

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
December 31, 2013**

**January 27, 2014
MEETING**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Honorable Gina M. Raimondo, Chair

**Mr. J. Michael Costello
Mr. Robert Giudici
Mr. Thomas Mullaney
Mr. Andrew K. Reilly**

**Mr. Thomas P. Fay
Ms. Paula M. McNamara
Ms. Marcia Reback**

Section I.

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 Monday, January 27, 2014 at 9:00 a.m. at the Whispering Pines Conference Center at URI's Alton Jones Campus in the Sycamore Lodge.

AGENDA

- Chairperson Call to Order
- Membership Roll Call
- Approval of Minutes
 - State Investment Commission Meeting held on December 18, 2013*
- Review of ERSRI Actuarial Valuation
- Overview of Markets and Recent Performance
- Asset Allocation Review
- Fiduciary Training
- Survey of Portfolio by Asset Class
- Investment Policy Statement Review
 - Part 1 Discussion*
 - Part 2 Introduction
- Recommendation to Reduce Beta Exposure in Hedged Equity Allocation*
- Secondary Sale Update* **
- Legal Counsel Report
- Chief Investment Officer Report
- Treasurer's Report

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

** Commission members may elect to go into executive session pursuant to Rhode Island General Laws §42-46-5 (7).

POSTED ON WEDNESDAY, JANUARY 22, 2014

Section II.

Approval of Minutes



State Investment Commission
Monthly Meeting Minutes
Wednesday, December 18, 2013
9:00 a.m.
Room 205, State House

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:07 a.m., Wednesday, December 18, 2013 in Room 205, State House.

I. Roll Call of Members

The following members were present: Mr. J. Michael Costello, Mr. Thomas Fay, Mr. Robert Giudici, Ms. Paula McNamara, Mr. Thomas Mullaney, Ms. Marcia Reback, Mr. Andrew Riley, Mr. Frank Karpinski, and General Treasurer Gina Raimondo. Also in attendance: Mr. Darren Lopes and Ms. Christine Pishko (by phone) of TIAA-CREF, administrator of the defined contribution plan; Mr. John Burns, Mr. Austin Carmichael, Ms. Christy Fields and Mr. Alan Emkin of Pension Consulting Alliance (PCA), general and real estate consultant; Mr. David Schwartz, Mr. Marc Swerdlow and Ms. Michelle Wells of Waterton Associates; Mr. Thomas Lynch of Cliffwater, alternative investment consultant to the Commission; Mr. James Freeland, Ms. Courtney McCarthy and Mr. Thomas Roberts of Summit Partners; Ms. Sally Dowling of Adler Pollock & Sheehan P.C., legal counsel; Ms. Anne-Marie Fink, chief investment officer and members of the Treasurer's staff. Treasurer Raimondo called the meeting to order at 9:07 a.m.

II. Approval of Minutes

On a motion by Ms. Reback and seconded by Mr. Giudici, it was unanimously **VOTED: to approve the draft of the minutes of the November 20, 2013 meeting of the State Investment Commission.**

III. Socially Aware Addition Recommendation

Ms. Fink reminded the board of a previous discussion about looking into adding a socially aware fund option to the Defined Contribution lineup. PCA was asked to analyze the socially aware funds available.

Mr. Burns reviewed the recommendation by PCA to select TIAA-CREF Social Choice Equity Fund. He said the fund is well diversified and has 862 holdings. He reviewed some of the criteria used to screen companies in the fund.

Mr. Burns reviewed the performance of the fund. Since July 1999, the fund trailed the Russell 3000 by 0.10%. In a peer group comparison with other equity funds in general, the fund looks very competitive. In comparison with a socially responsible index, the fund outperformed the KLD 400 Social Index. PCA put together a peer group comparison of other socially responsible funds. This fund is in the top half in performance.

Mr. Burns reviewed fees of the fund. He said the fees are very competitive versus other large institutional equity funds and even more competitive versus any similar, screened funds. The expense ratio in the fund is 0.19%.

The board discussed the fund further.

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

VOTED: to approve the addition of the TIAA-CREF Social Choice Equity Fund as an option to participants of the Defined Contribution Plan.

IV. Real Estate Recommendation—Waterton Residential Property Venture XII

Ms. Fink introduced Waterton Residential, a firm specializing in multi-family real estate. She explained Waterton is a more specialized manager than the generalist funds the board has seen recently. She noted the benefit of adding a more niche firm specialized in a specific area. As a vertically integrated specialist in multi-family, Waterton is well situated. Historically, Waterton has used an outsourced marketing firm when raising new funds. Because of Treasury's strict placement agent policy, this placement agent was not at all involved in sourcing or vetting the fund.

Ms. Fields presented the recommendation. She said the investment is consistent with the strategic plan for the portfolio. This allocation would assist with reinvesting the proceeds received from the secondary sale executed in the past year and help reach the target allocation in real estate.

Mr. Carmichael explained Waterton has experts in the multi-family space and they have managed to find unique opportunities throughout various market cycles. PCA believes there is still an opportunity in the multi-family sector and that fundamentals are strong for the long term.

Mr. Carmichael said PCA likes this firm, especially in the apartment space, because it is a vertically integrated operator who is hands-on with the assets on a day to day basis through all the different steps. PCA believes there is good alignment of interests between Waterton as the general partner and the limited partners.

Mr. Schwartz briefly reviewed the firm. He and co-founder Pete Vilim have been doing apartment acquisitions for almost 28 years. Waterton specializes in renovation and repositioning of apartments. Since inception, Waterton has bought about \$5 billion dollars in multi-family assets.

Mr. Schwartz reviewed the current fund. It has about 20,000 units and is geographically diverse with properties coast to coast. The fund has good return history with an IRR on realized investment of over 20%.

Mr. Schwartz added that the firm is vertically integrated. Waterton does the property management, construction management and construction supervision in-house.

Mr. Swerdlow talked about the Waterton organization. He said on-the-ground research is the key to their investment strategy. With regional management offices, they have management teams in the field to help in identifying opportunities and acquiring properties.

Mr. Swerdlow added that Waterton is focused on top 30 designated market areas (DMAs) where there is economic growth and they can bring the value-add approach to buying existing real estate, improving it and driving rental growth.

Mr. Schwartz talked about the opportunities and risks in the market. He said there are currently historically low vacancies and the propensity to rent is high. Waterton believes supply additions will be at the long-time average rate in 2014 and 2015. They hope to see economic and employment growth as job growth is directly correlated to apartment demand. As far as risks, they are most

concerned about supply. Most concentrations of upcoming supply are in urban areas so fund XII will be most likely be more concentrated in suburban areas. He added that an increasing interest rate environment may create unique opportunities from misvaluations. They also foresee maturing mortgages in the investment period for Venture XII that could create opportunity.

Mr. Schwartz went over the terms of the fund. Waterton is looking to raise \$500 million with a first closing in January. The expected IRR to investors is 13%. Waterton will cap leverage at 65% of project cost. Fees are 1.25% on committed capital during the investment period and 1.5% on invested capital thereafter.

The board asked questions and Waterton Associates left the room.

Treasurer Raimondo expressed concern regarding PCA's recommended size of investment (up to \$50 million) and the potential to be 30% of the fund's first close.

Ms. Fink said although PCA's recommendation is up to \$50 million, she would recommend an investment of \$35 million. Being that Waterton is more of a niche manager and more value-add, she wouldn't make the size of investment as in core manager.

On a motion made by Mr. Riley and seconded by Mr. Costello, it was unanimously

Voted: to approve up to \$35 million of investment but not to exceed 10% of the total Waterton Residential Property Fund XII and only if the fund exceeds a minimum committed value of \$200 million.

V. Private Equity Recommendation—Summit Credit Fund II

Mr. Lynch introduced Summit Partners. He said the state was invested in Summit Credit Fund I. The fund is part of the overall portfolio strategy to increase private debt exposure in the private equity portfolio. He mentioned Cliffwater has negotiated a preferential fee for its clients.

Mr. Roberts gave a brief introduction to the fund. Summit Credit lends to companies with \$10 million to \$50 million in earnings. With interest rates in the mid-teens, these loans are riskier than bank loans. However, the loans are well above the companies' equity components in repayment priority with the goal being to have the loans in the top half of the companies' capital.

Mr. Roberts reviewed Fund I. Summit Partners is raising Fund II to pursue the exact same strategy. Fund I was able to accomplish its goals with interest rates of 14% on average.

Mr. Roberts added that the general partner has committed \$50 million to Fund II and will be co-investing in it as well. He said the vast majority of interest is current pay; the fund remits any cash interest to investors as it's received. The fund will essentially be producing 0.80% to 1% in payments per month.

Mr. Fay asked how compression in the high yield market affected terms on new debt.

Mr. Roberts said that their rates are influenced, but not dominated, by the high yield or bank markets. The companies Summit lends to are too small to access the high yield market; they average about \$40 million of earnings.

Mr. Roberts added that their strategy is to have a group of analysts whose job is to be in touch with companies in industries they follow, striking up a relationship with the companies before they need capital.

The board asked further questions and Summit Partners left the room.

Treasurer Raimondo asked what the negotiated fee would be.

Mr. Lynch said Cliffwater negotiated a management fee of 0.75% for their clients compared to 1.5% and 1.35% after the investment period once certain aggregate commitments have been raised.

The board discussed the recommendation.

On a motion by Mr. Riley and seconded by Mr. Costello, it was unanimously

VOTED: to approve into Summit Credit Fund II up to \$25 million of investment.

VI. Update on Secondary Sale of Interests in Wellspring

A motion was then made by Mr. Mullaney and seconded by Mr. Riley to convene into executive session pursuant to Rhode Island General Law §42-46-5 (a) (7) as the discussion may relate to the investment of public funds, the premature disclosure of which may adversely affect the public interest. A roll call vote was taken to enter executive session and the following members were present and voted Yea: Mr. J. Michael Costello, Mr. Thomas Fay, Mr. Robert Giudici, Ms. Paula McNamara, Mr. Thomas Mullaney, Ms. Marcia Reback, Mr. Andrew Riley, and General Treasurer Gina Raimondo.

It was then unanimously

VOTED: To convene into executive session pursuant to Rhode Island General Law §42-46-5 (a) (7) as the discussion may relate to the investment of public funds, the premature disclosure of which may adversely affect the public interest.

A motion was then made by Mr. Costello and seconded by Ms. Reback to seal the minutes of the executive session of December 18, 2013, pursuant to Rhode Island General Laws §42-46-5 (a) (7) as the discussion may relate to the investment of public funds, the premature disclosure of which may adversely affect the public interest. A roll call vote was taken, and the following members were present and voted Yea: Mr. J. Michael Costello, Mr. Thomas Fay, Mr. Robert Giudici, Ms. Paula McNamara, Mr. Thomas Mullaney, Ms. Marcia Reback, Mr. Andrew Riley, and General Treasurer Gina Raimondo.

It was then unanimously

VOTED: To seal the minutes of the executive session of December 18, 2013, pursuant to Rhode Island General Law §42-46-5 (a) (7) as the discussion may relate to the investment of public funds, the premature disclosure of which may adversely affect the public interest.

On a motion made by Mr. Giudici and seconded by Mr. Riley, to exit executive session pursuant to Rhode Island General Law §42-46-5 (a) (7). A roll call vote was taken and it was unanimously

VOTED: To exit executive session and return to open session.

It was reported to the public that two votes were taken during the executive session.

In the first vote during executive session, it was unanimously voted to authorize Cliffwater to negotiate and execute the sale of the State's limited partnership interests in Wellspring Capital Partners IV on terms satisfactory to Treasury staff and pending legal review.

The second vote taken during executive session was an unanimous roll call vote to seal the minutes pursuant to Rhode Island General Law §42-46-5 (a) (7).

VII. PCA Market Risk Metrics Briefing

Mr. Emkin made an abbreviated presentation of the market risk measures PCA looks at and compares against historical averages. He said he could do a more thorough presentation in the extended meeting scheduled for January.

VIII. Legal Counsel Report

There was no legal counsel report.

IX. CIO Report

Ms. Fink said November was the first month the total fund value finished above \$8 billion since the financial crisis. She praised the efforts of the SIC for this testament to their work. She cautioned the \$8 billion level may not hold as markets have been going down in December with equities down 2.5% and bond markets down 0.4%. The hedge funds protected the portfolio, only down 0.8% as of the prior Friday. She explained that as ups and downs are to be expected, the diversification of the portfolio is important.

Ms. Fink said in November the portfolio was up 1.2% compared to just under 1% for the policy benchmark and 0.7% for the 60/40 plan. Fiscal-year-to-date the portfolio is up 8.7%. She cautioned this increase is more than expected in any given year and has been accomplished in five months. The performance is ahead of the benchmark which is up 8.3% and the 60/40 plan up 8.6%.

Ms. Fink said that despite the strong returns, the portfolio continues to have less risk. The portfolio is at 7.4% volatility compared to 8.1% for the benchmark and 8.5% for the 60/40 plan. Not only is the plan getting better returns, it also has less volatility. Those two are not disconnected over the long-term. Pursuing a strategy of less volatility over time, the compounding works and the portfolio gets better returns.

X. Treasurer Report

Treasurer Raimondo commended the efforts of the board and thanked them for their continued work.

There being no other business to come before the Board, on a motion by Ms. Reback and seconded by Mr. Fay the meeting adjourned at 11:40 a.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer

Section III.

Staff Summary

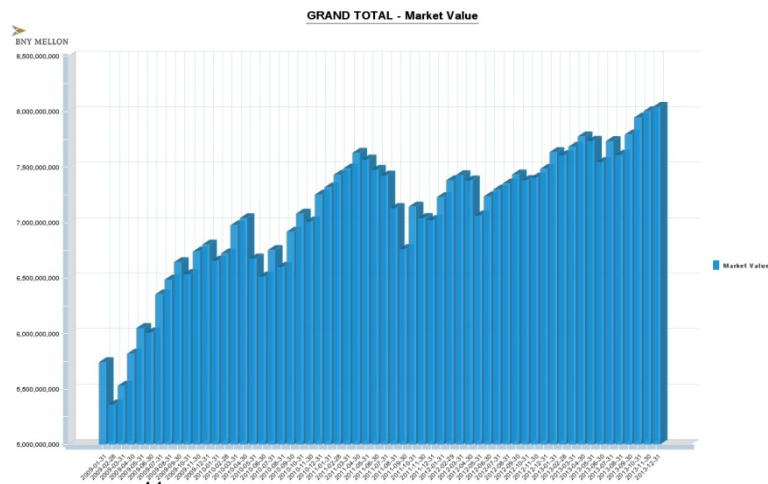
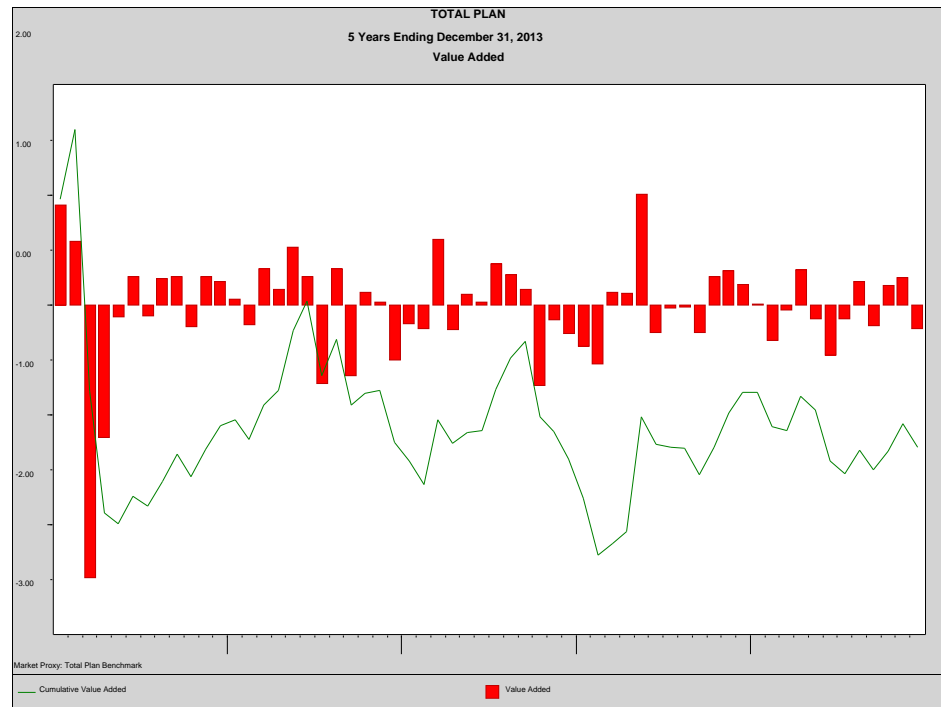
Portfolio Highlights

PORTFOLIO PERFORMANCE

December: The ERSRI portfolio posted a 0.99% gain for December, against the policy index of 1.20% and the 60/40 Blend of 0.81%. Total Equity returned 1.56%, as US Public Equity gained 2.62% versus the benchmark of 2.64% and International Equity 0.90% versus the benchmark of 0.88%, while Equity Hedge Funds gained 1.65% against the 1.49% benchmark. US Traditional Fixed Income posted a 0.47% loss, with the benchmark at -0.57%. Real Return Hedge Funds gained 0.64% against the benchmark of 1.19%, while GILBs lost 1.04% against its benchmark of -1.48%. The Credit strategy returned 0.52%, versus its benchmark 0.48%.

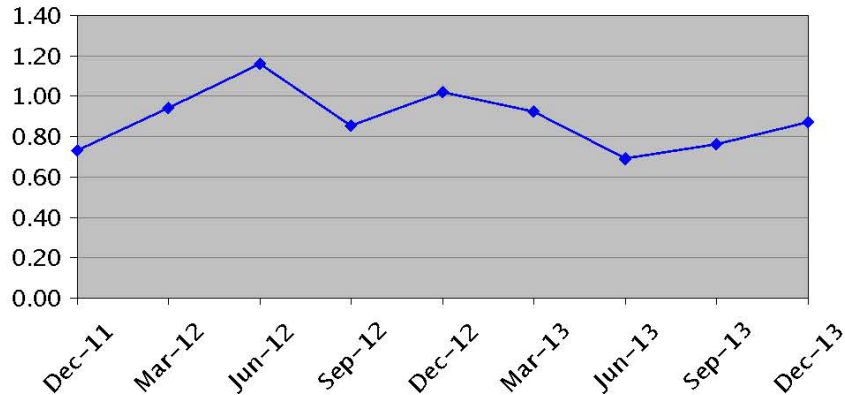
Fiscal Year to Date: For the Fiscal Year to Date, the fund has gained 9.73%, versus the policy index of 9.59% and the 60/40 Blend 9.46%.

Market Values: The total portfolio value increased by \$39.0 million to \$8.04 billion. The December increase represents \$78.4 million of positive market impact, and \$39.4 million of transfers out.

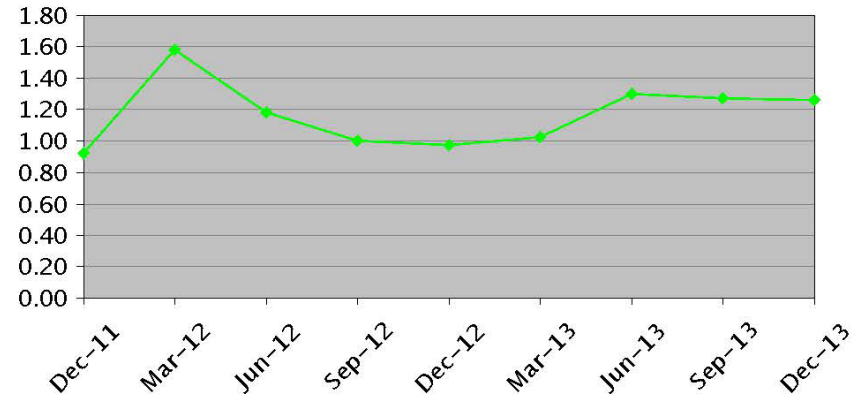


Account Name Benchmark Name	Market Value (M)	Month	Fiscal YTD
US Public Equity	2,010.16	2.62	17.05
Non-US Public Equity	1,992.41	0.90	15.29
Equity Hedge Funds	639.80	1.65	9.14
Private Equity	549.55	0.32	10.16
Traditional Fixed Income	1,079.01	-0.47	0.70
Real Estate	245.21	0.42	4.07
Real Return Hedge Funds	511.06	0.64	2.90
Credit Aggregate	411.39	0.52	3.32
Inflation-Linked Bonds	277.00	-1.04	-0.84
Total Cash	310.78	0.01	0.08
TOTAL PI AM	8,042.31	0.99	9.73

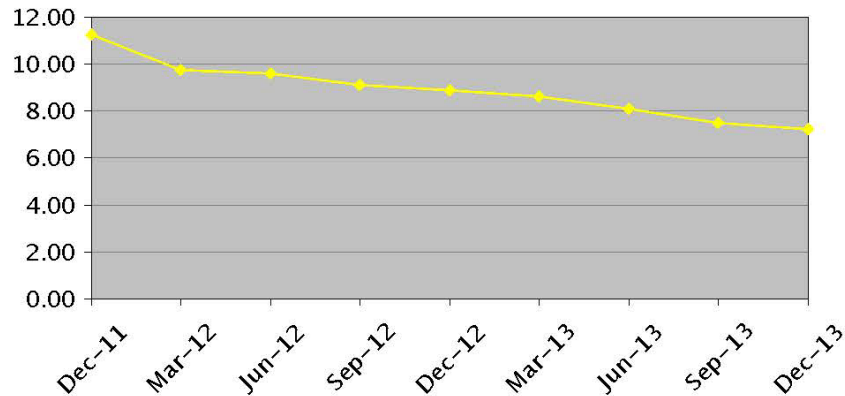
Annualized Alpha



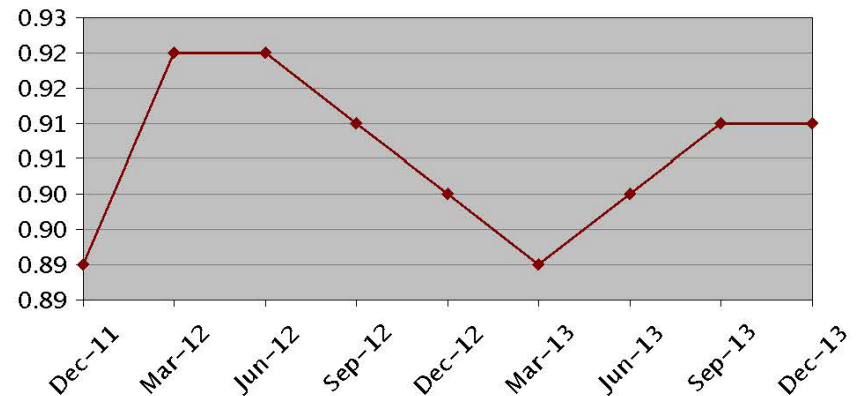
Annualized Sharpe Ratio



Annualized Standard Deviation



Beta



Policy Benchmark is Total Plan Benchmark. Risk-free Proxy is BofA Merrill Lynch 3 Month US Treasury Bill G001



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

Gina M. Raimondo
General Treasurer

January 16, 2014

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, Municipal Employees', State Police and Judicial Retirement Systems of the State of Rhode Island at the close of business on December 31, 2013.

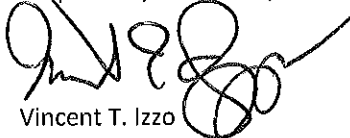
Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation
December 31, 2013

Asset Class		Base Market Value
Grand Total		8,042,307,493
CASH EQUIVALENT*		385,838,026
EQUITY HEDGE FUNDS**		639,798,878
GLOBAL PUBLIC EQUITY		4,002,564,289
CREDIT		396,975,677
INFLATION-LINKED BDS		260,340,064
PRIVATE EQUITY**		545,807,525
REAL ESTATE**		245,209,376
REAL RET HEDGE FUNDS**		511,059,577
US TRADITIONAL FIXED		1,054,714,082

Plan Allocations	%	Base Market Value
Grand Total	100.00%	8,042,307,493
STATE EMP RET PLAN	81.32%	6,540,192,850
MUNI EMP RET PLAN	16.75%	1,347,329,775
STATE POLICE RET PL	1.27%	102,393,537
JUDICIAL RET PLAN	0.65%	52,391,331

* Cash & Short-Term Investments, as shown, also includes amounts available within specific active-manager mandates, and thus as aggregated will not tie directly to separate cash allocations as reported elsewhere.

** Alternative Investments – comprising the four components as indicated – have varying degrees of liquidity and may not have readily determinable market values. As such, they may be based on appraisals only.

Respectfully submitted,

Vincent T. Izzo
Cash Manager

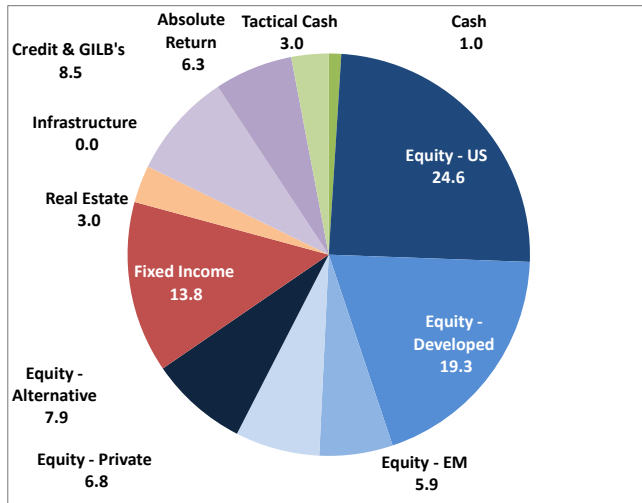
Section IV.

Asset Allocation

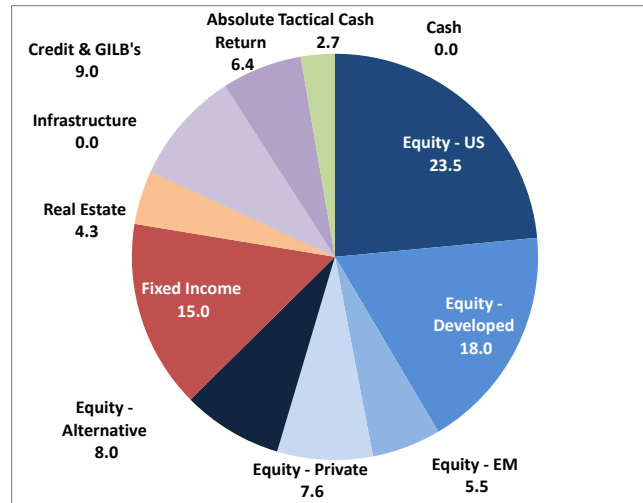
ERSRI Portfolio

%%% - as of December 31, 2013

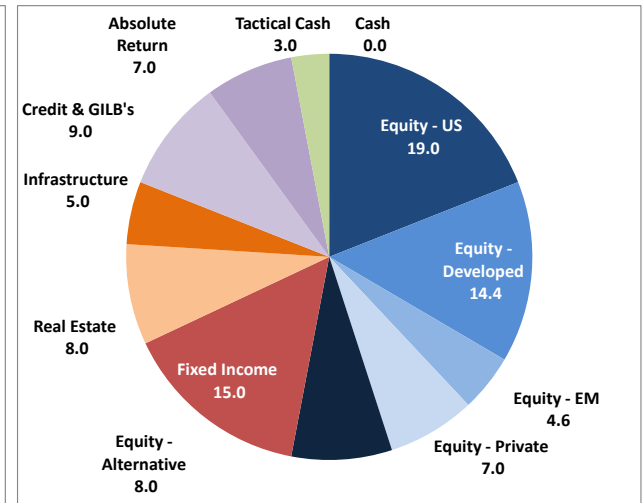
Actual Allocation



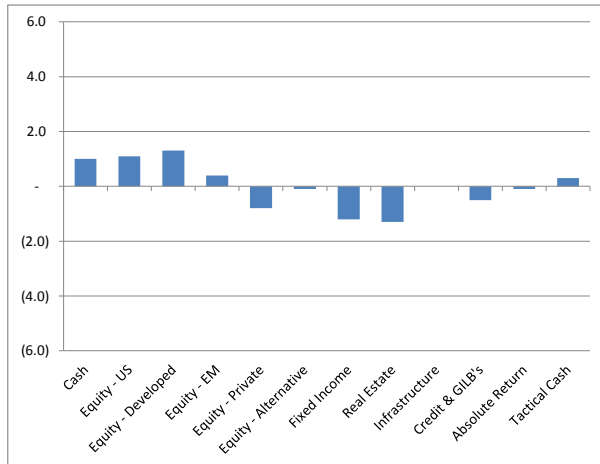
Tactical Allocation



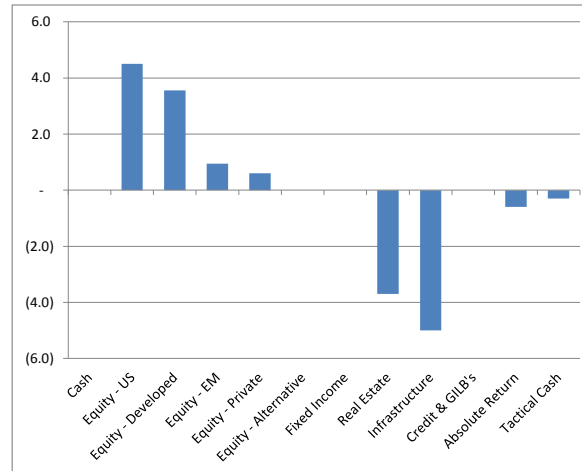
Policy Allocation



Actual vs. Tactical



Tactical vs. Policy



Notes:

Actual vs. Tactical: SIC policy allows for fluctuations of $\pm 2\%$ from Tactical to accommodate market movements while minimizing trading costs for rebalancing, and lags in rebalancing to less liquid asset classes.

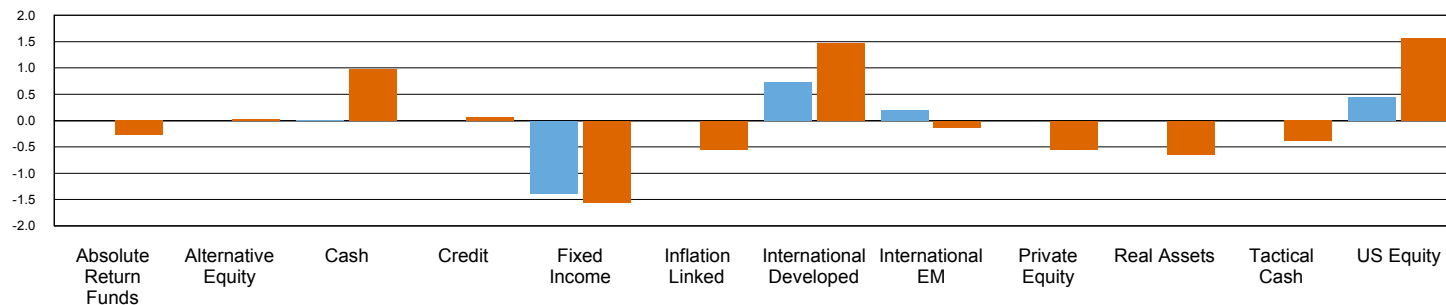
Tactical vs. Policy: Tactical allocations diverge from policy to allow time to vet third-party managers allowing prudent implementation of SIC policy decisions, and to diversify vintage-year exposure for drawdown funds (e.g., private equity, real estate, infrastructure).

Currently tactical allocations are (4) percentage points (pps) below policy on real estate and (5) pps on infrastructure & MLP's, due to timing required to deploy funds. An additional +9 pps in equity offers interim exposure to economic growth and protection from interest rate volatility, capturing similar macroeconomic exposures to underallocated asset classes.

