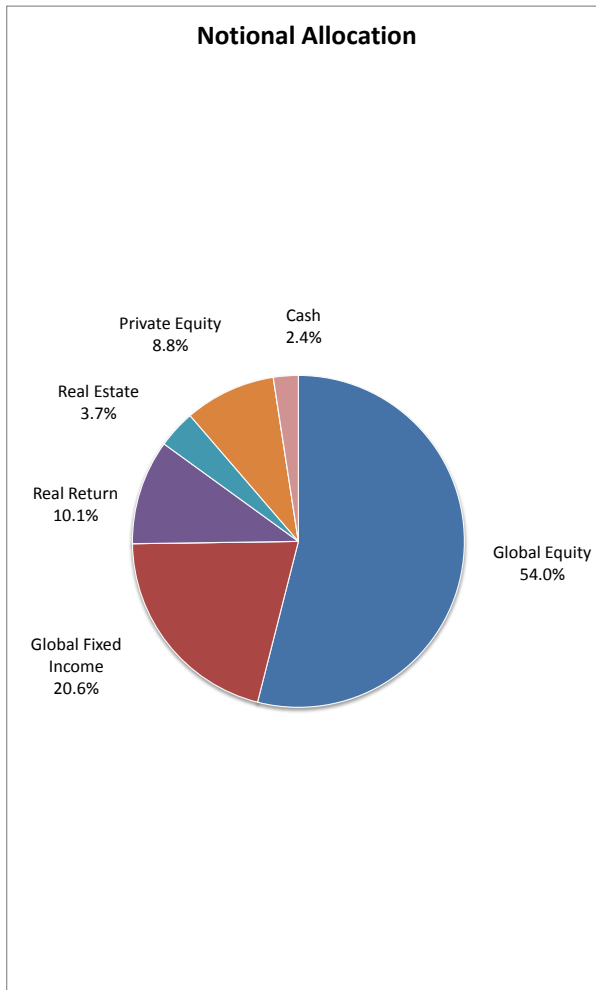
ASSET ALLOCATION

State of Rhode Island
 Asset Allocation
 PERIODS ENDING December 31, 2011

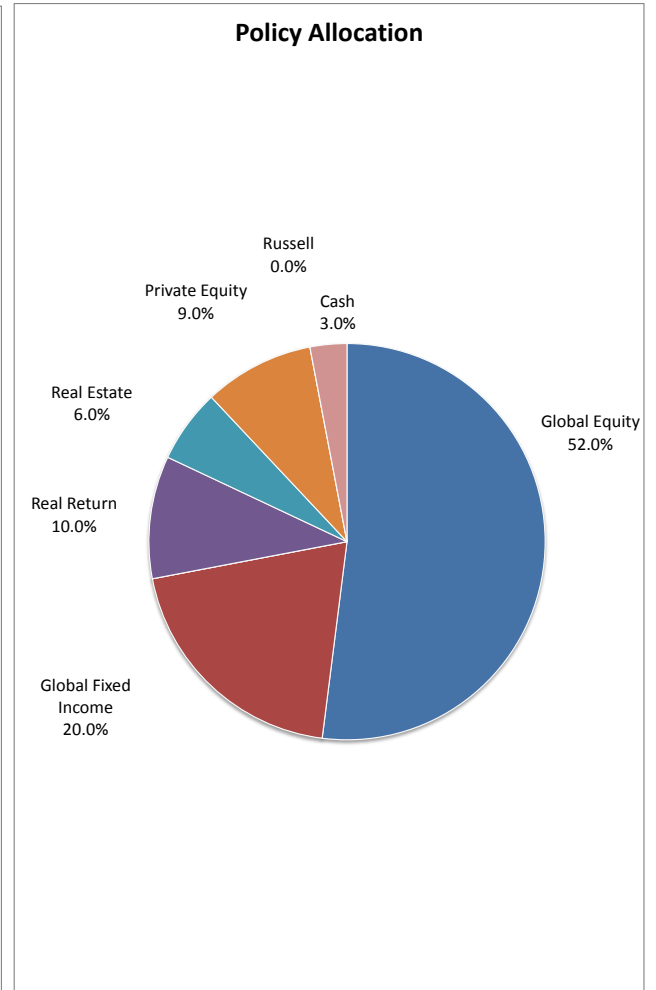
Physical Allocation



Notional Allocation



Policy Allocation

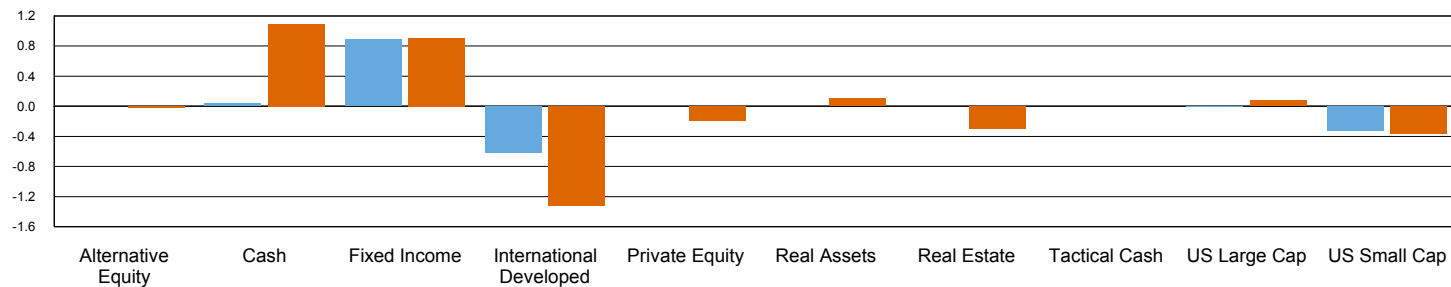


* Difference in actual investment allocation versus target allocation policy is offset by the notional overlay provided by the Russell Implementation account.

Asset Summary

<u>Asset Class</u>	<u>Physical Exposure</u>		<u>Synthetic Exposure</u>		<u>Net Position</u>		<u>Overlay Target</u>		<u>Policy Target</u>	
Total Market Value	7,049.6	100.0%	0.0	0.0%	7,049.6	100.0%	7,049.6	100.0%	7,049.6	100.00%
Cash	77.3	1.1%	-66.8	-0.9%	10.5	0.1%	7.7	0.1%	0.0	0.00%
Cash	77.3	1.1%	-66.8	-0.9%	10.5	0.1%	7.7	0.1%	0.0	0.00%
Equity	4,313.7	61.2%	66.8	0.9%	4,380.5	62.1%	4,445.8	63.1%	4,441.3	63.00%
Private Equity	621.6	8.8%	0.0	0.0%	621.6	8.8%	621.6	8.8%	634.5	9.00%
US Small Cap	510.5	7.2%	5.5	0.1%	516.0	7.3%	538.7	7.6%	535.8	7.60%
US Large Cap	1,626.5	23.1%	4.4	0.1%	1,630.9	23.1%	1,630.4	23.1%	1,621.4	23.00%
International Developed	1,105.2	15.7%	56.8	0.8%	1,162.0	16.5%	1,205.1	17.1%	1,198.4	17.00%
Alternative Equity	450.0	6.4%	0.0	0.0%	450.0	6.4%	450.0	6.4%	451.2	6.40%
Fixed	1,452.7	20.6%	0.0	0.0%	1,452.7	20.6%	1,390.2	19.7%	1,388.8	19.70%
Fixed Income	1,452.7	20.6%	0.0	0.0%	1,452.7	20.6%	1,390.2	19.7%	1,388.8	19.70%
Other	1,205.9	17.1%	0.0	0.0%	1,205.9	17.1%	1,205.9	17.1%	1,219.6	17.30%
Tactical Cash	232.6	3.3%	0.0	0.0%	232.6	3.3%	232.6	3.3%	232.6	3.30%
Real Estate	260.9	3.7%	0.0	0.0%	260.9	3.7%	260.9	3.7%	282.0	4.00%
Real Assets	712.3	10.1%	0.0	0.0%	712.3	10.1%	712.3	10.1%	705.0	10.00%

Deviations from Target Allocation



CASH FLOW

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2012	FY 2011-12												TOTAL
	Actual July 2011	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	
MEMBER BENEFITS	66,629,399	67,455,796	68,242,485	67,768,460	67,569,923	67,451,353	66,600,000	66,600,000	66,600,000	66,600,000	66,600,000	66,600,000	804,717,415
ADMINISTRATIVE EXPENSES	137,672	660,651	834,794	646,649	418,609	763,480	396,616	429,243	456,810	547,719	403,313	940,521	6,636,077
INVESTMENT EXPENSES	717,955	151,236	1,393,349	(942,146)	6,757	517,797	508,571	306,066	343,834	785,528	185,359	269,585	4,243,891
TOTAL OUTFLOW	67,485,026	68,267,682	70,470,628	67,472,964	67,995,288	68,732,630	67,505,187	67,335,309	67,400,644	67,933,247	67,188,673	67,810,106	815,597,383
CONTRIBUTIONS	50,400,487	28,659,530	38,949,761	38,118,149	49,232,033	41,087,919	56,234,751	35,617,401	42,493,720	40,290,401	47,251,676	42,317,939	510,653,767
OTHER INCOME*	358,170	6,622,689	5,032,088	7,603,294	8,542,405	10,450,579	4,938,253	4,258,601	9,058,026	726,971	6,582,306	6,199,804	70,373,188
TOTAL INCOME	50,758,657	35,282,219	43,981,849	45,721,443	57,774,438	51,538,498	61,173,004	39,876,002	51,551,746	41,017,372	53,833,982	48,517,743	581,026,955
DIFFERENCE	(16,726,369)	(32,985,463)	(26,488,779)	(21,751,521)	(10,220,850)	(17,194,131)	(6,332,183)	(27,459,307)	(15,848,898)	(26,915,875)	(13,354,690)	(19,292,363)	(234,570,429)

