

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
March 31, 2011**

**April 27, 2011  
MEETING**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Honorable Gina M. Raimondo, Chair**

**Ms. Rosemary Booth Gallogly  
Mr. Thomas P. Fay  
Mr. Robert Giudici  
Mr. Andrew K. Reilly**

**Mr. J. Michael Costello  
Mr. Robert R. Gaudreau, Jr.  
Ms. Marcia Reback**

# AGENDA



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

Gina M. Raimondo  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, April 27, 2011 at 9:00 a.m. in Room 135 of the State House.

**AGENDA**

1. Chairperson Call to Order
2. Membership Roll Call
3. Approval of Minutes
  - State Investment Commission Meeting held on March 23, 2011 \*
4. Asset Liability Study– Update/Presentation
5. Alternative Consultant- Transition Update
6. Legal Counsel Report
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, April 21, 2011**

# APPROVAL OF MINUTES



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

Gina M. Raimondo  
General Treasurer

State of Rhode Island and Providence Plantations  
STATE INVESTMENT COMMISSION

Monthly Meeting March 23, 2011

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, March 23, 2011. General Treasurer Raimondo called the meeting to order at 9:08 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Mr. Thomas Fay, Mr. Robert Gaudreau Jr., Mr. Robert Giudici, Ms. Marcia Reback, Mr. Andrew Reilly and General Treasurer Gina Raimondo, establishing a quorum. Ms. Rosemary Booth Gallogly arrived after the vote on the minutes and left prior to the vote on the alternative consultants. Also present were: Ms. Sally Dowling, of Adler Pollock, Legal Counsel to the Commission; Mr. John Burns and Mr. Alan Emkin of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Ms. Lisa Tyrrell of State Street Corporation; Steve Nesbitt and Thomas Lynch of Cliffwater and members of the Treasurer's staff.

State Investment Commission Minutes. Treasurer Raimondo entertained a motion for approval of the minutes for the meeting of February 23, 2011. Ms. Reback moved, Mr. Costello seconded, and the subsequent motion passed. The following members voted in favor: Mr. Michael Costello, Mr. Thomas Fay, Mr. Robert Gaudreau Jr., Mr. Robert Giudici, Ms. Marcia Reback, Mr. Andrew Reilly and General Treasurer Gina Raimondo.

**VOTED: To approve the Minutes of the February 23, 2011 monthly meeting.**

Update on Asset Liability Study. Treasurer called upon Pension Consulting Alliance (PCA) to update the board on the asset liability study. Mr. Emkin reviewed the presentation and provided a brief review of the asset liability process. Mr. Emkin pointed out this fund hasn't gone through an asset liability study in 8 years. He gave a history of the study in 2003 and talked about the changing market. He explained the portfolio went through a terrific time in the capital markets in the last 25 years. Mr. Emkin discussed low returns on bonds, but explained bonds were needed to diversify the portfolio. As a result he predicted a lower return going forward than in the previous 25 years. Mr. Emkin went on to explain that all academic work has found greater than 90% of the return and the risk of the investment portfolio will be driven by asset allocation. For years, clients concentrated on the return part of the equation. What the industry found in 2008 was a need to study risk. PCA will help the board determine a philosophy on risk.

Treasurer Raimondo commented that she is looking forward to the process and believes the study is critical. The Treasurer conducted due diligence and spoke with the executive vice president of EFI Actuaries who will calculate the liability side of the study. They have 30 years of experience with public pensions. She believes this study will serve as a roadmap the board can use going forward.

Cliffwater Presentation:

Treasurer Raimondo asked Cliffwater to leave the room and called upon Mr. Emkin for an update on PCG and his views on Cliffwater. Mr. Emkin disclosed that he and Steve Nesbitt worked together at Wilshire 28 years ago, but they have no economic relationships today. He explained that PCG has not worked out their business challenges and has lost a large amount of business. Mr. Emkin believes Michelle Davidson is a talented consultant, but the organization, in PCA's opinion, is unstable. Mr. Emkin stated that Cliffwater has excellent clients with highly experienced staff and thinks they will do a commendable job. Treasurer Raimondo welcomed

Cliffwater and introduced Steve Nesbitt as the CEO. The Treasurer turned it over to Cliffwater to make a brief presentation and take questions.

Mr. Nesbitt introduced Thomas Lynch who he has worked with for 20 years. He has a great background in private equity and is the managing director of the firm. Steve Nesbitt reviewed the presentation. He explained that Cliffwater, founded in 2004, is an independent alternative consulting firm that is 100% employee owned. They are SEC registered and accept fiduciary responsibility. They are headquartered in Los Angeles and Rhode Island would be serviced from their New York City location. Cliffwater is considered one of the largest in the alternative space, with \$27 billion of total assets under advisement; over \$15 billion in hedge fund, over \$10 billion in private equity and about \$2 billion in real assets. They only deal with institutional clients and do not deal with high net-worth or taxable investors. They have 28 clients including large retirement systems, state retirement systems, corporate retirement systems, endowments and foundations. Total staff number 36 of which 32 are seasoned investment professionals. Cliffwater has individual teams focused on private equity, hedge funds and real assets.

Mr. Lynch explained that the senior team under investment research, together with Steve Nesbitt, comprises their investment committee.

Mr. Costello asked if Cliffwater had a chance to look at the private equity of the portfolio and if they recommend the vast majority of them?

Mr. Lynch says they would recommend about a third of them.

Mr. Fay asked if they lost any key individuals since inception and are there any large clients that have left?

Mr. Lynch said no one at a director level or higher has left since inception. The largest client Cliffwater lost was Alcatel-Lucent in Boston, because they brought that effort in-house.

Treasurer Raimondo said she spoke to someone from Alcatel-Lucent and she affirmed it was to bring the effort in-house to save money.

Mr. Reilly asked how Cliffwater would recommend a different allocation, how they execute it and at what pace.

Mr. Lynch said Cliffwater could recommend where the portfolio should be in 60 days. They would pick out top-tier general partners and strategies they think would fit in Rhode Island's portfolio and determine when these managers are coming back to the market to raise more funds.

Treasurer Raimondo asked if there were any other questions. There were none and Cliffwater left the room.

Treasurer Raimondo, having formally been in the business, shared her own due diligence and reported that of those she spoke with, all had positive comments toward Cliffwater. Cliffwater has been very responsive and this is the third time their CEO has come to Rhode Island. The Treasurer explained this is a big piece of business for Cliffwater. She also spoke with a representative from Maine who said out of all their consultants, Cliffwater is the best in terms of customer service. The Treasurer likes the hunger of the new business along with the 30 plus years of experience of the senior team. The Treasurer stated she was comfortable proceeding with this firm. The Treasurer then asked Mr. Goodreau to review the due diligence process.

Mr. Goodreau reviewed the process starting with board approval of the RFP in May of 2010. The board received responses from a variety of firms on June 2010. In July and August the Treasurer's office spent 2 months reviewing RFPs and consulted with board members and people to narrow the list. During the August meeting, the firms were narrowed down to Cliffwater, Hamilton Lane and PCG. Since that time, the three firms have presented to the board and subsequently met with staff and the newly elected Treasurer. Staff proceeded to do extensive diligence.

Treasurer Raimondo thanked Mr. Emkin and Mr. Burns for going above and beyond in this process.

Treasurer Raimondo asked for the scope of services.

Mr. Goodreau said Cliffwater is willing to provide complete alternate investment consulting (hedge, private equity, real estate) for \$450,000. He explained that the Cliffwater mandate would offer a complete alternatives solution for slightly more than what we pay PCG for just private equity.

Treasurer Raimondo confirmed that Cliffwater was willing to be the board's complete alternatives advisor for \$450,000 for one year. Their strength is private equity, hedge funds and real assets.

Treasurer Raimondo said Cliffwater is a good fit for the portfolio at this time, because it has no hedge fund, commodity or real asset exposure.

Mr. Goodreau said everything is subject to contract negotiations. The fee structure and scope of services will be negotiated and the contract will only be signed if the structure is beneficial and cost-efficient.

Mr. Emkin explained the board reserves the right to terminate on 30 days notice.

Treasurer Raimondo entertained a motion to terminate PCG and hire Cliffwater for the entire alternative asset space. Ms. Costello moved, Ms. Reback seconded, and the subsequent motion passed. The following members

voted in favor: Mr. Michael Costello, Mr. Thomas Fay, Mr. Robert Gaudreau Jr., Mr. Robert Giudici, Ms. Marcia Reback, Mr. Andrew Reilly and General Treasurer Gina Raimondo.

**VOTED: To terminate PCG and hire Cliffwater for the entire alternative asset space.**

Short Term Investments: Cash Manager Vincent Izzo was looking for a point of clarification and reaffirmation by the board. Last year, Federal Home Loan Bank (FHLB) letters of credit were approved as a method of collateral for the short-term investment portfolio. One of Rhode Island's banks was going to use one of these vehicles and it was discovered that something brought forward in a previous presentation to the board needed to be clarified. Mr. Izzo stated these letters of credit were the joint liabilities of all 12 FHLBs, according to a white paper from the FHLB of Pittsburg, however in reality the letters of credit are the exclusive responsibility of the issuing FHLB.

Treasurer Raimondo entertained a motion to reaffirm the use of FHLBs as collateral for short-term investments. Ms. Reilly moved, Mr. Costello seconded, and the subsequent motion passed. The following members voted in favor: Mr. Michael Costello, Mr. Robert Gaudreau Jr., Mr. Robert Giudici, Ms. Marcia Reback, Mr. Andrew Reilly and General Treasurer Gina Raimondo. Mr. Fay recused out of any type of conflict of interest with RBS Citizens.

**VOTED: To reaffirm the use of FHLBs as collateral for short-term investments.**

Legal Counsel Report. Legal Counsel had no other report.

Chief Investment Officer Report. Mr. Goodreau had no other report.

Treasurer's Report. Treasurer Raimondo reported that the first fiduciary training session at the Retirement Board was held and Ms. Booth Gallogly attended. It was successful and Retirement Board was pleased. She shared that the SIC board will continue to receive training invitations and encouraged participation.

New Business. There was no new business.

There being no new business, Ms. Reback moved to adjourn, Mr. Reilly seconded and the subsequent motion passed. The following members voted in favor: Mr. Michael Costello, Mr. Thomas Fay, Mr. Robert Gaudreau Jr., Mr. Robert Giudici, Ms. Marcia Reback, Mr. Andrew Reilly and General Treasurer Gina Raimondo.

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 10:41 a.m.

Respectfully submitted,



Gina M. Raimondo  
General Treasurer

# STAFF SUMMARY



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

**PORTFOLIO PERFORMANCE**

**March**

The ERSRI portfolio posted a 1.13% gain for the month of March, against the policy index of 0.48%. Domestic Equities gained 0.81%, international equities were down 0.19%, and the fixed income asset class returned 0.13%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was 0.41% against its 0.26% index.

**Calendar Year to Date**

For the three months ending March 31, 2011, the portfolio is up 4.27% against the policy index of 3.97%. Domestic equities were up 6.51%, international equities were up 3.44%, while fixed income generated a return of 0.92%.

**Fiscal Year to Date**

For the Fiscal Year ended June 30, 2011, the fund has gained 19.22%, against the policy index of 20.31%.

<b>Index Performance Summary - March 31, 2011</b>		
<b>Market Indices</b>	<b>Mar-11</b>	<b>Calendar YTD</b>
<b><u>Domestic Equity</u></b>		
S & P 500	0.04%	5.92%
DJ Wilshire 5000	0.45%	6.38%
Russell 2000	2.59%	7.94%
Policy Index	0.26%	3.70%
<b><u>International Equity</u></b>		
MSCI ACWI	-0.19%	3.49%
<b><u>Fixed Income</u></b>		
BC AGG	0.06%	0.42%
<b><u>Real Estate</u></b>		
NCREIF	4.71%	4.88%

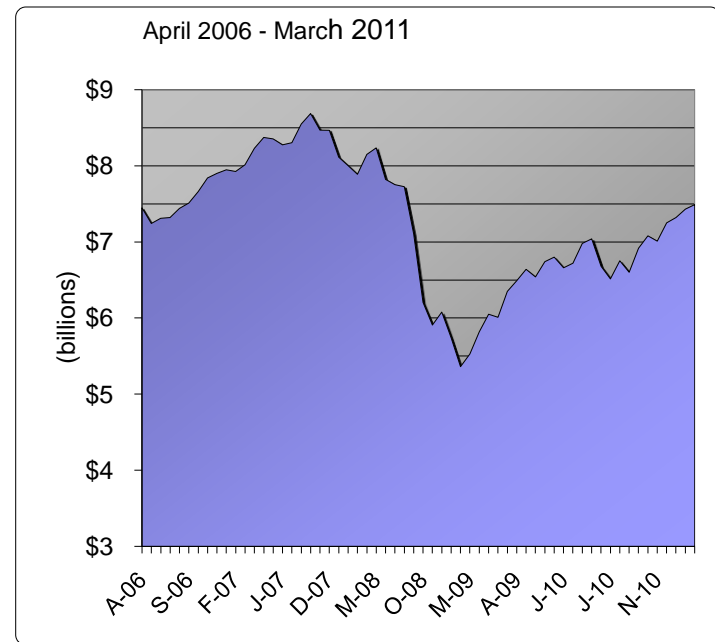
<b>ERSRI Performance By Asset Class</b>	<b>Mar-11</b>	<b>Calendar YTD</b>
Domestic Equity	0.81%	6.51%
Fixed Income	0.13%	0.92%
International Equity	-0.19%	3.44%
<b>Total Fund Composite*</b>	<b>0.41%</b>	<b>3.73%</b>
<b>Manager Summary</b>	<b>Mar-11</b>	<b>CYTD</b>
<b><u>DOMESTIC EQUITY</u></b>		
Shott	5.50%	15.34%
SSgA S&P 500	0.05%	5.94%
Russell Overlay	0.00%	-1.23%
Wellington Technical Eq	2.21%	6.70%
Russell 2000 Index	2.59%	7.99%
<b>Total Domestic Equity</b>	<b>0.81%</b>	<b>6.51%</b>
<b><u>FIXED INCOME</u></b>		
Brown Bros TIPS	0.98%	2.04%
Brown Bros Core	0.07%	0.86%
Fidelity	0.18%	0.60%
Taplin Canida & Habacht	0.18%	1.28%
Fixed Income Cash Acct	0.02%	0.05%
Mackay Shield	0.36%	3.51%
<b>Total Fixed Income</b>	<b>0.13%</b>	<b>0.92%</b>
<b><u>INTERNATIONAL EQUITY</u></b>		
<b>Total International Equity</b>	<b>-0.19%</b>	<b>3.44%</b>

\*Total Fund Composite includes all classes ex PE & RE

**Market Valuation Report  
March 31, 2011**

**Market Values**

The total portfolio value increased in March by \$56.1 million to \$7.49 billion. This compares with an increase in value of \$260 million for the same period in 2010. The Domestic Equity Market values increased by \$23.3 million, including transfers in of \$0.0 million; Fixed Income decreased by \$16.5 million, including transfers out of \$19.0 million; while International Values decreased by \$2.6 million, including transfers out of \$0.02 million. The Cash Accounts decreased by \$2.4 million including transfers out of \$1.5 million, and Alternative Investments increased by \$50.3 million, including transfers out of \$5.8 million. The Real Return Pool increased by \$4.0 million including transfers in of \$0.00 million. The overlay account increased by \$0.003 million.



