

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
March 31, 2012**

**April 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, April 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 February 27, 2012*
 - State Investment Commission Meeting held on March 19, 2012*
 - State Investment Commission Meeting held on March 28, 2012*
4. Alternative Consultant— Portfolio Update
5. General Consultant — Fixed Income Update
6. Legal Counsel Report
7. Chief Investment Officer Report- RFP Update
8. Treasurer's Report

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

POSTED ON FRIDAY, APRIL 20, 2012

APPROVAL OF MINUTES



State Investment Commission
Monthly Meeting Minutes
Wednesday, February 27, 2012
9:00 a.m.
Room 135, State House

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:04 a.m., Wednesday, February 27, 2012 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 and Alison Albanese, of Adler Pollock, & Sheehan, Mr. Joe Rodio Jr. and Mr. Joseph Pezze, of Rodio & Ursillo Legal Counsel to the Commission; Mr. Alan Emkin and Mr. John Burns, of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Mr. Thomas Lynch of Cliffwater, Alternative Investment Consultant to the Commission; Ms. Lisa Tyrell and Mr. Nick Katsikis, of State Street Corporation; Mr. Frank Picarelli of Segal Advisors; Mr. Kenneth Goodreau, chief investment officer, members of the Governor's staff, members of the media and members of the Treasurer's staff.

Treasurer Raimondo called the meeting to order at 9:04 a.m.

II. Approval of Minutes

On a motion by Mr. Costello and seconded by Ms. Booth Gallogly, it was unanimously **VOTED: To approve the draft of the minutes of the January 25, 2012 meeting of the State Investment Commission.**

III. Cliffwater Presentation

Mr. Lynch introduced Centerbridge and pointed out they are currently a general partner with Rhode Island through their capital fund. He introduced their second strategy, Centerbridge Special Credit partners II which takes non-controlled positions, undervalued credits and companies in financial distress and adds value by improving the company's balance sheet.

Mr. Jeffrey Aronson co-founder of Centerbridge introduced himself via telephone. He provided some background about Centerbridge as a firm on page two of the handout. The first fund is private equity focused and the second fund is distressed credit, two counter-cyclical funds. He differentiated it from a private equity strategy. The returns for their first credit fund through December 31, 2011 was a net IRR of 17.4%.

Mr. Aronson described the distressed environment at a macro level. He explained there are a number of good distressed opportunities in certain areas in Europe in particular and the United States as well. Like the last distressed fund, the portfolio will have more U.S. exposure.

He explained the fund has a \$2B hard-cap and the closing is March 1st 2012.

Mr. Lynch reviewed Cliffwater's investment and operations due diligence as well as the legal review of Centerbridge. Cliffwater recommends a \$25M investment because it is a highly sought after vehicle. He explained this is a top manager and a shorter-duration strategy with a higher level of cash flow than a typical private equity investment.

Treasurer Raimondo mentioned she knew a number of investors trying to get into the fund who can't and Mr. Reilly added the fee structure is favorable.

On a motion by Ms. Reback and seconded by Mr. Reilly, it was unanimously

VOTED: To invest \$25 million in Centerbridge Special Credit Partners II subject to negotiation and finalization of documentation after legal counsel review. Ms. Booth Gallogly recused.

IV. TIAA CREFF Presentation

Ed Moslander, Darren Lopes, Tim Walsh and Roger Ferguson from TIAA-CREF entered the room. Mr. Moslander outlined the Treasurer's goals for the plan which are affordability, sustainability and secure retirement for the employees. He explained how TIAA plans to meet these objectives. He explained they are committed to Rhode Island and have over 300 employers which use TIAA as their retirement plan provider. Should they win the mandate TIAA will open an office in Rhode Island. TIAA is a U.S. based non-profit and all the money made beyond expenses benefits the participants in the plan. Mr. Moslander described their history of administering plans since 1919. They currently have the highest financial ratings an insurance company can have from all four major ratings agencies, one of only three in the country and the sole leader in the government space. He explained they provide fiduciary level advice for every employee at no additional charge. Mr. Moslander reviewed the fees and services. There will be over 50 financial consultants on the ground in Rhode Island during the transition to ensure the participants understand changes to the program.

Mr. Lopes discussed TIAA's communication, education and advice programs. He reiterated they will provide fiduciary advice to ensure the employees make sound investment decisions. He reviewed the discovery and planning, announcement, education and evaluation stages. He added TIAA will provide over 250 employees for about 200 seminars, 90 webinars and over 100 counseling desk sessions.

Mr. Walsh reviewed the investment portion of the presentation and explained TIAA offers access to over 15,000 investment options, with innovative asset allocation solutions and unique asset class strategies. He reviewed the default vehicle lineup TIAA recommends initially. He explained the board is able to add and eliminate fund options at any time.

Ms. Booth Gallogly and Mr. Costello asked about portability of the plan. Mr. Reilly asked about technology platforms and Treasurer Raimondo asked about the performance metrics and reiterated retirement readiness should be included.

Mr. Ferguson concluded the presentation, TIAA answered more questions and the TIAA team exited the boardroom.

V. Great-West Presentation

Greg Seller, Brent Neese and Amy Heyel from Great-West entered the room. Mr. Seller gave an overview of the company and explained their large number of state plans assets' under management across the country and in New England. Their main call center is in Andover, MA with local dedicated staff. Mr. Seller reviewed white label custom funds and future opportunities in that space. He explained their national disaster recovery system and their performance guarantee program. He unveiled the stable value investment services and their cost proposal. Ms. Heyel reviewed the active and passive target date plan investment strategies with an average cost of 45 and 22 basis points respectively. She also reviewed recommendations for default options and explained the participant advisory services.

Ms. Booth Gallogly asked if the retirement ready report card included the defined benefit and Ms. Heyel said yes, it could.

Mr. Neese reviewed Great West's SecureFoundation® program protecting plan members from longevity, market, sequencing and inflationary risk. He then reviewed the communication, branding and educational plans.

Ms. McNamara and Mr. Giudici asked what fiduciary responsibilities Great-West assumes and Mr. Seller answered they do provide advice for a fee.

The Great-West team answered a few more questions and then exited the room.

VI. Defined Contribution Provider Selection

Mr. Mark Dingley, legal counsel to the Treasurer's office, provided a detailed rubric-based analysis of the site visit to Great-West and TIAA-CREF. He noted while Great-West has more state-level experience, they mostly manage 457 deferred compensation programs, not 401-A plans. Mr. Picarelli reiterated there is a big difference between the two because one is supplemental and one if for retirement.

Mr. Dingley continued to explain TIAA's fee structure is less per member and they have no additional charge for advice.

Mr. Costello reiterated TIAA takes full fiduciary responsibility, while Great-West does not except for their managed accounts. This to him was a big differentiator and other members of the board agreed.

Treasurer Raimondo reiterated TIAA is a AAA rated company has a long history paying benefits where Great-West is AA. Treasurer Raimondo believes this is a big differentiator.

Mr. Reilly provided commentary on if companies are incentivized to offer their own products and Mr. Dingley explained with the open platform the board has full authority to choose any fund.

Mr. Andrew Raucci, Treasury staff spoke about payroll and online capabilities and informed the committee TIAA recently made an acquisition to further improve these processes.

Ms. Reback explained the leadership of the public sector labor community who represents the participants in the plan supports choosing TIAA.

Mr. Costello applauded the process and due diligence efforts and explained we had two reputable choices.

Mr. Picarelli offered his opinion. After further discussion the presenters recommended the board choose TIAA-CREF as the defined contribution plan service provider.

On a motion by Ms. Reback and seconded by Mr. Reilly, it was unanimously

VOTED: To engage TIAA-CREF as the defined contribution vendor provider subject to successful negotiations, legal agreements and completion of reference checks.

VII. General Consultant Presentation

Mr. Emkin gave a brief presentation on fixed income and interest rate risk.

Treasurer Raimondo asked PCA to come to the next meeting with an in-depth presentation on the magnitude of our risk and lead a discussion about potential solutions. She explained this is particularly important because fixed income is such a large part of our portfolio and by definition should be a reliable income stream. She stressed this portion of the portfolio has to perform well to get a targeted 7.5% average rate of return.

Mr. Goodreau explained PCA and Treasury staff is currently conducting performance review meetings with all fixed income managers.

VIII. Legal Counsel Report

There was no legal report.

X. Chief Investment Officer Report

Ms. Reback expressed concern regarding the \$8/person state administrative expense, and Mr. Dingley explained the Treasurer's administration is pushing for the fee to come out of the general fund especially while assets in the defined contribution plan are low initially, but that it is a legislative process and has not been finalized.

Mr. Vincent Izzo, Rhode Island's cash manager made a point of clarification about the Ocean State Investment Pool (OSIP) regarding fund manager notification when the fund exceeds 25% financials.

Mr. Goodreau stated Treasury released a RFI for rebalancing managers which yielded 23 responses.

XI. Treasurer's Report

Treasurer Raimondo had no report.

XII. Adjournment

There being no other business to come before the Board, on a motion by Mr. Costello and seconded by Ms. Booth Gallogly the meeting adjourned at 12:30 p.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer



State Investment Commission
Monthly Meeting Minutes
Monday, March 19, 2012
9:00 a.m.
Room 313, State House

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:09 a.m., Monday, March 19, 2012 in Room 313, 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. Marcia Reback, Mr. Andrew Reilly and General Treasurer Gina Raimondo.

Also in attendance: Mr. Joe Rodio Jr. and Mr. Joseph Pezze, of Rodio & Ursillo Legal Counsel to the Commission; Mr. John Burns, of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Mr. Nick Katsikis, of State Street Corporation; Mr. Darren Lopes and Mr. Tim Walsh of TIAA-CREF, defined contribution plan vendor; Mr. Frank Picarelli and Mr. Craig Chaikin of Segal Advisors; Mr. Kenneth Goodreau, chief investment officer and members of the Treasurer's staff.

Treasurer Raimondo called the meeting to order at 9:09 a.m.

II. Approval of Minutes

On a motion by Ms. Reback and seconded by Mr. Giudici it was unanimously

VOTED: To approve the draft of the minutes of the February 14, 2012 meeting of the State Investment Commission.

III. Investment Fund Review

Mr. Mark Dingley, Treasury legal counsel introduced TIAA-CREF to review the staff recommendation for the investment fund lineup.

Mr. Walsh described the specific criterion each fund should have including low-cost, brand name recognition for participants and be strategic and long-term orientated. He explained even though this is not an ERISA plan, this plan is designed to follow ERISA standards including prudent process, appropriate consideration and documentation. He said the plan must meet the goal of *all* participants. Best practice is 15-20 options investment products for participants to choose from. Mr. Walsh reviewed the *do it yourself* investment menu and the default lineup in extensive detail. Mr. Walsh explained participants have full liquidity subject to a 90-day equity-wash rule to protect all participants. They are never restricted from changing their investment account. Mr. Dingley pointed out none of these products are providing TIAA with any revenue sharing and Rhode Island is getting TIAA's most favored nation (MFN) pricing.

Mr. Walsh explained as assets in funds increase, fees and rates become more favorable. TIAA will monitor share class steps closely. He then reviewed the stable value pitch book.

Mr. Giudici asked about educating the participant and Mr. Walsh reiterated all participants can receive advice from an investment professional in person or over the phone.

Mr. Dingley said actuaries estimate \$125-\$150 million of assets into the DC plan annually. He explained this is our initial fund lineup and it will be reviewed by the vendor and the SIC board on an ongoing basis.

Mr. Chaikin and Mr. Picarelli explained Segal's assessment on the investment lineup including the TIAA Real Estate product. Segal Advisors approved of the real estate fund because of its low correlation with equities, but stressed it was difficult to benchmark because of its 20% allocation to cash. He pointed out the product is unique because it provides participants with direct investments in real estate and not REITs.

Treasurer Raimondo pointed out it is a low-fee for this type of product and Mr. Reilly said participants would not have access to a quality product like this outside the D/C plan.

Mr. Picarelli explained their scoring process and said it is difficult for a company to get an A or B rating from Segal. Having said that, he said all of the funds in the lineup were rated A or B except for the PIMCO real-return and TIAA Real Estate funds. He reiterated the fees for the plan were very low relative to other index funds in their universe. The PIMCO fund was rated lower because it was more diversified than the benchmark and has more alpha potential. It has done very well in terms of performance compared to its peers. TIAA Real Estate received a lower score because the benchmark being used is a REIT index. It would be scored higher if adjusted. Given it doesn't fit into their rating system, Mr. Picarelli said a more applicable rating would be "N/A."

Mr. Dingley reiterated this is an open platform and can change any time.

On a motion by Ms. Reback and seconded by Ms. Booth Gallogly, it was unanimously **VOTED: To approve the investment menu as presented by staff on page two of the handout.**

IV. Plan Design and Document Review

Mr. Dingley reviewed the plan feature recommendations. They are: No employee elective pre-tax or after-tax contributions; no loans or hardship distributions; rollovers permitted into and out, but transfers are not permitted; normal form of benefit is a life annuity; all IRS permissible options including annuities, lump sums and installments; joint and survivor annuity with spouse is not mandated; no contribution if no compensation for military service, but can qualify as separation from service; and participant fees of \$32 for TIAA and \$8 state administration fee subject to state legislative budget determinations.

Mr. Dingley explained the only elective contribution is a onetime irrevocable election and pointed out it is a retirement plan not a savings plan.

