

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
March 31, 2013**

**April 24, 2013  
MEETING**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Honorable Gina M. Raimondo, Chair**

**Ms. Rosemary Booth Gallogly  
Mr. Thomas P. Fay  
Ms. Paula M. McNamara  
Mr. Andrew K. Reilly**

**Mr. J. Michael Costello  
Mr. Robert Giudici  
Ms. Marcia Reback**

# Section I.

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## Agenda



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

**Gina M. Raimondo**  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, April 24, 2013 at 9:00 a.m. in Room 135 of the State House.

**AGENDA**

- Chairperson Call to Order
- Membership Roll Call
- Approval of Minutes
  - State Investment Commission Meeting held on March 27, 2013\*
- Real Estate Consultant — Secondary Sale Recommendation\*
- Corporate Governance Policy\*
- Infrastructure Update
- OSIP Review
- Legal Counsel Report
- Chief Investment Officer Report
  - Portfolio Update
  - Asset Allocation and Risk
- Treasurer's Report

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

**POSTED ON FRIDAY, APRIL 19, 2013**

## Section II.

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### Approval of Minutes



## State Investment Commission

### Monthly Meeting Minutes

Wednesday, March 27, 2013

9:00 a.m.

Room 135, State House

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:03 a.m., Wednesday, March 27, 2013 in Room 135, State House.

### I. Roll Call of Members

The following members were present: Ms. Rosemary Booth Gallogly, Mr. J Michael Costello, Mr. Thomas Fay, Mr. Robert Giudici, Ms. Paula McNamara, Ms. Marcia Reback, Mr. Andrew Reilly, General Treasurer Gina Raimondo and Mr. Frank Karpinski. Also in attendance: Mr. Thomas Lynch of Cliffwater, alternative investment consultant to the Commission; Mr. Alan Emkin, Mr. John Burns and Ms. Lindsey Sugar of Pension Consulting Alliance (PCA), general policy and real estate consultant; Ms. Sally Dowling, of Adler Pollock, legal counsel; Mr. George Gilmer and Mr. Mark Sullivan of BNY Mellon; Mr. Stewart Kohl and Ms. Peggy Roberts of Riverside Capital; Ms. Anne-Marie Fink, chief investment officer and members of the Treasurer's staff. Treasurer Raimondo called the meeting to order at 9:03 a.m. Mr. Giudici left at 10:20.

### II. Approval of Minutes

On a motion by Mr. Costello and seconded by Ms. Booth Gallogly, it was unanimously **VOTED: To approve the draft of the minutes of the February 27, 2013 meeting of the State Investment Commission.**

### III. Riverside Capital Recommendation

Mr. Lynch described Riverside as a private equity firm targeting lower mid-level companies in the U.S. He introduced Mr. Kohl and Ms. Roberts.

Mr. Kohl explained they target growth business which can be acquired for less than \$200M and with which Riverside can work to make them two to three times bigger through organic growth and add on acquisitions. He briefly described Riverside's history.

He pointed out Riverside is big investors in their own fund which creates aligned interests. For background, Mr. Kohl explained separate fund strategies at Riverside including a European, microcap and developed Asia funds.

Mr. Kohl explained their office locations and the structure and experience of their staff. He then described, in detail, their realization and performance history.

Ms. Roberts highlighted one of their acquired companies and provided a detailed case study of their full process from acquisition to sale.

The committee asked some questions and Riverside left the room.

Mr. Lynch explained that to maintain the plan's allocation in private equity the committee needs to make about \$150M in commitments this year. He said the private equity portfolio

needs more buyout strategies with smaller companies and Riverside fits that criterion. He then recommended the board commit \$20M to the Riverside.

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

**VOTED: to commit \$20 million to Riverside Capital, for investment in Riverside Capital Appreciation Fund VI predicated on satisfactory completion of all due diligence.**

#### **IV. Claren Road Recommendation**

Mr. Lynch reminded the board of the whole hedge fund portfolio and of the SIC's decision to redeem two managers. He explained they need one more manager to bring the real return portfolio back to full allocation.

Mr. Lynch then recommended Claren Road as a replacement for Gracie. He described their team, the firm's history and their investment strategy. He explained since inception they have an annualized rate of return of 9.9% with a 4% level of volatility and a Sharpe ratio of 1.90. He then took the board through their operational due diligence and recommended investment in Claren Road to replace Gracie. He initially considered recommending a \$40M commitment, but then explained the institutional share class has lower fees, but a longer initial lockup. He pointed out, with the low volatility and size of the firm the lockup for the lower fees is a good tradeoff. The minimum of the institutional share class is \$50 million. Mr. Lynch said Cliffwater asked Claren Road to waive the additional \$10M commitment to enter the institutional share class, but Claren was not able to. Given that, Cliffwater recommends committing \$50M to the Claren Road institutional share class to attain the lower management fee.

Ms. Booth Gallogly asked if Claren Road was considered during the initial funding process and Mr. Lynch said yes. Ms. Fink pointed out they are currently closed, so they only replace capital when someone redeems the equivalent amount. Mr. Lynch pointed out 55% of Claren Road is owned by Carlyle, which provides them large institutional support, but Carlyle is hands-off in terms of investment and business strategy.

Ms. Booth Gallogly asked about regulatory protections and Mr. Lynch explained they are SEC registered as an investment advisor and their disclosure is excellent, but this has no effect on the terms of the initial lockup commitment.

Ms. Fink said Claren Road is a lower volatility, low risk manager with many focused technical disciplines to control risk. She said it is a big stable organization and Claren Road's credit approach is a nice balance to other areas of the portfolio. For these reasons she is inclined to invest in the institutional share class for the lower management fee.

Mr. Lynch reiterated that from Cliffwater's perspective Claren Road is one of the best fund managers in the credit space.

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

**VOTED: to commit \$50 million to the Claren Road Institutional Share Class predicated on satisfactory completion of all due diligence.**

#### **V. Real Estate Recommendations**

Ms. Sugar gave a brief update on the secondary sale process. PCA has received offers with varying values from six bidders and they have narrowed it down to select bidders for final round bids due mid-April. Because this is an ongoing process Ms. Sugar is not inclined to

discuss values to ensure it remains a competitive process for best pricing. They are pricing the next round of bidding at 4<sup>th</sup> quarter numbers instead of 3<sup>rd</sup> which are more favorable. Ms. Fink said the process is going well, but we would like to go back to the original bidders to ensure the best pricing. She explained the assets might be sold at a discount, but the price levels should make it worthwhile for us to sell at a discount and redeploy the money in a better investment vehicle, rather than wait for these investments to run their cycle.

Ms. Sugar pointed out the bids are in line with expectations when this process was started and values also came up. The board then discussed if they should wait to sell and it was determined they should not because they are both buyers and sellers and for a variety of other reasons.

Ms. Sugar continued to discuss PCA's recommendation to allocate up to an additional \$25M in AEW's Core Property Trust Fund. She explained the plan's history and current investment with AEW. She then reviewed AEW's investment fundamentals and plans for calling capital. She said they are calling capital soon and this would be a way to put additional real estate investments into the market very soon.

Ms. Fink and Ms. Sugar took the board through the rebalancing timeline to get the real estate portfolio to full policy allocation.

Ms. Sugar explained since ERSRI was one of the first investors in AEW's Core Property Trust Fund they have reduced ERSRI's legacy management fee by 50 basis points.

Ms. Sugar then recommended allocating up to an additional \$10M to Heitman.

The committee then reviewed the secondary sale process.

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

**VOTED: to commit an additional \$25 million to AEW predicated on satisfactory completion of all due diligence.**

On a motion by Mr. Fay and seconded by Mr. Giudici, it was unanimously

**VOTED: to commit an additional \$10 million to Heitman predicated on satisfactory completion of all due diligence.**

## **VI. OPEB Asset Allocation**

Treasurer Raimondo reminded the committee they voted last month to recommend to the OPEB Board to switch the OPEB asset allocation from 65% in fixed income to 35% in equity to 65% equity and 35% fixed income. She explained this decision was made because of the concern around fixed income rate risk and the OPEB plan has better cash flows than the pension plan. She explained Ms. Fink and Mr. Mark Dingley, Treasury staffer, went to the board and made this recommendation and the OPEB board explained they wanted to mirror the pension fund's asset allocation. Ms. Fink explained staff started looking into the logistics of potentially making this switch. She explained the four separately managed accounts, State employees, Municipal employees, state police and judges all have the same tax ID and because OPEB plan has a separate tax ID, some investment managers need to form a separately managed account to manage the additional OPEB assets. She explained it then becomes a challenge to meet minimum AUM thresholds for managers. The committee then discussed the complications of this issue and discussed legacy complications as well. The committee discussed the possibility of having the OPEB board apply for the same tax ID.

Given these issues, the vote on OPEB asset allocation did not occur, but the committee agreed to go back to the OPEB board, explain the complications and strongly recommend they act on the SIC's recommendation from the last OPEB meeting to allocate 65% to equity and 35% to fixed income while staff looks into the logistics of possibly commingling the assets.

## **VII. AllianceBernstein Amendment**

Ms. Fink referenced an amendment to part of the AllianceBernstein contract. She explained this amendment relates to the principle protected income option within the CollegeBound fund. She said this is a low risk stable value fund in the lineup and about 10% of assets are in it nationally and 12% in the Rhode Island plan. She explained AllianceBernstein assures the assets in this option never go down by using the assets to provide safe securities at relatively low duration. Ms. Fink said they also buy derivatives to buy protection as well as an insurance wrap to ensure the value of the asset never goes down. She said ING is their insurance provider. She said this amendment addresses derivatives and she said the fund has always been able to use derivatives, but the language wasn't completely clear. Ms. Fink said when AllianceBernstein goes to market to buy derivatives there are certain counterparties which would like to see the language in the contract. She pointed out, adding this language will allow AllianceBernstein to access more of the market. She then discussed the changes in section 5 that were made during the staff's legal review process.

On a motion by Mr. Costello and seconded by Mr. Fay, it was unanimously **VOTED: to approve the AllianceBernstein amendment.**

## **VIII. Corporate Governance**

Ms. Fink said staff has been spending a lot of time exploring different corporate governance options. She reminded the board of Ann Yerger's presentation from the Council of Institutional Investors.

Ms. Fink explained there has been a lot done by funds like CALPERS, where they have more assets, a bigger staff and own assets directly. She explained ERSRI is different because it currently only invests in commingled funds. She pointed out ERSRI never technically has the right to vote, but it still has the obligation to oversee those who vote on the plan's behalf.

Ms. Fink said this structure allows the board to focus on the ultimate goal of generating value on the asset being voted on. Looking for feedback from the board, Ms. Fink outlined the corporate governance policy and her four principles for long-term value creation. The four principles are board accountability for shareholders, board effectiveness and decision making, creating long-term value and transparency.

Mr. Costello asked about State Street Global and pointed out they can't dictate who is in the index. Ms. Fink said State Street has to vote proxies and Treasury staff began a dialogue with them already.

Ms. Reback asked for the policy to be clear enough where it is easy to determine which issue fits in which principle bucket and the board discussed the mechanics of this concern.

## **IX. Legal Counsel Report**



Ms. Dowling gave an update on the legal agreements her and Treasury staff are working on.

## **X. CIO Report**

Ms. Fink reviewed performance for last month and reviewed each asset class and some individual managers. She pointed out the private equity and real estate number is on a quarterly reporting lag, so it is not a particularly useful number.

Ms. Fink said WAMCO received \$200M and has invested about three quarters of that to-date and will probably be fully invested next week. She said using leverage with PIMCO was explored in depth and staff decided to proceed without leverage at this time. She said PIMCO should be funded sometime next week. She explained how each manager would be funded.

Ms. Fink explained the infrastructure RFI is an ongoing process and explained out of caution she has recused herself because her former employer submitted a response. She said PCA and staff have narrowed thirty-two submissions to a short-list of eight. She explained the process is ongoing.

Treasurer Raimondo explained she has inserted herself in the process because Anne-Marie is not able to participate and she believes if the search does not surface the right managers, the board should not put all the money to work. The board agreed.

Ms. Fink updated the board on the CollegeBound Fund and explained part of the contract provides the SIC with funds to hire a consultant. Ms. Fink plans to hire a consultant to focus on the investment lineup. She believes our existing general consultant is qualified to do the assessment and Mr. Emkin pointed out they consult for eight states on their 529 plans. The board agreed.

Ms. Fink updated the board on the banking rfp and the move of the disbursement account to Sovereign.

Ms. Fink updated the board on the Valic stable value floor issue. She explained the participants received a better deal because they grandfathered in participants who joined the plan before April 1, 2013 at a 3% floor.

## **XI. Treasurer's Report**

Treasurer Raimondo said staff is continuing to monitor the one gun holding in the portfolio. The board discussed selling its L.P. interest in the fund.

## **XII. Adjournment**

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

Respectfully submitted,

**Gina M. Raimondo**  
General Treasurer

## Section III.

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### Staff Summary

# Portfolio Highlights

## PORTFOLIO PERFORMANCE

### March

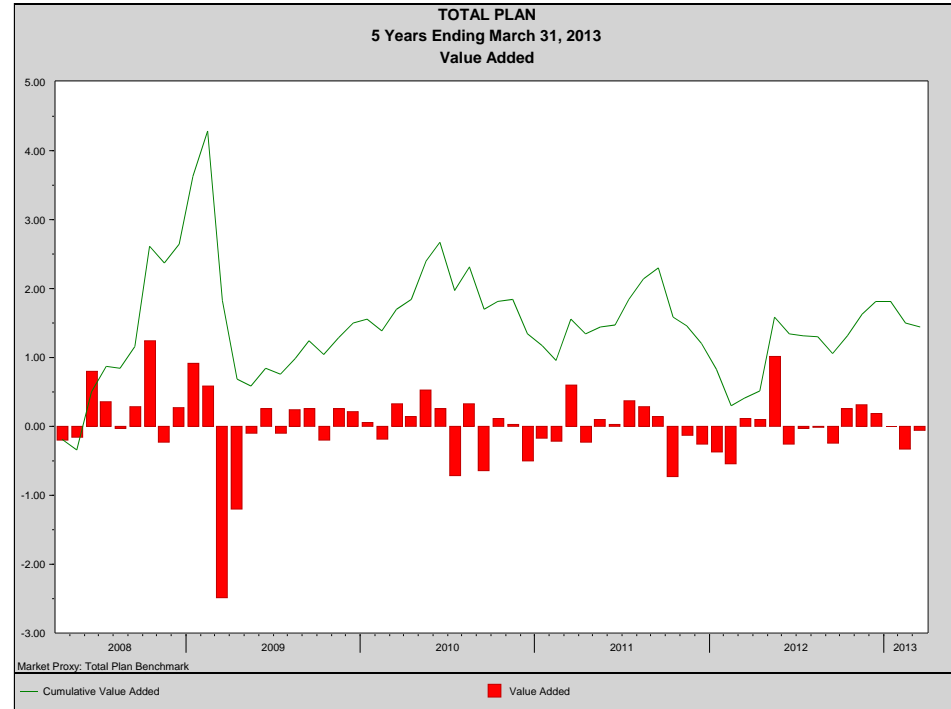
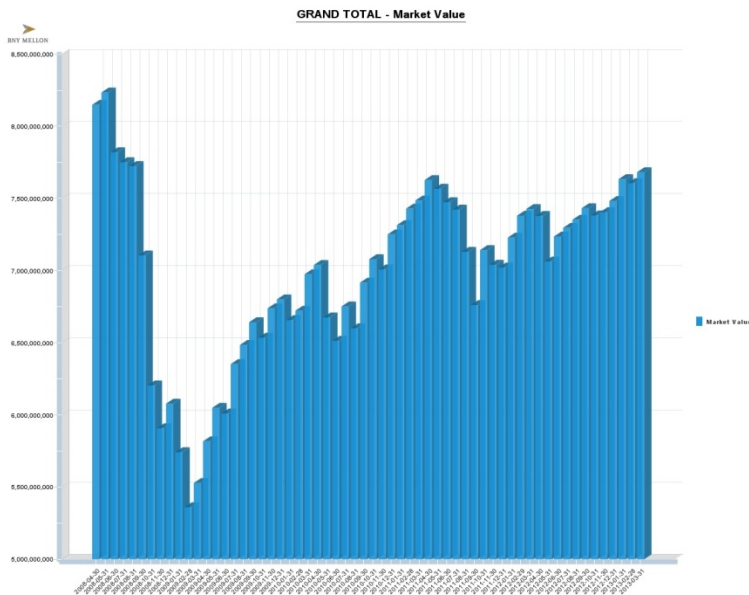
The ERSRI portfolio posted a 1.46% gain for March, against the policy index of 1.51%. Total Equity gained 2.02%, led by US markets, which gained 3.91% well outperforming International Markets. The US Traditional Fixed Income Portfolio returned 0.10%, slightly ahead of benchmark, the Real Return Hedge Funds gained 0.72% slightly behind its benchmark of 0.90% and GILBs gained 1.31%. March was the month where the new Credit Strategy was launched.