Asset Summary

<u>Asset Class</u>	<u>Physical Exposure</u>		<u>Synthetic Exposure</u>		<u>Net Position</u>		<u>Overlay Target</u>		<u>Policy Target</u>	
Total Market Value	8,024.0	100.0%	0.0	0.0%	8,024.0	100.0%	8,024.1	100.0%	8,024.1	100.00%
Cash	78.6	1.0%	-70.4	-0.9%	8.2	0.1%	7.9	0.1%	0.0	0.00%
Cash	78.6	1.0%	-70.4	-0.9%	8.2	0.1%	7.9	0.1%	0.0	0.00%
Equity	5,182.0	64.6%	31.0	0.4%	5,212.9	65.0%	5,101.9	63.6%	4,992.6	62.22%
International Developed	1,561.6	19.5%	0.0	0.0%	1,561.6	19.5%	1,502.4	18.7%	1,444.3	18.00%
International EM	430.8	5.4%	44.0	0.5%	474.8	5.9%	459.1	5.7%	441.3	5.50%
US Equity	2,010.6	25.1%	-13.0	-0.2%	1,997.6	24.9%	1,961.5	24.4%	1,885.7	23.50%
Private Equity	549.6	6.8%	0.0	0.0%	549.6	6.8%	549.6	6.8%	593.8	7.40%
Alternative Equity	629.4	7.8%	0.0	0.0%	629.4	7.8%	629.4	7.8%	627.5	7.82%
Fixed	1,079.0	13.4%	39.5	0.5%	1,118.5	13.9%	1,230.0	15.3%	1,203.6	15.00%
Fixed Income	1,079.0	13.4%	39.5	0.5%	1,118.5	13.9%	1,230.0	15.3%	1,203.6	15.00%
Other	1,684.4	21.0%	0.0	0.0%	1,684.4	21.0%	1,684.4	21.0%	1,827.9	22.78%
Real Assets	245.2	3.1%	0.0	0.0%	245.2	3.1%	245.2	3.1%	296.9	3.70%
Absolute Return Funds	507.8	6.3%	0.0	0.0%	507.8	6.3%	507.8	6.3%	529.6	6.60%
Credit	409.9	5.1%	0.0	0.0%	409.9	5.1%	409.9	5.1%	405.2	5.05%
Inflation Linked	277.1	3.5%	0.0	0.0%	277.1	3.5%	277.1	3.5%	321.0	4.00%
Tactical Cash	244.4	3.0%	0.0	0.0%	244.4	3.0%	244.4	3.0%	275.2	3.43%

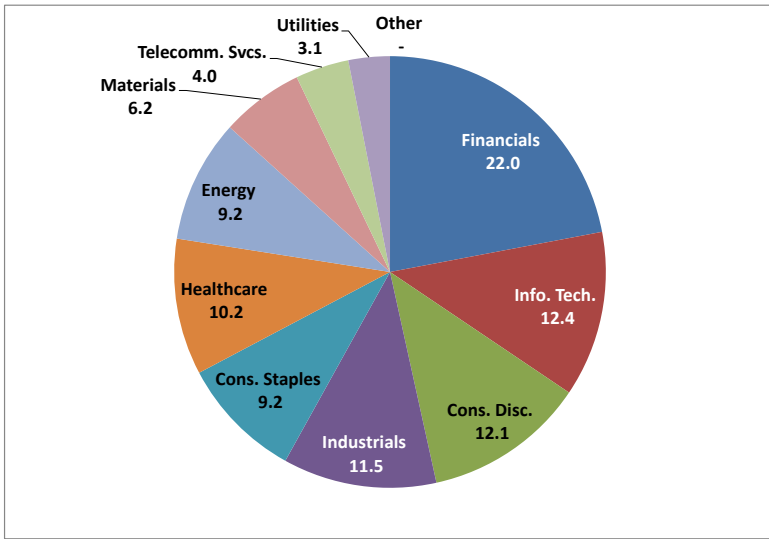
Deviations from Target Allocation



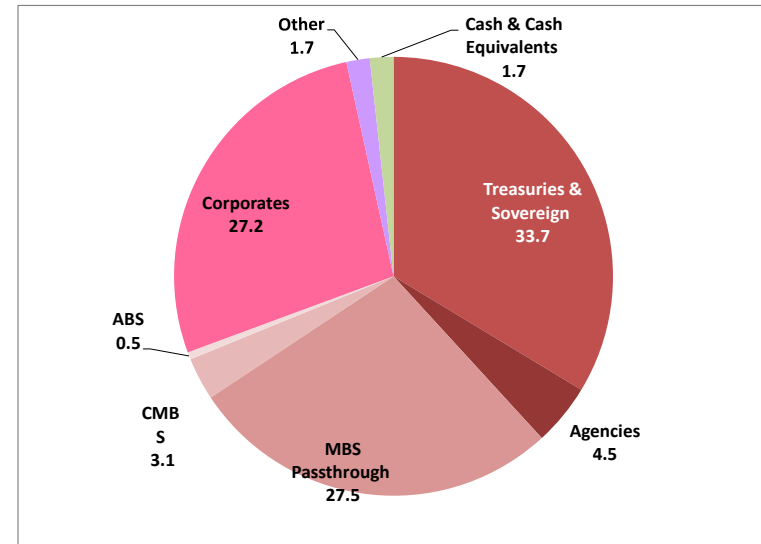
**ERSRI Asset Allocation
Public-Asset Portfolios**

%% - as of December 31, 2013

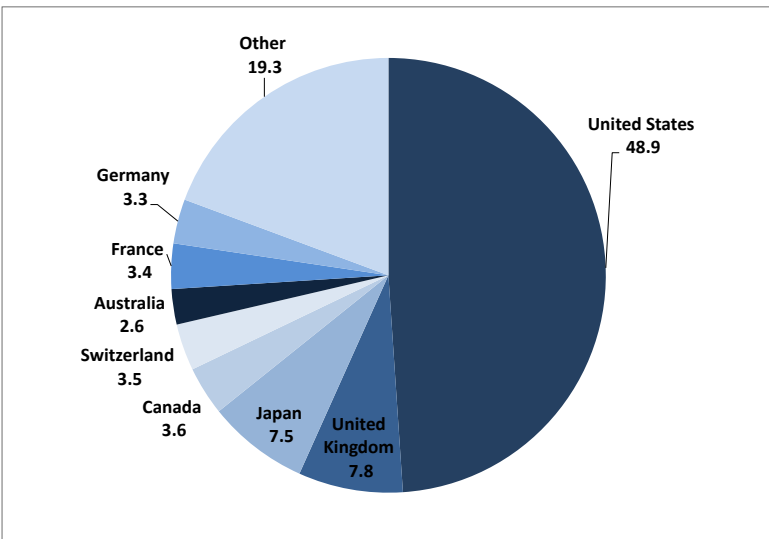
Global Public Equity - by Industry Sector



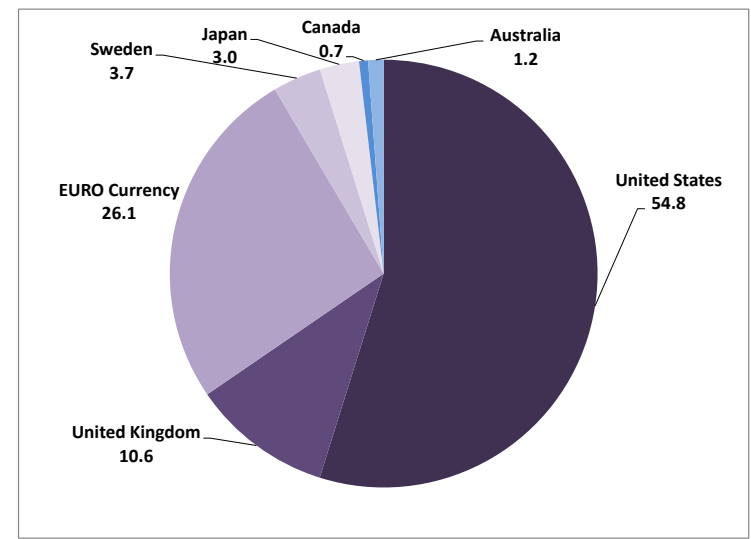
Core Fixed Income - by Type



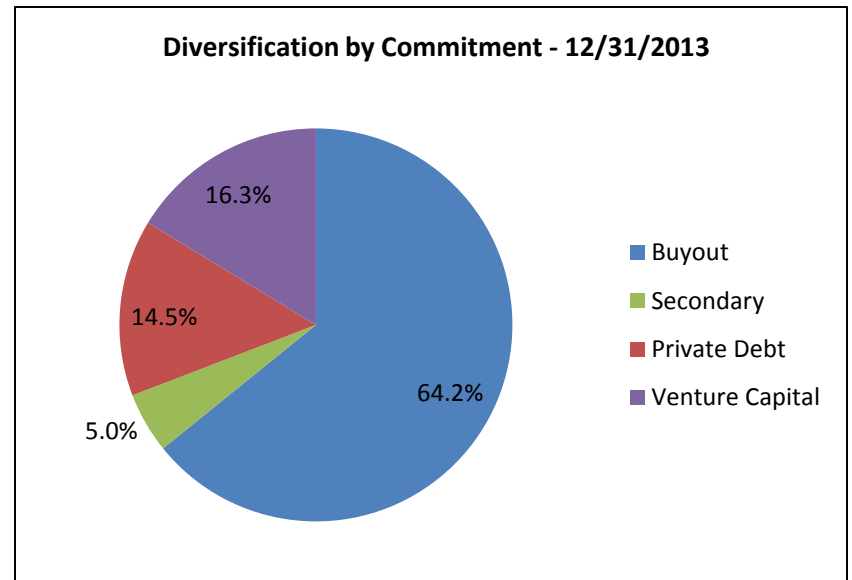
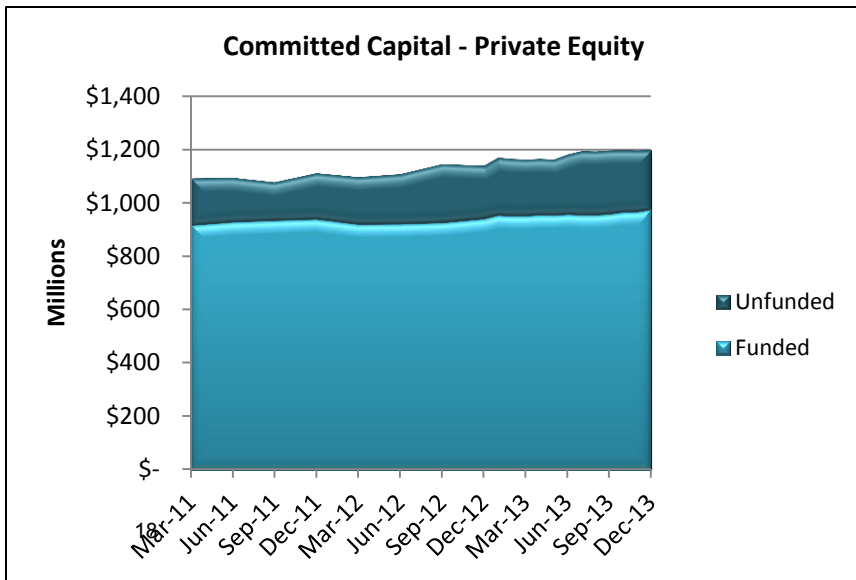
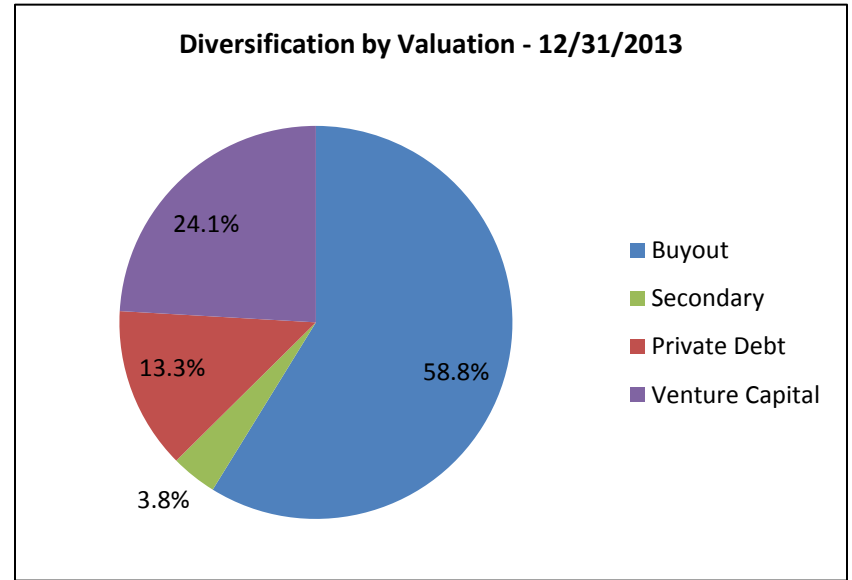
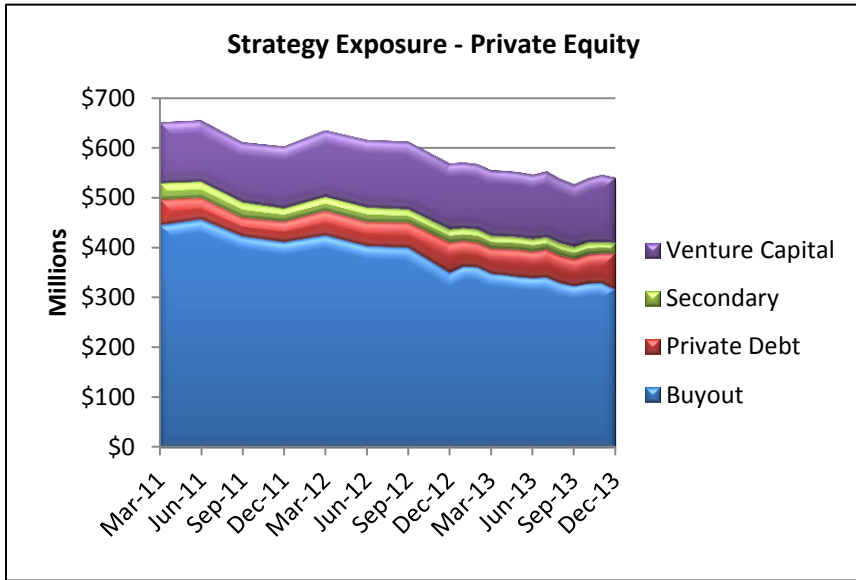
Global Public Equity - by Geography



Global Inflation-Linked Bonds - by Geography



Strategy Exposure & Committed Capital – Private Equity

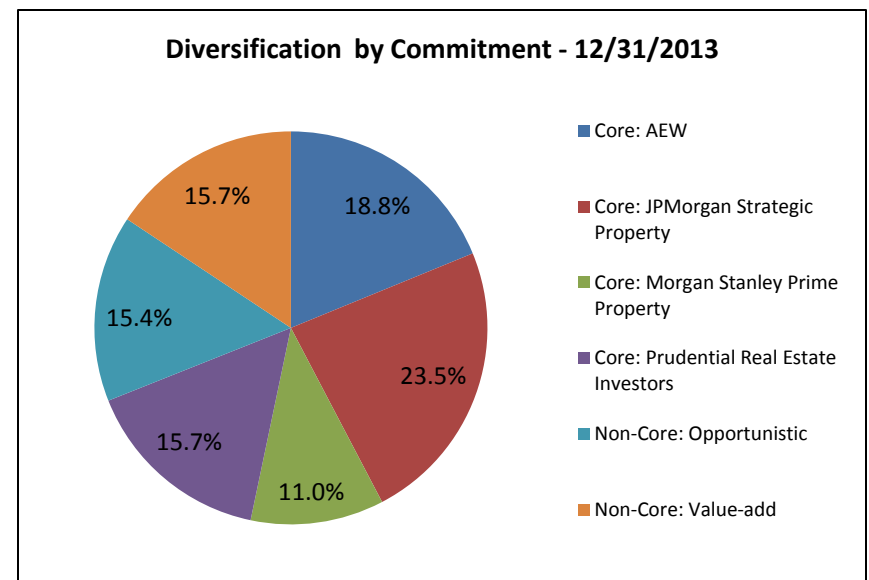
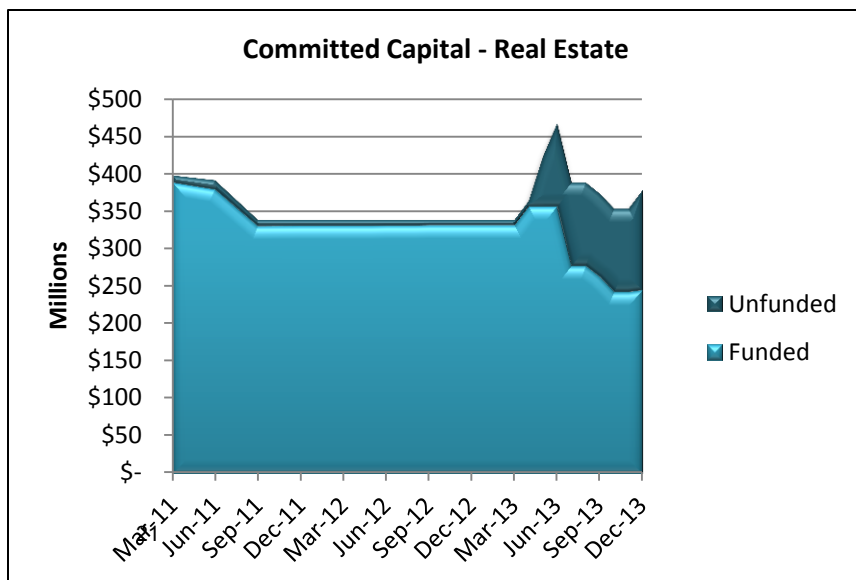
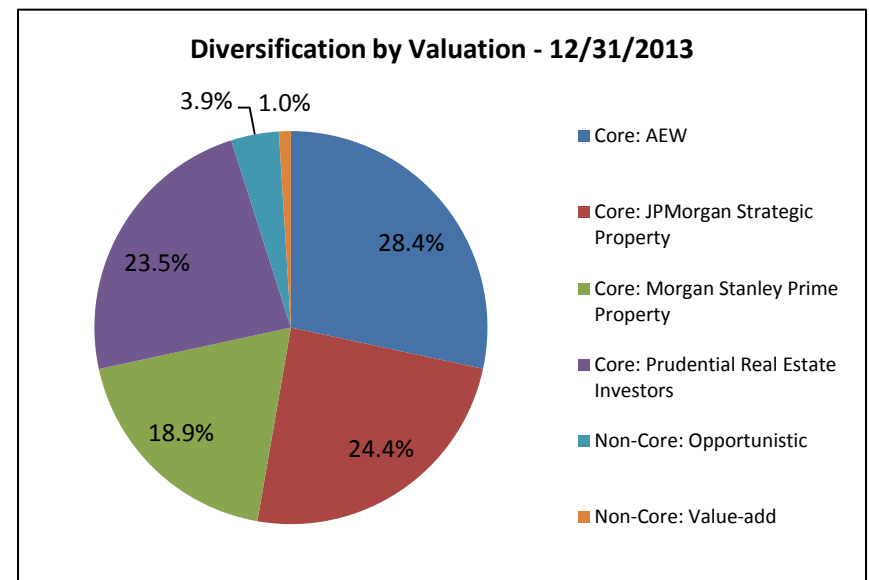
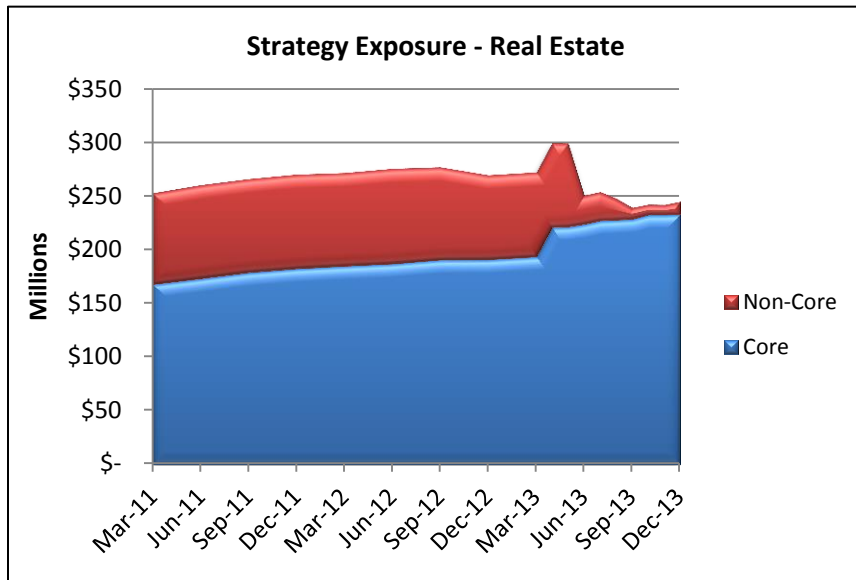


State of Rhode Island Private Equity Unfunded Commitment December 2013

Partnership Investment	Total Commitment	Unfunded
Advent Global Private Equity Fund VII	\$ 20,000,000.00	\$ 14,220,000.00
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 750,000.00
Alta Partners VIII	\$ 15,000,000.00	\$ 1,500,000.00
Aurora Equity Partners II**	\$ 15,000,000.00	\$ -
Aurora Equity Partners III**	\$ 15,000,000.00	\$ 835,850.00
Avenue Special Situations Fund IV	\$ 20,000,000.00	\$ -
Avenue V	\$ 20,000,000.00	\$ -
Bain X	\$ 25,000,000.00	\$ 1,187,500.00
Birch Hill Equity Partners III*	\$ 16,827,156.00	\$ 693,350.60
Braemar Energy Ventures III	\$ 10,000,000.00	\$ 6,821,579.00
Castile III	\$ 5,000,000.00	\$ 250,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,090,623.00
Centerbridge Special Credit Partners II	\$ 25,000,000.00	\$ 8,125,000.00
Charterhouse Capital Partners VIII*	\$ 20,649,780.00	\$ 2,645,609.26
Coller International Capital IV**	\$ 14,250,000.00	\$ 1,350,000.00
Coller International Capital V	\$ 15,000,000.00	\$ 3,270,000.00
Constellation III	\$ 15,000,000.00	\$ 451,482.08
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.00
CVC European Equity Partners IV*	\$ 22,714,758.00	\$ 2,663,440.58
CVC V	\$ 27,533,040.00	\$ 6,100,349.90
EnCap Energy Fund IX	\$ 18,000,000.00	\$ 15,673,532.40
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 232,336.00
Fenway III	\$ 15,000,000.00	\$ 1,517,699.00
First Reserve Fund X	\$ 20,000,000.00	\$ 1.00
First Reserve Fund XI	\$ 20,000,000.00	\$ (1.00)
Focus Ventures III	\$ 15,000,000.00	\$ -
Granite Global Ventures II	\$ 15,000,000.00	\$ 675,000.00
Granite Global Ventures III	\$ 15,000,000.00	\$ 375,000.00
Green Equity Investors V	\$ 20,000,000.00	\$ 1,243,286.40
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 366,426.00
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 1,182,507.00
Leapfrog Ventures II	\$ 10,000,000.00	\$ 510,000.00
Leeds Weld Equity Partners IV	\$ 10,000,000.00	\$ 1,081,790.98
Lighthouse Capital Partners V	\$ 11,250,000.00	\$ 787,500.00
Lighthouse Capital Partners VI	\$ 15,000,000.00	\$ 750,000.00
LNK Partners	\$ 12,500,000.00	\$ 676,541.52
Matlin Patterson Glb. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ -
MHR Institutional Partners III	\$ 20,000,000.00	\$ 7,774,396.00
Nautic Partners V	\$ 20,000,000.00	\$ 650,047.33
Nautic Partners VI	\$ 20,000,000.00	\$ 1,277,512.18
Nautic Partners VII	\$ 20,000,000.00	\$ 20,000,000.00
Nordic Capital Fund V*	\$ 20,120,526.14	\$ -
Nordic Capital Fund VI*	\$ 20,649,780.00	\$ -
Nordic VII	\$ 20,072,974.39	\$ 4,146,404.71
Nordic VIII	\$ 20,649,780.00	\$ 18,078,265.99

Oaktree Capital Management Fund III	\$	20,000,000.00	\$	12,000,000.00
Palladin III	\$	10,000,000.00	\$	3,031,302.00
Parthenon Investors II	\$	23,960,000.00	\$	1,821,022.00
Perseus VII	\$	15,000,000.00	\$	730,312.17
Point 406	\$	10,000,000.00	\$	1,400,000.00
Point Judith II	\$	5,000,000.00	\$	463,939.06
Providence Equity Partners III	\$	15,000,000.00	\$	1,938,956.00
Providence Equity Partners IV	\$	25,000,000.00	\$	1,998,616.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,214,837.00
Providence Equity Partners VI	\$	25,000,000.00	\$	2,721,600.00
Providence Equity Partners VII	\$	25,000,000.00	\$	20,695,345.00
Riverside VI	\$	20,000,000.00	\$	18,345,576.00
SKM Equity Fund II**	\$	10,000,000.00	\$	1,735,947.00
Summit Partners	\$	20,000,000.00	\$	7,100,000.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	300,000.00
Thomas McNerney & Partners II	\$	15,000,000.00	\$	1,987,500.00
TPG Partners IV	\$	13,953,742.00	\$	64,421.00
TPG Partners V	\$	20,000,000.00	\$	2,365,717.00
TPG VI	\$	10,000,000.00	\$	2,380,572.00
Trilantic IV	\$	11,098,351.00	\$	1,315,090.18
VS&A Communication Partners III	\$	15,000,000.00	\$	-
W Capital Partners	\$	15,000,000.00	\$	802,500.00
W Capital Partners II	\$	15,000,000.00	\$	1,639,525.00
Wellspring Capital Partners III	\$	20,000,000.00	\$	283,861.00
Wellspring Capital Partners IV	\$	20,000,000.00	\$	2,282,921.00
WLR	\$	8,000,000.00	\$	1,032,408.00
Total Alternative Investments	\$	1,197,229,887.53	\$	220,504,963.34

Strategy Exposure & Committed Capital – Real Estate



State of Rhode Island Real Estate Unfunded Commitment December 2013

Real Estate Partnership Investment	Total Commitment	Unfunded
AEW	\$ 60,000,000.00	\$ -
Fillmore East Fund I	\$ 10,000,000.00	\$ -
GEM Realty V	\$ 50,000,000.00	\$ 47,594,375.00
Heitman	\$ 60,000,000.00	\$ 60,000,000.00
JPMorgan Strategic Property Fund	\$ 75,000,000.00	\$ 25,000,000.00
JPMorgan Alternative Property Fund	\$ 20,000,000.00	\$ -
Magna Hotel	\$ 4,000,000.00	\$ 764,799.69
Morgan Stanley Prime Property Fund	\$ 35,000,000.00	\$ -
Prudential Real Estate Investors (PRISA)	\$ 50,000,000.00	\$ -
Tri Continental Fund VII	\$ 15,000,000.00	\$ 428,467.00
Total Alternative Investments	\$ 379,000,000.00	\$ 133,787,641.69

Section V.

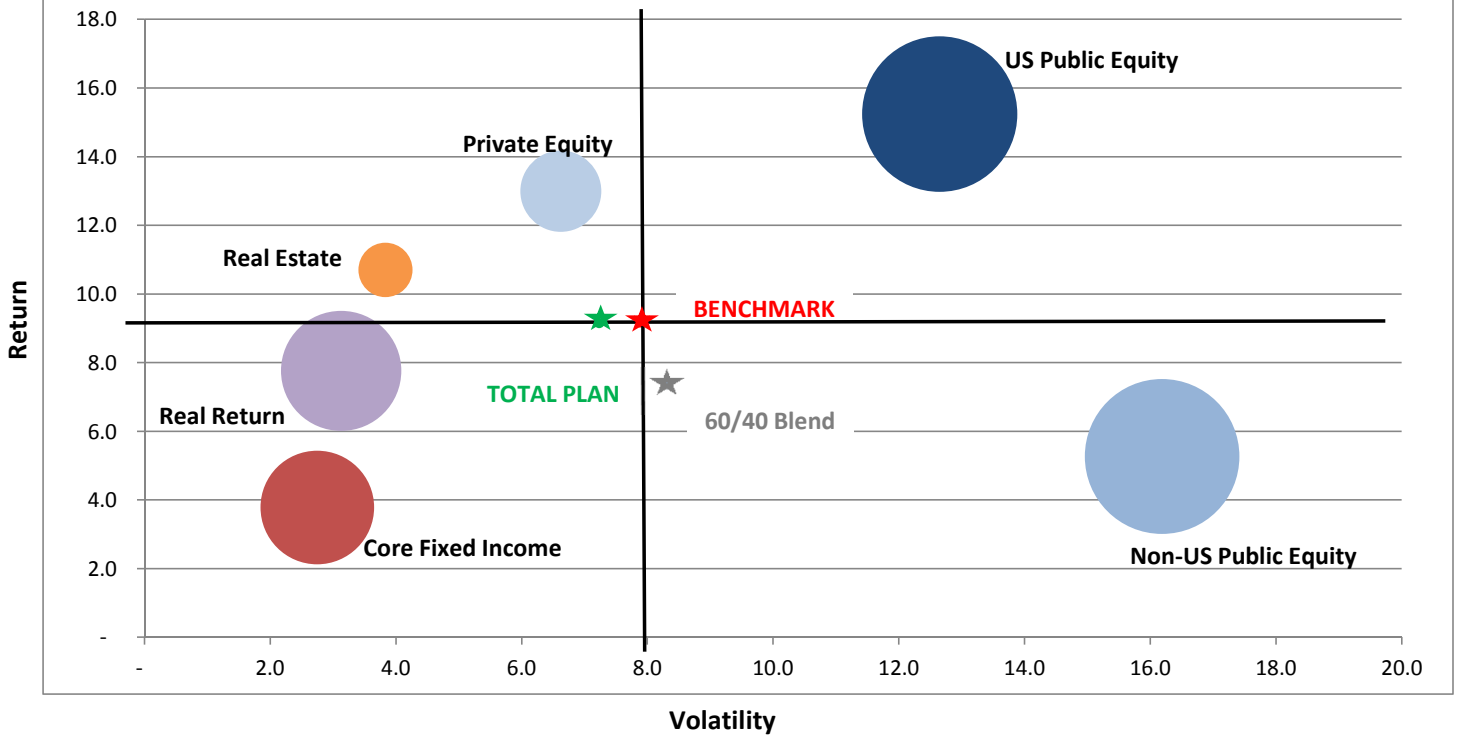
Risk Overview

ERSRI Portfolio

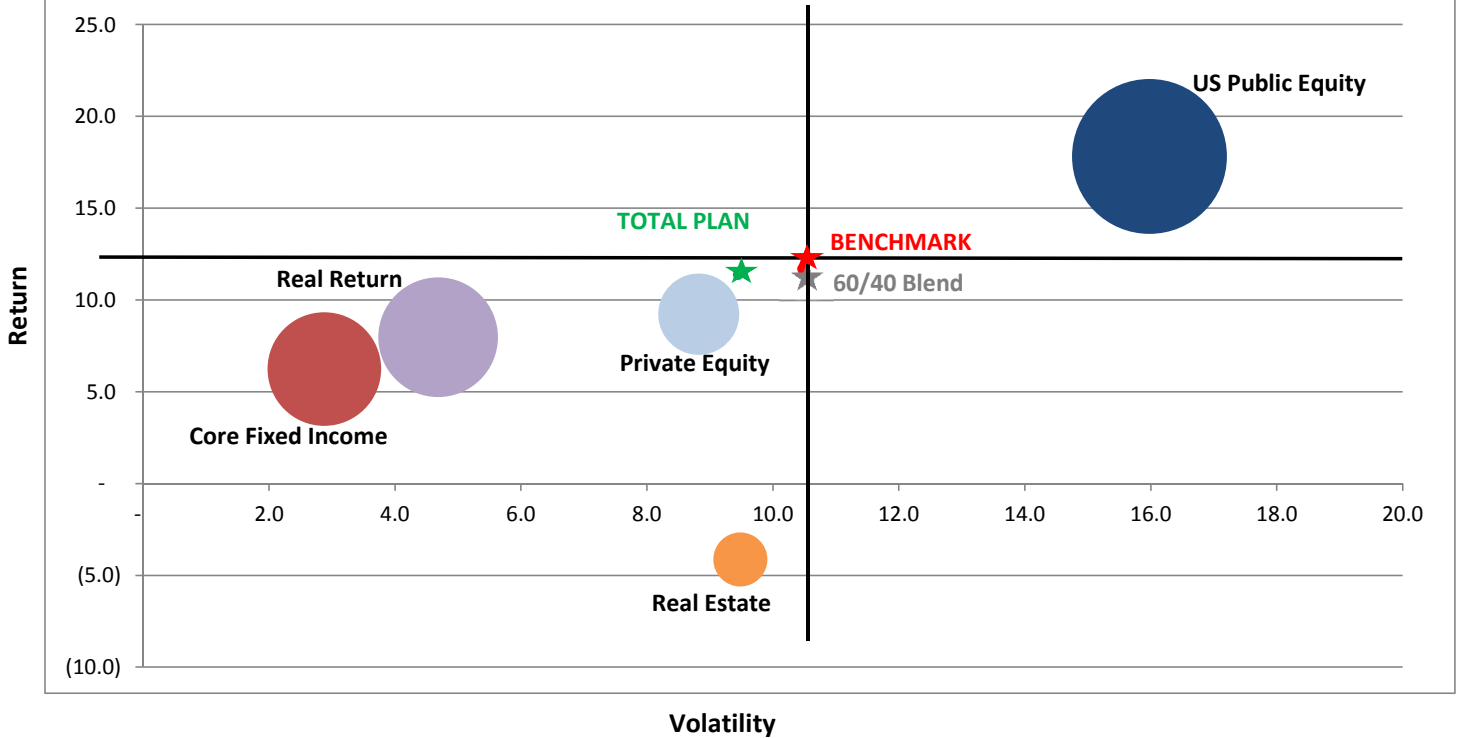
% - as of December 31, 2013

Bubble-Size Scaled based on Current Allocations

3-Year Risk-Return



5-Year Risk-Return



5 Years Ending December 31, 2013 Comparison

	TOTAL PLAN	Total Plan Benchmark
Ann Return	11.39	11.68
Ann Ex Ret vs Mkt	-0.26	0.00
Ann Tracking Error	1.72	0.00
Ann Std Dev	9.45	10.48
Beta	0.89	1.00
R-Squared	0.98	1.00
Ann Alpha	0.87	0.00
Ann Sharpe Ratio	1.18	1.10

Risk Exposures

3 Years Ending December 31, 2013

	Annualized Return	Ann Std Dev	Beta (ACWI)	Beta (BC AGG)	Beta (GSCI)	Beta (CPI)
US Public Equity	15.24	12.65	0.87	-1.13	0.49	0.38
Non-US Public Equity	5.26	16.19	1.14	-0.22	0.63	-0.42
Equity Hedge Funds	---	---	---	---	---	---
Private Equity	12.99	6.62	0.02	-0.45	0.08	1.01
Traditional Fixed Income	3.78	2.75	0.06	0.87	0.02	-0.04
Real Estate	10.70	3.83	0.03	0.25	-0.01	-0.21
Real Return Hedge Funds	---	---	---	---	---	---
Inflation-Linked Bonds	5.68	5.02	0.03	1.50	0.02	-0.29
Cash	0.15	0.08	0.00	0.00	0.00	0.00
Russell Overlay Fd	-0.14	0.72	0.00	0.01	0.00	-0.09

3 Years Ending December 31, 2013

Correlation

Ann Return

	US Pub EQ	Non-US Pub EQ	Eq HF	PE	FI	RE	RR HF	GILBS	Cash	Overlay	Total
US Pub	1.00										
Non-US P	0.88	1.00									
Eq HF	---	---	---								
PE	0.04	0.05	---	1.00							
FI	0.15	0.37	---	-0.20	1.00						
RE	0.07	0.14	---	0.27	0.21	1.00					
RR HF	---	---	---	---	---	---	---				
GILBS	-0.03	0.15	---	-0.08	0.76	0.20	---	1.00			
Cash	0.00	0.01	---	-0.03	0.04	0.32	---	-0.10	1.00		
Overlay	0.08	0.08	---	-0.07	0.03	-0.12	---	0.07	-0.04	1.00	
Total	0.96	0.97	---	0.10	0.34	0.16	---	0.15	0.01	0.07	1.00
Tot BM	0.96	0.97	---	0.04	0.32	0.12	---	0.10	0.02	0.07	0.99

5 Years Ending December 31, 2013

Correlation

Ann Return

	US Pub Eq	Non-US Pub Eq	Eq HF	PE	FI	RE	RR HF	GILBS	Cash	Overlay	Total
US Pub	1.00										
Non-US P	---	---									
Eq HF	---	---	---								
PE	0.08	---	---	1.00							
FI	0.21	---	---	-0.27	1.00						
RE	-0.01	---	---	0.27	-0.32	1.00					
RR HF	---	---	---	---	---	---	---				
GILBS	---	---	---	---	---	---	---	---			
Cash	-0.13	---	---	-0.28	0.15	-0.29	---	---	1.00		
Overlay	0.30	---	---	-0.10	0.26	-0.19	---	---	-0.07	1.00	
Total	0.97	---	---	0.14	0.35	0.01	---	---	-0.12	0.34	1.00
Tot BM	0.97	---	---	0.05	0.35	-0.02	---	---	-0.10	0.37	0.99

Section VI.