Municipal Employees Retirement System

	Actual July 2011	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	6,376,800	6,376,540	6,540,992	6,548,529	6,500,108	6,562,384	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	77,305,353
ADMINISTRATIVE EXPENSES	26,076	125,842	159,526	124,054	80,412	147,098	73,821	80,624	86,146	103,274	76,046	178,003	1,260,921
INVESTMENT EXPENSES	135,986	28,808	266,264	(180,743)	1,298	99,763	94,658	57,488	64,841	148,113	34,950	51,022	802,447
TOTAL OUTFLOW	6,538,862	6,531,189	6,966,782	6,491,840	6,581,818	6,809,244	6,568,479	6,538,111	6,550,987	6,651,387	6,510,996	6,629,025	79,368,721
CONTRIBUTIONS	4,595,440	5,236,442	4,741,697	5,123,170	4,733,696	5,048,323	4,702,497	7,972,265	4,856,857	4,598,585	5,354,214	5,178,390	62,141,576
OTHER INCOME*	67,840	1,261,499	961,614	1,458,630	1,640,949	2,013,490	919,136	799,882	1,708,176	137,072	1,241,110	1,173,376	13,382,774
TOTAL INCOME	4,663,280	6,497,941	5,703,311	6,581,800	6,374,645	7,061,813	5,621,633	8,772,147	6,565,033	4,735,657	6,595,324	6,351,766	75,524,350
DIFFERENCE	(1,875,582)	(33,248)	(1,263,471)	89,960	(207,174)	252,568	(946,846)	2,234,036	14,046	(1,915,730)	84,328	(277,259)	(3,844,371)

CASH FLOW ANALYSIS - INCOME & EXPENSES

Judges/State Police
Retirement System

	Actual July 2011	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	135,664	135,664	135,514	135,664	131,160	145,521	136,000	136,000	136,000	136,000	136,000	136,000	1,635,186
ADMINISTRATIVE EXPENSES	2,506	12,228	15,613	12,266	8,002	14,735	6,776	7,512	8,060	9,742	7,174	17,027	121,641
INVESTMENT EXPENSES	13,071	2,799	26,059	(17,870)	129	9,993	8,688	5,356	6,067	13,972	3,297	4,881	76,443
TOTAL OUTFLOW	151,241	150,691	177,186	130,059	139,292	170,249	151,464	148,868	150,127	159,714	146,471	157,908	1,833,270
CONTRIBUTIONS	1,052,000	495,000	968,000	512,000	529,000	502,000	430,000	432,000	430,000	705,000	410,000	330,000	6,795,000
OTHER INCOME*	6,521	122,580	94,113	144,218	163,302	201,690	84,365	74,526	159,825	12,931	117,079	112,242	1,293,392
TOTAL INCOME	1,058,521	617,580	1,062,113	656,218	692,302	703,690	514,365	506,526	589,825	717,931	527,079	442,242	8,088,392
DIFFERENCE	907,279	466,889	884,927	526,159	553,010	533,441	362,901	357,658	439,698	558,216	380,608	284,334	6,255,122

*includes income from Real Estate Investments, Private Equity, Securities Lending, and Cash Accounts,

FISCAL YEAR 2012

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 11	Actual Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 12	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected TOTAL
EQUITIES													
SSgA Russell 1000/S& ZU14			43,236			44,945			48,108			100,000	236,289
SSGA Russell 2000 ZU06			30,210			34,921			34,573			35,000	621,398
Shott Capital ZU49			1,703			1,110			1,782			2,000	932,054
Wellington Tech Eq ZU04			<u>335,337</u>			<u>348,655</u>			<u>376,641</u>			<u>350,000</u>	1,410,633
			410,486			429,631			461,104			487,000	1,653,517
FIXED INCOME													
Brown Bros. ZU44			171,735			167,249			166,584			167,000	672,568
Fidelity ZU46			158,869			153,780			153,750			155,000	621,398
Taplin ZU84			239,702			231,147			231,206			230,000	932,054
Mackay Shields ZU59			175,084			181,652			187,020			185,000	728,756
Brown Bros.TIPS ZU69			<u>123,164</u>			<u>114,761</u>			<u>115,120</u>			<u>115,000</u>	468,045
			868,553			848,589			853,679			852,000	3,422,822
INT'L EQUITIES													
The Boston Co ZU77			0			0			0			0	0
Mondrian ZU67			0			0			0			0	0
Goldman Sachs Asset ZU25			0			0			0			0	0
SSgA MSCI ACWI ZU08			<u>148,827</u>			<u>164,663</u>			<u>166,370</u>			<u>165,000</u>	644,860
	0		148,827	0		164,663			166,370			165,000	644,860
REAL ESTATE													
L & B Real Estate ZU79	154,773	121,712	84,071	121,725	0	84,071	147,277	12,834	191,583	115,161	156,582	83,933	1,273,724
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt F ZU32	712,239	61,130	1,601,601	(1,262,485)	8,184	543,482	464,640	356,076	223,158	832,452	67,024	241,555	3,849,056
SUB TOTAL-INV MGMT FEES													
	867,012	182,843	3,113,538	(1,140,759)	8,184	2,070,436	611,917	368,910	1,895,895	947,613	223,606	1,829,488	10,843,980
PROFESSIONAL FEES													
Legal	7,739	2,644	2,464	11,320	46,641	788	2,316	2,316	2,316	2,025	555	788	81,912
St St Bank Custodial	66,096	62,763	61,759	65,675	64,092	64,122	61,466	62,286	64,367	62,730	62,422	61,306	759,083
Pacific Corp Group/C ZU76	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	450,000
PCA/Russell	13,125	13,125	75,322	13,125	13,125	90,729	13,125	13,125	96,784	13,125	13,125	122,125	489,962
Townsend	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	142,500
	124,460	116,032	212,670	127,620	161,358	228,763	114,407	115,228	236,592	115,381	113,602	257,344	1,923,457
OPERATING EXPENSE													
Retirement Transfers	50,535	638,586	830,432	405,345	385,417	690,850	332,707	349,925	428,804	736,997	549,152	827,323	6,226,074
Other Expense	<u>12,500</u>	0	<u>16,644</u>	0	<u>6,250</u>	<u>5,700</u>	<u>11,250</u>	<u>5,700</u>	<u>11,650</u>	0	<u>5,700</u>	<u>5,400</u>	80,794
	63,035	638,586	847,076	405,345	391,667	696,550	343,957	355,625	440,454	736,997	554,852	832,723	6,306,868
TOTAL:	1,054,507	937,461	4,173,284	(607,794)	561,209	2,995,750	1,070,282	839,762	2,572,942	1,799,991	892,061	2,919,555	19,074,305

Note: Numbers in bold are actual.

State of Rhode Island Alternative Investments Unfunded Commitment
December 2011

<u>Partnership Investment</u>	<u>Total Commitment</u>	<u>ERSRI Unfunded (USD)</u>
Partnership Investment	Total Commitment	ERSRI Unfunded (USD)
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 750,000.00
Alta Partners VIII	\$ 15,000,000.00	\$ 4,500,000.00
Aurora Equity Partners II**	\$ 15,000,000.00	\$ -
Aurora Equity Partners III**	\$ 15,000,000.00	\$ 829,884.00
Avenue Special Situations Fund IV	\$ 20,000,000.00	\$ -
Avenue V	\$ 20,000,000.00	\$ -
Bain X	\$ 25,000,000.00	\$ 7,000,000.00
Birch Hill Equity Partners III*	\$ 17,648,784.00	\$ 586,777.82
Braemar Energy Ventures III	\$ 10,000,000.00	\$ 8,952,036.00
Castile III	\$ 5,000,000.00	\$ 800,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,852,011.00
Charterhouse Capital Partners VIII*	\$ 19,422,510.00	\$ 3,007,493.21
Coller International Capital IV**	\$ 15,000,000.00	\$ 2,100,000.00
Coller International Capital V	\$ 15,000,000.00	\$ 3,772,500.00
Constellation III	\$ 15,000,000.00	\$ 3,987,846.16
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.00
CVC European Equity Partners IV*	\$ 21,364,761.00	\$ 2,624,546.26
CVC 5	\$ 25,896,680.00	\$ 10,922,043.60
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 234,106.00
Fenway III	\$ 15,000,000.00	\$ 387,212.00
First Reserve Fund X	\$ 20,000,000.00	\$ 1.00
First Reserve Fund XI	\$ 20,000,000.00	\$ 4,205,467.00
Focus Ventures III	\$ 15,000,000.00	\$ -
Granite Global Ventures II	\$ 15,000,000.00	\$ 675,000.00
Granite Global Ventures III	\$ 15,000,000.00	\$ 1,125,000.00
Green Equity Investors V	\$ 20,000,000.00	\$ 5,557,973.00
Harvest Partners III	\$ 15,000,000.00	\$ 344,073.00
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 70,811.00
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 2,466,154.00
Leapfrog Ventures II	\$ 10,000,000.00	\$ 510,000.00
Leeds Weld Equity Partners IV	\$ 10,000,000.00	\$ 14,335.00
Lighthouse Capital Partners V	\$ 11,250,000.00	\$ 787,500.00
Lighthouse Capital Partners VI	\$ 15,000,000.00	\$ 2,475,000.00
LNK Partners	\$ 12,500,000.00	\$ 1,014,229.52
Matlin Patterson Glb. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ -
MHR Institutional Partners III	\$ 20,000,000.00	\$ 6,790,405.00
Nautic Partners V	\$ 20,000,000.00	\$ 655,589.00
Nautic Partners VI	\$ 20,000,000.00	\$ 4,493,301.96
Nordic Capital Fund III*	\$ 11,601,120.00	\$ 189,110.58
Nordic Capital Fund V*	\$ 18,924,711.07	\$ -
Nordic Capital Fund VI*	\$ 19,422,510.00	\$ 7,705.73
Nordic VII	\$ 19,422,510.00	\$ 7,494,593.22
OCM Opportunities Fund II	\$ 12,000,000.00	\$ -
Oaktree Capital Management Fund III	\$ 20,000,000.00	\$ 17,000,000.00