### Fiscal Year to Date

For the Fiscal Year to date, the fund has gained 11.38%, versus the policy index of 11.27%.

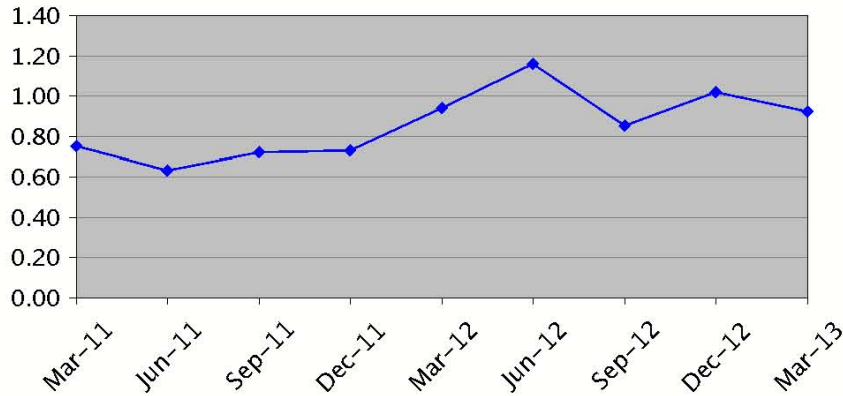
### Market Values

The total portfolio value increased in March by \$74.9 million to \$7.68 billion. The March 2013 increase represents \$110 million of positive market impact, offset by \$35.1 million of transfers out.



| Account Name<br>Benchmark Name | Market Value (M) | Month       | Fiscal YTD   |
|--------------------------------|------------------|-------------|--------------|
| US Public Equity               | 1,795.26         | 3.91        | 17.66        |
| Non-US Public Equity           | 1,791.91         | 0.19        | 17.19        |
| Equity Hedge Funds             | 577.42           | 2.05        | 11.57        |
| Private Equity                 | 566.93           | 2.00        | 5.56         |
| Traditional Fixed Income       | 1,098.88         | 0.10        | 3.67         |
| Real Estate                    | 272.27           | 0.76        | 7.05         |
| Real Return Hedge Funds        | 545.56           | 0.72        | 7.59         |
| Inflation-Linked Bonds         | 402.26           | 1.31        | 6.44         |
| Total Cash                     | 389.60           | 0.01        | 0.10         |
| <b>TOTAL PLAN</b>              | <b>7,682.22</b>  | <b>1.46</b> | <b>11.38</b> |

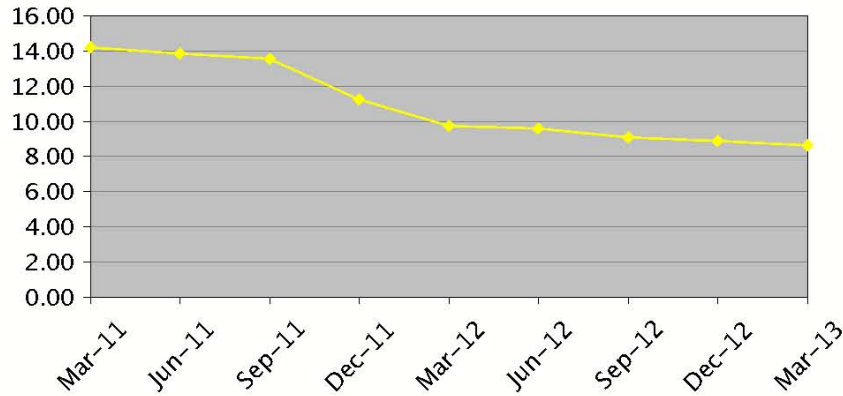
Annualized Alpha



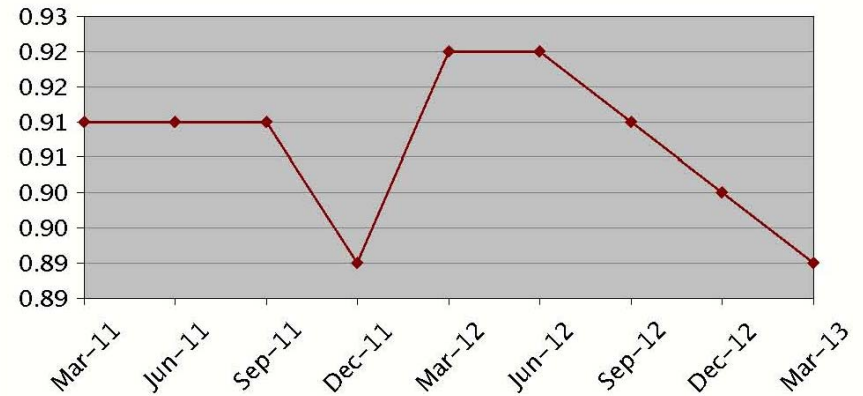
Annualized Sharpe Ratio



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

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

March 31, 2013

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 March 31, 2013.

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

| <b>Asset Class</b>     |  | <b>Base Market Value</b> |
|------------------------|--|--------------------------|
| <b>Grand Total</b>     |  | <b>7,682,222,141</b>     |
| CASH EQUIVALENT*       |  | 554,507,274              |
| EQUITY HEDGE FUNDS**   |  | 577,420,695              |
| GLOBAL PUBLIC EQUITY   |  | 3,587,166,050            |
| CREDIT                 |  | 164,684,174              |
| INFLATION-LINKED BDS   |  | 380,281,668              |
| PRIVATE EQUITY**       |  | 563,968,048              |
| REAL ESTATE**          |  | 272,271,661              |
| REAL RET HEDGE FUNDS** |  | 495,560,192              |
| US TRADITIONAL FIXED   |  | 1,086,362,379            |

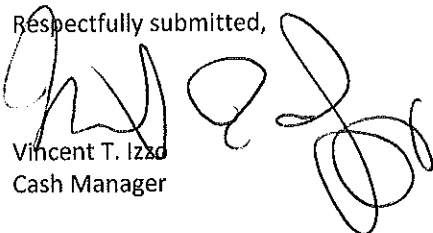
  

| <b>Plan Allocations</b> | <b>%</b>      | <b>Base Market Value</b> |
|-------------------------|---------------|--------------------------|
| <b>Grand Total</b>      | <b>100.00</b> | <b>7,682,222,141</b>     |
| STATE EMP RET PLAN      | 81.79         | 6,283,226,702            |
| MUNI EMP RET PLAN       | 16.41         | 1,260,944,968            |
| STATE POLICE RET PL     | 1.19          | 91,369,016               |
| JUDICIAL RET PLAN       | 0.61          | 46,681,454               |

\* 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 – are illiquid and may not have readily determinable market values. As such, they are generally based on appraisals only.

Respectfully submitted,

  
Vincent T. Izzo  
Cash Manager

## Section IV.

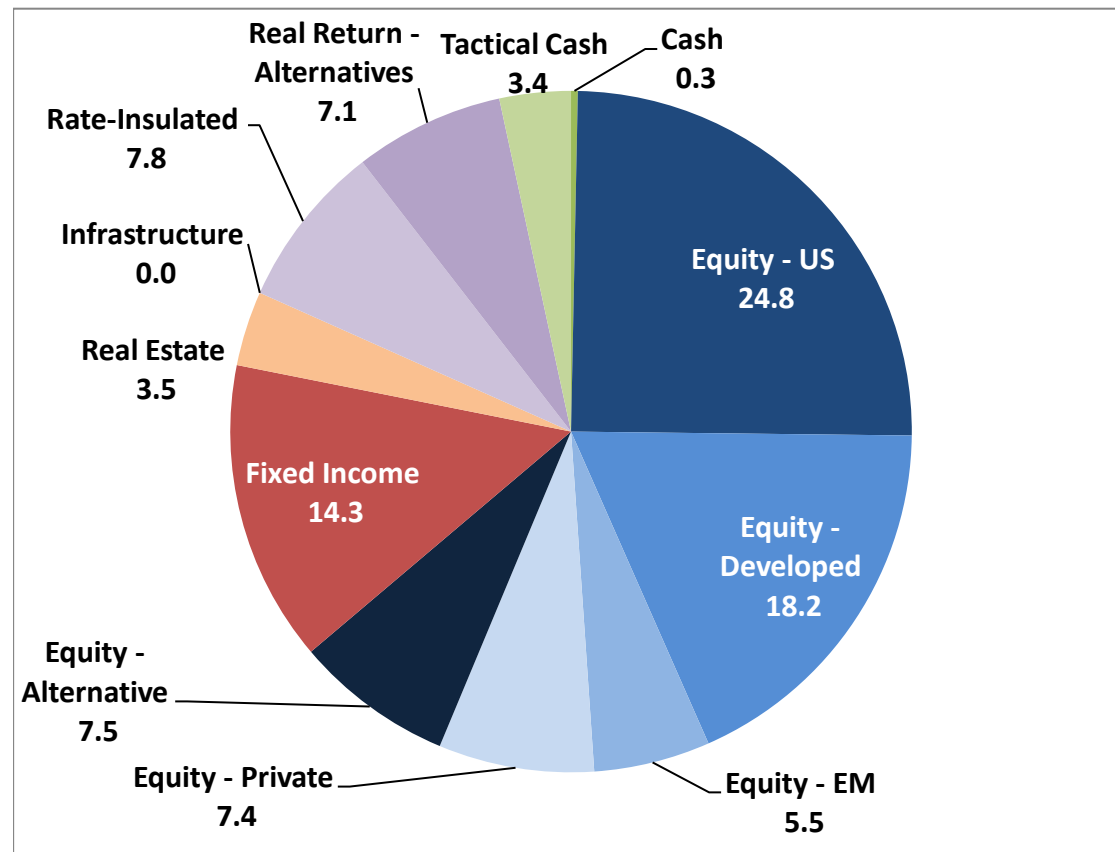
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### Asset Allocation

