

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
JANUARY 31, 2007**

CHERYL MELISE

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Frank T. Caprio, Chair

**Mr. J. Michael Costello
Mr. Robert Giudici
Ms. Marcia Reback
Mr. John R. Treat**

**Ms. Rosemary Booth Gallogly
Dr. Robert J. McKenna
Mr. Andrew K. Reilly**



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

Frank Caprio
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, February 28, 2007 at 9:00 a.m. in Room 135 of the State House.

AGENDA

1. Membership Roll Call
2. Approval of Minutes
 - State Investment Commission Meeting held on 1/24/07 *
3. Alternative Investments Consultant - Pacific Corporate Group
 - Recommendation for increased investment in Green Equity Investors V, L.P., from \$15 million to \$20 million *
4. Short Term Investments – Bank RI (BRI)
 - Motion to add BRI as short term investments vendor *
4. Wilshire Associates Incorporated
 - Capital Markets Review
 - Presentation of performance through year-end 2006
 - Management continuation policy overview *
5. Legal Counsel Report
6. Deputy Treasurer for Finance Report
7. Treasurer's Report
8. New Business

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

POSTED ON WEDNESDAY, FEBRUARY 21, 2007

**State of Rhode Island and Providence Plantations
STATE INVESTMENT COMMISSION**

Regular Meeting January 24, 2007

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, January 24, 2007. The Treasurer called the meeting to order at 9:05 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Ms. Rosemary Booth Gallogly, Dr. Robert McKenna, Ms. Marcia Reback, and General Treasurer Frank T. Caprio. Also present were: Mr. Kenneth E. Goodreau, Deputy General Treasurer for Finance; Jayne Donegan, Esq., of Brown Rudnick Berlack Israels, Legal Counsel to the Commission; Mr. William Bensur, of Wilshire Associates Incorporated, General Consultant to the Commission; Ms. Michelle Davidson and Mr. David Fann of the Pacific Corporate Group, Alternative Investments Consultants to the Commission; and other members of the Treasurer's staff. Mr. John Treat was absent.

State Investment Commission Minutes. Ms. Reback moved, Dr. McKenna seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Dr. McKenna, Ms. Reback, and Treasurer Caprio.

VOTED: To approve the Minutes of the December 6, 2006 regular meeting.

Treasurer Caprio announced that presentations for Alternative Investments were made at the previous meeting but not voted upon given that meeting failed to achieve a quorum. He introduced Ms. Davidson of PCG and asked her to summarize those presentations and to give a brief overview of subsequent changes or developments. Treasurer Caprio noted for the record that detailed descriptions of the previous presentations are available in the Minutes from the December 2006 meeting, and that the SIC has already invested in previous funds formed by these particular entities in the past.

Providence Equity Partners Fund VI, L.P. (PEP Fund VI). Ms. Davidson gave a brief reintroduction to the fund, summarizing the presentations delivered in the December 2006 SIC meeting and introducing new developments since that meeting. Ms. Davidson noted that the global media and communications group, based in Providence, has been investing for about 17 years with the same strategy and extremely strong track record. Since 1993 the group has invested about \$7.3 billion with net returns of about 37%. Performance across all four funds in which Rhode Island has invested is in the top quartile with net returns of roughly 50%.

Ms. Davidson noted two changes to the fund since the previous SIC meeting: First, that former Managing Director Michael Angelakis has left Providence Equity Partners to become CFO of Comcast, which leaves a remaining team of 14 managing directors. Second, there has been a favorable change to the terms of investment in the

reduction of the carried interest to be received by the General Partner from 25% to 20%. Ms. Davidson recommended approval of the investment in the amount of \$25 million.

Ms. Reback inquired as to what "carried interest" means, and Ms. Davidson replied that it is the share of the fund's profits that Providence Equity Partners receive.

Dr. McKenna moved, Ms. Reback seconded, and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Dr. McKenna, Ms. Reback, and Treasurer Caprio.

VOTED: To invest up to \$25 million in PEP Fund VI, L. P., contingent upon satisfactory review and negotiation of investment and other legal documents.

Green Equity Investors V, L.P. (GEI V). Ms. Davidson delivered a brief reintroduction to GEI V, stating that the real estate fund has a strong management team and has been investing for roughly 16 years with the same strategy and strong, consistent performance. Ms. Davidson noticed that the fund focuses on upper middle-market companies. Target size for the fund is approximately \$4 billion. Since 1989 the firm has invested roughly \$2.5 billion with net returns of 28%. Based on this, Ms. Davidson recommended approval of the investment in GEI V in the amount of \$20 million.

Treasurer Caprio announced a vote on investment in GEI V in the amount of up to \$15 million, upon which Ms. Donegan observed a discrepancy in numbers and inquired to confirm the amount of investment. Treasurer Caprio noted that the amount was recorded in the previous Minutes and the current agenda as \$15 million rather than \$20 million. A discussion ensued with the resolution being that the SIC would vote to approve the investment of up to \$15 million, and the matter could be revisited in the future. Treasurer Caprio restated the amount of investment as up to \$15 million in GEI V.

Ms. Reback moved, Dr. McKenna seconded, and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Dr. McKenna, Ms. Reback, and Treasurer Caprio.

VOTED: To invest up to \$15 million in GEI V, L.P., contingent upon satisfactory review and negotiation of investment and other legal documents.

Lighthouse Capital Partners VI, L.P. (LCP VI). Ms. Davidson handed the presentation to her colleague, Mr. Fann, also of PCG. Mr. Fann presented LCP as having five funds focused exclusively on venture lending, with investments totaling approximately \$1.2 billion. Mr. Fann stated that the performance of the first two Lighthouse funds has been extremely strong (with returns of 37.5%), but the last three have been more challenging, which he characterized as reflective of venture capital overall. Mr. Fann noted that 3 of 5 managing directors of LCP's previous fund had departed due to a combination of personal career advancement and/or wealth of the directors, leaving a fairly new team. Mr. Fann asserted, however, that the legal structure

has been consistent despite these changes. Mr. Fann thus recommended approval of the investment in LCP VI in the amount of \$15 million.

Treasurer Caprio inquired as to whether the aforementioned changes were very recent. Mr. Fann replied that they were not, and had occurred over the course of the last 18 months. Treasurer Caprio asked him to clarify the state of the current management team, and Mr. Fann replied that there remained 5 managing directors in total, and that the former directors had been replaced.

A motion was subsequently taken. Ms. Reback moved, Mr. Costello seconded, and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Dr. McKenna, Ms. Reback, and Treasurer Caprio.

VOTED: To invest up to \$15 million in LCP VI, L.P., contingent upon satisfactory review and negotiation of investment and other legal documents.

Treasurer Caprio interjected to excuse those members with time constraints and thanked them for their efforts to attend the meeting so that the group could achieve its quorum. Ms. Gallogly thanked the Treasurer and exited at 9:25 a.m to attend a budget meeting with Governor Carcieri. Ms. Reback stated that she could allow further time in the meeting and would stay. The group proceeded with the rest of the agenda.

Wilshire Associates Incorporated – Capital Market Review. Mr. Bensur thanked Treasurer Caprio for his introduction and distributed materials to the group. He began by stating that the month of December [2006] saw a rather strong marketplace in terms of both U.S. stocks and non-U.S. equities, reflective of the overall economy created by such factors as reduced oil costs (from \$70 to around \$52-\$53 per barrel), the rebound of homebuilders, reasonable inflation rates of 2-2.5%, and increased buyer and investor confidence. The marketplace had improved stability and earnings growth rates for many U.S. corporations have been in line or above expectations.

Mr. Bensur stressed that the major story of the past year was that of the emerging markets, especially China and India, both of which enjoyed double-digit growth rates of approximately 9-10%. Mr. Bensur explained that as an asset class these markets have the goods and services desired by the rest of the world, such as inexpensive and relatively well-educated labor forces, and commodity-driven economies. There is strong international investment participation as a result.

Mr. Bensur stated that in 2006 fixed income markets behaved roughly in line with expectations. He observed there was a strange event in May when risk preferences were turned upside-down, with stock prices falling as bond yields rose. However, the late 3rd and 4th quarters saw fairly strong markets across the board.

Mr. Bensur stated that in general the Dow Jones Wilshire 5000 (indicative of the total U.S. equity market) in 2006 was up 15.8%; small cap stocks were up aggressively about 18.4%, and large cap stocks performed identically to the total market. In general

the 4th quarter was very strong, with small cap stocks in particular up about 9%. In terms of non-U.S. equities, continuing a trend of the past 4-5 years, non-U.S. markets outperformed the U.S. market in 2006. Mr. Bensus observed that the Rhode Island Treasury's money managers have been participating in these markets to the benefit of the retirement system; state investments have targeted about 20% foreign equities, and are now slightly above that.

The year to date in 2007 has seen a relatively flat market overall, with U.S. stocks up about 1%. So far this year bond markets and fixed income markets have also been flat. Lastly, high yield spreads to Treasuries were fairly tight going into last year and tightened more during the year, with a particularly strong increase of 4.5% in the 4th quarter. They also remain mostly flat in the YTD, up about 1%.

Mr. Bensus opened for questions, and Mr. Costello asked what Wilshire's expectations of the various markets are for the upcoming year. Mr. Bensus stated that the group is completing its asset allocation recommendations for the year, which haven't changed substantially, but the preview predicts about 8.25% for U.S. and non-U.S. equities, and 5.25% for fixed income.

Treasurer Caprio asked how 2007's flat January correlates to other years and what it bodes for the next 11 months. Mr. Bensus replied that the rules of the current market have changed dramatically, making such correlations and advanced predictions difficult. In general, however, Mr. Bensus believes that current asset allocation policy and investment structure policy are sound and do not require revision barring major changes in the market. Mr. Bensus pointed out that for the past three years, Rhode Island has been in the 14th percentile ranking among public retirement systems, and in the 27th percentile over five years.

Mr. Costello asked about the 8.25% investment benchmark of the retirement system, and Mr. Bensus replied that to achieve over that would reduce the unfunded liability, and to achieve less would add to it. Mr. Costello pointed out this might be difficult to achieve, and Mr. Bensus answered that the Rhode Island Employees' Retirement System (RIERS) has migrated out into Alternative Investments, such as by systematically building a real estate program through the Townsend Group, to improve expected return and diversify the asset base.

Treasurer Caprio clarified that there is a difference in the numbers projected by Wilshire of a benchmark of low 8% returns, and the retirement system's statement of a necessity of 8.25%. Mr. Bensus answered that this stems from a market disconnect. He referenced changes in estimates and goals that occurred in the 1990s which may have contributed to this disconnect. On average, Wilshire's surveys show that Rhode Island's public fund peers have benchmarks of 8.0% return. Mr. Bensus acknowledged that 8.25% is high but not unusual, as Wilshire has clients in the 8.5% range; it is, however, a struggle to reach a benchmark higher than the typical public fund average. Mr. Costello inquired as to the corporate world's numbers, and Mr. Bensus replied that corporate numbers are different because of accounting rules.

Treasurer Caprio asked what the genesis of the Universe Comparison chart is, and how the funds represented were chosen for inclusion. Mr. Bensus answered that all funds included in the survey are related to Wilshire in some way, whether as direct clients or as participants within larger funds. Treasurer Caprio clarified that the comparison does not include entities directly represented by any of Wilshire's competitors per se.

Treasurer Caprio thanked Mr. Bensus for his report, and announced the Legal Counsel Report.

Legal Counsel Report. Ms. Donegan stated that there was no report for this month. Treasurer Caprio thanked Ms. Donegan and requested that she include the Treasury in the process as she receives legal documents from the equity firms, specifically requesting copies for himself and Mr. Dingley. Ms. Donegan acceded.

No further discussion ensued, and Treasurer Caprio introduced his Deputy Treasurer, Mr. Goodreau.

Deputy Treasurer for Finance Report. Mr. Goodreau took a moment to address the SIC members and others present for the meeting, commenting that he looks forward to his role in the Treasury and with the SIC. He hopes to make himself as accessible and helpful as possible to the group, and thanked them for the opportunity to work with them.

Treasurer's Report. Treasurer Caprio began by thanking the remaining SIC members for all of their hard work, with special thanks to Ms. Gallogly for rearranging her schedule with Governor Carcieri to help achieve a quorum.

Treasurer Caprio announced as per the State Senate rostrum, which he noted is public information at this point, he has reappointed Ms. Reback to the SIC for another term. Treasurer Caprio further announced that he has nominated, and submitted to the Senate for approval, Robert Giudici and Andrew Reilly to fill two of the remaining vacancies on the SIC, pending approval by the State Senate. Mr. Giudici is a CPA with a corporate background, and Mr. Reilly has a strong background in investments.

Finally, Treasurer Caprio alerted the group to the fact that Wilshire Associates are completing their evaluation of the investment managers of the System in accordance with the SIC's Investment Manager Continuation Policy. Treasurer Caprio stated that his administration plans to examine all investment managers with which the Treasury works, and that changes will be entertained regarding at least one manager that has remained on the watch list for an extensive period of time. Mr. Bensus commented that the report will be ready for the February meeting, and the Treasurer returned that they eagerly await it.

