

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
September 30, 2010**

**October 27, 2010
MEETING**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Frank T. Caprio, Chair

**Ms. Rosemary Booth Gallogly
Mr. Thomas P. Fay
Mr. Robert Giudici
Ms. Marcia Reback**

**Mr. J. Michael Costello
Mr. Robert R. Gaudreau, Jr.
Dr. Robert J. McKenna
Mr. Andrew K. Reilly**



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

Frank T. Caprio
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, October 27, 2010 at 9:00 a.m. in Room 135 of the State House.

AGENDA

1. Membership Roll Call
2. Approval of Minutes
 - State Investment Commission Meeting held on September 22, 2010 *
3. General Consultant Report – Pension Consulting Alliance
4. Short-Term Investments
 - Draft Legislation to Authorize the Establishment of a Trust for Local Government Investment Pool*
5. Legal Counsel Report
6. Selection of Custodian for RI OPEB System*
7. Chief Investment Officer Report
8. Treasurer's Report
9. New Business

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

POSTED ON THURSDAY, OCTOBER, 21 2010



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

Frank T. Caprio
General Treasurer

State of Rhode Island and Providence Plantations
STATE INVESTMENT COMMISSION

Monthly Meeting September 22, 2010

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, September 22, 2010. The Treasurer called the meeting to order at 9:04 a.m.

Membership Roll Call. Present were: Ms. Rosemary Booth Gallogly, Mr. Michael Costello, Ms. Marcia Reback, Mr. Andrew Reilly and General Treasurer Frank T. Caprio, establishing a quorum. Also present were: Ms. Sally Dowling, of Adler Pollock, & Sheehan, and Mr. David Ursillo, of Rodio & Ursillo, Legal Counsel to the Commission; Mr. Allan Emkin and Mr. John Burns of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; and members of the Treasurer's staff. Mr. Thomas Fay, Mr. Robert Gaudreau, Mr. Robert Giudici, and Dr. Robert McKenna were not present.

State Investment Commission Minutes. Treasurer Caprio entertained a motion for approval of the minutes for the meeting of August 25, 2010. Mr. Costello moved, Ms. Booth Gallogly seconded, and the subsequent motion passed. The following members voted in favor: Ms. Booth Gallogly, Mr. Costello, Ms. Marcia Reback, Mr. Reilly and General Treasurer Caprio.

VOTED: To approve the Minutes of the August 25, 2010 monthly meeting.

General Consultant Report. Treasurer Caprio called on Mr. Emkin to provide background on the private equity consultant request for proposals (RFP) and the prospective consultant presentations that will take place today.

Mr. Emkin commented that the investment staff issued the RFP for a private equity consultant and evaluated the responses with input from him and others at PCA. The three candidates believed to be the most capable to work with the board and the staff will give short presentations and answer any questions. Listening to these presentations is part of the boards general due diligence and a selection decision is not expected today. He noted that he has worked with each of these groups on more than one occasion and that neither he nor PCA has a business relationship with any of them.

Mr. Goodreau stated the presenters have been instructed to be general in scope. Anything that the group may want to address in more detail can be done by conference calls or site visits. Each presentation will be 15 minutes followed by an opportunity for questions. They will proceed in alphabetical order by firm.

Mr. Dennis Sugino, the President of Cliffwater LLC, introduced himself and his colleagues, Managing Directors James Feidler, and Gabrielle Zadra, and gave brief education and career summaries. He noted that Tom Lynch, who has over 25 years of consulting experience, from their NY office, would be the relationship service person.

Mr. Sugino then asked the group to turn to page 3 of the Cliffwater presentation booklet. He stated that Cliffwater is an independent advisory firm, with no partners, and is employee owned. They advise globally on \$9 billion in private equity and have 26 clients overall. They are registered with the SEC and have no regulatory issues. The firm aims to be a leader in thought, service and performance.

Mr. Feidler told the group that the firm utilizes disciplined and documented due diligence exclusively in the alternative investment arena. He noted that the firm services only institutional investors and has many advantages including: access to top tier funds, a customized approach, a disciplined investment process and an experienced team. The team that would be available to the Rhode Island fund would be comprised of 18 professionals with extensive experience that would cover the following areas: portfolio strategy and construction, private equity sourcing and due diligence, and monitoring and operations.

Ms. Zadra explained that the Cliffwater team reviews 300 to 400 opportunities each year. The team is proactive in researching and identifying the top performing funds by strategy and in building relationships with those firms. There is a firm investment committee that meets several times a month to review all approved funds. There is also a forward calendar of funds that are coming to market in the next 18 months. This process is important to construction of a portfolio that is diversified by time, strategy and geography.

Ms. Zadra said that Cliffwater has built a proprietary data base of over 2000 funds to track the funds they monitor and the funds they perform due diligence on. They produce a quarterly client memo on the top ranked funds that they are active in due diligence on and the best funds coming to market in the next year.

Mr. Fiedler commented that he and Tom Lynch of their NY office would lead the dedicated consulting team but the entire staff is available to Rhode Island.

Mr. Sugino provided a summary of Cliffwater's advantages including: they engage in customized advisory services only; the firm is the proper size to give clients access to funds; and Rhode Island would be one of their top clients.

Treasurer Caprio asked for the proposed fee structure.

Mr. Sugino said that the fee is \$400,000 for non-discretionary services and \$700,000 for discretionary services.

Ms. Booth Gallogly asked how do they balance due diligence with maintaining access and relationships with the funds they would recommend.

Ms. Zadra said the general partners do protest the level of information we require but many eventually commend our thoroughness and the firms that will not provide the required information are not the type we will recommend to our clients.

Mr. Mike DiMartile, Vice President of Hamilton Lane introduced himself and his associates, Vice President Mike Koenig, Managing Director Andrea Kramer and Chief Executive Officer Mario Giannini.

Mr. Giannini asked the group to turn to page 2 of the presentation material. He stated that Hamilton Lane is an independent, global firm, the majority of which is owned by over 40 employees with their funds invested along side the client's. Hamilton Lane is a recognized leader in private equity; they are the largest of advisory firms in the asset class with \$15 billion in assets under management. The client base is 50% U.S., including top pension funds, and 50% non-U.S.

The diverse base gives the staff an understanding of what others are doing in the asset class globally.

Mr. Giannini noted that the firm provides discretionary and nondiscretionary management with a customized strategy. The type and depth of services depends on the client's needs and can be modified as needs change. They offer the specialized strategies of: co-investments, secondaries, and fund-of-funds.

Ms. Kramer told the group that she is part of the investment team and heads the global offices. The team of 31 professionals has allocated over \$12 billion during the past two years in all of the various strategies. Hamilton Lane has a proprietary data base to evaluate and track all the information they receive and for client monitoring.

Mr. Giannini commented that every general partner that Hamilton Lane reviews is top quartile. The firm's track record is something they are very proud of, as is the extensive network of contacts with the LP and GP community. These factors enhance the due diligence, monitoring and reporting functions.

Mr. Costello asked how often they say no to a general partner when that person holds an advisory seat.

Mr. Giannini replied about 20% of the time. He provided additional insights on board participation.

Ms. Kramer remarked that it is a challenging conversation, but our decision process is the same every time.

Mr. Koenig spoke about the process of customizing the diligence process for each client through defining objectives and guidelines.

Mr. Giannini stated their goal is to understand what the client needs and utilize their staff and systems to meet that need.

Mr. Goodreau asked for information on the proposed fee structure.

Mr. Koenig explained that the fee for taking over the legacy portfolio for monitoring and reporting is \$200,000.00. Going forward with investment management services for new commitments there would be a tiered fee; 75 basis points for up to \$150 million and the fee would come down at certain points as you invest more. Additionally, there are fee options for legal services.

Ms. Davidson of Pacific Corporate Group Asset Management (PCG) introduced David Fann, President and CEO and Scott Reining, Vice President.

Mr. Fann provided an overview of PCG, a specialist private equity firm that provides customized services tailored specifically for each client. The firm has invested over \$44 billion for clients globally. He explained the firm's investment philosophy is to deliver strong investment returns and exceptional service on a custom basis. This is accomplished through business practices including a research-driven investment process, term negotiation to add value and diligent monitoring and reporting.

Mr. Fann stated that in the past year representatives of PCG worked with the White House. They have also worked with the Federal Reserve Board and the U. S. Treasury Department and several states. Since 1995, PCG has continually generated top quartile rates of return, outperforming the benchmark during the entire time Rhode Island has been their client.

Ms. Davidson said the history of working with Rhode Island for the past 15 years to build the private equity portfolio from the ground up sets PCG apart from other firms. PCG's longevity and standing has aided in Rhode Island's ability to secure allocations in the top performing funds. They have worked with each administration to assemble a top performing private equity portfolio.

Ms. Davidson commented during the current administration, PCG has actively participated in optimizing the portfolio. They executed 2 successful secondary sales; the first was innovative at the time and the second rebalanced the portfolio. Each was priced at the peak, resulted in a gain and saved millions in fees.

Ms. Davidson reviewed the 7 member team dedicated to Rhode Island's customized services and noted that there are an additional 32 investment professionals providing support.

Mr. Reining told the group that PCG has a record independently verified in compliance with Global Investment Performance Standards (GIPS). Since 1990, PCG has exceeded public and private market benchmarks on an aggregate basis. They have also consistently exceeded benchmarks on a vintage basis with periods of significant out performance relative to the benchmark. Of the funds PCG selected, 40% have been first quartile and 70% have been first or second quartile.

He stated the Rhode Island track record, on an aggregate basis or a vintage basis, mirrors that of PCG. Rhode Island's since inception performance is 14.4%, which is well above public and private benchmarks.

Ms. Davidson addressed the question of relationship structure posed in the RFP, stating that PCG would be pleased to continue the 15 year relationship on a non-discretionary basis or could provide discretionary services for all or part of the program.

Mr. Costello asked for clarification on the difference in the discretionary and non-discretionary programs.

Ms. Davidson commented that depends on how the program is set up and there are many relationship options that can be employed to meet your objectives.

The group discussed the various aspects of the discretionary / non-discretionary relationship structure.

Mr. Dingley asked how the discretionary accounts perform relative to the non-discretionary accounts.

Ms. Davidson stated the accounts are very similar; both are included in the performance numbers you see.

Ms. Booth Gallogly asked why a discretionary program has a higher fee.

Mr. Emkin clarified that the fee is higher because the fiduciary duty and liability is shifted away from the board and there is the back office accounting and administrative work to be considered.

Mr. Reilly asked for a performance projection for year end 2010.

Ms. Davidson said it will likely be slightly higher from where it is now.

Mr. Goodreau asked Ms. Davidson to review the fee structure.

Ms. Davidson told the board that to maintain what we are doing now, where everything stays the same, PCG proposed \$337, 000. This is the same as the current agreement. We are prepared to discuss alternate structures.

The group briefly discussed the private equity consultant topic.

Legal Counsel Report. Legal Counsel had no report.

Cash Management Report. Mr. Izzo stated that he and Mr. Marr would like to introduce a new type of investment, the Local Government Investment Pool (LGIP), for the state's short-term portfolio which would improve our yield and preserve safety and liquidity. He asked the group to refer to the handout Discussion regarding Creation of State and Local Government Pool. Our research shows that 44 out of 50 states including all of the other New England states have investment pools consisting of state, municipality and quasi agency funds.

Mr. Marr commented that the guidelines would be the same as those the SIC prescribes for the state's short-term cash. The LGIP would create operational efficiencies and the opportunity for increased yield. An outside manager would be utilized. At a future meeting we will present a more detailed proposal.

Ms. Booth Gallogly asked if each individual government entity would deal directly with the outside manager.

Mr. Izzo replied that each entity would have direct access to the outside manager and get their own statements.

Mr. Marr stated that the LGIP is a trust that would sell units of participation.

Treasurer Caprio asked what size the pool would be.

Mr. Izzo stated that right now the state has an average of \$500 million in short-term funds. With the state and full quasi agency participation, the LIGP be between \$500 million and \$1 billion dollars and with municipalities it would be a billion plus size fund.

Mr. Marr stated the yield pick up achieved by other LGIPs in our region is anywhere from 15 to 20 basis points over comparable investment vehicles, which earn 5 to 10 basis points. There would be a significant amount of additional revenue for the state and participating municipalities.

Chief Investment Officer Report. Mr. Goodreau stated that the fund was above the benchmark for the month and it is about 95 basis points ahead for the year.

Treasurer's Report. Treasurer Caprio reported that last year and this year we compared the Rhode Island fund performance to that of the Harvard endowment and to the states of Massachusetts and California. For the second year in a row Rhode Island is outperforming all three.

New Business. There was no new business.

There being no new business, the Treasurer entertained a motion to adjourn. Mr. Costello moved, Ms. Booth Gallogly and Mr. Reilly seconded and the subsequent motion passed. The following members voted in favor: Ms. Booth Gallogly, Mr. Costello, Ms. Marcia Reback, Mr. Reilly and General Treasurer Caprio.

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 10:56 a.m.

Respectfully submitted,



Frank T. Caprio
General Treasurer

RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
September 30, 2010

PORTFOLIO PERFORMANCE

September

The ERSRI portfolio posted a 5.43% gain for the month of September, against the policy index of 6.07%. Domestic Equities gained 9.67%, international equities were up 9.96%, and the fixed income asset class returned 0.32%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was 6.00% against its 5.96% index.

Calendar Year to Date

For the nine months ending September 30, 2010, the portfolio is up 5.91% against the policy index of 5.59%. Domestic equities were up 4.64%, international equities were up 3.77%, while fixed income generated a return of 6.31%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2011, the fund has gained 7.87%, against the policy index of 8.86%.

Index Performance Summary - September 30, 2010		
Market Indices	Sep-10	Calendar YTD
<u>Domestic Equity</u>		
S & P 500	8.92%	3.89%
DJ Wilshire 5000	9.44%	4.78%
Russell 2000	12.46%	9.12%
Policy Index	5.96%	5.69%
<u>International Equity</u>		
MSCI ACWI	9.97%	4.06%
<u>Fixed Income</u>		
BC AGG	0.11%	7.94%
<u>Real Estate</u>		
NCREIF	3.39%	2.66%

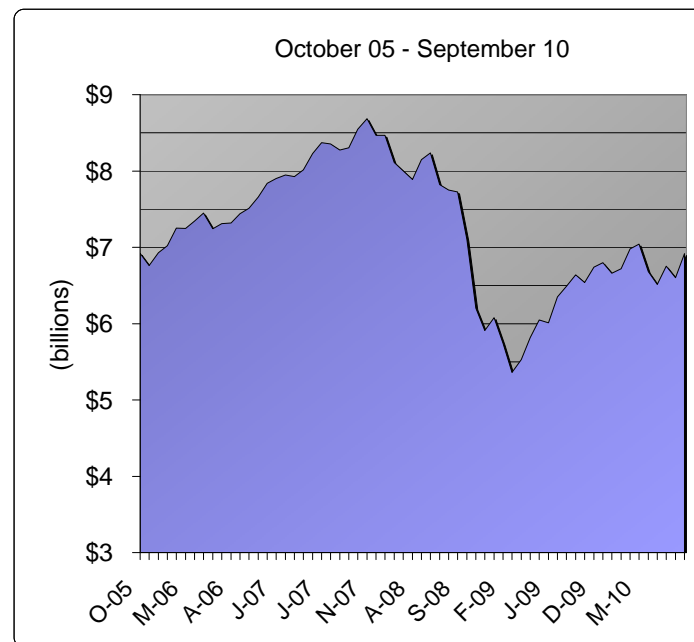
ERSRI Performance By Asset Class	Sep-10	Calendar YTD
Domestic Equity	9.67%	4.64%
Fixed Income	0.32%	6.31%
International Equity	9.96%	3.77%
Total Fund Composite*	6.00%	5.61%
Manager Summary	Sep-10	CYTD
<u>DOMESTIC EQUITY</u>		
Shott	-2.94%	-2.83%
SSgA S&P 500	8.94%	3.96%
Russell Overlay	-0.03%	0.45%
Wellington Technical Eq	6.77%	-5.71%
Russell 2000 Index	12.48%	9.20%
Total Domestic Equity	9.67%	4.64%
<u>FIXED INCOME</u>		
Brown Bros TIPS	0.76%	7.50%
Brown Bros Core	0.36%	7.97%
Fidelity	-0.11%	6.69%
Taplin Canida & Habacht	0.31%	9.73%
Fixed Income Cash Acct	0.02%	0.14%
Mackay Shield	2.18%	9.95%
Total Fixed Income	0.32%	6.31%
<u>INTERNATIONAL EQUITY</u>		
Total International Equity	9.96%	3.77%

*Total Fund Composite includes all classes ex PE & RE

Market Valuation Report
September 30, 2010

Market Values

The total portfolio value increased in September by \$316.3 million to \$6.92 billion. This compares with an increase in value of \$157.4 million for the same period in 2009. The Domestic Equity Market values increased by \$224.1 million, including transfers in of \$0.000 million; Fixed Income decreased by \$27.4 million, including transfers out of \$33.0 million; while International Values increased by \$115.5 million, including transfers out of \$0.003 million. The Cash Accounts decreased by \$5.9 million including transfers out of \$6.4 million, and Alternative Investments increased by \$8.8 million, including transfers out of \$2.4 million. The Real Return Pool increased by \$3.1 million including transfers in of \$0.00 million. The overlay account decreased by \$1.9 million.



Cash Flow

September's pension payroll of \$71.4 million was greater than the \$30.4 million in contributions and wire transfers received by \$41.0 million.

To meet pension and other obligations, a transfer from long-term investments of \$42.2 million was necessary.