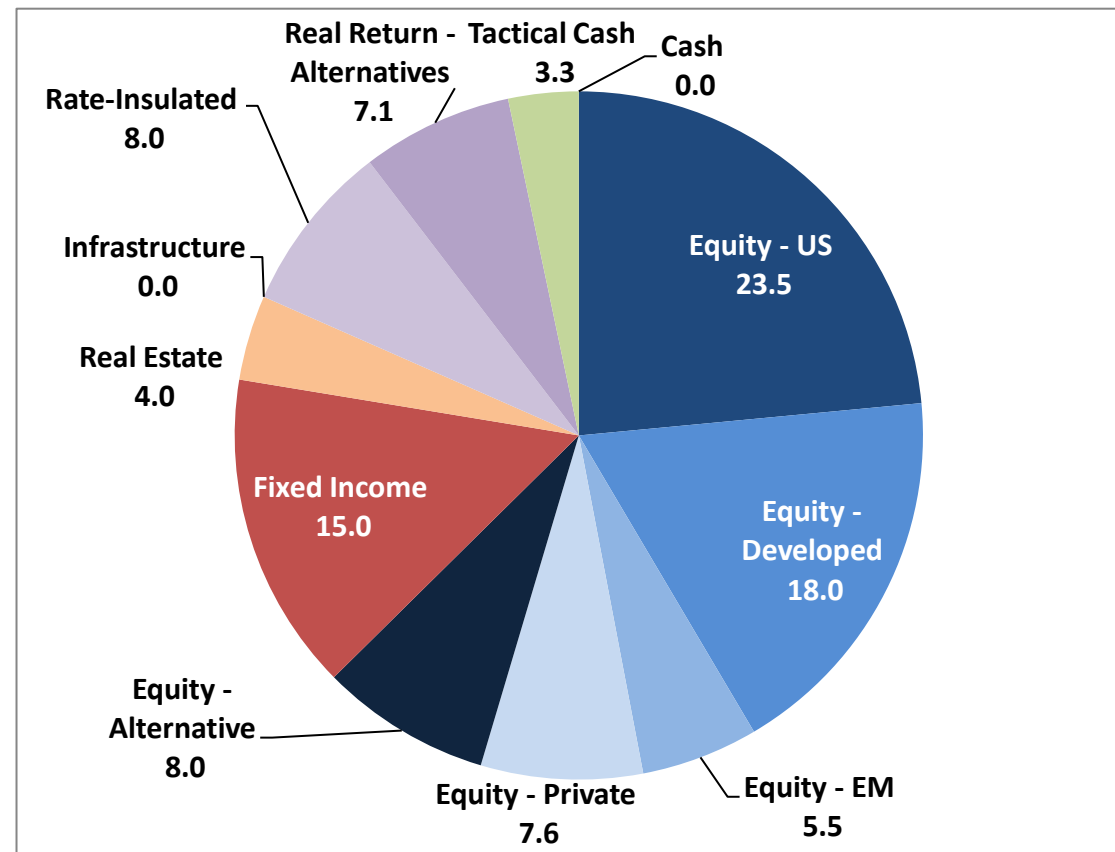
**ERSRI Portfolio**

%% - as of Mar. 31, 2013

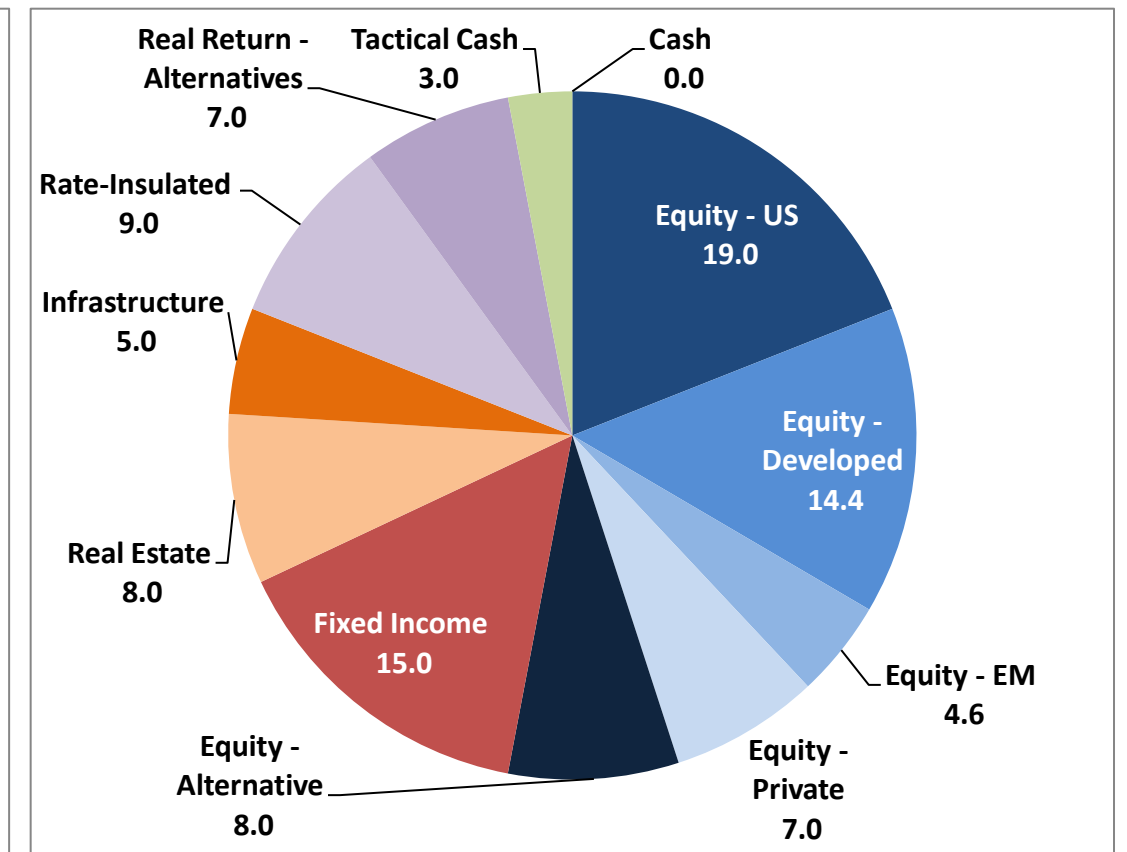
**Actual Allocation**



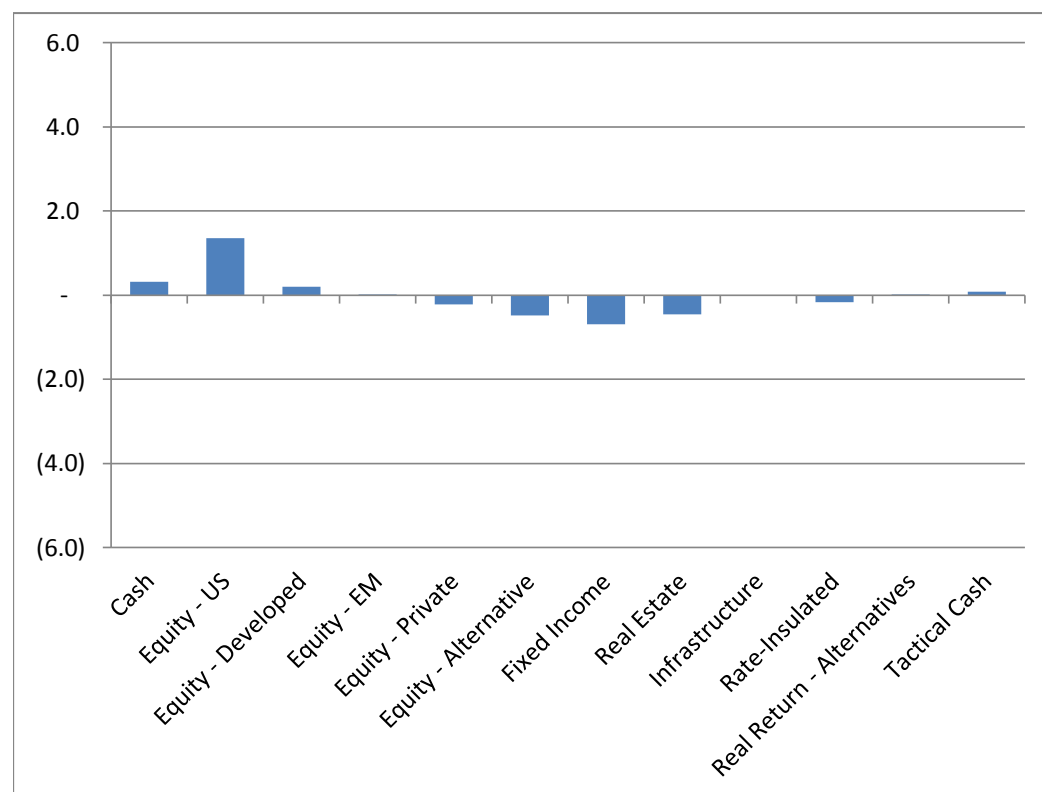
**Tactical Allocation**



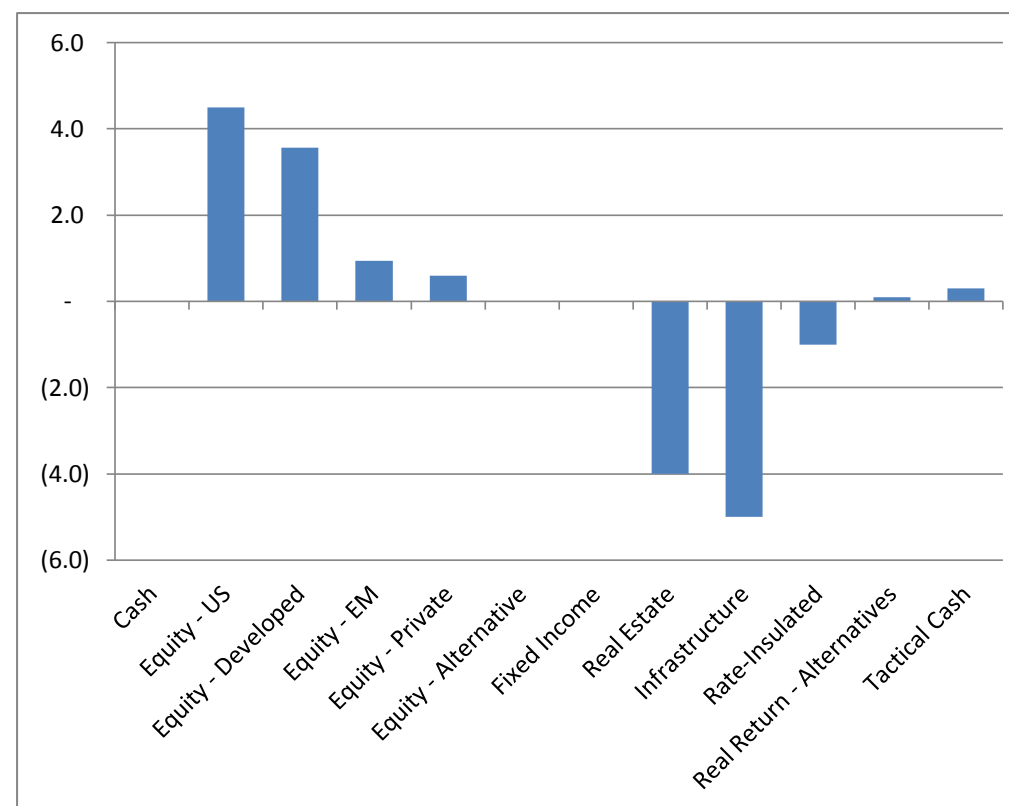
**Policy Allocation**



**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.

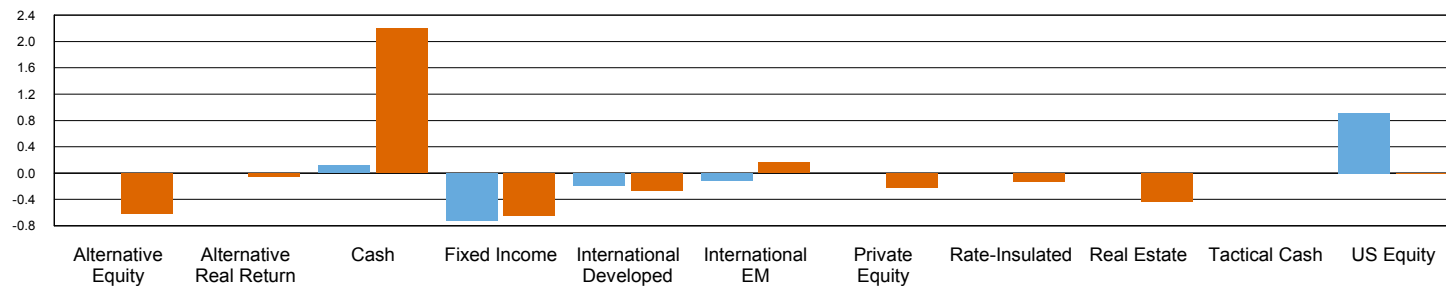
Tactical vs. Policy: Tactical allocations diverge from policy to allow time to vet third-party managers allowing prudent implementation of SIC policy decisions, and to diversify vintage-year exposure for drawdown funds (e.g., private equity, real estate, infrastructure).

Currently tactical allocations are (4) percentage points (pps) below policy on real estate, (5) pps on infrastructure and (1) pps on rate-insulated, 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> |                |
|---------------------------|--------------------------|---------------|---------------------------|--------------|---------------------|---------------|-----------------------|---------------|----------------------|----------------|
| <b>Total Market Value</b> | <b>7,658.3</b>           | <b>100.0%</b> | <b>0.0</b>                | <b>0.0%</b>  | <b>7,658.3</b>      | <b>100.0%</b> | <b>7,658.3</b>        | <b>100.0%</b> | <b>7,658.3</b>       | <b>100.00%</b> |
| <b>Cash</b>               | <b>168.4</b>             | <b>2.2%</b>   | <b>-142.9</b>             | <b>-1.9%</b> | <b>25.5</b>         | <b>0.3%</b>   | <b>16.8</b>           | <b>0.2%</b>   | <b>0.0</b>           | <b>0.00%</b>   |
| Cash                      | 168.4                    | 2.2%          | -142.9                    | -1.9%        | 25.5                | 0.3%          | 16.8                  | 0.2%          | 0.0                  | 0.00%          |
| <b>Equity</b>             | <b>4,722.4</b>           | <b>61.7%</b>  | <b>142.9</b>              | <b>1.9%</b>  | <b>4,865.3</b>      | <b>63.5%</b>  | <b>4,818.4</b>        | <b>62.9%</b>  | <b>4,794.1</b>       | <b>62.60%</b>  |
| US Equity                 | 1,799.9                  | 23.5%         | 113.7                     | 1.5%         | 1,913.6             | 25.0%         | 1,843.5               | 24.1%         | 1,799.7              | 23.50%         |
| Private Equity            | 565.6                    | 7.4%          | 0.0                       | 0.0%         | 565.6               | 7.4%          | 565.6                 | 7.4%          | 582.0                | 7.60%          |
| International Developed   | 1,357.5                  | 17.7%         | 39.6                      | 0.5%         | 1,397.2             | 18.2%         | 1,412.0               | 18.4%         | 1,378.5              | 18.00%         |
| International EM          | 433.6                    | 5.7%          | -10.4                     | -0.1%        | 423.2               | 5.5%          | 431.5                 | 5.6%          | 421.2                | 5.50%          |
| Alternative Equity        | 565.8                    | 7.4%          | 0.0                       | 0.0%         | 565.8               | 7.4%          | 565.8                 | 7.4%          | 612.7                | 8.00%          |
| <b>Fixed</b>              | <b>1,098.9</b>           | <b>14.3%</b>  | <b>0.0</b>                | <b>0.0%</b>  | <b>1,098.9</b>      | <b>14.3%</b>  | <b>1,154.6</b>        | <b>15.1%</b>  | <b>1,148.7</b>       | <b>15.00%</b>  |
| Fixed Income              | 1,098.9                  | 14.3%         | 0.0                       | 0.0%         | 1,098.9             | 14.3%         | 1,154.6               | 15.1%         | 1,148.7              | 15.00%         |
| <b>Other</b>              | <b>1,668.5</b>           | <b>21.8%</b>  | <b>0.0</b>                | <b>0.0%</b>  | <b>1,668.5</b>      | <b>21.8%</b>  | <b>1,668.5</b>        | <b>21.8%</b>  | <b>1,715.5</b>       | <b>22.40%</b>  |
| Real Estate               | 272.8                    | 3.6%          | 0.0                       | 0.0%         | 272.8               | 3.6%          | 272.8                 | 3.6%          | 306.3                | 4.00%          |
| Rate-Insulated            | 602.9                    | 7.9%          | 0.0                       | 0.0%         | 602.9               | 7.9%          | 602.9                 | 7.9%          | 612.7                | 8.00%          |
| Alternative Real Return   | 540.1                    | 7.1%          | 0.0                       | 0.0%         | 540.1               | 7.1%          | 540.1                 | 7.1%          | 543.7                | 7.10%          |
| Tactical Cash             | 252.7                    | 3.3%          | 0.0                       | 0.0%         | 252.7               | 3.3%          | 252.7                 | 3.3%          | 252.7                | 3.30%          |