Treasurer Caprio then introduced two other members of his staff to the group: Mr. Dingley, Chief of Staff, and Ms. Dietsch, Aide to the Deputy General Treasurer. He thanked them for their work in the past month of transition. Finally, he asked for suggestions and input as to the structure and scheduling of the SIC meetings henceforth.

Some discussion of previous SIC meeting schedules followed, but there was no formal decision taken.

Mr. Costello inquired to clarify the total number of members on the SIC, and whether there would be additional appointments or changes to the group. Treasurer Caprio answered that the SIC is a nine member commission, and that Mr. Jeff Britt, who formerly held a position appointed by the Governor, had submitted a letter of resignation. The group will await a new appointment by the Governor to fill that seat.

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

Respectfully submitted,

Frank T. Caprio
General Treasurer

RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
January 31, 2007

PORTFOLIO PERFORMANCE

January

The ERSRI portfolio posted a gain of 0.85% for the month of January, against the policy index of 1.00%. Domestic equities gained 1.65%, international equities gained 0.31%, and the fixed income asset class returned 0.20%. Additionally, the retirement fund earned \$184,156 from the securities lending program during this month.

Calendar Year to Date

For the one month ended January 31, 2007, the portfolio is up 0.85% against the policy index of 1.00%. Domestic equities were up 1.65%, international equities were up 0.31%, while fixed income generated a return of 0.20%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2007, the fund has gained 10.21%, against the policy index of 12.01%.

Index Performance Summary - January 31, 2007		
Market Indices	Jan-07	Calendar YTD
Domestic Equity		
S & P 500	1.51%	1.51%
DJ Wilshire 5000	1.90%	1.90%
Russell 2000	1.67%	1.67%
Russell 1000	1.93%	1.93%
Policy Index	1.00%	1.00%
International Equity		
MSCI ACWI	0.37%	0.37%
Fixed Income		
Lehman AGG	-0.04%	-0.04%
Real Estate		
NCREIF	3.51%	3.51%

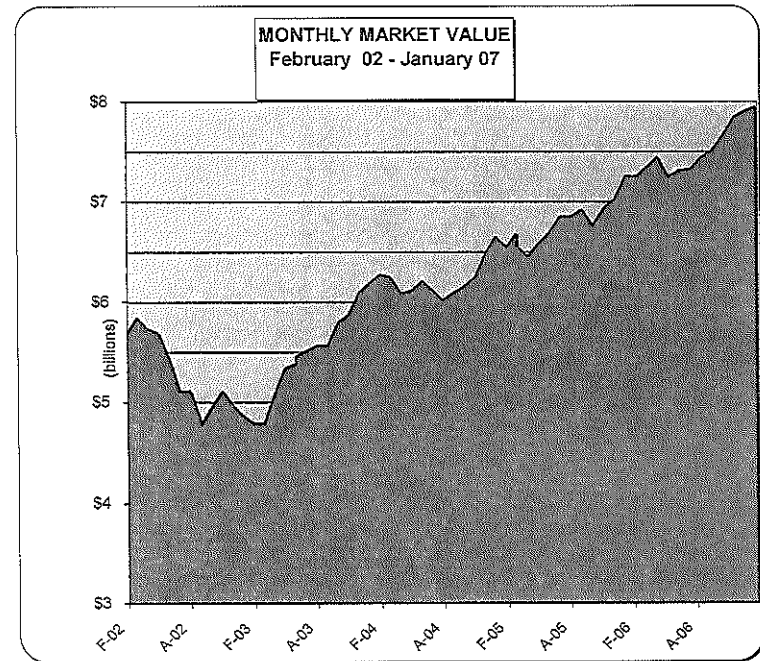
ERSRI Performance By Asset Class	Jan-07	Calendar YTD
Domestic Equity	1.65%	1.65%
Fixed Income	0.20%	0.20%
International Equity	0.31%	0.31%
Total Fund Composite*	0.85%	0.85%
Manager Summary	Jan-07	CYTD
DOMESTIC EQUITY		
Shott	4.04%	4.04%
PIMCO	1.24%	1.24%
SSgA Russell 1000	0.00%	0.00%
SSgA Core	2.55%	2.55%
Wasatch	0.00%	0.00%
Northpointe	1.30%	1.30%
Wellington	2.28%	2.28%
Total Domestic Equity	1.65%	1.65%
FIXED INCOME		
Brown Bros TIPS	-0.04%	-0.04%
Brown Bros Core	0.05%	0.05%
Fidelity	0.11%	0.11%
Taplin Canida & Habacht	0.45%	0.45%
InState Fixed Income	0.00%	0.00%
Shenkman	0.88%	0.88%
Mackay Shield	0.60%	0.60%
Total Fixed Income	0.20%	0.20%
INTERNATIONAL EQUITY		
Mondrian	-0.09%	-0.09%
Goldman Sachs	0.76%	0.76%
Boston Co	0.25%	0.25%
Total International Equity	0.31%	0.31%

*Total Fund Composite includes all classes

Market Valuation Report
January, 2007

Market Values

The total portfolio value increased in January by \$52.1 million to \$7.95 billion. This compares with an increase in value of \$231.7 million for the same period in 2006. The domestic equity market values increased by \$56.7 million; fixed income increased by \$3.8 million; while international values decreased by \$8.2 million, including an \$14.0 million transfer out. The cash accounts decreased by \$16.4 million including transfers out of \$20.0 million, and alternative investments increased by \$16.2 million including transfers in netting \$13.1 million.



Cash Flow

January's pension payroll of \$56.2 million was more than the \$ 40.8 million in contributions and wire transfers received by \$15.4 million.

To meet pension and other obligations, \$21.0 million was transferred from long-term investments.

Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$401 million on commitments of \$863 million.

CAPITAL CALLS Net of Distributions

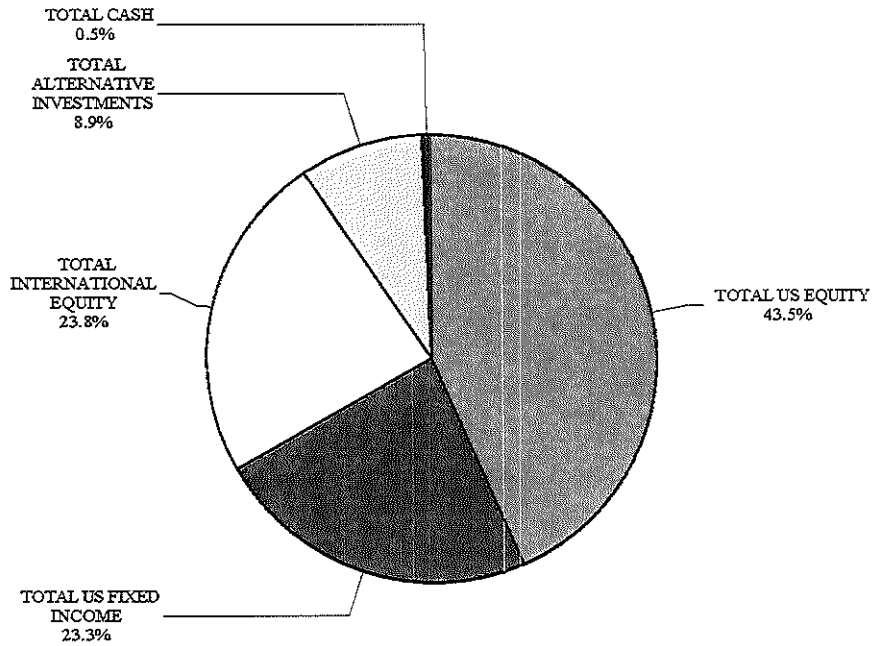
January 2007	FYTD	UNFUNDED BALANCE
\$5,465,763	-\$3,336,741	\$401,505,410

January 2006	FYTD	UNFUNDED BALANCE
\$9,863,755	\$84,777,180	\$431,824,908



CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)

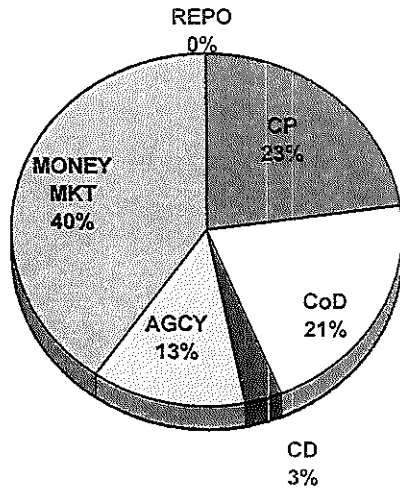
MANAGER	CURRENT PERIOD
TOTAL US EQUITY	3,455.5
TOTAL US FIXED INCOME	1,851.3
TOTAL INTERNATIONAL EQUITY	1,892.5
TOTAL ALTERNATIVE INVESTMENTS	705.0
TOTAL CASH	43.2
TOTAL	7,947.5



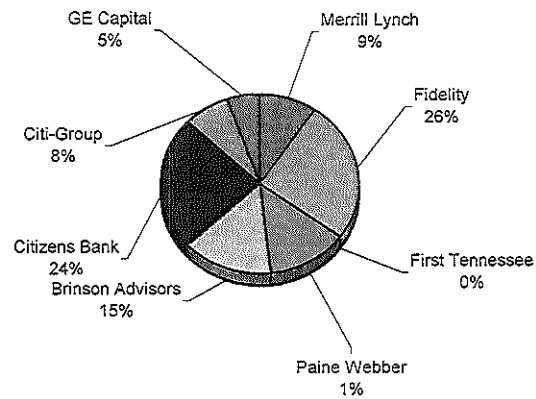
RHODE ISLAND STATE INVESTMENT COMMISSION

SHORT TERM CASH INVESTMENTS AT JANUARY 31, 2007

Portfolio By Instrument



Portfolio by Issuer



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

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

**Issuer Credit Ratings
January, 2007**

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	
Chase Securities	2,3,5	0%	Aa3		P-1	A-1	Aa3	A+	Positive
Citigroup Inc.	2	8%	Aa1		P-1	A-1+	Aa1	AA-	Positive
Citizens Bank RI	3,4	24%	Aa2		P-1	A-1+	Aa2	AA-	Stable
Dreyfus	6	0%	Aa3		P-1	A-1+	Aa3	AA-	Stable
First Tennessee Capital Markets	5	0%	A1		P-1	A-1	A1	A	Stable
Fidelity	6	26%				N/R		N/R	N/R
Merrill Lynch	2,5,6	9%	Aa3		P-1	A-1	Aa3	A+	Positive
GE Capital	2	5%	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley	1,2,5	0%	Aa3		P-1	A-1	Aa3	A+	Stable
Paine Webber	5	13%	Aa2		P-1	A-1+	Aa2	AA+	Stable
UBS Brinson Advisors	6	15%	Aa2		P-1	A-1+	Aa2	AA+	Stable
State Street Bank & Tru	1,3	0%	Aa2		P-1	A-1+	Aa2	AA	Stable

Instrument Codes

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

Ratings Definitions

Moody's Short-Term Debt Ratings:

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

Moody's Issuer Rating Symbols:

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

Modifiers:

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

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

Modifiers:

- + or - show relative standing within the category.



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

Frank Caprio
General Treasurer

February 21, 2007

State Investment Commission
Rhode Island State House
Providence, RI 02903

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on January 31, 2007.

Employee's Retirement System of Rhode Island
Composite reporting Investment Valuation
January 31, 2007

Asset Class		
Cash/Short Term		
Investments		212,955,787
Equities - Domestic		3,415,693,821
Equities - International		1,842,170,845
Fixed Income - Government	\$996,667,392	
Fixed Income - Corporate	\$775,120,954	
Fixed Income - In State	\$0	
Total Fixed Income		1,771,788,346
Alternative Investments		455,275,695
Real Estate		249,533,349
Total Fund Investments		7,947,417,843
Plan Allocation		
State Employees &		
Teachers	85.13%	6,765,597,629
Municipal Employees	13.94%	1,108,076,124
State Police	0.56%	44,458,165
Judicial	0.37%	29,285,925
Total Fund Investments	100.00%	7,947,417,843

The amount listed for the alternative investments designation is illiquid and does not have a readily determinable market value. It is based on appraisals only.