Alternative Investments

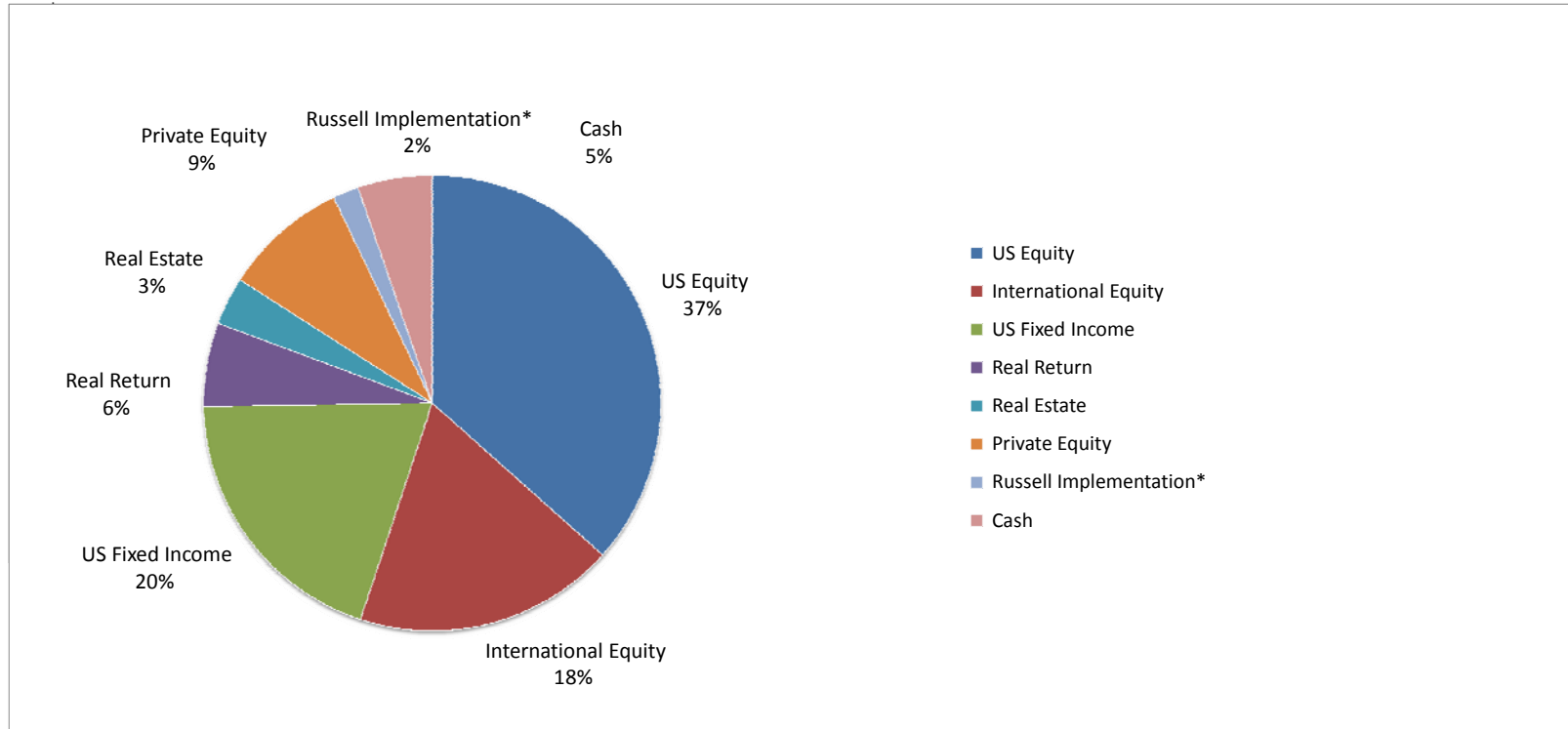
At this time the alternative investment asset class has unfunded commitments of approximately \$215.6 million on commitments of \$1,090 million.

CAPITAL CALLS Net of Distributions

September 2010	FYTD	UNFUNDED BALANCE
-\$1,326,193	-\$31,746,312	\$215,618,288
September 2009	FYTD	UNFUNDED BALANCE
\$875,248	\$2,622,624	\$345,755,282

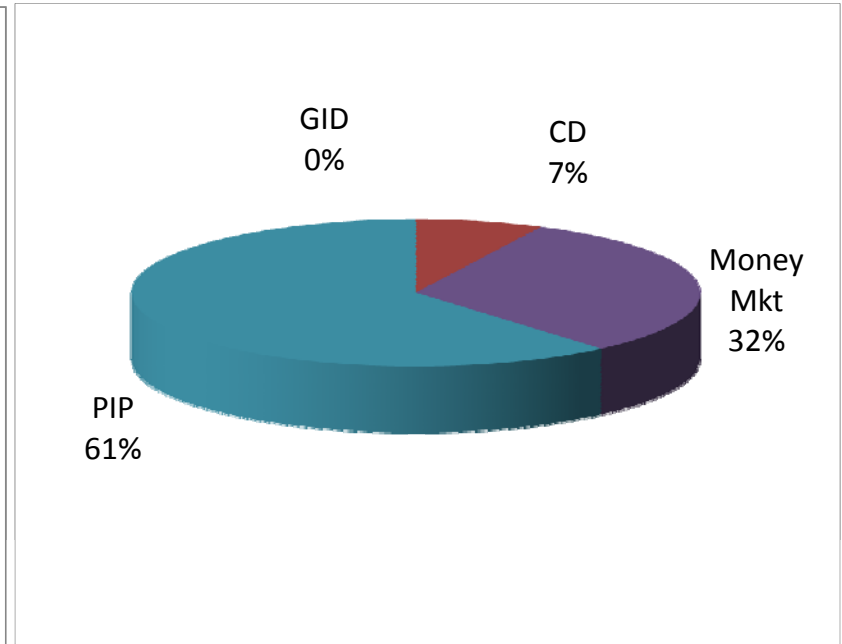
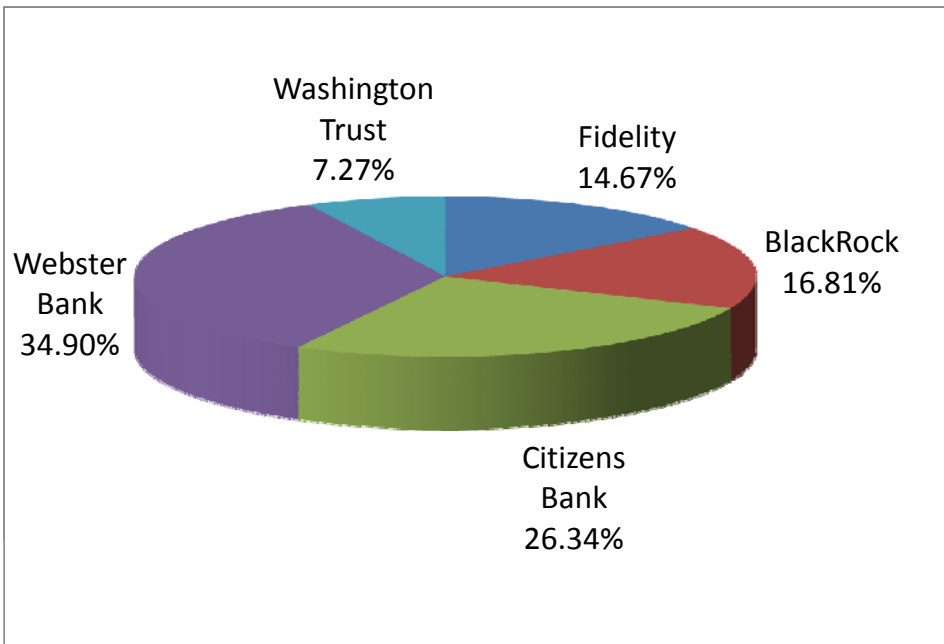
State of Rhode Island

Asset Allocation
9/30/2010



	Value	Allocation
US Equity	2.53	36.6%
International Equity	1.28	18.4%
US Fixed Income	1.36	19.7%
Real Return	0.41	6.0%
Real Estate	0.24	3.4%
Private Equity	0.61	8.8%
Russell Implementation*	0.13	1.8%
Cash	0.36	5.3%
Total Fund	6.92	100.0%

**RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT:
September 30, 2010**



REPO	= Repurchase Agreement
GID	= Government Insured Deposit
CP	= Commercial Paper
CD	= Certificate of Deposit
CoD	= Collateralized Deposit
Agency	= US Government Agency

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

**Issuer Credit Ratings
Sep-10**

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	0.00%				N/R		N/R	
JP Morgan Chase	2,3,5	0.00%	Aa1		P-1	A-1+	Aa1	AA-	Negative
BlackRock Inc.	6	16.81%	A1		P-1	A-1	A1	A+	Stable
RBS Citizens	3,4	26.34%	A2		P-1	A-2	A2	A-	Negative
Federated	6	0.00%				N/R		N/R	N/R
Fidelity	6	14.67%				N/R		N/R	N/R
Merrill Lynch	2,5,6	0.00%	A2		P-1	A-1	A2	A	Negative
Morgan Stanley	1,2,5	0.00%	A2		P-1	A-1	A2	A	Negative
Sovereign Bank	3,4	0.00%	A3		P-2	A-1	A3	A	Stable
State Street Bank & Trust Comp	1,3	0.00%	A1		P-1	A-1	A1	A+	Negative
Webster Bank	3,4	34.90%	A3		P-2	A-2	A3	BBB	Stable
Washington Trust	3,7	7.27%				N/R		N/R	N/R
Oppenheimer	5	0.00%					B2		Stable

Instrument Codes

- 1 Repurchase Agreement
- 2 Commercial Paper
- 3 Certificate of Deposit
- 4 Collateralized Deposit
- 5 US Agency Discount Note
- 6 Government Money Market
- 7 Government Insured Deposit

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

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.

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

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 Long-Term Debt Ratings:

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

Frank T. Caprio
General Treasurer

October 22, 2010

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 September 30, 2010.

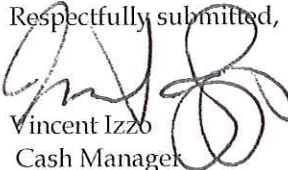
Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation

September 30, 2010

Asset Class		
Cash/Short Term Investments		676,437,604
Equities - Domestic		2,498,986,484
Equities - International		1,275,917,604
Fixed Income - Government	\$1,000,604,791	
Fixed Income - Corporate	\$620,031,566	
Total Fixed Income		1,620,636,357
Alternative Investments		609,394,388
Real Estate		235,700,641
Total Fund Investments		6,917,073,078
Plan Allocation		
State Employees & Teachers	83.17%	5,752,858,004
Municipal Employees	15.44%	1,067,717,567
State Police	0.89%	61,575,245
Judicial	0.50%	34,922,261
Total Fund Investments	100.00%	6,917,073,078

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 Izzo
Cash Manager

State of Rhode Island
Summary of Performance
Rates of Return
PERIODS ENDING September 30, 2010

		MKT VAL	% of FUND	1 Month	3 Months	YTD	FYTD	1 Year	2 Years	3 Years	5 Years	ITD	Incept Date
DOMESTIC EQUITY													
Index													
	SSGA S&P 500 INDEX FUND S&P 500	1,747,325,489	25.3	8.9 8.9	11.3 11.3	4.0 3.9	11.3 11.3	10.3 10.2	1.4 1.3	-7.1 -7.2		-2.5 -2.6	11/01/2006
	RUSSELL 2000 INDEX FUND RUSSELL 2000	638,759,283	9.2	12.5 12.5	11.4 11.3	9.2 9.1	11.4 11.3	13.5 13.4				27.7 27.6	05/01/2009
Active Core													
	WELLINGTON TECHNICAL EQUITY RUSSELL 3000	144,901,777	2.1	6.8 9.4	7.5 11.5	-5.7 4.8	7.5 11.5	0.7 11.0	1.6 1.9	-1.3 -6.6		0.6 -4.8	08/01/2007
Other													
	SHOTT CAPITAL	2,206,687	0.0							-14.0			04/01/1999
TOTAL US EQUITY RUSSELL 3000		2,533,193,235	36.6	9.7 9.4	11.1 11.5	4.6 4.8	11.1 11.5	10.6 11.0	2.2 1.9	-6.5 -6.6	0.8	8.6 -4.8	03/01/1989
INTERNATIONAL EQUITY													
Index													
	MSCI ACWI EX US INDEX FUND MSCI AC WORLD ex US (NET)	1,275,377,643	18.4	10.0 10.0	16.6 16.6	3.8 3.7	16.6 16.6	7.7 7.6				29.8 29.7	05/01/2009
Active													
	TAX RECLAIMS MSCI AC WORLD ex US (GROSS)	248,067	0.0	10.0	16.7	4.1	16.7					9.3	11/01/2009
	SSGA TRANSITION ACCOUNT	298,114	0.0										11/01/2000
TOTAL INTERNATIONAL EQUITY MSCI AC WORLD ex US (GROSS)		1,275,923,824	18.5	10.0 10.0	16.6 16.7	3.8 4.1	16.6 16.7	7.7	8.4	-5.4	4.6	4.8 9.3	03/01/1989
U.S. FIXED INCOME													
Core													
	BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	364,419,150	5.3	0.4 0.0	2.9 2.4	8.0 7.8	2.9 2.4	8.1 7.8	9.9 9.4	6.5 7.7	5.4 6.4	6.7 7.3	03/01/1990
Mortgage													
	PYRAMIS GLOBAL ADVISORS BC MBS	461,399,958	6.7	-0.1 -0.4	1.1 0.6	6.7 5.1	1.1 0.6	7.6 5.7	8.8 7.8	7.1 7.5	6.0 6.4	7.5 7.2	10/01/1989
Corporates													
	TAPLIN, CANIDA & HABACHT BC CREDIT	367,955,131	5.3	0.3 0.7	3.9 4.7	9.7 10.5	3.9 4.7	11.9 11.7	17.1 15.5	6.5 8.3	5.9 6.5	6.9 6.9	04/01/1996
High Yield													
	MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	166,792,741	2.4	2.2 2.7	5.4 6.0	10.0 10.9	5.4 6.0	15.6 17.9	14.7 17.9	7.0 7.7	7.5 7.9	11.8 10.7	10/01/2002
Other													
	FIXED INCOME CASH ACCOUNT	353,035,508	5.1	0.0	0.1	0.1	0.1	0.2	0.6	1.5		2.1	04/01/2007
TOTAL US FIXED INCOME BC AGGREGATE		1,713,602,488	24.8	0.3 0.1	2.2 2.5	6.3 7.9	2.2 2.5	7.7 8.2	9.9 9.4	6.7 7.4	5.9 6.2	6.6 6.6	12/01/1992
REAL RETURN POOL													
	BROWN BROTHERS HARRIMAN - TIPS BARCLAYS US TIPS INDEX	411,697,218	6.0	0.8 0.6	2.8 2.5	7.5 7.0	2.8 2.5	9.8 8.9	8.1 7.3	7.7 6.9	5.8 5.5	6.2 5.8	06/01/2004
TOTAL REAL RETURN CPI + 4%		411,697,218	6.0	0.8 0.5	2.8 1.3	7.5 4.0	2.8 1.3	9.8	8.1	7.7	5.8	6.2 4.6	06/01/2004
ALTERNATIVE INVESTMENTS													
	REAL ESTATE NCREIF PROPERTY LAG + 100 BPS	235,701,377	3.4	0.8 3.4	3.9 0.0	-0.2 0.0	3.9 0.0	-7.8 0.0	-24.9 0.0	-16.0 0.0	-5.4 0.0	-4.2 0.0	01/01/2005
	PRIVATE EQUITY S&P 500 PLUS 300 BP	609,542,509	8.8	1.8 9.2	2.1 12.1	10.6 6.2	2.1 12.1	18.7 13.4	-0.4 4.3	0.0 -4.4	6.8 3.7	8.8 12.4	01/01/1989
TOTAL ALTERNATIVE INVESTMENTS TOTAL ALTERNATIVES BENCHMARK		845,243,886	12.2	1.5 6.8	2.6 8.6	7.7 4.8	2.6 8.6	10.8 7.7	-8.5 -1.2	-5.1 -3.8	3.0 4.2	7.9	04/01/1996
RE-BALANCING													
	RUSSELL IMPLEMENTATION SERVICES	126,477,351	1.8	0.0	0.1	0.5	0.1	0.5	0.2			0.1	09/01/2008
CASH													
	CASH ACCOUNT (INSIDE)	9,785,330	0.1										07/01/2000
	CASH ACCOUNT (OUTSIDE)	1,149,747	0.0										07/01/2000
TOTAL PLAN TOTAL PLAN BENCHMARK*		6,917,073,078	100.0	5.4 6.1	7.9 8.9	5.9 5.6	7.9 8.9	9.7 9.1	3.8 3.3	-2.8 -3.5	3.3 3.2	9.2	01/01/1984