Mr. Dingley said staff is recommending the SIC approve the \$8 additional participant fee subject to the state legislative budget determination. He pointed out even at \$40; the fee is much lower than initially proposed from TIAA and other vendors in the RFP process.

Mr. Costello pointed out none of the decisions being made are irrevocable.

On a motion by Mr. Costello and seconded by Ms. Reback, it was unanimously **VOTED: To approve the initial plan feature recommendations.**

V. Contract Status

Mr. Dingley explained the initial service provider contract is signed. The stable value, real estate and custodial contracts are being reviewed by staff and legal counsel.

VI. Communication/Education Update

Mr. Dingley said TIAA was on hand four days last week and four this week meeting with unions, the Department of Education, The League of Cities and Towns among other interested groups to figure out how to best communicate the program. TIAA has 198 meetings across the state and 52 counselors to meet with the individual participants.

Mr. Lopes updated the committee and said education and communication is going smoothly. Treasurer Raimondo explained her office has received calls praising TIAA's initial efforts.

VII. Adjournment

There being no other business to come before the Board, on a motion by Ms. Reback and seconded by Mr. Giudici the meeting adjourned at 11:01 p.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer



State Investment Commission
Monthly Meeting Minutes
Wednesday, March 28, 2012
9:00 a.m.
Room 135, State House

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:05 a.m., Wednesday, March 28, 2012 in Room 135, State House.

I. Roll Call of Members

The following members were present: Mr. J. Michael Costello, Mr. Robert Giudici, Ms. Paula McNamara, Ms. Marcia Reback and General Treasurer Gina Raimondo.

Also in attendance: Ms. Sally Dowling, of Adler Pollock, & Sheehan, Mr. Joe Rodio Jr. of Rodio & Ursillo Legal Counsel to the Commission; Mr. Alan Emkin, Mr. John Burns and Lindsey Sugar, of Pension Consulting Alliance (PCA), General Policy and Real Estate Consultant to the Commission; Mr. Thomas Lynch of Cliffwater, Alternative Investment Consultant to the Commission; Mr. Kenneth Goodreau, chief investment officer, members of Rhode Island's House and Senate staff and members of the Treasurer's staff.

Treasurer Raimondo called the meeting to order at 9:05 a.m.

II. Cliffwater Presentation

Mr. Lynch explained the hedge fund implementation has been completed. He continued to review the monitoring and risk analysis process, the February 2012 performance, hedge fund impact on overall asset allocation and the quarterly review procedure.

Mr. Lynch mentioned Cliffwater has a hedge fund research staff meeting weekly and also a weekly call with Treasury staff every Monday to discuss major themes from their weekly review. He described their monthly conference call process with each manager which is exhibited in the SIC book monthly and in the quarterly report. Cliffwater also has a portfolio review and investment committee meeting biweekly. They monitor pertinent news on the managers daily. Treasury staff asked them to provide transparency on the impact of the managers in terms of asset allocation and Cliffwater has worked to create a methodology to show the exposure. Mr. Lynch explained the nominal and net exposure. The main take away, Mr. Lynch said is hedge funds reduce asset class exposure and minimize volatility because of their blend of long and short positions.

Mr. Kem Edwards, Treasury analyst described Cliffwater's comparison on expected performance and risk measurements post-hedge fund implementation.

Mr. Lynch reviewed the performance and volatility of the hedge fund managers as of February 29, 2012 and noted the average manager has only been in place for two months during a major beta rally. He then reviewed the quarterly report for those funded in 2011.

III. General Consultant Presentation

Mr. Emkin recapped part one of the fixed income presentation from February's SIC meeting. He discussed the historic role of fixed income as principal and deflation protection, a liquid income stream with cash flow, as another way to diversify. He said fixed income historically returns 2% real return.

Using a graph on page 7 of the presentation Mr. Emkin explained the fixed income yield compared to the S&P dividend yield over the last eleven years. Historically fixed income yielded 6% more than dividends and now both are about 2%.

Mr. Goodreau pointed out this slide is not intended to show dividends are now good compared to fixed income yields. He said we have seen times when dividends were 5 or 6% and this slide highlights both returns are below average.

Mr. Emkin explained the portfolio must pick up more than 5% on capital appreciation to hit the 7.5% target if fixed income only yields 2%. He explained hitting 5% will be a challenge in a low growth environment especially in the developed markets.

Mr. Emkin took the committee through the roles and characteristics of fixed income in today's environment and explained if they still hold true.

Mr. Emkin cautioned there is no silver bullet to solve an issue of this magnitude, but there are solutions in the fixed income space that mitigate some of the risks. The first is to create a laddered portfolio of high-grade securities with a relatively short-duration. Another potential solution is to dedicate part of the portfolio to floating-rate instruments and absolute return products.

Treasurer Raimondo asked how this would be different from the protections in the hedge fund allocations and Mr. Emkin explained they would most likely provide different variations.

Mr. Emkin explained the next steps and opened it up for discussion.

Mr. Costello and the committee discussed shortening duration of treasuries and weighed accepting lower interest rates in the next 6-18 months to reduce risk. Mr. Goodreau explained accepting lower interest rates in the short-term should save us in the long run if and when these fixed income themes play out.

IV. Real Estate Consultant Report

Mr. Emkin explained historically, real estate was strategically put in the portfolio to eliminate risk. He gave a preliminary overview of the real estate portfolio and said there are more capital appreciation instruments than traditional low-risk core investments.

Mr. Emkin pointed out the entire portfolio is underweight real estate even though there are too many managers in the asset class.

Mr. Goodreau said his staff and Ms. Sugar are meeting with all current real estate managers over the next few weeks.

V. Legal Counsel Report

There was no legal report.

VI. Chief Investment Officer Report

Mr. Goodreau gave an overview of the RFI under review. He pointed out some of the benchmark data is incorrect because of the new hedge fund mix and staff is working to rectify the issue. Mr. Goodreau spoke about the asset liability study and the mandate to be more global and staff is working to be tighter with policy around the indexes in this regard. Mr. Costello asked about private equity managers with vintage years 2007 and 2008 and Mr. Goodreau said some will extend in 2013 and some are liquidating.

VII. Treasurer's Report

Treasurer Raimondo said her office is working hard to educate state and municipal employees on how the Retirement Security Act of 2011 affects them. She said there are 55 group presentations in the next two months. Treasurer Raimondo then praised TIAA-CREF for their efforts and explained they have been well received by the employees.

VIII. Adjournment

There being no other business to come before the Board, on a motion by Ms. Reback and seconded by Mr. Costello the meeting adjourned at 10:29 a.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer

STAFF SUMMARY

**RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
March 31, 2012**

PORTFOLIO PERFORMANCE

March

The ERSRI portfolio posted a 0.91% gain for the month of March, against the policy index of 0.77%. Global Equities gained 1.48%, the Fixed Income asset class returned -0.22%, and the Real Return class returned -0.31%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was 0.82% against its 0.99% index.

Calendar Year to Date

For the three months ending March 31, 2012, the portfolio is up 6.82% against the policy index of 7.61%. Global Equities were up 11.09%, fixed income returned 2.23%, while Real return generated a return of 1.96%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2012, the fund has gained 2.97%, against the policy index of 3.95%.

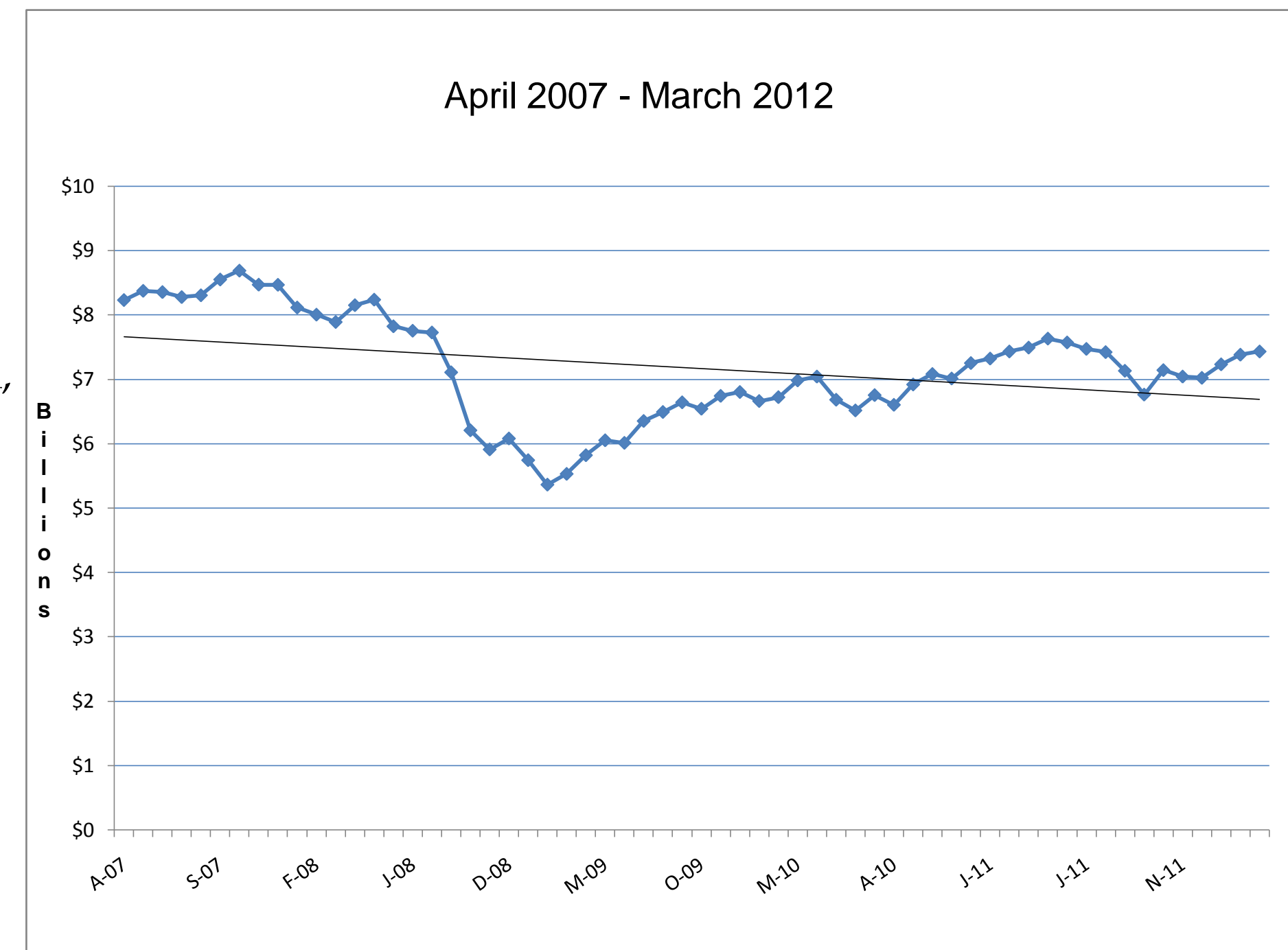
Index Performance Summary - March 31, 2012		
Market Indices	Mar-12	Calendar YTD
<u>Global Equity</u>		
S & P 500	3.29%	12.59%
MSCI AC World	0.67%	11.88%
Russell 2000	2.56%	12.44%
MSCI ACWI ex US	-1.37%	11.23%
Policy Index	0.99%	7.87%
<u>Fixed Income</u>		
BC AGG	-0.55%	0.30%
HFRI Fund Wgt Com	0.65%	4.33%
<u>Real Return</u>		
CPI +4%	1.09%	2.64%

ERSRI Performance By Asset Class	Mar-12	Calendar YTD
Global Equity	1.48%	11.09%
Fixed Income	-0.22%	2.23%
Real Return	-0.31%	1.96%
Total Fund Composite*	0.82%	7.40%
Manager Summary	Mar-12	CYTD
<u>GLOBAL EQUITY</u>		
SSgA S&P 500	3.29%	12.61%
Russell Overlay	-0.01%	0.09%
Wellington Technical Eq	3.45%	9.91%
Russell 2000 Index	2.56%	12.45%
MSCI Ex US Index Fund	-1.33%	11.25%
Global Equity Hedge Funds	0.72%	3.56%
Total Global Equity	1.48%	11.09%
<u>FIXED INCOME</u>		
Brown Bros Core	-0.32%	2.24%
Fidelity	0.15%	1.15%
Taplin Canida & Habacht	-0.65%	2.28%
Fixed Income Cash Acct	0.00%	0.00%
Mackay Shield	0.12%	4.48%
Alternative Fixed Income	-0.02%	-0.61%
Total Fixed Income	-0.22%	2.23%
<u>Real Return</u>		
Brown Bros TIPS	-1.11%	0.85%
Alternative Absolute Return	0.40%	2.93%
Total Real Return	-0.31%	1.96%
*Total Fund Composite includes all classes ex PE & RE		

**Market Valuation Report
March 31, 2012**

Market Values

The total portfolio value increased in March by \$45.8 million to \$7.43 billion. This compares with an increase in value of \$56.1 million for the same period in 2011. The Global Equity Market values increased by \$119 million, including transfers in of \$60.0 million; Fixed Income increased by \$46.4 million, including transfers in of \$50.0 million; The Cash Accounts decreased by \$131.8 million including transfers out of \$132.3 million, and Alternative Investments increased by \$15.7 million, including transfers in of \$2.7 million. The Real Return Pool decreased by \$2.5 million including transfers in of \$0.0 million. The overlay account decreased by \$1.0 million, including transfers out of \$0.0 million.