State of Rhode Island Alternative Investments Unfunded Commitment

December 2011

Palladin III	\$	10,000,000.00	\$	3,689,260.00
Parthenon Investors	\$	15,000,000.00	\$	-
Parthenon Investors II	\$	23,960,000.00	\$	1,953,022.00
Perseus VII	\$	15,000,000.00	\$	1,972,795.00
Point 406	\$	10,000,000.00	\$	2,570,000.00
Point Judith II	\$	5,000,000.00	\$	933,845.05
Providence Equity Partners III	\$	15,000,000.00	\$	1,938,956.00
Providence Equity Partners IV	\$	25,000,000.00	\$	1,952,550.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,204,678.00
Providence Equity Partners VI	\$	25,000,000.00	\$	4,167,756.00
SKM Equity Fund II**	\$	10,000,000.00	\$	1,735,947.00
Summit Partners	\$	20,000,000.00	\$	15,764,547.88
Thomas McNerney & Partners	\$	15,000,000.00	\$	975,000.00
Thomas McNerney & Partners II	\$	15,000,000.00	\$	4,087,500.00
TPG Partners IV	\$	15,000,000.00	\$	1,085,376.00
TPG Partners V	\$	20,000,000.00	\$	2,911,139.00
TPG VI	\$	10,000,000.00	\$	4,089,849.00
Trilantic IV	\$	11,098,351.00	\$	2,301,528.64
VS&A Communication Partners III	\$	15,000,000.00	\$	-
W Capital Partners	\$	15,000,000.00	\$	880,500.00
W Capital Partners II	\$	15,000,000.00	\$	4,054,416.00
Washington & Congress Capital Partners**	\$	15,000,000.00	\$	305,637.00
Wellspring Capital Partners III	\$	20,000,000.00	\$	58,611.00
Wellspring Capital Partners IV	\$	20,000,000.00	\$	295,761.00
WLR	\$	8,000,000.00	\$	1,766,449.00
			\$	-
Total Alternative Investments	\$	1,112,511,937.07	\$	170,777,794.62

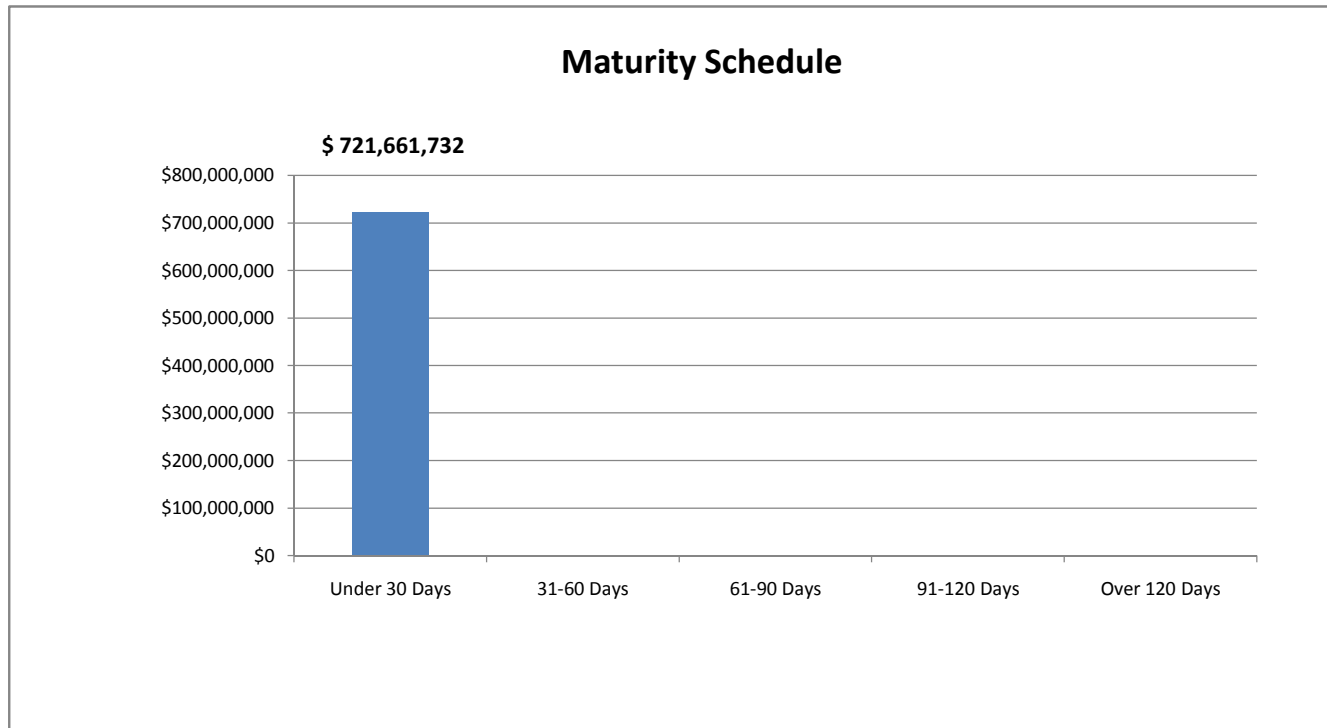
*transactions occur in foreign currency

State of Rhode Island Real Estate Investment Unfunded Commitment
December 2011

<u>Real Estate Partnership Investment</u>	<u>Total Commitment</u>	<u>ERSRI Remaining Commitment</u>
AEW	\$ 35,000,000.00	\$ 0.40
Fillmore East Fund I	\$ 10,000,000.00	\$ 0.08
Fremont Strategic Property Partners II	\$ 15,000,000.00	\$ 1,873,108.00
GMAC/Capmark/TRECAP	\$ 15,000,000.00	\$ 2,155,117.00
JPMorgan Fleming Asset Mgmt. Strat. Prop. Fund	\$ 50,000,000.00	\$ -
JPMorgan Alternative Property Fund	\$ 20,000,000.00	\$ -
LaSalle Income & Growth Fund IV	\$ 15,000,000.00	\$ 397,937.57
Magna Hotel	\$ 4,000,000.00	\$ 1,605,323.00
Morgan Stanley Prime Property Fund	\$ 35,000,000.00	\$ -
Prudential Real Estate Investors (PRISA)	\$ 50,000,000.00	\$ -
Prudential Real Estate Investors (PRISA) II	\$ 15,000,000.00	\$ -
RREEF America REIT II Fund	\$ 35,000,000.00	\$ -
Starwood Hospitality Fund I	\$ 10,000,000.00	\$ -
TA Realty Fund VIII	\$ 15,000,000.00	\$ -
Tri Continental Fund VII	\$ 15,000,000.00	\$ 428,467.00
Walton Street Real Estate Fund V	\$ 20,000,000.00	\$ -
Westbrook Real Estate Fund VI	\$ 15,000,000.00	\$ 79,399.00
Westbrook Real Estate Fund VII	\$ 15,000,000.00	\$ 1,500,000.00
	\$ 389,000,000.00	\$ 8,039,352.05

SHORT TERM INVESTMENTS

Short-Term Investment Maturity Schedule & SIC Compliance Report at December 31, 2011



Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	GID	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	
Bank RI	0	15,013,894	0	0	0	0	0	15,013,894
	0%	4%	0%	0%	0%	0%	0%	4.08%
Sovereign Bank	0	0	0	0	121,735,930	0	0	121,735,930
	0%	0%	0%	0%	33%	0%	0%	33.04%
JP Morgan Chase	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Federated Investors	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Fidelity	0	0	0	70,544,404	0	0	0	70,544,404
	0%	0%	0%	19%	0%	0%	0%	19.15%
BlackRock	0	0	0	50,366,912	0	0	0	50,366,912
	0%	0%	0%	14%	0%	0%	0%	13.67%
Wells Fargo	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Citizens Bank	0	0	0	0	30,119,713	0	0	30,119,713
	0%	0%	0%	0%	8%	0%	0%	8.18%
Webster Bank	0	0	0	0	55,526,996	0	0	55,526,996
	0%	0%	0%	0%	15%	0%	0%	15.07%
Oppenheimer Inc	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	25,093,077	0	0	0	0	0	25,093,077
	0%	7%	0%	0%	0%	0%	0%	6.81%
TOTALS	-	40,106,970.30	-	120,911,315.38	207,382,638.72	-	-	368,400,924
(%) PORTFOLIO	0.00%	10.89%	0.00%	32.82%	56.29%	0.00%	0.00%	100.00%

Note: PIP + CD must be under 75%.

Actual PIP + CD:

67.18%

Note: Maximum participation by any one vendor limited to 35% of total portfolio.