Respectfully submitted,

Kenneth E. Goodreau, CMT

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING January 31, 2007



STATE STREET.
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
U.S. EQUITY												
SSGA S&P 500 INDEX FUND	1,690,903	21.28	1.52	4.88		1.52						
NORTHPOINTE CAPITAL	404,877	5.09	1.30	5.44	14.57	1.30	9.55	11.40	16.79	13.94	23.18	
PIMCO	555,346	6.99	1.24	4.41	13.34	1.24	14.41	13.96	11.88	10.02	15.79	6.70
SSGA - CORE	381,708	4.80	2.55	6.04	15.23	2.55	16.09	17.26	15.57	12.60	17.10	8.95
WELLINGTON MANAGEMENT CO. LLC	418,520	5.27	2.28	6.14	13.93	2.28	11.14	9.43	15.30	12.21	25.13	
SHOTT CAPITAL	4,120	0.05	4.04	-4.69	-4.17	4.04	-12.77	-15.43				
TOTAL US EQUITY	3,455,529	43.48	1.65	5.13	13.86	1.65	12.96	12.67	13.39	11.16	18.49	8.95
<i>RUSSELL 1000</i>			1.93	5.43	14.28	1.93	14.53	14.48	13.27	10.99	16.70	7.51
<i>RUSSELL 2000</i>			1.67	4.70	14.95	1.67	11.21	10.44	14.59	12.58	22.54	11.99
<i>RUSSELL 2000 GROWTH</i>			1.86	4.05	14.81	1.86	8.85	5.30	12.21	9.30	20.36	8.10
<i>RUSSELL 2000 VALUE</i>			1.50	5.30	15.08	1.50	13.49	15.76	16.84	15.74	24.60	15.41
<i>S&P 500</i>			1.51	4.89	13.75	1.51	14.45	14.51	12.43	10.32	15.94	6.82
<i>DOW WILSHIRE 5000 FREE FLOAT</i>			1.90	5.42	14.27	1.90	14.13	13.92	13.53	11.36	17.51	8.29
INTERNATIONAL EQUITY												
GOLDMAN SACHS	637,578	8.02	0.76	8.23	15.04	0.76	16.66	19.57	24.90			
THE BOSTON COMPANY	622,979	7.84	0.25	5.71	12.90	0.25	12.98	17.52	19.14			
MONDRIAN	631,825	7.95	-0.09	6.28	15.37	-0.09	17.76	23.22	23.27			
TRANSITION ACCOUNT INT EQUITY	67	0.00										
PUTNAM INVESTMENTS	6	0.00										
BANK OF IRELAND	4	0.00										
TOTAL INTERNATIONAL EQUITY	1,892,459	23.81	0.31	6.74	14.45	0.31	15.80	20.09	22.44	20.44	25.59	15.85
<i>MSCI AC WORLD ex US (GROSS)</i>			0.37	7.26	14.87	0.37	16.04	19.31	23.33	21.31	27.69	17.99
<i>MSCI EAFE (NET)</i>			0.68	6.94	14.33	0.68	15.46	19.84	21.29	19.64	25.89	16.40

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING January 31, 2007



STATE STREET.
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
U.S. FIXED INCOME												
BROWN BROTHERS HARRIMAN - CORE	292,400	3.68	0.05	0.55	3.34	0.05	4.37	4.14	3.25	3.72	4.59	5.57
FIDELITY MANAGEMENT TRUST	480,760	6.05	0.11	0.97	3.72	0.11	5.18	5.16	4.03	4.40	4.57	5.35
BROWN BROTHERS HARRIMAN - TIPS	517,189	6.51	-0.04	-1.20	0.32	-0.04	2.20	-0.11	1.69			
MACKAY SHIELDS, LLC	132,769	1.67	0.60	4.47	8.83	0.60	9.47	12.13	8.49	9.05	14.95	
SHENKMAN CAPITAL MANAGEMENT	132,789	1.67	0.88	3.31	7.11	0.88	8.09	8.99	6.81	7.11	9.34	
TAPLIN, CANIDA & HABACHT	294,769	3.71	0.45	1.20	4.17	0.45	5.67	5.31	3.70	4.26	6.86	6.66
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	1,851,252	23.29	0.20	0.73	3.34	0.20	4.77	4.21	3.68	4.40	5.75	5.93
<i>CSFB GLOBAL HIGH YIELD</i>			1.15	4.21	8.45	1.15	9.38	11.76	7.60	8.33	12.71	11.11
<i>LB AGGREGATE</i>			-0.04	0.53	3.65	-0.04	5.05	4.28	3.03	3.41	3.77	4.88
<i>LB CREDIT</i>			-0.02	0.52	4.35	-0.02	5.88	4.45	2.69	3.46	4.68	5.71
<i>LB GOV/CREDIT</i>			-0.08	0.32	3.55	-0.08	4.90	3.88	2.67	3.11	3.73	5.00
<i>CITIGROUP BIG</i>			-0.02	0.54	3.67	-0.02	5.13	4.32	3.10	3.50	3.87	4.93
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			-0.26	0.09	4.41	-0.26	6.26	3.80	2.88	4.15	4.72	6.01
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			0.08	0.92	3.83	0.08	5.38	4.99	3.72	4.03	3.88	4.71
ALTERNATIVE INVESTMENTS												
REAL ESTATE	249,534	3.14	0.77	1.02	2.16	0.77	2.75	4.21	4.06			
PRIVATE EQUITY	455,492	5.73	0.01	-4.37	-1.17	0.01	-2.09	12.11	24.40	22.26	18.89	13.93
TOTAL ALTERNATIVE INVESTMENTS	705,026	8.87	0.28	-2.55	-0.27	0.28	-0.66	9.04	21.17	20.00	17.16	12.52
<i>NCREIF PROPERTY INDEX QTR LAG</i>			0.00	3.51	7.66	0.00	7.66	17.62	18.40	16.37	14.17	12.42
<i>S&P 500 PLUS 300 BP</i>			1.72	5.54	15.06	1.72	16.04	17.56	15.50	13.41	19.05	10.14

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING January 31, 2007



STATE STREET
For Everything You Invest In

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
CASH EQUIVALENTS												
CASH ACCOUNT (INSIDE)	22,447	0.28	-0.87	2.54	3.34	-0.87	3.45	8.72	8.00	11.01	16.47	30.82
CASH ACCOUNT (OUTSIDE)	20,760	0.26	0.31	1.12	2.08	0.31	2.28	3.76	3.35	2.65	3.14	2.84
TOTAL PLAN												
TOTAL PLAN	7,947,474	100.00	0.85	3.72	9.95	0.85	10.21	11.92	13.33	12.00	16.76	10.32
¹ TOTAL PLAN BENCHMARK			1.00	4.47	11.40	1.00	12.01	12.78	13.08	11.60	16.27	9.94

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING January 31, 2007



STATE STREET.
For Everything You Invest In™

Endnotes

1 As of 04/31/2006 42.5% W5000/25.0% LB AGG/20.0% MSCIAWORLDFREEexUSA/5.0% NCREIF PROPERTY LAG/7.5% S&P 500 plus 300bps

Prior to 04/31/2006 52.5% W5000/25.0% LB AGG/22.5% MSCIAWORLDFREEexUSA

ERSRI Monthly Market Value Report With Time Weighted Returns

January 31, 2007

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								12/31/2006	In/(out)	1/31/2007	Increase/Decrease
Domestic Equity											
Shott Capital Management IRR	4.04%	1.51%	2.53%	S & P 500	4.04%	1.51%	2.53%	3,733,747	-	4,119,718	385,971
SSgA S&P 500	1.52%	1.51%	0.01%	S & P 500	1.52%	1.51%	0.01%	1,665,526,524	120,332	1,690,902,998	25,256,142
SSgA Core	2.55%	1.93%	0.62%	Russell 1000	2.55%	1.93%	0.62%	372,201,662	25,934	381,707,852	9,480,256
PIMCO	1.24%	1.51%	-0.27%	S & P 500	1.24%	1.51%	-0.27%	548,487,725	39,701	555,345,760	6,818,334
NorthPointe Capital	1.30%	1.67%	-0.37%	Russell 2000	1.30%	1.67%	-0.37%	399,662,677	29,301	404,877,426	5,185,448
Wellington Mgmt	2.28%	1.67%	0.61%	Russell 2000	2.28%	1.67%	0.61%	409,139,122	32,299	418,520,181	9,348,760
Wasatch Advisors				Russell 2000				8	(8)	0	0
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	19,118	-	-	(19,118)
Total Domestic Equity	1.65%				1.65%			3,398,770,583	247,559	3,455,473,936	56,455,794
International Equity											
Boston Company	0.25%	0.37%	-0.12%	MSCI ACWI	0.25%	0.37%	-0.12%	621,391,963	39,822	622,983,083	1,551,298
Goldman Sachs	0.76%	0.37%	0.39%	MSCI ACWI	0.76%	0.37%	0.39%	640,719,467	(7,960,178)	637,577,526	4,818,237
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	692,769	-	648,110	(44,659)
Mondrian	-0.09%	0.37%	-0.46%	MSCI ACWI	-0.09%	0.37%	-0.46%	638,415,336	(6,046,778)	631,825,391	(543,167)
Total International Equity	0.31%				0.31%			1,901,219,536	(13,967,134)	1,893,034,110	5,781,709
Fidelity Management & Research											
Brown Brothers, Harriman	0.05%	-0.02%	0.07%	Lehman Mortgage Backed	0.05%	-0.02%	0.07%	480,217,734	35,534	480,760,152	506,884
Taplin, Canida & Habacht	0.45%	-0.02%	0.47%	Salomon Brd Inv Grade	0.45%	-0.02%	0.47%	292,245,496	21,699	292,400,006	132,811
Mackay Shields	0.60%	1.15%	-0.55%	Lehman Credit Index	0.60%	1.15%	-0.55%	293,430,120	21,299	294,768,934	1,317,515
Shenkman Capital Mgmt	0.88%	1.15%	-0.27%	CS First BoshHiYield	0.88%	1.15%	-0.27%	131,984,529	10,634	132,769,033	793,870
Brown Bros TIPS	-0.04%	0.13%	-0.17%	CS First BoshHiYield	-0.04%	0.13%	-0.17%	131,619,044	10,634	132,789,425	1,159,747
Transition Account	N/A	N/A	N/A	Lehman US TIPS Index	N/A	N/A	N/A	517,363,598	42,767	517,189,085	(217,281)
Total Fixed Income	0.20%				0.20%			1,846,840,521	142,567	1,850,676,635	3,693,547
Alternative Investments											
Private Equity	0.01%	N/A	N/A	N/A	0.01%	N/A	N/A	449,195,965	5,465,763	455,492,109	830,382
Real Estate	0.77%	18.64%	N/A	NCREIF + 100	0.77%	0.08%	0.69%	239,644,670	7,622,536	249,533,706	2,266,501
Total Alternatives	0.28%				0.28%			688,840,635	13,088,298	705,025,816	3,096,883
Cash Accounts											
Cash in Trust	-0.87%	N/A	N/A		-0.87%	N/A	N/A	35,521,791	(13,088,290)	22,447,164	13,663
Cash Outside Trust	0.31%	N/A	N/A		0.31%	N/A	N/A	24,094,559	(6,913,000)	20,760,182	3,578,623
Total Cash	-0.16%				-0.16%			59,616,351	(20,001,290)	43,207,346	3,592,285
Total	0.85%	1.00%	-0.15%		0.85%	1.00%	-0.15%	7,895,287,625	(20,490,000)	7,947,417,843	72,620,218

*Policy Index: (Effective 04/31/06)

- 42.5% Wilshire 5000
- 25.0% Lehman Aggregate
- 20.0% MSCI ACWI X-US
- 5.0% NCREIF 1 Qtr Lag

State of Rhode Island

RATES OF RETURN - Total

Periods Ending January 31, 2007



STATE STREET.
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PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
U.S. EQUITY									
SSGA S&P 500 INDEX FUND	S&P 500	1.52	1.51	0.01	1.52	1.51	0.01	1,690,903	120
SSGA - CORE	RUSSELL 1000	2.55	1.93	0.62	2.55	1.93	0.62	381,708	27
PIMCO	S&P 500	1.24	1.51	-0.27	1.24	1.51	-0.27	555,346	40
NORTHPOINTE CAPITAL	RUSSELL 2000	1.30	1.67	-0.37	1.30	1.67	-0.37	404,877	29
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	2.28	1.67	0.61	2.28	1.67	0.61	418,520	32
SHOTT CAPITAL	S&P 500	4.04	1.51	2.53	4.04	1.51	2.53	4,120	234
TOTAL US EQUITY		1.65			1.65			3,455,529	519
INTERNATIONAL EQUITY									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	0.25	0.37	-0.12	0.25	0.37	-0.12	622,979	40
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	0.76	0.37	0.39	0.76	0.37	0.39	637,578	-7,960
MONDRIAN	MSCI AC WORLD ex US (GROSS)	-0.09	0.37	-0.46	-0.09	0.37	-0.46	631,825	-6,047
TRANSITION ACCOUNT INT EQUITY								67	0
TOTAL INTERNATIONAL EQUITY		0.31			0.31			1,892,459	-13,967
U.S. FIXED INCOME									
FIDELITY MANAGEMENT TRUST	LB MBS	0.11	0.06	0.05	0.11	0.06	0.05	480,760	36
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	0.05	-0.02	0.07	0.05	-0.02	0.07	292,400	22
TAPLIN, CANIDA & HABACHT	LB CREDIT	0.45	-0.02	0.47	0.45	-0.02	0.47	294,769	21
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	0.60	1.15	-0.55	0.60	1.15	-0.55	132,769	11
SHENKMAN CAPITAL MANAGEMENT	CSFB GLOBAL HIGH YIELD	0.88	1.15	-0.27	0.88	1.15	-0.27	132,789	11
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	-0.04	0.13	-0.17	-0.04	0.13	-0.17	517,189	43
TRANSITION ACCOUNT FIXED INCOME								575	0
TOTAL US FIXED INCOME		0.20			0.20			1,851,252	143