Performance Overview

TOTAL NET OF FEES

12/31/13

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	1 Year	Annualized				Inception Date
						3 Years	5 Years	10 Years	ITD	
SSGA R3000 INDEX <i>Russell 3000 Index</i>	2,010,157,911	25	2.62 2.64	17.05 17.09	33.49 33.55				26.25 26.30	10/1/2012 10/1/2012
US Public Equity <i>Russell 3000 Index</i>	2,010,157,985	25	2.62 2.64	17.05 17.09	33.48 33.55	15.24 16.24	17.82 18.71		6.51 6.54	8/1/2007 8/1/2007
SSGA MSCI EAFE <i>MSCI EAFE Net Dividend Index</i>	1,419,900,373	18	1.49 1.50	17.93 17.94	23.08 22.78				25.30 25.04	9/1/2012 9/1/2012
SSGA MSCI CANADA <i>MSCI Canada Net Dividend Index</i>	141,714,810	2	1.66 1.61	13.53 13.17	6.35 5.63				8.32 7.58	9/1/2012 9/1/2012
SSGA MSCI EM <i>MSCI Emerging Markets Net Dividend Index</i>	430,791,195	5	-1.25 -1.45	7.85 7.70	-2.81 -2.60				6.61 6.70	9/1/2012 9/1/2012
Non-US Public Equity <i>Total International Equity BM</i>	1,992,406,476	25	0.90 0.88	15.29 15.34	15.18 15.29	5.26 5.68			13.68 12.41	5/1/2009 5/1/2009
Global Public Equity <i>MSCI All Country World Net Index</i>	4,002,564,460	50	1.71 1.73	16.11 15.79	23.90 22.80	11.46 9.73	15.87 14.92	7.64 7.17	4.03	7/1/2000 7/1/2000
Private Equity <i>Venture Economics Custom BM S&P + 300 BP</i>	549,554,835	7	0.32 0.32 2.74	10.16 3.76 17.50	14.86 19.56 35.39	12.99 14.52 19.36	9.23 18.30 21.27	11.83 9.15 10.52	4.33	1/1/1993 1/1/1993 1/1/1993
Equity Hedge Funds <i>HFRI Equity Hedge (Total) Index</i>	639,798,878	8	1.65 1.49	9.14 9.14	17.11 14.44				11.03 8.50	11/1/2011 11/1/2011
Total Equity	5,191,918,173	65	1.56	14.56	21.95	11.13	14.59	7.84	3.17	6/1/1996
MACKAY SHIELDS <i>Barclays U.S. Aggregate Bond Index</i>	538,150,931	7	-0.50 -0.57	0.70 0.43	-1.79 -2.02				-1.42 -1.72	11/1/2012 11/1/2012
PYRAMIS GLOBAL ADV <i>Barclays U.S. Aggregate Bond Index</i>	540,527,530	7	-0.43 -0.57	0.70 0.43	-1.93 -2.02				-1.50 -1.72	11/1/2012 11/1/2012
Traditional Fixed Income <i>Barclays U.S. Aggregate Bond Index</i>	1,079,009,552	13	-0.47 -0.57	0.70 0.43	-1.86 -2.02	3.78 3.26	6.23 4.44	4.89 4.55	5.74 5.59	7/1/2000 7/1/2000

TOTAL NET OF FEES

12/31/13

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	1 Year	Annualized				Inception Date
						3 Years	5 Years	10 Years	ITD	
Real Return Hedge Funds	511,059,577	6	0.64	2.90	6.96				5.80	11/1/2011
<i>HFRI Fund of Funds Composite Index</i>			<i>1.19</i>	<i>5.25</i>	<i>8.79</i>				<i>5.48</i>	<i>11/1/2011</i>
PIMCO	204,600,856	3	0.54	2.91					2.12	5/1/2013
<i>30% BoA1-3BB-B HY/70%CSInstLLI</i>			<i>0.48</i>	<i>3.75</i>					<i>3.15</i>	<i>5/1/2013</i>
WAMCO	206,793,793	3	0.50	3.74					3.64	4/1/2013
<i>30% BoA 1-3 BB-B HY/70% CS LLI</i>			<i>0.46</i>	<i>3.69</i>					<i>3.87</i>	<i>4/1/2013</i>
Credit Aggregate	411,394,648	5	0.52	3.32					2.55	5/1/2013
30% BoA1-3BB-B HY/70%CSInstLLI			0.48	3.75					4.62	3/1/2013
BROWN BROTHERS HARR	276,998,717	3	-1.04	-0.84	-5.03				-2.87	11/1/2012
<i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>			<i>-1.48</i>	<i>-0.91</i>	<i>-5.51</i>				<i>-3.67</i>	<i>11/1/2012</i>
Inflation-Linked Bonds	276,998,717	3	-1.04	-0.84	-5.03	5.68			5.66	11/1/2009
<i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>			<i>-1.48</i>	<i>-0.91</i>	<i>-5.51</i>	<i>3.49</i>			<i>3.95</i>	<i>11/1/2009</i>
Total Real Return	1,199,452,942	15	0.21	2.18	3.39	7.76	7.97		6.34	6/1/2004
Real Estate	245,209,376	3	0.42	4.07	5.65	10.70	-4.13		0.30	1/1/2005
<i>NCREIF Property Lagged + 100bp</i>			<i>2.65</i>	<i>5.99</i>	<i>12.00</i>	<i>13.67</i>	<i>4.37</i>		<i>9.26</i>	<i>1/1/2005</i>
ERSRI CASH	307,774,600	4	0.01	0.08	0.14	0.14	0.22	4.93	15.78	7/1/2000
<i>BofA Merrill Lynch 3 Month US Treasury Bill GOO1</i>			<i>0.01</i>	<i>0.03</i>	<i>0.07</i>	<i>0.10</i>	<i>0.12</i>	<i>1.68</i>	<i>2.02</i>	<i>7/1/2000</i>
Total Cash	310,780,098	4	0.01	0.08	0.13	0.15	0.21		2.85	4/1/2004
Russell Overlay Fd	15,337,758	0	0.00	-0.06	0.17	-0.14	0.08		-0.10	9/1/2008
TOTAL PLAN	8,042,307,493	100	0.99	9.73	14.06	9.16	11.39	6.87	4.81	7/1/2000
<i>Total Plan Benchmark</i>			<i>1.20</i>	<i>9.59</i>	<i>14.63</i>	<i>9.18</i>	<i>11.68</i>	<i>6.72</i>		<i>7/1/2000</i>
Total Plan ex PE & RE	7,247,543,283	90	1.06	9.91	14.33	8.28	12.30	6.63	6.66	4/1/1996
<i>Total Plan BM ex PE RE</i>			<i>1.31</i>	<i>10.37</i>	<i>14.96</i>	<i>9.05</i>	<i>11.89</i>	<i>6.54</i>		<i>4/1/1996</i>
Additional Benchmarks										
<i>60/40 Blend</i>			<i>0.81</i>	<i>9.46</i>	<i>12.32</i>	<i>7.38</i>	<i>11.03</i>	<i>6.47</i>	<i>5.29</i>	<i>1/1/2001</i>

TOTAL NET OF FEES

12/31/13

Account Name Benchmark Name	Market Value	% of Total	Month	Cumulative			2012	2011	Inception Date
				11/1/13 - 11/30/13	10/1/13 - 10/31/13	2013			
SSGA R3000 INDEX <i>Russell 3000 Index</i>	2,010,157,911	25	2.62 2.64	2.88 2.90	4.27 4.25	33.49 33.55			10/1/2012 10/1/2012
US Public Equity <i>Russell 3000 Index</i>	2,010,157,985	25	2.62 2.64	2.88 2.90	4.27 4.25	33.48 33.55	15.66 16.42	-0.86 1.03	8/1/2007 8/1/2007
SSGA MSCI EAFE <i>MSCI EAFE Net Dividend Index</i>	1,419,900,373	18	1.49 1.50	0.75 0.77	3.35 3.36	23.08 22.78			9/1/2012 9/1/2012
SSGA MSCI CANADA <i>MSCI Canada Net Dividend Index</i>	141,714,810	2	1.66 1.61	-0.86 -0.91	3.33 3.28	6.35 5.63			9/1/2012 9/1/2012
SSGA MSCI EM <i>MSCI Emerging Markets Net Dividend Index</i>	430,791,195	5	-1.25 -1.45	-1.49 -1.46	4.85 4.86	-2.81 -2.60			9/1/2012 9/1/2012
Non-US Public Equity <i>Total International Equity BM</i>	1,992,406,476	25	0.90 0.88	0.13 0.17	3.68 3.67	15.18 15.29	17.02 16.52	-13.47 -12.14	5/1/2009 5/1/2009
Global Public Equity <i>MSCI All Country World Net Index</i>	4,002,564,460	50	1.71 1.73	1.52 1.42	3.98 4.02	23.90 22.80	17.82 16.13	-5.16 -7.35	7/1/2000 7/1/2000
Private Equity <i>Venture Economics Custom BM</i> <i>S&P + 300 BP</i>	549,554,835	7	0.32 0.32 2.74	3.71 0.00 3.24	1.45 0.00 4.70	14.86 19.56 35.39	11.77 19.44 19.44	12.37 5.17 5.17	1/1/1993 1/1/1993 1/1/1993
Equity Hedge Funds <i>HFRI Equity Hedge (Total) Index</i>	639,798,878	8	1.65 1.49	2.09 1.23	1.75 2.03	17.11 14.44	7.98 7.41		11/1/2011 11/1/2011
Total Equity	5,191,918,173	65	1.56	1.82	3.43	21.95	15.88	-2.89	6/1/1996
MACKAY SHIELDS <i>Barclays U.S. Aggregate Bond Index</i>	538,150,931	7	-0.50 -0.57	-0.26 -0.37	0.88 0.81	-1.79 -2.02			11/1/2012 11/1/2012
PYRAMIS GLOBAL ADV <i>Barclays U.S. Aggregate Bond Index</i>	540,527,530	7	-0.43 -0.57	-0.38 -0.37	0.88 0.81	-1.93 -2.02			11/1/2012 11/1/2012
Traditional Fixed Income <i>Barclays U.S. Aggregate Bond Index</i>	1,079,009,552	13	-0.47 -0.57	-0.32 -0.37	0.88 0.81	-1.86 -2.02	7.95 4.21	5.50 7.84	7/1/2000 7/1/2000
Real Return Hedge Funds <i>HFRI Fund of Funds Composite Index</i>	511,059,577	6	0.64 1.19	1.15 1.06	0.66 1.24	6.96 8.79	5.33 4.79		11/1/2011 11/1/2011
PIMCO <i>30% BoA1-3BB-B HY/70%CSInstLLI</i>	204,600,856	3	0.54 0.48	0.39 0.45	0.82 0.91				5/1/2013 5/1/2013

TOTAL NET OF FEES

12/31/13

Account Name Benchmark Name	Market Value	% of Total	Month	Cumulative			2013	2012	2011	Inception Date
				11/1/13 - 11/30/13	10/1/13 - 10/31/13					
WAMCO <i>30% BoA 1-3 BB-B HY/70% CS LLI</i>	206,793,793	3	0.50 0.46	0.38 0.50	1.02 0.87				4/1/2013 4/1/2013	
Credit Aggregate	411,394,648	5	0.52	0.38	0.92				5/1/2013	
30% BoA 1-3 BB-B HY/70% CS LLI			0.46	0.50	0.87				3/1/2013	
BROWN BROTHERS HARR <i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>	276,998,717	3	-1.04 -1.48	-0.59 -0.93	0.53 0.99	-5.03 -5.51			11/1/2012 11/1/2012	
Inflation-Linked Bonds <i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>	276,998,717	3	-1.04 -1.48	-0.59 -0.93	0.53 0.99	-5.03 -5.51	9.20 5.60	13.80 11.08	11/1/2009 11/1/2009	
Total Real Return	1,199,452,942	15	0.21	0.48	0.72	3.39	6.55	13.58	6/1/2004	
Real Estate <i>NCREIF Property Lagged + 100bp</i>	245,209,376	3	0.42 2.65	0.51 0.07	1.71 0.07	5.65 12.00	9.62 12.00	17.14 17.10	1/1/2005 1/1/2005	
ERSRI CASH <i>BofA Merrill Lynch 3 Month US Treasury Bill G001</i>	307,774,600	4	0.01 0.01	0.04 0.01	0.01 0.00	0.14 0.07	0.11 0.11	0.16 0.10	7/1/2000 7/1/2000	
Total Cash	310,780,098	4	0.01	0.04	0.01	0.13	0.18	0.14	4/1/2004	
Russell Overlay Fd	15,337,758	0	0.00	-0.03	-0.02	0.17	0.18	-0.78	9/1/2008	
TOTAL PLAN ¹ <i>Total Plan Benchmark</i>	8,042,307,493	100	0.99 1.20	1.20 0.95	2.47 2.30	14.06 14.63	12.49 11.80	1.39 1.55	7/1/2000 7/1/2000	
Total Plan ex Overlay <i>Total Plan Benchmark</i>	8,026,969,736	100	0.99 1.20	1.23 0.95	2.50 2.30	13.87 14.63	12.39 11.80	0.98 1.55	8/1/2008 8/1/2008	
Total Plan ex PE & RE <i>Total Plan BM ex PE RE</i>	7,247,543,283	90	1.06 1.31	1.04 1.14	2.58 2.69	14.33 14.96	11.25 12.08	-0.19 0.66	4/1/1996 4/1/1996	
Additional Benchmarks <i>60/40 Blend</i>			0.81	0.70	2.73	12.32	11.48	-1.13	1/1/2001	

END NOTES

12/31/13

1 RI6G23000000 TOTAL PLAN

Month - Current Month

Cumulative Months - Prior Month and Second Prior Month

Monthly Reporting for Private Equity and Real Estate skew performance on an actual and benchmark basis due to nature of valuations

2012, 2011, 2010 - Calendar Years

Employees' Retirement System of the State of Rhode Island

Hedge Fund Portfolio

Portfolio Performance Summary

Estimated as of December 31, 2013

Fund	Market Value	Actual %	Returns								Std Dev	Sharpe Ratio	Incep Date
			Dec	QTD	YTD	FYTD	1 Year	3 Year	5 Year	Incep			
Global Equities													
Ascend Partners Fund II LP	68,271,547	5.9%	1.75%	5.32%	12.11%	8.07%	12.11%	-	-	6.14%	2.57%	2.20	Nov-11
Davidson Kempner Institutional Partners, L.P.	71,061,042	6.2%	0.26%	1.68%	9.41%	3.73%	9.41%	-	-	8.12%	1.70%	4.40	Nov-11
Elliott Associates, L.P.	75,532,497	6.6%	0.90%	2.62%	12.71%	6.85%	12.71%	-	-	11.21%	3.38%	3.06	Nov-11
Indus Asia Pacific Fund, LP	44,658,914	3.9%	-0.20%	2.48%	4.50%	2.62%	4.50%	-	-	5.66%	5.64%	0.95	Jan-12
Mason Capital Ltd.	69,974,513	6.1%	1.55%	6.51%	23.09%	8.02%	23.09%	-	-	7.99%	6.47%	1.17	Jan-12
PFM Diversified Fund, L.P.	37,413,101	3.3%	2.28%	7.86%	22.65%	15.65%	22.65%	-	-	12.80%	8.46%	1.43	Mar-12
PFM Diversified Offshore Fund A.I., Ltd.	37,175,519	3.2%	2.21%	7.77%	22.30%	15.49%	22.30%	-	-	12.41%	8.47%	1.39	Mar-12
Samlyn Onshore Fund, L.P.	78,316,489	6.8%	2.32%	7.92%	19.10%	9.68%	19.10%	-	-	14.25%	5.20%	2.53	Jan-12
Third Point Partners Qualified L.P.	74,337,328	6.5%	2.30%	6.18%	24.71%	11.13%	24.71%	-	-	21.93%	5.82%	3.41	Jan-12
Viking Global Equities, LP	83,111,658	7.2%	2.60%	8.23%	22.78%	14.46%	22.78%	-	-	16.93%	4.26%	3.64	Dec-11
Total Global Equities	639,852,610	55.6%	1.62%	5.56%	17.10%	9.17%	17.10%	-	-	10.90%	3.68%	2.74	Nov-11
MSCI AC World Index Free - Net			1.73%	7.31%	22.81%	15.79%	22.81%	-	-	16.05%	11.40%	1.34	Nov-11
Russell 3000 Index (DRI)			2.64%	10.11%	33.56%	17.10%	33.56%	-	-	22.91%	9.49%	2.20	Nov-11
HFRI Equity Hedge (Total) Index			1.64%	4.97%	14.60%	9.29%	14.60%	-	-	8.57%	6.42%	1.26	Nov-11
Real Return													
BlueCrest Capital LP	20,829,149	1.8%	-0.58%	0.16%	-1.57%	0.86%	-1.57%	-	-	2.05%	2.58%	0.67	Jan-12
Brevan Howard LP	80,517,560	7.0%	0.31%	1.07%	2.41%	-1.14%	2.41%	-	-	3.33%	5.02%	0.61	Nov-11
Brigade Leveraged Capital Structures Fund LP	55,523,281	4.8%	0.70%	2.39%	6.12%	4.27%	6.12%	-	-	5.88%	2.62%	2.07	Mar-12
Capula Global Relative Value Fund Ltd.	53,893,303	4.7%	0.27%	0.69%	7.56%	4.28%	7.56%	-	-	3.66%	2.17%	1.51	Dec-11
Claren Road Credit Fund, Ltd.	50,580,206	4.4%	0.01%	1.08%	-	-0.89%	-	-	-	1.16%	4.76%	-	Apr-13
DE Shaw Composite Fund LLC	67,122,464	5.8%	0.50%	3.02%	13.89%	3.94%	13.89%	-	-	14.56%	4.02%	3.33	Nov-11
Graham Global Investment Fund I SPC Ltd. - Discretionary Segregated Port	53,798,123	4.7%	1.17%	3.82%	3.63%	1.45%	3.63%	-	-	3.73%	2.82%	1.19	Jan-12
OZ Domestic Partners II, L.P.	96,740,469	8.4%	1.56%	3.91%	14.96%	7.07%	14.96%	-	-	12.47%	2.84%	4.05	Nov-11
Winton Futures Fund Limited	32,071,891	2.8%	0.37%	5.87%	9.41%	4.71%	9.41%	-	-	3.26%	7.82%	0.40	Dec-11
Total Real Return	511,076,447	44.4%	0.63%	2.50%	7.22%	2.90%	7.22%	-	-	5.95%	2.36%	2.31	Nov-11
ML 3-month T-Bills			0.01%	0.02%	0.08%	0.04%	0.08%	-	-	0.08%	0.02%	-	Nov-11
HFRI Fund of Funds Composite Index			1.16%	3.49%	8.74%	5.20%	8.74%	-	-	5.46%	3.39%	1.48	Nov-11
Total Hedge Fund Portfolio	1,150,929,057	100.0%	1.18%	4.18%	12.48%	6.29%	12.48%	-	-	8.63%	2.82%	2.84	Nov-11
HFRI Fund of Funds Composite Index			1.16%	3.49%	8.74%	5.20%	8.74%	-	-	5.46%	3.39%	1.48	Nov-11
Market Indices													
Libor3Month			0.02%	0.06%	0.27%	0.13%	0.27%	-	-	0.36%	0.03%	-	Nov-11
Barclays Aggregate Bond Index			-0.57%	-0.14%	-2.02%	0.44%	-2.02%	-	-	1.45%	2.74%	0.41	Nov-11
Barclays High Yield Credit Bond Index			0.54%	3.59%	7.46%	5.95%	7.46%	-	-	10.85%	4.92%	2.05	Nov-11
S&P 500 TR			2.53%	10.52%	32.39%	16.31%	32.39%	-	-	22.34%	9.28%	2.20	Nov-11
MSCI EAFE - Net			1.50%	5.71%	22.78%	17.93%	22.78%	-	-	15.15%	14.47%	1.03	Nov-11
MSCI EMF (Emerging Markets Free) - Net			-1.45%	1.83%	-2.60%	7.71%	-2.60%	-	-	2.81%	16.32%	0.23	Nov-11

Employees' Retirement System of the State of Rhode Island

Hedge Fund Portfolio

Portfolio Performance Summary

Estimated as of December 31, 2013

Fund	Market Value	Actual %	Dec	QTD	YTD	Returns				Std Dev	Sharpe Ratio	Incep Date
						FYTD	1 Year	3 Year	5 Year			

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

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

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

Employees' Retirement System of the State of Rhode Island

Hedge Fund Portfolio
Fund Level Performance Report
Estimated as of December 31, 2013

Fund	Trailing Returns					Calendar Year Returns					5 Yr Std Dev	Sharpe Ratio			Start Date			
	QTD	YTD	Dec	Nov	Oct	1 Year	3 Year	5 Year	2012	2011		2010	2009	2008		3 yr	5 yr	Incep.
Global Equities																		
Ascend Partners Fund II LP	5.25%	12.15%	1.70%	1.65%	1.81%	12.15%	3.69%	5.45%	2.50%	-3.02%	2.94%	13.61%	-3.58%	4.00%	0.90	1.25	1.09	Jan-04
Davidson Kempner Institutional Partners, LP	1.67%	9.20%	0.29%	0.34%	1.03%	9.20%	5.73%	8.73%	6.87%	1.27%	9.17%	17.79%	-9.03%	3.32%	1.91	2.43	1.57	Mar-96
Elliott Associates, L.P. (HFR98)	2.62%	12.22%	0.90%	1.30%	0.40%	12.22%	9.70%	13.15%	13.18%	3.94%	7.39%	30.85%	-3.08%	4.01%	3.16	3.02	1.94	Jan-90
Indus Asia Pacific Fund	2.51%	4.66%	-0.20%	1.90%	0.80%	4.66%	1.68%	7.20%	8.21%	-7.18%	7.36%	25.45%	-28.99%	7.37%	0.23	0.93	0.74	Dec-00
Mason Capital, Ltd.	6.50%	22.83%	1.55%	2.35%	2.47%	22.83%	6.46%	10.61%	-5.73%	4.20%	9.62%	25.16%	-15.42%	7.33%	0.96	1.36	0.87	Feb-02
PFM Diversified Fund, LP	7.81%	22.17%	2.28%	1.77%	3.57%	22.17%	7.63%	9.56%	5.59%	-3.35%	4.36%	21.35%	-6.10%	7.31%	0.97	1.23	1.06	Nov-04
Samlyn Capital - Composite	7.92%	18.93%	2.32%	3.74%	1.67%	18.93%	7.66%	9.47%	10.49%	-5.05%	1.98%	23.57%	6.62%	7.71%	0.97	1.16	1.23	Mar-07
Third Point Partners L.P.	6.18%	25.56%	2.30%	2.60%	1.16%	25.56%	14.79%	24.22%	21.12%	-0.54%	41.52%	38.14%	-32.84%	10.42%	1.82	2.11	1.30	Jun-95
Viking Global Equities	8.29%	22.73%	2.70%	2.70%	2.67%	22.73%	14.23%	12.99%	12.75%	7.71%	3.67%	19.20%	-0.73%	5.65%	2.71	2.13	1.55	Oct-99
Real Return																		
BlueCrest Capital International Limited	0.17%	-1.56%	-0.58%	0.04%	0.71%	-1.56%	3.40%	12.64%	5.83%	6.11%	12.80%	45.41%	6.26%	5.48%	1.25	2.13	1.69	Dec-00
Brevan Howard L.P. (Series B)	1.07%	1.69%	0.31%	1.26%	-0.50%	1.69%	5.46%	6.75%	3.60%	11.33%	0.92%	17.10%	19.14%	5.35%	0.92	1.17	1.19	Sep-05
Brigade Leveraged Capital Structures Fund	2.30%	6.03%	0.66%	0.96%	0.66%	6.03%	5.15%	11.81%	6.91%	2.55%	7.66%	39.64%	-17.14%	5.24%	1.67	2.09	0.83	Jan-07
Capula Global Relative Value Fund Limited	0.72%	7.59%	0.27%	0.27%	0.18%	7.59%	4.68%	7.13%	0.41%	6.19%	9.58%	12.24%	9.45%	2.39%	1.88	2.73	1.66	Oct-05
Claren Road Credit Master Fund	1.04%	5.42%	-0.01%	1.02%	0.03%	5.42%	4.57%	8.34%	1.49%	6.88%	4.64%	24.75%	8.51%	4.66%	1.06	1.66	1.72	Jan-06
DE Shaw Composite International Fund	2.68%	11.80%	0.40%	1.40%	0.86%	11.80%	9.72%	10.23%	13.94%	3.69%	1.56%	21.31%	-9.81%	4.83%	2.31	1.96	1.43	Mar-01
Graham Discretionary - 6V Portfolio	3.82%	3.61%	1.17%	1.25%	1.35%	3.61%	3.66%	6.92%	3.82%	3.56%	7.12%	17.13%	8.66%	3.04%	1.17	2.09	0.84	Jun-04
OZ Master Fund, Ltd	3.82%	14.26%	1.56%	1.10%	1.11%	14.26%	8.63%	11.93%	12.01%	0.17%	8.62%	26.15%	-15.44%	3.94%	2.34	2.79	1.24	Jan-04
Winton Futures Fund - USD Class B	5.88%	9.44%	0.38%	2.20%	3.20%	9.44%	3.91%	4.14%	-3.56%	6.29%	14.47%	-4.64%	21.01%	8.23%	0.49	0.48	0.71	Oct-97
Benchmarks																		
HFRI Fund of Funds Composite Index	3.49%	8.74%	1.16%	1.05%	1.24%	8.74%	2.42%	4.83%	4.79%	-5.72%	5.70%	11.47%	-21.37%	4.18%	0.52	1.05	0.64	Jan-90
HFRI Fund Weighted Composite Index	3.65%	9.33%	1.17%	0.92%	1.52%	9.33%	3.28%	7.82%	6.36%	-5.25%	10.25%	19.98%	-19.03%	5.88%	0.57	1.25	1.03	Jan-90
Market Indices																		
3 Month Libor - BOM	0.06%	0.26%	0.02%	0.02%	0.02%	0.26%	0.34%	0.40%	0.42%	0.35%	0.35%	0.65%	2.79%	0.07%				Mar-86
Barclays Aggregate Bond Index	-0.14%	-2.02%	-0.57%	-0.37%	0.81%	-2.02%	3.28%	4.46%	4.23%	7.86%	6.56%	5.93%	5.24%	2.88%				Jan-76
Barclays High Yield Credit Bond Index	3.59%	7.46%	0.54%	0.51%	2.51%	7.46%	9.32%	18.93%	15.81%	4.98%	15.11%	58.21%	-26.15%	9.23%				Jul-83
S&P 500 (TR)	10.51%	32.39%	2.53%	3.05%	4.60%	32.39%	16.18%	17.94%	16.00%	2.11%	15.06%	26.46%	-37.00%	15.81%				Jan-70
MSCI EAFE - Net - USD	5.71%	22.78%	1.50%	0.77%	3.36%	22.78%	8.17%	12.44%	17.32%	-12.14%	7.75%	31.78%	-43.38%	19.71%				Dec-69
MSCI EM (EMERGING MARKETS) - Net - USD	1.83%	-2.60%	-1.45%	-1.46%	4.86%	-2.60%	-2.06%	14.79%	18.22%	-18.42%	18.88%	78.51%	-53.33%	22.59%				Jan-99

Note: The above is manager composite history.

Portfolio Summary

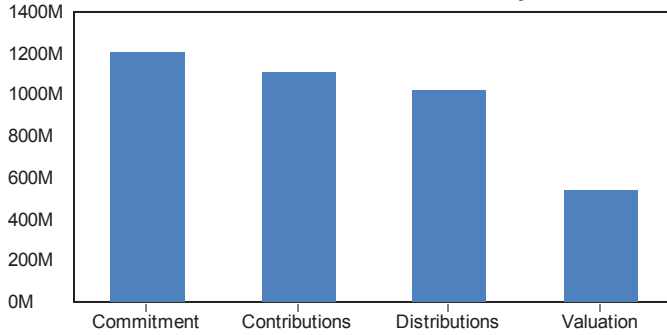
12/31/2013

All Investments

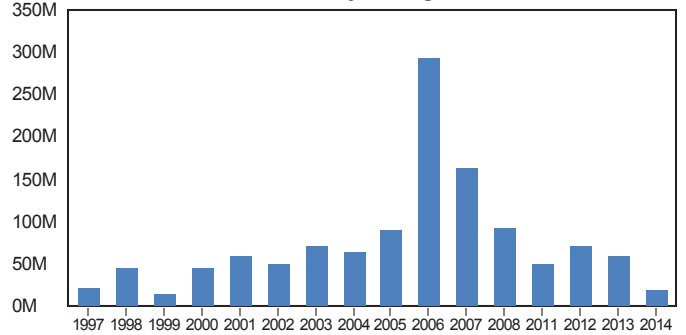
Performance Summary

Asset Class	Investment Type	Number of Investments	Commitment	Contributions	Distributions	Adjusted Valuation	Multiple of Cost	IRR	TWR
Private Equity Funds	Buyout	41	762,352,941	710,940,612	737,506,648	316,205,379	1.48	11.40	4.75
	Distressed Debt	9	155,000,000	148,269,187	148,768,530	61,107,500	1.42	11.49	10.56
	Energy	1	18,000,000	2,326,468	0	2,106,503	0.91	-21.67	-79.93
	Opportunistic Credit	1	20,000,000	12,935,452	3,425,655	11,082,940	1.12	9.12	7.39
	Secondary	4	60,000,000	54,954,690	47,948,239	20,481,671	1.25	7.32	6.30
	Venture Capital	16	196,250,000	180,258,762	84,595,623	130,382,134	1.19	4.15	-3.44
Total: Private Equity Funds		72	1,211,602,941	1,109,685,171	1,022,244,695	541,366,127	1.41	10.09	4.63
Total:		72	1,211,602,941	1,109,685,171	1,022,244,695	541,366,127	1.41	10.09	4.63

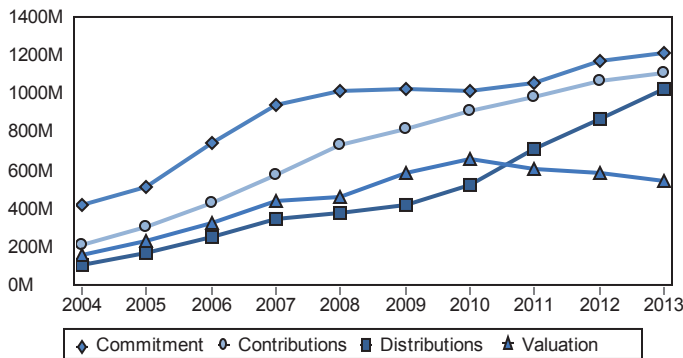
Cash Flow and Valuation Summary



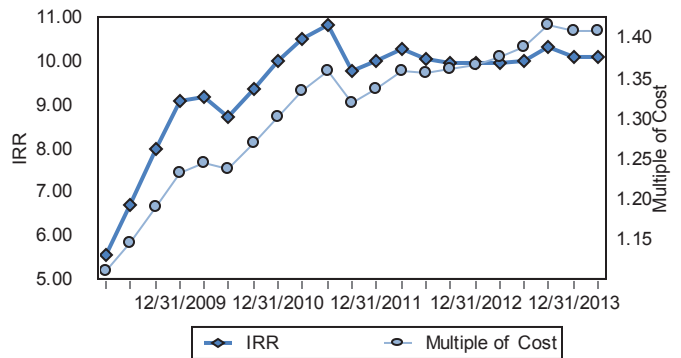
Commitment by Vintage Year



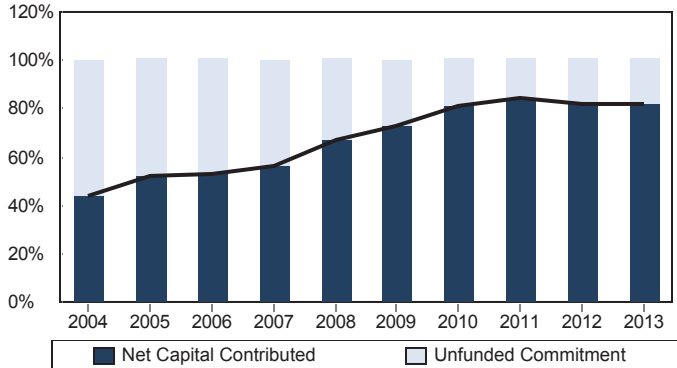
Historical Cash Flows and Valuation



Historical Performance



Historical Percent Funded



Period IRRs



Section VII.