### Cash Flow

March's pension payroll of \$73.1 million was greater than the \$47.8 million in contributions and wire transfers received by \$25.3 million.

To meet pension and other obligations, a transfer from long-term investments of \$26.8 million was necessary.

### Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$175.5 million on commitments of \$1,097 million.

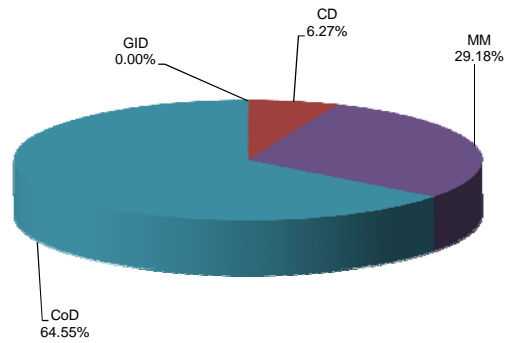
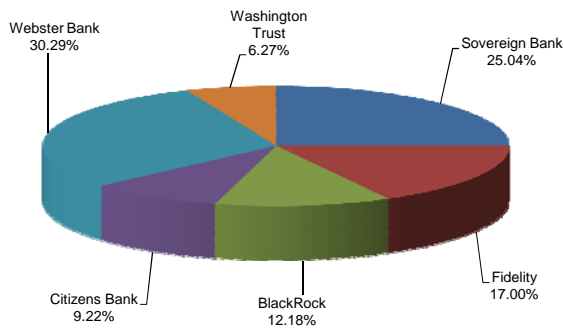
#### **CAPITAL CALLS Net of Distributions**

March 2011	FYTD	UNFUNDED BALANCE
-\$5,427,248	-\$80,140,877	\$ 175,451,333
March 2010	FYTD	UNFUNDED BALANCE
-\$9,843,993	\$1,646,880	\$300,811,745

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

**Issuer Credit Ratings  
Mar-11**

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%	Aa3	P-1	A-1	Aa3	A+		Stable	
BlackRock Inc.	6	12.18%	A1	P-1	A-1	A1	A+		Stable	
RBS Citizens	3,4	9.22%	A2	P-1	A-2	A2	A-		Negative	
Federated	6	0.00%			N/R		N/R		N/R	
Fidelity	6	17.00%			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	25.04%	A3	P-2	A-1	A3	A		Stable	
State Street Bank & Trust Com	1,3	0.00%	A1	P-1	A-1	A1	A+		Stable	
Webster Bank	3,4	30.29%	A3	P-2	A-2	A3	BBB		Stable	
Washington Trust	3,7	6.27%			N/R		N/R		N/R	
Oppenheimer	5	0.00%				B2			Stable	



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

**Ratings Definitions**

**Moody's Short-Term Debt Ratings:**

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

**Moody's Issuer Rating Symbols:**

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

**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** - More susceptible to adverse effects of change in economic condition, strong  
**BBB** - Exhibits adequate protection parameters  
**BB, B** - Have significant speculative characteristics. BB least speculative  
**CCC, CC, C** - C highest degree  
**D** - Payment default

**Modifiers:**

+ or - show relative standing within the category.

**S&P Short-Term Credit Ratings:**

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

**Modifiers:**

+ or - show relative standing within the category.

**S&P Outlook Definitions:**

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

**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

# PERFORMANCE



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

Gina M. Raimondo  
General Treasurer

April 19, 2011

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

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on March 31, 2011.

Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation

March 31, 2011

Asset Class	
Cash/Short Term Investments	821,416,528
Equities - Domestic	2,811,348,425
Equities - International	1,344,220,941
Fixed Income - Government	\$1,021,172,338
Fixed Income - Corporate	\$604,504,094
Fixed Income - In State	\$0
Total Fixed Income	1,625,676,432
Alternative Investments	636,168,100
Real Estate	247,304,020
<b>Total Fund Investments</b>	<b>7,486,134,447</b>
Plan Allocation	
State Employees & Teachers	82.90% 6,206,244,945
Municipal Employees	15.63% 1,170,382,686
State Police	0.94% 70,573,429
Judicial	0.52% 38,933,386
<b>Total Fund Investments</b>	<b>100.00% 7,486,134,447</b>

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 March 31, 2011

	11/30/2010 MKT VAL	% of FUND	1 Month	3 Months	YTD	FYTD	1 Year	2 Years	3 Years	5 Years	ITD	Incept Date
<b>DOMESTIC EQUITY</b>												
<b>Index</b>												
SSGA S&P 500 INDEX FUND S&P 500	1,946,388,535	26.0	0.1 0.0	5.9 5.9	5.9 5.9	30.6 30.6	15.7 15.7	31.7 31.6	2.5 2.4		1.4 1.3	11/01/2006
RUSSELL 2000 INDEX FUND RUSSELL 2000	715,676,434	9.6	2.6 2.6	8.0 7.9	8.0 7.9	39.8 39.7	25.9 25.8				34.9 34.8	05/01/2009
<b>Active Core</b>												
WELLINGTON TECHNICAL EQUITY RUSSELL 3000	172,094,562	2.3	2.2 0.5	6.7 6.4	6.7 6.4	28.2 32.4	9.6 17.4	18.1 33.8	5.5 3.4		5.5 0.5	08/01/2007
<b>Other</b>												
SHOTT CAPITAL	3,360,907	0.0							14.3	-4.1		04/01/1999
<b>TOTAL US EQUITY RUSSELL 3000</b>	<b>2,837,520,438</b>	<b>37.9</b>	<b>0.8 0.5</b>	<b>6.5 6.4</b>	<b>6.5 6.4</b>	<b>32.8 32.4</b>	<b>17.8 17.4</b>	<b>34.2 33.8</b>	<b>4.2 3.4</b>	<b>2.7</b>	<b>9.3 0.5</b>	<b>03/01/1989</b>
<b>INTERNATIONAL EQUITY</b>												
<b>Index</b>												
MSCI ACWI EX US INDEX FUND MSCI AC WORLD ex US (NET)	1,343,687,313	18.0	-0.2 -0.2	3.4 3.4	3.4 3.4	29.3 29.2	13.3 13.2				28.0 27.9	05/01/2009
<b>Active</b>												
TAX RECLAIMS MSCI AC WORLD ex US (GROSS)	203,501	0.0	-0.2	3.5	3.5	29.5	13.6				14.7	11/01/2009
SSGA TRANSITION ACCOUNT	340,786	0.0										11/01/2000
<b>TOTAL INTERNATIONAL EQUITY MSCI AC WORLD ex US (GROSS)</b>	<b>1,344,231,600</b>	<b>18.0</b>	<b>-0.2 -0.2</b>	<b>3.4 3.5</b>	<b>3.4 3.5</b>	<b>29.3 29.5</b>	<b>13.3 13.6</b>	<b>33.8</b>	<b>1.5</b>	<b>4.1</b>	<b>5.2 14.7</b>	<b>03/01/1989</b>
<b>U.S. FIXED INCOME</b>												
<b>Core</b>												
BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	362,145,413	4.8	0.1 0.1	0.9 0.4	0.9 0.4	2.4 1.3	5.6 5.1	6.7 5.7	5.5 5.3	5.3 6.2	6.5 7.1	03/01/1990
<b>Mortgage</b>												
PYRAMIS GLOBAL ADVISORS BC MBS	465,936,131	6.2	0.2 0.3	0.6 0.6	0.6 0.6	2.2 1.5	5.7 4.4	6.7 4.8	6.6 5.9	6.1 6.5	7.4 7.1	10/01/1989
<b>Corporates</b>												
TAPLIN, CANIDA & HABACHT BC CREDIT	368,141,634	4.9	0.2 0.0	1.3 0.9	1.3 0.9	4.1 3.6	7.5 7.0	17.8 13.7	7.3 7.0	5.7 6.4	6.7 6.6	04/01/1996
<b>High Yield</b>												
MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	177,528,193	2.4	0.4 0.4	3.5 3.8	3.5 3.8	12.3 13.4	12.9 13.6	27.0 31.6	10.6 11.7	8.1 8.5	11.9 10.9	10/01/2002
<b>Other</b>												
FIXED INCOME CASH ACCOUNT	507,118,953	6.8	0.0	0.1	0.1	0.2	0.2	0.3	0.8		1.9	04/01/2007
<b>TOTAL US FIXED INCOME BC AGGREGATE</b>	<b>1,880,870,324</b>	<b>25.1</b>	<b>0.1 0.1</b>	<b>0.9 0.4</b>	<b>0.9 0.4</b>	<b>3.1 1.6</b>	<b>5.4 5.1</b>	<b>9.2 6.4</b>	<b>5.8 5.3</b>	<b>5.9 6.0</b>	<b>6.5 6.4</b>	<b>12/01/1992</b>
<b>REAL RETURN POOL</b>												
BROWN BROTHERS HARRIMAN - TIPS BARCLAYS US TIPS INDEX	414,569,269	5.5	1.0 1.0	2.0 2.1	2.0 2.1	3.6 3.9	7.7 8.0	7.0 7.0	4.3 3.9	6.4 6.2	5.8 5.6	06/01/2004
<b>TOTAL REAL RETURN CPI + 4%</b>	<b>414,569,269</b>	<b>5.5</b>	<b>1.0 0.8</b>	<b>2.0 2.5</b>	<b>2.0 2.5</b>	<b>3.6 5.1</b>	<b>7.7 6.4</b>	<b>7.0</b>	<b>4.3</b>	<b>6.4</b>	<b>5.8 5.9</b>	<b>06/01/2004</b>
<b>ALTERNATIVE INVESTMENTS</b>												
REAL ESTATE NCREIF PROPERTY LAG + 100 BPS	247,304,781	3.3	3.2 4.7	5.9 0.0	5.9 0.0	15.2 0.0	16.0 0.0	-12.6 0.0	-14.3 0.0	-3.6 0.0	-2.3 0.0	01/01/2005
PRIVATE EQUITY S&P 500 PLUS 300 BP	638,564,764	8.5	8.3 0.3	9.4 6.7	9.4 6.7	16.1 33.4	16.8 19.1	17.4 35.5	3.5 5.4	7.8 5.7	9.3 13.0	01/01/1989
<b>TOTAL ALTERNATIVE INVESTMENTS TOTAL ALTERNATIVES BENCHMARK</b>	<b>885,869,544</b>	<b>11.8</b>	<b>6.8 2.0</b>	<b>8.4 5.9</b>	<b>8.4 5.9</b>	<b>15.9 24.8</b>	<b>16.6 17.0</b>	<b>7.4 19.1</b>	<b>-2.2 2.2</b>	<b>4.2 5.3</b>	<b>8.5</b>	<b>04/01/1996</b>
<b>RE-BALANCING</b>												
RUSSELL IMPLEMENTATION SERVICES	101,553,756	1.4	0.0	-1.2	-1.2	-1.4	-1.1	0.1			-0.5	09/01/2008
<b>CASH</b>												
CASH ACCOUNT (INSIDE)	17,983,265	0.2										07/01/2000
CASH ACCOUNT (OUTSIDE)	3,536,250	0.1										07/01/2000
<b>TOTAL PLAN TOTAL PLAN BENCHMARK*</b>	<b>7,486,134,447</b>	<b>100.0</b>	<b>1.1 0.5</b>	<b>4.3 4.0</b>	<b>4.3 4.0</b>	<b>19.2 20.3</b>	<b>13.0 12.9</b>	<b>22.7 22.6</b>	<b>2.8 2.1</b>	<b>3.8 3.8</b>	<b>9.4</b>	<b>01/01/1984</b>