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

State of Rhode Island

Summary of Performance

Rates of Return

PERIODS ENDING September 30, 2010

	MKT VAL	% of FUND	6 YEARS	7 YEARS	8 YEARS	9 YEARS	10 YEARS	ITD	Incept Date
DOMESTIC EQUITY									
<i>Index</i>									
SSGA S&P 500 INDEX FUND S&P 500	1,747,325	25.3	2.5	4.0	6.4	3.0	-0.4	-2.5	11/1/2006
RUSSELL 2000 INDEX FUND RUSSELL 2000	638,759	9.2	4.2	6.1	9.5	7.3	4.0	27.7	5/1/2009
<i>Active Core</i>									
WELLINGTON TECHNICAL EQUITY S&P 500	144,902	2.1	2.5	4.0	6.4	3.0	-0.4	0.6	8/1/2007
<i>Other</i>									
SHOTT CAPITAL	2,207	0.0							4/1/1999
TOTAL US EQUITY RUSSELL 3000	2,533,193	36.6	3.3 3.1	4.8 4.6	7.6 7.1	4.4 3.8	0.1 0.1	8.6	3/1/1989
INTERNATIONAL EQUITY									
<i>Index</i>									
MSCI ACWI EX US INDEX FUND MSCI EAFE (NET)	1,275,378	18.4	5.6	7.8	9.9	6.8	2.6	29.8	5/1/2009
<i>Active</i>									
TAX RECLAIMS MSCI AC WORLD ex US (GROSS)	248	0.0	8.5	10.5	12.6	9.4	4.8		11/1/2009
SSGA TRANSITION ACCOUNT	298	0.0							11/1/2000
TOTAL INTERNATIONAL EQUITY MSCI AC WORLD ex US (GROSS)	1,275,924	18.5	8.2 8.5	10.1 10.5	11.6 12.6	8.3 9.4	3.8 4.8	4.8	3/1/1989
U.S. FIXED INCOME									
<i>Core</i>									
BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	364,419	5.3	5.1	5.2	5.2	5.7	6.5	6.7	3/1/1990
<i>Mortgage</i>									
PYRAMIS GLOBAL ADVISORS BC MBS	461,400	6.7	5.7	5.5	5.5	5.8	6.4	7.5	10/1/1989
<i>Corporates</i>									
TAPLIN, CANIDA & HABACHT BC CREDIT	367,955	5.3	5.4	5.5	7.1	6.6	7.0	6.9	4/1/1996
<i>High Yield</i>									
MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	166,793	2.4	7.6	8.6	11.8			11.8	10/1/2002
<i>Other</i>									
FIXED INCOME CASH ACCOUNT	353,036	5.1						2.1	4/1/2007
TOTAL US FIXED INCOME BC AGGREGATE	1,713,602	24.8	5.7 5.6	5.7 5.4	6.2 5.4	6.1 5.7	6.4 6.4	6.6	12/1/1992
REAL RETURN POOL									
BROWN BROTHERS HARRIMAN - TIPS BC GLOBAL INFLATION LINKED: U.S. TIPS	411,697	6.0	5.8	5.5	5.8	5.9	6.9	7.5	6/1/2004
TOTAL REAL RETURN CPI + 4%	411,697	6.0	5.8 6.4	6.5	6.4	6.4	6.4	6.2	
ALTERNATIVE INVESTMENTS									
REAL ESTATE NCREIF PROPERTY INDEX QTR LAG	235,701	3.4	6.0	6.7	6.8	6.7	7.2	-4.2	1/1/2005
PRIVATE EQUITY S&P 500 PLUS 300 BP	609,543	8.8	10.6	5.5	12.6	11.0	9.1	8.8	1/1/1989
TOTAL ALTERNATIVE INVESTMENTS TOTAL ALTERNATIVES BENCHMARK	845,244	12.2	7.2 6.2	9.5 7.4	8.3 8.8	6.8 6.8	3.8 5.0	7.9	4/1/1996
RE-BALANCING									
RUSSELL IMPLEMENTATION SERVICES	126,477	1.8						0.1	9/1/2008
CASH									
CASH ACCOUNT (INSIDE)	9,785	0.1							
CASH ACCOUNT (OUTSIDE)	1,150	0.0							
TOTAL PLAN TOTAL PLAN BENCHMARK	6,917,073	100.0	5.4 5.1	6.7 6.3	8.3 8.1	6.1 6.0	3.3 3.2	9.2	1/1/1984

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

STATE OF RHODE ISLAND

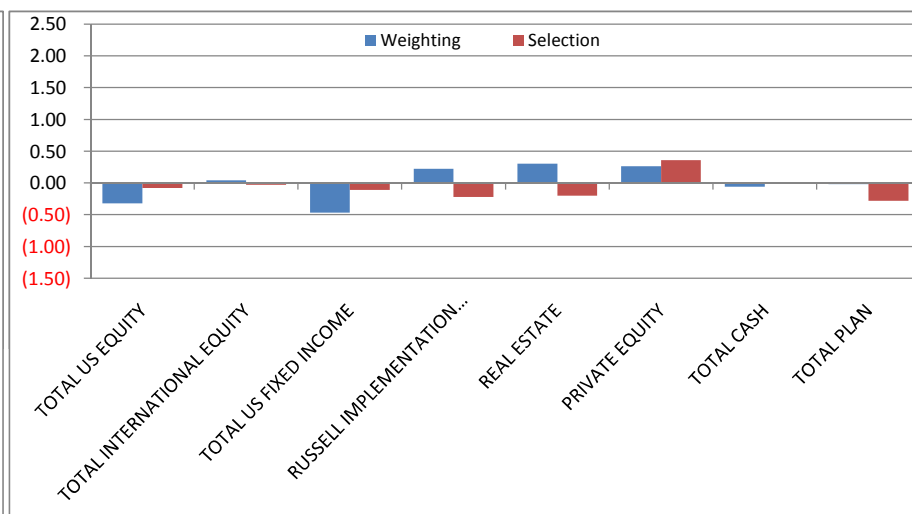
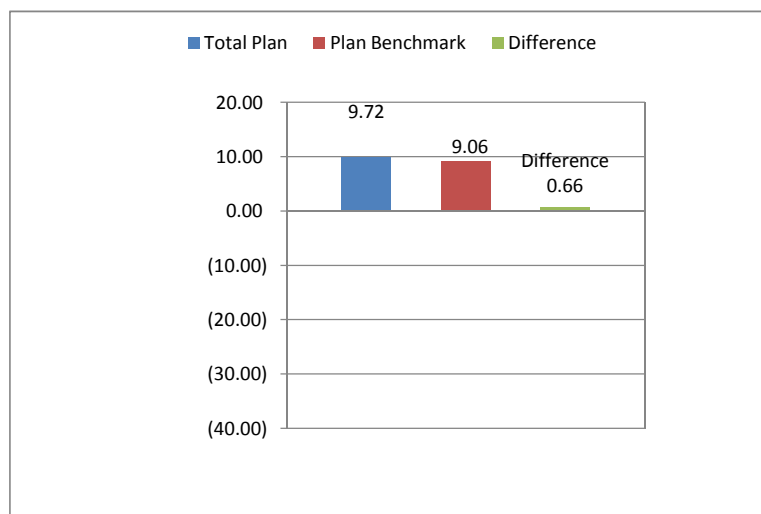
TOTAL PLAN POOL ATTRIBUTION

1 Year Period: September 30, 2009 - September 30, 2010

Value Added

1 YEAR RETURNS

VALUE ADDED ATTRIBUTION



	Beginning Weights			Returns			Value Added		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference	Weighting	Selection	Timing
TOTAL US EQUITY	41.80	42.50	(0.70)	10.58	10.96	(0.38)	(0.32)	(0.08)	
TOTAL INTERNATIONAL EQUITY	19.60	20.00	(0.40)	7.72	8.00	(0.28)	0.04	(0.03)	
TOTAL US FIXED INCOME	24.40	25.00	(0.60)	7.67	8.16	(0.49)	(0.47)	(0.11)	
RUSSELL IMPLEMENTATION SERVICES	1.40	0.00	1.40	0.53	11.07	(10.54)	0.22	(0.22)	
REAL ESTATE	3.70	5.00	(1.30)	(7.82)	(1.48)	(6.34)	0.30	(0.20)	
PRIVATE EQUITY	9.00	7.50	1.50	18.65	13.44	5.21	0.26	0.36	
TOTAL CASH	0.20	0.00	0.20	0.23	0.13	0.10	(0.06)	0.01	
TOTAL PLAN	100	100		9.72	9.06	0.66	(0.02)	(0.28)	0.89

ERSRI Monthly Market Value Report With Time Weighted Returns

September 30, 2010

	Calendar YTL			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								8/31/2010	In/(out)	9/30/2010	Increase/decrease
Domestic Equity											
Shott Capital Management IRR	-2.83%	3.89%	-6.72%	S & P 500	-2.94%	8.92%	-11.86%	1,519,357	-	2,206,687	687,330
SSgA S&P 500	3.96%	3.89%	0.07%	S & P 500	8.94%	8.92%	0.02%	1,603,989,327	-	1,747,325,489	143,336,162
Wellington Tech Eq	-5.71%	4.78%	-10.49%	Russell 3000	6.77%	9.44%	-2.67%	135,709,171	-	144,901,777	9,192,605
Russell 2000 Index Fund	9.20%	9.12%	0.08%	Russell 2000	12.48%	12.46%	0.02%	567,883,378	-	638,759,283	70,875,905
Total Domestic Equity	4.64%	4.78%	-0.14%		9.67%	9.44%	0.23%	2,309,101,233	-	2,533,193,235	224,092,002
International Equity											
Boston Company		4.06%		MSCI ACWI		9.97%		62,989	-	63,345	355
Goldman Sachs		4.06%		MSCI ACWI		9.97%		106,013	(2,854)	107,698	4,539
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	273,058	291	298,114	24,765
Mondrian		4.06%		MSCI ACWI		9.97%		76,372	-	77,024	653
MSCI Ex US Index Fund	3.77%	3.69%		MSCI Ex US Index Fund	9.96%	9.95%	0.01%	1,159,900,083	-	1,275,377,643	115,477,559
Total International Equity	3.77%	4.06%	-0.29%		9.96%	9.97%	-0.01%	1,160,418,515	(2,563)	1,275,923,824	115,507,871
Fixed Income											
Fidelity Management & Research	6.69%	5.11%	1.58%	BC MBS	-0.11%	-0.38%	0.27%	461,901,205	-	461,399,958	(501,247)
Brown Brothers, Harriman	7.97%	7.75%	0.22%	Citigroup BIG	0.36%	-0.01%	0.37%	363,124,474	-	364,419,150	1,294,676
Taplin, Canida & Habacht	9.73%	10.53%	-0.80%	BC Credit	0.31%	0.65%	-0.34%	366,817,283	-	367,955,131	1,137,849
Mackay Shields	9.95%	10.93%	-0.98%	CS First BosHiYield	2.18%	2.65%	-0.47%	163,227,480	-	166,792,741	3,565,261
Fixed Income Cash Acct	0.14%	0.08%	0.06%		0.02%	0.01%	0.01%	385,949,964	(32,997,494)	353,035,508	83,038
Total Fixed Income	6.31%	7.94%	-1.63%		0.32%	0.11%	0.21%	1,741,020,404	(32,997,494)	1,713,602,488	5,579,577
Alternative Investments											
Private Equity	10.61%	6.21%	4.40%	N/A	1.75%	9.17%	-7.42%	601,490,413	(1,326,193)	609,542,509	9,378,289
Real Estate	-0.18%	2.66%	-2.84%	NCREIF + 100	0.82%	3.39%	-2.57%	234,912,664	(1,056,496)	235,701,377	1,845,209
Total Alternatives	7.70%	4.83%	2.87%		1.49%	6.83%	-5.34%	836,403,077	(2,382,689)	845,243,886	11,223,498
Cash Accounts											
Cash in Trust	0.14%	0.08%	0.06%		0.02%	0.01%	0.01%	16,100,968	(6,427,255)	9,785,330	111,617
Cash Outside Trust	0.00%	0.08%	-0.08%		0.00%	0.01%	-0.01%	770,950		1,149,747	378,797
Total Cash	0.14%	0.08%	0.06%		0.02%	0.01%	0.01%	16,871,918	(6,427,255)	10,935,077	490,414
Real Return Pool											
Brown Bros TIPS	7.50%	7.04%	0.46%	CPI +4%	0.76%	0.58%	0.18%	408,587,315	-	411,697,218	3,109,903
Other											
Russell Overlay	0.45%				-0.03%			128,333,444	-	126,477,350	(1,856,093)
Total Plan Ex PE & RE	5.61%	5.69%	-0.08%		6.00%	5.96%	0.04%	6,600,735,907	(41,810,000)	6,917,073,078	358,147,171
Total Plan	5.91%	5.59%	0.32%		5.43%	6.07%	-0.64%				

*Policy Index: (Effective 04/1/09)

36% Russell 3000

22% BC Agg

17.5% MSCI World Free Ex USA

10% CPI + 4%

7.5% S&P 500 + 3%

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

State of Rhode Island

RATES OF RETURN - Total

Periods Ending September 30, 2010



STATE STREET

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
U.S. EQUITY									
SSGA S&P 500 INDEX FUND	S&P 500	8.94	8.92	0.02	3.96	3.89	0.07	1,747,325	0
SHOTT CAPITAL	S&P 500	-2.94	8.92	-11.86	-2.83	3.89	-6.72	2,207	754
WELLINGTON TECHNICAL EQUITY	RUSSELL 3000	6.77	9.44	-2.67	-5.71	4.78	-10.49	144,902	0
RUSSELL 2000 INDEX FUND	RUSSELL 2000	12.48	12.46	0.02	9.20	9.12	0.08	638,759	0
TOTAL US EQUITY	RUSSELL 3000	9.67	9.44	0.23	4.64	4.78	-0.14	2,533,193	754
INTERNATIONAL EQUITY									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)		9.97			4.06		63	0
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)		9.97			4.06		108	-3
MONDRIAN	MSCI AC WORLD ex US (GROSS)		9.97			4.06		77	0
MSCI ACWI EX US INDEX FUND	MSCI AC WORLD ex US (NET)	9.96	9.95	0.01	3.77	3.69	0.08	1,275,378	0
TOTAL INTERNATIONAL EQUITY	MSCI AC WORLD ex US (GROSS)	9.96	9.97	-0.01	3.77	4.06	-0.29	1,275,924	-3
U.S. FIXED INCOME									
PYRAMIS GLOBAL ADVISORS	BC MBS	-0.11	-0.38	0.27	6.69	5.11	1.58	461,400	0
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	0.36	-0.01	0.37	7.97	7.75	0.22	364,419	0
TAPLIN, CANIDA & HABACHT	BC CREDIT	0.31	0.65	-0.34	9.73	10.53	-0.80	367,955	0
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	2.18	2.65	-0.47	9.95	10.93	-0.98	166,793	0
FIXED INCOME CASH ACCOUNT	91 DAY T-BILL	0.02	0.01	0.01	0.14	0.08	0.06	353,036	-32,997
TOTAL US FIXED INCOME	BC AGGREGATE	0.32	0.11	0.21	6.31	7.94	-1.63	1,713,602	-32,997

State of Rhode Island

RATES OF RETURN - Total

Periods Ending September 30, 2010



STATE STREET

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
REAL RETURN POOL									
1 BROWN BROTHERS HARRIMAN - TIPS	BARCLAYS US TIPS INDEX	0.76	0.58	0.18	7.50	7.04	0.46	411,697	0
TOTAL REAL RETURN POOL	CPI + 4%	0.76	0.47	0.29	7.50	3.95	3.55	411,697	0
ALTERNATIVE INVESTMENTS									
PRIVATE EQUITY	S&P 500 PLUS 300 BP	1.75	9.17	-7.42	10.61	6.21	4.40	609,543	-2,427
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	0.82	3.39	-2.57	-0.18	2.66	-2.84	235,701	-1,143
TOTAL ALTERNATIVE INVESTMENTS	TOTAL ALTERNATIVES BENCHMARK	1.49	6.83	-5.34	7.70	4.83	2.87	845,244	-3,570
CASH EQUIVALENTS									
CASH ACCOUNT (INSIDE)	91 DAY T-BILL	0.02	0.01	0.01	0.14	0.08	0.06	9,785	-6,369
CASH ACCOUNT (OUTSIDE)	91 DAY T-BILL	0.00	0.01	-0.01	0.00	0.08	-0.08	1,150	379
TOTAL CASH	91 DAY T-BILL	0.02	0.01	0.01	0.13	0.08	0.05	10,935	-5,990
OTHER									
RUSSELL IMPLEMENTATION SERVICES		-0.03			0.45			126,477	0
TOTAL PLAN									
TOTAL PLAN	TOTAL PLAN BENCHMARK	5.43	6.07	-0.64	5.91	5.59	0.32	6,917,073	-41,805
TOTAL PLAN ex PE RE	TOTAL PLAN BENCHMARK ex PE RE	6.00	5.96	0.04	5.61	5.69	-0.08	6,071,829	-38,235