State of Rhode Island
Short Term Cash Monthly Performance
Performance for

December 01, 2011 to December 31, 2011

Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield(Annual)
GENERAL FUND	\$ 98,330,371.05	\$ 96,968,843.37	\$ 103,533,596.86	\$ 38,472.32	0.4375%
H.A.V.A	\$ 294.25	\$ 294.27	\$ 294.25	\$ 0.02	0.0800%
GENERAL FUND (HIST PRES)	\$ 536,058.05	\$ 536,099.02	\$ 536,058.05	\$ 40.97	0.0900%
HIGHWAY FUND	\$ 7,421,285.71	\$ 7,321,997.67	\$ 7,050,317.97	\$ 711.96	0.1189%
T.D.I. RESERVE (DET)	\$ 101,022,470.14	\$ 87,030,125.40	\$ 94,441,824.98	\$ 7,655.26	0.0954%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	-
RICAP GL FUND 21	\$ 89,544,597.54	\$ 86,556,400.67	\$ 88,286,533.02	\$ 11,803.13	0.1574%
BOND CAPITAL FUND	\$ 2,009,946.28	\$ 1,360,408.89	\$ 2,237,365.63	\$ 462.61	0.2434%
R.I. CLEAN WATER ACT	\$ 3,571,870.38	\$ 3,572,143.40	\$ 3,571,870.38	\$ 273.02	0.0900%
STATE LOTTERY FUND	\$ 44,961,432.87	\$ 44,767,395.69	\$ 38,264,658.68	\$ 5,962.82	0.1835%
ASSESSED FRINGE BEN ADM	\$ 506,944.75	\$ 1,007,011.85	\$ 877,912.49	\$ 67.10	0.0900%
AUTO EQUIPMENT SERVICE	\$ 900.11	\$ 900.18	\$ 900.11	\$ 0.07	0.0916%
HEALTH INSURANCE FUND	\$ 22,221,069.12	\$ 20,221,900.40	\$ 21,482,359.44	\$ 831.28	0.0456%
FLEET REVOLVING LOAN FUND	\$ 500,475.43	\$ 500,513.69	\$ 500,475.43	\$ 38.26	0.0900%
EMPLOYEES RETIREMENT	\$ 266,726.58	\$ 871,956.98	\$ 16,511,887.87	\$ 5,230.40	0.3730%
MUNICIPAL EMPLOYEES RET.	\$ 5,910.09	\$ 506,418.24	\$ 2,322,039.12	\$ 508.15	0.2577%
RETIREE HEALTH FUND	\$ 2,008,546.52	\$ 3,008,739.50	\$ 2,524,675.55	\$ 192.98	0.0900%
BOG RETIREE FUND	\$ 173,936.02	\$ 173,949.32	\$ 173,936.02	\$ 13.30	0.0900%
RIPTA HEALTH FUND	\$ 1,029,790.37	\$ 764,867.78	\$ 1,012,693.60	\$ 77.41	0.0900%
PERMANENT SCHOOL FUND	\$ 1,430,151.11	\$ 1,430,260.43	\$ 1,430,151.11	\$ 109.32	0.0900%
TEACHER RETIREE HEALTH FUND	\$ 1,583,615.67	\$ 1,383,732.28	\$ 1,525,551.15	\$ 116.61	0.0900%
UNIVERSITY COLLEGE	\$ 1,251,519.49	\$ 4,151,579.65	\$ 787,003.36	\$ 60.16	0.0900%
HIGHER EDUCATION	\$ 504,783.32	\$ 504,821.90	\$ -	\$ 38.58	0.0000%
INDUS. BLDG. & MTG. INS.	\$ 3,645,540.13	\$ 3,645,818.78	\$ -	\$ 278.65	0.0000%
Operating Funds Totals	\$ 382,528,234.98	\$ 366,286,179.36	\$ 387,072,105.07	\$ 72,944.38	0.221%
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	-
CCDL1993A	\$ 7,385.31	\$ 7,385.31	\$ 7,385.26	\$ 0.06	0.0096%
BOND CCDL 1994 SERIES A	\$ 15,000.12	\$ 15,000.13	\$ 15,000.02	\$ 0.13	0.0102%
BOND CCB196A	\$ -	\$ -	\$ -	\$ -	-
CAP DEV OF 1997 SERIES A	\$ 40,471.49	\$ 40,471.50	\$ 40,471.21	\$ 0.34	0.0099%
CCDL1998A	\$ 1,695,847.40	\$ 1,695,847.87	\$ 1,695,835.71	\$ 14.41	0.0100%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
MMG099 1999	\$ -	\$ -	\$ -	\$ -	-
BOND CAPITOL CCDL2000A	\$ 102,385.00	\$ 102,385.03	\$ 102,384.30	\$ 0.87	0.0100%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	-
CCDL2001C	\$ 201,328.53	\$ 201,328.58	\$ 201,327.14	\$ 1.71	0.0100%
CCDL2002B	\$ -	\$ -	\$ -	\$ -	-
CCDL 2004 SERIES A	\$ 3,057,769.56	\$ 3,056,421.84	\$ 3,056,660.94	\$ 25.96	0.0100%
BOND CCDL 2005 SERIES C	\$ 8,356,874.05	\$ 8,351,974.87	\$ 8,352,863.66	\$ 70.95	0.0100%
BOND CCDL 2005 SERIES E	\$ 1,046,096.49	\$ 1,046,095.61	\$ 1,046,088.34	\$ 8.88	0.0100%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	-
BOND CCDL 2006 SERIES C	\$ 3,777,591.80	\$ 3,721,308.16	\$ 3,732,175.20	\$ 31.70	0.0100%
GO BND-NTAX 2007 SERIES A	\$ 6,016,957.02	\$ 6,008,433.35	\$ 6,012,240.30	\$ 51.07	0.0100%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	-
GO BND-NTAX 2008 SERIES B	\$ 602,119.17	\$ 474,613.61	\$ 499,288.50	\$ 4.24	0.0100%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	-
CCDL10B BOND CAPITAL COMPONENT	\$ 10,989,565.64	\$ 10,792,584.84	\$ 10,830,632.99	\$ 91.99	0.0100%
CCDL10C	\$ 353,743.23	\$ 353,746.23	\$ 353,743.23	\$ 3.00	0.0100%
CCDL10D	\$ 103,916.80	\$ 103,916.82	\$ 103,916.08	\$ 0.88	0.0100%
CCDL2011A	\$ 116,195,066.27	\$ 111,842,914.42	\$ -	\$ 957.14	0.0100%
CLEAN WATER CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER CCDL 1994 (A)	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER CCDL 2002 B	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2004 SERIES A	\$ 225,921.61	\$ 225,921.67	\$ 225,920.05	\$ 1.92	0.0100%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	-
CCDL99A 1999A	\$ 233,212.05	\$ 233,212.11	\$ -	\$ 1.98	0.0100%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2007 SERIES A	\$ 283,254.39	\$ 283,254.47	\$ -	\$ 2.41	0.0100%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	-
CCDL10B CLEAN WATER COMPONENT	\$ 55,658.63	\$ 55,658.64	\$ -	\$ 0.47	0.0099%
CCDL2011A CLEAN WATER COMPONENT	\$ 1,260,010.36	\$ 1,260,010.70	\$ -	\$ 10.70	0.0100%
CCDL2011A POLL CTRL CMPNT	\$ 1,263,810.39	\$ 1,263,810.74	\$ -	\$ 10.74	0.0100%
Bond Proceeds Fund Totals	\$ 153,360,164.56	\$ 148,612,475.06	\$ 36,275,932.93	\$ 1,270.11	0.010%
TANS PROCEEDS	\$ 202,093,429.28	\$ 202,124,510.91	\$ 202,093,429.28	\$ 31,081.63	0.1811%
Grand Totals	\$ 737,981,828.82	\$ 717,023,165.33	\$ 625,441,467.28	\$ 105,296.12	0.164%

457 Plans

State of Rhode Island Total Assets 457 Plans

Plan Provider	3/31/2011	6/30/2011	9/30/2011	12/31/2011
Valic	\$ 46,740,933.40	\$ 46,404,179.56	\$ 44,014,793.20	\$ 45,634,487.05
Fidelity	\$ 75,384,558.55	\$ 75,174,845.97	\$ 67,118,543.02	\$ 73,424,771.97
ING	\$ 99,623,932.47	\$ 101,014,543.11	\$ 94,547,200.94	\$ 99,442,315.29
Total	\$ 221,749,424.42	\$ 222,593,568.64	\$ 205,680,537.16	\$ 218,501,574.31

Monthly Plan Performance Update

STATE OF RHODE ISLAND - STATE OF RI (35835)

Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, call Fidelity or visit NetBenefits.com.