Cash Flow

March's pension payroll of \$76.2 million was greater than the \$60.0 million in contributions and wire transfers received by \$16.2 million.

To meet pension and other obligations, a transfer from long-term investments of \$20.1 million was necessary.

Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$174.8 million on commitments of \$1,112 million.

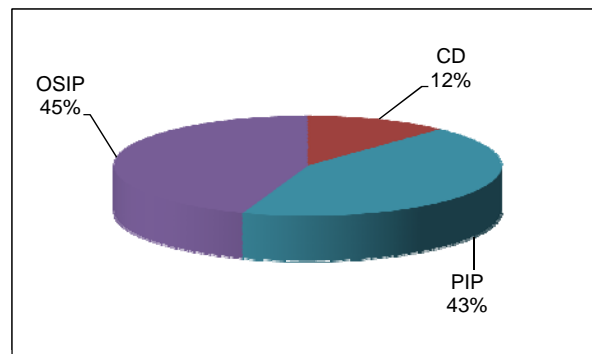
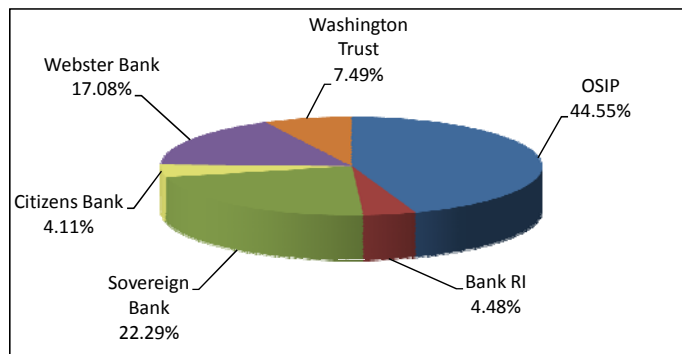
CAPITAL CALLS Net of Distributions

March 2012	FYTD	UNFUNDED BALANCE
\$5,594,496	-\$38,759,947	\$ 174,787,864
March 2011	FYTD	UNFUNDED BALANCE
-\$5,427,248	-\$80,140,877	\$175,451,333

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

**Issuer Credit Ratings
March 31, 2012**

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	4.48%		N/R						
Sovereign Bank	3,4	22.29%		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						
Fidelity	6	0.00%		N/R						
BlackRock Inc.	6	0.00%		A1		P-1	A-1	A1	A+	Stable
State Street Bank & Trust Company	1,3	0.00%		Aa2		P-1	A-1+	Aa2	AA-	Negative
RBS Citizens	3,4	4.11%		A2+-		P-1+-	A-1	A2+-	A	Stable
Webster Bank	3,4	17.08%		A3		P-2	A-2	A3	BBB	Stable
Ocean State Investment Pool	6	44.55%		N/R						
Washington Trust	3,7	7.49%		N/R						
Merrill Lynch	2,5,6	0.00%		Baa1+-		(P)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 - Possess many favorable investment attributes
Baa - Medium-grade obligations
Ba - Possess speculative elements
B - Generally lack characteristics of desirable investments
Caa - Poor standing
Ca - Speculative in a high degree
C - Lowest rated class of bonds

Modifiers:

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

S&P Short - Term Credit Ratings:

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

Modifiers:

+ or - show relative standing within the category.

S&P Outlook Definitions:

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

S&P Long-Term Debt Ratings:

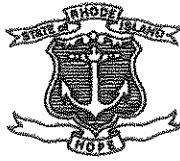
AAA - Highest rating, extremely strong
AA - Differs slightly from highest rating, very strong
A - More susceptible to adverse effects of change in economic condition, strong
BBB - Exhibits adequate protection parameters
BB, B - Have significant speculative characteristics. BB least speculative
CCC, CC,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

April 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 March 31, 2012.

Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation

March 31, 2012

Asset Class	
Cash/Short Term Investments	226,417,184
Global Equities	4,069,985,631
<i>Fixed Income - Government</i>	\$709,098,751
<i>Fixed Income - Corporate</i>	\$736,726,082
<i>Fixed Income - In State</i>	\$0
Total Fixed Income	1,445,824,833
Real Return	809,340,760
Alternative Investments	610,865,861
Real Estate	264,333,558
Total Fund Investments	7,426,767,827
Plan Allocation	
State Employees & Teachers	82.40% 6,119,704,659
Municipal Employees	15.97% 1,186,114,956
State Police	1.07% 79,525,124
Judicial	0.56% 41,423,087
Total Fund Investments	100.00% 7,426,767,827

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 March 31, 2012

		MKT VAL	% of FUND	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	ITD	Incept Date
GLOBAL EQUITY FUNDS													
Index	SSGA S&P 500 INDEX FUND S&P 500	1,678,088,672	22.6	3.3 3.3	12.6 12.6	12.6 12.6	8.6 8.5	23.5 23.4	2.1 2.0			2.7	11/01/2006
Index	MSCI ACWI EX US INDEX FUND MSCI AC WORLD ex US (NET)	1,229,389,973	16.6	-1.3 -1.4	11.3 11.2	11.3 11.2	-7.0 -7.2					14.8	05/01/2009
Index	RUSSELL 2000 INDEX FUND RUSSELL 2000	574,312,066	7.7	2.6 2.6	12.5 12.4	12.5 12.4	-0.1 -0.2					21.7	05/01/2009
Alternative	ALTERNATIVE EQUITY HFRX EQUITY HEDGE	462,933,500	6.2	0.7 0.4	3.6 3.9	3.6 3.9						2.0	11/01/2011
Active Core	WELLINGTON TECHNICAL EQUITY RUSSELL 3000	148,825,934	2.0	3.2 4.2	9.7 10.4	9.7 9.5	-13.5 4.5	5.9 26.5				0.7	08/01/2007
TOTAL GLOBAL EQUITY	MSCI AC WORLD (NET)	4,093,550,145	55.1	1.5 0.7	11.1 11.9	11.1 11.9	-0.1 -0.7	21.4 20.8	0.7 -0.2	4.8 4.6	5.5 5.3	2.2	07/01/2000
GLOBAL FIXED INCOME													
Core	BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	394,179,067	5.3	-0.4 -0.6	2.2 0.3	2.2 0.3	8.9 7.7	7.3 6.4	5.7 6.4	5.4 5.9	5.9 5.9		04/01/1990
Mortgage	PYRAMIS GLOBAL ADVISORS BC MBS	407,012,581	5.5	0.2 0.1	1.2 0.6	1.2 0.6	7.2 6.2	6.8 5.3	6.1 6.3	5.8 5.9	5.9 5.7		10/01/1989
Corporates	TAPLIN, CANIDA & HABACHT BC CREDIT	399,645,612	5.4	-0.7 -0.8	2.2 2.0	2.2 2.0	8.6 9.6	14.5 12.3	6.0 6.9	5.6 6.2	6.6 6.6		05/01/1996
High Yield	MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	190,975,729	2.6	0.0 2.3	4.3 7.6	4.3 5.0	7.5 7.2	19.9 23.5	6.9 7.6	7.6 7.6		11.2	10/01/2002
Alternative	ALTERNATIVE FIXED INCOME HFRX FOF: Conservative Index	138,992,530	1.9	0.0 2.5	-0.6 3.4	-0.6 3.8						-1.1	
TOTAL FIXED INCOME	BC AGGREGATE	1,531,262,380	20.6	-0.2 -0.6	2.0 0.3	2.0 0.3	6.5 7.7	8.2 6.8	5.9 6.3	5.6 5.7	6.2 5.8		01/01/1993
REAL RETURN POOL													
TIPS	BROWN BROTHERS HARRIMAN - TIPS BC GLOBAL INFLATION LINKED: U.S. TIPS	365,306,592	4.9	-1.1 -1.1	0.8 0.9	0.8 0.9	12.5 12.2	8.7 8.7	7.9 7.6	6.5 6.3		6.6	06/01/2004
Alternative	ALTERNATIVE ABSOLUTE RETURN HFRX Fund Weighted Composite Index	422,932,060	5.7	0.4 0.0	2.9 4.9	2.9 4.9						3.4	11/01/2011
TOTAL ALTERNATIVE ABSOLUTE RETURN	CPI + 4%	788,238,652	10.6	-0.3 0.1	1.9 1.6	1.9 1.6	13.6 5.7					9.1	11/01/2009
ALTERNATIVE INVESTMENTS													
	REAL ESTATE NCREIF PROPERTY INDEX QTR LAG	264,334,096	3.6	0.0 3.0	0.7 3.0	0.7 3.0	11.5 14.3	-5.6 2.4	-3.4 3.1	-1.6 7.2		-1.6	
	PRIVATE EQUITY S&P 500 PLUS 300 BP	592,513,567	8.2	2.2 3.5	3.3 13.4	3.3 13.4	6.2 11.8	12.9 27.1	6.2 5.1	10.5 7.8	9.4 7.2		02/01/1989
TOTAL ALTERNATIVE INVESTMENTS	TOTAL ALTERNATIVES BENCHMARK	875,496,249	11.8	1.5 3.3	2.5 9.2	2.5 9.2	7.8 13.2	7.0 17.1	3.3 4.9	7.8 8.1	7.6 8.0	8.2	04/01/1996
RE-BALANCING													
	RUSSELL IMPLEMENTATION SERVICES	80,209,323	1.1	0.0	0.1	0.1	0.6	0.3				-0.2	09/01/2008
OTHER													
	CASH ACCOUNT (INSIDE)	53,082,368	0.7										07/01/2000
	CASH ACCOUNT (OUTSIDE)	3,217,733	0.0										07/01/2000
	OTHER*	4,928,710											
TOTAL PLAN	TOTAL PLAN BENCHMARK**	7,426,767,827	100.0	0.9 0.7	6.8 7.5	6.8 7.5	3.9 4.9	15.9 16.4	2.3 2.4	5.3 5.4	6.1 6.0		01/01/1984

* Includes Schott Capital, SSGA Transition Account, Goldman Sachs and Tax Reclaims

** Effective 1/1/12: 52.0% MSCI ACWI / 20.0% BC AGG / 11.0% CPI + 4% / 7.5% S&P 500 + 3% / 5.0% NCREIF PROPERTY LAGG / 4.5% 91 DAY T-BILL

Fund	Mkt Value ¹	Actual %	Mar	YTD	FYTD	Returns ¹			Incep	Ann Std Dev	Sharpe Ratio	Incep. Date
						1 Year	3 Year	5 Year				
Fixed Income												
Brigade Leveraged Capital Structures Fund LP	50,274,291	36.2%	0.55%	-	-	-	-	-	0.55%	-	-	Mar-12
Capula Global Relative Value Fund Ltd	49,315,560	35.5%	0.13%	-1.13%	-	-	-	-	-1.37%	1.37%	-	Dec-11
Gracie Credit Opportunities Fund LP	39,402,703	28.3%	-0.77%	-0.41%	-	-	-	-	-1.50%	2.34%	-	Dec-11
Total Fixed Income	138,992,554	100.0%	0.02%	-0.52%	-	-	-	-	-1.14%	0.91%	-	Dec-11
Barclays Aggregate Bond Index			-0.55%	0.31%	-	-	-	-	1.41%	2.68%	-	Dec-11
Global Equities												
Ascend Partners Fund II	60,264,050	11.5%	0.13%	1.05%	-	-	-	-	0.44%	1.47%	-	Nov-11
Davidson Kempner Institutional Partners LP	61,856,421	11.8%	0.70%	2.76%	-	-	-	-	3.09%	1.56%	-	Nov-11
Elliott Associates, LP	61,852,788	11.8%	1.70%	5.19%	-	-	-	-	3.09%	5.32%	-	Nov-11
Indus Asia Pacific Fund LP	42,320,418	8.0%	-0.60%	5.80%	-	-	-	-	5.80%	7.95%	-	Jan-12
Mason Capital Ltd	61,233,533	11.6%	1.34%	2.06%	-	-	-	-	2.06%	2.73%	-	Jan-12
PFM Diversified Offshore Fund LP	29,753,182	5.7%	-0.82%	-	-	-	-	-	-0.82%	-	-	Mar-12
PFM Diversified Offshore Fund AI Ltd	29,745,249	5.7%	-0.85%	-	-	-	-	-	-0.85%	-	-	Mar-12
Samlyn LP	63,298,571	12.0%	0.72%	5.50%	-	-	-	-	5.50%	5.61%	-	Jan-12
Third Point Qualified LP	52,808,904	10.0%	1.50%	5.62%	-	-	-	-	5.62%	4.36%	-	Jan-12
Viking Global Equities LP	63,012,680	12.0%	2.10%	5.17%	-	-	-	-	5.03%	3.36%	-	Dec-11
Total Global Equities	526,145,796	100.0%	0.79%	3.82%	-	-	-	-	2.90%	3.54%	-	Nov-11
MSCI AC World Index Free - Net			0.67%	11.88%	-	-	-	-	8.32%	12.80%	-	Nov-11
Russell 3000 Index (DRI)			3.08%	12.86%	-	-	-	-	13.48%	7.80%	-	Nov-11
HFRI Equity Hedge (Total) Index			0.31%	7.32%	-	-	-	-	4.20%	8.73%	-	Nov-11
Absolute Return												
BlueCrest Capital LP	20,373,211	5.7%	0.30%	1.86%	-	-	-	-	1.86%	1.13%	-	Jan-12
Brevan Howard LP	76,348,012	21.2%	-0.40%	0.67%	-	-	-	-	1.80%	2.91%	-	Nov-11
DE Shaw Composite International Fund	52,283,539	14.5%	1.30%	4.24%	-	-	-	-	4.57%	2.66%	-	Nov-11
Graham Discretionary 6V Fund	51,105,191	14.2%	0.47%	2.21%	-	-	-	-	2.21%	0.84%	-	Jan-12
OZ Domestic Fund II LP	78,134,768	21.7%	1.25%	4.75%	-	-	-	-	4.18%	3.68%	-	Nov-11
Wexford Spectrum Fund LP	51,262,972	14.3%	-0.80%	2.52%	-	-	-	-	2.52%	6.76%	-	Jan-12
Winton Futures Fund Ltd	30,127,739	8.4%	-0.68%	-0.88%	-	-	-	-	0.43%	3.59%	-	Dec-11
Total Absolute Return	359,635,431	100.0%	0.28%	2.47%	-	-	-	-	2.94%	1.83%	-	Nov-11
ML 3-month T-Bills			0.01%	0.01%	-	-	-	-	0.01%	0.02%	-	Nov-11
HFRI Fund of Funds Composite Index			0.06%	3.36%	-	-	-	-	1.78%	4.26%	-	Nov-11
Market Indices												
3 Month Libor Rate			0.04%	0.12%	-	-	-	-	0.22%	0.01%	-	Nov-11
Barclays Aggregate Bond Index			-0.55%	0.31%	-	-	-	-	1.32%	2.42%	-	Nov-11
Barclays High Yield Credit Bond Index			-0.14%	5.33%	-	-	-	-	5.80%	7.74%	-	Nov-11
S&P 500 TR			3.29%	12.58%	-	-	-	-	13.48%	7.23%	-	Nov-11
MSCI EAFE - Net			-0.46%	10.86%	-	-	-	-	4.48%	15.63%	-	Nov-11
MSCI EMF (Emerging Markets Free) - Net			-3.33%	14.08%	-	-	-	-	5.19%	25.33%	-	Nov-11