State of Rhode Island

TOTAL PLAN

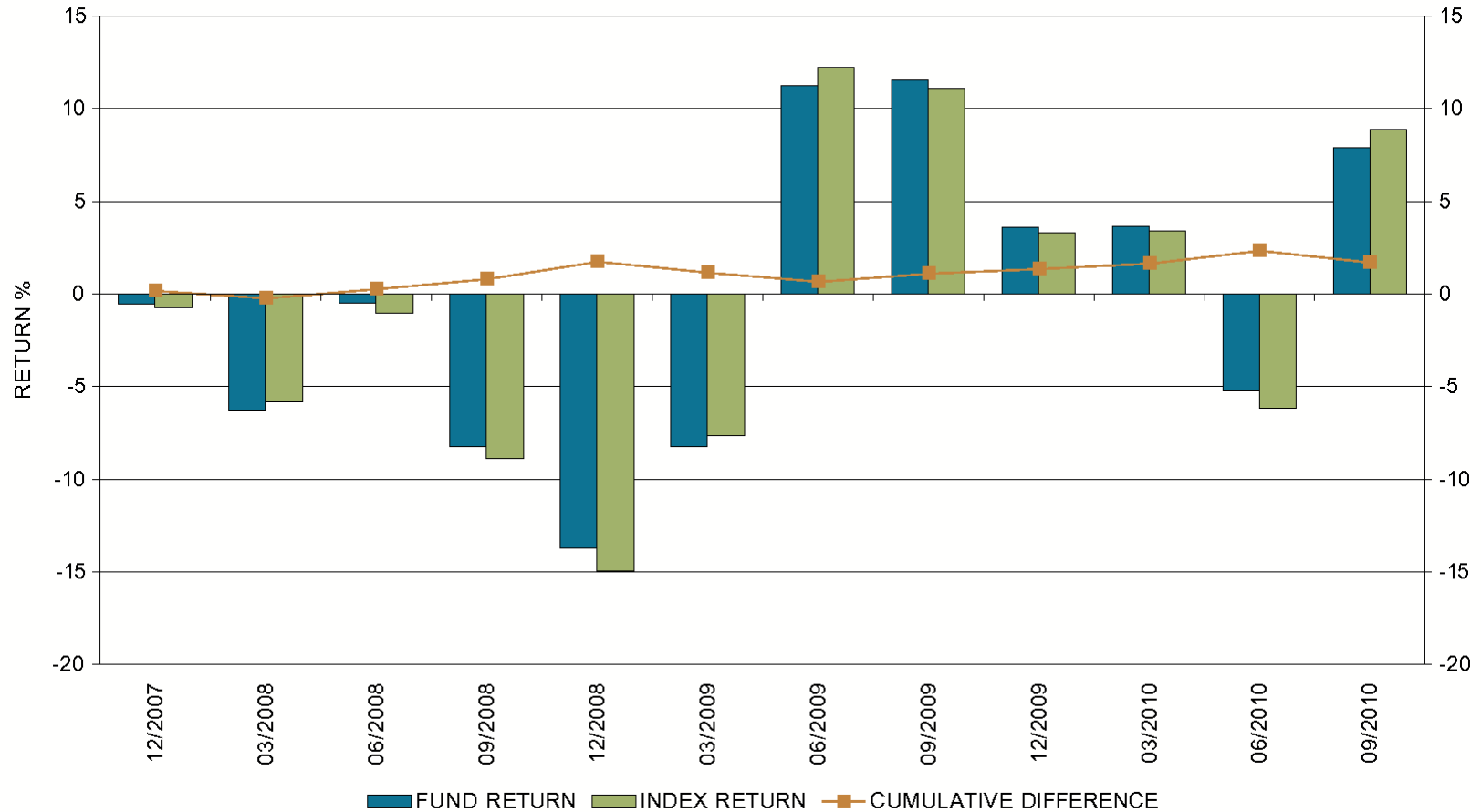
Index: TOTAL PLAN BENCHMARK

PERIODS: September 30, 2007 - September 30, 2010



STATE STREET

CUMULATIVE PERFORMANCE REPORT



State of Rhode Island

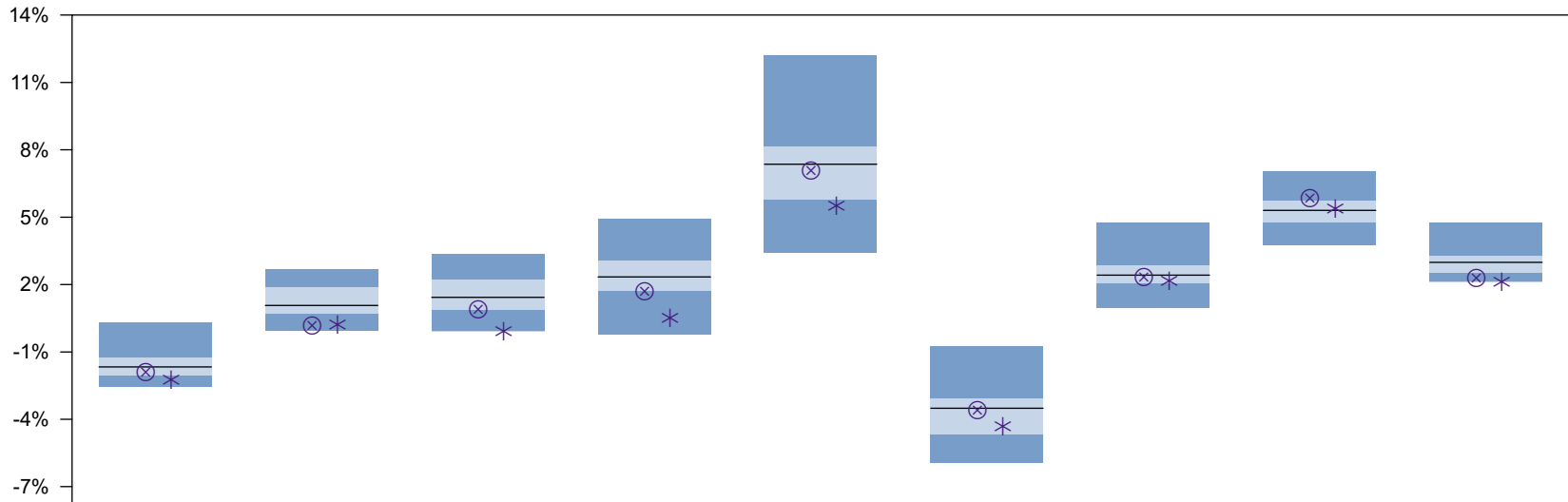
Public Funds (DB) > \$1 Billion (SSC)

PERIOD ENDING August 31, 2010



STATE STREET

TOTAL RETURN



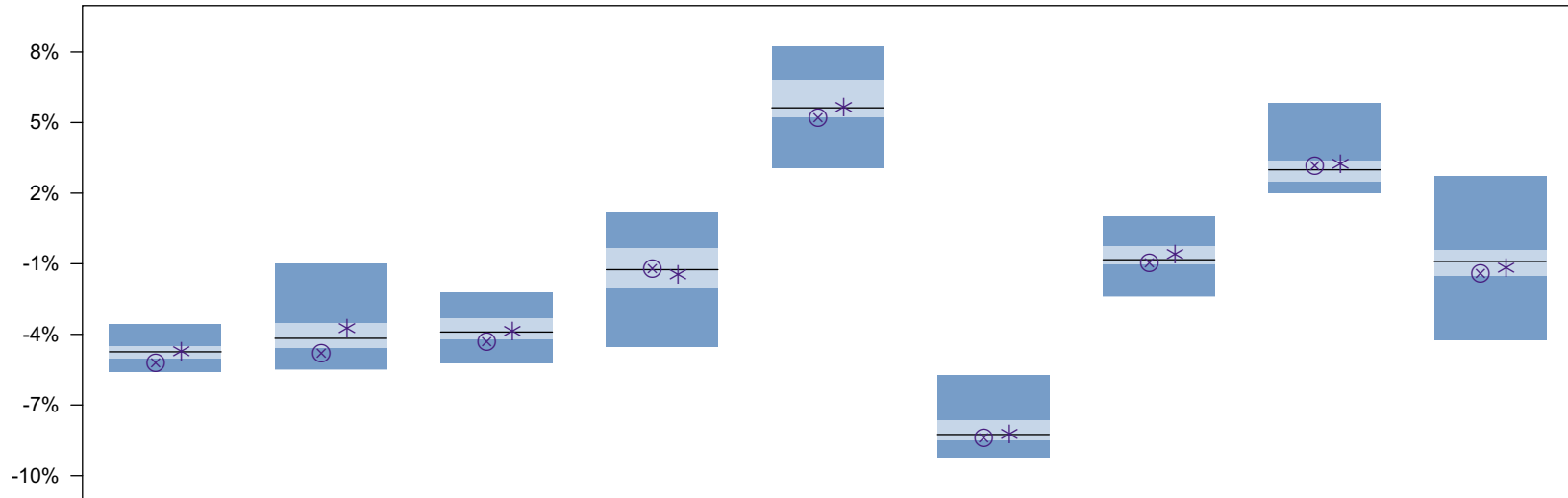
	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	0.32		2.69		3.36		4.93		12.19		-0.76		4.75		7.03		4.77	
25th Percentile	-1.21		1.90		2.25		3.08		8.15		-3.05		2.85		5.75		3.31	
50th Percentile	-1.67		1.07		1.43		2.34		7.36		-3.51		2.42		5.30		2.99	
75th Percentile	-2.06		0.70		0.84		1.68		5.78		-4.67		2.06		4.76		2.50	
95th Percentile	-2.56		-0.05		-0.07		-0.23		3.43		-5.92		0.97		3.78		2.13	
No. of Obs	27		27		27		27		28		27		28		28		28	
⊗ TOTAL PLAN	-1.82	65	0.27	86	1.00	68	1.77	72	7.17	52	-3.51	51	2.43	49	5.92	14	2.40	80
* ¹ TOTAL PLAN BENCHMARK	-2.16	87	0.31	86	-0.01	95	0.61	94	5.62	78	-4.21	70	2.25	59	5.47	42	2.20	90

State of Rhode Island

US EQUITY POOLS PUBLIC GT 1BILL (SSC)
 PERIOD ENDING August 31, 2010



TOTAL RETURN



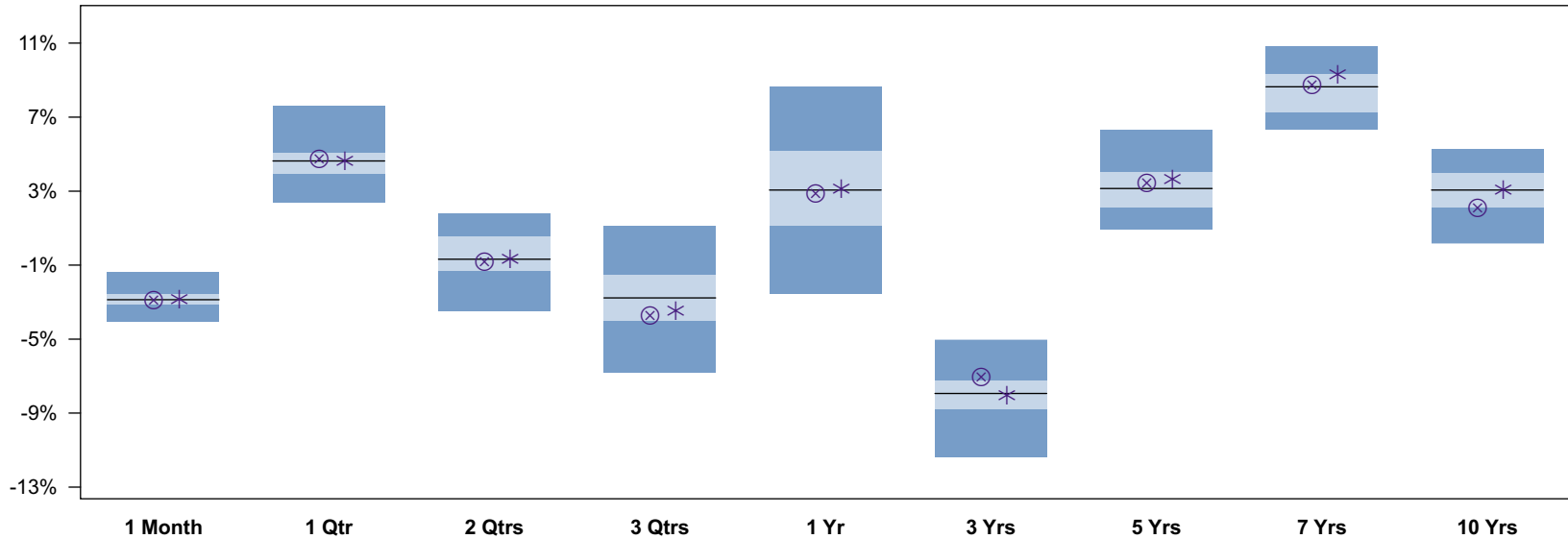
	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	-3.56		-1.02		-2.23		1.21		8.22		-5.75		1.02		5.81		2.72	
25th Percentile	-4.49		-3.52		-3.30		-0.33		6.81		-7.65		-0.24		3.40		-0.39	
50th Percentile	-4.74		-4.17		-3.90		-1.25		5.62		-8.25		-0.83		2.99		-0.90	
75th Percentile	-5.05		-4.60		-4.20		-2.07		5.20		-8.52		-1.04		2.48		-1.54	
95th Percentile	-5.59		-5.50		-5.22		-4.53		3.04		-9.25		-2.38		2.02		-4.25	
No. of Obs	29		29		28		28		28		24		23		22		23	
⊗ TOTAL US EQUITY	-5.13	81	-4.71	81	-4.23	83	-1.13	45	5.30	66	-8.29	53	-0.86	51	3.27	35	-1.33	71
* WILSHIRE 5000	-4.65	38	-3.65	30	-3.77	46	-1.35	56	5.74	44	-8.13	46	-0.52	37	3.33	29	-1.07	61

State of Rhode Island

Intl Equity Pools - Public Funds (DB) (SSC)
 PERIOD ENDING August 31, 2010



TOTAL RETURN



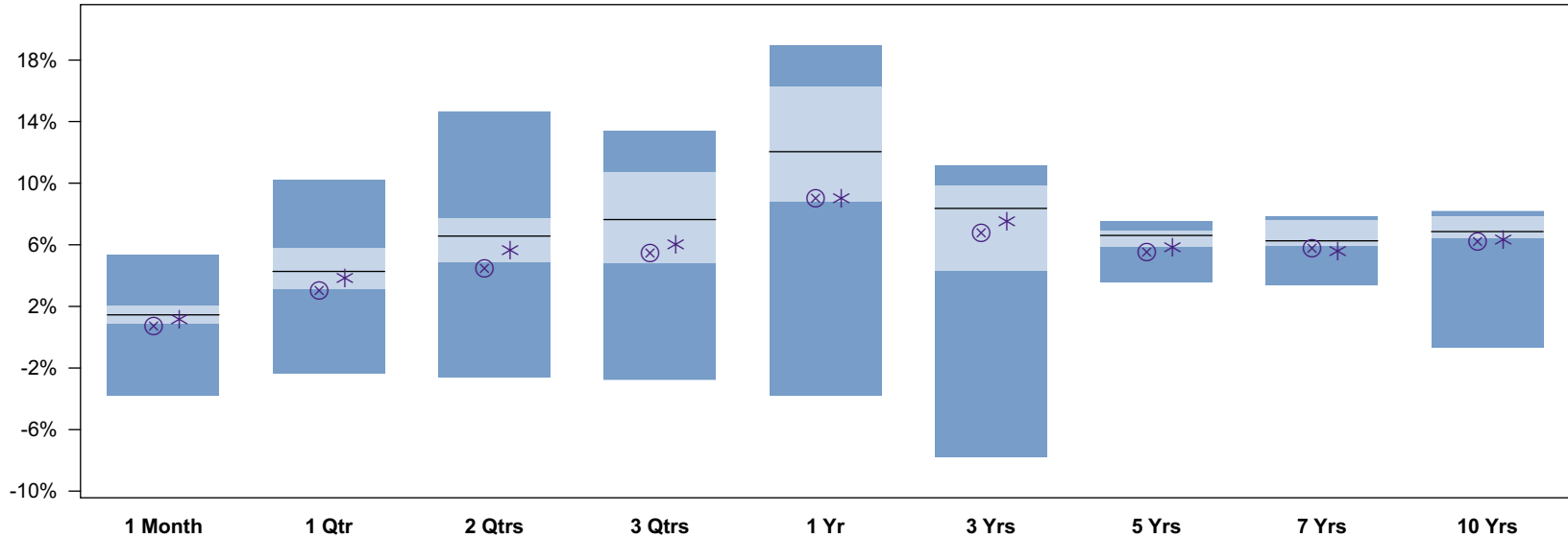
	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	-1.40		7.62		1.78		1.13		8.65		-5.03		6.29		10.81		5.29	
25th Percentile	-2.57		5.08		0.53		-1.49		5.20		-7.21		4.05		9.33		4.01	
50th Percentile	-2.87		4.63		-0.68		-2.77		3.06		-7.94		3.14		8.64		3.06	
75th Percentile	-3.15		3.94		-1.34		-4.03		1.12		-8.82		2.08		7.23		2.09	
95th Percentile	-4.05		2.39		-3.50		-6.80		-2.53		-11.41		0.90		6.34		0.18	
No. of Obs	31		31		30		30		30		23		22		21		17	
⊗ TOTAL INTERNATIONAL	-2.76	41	4.84	36	-0.73	56	-3.59	66	2.96	52	-6.93	15	3.53	40	8.84	41	2.21	70
* MSCI AC WORLD ex US (G	-2.73	39	4.75	42	-0.54	48	-3.36	62	3.27	49	-7.93	50	3.78	35	9.41	22	3.18	47

State of Rhode Island

US FIXED INC POOL PUBLIC GT 1 BILL (SSC)
 PERIOD ENDING August 31, 2010



TOTAL RETURN



	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	5.32		10.19		14.64		13.41		18.93		11.12		7.52		7.83		8.19	
25th Percentile	2.06		5.78		7.76		10.75		16.29		9.86		6.94		7.61		7.89	
50th Percentile	1.45		4.27		6.57		7.64		12.05		8.36		6.61		6.26		6.86	
75th Percentile	0.86		3.15		4.86		4.79		8.78		4.30		5.83		5.90		6.41	
95th Percentile	-3.80		-2.34		-2.58		-2.75		-3.81		-7.76		3.54		3.38		-0.69	
No. of Obs	15		15		15		15		14		12		10		11		11	
⊗ TOTAL US FIXED INCOM	0.85	76	3.16	69	4.61	76	5.57	69	9.16	74	6.93	70	5.67	82	5.93	67	6.37	76
* BC AGGREGATE	1.29	61	3.97	65	5.81	72	6.14	67	9.18	74	7.65	60	5.96	72	5.72	77	6.47	74

State of Rhode Island

TOTAL PLAN

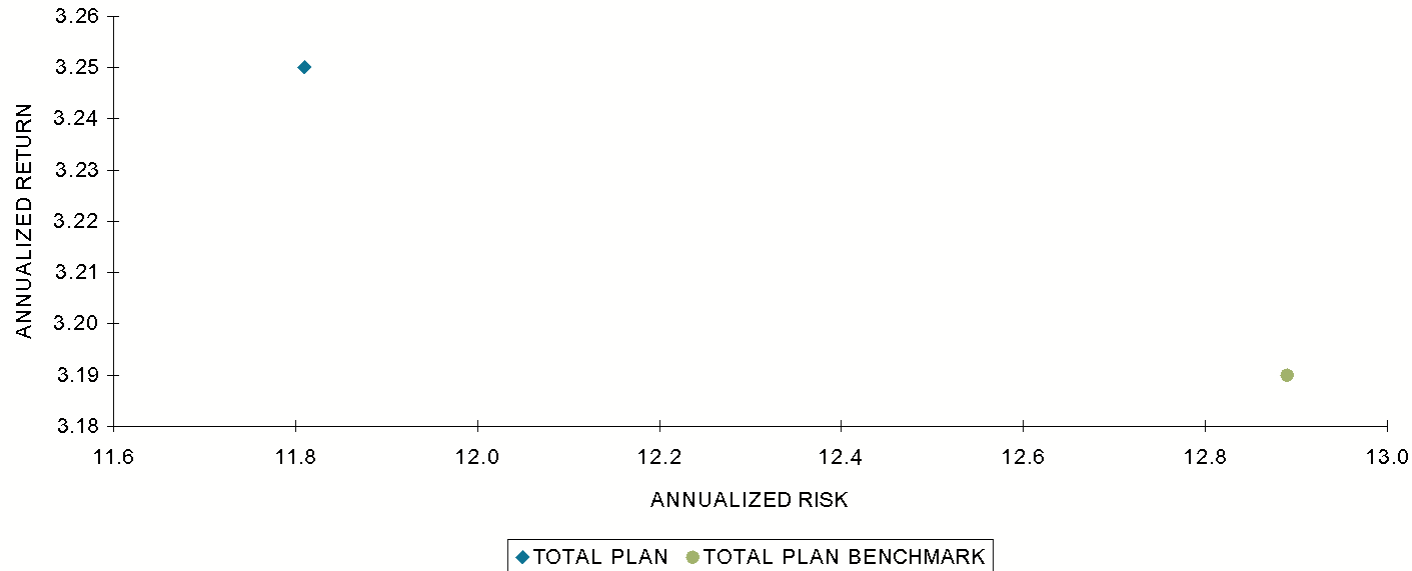
Benchmark: TOTAL PLAN BENCHMARK

September 30, 2005 - September 30, 2010



STATE STREET

RISK VS. RETURN



RISK INFORMATION

Portfolio Return	3.25
Benchmark Return	3.19
Return Differences	0.06
Portfolio Standard Deviation	11.81
Benchmark Standard	12.89
Tracking Error	1.86