State of Rhode Island

RATES OF RETURN - Total

Periods Ending January 31, 2007



STATE STREET.
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PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
ALTERNATIVE INVESTMENTS									
PRIVATE EQUITY		0.01			0.01			455,492	6,249
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	0.77	0.08	0.69	0.77	0.08	0.69	249,534	8,004
TOTAL ALTERNATIVE INVESTMENTS		0.28			0.28			705,026	14,253
CASH EQUIVALENTS									
CASH ACCOUNT (INSIDE)		-0.87			-0.87			22,447	-12,814
CASH ACCOUNT (OUTSIDE)		0.31			0.31			20,760	-3,477
TOTAL CASH		-0.16			-0.16			43,207	-16,291
TOTAL PLAN									
TOTAL PLAN	TOTAL PLAN BENCHMARK	0.85	1.00	-0.15	0.85	1.00	-0.15	7,947,474	-15,343

State of Rhode Island

TOTAL PLAN

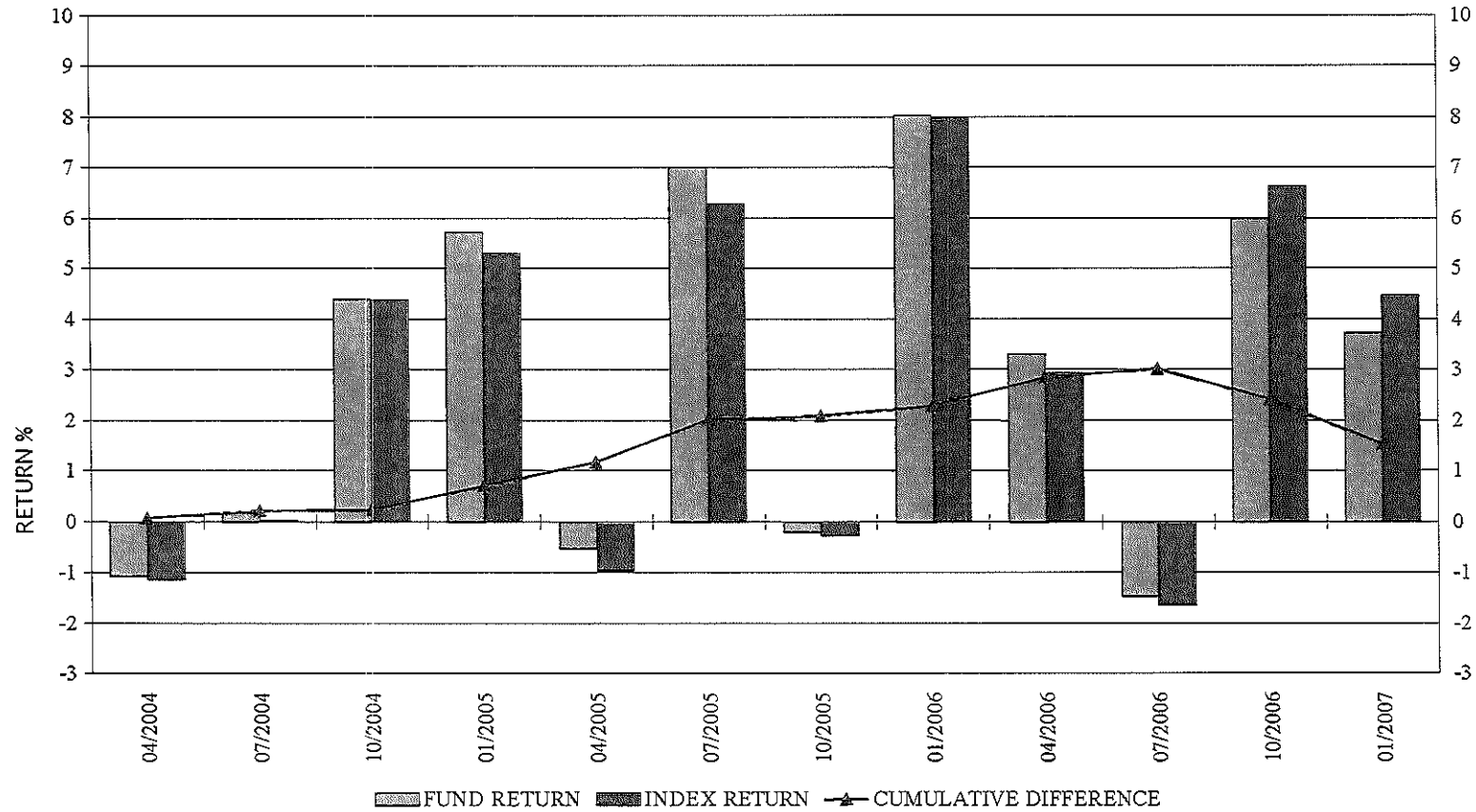
Index: TOTAL PLAN BENCHMARK

PERIODS: January 31, 2004 - January 31, 2007



STATE STREET.
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CUMULATIVE PERFORMANCE REPORT



State of Rhode Island

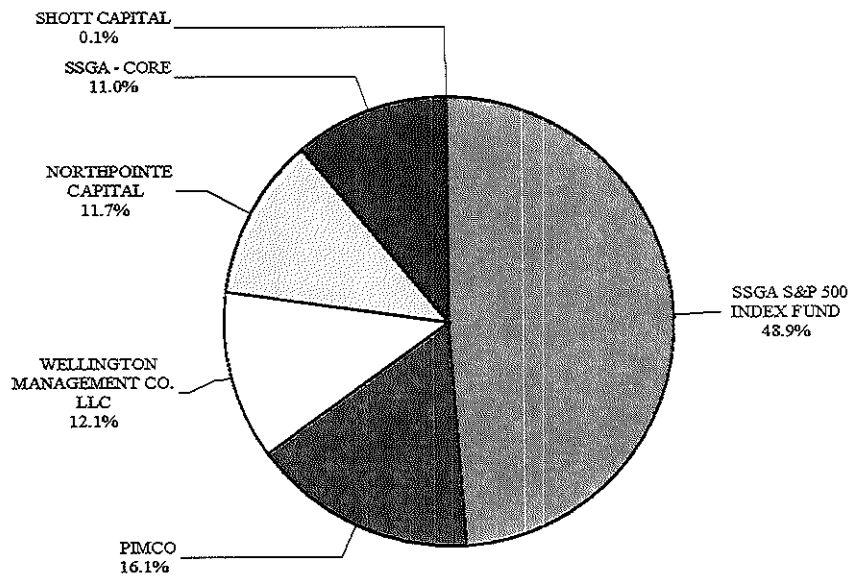
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 01/31/2007



STATE STREET
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CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
SSGA S&P 500 INDEX FUND	1,690.9	
PIMCO	555.3	487.0
WELLINGTON MANAGEMENT CO. LLC	418.5	428.6
NORTHPOINTE CAPITAL	404.9	377.6
SSGA - CORE	381.7	325.2
SHOTT CAPITAL	4.1	2.8
SSGA RUSSELL 1000		1,442.7
WASATCH ADVISORS	0.0	207.3
TOTAL	3,455.4	3,271.2

State of Rhode Island

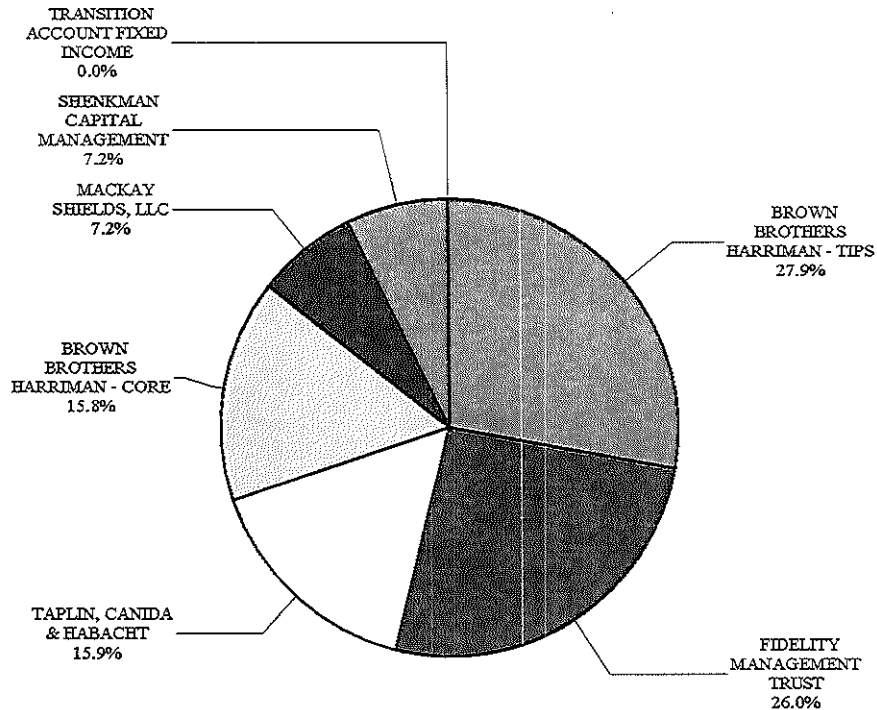
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 01/31/2007



STATE STREET.
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CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
BROWN BROTHERS HARRIMAN - TIPS	517.2	500.8
FIDELITY MANAGEMENT TRUST	480.8	416.4
TAPLIN, CANIDA & HABACHT	294.8	257.5
BROWN BROTHERS HARRIMAN - CORE	292.4	250.3
MACKAY SHIELDS, LLC	132.8	128.3
SHENKMAN CAPITAL MANAGEMENT	132.8	127.7
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
TOTAL	1,851.4	1,681.6

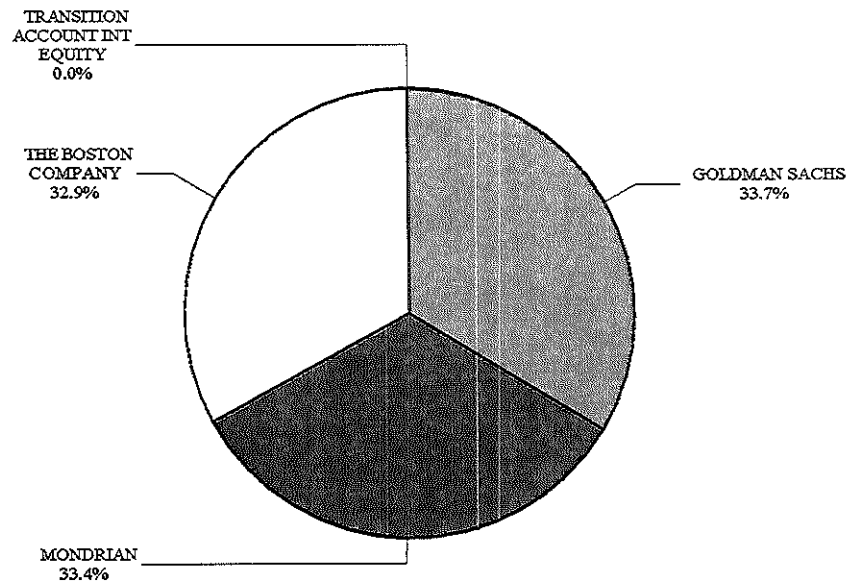
State of Rhode Island
 MANAGER ALLOCATION ANALYSIS
 PERIOD ENDING 01/31/2007



STATE STREET.
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CURRENT MANAGER ALLOCATION

MANAGER	CURRENT PERIOD	ONE YEAR AGO
GOLDMAN SACHS	637.6	566.5
MONDRIAN	631.8	569.3
THE BOSTON COMPANY	623.0	576.6
TRANSITION ACCOUNT INT EQUITY	0.1	0.1
TOTAL	1,892.5	1,712.5