## Deviations from Target Allocation

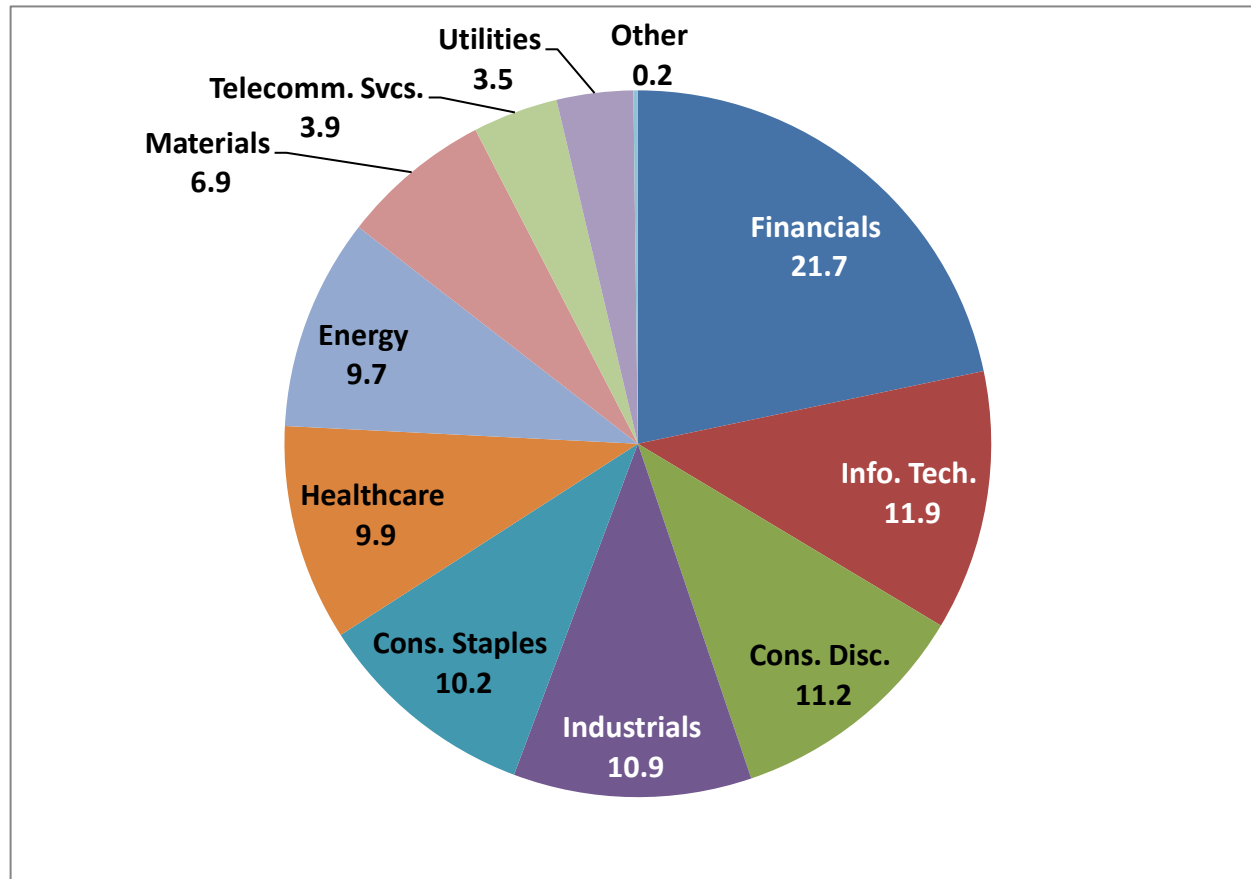




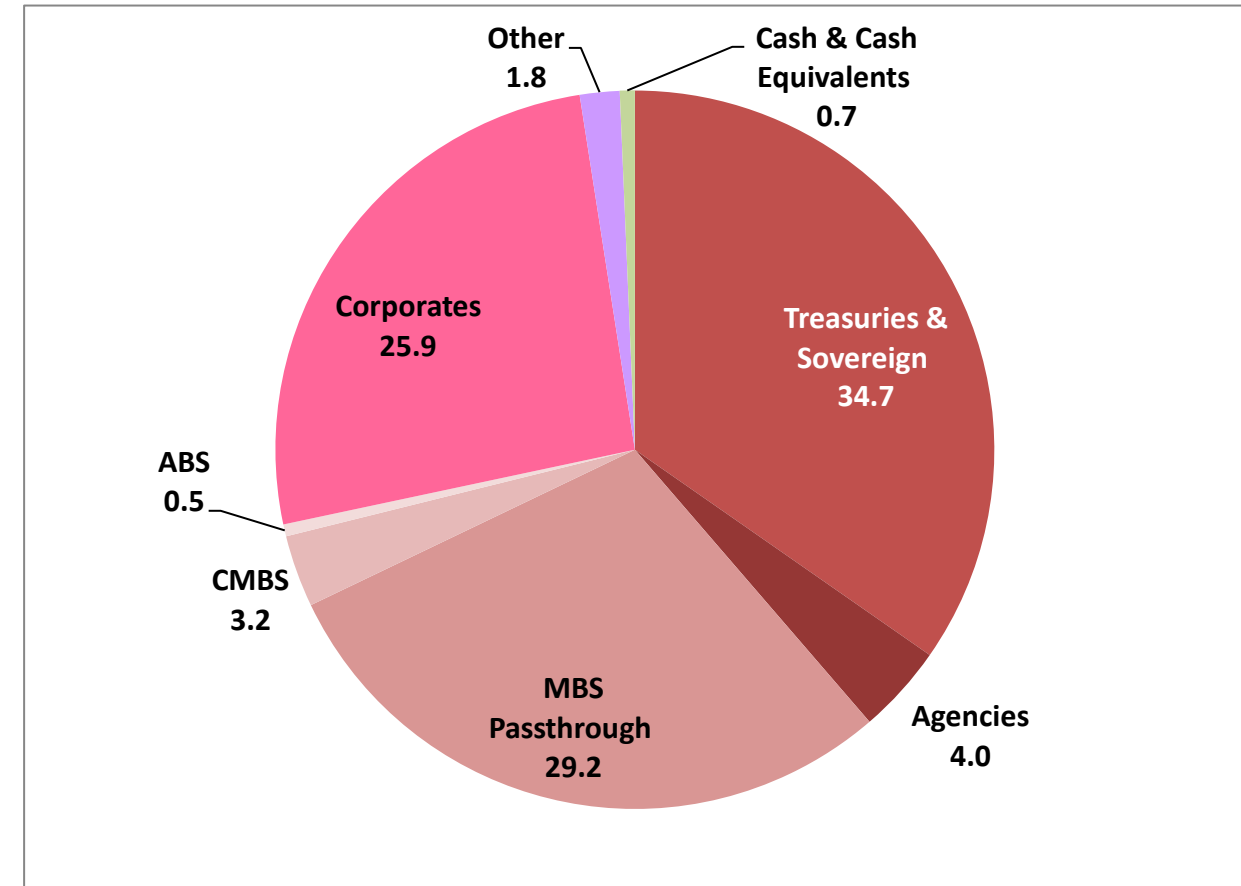
# ERSRI Asset Allocation Public-Asset Portfolios

%%% - as of Mar. 31, 2013

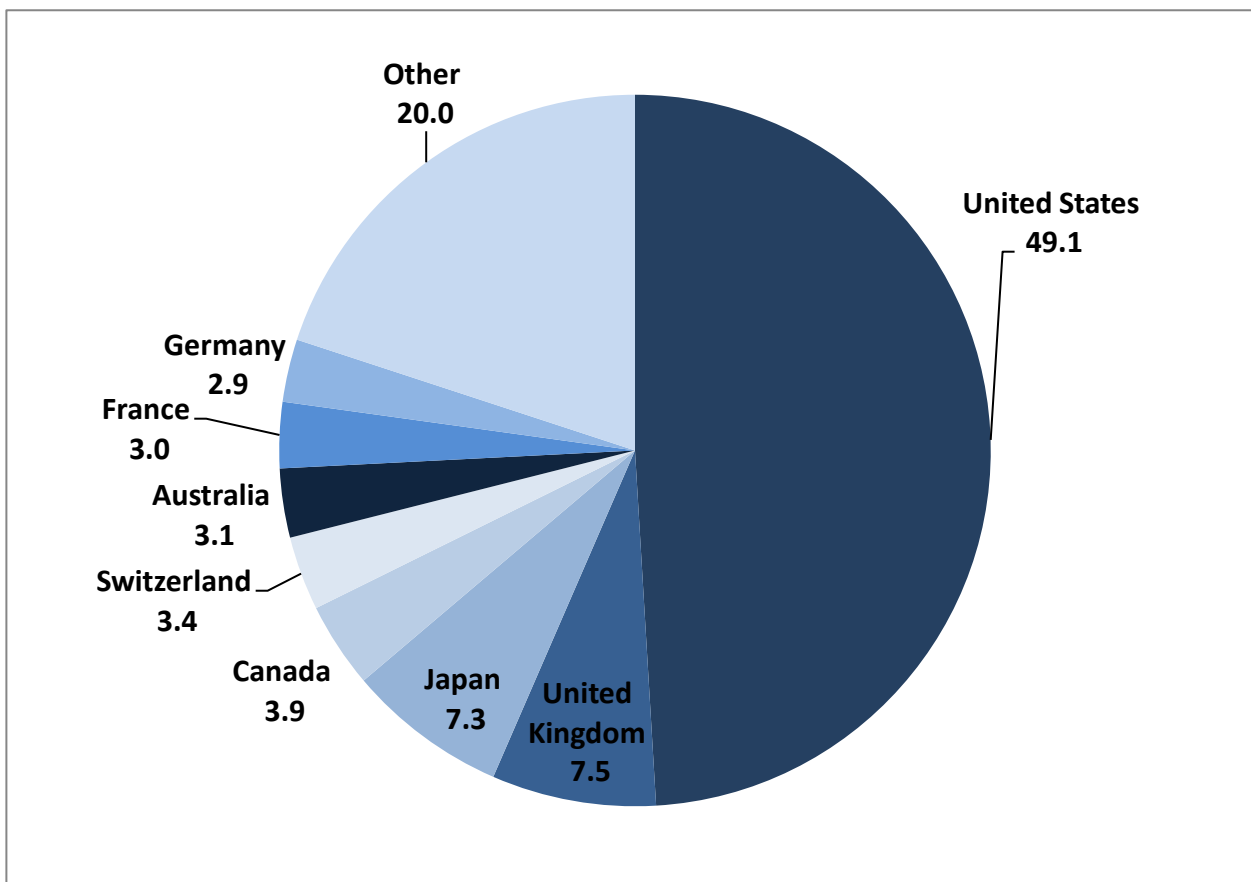
### Global Public Equity - by Industry Sector



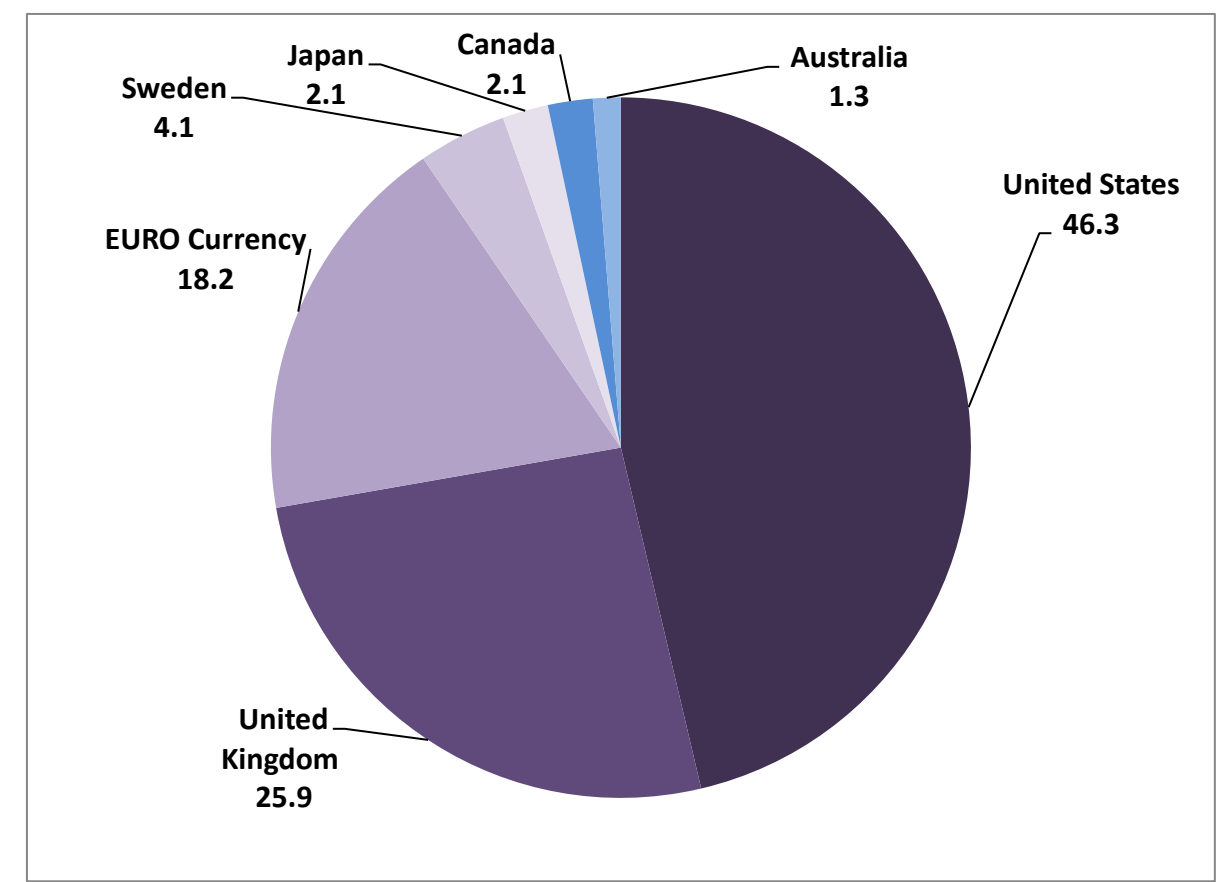
### Core Fixed Income - by Type



### Global Public Equity - by Geography



### Global Inflation-Linked Bonds - by Geography



## Section V.

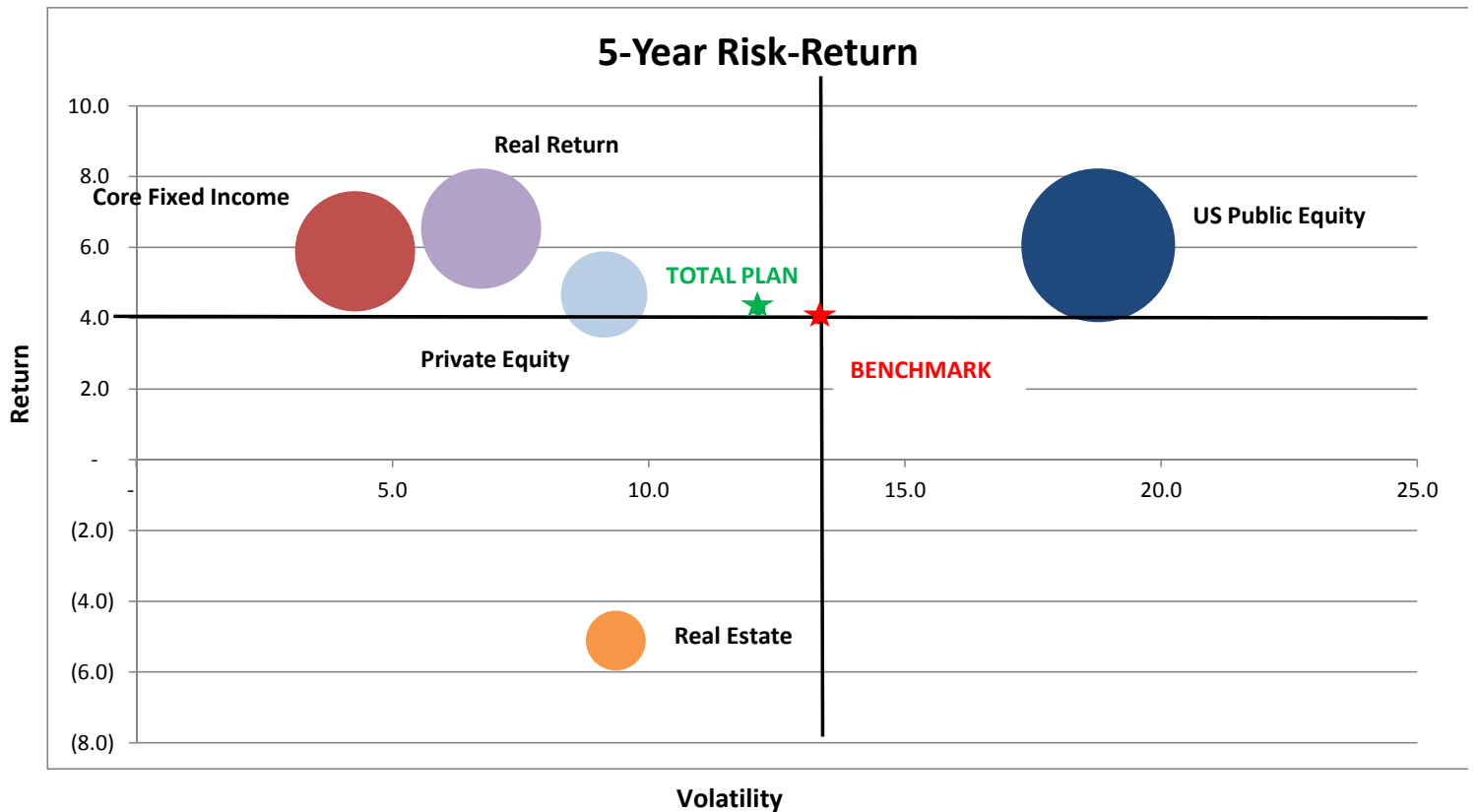
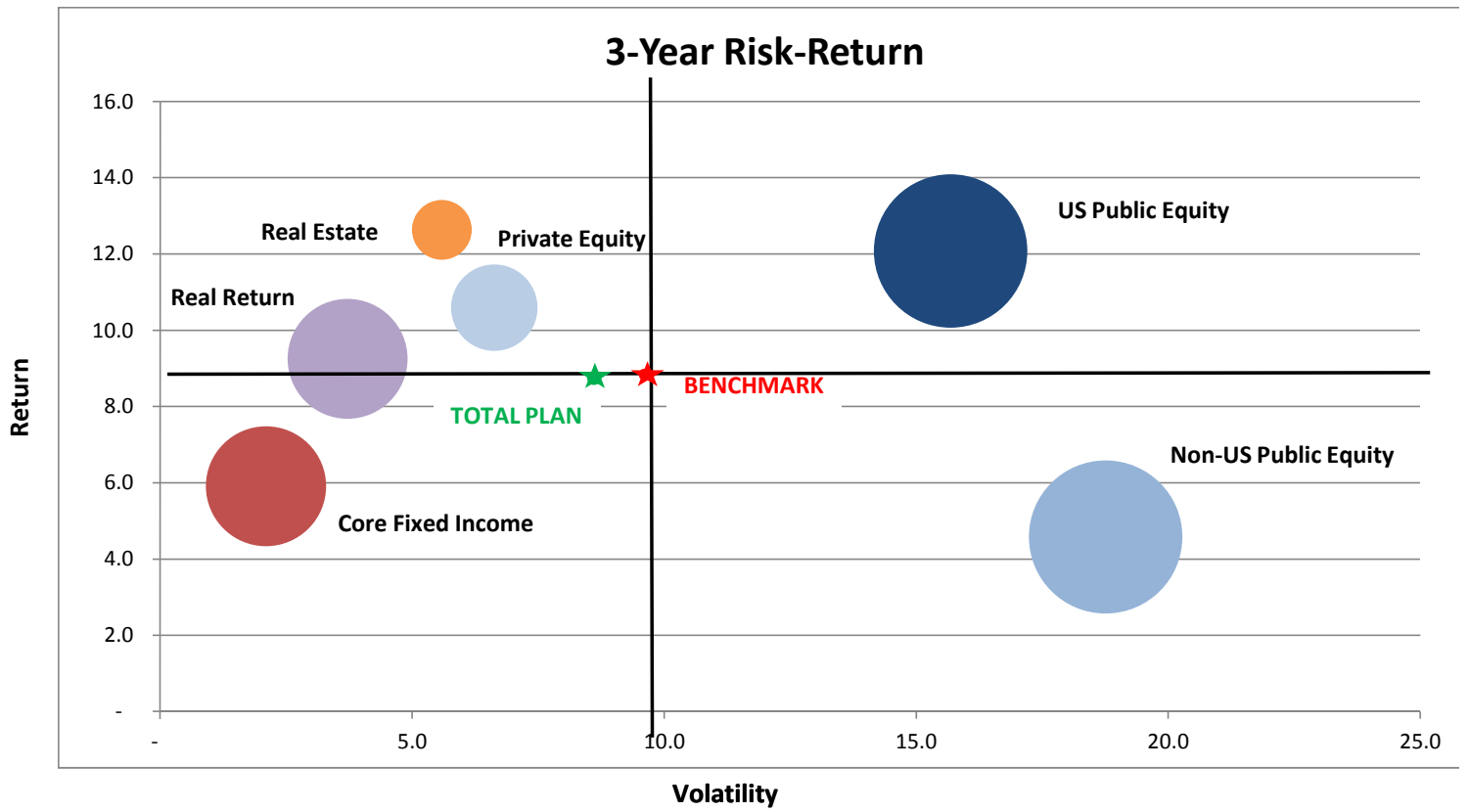
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### Risk Overview