ERSRI Monthly Market Value Report With Time Weighted Returns											
March 31, 2012											
	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value 2/29/2012	Transfers In/(out)	Market Value 3/31/2012	Market Value Increase/decrease
Global Equity											
Shott Capital Management IRR			0.00%	S & P 500			0.00%	1,297,123	(5,981)	1,266,275	(24,867)
SSgA S&P 500	12.61%	12.59%	0.02%	S & P 500	3.29%	3.29%	0.00%	1,624,625,113	-	1,678,088,672	53,463,559
Wellington Tech Eq	9.91%	12.87%	-2.96%	Russell 3000	3.45%	3.08%	0.37%	144,160,706	-	148,825,934	4,665,228
Russell 2000 Index Fund	12.45%	12.44%	0.01%	Russell 2000	2.56%	2.56%	0.00%	559,993,276	-	574,312,066	14,318,790
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	444,803	-	444,702	(101)
MSCI Ex US Index Fund	11.25%	11.23%	0.02%	MSCI Ex US Index Fund	-1.33%	-1.37%	0.04%	1,246,124,856	-	1,229,389,973	(16,734,883)
Sub-Total Global Equity	12.01%	11.88%	0.13%	MSCI AC World	1.57%	0.67%	0.90%	3,576,645,878	(5,981)	3,632,327,622	55,687,726
Global Equity Hedge Funds											
Davidson Kempner	2.77%	3.94%	-1.17%	HFRX Equity Hedge	0.73%	0.40%	0.33%	61,406,640	-	61,856,400	449,760
Mason Capital	2.07%	3.94%	-1.87%	HFRX Equity Hedge	1.37%	0.40%	0.97%	60,411,960	-	61,241,340	829,380
Viking Global Equities III	5.13%	3.94%	1.19%	HFRX Equity Hedge	2.04%	0.40%	1.64%	61,752,000	-	63,012,660	1,260,660
Ascend Partners Fund II	1.02%	3.94%	-2.92%	HFRX Equity Hedge	0.02%	0.40%	-0.38%	60,252,960	-	60,264,000	11,040
Elliott Associates	5.03%	3.94%	1.09%	HFRX Equity Hedge	1.54%	0.40%	1.14%	60,911,940	-	61,852,800	940,860
Third Point Partners	5.62%	3.94%	1.68%	HFRX Equity Hedge	1.39%	0.40%	0.99%	52,084,550	-	52,808,900	724,350
PFM Diversified		3.94%	-3.94%	HFRX Equity Hedge			0.00%	-	60,000,000	59,577,000	(423,000)
Indus Asia Pacific Fund	5.80%	3.94%	1.86%	HFRX Equity Hedge	-1.08%	0.40%	-1.48%	42,782,720	-	42,320,400	(462,320)
Sub-Total Global Equity Hedge Fund	3.56%	3.94%	-0.38%	HFRX Equity Hedge	0.72%	0.40%	0.32%	399,602,770	60,000,000	462,933,500	3,330,730
Total Global Equity	11.09%	11.88%	-0.79%	MSCI AC World	1.48%	0.67%	0.81%	3,976,248,648	59,994,019	4,095,261,122	59,018,456
Fixed Income											
Fidelity Management & Research	1.15%	0.57%	0.58%	BC MBS	0.15%	0.07%	0.08%	407,012,581	-	407,469,441	456,860
Brown Brothers, Harriman	2.24%	0.25%	1.99%	Citigroup BIG	-0.32%	-0.56%	0.24%	395,632,139	-	394,179,067	(1,453,072)
Taplin, Canida & Habacht	2.28%	2.04%	0.24%	BC Credit	-0.65%	-0.79%	0.14%	402,259,449	-	399,645,612	(2,613,837)
Mackay Shields	4.48%	5.03%	-0.55%	CS First BoshYield	0.12%	0.02%	0.10%	190,936,762	-	190,975,729	38,967
Fixed Income Cash Acct	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	-	-	-	-
Sub-Total Fixed Income	2.23%	0.30%	1.93%	BC Aggregate	-0.22%	-0.55%	0.33%	1,395,840,932	-	1,392,269,850	(3,571,082)
Alternative Fixed Income											
Capula Global Master Fund	-1.16%	4.53%	-5.69%		-0.01%	0.41%	-0.42%	49,318,450	-	49,315,550	(2,900)
Brigade Leveraged Capital								-	50,000,000	50,274,200	274,200
Gracie Credit Fund	-0.65%	4.53%	-5.18%		-0.77%	0.41%	-1.18%	39,707,920	-	39,402,680	(305,240)
Sub-Total Alternative Fixed Income	-0.61%	4.53%	-5.14%	HFRF FOF Conservative	-0.02%	0.41%	-0.43%	89,026,370	50,000,000	138,992,430	(33,940)
Total Fixed Income	2.06%	0.30%	1.76%	BC Aggregate	-0.20%	-0.55%	0.35%	1,484,867,302	50,000,000	1,531,262,280	(3,605,022)
Alternative Investments											
Private Equity	3.47%	13.39%	-9.92%	S&P 500 plus 300BPS	2.31%	3.54%	-1.23%	592,513,567	5,594,496	611,162,153	13,054,090
Real Estate	0.86%	3.22%	-2.36%	NCREIF + 100	-0.01%	3.05%	-3.06%	267,311,359	(2,872,727)	264,334,096	(104,536)
Total Alternatives	2.66%	9.15%	-6.49%		1.60%	3.31%	-1.71%	859,824,926	2,721,768	875,496,249	12,949,555
Cash Accounts											
Cash in Trust	0.05%	0.01%	0.04%		0.02%	0.01%	0.01%	185,619,058	(132,300,787)	53,082,368	(235,903)
Cash Outside Trust	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	2,446,965	-	3,217,733	770,768
Total Cash	0.05%	0.01%	0.04%	91 Day T-Bill	0.02%	0.01%	0.01%	188,066,023	(132,300,787)	56,300,101	534,865
Real Return Pool											
Brown Bros TIPS	0.85%	0.81%	0.04%	Barclays US TIPS Index	-1.11%	-1.13%	0.02%	369,523,376	-	365,306,592	(4,216,784)
Sub-Total Real Return	0.85%	2.64%	-1.79%	CPI +4%	-1.11%	0.85%	-1.96%	369,523,376	-	365,306,592	(4,216,784)
Alternative Absolute Return											
Brevar Howard Master Fund	0.71%	4.33%	-3.62%	HFRI Fund Wgt Comp Index	-0.37%	0.65%	-1.02%	76,632,450	-	76,347,975	(284,475)
OZ Domestic Partners II	4.91%	4.33%	0.58%	HFRI Fund Wgt Comp Index	1.39%	0.65%	0.74%	77,062,200	-	78,134,775	1,072,575
DE Shaw Composite Fund	4.15%	4.33%	-0.18%	HFRI Fund Wgt Comp Index	1.39%	0.65%	0.74%	51,566,150	-	52,283,550	717,400
Graham Global Inv Fund	2.21%	4.33%	-2.12%	HFRI Fund Wgt Comp Index	0.47%	0.65%	-0.18%	50,864,700	-	51,105,200	240,500
Wexford Spectrum Fund	0.03%	4.33%	-4.30%	HFRI Fund Wgt Comp Index	-0.70%	0.65%	-1.35%	51,625,950	-	51,262,950	(363,000)
Winton Future Fund Ltd	-0.89%	4.33%	-5.22%	HFRI Fund Wgt Comp Index	-0.69%	0.65%	-1.34%	30,335,160	-	30,125,850	(209,310)
Samiyn On/Off Shore Fund	5.50%	4.33%	1.17%	HFRI Fund Wgt Comp Index	0.71%	0.65%	0.06%	62,849,580	-	63,298,560	448,980
Blue Crest Capital	1.87%	4.33%	-2.46%	HFRI Fund Wgt Comp Index	0.26%	0.65%	-0.39%	20,319,760	-	20,373,200	53,440
Sub-Total Alt Absolute Return	2.93%	4.33%	-1.40%	HFRI Fund Wgt Comp Index	0.40%	0.65%	-0.25%	421,255,950	-	422,932,060	1,676,110
Total Real Return	1.96%	2.64%	-0.68%	CPI +4%	-0.31%	1.09%	-1.40%	790,779,326	-	788,238,652	(2,540,674)
Other											
Russell Overlay	0.09%				-0.01%			81,162,788	-	80,209,323	(953,465)
Total Plan Ex PE & RE	7.40%	7.87%	-0.47%		0.82%	0.99%	-0.17%				
Total Plan	6.82%	7.61%	-0.79%		0.91%	0.77%	0.14%	7,380,949,012	(19,585,000)	7,426,767,727	65,403,715