**ASSET ALLOCATION REPORT
JANUARY 31st, 2007**

	Style Mandate	Actual (Millions \$)		Target (Millions \$)		Difference (Millions \$)
Domestic Equity						
SSgA S&P 500 Index Fund	Passive	1,690.96	21.3%	1,649.10	20.75%	41.86
SSgA Core	Active core	381.71	4.8%	357.64	4.50%	24.07
PIMCO	Enhanced Equity	555.35	7.0%	536.45	6.75%	18.89
NorthPointe Capital	Small Cap Value	404.88	5.1%	397.37	5.00%	7.50
Wellington Mgmt	Small Cap Core	418.52	5.3%	437.11	5.50%	(18.59)
Wasatch Advisors	Small Cap Growth	0.00	0.0%	0.00	0.00%	0.00
Shott Capital	Alternative Distribution	4.12	0.1%	0.00	0.00%	4.12
TOTAL DOMESTIC EQUITY		3,455.53	43.5%	3,377.68	42.50%	77.85
International Equity						
Boston Company	MSCI ACWI	622.98	7.8%	530.10	6.67%	92.88
Goldman Sachs	MSCI ACWI	637.58	8.0%	530.10	6.67%	107.48
Mondrian	MSCI ACWI	631.83	8.0%	529.30	6.66%	102.52
Transition Account		0.07	0.0%	0.00	0.00%	0.07
TOTAL INT'L EQUITY		1,892.46	23.8%	1,589.49	20.00%	302.96
Domestic Fixed Income						
Fidelity Management & Research	Mortgages	480.76	6.0%	496.72	6.25%	(15.96)
Brown Brothers, Harriman	Opportunistic Core	292.40	3.7%	298.03	3.75%	(5.63)
Taplin, Canida & Habacht	Corporates	294.77	3.7%	298.03	3.75%	(3.26)
Mackay Shields	High yield	132.77	1.7%	149.02	1.88%	(16.25)
Shenkman Capital Mgmt	High yield	132.79	1.7%	149.02	1.88%	(16.23)
Brown Brothers, Harriman TIPS	TIPS	517.19	6.5%	596.06	7.50%	(78.87)
Transition Account		0.58	0.0%	0.00	0.00%	0.58
TOTAL FIXED-INCOME		1,851.25	23.3%	1,986.87	25.00%	(135.62)
Alternative Investments						
Real Estate	Real Estate	249.53	3.1%	397.4	5.00%	(147.8)
Pacific Corp Group	Private Equity	455.49	5.7%	596.06	7.50%	(140.6)
TOTAL ALTERNATIVE INVESTMENTS		705.03	8.9%	\$993.43	12.50%	(288.41)
CASH EQUIVALENTS	STIF, Yield+	43.21	0.5%	0.00	0.00%	43.21
TOTAL ASSETS		7,947.47	100.0%	7,947.47	100.00%	(0.00)

ALLOCATION BY MANAGEMENT STYLE

Domestic Equity						
Core		381.71	4.8%	357.64	4.50%	24.07
Index		1,690.96	21.3%	1,649.10	17.75%	41.86
Enhanced Equity		555.35	7.0%	536.45	6.75%	18.89
Active Small Cap		823.40	10.4%	834.48	13.50%	(11.09)
TOTAL DOMESTIC EQUITY		3,455.53	43.5%	3,377.68	42.50%	77.85
International Equity						
Active		1,892.46	23.8%	1,589.49	20.00%	302.96
TOTAL INT'L EQUITY		1,892.46	23.8%	1,589.49	20.00%	302.96
Domestic Fixed Income						
Mortgage		480.76	6.0%	496.72	6.25%	(15.96)
Core		292.40	3.7%	298.03	3.75%	(5.63)
Corporates		294.77	3.7%	298.03	3.75%	(3.26)
High Yield		268.13	3.3%	298.03	3.75%	(31.90)
TIPS		517.19	6.5%	596.06	7.50%	(78.87)
TOTAL FIXED-INCOME		1,851.25	23.3%	1,986.87	25.00%	(135.62)
Alternative Investments						
Real Estate		249.53	3.1%	397.37	5.00%	(147.84)
Other Alternative Investments		455.49	5.7%	\$596.06	7.50%	(140.57)
TOTAL ALTERNATIVE INVESTMENTS		705.03	8.9%	993.43	12.50%	(288.41)
CASH EQUIVALENTS	STIF, Yield+	43.21	0.5%	0.00	0.00%	43.21
TOTAL ASSETS		7,947.47	100.0%	7,947.47	100.00%	(0.00)

RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values Separately Managed

JANUARY 31, 2007

<i>Equities</i>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	EXXON MOBIL CORP	224,170	\$16,610,997	SSgA
2	HERCULES INC	649,200	12,730,812	Wellington,NorthPointe,SSgA
3	DREAMWORKS ANIMATION	387,300	10,914,114	Wellington,NorthPointe
4	BANK AMERICA CORP	196,700	10,342,486	SSgA
5	CITIGROUP INC	187,233	10,322,155	SSgA
6	PFIZER INC	381,200	10,002,688	SSgA
7	ADVANTA CORP	214,423	9,951,371	Wellington,NorthPointe
8	INTERNATIONAL BUSINESS MAC	96,100	9,528,315	SSgA
9	RED HAT INC	406,000	9,228,360	Wellington
10	HEWLETT PACKARD CO	206,700	8,945,976	SSgA
		3.15%	\$108,577,294	
Total Composite Equities		\$3,451,354,218		

International Equity Holdings By Top 10 Market Values

JANUARY 31, 2007

<i>International Equities</i>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	DPT EMERGING MARKET	4,551,509	\$62,947,369	Mondrian
2	ROYAL BANK SCOT GRP	1,005,394	40,244,728	Mondrian,Goldman,Boston Co.
3	UNILEVER PLC	1,277,477	34,607,369	Mondrian,Goldman,Boston Co.
4	ROYAL DUTCH SHELL	893,451	30,151,051	Mondrian,Goldman,Boston Co.
5	GLAXOSMITHKLINE	1,056,861	28,237,739	Mondrian,Boston Co.
6	TOTAL SA	414,445	27,896,931	Mondrian,Goldman,Boston Co.
7	HBOS	1,092,442	23,757,014	Mondrian,Goldman,Boston Co.
8	BP PLC	2,212,857	23,151,571	Mondrian,Boston Co.
9	CANON INC	417,428	21,913,590	Mondrian,Goldman,Boston Co.
10	NATL AUSTRALIA BANK	694,028	21,729,551	Mondrian,Goldman,Boston Co.
		16.63%	\$314,636,913	
Total Composite International Equities		\$1,892,381,509		

Top 10 Market Values SIC

ISCAL YEAR 2007 INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI ACCRUAL BASIS

	Actual Jul 06	Actual Aug	Actual Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 07	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
FEES													
SSgA Core			228,174			211,332			200,000			222,371	861,877
SSgA Russell 1000			25,333			31,811			40,000			32,408	129,553
Shott Capital			2,447			225			2,509			2,718	7,899
PIMCO			0			200,000			1,000			225,000	426,000
Wellington Mgmt			627,504			607,639			600,000			652,373	2,487,516
Wasatch Advisors			118,277			121,645			120,000			126,713	486,636
NorthPointe			<u>523,527</u>			<u>495,262</u>			<u>480,000</u>			<u>542,135</u>	<u>2,040,924</u>
			1,525,262			1,667,915			1,443,509			1,803,718	6,440,404
UNRECORDED INCOME													
Brown Bros.			137,999			124,208			120,000			129,732	511,939
Fidelity			156,625			140,532			140,000			148,636	585,793
Taplin			180,056			163,025			160,000			169,909	672,990
Mackay Shields			135,754			138,332			140,000			132,920	547,006
Shenkman			137,910			137,872			140,000			135,952	551,735
Brown Bros.TIPS			<u>139,382</u>			<u>137,338</u>			<u>140,000</u>			<u>136,883</u>	<u>553,604</u>
			887,727			841,306			840,000			854,032	3,423,066
REAL ESTATE													
the Boston Co			567,016			543,700			550,000			566,138	1,676,853
Mondrian			344,188			282,822			250,000			316,283	1,193,293
Goldman Sachs Asset Mgmt			487,960			467,176			488,384			488,465	1,931,985
SSgA MSCI ACWI			0			0			0			0	0
	0		1,399,164	0		1,293,698			1,288,384			1,370,886	4,802,131
REAL ESTATE													
L & B Real Estate				73,899	312,588	34,375	34,375		100,000			100,000	655,237
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fees	1,336,032	775,539	73,438	693,948	316,403	999,806	971,558	219,291	207,497	401,744	606,207	583,151	7,184,613
TOTAL-INV MGMT FEES	1,336,032	775,539	3,885,591	767,847	628,991	4,837,100	#####	219,291	3,879,390	401,744	606,207	4,711,788	22,505,452
PROFESSIONAL FEES													
Legal	36,171	8,822	8,767	6,510	8,769	3,500	13,726	6,000	7,365	12,737	9,677	17,791	139,834
St St Bank Custodial	10,784	8,495	13,277	11,978	11,919	12,325	10,888	10,000	10,000	7,915	10,235	12,861	130,677
Pacific Corp Group		93,750	0	0	93,750	0	0	68,750	0	0	93,750	0	350,000
Wilshire Assoc	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	249,997
Townsend	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	<u>15,000</u>	<u>35,625</u>	<u>157,500</u>
	67,787	131,901	78,503	39,321	135,271	72,284	45,446	105,583	73,823	41,484	149,496	87,110	1,028,008
OPERATING EXPENSE													
Retirement Transfers	0	0	966,557	0	0	1,201,064	0	0	0	3,680,498	0	0	5,848,119
Other Expense	<u>8,333</u>	<u>8,333</u>	<u>33,007</u>	<u>2,552</u>	<u>8,014</u>	<u>32,088</u>	<u>21,497</u>	<u>22,425</u>	<u>3,000</u>	<u>0</u>	<u>8,333</u>	<u>8,333</u>	<u>155,917</u>
	8,333	8,333	999,564	2,552	8,014	1,233,152	21,497	22,425	3,000	3,680,498	8,333	8,333	6,004,036
TOTAL:	1,412,153	915,773	4,963,658	809,720	772,277	6,142,536	#####	347,299	3,956,213	4,123,726	764,036	4,807,231	29,537,497

te: Numbers in bold are actual.

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2007

	FY 2006-07												
	Actual July 2006	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2007	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	49,578,730	50,240,812	50,353,437	50,266,661	50,154,854	50,574,307	51,885,074	48,877,463	48,928,423	48,672,240	48,800,465	48,775,210	597,107,716
ADMINISTRATIVE EXPENSES	30,852	7,525	97,502	35,665	119,438	61,564	38,688	103,184	6,347	3,182,654	8,339	0	3,691,758
VESTMENT EXPENSES	1,139,595	404,779	0	654,009	535,708	880,803	856,346	189,074	178,811	346,204	522,400	497,410	6,205,137
TOTAL OUTFLOW	50,749,178	50,653,116	50,450,939	50,956,355	50,809,998	51,516,673	52,760,108	49,169,741	49,113,581	52,201,098	49,331,205	49,272,620	607,004,611
CONTRIBUTIONS	26,323,220	30,454,769	24,504,216	35,956,284	33,747,419	43,321,050	36,966,641	35,296,828	37,360,680	35,131,183	32,614,800	51,544,371	423,221,471
OTHER INCOME*	16,334,758	9,340,820	7,710,133	2,948,630	9,168,433	14,913,727	5,332,988	9,737,861	4,531,478	4,228,106	7,288,588	18,612,285	110,147,807
TOTAL INCOME	42,657,978	39,795,589	32,214,349	38,904,914	42,915,852	58,234,777	42,299,629	45,034,689	41,892,168	39,359,289	39,903,388	70,156,656	533,369,278
DIFFERENCE	(8,091,200)	(10,857,527)	(18,236,591)	(12,051,441)	(7,894,146)	6,718,104	(10,460,479)	(4,135,052)	(7,221,413)	(12,841,809)	(9,427,817)	20,684,036	(73,635,333)

Municipal Employees Retirement System

	Actual July 2006	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2007	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	4,081,872	4,179,838	4,204,071	4,189,210	4,196,673	4,282,907	4,329,851	4,051,566	4,037,958	4,024,792	4,093,406	4,069,723	49,751,867
ADMINISTRATIVE EXPENSES	5,005	1,221	14,600	5,828	19,516	10,060	6,336	15,489	955	479,037	1,255	0	559,302
VESTMENT EXPENSES	184,863	65,662	0	106,865	87,535	143,923	140,253	28,382	26,914	52,109	78,629	80,699	995,825
TOTAL OUTFLOW	4,281,740	4,246,721	4,218,671	4,301,903	4,303,724	4,436,890	4,476,440	4,095,438	4,065,827	4,555,938	4,173,290	4,150,412	51,306,993
CONTRIBUTIONS	2,505,378	3,560,211	4,502,206	3,257,542	3,890,409	4,500,854	3,809,136	3,604,408	3,204,454	4,112,813	4,050,208	2,630,672	43,628,291
OTHER INCOME*	2,649,790	1,515,248	1,154,504	481,807	1,488,125	2,436,908	873,442	1,461,780	679,161	636,393	1,097,041	2,694,810	17,179,010
TOTAL INCOME	5,155,168	5,075,459	5,656,710	3,739,349	5,388,534	6,937,762	4,682,578	5,066,188	3,883,615	4,749,206	5,147,249	5,325,482	60,807,301
DIFFERENCE	873,429	828,738	1,438,039	(562,554)	1,084,810	2,500,872	206,137	970,751	(182,212)	193,268	973,959	1,175,070	9,500,307

	Actual July 2006	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2007	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
MEMBER BENEFITS	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
ADMINISTRATIVE EXPENSES	313	76	893	360	1,282	681	422	1,001	63	31,544	83	0	36,718
INVESTMENT EXPENSES	11,574	4,111	0	6,972	5,750	9,455	9,334	1,835	1,772	3,431	5,178	5,052	84,465
CASH OUTFLOW	25,887	18,187	14,893	21,353	21,032	24,116	23,756	16,836	15,835	48,975	19,260	19,052	269,183
CONTRIBUTIONS	500,000	535,000	485,000	500,000	490,000	510,000	535,000	500,000	490,000	490,000	779,800	760,000	6,564,800
MEMBER INCOME*	165,900	94,868	70,594	31,436	98,416	160,088	58,129	94,484	27,863	41,906	72,239	168,719	1,084,642
TOTAL INCOME	665,900	629,868	555,594	531,436	588,416	670,088	593,129	594,484	517,863	521,906	852,039	928,719	7,649,442
DIFFERENCE	640,013	611,680	540,701	510,063	567,384	645,972	569,373	577,649	502,028	472,830	832,779	809,667	7,380,259

Includes income from Real Estate Investments, Private Equity, Securities
 Holdings, and Cash Accounts.