RISK STATISTICS

Historic Beta	0.91
R-squared	0.99
Jensen's Alpha	0.12
Sharpe Ratio	0.05
Treynor Ratio	0.71
Information Ratio	0.03

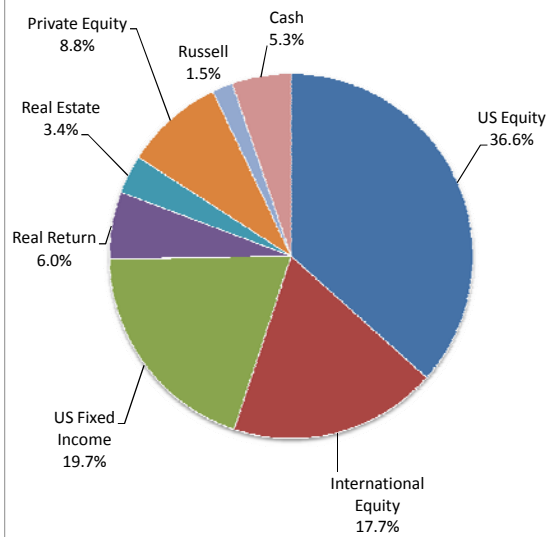
ASSET ALLOCATION

State of Rhode Island

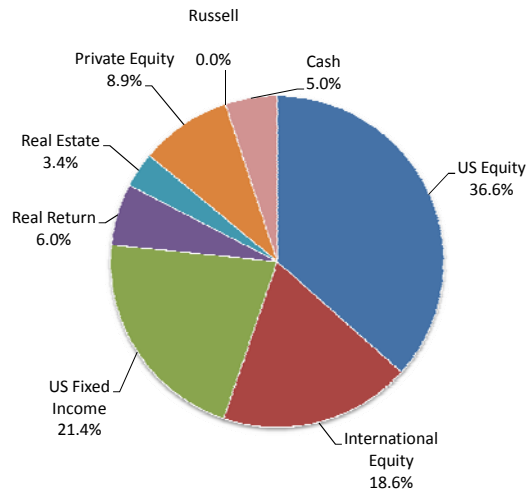
Asset Allocation

9/30/2010

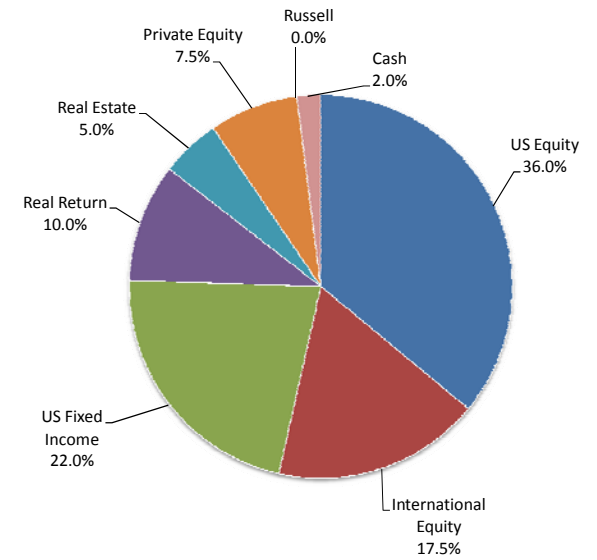
Physical Allocation



Notional Allocation



Policy Allocation

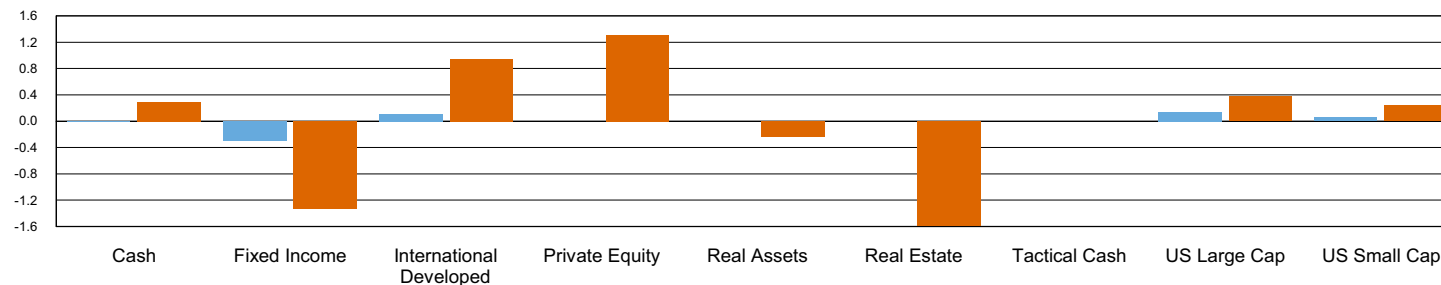


* Difference in actual investment allocation versus target allocation policy is offset by the notional overlay provided by the Russell Implementation account.

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	6,914.8	100.0%	0.0	0.0%	6,914.8	100.0%	6,914.8	100.0%	6,914.8	100.0%
Cash	19.9	0.3%	-19.3	-0.3%	0.6	0.0%	0.5	0.0%	0.0	0.00%
Cash	19.9	0.3%	-19.3	-0.3%	0.6	0.0%	0.5	0.0%	0.0	0.00%
Equity	4,416.6	63.9%	-84.0	-1.2%	4,332.6	62.7%	4,311.8	62.4%	4,218.0	61.00%
International Developed	1,275.6	18.4%	-57.4	-0.8%	1,218.2	17.6%	1,211.1	17.5%	1,210.1	17.50%
Private Equity	609.4	8.8%	0.0	0.0%	609.4	8.8%	609.4	8.8%	518.6	7.50%
US Small Cap	638.8	9.2%	-12.1	-0.2%	626.6	9.1%	622.8	9.0%	622.3	9.00%
US Large Cap	1,892.9	27.4%	-14.5	-0.2%	1,878.4	27.2%	1,868.5	27.0%	1,867.0	27.00%
Fixed	1,360.1	19.7%	103.4	1.5%	1,463.5	21.2%	1,484.4	21.5%	1,452.1	21.00%
Fixed Income	1,360.1	19.7%	103.4	1.5%	1,463.5	21.2%	1,484.4	21.5%	1,452.1	21.00%
Other	1,118.1	16.2%	0.0	0.0%	1,118.1	16.2%	1,118.1	16.2%	1,244.7	18.00%
Tactical Cash	470.2	6.8%	0.0	0.0%	470.2	6.8%	470.2	6.8%	470.2	6.80%
Real Estate	236.2	3.4%	0.0	0.0%	236.2	3.4%	236.2	3.4%	345.7	5.00%
Real Assets	411.7	6.0%	0.0	0.0%	411.7	6.0%	411.7	6.0%	428.7	6.20%

Deviations from Target Allocation



ASSET ALLOCATION REPORT

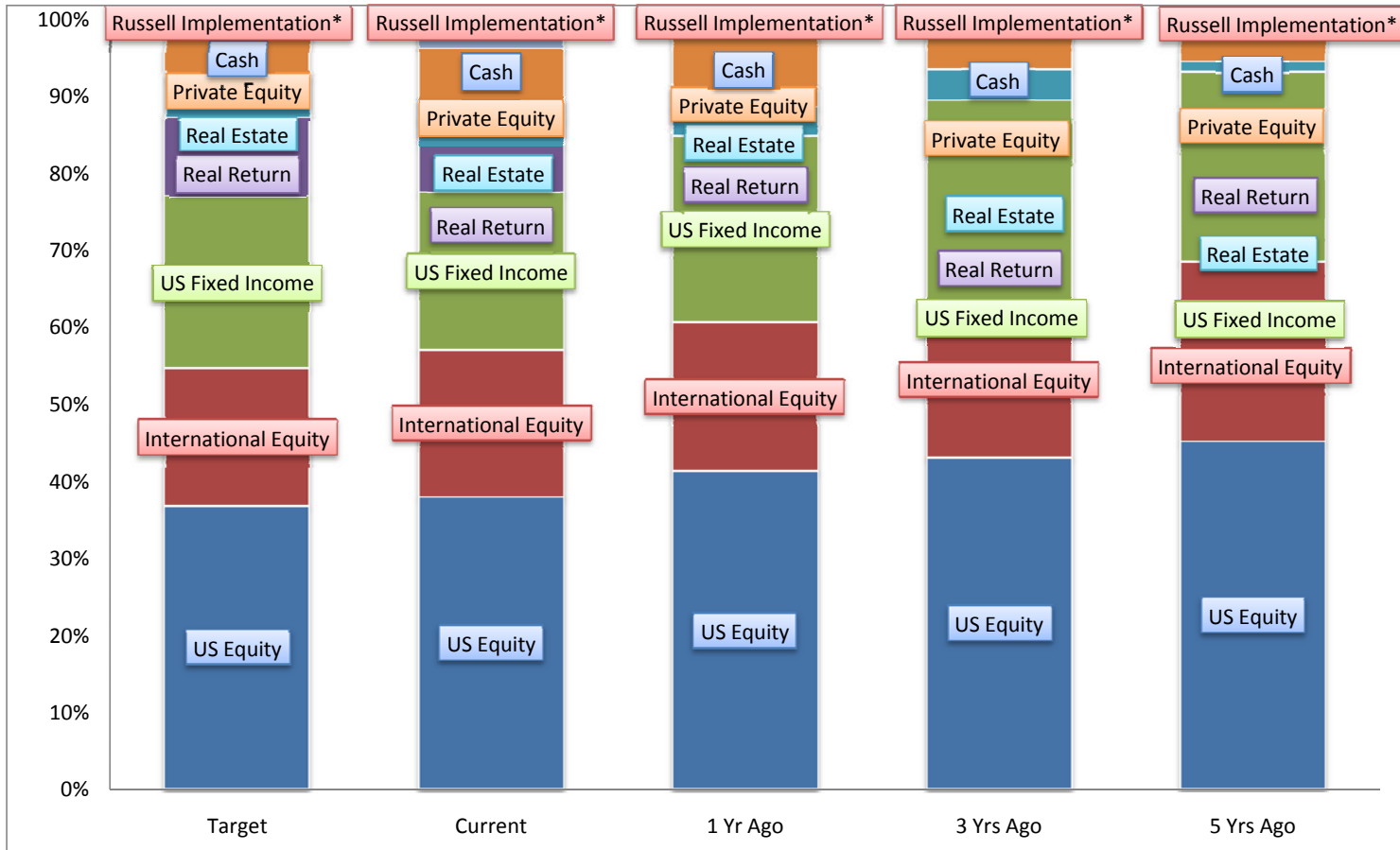
September 30, 2010

	Style Mandate	Actual (Millions \$)	
<i>Domestic Equity</i>			
SSGA S&P 500 INDEX FUND	Passive	1,747.33	25.26%
WELLINGTON TECHNICAL EQUITY	Passive	144.90	2.09%
SHOTT CAPITAL	Enhanced Equity	2.21	0.03%
RUSSELL 2000 INDEX FUND	Tactical Equity	638.76	9.23%
TOTAL DOMESTIC EQUITY		2,533.19	36.62%
<i>International Equity</i>			
MSCI ACWI EX US INDEX FUND	Passive	1,275.38	18.44%
TAX RECLAIMS	Closed	0.25	0.00%
SSGA TRANSITION ACCOUNT	Closed	0.30	0.00%
TOTAL INT'L EQUITY		1,275.92	18.45%
<i>Domestic Fixed Income</i>			
BROWN BROTHERS HARRIMAN - CORE	Opportunistic Core	364.42	5.27%
PYRAMIS GLOBAL ADVISORS	Mortgages	461.40	6.67%
MACKAY SHIELDS, LLC	High Yield	166.79	2.41%
TAPLIN, CANIDA & HABACHT	Corporates	367.96	5.32%
TOTAL FIXED-INCOME		1,360.57	19.67%
<i>Alternative Investments</i>			
Real Estate	Real Estate	235.70	3.41%
Pacific Corp Group	Private Equity	609.54	8.81%
TOTAL ALTERNATIVE INVESTMENTS		845.24	12.22%
<i>Real Return Pool</i>			
BROWN BROTHERS HARRIMAN - TIPS	TIPS	411.70	5.95%
TOTAL REAL RETURN POOL		411.70	5.95%
<i>Cash</i>			
CASH EQUIVALENTS	STIF, Yield+	10.94	0.16%
FIXED INCOME CASH ACCOUNT	STIF, Yield+	353.04	5.10%
<i>Other</i>			
Russell Implementation Services		126.48	1.83%
TOTAL ASSETS		6,917.07	100.00%

State of Rhode Island

Historical Asset Allocation

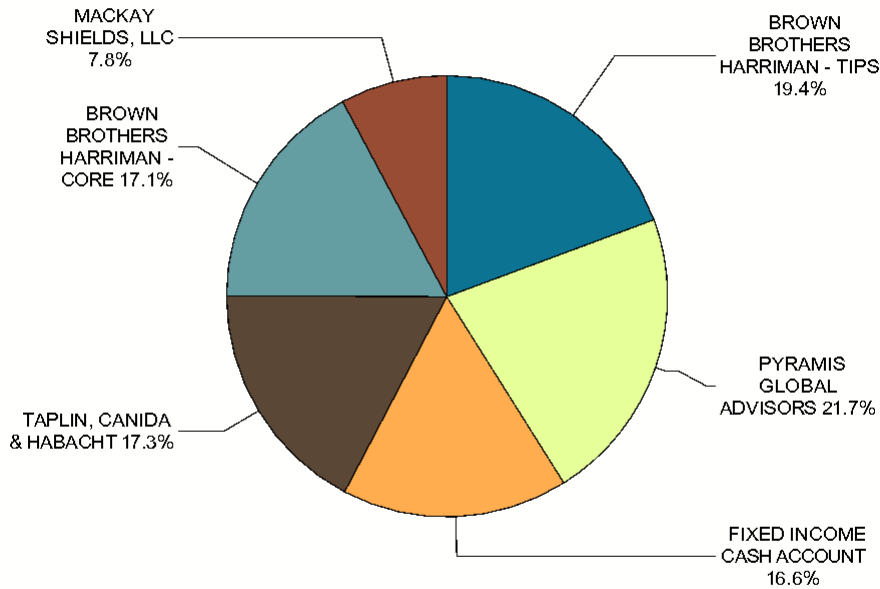
September 30, 2010



	Target	Current	1 Yr Ago	3 Yrs Ago	5 Yrs Ago
US Equity	36.0%	36.6%	46.2%	42.8%	44.7%
International Equity	17.5%	18.4%	21.6%	20.1%	23.2%
US Fixed Income	22.0%	19.7%	27.0%	26.0%	24.4%
Real Return	10.0%	6.0%	0.0%	0.0%	0.0%
Real Estate	5.0%	3.4%	4.1%	4.0%	1.4%
Private Equity	7.5%	8.8%	9.9%	6.5%	5.4%
Russell Implementation*	0.0%	1.8%	1.5%	0.0%	0.0%
Cash	2.0%	5.3%	0.2%	0.6%	0.9%
Total Plan	100.0%	100.0%	110.5%	100.0%	100.0%



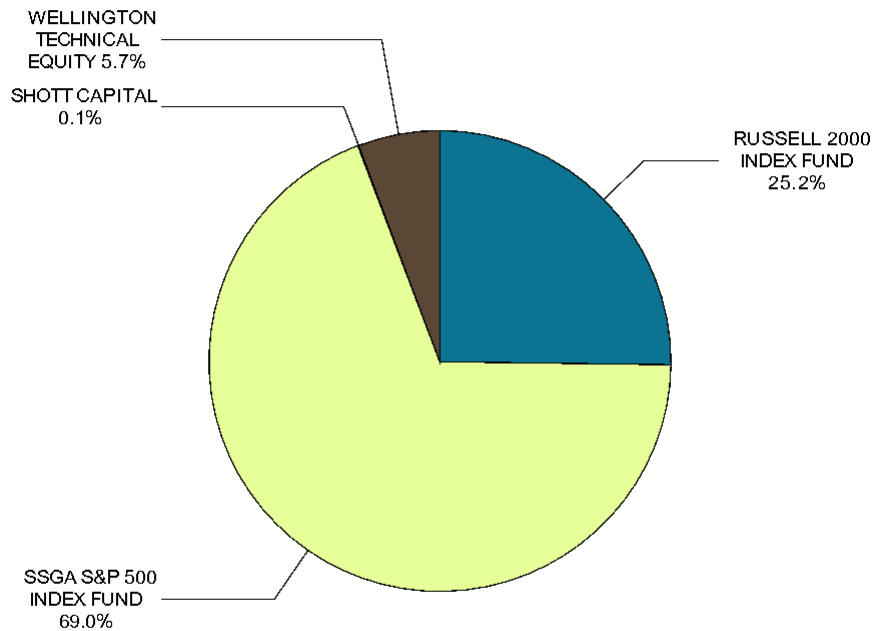
CURRENT MANAGER ALLOCATION



FUND	CURRENT PERIOD	ONE YEAR AGO	ALLOC.
BROWN BROTHERS	411.7	375.3	19.4
PYRAMIS GLOBAL ADVISORS	461.4	429.1	21.7
FIXED INCOME CASH	353.0	8.1	16.6
TAPLIN, CANIDA & HABACHT	368.0	329.1	17.3
BROWN BROTHERS	364.4	337.4	17.1
MACKAY SHIELDS, LLC	166.8	144.8	7.8
TOTAL	2,125.3	1,623.8	100.0