\* 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 March 31, 2011

		11/30/2010 MKT VAL	% of FUND	6 YEARS	7 YEARS	8 YEARS	9 YEARS	10 YEARS	ITD	Incept Date
<b>DOMESTIC EQUITY</b>										
<b>Index</b>										
	SSGA S&P 500 INDEX FUND S&P 500	1,946,389	26.0	4.1	4.5	7.9	3.6	3.3	1.4	11/1/2006
	RUSSELL 2000 INDEX FUND RUSSELL 2000	715,676	9.6	6.8	6.6	12.5	7.2	7.9	34.9	5/1/2009
<b>Active Core</b>										
	WELLINGTON TECHNICAL EQUITY S&P 500	172,095	2.3	4.1	4.5	7.9	3.6	3.3	5.5	8/1/2007
<b>Other</b>										
	SHOTT CAPITAL	3,361	0.0							4/1/1999
<b>TOTAL US EQUITY</b>		<b>2,837,520</b>	<b>37.9</b>	<b>4.9</b>	<b>5.2</b>	<b>9.4</b>	<b>5.0</b>	<b>4.7</b>	<b>9.3</b>	<b>3/1/1989</b>
<b>RUSSELL 3000</b>				<b>4.8</b>	<b>5.1</b>	<b>8.7</b>	<b>4.4</b>	<b>4.1</b>		
<b>INTERNATIONAL EQUITY</b>										
<b>Index</b>										
	MSCI ACWI EX US INDEX FUND MSCI EAFE (NET)	1,343,687	18.0	4.8	6.2	11.6	7.1	5.4	28.0	5/1/2009
<b>Active</b>										
	TAX RECLAIMS MSCI AC WORLD ex US (GROSS)	204	0.0	7.7	8.9	14.3	9.5	7.8		11/1/2009
	SSGA TRANSITION ACCOUNT	341	0.0							11/1/2000
<b>TOTAL INTERNATIONAL EQUITY</b>		<b>1,344,232</b>	<b>18.0</b>	<b>7.4</b>	<b>8.7</b>	<b>13.4</b>	<b>8.4</b>	<b>6.7</b>	<b>5.2</b>	<b>3/1/1989</b>
<b>MSCI AC WORLD ex US (GROSS)</b>				<b>7.7</b>	<b>8.9</b>	<b>14.3</b>	<b>9.5</b>	<b>7.8</b>		
<b>U.S. FIXED INCOME</b>										
<b>Core</b>										
	BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	362,145	4.8	4.9	4.4	4.8	5.6	5.6	6.5	3/1/1990
<b>Mortgage</b>										
	PYRAMIS GLOBAL ADVISORS BC MBS	465,936	6.2	5.6	5.3	5.3	5.7	5.8	7.4	10/1/1989
<b>Corporates</b>										
	TAPLIN, CANIDA & HABACHT BC CREDIT	368,142	4.9	5.2	4.8	5.9	6.4	6.3	6.7	4/1/1996
<b>High Yield</b>										
	MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	177,528	2.4	7.7	8.0	10.6			11.9	10/1/2002
<b>Other</b>										
	FIXED INCOME CASH ACCOUNT	507,119	6.8						1.9	4/1/2007
<b>TOTAL US FIXED INCOME</b>		<b>1,880,870</b>	<b>25.1</b>	<b>5.5</b>	<b>5.2</b>	<b>5.7</b>	<b>6.1</b>	<b>5.9</b>	<b>6.5</b>	<b>12/1/1992</b>
<b>BC AGGREGATE</b>				<b>5.4</b>	<b>4.8</b>	<b>4.9</b>	<b>5.6</b>	<b>5.6</b>		
<b>REAL RETURN POOL</b>										
	BROWN BROTHERS HARRIMAN - TIPS BC GLOBAL INFLATION LINKED: U.S. TIPS	414,569	5.5	5.5	5.3	5.0	5.7	7.0	6.7	5.8
<b>TOTAL REAL RETURN</b>		<b>414,569</b>	<b>5.5</b>	<b>5.5</b>	<b>6.4</b>	<b>6.5</b>	<b>6.4</b>	<b>6.5</b>	<b>5.8</b>	
<b>CPI + 4%</b>				<b>6.4</b>	<b>6.5</b>	<b>6.4</b>	<b>6.5</b>	<b>6.4</b>		
<b>ALTERNATIVE INVESTMENTS</b>										
	REAL ESTATE NCREIF PROPERTY INDEX QTR LAG	247,305	3.3	-3.2	6.1	7.3	7.5	7.4	7.4	-2.3
	PRIVATE EQUITY S&P 500 PLUS 300 BP	638,565	8.5	12.2	12.5	13.6	10.4	9.1	9.3	1/1/1989
				7.2	7.6	11.0	6.9	6.5		
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>885,870</b>	<b>11.8</b>	<b>8.6</b>	<b>9.4</b>	<b>10.7</b>	<b>8.1</b>	<b>7.1</b>	<b>8.5</b>	<b>4/1/1996</b>
<b>TOTAL ALTERNATIVES BENCHMARK</b>				<b>7.2</b>	<b>7.9</b>	<b>10.0</b>	<b>7.5</b>	<b>7.3</b>		
<b>RE-BALANCING</b>										
	RUSSELL IMPLEMENTATION SERVICES	101,554	1.4						-0.5	9/1/2008
<b>CASH</b>										
	CASH ACCOUNT (INSIDE)	17,983	0.2							
	CASH ACCOUNT (OUTSIDE)	3,536	0.1							
<b>TOTAL PLAN</b>		<b>7,486,134</b>	<b>100.0</b>	<b>5.7</b>	<b>6.1</b>	<b>9.4</b>	<b>6.4</b>	<b>5.8</b>	<b>9.4</b>	<b>1/1/1984</b>
<b>TOTAL PLAN BENCHMARK</b>				<b>5.5</b>	<b>5.8</b>	<b>9.0</b>	<b>6.1</b>	<b>5.7</b>		

\* 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



**ERSRI Monthly Market Value Report With Time Weighted Returns**

March 31, 2011

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								2/28/2011	In/(out)	3/31/2011	Increase/decrease
<b>Domestic Equity</b>											
Shott Capital Management IRR	15.34%	5.92%	9.42%	S & P 500	5.50%	0.04%	5.46%	2,782,379		3,360,907	578,528
SSgA S&P 500	5.94%	5.92%	0.02%	S & P 500	0.05%	0.04%	0.01%	1,945,464,710		1,946,388,535	923,825
Wellington Tech Eq	6.70%	6.38%	0.32%	Russell 3000	2.21%	0.45%	1.76%	168,374,376	-	172,094,562	3,720,186
Russell 2000 Index Fund	7.99%	7.94%	0.05%	Russell 2000	2.59%	2.59%	0.00%	697,579,572		715,676,434	18,096,862
<b>Total Domestic Equity</b>	<b>6.51%</b>	<b>6.38%</b>	<b>0.13%</b>		<b>0.81%</b>	<b>0.45%</b>	<b>0.36%</b>	<b>2,814,201,037</b>	<b>-</b>	<b>2,837,520,438</b>	<b>23,319,401</b>
<b>International Equity</b>											
Boston Company		3.49%		MSCI ACWI		-0.19%		57,667	(9,440)	47,835	(391)
Goldman Sachs		3.49%		MSCI ACWI		-0.19%		101,874	(11,472)	91,157	755
Transition Account	N/A	N/A	N/A	N/A	N/A	-0.19%	N/A	326,848	(1)	340,786	13,939
Mondrian		3.49%		MSCI ACWI		-0.19%		65,140	-	64,508	(632)
MSCI Ex US Index Fund	3.44%	3.41%	0.03%	MSCI Ex US Index Fund	-0.19%	-0.23%	0.04%	1,346,288,917	-	1,343,687,313	(2,601,604)
<b>Total International Equity</b>	<b>3.44%</b>	<b>3.49%</b>	<b>-0.05%</b>		<b>-0.19%</b>	<b>-0.19%</b>	<b>0.00%</b>	<b>1,346,840,446</b>	<b>(20,913)</b>	<b>1,344,231,600</b>	<b>(2,587,933)</b>
<b>Fixed Income</b>											
Fidelity Management & Research	0.60%	0.58%	0.02%	BC MBS	0.18%	0.28%	-0.10%	465,113,506	-	465,936,131	822,625
Brown Brothers, Harriman	0.86%	0.36%	0.50%	Citigroup BIG	0.07%	0.05%	0.02%	361,890,500	-	362,145,413	254,913
Taplin, Canida & Habacht	1.28%	0.89%	0.39%	BC Credit	0.18%	-0.04%	0.22%	367,484,578	-	368,141,634	657,056
Mackay Shields	3.51%	3.77%	-0.26%	CS First BosHiYield	0.36%	0.41%	-0.05%	176,887,937	-	177,528,193	640,256
Fixed Income Cash Acct	0.05%	0.05%	0.00%		0.02%	0.03%	-0.01%	526,012,080	(18,979,087)	507,118,953	85,961
<b>Total Fixed Income</b>	<b>0.92%</b>	<b>0.42%</b>	<b>0.50%</b>		<b>0.13%</b>	<b>0.06%</b>	<b>0.07%</b>	<b>1,897,388,600</b>	<b>(18,979,087)</b>	<b>1,880,870,324</b>	<b>2,460,811</b>
<b>Alternative Investments</b>											
Private Equity	9.44%	6.69%	2.75%	N/A	8.26%	0.29%	7.97%	595,377,713	(5,427,248)	638,564,764	48,614,299
Real Estate	5.90%	4.88%	1.02%	NCREIF + 100	3.19%	4.71%	-1.52%	240,216,279	(395,347)	247,304,781	7,483,849
<b>Total Alternatives</b>	<b>8.44%</b>	<b>5.91%</b>	<b>2.53%</b>		<b>6.81%</b>	<b>2.02%</b>	<b>4.79%</b>	<b>835,593,992</b>	<b>(5,822,595)</b>	<b>885,869,544</b>	<b>56,098,148</b>
<b>Cash Accounts</b>											
Cash in Trust	0.05%	0.05%	0.00%		0.02%	0.03%	-0.01%	19,524,143	(1,545,405)	17,983,265	4,527
Cash Outside Trust	0.00%	0.05%	-0.05%		0.00%	0.03%	-0.03%	4,400,052	-	3,536,250	(863,802)
<b>Total Cash</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.00%</b>		<b>0.02%</b>	<b>0.03%</b>	<b>-0.01%</b>	<b>23,924,196</b>	<b>(1,545,405)</b>	<b>21,519,515</b>	<b>(859,276)</b>
<b>Real Return Pool</b>											
Brown Bros TIPS	2.04%	2.06%	-0.02%	CPI +4%	0.98%	1.02%	-0.04%	410,540,740	-	414,569,269	4,028,529
<b>Other</b>											
Russell Overlay	-1.23%				0.00%			101,550,731	-	101,553,756	3,025
<b>Total Plan Ex PE &amp; RE</b>	<b>3.73%</b>	<b>3.70%</b>	<b>0.03%</b>		<b>0.41%</b>	<b>0.26%</b>	<b>0.15%</b>	<b>7,430,039,741</b>	<b>(26,368,000)</b>	<b>7,486,134,446</b>	<b>82,462,705</b>
<b>Total Plan</b>	<b>4.27%</b>	<b>3.97%</b>	<b>0.30%</b>		<b>1.13%</b>	<b>0.48%</b>	<b>0.65%</b>				

\*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

TOTAL PLAN

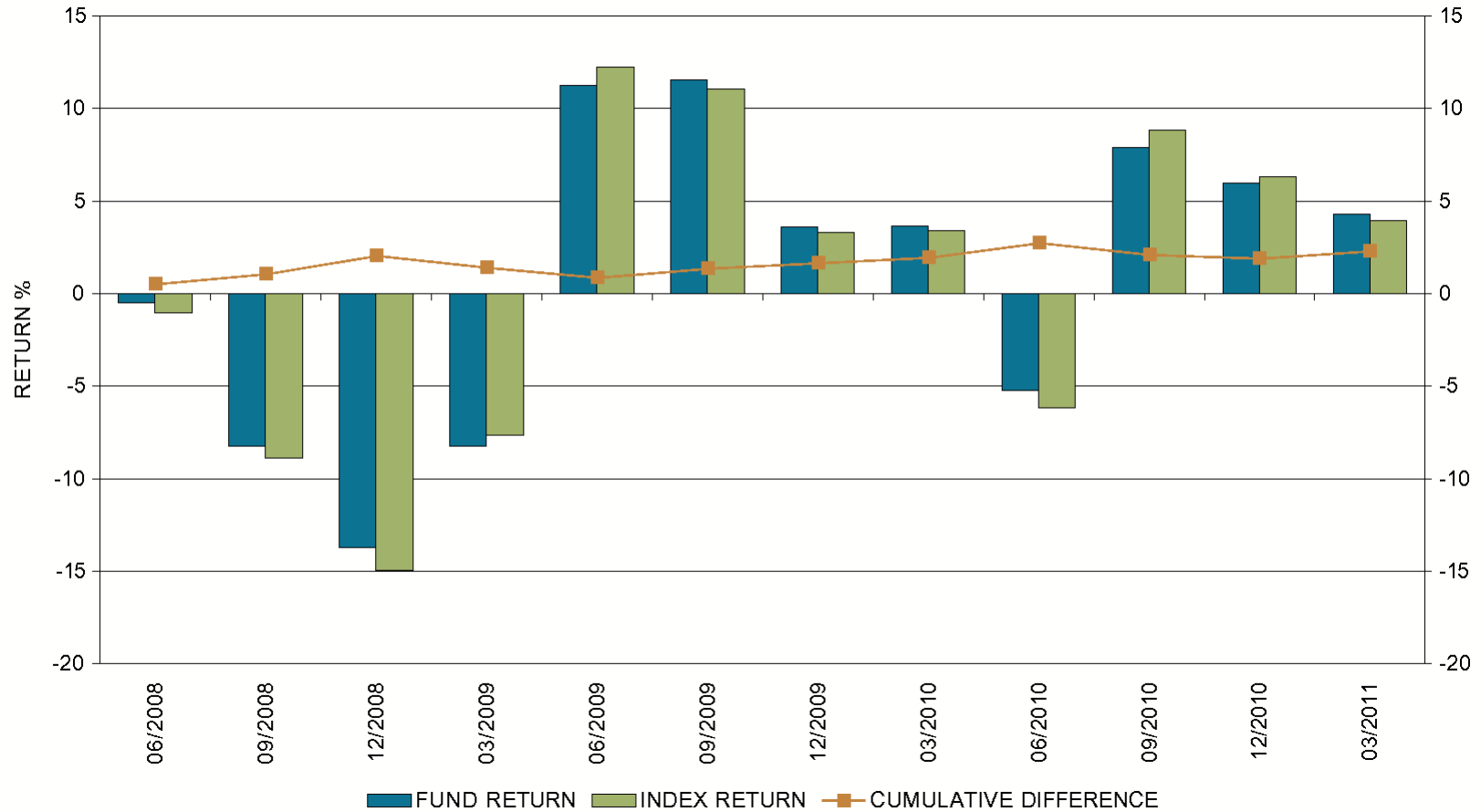
Index: TOTAL PLAN BENCHMARK

PERIODS: March 31, 2008 - March 31, 2011



STATE STREET

## CUMULATIVE PERFORMANCE REPORT

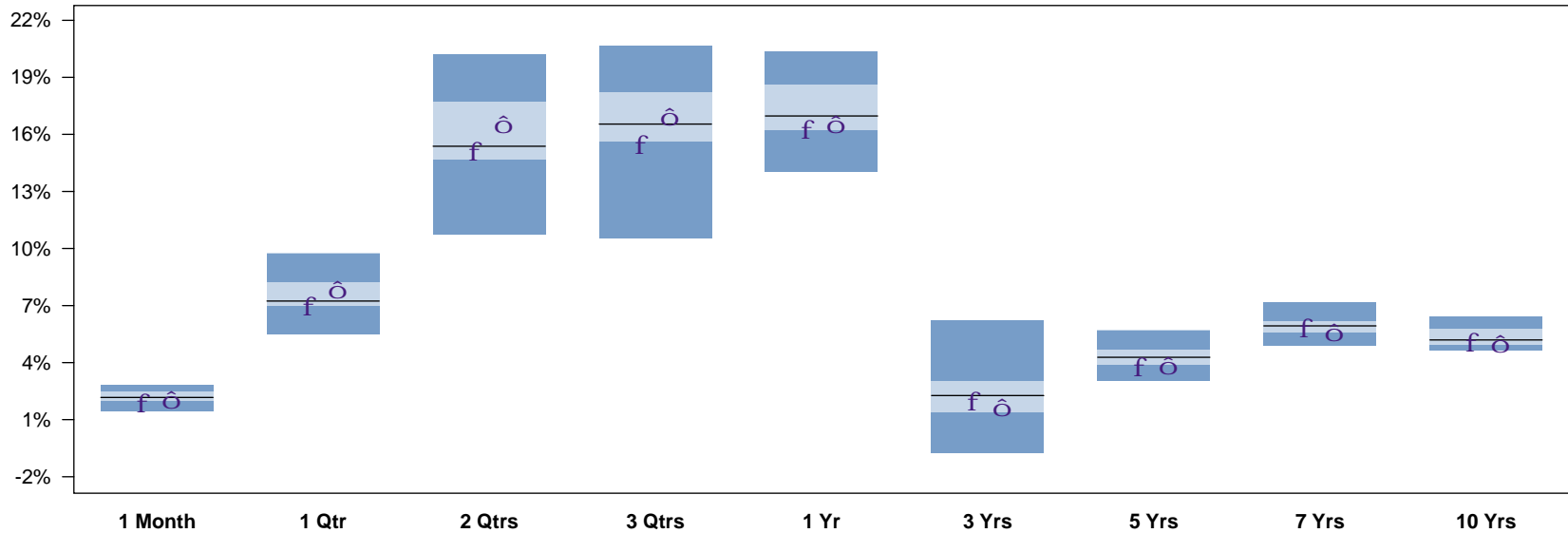


# State of Rhode Island

Public Funds (DB) > \$1 Billion (SSC)  
 PERIOD ENDING February 28, 2011



## TOTAL RETURN



	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	2.83		9.74		20.22		20.64		20.34		6.24		5.70		7.16		6.39	
25th Percentile	2.49		8.25		17.75		18.22		18.62		3.06		4.71		6.20		5.77	
50th Percentile	2.17		7.24		15.38		16.54		16.97		2.27		4.28		5.93		5.19	
75th Percentile	1.98		6.99		14.66		15.63		16.22		1.38		3.85		5.55		4.91	
95th Percentile	1.46		5.52		10.74		10.54		14.06		-0.73		3.02		4.87		4.65	
No. of Obs	30		29		28		28		27		28		28		27		26	
f TOTAL PLAN	1.99	71	7.09	71	15.22	52	15.54	84	16.37	65	2.05	56	3.86	73	5.94	47	5.17	52
o 1 TOTAL PLAN BENCHMARK	2.19	45	7.97	33	16.67	35	17.04	44	16.66	63	1.77	68	3.98	67	5.70	66	5.10	59