Name	Cumulative Total Returns				Average Annual Total Returns				
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr
DOW JONES 30 INDUSTRIAL AVERAGE	12/31/2011	1.58	12.78	8.38	12/31/2011	8.38	14.89	2.37	4.57
NASDAQ COMPOSITE INDEX	12/31/2011	-0.51	8.21	-0.79	12/31/2011	-0.79	19.44	2.50	3.74
BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX	12/31/2011	1.10	1.12	7.84	12/31/2011	7.84	6.77	6.50	5.78
RUSSELL 2000 INDEX	12/31/2011	0.66	15.47	-4.18	12/31/2011	-4.18	15.63	0.15	5.62
STANDARD & POOR'S 500™ INDEX	12/31/2011	1.02	11.82	2.11	12/31/2011	2.11	14.11	-0.25	2.92

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	Inception Date
Stock Investments													
Large Cap													
FID BLUE CHIP GR	12/31/2011	-1.54	7.34	-2.72	12/31/2011	-2.72	19.04	2.98	2.33	10.04	—	0.94% on 09/29/2011	12/31/1987
FID CONTRAFUND	12/31/2011	-1.06	8.29	-0.12	12/31/2011	-0.12	14.70	2.58	6.96	12.06	—	0.92% on 03/01/2011	05/17/1967
FID DIVIDEND GR	12/31/2011	-0.23	11.14	-8.51	12/31/2011	-8.51	18.74	-0.70	1.76	9.57	—	0.93% on 09/29/2011	04/27/1993
FID EQUITY INC	12/31/2011	2.08	12.54	-4.68	12/31/2011	-4.68	12.44	-3.40	2.47	11.21	—	0.69% on 04/01/2011	05/16/1966
FID GROWTH & INC	12/31/2011	2.14	12.82	1.39	12/31/2011	1.39	12.65	-6.69	-1.48	8.99	—	0.72% on 09/29/2011	12/30/1985
FID MAGELLAN	12/31/2011	-0.27	8.06	-11.55	12/31/2011	-11.55	11.95	-3.34	-0.14	15.97	—	0.60% on 05/28/2011	05/02/1963
FID NEW MILLEN	12/31/2011	0.68	9.39	2.52	12/31/2011	2.52	19.58	3.55	5.49	13.08	—	1.04% on 01/29/2011	12/28/1992
FID OTC PORTFOLIO	12/31/2011	-2.32	6.32	-0.42	12/31/2011	-0.42	24.74	5.75	5.91	12.43	—	0.94% on 09/29/2011	12/31/1984
SPTN 500 INDEX INV	12/31/2011	1.01	11.79	2.03	12/31/2011	2.03	14.07	-0.30	2.84	9.06	—	0.10% on 04/29/2011	02/17/1988
Mid-Cap													
FID LOW PRICED STK	12/31/2011	-0.30	9.36	-0.06	12/31/2011	-0.06	18.82	2.01	8.61	13.77	1.5 % / 90days	0.83% on 09/29/2011	12/27/1989
FID MID CAP STOCK	12/31/2011	-0.67	9.08	-2.41	12/31/2011	-2.41	21.95	1.18	4.05	10.62	.75 % / 30days	0.61% on 06/29/2011	03/29/1994

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			Inception Date
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	
FID VALUE	12/31/2011	0.42	12.14	-6.71	12/31/2011	-6.71	18.01	-2.12	5.74	11.78	—	0.60% on 12/30/2011	12/01/1978
FKLN SMMIDCAP GRTH A	12/31/2011	-2.65	12.43	-4.89	12/31/2011	-4.89	20.48	2.34	3.87	9.78	—	1.01% on 10/31/2011	02/14/1992

International

FID DIVERSIFD INTL	12/31/2011	-2.67	4.86	-13.78	12/31/2011	-13.78	7.60	-4.55	5.79	7.95	1 % / 30days	0.90% on 12/30/2011	12/27/1991
TEMPLETON FOREIGN A	12/31/2011	-3.13	3.27	-12.71	12/31/2011	-12.71	12.35	-2.16	5.30	10.75	—	1.17% on 01/01/2012	10/05/1982

Blended Fund Investments

Large Cap

FID FREEDOM 2030	12/31/2011	0.02	6.60	-3.15	12/31/2011	-3.15	12.98	-0.12	3.66	5.81	—	0.75% on 05/28/2011	10/17/1996
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Others

FID FREEDOM 2000	12/31/2011	0.24	2.53	2.01	12/31/2011	2.01	8.62	3.03	3.75	5.60	—	0.47% on 05/28/2011	10/17/1996
FID FREEDOM 2010	12/31/2011	0.16	4.82	-0.28	12/31/2011	-0.28	11.59	2.20	4.22	6.33	—	0.62% on 05/28/2011	10/17/1996
FID FREEDOM 2020	12/31/2011	0.08	5.54	-1.36	12/31/2011	-1.36	12.81	1.13	4.15	6.29	—	0.69% on 05/28/2011	10/17/1996
FID FREEDOM INCOME	12/31/2011	0.26	2.49	2.02	12/31/2011	2.02	8.44	3.27	3.73	5.02	—	0.46% on 05/28/2011	10/17/1996
FID PURITAN	12/31/2011	0.64	6.25	0.67	12/31/2011	0.67	13.30	1.81	4.92	10.94	—	0.60% on 10/29/2011	04/16/1947

Bond Investments

Income

PIMCO TOT RETURN ADM	12/31/2011	1.71	2.16	3.91	12/31/2011	3.91	8.60	7.82	6.53	7.31	—	0.71% on 11/21/2011	09/08/1994
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Short Term Investments

Others

FID RETIRE MMKT	12/31/2011	0	0	0.01	12/31/2011	0.01	0.22	1.72	1.99	3.95	—	0.42% on 10/29/2011	12/02/1988
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Other Investments

Others

BROKERAGELINK	—	—	—	—	—	—	—	—	—	—	—	—	—
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† For Fidelity fund of funds the performance table displays both the Expense Ratio and the Combined Total Expense Ratio. Expense Ratio is the total annual fund operating expense ratio from the fund's most recent prospectus. Combined Total Expense Ratio reflects expense reimbursements and reductions and is based on the total operating expense ratio of the fund plus a weighted average of the total operating expense ratios of the underlying Fidelity funds in which it was invested. This ratio may be higher or lower depending on the allocation of the fund's assets among the underlying Fidelity funds and the actual expenses of the underlying Fidelity funds.

† Expense Ratio is the total annual fund operating expense ratio from the fund's most recent prospectus. Please note that for the non-Fidelity fund-of-funds listed, the ratio shown may solely reflect the total operating expense ratio of the fund, or may be a combined ratio reflecting both the total operating expense ratio of the fund and the total operating expense ratios of the underlying funds in which it was invested. Please consult the fund's prospectus for more detail on a particular fund's expense ratio.

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period

indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

The management company may be temporarily reimbursing a portion of the fund's expenses. Absent such reimbursement, returns and yields would have been lower. A fund's expense limitation may be terminated at any time. Please see the prospectus for further information.

AN INVESTMENT IN A MONEY MARKET FUND IS NOT INSURED OR GUARANTEED BY THE FDIC OR ANY OTHER GOVERNMENT AGENCY. ALTHOUGH MONEY MARKET FUNDS SEEK TO PRESERVE THE VALUE OF YOUR INVESTMENT AT \$1 PER SHARE, IT IS POSSIBLE TO LOSE MONEY BY INVESTING IN THESE FUNDS.

A money market fund's current yield reflects the current earnings of the fund while the total return refers to a specific past holding period.

Performance of an index is not illustrative of any particular investment and an investment cannot be made directly in an index.

The NASDAQ Composite[®] Index is an unmanaged market capitalization-weighted index of the National Market System which includes over 5,000 stocks traded only over-the-counter and not on an exchange.

The Dow Jones Industrial Average (DJIA) is an unmanaged price-weighted index and is the most widely used indicator of how the country's industrial leaders are performing. Also known as "the Dow," this is a formula based on the stock prices of 30 major companies chosen from sectors of the economy most representative of our country's economic condition.

The Russell 2000[®] Index is an unmanaged market capitalization-weighted index of 2,000 small company stocks of U.S. domiciled companies.

The S&P 500[®] Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors.

Investments in mortgage securities are subject to prepayment risk, which can limit the potential for gain during a declining interest rate environment and increase the potential for loss in a rising interest rate environment.

Lower-quality debt securities involve greater risk of default and/or price changes due to changes in the credit quality of the issuer.

Investments in smaller companies may involve greater risks than those of larger, more well-known companies.

Foreign investments, especially those in emerging markets involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds.

BEFORE INVESTING IN ANY INVESTMENT OPTION, PLEASE CAREFULLY CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. FOR THIS AND OTHER INFORMATION, PLEASE CALL FIDELITY AT 1-800-343-0860 OR VISIT WWW.FIDELITY.COM FOR A FREE MUTUAL FUND PROSPECTUS OR VARIABLE ANNUITY PROSPECTUS. FOR INFORMATION ON FIXED ANNUITIES, CONTACT FIDELITY TO REQUEST A FACT SHEET. READ THEM CAREFULLY BEFORE YOU INVEST.

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PERFORMANCE UPDATE

ING Life Insurance and Annuity Company

STATE OF RHODE ISLAND

Average Annual Total Returns as of: 12/31/2011 (shown in percentages)

Mutual funds offered through a retirement plan are investments designed for retirement purposes. Early withdrawals will reduce your account value and if taken prior to age 59 1/2, a 10% IRS penalty may apply.

The performance data quoted represents past performance. Past performance does not guarantee future results. For month-end performance which may be lower or higher than the performance data shown please call 800-232-5422. Investment return and principal value of an investment will fluctuate so that, when sold, an investment may be worth more or less than the original cost.

The below investment options are in Separate Account D. Please note that the figures do not include an adjustment for the ING Administrative Fund Fee (where applicable) and the deduction of the Daily Asset Charge from the Separate Account (if applicable), or other applicable contract charges. If these fees and charges were included, performance would be less favorable.

The returns assume reinvestment of all dividends (ordinary income and capital gains) and are net of management fees and other fund operating expenses.

You should consider the investment objectives, risks and charges, and expenses of the funds carefully before investing. The prospectus contains this and other information. Anyone who wishes to obtain a free copy of the fund prospectuses may call their ING representative or the number above. Please read the prospectus carefully before investing.

Returns less than one year are not annualized. Fund Inception Date is the date of inception for the underlying fund, and is the date used in calculating the periodic returns. This date may also precede the portfolio's inclusion in the product.