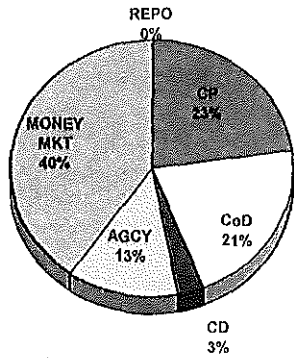
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Rhode Island Employees Retirement System Securities Lending Report January, 2007
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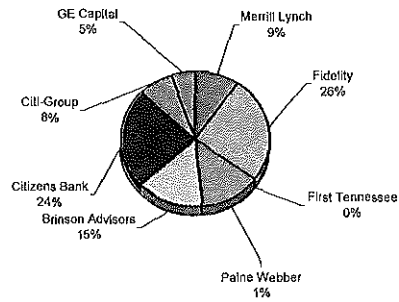
<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<u>DOMESTIC EQUITY</u>		
Wellington Mgmt. Co., LLP	32,079	140,239,894
NorthPointe Capital	27,276	150,042,878
SSgA Core	<u>5,999</u>	<u>32,261,212</u>
Total Domestic Equity	\$ <u>65,354</u>	\$ <u>322,543,984</u>
<u>INTERNATIONAL EQUITY</u>		
Goldman Sachs	17,771	72,533,621
Boston Company	20,859	104,382,110
Mondrian	<u>25,364</u>	<u>113,856,809</u>
Total International Equity	\$ <u>63,994</u>	\$ <u>290,772,540</u>
<u>FIXED INCOME</u>		
Brown Brothers, Harriman	7,711	58,695,813
Taplin, Canida & Habacht	2,538	26,022,386
Mackay Shields	5,914	17,520,776
Shenkman Capital Management	3,849	22,884,117
Brown Brothers, Harriman (TIPS)	<u>34,797</u>	<u>469,505,423</u>
Total Fixed Income	\$ <u>54,808</u>	\$ <u>594,628,515</u>
TOTAL SECURITIES LENDING INCOME	\$ <u>184,156</u>	\$ <u>1,207,945,039</u>
Calendar Year 2007 YTD	\$ 184,156	

RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT JANUARY 31, 2007

Portfolio By Instrument



Portfolio by Issuer



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

Vendor	CP	CD	Agency	Money Mkt	CoD	Rego	Total (\$)
Guidelines-Total/Vendor	25%/10%	25%/10%	75%/35%	50%/35%	25%/25%	100%/20%	
Merrill Lynch	19,997,083 8%	0 0%	3,499,514 1%	0 0%	0 0%	0 0%	23,496,597 9%
Dreyfus	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Dean Witter	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Chase Securities	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Paine Webber	4,999,269 2%	0 0%	28,798,016 11%	0 0%	0 0%	0 0%	33,795,285 13%
Fidelity	0 0%	0 0%	0 0%	64,895,637 26%	0 0%	0 0%	64,895,637 26%
First Tennessee	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Brinson Advisors	0 0%	0 0%	0 0%	36,786,789 15%	0 0%	0 0%	36,786,789 15%
Citizens Bank	0 0%	7,956,708 3%	0 0%	0 0%	52,995,109 21%	0 0%	60,951,817 24%
GE Capital	13,469,128 5%	0 0%	0 0%	0 0%	0 0%	0 0%	13,469,128 5%
Citi-Group	18,986,844 8%	0 0%	0 0%	0 0%	0 0%	0 0%	18,986,844 8%
State St Bank	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
TOTALS	87,452,328	7,956,708	32,295,530	101,682,426	52,995,109	0	262,382,099
(%) PORTFOLIO	23%	3%	13%	40%	21%	0%	100%

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

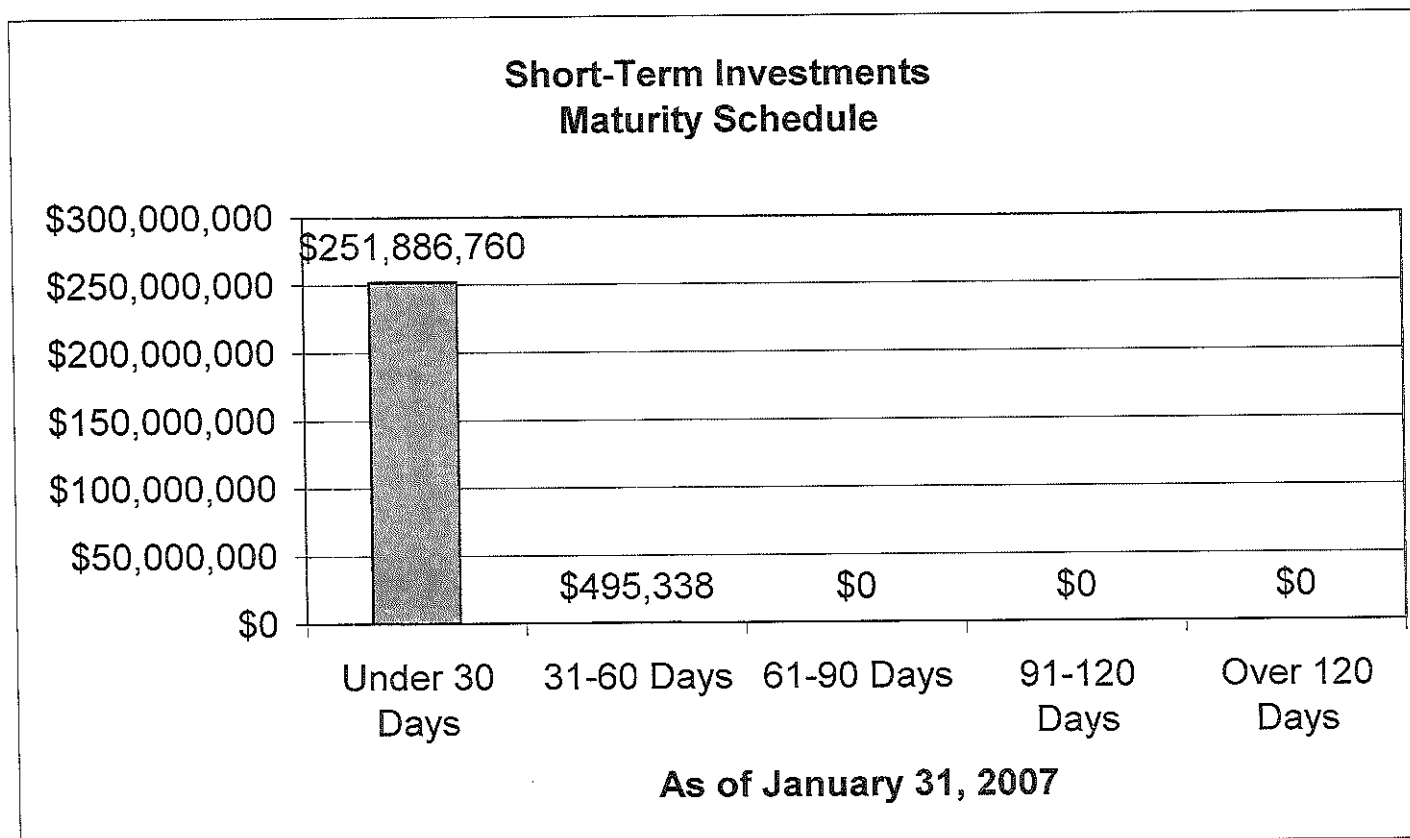
State of Rhode Island and Providence Plantations
Office of the General Treasurer

Short Term Investments Portfolio by Fund

As of January 31, 2007

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	80,655,181	8,423	80,663,604
4904 PENSION C	3,499,514	486	3,500,000
4908 PAYROLL A	499,931	69	500,000
4916 GENERAL FUND H.A.V.A.	1,329,802	0	1,329,802
4920 GENERAL FUND (HIST PRES)	495,338	3,920	499,258
4955 HEALTH INSURANCE FUND	19,126,977	0	
5400 HIGHWAY FUND	4,175,681	0	4,175,681
5500 UNIVERSITY COLLEGE	8,179	0	8,179
6920 AUTO EQUIPMENT SERVICE	2,262,137	504	2,262,641
8000 T.D.I. RESERVE (DET)	91,654,643	277	91,654,919
8300 PERMANENT SCHOOL FUND	761,369	1,543	762,912
8400 EMP RETIREMENT FUND	7,233,658	12,087	7,245,745
8500 MUN EMP RETIREMENT FUND	887,216	0	887,216
8700 R.I. CLEAN WATER ACT	1,738,862	705	1,739,567
9000 BOND CAPITAL FUND	2,025,796	0	2,025,796
9700 STATE LOTTERY FUND	34,744,882	49,040	34,793,922
9800 INDUS. BLDG. & MTG. INS.	1,282,933	0	1,282,933
9900 SINKING FUND	0	0	0
4911 TANS	63,562,399	0	63,562,399
Subtotal	315,944,498	77,053	296,894,575
8702 CLEAN WATER 1993 SER. A	2		
8703 CLEAN WATER 1991 SERIES A	147,976		
8704 CLEAN WATER 96 SERIES A	219		
8706 CLEAN WATER CCDL 1994 (A)	6,168		
8707 CAP DEV. OF 1997 SERIES A	19,652		
8710 CLEAN WATER CCDL 2002 A	293,826		
8711 CLEAN WATER 2004 SERIES A	706,844		
8712 CLN WATER CCDL 2005 SER E	893,808		
8733 CAP DEV. OF 1997 SERIES A	7,342		
8737 RI POLLUT. CONT 94 SER. A	6,446		
8739 CCDL99A 1999A	346,113		
8742 POLLUTION CNTRL 2002 A	46,139		
8743 POLL.CONTRL 2004 SERIES A	959,717		
8744 POLLUTION CON 2005 SER C	85,101		
8745 POLUTION CTRL CCDL 2005 E	11,642		
8746 POLUTION CTRL CCDL 2006 C	1,476,405		
9114 G.O. NOTE 1991 SER. B	3,850		
9116 BOND CCDL 1993 SERIES A	452		
9117 BOND CCDL 1994 SERIES A	685,546		
9120 BOND CCBL96A	1,272,037		
9121 CAP DEV OF 1997 SERIES A	944,481		
9123 CCDL 1998B	2,200,816		
9124 CCDL99A 1999A	10,674		
9125 MMG099 1999	2,889		
9126 BOND CAPITAL CCDL2000A	1,574,635		
9127 MULTI-MODAL GEN OBL 2000	2,861		
9128 BOND 2001	31		
9131 CCDL 2004 SERIES A	12,844,175		
9132 BOND CCDL 2005 SERIES C	22,540,830		
9133 BOND CCDL 2005 SERIES E	19,328,527		
9134 BOND CCDL 2006 SERIES B	4,009,267		
9135 BOND CCDL 2006 SERIES C	88,857,458		
Subtotal Bond Proceed Accounts	159,285,931		
Total Short Term Portfolio	475,230,429		

* General Fund (4901,4911,4916), TDI (8000), & ISTE (5400), Clean Water (8700), Lottery (9700), RI Ind Bldg (9800) and Auto Equip (6900) Investments do not reflect interest earnings on Brinson and Fidelity MM, and Citizens Premium Investments due to nature of Money Market investments. Interest is posted on the 1st business day of the next month.