# ERSRI Portfolio

% - as of Mar. 31, 2013

Bubble-Size Scaled based on Current Allocations



## 5 Years Ending March 31, 2013 Comparison

|                           | <b>TOTAL PLAN</b> | <b>Total Plan<br/>Benchmark</b> |
|---------------------------|-------------------|---------------------------------|
| <b>Ann Return</b>         | 4.28              | 3.99                            |
| <b>Ann Ex Ret vs Mkt</b>  | 0.29              | 0.00                            |
| <b>Ann Tracking Error</b> | 1.83              | 0.00                            |
| <b>Ann Std Dev</b>        | 12.14             | 13.33                           |
| <b>Beta</b>               | 0.91              | 1.00                            |
| <b>R-Squared</b>          | 0.99              | 1.00                            |
| <b>Ann Alpha</b>          | 0.55              | 0.00                            |
| <b>Ann Sharpe Ratio</b>   | 0.38              | 0.34                            |

## Risk Exposures

### 3 Years Ending March 31, 2013

|                          | Annualized<br>Return | Ann Std Dev | Beta (ACWI) | Beta (BC AGG) | Beta (GSCI) |
|--------------------------|----------------------|-------------|-------------|---------------|-------------|
| US Public Equity         | 12.08                | 15.68       | 0.90        | -3.17         | 0.64        |
| Non-US Public Equity     | 4.58                 | 18.76       | 1.11        | -2.48         | 0.78        |
| Equity Hedge Funds       | ---                  | ---         | ---         | ---           | ---         |
| Private Equity           | 10.59                | 6.63        | 0.00        | -0.81         | 0.03        |
| Traditional Fixed Income | 5.91                 | 2.10        | 0.02        | 0.65          | 0.02        |
| Real Estate              | 12.63                | 5.59        | 0.07        | -0.04         | 0.03        |
| Real Return Hedge Funds  | ---                  | ---         | ---         | ---           | ---         |
| Inflation-Linked Bonds   | 10.01                | 4.13        | -0.02       | 1.14          | 0.00        |
| Cash                     | 0.17                 | 0.08        | 0.00        | 0.00          | 0.00        |
| Russell Overlay Fd       | -0.09                | 0.74        | 0.00        | 0.05          | 0.00        |

**3 Years Ending March 31, 2013  
Correlation**

Ann Return

|                 | US Pub<br>EQ | Non-US<br>Pub EQ | Eq HF | PE    | FI   | RE    | RR HF | GILBS | Cash  | Overlay | Total |
|-----------------|--------------|------------------|-------|-------|------|-------|-------|-------|-------|---------|-------|
| <b>US Pub</b>   | 1.00         |                  |       |       |      |       |       |       |       |         |       |
| <b>Non-US P</b> | 0.90         | 1.00             |       |       |      |       |       |       |       |         |       |
| <b>Eq HF</b>    | ---          | ---              | ---   |       |      |       |       |       |       |         |       |
| <b>PE</b>       | 0.05         | 0.00             | ---   | 1.00  |      |       |       |       |       |         |       |
| <b>FI</b>       | 0.05         | 0.25             | ---   | -0.35 | 1.00 |       |       |       |       |         |       |
| <b>RE</b>       | 0.14         | 0.25             | ---   | 0.12  | 0.05 | 1.00  |       |       |       |         |       |
| <b>RR HF</b>    | ---          | ---              | ---   | ---   | ---  | ---   | ---   |       |       |         |       |
| <b>GILBS</b>    | -0.16        | -0.04            | ---   | -0.14 | 0.56 | 0.13  | ---   | 1.00  |       |         |       |
| <b>Cash</b>     | 0.00         | 0.05             | ---   | -0.09 | 0.10 | 0.23  | ---   | -0.11 | 1.00  |         |       |
| <b>Overlay</b>  | -0.06        | -0.04            | ---   | -0.08 | 0.09 | -0.15 | ---   | 0.13  | -0.03 | 1.00    |       |
| <b>Total</b>    | 0.97         | 0.97             | ---   | 0.07  | 0.17 | 0.22  | ---   | -0.06 | 0.03  | -0.06   | 1.00  |
| <b>Tot BM</b>   | 0.98         | 0.97             | ---   | 0.03  | 0.18 | 0.20  | ---   | -0.09 | 0.03  | -0.06   | 1.00  |

**5 Years Ending March 31, 2013  
Correlation**

Ann Return

|                 | US Pub<br>Eq | Non-US<br>Pub Eq | Eq HF | PE    | FI    | RE    | RR HF | GILBS | Cash  | Overlay | Total |
|-----------------|--------------|------------------|-------|-------|-------|-------|-------|-------|-------|---------|-------|
| <b>US Pub</b>   | 1.00         |                  |       |       |       |       |       |       |       |         |       |
| <b>Non-US P</b> | ---          | ---              |       |       |       |       |       |       |       |         |       |
| <b>Eq HF</b>    | ---          | ---              | ---   |       |       |       |       |       |       |         |       |
| <b>PE</b>       | 0.23         | ---              | ---   | 1.00  |       |       |       |       |       |         |       |
| <b>FI</b>       | 0.44         | ---              | ---   | -0.01 | 1.00  |       |       |       |       |         |       |
| <b>RE</b>       | -0.04        | ---              | ---   | 0.25  | -0.26 | 1.00  |       |       |       |         |       |
| <b>RR HF</b>    | ---          | ---              | ---   | ---   | ---   | ---   | ---   |       |       |         |       |
| <b>GILBS</b>    | ---          | ---              | ---   | ---   | ---   | ---   | ---   | ---   |       |         |       |
| <b>Cash</b>     | -0.35        | ---              | ---   | -0.31 | -0.34 | -0.09 | ---   | ---   | 1.00  |         |       |
| <b>Overlay</b>  | ---          | ---              | ---   | ---   | ---   | ---   | ---   | ---   | ---   | ---     |       |
| <b>Total</b>    | 0.97         | ---              | ---   | 0.28  | 0.58  | -0.03 | ---   | ---   | -0.40 | ---     | 1.00  |
| <b>Tot BM</b>   | 0.97         | ---              | ---   | 0.22  | 0.58  | -0.05 | ---   | ---   | -0.38 | ---     | 0.99  |

## Section VI.

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### Performance Overview



Total Performance Summary

Report ID: IPM0005

Reporting Currency: USD

TOTAL NET OF FEES

3/31/2013

| Account Name<br>Benchmark Name   | Market Value         | % of Total | Month               | Fiscal YTD            | Annualized            |                       |                     |                     |                       | Inception Date                |
|--|----------------------|------------|---------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|-----------------------|-------------------------------|
|  |                      |            |                     |                       | 1 Year                | 3 Years               | 5 Years             | 10 Years            | ITD                   |                               |
| SSGA R3000 INDEX<br><i>Russell 3000 Index</i>                                | 1,795,262,525        | 23         | 3.91<br>3.92        |                       |                       |                       |                     |                     | 11.35<br>11.35        | 10/1/2012<br>10/1/2012        |
| <b>US Public Equity</b><br><i>Russell 3000 Index</i>                         | <b>1,795,262,600</b> | <b>23</b>  | <b>3.91</b><br>3.92 | <b>17.66</b><br>18.29 | <b>14.30</b><br>14.56 | <b>12.08</b><br>12.97 | <b>6.06</b><br>6.32 |                     | <b>3.97</b><br>4.00   | <b>8/1/2007</b><br>8/1/2007   |
| SSGA MSCI EAFE<br><i>MSCI EAFE Net Dividend Index</i>                        | 1,222,721,335        | 16         | 0.88<br>0.82        |                       |                       |                       |                     |                     | 15.49<br>15.35        | 9/1/2012<br>9/1/2012          |
| SSGA MSCI CANADA<br><i>MSCI Canada Net Dividend Index</i>                    | 134,610,060          | 2          | 0.60<br>0.52        |                       |                       |                       |                     |                     | 5.69<br>5.28          | 9/1/2012<br>9/1/2012          |
| SSGA MSCI EM<br><i>MSCI Emerging Markets Net Dividend Index</i>              | 434,572,128          | 6          | -1.81<br>-1.72      |                       |                       |                       |                     |                     | 9.94<br>10.13         | 9/1/2012<br>9/1/2012          |
| <b>Non-US Public Equity</b><br><i>Total International Equity BM</i>          | <b>1,791,906,765</b> | <b>23</b>  | <b>0.19</b><br>0.20 | <b>17.19</b><br>16.76 | <b>8.44</b><br>8.44   | <b>4.58</b><br>4.11   |                     |                     | <b>13.25</b><br>11.74 | <b>5/1/2009</b><br>5/1/2009   |
| <b>Global Public Equity</b><br><i>MSCI All Country World Net Index</i>       | <b>3,587,169,365</b> | <b>47</b>  | <b>2.02</b><br>1.83 | <b>17.69</b><br>17.06 | <b>12.49</b><br>10.55 | <b>9.64</b><br>7.78   | <b>4.50</b><br>2.06 | <b>9.84</b><br>9.36 | <b>3.07</b>           | <b>7/1/2000</b><br>7/1/2000   |
| Private Equity<br><i>S&amp;P + 300 BP</i>                                    | 566,933,905          | 7          | 2.00<br>3.94        | 5.56<br>19.64         | 9.96<br>17.22         | 10.59<br>15.98        | 4.67<br>8.95        | 11.88<br>11.74      | 3.86                  | 1/1/1993<br>1/1/1993          |
| <b>Equity Hedge Funds</b><br><i>HFRI Equity Hedge (Total) Index</i>          | <b>577,420,695</b>   | <b>8</b>   | <b>2.05</b><br>1.42 | <b>11.57</b><br>10.88 | <b>9.73</b><br>5.75   |                       |                     |                     | <b>9.15</b><br>6.79   | <b>11/1/2011</b><br>11/1/2011 |
| <b>Total Equity</b>  | <b>4,731,523,965</b> | <b>62</b>  | <b>2.02</b>         | <b>15.29</b>          | <b>11.82</b>          | <b>9.47</b>           | <b>4.32</b>         | <b>9.96</b>         | <b>2.47</b>           | <b>6/1/1996</b>               |
| MACKAY SHIELDS<br><i>Barclays U.S. Aggregate Bond Index</i>                  | 547,616,130          | 7          | 0.05<br>0.08        |                       |                       |                       |                     |                     | 0.07<br>-0.11         | 11/1/2012<br>11/1/2012        |
| PYRAMIS GLOBAL ADV<br><i>Barclays U.S. Aggregate Bond Index</i>              | 550,784,634          | 7          | 0.14<br>0.08        |                       |                       |                       |                     |                     | 0.11<br>-0.11         | 11/1/2012<br>11/1/2012        |
| <b>Traditional Fixed Income</b><br><i>Barclays U.S. Aggregate Bond Index</i> | <b>1,098,882,560</b> | <b>14</b>  | <b>0.10</b><br>0.08 | <b>3.67</b><br>1.68   | <b>5.59</b><br>3.77   | <b>5.91</b><br>5.52   | <b>5.89</b><br>5.47 | <b>5.77</b><br>5.02 | <b>6.24</b><br>6.09   | <b>7/1/2000</b><br>7/1/2000   |
| <b>Real Return Hedge Funds</b><br><i>HFRI Fund of Funds Composite Index</i>  | <b>545,560,192</b>   | <b>7</b>   | <b>0.72</b><br>0.90 | <b>7.59</b><br>7.26   | <b>6.41</b><br>4.78   |                       |                     |                     | <b>6.05</b><br>4.66   | <b>11/1/2011</b><br>11/1/2011 |