## State of Rhode Island

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

PERIOD ENDING February 28, 2011



STATE STREET

### TOTAL RETURN

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#### Endnotes

1 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

As of 04/30/2006: 42.5% W5000 / 25.0% BC AGG / 20.0% MSCI AC WORLD FREE ex USA / 5.0% NCREIF PROPERTY LAG / 7.5% S&P 500 plus 300bps

Prior to 04/30/2006: 52.5% W5000/ 25.0% BC AGG / 22.5% MSCI AC WORLD FREE ex USA

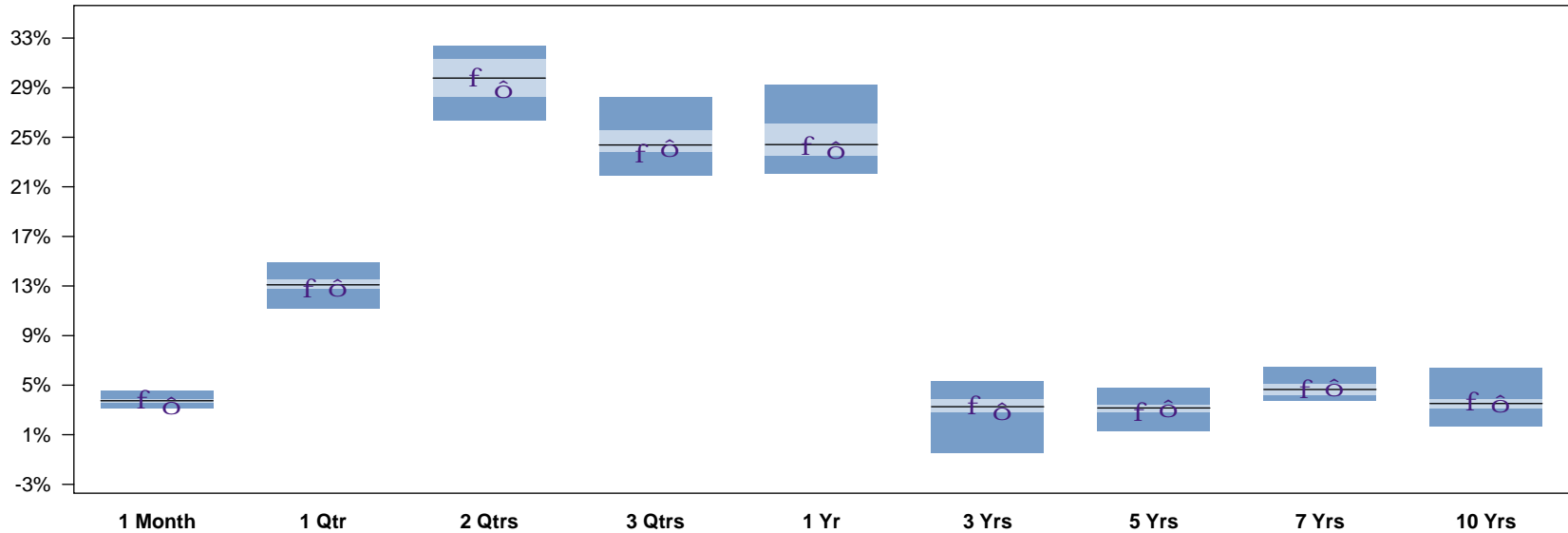
# State of Rhode Island

US EQUITY POOLS PUBLIC GT 1BILL (SSC)  
 PERIOD ENDING February 28, 2011



STATE STREET

## TOTAL RETURN



	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	4.55		14.88		32.35		28.21		29.22		5.35		4.79		6.45		6.42	
25th Percentile	3.93		13.50		31.35		25.55		26.09		3.89		3.42		5.07		3.94	
50th Percentile	3.74		13.09		29.77		24.38		24.41		3.26		3.16		4.65		3.52	
75th Percentile	3.57		12.77		28.22		23.81		23.45		2.80		2.80		4.21		3.12	
95th Percentile	3.12		11.22		26.33		21.90		22.06		-0.44		1.31		3.75		1.67	
No. of Obs	28		29		28		29		29		26		25		21		22	
f TOTAL US EQUITY	3.98	14	12.98	61	30.00	45	23.87	74	24.50	45	3.55	31	3.02	67	4.89	38	3.85	31
o WILSHIRE 5000	3.57	75	13.04	56	29.06	72	24.34	51	24.19	62	3.09	60	3.35	36	5.01	28	3.72	39

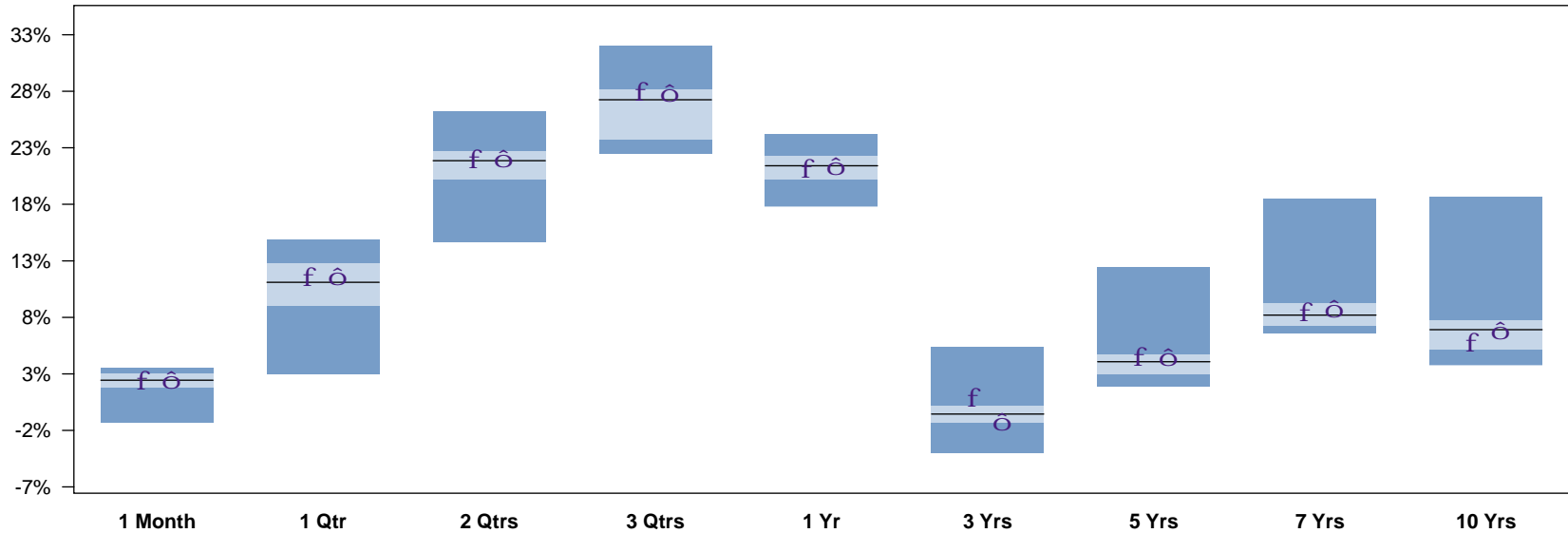
# State of Rhode Island

Intl Equity Pools - Public Funds (DB) (SSC)  
 PERIOD ENDING February 28, 2011



STATE STREET

## TOTAL RETURN



	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	3.52		14.89		26.17		31.99		24.23		5.39		12.41		18.43		18.67	
25th Percentile	3.02		12.84		22.70		28.17		22.33		0.25		4.74		9.26		7.74	
50th Percentile	2.44		11.10		21.86		27.25		21.41		-0.55		4.08		8.20		6.91	
75th Percentile	1.77		9.00		20.17		23.70		20.17		-1.32		2.92		7.20		5.11	
95th Percentile	-1.29		3.01		14.70		22.44		17.81		-3.96		1.88		6.58		3.79	
No. of Obs	43		43		43		43		42		37		33		32		30	
f TOTAL INTERNATIONAL	2.64	39	11.77	36	22.19	45	28.11	27	21.31	55	1.06	20	4.70	26	8.69	43	5.99	61
o MSCI AC WORLD ex US (	2.66	38	11.82	32	22.29	37	28.10	28	21.63	45	-1.04	61	4.69	26	9.01	34	7.08	41

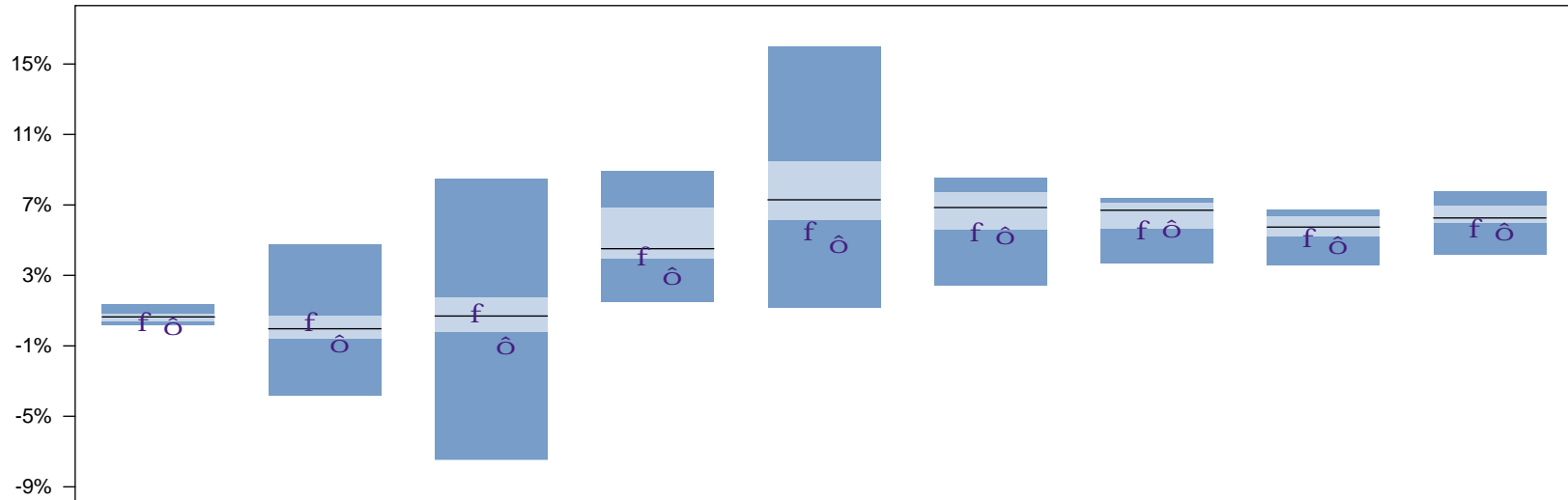
# State of Rhode Island

US FIXED INC POOL PUBLIC GT 1 BILL (SSC)  
 PERIOD ENDING February 28, 2011



STATE STREET

## TOTAL RETURN



	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	1.37		4.74		8.51		8.93		15.97		8.52		7.36		6.71		7.75	
25th Percentile	0.85		0.73		1.77		6.87		9.46		7.74		7.13		6.34		6.96	
50th Percentile	0.64		-0.03		0.69		4.51		7.29		6.85		6.70		5.74		6.26	
75th Percentile	0.39		-0.60		-0.24		3.91		6.11		5.57		5.63		5.22		5.96	
95th Percentile	0.20		-3.81		-7.47		1.48		1.16		2.44		3.70		3.58		4.18	
No. of Obs	16		16		16		15		16		12		12		12		12	
f TOTAL US FIXED INCOM	0.49	65	0.49	36	0.99	42	4.19	63	5.65	83	5.58	70	5.69	70	5.25	71	5.82	86
o BC AGGREGATE	0.25	94	-0.72	79	-0.83	84	3.11	84	4.93	90	5.40	79	5.80	67	4.88	87	5.61	87

# State of Rhode Island

TOTAL PLAN

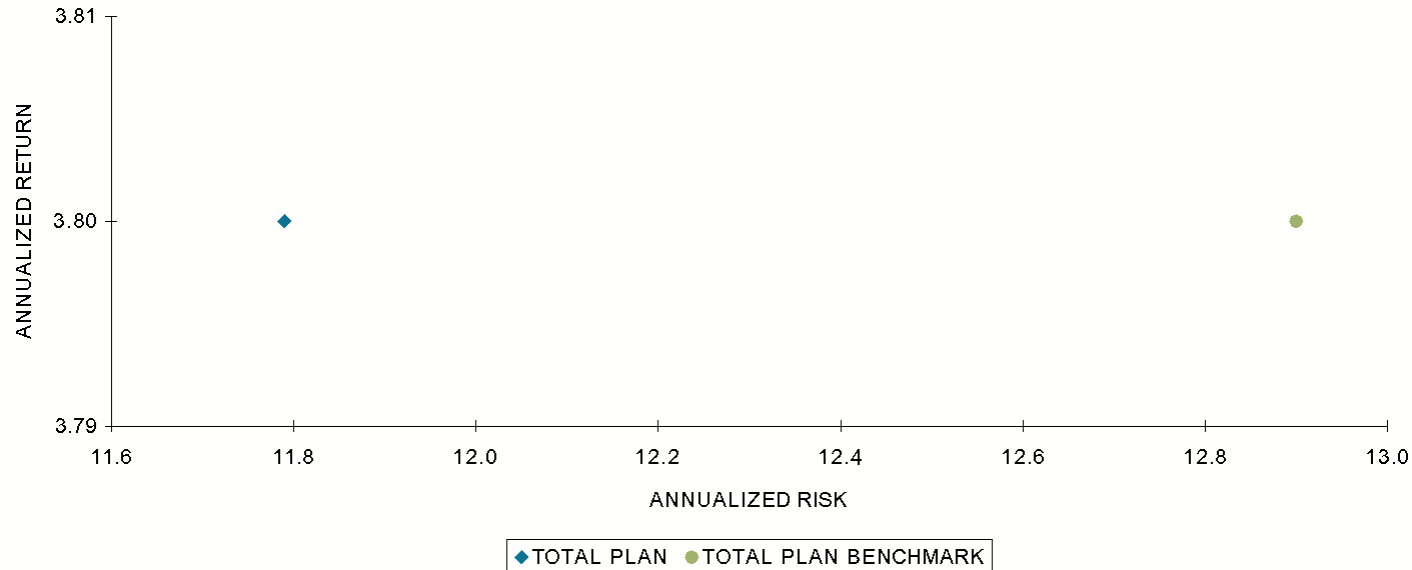
Benchmark: TOTAL PLAN BENCHMARK

March 31, 2006 - March 31, 2011



STATE STREET

## RISK VS. RETURN



### RISK INFORMATION

Portfolio Return	3.80
Benchmark Return	3.80
Return Differences	-0.00
Portfolio Standard Deviation	11.79
Benchmark Standard	12.90
Tracking Error	1.90