Cash Flow

Monthly Valuation Change

Period : 12/01/2013 - 12/31/2013

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
Grand Total		8,042,307,493.31	78,448,355.82	(39,442,651.13)	8,003,301,788.62
Total Global Equity		4,642,363,166.85	78,359,295.27	(100,000,000.00)	4,664,003,871.58
Global Equity		4,002,564,288.75	67,948,054.16	(100,000,000.00)	4,034,616,234.59
	SSGA R3000 INDEX	2,010,157,910.54	50,274,736.99	(100,000,000.00)	2,059,883,173.55
	SSGA MSCI EAFE	1,419,900,373.13	20,818,248.95	0.00	1,399,082,124.18
	SSGA MSCI CANADA	141,714,809.75	2,318,426.09	0.00	139,396,383.66
	SSGA MSCI EM	430,791,195.33	(5,463,357.87)	0.00	436,254,553.20
Global Equity Hedge Funds		639,798,878.10	10,411,241.11	0.00	629,387,636.99
	ASCEND PTRS II	68,236,125.31	1,155,246.77	0.00	67,080,878.54
	DAVIDSON KEMPNER	71,061,041.91	185,762.92	0.00	70,875,278.99
	ELLIOTT ASSOCIATES	75,532,497.21	673,728.92	0.00	74,858,768.29
	INDUS ASIA PACIFIC	44,658,914.12	(101,772.68)	0.00	44,760,686.80
	MASON CAPITAL	69,974,513.41	1,084,530.16	0.00	68,889,983.25
	PFM DIVERSIFIED	74,570,310.19	1,659,746.77	0.00	72,910,563.42
	SAMLYN ON/OFFSHORE	78,316,489.49	1,938,178.48	0.00	76,378,311.01
	THIRD POINT PTRS	74,337,328.23	1,673,316.01	0.00	72,664,012.22
	VIKING GLOBAL EQUITI	83,111,658.23	2,142,503.76	0.00	80,969,154.47
Private Equity		549,554,834.87	1,754,057.94	(6,210,818.96)	554,011,595.89
Private Equity		549,554,834.87	1,754,057.94	(6,210,818.96)	554,011,595.89
	PRIVATE EQUITY	549,554,834.87	1,754,057.94	(6,210,818.96)	554,011,595.89
Total Fixed Income		1,078,678,460.56	(5,061,033.31)	0.00	1,083,739,493.87
Fixed Income		1,078,678,460.56	(5,061,033.31)	0.00	1,083,739,493.87
	MACKAY SHIELDS	538,150,930.82	(2,713,015.15)	0.00	540,863,945.97
	PYRAMIS GLOBAL ADV	540,527,529.74	(2,348,018.16)	0.00	542,875,547.90
Total Real Return		1,199,452,942.32	2,500,874.09	0.00	1,196,952,068.23
Alternative Absolute Return		351,082,163.12	2,793,506.68	0.00	348,288,656.44
	BLUE CREST CAP	20,829,148.99	(124,094.43)	0.00	20,953,243.42
	BREVAN HOWARD	80,517,560.10	267,672.46	0.00	80,249,887.64
	DE SHAW	67,122,463.61	288,180.21	0.00	66,834,283.40
	GRAHAM GLOBAL	53,798,123.12	625,026.73	0.00	53,173,096.39
	OZ DOMESTIC PTRS	96,740,468.98	1,615,011.25	0.00	95,125,457.73
	WINTON FUTURE FD	32,074,398.32	121,710.46	0.00	31,952,687.86
Alternative Fixed Income		159,977,413.61	478,251.03	0.00	159,499,162.58
	BRIGADE LEV CAP	55,503,904.01	371,192.48	0.00	55,132,711.53
	CAPULA GLOBAL	53,893,303.12	127,074.18	0.00	53,766,228.94
	CLAREN ROAD CR. FUND	50,580,206.48	(20,015.63)	0.00	50,600,222.11
Credit		411,394,648.45	2,126,815.45	0.00	409,267,833.00
	PIMCO	204,600,855.78	1,099,179.15	0.00	203,501,676.63
	WAMCO	206,793,792.67	1,027,636.30	0.00	205,766,156.37
GILBs		276,998,717.14	(2,897,699.07)	0.00	279,896,416.21
	BROWN BROTHERS HARR	276,998,717.14	(2,897,699.07)	0.00	279,896,416.21
Real Estate		245,209,375.60	1,078,907.71	(15,009,674.46)	259,140,142.35
Real Estate		245,209,375.60	1,078,907.71	(15,009,674.46)	259,140,142.35

Monthly Valuation Change

Period : 12/01/2013 - 12/31/2013

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
	REAL ESTATE	245,209,375.60	1,078,907.71	(15,009,674.46)	259,140,142.35
Total Cash		310,780,098.45	(114,155.64)	82,505,472.83	228,388,781.26
Cash Accounts		310,780,098.45	(114,155.64)	82,505,472.83	228,388,781.26
	ERSRI CASH	307,774,600.45	(114,155.64)	83,273,608.83	224,615,147.26
	CITIZENS CASH	3,005,498.00	0.00	(768,136.00)	3,773,634.00
Total Other		15,337,757.61	(115,241.87)	0.00	15,452,999.48
Other		15,337,757.61	(115,241.87)	0.00	15,452,999.48
	RUSSELL OVERLAY FD	15,337,757.61	(115,241.87)	0.00	15,452,999.48
Total Miscellaneous		930,857.05	45,651.63	(727,630.54)	1,612,835.96
Miscellaneous Accounts		930,857.05	45,651.63	(727,630.54)	1,612,835.96
	RI TRANS ACCT	199,633.19	3,773.13	0.00	195,860.06
	SHOTT CAPITAL	274,442.99	40,834.63	(727,630.54)	961,238.90
	DOM EQUITY TRANS	74.25	0.00	0.00	74.25
	NON-US EQUITY TRANS	97.49	1.16	0.00	96.33
	FIXED INC TRANS	331,091.31	1,166.67	0.00	329,924.64
	MACKAY SHIELDS LLC	125,517.32	(123.96)	0.00	125,641.28
	TAPLIN CANIDA HAB	0.50	0.00	0.00	0.50

Custodian Inception To Date Valuation Change

Period : 11/01/2012 - 12/31/2013

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
Grand Total		8,042,307,493.31	1,194,276,889.98	(533,225,307.83)	7,381,255,911.16
Total Global Equity		4,642,363,166.85	1,024,293,073.18	(148,884,817.01)	3,766,954,910.68
Global Equity		4,002,564,288.75	919,809,785.08	(148,884,817.01)	3,231,639,320.68
	SSGA MSCI CANADA	141,714,809.75	9,978,414.23	42,645.39	131,693,750.13
	SSGA MSCI EAFE	1,419,900,373.13	330,162,973.22	(9,608,853.85)	1,099,346,253.76
	SSGA MSCI EM	430,791,195.33	14,146,348.33	452,756.97	416,192,090.03
	SSGA R3000 INDEX	2,010,157,910.54	565,522,049.30	(139,771,365.52)	1,584,407,226.76
Global Equity Hedge Funds		639,798,878.10	104,483,288.10	0.00	535,315,590.00
	ASCEND PTRS II	68,236,125.31	7,249,845.31	0.00	60,986,280.00
	DAVIDSON KEMPNER	71,061,041.91	7,014,761.91	0.00	64,046,280.00
	ELLIOTT ASSOCIATES	75,532,497.21	10,345,737.21	0.00	65,186,760.00
	INDUS ASIA PACIFIC	44,658,914.12	2,986,554.12	0.00	41,672,360.00
	MASON CAPITAL	69,974,513.41	13,261,313.41	0.00	56,713,200.00
	PFM DIVERSIFIED	74,570,310.19	16,502,790.19	0.00	58,067,520.00
	SAMLYN ON/OFFSHORE	78,316,489.49	13,441,429.49	0.00	64,875,060.00
	THIRD POINT PTRS	74,337,328.23	18,123,978.23	0.00	56,213,350.00
	VIKING GLOBAL EQUITI	83,111,658.23	15,556,878.23	0.00	67,554,780.00
Private Equity		549,554,834.87	94,521,394.91	(151,698,007.96)	606,731,447.92
Private Equity		549,554,834.87	94,521,394.91	(151,698,007.96)	606,731,447.92
	PRIVATE EQUITY	549,554,834.87	94,521,394.91	(151,698,007.96)	606,731,447.92
Total Fixed Income		1,078,678,460.56	(18,728,460.51)	1,482,609.33	1,095,924,311.74
Fixed Income		1,078,678,460.56	(18,728,460.51)	1,482,609.33	1,095,924,311.74
	MACKAY SHIELDS	538,150,930.82	(9,083,836.19)	0.00	547,234,767.01
	PYRAMIS GLOBAL ADV	540,527,529.74	(9,644,624.32)	1,482,609.33	548,689,544.73
Total Real Return		1,199,452,942.32	53,455,895.90	252,456,172.37	893,540,874.05
Alternative Absolute Return		351,082,163.12	40,518,374.88	(54,619,461.76)	365,183,250.00
	BLUE CREST CAP	20,829,148.99	(138,351.01)	0.00	20,967,500.00
	BREVAN HOWARD	80,517,560.10	3,795,185.10	0.00	76,722,375.00
	DE SHAW	67,122,463.61	12,261,763.61	0.00	54,860,700.00
	GRAHAM GLOBAL	53,798,123.12	3,072,423.12	0.00	50,725,700.00
	OZ DOMESTIC PTRS	96,740,468.98	14,465,243.98	0.00	82,275,225.00
	WEXFORD SPECTRUM	0.00	3,621,811.76	(54,619,461.76)	50,997,650.00
	WINTON FUTURE FD	32,074,398.32	3,440,298.32	0.00	28,634,100.00
Alternative Fixed Income		159,977,413.61	5,479,439.48	15,075,634.13	139,422,340.00
	BRIGADE LEV CAP	55,503,904.01	3,970,804.01	0.00	51,533,100.00
	CAPULA GLOBAL	53,893,303.12	4,069,703.12	0.00	49,823,600.00
	CLAREN ROAD CR. FUND	50,580,206.48	580,206.48	50,000,000.00	0.00
	GRACIE CREDIT FUND	0.00	(3,141,274.13)	(34,924,365.87)	38,065,640.00
Credit		411,394,648.45	11,394,648.45	400,000,000.00	0.00
	PIMCO	204,600,855.78	4,600,855.78	200,000,000.00	0.00
	WAMCO	206,793,792.67	6,793,792.67	200,000,000.00	0.00
GILBs		276,998,717.14	(3,936,566.91)	(108,000,000.00)	388,935,284.05
41	BROWN BROTHERS HARR	276,998,717.14	(3,936,566.91)	(108,000,000.00)	388,935,284.05

Custodian Inception To Date Valuation Change

Period : 11/01/2012 - 12/31/2013

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
Real Estate		245,209,375.60	19,316,265.22	(49,274,609.82)	275,167,720.20
Real Estate		245,209,375.60	19,316,265.22	(49,274,609.82)	275,167,720.20
	REAL ESTATE	245,209,375.60	19,316,265.22	(49,274,609.82)	275,167,720.20
Total Cash		310,780,098.45	(1,587,934.67)	(336,258,436.70)	648,626,469.82
Cash Accounts		310,780,098.45	(1,587,934.67)	(336,258,436.70)	648,626,469.82
	CITIZENS CASH	3,005,498.00	0.00	3,005,498.00	0.00
	ERSRI CASH	307,774,600.45	(1,587,934.67)	(339,263,934.70)	648,626,469.82
Total Other		15,337,757.61	22,592,082.35	(77,000,000.00)	69,745,675.26
Other		15,337,757.61	22,592,082.35	(77,000,000.00)	69,745,675.26
	RUSSELL OVERLAY FD	15,337,757.61	22,592,082.35	(77,000,000.00)	69,745,675.26
Total Miscellaneous		930,857.05	414,573.60	(24,048,218.04)	24,564,501.49
Miscellaneous Accounts		930,857.05	414,573.60	(24,048,218.04)	24,564,501.49
	BROWN BROS BOND	0.00	(1,271,132.15)	(629,969.37)	1,901,101.52
	BROWN BROS HARR	0.00	(330,705.68)	330,092.71	612.97
	DOM EQUITY TRANS	74.25	(66,717.51)	66,634.41	157.35
	FIDELITY MGMT	0.00	(64,776.86)	(351,063.60)	415,840.46
	FIXED INC TRANS	331,091.31	645,420.91	(16,160,090.85)	15,845,761.25
	MACKAY SHIELDS LLC	125,517.32	334,349.12	(5,100,105.88)	4,891,274.08
	NON-US EQUITY TRANS	97.49	(89,318.24)	71,484.13	17,931.60
	RI TRANS ACCT	199,633.19	(80,098.43)	(152,752.78)	432,484.40
	SHOTT CAPITAL	274,442.99	1,330,990.95	(2,043,187.56)	986,639.60
	TAPLIN CANIDA HAB	0.50	6,561.49	(79,259.25)	72,698.26

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2014	FY 2013-14												
	TOTAL	Projected June	Projected May	Projected April	Projected March	Projected February	Projected January 2014	Actual December	Actual November	Actual October	Actual September	Actual August	Actual July 2013
MEMBER BENEFITS	838,354,058	70,100,000	70,100,000	70,100,000	70,100,000	70,100,000	70,100,000	69,437,646	69,523,293	69,702,496	69,797,473	69,805,492	69,487,658
ADMINISTRATIVE EXPENSES	7,191,150	757,076	453,061	517,020	662,098	550,670	552,758	1,074,316	553,524	565,615	532,331	736,515	236,168
INVESTMENT EXPENSES	5,125,974	417,092	172,318	301,668	450,999	220,096	59,358	1,017,944	69,216	1,070,145	593,340	26,112	727,684
TOTAL OUTFLOW	850,671,183	71,274,168	70,725,379	70,918,688	71,213,097	70,870,767	70,712,116	71,529,906	70,146,032	71,338,256	70,923,145	70,568,119	70,451,510
CONTRIBUTIONS	435,388,052	38,133,817	31,828,584	35,569,085	39,422,719	33,108,869	35,845,503	34,754,689	36,130,761	36,350,442	27,777,778	28,296,782	58,169,023
OTHER INCOME*	73,700,201	4,836,170	6,903,236	4,371,211	8,611,826	3,375,926	2,341,228	8,139,354	9,826,932	10,483,882	6,256,390	2,556,842	5,997,205
TOTAL INCOME	509,088,253	42,969,987	38,731,820	39,940,296	48,034,545	36,484,795	38,186,731	42,894,043	45,957,693	46,834,324	34,034,168	30,853,624	64,166,228
DIFFERENCE	(341,582,930)	(28,304,181)	(31,993,559)	(30,978,392)	(23,178,552)	(34,385,971)	(32,525,385)	(28,635,864)	(24,188,340)	(24,503,932)	(36,888,977)	(39,714,496)	(6,285,282)

Municipal Employees Retirement System

FISCAL YEAR 2014	FY 2013-14												
	TOTAL	Projected June	Projected May	Projected April	Projected March	Projected February	Projected January 2014	Actual December	Actual November	Actual October	Actual September	Actual August	Actual July 2013
MEMBER BENEFITS	85,483,277	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,220,144	7,210,875	7,218,924	7,158,292	7,186,464	6,888,578
ADMINISTRATIVE EXPENSES	1,458,662	153,323	91,479	104,125	132,873	110,253	109,675	221,317	113,669	115,797	108,666	149,656	47,830
INVESTMENT EXPENSES	1,043,176	84,469	34,793	60,754	90,509	44,067	11,778	209,704	14,214	219,088	121,120	5,306	147,374
TOTAL OUTFLOW	87,985,115	7,337,792	7,226,272	7,264,879	7,323,381	7,254,319	7,221,453	7,651,166	7,338,757	7,553,809	7,388,079	7,341,425	7,083,781
CONTRIBUTIONS	50,278,941	4,499,901	3,503,059	4,320,753	4,111,725	3,834,860	4,570,476	4,516,034	4,524,554	4,066,559	4,317,534	3,012,033	5,001,453
OTHER INCOME*	14,974,682	979,420	1,393,850	880,339	1,728,258	675,913	464,535	1,676,769	2,018,006	2,146,339	1,277,136	519,535	1,214,581
TOTAL INCOME	65,253,623	5,479,321	4,896,909	5,201,092	5,839,983	4,510,773	5,035,011	6,192,803	6,542,560	6,212,898	5,594,670	3,531,568	6,216,034
DIFFERENCE	(22,731,493)	(1,858,471)	(2,329,363)	(2,063,787)	(1,483,398)	(2,743,546)	(2,186,442)	(1,458,363)	(796,198)	(1,340,911)	(1,793,409)	(3,809,857)	(867,748)

CASH FLOW ANALYSIS - INCOME & EXPENSES

State Police
Retirement System

	TOTAL	Projected June	Projected May	Projected April	Projected March	Projected February	Projected January 2014	Actual December	Actual November	Actual October	Actual September	Actual August	Actual July 2013
MEMBER BENEFITS	1,587,772	133,000	133,000	133,000	133,000	133,000	133,000	135,474	137,759	129,570	131,038	123,069	132,861
ADMINISTRATIVE EXPENSES	107,908	11,299	6,700	7,591	9,628	7,949	7,794	16,820	8,592	8,725	8,139	11,132	3,538
INVESTMENT EXPENSES	77,663	6,225	2,548	4,429	6,558	3,177	837	15,937	1,074	16,509	9,072	395	10,902
TOTAL OUTFLOW	1,773,342	150,523	142,248	145,020	149,186	144,127	141,631	168,231	147,426	154,804	148,248	134,596	147,301
CONTRIBUTIONS	4,657,772	293,000	498,000	303,000	423,000	323,000	318,000	535,474	432,759	319,570	351,038	538,069	322,861
OTHER INCOME*	1,111,267	72,175	102,087	64,180	125,231	48,734	33,014	127,430	152,542	161,729	95,653	38,645	89,846
TOTAL INCOME	5,769,039	365,175	600,087	367,180	548,231	371,734	351,014	662,904	585,302	481,299	446,691	576,714	412,707
DIFFERENCE	3,995,697	214,652	457,839	222,160	399,045	227,607	209,382	494,674	437,876	326,495	298,443	442,118	265,406

Judicial
Retirement System

	TOTAL	Projected June	Projected May	Projected April	Projected March	Projected February	Projected January 2014	Actual December	Actual November	Actual October	Actual September	Actual August	Actual July 2013
MEMBER BENEFITS	1,595,774	130,000	130,000	130,000	130,000	130,000	130,000	139,552	139,534	139,534	139,534	128,810	128,810
ADMINISTRATIVE EXPENSES	55,123	5,764	3,425	3,859	4,919	4,062	3,987	8,606	4,398	4,457	4,160	5,680	1,805
INVESTMENT EXPENSES	39,670	3,176	1,303	2,252	3,351	1,624	428	8,154	550	8,433	4,637	201	5,562
TOTAL OUTFLOW	1,690,567	138,940	134,728	136,110	138,270	135,686	134,415	156,312	144,482	152,424	148,331	134,692	136,176
CONTRIBUTIONS	3,220,774	210,000	215,000	210,000	315,000	215,000	205,000	359,552	269,534	279,534	279,534	423,810	238,810
OTHER INCOME*	567,756	36,821	52,188	32,625	63,982	24,905	16,887	65,202	78,081	82,617	48,892	19,720	45,836
TOTAL INCOME	3,788,530	246,821	267,188	242,625	378,982	239,905	221,887	424,753	347,615	362,151	328,426	443,530	284,646
DIFFERENCE	2,097,963	107,881	132,461	106,515	240,712	104,219	87,472	268,441	203,133	209,726	180,095	308,838	148,469

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

FISCAL YEAR 2014

DIRECT BILLED INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

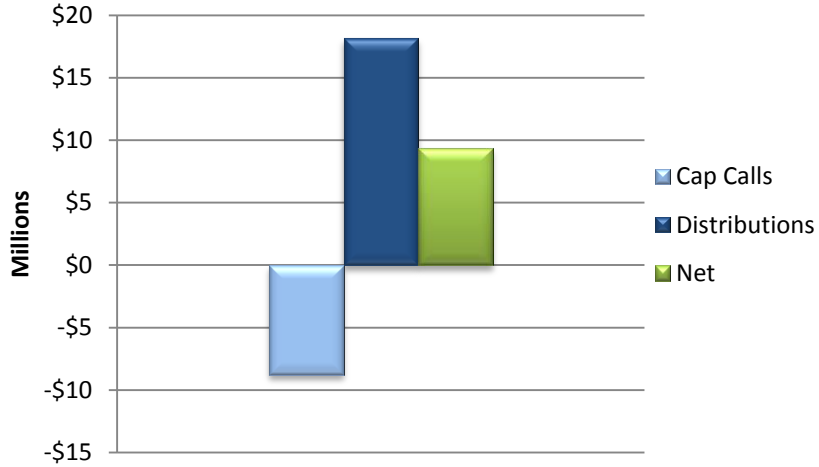
ACCRUAL BASIS

	Actual Jul 13	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Projected Dec	Projected Jan 14	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected TOTAL
EQUITIES US													
SSGA Russell 2000/3000			59,934			55,000			55,000			55,000	224,934
Shott Capital			26,442			<u>5,000</u>			<u>5,000</u>			<u>5,000</u>	<u>41,442</u>
			86,376			60,000			60,000			60,000	266,376
FIXED INCOME													
Pyramis			172,121			175,000			175,000			175,000	697,121
Mackay Shields			180,883			185,000			185,000			185,000	735,883
Brown Bros.TIPS/GILB			80,272			<u>115,000</u>			<u>115,000</u>			<u>115,000</u>	<u>425,272</u>
			433,276			475,000			475,000			475,000	1,858,276
INT'L EQUITIES													
SSgA MSCI ACWI			0			0			0			0	0
SSGA MSCI EAFE			97,005			95,000			95,000			95,000	382,005
SSGA MSCI CAD			9,974			10,000			10,000			10,000	39,974
SSGA MSCI Emerg Mkts			101,705			<u>110,000</u>			<u>110,000</u>			<u>110,000</u>	<u>431,705</u>
			208,684			215,000			215,000			215,000	853,684
CREDIT													
WAMCO			150,562			150,000			150,000			150,000	600,562
PIMCO			237,417			<u>225,000</u>			<u>225,000</u>			<u>225,000</u>	<u>912,417</u>
			387,978			375,000			375,000			375,000	1,512,978
REAL ESTATE													
Direct Billed Real Estate	139,113	(470)	85,776	142,518	0	218,158	255,104	0	161,136	134,488	0	84,537	1,220,360
ALTERNATIVE INVESTMENTS													
Direct Billed Private Equity	752,409	32,484	642,393	687,733	85,054	1,033,582	748,402	177,158	551,417	234,616	420,078	436,103	5,801,428
SUB TOTAL-INV MGMT FEES													
	891,522	32,014	1,456,505	830,252	85,054	2,001,740	1,003,507	177,158	1,837,553	369,103	420,078	1,645,640	11,513,103
PROFESSIONAL FEES													
Legal	8,490	39,510	26,807	27,576	10,438	10,000	10,000	10,000	10,000	10,000	10,000	10,000	182,820
BNY Mellon - Custodial	29,511	29,219	28,904	28,946	29,131	30,000	30,000	30,000	30,000	30,000	30,000	30,000	355,711
Cliffwater	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	450,000
PCA/Russell	13,125	13,125	64,468	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	208,847
PCA Real Estate	10,417	12,314	10,417	10,417	10,417	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>126,901</u>
	99,044	131,667	168,096	117,565	100,611	101,042	101,042	101,042	101,042	101,042	101,042	101,042	1,324,279
OPERATING EXPENSE													
Retirement Transfers	188,298	765,281	527,948	573,526	642,997	1,214,092	545,053	537,772	607,063	510,434	562,143	1,078,917	7,753,524
Other Expense	13,762	0	7,500	2,450	7,500	5,925	0	<u>7,500</u>	<u>12,525</u>	<u>5,400</u>	<u>6,250</u>	<u>17,192</u>	<u>86,004</u>
	202,060	765,281	535,448	575,976	650,497	1,220,017	545,053	545,272	619,588	515,834	568,393	1,096,109	7,839,527
TOTAL:	1,192,625	928,962	2,160,048	1,523,792	836,162	3,322,799	1,649,602	823,472	2,558,183	985,980	1,089,513	2,842,791	20,676,909

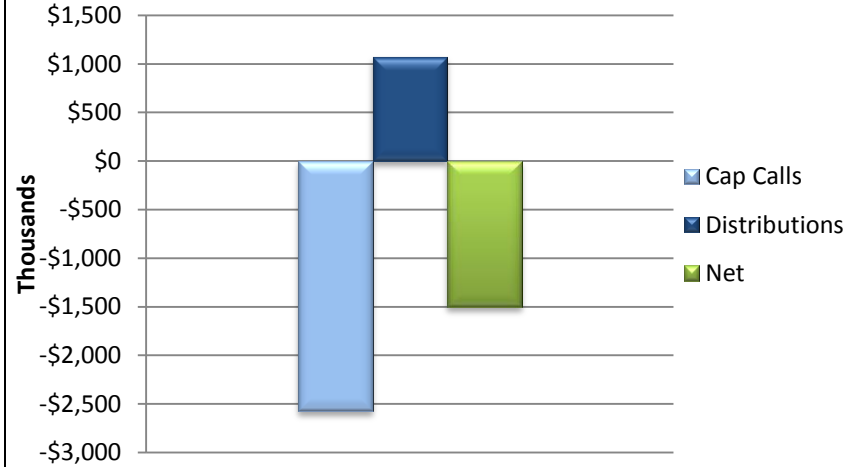
Note: Numbers in bold are actual.

Private Equity & Real Estate Cash Flow

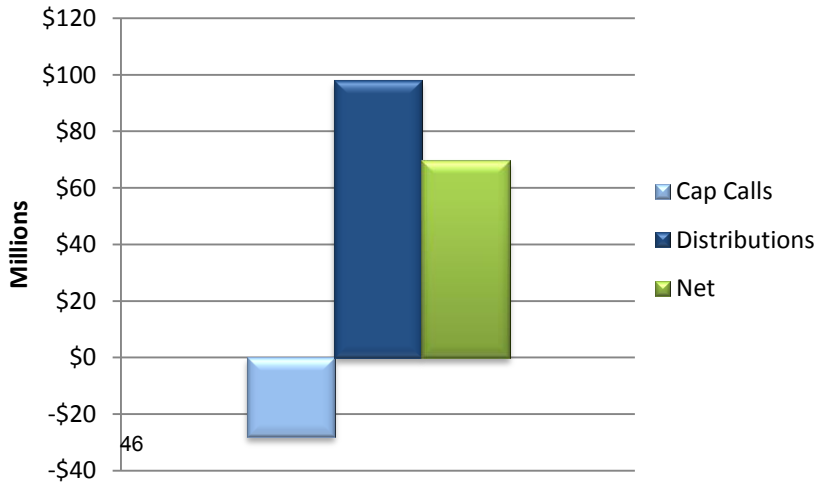
Private Equity - MTD December 2013



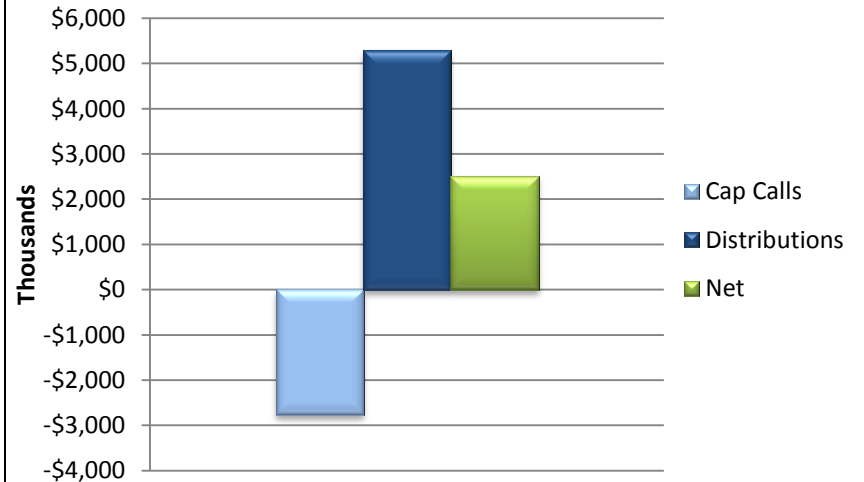
Real Estate - MTD December 2013



Private Equity - Fiscal YTD December 2013



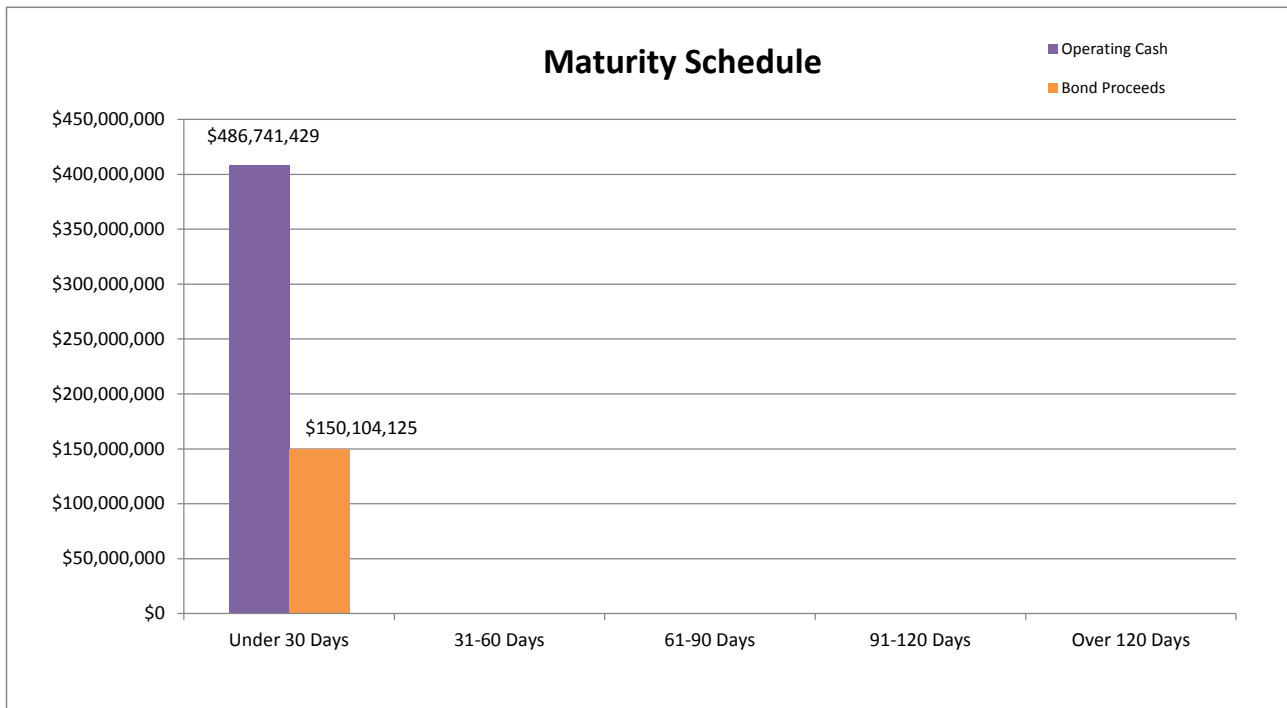
Real Estate - Fiscal YTD December 2013



Section VIII.

Short-Term Investments

Short-Term Investment Maturity Schedule & SIC Compliance Report at December 31, 2013



Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	GiD	OSIP	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	50%/50%	
OSIP	0	0	0	0	0	0	0	165,762,536	165,762,536
	0%	0%	0%	0%	0%	0%	0%	41%	40.55%
Bank RI	0	15,102,736	0	0	0	0	0	0	15,102,736
	0%	4%	0%	0%	0%	0%	0%	0%	3.69%
Sovereign Bank	0	0	0	0	89,748,985	0	0	0	89,748,985
	0%	0%	0%	0%	22%	0%	0%	0%	21.96%
JP Morgan Chase	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Federated Investors	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Fidelity	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
BlackRock	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Wells Fargo	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Citizens Bank	0	0	0	0	1,507,132	0	0	0	1,507,132
	0%	0%	0%	0%	0%	0%	0%	0%	0.37%
Webster Bank	0	0	0	0	71,354,389	0	0	0	71,354,389
	0%	0%	0%	0%	17%	0%	0%	0%	17.46%
Oppenheimer Inc	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	24,000,000	0	41,296,555	0	0	0	0	65,296,555
	0%	6%	0%	10%	0%	0%	0%	0%	15.97%
TOTALS	-	39,102,736	-	41,296,555	162,610,507	-	-	165,762,536	408,772,334
(%) PORTFOLIO	0.00%	9.57%	0.00%	10.10%	39.78%	0.00%	0.00%	40.55%	100.00%

Note: PIP + CD must be under 75%.