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

20% BC Agg

52% MSCI World Free

11% CPI + 4%

7.5% S&P 500 + 3%

5% NCCREIF 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

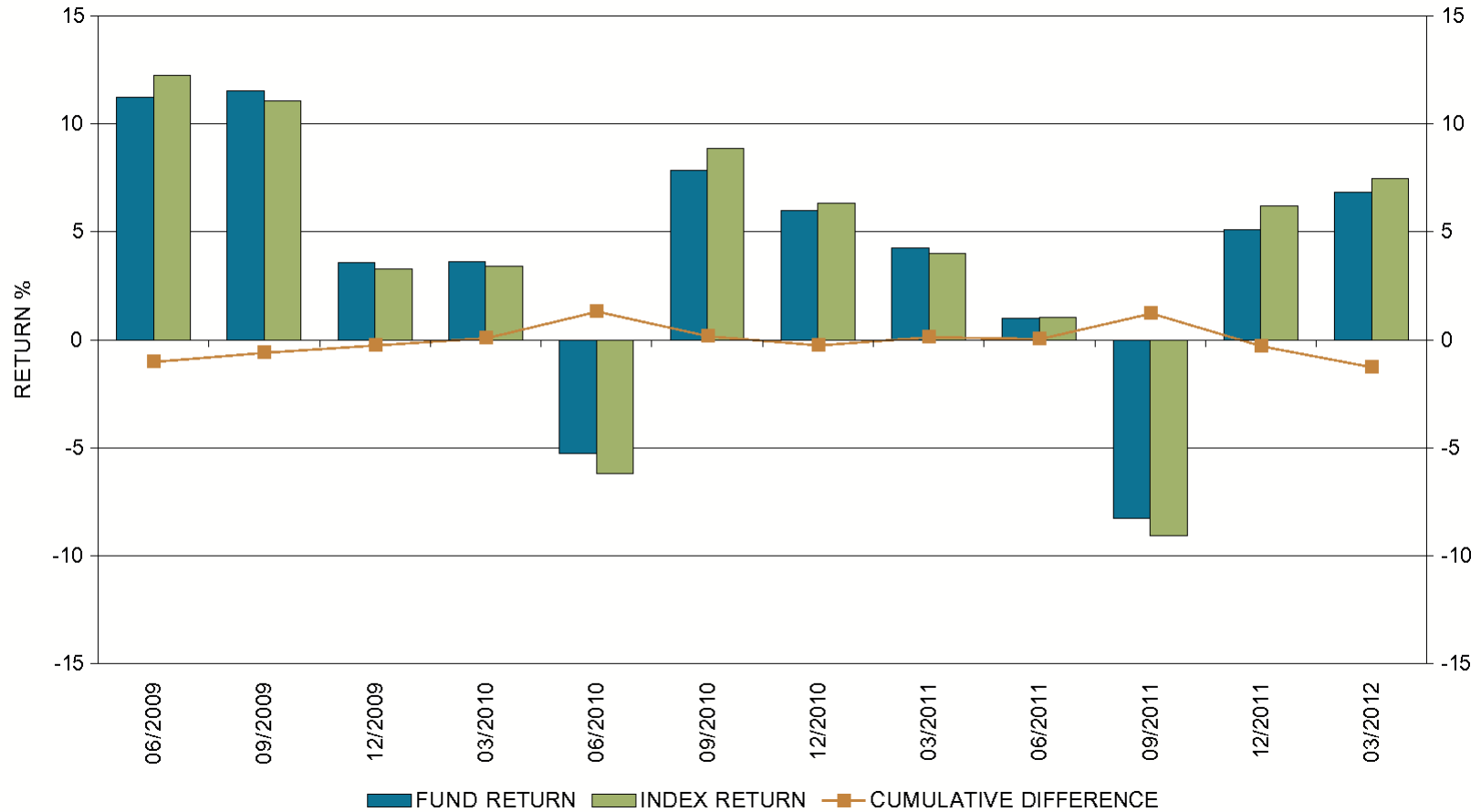
Index: TOTAL PLAN BENCHMARK

PERIODS: March 31, 2009 - March 31, 2012



STATE STREET

CUMULATIVE PERFORMANCE REPORT



State of Rhode Island

TOTAL PLAN

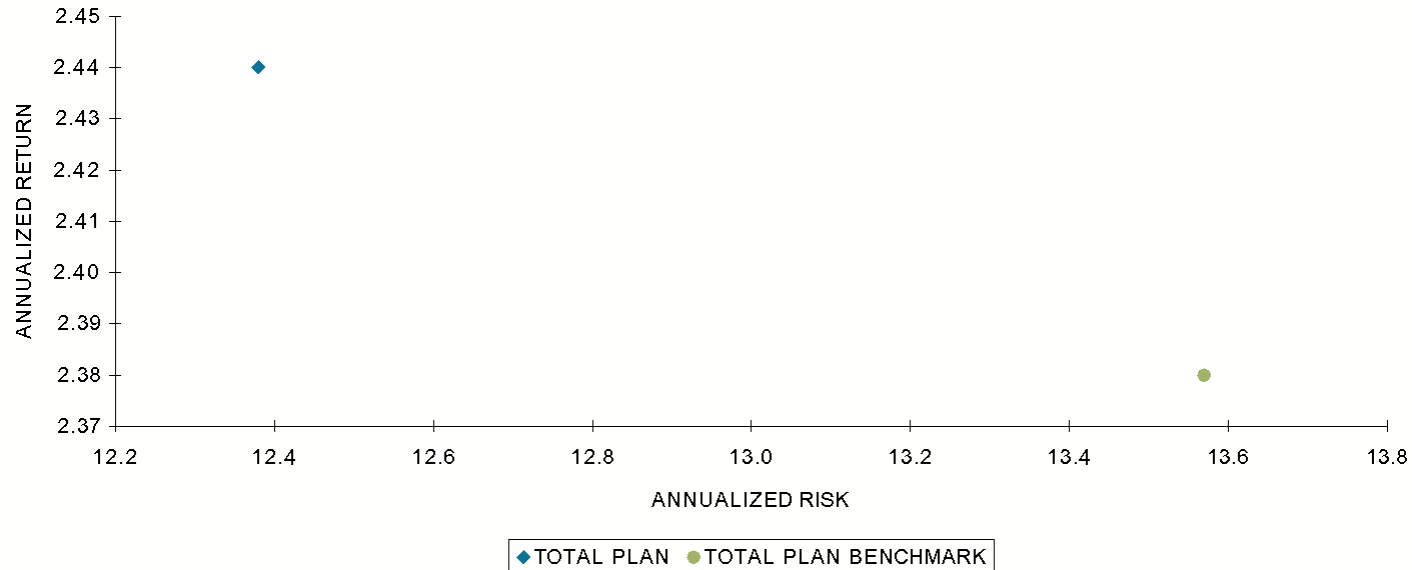
Benchmark: TOTAL PLAN BENCHMARK

March 31, 2007 - March 31, 2012



STATE STREET

RISK VS. RETURN



RISK INFORMATION

Portfolio Return	2.44
Benchmark Return	2.38
Return Differences	0.06
Portfolio Standard Deviation	12.38
Benchmark Standard	13.57
Tracking Error	1.92

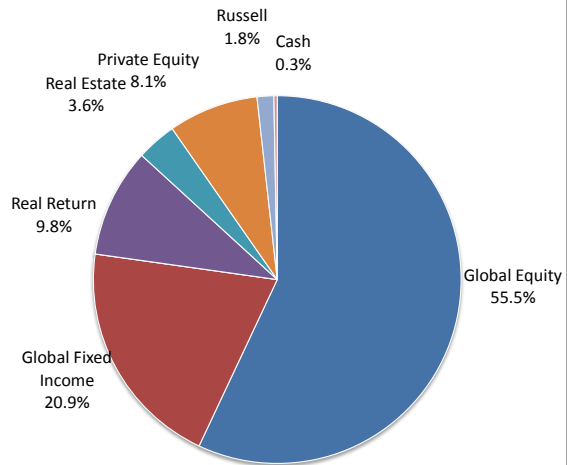
RISK STATISTICS

Historic Beta	0.91
R-squared	0.99
Jensen's Alpha	0.17
Sharpe Ratio	0.10
Treynor Ratio	1.33
Information Ratio	0.03

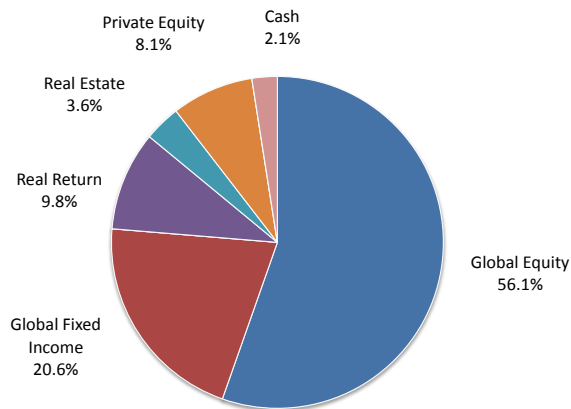
ASSET ALLOCATION

State of Rhode Island
 Asset Allocation
 PERIODS ENDING March 31, 2012

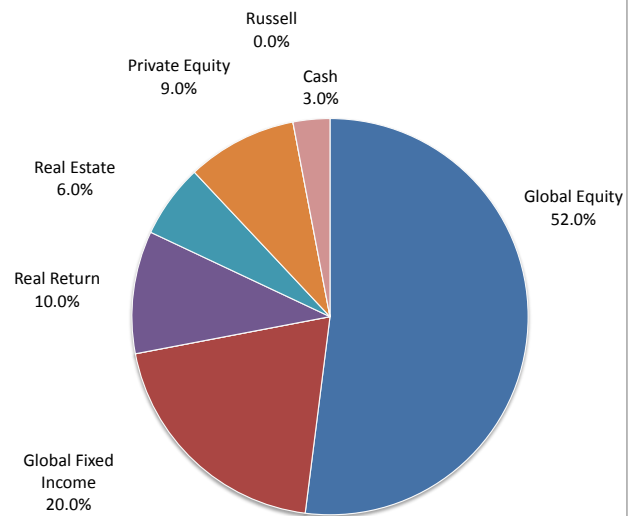
Physical Allocation



Notional Allocation



Policy Allocation

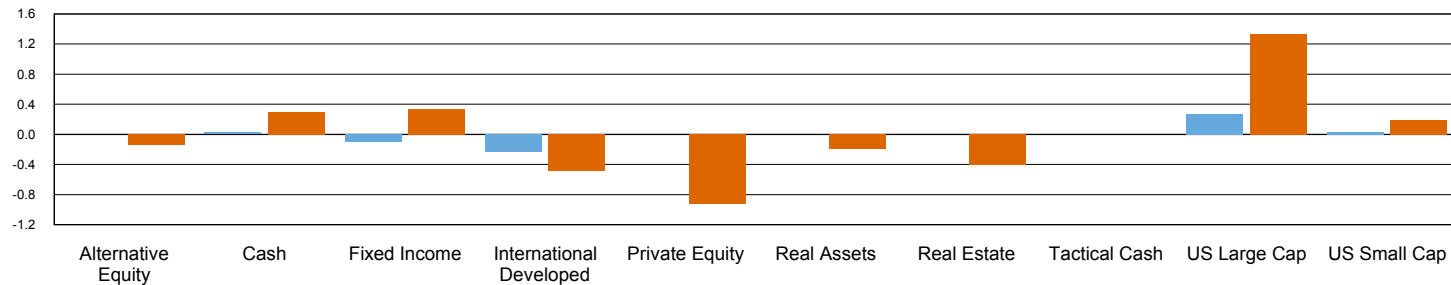


* Difference in actual investment allocation versus target allocation policy is offset by the notional overlay provided by the Russell Implementation account.

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	7,395.1	100.0%	0.0	0.0%	7,395.1	100.0%	7,395.1	100.0%	7,395.1	100.00%
Cash	21.8	0.3%	-17.8	-0.2%	4.0	0.1%	2.2	0.0%	0.0	0.00%
Cash	21.8	0.3%	-17.8	-0.2%	4.0	0.1%	2.2	0.0%	0.0	0.00%
Equity	4,737.6	64.1%	40.1	0.5%	4,777.7	64.6%	4,772.4	64.5%	4,740.2	64.10%
Private Equity	597.2	8.1%	0.0	0.0%	597.2	8.1%	597.2	8.1%	665.6	9.00%
US Small Cap	575.6	7.8%	6.2	0.1%	581.8	7.9%	579.6	7.8%	562.0	7.60%
US Large Cap	1,821.6	24.6%	-24.8	-0.3%	1,796.7	24.3%	1,776.8	24.0%	1,723.1	23.30%
International Developed	1,220.7	16.5%	58.8	0.8%	1,279.5	17.3%	1,296.4	17.5%	1,257.2	17.00%
Alternative Equity	522.5	7.1%	0.0	0.0%	522.5	7.1%	522.5	7.1%	532.4	7.20%
Fixed	1,534.0	20.7%	-22.4	-0.3%	1,511.7	20.4%	1,518.8	20.5%	1,508.6	20.40%
Fixed Income	1,534.0	20.7%	-22.4	-0.3%	1,511.7	20.4%	1,518.8	20.5%	1,508.6	20.40%
Other	1,101.7	14.9%	0.0	0.0%	1,101.7	14.9%	1,101.7	14.9%	1,146.2	15.50%
Tactical Cash	110.9	1.5%	0.0	0.0%	110.9	1.5%	110.9	1.5%	110.9	1.50%
Real Estate	265.7	3.6%	0.0	0.0%	265.7	3.6%	265.7	3.6%	295.8	4.00%
Real Assets	725.1	9.8%	0.0	0.0%	725.1	9.8%	725.1	9.8%	739.5	10.00%

Deviations from Target Allocation



CASH FLOW

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2012

	FY 2011-12												
	Actual July 2011	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2012	Actual February	Actual March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	66,629,399	67,455,796	68,242,485	67,768,460	67,569,923	67,451,353	69,211,649	69,357,498	69,260,463	66,600,000	66,600,000	66,600,000	812,747,024
ADMINISTRATIVE EXPENSES	137,672	660,651	834,794	646,649	418,609	763,480	566,091	729,552	1,080,787	547,719	403,313	940,521	7,729,839
INVESTMENT EXPENSES	717,955	151,236	1,393,349	(942,146)	6,757	517,797	501,413	228,446	666,823	785,528	185,359	269,585	4,482,102
TOTAL OUTFLOW	67,485,026	68,267,682	70,470,628	67,472,964	67,995,288	68,732,630	70,279,153	70,315,496	71,008,073	67,933,247	67,188,673	67,810,106	824,958,965
CONTRIBUTIONS	50,400,487	28,659,530	38,949,761	38,118,149	49,232,033	41,087,919	49,365,444	44,163,220	54,087,522	40,290,401	47,251,676	42,317,939	523,924,081
OTHER INCOME*	358,170	6,622,689	5,032,088	7,603,294	8,542,405	10,450,579	4,447,436	6,041,223	5,261,846	726,971	6,582,306	6,199,804	67,868,812
TOTAL INCOME	50,758,657	35,282,219	43,981,849	45,721,443	57,774,438	51,538,498	53,812,880	50,204,443	59,349,368	41,017,372	53,833,982	48,517,743	591,792,893
DIFFERENCE	(16,726,369)	(32,985,463)	(26,488,779)	(21,751,521)	(10,220,850)	(17,194,131)	(16,466,272)	(20,111,053)	(11,658,705)	(26,915,875)	(13,354,690)	(19,292,363)	(233,166,072)