### RISK STATISTICS

Historic Beta	0.91
R-squared	0.98
Jensen's Alpha	0.14
Sharpe Ratio	0.13
Treynor Ratio	1.73
Information Ratio	-0.00



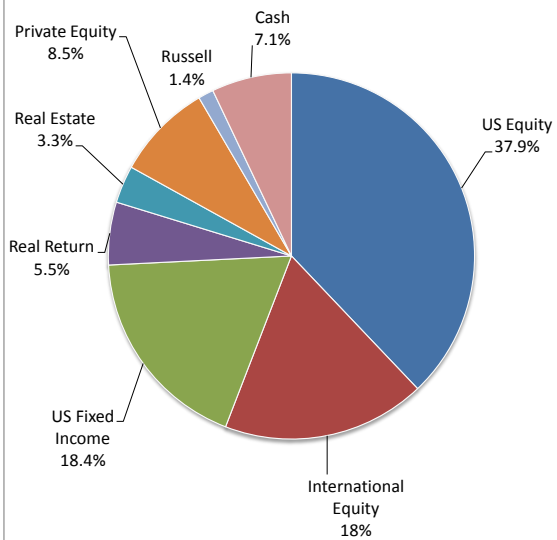
# ASSET ALLOCATION

# State of Rhode Island

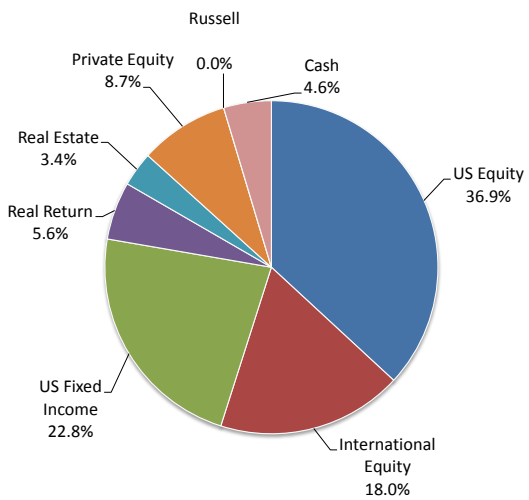
Asset Allocation

3/31/2011

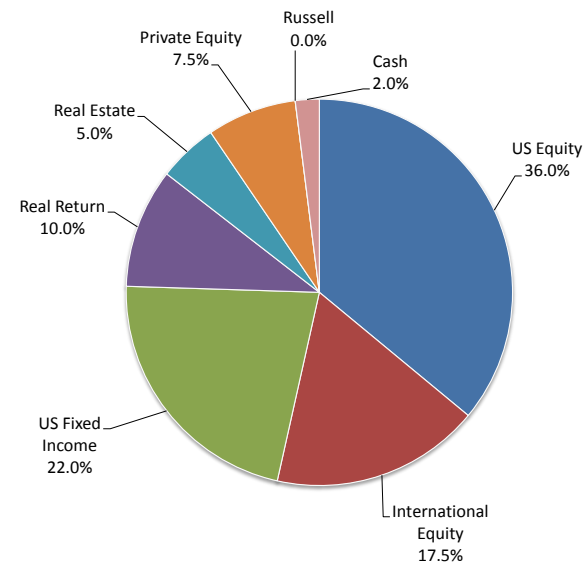
### Physical Allocation



### Notional Allocation



### Policy Allocation

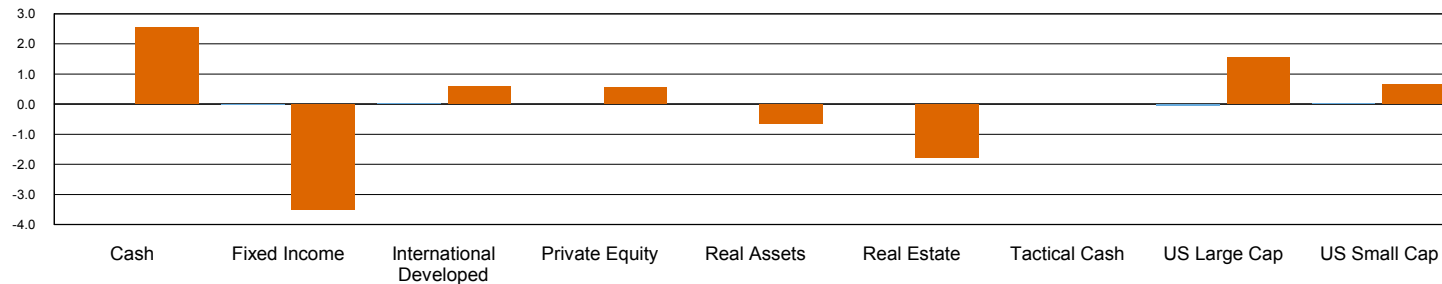


\* Difference in actual investment allocation versus target allocation policy is offset by the notional overlay provided by the Russell Implementation account.

# Asset Summary

<u>Asset Class</u>	<u>Physical Exposure</u>		<u>Synthetic Exposure</u>		<u>Net Position</u>		<u>Overlay Target</u>		<u>Policy Target</u>	
<b>Total Market Value</b>	<b>7,426.4</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>7,426.4</b>	<b>100.0%</b>	<b>7,426.4</b>	<b>100.0%</b>	<b>7,426.4</b>	<b>100.00%</b>
<b>Cash</b>	<b>190.1</b>	<b>2.6%</b>	<b>-185.1</b>	<b>-2.5%</b>	<b>4.9</b>	<b>0.1%</b>	<b>4.8</b>	<b>0.1%</b>	<b>0.0</b>	<b>0.00%</b>
Cash	190.1	2.6%	-185.1	-2.5%	4.9	0.1%	4.8	0.1%	0.0	0.00%
<b>Equity</b>	<b>4,777.5</b>	<b>64.3%</b>	<b>-120.1</b>	<b>-1.6%</b>	<b>4,657.4</b>	<b>62.7%</b>	<b>4,656.9</b>	<b>62.7%</b>	<b>4,530.1</b>	<b>61.00%</b>
International Developed	1,343.9	18.1%	-13.7	-0.2%	1,330.2	17.9%	1,327.8	17.9%	1,299.6	17.50%
Private Equity	597.5	8.0%	0.0	0.0%	597.5	8.0%	597.5	8.0%	557.0	7.50%
US Small Cap	715.7	9.6%	-30.5	-0.4%	685.2	9.2%	682.9	9.2%	668.4	9.00%
US Large Cap	2,120.4	28.6%	-76.0	-1.0%	2,044.4	27.5%	2,048.7	27.6%	2,005.1	27.00%
<b>Fixed</b>	<b>1,373.7</b>	<b>18.5%</b>	<b>305.2</b>	<b>4.1%</b>	<b>1,678.9</b>	<b>22.6%</b>	<b>1,679.5</b>	<b>22.6%</b>	<b>1,633.8</b>	<b>22.00%</b>
Fixed Income	1,373.7	18.5%	305.2	4.1%	1,678.9	22.6%	1,679.5	22.6%	1,633.8	22.00%
<b>Other</b>	<b>1,085.2</b>	<b>14.6%</b>	<b>0.0</b>	<b>0.0%</b>	<b>1,085.2</b>	<b>14.6%</b>	<b>1,085.2</b>	<b>14.6%</b>	<b>1,262.5</b>	<b>17.00%</b>
Tactical Cash	430.7	5.8%	0.0	0.0%	430.7	5.8%	430.7	5.8%	430.7	5.80%
Real Estate	240.6	3.2%	0.0	0.0%	240.6	3.2%	240.6	3.2%	371.3	5.00%
Real Assets	413.9	5.6%	0.0	0.0%	413.9	5.6%	413.9	5.6%	460.4	6.20%

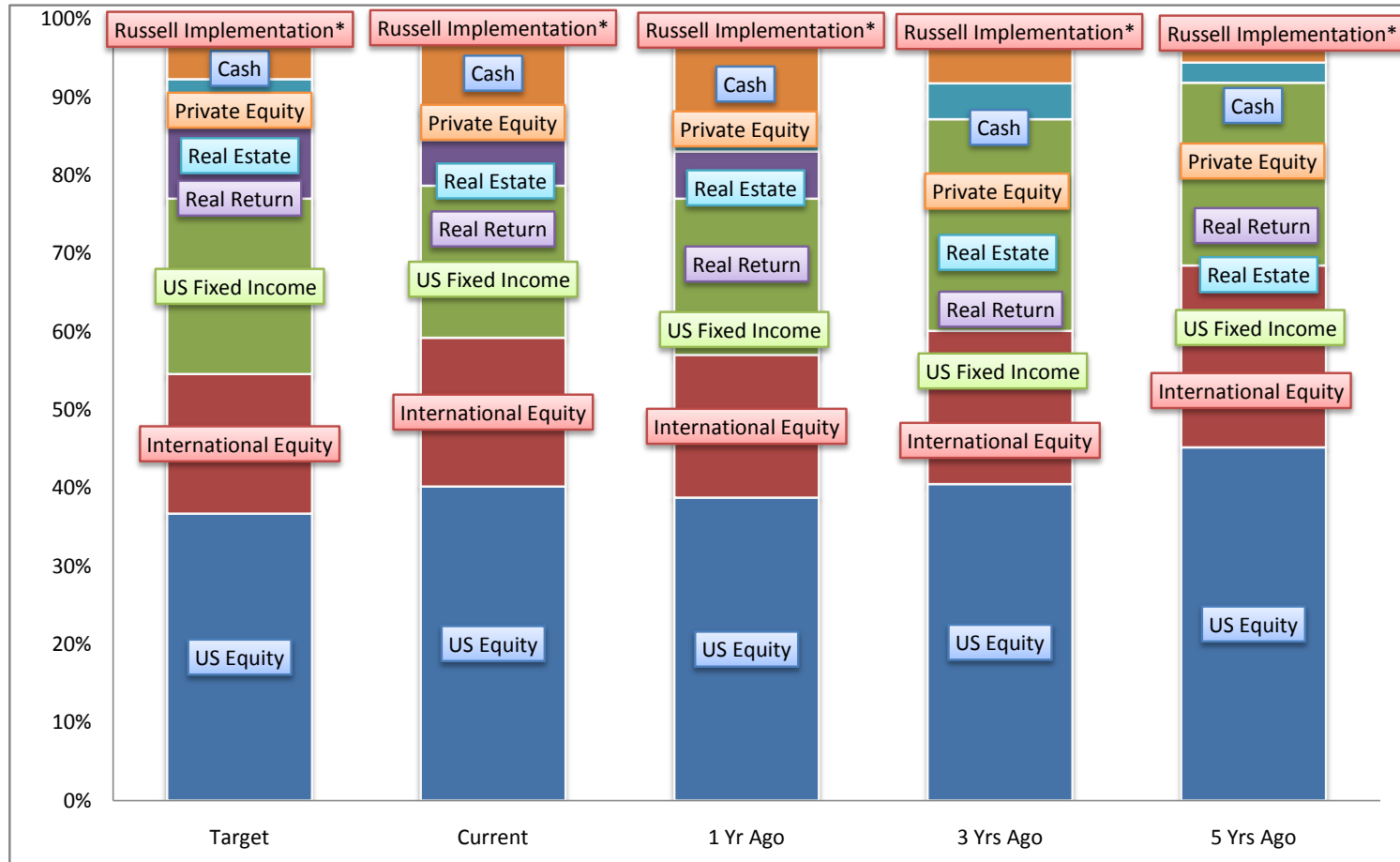
## Deviations from Target Allocation



# State of Rhode Island

Historical Asset Allocation

November 30, 2010



	Target	Current	1 Yr Ago	3 Yrs Ago	5 Yrs Ago
US Equity	36.0%	37.9%	36.9%	40.4%	45.0%
International Equity	17.5%	18.0%	17.4%	19.6%	23.2%
US Fixed Income	22.0%	18.4%	19.0%	27.0%	23.3%
Real Return	10.0%	5.5%	5.7%	0.0%	0.0%
Real Estate	5.0%	3.3%	3.4%	4.6%	2.6%
Private Equity	7.5%	8.5%	9.7%	8.2%	5.5%
Russell Implementation*	0.0%	1.4%	1.5%	0.0%	0.0%
Cash	2.0%	7.1%	6.3%	0.2%	0.5%
<b>Total Plan</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# CASH FLOW

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2011	FY 2010-11												TOTAL
	Actual July 2010	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2011	Actual February	Actual March	Projected April	Projected May	Projected June	
MEMBER BENEFITS	64,786,488	65,481,557	65,315,924	65,166,401	65,107,559	65,068,608	66,691,648	66,939,123	66,753,196	66,900,000	66,900,000	66,900,000	792,010,504
ADMINISTRATIVE EXPENSES	393,312	548,021	590,613	618,987	508,890	492,317	396,616	429,243	456,810	624,882	615,392	866,576	6,541,659
INVESTMENT EXPENSES	1,380,131	2,706	360,147	343,219	464,523	886,459	508,571	306,066	343,834	376,620	378,219	352,246	5,702,742
TOTAL OUTFLOW	66,559,931	66,032,284	66,266,684	66,128,608	66,080,973	66,447,384	67,596,835	67,674,432	67,553,840	67,901,502	67,893,611	68,118,822	804,254,905
CONTRIBUTIONS	36,468,984	42,272,364	26,277,602	55,664,547	35,150,605	40,872,116	56,234,751	35,617,401	42,493,720	43,857,442	20,000,348	36,811,095	471,720,975
OTHER INCOME*	1,128,429	5,823,900	2,312,189	3,673,433	3,646,844	7,980,238	4,938,253	4,258,601	9,058,026	3,439,255	1,361,324	7,740,460	55,360,954
TOTAL INCOME	37,597,413	48,096,264	28,589,791	59,337,980	38,797,449	48,852,354	61,173,004	39,876,002	51,551,746	47,296,697	21,361,672	44,551,555	527,081,929
DIFFERENCE	(28,962,518)	(17,936,020)	(37,676,893)	(6,790,627)	(27,283,524)	(17,595,030)	(6,423,831)	(27,798,430)	(16,002,094)	(20,604,805)	(46,531,939)	(23,567,267)	(277,172,976)