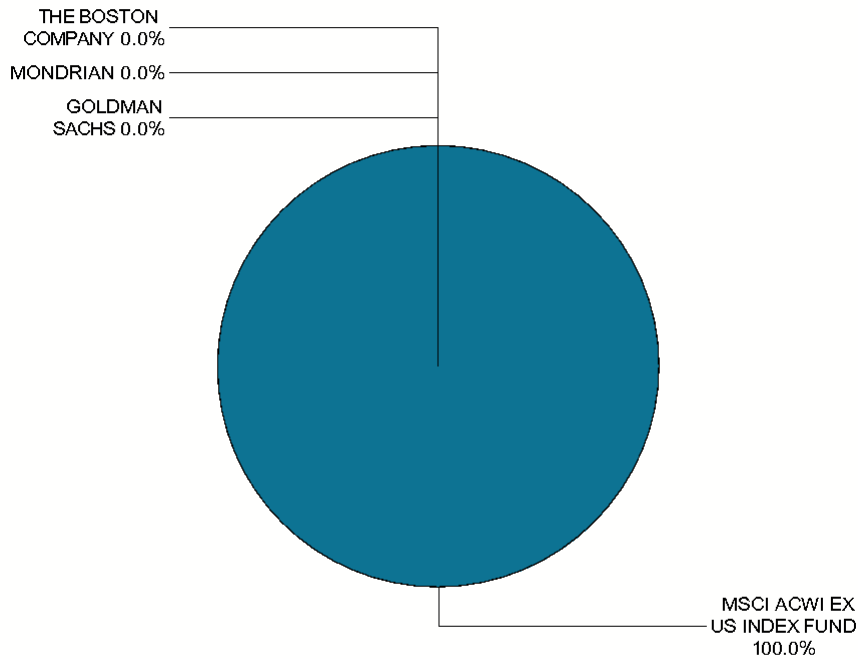
CURRENT MANAGER ALLOCATION



FUND	CURRENT PERIOD	ONE YEAR AGO	ALLOC.
RUSSELL 2000 INDEX FUND	638.8	630.0	25.2
TRANSITION ACCOUNT		0.1	0.0
SSGA S&P 500 INDEX FUND	1,747.3	1,583.7	69.0
PIMCO		414.1	0.0
SHOTT CAPITAL	2.2	1.5	0.1
WELLINGTON TECHNICAL	144.9	144.7	5.7
TOTAL	2,533.2	2,774.3	100.0



CURRENT MANAGER ALLOCATION



FUND	CURRENT PERIOD	ONE YEAR AGO	ALLOC.
■ MSCI ACWI EX US INDEX TRANSITION ACCOUNT	1,275.4	1,298.2 0.5	100.0 0.0
■ GOLDMAN SACHS	0.1	0.6	0.0
■ MONDRIAN	0.1	0.4	0.0
■ THE BOSTON COMPANY	0.1	0.6	0.0
TOTAL	1,275.6	1,300.4	100.0

CASH FLOW

CASH FLOW ANALYSIS - INCOME & EXPENSES

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2011

	FY 2010-11 Actual July 2010	Actual August	Actual September	Projected October	Projected November	Projected December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	64,786,488	65,481,557	65,315,924	63,428,007	63,302,177	63,141,976	64,740,453	64,876,760	64,656,314	64,567,121	64,560,508	64,475,293	773,332,578
ADMINISTRATIVE EXPENSES	393,312	548,021	590,613	774,384	437,762	549,777	365,869	494,446	750,716	624,882	615,392	866,576	7,011,750
INVESTMENT EXPENSES	1,380,131	2,706	360,147	478,412	371,118	717,241	1,108,357	159,865	234,516	376,620	378,219	352,246	5,919,578
TOTAL OUTFLOW	66,559,931	66,032,284	66,266,684	64,680,803	64,111,057	64,408,994	66,214,679	65,531,071	65,641,546	65,568,623	65,554,119	65,694,115	786,263,906
CONTRIBUTIONS	36,468,984	42,272,364	26,277,602	44,233,430	34,706,454	39,034,513	55,724,324	38,389,409	38,842,643	43,857,442	20,000,348	36,811,095	456,618,608
OTHER INCOME*	1,128,429	5,823,900	2,312,189	895,764	4,668,231	1,619,651	712,073	1,400,191	5,187,461	3,439,255	1,361,324	7,740,460	36,288,928
TOTAL INCOME	37,597,413	48,096,264	28,589,791	45,129,194	39,374,685	40,654,164	56,436,397	39,789,600	44,030,104	47,296,697	21,361,672	44,551,555	492,907,536
DIFFERENCE	(28,962,518)	(17,936,020)	(37,676,893)	(19,551,609)	(24,736,372)	(23,754,831)	(9,778,282)	(25,741,471)	(21,611,442)	(18,271,926)	(44,192,447)	(21,142,560)	(293,356,370)

Municipal Employees Retirement System

	Actual July 2010	Actual August	Actual September	Actual October	Actual November	Projected December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	5,759,121	5,970,389	5,961,434	5,455,594	5,486,972	5,537,763	5,628,244	5,741,454	5,676,550	5,696,530	5,747,541	5,766,674	68,428,265
ADMINISTRATIVE EXPENSES	72,431	100,922	109,616	137,916	78,231	98,597	65,615	89,051	135,206	113,371	111,649	159,026	1,271,630
INVESTMENT EXPENSES	254,162	498	66,843	85,204	66,321	128,630	198,773	28,792	42,237	68,329	68,619	64,641	1,073,048
TOTAL OUTFLOW	6,085,714	6,071,810	6,137,893	5,678,713	5,631,523	5,764,990	5,892,631	5,859,297	5,853,993	5,878,230	5,927,809	5,990,340	70,772,943
CONTRIBUTIONS	4,157,420	4,226,982	3,779,357	5,335,167	6,472,902	5,000,093	5,113,953	6,276,047	6,226,961	4,556,660	4,271,452	7,021,682	62,438,676
OTHER INCOME*	207,809	1,072,515	429,137	159,533	834,240	290,468	127,703	252,178	934,273	623,975	246,982	1,420,455	6,599,268
TOTAL INCOME	4,365,229	5,299,497	4,208,494	5,494,700	7,307,142	5,290,561	5,241,656	6,528,225	7,161,234	5,180,635	4,518,434	8,442,137	69,037,944
DIFFERENCE	(1,720,485)	(772,313)	(1,929,399)	(184,013)	1,675,619	(474,429)	(650,975)	668,928	1,307,242	(697,595)	(1,409,375)	2,451,797	(1,734,999)

CASH FLOW ANALYSIS - INCOME & EXPENSES

CASH FLOW ANALYSIS - INCOME & EXPENSES

**Judges/State Police
Retirement System**

	Actual July 2010	Actual August	Actual September	Actual October	Actual November	Projected December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
<i>MEMBER BENEFITS</i>	115,057	113,835	125,801	106,501	106,501	106,501	108,032	108,076	108,054	108,054	108,054	108,054	1,322,520
<i>ADMINISTRATIVE EXPENSES</i>	6,471	9,016	9,907	11,646	6,673	8,451	5,624	7,736	11,745	9,954	9,803	14,075	111,101
<i>INVESTMENT EXPENSES</i>	22,706	45	6,041	7,195	5,657	11,025	17,038	2,501	3,669	5,999	6,025	5,721	93,622
<i>TOTAL OUTFLOW</i>	144,233	122,896	141,749	125,342	118,831	125,978	130,693	118,313	123,468	124,007	123,881	127,851	1,527,243
<i>CONTRIBUTIONS</i>	370,000	390,000	375,000	685,000	422,000	470,000	467,000	445,000	462,000	528,000	65,000	760,000	5,439,000
<i>OTHER INCOME*</i>	18,565	95,814	38,784	13,472	71,161	24,897	10,946	21,907	81,161	54,785	21,685	125,725	578,902
<i>TOTAL INCOME</i>	388,565	485,814	413,784	698,472	493,161	494,897	477,946	466,907	543,161	582,785	86,685	885,725	6,017,902
<i>DIFFERENCE</i>	244,332	362,918	272,035	573,129	374,329	368,920	347,253	348,594	419,692	458,778	(37,196)	757,875	4,490,658

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

FISCAL YEAR 2011

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Projected Jul 10	Projected Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 11	Projected Feb 11	Projected Mar 11	Projected Apr 11	Projected May 11	Projected June 11	Projected TOTAL
EQUITIES													
SSGA Russell 1000/S&P 500			31,075			7,127			31,075			100,000	169,278
SSGA Russell 2000			33,387			30,801			33,387			17,388	17,388
Shott Capital			460			5			460			2,718	3,642
Wellington Tech Eq			<u>340,655</u>			<u>350,000</u>			<u>340,655</u>			<u>350,000</u>	1,381,310
			405,577			387,933			405,577			470,106	1,554,230
FIXED INCOME													
Brown Bros.			105,055			107,338			159,463			152,252	524,109
Fidelity			143,712			145,993			147,583			140,949	578,237
Taplin			199,476			210,205			214,524			179,763	803,969
Mackay Shields			149,724			161,036			167,506			147,848	626,114
Brown Bros.TIPS			<u>155,959</u>			<u>158,453</u>			<u>108,601</u>			<u>113,544</u>	536,557
			753,926			783,025			797,678			734,357	3,068,986
INT'L EQUITIES													
The Boston Co			0			0			0			0	0
Mondrian			0			0			0			0	0
Goldman Sachs Asset Mgmt			0			0			0			0	0
SSGA MSCI ACWI			<u>150,000</u>			<u>149,875</u>			<u>149,217</u>			<u>150,000</u>	599,092
	0		150,000	0		149,875			149,217			150,000	599,092
REAL ESTATE													
L & B Real Estate	135,186	0	86,931	161,810	0	198,330	1,173,526	0	243,230	150,642	385,731	86,250	2,621,637
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fees	1,521,813	3,248	346,100	409,000	443,096	769,307	150,640	191,158	195,052	300,306	67,133	336,359	4,733,213
SUB TOTAL-INV MGMT FEES													
	1,656,999	3,248	1,742,535	570,810	443,096	2,288,469	1,324,167	191,158	1,790,754	450,948	452,864	1,777,072	12,577,158
PROFESSIONAL FEES													
Legal	1,539	1,808	675	1,013	639	828	6,000	2,933	729	731	12,273	2,453	31,619
St St Bank Custodial	6,092	11,314	5,672	2,588	2,943	6,059	63,723	63,896	61,083	63,189	62,639	62,000	411,197
Pacific Corp Group		93,750	0	0	93,750	0	0	87,500	0	84,375	0	93,750	453,125
PCA/Wilshshire/Russell	29,792	14,583	14,583	14,583	63,246	13,125	13,125	93,129	13,125	13,125	13,125	13,125	308,668
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
	37,423	121,455	56,555	18,184	160,578	55,636	82,848	167,453	190,565	161,421	88,037	206,954	1,347,109
OPERATING EXPENSE													
Retirement Transfers	264,911	439,143	641,931	665,657	492,580	467,833	388,964	501,148	524,808	647,610	392,246	827,323	6,254,153
Other Expense	12,500	6,250	11,650	0	6,250	5,000	5,400	0	11,650	0	6,250	5,400	70,350
	277,411	445,393	653,581	665,657	498,830	472,833	394,364	501,148	536,458	647,610	398,496	832,723	6,324,503
TOTAL:	1,971,832	570,095	2,452,671	1,254,651	1,102,504	2,816,939	1,801,380	859,760	2,517,778	1,259,979	939,396	2,816,748	20,248,770

Note: Numbers in bold are actual.

State of Rhode Island Alternative Investments Unfunded Commitment
September 2010

<u>Partnership Investment</u>	<u>Total Commitment</u>		<u>ERSRI Remaining Commitment</u>
Alta BioPharma Partners III	\$	15,000,000.00	\$ 1,500,000.00
Alta Partners VIII	\$	15,000,000.00	\$ 6,000,000.00
Aurora Equity Partners II**	\$	15,000,000.00	\$ -
Aurora Equity Partners III**	\$	15,000,000.00	\$ 935,847.00
Avenue Special Situations Fund III	\$	15,000,000.00	\$ -
Avenue Special Situations Fund IV	\$	20,000,000.00	\$ -
Avenue V	\$	20,000,000.00	\$ -
Bain X	\$	25,000,000.00	\$ 15,187,500.00
Birch Hill Equity Partners III*	\$	17,488,800.00	\$ 1,015,901.71
Castile III	\$	5,000,000.00	\$ 1,375,000.00
Centerbridge	\$	15,000,000.00	\$ 2,586,632.28
Charterhouse Capital Partners VIII*	\$	20,451,000.00	\$ 4,211,919.20
Coller International Capital IV**	\$	15,000,000.00	\$ 2,100,000.00
Coller International Capital V	\$	15,000,000.00	\$ 5,550,000.00
Constellation III	\$	15,000,000.00	\$ 7,422,108.26
CVC European Equity Partners III	\$	20,000,000.00	\$ 899,966.05
CVC European Equity Partners IV*	\$	22,496,100.00	\$ 2,743,796.83
CVC 5	\$	27,268,000.00	\$ 17,385,361.04
Fenway Partners Capital Fund II	\$	15,000,000.00	\$ 348,826.02
Fenway III	\$	15,000,000.00	\$ 2,530,564.00
First Reserve Fund X	\$	20,000,000.00	\$ 1.00
First Reserve Fund XI	\$	20,000,000.00	\$ 4,531,713.00
Focus Ventures III	\$	15,000,000.00	\$ 2,475,000.00
Granite Global Ventures II	\$	15,000,000.00	\$ 675,000.00
Granite Global Ventures III	\$	15,000,000.00	\$ 4,500,000.00
Green Equity Investors V	\$	20,000,000.00	\$ 9,894,496.46
Harvest Partners III	\$	15,000,000.00	\$ 364,023.61
Kayne Anderson Energy Fund III	\$	15,000,000.00	\$ 2,237,545.00
Kayne Anderson Energy Fund IV	\$	15,000,000.00	\$ 6,600,000.00
Leapfrog Ventures II	\$	10,000,000.00	\$ 1,935,000.00
Leeds Weld Equity Partners IV	\$	10,000,000.00	\$ 75,360.41
Lighthouse Capital Partners V	\$	11,250,000.00	\$ 787,500.00
Lighthouse Capital Partners VI	\$	15,000,000.00	\$ 2,475,000.00
LNK Partners	\$	12,500,000.00	\$ 3,357,293.99
Matlin Patterson Glob. Opp. Fund (CSFB)	\$	15,000,000.00	\$ -
MHR Institutional Partners III	\$	20,000,000.00	\$ 5,877,953.00
Nautic Partners V	\$	20,000,000.00	\$ 641,602.94
Nautic Partners VI	\$	20,000,000.00	\$ 12,173,704.37
Nordic Capital Fund III*	\$	11,868,800.00	\$ 193,474.05
Nordic Capital Fund V*	\$	19,926,840.87	\$ -
Nordic Capital Fund VI*	\$	20,451,000.00	\$ 954,763.10
Nordic VII	\$	20,451,000.00	\$ 13,534,123.15
OCM Opportunities Fund II	\$	12,000,000.00	\$ -
Palladin III	\$	10,000,000.00	\$ 5,078,243.99
Parthenon Investors	\$	15,000,000.00	\$ -

State of Rhode Island Alternative Investments Unfunded Commitment
September 2010

Parthenon Investors II	\$	20,000,000.00	\$	2,628,194.00
Perseus VII	\$	15,000,000.00	\$	3,067,983.00
Point 406	\$	10,000,000.00	\$	4,107,531.84
Point Judith II	\$	5,000,000.00	\$	1,789,974.93
Providence Equity Partners III	\$	15,000,000.00	\$	1,935,457.51
Providence Equity Partners IV	\$	25,000,000.00	\$	1,811,573.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,203,432.00
Providence Equity Partners VI	\$	25,000,000.00	\$	7,594,890.00
SKM Equity Fund II**	\$	10,000,000.00	\$	1,735,947.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	1,387,500.00
Thomas McNerney & Partners 2	\$	15,000,000.00	\$	6,787,500.00
TPG Partners II	\$	10,000,000.00	\$	308,515.00
TPG Partners IV	\$	15,000,000.00	\$	1,080,897.00
TPG Partners V	\$	20,000,000.00	\$	2,789,554.85
TPG VI	\$	10,000,000.00	\$	4,678,561.00
Trilantic IV	\$	11,098,351.00	\$	5,993,960.93
VS&A Communication Partners III	\$	15,000,000.00	\$	7,978.00
W Capital Partners	\$	15,000,000.00	\$	955,500.00
W Capital Partners II	\$	15,000,000.00	\$	6,656,751.00
Washington & Congress Capital Partners**	\$	15,000,000.00	\$	305,637.24
Wellspring Capital Partners III	\$	20,000,000.00	\$	88,978.00
Wellspring Capital Partners IV	\$	20,000,000.00	\$	3,658,440.00
WLR	\$	8,000,000.00	\$	3,888,311.00
Total Alternative Investments	\$	1,090,249,891.87	\$	215,618,287.75