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

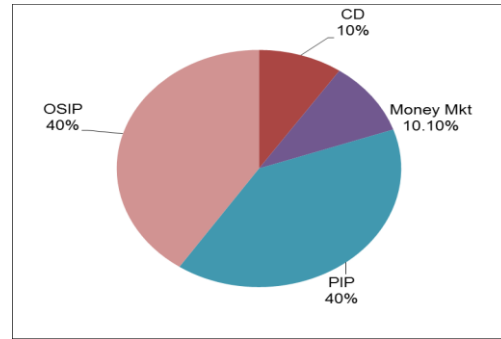
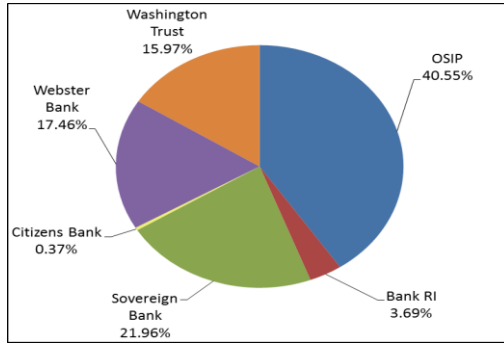
State of Rhode Island
Short Term Cash Monthly Performance
Performance for
December 01, 2013 to December 31, 2013

Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield(Annual)
GENERAL FUND	\$ 105,580,780.43	\$ 101,209,873.39	\$ 126,203,361.08	\$ 29,092.96	0.2714%
H.A.V.A	\$ 294.70	\$ 294.72	\$ 294.70	\$ 0.02	0.0799%
GENERAL FUND (HIST PRES)	\$ 537,426.90	\$ 537,468.87	\$ 537,426.90	\$ 41.97	0.0919%
HISTORIC TAX CREDITS	\$ 102,351.63	\$ 102,359.62	\$ 102,351.63	\$ 7.99	0.0919%
HIGHWAY FUND	\$ 21,470,987.16	\$ 20,174,988.92	\$ 20,583,890.38	\$ 4,001.76	0.2289%
T.D.I. RESERVE (DET)	\$ 115,426,174.34	\$ 106,442,422.48	\$ 110,361,658.21	\$ 16,248.14	0.1733%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	-
RICAP GL FUND 21	\$ 89,982,565.85	\$ 79,294,030.48	\$ 84,205,146.50	\$ 11,464.63	0.1603%
BOND CAPITAL FUND	\$ 972,397.74	\$ 872,662.54	\$ 1,249,817.09	\$ 264.80	0.2495%
R.I. CLEAN WATER ACT	\$ 3,179,014.04	\$ 3,179,238.59	\$ 3,179,014.04	\$ 224.55	0.0832%
STATE LOTTERY FUND	\$ 46,884,080.50	\$ 45,093,319.94	\$ 40,006,661.15	\$ 9,239.44	0.2719%
ASSESSED FRINGE BEN ADM	\$ 7,758.70	\$ 7,759.10	\$ 7,758.70	\$ 0.40	0.0607%
AUTO EQUIPMENT SERVICE	\$ 1,243.00	\$ 1,243.06	\$ 1,243.00	\$ 0.06	0.0568%
HEALTH INSURANCE FUND	\$ 30,867,472.91	\$ 35,270,318.66	\$ 36,477,150.33	\$ 2,845.75	0.0919%
FLEET REVOLVING LOAN FUND	\$ 7,621,806.16	\$ 7,623,343.61	\$ 7,621,806.16	\$ 1,537.45	0.2375%
EMPLOYEES RETIREMENT	\$ 68,873.26	\$ 924,201.09	\$ 18,326,937.77	\$ 5,327.83	0.3423%
MUNICIPAL EMPLOYEES RET.	\$ 115,671.19	\$ 566,185.95	\$ 2,425,348.61	\$ 514.76	0.2499%
RETIREE HEALTH FUND	\$ 455,245.24	\$ 655,308.64	\$ 803,632.34	\$ 63.40	0.0929%
BOG RETIREE FUND	\$ 137,239.55	\$ 137,250.27	\$ 137,239.55	\$ 10.72	0.0920%
RIPTA HEALTH FUND	\$ 664.51	\$ 664.56	\$ 664.51	\$ 0.05	0.0886%
PERMANENT SCHOOL FUND	\$ 1,933,975.34	\$ 1,934,126.35	\$ 1,933,975.34	\$ 151.01	0.0919%
TEACHER RETIREE HEALTH FUND	\$ 506,421.34	\$ 306,455.25	\$ 429,001.99	\$ 33.91	0.0931%
RI ST POL RETIREE HEALTH	\$ 167,828.50	\$ 167,841.61	\$ 167,828.50	\$ 13.11	0.0920%
RI LEG RETIREE HEALTH	\$ 196.18	\$ 196.19	\$ 196.18	\$ 0.01	0.0600%
RI JUDICIAL RETIREE HEALTH	\$ 168.37	\$ 168.38	\$ 168.37	\$ 0.01	0.0699%
UNIVERSITY COLLEGE	\$ 158,950.77	\$ 8,952.09	\$ 18,628.19	\$ 1.32	0.0834%
HIGHER EDUCATION	\$ 1,406,847.15	\$ 1,406,957.01	\$ 1,406,847.15	\$ 109.86	0.0919%
INDUS. BLDG. & MTG. INS.	\$ 2,854,479.27	\$ 2,854,702.17	\$ 2,854,479.27	\$ 222.90	0.0919%
Operating Funds Totals	\$ 430,440,914.73	\$ 408,772,333.54	\$ 459,042,527.64	\$ 81,418.81	0.209%
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	-
CCDL1993A	\$ 7,385.63	\$ 7,385.83	\$ 7,385.26	\$ 0.58	0.0925%
BOND CCDL 1994 SERIES A	\$ 15,000.77	\$ 15,001.17	\$ 15,000.02	\$ 1.17	0.0918%
BOND CCBL96A	\$ -	\$ -	\$ -	\$ -	-
CAP DEV OF 1997 SERIES A	\$ 41,014.45	\$ 41,015.54	\$ 41,012.41	\$ 3.20	0.0919%
CCDL1998A	\$ 1,695,920.80	\$ 1,695,965.89	\$ 1,695,836.28	\$ 132.43	0.0919%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
MMG099 1999	\$ -	\$ -	\$ -	\$ -	-
BOND CAPITOL CCDL2000A	\$ 102,389.43	\$ 102,392.16	\$ 102,384.33	\$ 8.00	0.0920%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	-
CCDL2001C	\$ 201,337.24	\$ 201,342.59	\$ 201,327.20	\$ 15.72	0.0919%
CCDL2002B	\$ -	\$ -	\$ -	\$ -	-
CCDL 2004 SERIES A	\$ 2,804,487.66	\$ 2,804,561.52	\$ 2,804,347.21	\$ 218.99	0.0919%
BOND CCDL 2005 SERIES C	\$ 7,171,566.18	\$ 7,171,756.86	\$ 7,171,208.77	\$ 560.00	0.0919%
BOND CCDL 2005 SERIES E	\$ 717,055.54	\$ 717,074.60	\$ 717,019.80	\$ 55.99	0.0919%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	-
BOND CCDL 2006 SERIES C	\$ 2,406,780.21	\$ 2,406,844.21	\$ 2,406,660.27	\$ 187.94	0.0919%
GO BND-NTAX 2007 SERIES A	\$ 5,938,643.81	\$ 5,938,801.72	\$ 5,938,347.86	\$ 463.73	0.0919%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	-
GO BND-NTAX 2008 SERIES B	\$ 349,803.34	\$ 349,812.64	\$ 349,785.91	\$ 27.31	0.0919%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	-
CCDL10B BOND CAPITAL COMPONENT	\$ 1,730,089.09	\$ 1,730,135.10	\$ 1,730,002.87	\$ 135.10	0.0919%
CCDL10C	\$ 161,670.16	\$ 161,682.78	\$ 161,670.16	\$ 12.62	0.0919%
CCDL10D	\$ 103,921.29	\$ 103,924.06	\$ 103,916.11	\$ 8.12	0.0920%
CCDL2011A	\$ 25,954,008.21	\$ 25,927,324.31	\$ 25,935,932.45	\$ 2,025.33	0.0919%
CCDL2012B	\$ 56,212,929.89	\$ 55,762,232.53	\$ 55,932,994.12	\$ 4,367.73	0.0919%
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	\$ 197,531.38	\$ 197,536.64	\$ 197,521.54	\$ 15.43	0.0920%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	-
CCDL99A 1999A	\$ 205,299.92	\$ 205,305.38	\$ 205,289.69	\$ 16.03	0.0919%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2007 SERIES A	\$ 283,266.65	\$ 283,274.18	\$ 283,252.53	\$ 22.12	0.0919%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	-
CCDL10B CLEAN WATER COMPONENT	\$ -	\$ -	\$ -	\$ -	-
CCDL2011A CLEAN WATER COMPONENT	\$ 1,236,063.65	\$ 1,236,096.52	\$ 1,236,002.05	\$ 96.52	0.0919%
CCDL2011A POLL CTRL CMPNT	\$ -	\$ -	\$ -	\$ -	-
Bond Proceeds Fund Totals	\$ 107,536,165.30	\$ 107,059,466.23	\$ 107,236,896.84	\$ 8,374.06	0.092%
TANS PROCEEDS	\$ -	\$ -	\$ -	\$ -	-
Grand Totals	\$ 537,977,080.03	\$ 515,831,799.77	\$ 566,279,424.48	\$ 89,792.87	0.180%

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

**Issuer Credit Rating
December 31, 2013**

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	
BRKL US Equity	Bank RI	3,4	3.69%	N/R		N/A	N/A	N/A	N/A	N/A
SAN US Equity	Sovereign Bank	3,4	21.96%	Baa1		P-2	A-2	Baa1	BBB	Stable
BAC US Equity	Bank of America		0.00%	Baa2		P-2	A-2	Baa2	A-	Negative
JPM US Equity	JP Morgan Chase		0.00%	A3		P-2	A-1	A3	A	Negative
	Fidelity		0.00%	N/R		N/A	N/A	N/A	N/A	N/A
3899Z US Equity	State Street Bank & Trust Company		0.00%	Aa3		P-1	A-1+	Aa3	AA-	Stable
629671Z US Equity	RBS Citizens	3,4	0.37%	A3		P-2	A-2	A3	A-	Negative
16615Z US Equity	Webster Bank	3,4	17.46%	A3		P-2	A-2	A3	BBB	Positive
	Ocean State Investment Pool	6	40.55%	N/R		N/A	N/A	N/A	N/A	N/A
WASH US Equity	Washington Trust	3,7	15.97%	N/R		N/A	N/A	N/A	N/A	N/A



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

Ratings Definitions

Moody's Short-Term Debt Ratings:

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

Moody's Issuer Rating Symbols:

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

Moody's Long-Term Debt Ratings:

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

Modifiers:

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

S&P Short-Term Credit Ratings:

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

S&P Outlook Definitions:

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

S&P Long-Term Debt Ratings:

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

State of Rhode Island
 OSIP Performance FY13 Q4
 October 1, 2013 to December 31, 2013

Fund #	Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield
1000	GENERAL FUND	\$ 57,309,151.38	\$ 37,318,381.15	\$ 49,700,455.73	\$ 9,229.77	0.07%
1004	GENERAL FUND (HIST PRES)	\$ 537,359.87	\$ 537,462.28	\$ 537,359.87	\$ 102.41	0.08%
1100	HISTORIC TAX CREDITS	\$ 102,325.36	\$ 102,344.86	\$ 102,325.36	\$ 19.50	0.08%
1200	HIGHWAY FUND	\$ 5,916,704.29	\$ 217,508.18	\$ 4,306,921.68	\$ 803.89	0.07%
1400	T.D.I. RESERVE (DET)	\$ 20,012,153.74	\$ 26,016,901.96	\$ 24,925,197.22	\$ 4,748.22	0.08%
2100	RICAP GL FUND 21	\$ 53,033,648.94	\$ 48,743,470.54	\$ 51,818,431.55	\$ 9,821.60	0.08%
2300	R.I. CLEAN WATER ACT	\$ 2,304,627.55	\$ 2,305,066.75	\$ 2,304,627.55	\$ 439.20	0.08%
4000	STATE LOTTERY FUND	\$ 7,777,819.07	\$ 7,779,301.28	\$ 7,777,819.07	\$ 1,482.21	0.08%
4300	ASSESSED FRINGE BEN ADM	\$ 434.06	\$ 434.14	\$ 434.06	\$ 0.08	0.07%
5700	HEALTH INSURANCE FUND	\$ 31,463,884.17	\$ 35,270,251.24	\$ 33,032,362.43	\$ 6,367.07	0.08%
6500	RETIREE HEALTH FUND	\$ 1,955,157.99	\$ 655,281.48	\$ 621,462.34	\$ 123.49	0.08%
6600	BOG RETIREE FUND	\$ 137,221.97	\$ 137,248.13	\$ 137,221.97	\$ 26.16	0.08%
6700	RIPTA HEALTH FUND	\$ 588,632.64	\$ 662.28	\$ 167,415.25	\$ 29.64	0.07%
6800	PERMANENT SCHOOL FUND	\$ 1,933,064.24	\$ 1,933,432.62	\$ 1,933,064.24	\$ 368.38	0.08%
7100	TEACHER RETIREE HEALTH FUND	\$ 506,354.75	\$ 306,445.61	\$ 480,267.79	\$ 90.86	0.08%
7200	RI ST POL RETIREE HEALTH	\$ 317,791.89	\$ 167,837.61	\$ 247,683.19	\$ 45.72	0.07%
7500	UNIVERSITY COLLEGE	\$ 3,358,732.63	\$ 8,891.16	\$ 915,797.85	\$ 158.53	0.07%
8000	HIGHER EDUCATION	\$ 1,206,629.50	\$ 1,406,956.95	\$ 1,741,412.11	\$ 327.45	0.07%
8100	INDUS. BLDG. & MTG. INS.	\$ 3,154,089.39	\$ 2,854,657.34	\$ 2,991,045.91	\$ 567.95	0.08%
Operating Funds Totals		\$ 191,615,783.43	\$ 165,762,535.56	\$ 183,741,305.17	\$ 34,752.13	0.08%
2216	CCDL1993A	\$ 7,385.68	\$ 7,385.83	\$ 7,384.87	\$ 1.41	0.08%
2217	BOND CCDL 1994 SERIES A	\$ 15,000.87	\$ 15,001.17	\$ 14,999.23	\$ 2.85	0.08%
2221	CAP DEV OF 1997 SERIES A	\$ 41,014.72	\$ 41,015.54	\$ 41,010.23	\$ 7.81	0.08%
2222	CCDL1998A	\$ 1,695,931.68	\$ 1,695,965.89	\$ 1,695,746.04	\$ 323.16	0.08%
2226	BOND CAPITOL CCDL2000A	\$ 102,390.09	\$ 102,392.16	\$ 102,378.88	\$ 19.51	0.08%
2228	CCDL2001C	\$ 201,338.53	\$ 201,342.59	\$ 201,316.49	\$ 38.36	0.08%
2231	CCDL 2004 SERIES A	\$ 2,983,005.61	\$ 2,804,561.52	\$ 2,839,468.33	\$ 540.11	0.08%
2232	BOND CCDL 2005 SERIES C	\$ 7,173,833.60	\$ 7,171,756.86	\$ 7,171,165.16	\$ 1,366.59	0.08%
2233	BOND CCDL 2006 SERIES E	\$ 717,060.14	\$ 717,074.60	\$ 716,981.64	\$ 136.64	0.08%
2235	BOND CCDL 2006 SERIES C	\$ 2,406,795.66	\$ 2,406,844.21	\$ 2,406,532.20	\$ 458.61	0.08%
2236	GO BND-NTAX 2007 SERIES A	\$ 5,938,681.94	\$ 5,938,801.72	\$ 5,938,031.86	\$ 1,131.60	0.08%
2238	GO BND-NTAX 2008 SERIES B	\$ 349,805.59	\$ 349,812.64	\$ 349,767.30	\$ 66.65	0.08%
2240	CCDL10B BOND CAPITAL COMPONENT	\$ 1,730,100.20	\$ 1,730,135.10	\$ 1,729,910.82	\$ 329.66	0.08%
2241	CCDL10C	\$ 161,651.97	\$ 161,682.78	\$ 161,651.97	\$ 30.81	0.08%
2242	CCDL10D	\$ 103,921.96	\$ 103,924.06	\$ 103,910.58	\$ 19.81	0.08%
2243	CCDL2011A	\$ 27,872,289.21	\$ 25,927,324.31	\$ 26,414,724.05	\$ 5,021.69	0.08%
2244	CCDL2012B	\$ 56,288,090.28	\$ 55,762,232.53	\$ 56,051,564.50	\$ 10,678.33	0.08%
2245	GO CCDL 2013A	\$ -	\$ 30,543,682.44	\$ -	\$ 4,614.17	0.23%
2246	GO CCDL 2013B	\$ -	\$ 12,500,976.13	\$ -	\$ 1,645.46	0.23%
2311	CLEAN WATER 2004 SERIES A	\$ 197,532.65	\$ 197,536.64	\$ 197,511.03	\$ 37.64	0.08%
2339	CCDL99A 1999A	\$ 205,301.24	\$ 205,305.38	\$ 205,278.77	\$ 39.12	0.08%
2347	CLEAN WATER 2007 SERIES A	\$ 283,268.47	\$ 283,274.18	\$ 283,237.46	\$ 53.98	0.08%
2350	CCDL2011A CLEAN WATER COMPONENT	\$ 1,236,071.59	\$ 1,236,096.52	\$ 1,235,936.28	\$ 235.53	0.08%
Bond Proceeds Fund Totals		\$ 109,710,471.68	\$ 150,104,124.80	\$ 107,868,507.69	\$ 26,799.50	0.08%
1050	TANS PROCEEDS	\$ -	\$ -	\$ -	\$ -	0.00%
Grand Totals		\$ 301,326,255.11	\$ 315,866,660.36	\$ 291,609,812.86	\$ 61,551.63	0.08%

Section IX.

Defined Contribution Plan

2013 YTD Performance Summary

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)		
TIAA-CREF	Manager	AUM	Gross	Net	Net	Rev	Recent Returns				Annualized Total Returns as of 12/31/13						Since	Incep.	Sharpe Ratio		Std. Deviation		Tracking Error			
As of 12/31/2013	Ticker	Tenure	\$ Millions	ER	ER	%-ile	Share	1 Month	3-month	YTD	1 Year	%-ile	3 Year	%-ile	5 Year	%-ile	10 Year	%-ile	Incep.	Date	3 Year	%-ile	3 Year	%-ile	3 Year	
Stable Value/Guaranteed & Money Market																										
Stable Value/Guaranteed																										
TIAA Stable Value****	Current crediting rate = 2.00							0.15	0.44	1.75	1.75															
Money Market																										
Vanguard Prime Money Market Inv	VMMXX	10.50	131,831.74	0.17	0.17		-	-	-	0.02	0.02		0.03		0.14		1.74		5.52	06/04/75	(2.96)		0.01		0.04	
<i>Current 7-day Yield: 0.01</i>																										
<i>Citi 3-Month Treasury Bill</i>																										
								-	0.01	0.05	0.05		0.07		0.10		1.59									
FIXED INCOME																										
Intermediate-Term Bond																										
Vanguard Total Bond Market Index Sig	VBTSX	21.08	17,653.96	0.10	0.10	1	-	(0.64)	(0.19)	(2.15)	(2.15)	67	3.15	67	4.39	83		4.95	09/01/06	1.09	61	2.82	42		0.24	
<i>Barclays U.S. Aggregate Float Adjusted Index</i>																										
								(0.55)	(0.07)	(1.97)	(1.97)		3.34													
<i>Intermediate-Term Bond Median</i>																										
				0.94	0.84				0.19	(1.65)	(1.65)		3.62		6.24		4.38			1.18		2.89				1.32
<i>Intermediate-Term Bond Number of Funds</i>																										
			1,120	1,120				1,109	1,080	1,080	1,080	947	947	806	806	581	578	1,120		947	947	947	947			947
Inflation-Linked Bond																										
PIMCO Real Return Instl	PRRIX	6.08	15,879.93	0.48	0.45	17	-	(1.58)	(2.08)	(9.05)	(9.05)	62	3.50	5	7.29	1	5.25	2	6.76	01/29/97	0.60	34	5.91	91	1.20	
<i>Barclays US Treasury US TIPS TR USD</i>																										
								(1.47)	(2.00)	(8.61)	(8.61)		3.55		5.63		4.85			0.66		5.43				
<i>Inflation-Protected Bond Median</i>																										
				0.87	0.75				(2.08)	(8.79)	(8.79)		2.82		4.81		4.24			0.56		5.29				0.72
<i>Inflation-Protected Bond Number of Funds</i>																										
			221	221				221	213	213	213	186	186	149	149	53	52	221		186	186	186	186			186
Equity																										
Large Cap Blend																										
Vanguard 500 Index Signal	VIFSX	22.08	14,960.20	0.05	0.05	1	-	2.52	10.49	32.33	32.33	43	16.14	22	17.94	28		6.86	09/29/06	1.30	13	12.10	24		0.69	
<i>S&P 500 TR USD</i>																										
								2.53	10.51	32.39	32.39		16.18		17.94				6.86		1.30		12.11			
<i>Large Blend Median</i>																										
				1.25	1.14				10.03	31.84	31.84		14.83		17.07					1.16		12.76				2.36
<i>Large Blend Number of Funds</i>																										
			1,695	1,695				1,651	1,562	1,562	1,561	1,358	1,357	1,218	1,217	801	796	1,689		1,358	1,358	1,358	1,358			1,358
Mid Cap Blend																										
Vanguard Mid Cap Index Signal	VMISX	15.67	6,727.28	0.10	0.10	1	-	2.99	8.62	35.15	35.15	41	15.40	40	22.07	23		7.22	03/30/07	1.06	27	14.53	29		0.81	
<i>Spliced Mid Cap Index *</i>																										
								2.98	8.63	35.21	35.21		15.46		22.13											
<i>CRSP US Mid Cap TR USD</i>																										
								2.98	8.63	35.27	35.27		15.73		21.77			7.17								
<i>Mid-Cap Blend Median</i>																										
				1.30	1.22				8.70	34.04	34.04		14.89		20.02		8.94			0.97		15.39				3.45
<i>Mid-Cap Blend Number of Funds</i>																										
			426	426				414	399	399	399	349	345	299	298	194	193	425		349	349	349	349			349
Small Cap Blend																										
Vanguard Small Cap Index Signal	VSISX	22.08	8,206.53	0.10	0.10	-	-	2.58	8.82	37.79	37.79	47	16.61	29	22.55	19		8.50	12/15/06	1.02	34	16.30	37		1.75	
<i>Spliced Small Cap Index **</i>																										
								2.60	8.84	37.77	37.77		16.56		22.48											
<i>CRSP US Small Cap TR USD</i>																										
								2.60	8.84	38.48	38.48		17.25		23.65			9.25								
<i>Small Blend Median</i>																										
				1.40	1.26				9.11	37.45	37.45		15.34		20.03		8.92			0.95		16.63				3.66
<i>Small Blend Number of Funds</i>																										
			740	740				715	680	680	680	608	608	551	550	335	333	735		608	608	608	608			608



2013 YTD Performance Summary

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)		
TIAA-CREF		Manager	AUM	Gross	Net	Net	Rev	Recent Returns				Annualized Total Returns as of 12/31/13						Since	Incep.	Sharpe Ratio		Std. Deviation		Tracking Error		
As of 12/31/2013		Ticker	Tenure	\$ Millions	ER	ER	%-ile	Share	1 Month	3-month	YTD	1 Year	%-ile	3 Year	%-ile	5 Year	%-ile	10 Year	%-ile	Incep.	Date	3 Year	%-ile	3 Year	%-ile	3 Year
Foreign Large Blend																										
TIAA-CREF International Eq Idx Instl		TCIEX	9.42	5,628.79	0.08	0.08	1	-	1.82	5.79	21.96	21.96	25	8.49	20	12.24	48	7.00	43	9.85	10/01/02	0.57	21	16.47	55	3.67
MSCI EAFE NR USD									1.50	5.71	22.78	22.78		8.17		12.44		6.91		9.84		0.56		16.48		
Foreign Large Blend Median					1.46	1.28			5.85	19.91	19.91		7.03		12.17		6.75			0.49		16.39				3.66
Foreign Large Blend Number of Funds					834	834			825	788	788	788	788	700	697	630	626	322	320	834		700	700	700	700	700
Diversified Emerging Markets																										
Vanguard Emerging Mkts Stock Idx Si		VERSX	5.42	46,555.10	0.18	0.18	1	-	(0.95)	1.63	(5.02)	(5.02)	77	(2.81)	64	14.00	51			3.60	01/19/07	(0.05)	61	19.64	63	3.15
Spliced Emerging Markets Index ***									(1.31)	1.54	(4.28)	(4.28)		(2.63)		14.39										
FTSE Emerging NR USD									(1.31)	1.55	(3.79)	(3.79)		(2.93)		14.78			4.13							
MSCI EM NR USD									(1.45)	1.83	(2.60)	(2.60)		(2.06)		14.79		11.17			(0.02)		19.31			
Diversified Emerging Mkts Median					1.89	1.58			2.36	(1.62)	(1.62)	(1.62)		(2.04)		14.06		10.30			(0.02)		19.31			5.06
Diversified Emerging Mkts Number of Funds					734	734			677	614	614	614	614	401	399	317	315	151	150	733		401	401	401	401	401
Miscellaneous Sector																										
TIAA Real Estate Account		Variable Annuity	9.08	16,907.56	0.90	0.90		0.24	0.64	1.62	9.65	9.65		10.89		2.25		4.80		6.11	10/02/95	6.25		1.65		12.14
Lifecycle																										
Vanguard Target Retirement Income Trust II					0.11	0.11			0.25	2.40	5.82	5.82		6.49		8.60				5.32	02/29/08					
Vanguard Target Retirement Income Compos. Lx									0.29	2.51	6.03	6.03		6.57		8.65										
Retirement Income Median					1.07	0.89						6.55		5.90		9.60		4.33			1.04		5.58			2.24
Retirement Income Number of Funds					298	298					293	293	293	293	271	271	238	238	41	41	271	271	271	271	271	271
Vanguard Target Retirement 2010 Trust II					0.11	0.11			0.54	3.26	9.13	9.13		7.51		10.63				5.52	02/29/08					
Vanguard Target Retirement 2010 Compos. Lx									0.57	3.42	9.55	9.55		7.63		10.70										
Target Date 2000-2010 Median					1.14	0.89						8.62		6.20		10.71		4.81			0.96		6.73			1.56
Target Date 2000-2010 Number of Funds					171	171					154	153	153	141	140	125	124	35	35		141	141	141	141	141	141
Vanguard Target Retirement 2015 Trust II					0.11	0.11			0.90	4.37	13.07	13.07		8.60		11.84				5.95	02/29/08					
Vanguard Target Retirement 2015 Compos. Lx									0.90	4.50	13.45	13.45		8.68		11.90										
Target Date 2011-2015 Median					1.21	0.92						10.44		6.89		11.29		4.62			0.93		7.58			1.72
Target Date 2011-2015 Number of Funds					194	195					178	178	178	141	141	114	114	13	13		141	141	141	141	141	141
Vanguard Target Retirement 2020 Trust II					0.11	0.11			1.12	5.16	15.86	15.86		9.41		12.80				6.11	02/29/08					
Vanguard Target Retirement 2020 Compos. Lx									1.14	5.29	16.33	16.33		9.73		13.06										
Target Date 2016-2020 Median					1.30	0.98						12.67		7.60		12.14		5.35			0.92		8.33			1.86
Target Date 2016-2020 Number of Funds					243	243					223	222	222	187	186	169	168	39	39		187	187	187	187	187	187
Vanguard Target Retirement 2025 Trust II					0.11	0.11			1.35	5.81	18.23	18.23		10.11		13.70				6.22	02/29/08					
Vanguard Target Retirement 2025 Composite Lx									1.34	5.93	18.64	18.64		10.42		13.95										
Target Date 2021-2025 Median					1.23	0.95						16.28		8.82		13.39		5.71			0.90		9.95			1.66
Target Date 2021-2025 Number of Funds					197	197					181	181	181	134	134	101	101	8	8		134	134	134	134	134	134

2013 YTD Performance Summary

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)		
TIAA-CREF		Manager	AUM	Gross	Net	Net	Rev Recent Returns				Annualized Total Returns as of 12/31/13						Since	Incep.	Sharpe Ratio	Std. Deviation		Tracking Error				
As of 12/31/2013		Ticker	Tenure	\$ Millions	ER	ER	%-ile	Share	1 Month	3-month	YTD	1 Year	%-ile	3 Year	%-ile	5 Year	%-ile	10 Year	%-ile	Incep.	Date	3 Year	%-ile	3 Year	%-ile	3 Year
Vanguard Target Retirement 2030 Trust II					0.11	0.11			1.55	6.46	20.55	20.55		10.81		14.58				6.30	02/29/08					
<i>Vanguard Target Retirement 2030 Composite Lx</i>									<i>1.55</i>	<i>6.57</i>	<i>21.00</i>	<i>21.00</i>		<i>11.08</i>		<i>14.84</i>										
<i>Target Date 2026-2030 Median</i>					<i>1.35</i>	<i>1.05</i>					<i>17.87</i>		<i>9.23</i>		<i>13.85</i>		<i>5.80</i>				<i>0.87</i>		<i>10.87</i>			<i>1.80</i>
<i>Target Date 2026-2030 Number of Funds</i>					<i>243</i>	<i>243</i>					<i>223</i>	<i>222</i>	<i>187</i>	<i>186</i>	<i>169</i>	<i>168</i>	<i>34</i>	<i>34</i>			<i>187</i>	<i>187</i>	<i>187</i>	<i>187</i>		<i>187</i>
Vanguard Target Retirement 2035 Trust II					0.11	0.11			1.76	7.12	22.93	22.93		11.46		15.40				6.56	02/29/08					
<i>Vanguard Target Retirement 2035 Composite Lx</i>									<i>1.75</i>	<i>7.21</i>	<i>23.39</i>	<i>23.39</i>		<i>11.74</i>		<i>15.65</i>										
<i>Target Date 2031-2035 Median</i>					<i>1.34</i>	<i>1.01</i>					<i>20.79</i>		<i>10.26</i>		<i>14.74</i>		<i>5.82</i>				<i>0.88</i>		<i>11.95</i>			<i>1.62</i>
<i>Target Date 2031-2035 Number of Funds</i>					<i>197</i>	<i>197</i>					<i>181</i>	<i>181</i>	<i>134</i>	<i>134</i>	<i>101</i>	<i>101</i>	<i>8</i>	<i>8</i>			<i>134</i>	<i>134</i>	<i>134</i>	<i>134</i>		<i>134</i>
Vanguard Target Retirement 2040 Trust II					0.11	0.11			1.90	7.59	24.42	24.42		11.94		15.73				6.85	02/29/08					
<i>Vanguard Target Retirement 2040 Composite Lx</i>									<i>1.88</i>	<i>7.63</i>	<i>24.79</i>	<i>24.79</i>		<i>12.18</i>		<i>15.93</i>										
<i>Target Date 2036-2040 Median</i>					<i>1.43</i>	<i>1.06</i>					<i>21.84</i>		<i>10.31</i>		<i>14.98</i>		<i>6.06</i>				<i>0.86</i>		<i>12.30</i>			<i>1.60</i>
<i>Target Date 2036-2040 Number of Funds</i>					<i>240</i>	<i>240</i>					<i>219</i>	<i>218</i>	<i>183</i>	<i>182</i>	<i>165</i>	<i>164</i>	<i>34</i>	<i>34</i>			<i>183</i>	<i>183</i>	<i>183</i>	<i>183</i>		<i>183</i>
Vanguard Target Retirement 2045 Trust II					0.11	0.11			1.94	7.59	24.43	24.43		11.97		15.76				6.81	02/29/08					
<i>Vanguard Target Retirement 2045 Composite Lx</i>									<i>1.88</i>	<i>7.63</i>	<i>24.79</i>	<i>24.79</i>		<i>12.18</i>		<i>15.93</i>										
<i>Target Date 2041-2045 Median</i>					<i>1.38</i>	<i>1.03</i>					<i>23.08</i>		<i>10.82</i>		<i>15.30</i>		<i>7.37</i>				<i>0.87</i>		<i>12.78</i>			<i>1.54</i>
<i>Target Date 2041-2045 Number of Funds</i>					<i>197</i>	<i>197</i>					<i>180</i>	<i>180</i>	<i>133</i>	<i>133</i>	<i>99</i>	<i>99</i>	<i>1</i>	<i>1</i>			<i>133</i>	<i>133</i>	<i>133</i>	<i>133</i>		<i>133</i>
Vanguard Target Retirement 2050 Trust II					0.11	0.11			1.93	7.60	24.47	24.47		11.94		15.75				6.85	02/29/08					
<i>Vanguard Target Retirement 2050 Composite Lx</i>									<i>1.88</i>	<i>7.63</i>	<i>24.79</i>	<i>24.79</i>		<i>12.18</i>		<i>15.93</i>										
<i>Target Date 2046-2050 Median</i>					<i>1.67</i>	<i>1.06</i>					<i>23.26</i>		<i>10.89</i>		<i>15.24</i>		<i>6.53</i>				<i>0.87</i>		<i>12.76</i>			<i>1.67</i>
<i>Target Date 2046-2050 Number of Funds</i>					<i>225</i>	<i>225</i>					<i>203</i>	<i>202</i>	<i>155</i>	<i>154</i>	<i>129</i>	<i>128</i>	<i>6</i>	<i>6</i>			<i>155</i>	<i>155</i>	<i>155</i>	<i>155</i>		<i>155</i>
Vanguard Target Retirement 2055 Trust II					0.11	0.11			1.90	7.55	24.34	24.34		12.00						16.68	08/31/10					
<i>Vanguard Target Retirement 2055 Composite Lx</i>									<i>1.88</i>	<i>7.63</i>	<i>24.79</i>	<i>24.79</i>		<i>12.18</i>												
Vanguard Target Retirement 2060 Trust II					0.11	0.11			1.95	7.56	24.32	24.32								15.80	03/01/12					
<i>Vanguard Target Retirement 2060 Composite Lx</i>									<i>1.88</i>	<i>7.63</i>	<i>24.79</i>	<i>24.79</i>														
<i>Target Date 2051+ Median</i>					<i>1.44</i>	<i>1.03</i>					<i>23.40</i>		<i>10.86</i>		<i>14.85</i>		<i>12.13</i>				<i>0.85</i>		<i>13.04</i>			<i>1.54</i>
<i>Target Date 2051+ Number of Funds</i>					<i>159</i>	<i>159</i>					<i>130</i>	<i>130</i>	<i>67</i>	<i>67</i>	<i>17</i>	<i>17</i>	<i>-</i>	<i>-</i>			<i>67</i>	<i>67</i>	<i>67</i>	<i>67</i>		<i>67</i>

Source: Morningstar & TIAA-CREF

-Tracking error calculated using "Morningstar Analyst Assigned Benchmark"

All data as of 12/31/2013

Since Incep. = Since Inception Date

Incep. Date = Inception Date

Vanguard Index Information from available at <http://www.vanguard.com>

* = S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter

** = Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter

*** = Spliced Emerging Markets Index reflects performance of the Select Emerging Markets Index through August 23, 2006; the MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; and FTSE Emerging Index thereafter.

**** = The TIAA Stable Value Inception Date represents the date that the plan's TIAA Stable Value record was initiated on TIAA-CREF's recordkeeping system which may be earlier than the date of first deposit to the contract.

"Since Inception" performance is calculated from this date.

***** = For definitions please visit www.tiaa-cref.org/public/assetmanagement

Note: Rankings shown for returns are calculated by Morningstar. Rankings for expense ratio, Sharpe ratio and standard deviation are calculated by TIAA-CREF and may differ based on calculation methods

Fee Disclosures: 1 The net expense ratio reflects total annual fund operating expenses excluding interest expense. If interest expense was included, returns would have been lower.

2 Accumulations in mutual funds not managed by TIAA-CREF may be subject to administrative charges. These charges are subject to change. Please review current documents related to your plan.



Disclosures



%ile --> Percentile Ranking in Morningstar Category.

The performance data quoted represents past performance and is no guarantee of future results. Your returns and the principal value of your investments will fluctuate so that your shares or accumulation units, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted below. For performance current to the most recent month-end, visit the TIAA-CREF Website at www.tiaa-cref.org, or call 877 518-9161.

Annuity account options are available through annuity contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance.

For the variable annuity accounts, we estimate expenses for the plan year based on projected expense and asset levels. Differences between estimated and actual expenses are adjusted quarterly and reflected in current investment results. Historically, the adjusting payments have resulted in both upward and downward adjustments.

Investing in non-investment grade securities presents special risks, including significantly higher interest-rate and credit risk.

Small-cap and mid-cap stocks may have limited marketability and may be subject to more abrupt or erratic market movements than large-cap stocks.

The risks associated with foreign investments are often magnified in emerging markets where there is greater potential for political, currency, and economic volatility.

Funds that invest in fixed-income securities are not guaranteed and are subject to interest-rate, inflation and credit risks.

Disclosures



Funds that invest in fixed-income securities are not guaranteed and are subject to interest-rate, inflation and credit risks.

Funds that invest in foreign securities are subject to special risks, including currency fluctuation and political and economic instability.