Investment Options	Fund Benchmark ID (BM)	1-Mo Fund	1-Mo BM	3-Mo Fund	3-Mo BM	YTD Fund	YTD BM	1-Yr Fund	1-Yr BM	3-Yr Fund	3-Yr BM	5-Yr Fund	5-Yr BM	10-Yr Fund	10-Yr BM	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
Stability of Principal																			
<i>Money Market</i>																			
ING Money Market Portfolio - Class I (2)	IBCM	0.00	0.01	0.00	0.04	0.02	0.20	0.02	0.20	0.20	0.65	1.66	1.95	1.97	2.27		01/01/1980	0.34	0.34
<i>The 7-day annualized Subaccount yield as of 12/31/2011 is 0.00%, which more closely reflects current earnings. (1)</i>																			
Stability of Principal																			
ING Fixed Account - 457/401 (6)(7)	MFR	0.29	0.00	0.87	0.01	3.50	0.02	3.50	0.02	3.60	0.10	3.92	1.43	4.48	1.68				
Bonds																			
<i>Intermediate-Term Bond</i>																			



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Investment Options	Fund Benchmark ID (BM)	1-Mo		3-Mo		YTD		1-Yr		3-Yr		5-Yr		10-Yr		Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*	
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM				
ING Intermediate Bond Portfolio - Class I	LEHM	1.55	1.10	1.71	1.12	7.54	7.84	7.54	7.84	9.64	6.77	5.04	6.50	5.18	5.78	05/23/1973	0.50	0.50	
Balanced																			
<i>Moderate Allocation</i>																			
Calvert VP SRI Balanced Portfolio	SPXRE	-0.20	1.02	6.38	11.82	4.56	2.11	4.56	2.11	13.67	14.11	0.72	-0.25	3.06	2.92	09/02/1986	0.91	0.91	
ING Balanced Portfolio - Class I	SPXRE	0.00	1.02	6.30	11.82	-1.32	2.11	-1.32	2.11	10.32	14.11	0.38	-0.25	3.15	2.92	04/03/1989	0.64	0.64	
ING Invesco Van Kampen Equity and Income Portfolio - Initial	SPXRE	2.04	1.02	8.76	11.82	-1.08	2.11	-1.08	2.11	10.88	14.11	1.58	-0.25	3.66	2.92	12/10/2001	0.65	0.65	
Large Cap Value																			
<i>Large Blend</i>																			
Fidelity® VIP Contrafund® Portfolio - Initial Class	SPXRE	0.07	1.02	9.38	11.82	-2.53	2.11	-2.53	2.11	15.74	14.11	0.95	-0.25	6.30	2.92	01/03/1995	0.65	0.65	
ING Growth and Income Portfolio - Class I	SPXRE	1.16	1.02	13.14	11.82	-0.27	2.11	-0.27	2.11	14.03	14.11	-0.14	-0.25	2.31	2.92	12/31/1979	0.60	0.60	
ING Index Plus LargeCap Portfolio - Class I	SPXRE	0.96	1.02	11.62	11.82	-0.09	2.11	-0.09	2.11	11.94	14.11	-1.54	-0.25	2.03	2.92	09/16/1996	0.44	0.44	
ING Thornburg Value Portfolio - Initial Class	SPXRE	-1.64	1.02	5.47	11.82	-13.11	2.11	-13.11	2.11	11.89	14.11	-1.97	-0.25	0.81	2.92	11/28/1997	0.90	0.90	
ING UBS U.S. Large Cap Equity Portfolio - Initial Class (4)	SPXRE	0.34	1.02	11.38	11.82	-2.56	2.11	-2.56	2.11	13.35	14.11	-2.35	-0.25	1.82	2.92	11/28/1997	0.85	0.75	
Invesco V.I. Core Equity Fund - Series I Shares	SPXRE	-1.00	1.02	8.35	11.82	-0.06	2.11	-0.06	2.11	11.99	14.11	1.19	-0.25	4.08	2.92	05/02/1994	0.89	0.89	
<i>Large Value</i>																			
Fidelity® VIP Equity-Income Portfolio - Initial Class	RS3000V	2.15	1.98	11.59	13.33	0.97	-0.10	0.97	-0.10	14.82	11.62	-2.49	-2.58	3.08	4.08	10/09/1986	0.56	0.56	
Large Cap Growth																			
<i>Large Growth</i>																			
Fidelity® VIP Growth Portfolio - Initial Class	RS3000G	-1.08	-0.31	9.78	10.94	0.20	2.18	0.20	2.18	16.87	18.09	1.38	2.46	1.51	2.73	10/09/1986	0.67	0.67	
Invesco V.I. Capital Appreciation Fund - Series I Shares	SPXRE	-2.06	1.02	6.46	11.82	-7.91	2.11	-7.91	2.11	8.79	14.11	-3.67	-0.25	0.03	2.92	05/05/1993	0.91	0.91	
Small/Mid/Specialty																			
<i>Mid-Cap Growth</i>																			
ING T. Rowe Price Diversified Mid Cap Growth Port - Initial	RSMIDGRW	-1.78	-1.50	11.16	11.24	-3.71	-1.65	-3.71	-1.65	21.91	22.06	3.15	2.44	4.41	5.29	12/10/2001	0.66	0.66	
<i>Small Blend</i>																			
ING Small Company Portfolio - Class I	RS2000	0.91	0.66	17.24	15.47	-2.49	-4.18	-2.49	-4.18	15.66	15.63	2.47	0.15	5.79	5.62	12/27/1996	0.85	0.85	
Global / International																			
<i>Foreign Large Value</i>																			
ING Templeton Foreign Equity Portfolio - Initial Class (5)	MSCIWEUSN	-2.66	-1.09	5.90	3.51	-12.00	-12.19	-12.00	-12.19	8.37	8.54	-2.72	-4.09			0.88	01/03/2006	0.96	0.96
<i>World Stock</i>																			
ING Oppenheimer Global Portfolio - Initial Class	MSCIAC	-1.88	-0.17	6.54	7.30	-8.13	-6.86	-8.13	-6.86	14.21	12.60	-1.09	-1.41			5.27	05/01/2002	0.66	0.66

The risks of investing in small company stocks may include relatively low trading volumes, a greater degree of change in earnings and greater short-term volatility.

See Performance Introduction Page for Important Information

Foreign investing involves special risks such as currency fluctuation and public disclosure, as well as economic and political risks.

Some of the Funds invest in securities guaranteed by the U.S. Government as to the timely payment of principal and interest; however, shares of the Funds are not insured nor guaranteed.

High yielding fixed-income securities generally are subject to greater market fluctuations and risks of loss of income and principal than are investments in lower yielding fixed-income securities.

Sector funds may involve greater-than average risk and are often more volatile than funds holding a diversified portfolio of stocks in many industries. Examples include: banking, biotechnology, chemicals, energy, environmental services, natural resources, precious metals, technology, telecommunications, and utilities.

*The Gross Expense Ratios shown do not reflect any temporary fee or expense waivers that may be in effect for a fund. The performance of a fund with a temporary fee or expense waiver would have been lower if the gross fund fees / expenses listed had been reflected.

PERFORMANCE UPDATE

ING Life Insurance and Annuity Company

STATE OF RHODE ISLAND

Separate Account D

Average Annual Total Returns as of: 12/31/2011 (shown in percentages)

Variable annuities and funding agreements are long-term investment vehicles designed for retirement purposes which allow you to allocate contributions among variable investment options that have the potential to grow tax-deferred with an option to receive a stream of income at a later date.

The performance data quoted represents past performance. Past performance does not guarantee future results. For month-end performance which may be lower or higher than the performance data shown please call 800-232-5422. Investment return and principal value of an investment will fluctuate so that, when sold, an investment may be worth more or less than the original cost.

These numbers reflect total Separate Account charges of 0.50% on an annual basis. They also assume reinvestment of all dividends (ordinary income and capital gains) and are net of management fees and other fund operating expenses.

Depending upon the type of contract in which you participate, you have either received disclosure booklets for the separate account and/or fund prospectuses. You should consider the investment objectives, risks and charges, and expenses of the variable product and its underlying fund options carefully before investing. The disclosure booklet contains this and other information. Anyone who wishes to obtain a free copy of the separate account disclosure booklet and/or fund prospectuses may call their ING representative or the number above. Please read the separate account disclosure booklet and/or the fund prospectuses carefully before investing.

Returns less than one year are not annualized. Fund Inception Date is the date of inception for the underlying fund, and is the date used in calculating the periodic returns. This date may also precede the portfolio's inclusion in the product.

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
Stability of Principal									
<i>Money Market</i>									
ING Money Market Portfolio - Class I (2) <i>The 7-day annualized Subaccount yield as of 12/31/2011 is -0.50%, which more closely reflects current earnings. (1)</i>	-0.04	-0.12	-0.48	-0.48	-0.30	1.16	1.46		01/01/1980
<i>Stability of Principal</i>									
ING Fixed Account - 457/401 (6)(7) <i>This fund is not part of the product's separate account.</i>	0.29	0.87	3.50	3.50	3.60	3.92	4.48		
Bonds									
<i>Intermediate-Term Bond</i>									