TOTAL NET OF FEES

3/31/2013

| Account Name<br>Benchmark Name  | Market Value         | % of Total | Month       | Fiscal YTD   | 1 Year       | Annualized   |             |             |  | ITD          | Inception Date   |
|---|----------------------|------------|-------------|--------------|--------------|--------------|-------------|-------------|--|--------------|------------------|
|   |                      |            |             |              |              | 3 Years      | 5 Years     | 10 Years    |  |              |                  |
| WAMCO   | 199,519,597          | 3          | -0.24       |              |              |              |             |             |  | -0.24        | 3/1/2013         |
| BROWN BROTHERS HARR   | 402,259,273          | 5          | 1.31        |              |              |              |             |             |  | 3.42         | 11/1/2012        |
| <i>Barclays World Govt Inflation-Linked<br/>All Maturities USD Hedg</i> |                      |            | 1.43        |              |              |              |             |             |  | 3.13         | 11/1/2012        |
| <b>Inflation-Linked Bonds</b>   | <b>402,259,273</b>   | <b>5</b>   | <b>1.31</b> | <b>6.44</b>  | <b>10.06</b> | <b>10.01</b> |             |             |  | <b>9.09</b>  | <b>11/1/2009</b> |
| <i>Barclays World Govt Inflation-Linked<br/>All Maturities USD Hedg</i> |                      |            | 1.43        | 4.64         | 6.19         | 7.51         |             |             |  | 7.15         | 11/1/2009        |
| <b>Total Real Return</b>  | <b>1,097,339,062</b> | <b>14</b>  | <b>0.83</b> | <b>6.51</b>  | <b>7.37</b>  | <b>9.25</b>  | <b>6.53</b> |             |  | <b>6.76</b>  | <b>6/1/2004</b>  |
| <i>CPI + 4%</i>   |                      |            | 0.58        | 4.45         | 5.52         | 6.38         | 5.75        |             |  | 6.44         | 6/1/2004         |
| Real Estate   | 272,271,661          | 4          | 0.76        | 7.05         | 11.21        | 12.63        | -5.11       |             |  | -0.09        | 1/1/2005         |
| <i>NCREIF Property Lagged + 100bp</i>                                   |                      |            | 2.62        | 8.48         | 11.54        | 13.63        | 3.14        |             |  | 9.01         | 1/1/2005         |
| ERSRI CASH  | 387,116,317          | 5          | 0.01        | 0.03         | 0.08         | 0.15         | 0.56        | 6.86        |  | 16.77        | 7/1/2000         |
| <i>BofA Merrill Lynch 3 Month US<br/>Treasury Bill (G001)</i>           |                      |            | 0.02        | 0.09         | 0.12         | 0.11         | 0.34        | 1.75        |  | 2.13         | 7/1/2000         |
| <b>Total Cash</b>   | <b>389,596,219</b>   | <b>5</b>   | <b>0.01</b> | <b>0.10</b>  | <b>0.15</b>  | <b>0.17</b>  | <b>0.45</b> |             |  | <b>3.07</b>  | <b>4/1/2004</b>  |
| <b>Russell Overlay Fd</b>   | <b>36,070,898</b>    | <b>0</b>   | <b>0.05</b> | <b>0.32</b>  | <b>0.27</b>  | <b>-0.09</b> |             |             |  | <b>-0.11</b> | <b>9/1/2008</b>  |
| <b>TOTAL PLAN</b>   | <b>7,682,222,141</b> | <b>100</b> | <b>1.46</b> | <b>11.38</b> | <b>9.81</b>  | <b>8.75</b>  | <b>4.28</b> | <b>8.78</b> |  | <b>4.36</b>  | <b>7/1/2000</b>  |
| <i>Total Plan Benchmark</i>   |                      |            | 1.51        | 11.27        | 8.70         | 8.84         | 3.99        | 8.59        |  |              | 7/1/2000         |
| <b>Total Plan ex Overlay</b>  | <b>7,646,151,243</b> | <b>100</b> | <b>1.40</b> | <b>11.08</b> | <b>9.55</b>  | <b>8.52</b>  |             |             |  | <b>4.92</b>  | <b>8/1/2008</b>  |
| <i>Total Plan Benchmark</i>   |                      |            | 1.51        | 11.27        | 8.70         | 8.84         |             |             |  | 4.77         | 8/1/2008         |
| <b>Total Plan ex PE &amp; RE</b>  | <b>6,843,016,575</b> | <b>89</b>  | <b>1.44</b> | <b>10.70</b> | <b>8.32</b>  | <b>7.94</b>  | <b>4.51</b> | <b>8.65</b> |  | <b>6.40</b>  | <b>4/1/1996</b>  |
| <i>Total Plan BM ex PE RE</i>   |                      |            | 1.21        | 10.62        | 8.35         | 8.41         | 3.82        | 8.23        |  |              | 4/1/1996         |

TOTAL NET OF FEES

3/31/2013

| Account Name<br>Benchmark Name   | Market Value         | % of Total | Month               | Cumulative              |                         |                       | 2012                    | 2011                  | 2010                          | Inception Date |
|--|----------------------|------------|---------------------|-------------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------------|----------------|
|  |                      |            |                     | 2/1/2013 -<br>2/28/2013 | 1/1/2013 -<br>1/31/2013 |                       |                         |                       |                               |                |
| SSGA R3000 INDEX<br><i>Russell 3000 Index</i>                                | 1,795,262,525        | 23         | 3.91<br>3.92        | 1.33<br>1.33            | 5.49<br>5.49            |                       |                         |                       | 10/1/2012<br>10/1/2012        |                |
| <b>US Public Equity</b><br><i>Russell 3000 Index</i>                         | <b>1,795,262,600</b> | <b>23</b>  | <b>3.91</b><br>3.92 | <b>1.33</b><br>1.33     | <b>5.49</b><br>5.49     | <b>15.66</b><br>16.42 | <b>-0.86</b><br>1.03    | <b>17.33</b><br>16.93 | <b>8/1/2007</b><br>8/1/2007   |                |
| SSGA MSCI EAFE<br><i>MSCI EAFE Net Dividend Index</i>                        | 1,222,721,335        | 16         | 0.88<br>0.82        | -0.94<br>-0.95          | 5.29<br>5.27            |                       |                         |                       | 9/1/2012<br>9/1/2012          |                |
| SSGA MSCI CANADA<br><i>MSCI Canada Net Dividend Index</i>                    | 134,610,060          | 2          | 0.60<br>0.52        | -1.39<br>-1.43          | 1.85<br>1.81            |                       |                         |                       | 9/1/2012<br>9/1/2012          |                |
| SSGA MSCI EM<br><i>MSCI Emerging Markets Net Dividend Index</i>              | 434,572,128          | 6          | -1.81<br>-1.72      | -1.32<br>-1.26          | 1.25<br>1.38            |                       |                         |                       | 9/1/2012<br>9/1/2012          |                |
| <b>Non-US Public Equity</b><br><i>Total International Equity BM</i>          | <b>1,791,906,765</b> | <b>23</b>  | <b>0.19</b><br>0.20 | <b>-1.07</b><br>-1.06   | <b>4.00</b><br>4.07     | <b>17.02</b><br>16.52 | <b>-13.47</b><br>-12.14 | <b>11.26</b><br>7.75  | <b>5/1/2009</b><br>5/1/2009   |                |
| <b>Global Public Equity</b><br><i>MSCI All Country World Net Index</i>       | <b>3,587,169,365</b> | <b>47</b>  | <b>2.02</b><br>1.83 | <b>0.10</b><br>-0.02    | <b>4.71</b><br>4.61     | <b>17.82</b><br>16.13 | <b>-5.16</b><br>-7.35   | <b>15.37</b><br>12.67 | <b>7/1/2000</b><br>7/1/2000   |                |
| Private Equity<br><i>S&amp;P + 300 BP</i>                                    | 566,933,905          | 7          | 2.00<br>3.94        | -0.82<br>1.58           | 0.40<br>5.40            | 11.77<br>19.44        | 12.37<br>5.17           | 14.00<br>18.48        | 1/1/1993<br>1/1/1993          |                |
| <b>Equity Hedge Funds</b><br><i>HFRI Equity Hedge (Total) Index</i>          | <b>577,420,695</b>   | <b>8</b>   | <b>2.05</b><br>1.42 | <b>0.63</b><br>0.37     | <b>2.92</b><br>3.37     | <b>7.98</b><br>7.42   |                         |                       | <b>11/1/2011</b><br>11/1/2011 |                |
| <b>Total Equity</b>  | <b>4,731,523,965</b> | <b>62</b>  | <b>2.02</b>         | <b>0.05</b>             | <b>3.94</b>             | <b>15.88</b>          | <b>-2.89</b>            | <b>15.42</b>          | <b>6/1/1996</b>               |                |
| MACKAY SHIELDS<br><i>Barclays U.S. Aggregate Bond Index</i>                  | 547,616,130          | 7          | 0.05<br>0.08        | 0.53<br>0.50            | -0.64<br>-0.70          |                       |                         |                       | 11/1/2012<br>11/1/2012        |                |
| PYRAMIS GLOBAL ADV<br><i>Barclays U.S. Aggregate Bond Index</i>              | 550,784,634          | 7          | 0.14<br>0.08        | 0.51<br>0.50            | -0.72<br>-0.70          |                       |                         |                       | 11/1/2012<br>11/1/2012        |                |
| <b>Traditional Fixed Income</b><br><i>Barclays U.S. Aggregate Bond Index</i> | <b>1,098,882,560</b> | <b>14</b>  | <b>0.10</b><br>0.08 | <b>0.52</b><br>0.50     | <b>-0.68</b><br>-0.70   | <b>7.95</b><br>4.21   | <b>5.50</b><br>7.84     | <b>6.05</b><br>6.54   | <b>7/1/2000</b><br>7/1/2000   |                |
| <b>Real Return Hedge Funds</b><br><i>HFRI Fund of Funds Composite Index</i>  | <b>545,560,192</b>   | <b>7</b>   | <b>0.72</b><br>0.90 | <b>0.86</b><br>0.30     | <b>1.28</b><br>2.14     | <b>5.33</b><br>4.79   |                         |                       | <b>11/1/2011</b><br>11/1/2011 |                |
| WAMCO  | 199,519,597          | 3          | -0.24               |                         |                         |                       |                         |                       | 3/1/2013                      |                |

TOTAL NET OF FEES

3/31/2013

| Account Name<br>Benchmark Name   | Market Value         | % of Total | Month               | Cumulative              |                         |                       | 2012                  | 2011                  | 2010                          | Inception Date |
|--|----------------------|------------|---------------------|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|----------------|
|  |                      |            |                     | 2/1/2013 -<br>2/28/2013 | 1/1/2013 -<br>1/31/2013 |                       |                       |                       |                               |                |
| BROWN BROTHERS HARR<br><i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>           | 402,259,273          | 5          | 1.31<br>1.43        | 0.08<br>-0.01           | 0.22<br>0.38            |                       |                       |                       | 11/1/2012<br>11/1/2012        |                |
| <b>Inflation-Linked Bonds</b><br><i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i> | <b>402,259,273</b>   | <b>5</b>   | <b>1.31</b><br>1.43 | <b>0.08</b><br>-0.01    | <b>0.22</b><br>0.38     | <b>9.20</b><br>5.60   | <b>13.80</b><br>11.08 | <b>6.00</b><br>5.43   | <b>11/1/2009</b><br>11/1/2009 |                |
| <b>Total Real Return</b><br><i>CPI + 4%</i>  | <b>1,097,339,062</b> | <b>14</b>  | <b>0.83</b><br>0.58 | <b>0.52</b><br>1.14     | <b>0.82</b><br>0.62     | <b>6.55</b><br>5.81   | <b>13.58</b><br>7.07  | <b>6.00</b><br>5.25   | <b>6/1/2004</b><br>6/1/2004   |                |
| Real Estate<br><i>NCREIF Property Lagged + 100bp</i>   | 272,271,661          | 4          | 0.76<br>2.62        | 0.70<br>0.08            | 0.67<br>0.08            | 9.62<br>12.00         | 17.14<br>17.10        | 3.74<br>6.84          | 1/1/2005<br>1/1/2005          |                |
| ERSRI CASH<br><i>BofA Merrill Lynch 3 Month US Treasury Bill (GOO1)</i>                              | 387,116,317          | 5          | 0.01<br>0.02        | 0.01<br>0.00            | 0.00<br>0.00            | 0.11<br>0.11          | 0.16<br>0.10          | 0.19<br>0.13          | 7/1/2000<br>7/1/2000          |                |
| <b>Total Cash</b>  | <b>389,596,219</b>   | <b>5</b>   | <b>0.01</b>         | <b>0.01</b>             | <b>0.00</b>             | <b>0.18</b>           | <b>0.14</b>           | <b>0.18</b>           | <b>4/1/2004</b>               |                |
| <b>Russell Overlay Fd</b>  | <b>36,070,898</b>    | <b>0</b>   | <b>0.05</b>         | <b>0.00</b>             | <b>0.13</b>             | <b>0.18</b>           | <b>-0.78</b>          | <b>0.21</b>           | <b>9/1/2008</b>               |                |
| <b>TOTAL PLAN</b><br><i>Total Plan Benchmark</i>   | <b>7,682,222,141</b> | <b>100</b> | <b>1.46</b><br>1.51 | <b>0.19</b><br>0.51     | <b>2.54</b><br>2.54     | <b>12.49</b><br>11.80 | <b>1.39</b><br>1.55   | <b>12.07</b><br>12.24 | <b>7/1/2000</b><br>7/1/2000   |                |
| <b>Total Plan ex Overlay</b><br><i>Total Plan Benchmark</i>  | <b>7,646,151,243</b> | <b>100</b> | <b>1.40</b><br>1.51 | <b>0.19</b><br>0.51     | <b>2.42</b><br>2.54     | <b>12.39</b><br>11.80 | <b>0.98</b><br>1.55   | <b>12.07</b><br>12.24 | <b>8/1/2008</b><br>8/1/2008   |                |
| <b>Total Plan ex PE &amp; RE</b><br><i>Total Plan BM ex PE RE</i>                                    | <b>6,843,016,575</b> | <b>89</b>  | <b>1.44</b><br>1.21 | <b>0.25</b><br>0.47     | <b>2.81</b><br>2.54     | <b>11.25</b><br>12.08 | <b>-0.19</b><br>0.66  | <b>12.12</b><br>12.03 | <b>4/1/1996</b><br>4/1/1996   |                |