Real estate securities are subject to various risks, including fluctuations in property values, higher expenses or lower income than expected, and potential environmental problems and liability.

Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. TIAA Stable Value is guaranteed insurance contract and not an investment for Federal Securities Law purposes.

Target Date Funds share the risks associated with the types of securities held by each of the underlying funds in which they invest. In addition to the fees and expenses associated with the Target Date Funds, there is exposure to the fees and expenses associated with the underlying mutual funds as well.

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You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161 or log on to tiaacref.org for product and fund prospectuses that contains this and other information. Please read the prospectuses carefully before investing.

Disclosures



Morningstar is an independent service that rates mutual funds and variable annuities, based on risk-adjusted returns. Although Morningstar data is gathered from reliable sources, neither Morningstar nor TIAA-CREF can guarantee its completeness and accuracy. Morningstar does not rate money market accounts, and the other TIAA-CREF mutual fund accounts are too new to be rated. Past performance does not guarantee future results. Accumulation net asset values and returns will vary.

For each fund/account with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's/account's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. Where applicable, Morningstar's performance rankings are based on linked performance that considers the differences in expense ratios, while actual performance data shown does not reflect such differences. The top 10 percent of funds/accounts in a category receive five stars, the next 22.5 percent receive four stars, and the next 35 percent receive three stars, the next 22.5 percent receive two stars and the bottom 10 percent receive one star. (Each share class is counted as a fraction of one fund/account within this scale and rated separately, which may cause slight variations in the distribution percentages.) Morningstar proprietary ratings on U.S.-domiciled funds/accounts reflect historical risk-adjusted performance, are subject to change every month. They are derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Please note, Morningstar now rates group variable annuities within the open-end mutual fund universe.

Disclosures



Prospectus Gross Expense Ratio

The percentage of fund assets used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

--The expense ratio for fund of funds is the aggregate expense ratio as defined as the sum of the wrap or sponsor fees plus the estimated weighted average of the underlying fund fees.

--Often referred to as the Annual Operating Expense, the Prospectus Gross Expense Ratio is collected annually from a fund's prospectus.

Prospectus Net Expense Ratio

The percentage of fund assets, net of reimbursements, used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

--The expense ratio for fund of funds is the aggregate expense ratio as defined as the sum of the wrap or sponsor fees plus the estimated weighted average of the underlying fund fees.

--Net reimbursements, the Prospectus Net Expense Ratio is collected annually from a fund's prospectus.

--TIAA-CREF, unless noted, does not charge additional fees for record keeping a fund. 12b-1, revenue share and admin fees are all included in the Prospectus fees.

-- Prospectus Net Expense Ratio % - ile rank is the percentile rank for the fund. The better the expense ratio (lower) the lower the ranking out of 100.

Sharpe Ratio (Source: Morningstar Direct)

A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly with regard to how much excess return each portfolio achieved for a certain level of risk. Morningstar first calculates a monthly Sharpe Ratio and then annualizes it to put the number in a more useful one-year context.

Disclosures



Standard Deviation (Source: Morningstar Direct) The statistical measurement of dispersion about an average, which depicts how widely a stock or portfolio's returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that is most likely for a given investment. When a stock or portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Information Ratio (Source: Morningstar Direct) **Benchmark Specific**

Information ratio is a risk-adjusted performance measure. The information ratio is a special version of the Sharpe Ratio in that the benchmark doesn't have to be the risk-free rate.

Beta (Source: Morningstar Direct) **Benchmark Specific**

Beta is a measure of a portfolio's sensitivity to market movements. The beta of the market is 1.00 by definition.

Alpha (Source: Morningstar Direct) **Benchmark Specific**

A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. A positive Alpha figure indicates the portfolio has performed better than its beta would predict. In contrast, a negative Alpha indicates the portfolio has underperformed, given the expectations established by beta.

Tracking Error (Source: Morningstar Direct) **Benchmark Specific**

Tracking error is a measure of the volatility of excess returns relative to a benchmark.

Upside (Source: Morningstar Direct) **Benchmark Specific**

Upside Capture Ratio measures a manager's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return.

Downside (Source: Morningstar Direct) **Benchmark Specific**

Downside Capture Ratio measures a manager's performance in down markets relative to the market (benchmark) itself. It is calculated by taking the security's downside capture return and dividing it by the benchmark's downside capture return.

R-Square (Source: Morningstar Direct) **Benchmark Specific**

Reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark.

You cannot invest directly in index.

TIAA-CREF reported performance may differ from Morningstar source returns for the same option over the same time period. We would expect an occasional one to two basis point difference. Morningstar Direct calculates returns by one share owned by a hypothetical investor over the requested time period. So the return for one year is calculated using the same formula as one month. TIAA-CREF calculates returns by \$1,000 owned by hypothetical investor for one month then links returns for requested time period. Both set of returns include dividends and capital gains.

C12205

Section X.

457 Plans

State of Rhode Island Total Assets 457 Plans

Plan Provider	3/31/2012	6/30/2013	9/30/2013	12/31/2013
Valic	\$ 49,383,252.98	\$ 50,176,680.31	\$ 51,806,577.42	\$ 53,706,561.69
Fidelity	\$ 86,598,876.46	\$ 87,905,848.56	\$ 94,019,468.66	\$ 100,759,742.59
ING	\$ 117,128,376.12	\$ 120,395,798.92	\$ 126,110,492.58	\$ 132,222,130.83
Total	\$ 253,110,505.56	\$ 258,478,327.79	\$ 271,936,538.66	\$ 286,688,435.11

Monthly Plan Performance Update

STATE OF RHODE ISLAND - STATE OF RI (35835)

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

Name	Cumulative Total Returns				Average Annual Total Returns				
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr
DOW JONES 30 INDUSTRIAL AVERAGE	12/31/2013	3.19	10.22	29.65	12/31/2013	29.65	15.71	16.74	7.44
BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX	12/31/2013	-0.57	-0.14	-2.02	12/31/2013	-2.02	3.26	4.44	4.55
NASDAQ COMPOSITE INDEX	12/31/2013	2.94	11.10	40.12	12/31/2013	40.12	17.74	22.86	8.60
RUSSELL 2000 INDEX	12/31/2013	1.97	8.72	38.82	12/31/2013	38.82	15.67	20.08	9.07
STANDARD & POOR'S 500™ INDEX	12/31/2013	2.53	10.51	32.39	12/31/2013	32.39	16.18	17.94	7.41

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	Inception Date
Stock Investments													
Large Cap													
FID CONTRAFUND	12/31/2013	2.48	10.52	34.15	12/31/2013	34.15	15.91	18.67	10.20	12.58	—	0.74% on 03/01/2013	05/17/1967
FID LARGE CAP STOCK	12/31/2013	3.04	11.16	39.24	12/31/2013	39.24	18.25	24.08	8.48	8.53	—	0.85% on 06/29/2013	06/22/1995
FID NEW MILLEN	12/31/2013	3.51	9.51	37.19	12/31/2013	37.19	17.61	22.09	9.43	14.24	—	0.96% on 01/29/2013	12/28/1992
INVS DIVRS DIVD INV	12/31/2013	2.03	8.69	28.95	12/31/2013	28.95	14.68	16.55	—	7.73	—	0.91% on 10/31/2013	07/15/2005
SPTN 500 INDEX ADV	12/31/2013	2.53	10.50	32.33	12/31/2013	32.33	16.13	17.92	7.36	10.15	—	0.07% on 04/29/2013	02/17/1988
Mid-Cap													
FID LOW PRICED STK	12/31/2013	1.72	7.86	34.31	12/31/2013	34.31	16.73	21.70	10.65	14.75	1.5% / 90days	0.80% on 09/28/2013	12/27/1989
SPTN MID CAP IDX ADV	12/31/2013	2.97	8.32	34.64	12/31/2013	34.64	—	—	—	24.05	.75% / 30days	0.22% on 06/29/2013	09/08/2011
Small Cap													
SPTN SM CAP IDX ADV	12/31/2013	2.01	8.75	38.97	12/31/2013	38.97	—	—	—	26.72	1.5% / 90days	0.33% on 06/29/2013	09/08/2011
International													
HARBOR INTL INV	12/31/2013	2.13	4.67	16.40	12/31/2013	16.40	7.47	13.84	9.49	12.17	—	1.15% on 10/31/2013	11/01/2002
SPTN INTL INDEX ADV	12/31/2013	1.71	5.70	21.80	12/31/2013	21.80	8.33	11.97	6.99	5.48	1% / 90days	0.17% on 04/29/2013	11/05/1997

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			Inception Date
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	
Blended Investments*													
Others													
FID FREEDOM K 2000	12/31/2013	0.25	1.83	4.56	12/31/2013	4.56	4.34	—	—	6.99	—	0.45% on 09/26/2013	07/02/2009
FID FREEDOM K 2005	12/31/2013	0.75	2.91	8.15	12/31/2013	8.15	5.69	—	—	9.67	—	0.50% on 09/26/2013	07/02/2009
FID FREEDOM K 2010	12/31/2013	0.94	3.77	11.20	12/31/2013	11.20	7.05	—	—	11.07	—	0.54% on 09/26/2013	07/02/2009
FID FREEDOM K 2015	12/31/2013	1.21	4.25	11.96	12/31/2013	11.96	7.33	—	—	11.46	—	0.57% on 09/26/2013	07/02/2009
FID FREEDOM K 2020	12/31/2013	1.36	4.64	13.35	12/31/2013	13.35	7.78	—	—	12.61	—	0.59% on 09/26/2013	07/02/2009
FID FREEDOM K 2025	12/31/2013	1.70	5.51	16.65	12/31/2013	16.65	8.81	—	—	13.76	—	0.62% on 09/26/2013	07/02/2009
FID FREEDOM K 2030	12/31/2013	1.99	6.23	18.21	12/31/2013	18.21	9.19	—	—	14.38	—	0.67% on 09/26/2013	07/02/2009
FID FREEDOM K 2035	12/31/2013	2.12	6.64	20.86	12/31/2013	20.86	9.76	—	—	15.07	—	0.68% on 09/26/2013	07/02/2009
FID FREEDOM K 2040	12/31/2013	2.11	6.74	21.25	12/31/2013	21.25	9.84	—	—	15.26	—	0.68% on 09/26/2013	07/02/2009
FID FREEDOM K 2045	12/31/2013	2.13	6.80	21.84	12/31/2013	21.84	10.01	—	—	15.49	—	0.69% on 09/26/2013	07/02/2009
FID FREEDOM K 2050	12/31/2013	2.12	6.84	22.08	12/31/2013	22.08	9.95	—	—	15.58	—	0.69% on 09/26/2013	07/02/2009
FID FREEDOM K 2055	12/31/2013	2.12	6.91	22.78	12/31/2013	22.78	—	—	—	9.83	—	0.69% on 09/26/2013	06/01/2011
FID FREEDOM K INCOME	12/31/2013	0.28	1.85	4.60	12/31/2013	4.60	4.34	—	—	6.85	—	0.45% on 09/26/2013	07/02/2009
Bond Investments													
Income													
PIMCO TOT RETURN ADM	12/31/2013	-0.98	-0.10	-2.17	12/31/2013	-2.17	3.82	6.65	5.77	6.94	—	0.71% on 09/30/2013	09/08/1994
SPTN US BOND IDX ADV	12/31/2013	-0.66	-0.33	-2.24	12/31/2013	-2.24	3.13	4.41	4.21	6.51	—	0.17% on 10/30/2013	03/08/1990
Short-Term Investments													
Others													
FID RETIRE MMKT	12/31/2013	0	0	0.01	12/31/2013	0.01	0.01	0.13	1.74	3.63	—	0.42% on 10/30/2013	12/02/1988
Other Investments													
Others													
BROKERAGELINK	—	—	—	—	—	—	—	—	—	—	—	—	—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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PERFORMANCE UPDATE

ING Life Insurance and Annuity Company

ING Custom Choice Classic

Average Annual Total Returns as of: 12/31/2013 (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 800-262-3862. 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	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
Stability of Principal											
Money Market											
ING Money Market Portfolio - Class I - 003 (2)	0.00	0.00	0.02	0.02	0.02	0.13	1.72		01/01/1980	0.34	0.34
<i>The 7-day annualized Subaccount yield as of 12/31/2013 is 0.00%, which more closely reflects current earnings. (1)</i>											
Benchmark-IBCM	0.01	0.03	0.16	0.16	0.19	0.46	1.97				
Stability of Principal											
ING Fixed Account - 457/401 - 043 (59)(60)	0.25	0.75	3.00	3.00	3.00	3.00	3.10				
Benchmark-MFR	0.00	0.00	0.02	0.02	0.02	0.07	1.49				
Bonds											
High Yield Bond											
ING PIMCO High Yield Portfolio - Service Class - 787	0.33	2.99	5.63	5.63	7.97	16.56		8.16	05/03/2004	0.75	0.75
Benchmark-MLUSHYICI	0.58	3.49	7.41	7.41	9.01	18.70					
ING Pioneer High Yield Portfolio - Initial Class - 1220 (3)	0.69	3.50	12.35	12.35	9.06	20.90		9.53	01/03/2006	0.76	0.72
Benchmark-MLHYMII	0.57	3.50	7.42	7.42	9.03	18.65		8.90			
ING Pioneer High Yield Portfolio - Service Class - 1138 (4)	0.58	3.43	12.09	12.09	8.76	20.58		9.48	01/20/2006	1.01	0.97
Benchmark-MLHYMII	0.57	3.50	7.42	7.42	9.03	18.65		8.83			
Pioneer High Yield Fund - Class A Shares - 948	0.55	3.12	12.31	12.31	8.28	19.35	7.02		02/12/1998	1.16	1.16
Benchmark-MLHYMII	0.57	3.50	7.42	7.42	9.03	18.65	8.46				
Inflation-Protected Bond											
American Century Inflation-Adjusted Bond Fund - Inv Class - 1001	-1.44	-2.09	-9.13	-9.13	3.09	5.03	4.50		02/10/1997	0.47	0.47
Benchmark-LBUSTIPS	-1.47	-2.00	-8.60	-8.60	3.55	5.63	4.85				
Intermediate Government											



Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
ING GNMA Income Fund - Class A - 363 (5)	-0.64	-0.42	-1.84	-1.84	2.75	3.88	4.18		08/17/1973	0.90	0.90
Benchmark-BCGNMA	-0.47	-0.51	-2.12	-2.12	2.65	3.99	4.69				
Intermediate-Term Bond											
American Funds The Bond Fund of AmericaSM - Class R-3 - 492 (6)	-0.68	-0.21	-2.30	-2.30	3.06	6.05	3.16		05/28/1974	0.92	0.92
Benchmark-LEHM	-0.56	-0.14	-2.02	-2.02	3.26	4.44	4.55				
ING Intermediate Bond Fund - Class A - 497 (7)	-0.39	0.76	-0.75	-0.75	5.20	7.59	4.32		12/15/1998	0.71	0.71
Benchmark-LEHM	-0.56	-0.14	-2.02	-2.02	3.26	4.44	4.55				
ING Intermediate Bond Portfolio - Class I - 004	-0.35	0.81	-0.12	-0.12	5.52	7.57	4.63		05/23/1973	0.50	0.50
Benchmark-LEHM	-0.56	-0.14	-2.02	-2.02	3.26	4.44	4.55				
ING PIMCO Total Return Portfolio - Service Class - 439	-1.03	-0.09	-1.89	-1.89	3.01	5.77	4.82		05/01/2002	0.83	0.83
Benchmark-LEHM	-0.56	-0.14	-2.02	-2.02	3.26	4.44	4.55				
Oppenheimer Core Bond Fund - Class A - 914 (8)(9)	-0.34	0.74	-0.35	-0.35	5.53	6.95	0.54		04/15/1988	0.99	0.90
Benchmark-LBUSCI	-0.25	0.92	-2.01	-2.01	5.11	7.89	5.24				
PIMCO Total Return Fund - Class R - 1532	-1.01	-0.20	-2.55	-2.55	3.42	6.22	5.31		12/31/2002	1.10	1.10
Benchmark-LEHM	-0.56	-0.14	-2.02	-2.02	3.26	4.44	4.55				
Multi-Sector Bond											
Lord Abbett Bond Debenture Fund - Class A - 399	0.61	3.33	7.79	7.79	8.25	14.18	7.04		04/01/1971	0.96	0.96
Benchmark-LEHM	-0.56	-0.14	-2.02	-2.02	3.26	4.44	4.55				
World Bond											
ING Global Bond Portfolio - Service Class - 596 (11)	-0.10	1.06	-4.28	-4.28	2.17	8.42		4.63	11/08/2004	0.95	0.87
Benchmark-LBGAI	-0.60	-0.44	-2.60	-2.60	2.39	3.91		4.28			
Asset Allocation											
Lifecycle											
ING Solution 2015 Portfolio - Service Class - 747 (12)(13)	0.76	3.45	9.10	9.10	6.48	10.44		4.73	04/29/2005	1.09	0.98
Benchmark-SPT2015	0.86	4.02	12.16	12.16	7.91	10.54		5.94			
ING Solution 2025 Portfolio - Service Class - 759 (12)(14)	1.46	5.51	16.33	16.33	8.54	12.85		5.27	04/29/2005	1.17	1.06
Benchmark-SPT2025	1.31	5.34	17.03	17.03	9.50	12.77		6.56			
ING Solution 2035 Portfolio - Service Class - 762 (12)(15)	1.87	6.56	20.35	20.35	9.73	14.20		5.79	04/29/2005	1.23	1.12
Benchmark-SP2035	1.65	6.41	20.83	20.83	10.67	14.28		6.83			
ING Solution 2045 Portfolio - Service Class - 765 (12)(16)	2.08	7.38	23.45	23.45	10.58	15.12		6.08	04/29/2005	1.25	1.14
Benchmark-SP2045	1.87	7.06	23.13	23.13	11.38	15.09					
ING Solution 2055 Portfolio - Service Class - 1167 (12)(17)	2.11	7.38	23.52	23.52	10.63			11.85	03/08/2010	1.26	1.14
Benchmark-SP2045	1.87	7.06	23.13	23.13	11.38			12.32			
ING Solution Income Portfolio - Service Class - 768 (12)(18)	0.53	2.98	6.97	6.97	5.62	8.64		4.61	04/29/2005	1.04	0.94
Benchmark-SPTREIN	0.31	2.34	6.27	6.27	5.91	7.62		4.90			
Lifestyle											
ING Strategic Allocation Conservative Portfolio - Class I - 033 (19)	1.00	4.37	12.11	12.11	8.62	10.93	5.13		07/05/1995	0.80	0.65
Benchmark-LEHM	-0.56	-0.14	-2.02	-2.02	3.26	4.44	4.55				
ING Strategic Allocation Growth Portfolio - Class I - 031 (20)	1.85	7.04	22.40	22.40	10.97	14.14	5.75		07/05/1995	0.85	0.71
Benchmark-RS3000	2.64	10.10	33.55	33.55	16.24	18.71	7.88				
ING Strategic Allocation Moderate Portfolio - Class I - 032 (21)	1.37	5.70	16.60	16.60	9.61	12.44	5.40		07/05/1995	0.82	0.70
Benchmark-RS3000	2.64	10.10	33.55	33.55	16.24	18.71	7.88				
Balanced											
Aggressive Allocation											
ING Invesco Equity and Income Portfolio - Service Class - 261 (22)	1.75	6.46	24.64	24.64	11.43	13.66	7.21		12/10/2001	0.94	0.91
Benchmark-RS1000V	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
Conservative Allocation											
Oppenheimer Capital Income Fund - Class A - 915 (23)	1.48	4.53	9.19	9.19	8.12	10.75	2.97		12/01/1970	1.02	0.98
Benchmark-RS3000	2.64	10.10	33.55	33.55	16.24	18.71	7.88				

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
Moderate Allocation											
American Funds American Balanced Fund - Class R-3 - 341 (24)	1.57	7.28	21.33	21.33	12.65	14.22	6.64		07/26/1975	0.95	0.95
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Calvert VP SRI Balanced Portfolio - 101	1.15	4.87	18.00	18.00	10.89	13.88	5.33		09/02/1986	0.90	0.90
<i>Benchmark-RS1000</i>	2.70	10.23	33.11	33.11	16.30	18.59	7.78				
Fidelity® Advisor Balanced Fund - Class T - 165	1.87	7.18	19.95	19.95	10.82	14.32	5.83		01/06/1987	1.17	1.17
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
ING Balanced Portfolio - Class I - 008	1.37	5.82	16.71	16.71	9.38	12.23	5.42		04/03/1989	0.66	0.66
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
ING Capital Allocation Fund - Class A - 470 (25)(26)	1.32	5.31	14.05	14.05	8.06	10.93	4.89		01/04/1995	1.42	1.15
<i>Benchmark-SPTRG</i>	1.35	5.49	16.03	16.03	9.42	11.66					
ING MFS Total Return Portfolio - Service Class - 616	1.30	6.18	18.68	18.68	10.26	11.66	6.02		08/14/1998	0.96	0.96
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
ING T. Rowe Price Capital Appreciation Portfolio - Service - 788	1.86	6.26	22.20	22.20	12.91	16.94	9.07		01/24/1989	0.90	0.90
<i>Benchmark-SPXLBGC</i>	-0.25	-0.01	7.18	7.18	7.79	10.59	5.54				
MFS® Total Return Fund - Class A - 987	1.32	6.18	18.87	18.87	10.45	11.86	6.22		10/06/1970	0.77	0.77
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Large Cap Value											
Large Blend											
American Century Equity Growth Fund - A Class - 1093	2.32	10.96	32.64	32.64	16.91	17.00	7.39		05/05/1991	0.93	0.93
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
American Funds Fundamental InvestorsSM - Class R-3 - 1251	3.06	9.84	31.09	31.09	14.39	17.73	8.71		08/01/1978	0.96	0.96
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Fidelity VIP Contrafund Portfolio - Initial Class - 133	2.85	10.13	31.29	31.29	14.21	18.84	9.23		01/03/1995	0.64	0.64
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
ING Columbia Contrarian Core Portfolio - Service Class - 264 (27)	2.85	10.55	34.74	34.74	12.97	16.29	5.62		12/10/2001	1.21	1.00
<i>Benchmark-RS1000</i>	2.70	10.23	33.11	33.11	16.30	18.59	7.78				
ING Core Equity Research Fund - Class A - 472 (28)	1.81	9.30	30.59	30.59	15.17	17.04	7.55		01/03/1992	1.24	1.24
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
ING Growth and Income Portfolio - Class A - 1383 (29)	1.83	9.45	30.07	30.07	14.17	16.99	6.64		12/31/1979	1.09	1.04
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
ING Growth and Income Portfolio - Class I - 001	1.88	9.58	30.66	30.66	14.69	17.53	7.24		12/31/1979	0.59	0.59
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
ING Index Plus LargeCap Portfolio - Class I - 035	2.35	10.41	32.92	32.92	14.98	16.37	6.51		09/16/1996	0.45	0.45
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
ING Multi-Manager Large Cap Core Portfolio - Service Class - 773	2.26	9.32	30.29	30.29	11.11	14.56		6.47	05/03/2005	0.98	0.98
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94		7.77			
Invesco Charter Fund - Class A - 939	2.40	7.26	28.34	28.34	13.17	15.32	7.69		11/26/1968	1.12	1.12
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Invesco V.I. Core Equity Fund - Series I Shares - 079	2.43	7.47	29.25	29.25	13.73	15.64	7.66		05/02/1994	0.90	0.90
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Lord Abbett Series Fund Growth and Income Portfolio - CI VC - 226	4.04	9.60	35.90	35.90	12.68	14.84	6.00		12/11/1989	0.91	0.91
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
Oppenheimer Main Street Fund® - Class A - 958	3.52	10.51	31.55	31.55	15.22	17.93	6.82		02/03/1988	0.97	0.97
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Pioneer Fund - Class A Shares - 923	2.39	10.08	33.06	33.06	11.75	14.94	6.66		02/13/1928	1.01	1.01
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Pioneer Fund VCT Portfolio - Class I - 224	2.38	10.09	33.28	33.28	12.03	15.35	6.86		10/31/1997	0.74	0.74
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Large Value											
AllianzGI NFJ Dividend Value Fund - Class A - 1355	1.91	9.07	28.64	28.64	14.75	14.04	7.28		05/31/2000	1.06	1.06
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
American Funds Washington Mutual Investors FundSM - R-3 - 482 (30)	2.28	9.69	31.46	31.46	16.27	16.07	6.81		07/31/1952	0.97	0.97
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
BlackRock Equity Dividend Fund - Class R Shares - 7272	2.46	9.72	23.98	23.98	13.32	14.76	8.80		01/03/2003	1.32	1.32
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
BlackRock Equity Dividend Fund - Investor A Shares - 2534	2.55	9.84	24.35	24.35	13.69	15.13	9.10		10/21/1994	0.99	0.99
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
BlackRock Large Cap Value Fund - Investor A Shares - 1356 (31)	2.79	11.23	32.73	32.73	13.14	12.78	6.96		12/22/1999	1.27	1.22
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
Columbia Diversified Equity Income Fund - Class R Shares - 1431 (32)	2.32	9.98	30.39	30.39	12.18	15.65	7.71		10/15/1990	1.38	1.33
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
Eaton Vance Large-Cap Value Fund - Class A - 2172	2.01	9.43	29.34	29.34	12.67	12.99	7.36		09/23/1931	0.99	0.99
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
Eaton Vance Large-Cap Value Fund - Class R - 1374 (33)(34)	1.99	9.38	29.01	29.01	12.39	12.69	7.09		09/23/1931	1.24	1.24
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
Fidelity VIP Equity-Income Portfolio - Initial Class - 108	2.05	7.30	28.15	28.15	14.92	17.88	6.52		10/09/1986	0.56	0.56
<i>Benchmark-RS3000V</i>	2.48	9.95	32.69	32.69	15.93	16.75	7.66				
Fidelity® Advisor Equity Income Fund - Class T - 156	1.99	7.12	27.23	27.23	14.13	15.88	5.91		09/10/1992	1.22	1.22
<i>Benchmark-RS3000V</i>	2.48	9.95	32.69	32.69	15.93	16.75	7.66				
ING Invesco Comstock Portfolio - Service Class - 437	2.47	10.72	35.00	35.00	16.19	18.34	7.26		05/01/2002	1.01	1.01
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
ING Invesco Growth and Income Portfolio - Service Class - 789	2.50	8.79	33.88	33.88	14.49	15.93	7.80		10/04/1993	0.91	0.91
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
ING Large Cap Value Portfolio - Institutional Class - 1213 (35)	2.02	9.27	30.86	30.86	15.82	15.88		4.73	05/11/2007	0.80	0.69
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67		3.71			
ING T. Rowe Price Equity Income Portfolio - Service Class - 617	2.15	8.75	29.74	29.74	14.65	16.71	7.39		01/24/1989	0.90	0.90
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Invesco Comstock Fund - Class A - 371	2.42	10.49	35.24	35.24	16.38	18.73	7.75		10/07/1968	0.86	0.86
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Invesco Value Opportunities Fund - Class A - 2816	1.48	10.48	32.51	32.51	14.56	17.26	6.10		06/25/2001	1.27	1.27
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Invesco Value Opportunities Fund - Class R5 - 2818	1.53	10.66	33.15	33.15				15.60	05/20/2011	0.74	0.74
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39				15.81			
Lord Abbett Affiliated Fund - Class A - 978	1.99	9.84	32.15	32.15	12.18	14.01	5.56		05/14/1934	0.85	0.85
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				
Pioneer Disciplined Value Fund - Class R Shares - 8078 (36)	2.16	10.02	29.20	29.20	13.15	14.82		6.40	11/30/2005	1.51	1.40
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67		6.60			
Pioneer Equity Income VCT Portfolio - Class I - 225	2.34	8.24	29.10	29.10	14.72	15.56	8.11		03/01/1995	0.79	0.79
<i>Benchmark-RS1000V</i>	2.53	10.01	32.53	32.53	16.07	16.67	7.59				

Large Cap Growth**Large Growth**

American Century Ultra® Fund - A Class - 219	3.18	10.28	36.58	36.58	16.23	19.79	6.57		11/02/1981	1.24	1.24
<i>Benchmark-RS1000G</i>	2.86	10.44	33.48	33.48	16.45	20.39	7.83				
American Funds The Growth Fund of America - Class R-3 - 487 (37)	2.79	9.30	33.43	33.43	15.01	17.96	7.99		12/01/1973	0.98	0.98
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Fidelity VIP Growth Portfolio - Initial Class - 109	3.15	8.21	36.34	36.34	16.15	20.07	6.94		10/09/1986	0.66	0.66
<i>Benchmark-RS3000G</i>	2.79	10.25	34.23	34.23	16.47	20.56	7.95				
Fidelity® Advisor Equity Growth Fund - Class T - 148	3.10	8.07	35.38	35.38	15.48	19.39	6.40		09/10/1992	1.31	1.31
<i>Benchmark-RS3000G</i>	2.79	10.25	34.23	34.23	16.47	20.56	7.95				
Fidelity® Advisor Growth Opportunities Fund - Class T - 181	2.96	6.46	36.29	36.29	18.08	24.44	7.13		11/18/1987	1.48	1.48
<i>Benchmark-RS1000G</i>	2.86	10.44	33.48	33.48	16.45	20.39	7.83				
ING BlackRock Large Cap Growth Portfolio - Service Class - 783 (38)	3.31	12.82	33.10	33.10	14.46	17.23	6.58		05/01/2002	1.06	1.04
<i>Benchmark-RS1000G</i>	2.86	10.44	33.48	33.48	16.45	20.39	7.83				

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
ING Marsico Growth Portfolio - Institutional Class - 1413 (39)	2.85	10.06	35.89	35.89	14.79	18.63	7.62		08/14/1998	0.83	0.83
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
ING Marsico Growth Portfolio - Service Class - 593	2.80	9.94	35.51	35.51	14.46	18.31	7.34		08/14/1998	1.08	1.08
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Invesco American Franchise Fund - Class A - 2822 (40)	4.53	13.25	39.72	39.72	13.79	18.57		8.73	06/23/2005	1.18	1.05
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94		7.44			
Janus Forty Fund - Class S Shares - 2735 (41)	3.33	10.70	31.73	31.73	14.71	18.00	9.94		05/01/1997	1.04	1.04
<i>Benchmark-RS1000G</i>	2.86	10.44	33.48	33.48	16.45	20.39	7.83				
Massachusetts Investors Trust - Class A - 951	3.05	10.20	31.90	31.90	15.55	17.04	8.25		07/15/1924	0.77	0.77
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
MFS® Growth Fund - Class A - 947	3.85	10.77	36.28	36.28	16.63	20.45	9.71		09/13/1993	1.12	1.12
<i>Benchmark-RS1000G</i>	2.86	10.44	33.48	33.48	16.45	20.39	7.83				
MFS® Research Fund - Class A - 950	2.96	9.95	32.11	32.11	15.40	18.27	8.57		10/13/1971	0.91	0.91
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Oppenheimer Capital Appreciation Fund - Class A - 944	3.28	10.67	29.24	29.24	13.09	17.78	5.27		01/22/1981	1.05	1.05
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Small/Mid/Specialty											
Mid-Cap Blend											
CRM Mid Cap Value Fund - Investor Shares - 457	4.83	9.94	33.10	33.10	13.28	17.22	9.53		09/20/2000	1.03	1.03
<i>Benchmark-RSMIDVAL</i>	2.74	8.56	33.46	33.46	15.97	21.16	10.25				
Fidelity® Advisor Value Strategies Fund - Class T - 151	2.45	9.31	29.78	29.78	13.97	24.19	7.39		12/31/1983	1.38	1.38
<i>Benchmark-RSMIDVAL</i>	2.74	8.56	33.46	33.46	15.97	21.16	10.25				
ING Index Plus MidCap Portfolio - Class I - 053	2.47	8.60	34.56	34.56	16.12	20.25	8.91		12/16/1997	0.50	0.50
<i>Benchmark-SPXMID</i>	3.09	8.33	33.50	33.50	15.64	21.89	10.36				
ING SMID Cap Equity Fund - Class A - 489 (42)	1.95	6.34	29.25	29.25	14.32	18.89	8.03		02/03/1998	1.03	1.00
<i>Benchmark-SPXMID</i>	3.09	8.33	33.50	33.50	15.64	21.89	10.36				
Invesco Mid Cap Core Equity Fund - Class R5 - 1101	2.39	6.46	29.68	29.68	10.58	14.85	8.26		03/15/2002	0.83	0.83
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
Lazard U.S. Mid Cap Equity Portfolio - Open Shares - 1315	3.49	9.75	32.59	32.59	9.59	17.51	7.52		11/04/1997	1.26	1.26
<i>Benchmark-RSMID</i>	2.98	8.39	34.76	34.76	15.88	22.36	10.22				
Lord Abbett Series Fund - Mid Cap Stock Portfolio - CI VC - 075	2.99	8.85	30.32	30.32	12.74	17.87	7.66		09/15/1999	1.16	1.16
<i>Benchmark-RSMIDVAL</i>	2.74	8.56	33.46	33.46	15.97	21.16	10.25				
Oppenheimer Main Street Small- & Mid-Cap Fund® - Class A - 1028	2.52	7.56	33.40	33.40	14.89	20.66	8.85		08/02/1999	1.10	1.10
<i>Benchmark-RS2500</i>	2.54	8.66	36.80	36.80	16.27	21.76	9.81				
Royce Value Fund - Service Class - 9238	2.24	8.44	27.76	27.76	9.03	18.57	11.11		06/14/2001	1.45	1.45
<i>Benchmark-RS2000</i>	1.97	8.72	38.82	38.82	15.67	20.08	9.07				
Mid-Cap Growth											
Baron Asset Fund - Retail Shares - 921	3.66	10.62	38.88	38.88	15.84	19.95	10.26		06/12/1987	1.33	1.33
<i>Benchmark-RSMIDGRW</i>	3.19	8.23	35.74	35.74	15.63	23.37	9.77				
Franklin Small-Mid Cap Growth Fund - Class A - 5028 (43)	3.98	8.92	38.58	38.58	13.45	21.84	8.76		02/14/1992	0.98	0.98
<i>Benchmark-SPXRE</i>	2.53	10.51	32.39	32.39	16.18	17.94	7.41				
ING Baron Growth Portfolio - Service Class - 436	2.62	8.13	38.85	38.85	19.31	23.77	11.11		05/01/2002	1.25	1.25
<i>Benchmark-RS2000G</i>	2.05	8.17	43.30	43.30	16.82	22.58	9.41				
ING FMR SM Diversified Mid Cap Portfolio - Service Class - 778	3.86	10.19	36.02	36.02	11.56	19.92	10.87		10/02/2000	0.90	0.90
<i>Benchmark-SPXMID</i>	3.09	8.33	33.50	33.50	15.64	21.89	10.36				
ING MidCap Opportunities Fund - Class A - 428	2.31	6.33	31.04	31.04	13.83	22.00	10.64		08/20/1998	1.33	1.33
<i>Benchmark-RSMIDGRW</i>	3.19	8.23	35.74	35.74	15.63	23.37	9.77				
ING MidCap Opportunities Portfolio - Class I - 081	2.44	6.59	31.97	31.97	14.45	22.55	11.15		05/05/2000	0.84	0.84
<i>Benchmark-RSMIDGRW</i>	3.19	8.23	35.74	35.74	15.63	23.37	9.77				
ING T. Rowe Price Diversified Mid Cap Growth Port - Service - 258 (44)	3.16	7.92	34.74	34.74	14.48	22.92	8.78		12/10/2001	1.03	1.00
<i>Benchmark-SPXMID</i>	3.09	8.33	33.50	33.50	15.64	21.89	10.36				
Neuberger Berman Genesis Fund - Advisor Class - 2669	2.63	9.06	36.49	36.49	15.97	18.90	11.01		08/26/1993	1.38	1.38
<i>Benchmark-RS2000</i>	1.97	8.72	38.82	38.82	15.67	20.08	9.07				