See Performance Introduction Page for Important Information

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
ING Intermediate Bond Portfolio - Class I	1.51	1.59	7.00	7.00	9.09	4.52	4.66		05/23/1973
Balanced									
<i>Moderate Allocation</i>									
Calvert VP SRI Balanced Portfolio	-0.25	6.25	4.04	4.04	13.10	0.21	2.54		09/02/1986
ING Balanced Portfolio - Class I	-0.04	6.17	-1.81	-1.81	9.77	-0.12	2.63		04/03/1989
ING Van Kampen Equity and Inc-I/Janus Asp Balanced-I (3)	2.00	8.63	-1.58	-1.58	10.32	1.07	3.83		09/13/1993
ING Invesco Van Kampen Equity and Income Portfolio - Initial	2.00	8.63	-1.58	-1.58	10.32	1.07	3.15		12/10/2001
Large Cap Value									
<i>Large Blend</i>									
Fidelity® VIP Contrafund® Portfolio - Initial Class	0.03	9.25	-3.01	-3.01	15.17	0.44	5.77		01/03/1995
ING Growth and Income Portfolio - Class I	1.12	12.99	-0.77	-0.77	13.46	-0.64	1.80		12/31/1979
ING Index Plus LargeCap Portfolio - Class I	0.92	11.48	-0.58	-0.58	11.39	-2.04	1.52		09/16/1996
ING Thornburg Value Portfolio - Initial Class	-1.68	5.34	-13.55	-13.55	11.33	-2.46	0.31		11/28/1997
ING UBS U.S. Large Cap Equity Portfolio - Initial Class (4)	0.30	11.24	-3.05	-3.05	12.78	-2.84	1.31		11/28/1997
Invesco V.I. Core Equity Fund - Series I Shares	-1.04	8.22	-0.56	-0.56	11.44	0.69	3.57		05/02/1994
<i>Large Value</i>									
Fidelity® VIP Equity-Income Portfolio - Initial Class	2.11	11.45	0.47	0.47	14.25	-2.98	2.56		10/09/1986
Large Cap Growth									
<i>Large Growth</i>									
Fidelity® VIP Growth Portfolio - Initial Class	-1.12	9.64	-0.30	-0.30	16.29	0.87	1.01		10/09/1986
Invesco V.I. Capital Appreciation Fund - Series I Shares	-2.10	6.33	-8.37	-8.37	8.25	-4.15	-0.47		05/05/1993
Small/Mid/Specialty									
<i>Mid-Cap Growth</i>									
ING T. Rowe Price Div MidCap-I/Janus Aspen MidCap - I (3)	-1.82	11.02	-4.19	-4.19	21.30	2.64	4.45		09/13/1993
ING T. Rowe Price Diversified Mid Cap Growth Port - Initial	-1.82	11.02	-4.19	-4.19	21.30	2.64	3.89		12/10/2001
<i>Small Blend</i>									
ING Small Company Portfolio - Class I	0.86	17.09	-2.97	-2.97	15.08	1.96	5.27		12/27/1996
Global / International									
<i>Foreign Large Value</i>									
ING Templeton Foreign Equity Portfolio - Initial Class (5)	-2.70	5.76	-12.43	-12.43	7.83	-3.20		0.38	01/03/2006
<i>World Stock</i>									
ING Oppenheimer Global-Int/Janus Aspen Worldwide Gr-Inst (3)	-1.92	6.41	-8.59	-8.59	13.65	-1.58	1.51		09/13/1993
ING Oppenheimer Global Portfolio - Initial Class	-1.92	6.41	-8.59	-8.59	13.65	-1.58		4.74	05/01/2002

The risks of investing in small company stocks may include relatively low trading volumes, a greater degree of change in earnings and greater short-term volatility.

Foreign investing involves special risks such as currency fluctuation and public disclosure, as well as economic and political risks.

Some of the Funds invest in securities guaranteed by the U.S. Government as to the timely payment of principal and interest; however, shares of the Funds are not insured nor guaranteed.

High yielding fixed-income securities generally are subject to greater market fluctuations and risks of loss of income and principal than are investments in lower yielding fixed-income securities.

Sector funds may involve greater-than average risk and are often more volatile than funds holding a diversified portfolio of stocks in many industries. Examples include: banking, biotechnology, chemicals, energy, environmental services, natural resources, precious metals, technology, telecommunications, and utilities.

Additional Notes

(1)The current yield reflects the deduction of all charges under the contract that are deducted from the total return quotations shown.

Insurance products, annuities and funding agreements issued by ING Life Insurance and Annuity Company One Orange Way Windsor, CT 06095, (ILIAC), which is solely responsible for meeting its obligations. Plan administrative services provided by ILIAC or ING Institutional Plan Services, LLC. All companies are members of the ING family of companies. Securities are distributed by or offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.

For a performance report reflecting the charges or more information regarding product expenses, please contact your ING Representative.

(2)An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although effective October 7, 2008, the fund seeks to preserve the value of your investment at \$1.00 per share, there is no assurance it will be able to do so. While the fund's objective includes the preservation of capital, it is possible to lose money by investing in the fund.

(3)The latter fund listed was replaced with the applicable ING Partners, Inc. Portfolio (the first fund listed). For most Plans this occurred after the close of business on December 3, 2004. The performance shown is based on the performance of the replaced fund until December 3, 2004, and the performance of the applicable ING Partners, Inc. Portfolio after that date. The replaced fund may not have been available under all contracts.

(4)ING UBS U.S. Large Cap Equity Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.75% through May 1, 2012. There is no guarantee this obligation will continue after May 1, 2012. This obligation will continue only if the adviser elects to renew it and is not eligible for recoupment. This obligation does not extend to interest, taxes, brokerage commissions, extraordinary expenses, and Acquired Fund Fees and Expenses.

(5)ING Templeton Foreign Equity Portfolio - Inst Class: Under the administrative services agreement between ING Partners Inc., on behalf of the Portfolio and ING Funds Services, LLC, the Portfolio's administrator, ING Funds Services, LLC, provides administrative services necessary for the Portfolio's operation and is responsible for the supervision of the Portfolio's other service providers. ING Funds Services, LLC assumes all recurring costs of the Portfolio, such as custodian, director's, transfer agency and accounting fees.

(6)The CURRENT rate for the ING Fixed Account - 457/401 Base+125 is 3.15%, expressed as an annual effective yield, and is guaranteed not to drop below 3.00% through 12/31/2012. The annual rate of interest applied to your account may be higher or lower than the current rate. Restrictions may apply to transfers of funds from the Fixed Account to other contract investment options. Please refer to your product prospectus / disclosure booklet and call your 800 number for more information.

(7)The Investment Option is neither a mutual fund nor part of a Separate Account. The returns listed do not include the impact of contract charges. Please refer to the contract or disclosure book to determine which Fixed Interest Options are available for your specific plan. The Investment Option is offered through ING Life and Insurance Annuity Company.

Not all investments options are available under all contracts; please check your disclosure booklet for options available under your plan.

The returns do not reflect the impact of a Deferred Surrender Charge. If included, performance would be less favorable.

Benchmark ID	Benchmark Description
IBCM	The Money Fund Report Averages - All Taxable is an average of the returns of over 250 money market mutual funds surveyed each month by IBC/Donoghue, Inc.
LEHM	The Barclays Capital U.S. Aggregate Index is an unmanaged index composed of securities from the Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index, and the Asset-Backed Securities Index, including securities that are of investment-grade quality or better and have at least one year to maturity. Please note that indexes are unmanaged and their returns do not take into account any of the fees and expenses of the funds to which they are compared. Individuals cannot invest directly in any index.

See Performance Introduction Page for Important Information

Benchmark ID	Benchmark Description
MFR	The MFR Money Market Index is comprised of returns which are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by iMoney.net, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.
MSCIAC	The Morgan Stanley Capital International (MSCI) All Country World Index is a broad-based unmanaged index of developed country and emerging market equities.
MSCIWEUSND	MSCI World Ex United States Net Dividend
RS2000	The Russell 2000 Index (a small cap index) consists of the smallest 2,000 companies in the Russell 3000 Index and represents approximately 10% of the Russell 3000 total market capitalization. The Russell 2000 returns assume reinvestment of all dividends.
RS3000G	The Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.
RS3000V	The Russell 3000 Value Index is a market capitalization-weighted index of value-oriented stocks of U.S. domiciled corporations.
RSMIDGRW	The Russell MidCap Growth Index is an unmanaged index of U.S. mid-cap growth stocks.
SPXRE	The Standard & Poor's (S&P) 500 Index is considered to be representative of the stock market in general. The S&P 500 returns assume reinvestment of all dividends.

The information is current as of 12/31/2011.

Effective December 31, 2001, all future contributions for all existing and new participants will be directed to VALIC for investment into the mutual fund and fixed-interest option investments. All VALIC annuity investment options will be closed to current or future Plan participants after this date.

Category/Funds	YTD Return	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	ITD Date
Domestic Equity								
Domestic Large Cap Equity								
<i>Large Cap Value</i>								
Dividend Value Fund (Black Rock/SunAmerica)	7.31	7.31	12.75	-1.88	2.29	2.29	1.90	12/8/2000
Vanguard Windsor II Fund	1.63	1.63	11.83	-2.39	3.13	3.13	1.40	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	-1.27	-1.27	10.58	-2.92	0.26	0.26	1.88	4/29/1994
Stock Index Fund (SunAmerica)	1.01	1.01	12.88	-1.35	1.76	1.76	1.18	4/20/1987
<i>Large Cap Growth</i>								
Growth Fund (American Century)	-1.41	-1.41	16.13	2.40	0.91	0.91	1.69	12/5/2005
Large Capital Growth Fund (SunAmerica/Invesco)	-6.87	-6.87	11.56	-0.68	1.10	1.10	1.58	12/20/2004
Domestic Mid Cap Equity								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (RCM/MorganStanley)	-7.49	-7.49	19.10	2.29	4.20	4.20	1.64	12/20/2004
Global Equity								
Global Social Awareness Fund (PineBridge Investments)	-6.92	-6.92	10.59	-3.57	0.47	0.00	1.48	10/2/1989
Emerging Economies (formerly Global Equity) Fund (JPMorgan)	-13.71	-13.71	6.97	-6.67	-2.39	-2.39	1.8	12/5/2005
International Equity								
Foreign Value Fund (Templeton Global)	-13.71	-13.71	10.42	-3.97	-0.01	-0.01	1.64	12/5/2005
Speciality								
Science & Technology Fund (T. Rowe/RCM/Wellington)	-6.74	-6.74	22.86	3.02	1.08	1.08	1.82	4/29/1994
Hybrid								
<i>Balanced</i>								
Vanguard Wellington Fund	2.77	2.77	10.91	2.38	5.06	5.06	1.35	7/1/1929
Fixed Income								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	16.25	16.25	11.27	7.55	6.96	6.96	1.04	7/9/1973
Vanguard Long-Term Treasury Fund	28.24	28.24	6.53	9.75	7.85	7.85	1.02	5/19/1986
<i>International</i>								
International Government Bond Fund (PineBridge Investments)	3.65	3.65	7.16	5.20	7.50	7.50	1.47	10/1/1991
<i>Stable Value</i>								
Money Market I Fund (SunAmerica)	-0.79	-0.79	-0.69	0.63	0.90	0.90	1.32	1/16/1986
7-Day current yield at 30-Sep-2009: -0.79								
Fixed Account Plus	3.34	3.34	3.60	3.70	4.30	4.30		1/1/1982
Short Term Fixed Account	1.00	1.00	2.00	2.40	2.70	2.70		1/1/1991

An investment in money market funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the funds.