Municipal Employees Retirement System

	Actual July 2011	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2012	Actual February	Actual 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	6,678,650	6,831,263	6,791,847	6,400,000	6,400,000	6,400,000
ADMINISTRATIVE EXPENSES	26,076	125,842	159,526	124,054	80,412	147,098	109,377	141,222	209,477	103,274	76,046	178,003	1,480,408
INVESTMENT EXPENSES	135,986	28,808	266,264	(180,743)	1,298	99,763	96,880	44,221	129,243	148,113	34,950	51,022	855,805
TOTAL OUTFLOW	6,538,862	6,531,189	6,966,782	6,491,840	6,581,818	6,809,244	6,884,908	7,016,706	7,130,567	6,651,387	6,510,996	6,629,025	80,743,325
CONTRIBUTIONS	4,595,440	5,236,442	4,741,697	5,123,170	4,733,696	5,048,323	6,107,049	4,633,750	5,058,462	4,598,585	5,354,214	5,178,390	60,409,218
OTHER INCOME*	67,840	1,261,499	961,614	1,458,630	1,640,949	2,013,490	859,312	1,169,419	1,019,846	137,072	1,241,110	1,173,376	13,004,155
TOTAL INCOME	4,663,280	6,497,941	5,703,311	6,581,800	6,374,645	7,061,813	6,966,361	5,803,169	6,078,308	4,735,657	6,595,324	6,351,766	73,413,373
DIFFERENCE	(1,875,582)	(33,248)	(1,263,471)	89,960	(207,174)	252,568	81,453	(1,213,538)	(1,052,259)	(1,915,730)	84,328	(277,259)	(7,329,951)

CASH FLOW ANALYSIS - INCOME & EXPENSES

Judges/State Police Retirement System

	Actual July 2011	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2012	Actual February	Actual March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	135,664	135,664	135,514	135,664	131,160	145,521	148,374	163,937	160,875	136,000	136,000	136,000	1,700,372
ADMINISTRATIVE EXPENSES	2,506	12,228	15,613	12,266	8,002	14,735	11,012	14,315	21,360	9,742	7,174	17,027	145,981
INVESTMENT EXPENSES	13,071	2,799	26,059	(17,870)	129	9,993	9,754	4,482	13,179	13,972	3,297	4,881	83,747
TOTAL OUTFLOW	151,241	150,691	177,186	130,059	139,292	170,249	169,141	182,735	195,414	159,714	146,471	157,908	1,930,100
CONTRIBUTIONS	1,052,000	495,000	968,000	512,000	529,000	502,000	500,000	515,000	835,000	705,000	410,000	330,000	7,353,000
OTHER INCOME*	6,521	122,580	94,113	144,218	163,302	201,690	86,518	118,538	103,994	12,931	117,079	112,242	1,283,725
TOTAL INCOME	1,058,521	617,580	1,062,113	656,218	692,302	703,690	586,518	633,538	938,994	717,931	527,079	442,242	8,636,725
DIFFERENCE	907,279	466,889	884,927	526,159	553,010	533,441	417,378	450,803	743,580	558,216	380,608	284,334	6,706,625

*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	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 12	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected TOTAL
EQUITIES													
SSgA Russell 1000/S&P ZU14			43,236			40,866			48,108			100,000	232,210
SSGA Russell 2000 ZU06			30,210			28,140			34,573			35,000	
Shott Capital ZU49			1,703			1,592			1,782			2,000	7,078
Wellington Tech Eq ZU04			<u>335,337</u>			<u>310,389</u>			<u>376,641</u>			<u>350,000</u>	1,372,367
			410,486			380,987			461,104			487,000	1,611,655
FIXED INCOME													
Brown Bros. ZU44			171,735			173,397			166,584			167,000	678,716
Fidelity ZU46			158,869			157,589			153,750			155,000	625,207
Taplin ZU84			239,702			244,821			231,206			230,000	945,728
Mackay Shields ZU59			189,045			190,881			187,020			185,000	751,946
Brown Bros.TIPS ZU69			<u>123,164</u>			<u>114,716</u>			<u>115,120</u>			<u>115,000</u>	468,000
			882,514			881,403			853,679			852,000	3,469,597
INT'L EQUITIES													
The Boston Co ZU77			0			0			0			0	0
Mondrian ZU67			0			0			0			0	0
Goldman Sachs Asset Mgt ZU25			0			0			0			0	0
SSgA MSCI ACWI ZU08			<u>148,827</u>			<u>141,598</u>			<u>166,370</u>			<u>165,000</u>	621,794
	0		148,827	0		141,598			166,370			165,000	621,794
REAL ESTATE													
L & B Real Estate ZU79	154,773	121,712	84,071	121,725	0	84,071	126,079	230,671	82,336	115,161	156,582	83,933	1,361,115
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fee.ZU32	712,239	61,130	1,601,601	(1,262,485)	8,184	543,482	481,969	46,479	726,909	832,452	67,024	241,555	4,060,539
SUB TOTAL-INV MGMT FEES													
	867,012	182,843	3,127,499	(1,140,759)	8,184	2,031,540	608,048	277,150	2,290,399	947,613	223,606	1,829,488	11,124,700
PROFESSIONAL FEES													
Legal	7,739	2,644	2,464	11,320	46,641	24,357	0	18,031	2,316	2,025	555	788	118,879
St St Bank Custodial	66,096	62,763	61,759	61,462	60,582	60,714	61,869	62,286	64,367	62,730	62,422	61,306	748,357
Pacific Corp Group/Cli. 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	68,944	13,125	13,125	96,784	13,125	13,125	122,125	468,178
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	123,408	157,848	227,140	112,494	130,943	236,592	115,381	113,602	257,344	1,927,914
OPERATING EXPENSE													
Retirement Transfers	50,535	638,586	830,432	405,345	478,315	383,396	560,824	764,161	1,063,383	736,997	549,152	827,323	7,288,448
Other Expense	<u>12,500</u>	0	<u>16,644</u>	0	<u>6,250</u>	<u>5,700</u>	<u>6,250</u>	<u>5,700</u>	<u>11,650</u>	0	<u>5,700</u>	<u>5,400</u>	75,794
	63,035	638,586	847,076	405,345	484,565	389,096	567,074	769,861	1,075,033	736,997	554,852	832,723	7,364,242
TOTAL:	1,054,507	937,461	4,187,245	(612,007)	650,597	2,647,776	1,287,616	1,177,954	3,602,023	1,799,991	892,061	2,919,555	20,416,855

Note: Numbers in bold are actual.

State of Rhode Island Private Equity Unfunded Commitment
March 2012

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	\$ 835,850.00
Avenue Special Situations Fund IV	\$ 20,000,000.00	\$ -
Avenue V	\$ 20,000,000.00	\$ -
Bain X	\$ 25,000,000.00	\$ 6,125,000.00
Birch Hill Equity Partners III*	\$ 18,048,726.00	\$ 455,249.33
Braemar Energy Ventures III	\$ 10,000,000.00	\$ 8,925,408.00
Castile III	\$ 5,000,000.00	\$ 800,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,788,006.00
Centerbridge Special Credit Partners II	\$ 25,000,000.00	\$ 22,500,000.00
Charterhouse Capital Partners VIII*	\$ 20,008,005.00	\$ 2,844,766.78
Coller International Capital IV**	\$ 15,000,000.00	\$ 2,100,000.00
Coller International Capital V	\$ 15,000,000.00	\$ 3,382,500.00
Constellation III	\$ 15,000,000.00	\$ 1,500,843.15
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.00
CVC European Equity Partners IV*	\$ 22,008,805.50	\$ 2,679,333.09
CVC V	\$ 26,677,340.00	\$ 10,552,873.79
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 232,336.00
Fenway III	\$ 15,000,000.00	\$ 221,906.00
First Reserve Fund X	\$ 20,000,000.00	\$ 1.00
First Reserve Fund XI	\$ 20,000,000.00	\$ 1,607,683.00
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
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ (67,748.00)
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 2,122,822.00
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	\$ 750,000.00
LNK Partners	\$ 12,500,000.00	\$ 928,774.52
Matlin Patterson Glb. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ -
MHR Institutional Partners III	\$ 20,000,000.00	\$ 6,190,405.00
Nautic Partners V	\$ 20,000,000.00	\$ 651,894.55
Nautic Partners VI	\$ 20,000,000.00	\$ 2,381,835.01
Nordic Capital Fund III*	\$ 12,056,720.00	\$ 196,537.34
Nordic Capital Fund V*	\$ 19,495,199.83	\$ -
Nordic Capital Fund VI*	\$ 20,008,005.00	\$ -
Nordic VII	\$ 20,008,005.00	\$ 6,113,371.74
OCM Opportunities Fund II	\$ 12,000,000.00	\$ -

State of Rhode Island Private Equity Unfunded Commitment
March 2012

Oaktree Capital Management Fund III	\$	20,000,000.00	\$	16,000,000.00
Palladin III	\$	10,000,000.00	\$	4,614,730.00
Parthenon Investors II	\$	23,960,000.00	\$	1,953,022.00
Perseus VII	\$	15,000,000.00	\$	1,617,899.00
Point 406	\$	10,000,000.00	\$	2,570,000.00
Point Judith II	\$	5,000,000.00	\$	740,733.01
Providence Equity Partners III	\$	15,000,000.00	\$	1,938,956.00
Providence Equity Partners IV	\$	25,000,000.00	\$	1,976,684.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,127,638.00
Providence Equity Partners VI	\$	25,000,000.00	\$	4,157,598.00
SKM Equity Fund II**	\$	10,000,000.00	\$	1,735,947.00
Summit Partners	\$	20,000,000.00	\$	15,000,000.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	825,000.00
Thomas McNerney & Partners II	\$	15,000,000.00	\$	3,187,500.00
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	\$	4,303,358.00
Trilantic IV	\$	11,098,351.00	\$	1,354,691.03
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	\$	3,249,025.00
Washington & Congress Capital Partners**	\$	15,000,000.00	\$	-
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	\$	1,564,274.00
Total Alternative Investments	\$	1,112,119,157.33	\$	174,787,864.34

*Foreign currency

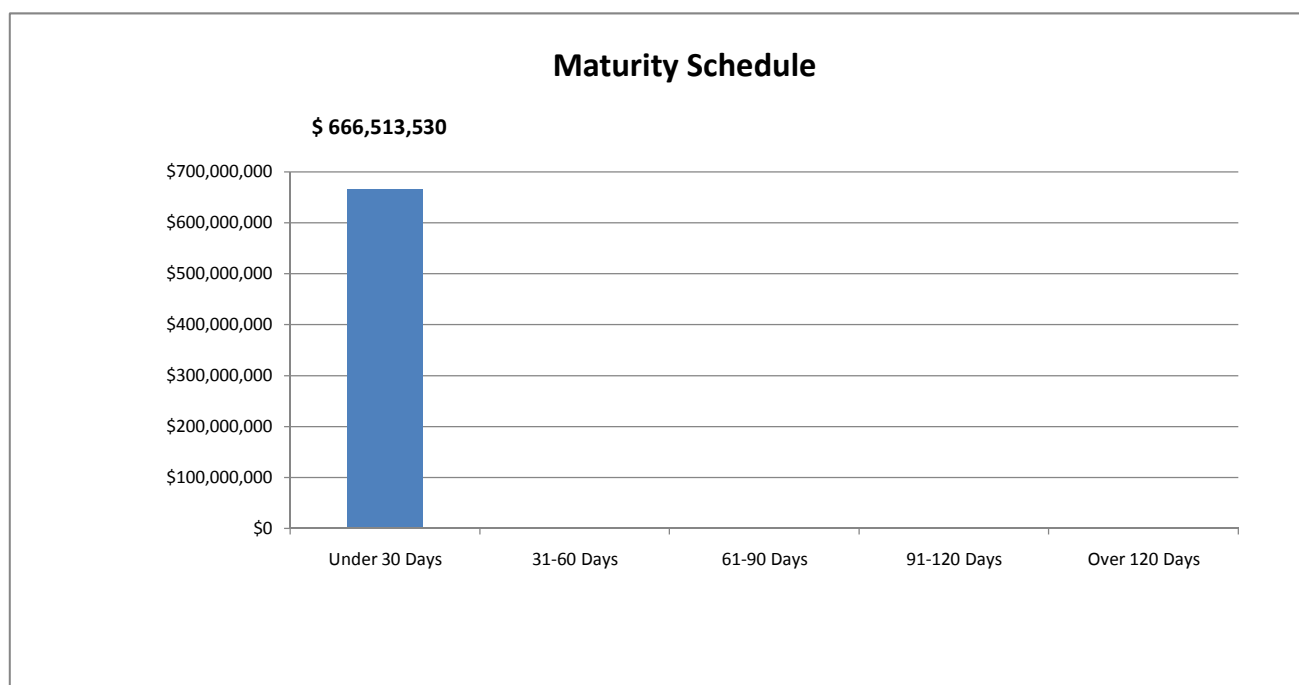
** fees NOT affecting unfunded commitment

State of Rhode Island Real Estate Investment Unfunded Commitment
March 2012

Real Estate Partnership Investment	Total Commitment	ERSRI Unfunded
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	\$ -
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
	\$ 354,000,000.00	\$ 8,039,352.05

SHORT TERM INVESTMENTS

Short-Term Investment Maturity Schedule & SIC Compliance Report at March 31, 2012



Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	GID	OSIP	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	50%/50%	
OSIP	0	0	0	0	0	0	0	149,327,065	149,327,065
	0%	0%	0%	0%	0%	0%	0%	45%	44.55%
Bank RI	0	15,027,471	0	0	0	0	0	0	15,027,471
	0%	4%	0%	0%	0%	0%	0%	0%	4.48%
Sovereign Bank	0	0	0	0	74,695,746	0	0	0	74,695,746
	0%	0%	0%	0%	22%	0%	0%	0%	22.29%
JP Morgan Chase	0	0	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%	0%	0.00%
Fidelity	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
BlackRock	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Wells Fargo	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Citizens Bank	0	0	0	0	13,778,977	0	0	0	13,778,977
	0%	0%	0%	0%	4%	0%	0%	0%	4.11%
Webster Bank	0	0	0	0	57,228,852	0	0	0	57,228,852
	0%	0%	0%	0%	17%	0%	0%	0%	17.07%
Oppenheimer Inc	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	25,104,621	0	0	0	0	0	0	25,104,621
	0%	7%	0%	0%	0%	0%	0%	0%	7.49%
TOTALS	-	40,132,092.12	-	-	145,703,575.77	-	-	149,327,064.91	335,162,733
(%) PORTFOLIO	0.00%	11.97%	0.00%	0.00%	43.47%	0.00%	0.00%	44.55%	100.00%

Note: PIP + CD must be under 75%.