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
Oppenheimer Discovery Mid Cap Growth Fund/VA - 094 (45)	2.77	7.49	35.98	35.98	16.98	22.03	7.34		08/15/1986	0.85	0.80
Benchmark-RS2500G	2.68	8.49	40.65	40.65	17.15	24.03	10.11				
Mid-Cap Value											
Columbia Mid Cap Value Fund - Class A Shares - 1008	4.17	10.61	35.16	35.16	14.65	19.63	9.51		11/20/2001	1.20	1.20
Benchmark-RSMIDVAL	2.74	8.56	33.46	33.46	15.97	21.16	10.25				
ING American Century Small-Mid Cap Value Portfolio - Service - 440 (46)	2.16	8.75	31.36	31.36	13.96	19.63	10.19		05/01/2002	1.42	1.19
Benchmark-RS2500V	2.40	8.83	33.32	33.32	15.38	19.61	9.29				
Pioneer Mid Cap Value VCT Portfolio - Class I - 074	2.82	8.25	33.10	33.10	11.75	15.68	7.98		03/01/1995	0.72	0.72
Benchmark-RSMIDVAL	2.74	8.56	33.46	33.46	15.97	21.16	10.25				
Small Blend											
ING Index Plus SmallCap Portfolio - Class I - 052	1.44	9.79	42.70	42.70	16.76	19.55	8.56		12/19/1997	0.51	0.51
Benchmark-SPXSC	1.45	9.83	41.32	41.32	18.42	21.37	10.65				
ING JPMorgan Small Cap Core Equity Portfolio - Service 2 - 2141 (47)	2.15	9.89	38.73	38.73	17.46	21.11	10.50		09/09/2002	1.39	1.29
Benchmark-RS2000	1.97	8.72	38.82	38.82	15.67	20.08	9.07				
ING JPMorgan Small Cap Core Equity Portfolio - Service Class - 752	2.13	9.91	38.94	38.94	17.62	21.30	10.66		05/01/2002	1.14	1.14
Benchmark-RS2000	1.97	8.72	38.82	38.82	15.67	20.08	9.07				
ING Small Company Portfolio - Class I - 042	2.16	8.79	37.76	37.76	15.44	19.54	10.13		12/27/1996	0.86	0.86
Benchmark-RS2000	1.97	8.72	38.82	38.82	15.67	20.08	9.07				
Keeley Small Cap Value Fund - Class A Shares - 1312 (48)	0.82	8.09	34.63	34.63	15.61	18.82	10.86		10/01/1993	1.39	1.38
Benchmark-RS2000	1.97	8.72	38.82	38.82	15.67	20.08	9.07				
Royce Total Return Fund - Service Class - 8116	1.71	8.56	32.38	32.38	13.96	18.12	8.90		12/15/1993	1.44	1.44
Benchmark-RS2000	1.97	8.72	38.82	38.82	15.67	20.08	9.07				
Small Growth											
ColumbiaSM Acorn USA® - Class A Shares - 1320	3.24	6.73	32.34	32.34	14.19	20.86	8.95		10/16/2000	1.38	1.38
Benchmark-RS2000	1.97	8.72	38.82	38.82	15.67	20.08	9.07				
ING SmallCap Opportunities Fund - Class A - 365 (49)	1.26	6.66	37.46	37.46	16.52	22.52	10.14		06/05/1995	1.54	1.51
Benchmark-RS2000G	2.05	8.17	43.30	43.30	16.82	22.58	9.41				
ING SmallCap Opportunities Portfolio - Class I - 080	1.36	6.90	39.07	39.07	17.33	22.88	10.58		05/06/1994	0.92	0.92
Benchmark-RS2000G	2.05	8.17	43.30	43.30	16.82	22.58	9.41				
Royce Pennsylvania Mutual Fund - Service Class - 8113	2.26	9.47	34.77	34.77	13.71	19.94	9.80		10/31/1972	1.20	1.20
Benchmark-RS2000	1.97	8.72	38.82	38.82	15.67	20.08	9.07				
Royce Value Plus Fund - Service Class - 1567	2.33	8.06	32.52	32.52	11.19	18.40	9.38		06/14/2001	1.45	1.45
Benchmark-RS2000	1.97	8.72	38.82	38.82	15.67	20.08	9.07				
Small Value											
Franklin Small Cap Value Securities Fund - Class 2 - 073 (50)	1.73	9.61	36.24	36.24	15.79	20.78	10.22		05/01/1998	0.92	0.92
Benchmark-RS2500V	2.40	8.83	33.32	33.32	15.38	19.61	9.29				
Royce Opportunity Fund - Service Class - 8119	2.85	10.63	43.10	43.10	14.90	26.76	9.70		04/01/2003	1.49	1.49
Benchmark-RS2000	1.97	8.72	38.82	38.82	15.67	20.08	9.07				
Specialty - Health											
ING BlackRock Health Sciences Opportunities Portfolio - Srv - 776	1.59	7.99	44.32	44.32	21.53	18.19		8.73	05/03/2004	1.02	1.02
Benchmark-R3000HCT	0.90	9.88	43.05	43.05	23.68	19.43		9.01			
Specialty - Natural Resources											
ING Global Resources Portfolio - Service Class - 2040	2.48	4.46	13.60	13.60	0.09	10.90	8.90		01/24/1989	0.90	0.90
Benchmark-SPNANRTR	2.17	5.26	16.49	16.49	3.32	13.45	11.18				
Specialty - Real Estate											
ING Clarion Global Real Estate Portfolio - Institutional - 1613 (51)	1.01	0.74	3.95	3.95	7.53	14.10		4.40	01/03/2006	1.00	0.89
Benchmark-SPDEVPRO	0.32	-0.17	5.87	5.87	8.84	16.61		4.73			
ING Clarion Real Estate Portfolio - Service Class - 1019 (52)	0.77	0.29	2.06	2.06	8.89	17.56	9.66		01/24/1989	1.10	0.86
Benchmark-MSCIUREN	0.08	-1.01	1.26	1.26	8.22	15.24					
ING Real Estate Fund - Class A - 292 (53)(54)	0.69	0.14	1.77	1.77	8.65	16.20	8.85		12/31/1996	1.22	1.22
Benchmark-MSREIT	0.28	-0.68	2.22	2.22	9.38	16.67	8.37				
Specialty - Utilities											

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
ING MFS Utilities Portfolio - Service Class - 771	1.38	4.55	20.17	20.17	13.14	16.94		11.71	05/02/2005	1.04	1.04
<i>Benchmark-SPUTILS</i>	0.92	2.79	13.21	13.21	11.20	10.17		6.89			
Global / International											
Diversified Emerging Mkts											
ING JPMorgan Emerging Markets Equity Portfolio - Service - 779	-0.84	0.80	-5.74	-5.74	-2.82	13.64	10.67		02/18/1998	1.51	1.51
<i>Benchmark-MSCEMK</i>	-1.44	1.86	-2.27	-2.27	-1.74	15.15	11.52				
Foreign Large Blend											
American Funds EuroPacific Growth Fund - Class R-3 - 496 (55)	1.81	7.53	19.79	19.79	7.05	13.17	8.59		04/16/1984	1.14	1.14
<i>Benchmark-MSCIACEU</i>	0.90	4.81	15.78	15.78	5.61	13.32	8.04				
ING International Index Portfolio - Class S - 1552 (56)	1.84	5.61	21.09	21.09	7.91	11.50		2.03	03/04/2008	0.83	0.76
<i>Benchmark-MSEAFANET</i>	1.50	5.71	22.78	22.78	8.17	12.44		2.21			
Foreign Large Growth											
American Century International Growth Fund - A Class - 369	2.23	7.26	22.56	22.56	9.42	14.73	7.49		05/09/1991	1.54	1.54
<i>Benchmark-MSEAFANET</i>	1.50	5.71	22.78	22.78	8.17	12.44	6.91				
ING T. Rowe Price International Stock Portfolio - Service - 770	1.93	4.50	14.33	14.33	5.98	13.26		6.77	05/02/2005	1.01	1.01
<i>Benchmark-MSCIXUS</i>	0.88	4.77	15.29	15.29	5.14	12.81		6.72			
Foreign Large Value											
ING International Value Portfolio - Class I - 228 (57)	1.91	6.01	21.22	21.22	7.12	9.89	5.64		08/08/1997	0.96	1.00
<i>Benchmark-MSEAFANET</i>	1.50	5.71	22.78	22.78	8.17	12.44	6.91				
Templeton Foreign Fund - Class A - 5041	1.35	7.07	27.17	27.17	9.59	16.41	7.80		10/05/1982	1.21	1.21
<i>Benchmark-MSEAFANET</i>	1.50	5.71	22.78	22.78	8.17	12.44	6.91				
Foreign Small/Mid Growth											
Wanger International - 1348	2.30	6.07	22.37	22.37	8.29	18.90	12.56		05/03/1995	1.07	1.07
<i>Benchmark-MSCIEAFE</i>	1.51	5.75	23.29	23.29	8.66	12.96	7.39				
World Stock											
American Funds New Perspective Fund - Class R-3 - 339 (58)	2.03	8.46	26.42	26.42	11.91	16.63	8.83		03/13/1973	1.12	1.12
<i>Benchmark-MSCIACN</i>	1.73	7.32	22.80	22.80	9.73	14.92	7.17				
ING Oppenheimer Global Portfolio - Service Class - 438	2.34	7.63	26.85	26.85	12.14	17.90	8.24		05/01/2002	1.00	1.00
<i>Benchmark-MSCIWOR</i>	2.12	8.00	26.68	26.68	11.49	15.02	6.98				
MFS® Global Equity Fund - Class A - 913	2.51	7.90	27.51	27.51	14.52	17.15	9.62		09/07/1993	1.34	1.34
<i>Benchmark-MSDUWIC</i>	2.15	8.11	27.36	27.36	12.13	15.68	7.55				
Templeton Global Smaller Companies Fund - Class A - 5064	3.11	8.29	32.20	32.20	7.62	21.85	8.58		06/01/1981	1.41	1.41
<i>Benchmark-MACSMNR</i>	2.07	6.81	28.66	28.66	10.45	20.72	10.31				
Templeton Growth Fund, Inc. - Class A - 5065	1.12	8.26	30.15	30.15	13.98	15.81	6.37		11/29/1954	1.11	1.11
<i>Benchmark-MSCIWOR</i>	2.12	8.00	26.68	26.68	11.49	15.02	6.98				

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.

*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

ING Custom Choice Classic

Separate Account D

Average Annual Total Returns as of: 12/31/2013 (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 800-262-3862. 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 0.25% on an annual basis. They also assume reinvestment of all dividends (ordinary income and capital gains) and are net of management fees and other fund operating expenses.

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

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

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
Stability of Principal									
Money Market									
ING Money Market Portfolio - Class I - 003 (2)	-0.02	-0.06	-0.23	-0.23	-0.23	-0.12	1.47		01/01/1980
<i>The 7-day annualized Subaccount yield as of 12/31/2013 is -0.25%, which more closely reflects current earnings. (1)</i>									
Stability of Principal									
ING Fixed Account - 457/401 - 043 (59)(60)	0.25	0.75	3.00	3.00	3.00	3.00	3.10		
<i>This fund is not part of the product's separate account.</i>									
Bonds									
High Yield Bond									
ING PIMCO High Yield Portfolio - Service Class - 787	0.31	2.91	5.36	5.36	7.67	16.21		7.86	05/03/2004
ING Pioneer High Yield Portfolio - Initial Class - 1220 (3)	0.66	3.42	12.05	12.05	8.76	20.55		9.23	01/03/2006
ING Pioneer High Yield Portfolio - Service Class - 1138 (4)	0.56	3.36	11.79	11.79	8.46	20.25		9.19	01/20/2006
Pioneer High Yield Fund - Class A Shares - 948	0.52	3.05	12.01	12.01	7.99	19.01	6.73		02/12/1998
Inflation-Protected Bond									
American Century Inflation-Adjusted Bond Fund - Inv Class - 1001	-1.47	-2.15	-9.36	-9.36	2.83	4.76	4.24		02/10/1997
Intermediate Government									
ING GNMA Income Fund - Class A - 363 (5)	-0.66	-0.48	-2.09	-2.09	2.50	3.62	3.92		08/17/1973
Intermediate-Term Bond									
American Funds The Bond Fund of America SM - Class R-3 - 492 (6)	-0.70	-0.27	-2.54	-2.54	2.81	5.78	2.90		05/28/1974
ING Intermediate Bond Fund - Class A - 497 (7)	-0.41	0.70	-1.00	-1.00	4.93	7.30	4.05		12/15/1998
ING Intermediate Bond Portfolio - Class I - 004	-0.37	0.75	-0.37	-0.37	5.26	7.30	4.37		05/23/1973

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
ING PIMCO Total Return Portfolio - Service Class - 439	-1.06	-0.15	-2.13	-2.13	2.75	5.51	4.56		05/01/2002
Oppenheimer Core Bond Fund - Class A - 914 (8)(9)	-0.36	0.67	-0.60	-0.60	5.25	6.67	0.29		04/15/1988
PIMCO Total Return Fund - Class R - 1532	-1.04	-0.26	-2.79	-2.79	3.15	5.95	5.05		12/31/2002
Multi-Sector Bond									
Lord Abnett Bond Debenture Fund - Class A - 399	0.58	3.26	7.51	7.51	7.95	13.86	6.76		04/01/1971
World Bond									
ING Global Bond-Ser / Oppen Strategic Bond VA (10)	-0.12	1.00	-4.52	-4.52	1.92	8.10	4.60		05/03/1993
ING Global Bond Portfolio - Service Class - 596 (11)	-0.12	1.00	-4.52	-4.52	1.92	8.15		4.36	11/08/2004
Asset Allocation									
Lifecycle									
ING Solution 2015 Portfolio - Service Class - 747 (12)(13)	0.73	3.39	8.82	8.82	6.21	10.16		4.47	04/29/2005
ING Solution 2025 Portfolio - Service Class - 759 (12)(14)	1.44	5.44	16.04	16.04	8.27	12.57		5.00	04/29/2005
ING Solution 2035 Portfolio - Service Class - 762 (12)(15)	1.85	6.49	20.05	20.05	9.46	13.92		5.53	04/29/2005
ING Solution 2045 Portfolio - Service Class - 765 (12)(16)	2.06	7.31	23.14	23.14	10.30	14.83		5.82	04/29/2005
ING Solution 2055 Portfolio - Service Class - 1167 (12)(17)	2.08	7.31	23.21	23.21	10.35			11.58	03/08/2010
ING Solution Income Portfolio - Service Class - 768 (12)(18)	0.51	2.91	6.71	6.71	5.36	8.37		4.34	04/29/2005
Lifestyle									
ING Strategic Allocation Conservative Portfolio - Class I - 033 (19)	0.97	4.31	11.83	11.83	8.35	10.65	4.86		07/05/1995
ING Strategic Allocation Growth Portfolio - Class I - 031 (20)	1.83	6.98	22.10	22.10	10.69	13.85	5.49		07/05/1995
ING Strategic Allocation Moderate Portfolio - Class I - 032 (21)	1.34	5.63	16.31	16.31	9.34	12.16	5.13		07/05/1995
Balanced									
Aggressive Allocation									
ING Invesco Equity and Income Portfolio - Service Class - 261 (22)	1.73	6.39	24.33	24.33	11.15	13.38	6.95		12/10/2001
Conservative Allocation									
Oppenheimer Capital Income Fund - Class A - 915 (23)	1.46	4.46	8.92	8.92	7.85	10.48	2.71		12/01/1970
Moderate Allocation									
American Funds American Balanced Fund - Class R-3 - 341 (24)	1.54	7.21	21.03	21.03	12.36	13.93	6.37		07/26/1975
Calvert VP SRI Balanced Portfolio - 101	1.13	4.81	17.71	17.71	10.61	13.59	5.07		09/02/1986
Fidelity® Advisor Balanced Fund - Class T - 165	1.85	7.11	19.65	19.65	10.54	14.03	5.57		01/06/1987
ING Balanced Portfolio - Class I - 008	1.35	5.75	16.42	16.42	9.11	11.95	5.16		04/03/1989
ING Capital Allocation Fund - Class A - 470 (25)(26)	1.30	5.24	13.77	13.77	7.80	10.65	4.63		01/04/1995
ING MFS Total Return Portfolio - Service Class - 616	1.28	6.11	18.38	18.38	9.98	11.38	5.76		08/14/1998
ING T. Rowe Price Capital Appreciation Portfolio - Service - 788	1.84	6.19	21.89	21.89	12.63	16.65	8.80		01/24/1989
MFS® Total Return Fund - Class A - 987	1.30	6.12	18.57	18.57	10.18	11.58	5.96		10/06/1970
Large Cap Value									
Large Blend									
American Century Equity Growth Fund - A Class - 1093	2.30	10.89	32.30	32.30	16.61	16.70	7.12		05/05/1991
American Funds Fundamental InvestorsSM - Class R-3 - 1251	3.03	9.77	30.76	30.76	14.11	17.44	8.44		08/01/1978
Fidelity VIP Contrafund Portfolio - Initial Class - 133	2.83	10.06	30.96	30.96	13.93	18.54	8.95		01/03/1995
ING Columbia Contrarian Core Portfolio - Service Class - 264 (27)	2.82	10.48	34.41	34.41	12.69	16.00	5.35		12/10/2001
ING Core Equity Research Fund - Class A - 472 (28)	1.79	9.23	30.26	30.26	14.88	16.75	7.28		01/03/1992
ING Growth and Income Portfolio - Class A - 1383 (29)	1.81	9.38	29.75	29.75	13.88	16.70	6.37		12/31/1979
ING Growth and Income Portfolio - Class I - 001	1.86	9.51	30.33	30.33	14.40	17.24	6.97		12/31/1979
ING Index Plus LargeCap Portfolio - Class I - 035	2.33	10.34	32.59	32.59	14.69	16.08	6.25		09/16/1996
ING Multi-Manager Large Cap Core Portfolio - Service Class - 773	2.24	9.25	29.97	29.97	10.83	14.27		6.21	05/03/2005
Invesco Charter Fund - Class A - 939	2.38	7.19	28.02	28.02	12.89	15.04	7.42		11/26/1968
Invesco V.I. Core Equity Fund - Series I Shares - 079	2.40	7.40	28.93	28.93	13.44	15.35	7.39		05/02/1994
Lord Abnett Series Fund Growth and Income Portfolio - CI VC - 226	4.02	9.53	35.56	35.56	12.40	14.55	5.74		12/11/1989
Oppenheimer Main Street Fund® - Class A - 958	3.49	10.44	31.22	31.22	14.94	17.63	6.56		02/03/1988
Pioneer Fund - Class A Shares - 923	2.37	10.01	32.72	32.72	11.47	14.65	6.39		02/13/1928
Pioneer Fund VCT Portfolio - Class I - 224	2.36	10.02	32.95	32.95	11.75	15.07	6.60		10/31/1997
Large Value									

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
AllianzGI NFJ Dividend Value Fund - Class A - 1355	1.88	9.00	28.32	28.32	14.46	13.76	7.02		05/31/2000
American Funds Washington Mutual Investors FundSM - R-3 - 482 (30)	2.25	9.62	31.13	31.13	15.98	15.78	6.55		07/31/1952
BlackRock Equity Dividend Fund - Class R Shares - 7272	2.44	9.65	23.67	23.67	13.04	14.47	8.53		01/03/2003
BlackRock Equity Dividend Fund - Investor A Shares - 2534	2.53	9.77	24.04	24.04	13.41	14.84	8.83		10/21/1994
BlackRock Large Cap Value Fund - Investor A Shares - 1356 (31)	2.77	11.16	32.40	32.40	12.86	12.50	6.69		12/22/1999
Columbia Diversified Equity Income Fund - Class R Shares - 1431 (32)	2.30	9.91	30.07	30.07	11.90	15.36	7.44		10/15/1990
Eaton Vance Large-Cap Value Fund - Class A - 2172	1.99	9.36	29.02	29.02	12.39	12.71	7.09		09/23/1931
Eaton Vance Large-Cap Value Fund - Class R - 1374 (33)(34)	1.97	9.31	28.69	28.69	12.11	12.41	6.82		09/23/1931
Fidelity VIP Equity-Income Portfolio - Initial Class - 108	2.03	7.23	27.83	27.83	14.64	17.58	6.25		10/09/1986
Fidelity® Advisor Equity Income Fund - Class T - 156	1.97	7.05	26.92	26.92	13.84	15.59	5.65		09/10/1992
ING Invesco Comstock Portfolio - Service Class - 437	2.45	10.65	34.66	34.66	15.90	18.04	7.00		05/01/2002
ING Invesco Growth and Income Portfolio - Service Class - 789	2.48	8.72	33.55	33.55	14.20	15.64	7.53		10/04/1993
ING Large Cap Value Portfolio - Institutional Class - 1213 (35)	1.99	9.20	30.54	30.54	15.53	15.59		4.46	05/11/2007
ING T. Rowe Price Equity Income Portfolio - Service Class - 617	2.12	8.68	29.42	29.42	14.37	16.42	7.12		01/24/1989
Invesco Comstock Fund - Class A - 371	2.40	10.42	34.90	34.90	16.09	18.43	7.48		10/07/1968
Invesco Value Opportunities Fund - Class A - 2816	1.46	10.41	32.18	32.18	14.28	16.97	5.84		06/25/2001
Invesco Value Opportunities Fund - Class R5 - 2818	1.51	10.59	32.82	32.82				15.31	05/20/2011
Lord Abbett Affiliated Fund - Class A - 978	1.96	9.77	31.82	31.82	11.90	13.72	5.29		05/14/1934
Pioneer Disciplined Value Fund - Class R Shares - 8078 (36)	2.14	9.95	28.88	28.88	12.87	14.53		6.14	11/30/2005
Pioneer Equity Income VCT Portfolio - Class I - 225	2.32	8.18	28.78	28.78	14.44	15.27	7.84		03/01/1995

Large Cap Growth

Large Growth

American Century Ultra® Fund - A Class - 219	3.16	10.21	36.24	36.24	15.94	19.49	6.30		11/02/1981
American Funds The Growth Fund of America - Class R-3 - 487 (37)	2.77	9.23	33.09	33.09	14.72	17.67	7.72		12/01/1973
Fidelity VIP Growth Portfolio - Initial Class - 109	3.12	8.14	36.00	36.00	15.86	19.77	6.68		10/09/1986
Fidelity® Advisor Equity Growth Fund - Class T - 148	3.08	8.00	35.04	35.04	15.20	19.09	6.14		09/10/1992
Fidelity® Advisor Growth Opportunities Fund - Class T - 181	2.94	6.40	35.95	35.95	17.79	24.13	6.86		11/18/1987
ING BlackRock Large Cap Growth Portfolio - Service Class - 783 (38)	3.29	12.75	32.76	32.76	14.17	16.94	6.31		05/01/2002
ING Marsico Growth Portfolio - Institutional Class - 1413 (39)	2.83	9.99	35.55	35.55	14.50	18.33	7.35		08/14/1998
ING Marsico Growth Portfolio - Service Class - 593	2.78	9.87	35.17	35.17	14.17	18.02	7.07		08/14/1998
Invesco American Franchise Fund - Class A - 2822 (40)	4.50	13.18	39.37	39.37	13.50	18.27		8.46	06/23/2005
Janus Forty Fund - Class S Shares - 2735 (41)	3.30	10.63	31.40	31.40	14.43	17.71	9.66		05/01/1997
Massachusetts Investors Trust - Class A - 951	3.03	10.13	31.57	31.57	15.26	16.75	7.98		07/15/1924
MFS® Growth Fund - Class A - 947	3.82	10.70	35.94	35.94	16.34	20.15	9.43		09/13/1993
MFS® Research Fund - Class A - 950	2.94	9.88	31.78	31.78	15.11	17.98	8.30		10/13/1971
Oppenheimer Capital Appreciation Fund - Class A - 944	3.26	10.60	28.92	28.92	12.80	17.48	5.01		01/22/1981

Small/Mid/Specialty

Mid-Cap Blend

CRM Mid Cap Value Fund - Investor Shares - 457	4.81	9.87	32.76	32.76	13.00	16.93	9.25		09/20/2000
Fidelity® Advisor Value Strategies Fund - Class T - 151	2.43	9.24	29.46	29.46	13.69	23.88	7.12		12/31/1983
ING Index Plus MidCap Portfolio - Class I - 053	2.45	8.53	34.23	34.23	15.83	19.95	8.64		12/16/1997
ING SMID Cap Equity Fund - Class A - 489 (42)	1.93	6.27	28.93	28.93	14.04	18.60	7.76		02/03/1998
Invesco Mid Cap Core Equity Fund - Class R5 - 1101	2.36	6.40	29.36	29.36	10.31	14.56	7.99		03/15/2002
Lazard U.S. Mid Cap Equity Portfolio - Open Shares - 1315	3.47	9.68	32.26	32.26	9.32	17.21	7.26		11/04/1997
Lord Abbett Series Fund - Mid Cap Stock Portfolio - CI VC - 075	2.96	8.78	29.99	29.99	12.46	17.58	7.39		09/15/1999
Oppenheimer Main Street Small- & Mid-Cap Fund® - Class A - 1028	2.50	7.49	33.06	33.06	14.60	20.36	8.58		08/02/1999
Royce Value Fund - Service Class - 9238	2.22	8.37	27.44	27.44	8.75	18.28	10.83		06/14/2001

Mid-Cap Growth

Baron Asset Fund - Retail Shares - 921	3.63	10.55	38.54	38.54	15.55	19.65	9.98		06/12/1987
Franklin Small-Mid Cap Growth Fund - Class A - 5028 (43)	3.96	8.85	38.24	38.24	13.16	21.53	8.49		02/14/1992
ING Baron Growth Portfolio - Service Class - 436	2.59	8.06	38.50	38.50	19.01	23.46	10.83		05/01/2002
ING FMR SM Diversified Mid Cap Portfolio - Service Class - 778	3.84	10.12	35.68	35.68	11.28	19.63	10.59		10/02/2000
ING MidCap Opportunities Fund - Class A - 428	2.29	6.26	30.71	30.71	13.55	21.70	10.36		08/20/1998

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
ING MidCap Opportunities Portfolio - Class I - 081	2.42	6.52	31.64	31.64	14.17	22.25	10.87		05/05/2000
ING T. Rowe Price Diversified Mid Cap Growth Port - Service - 258 (44)	3.13	7.86	34.40	34.40	14.20	22.62	8.51		12/10/2001
Neuberger Berman Genesis Fund - Advisor Class - 2669	2.61	8.99	36.15	36.15	15.68	18.60	10.73		08/26/1993
Oppenheimer Discovery Mid Cap Growth Fund/VA - 094 (45)	2.75	7.42	35.64	35.64	16.69	21.72	7.07		08/15/1986
Mid-Cap Value									
Columbia Mid Cap Value Fund - Class A Shares - 1008	4.15	10.54	34.82	34.82	14.36	19.33	9.24		11/20/2001
ING American Century Small-Mid Cap Value Portfolio - Service - 440 (46)	2.13	8.68	31.04	31.04	13.68	19.33	9.92		05/01/2002
Pioneer Mid Cap Value VCT Portfolio - Class I - 074	2.80	8.18	32.77	32.77	11.47	15.39	7.71		03/01/1995
Small Blend									
ING Index Plus SmallCap Portfolio - Class I - 052	1.42	9.73	42.35	42.35	16.47	19.25	8.29		12/19/1997
ING JPMorgan Small Cap Core Equity Portfolio - Service 2 - 2141 (47)	2.13	9.82	38.38	38.38	17.16	20.80	10.22		09/09/2002
ING JPMorgan Small Cap Core Equity Portfolio - Service Class - 752	2.11	9.85	38.60	38.60	17.32	20.99	10.38		05/01/2002
ING Small Company Portfolio - Class I - 042	2.13	8.72	37.42	37.42	15.15	19.24	9.86		12/27/1996
Keeley Small Cap Value Fund - Class A Shares - 1312 (48)	0.80	8.03	34.29	34.29	15.33	18.53	10.58		10/01/1993
Royce Total Return Fund - Service Class - 8116	1.69	8.49	32.05	32.05	13.68	17.82	8.63		12/15/1993
Small Growth									
ColumbiaSM Acorn USA® - Class A Shares - 1320	3.22	6.66	32.01	32.01	13.90	20.56	8.68		10/16/2000
ING SmallCap Opportunities Fund - Class A - 365 (49)	1.24	6.59	37.11	37.11	16.23	22.22	9.87		06/05/1995
ING SmallCap Opportunities Portfolio - Class I - 080	1.33	6.83	38.72	38.72	17.04	22.57	10.30		05/06/1994
Royce Pennsylvania Mutual Fund - Service Class - 8113	2.23	9.40	34.43	34.43	13.43	19.65	9.53		10/31/1972
Royce Value Plus Fund - Service Class - 1567	2.31	7.99	32.19	32.19	10.92	18.11	9.11		06/14/2001
Small Value									
Franklin Small Cap Value Securities Fund - Class 2 - 073 (50)	1.71	9.54	35.90	35.90	15.50	20.48	9.95		05/01/1998
Royce Opportunity Fund - Service Class - 8119	2.82	10.56	42.74	42.74	14.62	26.45	9.43		04/01/2003
Specialty - Health									
ING BlackRock Health Sciences Opportunities Portfolio - Srv - 776	1.57	7.92	43.96	43.96	21.23	17.89		8.46	05/03/2004
Specialty - Natural Resources									
ING Global Resources Portfolio - Service Class - 2040	2.46	4.40	13.32	13.32	-0.16	10.62	8.63		01/24/1989
Specialty - Real Estate									
ING Clarion Global Real Estate Portfolio - Institutional - 1613 (51)	0.99	0.67	3.69	3.69	7.26	13.82		4.14	01/03/2006
ING Clarion Real Estate Portfolio - Service Class - 1019 (52)	0.75	0.23	1.80	1.80	8.62	17.27	9.39		01/24/1989
ING Real Estate Fund - Class A - 292 (53)(54)	0.67	0.07	1.52	1.52	8.38	15.91	8.58		12/31/1996
Specialty - Utilities									
ING MFS Utilities Portfolio - Service Class - 771	1.35	4.49	19.87	19.87	12.86	16.64		11.43	05/02/2005
Global / International									
Diversified Emerging Mkts									
ING JPMorgan Emerging Markets Equity Portfolio - Service - 779	-0.86	0.73	-5.97	-5.97	-3.07	13.36	10.39		02/18/1998
Foreign Large Blend									
American Funds EuroPacific Growth Fund - Class R-3 - 496 (55)	1.79	7.46	19.49	19.49	6.78	12.88	8.32		04/16/1984
ING International Index Portfolio - Class S - 1552 (56)	1.82	5.55	20.79	20.79	7.64	11.23		1.77	03/04/2008
Foreign Large Growth									
American Century International Growth Fund - A Class - 369	2.20	7.19	22.25	22.25	9.15	14.45	7.22		05/09/1991
ING T. Rowe Price International Stock Portfolio - Service - 770	1.90	4.44	14.05	14.05	5.71	12.97		6.50	05/02/2005
Foreign Large Value									
ING International Value Portfolio - Class I - 228 (57)	1.89	5.95	20.91	20.91	6.85	9.61	5.37		08/08/1997
Templeton Foreign Fund - Class A - 5041	1.33	7.00	26.85	26.85	9.31	16.12	7.53		10/05/1982
Foreign Small/Mid Growth									
Wanger International - 1348	2.28	6.00	22.06	22.06	8.02	18.60	12.28		05/03/1995
World Stock									
American Funds New Perspective Fund - Class R-3 - 339 (58)	2.00	8.39	26.11	26.11	11.63	16.34	8.56		03/13/1973
ING Oppenheimer Global Portfolio - Service Class - 438	2.32	7.56	26.53	26.53	11.86	17.58	7.97		05/01/2002
MFS® Global Equity Fund - Class A - 913	2.49	7.84	27.19	27.19	14.23	16.86	9.35		09/07/1993

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
Templeton Global Smaller Companies Fund - Class A - 5064	3.08	8.23	31.87	31.87	7.35	21.55	8.31		06/01/1981
Templeton Growth Fund, Inc. - Class A - 5065	1.09	8.19	29.83	29.83	13.70	15.52	6.11		11/29/1954

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

(3)ING Pioneer High Yield Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.71% of Class I shares through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(4)ING Pioneer High Yield Portfolio - Service Class: The adviser is contractually obligated to limit expenses to 0.96% of Class S shares, through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(5)ING GNMA Income Fund - Class A: The adviser is contractually obligated to limit expenses to 0.97% through August 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, extraordinary expenses, and Acquired Fund Fees and Expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Fund or the adviser upon written notice within 90 days of the end of the current term or upon termination of the management agreement and is subject to possible recoupment by the adviser within three years.

(6)The Bond Fund of AmericaSM - Class R-3 commenced operations on June 04, 2002. The fund has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A of this fund. The performance information for the Bond Fund of AmericaSM - Class R-3 prior to June 04, 2002 is based upon the Class A performance, adjusted by fees associated with Class R-3.