*transactions occur in foreign currence

** fees NOT affecting unfunded commitment

State of Rhode Island Real Estate Investment Unfunded Commitment
September 2010

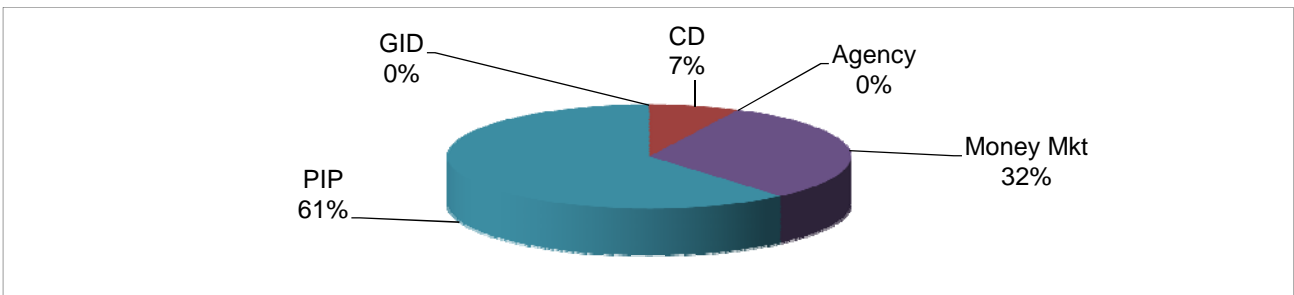
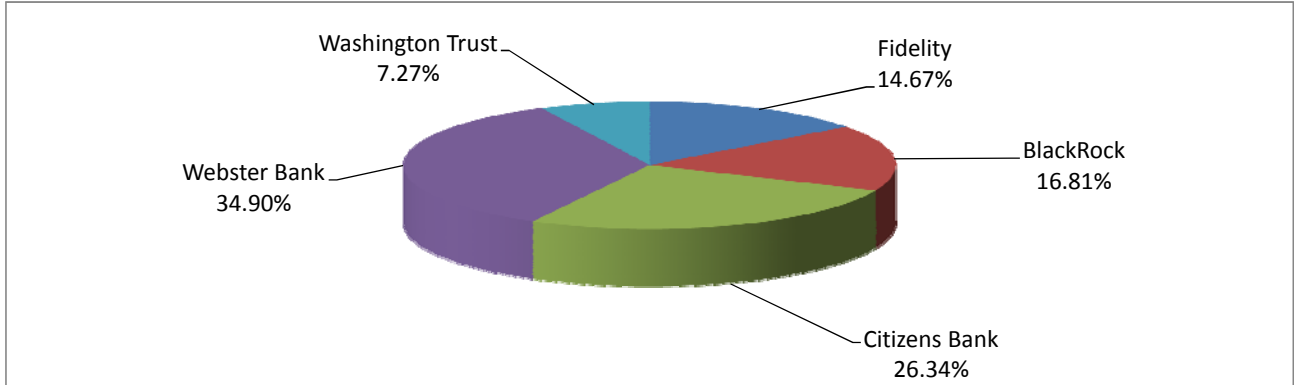
<u>Real Estate Partnership Investment</u>	<u>Total Commitment</u>		<u>ERSRI Remaining Commitment</u>
AEW	\$	35,000,000.00	\$ 14,745,370.62
Fillmore East Fund I	\$	10,000,000.00	\$ -
Fremont Strategic Property Partners II	\$	15,000,000.00	\$ 1,873,108.00
GMAC Commerical Realty Partners II	\$	15,000,000.00	\$ 2,155,117.00
JPMorgan Fleming Asset Mgmt. Strat. Prop. Fu	\$	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	\$ 2,709,898.00
Morgan Stanley Prime Property Fund	\$	35,000,000.00	\$ -
Prudential Real Esate Investors (PRISA)	\$	50,000,000.00	\$ -
Prudential Real Esate Investors (PRISA) II	\$	15,000,000.00	\$ -
RREEF America REIT II Fund	\$	35,000,000.00	\$ -
Starwood Hospitality Fund I	\$	10,000,000.00	\$ -
TA Realty Fund VIII	\$	15,000,000.00	\$ -
Tri Continental Fund VII	\$	15,000,000.00	\$ 428,467.00
Walton Street Real Estate Fund V	\$	20,000,000.00	\$ -
Westbrook Real Estate Fund VI	\$	15,000,000.00	\$ 79,399.00
Westbrook Real Estate Fund VII	\$	15,000,000.00	\$ 1,500,000.00
	\$	389,000,000.00	\$ 23,889,297.19

SHORT TERM INVESTMENTS

RI SIC GUIDELINE COMPLIANCE REPORT

INVESTMENTS AS OF:

September 30, 2010



REPO = Repurchase Agreement
 CP = Commercial Paper
 GID = Government Insured Deposit
 CD = Certificate of Deposit
 CoD = Collateralized Deposit
 Agency = US Government Agency

Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	GID	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	
Bank RI	0	0	0	0	0	0	0	0
Sovereign Bank	0	0	0	0	0	0	0	0
JP Morgan Chase	0	0	0	0	0	0	0	0
Federated Investors	0	0	0	0	0	0	0	0
Fidelity	0	0	0	50,487,994	0	0	0	50,487,994
BlackRock	0	0	0	57,854,134	0	0	0	57,854,134
Wells Fargo	0	0	0	0	0	0	0	0
Citizens Bank	0	0	0	0	90,614,196	0	0	90,614,196
Webster Bank	0	0	0	0	120,092,620	0	0	120,092,620
Oppenheimer Inc	0	0	0	0	0	0	0	0
Washington Trust	0	25,017,241	0	0	0	0	0	25,017,241
TOTALS	-	25,017,240.62	-	108,342,127.77	210,706,815.45	-	-	344,066,184
(%) PORTFOLIO	0.00%	7.27%	0.00%	31.49%	61.24%	0.00%	0.00%	100.00%

Note: PIP + CD must be under 75%.

Actual PIP + CD: 68.51%

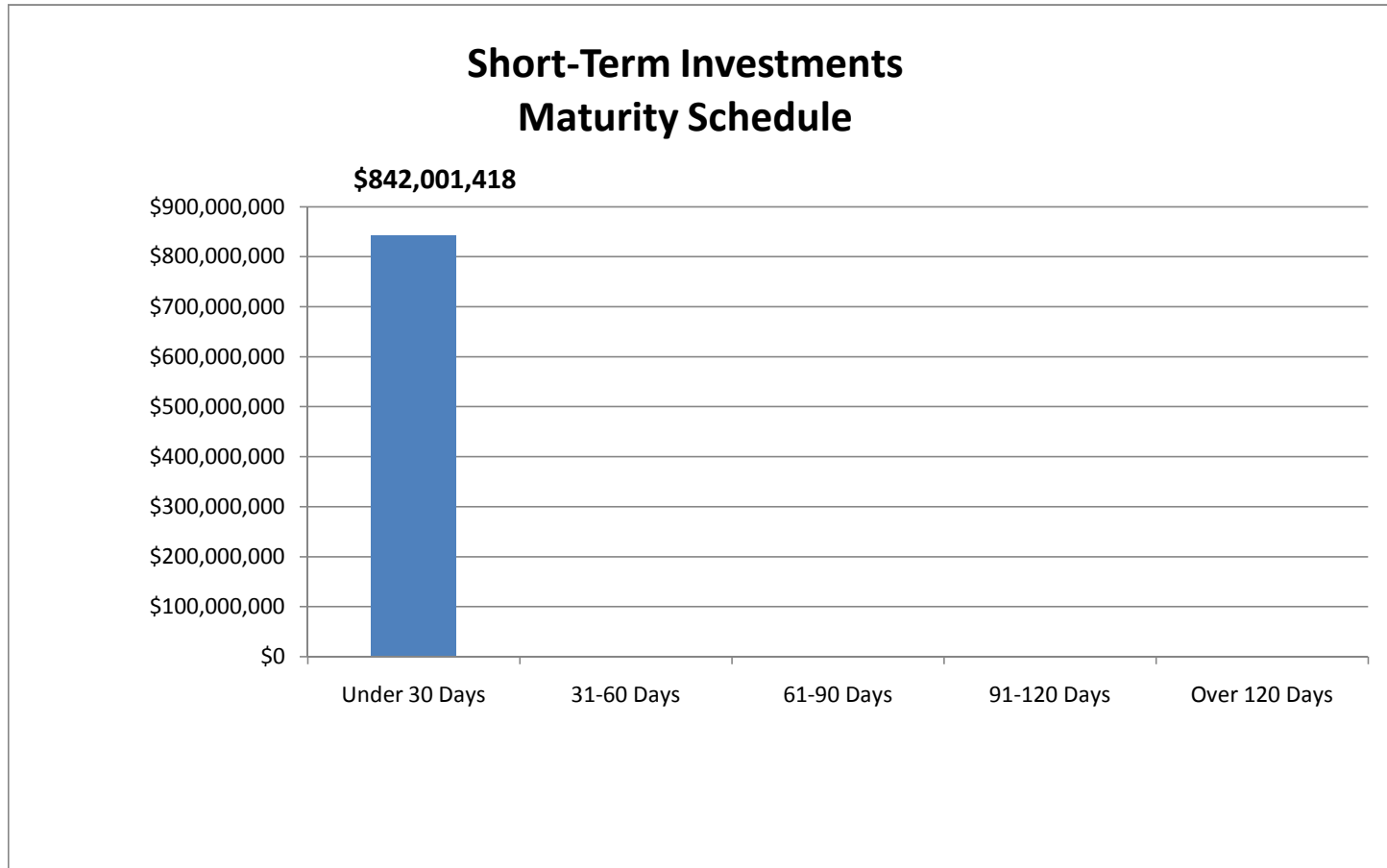
Note: Maximum participation by any one vendor limited to 35% of total portfolio.

State of Rhode Island
Short Term Cash Monthly Performance
Performance for

September 01, 2010 to September 30, 2010

Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield(Annual)
GENERAL FUND	\$ 118,127,166.34	\$ 146,466,915.32	\$ 133,127,166.34	\$ 39,748.98	0.3633%
H.A.V.A	\$ 293.86	\$ 293.90	\$ 293.86	\$ 0.04	0.1656%
GENERAL FUND (HIST PRES)	\$ 535,314.59	\$ 535,393.80	\$ 535,314.59	\$ 79.21	0.1800%
HIGHWAY FUND	\$ 11,146,017.39	\$ 18,847,707.74	\$ 15,116,017.39	\$ 1,690.35	0.1361%
T.D.I. RESERVE (DET)	\$ 106,124,592.64	\$ 92,640,248.36	\$ 98,224,592.64	\$ 15,655.72	0.1939%
EMPLOYER PENSION CONTRIBUTION	\$ 2,505,839.44	\$ 2,445.26	\$ 1,043,389.44	\$ 105.82	0.1234%
RICAP GL FUND 21	\$ 9,317,558.12	\$ 6,318,735.60	\$ 7,957,558.12	\$ 1,177.48	0.1800%
BOND CAPITAL FUND	\$ 1,950.66	\$ 2,002,059.01	\$ 731,950.66	\$ 108.35	0.1801%
R.I. CLEAN WATER ACT	\$ 1,003,954.32	\$ 1,004,102.87	\$ 1,003,954.32	\$ 148.55	0.1800%
STATE LOTTERY FUND	\$ 42,668,402.01	\$ 40,073,761.52	\$ 38,155,068.67	\$ 5,359.51	0.1709%
ASSESSED FRINGE BEN ADM	\$ 1,204,602.49	\$ 1,204,808.36	\$ 1,391,269.16	\$ 205.87	0.1800%
AUTO EQUIPMENT SERVICE	\$ 505,700.34	\$ 705,773.19	\$ 492,367.01	\$ 72.85	0.1800%
HEALTH INSURANCE FUND	\$ 9,105,326.83	\$ 10,706,683.34	\$ 11,208,660.16	\$ 1,356.51	0.1472%
FLEET REVOLVING LOAN FUND	\$ 70,121.29	\$ 70,131.81	\$ 70,121.29	\$ 10.52	0.1825%
EMPLOYEES RETIREMENT	\$ 98,711.78	\$ 900,581.31	\$ 12,582,045.11	\$ 1,869.53	0.1808%
MUNICIPAL EMPLOYEES RET.	\$ 390,850.46	\$ 111,202.23	\$ 2,309,517.13	\$ 351.77	0.1853%
RETIREE HEALTH FUND	\$ 7,307,268.70	\$ 7,808,572.90	\$ 8,813,935.37	\$ 1,304.20	0.1800%
BOG RETIREE FUND	\$ 860,681.78	\$ 860,809.13	\$ 860,681.78	\$ 127.35	0.1800%
RIPTA HEALTH FUND	\$ 1,856,458.12	\$ 2,156,781.16	\$ 2,183,124.79	\$ 323.04	0.1800%
PERMANENT SCHOOL FUND	\$ 1,428,167.61	\$ 1,428,378.94	\$ 1,428,167.61	\$ 211.33	0.1800%
TEACHER RETIREE HEALTH FUND	\$ 756,282.85	\$ 656,380.95	\$ 662,949.52	\$ 98.10	0.1800%
UNIVERSITY COLLEGE	\$ 3,718,344.81	\$ 6,319,147.55	\$ 5,425,011.48	\$ 802.74	0.1800%
HIGHER EDUCATION	\$ 503,932.75	\$ 104,035.92	\$ 697,266.08	\$ 103.17	0.1800%
INDUS. BLDG. & MTG. INS.	\$ 3,140,768.93	\$ 3,141,233.67	\$ 3,140,768.93	\$ 464.74	0.1800%
Operating Funds Totals	\$ 322,378,308.11	\$ 344,066,183.84	\$ 347,161,191.45	\$ 71,375.73	0.250%
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	
CCDL1993A	\$ 7,385.71	\$ 7,385.60	\$ 7,385.56	\$ 0.35	0.0577%
BOND CCDL 1994 SERIES A	\$ 15,000.94	\$ 15,000.71	\$ 15,000.63	\$ 0.71	0.0576%
BOND CCBL96A	\$ -	\$ -	\$ -	\$ -	
CAP DEV OF 1997 SERIES A	\$ 40,473.71	\$ 40,473.06	\$ 40,472.86	\$ 1.90	0.0571%
CCDL1998A	\$ 1,710,445.22	\$ 1,710,418.12	\$ 1,710,409.37	\$ 80.45	0.0572%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	
MMG099 1999	\$ -	\$ -	\$ -	\$ -	
BOND CAPITOL CCDL2000A	\$ 102,390.60	\$ 102,388.98	\$ 102,388.45	\$ 4.82	0.0573%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	
CCDL2001C	\$ 901,383.55	\$ 901,369.26	\$ 901,364.66	\$ 42.39	0.0572%
CCDL2002B	\$ 1,295,056.10	\$ 1,295,035.58	\$ 1,295,028.96	\$ 60.91	0.0572%
CCDL 2004 SERIES A	\$ 5,424,683.37	\$ 5,424,597.41	\$ 5,424,569.67	\$ 255.13	0.0572%
BOND CCDL 2005 SERIES C	\$ 12,595,526.88	\$ 12,595,327.29	\$ 12,595,262.89	\$ 592.39	0.0572%
BOND CCDL 2005 SERIES E	\$ 943,999.44	\$ 943,984.48	\$ 943,979.65	\$ 44.40	0.0572%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	
BOND CCDL 2006 SERIES C	\$ 9,849,029.93	\$ 9,848,873.86	\$ 9,848,823.50	\$ 463.22	0.0572%
GO BND-NTAX 2007 SERIES A	\$ 8,875,210.98	\$ 8,875,069.06	\$ 8,875,024.53	\$ 417.42	0.0572%
GO BND-TAX 2007 SERIES B	\$ 30,368.09	\$ 30,368.90	\$ 30,367.88	\$ 1.43	0.0573%
GO BND-NTAX 2008 SERIES B	\$ 14,136,247.33	\$ 14,136,023.32	\$ 14,135,951.04	\$ 664.85	0.0572%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	
CCDL10B BOND CAPITAL COMPONENT	\$ 36,356,016.06	\$ 36,355,439.95	\$ 36,355,254.06	\$ 1,709.89	0.0572%
CCDL10C	\$ 41,591,167.31	\$ 38,299,128.95	\$ 39,724,628.83	\$ 1,853.08	0.0568%
CCDL10D	\$ 11,389,529.65	\$ 11,389,015.49	\$ 11,389,139.71	\$ 535.66	0.0572%
CLEAN WATER CCDL 1998B	\$ -	\$ -	\$ -	\$ -	
CLEAN WATER CCDL 1994 (A)	\$ 12,367.01	\$ 12,366.81	\$ 12,366.75	\$ 0.58	0.0571%
CAP DEV. OF 1997 SERIES A	\$ 22,729.56	\$ 22,729.20	\$ 22,729.08	\$ 1.07	0.0573%
CLEAN WATER CCDL 2002 B	\$ -	\$ -	\$ -	\$ -	
CLEAN WATER 2004 SERIES A	\$ 434,465.30	\$ 434,454.51	\$ 434,454.89	\$ 20.43	0.0572%
CLN WATER CCDL 2005 SER E	\$ 0.55	\$ -	\$ -	\$ -	0.0000%
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	
CCDL99A 1999A	\$ 233,225.02	\$ 233,221.10	\$ -	\$ 10.97	0.0572%
POL. CTRL CCDL 2006 SER C	\$ 4.84	\$ -	\$ -	\$ -	0.0000%
CLEAN WATER 2007 SERIES A	\$ 283,274.36	\$ 283,265.38	\$ -	\$ 13.32	0.0572%
RI POLLUTION CONTROL 2008 B	\$ 14.51	\$ -	\$ -	\$ -	0.0000%
CCDL10B CLEAN WATER COMPONENT	\$ 56,125.49	\$ 56,124.60	\$ -	\$ 2.64	0.0572%
Bond Proceeds Fund Totals	\$ 146,306,121.51	\$ 143,012,061.62	\$ 143,864,602.97	\$ 6,778.01	0.057%
TANS PROCEEDS	\$ 354,848,025.45	\$ 354,923,172.59	\$ 354,848,025.47	\$ 75,147.12	0.2577%
Grand Totals	\$ 823,532,455.07	\$ 842,001,418.05	\$ 845,873,819.89	\$ 153,300.86	0.220%

Short Term Investments
Maturity Schedule
September 30, 2010



Maturities in \$Millions

Note: Includes \$211.5 Million of Money Market and PIP investments with no specific maturity

SPECIAL FUNDS

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
September 30, 2010**

<u>Fund Name</u>	Gain/Loss	Total Market Value
Abraham Touro Fund (Fidelity Balanced Fund)	\$ 109,792	\$ 1,970,544
<u>Totals</u>	\$ 109,792	\$ 1,970,544

457 PLANS

State of Rhode Island Total Assets 457 Plans

Plan Provider	12/31/2009	3/31/2010	6/30/2010	9/30/2010
AIG	\$ 43,422,475.26	\$ 44,256,808.86	\$ 42,900,890.45	\$ 44,649,454.39
Fidelity	\$ 62,523,511.95	\$ 65,400,449.95	\$ 60,612,749.48	\$ 66,514,567.48
ING	\$ 86,575,810.83	\$ 89,723,269.29	\$ 86,531,065.33	\$ 91,721,515.19
Total	\$ 192,521,798.04	\$ 199,380,528.10	\$ 190,044,705.26	\$ 202,885,537.06

AIG

The information is current as of 09/30/2010.