Returns reflect overall changes in accumulation unit value from the beginning to the end of the periods shown, after deduction of fund expenses. Figures on pages 3 & 4 do not reflect deduction of account maintenance fees, surrender charges, premium taxes or IncomeLOCK fees, if applicable. Separate Account expenses are deducted only from variable options. The expenses are calculated each day and are based on the average daily net asset value of each option at the Separate Account level. The expenses are annualized at 0.35% to 1.25%, depending on the variable option and contract. Returns for periods prior to the date the funds became available in the Separate Account are hypothetical and are calculated as if the fund had been in the Separate Account during the stated period.

Amounts held in your employer-sponsored plan(s), as well as in IRA's, are generally tax-deferred (and subject to required minimum distributions), regardless of whether they are used to fund an annuity or another qualifying arrangement, such as a trust or custodial account.

Bear in mind that annuities also provide additional features and benefits, including, but not limited to a guaranteed death benefit and guaranteed lifetime income options, for which a Separate Account fee is charged. Annuities are long-term investments. Income taxes are payable upon withdrawal. Federal restrictions and tax penalties may apply to early withdrawals.

Contributions to your Portfolio Director Fixed and Variable Annuity contract can qualify to be tax-deferred, subject to applicable contribution limits and related rules. That tax deferral is a result of issuing the contract, which satisfies specific important tax law requirements, including plan requirements, under your employer's retirement plan. It does not result from the mere fact that the contract is an annuity. Therefore, you do not receive any additional tax-deferred treatment of earnings beyond the treatment provided by the tax-qualified retirement plan itself.

Fixed Account Plus contributions received and deposited during a given month will earn that month's Current interest rate for the remainder of that calendar year (for all contract series except 7.0, 7.20, 7.40, 12.0, 12.20, 12.40, and 13.20). VALIC intends (though does not guarantee) to pay this same interest rate for those deposits and transfers through the end of the following calendar year. The current interest rate may differ from month to month.

*Performance numbers for Fixed Account Plus and Short Term Fixed are based on annualized returns.

All Fixed Account Plus deposits for series 7.0, 7.20, 7.40, 12.0, 12.20, 12.40, and 13.20 will earn the monthly declared interest rate until that rate is changed. The interest rate for the Short-Term Fixed Account is declared annually in January.

All Short-Term Fixed Account deposits will earn the annual declared interest rate for the remainder of that calendar year. Interest is credited daily and subject to the claims-paying ability of the insurance company. Please refer to your contract for the minimum guaranteed rate. VALIC's interest-crediting policy is subject to change. Premium taxes will be deducted when required by state law.

Returns for fixed options were calculated assuming a lump-sum deposit on the first day of each period and interest credited to the account according to VALIC's interest crediting policy. Equivalent rates were used, even though the contract may not have been available for sale during all periods shown.

Applicable to Portfolio Director Fixed and Variable Policy Form series UIT-194, UTIG-194, UTIG-194P, and UITN-194.

This fund closed to new deposits effective 2/12/2010.

Returns for periods prior to the date the funds became available in the Separate Account are hypothetical and are derived from the performance of the underlying fund, adjusted to reflect fees, expenses, and surrender charges if applicable, of Portfolio Director as if the fund had been in the Separate Account during the stated period.

If applicable returns on pages 1 & 2 reflect deduction of account maintenance fees and surrender charges, but not premium taxes or IncomeLOCK fees, if applicable. Partial or full surrenders may be subject to a surrender charge of the lesser of either 5% of the sum of the contributions received during the prior 60 months, or 5% of the amount withdrawn. There may be a quarterly account maintenance fee of \$3.75 for investments in the variable options, depending on the contract. There are no account maintenance fees for investments in the fixed options.

The current 7-day yield more closely reflects the current earnings of the money market fund than does the total average annual return. Yields are historical and do not guarantee future performance. Yields do not reflect deduction of surrender charges or premium taxes, if applicable.

- 1) The inclusion data found in this chart are based upon the date the funds were included in the Separate Account or for the General Account, when added to the contract.
- 2) The inception data are based upon the inception date of underlying fund.

For funds with less than a full year of performance the returns are cumulative.

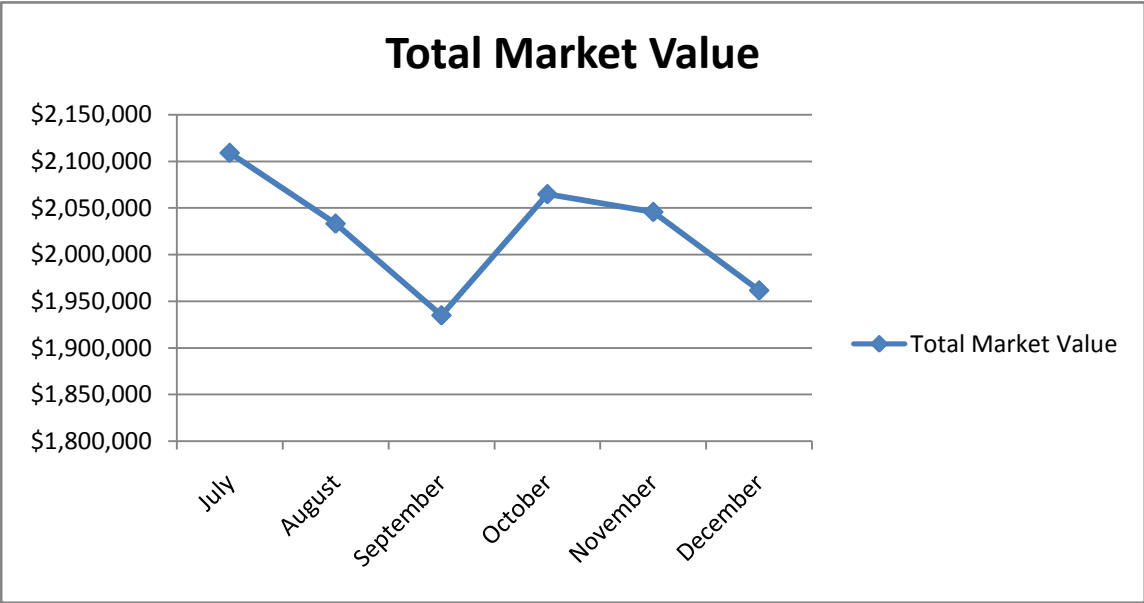
Generally, higher potential returns involve greater risk and short-term volatility. For example: Small-cap, mid-cap, sector and emerging funds can experience significant price fluctuation due to business risks and adverse political developments. International (global) and foreign funds can experience price fluctuation due hanging market conditions, currency values, and economic and political climates. High-yield bond funds, which invest in bonds that have lower ratings, typically experience price fluctuation and a greater risk of loss of principal and income than when investing directly in U.S. government securities such as U.S. Treasury bonds and bills, which are guaranteed by the government for repayment of principal and interest if held to maturity. Mortgage-related funds' underlying mortgages are more likely to be prepaid during periods of declining interest rates, which could hurt the fund's share price or yield, and may be prepaid more slowly during periods of rapidly rising interest rates, which may lengthen the fund's expected maturity. Investors should carefully assess the risks associated with an investment in the fund. Fund shares are not insured and are not backed by the U.S. government, and their value and yield will vary with market conditions.

SPECIAL FUNDS

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
Fiscal Year 2012**

Month End	Year	Total Market Value
July	2011	\$2,109,125
August	2011	\$2,033,158
September	2011	\$1,934,689
October	2011	\$2,064,776
November	2011	\$2,045,658
December	2011	\$1,961,447
January	2012	N/A
February	2012	N/A
March	2012	N/A
April	2012	N/A
May	2012	N/A
June	2012	N/A

***2012 FY Gain/Loss -\$147,678**



*Includes withdrawals and contributions- annual withdrawal in December 2011 was \$94,815.

OPEB

State of Rhode Island

RATES OF RETURN - Total

Periods Ending December 31, 2011



STATE STREET

PERFORMANCE SUMMARY REPORT

	EMV	ROR	Qtr ROR	FYTD	YTD	1 YEAR	3 YEARS	ITD	Incept Date
BROWN BROTHERS FI	18,933,040	1.08	1.05	4.26				4.26	07-01-11
BC AGGREGATE		1.10	1.12	4.98				4.98	
SSGA S&P 500 INDEX FUND	10,013,976	1.04	11.85	-3.77				-2.28	05-01-11
S&P 500		1.02	11.82	-3.69				-6.37	
TOTAL OPEB	28,947,016	1.12	4.43	1.31				2.60	05-01-11
<i>OPEB Custom Blend</i>		<i>1.07</i>	<i>4.58</i>	<i>1.87</i>				<i>-0.96</i>	