(7)ING Intermediate Bond Fund - Class A: The adviser is contractually obligated to limit expenses to 0.75% through August 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, extraordinary expenses, and Acquired Fund Fees and Expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Fund or the adviser upon written notice within 90 days of the end of the current term or upon termination of the management agreement and is subject to possible recoupment by the adviser within three years.

(8)Prior reported performance for the Oppenheimer Core Bond Fund - Class A was overstated by a maximum of 0.45% in prior return periods due to a price revision reported by Oppenheimer Funds.

(9)Oppenheimer Core Bond Fund - Class A: The Manager has contractually agreed to waive fees and/or reimburse Fund expenses in an amount equal to the indirect management fees incurred through the Fund's investments in funds managed by the Manager or its affiliates. The Fund's transfer agent has also contractually agreed to limit its fees 0.30% of average annual net assets per fiscal year. After discussions with the Fund's Board, the Manager has contractually agreed to waive fees and/or reimburse the Fund for certain

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expenses in order to limit "Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement" (excluding any applicable dividend expense, taxes, interest and fees from borrowing, any subsidiary expenses, Acquired Fund Fees and Expenses, brokerage commissions, extraordinary expenses and certain other Fund expenses) to annual rate of 0.90% as calculated on the daily net assets of the Fund. Each of these fee waivers and/or expense reimbursements may not be amended or withdrawn for one year from the date of this prospectus, unless approved by the Board.

(10)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.

(11)ING Global Bond Portfolio - Service Class: The adviser is contractually obligated to limit expenses to 0.85% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. This obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the management agreement and is subject to possible recoupment by the adviser within three years. In addition, the adviser is contractually obligated to waive a portion of the management fee through May 1, 2014. Based upon net assets as of December 31, 2012, the management fee waiver for the Portfolio would be (0.02)%. There is no guarantee that this management fee waiver will continue after May 1, 2014. This management fee waiver will continue only if the adviser elects to renew it.

(12)There is no guarantee that any investment option will achieve its stated objective. Principal value fluctuates and there is no guarantee of value at any time, including the target date. The "target date" is the approximate date when you plan to start withdrawing your money. When your target date is reached, you may have more or less than the original amount invested. For each target date Portfolio, until the day prior to its Target Date, the Portfolio will seek to provide total returns consistent with an asset allocation targeted for an investor who is retiring in approximately each Portfolio's designation Target Year. Prior to choosing a Target Date Portfolio, investors are strongly encouraged to review and understand the Portfolio's objectives and its composition of stocks and bonds, and how the asset allocation will change over time as the target date nears. No two investors are alike and one should not assume that just because they intend to retire in the year corresponding to the Target Date that that specific Portfolio is appropriate and suitable to their risk tolerance. It is recommended that an investor consider carefully the possibility of capital loss in each of the target date Portfolios, the likelihood and magnitude of which will be dependent upon the Portfolio's asset allocation. On the Target Date, the portfolio will seek to provide a combination of total return and stability of principal.

Stocks are more volatile than bonds, and portfolios with a higher concentration of stocks are more likely to experience greater fluctuations in value than portfolios with a higher concentration in bonds. Foreign stocks and small and midcap stocks may be more volatile than large cap stocks. Investing in bonds also entails credit risk and interest rate risk. Generally investors with longer timeframes can consider assuming more risk in their investment portfolio.

The ING Solution PortfoliosSM are actively managed and the asset allocation adjusted over time. The portfolios may merge with or change to other portfolios over time. Refer to the prospectus for more information about the specific risks of investing in the various asset classes included in the ING Solution Portfolios.

(13)ING Solution 2015 Portfolio - Service Class: The adviser is contractually obligated to limit expenses to 0.37% of Class S shares through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(14)ING Solution 2025 Portfolio - Service Class: The adviser is contractually obligated to limit expenses to 0.37% of Class S shares through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(15)ING Solution 2035 Portfolio - Service Class: The adviser is contractually obligated to limit expenses to 0.37% of Class S shares through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(16)ING Solution 2045 Portfolio - Service Class: The adviser is contractually obligated to limit expenses to 0.37% of Class S shares through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(17)ING Solution 2055 Portfolio - Service Class: The adviser is contractually obligated to limit expenses to 0.37% of Class S shares through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to

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possible recoupment by the adviser within three years.

(18)ING Solution Income Portfolio - Service Class: The adviser is contractually obligated to limit expenses to 0.37% of Class S shares through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(19)ING Strategic Allocation Conservative Portfolio - Class I: The adviser is contractually obligated to limit expenses to 0.65% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions and extraordinary expenses. The obligation will automatically renew for one-year terms unless: (i) the adviser provides 90 days written notice of its termination; and (ii) such termination is approved by the Board of Directors; or (iii) the management agreement has been terminated. The obligation is subject to possible recoupment by the adviser within three years.

(20)ING Strategic Allocation Growth Portfolio - Class I: The adviser is contractually obligated to limit expenses to 0.75% through May 1, 2014. The obligation will automatically renew for one-year terms unless: (i) the adviser provides 90 days written notice of its termination; and (ii) such termination is approved by the Board of Directors; or (iii) the management agreement has been terminated. The obligation is subject to possible recoupment by the adviser within three years. In addition, the adviser is contractually obligated to further limit expenses to 0.71% through May 1, 2014. This obligation is subject to possible recoupment by the adviser within three years. There is no guarantee this obligation will continue after May 1, 2014 and the obligation will only renew if the adviser elects to renew it. These obligations do not extend to interest, taxes, brokerage commissions and extraordinary expenses.

(21)ING Strategic Allocation Moderate Portfolio - Class I: The adviser is contractually obligated to limit expenses to 0.70% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions and extraordinary expenses. The obligation will automatically renew for one-year terms unless: (i) the adviser provides 90 days written notice of its termination; and (ii) such termination is approved by the Board of Directors; or (iii) the management agreement has been terminated. The obligation is subject to possible recoupment by the adviser within three years.

(22)ING Invesco Equity and Income Portfolio - Service Class: Total Annual Portfolio Operating Expenses may be higher than the Portfolio's ratio of expenses to average net assets shown in the Portfolio's Financial Highlights, which reflects the operating expenses of the Portfolio and does not include Acquired Fund Fees and Expenses. The adviser is contractually obligated to limit expenses to 0.90% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(23)Oppenheimer Capital Income Fund - Class A: "Management Fees" reflects the gross management fees paid to the Manager by the Fund during the Fund's most recent fiscal year and the estimated gross management fee of the Subsidiary for its first full fiscal year. "Other Expenses of the Subsidiary" are based on estimated amounts for its first full fiscal year. The Manager has voluntarily agreed to waive fees and/or reimburse Fund expenses in an amount equal to the indirect management fees incurred through the Fund's investment in funds managed by the Manager or its affiliates. The Fund's transfer agent has also voluntarily agreed to limit its fees to 0.30% of average annual net assets per fiscal year. Each of these expense limitations may not be amended or withdrawn until one year from the date of this prospectus. The Manager has also contractually agreed to waive the management fee it receives from the Fund in an amount equal to the management fee it receives from the Subsidiary. This waiver will continue in effect for so long as the Fund invests in the Subsidiary, and may not be terminated by the Manager unless termination is approved by the Fund's Board of Trustees.

(24)The American Balanced Fund - Class R-3 commenced operations on June 4, 2002. The fund has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A of this fund. The performance information for the American Balanced Fund - Class R-3 prior to June 4, 2002 is based upon the Class A performance, adjusted by fees associated with Class R-3.

(25)For the ING Generation Class A funds, all performance figures are for Class A shares. For periods prior to the Class A inception dates, all Class A performance herein is calculated by using the performance of Class I shares and the internal fees and expenses of the Class A shares. Class A shares have identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as the Class I shares.

(26)ING Capital Allocation Fund - Class A: The adviser is contractually obligated to limit expenses to 1.15% through October 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Fund or the adviser upon written notice within 90 days of the end of the current term or upon termination of the management agreement and is subject to possible recoupment by the adviser within three years.

(27)ING Columbia Contrarian Core Portfolio - Service Class: The adviser is contractually obligated to limit expenses to 1.00% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. There is no guarantee that this obligation will continue after May 1, 2014. The obligation will only continue if the adviser elects to renew it. Any fees waived pursuant to this obligation shall not be eligible for recoupment. In addition, the adviser is contractually obligated to waive a portion of the management fee through May 1, 2014. Based upon net assets as of December 31, 2012, the management fee waiver for the Portfolio would be an estimated (0.02)%. There is no guarantee that the management fee waiver will continue after May 1, 2014. The management fee waiver will only renew if the adviser elects to renew it.

Additional Notes

(28) For the ING Series Class A funds, all performance figures are for Class A shares. For periods prior to the Class A inception dates, all Class A performance herein is calculated by using the performance of Class I shares and the internal fees and expenses of the Class A shares. Class A shares have identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as the Class I shares.

(29) ING Growth and Income Portfolio - Class A: The distributor is contractually obligated to waive 0.05% of the distribution fee through May 1, 2014. There is no guarantee that the distribution fee waiver will continue after May 1, 2014. The distribution fee waiver will continue only if the distributor elects to renew it.

(30) The Washington Mutual Investors FundSM - Class R-3 commenced operations on June 04, 2002. The fund has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A of this fund. The performance information for the Washington Mutual Investors FundSM - Class R-3 prior to June 04, 2002 is based upon the Class A performance, adjusted by fees associated with Class R-3.

(31) BlackRock Large Cap Value Fund - Investor A Shares: The fees and expenses shown in the table and the example that follows include both the expenses of Value Fund and Value Fund's share of the allocated expenses of Master Large Cap Value Portfolio ("Master Value Portfolio" or the "Portfolio"), a series of Master Large Cap Series LLC. Management Fees are paid by Master Value Portfolio. Effective June 1, 2012, the Administrator has agreed to waive 0.05% of the administration fee payable with respect to Value Fund. This voluntary waiver may be reduced or discontinued at any time without notice.

(32) Columbia Diversified Equity Income Fund - Class R: Columbia Management Investment Advisers, LLC and certain of its affiliates have contractually agreed to waive fees and/or to reimburse expenses (excluding certain fees and expenses, such as transaction costs and certain other investment related expenses, interest, taxes, acquired fund fees and expenses, and extraordinary expenses) until September 30, 2014, unless sooner terminated at the sole discretion of the Fund's Board of Trustees. Under this agreement, the Fund's net operating expenses will not, subject to applicable exclusions, exceed the annual rates of 1.33%.

(33) The Eaton Vance Large-Cap Value Fund - Class R commenced operations on February 18, 2004. The Class R shares has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A. The performance information above prior to February 18, 2004 is based upon the Class A performance adjusted by the fee differences between classes.

(34) Eaton Vance Large-Cap Value Fund - Class R: The investment advisory fee for Large-Cap Value Portfolio was reduced by its allocable portion of Cash Management Portfolio's advisory fee.

(35) ING Large Cap Value Portfolio - Institutional Class: The adviser is contractually obligated to limit expenses to 0.69% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days prior to the end of the then current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years. The adviser is also contractually obligated to waive a portion of the management fee through May 1, 2014. Based upon net assets as of December 31, 2012, the management fee waiver for the Portfolio would be (0.00)%. There is no guarantee that the management fee waiver will continue after May 1, 2014. The management fee waiver will only renew if the adviser elects to renew it.

(36) Pioneer Fundamental Value Fund - Class R Shares: The fund's investment adviser has contractually agreed to limit ordinary operating expenses (ordinary operating expenses means all fund expenses other than extraordinary expenses, such as litigation, taxes and brokerage commissions) to the extent required to reduce fund expenses to 1.40% of the average daily net assets. These expense limitations are in effect through January 1, 2015. There can be no assurance that the adviser will extend the expense limitations beyond such time. While in effect, the arrangement may be terminated for a class only by agreement of the adviser and the Board of Trustees.

(37) The Growth Fund of America - Class R-3 commenced operations on May 21, 2002. The fund has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A of this fund. The performance information for the Growth Fund of America - Class R-3 prior to May 21, 2002 is based upon the Class A performance, adjusted by fees associated with Class R-3.

(38) ING BlackRock Large Cap Growth Portfolio - Service Class: The distributor is contractually obligated to limit expenses to 1.04% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the distributor upon written notice within 90 days prior to the end of the then current term or upon termination of the shareholder service plan agreement and is subject to possible recoupment by the distributor within three years.

(39) The ING Marsico Growth Portfolio - Inst. Class commenced operations on May 1, 2003. The fund has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as the Service Class of this fund. The performance information for the ING Marsico Growth Portfolio - Inst. Class prior to May 1, 2003 is based upon the Service Class performance, NOT adjusted by fees associated with the Inst. Class.

(40) Invesco American Franchise Fund - Class A: Invesco Advisers, Inc. (Invesco or the Adviser) has contractually agreed through June 30, 2013, to waive advisory fees and/or reimburse expenses to the extent necessary to limit Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (excluding certain items discussed in the SAI) to 1.05% of average daily net assets. The expense limit will terminate on June 30, 2013.

Additional Notes

(41)Janus Forty Fund - Class S: Janus Adviser Series Forty Fund - Class S merged, on July 2, 2009, into Janus Forty Fund - Class S. The performance information above prior to July 02, 2009 is based upon Class S performance adjusted by the fee differences between classes.

(42)ING SMID Cap Equity Fund - Class A: The adviser is contractually obligated to limit expenses to 1.00% through October 1, 2013. In addition, effective July 21, 2012 the adviser is obligated to further limit expenses to 0.99% through October 1, 2013. These obligations will automatically renew for one-year terms unless they are terminated by the Fund or the adviser upon written notice within 90 days of the end of the current term or upon termination of the management agreement and are subject to possible recoupment by the adviser within three years. These obligations do not extend to interest, taxes, brokerage commissions, extraordinary expenses, and Acquired Fund Fees and Expenses.

(43)Franklin Small-Mid Cap Growth Fund - Class A: The investment manager has contractually agreed in advance to reduce its fee as a result of the Fund's investment in a Franklin Templeton money fund (acquired fund) for at least the next 12-month period. Contractual fee waiver and/or expense reimbursement agreements may not be terminated during the term set forth above.

(44)ING T. Rowe Price Diversified Mid Cap Growth Port - Service: The adviser is contractually obligated to limit expenses to 1.00% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(45)Oppenheimer Discovery Mid Cap Growth Fund/VA: After discussions with the Fund's Board, the Manager has contractually agreed to waive fees and/or reimburse the Fund for certain expenses in order to limit "Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement" (excluding any applicable dividend expense, taxes, interest and fees from borrowing, any subsidiary expenses, Acquired Fund Fees and Expenses, brokerage commissions, extraordinary expenses and certain other Fund expenses) to annual rates of 0.80% for Non-Service Shares and 1.05% for Service Shares as calculated on the daily net assets of the Fund. This fee waiver and/or expense reimbursement may not be amended or withdrawn for one year from the date of the prospectus, unless approved by the Board.

(46)ING American Century Small-Mid Cap Value Portfolio - Service: The adviser is contractually obligated to limit expenses to 1.27% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years. In addition, the adviser is contractually obligated to waive a portion of the management fee through May 1, 2014. Based upon net assets as of December 31, 2012, the management fee waiver for the Portfolio would be (0.09)%. There is no guarantee that the management fee waiver will continue after May 1, 2014. The management fee waiver will only renew if the adviser elects to renew it.

(47)ING JPMorgan Small Cap Core Equity Portfolio - Service 2: The distributor is contractually obligated to waive 0.10% of the distribution fee through May 1, 2014. There is no guarantee that the distribution fee waiver will continue after May 1, 2014. The distribution fee waiver will only renew if the distributor elects to renew it.

(48)Keeley Small Cap Value Fund - Class A Shares: The Fund's adviser, Keeley Asset Management Corp. (the "Adviser"), has contractually agreed to waive a portion of its management fee or reimburse the Fund to the extent that total ordinary operating expenses during the current fiscal year as a percentage of average net assets for the Fund exceed 1.39%. The waiver excludes expenses related to taxes, interest charges, dividend expenses incurred on securities that a Fund sells short, litigation expenses, other extraordinary expenses, and brokerage commissions and other charges relating to the purchase and sale of the Fund's portfolio securities. The waiver is in effect through January 31, 2014, and neither the Adviser nor the Fund can discontinue the agreement prior to its expiration.

(49)ING SmallCap Opportunities Fund - Class A: The adviser is contractually obligated to limit expenses to 1.50% through October 1, 2013. There is no guarantee this obligation will continue after October 1, 2013. The obligation will only renew if the adviser elects to renew it and is not subject to recoupment by the adviser. This obligation does not extend to interest, taxes, brokerage commissions, extraordinary expenses, and Acquired Fund Fees and Expenses.

(50)The FTVIP Franklin Small Cap Value Securities Fund - Class 2 commenced operations on January 6, 1999. The fund has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class 1 of this fund. The performance information for the FTVIP Franklin Small Cap Value Securities Fund - Class 2 prior to January 6, 1999 is based upon the Class 1 performance, adjusted by fees associated with the Class 2.

(51)ING Clarion Global Real Estate Portfolio - Institutional: The adviser is contractually obligated to limit expenses to 0.90% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days prior to the end of the then current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years. The adviser is also contractually obligated to waive a portion of the management fee through May 1, 2014. Based upon net assets as of December 31, 2012, the management fee waiver for the Portfolio would be (0.01)%. There is no guarantee that the management fee waiver will continue after May 1, 2014. The management fee waiver will only renew if the adviser elects to renew it.

Additional Notes

(52)ING Clarion Real Estate Portfolio - Service Class: The adviser is contractually obligated to limit expenses to 0.90% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days prior to the end of the then current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years. The adviser is also contractually obligated to waive a portion of the management fee through May 1, 2014. Based upon net assets as of December 31, 2012, the management fee waiver for the Portfolio would be (0.04)%. There is no guarantee that the management fee waiver will continue after May 1, 2014. The management fee waiver will only renew if the adviser elects to renew it.

(53)ING Real Estate Fund - Class A commenced operations on November 4, 2002. The figures provide performance information for Class I shares of the Fund. Performance for Class I shares of the Fund for periods prior to November 4, 2002 includes performance of a predecessor investment company which merged into the ING Real Estate Fund on that date. Class A shares have similar annual returns as the Class I shares because the classes are invested in the same portfolio of securities. Annual results for Class A shares would be less than the amounts shown reflecting the differences in annual fund expenses.

(54)ING Real Estate Fund - Class A: The adviser is contractually obligated to limit expenses to 1.45% through October 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, extraordinary expenses, and Acquired Fund Fees and Expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Fund or the adviser upon written notice within 90 days of the end of the current term or upon termination of the management agreement and is subject to possible recoupment by the adviser within three years.

(55)The EuroPacific Growth Fund - Class R-3 commenced operations on May 21, 2002. The fund has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A of this fund. The performance information for the EuroPacific Growth Fund - Class R-3 prior to May 21, 2002 is based upon the Class A performance, adjusted by fees associated with Class R-3.

(56)ING International Index Portfolio - Class S: The adviser is contractually obligated to limit expenses to 0.75% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, extraordinary expenses and Acquired Fund Fees and Expenses. The obligation will automatically renew for one-year terms unless: (i) the adviser provides 90 days written notice of its termination; and (ii) such termination is approved by the Board of Directors; or (iii) the management agreement has been terminated. The obligation is subject to possible recoupment by the adviser within three years.

(57)ING International Value Portfolio - Class I: The adviser is contractually obligated to limit expenses to 1.00% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, extraordinary expenses, and Acquired Fund Fees and Expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the then current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(58)The New Perspective Fund - Class R-3 commenced operations on June 4, 2002. The fund has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A of this fund. The performance information for The New Perspective Fund - Class R-3 prior to June 4, 2002 is based upon the Class A performance, adjusted by fees associated with Class R-3.

(59)The CURRENT rate for the ING Fixed Account - 457/401 Base is 3.00%, expressed as an annual effective yield, and is guaranteed not to drop below 3.00% through 12/31/2014. 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.

(60)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.

Investment Options are listed in asset class order, each of which has unique risk characteristics.

Separate Account charges may be lower for your account and a Maintenance Fee may or may not apply to your account. A DSC may or may not apply to your account.

The chart shows the performance for each investment option for the time periods shown.

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

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

Benchmark Id	Benchmark Description
BCGNMA	Barclays Capital GNMA Index measures the performance of Ginnie Mae bonds. It is a subset of our U.S. Aggregate index.
IBCM	Money Fund Report Averages All Taxable Index is an average of the returns of over 250 money market mutual funds surveyed each month by IBC/Donoghue, Inc.
LBGAI	Barclays Capital Global Aggregate Bond Index measures the performance of global investment grade fixed-rate debt markets, including the U.S. Aggregate, the Pan-European Aggregate, the Asian-Pacific Aggregate, Global Treasury, Eurodollar, Euro-Yen, Canadian, and Investment Grade 144A index-eligible securities.

Benchmark Id	Benchmark Description
LBUSCI	Barclays Capital U.S. Credit Index measures the performance of the U.S. Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities. It is a subset of the US Government/Credit Index and the U.S. Aggregate Index.
LBUSTIPS	Barclays Capital U.S. Treasury U.S. TIPS Index measures the performance of rulesbased, market value-weighted inflation-protected securities issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L).
LEHM	Barclays Capital U.S. Aggregate Bond Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. It rolls up into other Barclays flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.
MACSMNR	MSCI ACWI (All Country World Index) Small Cap Index measures the performance of the small-cap segment of the particular regions equity securities,including developed and emerging market. It is free float-adjusted market-capitalization weighted.
MFR	MFR Money Market Index is comprised of returns which are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by iMoneynet, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.
MLHYMII	BofA Merrill Lynch US High Yield Master II Index is a broad-based measure of the performance of the non-investment grade U.S. domestic bond market.
MLUSHYIICI	BofA Merrill Lynch US High Yield Cash Pay Index is an unmanaged index that tracks the performance of non-investment-grade corporate bonds. The index reflects the reinvestment of dividends and distributions, if any, but does not reflect fees, brokerage c
MSCEMK	MSCI Emerging Markets Index measures the performance of the large and mid-cap segment of emerging market equity securities. It is free float-adjusted market-capitalization weighted.
MSCIACEU	MSCI ACWI (All Country World Index) ex US measures the performance of the large and mid-cap segment of the particular regions, excluding USA equity securities,including developed and emerging market. It is free float-adjusted market-capitalization weighted.
MSCIACN	MSCI ACWI (All Country World Index) measures the performance of the large and mid-cap segment of the particular regions equity securities,including developed and emerging market. It is free float-adjusted market-capitalization weighted.
MSCIEAFE	MSCI EAFE Index measures the performance of the large and mid-cap segment of developed markets, excluding the U.S. & Canada equity securities. It is free float-adjusted market-capitalization weighted.
MSCIUREN	MSCI US REIT Index, a free float-adjusted market capitalization index, consists of equity REITs that are included in the MSCI US Investable Market 2500 Index, except for specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The MSCI US REIT Index has a base date of December 30, 1994.
MSCIWOR	MSCI World Index measures the performance of the large and mid-cap segment of world equity securities. It is free float-adjusted market-capitalization weighted.
MSCIXUS	MSCI ACWI (All Country World Index) ex USA Index measures the performance of the large and mid-cap segment of the particular regions, excluding USA equity securities,including developed and emerging market. It is free float-adjusted market-capitalization weighted.
MSDUWIC	MSCI World Index measures the performance of the large and mid-cap segment of world equity securities. It is free float-adjusted market-capitalization weighted.
MSEAFANET	MSCI EAFE Index measures the performance of the large and mid-cap segment of developed markets, excluding the U.S. & Canada equity securities. It is free float-adjusted market-capitalization weighted.
MSREIT	MSCI US REIT Index broadly and fairly represents the equity REIT opportunity set with proper investability screens to ensure that the index is investable and replicable. The index represents approximately 85% of the US REIT universe.
R3000HCT	Russell 3000/Health Care Index measures the performance of the health care (sector) segment of largest 3000 U.S. companies in U.S. equity market according to the Russell Global Sectors Classification system (RGS). It belongs to sector level and it is market-capitalization weighted.
RS1000	Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity securities. It is a subset of the Russell 3000 index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership.
RS1000G	Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity securities. It includes the Russell 1000 index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted.
RS1000V	Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity securities. It includes the Russell 1000 index companies with lower price-to-book ratios and lower expected growth values. It is market-capitalization weighted.

Benchmark Id	Benchmark Description
RS2000	Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 and includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.
RS2000G	Russell 2000 Growth Index measures the performance of small-cap value segment of the U.S. equity universe. It includes Russell 2000 index companies with lower price-to-book and lower forecasted growth values. It is market-capitalization weighted.
RS2500	Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 index includes approximately 2500 of the smallest securities based on the combination of their market cap and current index membership.
RS2500G	Russell 2500 Growth Index measures the performance of the small to mid-cap growth segment of the U.S. equity universe. It includes Russell 2500 index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted.
RS2500V	Russell 2500 Value Index measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes Russell 2500 index companies with lower price-to-book and lower forecasted growth values. It is market-capitalization weighted.
RS3000	Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable US equity market. It is market-capitalization weighted.
RS3000G	Russell 3000 Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes Russell 3000 index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted.
RS3000V	Russell 3000 Value Index measures the performance of the broad value segment of U.S. equity value universe. It includes Russell 3000 index companies with lower price-to-book ratios and lower forecasted growth values. It is market-capitalization weighted.
RSMID	Russell Mid-Cap Index measures the performance of the mid-cap segment of the U.S. equity universe. It is a subset of Russell 1000 index and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The index represents approximately 31% of the total market capitalization of the Russell 1000 companies.
RSMIDGRW	Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes Russell midcap index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted.
RSMIDVAL	Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes Russell midcap index companies with lower price-to-book ratios and lower forecasted growth values. It is market-capitalization weighted.
SP2035	S&P Target Date 2035 Index measures the performance of a portfolio of multi-asset including equities, fixed income and commodities. The index has target retirement date of 2035, and belongs to S&P Target Date Index Series which comprises eleven indexes with different target retirement date. Each index in this series is determined once a year through survey of large fund management companies that offer target date products.
SP2045	S&P Target Date 2045 Index measures the performance of a portfolio of multi-asset including equities, fixed income and commodities. The index has target retirement date of 2045, and belongs to S&P Target Date Index Series which comprises eleven indexes with different target retirement date. Each index in this series is determined once a year through survey of large fund management companies that offer target date products.
SPDEVPRO	S&P Developed Property Index measures the performance of the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engage in real estate related activities, such as property ownership, management, development, rental and investment.
SPNANRTR	S&P North American Natural Resources Index measures the performance of US traded securities that are calssified under the Global Industry Classification Standard(GICS) energy and materials (sector) excluding the chemicals (industry) and steel (sub-industry).
SPT2015	S&P Target Date 2015 Index measures the performance of a portfolio of multi-asset including equities, fixed income and commodities. The index has target retirement date of 2015, and belongs to S&P Target Date Index Series which comprises eleven indexes with different target retirement date. Each index in this series is determined once a year through survey of large fund management companies that offer target date products.
SPT2025	S&P Target Date 2025 Index measures the performance of a portfolio of multi-asset including equities, fixed income and commodities. The index has target retirement date of 2025, and belongs to S&P Target Date Index Series which comprises eleven indexes with different target retirement date. Each index in this series is determined once a year through survey of large fund management companies that offer target date products.
SPTREIN	S&P Target Date Retirement Income Index measures the performance of a portfolio of multi-asset including equities, fixed income and commodities. The index belongs to S&P Target Date Index Series which comprises eleven indexes with different target retirement date. Each index in this series is determined once a year through survey of large fund management companies that offer target date products.
SPTRG	S&P Target Risk Growth Index is one of four multi-asset class indices that compose the S&P Target Risk Series. The S&P Target Risk Growth Index increases exposure to equities, while also providing limited fixed income exposure to diversify risk.

See Performance Introduction Page for Important Information

Benchmark Id	Benchmark Description
SPUTILS	S&P 500 Sec/Utilities Index measures the performance of all those companies held in the S&P 500 index that are classified as a utilities (sector) company using the Global Industry Classification Standard (GICS) system.
SPXLBGC	S&P 500 60% / Barclays Capital Corp/Gov Bond Index 40% consists of a mix of 60% of an unmanaged stock index (The Standard & Poor's 500) and 40% of an unmanaged bond index (Barclays Capital Gov't Corp. Bond Index).
SPXMID	S&P MidCap 400 Index measures the performance of mid-sized US companies, reflecting the distinctive risk and return characteristics of this market segment. It comprises stocks in the middle capitalization range, covering approximately 7% of the of U.S. equity market.
SPXRE	S&P 500 Index measures the performance of 500 widely held stocks in U.S. equity market. Standard and Poor's chooses member companies for the index based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. Since mid 1989, this composition has been more flexible and the number of issues in each sector has varied. The index is market capitalization-weighted.
SPXSC	S&P SmallCap 600 Index measures the performance of small cap segment of U.S. equity market. It consists of 600 domestic stocks chosen for market size, liquidity, and industry group representation and covers approximately 3% of the domestic equities market.

The information is current as of 12/31/2013.

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

Category/Funds	YTD Return	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	ITD Date
Domestic Equity								
Domestic Large Cap Equity								
<i>Large Cap Value</i>								
Dividend Value Fund (Black Rock/SunAmerica)	29.03	29.03	15.64	15.61	5.86	5.86	1.70	12/8/2000
Vanguard Windsor II Fund	29.32	29.32	14.93	15.87	6.74	6.74	1.40	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	33.80	33.80	14.38	15.43	4.82	4.82	1.90	4/29/1994
Stock Index Fund (SunAmerica)	30.87	30.87	14.87	16.63	6.20	6.20	1.16	4/20/1987
<i>Large Cap Growth</i>								
Growth Fund (American Century)	30.05	30.05	13.49	18.35	5.72	5.72	1.65	12/5/2005
Large Capital Growth Fund (SunAmerica/Invesco)	30.52	30.52	10.68	15.11	5.14	5.14	1.57	12/20/2004
Domestic Mid Cap Equity								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (Allianz Global/MorganStanley)	37.51	37.51	11.29	20.28	7.91	7.91	1.67	12/20/2004
Global Equity								
Global Social Awareness Fund (PineBridge Investments)	27.85	27.85	1.46	15.01	4.88	4.88	1.48	10/2/1989
International Equity								
Emerging Economies Fund (JPMorgan)	-3.54	-3.54	-0.61	6.85	-0.22	-0.22	1.78	12/5/2005
Foreign Value Fund (Templeton Global)	25.19	25.19	8.38	14.71	4.93	4.93	1.63	12/5/2005
Speciality								
Science & Technology Fund (T. Rowe/Allianz Global/Wellington)	41.35	41.35	13.61	23.87	6.98	6.98	1.82	4/29/1994
Hybrid								
<i>Lifestyle</i>								
Dynamic Allocation (AllianceBernstein/SunAmerica)	16.58	16.58	-	-	15.71	15.71	1.74	12/19/2012
<i>Balanced</i>								
Vanguard Wellington Fund	18.41	18.41	10.67	12.47	6.97	6.97	1.30	7/1/1929
Fixed Income								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	-6.62	-6.62	6.34	7.34	5.52	5.52	1.02	7/9/1973
Vanguard Long-Term Treasury Fund	-13.72	-13.72	4.33	1.37	4.81	4.81	1.00	5/19/1986
<i>International</i>								
International Government Bond Fund (PineBridge)	-6.37	-6.37	1.51	4.43	4.19	4.19	1.46	10/1/1991
<i>Stable Value</i>								
Money Market I Fund (SunAmerica)	-0.79	-0.79	-0.79	-0.73	0.72	0.72	1.32	1/16/1986
7-Day current yield at 30-Sep-2009: -0.79								
Fixed Account Plus	2.35	2.35	2.79	3.17	4.04	4.04		1/1/1982
Short Term Fixed Account	1.00	1.00	1.00	1.60	2.30	2.30		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.

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 prior to age 59 1/2.

Retirement plans and accounts that satisfy relevant qualification rules, such as 403(b)s, IRAs, 401(k)s, etc., can be tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan or account with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the tax deferral of the tax-qualified retirement plan or account itself. However, annuities do provide other features and benefits.

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, 12.0, 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, 1240, and 13.20 will earn the monthly declared interest rate until that rate is changed. The interest rate for the Short-Term Fixed Account is declared annually in January.

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

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

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

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

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

Section XI.

OPEB Trust

TOTAL NET OF FEES

12/31/13

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	Annualized					Inception Date
					1 Year	3 Years	5 Years	10 Years	ITD	
Mackay Shields OPEB	30,934,303.9	34.3	-0.47	0.52					-2.85	5/1/2013
Barclays U.S. Aggregate Bond Index			-0.57	0.43					-2.89	5/1/2013
SSGA S&P 500 INDX	59,314,201.9	65.7	2.53	16.26	32.09				16.33	5/1/2011
S&P 500 - Total Return Index			2.53	16.31	32.39				14.59	5/1/2011
Total OPEB	90,248,505.8	100.0	1.49	10.56	15.77				10.44	5/1/2011
OPEB Custom Blend ¹			1.45	10.57	15.73				8.44	5/1/2011

END NOTES

12/31/13

1 RI7GX0903OPE OPEB Custom Blend

65% Barclays Aggregate and 35% S&P 500

TOTAL NET OF FEES

12/31/13

Account Name Benchmark Name	Market Value	% of Total	YTD	Month	Cumulative			2013	2012	2011	Inception Date
					11/1/13 - 11/30/13	10/1/13 - 10/31/13					
Mackay Shields OPEB	30,934,303.9	34.3		-0.47	-0.32	0.89				5/1/2013	
Barclays U.S. Aggregate Bond Index				-0.57	-0.37	0.81				5/1/2013	
SSGA S&P 500 INDX	59,314,201.9	65.7	32.09	2.53	3.04	4.59	32.09	15.96		5/1/2011	
S&P 500 - Total Return Index			32.39	2.53	3.05	4.60	32.39	16.00		5/1/2011	
Total OPEB	90,248,505.8	100.0	15.77	1.49	1.87	3.36	15.77	9.74		5/1/2011	
OPEB Custom Blend			15.73	1.45	1.85	3.27	15.73	8.30		5/1/2011	

END NOTES

12/31/13

- | | | |
|----------------|-------------------|---|
| 1 RI7G10000000 | Total OPEB | YTD - Calendar Year to Dat
Month - Current Mont
Cumulative Months - Prior Month and Second Prior Mont |
| 2 RI7GX0903OPE | OPEB Custom Blend | 2012, 2011, 2010 - Calendar Yea
65% S&P 500 and 35% Barclays Aggregate |