Actual PIP + CD: 55.45%

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

State of Rhode Island
Short Term Cash Monthly Performance
Performance for
March 01, 2012 to March 31, 2012

Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield(Annual)
GENERAL FUND	\$ 77,963,955.89	\$ 65,201,053.73	\$ 112,005,891.38	\$ 37,097.84	0.3900%
H.A.V.A	\$ 294.31	\$ 294.33	\$ 294.31	\$ 0.02	0.0800%
GENERAL FUND (HIST PRES)	\$ 536,178.12	\$ 536,244.83	\$ 536,178.12	\$ 66.71	0.1465%
HIGHWAY FUND	\$ 13,423,907.86	\$ 12,326,301.71	\$ 15,827,133.67	\$ 2,393.85	0.1781%
T.D.I. RESERVE (DET)	\$ 97,549,218.76	\$ 82,067,279.78	\$ 88,936,315.52	\$ 18,061.02	0.2391%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	
RICAP GL FUND 21	\$ 79,075,344.98	\$ 77,088,315.49	\$ 77,914,054.66	\$ 12,970.51	0.1960%
BOND CAPITAL FUND	\$ 1,461,116.20	\$ 1,961,363.39	\$ 1,270,793.62	\$ 247.19	0.2290%
R.I. CLEAN WATER ACT	\$ 3,572,670.45	\$ 3,572,942.79	\$ 3,572,670.45	\$ 272.34	0.0898%
STATE LOTTERY FUND	\$ 51,177,160.57	\$ 52,893,018.70	\$ 68,451,354.12	\$ 15,858.13	0.2728%
ASSESSED FRINGE BEN ADM	\$ 1,007,160.43	\$ 1,007,237.21	\$ 1,007,160.43	\$ 76.78	0.0898%
AUTO EQUIPMENT SERVICE	\$ 900.31	\$ 900.38	\$ 900.31	\$ 0.07	0.0915%
HEALTH INSURANCE FUND	\$ 19,223,364.92	\$ 22,225,364.35	\$ 19,416,913.31	\$ 1,999.43	0.1212%
FLEET REVOLVING LOAN FUND	\$ 500,587.55	\$ 500,625.72	\$ 500,587.55	\$ 38.17	0.0898%
EMPLOYEES RETIREMENT	\$ 483,587.27	\$ 191,183.70	\$ 23,202,942.10	\$ 7,596.43	0.3855%
MUNICIPAL EMPLOYEES RET.	\$ 557,321.70	\$ 57,823.42	\$ 2,576,676.54	\$ 501.72	0.2293%
RETIREE HEALTH FUND	\$ 2,209,126.62	\$ 4,209,421.93	\$ 2,338,158.88	\$ 295.31	0.1487%
BOG RETIREE FUND	\$ 173,974.99	\$ 173,996.64	\$ 173,974.99	\$ 21.65	0.1465%
RIPTA HEALTH FUND	\$ 664,980.88	\$ 64,990.45	\$ 84,335.72	\$ 9.57	0.1336%
PERMANENT SCHOOL FUND	\$ 1,430,471.46	\$ 1,430,580.50	\$ 1,430,471.46	\$ 109.04	0.0898%
TEACHER RETIREE HEALTH FUND	\$ 783,920.95	\$ 784,018.48	\$ 783,920.95	\$ 97.53	0.1465%
UNIVERSITY COLLEGE	\$ 4,952,266.71	\$ 3,652,854.37	\$ 4,774,847.36	\$ 587.66	0.1449%
HIGHER EDUCATION	\$ 4,895.15	\$ 4,895.76	\$ 4,895.15	\$ 0.61	0.1467%
INDUS. BLDG. & MTG. INS.	\$ 3,646,356.71	\$ 3,646,810.37	\$ 3,646,356.71	\$ 453.66	0.1465%
Operating Funds Totals	\$ 360,398,762.79	\$ 333,597,518.03	\$ 428,456,827.31	\$ 98,755.24	0.271%
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	
CCDL1993A	\$ 7,385.31	\$ 7,386.08	\$ 7,385.30	\$ 0.84	0.1339%
BOND CCDL 1994 SERIES A	\$ 15,000.12	\$ 15,001.68	\$ 15,000.10	\$ 1.70	0.1334%
BOND CCB196A	\$ -	\$ -	\$ -	\$ -	
CAP DEV OF 1997 SERIES A	\$ 40,471.48	\$ 40,475.70	\$ 40,471.43	\$ 4.60	0.1338%
CCDL1998A	\$ 1,695,846.94	\$ 1,696,023.60	\$ 1,695,844.90	\$ 192.46	0.1336%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	
MMG099 1999	\$ -	\$ -	\$ -	\$ -	
BOND CAPITOL CCDL2000A	\$ 102,384.97	\$ 102,395.64	\$ 102,384.85	\$ 11.62	0.1336%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	
CCDL2001C	\$ 201,328.47	\$ 201,349.44	\$ 201,328.23	\$ 22.85	0.1336%
CCDL2002B	\$ -	\$ -	\$ -	\$ -	
CCDL 2004 SERIES A	\$ 3,045,785.34	\$ 3,046,102.61	\$ 3,045,781.67	\$ 345.66	0.1336%
BOND CCDL 2005 SERIES C	\$ 8,315,521.39	\$ 7,949,688.20	\$ 8,256,367.85	\$ 934.21	0.1332%
BOND CCDL 2005 SERIES E	\$ 897,154.93	\$ 897,248.32	\$ 897,153.85	\$ 101.82	0.1336%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	
BOND CCDL 2006 SERIES C	\$ 3,517,509.47	\$ 3,509,577.49	\$ 3,516,166.82	\$ 398.99	0.1336%
GO BND-NTAX 2007 SERIES A	\$ 6,001,568.98	\$ 5,997,047.04	\$ 6,000,731.60	\$ 680.98	0.1336%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	
GO BND-NTAX 2008 SERIES B	\$ 474,613.14	\$ 474,662.58	\$ 474,612.57	\$ 53.86	0.1336%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	
CCDL10B BOND CAPITAL COMPONENT	\$ 6,645,040.31	\$ 6,182,539.86	\$ 6,570,326.02	\$ 742.12	0.1330%
CCDL10C	\$ 161,296.26	\$ 161,314.56	\$ 161,296.26	\$ 18.30	0.1336%
CCDL10D	\$ 103,916.77	\$ 103,927.59	\$ 103,916.64	\$ 11.79	0.1336%
CCDL2011A	\$ 103,460,431.89	\$ 95,440,352.13	\$ -	\$ 11,272.24	0.1326%
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	\$ 222,522.98	\$ 222,546.16	\$ 222,522.71	\$ 25.25	0.1336%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	
CCDL99A 1999A	\$ 222,422.88	\$ 222,446.05	\$ -	\$ 25.24	0.1336%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	
CLEAN WATER 2007 SERIES A	\$ 283,254.31	\$ 283,283.82	\$ -	\$ 32.15	0.1336%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	
CCDL10B CLEAN WATER COMPONENT	\$ 55,658.61	\$ 55,664.41	\$ -	\$ 6.32	0.1337%
CCDL2011A CLEAN WATER COMPONENT	\$ 1,260,010.01	\$ 1,260,141.27	\$ -	\$ 143.00	0.1336%
CCDL2011A POLL CTRL CMPNT	\$ 1,263,810.04	\$ 1,263,941.70	\$ -	\$ 143.43	0.1336%
Bond Proceeds Fund Totals	\$ 135,469,114.55	\$ 126,609,032.96	\$ 31,311,290.80	\$ 14,883.00	0.133%
TANS PROCEEDS	\$ 202,193,496.10	\$ 202,217,681.77	\$ 202,193,496.10	\$ 24,185.67	0.1408%
Grand Totals	\$ 698,061,373.44	\$ 662,424,232.76	\$ 661,961,614.21	\$ 137,823.91	0.212%

457 Plans

State of Rhode Island Total Assets 457 Plans

Plan Provider	6/30/2011	9/30/2011	12/31/2011	3/31/2012
Valic	\$ 46,404,179.56	\$ 44,014,793.20	\$ 45,634,487.05	\$ 47,688,848.77
Fidelity	\$ 75,174,845.97	\$ 67,118,543.02	\$ 73,424,771.97	\$ 78,343,734.74
ING	\$ 101,014,543.11	\$ 94,547,200.94	\$ 99,442,315.29	\$ 105,042,080.63
Total	\$ 222,593,568.64	\$ 205,680,537.16	\$ 218,501,574.31	\$ 231,074,664.14

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	03/31/2012	2.15	8.84	8.84	03/31/2012	10.18	23.55	4.18	5.02
NASDAQ COMPOSITE INDEX	03/31/2012	4.28	18.98	18.98	03/31/2012	12.37	27.76	6.04	6.13
BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX	03/31/2012	-0.55	0.30	0.30	03/31/2012	7.71	6.83	6.25	5.80
RUSSELL 2000 INDEX	03/31/2012	2.56	12.44	12.44	03/31/2012	-0.18	26.90	2.13	6.45
STANDARD & POOR'S 500™ INDEX	03/31/2012	3.29	12.59	12.59	03/31/2012	8.54	23.42	2.01	4.12

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 †

Stock Investments

Large Cap

FID BLUE CHIP GR	03/31/2012	3.56	18.74	18.74	03/31/2012	9.25	28.25	6.71	4.23	10.72	—	0.94% on 09/29/2011	12/31/1987
FID CONTRAFUND	03/31/2012	3.76	14.96	14.96	03/31/2012	9.40	22.85	5.18	8.15	12.34	—	0.81% on 02/29/2012	05/17/1967
FID DIVIDEND GR	03/31/2012	2.07	16.35	16.35	03/31/2012	0.14	28.64	2.30	3.23	10.32	—	0.93% on 09/29/2011	04/27/1993
FID EQUITY INC	03/31/2012	2.54	10.26	10.26	03/31/2012	-1.25	21.84	-1.70	3.10	11.39	—	0.68% on 03/31/2012	05/16/1966
FID GROWTH & INC	03/31/2012	3.50	13.43	13.43	03/31/2012	10.02	22.59	-4.22	-0.32	9.43	—	0.72% on 09/29/2011	12/30/1985
FID MAGELLAN	03/31/2012	3.58	16.35	16.35	03/31/2012	-2.39	18.82	-0.77	1.55	16.24	—	0.60% on 05/28/2011	05/02/1963
FID NEW MILLEN	03/31/2012	2.38	13.08	13.08	03/31/2012	7.54	27.90	5.61	6.79	13.62	—	1.00% on 01/28/2012	12/28/1992
FID OTC PORTFOLIO	03/31/2012	2.10	17.20	17.20	03/31/2012	6.39	30.11	8.82	7.71	12.97	—	0.94% on 09/29/2011	12/31/1984
SPTN 500 INDEX ADV	03/31/2012	3.28	12.59	12.59	03/31/2012	8.49	23.39	2.00	4.06	9.51	—	0.07% on 04/29/2011	02/17/1988

Mid-Cap

FID LOW PRICED STK	03/31/2012	2.23	13.97	13.97	03/31/2012	7.25	27.55	4.18	9.30	14.27	1.5 % / 90days	0.83% on 09/29/2011	12/27/1989
FID MID CAP STOCK	03/31/2012	1.10	13.39	13.39	03/31/2012	3.35	29.53	2.44	5.45	11.24	.75 % / 30days	0.61% on 06/29/2011	03/29/1994

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
FID VALUE	03/31/2012	2.31	14.26	14.26	03/31/2012	-0.77	29.92	-0.41	6.26	12.13	—	0.60% on 12/30/2011	12/01/1978
FKLN SMMIDCAP GRTH A	03/31/2012	2.26	15.15	15.15	03/31/2012	1.01	27.19	4.07	5.64	10.42	—	1.01% on 04/02/2012	02/14/1992

International

FID DIVERSIFD INTL	03/31/2012	0.63	12.62	12.62	03/31/2012	-5.90	16.74	-2.85	6.80	8.48	1 % / 30days	0.90% on 12/30/2011	12/27/1991
TEMPLETON FOREIGN A	03/31/2012	-0.30	12.33	12.33	03/31/2012	-8.01	20.03	-0.27	6.04	11.09	—	1.17% on 04/02/2012	10/05/1982

Blended Investments*

Others

FID FREEDOM 2000	03/31/2012	0.24	3.45	3.45	03/31/2012	3.45	10.56	3.40	4.10	5.74	—	0.47% on 05/28/2011	10/17/1996
FID FREEDOM 2010	03/31/2012	0.72	6.79	6.79	03/31/2012	3.01	15.92	3.17	4.91	6.67	—	0.62% on 05/28/2011	10/17/1996
FID FREEDOM 2020	03/31/2012	0.85	7.93	7.93	03/31/2012	2.45	18.24	2.28	4.93	6.71	—	0.69% on 05/28/2011	10/17/1996
FID FREEDOM 2030	03/31/2012	1.08	9.58	9.58	03/31/2012	1.48	19.80	1.31	4.59	6.34	—	0.75% on 05/28/2011	10/17/1996
FID FREEDOM INCOME	03/31/2012	0.21	3.40	3.40	03/31/2012	3.47	10.23	3.64	4.07	5.16	—	0.46% on 05/28/2011	10/17/1996
FID PURITAN	03/31/2012	1.99	10.34	10.34	03/31/2012	6.05	18.90	3.58	5.72	11.07	—	0.60% on 10/29/2011	04/16/1947

Bond Investments

Income

PIMCO TOT RETURN ADM	03/31/2012	0.02	2.81	2.81	03/31/2012	5.73	9.09	8.07	6.77	7.37	—	0.71% on 04/02/2012	09/08/1994
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Short-Term Investments

Others

FID RETIRE MMKT	03/31/2012	0	0	0	03/31/2012	0.01	0.11	1.47	1.94	3.91	—	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.