Municipal Employees Retirement System

	Actual July 2010	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2011	Actual February	Actual March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	5,759,121	5,970,389	5,961,434	5,986,138	6,028,530	6,024,441	6,159,822	6,273,090	6,260,511	5,696,530	5,747,541	5,766,674	71,634,221
ADMINISTRATIVE EXPENSES	72,431	100,922	109,616	114,883	94,718	91,633	73,821	80,624	86,146	113,371	111,649	159,026	1,208,838
INVESTMENT EXPENSES	254,162	498	66,843	63,701	86,460	164,993	94,658	57,488	64,841	68,329	68,619	64,641	1,055,232
TOTAL OUTFLOW	6,085,714	6,071,810	6,137,893	6,164,722	6,209,708	6,281,067	6,328,300	6,411,201	6,411,498	5,878,230	5,927,809	5,990,340	73,898,291
CONTRIBUTIONS	4,157,420	4,226,982	3,779,357	3,955,928	4,286,411	4,770,013	4,702,497	7,972,265	4,856,857	4,556,660	4,271,452	7,021,682	58,557,524
OTHER INCOME*	207,809	1,072,515	429,137	681,781	678,772	1,485,328	919,136	799,882	1,708,176	623,975	246,982	1,420,455	10,273,947
TOTAL INCOME	4,365,229	5,299,497	4,208,494	4,637,709	4,965,183	6,255,341	5,621,633	8,772,147	6,565,033	5,180,635	4,518,434	8,442,137	68,831,471
DIFFERENCE	(1,720,485)	(772,313)	(1,929,399)	(1,527,013)	(1,244,525)	(25,726)	(706,667)	2,360,946	153,535	(697,595)	(1,409,375)	2,451,797	(5,066,819)

CASH FLOW ANALYSIS - INCOME & EXPENSES

Judges/State Police  
Retirement System

	Actual July 2010	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2011	Actual February	Actual March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	115,057	113,835	125,801	123,501	123,501	123,501	126,501	126,501	135,991	108,054	108,054	108,054	1,438,351
ADMINISTRATIVE EXPENSES	6,471	9,016	9,907	10,383	8,694	8,411	6,776	7,512	8,060	9,954	9,803	14,075	109,061
INVESTMENT EXPENSES	22,706	45	6,041	5,757	7,936	15,144	8,688	5,356	6,067	5,999	6,025	5,721	95,486
TOTAL OUTFLOW	144,233	122,896	141,749	139,641	140,131	147,056	141,965	139,369	150,118	124,007	123,881	127,851	1,642,897
CONTRIBUTIONS	370,000	390,000	375,000	705,000	424,000	425,000	430,000	432,000	430,000	528,000	65,000	760,000	5,334,000
OTHER INCOME*	18,565	95,814	38,784	61,618	62,303	136,335	84,365	74,526	159,825	54,785	21,685	125,725	934,331
TOTAL INCOME	388,565	485,814	413,784	766,618	486,303	561,335	514,365	506,526	589,825	582,785	86,685	885,725	6,268,331
DIFFERENCE	244,332	362,918	272,035	626,977	346,172	414,279	372,400	367,157	439,708	458,778	(37,196)	757,875	4,625,433

\*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

	Actual Jul 10	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 11	Projected Feb 11	Projected Mar 11	Projected Apr 11	Projected May 11	Projected June 11	Projected TOTAL
<b>EQUITIES</b>													
SSgA Russell 1000/S&P 500			37,365			44,945			31,075			100,000	213,385
SSGA Russell 2000			30,227			34,921			33,387			17,388	
Shott Capital			264			1,110			460			2,718	4,551
Wellington Tech Eq			315,297			348,655			340,655			350,000	1,354,608
			383,153			429,631			405,577			470,106	1,572,544
<b>FIXED INCOME</b>													
Brown Bros.			166,174			167,249			159,463			152,252	645,139
Fidelity			152,798			153,780			147,583			140,949	595,110
Taplin			228,218			231,147			214,524			179,763	853,653
Mackay Shields			175,084			161,036			167,506			147,848	651,474
Brown Bros.TIPS			114,026			114,761			108,601			113,544	450,932
			836,300			827,973			797,678			734,357	3,196,308
<b>INT'L EQUITIES</b>													
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			151,078			164,663			149,217			150,000	614,959
	0		151,078	0		164,663			149,217			150,000	614,959
<b>REAL ESTATE</b>													
L & B Real Estate	135,186	0	86,931	127,607	357,152	979,695	147,277	12,834	191,583	150,642	385,731	86,250	2,660,889
<b>ALTERNATIVE INVESTMENTS</b>													
Other Alt Inv Mgmt Fd	1,521,813	3,248	346,100	285,070	201,766	86,901	464,640	356,076	223,158	300,306	67,133	336,359	4,192,571
<b>SUB TOTAL-INV MGMT FEES</b>													
	1,656,999	3,248	1,803,562	412,677	558,919	2,488,864	611,917	368,910	1,767,214	450,948	452,864	1,777,072	12,237,270
<b>PROFESSIONAL FEES</b>													
Legal	11,405	1,415	1,350	1,013	639	788	2,316	2,316	729	731	12,273	2,453	37,427
St St Bank Custodial	62,022	61,219	62,196	65,675	64,092	64,122	61,466	63,896	61,083	63,189	62,639	62,000	753,598
Pacific Corp Group		84,375	0	0	84,375	0	84,375	0	84,375	0	84,375	93,750	431,250
PCA/Wilshshire/Russell	29,792	13,125	74,629	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	235,674
Townsend	0	0	35,625	0	0	35,625	0	0	35,625	0	0	35,625	142,500
	103,220	160,134	173,801	79,812	162,231	113,660	76,907	163,712	110,561	161,421	88,037	206,954	1,600,450
<b>OPERATING EXPENSE</b>													
Retirement Transfers	264,911	439,143	641,931	665,657	385,417	690,850	332,707	349,925	428,804	647,610	392,246	827,323	6,066,524
Other Expense	12,500	0	5,700	0	0	11,950	11,250	5,700	11,650	0	6,250	5,400	70,400
	277,411	439,143	647,631	665,657	385,417	702,800	343,957	355,625	440,454	647,610	398,496	832,723	6,136,924
<b>TOTAL:</b>	2,037,629	602,525	2,624,994	1,158,146	1,106,567	3,305,324	1,032,782	888,247	2,318,229	1,259,979	939,396	2,816,748	19,974,645

Note: Numbers in bold are actual.



State of Rhode Island Alternative Investments Unfunded Commitment  
March 2011

<u>Partnership Investment</u>	<u>Total Commitment</u>		<u>ERSRI Remaining Commitment</u>
Alta BioPharma Partners III	\$	15,000,000.00	\$ 750,000.00
Alta Partners VIII	\$	15,000,000.00	\$ 5,250,000.00
Aurora Equity Partners II**	\$	15,000,000.00	\$ -
Aurora Equity Partners III**	\$	15,000,000.00	\$ 835,850.00
Avenue Special Situations Fund 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	\$ 12,812,500.00
Birch Hill Equity Partners III*	\$	18,545,400.00	\$ 868,469.12
Castile III	\$	5,000,000.00	\$ 1,225,000.00
Centerbridge	\$	15,000,000.00	\$ 1,149,308.28
Charterhouse Capital Partners VIII*	\$	21,237,000.00	\$ 4,165,183.72
Coller International Capital IV**	\$	15,000,000.00	\$ 2,100,000.00
Coller International Capital V	\$	15,000,000.00	\$ 4,387,500.00
Constellation III	\$	15,000,000.00	\$ 6,663,978.05
CVC European Equity Partners III	\$	20,000,000.00	\$ 899,966.05
CVC European Equity Partners IV*	\$	23,360,700.00	\$ 2,974,851.95
CVC 5	\$	28,316,000.00	\$ 14,284,453.20
Fenway Partners Capital Fund II	\$	15,000,000.00	\$ 182,176.02
Fenway III	\$	15,000,000.00	\$ 1,496,022.00
First Reserve Fund X	\$	20,000,000.00	\$ 1.00
First Reserve Fund XI	\$	20,000,000.00	\$ 4,904,477.00
Focus Ventures III	\$	15,000,000.00	\$ 375,000.00
Granite Global Ventures II	\$	15,000,000.00	\$ 675,000.00
Granite Global Ventures III	\$	15,000,000.00	\$ 2,250,000.00
Green Equity Investors V	\$	20,000,000.00	\$ 6,361,795.12
Harvest Partners III	\$	15,000,000.00	\$ 357,288.61
Kayne Anderson Energy Fund III	\$	15,000,000.00	\$ 1,312,078.00
Kayne Anderson Energy Fund IV	\$	15,000,000.00	\$ 5,550,000.00
Leapfrog Ventures II	\$	10,000,000.00	\$ 1,220,000.00
Leeds Weld Equity Partners IV	\$	10,000,000.00	\$ 53,569.26
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	\$ 3,277,671.47
Matlin Patterson Glb. 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	\$ 659,283.90
Nautic Partners VI	\$	20,000,000.00	\$ 7,156,001.94
Nordic Capital Fund III*	\$	12,651,120.00	\$ 206,226.69
Nordic Capital Fund V*	\$	20,692,695.69	\$ -
Nordic Capital Fund VI*	\$	21,237,000.00	\$ 991,457.83
Nordic VII	\$	21,237,000.00	\$ 8,647,207.30

State of Rhode Island Alternative Investments Unfunded Commitment  
March 2011

OCM Opportunities Fund II	\$	12,000,000.00	\$	-
Palladin III	\$	10,000,000.00	\$	4,577,375.99
Parthenon Investors	\$	15,000,000.00	\$	-
Parthenon Investors II	\$	20,000,000.00	\$	1,953,022.00
Perseus VII	\$	15,000,000.00	\$	2,497,379.00
Point 406	\$	10,000,000.00	\$	3,199,999.84
Point Judith II	\$	5,000,000.00	\$	1,210,638.62
Providence Equity Partners III	\$	15,000,000.00	\$	1,938,955.51
Providence Equity Partners IV	\$	25,000,000.00	\$	1,908,124.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,229,649.00
Providence Equity Partners VI	\$	25,000,000.00	\$	7,128,519.00
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	\$	6,000,000.00
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	\$	3,304,997.00
TPG VI	\$	10,000,000.00	\$	5,595,713.00
Trilantic IV	\$	11,098,351.00	\$	4,403,667.53
VS&A Communication Partners III	\$	15,000,000.00	\$	-
W Capital Partners	\$	15,000,000.00	\$	880,500.00
W Capital Partners II	\$	15,000,000.00	\$	5,325,204.33
Washington & Congress Capital Partners**	\$	15,000,000.00	\$	305,637.24
Wellspring Capital Partners III	\$	20,000,000.00	\$	58,611.00
Wellspring Capital Partners IV	\$	20,000,000.00	\$	1,789,761.00
WLR	\$	8,000,000.00	\$	3,447,950.00
<b>Total Alternative Investments</b>	\$	<b>1,097,125,266.69</b>	\$	<b>175,451,332.56</b>

\*transactions occur in foreign currence

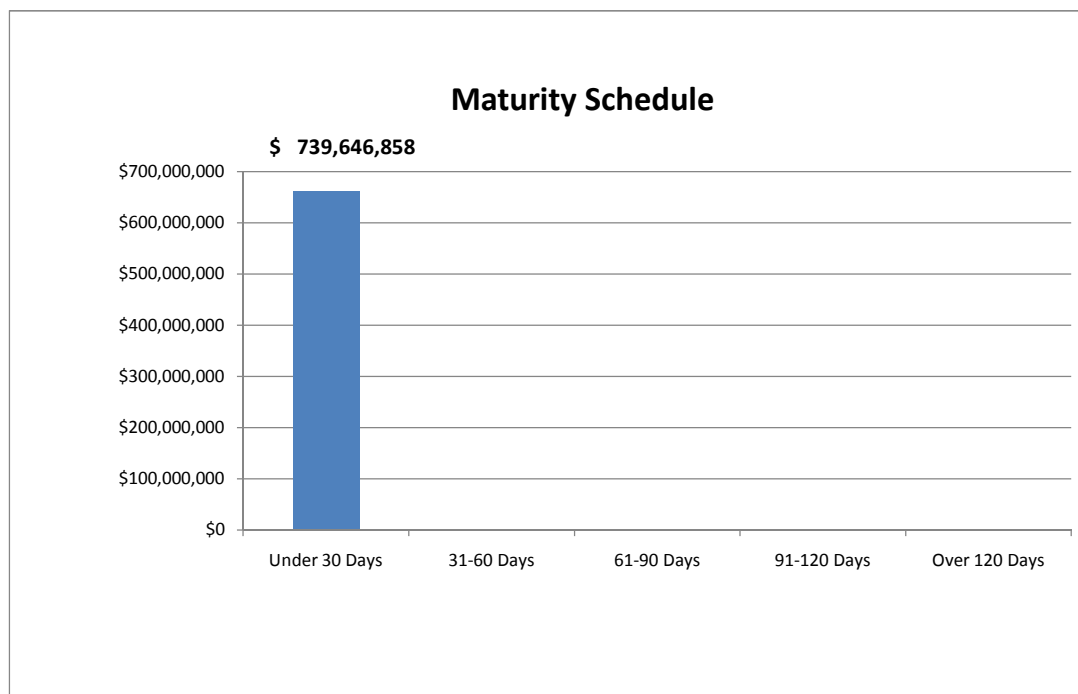
\*\* fees NOT affecting unfunded commitment

State of Rhode Island Real Estate Investment Unfunded Commitment  
March 2011

<u>Real Estate Partnership Investment</u>	<u>ERSRI Remaining</u>		<u>Commitment</u>
AEW	\$	35,000,000.00	\$ 648,148.40
Fillmore East Fund I	\$	10,000,000.00	\$ 0.08
Fremont Strategic Property Partners II	\$	15,000,000.00	\$ 1,873,108.00
GMAC Commerical Realty Partners II	\$	15,000,000.00	\$ 2,155,117.00
JPMorgan Fleming Asset Mgmt. Strat. Prop. F	\$	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	\$ 2,390,944.00
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	\$ 9,473,121.05

# SHORT TERM INVESTMENTS

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



SIC Compliance Report								
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
	0%	0%	0%	0%	0%	0%	0%	0.00%
Sovereign Bank	0	0	0	0	100,039,494	0	0	100,039,494
	0%	0%	0%	0%	0%	0%	0%	25.04%
JP Morgan Chase	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Federated Investors	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Fidelity	0	0	0	67,938,454	0	0	0	67,938,454
	0%	0%	0%	17%	0%	0%	0%	17.00%
BlackRock	0	0	0	48,664,283	0	0	0	48,664,283
	0%	0%	0%	12%	0%	0%	0%	12.18%
Wells Fargo	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Citizens Bank	0	0	0	0	36,844,293	0	0	36,844,293
	0%	0%	0%	0%	9%	0%	0%	9.22%
Webster Bank	0	0	0	0	121,020,761	0	0	121,020,761
	0%	0%	0%	0%	30%	0%	0%	30.29%
Oppenheimer Inc	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	25,051,757	0	0	0	0	0	25,051,757
	0%	6%	0%	0%	0%	0%	0%	6.27%
<b>TOTALS</b>	<b>-</b>	<b>25,051,757.12</b>	<b>-</b>	<b>116,602,737.58</b>	<b>257,904,548.11</b>	<b>-</b>	<b>-</b>	<b>399,559,043</b>
<b>(%) PORTFOLIO</b>	<b>0.00%</b>	<b>6.27%</b>	<b>0.00%</b>	<b>29.18%</b>	<b>64.55%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>

Note: PIP + CD must be under 75%.