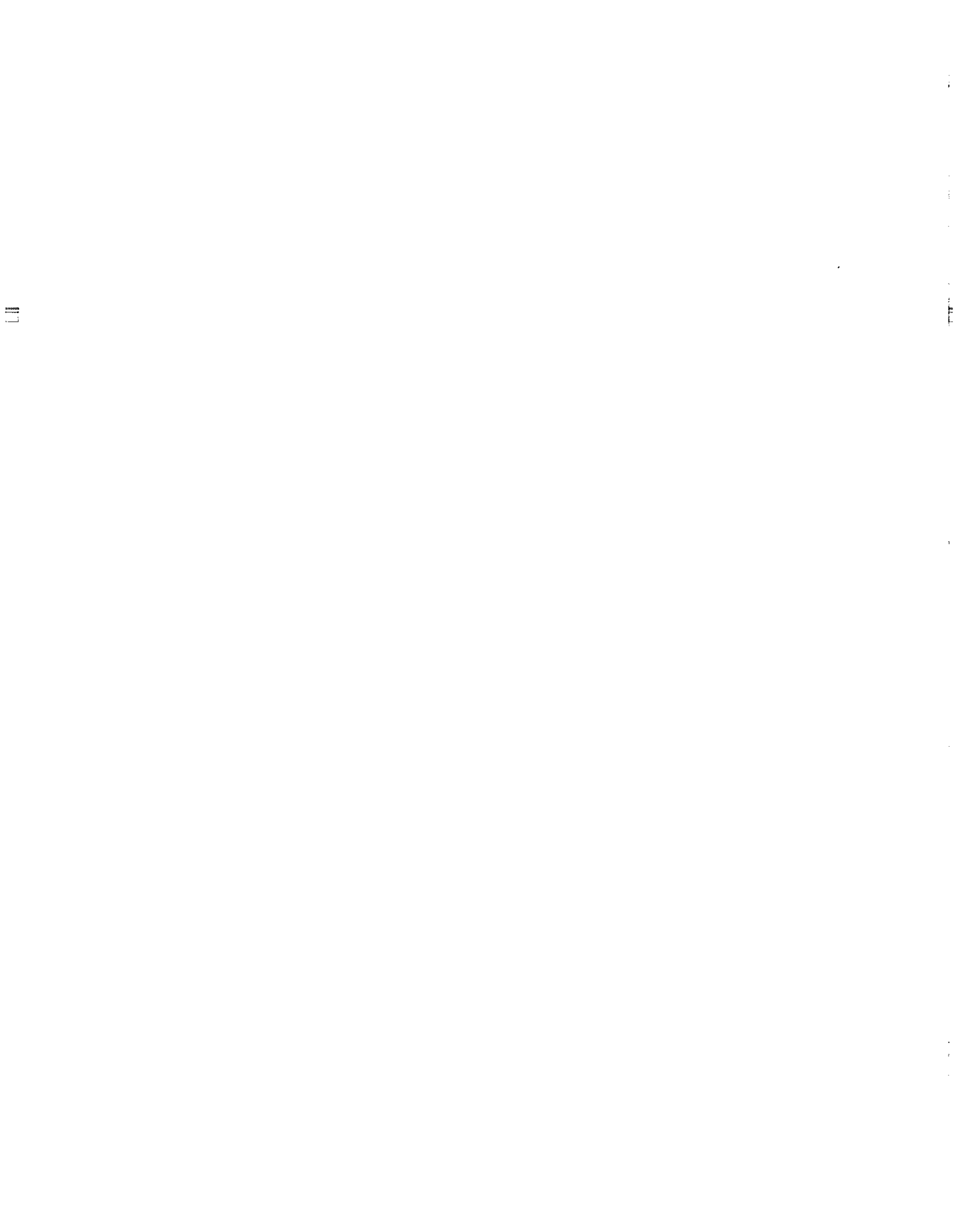
Maturities in \$Millions

Note: Includes \$149.7 Million of Money Market investments with no specific maturity

January, 2007	5.21%
December, 2006	5.21%
January, 2006	4.34%

ABRAHAM TOURO FUND
INVESTMENT SUMMARY
JANUARY 31, 2007

<u>FUND NAME</u>	January Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund (Fidelity Balanced Fund)	\$ 37,597	\$ 2,320,420
<u>TOTALS</u>	\$ 37,597	\$ 2,320,420



**457 Deferred Compensation Plan – 4th Quarter
Performance Data**

Fidelity

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AIG-Valic

Investment Name	Cumulative				Average Annual						Short-Term Trading Fee	Expense Ratio
	As of	1mo.	3mo.	YTD	As of	1yr	3yr	5yr	10yr	Life		
Stock Investments												
Large Cap												
FID BLUE CHIP GROWTH Inception Date 12/31/1987	12/31/2006	0.11%	4.14%	5.54%	12/31/2006	5.54%	5.27%	1.69%	5.61%	11.98%	—	0.63 % on 7/31/2006
FID CONTRAFUND Inception Date 05/17/1967	12/31/2006	0.09%	6.46%	11.54%	12/31/2006	11.54%	14.26%	11.52%	11.01%	13.32%	—	0.90 % on 6/30/2006
FID DIVIDEND GROWTH Inception Date 04/27/1993	12/31/2006	1.85%	5.85%	14.67%	12/31/2006	14.67%	7.90%	4.27%	9.68%	13.59%	—	0.60 % on 7/31/2006
FID EQUITY INCOME Inception Date 05/16/1966	12/31/2006	2.12%	7.43%	19.81%	12/31/2006	19.81%	12.13%	8.70%	9.38%	13.16%	—	0.68 % on 7/31/2006
FID GROWTH & INCOME Inception Date 12/30/1985	12/31/2006	0.24%	6.80%	10.71%	12/31/2006	10.71%	7.69%	4.02%	7.15%	13.10%	—	0.69 % on 7/31/2006
FID OTC PORTFOLIO Inception Date 12/31/1984	12/31/2006	-1.38%	7.96%	9.45%	12/31/2006	9.45%	8.83%	6.07%	7.11%	14.01%	—	0.80 % on 7/31/2006
FIDELITY MAGELLAN Inception Date 05/02/1963	12/31/2006	-0.52%	5.04%	7.22%	12/31/2006	7.22%	7.04%	3.17%	6.99%	18.41%	—	0.57 % on 9/30/2006
SPARTAN US EQ INDEX Inception Date 02/17/1988	12/31/2006	1.39%	6.66%	15.72%	12/31/2006	15.72%	10.34%	6.07%	8.26%	11.68%	—	0.10 % on 8/31/2006
Mid-Cap												
FID MID CAP STOCK Inception Date 03/29/1994	12/31/2006	-0.24%	4.96%	14.78%	12/31/2006	14.78%	13.26%	6.99%	12.70%	14.56%	.75 % / 30 days	0.81 % on 10/31/2006
FID VALUE Inception Date 12/01/1978	12/31/2006	1.07%	7.14%	15.09%	12/31/2006	15.09%	16.81%	14.23%	12.00%	14.45%	—	0.67 % on 10/31/2006
FIDELITY LOW PR STK Inception Date 12/27/1989	12/31/2006	1.83%	9.78%	17.76%	12/31/2006	17.76%	16.08%	15.63%	15.34%	17.47%	1.5 % / 90 days	0.88 % on 7/31/2006
FIDELITY NEW MILLEN Inception Date 12/28/1992	12/31/2006	0.25%	8.08%	13.53%	12/31/2006	13.53%	9.23%	7.48%	13.87%	16.69%	—	1.03 % on 5/31/2006
FKLN SMMIDCAP GRTH A Inception Date 02/14/1992	12/31/2006	-0.94%	6.23%	7.52%	12/31/2006	7.52%	10.34%	5.43%	7.86%	12.40%	2 % / 7 days	0.96 % on 4/30/2006
International												
FID DIVERSIFIED INTL Inception Date 12/27/1991	12/31/2006	2.62%	9.80%	22.52%	12/31/2006	22.52%	19.78%	17.27%	13.16%	12.46%	1 % / 30 days	1.01 % on 10/31/2006
TEMPLETON FOREIGN A Inception Date 10/05/1982	12/31/2006	3.03%	9.64%	19.93%	12/31/2006	19.93%	16.16%	13.32%	8.88%	13.62%	2 % / 7 days	1.16 % on 8/31/2006
Blended Fund Investments												
Others												
FID FREEDOM 2000 Inception Date 10/17/1996	12/31/2006	0.07%	2.95%	6.76%	12/31/2006	6.76%	5.08%	4.47%	6.78%	6.88%	—	0.52 % on 3/31/2006
FID FREEDOM 2010 Inception Date 10/17/1996	12/31/2006	0.39%	4.55%	9.46%	12/31/2006	9.46%	7.53%	6.29%	8.27%	8.41%	—	0.62 % on 3/31/2006
FID FREEDOM 2020 Inception Date 10/17/1996	12/31/2006	0.68%	5.77%	11.61%	12/31/2006	11.61%	9.63%	7.26%	8.75%	8.91%	—	0.70 % on 3/31/2006
FID FREEDOM 2030 Inception Date 10/17/1996	12/31/2006	0.90%	6.58%	12.90%	12/31/2006	12.90%	10.71%	7.58%	8.69%	8.85%	—	0.74 % on 3/31/2006
FID FREEDOM INCOME Inception Date 10/17/1996	12/31/2006	0%	2.53%	6.37%	12/31/2006	6.37%	4.67%	4.19%	5.83%	5.89%	—	0.51 % on 3/31/2006
FID PURITAN Inception Date 04/16/1947	12/31/2006	1.36%	5.55%	14.78%	12/31/2006	14.78%	9.50%	8.12%	8.74%	11.74%	—	0.63 % on 8/31/2006
Bond Investments												
Stable Value												
FID MGD INC PORT II Inception Date 04/20/1993	12/31/2006	0.37%	1.07%	4.08%	12/31/2006	4.08%	3.86%	4.19%	5.09%	5.32%	—	—
Income												
PIMCO TOT RETURN ADM	12/31/2006	-0.85%	0.86%	3.74%	12/31/2006	3.74%	3.75%	5.27%	6.57%	7.11%	2 % /	0.68 % on

Inception Date 09/08/1994												7 days	3/31/2006
Short Term Investments													
Others													
FIDELITY RETIRE MMKT	12/31/2006	0.43%	1.28%	4.82%	12/31/2006	4.82%	2.94%	2.25%	3.73%	4.58%	—		0.42 % on
Inception Date 12/02/1988													8/31/2006
7-day yield as of 12/31/2006 5.10%													
Other Investments													

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ING Life Insurance and Annuity Company



State of Rhode Island

Average Annual Total Returns as of 12/31/2006

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 800-525-4225. 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 returns assume reinvestment of all dividends (ordinary income and capital gains) and are net of management fees and other fund operating expenses.

YOU SHOULD CONSIDER THE INVESTMENT OBJECTIVES, RISKS AND CHARGES, AND EXPENSES OF THE FUNDS CAREFULLY BEFORE INVESTING. THE PROSPECTUS CONTAINS THIS AND OTHER INFORMATION. ANYONE WHO WISHES TO OBTAIN A FREE COPY OF THE FUND PROSPECTUSES MAY CALL THEIR ING REPRESENTATIVE OR THE NUMBER ABOVE. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

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

Investment Options	Fund Benchmark (BM)	Returns Not Annualized						Average Annual Total Returns								Since Fund Inception	Fund Inception Date
		1-Mo		3-Mo		YTD		1-Yr		3-Yr		5-Yr		10-Yr			
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM		
Stability of Principal																	
ING Fixed Account - 457/401 -Base + 60 (***) - 043	MFR	0.31%	0.40%	0.93%	1.19%	3.75%	4.50%	3.75%	4.50%	3.85%	2.60%	4.40%	1.93%	5.30%	3.39%		
Money Market																	
ING VP Money Market Portfolio - Class I - 003	IBCM	0.43%	0.45%	1.28%	1.35%	4.88%	5.11%	4.88%	5.11%	2.97%	3.22%	2.28%	2.60%	3.76%	3.68%		08/01/1975
<i>The 7-day annualized yield as of 12/31/2006 is 5.07%. (+)</i>																	
Bonds																	
Intermediate-Term Bond																	
ING VP Intermediate Bond Portfolio - Class I - 004	LEHM	-0.51%	-0.58%	1.21%	1.24%	4.06%	4.33%	4.06%	4.33%	4.02%	3.70%	5.33%	5.06%	6.03%	6.24%		05/23/1973
Balanced																	
Moderate Allocation																	
Calvert Social Balanced Portfolio - 101	SPXRE	0.35%	1.40%	4.01%	6.70%	8.77%	15.78%	8.77%	15.78%	7.55%	10.44%	5.45%	6.19%	6.30%	8.43%		09/02/1986
ING VP Balanced Portfolio, Inc. - Class I - 008	SPXL	0.83%	0.61%	4.64%	4.50%	9.99%	11.11%	9.99%	11.11%	7.85%	7.76%	5.99%	5.98%	7.58%	7.89%		04/03/1989
ING Van Kampen Equity and Income Portfolio - Initial Class - 452	SPXRE	1.66%	1.40%	4.77%	6.70%	12.67%	15.78%	12.67%	15.78%	10.51%	10.44%	5.79%	6.19%			5.86%	12/10/2001
Large Cap Value																	
Large Blend																	
AIM V.I. Core Equity Fund - Series I Shares - 079	SPXRE	1.17%	1.40%	5.99%	6.70%	16.70%	15.78%	16.70%	15.78%	10.23%	10.44%	7.06%	6.19%	7.17%	8.43%		05/02/1994
ING VP Growth and Income Portfolio - Class I - 001	SPXRE	1.41%	1.40%	6.67%	6.70%	14.20%	15.78%	14.20%	15.78%	10.21%	10.44%	4.83%	6.19%	4.85%	8.43%		05/01/1975

Performance Update

The returns listed do not include the impact of contract charges.