## END NOTES

3/31/2013

1 RI6G23000000 TOTAL PLAN

Month - Current Month

Cumulative Months - Prior Month and Second Prior Month

2011, 2010, 2009 - Calendar Years

Employees' Retirement System of the State of Rhode Island  
Hedge Fund Portfolio  
Portfolio Performance Summary  
Estimated as of March 31, 2013



| Fund   | Market Value         | Actual %      | Mar          | YTD          | FYTD          | Returns<br>1 Year | 3 Year   | 5 Year   | Incep        | Std Dev      | Sharpe<br>Ratio | Incep<br>Date |
|--|----------------------|---------------|--------------|--------------|---------------|-------------------|----------|----------|--------------|--------------|-----------------|---------------|
| <b>Global Equities</b>   |                      |               |              |              |               |                   |          |          |              |              |                 |               |
| Ascend Partners Fund II LP   | 63,055,331           | 5.9%          | 1.19%        | 3.55%        | 3.21%         | 4.71%             | -        | -        | 3.57%        | 2.12%        | 1.47            | Nov-11        |
| Davidson Kempner Institutional Partners, L.P.                            | 66,983,735           | 6.2%          | 1.03%        | 3.13%        | 7.83%         | 8.32%             | -        | -        | 8.08%        | 1.49%        | 4.98            | Nov-11        |
| Elliott Associates, L.P.   | 69,110,122           | 6.4%          | 1.30%        | 3.13%        | 11.95%        | 11.44%            | -        | -        | 10.49%       | 3.96%        | 2.44            | Nov-11        |
| Indus Asia Pacific Fund, LP  | 44,089,309           | 4.1%          | -0.30%       | 3.17%        | 9.85%         | 4.18%             | -        | -        | 8.10%        | 6.30%        | 1.21            | Jan-12        |
| Mason Capital Ltd.   | 62,139,914           | 5.8%          | 3.77%        | 9.31%        | 4.73%         | 1.48%             | -        | -        | 2.84%        | 7.16%        | 0.37            | Jan-12        |
| PFM Diversified Fund, L.P.   | 32,700,933           | 3.0%          | 2.74%        | 7.20%        | 16.33%        | 9.91%             | -        | -        | 8.28%        | 7.36%        | 1.07            | Mar-12        |
| PFM Diversified Offshore Fund A.I., Ltd.                                 | 32,587,681           | 3.0%          | 2.83%        | 7.21%        | 16.13%        | 9.56%             | -        | -        | 7.94%        | 7.41%        | 1.02            | Mar-12        |
| Samlyn Onshore Fund, L.P.  | 70,708,251           | 6.6%          | 2.08%        | 7.53%        | 15.07%        | 11.78%            | -        | -        | 14.04%       | 5.36%        | 2.41            | Jan-12        |
| Third Point Partners Qualified L.P.                                      | 64,846,488           | 6.0%          | 2.90%        | 8.79%        | 25.52%        | 22.94%            | -        | -        | 23.12%       | 5.84%        | 3.55            | Jan-12        |
| Viking Global Equities, LP   | 71,198,931           | 6.6%          | 3.00%        | 5.18%        | 11.03%        | 12.73%            | -        | -        | 13.70%       | 3.73%        | 3.37            | Dec-11        |
| <b>Total Global Equities</b>   | <b>577,420,695</b>   | <b>53.7%</b>  | <b>2.04%</b> | <b>5.68%</b> | <b>11.51%</b> | <b>9.72%</b>      | <b>-</b> | <b>-</b> | <b>8.96%</b> | <b>3.66%</b> | <b>2.26</b>     | <b>Nov-11</b> |
| MSCI AC World Index Free - Net   |                      |               | 1.83%        | 6.51%        | 17.07%        | 10.55%            | -        | -        | 13.56%       | 12.29%       | 1.07            | Nov-11        |
| Russell 3000 Index (DRI)   |                      |               | 3.92%        | 11.07%       | 18.29%        | 14.57%            | -        | -        | 20.36%       | 9.90%        | 1.89            | Nov-11        |
| HFRI Equity Hedge (Total) Index  |                      |               | 1.45%        | 5.29%        | 10.95%        | 5.82%             | -        | -        | 6.83%        | 7.17%        | 0.90            | Nov-11        |
| <b>Real Return</b>   |                      |               |              |              |               |                   |          |          |              |              |                 |               |
| BlueCrest Capital LP   | 21,209,754           | 2.0%          | 0.06%        | 0.23%        | 3.61%         | 4.13%             | -        | -        | 4.81%        | 1.92%        | 2.26            | Jan-12        |
| Brevan Howard LP   | 81,223,534           | 7.6%          | 0.15%        | 3.31%        | 11.14%        | 6.35%             | -        | -        | 5.79%        | 4.49%        | 1.19            | Nov-11        |
| Brigade Leveraged Capital Structures Fund LP                             | 53,463,901           | 5.0%          | 1.49%        | 2.18%        | 5.37%         | 6.34%             | -        | -        | 6.38%        | 2.00%        | 2.92            | Mar-12        |
| Capula Global Relative Value Fund Ltd.                                   | 51,375,741           | 4.8%          | 0.84%        | 2.54%        | 3.80%         | 4.23%             | -        | -        | 2.06%        | 1.93%        | 0.86            | Dec-11        |
| DE Shaw Composite Fund LLC   | 62,123,353           | 5.8%          | 1.10%        | 5.41%        | 17.54%        | 18.70%            | -        | -        | 16.56%       | 4.30%        | 3.51            | Nov-11        |
| Gracie Credit Opportunities Fund, L.P.                                   | 1,831,845            | 0.2%          | 0.00%        | -1.87%       | -4.95%        | -6.68%            | -        | -        | -6.15%       | 3.44%        | -1.94           | Dec-11        |
| Graham Global Investment Fund I SPC Ltd. - Discretionary Segregated Port | 52,805,189           | 4.9%          | 0.09%        | 1.71%        | 5.12%         | 3.33%             | -        | -        | 4.46%        | 2.56%        | 1.57            | Jan-12        |
| OZ Domestic Partners II, L.P.  | 87,914,889           | 8.2%          | 1.17%        | 4.47%        | 11.95%        | 12.28%            | -        | -        | 11.87%       | 2.89%        | 3.77            | Nov-11        |
| Wexford Spectrum Fund, LP  | 54,558,117           | 5.1%          | 2.60%        | 4.20%        | 8.83%         | 6.41%             | -        | -        | 7.23%        | 4.88%        | 1.38            | Jan-12        |
| Winton Futures Fund Limited  | 30,896,433           | 2.9%          | 2.65%        | 5.40%        | 6.01%         | 2.55%             | -        | -        | 2.23%        | 6.99%        | 0.29            | Dec-11        |
| <b>Total Real Return</b>   | <b>497,402,757</b>   | <b>46.3%</b>  | <b>1.04%</b> | <b>3.14%</b> | <b>7.95%</b>  | <b>6.76%</b>      | <b>-</b> | <b>-</b> | <b>6.29%</b> | <b>2.09%</b> | <b>2.74</b>     | <b>Nov-11</b> |
| ML 3-month T-Bills   |                      |               | 0.02%        | 0.02%        | 0.09%         | 0.11%             | -        | -        | 0.08%        | 0.02%        | -               | Nov-11        |
| HFRI Fund of Funds Composite Index                                       |                      |               | 1.00%        | 3.46%        | 7.36%         | 4.88%             | -        | -        | 4.73%        | 3.52%        | 1.21            | Nov-11        |
| <b>Total Hedge Fund Portfolio</b>  | <b>1,074,823,452</b> | <b>100.0%</b> | <b>1.57%</b> | <b>4.46%</b> | <b>9.78%</b>  | <b>8.29%</b>      | <b>-</b> | <b>-</b> | <b>7.72%</b> | <b>2.69%</b> | <b>2.63</b>     | <b>Nov-11</b> |
| HFRI Fund of Funds Composite Index                                       |                      |               | 1.00%        | 3.46%        | 7.36%         | 4.88%             | -        | -        | 4.73%        | 3.52%        | 1.21            | Nov-11        |
| <b>Market Indices</b>  |                      |               |              |              |               |                   |          |          |              |              |                 |               |
| Libor3Month  |                      |               | 0.02%        | 0.07%        | 0.25%         | 0.37%             | -        | -        | 0.41%        | 0.03%        | -               | Nov-11        |
| Barclays Aggregate Bond Index  |                      |               | 0.08%        | -0.12%       | 1.69%         | 3.79%             | -        | -        | 3.61%        | 2.05%        | 1.54            | Nov-11        |
| Barclays High Yield Credit Bond Index                                    |                      |               | 1.02%        | 2.90%        | 11.09%        | 13.13%            | -        | -        | 13.53%       | 4.61%        | 2.70            | Nov-11        |
| S&P 500 TR   |                      |               | 3.75%        | 10.61%       | 17.19%        | 13.96%            | -        | -        | 19.90%       | 9.63%        | 1.90            | Nov-11        |
| MSCI EAFE - Net  |                      |               | 0.82%        | 5.13%        | 19.79%        | 11.25%            | -        | -        | 11.21%       | 15.44%       | 0.74            | Nov-11        |
| MSCI EMF (Emerging Markets Free) - Net                                   |                      |               | -1.72%       | -1.62%       | 11.91%        | 1.96%             | -        | -        | 5.07%        | 17.98%       | 0.34            | Nov-11        |

Employees' Retirement System of the State of Rhode Island  
Hedge Fund Portfolio  
Portfolio Performance Summary  
Estimated as of March 31, 2013



| Fund | Market Value | Actual % | Mar | YTD | FYTD | Returns |        |        | Incep | Std Dev | Sharpe Ratio | Incep Date |
|------|--------------|----------|-----|-----|------|---------|--------|--------|-------|---------|--------------|------------|
|      |              |          |     |     |      | 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.

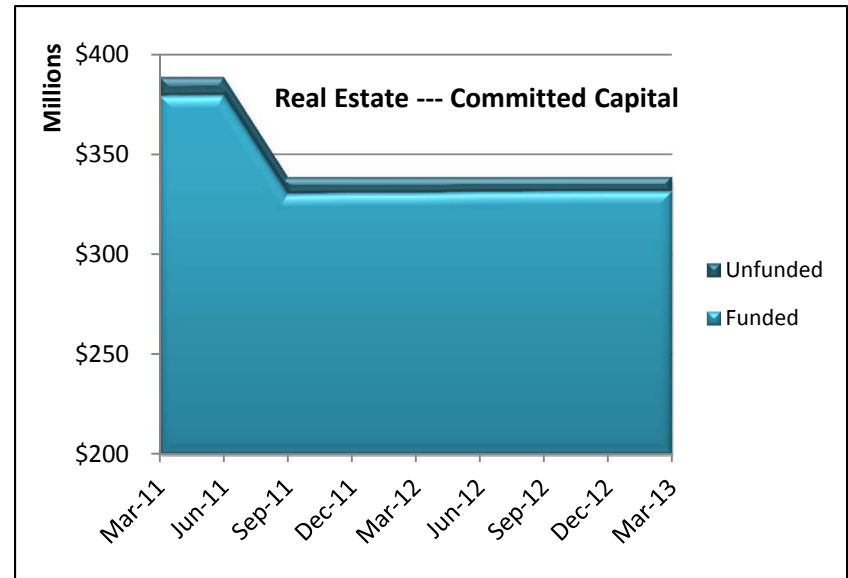
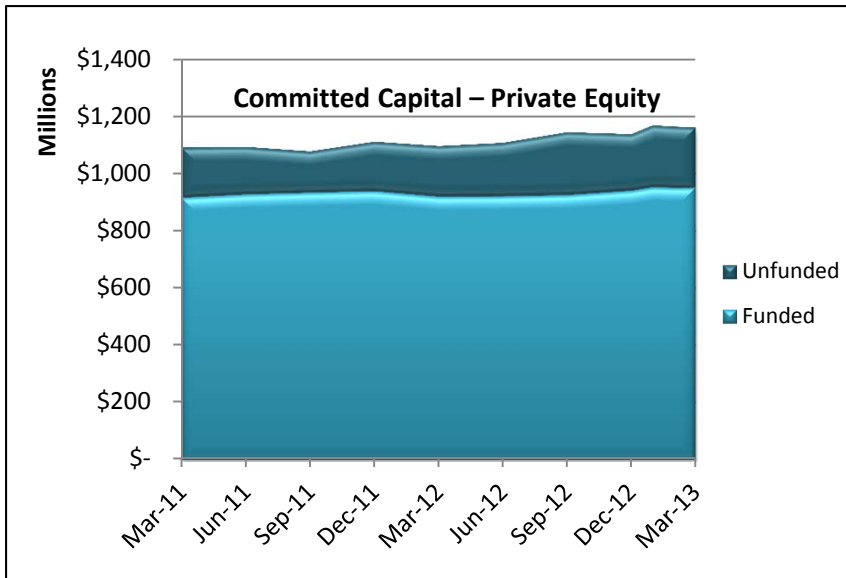
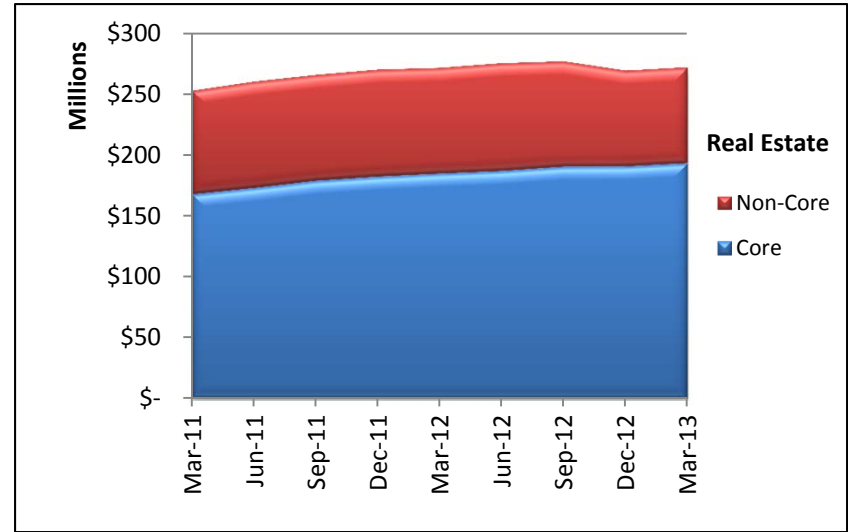
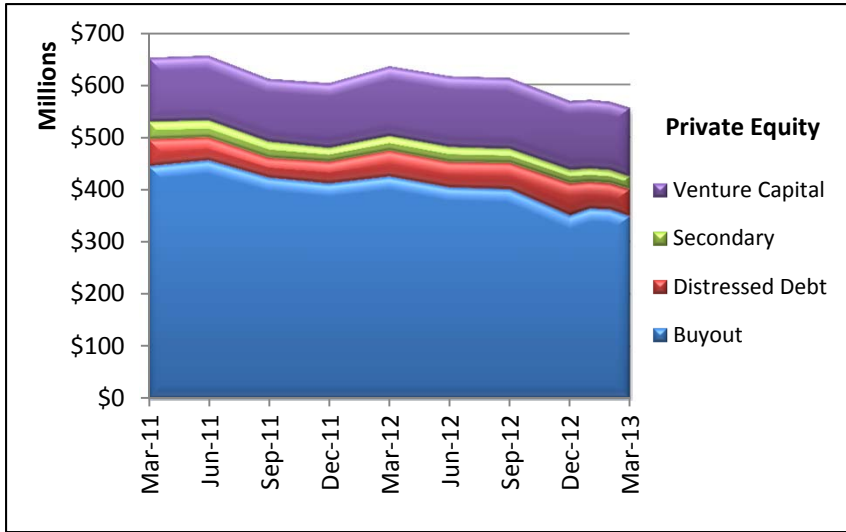
This report reflects information only through the date hereof. Our due diligence and reporting rely upon the accuracy and completeness of financial information (which may or may not be audited by the fund manager) and other information publicly available or provided to us by the fund manager, its professional 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  
3/31/2013