Actual PIP + CD: 70.82%

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

**State of Rhode Island**  
**Short Term Cash Monthly Performance**  
**Performance for**

**March 01, 2011 to March 31, 2011**

<b>Fund Name</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Average Daily Balance</b>	<b>Earnings</b>	<b>Yield(Annual)</b>
GENERAL FUND	\$ 36,059,452.96	\$ 99,885,571.81	\$ 87,520,743.28	\$ 26,118.85	0.3514%
H.A.V.A	\$ 294.07	\$ 294.09	\$ 294.07	\$ 0.02	0.0801%
GENERAL FUND (HIST PRES)	\$ 535,694.71	\$ 535,735.66	\$ 535,694.71	\$ 40.95	0.0900%
HIGHWAY FUND	\$ 7,154,122.07	\$ 8,712,360.36	\$ 4,873,218.84	\$ 238.29	0.0576%
T.D.I. RESERVE (DET)	\$ 88,716,912.30	\$ 73,434,617.39	\$ 81,449,084.06	\$ 17,791.39	0.2572%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	-
RICAP GL FUND 21	\$ 122,564,842.41	\$ 119,990,641.46	\$ 121,474,519.83	\$ 25,799.05	0.2501%
BOND CAPITAL FUND	\$ 1,607,970.12	\$ 8,415.04	\$ 3,740,228.18	\$ 444.92	0.1401%
R.I. CLEAN WATER ACT	\$ 3,004,901.16	\$ 305,117.53	\$ 2,830,707.61	\$ 216.37	0.0900%
STATE LOTTERY FUND	\$ 40,951,763.27	\$ 49,559,879.02	\$ 40,622,731.01	\$ 8,115.75	0.2352%
ASSESSED FRINGE BEN ADM	\$ 1,605,939.29	\$ 1,006,060.56	\$ 1,586,584.45	\$ 121.27	0.0900%
AUTO EQUIPMENT SERVICE	\$ 155,895.66	\$ 899.55	\$ 50,895.66	\$ 3.89	0.0900%
HEALTH INSURANCE FUND	\$ 21,912,805.91	\$ 21,913,669.81	\$ 21,912,805.91	\$ 863.90	0.0464%
FLEET REVOLVING LOAN FUND	\$ 70,171.77	\$ 172.91	\$ 13,978.22	\$ 1.14	0.0960%
EMPLOYEES RETIREMENT	\$ 2,113,209.85	\$ 1,621,967.46	\$ 23,742,242.11	\$ 8,757.61	0.4343%
MUNICIPAL EMPLOYEES RET.	\$ 1,962,480.95	\$ 262,981.74	\$ 3,988,287.40	\$ 500.79	0.1478%
RETIREE HEALTH FUND	\$ 10,814,312.08	\$ 10,215,134.25	\$ 10,756,247.56	\$ 822.17	0.0900%
BOG RETIREE FUND	\$ 1,761,521.36	\$ 1,761,656.00	\$ 1,761,521.36	\$ 134.64	0.0900%
RIPTA HEALTH FUND	\$ 1,357,856.55	\$ 957,932.72	\$ 996,566.23	\$ 76.17	0.0900%
PERMANENT SCHOOL FUND	\$ 1,429,181.74	\$ 1,429,290.98	\$ 1,429,181.74	\$ 109.24	0.0900%
TEACHER RETIREE HEALTH FUND	\$ 2,557,637.74	\$ 2,057,824.61	\$ 2,444,734.51	\$ 186.87	0.0900%
UNIVERSITY COLLEGE	\$ 672.94	\$ 672.99	\$ 672.94	\$ 0.05	0.0875%
HIGHER EDUCATION	\$ 3,104,518.34	\$ 304,562.33	\$ 575,486.08	\$ 43.99	0.0900%
INDUS. BLDG. & MTG. INS.	\$ 3,643,069.14	\$ 3,643,347.60	\$ 3,643,069.14	\$ 278.46	0.0900%
<b>Operating Funds Totals</b>	<b>\$ 353,085,226.39</b>	<b>\$ 397,608,805.87</b>	<b>\$ 415,949,494.90</b>	<b>\$ 90,665.78</b>	<b>0.257%</b>
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	-
CCDL1993A	\$ 7,385.32	\$ 7,385.39	\$ 7,385.27	\$ 0.14	0.0223%
BOND CCDL 1994 SERIES A	\$ 15,000.14	\$ 15,000.29	\$ 15,000.03	\$ 0.29	0.0228%
BOND CCBL96A	\$ -	\$ -	\$ -	\$ -	-
CAP DEV OF 1997 SERIES A	\$ 41,012.71	\$ 41,013.14	\$ 41,012.42	\$ 0.80	0.0230%
CCDL1998A	\$ 1,695,848.83	\$ 1,695,866.49	\$ 1,695,836.93	\$ 33.03	0.0229%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
MMG099 1999	\$ -	\$ -	\$ -	\$ -	-
BOND CAPITOL CCDL2000A	\$ 102,385.09	\$ 102,386.15	\$ 102,384.37	\$ 1.99	0.0229%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	-
CCDL2001C	\$ 260,675.26	\$ 224,649.31	\$ 232,780.66	\$ 4.58	0.0232%
CCDL2002B	\$ 1,426.19	\$ 1,280.64	\$ 1,313.48	\$ 0.03	0.0269%
CCDL 2004 SERIES A	\$ 3,112,978.64	\$ 3,113,011.06	\$ 3,112,956.80	\$ 60.63	0.0229%
BOND CCDL 2005 SERIES C	\$ 10,062,707.26	\$ 8,989,020.37	\$ 9,231,325.64	\$ 181.04	0.0231%
BOND CCDL 2005 SERIES E	\$ 1,068,736.36	\$ 923,167.85	\$ 956,023.61	\$ 18.79	0.0231%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	-
BOND CCDL 2006 SERIES C	\$ 9,446,702.99	\$ 8,742,809.86	\$ 8,901,618.61	\$ 174.19	0.0230%
GO BND-NTAX 2007 SERIES A	\$ 5,385,787.13	\$ 5,865,970.30	\$ 5,757,455.46	\$ 111.58	0.0228%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	-
GO BND-NTAX 2008 SERIES B	\$ 6,294,343.87	\$ 3,989,812.65	\$ 4,510,120.60	\$ 90.50	0.0236%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	-
CCDL10B BOND CAPITAL COMPONENT	\$ 25,015,652.97	\$ 21,104,883.69	\$ 21,987,625.58	\$ 432.76	0.0232%
CCDL10C	\$ 25,915,819.61	\$ 22,132,340.28	\$ 22,585,179.63	\$ 441.04	0.0230%
CCDL10D	\$ 11,428,115.89	\$ 7,928,231.80	\$ 11,218,358.30	\$ 219.47	0.0230%
CLEAN WATER CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER CCDL 1994 (A)	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER CCDL 2002 B	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2004 SERIES A	\$ 333,814.43	\$ 333,817.90	\$ 333,812.08	\$ 6.50	0.0229%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	-
CCDL99A 1999A	\$ 233,212.24	\$ 233,214.67	\$ -	\$ 4.54	0.0229%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2007 SERIES A	\$ 283,254.63	\$ 283,257.58	\$ -	\$ 5.52	0.0229%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	-
CCDL10B CLEAN WATER COMPONENT	\$ 54,385.85	\$ 54,386.42	\$ -	\$ 1.06	0.0229%
<b>Bond Proceeds Fund Totals</b>	<b>\$ 100,759,245.41</b>	<b>\$ 85,781,505.84</b>	<b>\$ 90,690,189.47</b>	<b>\$ 1,788.48</b>	<b>0.023%</b>
TANS PROCEEDS	\$ 254,244,601.67	\$ 254,306,309.59	\$ 254,244,601.67	\$ 61,707.92	0.2858%
<b>Grand Totals</b>	<b>\$ 708,089,073.47</b>	<b>\$ 737,696,621.30</b>	<b>\$ 760,884,286.04</b>	<b>\$ 154,162.18</b>	<b>0.238%</b>

457 PLANS

**State of Rhode Island Total Assets 457 Plans**

<b>Plan Provider</b>	<b>6/30/2010</b>	<b>9/30/2010</b>	<b>12/31/2010</b>	<b>3/31/2011</b>
AIG	\$ 42,900,890.45	\$ 44,649,454.39	\$ 45,773,269.99	\$ 46,740,933.40
Fidelity	\$ 60,612,749.48	\$ 66,514,567.48	\$ 71,987,604.68	\$ 75,384,558.55
ING	\$ 86,531,065.33	\$ 91,721,515.19	\$ 95,318,912.88	\$ 99,623,932.47
<b>Total</b>	\$ 190,044,705.26	\$ 202,885,537.06	\$ 213,079,787.55	\$ 221,749,424.42



**AIG/VALIC**

# Portfolio Director

Fixed and Variable Annuity

The information is current as of 03/31/2011.

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

Category/Funds	YTD Return	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	ITD Date
<b>Domestic Equity</b>								
<b>Domestic Large Cap Equity</b>								
<i>Large Cap Value</i>								
Dividend Value Fund (Black Rock/SunAmerica)	6.23	14.82	0.16	0.36	2.36	2.36	1.83	12/8/2000
Vanguard Windsor II Fund	6.23	10.07	1.12	0.96	3.44	3.44	1.43	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	8.09	14.01	1.68	0.41	0.93	0.93	1.90	4/29/1994
Stock Index Fund (SunAmerica)	5.64	14.33	1.24	1.49	2.13	2.13	1.19	4/20/1987
<i>Large Cap Growth</i>								
Growth Fund (American Century)	5.88	18.98	4.01	3.02	2.40	2.40	1.87	12/5/2005
Large Capital Growth Fund (SunAmerica/Invesco)	5.07	15.33	2.93	2.33	3.20	3.20	1.59	12/20/2004
<b>Domestic Mid Cap Equity</b>								
<i>Mid Cap</i>								
(RCM/MorganStanley)	6.72	26.43	5.46	4.59	7.12	7.12	1.69	12/20/2004
<b>Global Equity</b>								
Global Social Awareness Fund (PineBridge Investments)	4.20	12.53	-0.57	0.77	1.68	1.68	1.52	10/2/1989
Global Equity Fund (BlackRock)	2.00	10.54	-4.16	-1.18	0.39	0.39	1.81	12/5/2005
<b>International Equity</b>								
Foreign Value Fund (Templeton Global)	5.64	13.09	0.55	2.84	3.87	3.87	1.74	12/5/2005
<b>Speciality</b>								
Science & Technology Fund (T. Rowe/RCM/Wellington)	6.96	25.78	10.36	5.87	1.83	1.83	1.86	4/29/1994

<b>Hybrid</b>									
<i>Balanced</i>									
	Vanguard Wellington Fund	3.89	10.29	3.43	4.71	5.55	5.55	1.39	7/1/1929
<b>Fixed Income</b>									
<i>Investment Grade</i>									
	Vanguard Long-Term Investment-Grade Fund	-0.09	8.25	6.62	5.58	5.86	5.86	1.08	7/9/1973
	Vanguard Long-Term Treasury Fund	-1.34	5.86	2.86	5.12	5.29	5.29	1.05	5/19/1986
<i>International</i>									
	International Government Bond Fund (PineBridge Investments)	0.53	7.23	3.85	5.89	7.51	7.51	1.52	10/1/1991
<i>Stable Value</i>									
	Money Market I Fund (SunAmerica)	-0.20	-0.79	-0.22	1.33	1.13	1.13	1.43	1/16/1986
	7-Day current yield at 30-Sep-2009: -0.79								
	Fixed Account Plus	3.45	3.55	3.74	3.78	4.36	4.36		1/1/1982
	Short Term Fixed Account	1.00	1.75	2.50	2.70	2.96	2.96		1/1/1991

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**ING**

# PERFORMANCE UPDATE

## ING Life Insurance and Annuity Company

### STATE OF RHODE ISLAND

**Average Annual Total Returns as of: 03/31/2011** (shown in percentages)

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

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

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

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

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

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

Investment Options	Fund Benchmark ID (BM)	1-Mo Fund	1-Mo BM	3-Mo Fund	3-Mo BM	YTD Fund	YTD BM	1-Yr Fund	1-Yr BM	3-Yr Fund	3-Yr BM	5-Yr Fund	5-Yr BM	10-Yr Fund	10-Yr BM	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
<b>Stability of Principal</b>																			
ING Fixed Account - 457/401 (5)(6)	MFR	0.29	0.00	0.85	0.01	0.85	0.01	3.61	0.03	3.82	0.57	4.05	2.12	4.72	1.91				
<b>Money Market</b>																			
ING Money Market Portfolio - Class I (2)	IBCM	0.00	0.02	0.00	0.06	0.00	0.06	0.02	1.19	0.75	1.16	2.42	2.71	2.25	2.50		01/01/1980	0.37	0.37
<i>The 7-day annualized Subaccount yield as of 03/31/2011 is 0.00%, which more closely reflects current earnings. (1)</i>																			
<b>Bonds</b>																			
<b>Intermediate-Term Bond</b>																			