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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.

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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.

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PERFORMANCE UPDATE

ING Life Insurance and Annuity Company

STATE OF RHODE ISLAND

Average Annual Total Returns as of: 03/31/2012 (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	0.02	0.00	0.05	0.00	0.05	0.02	0.18	0.15	0.59	1.41	1.69	1.93	2.24		01/01/1980	0.34	0.34
<i>The 7-day annualized Subaccount yield as of 03/31/2012 is 0.00%, which more closely reflects current earnings. (1)</i>																			
Stability of Principal																			
ING Fixed Account - 457/401 (6)(7)	MFR	0.26	0.00	0.77	0.01	0.77	0.01	3.42	0.02	3.56	0.04	3.86	1.19	4.41	1.64				
Bonds																			
<i>Intermediate-Term Bond</i>																			



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See Performance Introduction Page for Important Information

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	-0.08	-0.55	2.26	0.30	2.26	0.30	8.35	7.71	11.23	6.84	5.16	6.25	5.48	5.80	05/23/1973	0.50	0.50
Balanced																		
<i>Moderate Allocation</i>																		
Calvert VP SRI Balanced Portfolio	SPXRE	2.03	3.29	9.03	12.59	9.03	12.59	8.99	8.54	18.30	23.42	2.35	2.01	4.10	4.12	09/02/1986	0.91	0.91
ING Balanced Portfolio - Class I	SPXRE	0.92	3.29	8.89	12.59	8.89	12.59	3.52	8.54	16.77	23.42	1.87	2.01	4.07	4.12	04/03/1989	0.64	0.64
ING Invesco Van Kampen Equity and Income Portfolio - Initial	SPXRE	1.98	3.29	7.78	12.59	7.78	12.59	1.93	8.54	16.88	23.42	2.99	2.01	4.44	4.12	12/10/2001	0.65	0.65
Large Cap Value																		
<i>Large Blend</i>																		
Fidelity VIP Contrafund Portfolio - Initial Class	SPXRE	2.98	3.29	13.99	12.59	13.99	12.59	4.58	8.54	24.56	23.42	3.31	2.01	7.39	4.12	01/03/1995	0.65	0.65
ING Growth and Income Portfolio - Class I	SPXRE	2.95	3.29	13.29	12.59	13.29	12.59	7.17	8.54	22.37	23.42	2.25	2.01	3.65	4.12	12/31/1979	0.60	0.60
ING Index Plus LargeCap Portfolio - Class I	SPXRE	2.95	3.29	12.46	12.59	12.46	12.59	6.32	8.54	21.60	23.42	0.72	2.01	3.24	4.12	09/16/1996	0.44	0.44
ING Thornburg Value Portfolio - Initial Class	SPXRE	1.79	3.29	15.50	12.59	15.50	12.59	-7.41	8.54	20.56	23.42	0.28	2.01	2.40	4.12	11/28/1997	0.90	0.90
ING UBS U.S. Large Cap Equity Portfolio - Initial Class (4)	SPXRE	2.24	3.29	14.91	12.59	14.91	12.59	7.46	8.54	23.34	23.42	0.30	2.01	3.23	4.12	11/28/1997	0.85	0.75
Invesco V.I. Core Equity Fund - Series I Shares	SPXRE	2.20	3.29	11.23	12.59	11.23	12.59	4.51	8.54	19.90	23.42	2.96	2.01	5.08	4.12	05/02/1994	0.89	0.89
<i>Large Value</i>																		
Fidelity VIP Equity-Income Portfolio - Initial Class	RS3000V	2.50	2.98	10.20	11.16	10.20	11.16	4.46	4.30	24.35	23.03	-0.80	-0.75	3.69	4.73	10/09/1986	0.56	0.56
Large Cap Growth																		
<i>Large Growth</i>																		
Fidelity VIP Growth Portfolio - Initial Class	RS3000G	3.82	3.19	16.48	14.58	16.48	14.58	7.78	10.14	26.30	25.50	4.21	5.02	3.19	4.41	10/09/1986	0.67	0.67
Invesco V.I. Capital Appreciation Fund - Series I Shares	SPXRE	3.47	3.29	16.85	12.59	16.85	12.59	2.80	8.54	18.25	23.42	-0.91	2.01	1.62	4.12	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	2.15	2.22	15.39	14.52	15.39	14.52	2.97	4.43	28.81	29.16	5.47	4.44	6.30	6.91	12/10/2001	0.66	0.66
<i>Small Blend</i>																		
ING Small Company Portfolio - Class I	RS2000	2.29	2.56	12.68	12.44	12.68	12.44	2.87	-0.18	26.48	26.90	4.09	2.13	7.06	6.45	12/27/1996	0.85	0.85
Global / International																		
<i>Foreign Large Value</i>																		
ING Templeton Foreign Equity Portfolio - Initial Class (5)	MSCIWEUSN	-0.19	-0.74	10.19	10.37	10.19	10.37	-7.23	-6.67	17.84	17.56	-1.60	-2.95			2.43	0.96	0.96
<i>World Stock</i>																		
ING Oppenheimer Global Portfolio - Initial Class	MSCIAC	2.95	0.71	13.96	12.02	13.96	12.02	-1.08	-0.19	23.03	21.38	1.28	0.34			6.53	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: 03/31/2012 (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 03/31/2012 is -0.50%, which more closely reflects current earnings. (1)</i>	-0.04	-0.12	-0.12	-0.48	-0.35	0.90	1.42		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>	0.26	0.77	0.77	3.42	3.56	3.86	4.41		
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	-0.12	2.13	2.13	7.81	10.68	4.63	4.96		05/23/1973
Balanced									
<i>Moderate Allocation</i>									
Calvert VP SRI Balanced Portfolio	1.99	8.90	8.90	8.45	17.71	1.84	3.58		09/02/1986
ING Balanced Portfolio - Class I	0.87	8.76	8.76	3.01	16.19	1.36	3.55		04/03/1989
ING InvVanKpn Eqty & Inc Port I/Janus Asp Balanced-I (3)	1.93	7.64	7.64	1.42	16.30	2.48	4.51		09/13/1993
ING Invesco Van Kampen Equity and Income Portfolio - Initial	1.93	7.64	7.64	1.42	16.30	2.48	3.92		12/10/2001
Large Cap Value									
<i>Large Blend</i>									
Fidelity VIP Contrafund Portfolio - Initial Class	2.94	13.85	13.85	4.06	23.94	2.79	6.86		01/03/1995
ING Growth and Income Portfolio - Class I	2.90	13.15	13.15	6.64	21.76	1.74	3.13		12/31/1979
ING Index Plus LargeCap Portfolio - Class I	2.91	12.32	12.32	5.79	21.00	0.21	2.73		09/16/1996
ING Thornburg Value Portfolio - Initial Class	1.75	15.36	15.36	-7.87	19.95	-0.22	1.89		11/28/1997
ING UBS U.S. Large Cap Equity Portfolio - Initial Class (4)	2.20	14.77	14.77	6.92	22.72	-0.20	2.72		11/28/1997
Invesco V.I. Core Equity Fund - Series I Shares	2.16	11.09	11.09	3.99	19.31	2.45	4.55		05/02/1994
<i>Large Value</i>									
Fidelity VIP Equity-Income Portfolio - Initial Class	2.46	10.07	10.07	3.94	23.73	-1.29	3.18		10/09/1986
Large Cap Growth									
<i>Large Growth</i>									
Fidelity VIP Growth Portfolio - Initial Class	3.77	16.34	16.34	7.24	25.67	3.69	2.67		10/09/1986
Invesco V.I. Capital Appreciation Fund - Series I Shares	3.43	16.71	16.71	2.29	17.66	-1.41	1.11		05/05/1993
Small/Mid/Specialty									
<i>Mid-Cap Growth</i>									
ING T. Rowe Price Div MidCap-I/Janus Aspen MidCap - I (3)	2.10	15.25	15.25	2.46	28.17	4.95	6.95		09/13/1993
ING T. Rowe Price Diversified Mid Cap Growth Port - Initial	2.10	15.25	15.25	2.46	28.17	4.95	5.77		12/10/2001
<i>Small Blend</i>									
ING Small Company Portfolio - Class I	2.25	12.54	12.54	2.36	25.85	3.58	6.52		12/27/1996
Global / International									
<i>Foreign Large Value</i>									
ING Templeton Foreign Equity Portfolio - Initial Class (5)	-0.23	10.05	10.05	-7.69	17.25	-2.09		1.92	01/03/2006
<i>World Stock</i>									
ING Oppenheimer Global-Int/Janus Aspen Worldwide Gr-Inst (3)	2.91	13.81	13.81	-1.57	22.41	0.77	2.93		09/13/1993
ING Oppenheimer Global Portfolio - Initial Class	2.91	13.81	13.81	-1.57	22.41	0.77		5.99	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 iMoneynet, 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 03/31/2012.

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)	7.80	8.90	21.84	-0.41	2.97	2.97	1.90	12/8/2000
Vanguard Windsor II Fund	12.08	7.23	21.76	-0.41	3.93	3.93	1.40	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	13.32	3.50	19.28	-0.62	1.60	1.60	1.88	4/29/1994
Stock Index Fund (SunAmerica)	12.24	7.33	22.40	0.88	2.94	2.94	1.18	4/20/1987
<i>Large Cap Growth</i>								
Growth Fund (American Century)	15.99	8.00	23.73	5.51	3.27	3.27	1.69	12/5/2005
Large Capital Growth Fund (SunAmerica/Invesco)	17.25	3.93	19.44	2.39	3.30	3.30	1.58	12/20/2004
Domestic Mid Cap Equity								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (RCM/MorganStanley)	16.38	0.88	27.57	4.58	6.24	6.24	1.64	12/20/2004
Global Equity								
Global Social Awareness Fund (PineBridge Investments)	11.72	-0.20	19.78	-1.63	1.66	1.66	1.48	10/2/1989
Emerging Economies (formerly Global Equity) Fund (JPMorgan)	15.40	-2.37	17.36	-4.46	-0.05	-0.05	1.8	12/5/2005
International Equity								
Foreign Value Fund (Templeton Global)	11.70	-8.75	18.12	-2.27	1.76	1.76	1.64	12/5/2005
Specialty								
Science & Technology Fund (T. Rowe/RCM/Wellington)	19.54	4.23	28.26	6.68	3.72	3.72	1.82	4/29/1994
Hybrid								
<i>Balanced</i>								
Vanguard Wellington Fund	7.27	6.12	16.45	3.64	5.48	5.48	1.35	7/1/1929
Fixed Income								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	0.24	16.63	14.68	7.50	7.07	7.07	1.04	7/9/1973
Vanguard Long-Term Treasury Fund	-5.91	22.30	6.12	8.27	7.38	7.38	1.02	5/19/1986
<i>International</i>								
International Government Bond Fund (PineBridge Investments)	1.90	5.06	8.92	5.32	7.62	7.62	1.47	10/1/1991
<i>Stable Value</i>								
Money Market I Fund (SunAmerica)	-0.20	-0.79	-0.75	0.39	0.87	0.87	1.32	1/16/1986
7-Day current yield at 30-Sep-2009: -0.79								
Fixed Account Plus	3.01	3.24	3.53	3.66	4.27	4.27		1/1/1982
Short Term Fixed Account	1.00	1.00	1.83	2.30	2.65	2.65		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.

Annuities are long-term investments. Income taxes are payable upon withdrawal. Federal restrictions and a 10% federal tax penalty may apply to withdrawals prior to age 59 1/2. Retirement plans and accounts that satisfy relevant qualification rules, such as 403(b)s, IRAs, 401(k)s, etc., can be tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan or account with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the tax deferral of the tax-qualified retirement plan or account itself. However, annuities do provide other features and benefits.

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.

~ Effective 10/01/2011, the Global Equity Fund [87] was renamed Emerging Economies Fund and has a new investment strategy that focuses primarily on companies domiciled in emerging markets countries. The new sub-advisor to the fund is JP Morgan. Performance as of 9/30/2011 and prior is attributable to the Global Equity Fund.

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.