The CURRENT rate for the ING Fixed Account - 457/401 - is 3.750%, expressed as an annual effective yield, and is guaranteed not to drop below 3.40% through 12/31/2007. The annual rate of interest applied to your account may be higher or lower than the current rate. Restrictions 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. The chart shows the performance for each investment option for the time periods shown.

Effective December 2, 2005, the ING VP MagnaCap Portfolio - Class I merged into the ING VP Value Opportunity Portfolio - Class I.

Effective April 28, 2006, AIM V.I. Premier Equity Fund - Series I Shares merged into AIM V.I. Core Equity Fund - Series I Shares.

Effective April 28, 2006, AIM V.I. Growth Fund - Series I Shares merged into AIM V.I. Capital Appreciation Fund - Series I Shares.

Effective April 28, 2006, AIM V.I. Core Stock Fund - Series I Shares merged into AIM V.I. Core Equity Fund - Series I Shares.

Please note, the three or four digit number which appears next to each investment option is the fund number as assigned by ING.

Insurance products and/or third party administration services are offered by ING Life Insurance and Annuity Company. Securities offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.

Benchmark Id Benchmark Description

IBCM	The Money Fund Report Averages - All Taxable is an average of the returns of over 250 money market mutual funds surveyed each month by IBC/Donoghue, Inc.
LEHM	The Lehman Brothers Aggregate Bond Index is an unmanaged index composed of securities from the Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index, and the Asset-Backed Securities Index, including securities that are of investment-grade quality or better and have at least one year to maturity.
MFR	Returns are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by iMoneyNet, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.
MSCIAC	MSCI All Country World Index is a broad-based unmanaged index of developed country and emerging market equities.
MSCIEAFE	Morgan Stanley Capital International Europe, Australia, Far East Index (MSCI EAFE) is a market value-weighted average of the performance of more than 900 securities listed on the stock exchanges of countries in Europe, Australia and the Far East. The MSCI EAFE returns assume reinvestment of all dividends.
RS2000	The Russell 2000 Index (a small cap index) consists of the smallest 2,000 companies in the Russell 3000 Index and represents approximately 10% of the Russell 3000 total market capitalization. The Russell 2000 returns assume reinvestment of all dividends.
RS3000G	The Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this Index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.
RS3000V	The Russell 3000 Value Index is a market capitalization-weighted Index of value-oriented stocks of U.S. domiciled corporations.
RSMIDGRW	The Russell MidCap Growth Index is an unmanaged Index of U.S. mid-cap growth stocks.
SPXL	A benchmark consisting of a mix of 60% of an unmanaged stock index (The Standard & Poor's 500) and 40% of an unmanaged bond Index (Lehman Aggregate Bond Index).
SPXRE	The Standard & Poor's (S&P) 500 Index is considered to be representative of the stock market in general. The S&P 500 returns assume reinvestment of all dividends.

**STATE OF RHODE ISLAND
MUTUAL FUND SELECTION**

The information is current as of 12/31/2006.

Category/Funds	YTD	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	Inception Date
Foreign Large Blend								
Dreyfus International Stock Index	25.71%	25.71%	19.29%	13.93%	-	5.97%	0.60%	6/30/1997
MSCI EAFE		26.34%	19.93%	14.98%	-			
World Stock								
Janus Adviser Worldwide	16.93%	16.93%	9.11%	3.38%	-	6.76%	1.15%	5/1/1997
MSCI World		20.07%	14.68%	9.97%	-			
Small Blend								
Dreyfus Small Cap Stock Index	14.69%	14.69%	14.58%	12.05%	-	10.51%	0.50%	6/30/1997
Standard & Poor's Smallcap 600		15.12%	14.99%	12.49%	-			
Mid-Cap Blend								
Dreyfus Midcap Index	9.87%	9.87%	12.59%	10.35%	12.88%	13.83%	0.50%	6/19/1991
Standard & Poor's Midcap 400		10.32%	13.09%	10.89%	13.47%			
Large Growth								
MFS Massachusetts Investors Growth Stock	7.48%	7.48%	6.97%	1.46%	8.00%	10.67%	0.96%	1/1/1935
Calvert Social Investment Equity F	10.16%	10.16%	6.98%	4.96%	8.84%	8.49%	1.23%	8/24/1987
SunAmerica Blue Chip Growth	6.15%	6.15%	4.38%	0.33%	4.95%	0.37%	1.27%	11/21/2001
Putnam Voyager	5.23%	5.23%	5.17%	1.28%	5.31%	11.74%	1.04%	4/1/1969
Franklin DynaTech	2.64%	2.64%	5.81%	5.65%	7.23%	8.77%	0.97%	1/2/1988
S&P 500		15.79%	10.44%	6.19%	8.42%			
Large Blend								
Dreyfus Disciplined Stock	15.73%	15.73%	9.83%	4.70%	6.94%	11.51%	0.90%	12/31/1987
Vanguard 500 Index	15.64%	15.64%	10.30%	6.07%	8.37%	12.23%	0.18%	8/31/1976
SunAmerica Growth & Income	14.93%	14.93%	8.45%	3.17%	5.74%	3.32%	1.31%	11/16/2001
S&P 500		15.79%	10.44%	6.19%	8.42%	-		
SunAmerica Focused Equity Strategy	11.27%	11.27%	9.24%	-	-	8.97%	0.15%	2/20/2004
Russell 1000 Growth		9.07%	6.87%	-	-	-		
Moderate Allocation								
SunAmerica Balanced Assets	9.73%	9.73%	5.62%	2.56%	4.73%	2.43%	1.28%	11/16/2001
Dreyfus Founders Balanced	9.91%	9.91%	7.03%	3.78%	2.38%	7.04%	1.43%	2/19/1963
SunAmerica Focused Balanced Strategy	9.07%	9.07%	7.40%	-	-	7.12%	1.61%	2/20/2004
60% S&P 500 + 40% Lehman Agg.		11.11%	7.76%	5.98%	7.88%			
Intermediate-Term Bond								
PIMCO Total Return	3.51%	3.51%	3.52%	5.04%	6.34%	6.44%	0.90%	1/13/1997
Lehman Brothers Aggregate Bond		4.33%	3.70%	5.06%	6.24%			
Intermediate Government								
Wells Fargo Advantage Government Securities	3.54%	3.54%	3.00%	4.41%	5.77%	7.35%	1.02%	10/29/1986
Lehman Brothers Intermediate Govt Bond		3.84%	2.62%	3.92%	5.48%			
Stable Value								
VALIC Fixed-Interest Option ***			December 2006	3.75%				
			Calendar Year 2006	3.25% (min. guaranteed)				

Source: Morningstar Principia Pro (as of 12-31-06)

Securities and investment advisory services offered through VALIC Financial Advisors, Inc., member NASD, SIPC and an SEC-registered investment advisor.

The performance data quoted represents past performance. Current performance may be higher or lower than the performance stated due to recent market volatility. Past performance does not guarantee future result. Investment return and principal value will fluctuate so an investor's shares, when redeemed, may be worth more or less than their original cost. Please visit www.aigvalic.com for month-end performance.

To view or print a prospectus, visit www.aigvalic.com and click on ePrint under Login. Enter your Plan ID in the Login field and click go. Click on "Funds" in Quick Links, and funds available for your plan are displayed. The prospectus contains the investment objectives, risks, charges, expenses and other information about the respective investment company that you should consider carefully before investing. Please read the prospectus carefully before investing or sending money. You may also request a copy by calling 1-888-568-2542.

Portfolio Director

Fixed and Variable Annuity

The information is current as of 12/31/2006.

Effective December 31, 2001, all future contributions for all existing and new participants will be directed to VALIC Retirement Services 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>								
Core Value Fund (American Century)	16.21	16.21	10.49	6.65	3.43	3.43	1.63	12/8/2000
Vanguard Windsor II Fund	17.01	17.01	13.20	8.97	9.09	9.09		6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Wellington/WAMU)	10.85	10.85	7.01	3.55	3.38	3.38	1.65	4/29/1994
Social Awareness Fund	14.60	14.60	9.08	4.67	6.84	6.84	1.30	10/2/1989
Stock Index Fund	14.49	14.49	9.19	4.96	7.21	7.21	1.16	4/20/1987
<i>Large Cap Growth</i>								
Large Capital Growth Fund (SAAMCo/AIM)	-	-	-	-	9.01	5.62	1.59	12/20/2004
VALIC Ultra Fund (American Century)	-	-	-	-	2.69	(5.79)	1.73	12/5/2005
Domestic Mid Cap Equity								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (MorganStanley/Brazos)	-	-	-	-	3.60	9.05	1.64	12/20/2004
Global Equity								
Global Equity Fund (Pulnam)	-	-	-	-	14.52	20.33	1.78	12/5/2005
International Equity								
Foreign Value Fund (Franklin/Templeton)	-	-	-	-	14.80	20.77	1.64	12/5/2005
Specialty								
Science & Technology Fund (T. Rowe/RCM)	5.01	5.01	2.48	(0.83)	0.45	0.45	1.81	4/29/1994
Hybrid								
<i>Balanced</i>								
Vanguard Wellington Fund	13.74	13.74	9.77	7.80	8.64	8.64	1.34	7/1/1929
Fixed Income								
<i>Investment Grade</i>								
Vanguard Long-Term Investment Grade Fund	2.04	2.04	4.78	6.37	6.39	6.39	1.05	7/9/1973
Vanguard Long-Term Treasury Fund	0.93	0.93	4.29	5.99	6.51	6.51	1.06	5/19/1986
<i>International</i>								
International Government Bond Fund	7.10	7.10	5.04	9.84	4.27	4.27	1.51	10/1/1991
<i>Stable Value</i>								
Money Market I Fund	3.79	3.79	1.89	1.18	2.64	2.64	1.33	1/16/1986
7-Day Yield at 31-Dec-2006: 4.03%								
Fixed Account Plus	0.00	0.00	2.35	3.37	4.74	4.74		4/1/1982
Short Term Fixed Account	3.00	3.00	3.00	3.00	3.75	3.75		2/1/1982

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

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

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

- 1) The inclusion data found in this chart are based upon the date the funds were included in the Separate Account.
- 2) The inception data are based upon the inception date of underlying fund.

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

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

FUND EXPENSES

The following represents annual variable fund fees.

Fund Name	Separate Account Fee ¹	Management Fee	12b-1 Fee	Other Expenses ²	Expense Waivers or Reimbursements	Total Expense
Core Equity Fund ¹ (Wellington/WAMU)	0.80%	0.78%	None	0.12%	-0.05%	1.65%
Core Value Fund (American Century)	0.80%	0.77%	None	0.15%	-0.09%	1.63%
International Government Bond Fund	0.80%	0.50%	None	0.21%	None	1.51%
Mid Cap Strategic Growth Fund ³ (MorganStanley/Brazos)	0.80%	0.70%	None	0.69%	-0.55%	1.64%
Money Market I Fund*	0.80%	0.43%	None	0.13%	-0.03%	1.33%
Science & Technology Fund ¹ (T. Rowe Price/RCM)	0.80%	0.88%	None	0.13%	None	1.81%
Social Awareness Fund	0.80%	0.50%	None	0.13%	None	1.30%
Stock Index Fund ³	0.80%	0.25%	None	0.11%	None	1.16%
Large Capital Growth (SAAMCo/AIM)	0.80%	0.68%	None	0.65%	-0.54%	1.59%
VALIC Ultra Fund (American Century)	0.80%	0.83%	None	0.56%	-0.46%	1.73%
Global Equity Fund (Putnam)	0.80%	0.80%	None	1.36%	-1.18%	1.78%
Foreign Value Fund (Franklin/Templeton)	0.80%	0.69%	None	0.96%	-0.81%	1.64%
Vanguard Long-Term Investment Grade Fund	0.80%	0.22%	None	0.03%	None	1.05%
Vanguard Long-Term Treasury Fund	0.80%	0.23%	None	0.03%	None	1.06%
Vanguard Wellington Fund	1.05%	0.29%	None	0.02%	None	1.34%
Vanguard Windsor II Fund	1.05%	0.34%	None	0.02%	None	1.39%

*An investment in a money market fund is not insured 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.

Annuities are long-term investments. Income taxes are payable upon withdrawal. Federal restrictions and tax penalties can apply to early withdrawals.