Your future. Made easier.<sup>SM</sup>

See Performance Introduction Page for Important Information

Investment Options	Fund Benchmark ID (BM)	1-Mo		3-Mo		YTD		1-Yr		3-Yr		5-Yr		10-Yr		Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*	
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM				Incept
ING Intermediate Bond Portfolio - Class I	LEHM	0.25	0.06	1.49	0.42	1.49	0.42	7.93	5.12	4.52	5.30	4.74	6.03	5.09	5.57	05/23/1973	0.51	0.51	
<b>Balanced</b>																			
<i>Moderate Allocation</i>																			
Calvert VP SRI Balanced Portfolio	SPXRE	0.51	0.04	4.60	5.92	4.60	5.92	12.07	15.65	2.20	2.35	2.06	2.63	3.06	3.30	09/02/1986	0.91	0.91	
ING Balanced Portfolio - Class I	SPXRE	0.00	0.04	3.80	5.92	3.80	5.92	12.83	15.65	2.92	2.35	2.68	2.63	3.99	3.30	04/03/1989	0.63	0.63	
ING Van Kampen Equity and Income Portfolio - Initial Class	SPXRE	-0.69	0.04	4.59	5.92	4.59	5.92	11.06	15.65	5.57	2.35	4.76	2.63		4.65	12/10/2001	0.65	0.65	
<b>Large Cap Value</b>																			
<i>Large Blend</i>																			
Fidelity® VIP Contrafund® Portfolio - Initial Class	SPXRE	0.28	0.04	6.24	5.92	6.24	5.92	18.27	15.65	3.22	2.35	4.01	2.63	7.31	3.30	01/03/1995	0.67	0.67	
ING Growth and Income Portfolio - Class I	SPXRE	-0.73	0.04	5.42	5.92	5.42	5.92	14.61	15.65	3.04	2.35	2.61	2.63	2.59	3.30	12/31/1979	0.61	0.61	
ING Index Plus LargeCap Portfolio - Class I	SPXRE	0.48	0.04	5.69	5.92	5.69	5.92	14.36	15.65	1.78	2.35	1.46	2.63	2.49	3.30	09/16/1996	0.45	0.45	
ING Thornburg Value Portfolio - Initial Class	SPXRE	-1.25	0.04	8.38	5.92	8.38	5.92	14.17	15.65	5.83	2.35	4.89	2.63	1.91	3.30	11/28/1997	0.91	0.91	
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	SPXRE	-0.63	0.04	4.19	5.92	4.19	5.92	11.82	15.65	1.29	2.35	0.96	2.63	1.99	3.30	11/28/1997	0.85	0.85	
Invesco V.I. Core Equity Fund - Series I Shares	SPXRE	0.74	0.04	6.36	5.92	6.36	5.92	11.43	15.65	3.56	2.35	4.50	2.63	4.41	3.30	05/02/1994	0.92	0.92	
<i>Large Value</i>																			
Fidelity® VIP Equity-Income Portfolio - Initial Class	RS3000V	0.35	0.48	6.52	6.47	6.52	6.47	15.63	15.60	0.47	1.09	1.22	1.42	3.75	4.86	10/09/1986	0.58	0.58	
<b>Large Cap Growth</b>																			
<i>Large Growth</i>																			
Fidelity® VIP Growth Portfolio - Initial Class	RS3000G	0.91	0.42	8.30	6.30	8.30	6.30	26.20	19.25	1.77	5.58	3.46	4.32	2.18	3.25	10/09/1986	0.69	0.69	
Invesco V.I. Capital Appreciation Fund - Series I Shares	SPXRE	0.95	0.04	4.68	5.92	4.68	5.92	15.39	15.65	-0.41	2.35	-1.11	2.63	1.04	3.30	05/05/1993	0.92	0.92	
<b>Small/Mid/Specialty</b>																			
<i>Mid-Cap Growth</i>																			
ING T. Rowe Price Diversified Mid Cap Growth Port - Initial	RSMIDGRW	1.75	1.63	7.91	7.85	7.91	7.85	29.24	26.60	9.02	7.63	5.93	4.93		6.29	12/10/2001	0.66	0.66	
<i>Small Blend</i>																			
ING Small Company Portfolio - Class I	RS2000	1.87	2.59	6.82	7.94	6.82	7.94	22.14	25.79	8.35	8.56	4.99	3.35	8.16	7.87	12/27/1996	0.87	0.87	
<b>Global / International</b>																			
<i>Foreign Large Value</i>																			
ING Templeton Foreign Equity Portfolio - Initial Class (4)	MSCIWEUSN	-0.52	-2.00	4.52	3.84	4.52	3.84	13.58	11.62	-0.41	-2.22	4.13	1.99		4.38	01/03/2006	0.97	0.97	
<i>World Stock</i>																			
ING Oppenheimer Global Portfolio - Initial Class	MSCIAC	-0.54	-0.06	5.84	4.53	5.84	4.53	16.06	14.63	4.47	0.86	3.66	3.48		7.42	05/01/2002	0.66	0.66	

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



See Performance Introduction Page for Important Information

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

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

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

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

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

# PERFORMANCE UPDATE

## ING Life Insurance and Annuity Company

### STATE OF RHODE ISLAND

#### Separate Account D

#### Average Annual Total Returns as of: 03/31/2011 (shown in percentages)

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

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

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

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

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

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
<b>Stability of Principal</b>									
ING Fixed Account - 457/401 (5)(6) <i>This fund is not part of the product's separate account.</i>	0.29	0.85	0.85	3.61	3.82	4.05	4.72		
<b>Money Market</b>									
ING Money Market Portfolio - Class I (2) <i>The 7-day annualized Subaccount yield as of 03/31/2011 is -0.50%, which more closely reflects current earnings. (1)</i>	-0.04	-0.12	-0.12	-0.47	0.24	1.91	1.74		01/01/1980
<b>Bonds</b>									
<b>Intermediate-Term Bond</b>									
ING Intermediate Bond Portfolio - Class I	0.20	1.37	1.37	7.40	4.00	4.22	4.56		05/23/1973

See Performance Introduction Page for Important Information

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
<b>Balanced</b>									
<i>Moderate Allocation</i>									
Calvert VP SRI Balanced Portfolio	0.47	4.47	4.47	11.51	1.69	1.55	2.55		09/02/1986
ING Balanced Portfolio - Class I	-0.04	3.68	3.68	12.26	2.41	2.17	3.47		04/03/1989
ING Van Kampen Equity and Inc-I/Janus Asp Balanced-I (3)	-0.74	4.46	4.46	10.51	5.05	4.24	4.51		09/13/1993
ING Van Kampen Equity and Income Portfolio - Initial Class	-0.74	4.46	4.46	10.51	5.05	4.24		4.12	12/10/2001
<b>Large Cap Value</b>									
<i>Large Blend</i>									
Fidelity® VIP Contrafund® Portfolio - Initial Class	0.23	6.11	6.11	17.68	2.70	3.50	6.78		01/03/1995
ING Growth and Income Portfolio - Class I	-0.77	5.29	5.29	14.03	2.53	2.10	2.08		12/31/1979
ING Index Plus LargeCap Portfolio - Class I	0.44	5.56	5.56	13.79	1.27	0.95	1.98		09/16/1996
ING Thornburg Value Portfolio - Initial Class	-1.30	8.25	8.25	13.60	5.30	4.37	1.40		11/28/1997
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	-0.67	4.07	4.07	11.26	0.78	0.45	1.48		11/28/1997
Invesco V.I. Core Equity Fund - Series I Shares	0.69	6.23	6.23	10.87	3.05	3.98	3.89		05/02/1994
<i>Large Value</i>									
Fidelity® VIP Equity-Income Portfolio - Initial Class	0.30	6.39	6.39	15.06	-0.03	0.71	3.23		10/09/1986
<b>Large Cap Growth</b>									
<i>Large Growth</i>									
Fidelity® VIP Growth Portfolio - Initial Class	0.86	8.16	8.16	25.58	1.26	2.95	1.67		10/09/1986
Invesco V.I. Capital Appreciation Fund - Series I Shares	0.91	4.55	4.55	14.81	-0.91	-1.60	0.53		05/05/1993
<b>Small/Mid/Specialty</b>									
<i>Mid-Cap Growth</i>									
ING T. Rowe Price Div MidCap-I/Janus Aspen MidCap - I (3)	1.71	7.77	7.77	28.59	8.48	5.40	4.44		09/13/1993
ING T. Rowe Price Diversified Mid Cap Growth Port - Initial	1.71	7.77	7.77	28.59	8.48	5.40		5.76	12/10/2001
<i>Small Blend</i>									
ING Small Company Portfolio - Class I	1.83	6.68	6.68	21.53	7.81	4.46	7.62		12/27/1996
<b>Global / International</b>									
<i>Foreign Large Value</i>									
ING Templeton Foreign Equity Portfolio - Initial Class (4)	-0.56	4.40	4.40	13.01	-0.91	3.61		3.87	01/03/2006
<i>World Stock</i>									
ING Oppenheimer Global-Int/Janus Aspen Worldwide Gr-Inst (3)	-0.58	5.71	5.71	15.49	3.95	3.15	2.24		09/13/1993
ING Oppenheimer Global Portfolio - Initial Class	-0.58	5.71	5.71	15.49	3.95	3.15		6.88	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, (ILIAC), which is solely responsible for meeting its obligations. Plan administrative services provided by ILIAC or ING Institutional Plan Services, LLC. All companies are members of the ING family of companies. Securities are distributed by or offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.

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

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

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

(4)ING 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.

(5)The CURRENT rate for the ING Fixed Account - 457/401 Base+125 is 3.50%, expressed as an annual effective yield, and is guaranteed not to drop below 3.15% through 12/31/2011. 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.

(6)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.

<b>Benchmark Id</b>	<b>Benchmark Description</b>
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.
MFR	The MFR Money Market Index is comprised of returns which are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by iMoney.net, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.

See Performance Introduction Page for Important Information

<b>Benchmark Id</b>	<b>Benchmark Description</b>
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.

**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	03/31/2011	0.91	7.07	7.07	03/31/2011	16.51	3.12	4.87	4.73
NASDAQ COMPOSITE INDEX	03/31/2011	0.02	5.05	5.05	03/31/2011	17.19	7.93	4.45	4.96
BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX	03/31/2011	0.06	0.42	0.42	03/31/2011	5.12	5.30	6.03	5.56
RUSSELL 2000 INDEX	03/31/2011	2.59	7.94	7.94	03/31/2011	25.79	8.57	3.35	7.87
STANDARD & POOR'S 500™ INDEX	03/31/2011	0.04	5.92	5.92	03/31/2011	15.65	2.35	2.62	3.29

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

## Stock Investments

### Large Cap

FID BLUE CHIP GR	03/31/2011	0.33	5.73	5.73	03/31/2011	19.59	7.97	5.35	3.20	10.78	—	0.94% on 09/29/2010	12/31/1987
FID CONTRAFUND	03/31/2011	0.20	4.94	4.94	03/31/2011	18.44	3.92	4.91	7.56	12.41	—	0.92% on 03/01/2011	05/17/1967
FID DIVIDEND GR	03/31/2011	0.47	6.30	6.30	03/31/2011	20.81	7.20	4.19	3.79	10.92	—	0.93% on 09/29/2010	04/27/1993
FID EQUITY INC	03/31/2011	0.36	6.44	6.44	03/31/2011	15.43	0.86	1.36	3.72	11.69	—	0.69% on 04/01/2011	05/16/1966
FID GROWTH & INC	03/31/2011	-0.52	4.54	4.54	03/31/2011	13.22	-6.88	-4.94	-1.01	9.41	—	0.75% on 09/29/2010	12/30/1985
FID MAGELLAN	03/31/2011	-0.40	5.43	5.43	03/31/2011	12.82	-1.15	0.35	1.72	16.66	—	0.75% on 05/29/2010	05/02/1963
FID OTC PORTFOLIO	03/31/2011	1.16	9.70	9.70	03/31/2011	24.58	11.83	8.54	7.52	13.22	—	1.06% on 09/29/2010	12/31/1984
SPTN 500 INDEX INV	03/31/2011	0.04	5.91	5.91	03/31/2011	15.56	2.33	2.58	3.21	9.55	—	0.10% on 02/01/2011	02/17/1988

### Mid-Cap

FID LOW PRICED STK	03/31/2011	1.19	6.20	6.20	03/31/2011	18.29	7.20	4.94	11.45	14.61	1.5 % / 90days	0.99% on 09/29/2010	12/27/1989
FID MID CAP STOCK	03/31/2011	2.62	7.07	7.07	03/31/2011	19.04	7.39	3.32	4.69	11.72	.75 % / 30days	0.65% on 06/29/2010	03/29/1994
FID NEW MILLEN	03/31/2011	1.45	7.79	7.79	03/31/2011	18.88	7.56	4.92	7.11	13.97	—	1.04% on 01/29/2011	12/28/1992

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	Inception Date
FID VALUE	03/31/2011	1.03	7.41	7.41	03/31/2011	20.51	3.67	2.23	8.17	12.56	—	0.64% on 12/30/2010	12/01/1978
FKLN SMMIDCAP GRTH A	02/28/2011	4.60	12.29	6.06	12/31/2010	28.43	1.87	4.88	2.03	10.61	—	1.06% on 10/31/2010	02/14/1992

### International

FID DIVERSIFD INTL	03/31/2011	-1.14	3.18	3.18	03/31/2011	12.46	-3.31	1.16	7.56	9.29	1% / 30days	0.98% on 12/30/2010	12/27/1991
TEMPLETON FOREIGN A	02/28/2011	2.60	17.28	7.59	12/31/2010	8.50	-4.32	4.25	5.86	11.69	—	1.19% on 01/01/2011	10/05/1982

### Blended Fund Investments

#### Others

FID FREEDOM 2000	03/31/2011	0.25	2.01	2.01	03/31/2011	7.56	4.12	4.05	4.08	5.90	—	0.51% on 05/29/2010	10/17/1996
FID FREEDOM 2010	03/31/2011	0.43	3.38	3.38	03/31/2011	12.02	4.26	4.18	4.84	6.93	—	0.67% on 05/29/2010	10/17/1996
FID FREEDOM 2020	03/31/2011	0.49	3.92	3.92	03/31/2011	13.47	3.45	3.54	4.80	7.01	—	0.74% on 05/29/2010	10/17/1996
FID FREEDOM 2030	03/31/2011	0.49	4.50	4.50	03/31/2011	14.73	2.58	2.83	4.46	6.69	—	0.79% on 05/29/2010	10/17/1996
FID FREEDOM INCOME	03/31/2011	0.26	1.95	1.95	03/31/2011	7.33	4.45	4.25	4.10	5.28	—	0.50% on 05/29/2010	10/17/1996
FID PURITAN	03/31/2011	0.32	4.75	4.75	03/31/2011	14.40	5.05	4.80	5.58	11.15	—	0.61% on 10/30/2010	04/16/1947

### Bond Investments

#### Income

PIMCO TOT RETURN ADM	02/28/2011	0.53	0.22	0.78	12/31/2010	8.56	8.82	7.78	7.07	7.52	—	0.72% on 01/25/2011	09/08/1994
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### Short Term Investments

#### Others

FID RETIRE MMKT	03/31/2011	0	0	0	03/31/2011	0.02	0.87	2.47	2.25	4.09	—	0.42% on 10/30/2010	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<sup>®</sup> 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<sup>®</sup> Index is an unmanaged market capitalization-weighted index of 2,000 small company stocks of U.S. domiciled companies.

The S&P 500<sup>®</sup> 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](http://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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