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 (BlackRock/SunAmerica)	5.17	9.75	-9.23	-1.76	-0.35	-0.35	1.83	12/8/2000
Vanguard Windsor II Fund	-0.09	6.19	-9.67	-1.45	2.18	2.18	1.43	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (BlackRock)	0.41	5.96	-9.31	-2.45	-2.93	-2.93	1.90	4/29/1994
Stock Index Fund (SunAmerica)	3.02	9.01	-8.18	-0.48	-1.56	-1.56	1.19	4/20/1987
<i>Large Cap Growth</i>								
Growth Fund (American Century)	4.50	12.06	-4.16	-	-0.96	-0.96	1.87	12/5/2005
Large Capital Growth Fund (SunAmerica/Invesco AIM)	1.98	8.22	-6.51	0.20	0.55	0.55	1.59	12/20/2004
Domestic Mid Cap Equity								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (MorganStanley/PineBridge Investments)	10.85	16.59	-5.02	2.89	4.34	4.34	1.69	12/20/2004
Global Equity								
Global Social Awareness Fund (PineBridge Investments)	2.45	6.43	-8.56	-0.60	-1.72	-1.72	1.52	10/2/1989
Global Equity Fund (BlackRock)	1.00	4.76	-13.22	-	-1.80	-1.80	1.81	12/5/2005
International Equity								
Foreign Value Fund (Templeton Global)	0.32	0.95	-6.79	-	1.78	1.78	1.74	12/5/2005
Specialty								
Science & Technology Fund (T. Rowe/RCM/Wellington)	8.19	17.17	-2.38	3.41	-8.24	-8.24	1.86	4/29/1994
Hybrid								
<i>Balanced</i>								
Vanguard Wellington Fund	4.09	8.42	-1.46	3.59	5.19	5.19	1.39	7/1/1929
Fixed Income								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	14.59	11.91	8.78	5.81	7.19	7.19	1.08	7/9/1973
Vanguard Long-Term Treasury Fund	18.00	11.57	9.64	6.67	7.22	7.22	1.05	5/19/1986
<i>International</i>								
International Government Bond Fund (PineBridge Investments)	9.64	8.81	7.03	6.26	7.43	7.43	1.52	10/1/1991
<i>Stable Value</i>								
Money Market I Fund (SunAmerica)	-0.58	-0.77	0.39	1.72	1.42	1.42	1.43	1/16/1986
7-Day current yield at 30-Sep-2009: -0.79								
Fixed Account Plus	3.67	3.72	3.81	3.82	4.41	4.41		1/1/1982
Short Term Fixed Account	2.00	2.33	2.78	2.87	3.12	3.12		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 income/LOCK fees, if applicable. Separate Account expenses are deducted only from variable options. The expenses are calculated each day and are based on the average daily net asset value of each option at the Separate Account level. The expenses are annualized at 0.35% to 1.25%, depending on the variable option and contract. Returns for periods prior to the date the funds became available in the Separate Account are hypothetical and are calculated as if the fund had been in the Separate Account during the stated period.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Generally, higher potential returns involve greater risk and short-term volatility. For example: Small-cap, mid-cap, sector and emerging funds can experience significant price fluctuation due to business risks and adverse political developments. International (global) and foreign funds can experience price fluctuation due to changing 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.

Fidelity

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	09/30/2010	7.85	11.13	5.57	09/30/2010	14.12	-5.38	3.13	2.51
NASDAQ COMPOSITE INDEX	09/30/2010	12.18	12.62	5.17	09/30/2010	12.74	-3.36	2.86	-3.64
BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX	09/30/2010	0.11	2.48	7.94	09/30/2010	8.16	7.42	6.20	6.41
RUSSELL 2000 INDEX	09/30/2010	12.46	11.29	9.12	09/30/2010	13.35	-4.29	1.80	4.00
STANDARD & POOR'S 500™ INDEX	09/30/2010	8.92	11.29	3.89	09/30/2010	10.16	-7.16	0.64	-0.43

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			Inception Date
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	

Stock Investments

Large Cap

FID BLUE CHIP GROWTH	09/30/2010	12.04	13.37	5.10	09/30/2010	14.11	-2.41	2.56	-1.82	10.13	—	0.94% on 09/29/2010	12/31/1987
FID CONTRAFUND	09/30/2010	10.10	12.22	6.83	09/30/2010	14.69	-3.83	3.76	3.89	12.20	—	1.02% on 03/01/2010	05/17/1967
FID DIVIDEND GROWTH	09/30/2010	11.56	13.33	5.48	09/30/2010	11.24	-5.06	1.71	0.93	9.98	—	0.93% on 09/29/2010	04/27/1993
FID EQUITY INCOME	09/30/2010	9.26	10.97	3.31	09/30/2010	7.05	-9.83	-0.45	1.72	11.40	—	0.74% on 04/01/2010	05/16/1986
FID GROWTH & INCOME	09/30/2010	9.48	10.51	1.69	09/30/2010	6.63	-16.51	-6.95	-4.12	8.88	—	0.75% on 09/29/2010	12/30/1985
FID OTC PORTFOLIO	09/30/2010	14.20	14.26	5.71	09/30/2010	14.50	-1.85	6.08	-1.63	12.53	—	1.06% on 09/29/2010	12/31/1984
FIDELITY MAGELLAN	09/30/2010	10.83	9.55	0.34	09/30/2010	4.42	-10.02	-1.02	-2.25	16.44	—	0.75% on 05/29/2010	05/02/1963
SPARTAN 500 INDEX	09/30/2010	8.94	11.27	3.84	09/30/2010	10.09	-7.19	0.60	-0.52	9.00	—	0.10% on 04/29/2010	02/17/1988

Mid-Cap

FID MID CAP STOCK	09/30/2010	12.08	12.28	7.62	09/30/2010	12.34	-6.17	2.64	1.45	10.71	.75 % / 30days	0.65% on 06/29/2010	03/29/1994
FID VALUE	09/30/2010	10.05	12.76	7.87	09/30/2010	12.29	-8.15	0.38	7.59	12.07	—	0.64% on 12/30/2009	12/01/1978
FIDELITY LOW PR STK	09/30/2010	9.56	11.53	8.80	09/30/2010	14.47	-2.13	3.62	10.68	14.09	1.5 % / 90days	0.99% on 09/29/2010	12/27/1989

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Life	Fees		Inception Date
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr		Short-Term Trading Fee	Expense Ratio †	
FIDELITY NEW MILLEN	09/30/2010	10.51	11.97	6.78	09/30/2010	10.84	-3.33	4.07	0.35	13.21	--	1.05% on 01/29/2010	12/28/1992
FKLN SMMIDCAP GRTH A	08/31/2010	-5.13	-3.74	-0.72	06/30/2010	21.12	-7.69	1.17	-2.84	9.25	--	1.11% on 09/01/2010	02/14/1992

International

FID DIVERSIFIED INTL	09/30/2010	10.74	16.71	1.29	09/30/2010	4.67	-10.03	1.80	4.81	8.90	1% / 30days	1.01% on 12/30/2009	12/27/1991
TEMPLETON FOREIGN A	08/31/2010	-3.38	4.52	-8.24	06/30/2010	10.20	-9.09	1.96	3.70	11.03	--	1.19% on 02/28/2010	10/05/1982

Blended Fund Investments

Others

FID FREEDOM 2000	09/30/2010	2.60	4.22	5.04	09/30/2010	7.53	1.69	3.72	3.11	5.76	--	0.51% on 05/29/2010	10/17/1996
FID FREEDOM 2010	09/30/2010	5.39	7.73	5.39	09/30/2010	8.93	-0.79	3.38	2.78	6.49	--	0.67% on 05/29/2010	10/17/1996
FID FREEDOM 2020	09/30/2010	6.49	9.15	5.26	09/30/2010	9.40	-3.12	2.82	1.87	6.44	--	0.74% on 05/29/2010	10/17/1996
FID FREEDOM 2030	09/30/2010	7.76	10.63	4.88	09/30/2010	9.48	-5.31	1.97	0.99	5.96	--	0.79% on 05/29/2010	10/17/1996
FID FREEDOM INCOME	09/30/2010	2.48	4.00	5.06	09/30/2010	7.53	2.37	3.91	3.53	5.15	--	0.50% on 05/29/2010	10/17/1996
FID PURITAN	09/30/2010	6.39	8.25	5.88	09/30/2010	10.88	-2.06	3.42	4.24	11.03	--	0.67% on 10/30/2009	04/16/1947

Bond Investments

Stable Value

FID MGD INC PORT II	09/30/2010	0.13	0.41	1.14	09/30/2010	1.47	2.60	3.21	3.94	4.80	--	--	04/20/1993
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Income

PIMCO TOT RETURN ADM	08/31/2010	1.46	4.71	8.82	06/30/2010	13.03	10.84	7.18	7.56	7.59	--	0.72% on 07/31/2010	09/08/1994
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Short Term Investments

Others

FIDELITY RETIRE MMKT	09/30/2010	0	0.01	0.01	09/30/2010	0.05	1.60	2.87	2.55	4.18	--	0.45% on 10/30/2009	12/02/1988
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Other Investments

Others

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

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

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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ING

PERFORMANCE UPDATE

ING Life Insurance and Annuity Company

STATE OF RHODE ISLAND

Average Annual Total Returns as of: 09/30/2010 (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		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 Fixed Account - 457/401 (6)(7)	MFR	0.29	0.00	0.88	0.02	2.64	0.02	3.55	0.03	3.86	1.18	4.04	2.49	4.77	2.20				
Money Market																			
ING Money Market Portfolio - Class I (2)	IBCM	0.00	0.03	0.02	0.99	0.23	1.11	0.32	1.20	1.49	1.83	2.82	3.12	2.53	2.76	01/01/1980	0.37	0.37	
<i>The 7-day annualized Subaccount yield as of 09/30/2010 is 0.06%, which more closely reflects current earnings. (1)</i>																			

Bonds

Intermediate-Term Bond



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 %* Exp %*		Net Fund Exp %* Exp %*	
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Incept	Date	Fund	Exp %*
ING Intermediate Bond Portfolio - Class I	LEHM	0.71	0.11	3.57	2.48	10.46	7.94	12.61	8.16	4.86	7.43	4.61	6.20	5.80	6.41	05/23/1973	0.51	0.51	0.51	0.51	

Balanced

Moderate Allocation

Calvert VP SRI Balanced Portfolio	SPXRE	6.13	8.92	8.18	11.29	6.13	3.89	10.05	10.16	-3.41	-7.16	0.75	0.64	0.59	-0.43	09/02/1986	0.91	0.91
ING Balanced Portfolio, Inc. - Class I	SPXRE	6.35	8.92	9.41	11.29	8.87	3.89	13.33	10.16	-2.43	-7.16	1.71	0.64	1.95	-0.43	04/03/1989	0.63	0.63
ING Van Kampen Equity and Income Portfolio - Initial Class	SPXRE	5.93	8.92	8.47	11.29	3.47	3.89	6.54	10.16	-1.61	-7.16	2.81	0.64		3.41	12/10/2001	0.65	0.65

Large Cap Value

Large Blend

Fidelity® VIP Contrafund® Portfolio - Initial Class	SPXRE	9.63	8.92	11.74	11.29	4.37	3.89	9.87	10.16	-6.36	-7.16	2.13	0.64	3.27	-0.43	01/03/1995	0.67	0.67
ING Growth and Income Portfolio - Class I	SPXRE	9.78	8.92	11.05	11.29	3.50	3.89	8.69	10.16	-6.11	-7.16	1.21	0.64	-1.66	-0.43	12/31/1979	0.61	0.61
ING Index Plus LargeCap Portfolio - Class I	SPXRE	8.38	8.92	11.43	11.29	3.95	3.89	10.06	10.16	-7.72	-7.16	-0.33	0.64	-1.23	-0.43	09/16/1996	0.45	0.45
ING Thornburg Value Portfolio - Initial Class	SPXRE	8.06	8.92	8.26	11.29	-0.57	3.89	5.69	10.16	-6.49	-7.16	2.06	0.64	-3.13	-0.43	11/28/1997	0.91	0.91
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	SPXRE	9.28	8.92	11.43	11.29	2.44	3.89	8.52	10.16	-8.00	-7.16	-0.40	0.64	-2.59	-0.43	11/28/1997	0.85	0.85
Invesco V.I. Core Equity Fund - Series I Shares (4)	SPXRE	7.70	8.92	8.16	11.29	0.40	3.89	5.38	10.16	-4.08	-7.16	3.03	0.64	-1.23	-0.43	05/02/1994	0.92	0.92

Large Value

Fidelity® VIP Equity-Income Portfolio - Initial Class	RS3000V	9.27	7.99	11.03	10.10	3.10	4.78	6.95	9.15	-10.26	-9.04	-0.65	-0.39	1.73	2.95	10/09/1986	0.58	0.58
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Large Cap Growth

Large Growth

Fidelity® VIP Growth Portfolio - Initial Class	RS3000G	12.67	10.92	14.76	12.98	9.05	4.80	15.75	12.81	-9.06	-4.32	0.70	2.08	-3.03	-3.20	10/09/1986	0.69	0.69
Invesco V.I. Capital Appreciation Fund - Series I Shares	SPXRE	10.54	8.92	12.27	11.29	2.60	3.89	9.17	10.16	-11.22	-7.16	-2.60	0.64	-5.34	-0.43	05/05/1993	0.92	0.92

Small/Mid/Specialty

Mid-Cap Growth

ING T. Rowe Price Diversified Mid Cap Growth Port - Initial	RSMIDGRV/	12.09	12.09	15.08	14.65	11.99	10.85	18.74	18.27	-2.85	-3.90	3.77	2.86		4.10	12/10/2001	0.66	0.66
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Small Blend

ING Small Company Portfolio - Class I	RS2000	11.42	12.46	11.03	11.29	9.19	9.12	14.36	13.35	-2.76	-4.29	3.93	1.60	4.22	3.99	12/27/1996	0.87	0.87
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Global / International

Foreign Large Value

ING Templeton Foreign Equity Portfolio - Initial Class (5)	MSCIWEUSN	11.24	9.59	17.09	16.14	3.35	1.66	4.86	4.14	-6.56	-8.96				2.75	01/03/2006	0.97	0.97
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World Stock

ING Oppenheimer Global Portfolio - Initial Class	MSCIAC	10.59	9.60	15.34	14.46	6.53	4.03	11.96	8.95	-5.34	-6.97	3.09	2.93		6.06	05/01/2002	0.66	0.66
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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: 09/30/2010 (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									
ING Fixed Account - 457/401 (6)(7) <i>This fund is not part of the product's separate account.</i>	0.29	0.88	2.64	3.55	3.86	4.04	4.77		
Money Market									
ING Money Market Portfolio - Class I (2) <i>The 7-day annualized Subaccount yield as of 09/30/2010 is -0.44%, which more closely reflects current earnings. (1)</i>	-0.04	-0.11	-0.14	-0.18	0.98	2.31	2.02		01/01/1980
Bonds									
Intermediate-Term Bond									
ING Intermediate Bond Portfolio - Class I	0.67	3.44	10.05	12.05	4.34	4.09	5.27		05/23/1973

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
Balanced									
<i>Moderate Allocation</i>									
Calvert VP SRI Balanced Portfolio	6.09	8.04	5.74	9.50	-3.89	0.24	0.09		09/02/1986
ING Balanced Portfolio, Inc. - Class I	6.31	9.27	8.47	12.77	-2.92	1.20	1.45		04/03/1989
ING Van Kampen Equity and Inc-/Janus Asp Balanced-I (3)	5.88	8.33	3.08	6.01	-2.10	2.29	2.35		09/13/1993
ING Van Kampen Equity and Income Portfolio - Initial Class	5.88	8.33	3.08	6.01	-2.10	2.29	2.90		12/10/2001
Large Cap Value									
<i>Large Blend</i>									
Fidelity® VIP Contratund® Portfolio - Initial Class	9.59	11.60	3.98	9.32	-6.83	1.62	2.75		01/03/1995
ING Growth and Income Portfolio - Class I	9.73	10.91	3.12	8.15	-6.58	0.70	-2.15		12/31/1979
ING Index Plus LargeCap Portfolio - Class I	8.34	11.29	3.56	9.52	-8.18	-0.83	-1.72		09/16/1996
ING Thornburg Value Portfolio - Initial Class	8.02	8.12	-0.94	5.17	-6.96	1.55	-3.61		11/28/1997
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	9.24	11.29	2.06	7.98	-8.46	-0.90	-3.08		11/28/1997
Invesco V.I. Core Equity Fund - Series I Shares (4)	7.65	8.03	0.02	4.86	-4.56	2.52	-1.72		05/02/1994
Fidelity® VIP Equity-Income Portfolio - Initial Class	9.23	10.89	2.71	6.41	-10.71	-1.15	1.22		10/09/1986
Large Cap Growth									
<i>Large Growth</i>									
Fidelity® VIP Growth Portfolio - Initial Class	12.62	14.62	8.64	15.17	-9.52	0.19	-3.51		10/09/1986
Invesco V.I. Capital Appreciation Fund - Series I Shares	10.49	12.12	2.22	8.62	-11.66	-3.08	-5.81		05/05/1993
Small/Mid/Specialty									
<i>Mid-Cap Growth</i>									
ING T. Rowe Price Div MidCap-/Janus Aspen MidCap - I (3)	12.04	14.94	11.58	18.15	-3.34	3.25	-5.28		09/13/1993
ING T. Rowe Price Diversified Mid Cap Growth Port - Initial	12.04	14.94	11.58	18.15	-3.34	3.25	3.58		12/10/2001
<i>Small Blend</i>									
ING Small Company Portfolio - Class I	11.37	10.89	8.78	13.79	-3.25	3.41	3.70		12/27/1996
Global / International									
<i>Foreign Large Value</i>									
ING Templeton Foreign Equity Portfolio - Initial Class (5)	11.20	16.94	2.97	4.34	-7.02		2.24		01/03/2006
<i>World Stock</i>									
ING Oppenheimer Global-Intl/Janus Aspen Worldwide Gr-Inst (3)	10.55	15.20	6.13	11.40	-5.81	2.58	-2.39		09/13/1993
ING Oppenheimer Global Portfolio - Initial Class	10.54	15.20	6.13	11.40	-5.81	2.58	5.53		05/01/2002

See Performance Introduction: Page for Important Information

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, (LIAC), 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) AIM V.I. Core Equity Fund - Series I Shares: Effective July 1, 2007, Invesco Aim contractually agreed to waive 100% of the advisory fee Invesco Aim receives from affiliated money market funds on investments by the Fund in such affiliated money market funds. Fee Waiver reflects this agreement. This waiver agreement is in effect through at least April 30, 2009.

(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+115 is 3.55%, expressed as an annual effective yield, and is guaranteed not to drop below 3.20% through 12/31/2010. 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.