| Fund  | Trailing Returns |        |        |        | Calendar Year Returns |        |        |        |         | 5 Yr<br>Std Dev | Sharpe Ratio |         |        | Start<br>Date |       |      |        |
|---|------------------|--------|--------|--------|-----------------------|--------|--------|--------|---------|-----------------|--------------|---------|--------|---------------|-------|------|--------|
|   | YTD              | Mar    | Feb    | Jan    | 1 Year                | 3 Year | 5 Year | 2012   | 2011    |                 | 2010         | 2009    | 2008   |               | 3 yr  | 5 yr | Incep. |
| <b>Global Equities</b>                      |                  |        |        |        |                       |        |        |        |         |                 |              |         |        |               |       |      |        |
| Ascend Partners Fund II LP                  | 3.67%            | 1.19%  | 0.42%  | 2.02%  | 5.14%                 | 1.13%  | 3.48%  | 2.50%  | -3.02%  | 2.94%           | 13.61%       | -3.58%  | 4.40%  | 0.21          | 0.63  | 0.97 | Jan-04 |
| Davidson Kempner Institutional Partners, LP | 3.09%            | 1.03%  | 0.67%  | 1.36%  | 7.13%                 | 5.01%  | 6.11%  | 6.75%  | 1.27%   | 9.17%           | 17.79%       | -9.03%  | 4.69%  | 1.44          | 1.13  | 1.52 | Mar-96 |
| Elliott Associates, L.P. (HFR98)            | 3.13%            | 1.30%  | 0.60%  | 1.20%  | 10.86%                | 7.51%  | 9.24%  | 13.18% | 3.94%   | 7.39%           | 30.85%       | -3.08%  | 5.52%  | 2.40          | 1.49  | 1.83 | Feb-77 |
| Indus Asia Pacific Fund                     | 3.20%            | -0.30% | 0.30%  | 3.20%  | 4.28%                 | 4.08%  | 1.99%  | 8.21%  | -7.18%  | 7.36%           | 25.45%       | -28.99% | 8.87%  | 0.53          | 0.18  | 0.76 | Dec-00 |
| Mason Capital, Ltd.                         | -0.93%           | 3.84%  | 0.33%  | -4.91% | -9.86%                | 1.41%  | 2.56%  | -7.23% | 4.20%   | 9.62%           | 25.16%       | -15.42% | 8.75%  | 0.19          | 0.24  | 0.64 | Feb-02 |
| PFM Diversified Fund, LP                    | 7.08%            | 2.74%  | 0.91%  | 3.28%  | 9.25%                 | 3.84%  | 5.89%  | 5.59%  | -3.35%  | 4.36%           | 21.35%       | -6.10%  | 7.02%  | 0.54          | 0.74  | 0.97 | Nov-04 |
| Samlyn Capital - Composite                  | 7.46%            | 2.08%  | 1.36%  | 3.86%  | 11.50%                | 4.78%  | 8.08%  | 10.49% | -5.05%  | 1.98%           | 23.57%       | 6.62%   | 8.98%  | 0.55          | 0.83  | 1.14 | Mar-07 |
| Third Point Partners L.P.                   | 9.35%            | 3.00%  | 1.30%  | 4.80%  | 23.87%                | 16.87% | 12.51% | 21.12% | -0.54%  | 41.52%          | 38.14%       | -32.84% | 14.45% | 1.55          | 0.84  | 1.27 | Jun-95 |
| Viking Global Equities                      | 5.16%            | 3.00%  | -0.30% | 2.40%  | 12.72%                | 9.87%  | 9.63%  | 12.86% | 7.71%   | 3.67%           | 19.20%       | -0.73%  | 6.86%  | 1.65          | 1.27  | 1.48 | Oct-99 |
| <b>Real Return</b>                          |                  |        |        |        |                       |        |        |        |         |                 |              |         |        |               |       |      |        |
| BlueCrest Capital International Limited     | 0.23%            | 0.06%  | 0.96%  | -0.79% | 4.14%                 | 6.39%  | 13.88% | 5.82%  | 6.10%   | 12.80%          | 45.41%       | 6.26%   | 5.38%  | 2.55          | 2.31  | 1.81 | Dec-00 |
| Brigade Leveraged Capital Structures Fund   | 2.19%            | 1.49%  | -0.32% | 1.01%  | 6.37%                 | 5.27%  | 6.81%  | 6.91%  | 2.55%   | 7.66%           | 39.64%       | -17.14% | 7.61%  | 1.75          | 0.80  | 0.81 | Jan-07 |
| Brevan Howard L.P. (Series B)               | 3.27%            | 0.15%  | 2.13%  | 0.96%  | 6.05%                 | 6.88%  | 8.16%  | 3.43%  | 11.33%  | 0.92%           | 17.10%       | 19.14%  | 5.51%  | 1.30          | 1.31  | 1.34 | Sep-05 |
| Capula Global Relative Value Fund Limited   | 2.54%            | 0.84%  | 1.21%  | 0.47%  | 4.17%                 | 5.46%  | 8.20%  | 0.41%  | 6.19%   | 9.58%           | 12.24%       | 9.45%   | 2.99%  | 2.04          | 2.40  | 1.64 | Oct-05 |
| DE Shaw Composite International Fund        | 4.98%            | 1.10%  | 2.40%  | 1.40%  | 15.52%                | 8.10%  | 6.10%  | 14.05% | 3.69%   | 1.56%           | 21.31%       | -9.81%  | 6.74%  | 1.55          | 0.80  | 1.40 | Mar-01 |
| Graham Discretionary - 6V Portfolio         | 1.71%            | 0.09%  | 0.06%  | 1.56%  | 3.31%                 | 3.98%  | 7.72%  | 3.80%  | 3.56%   | 7.10%           | 17.13%       | 8.66%   | 4.70%  | 1.43          | 1.45  | 0.85 | Jun-04 |
| OZ Master Fund, Ltd                         | 3.59%            | 1.17%  | 0.40%  | 1.98%  | 9.97%                 | 6.57%  | 5.35%  | 11.13% | -0.48%  | 8.52%           | 23.11%       | -15.92% | 5.98%  | 1.71          | 0.78  | 1.70 | Apr-94 |
| Wexford Spectrum Fund, L.P.                 | 3.40%            | 2.00%  | -1.04% | 2.44%  | 5.59%                 | 3.37%  | 5.71%  | 4.71%  | -3.44%  | 8.45%           | 30.76%       | -13.87% | 9.49%  | 0.48          | 0.55  | 0.95 | Apr-97 |
| Winton Futures Fund - USD Class B           | 5.39%            | 2.65%  | 0.16%  | 2.51%  | 2.54%                 | 5.77%  | 5.09%  | -3.57% | 6.29%   | 14.47%          | -4.64%       | 21.01%  | 8.68%  | 0.73          | 0.53  | 0.72 | Oct-97 |
| <b>Benchmarks</b>                           |                  |        |        |        |                       |        |        |        |         |                 |              |         |        |               |       |      |        |
| HFRI Fund of Funds Composite Index          | 3.46%            | 1.00%  | 0.29%  | 2.14%  | 4.88%                 | 2.13%  | -0.22% | 4.79%  | -5.72%  | 5.70%           | 11.47%       | -21.37% | 6.22%  | 0.40          | -0.13 | 0.62 | Jan-90 |
| HFRI Fund Weighted Composite Index          | 3.87%            | 1.15%  | 0.15%  | 2.54%  | 5.53%                 | 4.07%  | 3.04%  | 6.38%  | -5.25%  | 10.25%          | 19.98%       | -19.03% | 7.62%  | 0.63          | 0.33  | 1.02 | Jan-90 |
| <b>Market Indices</b>                       |                  |        |        |        |                       |        |        |        |         |                 |              |         |        |               |       |      |        |
| 3 Month Libor - BOM                         | 0.07%            | 0.02%  | 0.02%  | 0.03%  | 0.36%                 | 0.37%  | 0.77%  | 0.42%  | 0.35%   | 0.35%           | 0.65%        | 2.79%   | 0.25%  |               |       |      | Mar-86 |
| Barclays Aggregate Bond Index               | -0.12%           | 0.08%  | 0.50%  | -0.70% | 3.79%                 | 5.54%  | 5.48%  | 4.23%  | 7.86%   | 6.56%           | 5.93%        | 5.24%   | 3.53%  |               |       |      | Jan-76 |
| Barclays High Yield Credit Bond Index       | 2.90%            | 1.02%  | 0.51%  | 1.34%  | 13.13%                | 11.24% | 11.65% | 15.81% | 4.98%   | 15.11%          | 58.21%       | -26.15% | 13.98% |               |       |      | Jul-83 |
| S&P 500 (TR)                                | 10.61%           | 3.75%  | 1.36%  | 5.18%  | 13.96%                | 12.67% | 5.81%  | 16.00% | 2.11%   | 15.06%          | 26.46%       | -37.00% | 18.92% |               |       |      | Jan-70 |
| MSCI EAFE - Net - USD                       | 5.13%            | 0.82%  | -0.95% | 5.27%  | 11.25%                | 5.00%  | -0.89% | 17.32% | -12.14% | 7.75%           | 31.78%       | -43.38% | 23.21% |               |       |      | Dec-69 |
| MSCI EM (EMERGING MARKETS) - Net - USD      | -1.62%           | -1.72% | -1.26% | 1.38%  | 1.95%                 | 3.27%  | 1.09%  | 18.22% | -18.42% | 18.88%          | 78.51%       | -53.33% | 28.19% |               |       |      | Jan-99 |

Note: The above is manager composite history.

# Strategy Exposure & Committed Capital – Private Equity & Real Estate





**State of Rhode Island Private Equity Unfunded Commitment March 2013**

| <b>Partnership Investment</b>           | <b>Total Commitment</b> | <b>Unfunded</b>  |
|---|-------------------------|------------------|
| Advent Global Private Equity Fund VII   | \$ 20,000,000.00        | \$ 15,700,000.00 |
| Alta BioPharma Partners III             | \$ 15,000,000.00        | \$ 750,000.00    |
| Alta Partners VIII                      | \$ 15,000,000.00        | \$ 2,250,000.00  |
| Aurora Equity Partners II**             | \$ 15,000,000.00        | \$ -             |
| Aurora Equity Partners III**            | \$ 15,000,000.00        | \$ 835,850.00    |
| Avenue Special Situations Fund IV       | \$ 20,000,000.00        | \$ -             |
| Avenue V                                | \$ 20,000,000.00        | \$ -             |
| Bain X                                  | \$ 25,000,000.00        | \$ 2,312,500.00  |
| Birch Hill Equity Partners III*         | \$ 17,681,724.00        | \$ 853,099.26    |
| Braemar Energy Ventures III             | \$ 10,000,000.00        | \$ 7,643,110.00  |
| Castile III                             | \$ 5,000,000.00         | \$ 475,000.00    |
| Centerbridge                            | \$ 15,000,000.00        | \$ 1,090,623.00  |
| Centerbridge Special Credit Partners II | \$ 25,000,000.00        | \$ 15,625,000.00 |
| Charterhouse Capital Partners VIII*     | \$ 19,223,370.00        | \$ 2,549,390.23  |
| Coller International Capital IV**       | \$ 15,000,000.00        | \$ 2,100,000.00  |
| Coller International Capital V          | \$ 15,000,000.00        | \$ 3,270,000.00  |
| Constellation III                       | \$ 15,000,000.00        | \$ 557,595.74    |
| CVC European Equity Partners III        | \$ 20,000,000.00        | \$ 899,966.00    |
| CVC European Equity Partners IV*        | \$ 21,145,707.00        | \$ 2,493,867.67  |
| CVC V                                   | \$ 25,631,160.00        | \$ 8,176,658.29  |
| EnCap Energy Fund IX                    | \$ 18,000,000.00        | \$ 17,802,954.00 |
| Fenway Partners Capital Fund II         | \$ 15,000,000.00        | \$ 232,336.00    |
| Fenway III                              | \$ 15,000,000.00        | \$ -             |
| First Reserve Fund X                    | \$ 20,000,000.00        | \$ 1.00          |
| First Reserve Fund XI                   | \$ 20,000,000.00        | \$ 25,959.00     |
| 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        | \$ 1,731,092.72  |
| Kayne Anderson Energy Fund III          | \$ 15,000,000.00        | \$ 366,426.00    |
| Kayne Anderson Energy Fund IV           | \$ 15,000,000.00        | \$ 1,663,353.00  |
| Leapfrog Ventures II                    | \$ 10,000,000.00        | \$ 510,000.00    |
| Leeds Weld Equity Partners IV           | \$ 10,000,000.00        | \$ 14,335.00     |
| Lighthouse Capital Partners V           | \$ 11,250,000.00        | \$ 787,500.00    |
| Lighthouse Capital Partners VI          | \$ 15,000,000.00        | \$ 750,000.00    |
| LNK Partners                            | \$ 12,500,000.00        | \$ 744,957.52    |
| Matlin Patterson Glb. Opp. Fund (CSFB)  | \$ 15,000,000.00        | \$ -             |
| MHR Institutional Partners III          | \$ 20,000,000.00        | \$ 8,348,970.00  |
| Nautic Partners V                       | \$ 20,000,000.00        | \$ 919,738.82    |
| Nautic Partners VI                      | \$ 20,000,000.00        | \$ 1,911,681.08  |
| Nautic Partners VII                     | \$ 20,000,000.00        | \$ 20,000,000.00 |
| Nordic Capital Fund III*                | \$ 12,254,000.00        | \$ -             |
| Nordic Capital Fund V*                  | \$ 18,730,675.03        | \$ -             |
| Nordic Capital Fund VI*                 | \$ 19,223,370.00        | \$ -             |
| Nordic VII                              | \$ 19,223,370.00        | \$ 3,910,247.80  |

|                                      |    |                  |    |                |
|--------------------------------------|----|------------------|----|----------------|
| Oaktree Capital Management Fund III  | \$ | 20,000,000.00    | \$ | 12,000,000.00  |
| Palladin III                         | \$ | 10,000,000.00    | \$ | 3,592,438.00   |
| Parthenon Investors II               | \$ | 23,960,000.00    | \$ | 1,953,022.00   |
| Perseus VII                          | \$ | 15,000,000.00    | \$ | 864,271.17     |
| Point 406                            | \$ | 10,000,000.00    | \$ | 1,395,077.00   |
| Point Judith II                      | \$ | 5,000,000.00     | \$ | 573,369.19     |
| Providence Equity Partners III       | \$ | 15,000,000.00    | \$ | 1,938,956.00   |
| Providence Equity Partners IV        | \$ | 25,000,000.00    | \$ | 1,992,413.00   |
| Providence Equity Partners V         | \$ | 25,000,000.00    | \$ | 2,211,641.00   |
| Providence Equity Partners VI        | \$ | 25,000,000.00    | \$ | 2,836,994.00   |
| Providence Equity Partners VII       | \$ | 25,000,000.00    | \$ | 23,605,828.00  |
| SKM Equity Fund II**                 | \$ | 10,000,000.00    | \$ | 1,735,947.00   |
| Summit Partners                      | \$ | 20,000,000.00    | \$ | 10,100,000.00  |
| Thomas McNerney & Partners           | \$ | 15,000,000.00    | \$ | 525,000.00     |
| Thomas McNerney & Partners II        | \$ | 15,000,000.00    | \$ | 2,137,500.00   |
| TPG Partners IV                      | \$ | 15,000,000.00    | \$ | 1,104,001.00   |
| TPG Partners V                       | \$ | 20,000,000.00    | \$ | 2,693,170.00   |
| TPG VI                               | \$ | 10,000,000.00    | \$ | 3,157,960.00   |
| Trilantic IV                         | \$ | 11,098,351.00    | \$ | 1,632,472.17   |
| VS&A Communication Partners III      | \$ | 15,000,000.00    | \$ | -              |
| W Capital Partners                   | \$ | 15,000,000.00    | \$ | 880,500.00     |
| W Capital Partners II                | \$ | 15,000,000.00    | \$ | 1,639,525.00   |
| Wellspring Capital Partners III      | \$ | 20,000,000.00    | \$ | 21,112.00      |
| Wellspring Capital Partners IV       | \$ | 20,000,000.00    | \$ | 2,232,921.00   |
| WLR                                  | \$ | 8,000,000.00     | \$ | 1,099,498.00   |
| <b>Total Alternative Investments</b> | \$ | 1,162,921,727.03 | \$ | 210,143,262.66 |

**State of Rhode Island Real Estate Unfunded Commitment March 2013**

| <b>Real Estate Partnership Investment</b> | <b>Total Commitment</b> | <b>Unfunded</b> |
|---|-------------------------|-----------------|
| AEW                                       | \$ 35,000,000.00        | \$ -            |
| Fillmore East Fund I                      | \$ 10,000,000.00        | \$ -            |
| Fremont Strategic Property Partners II    | \$ 15,000,000.00        | \$ 1,873,108.00 |
| Hunt Investments (formerly Trecap)        | \$ 15,000,000.00        | \$ 2,155,117.00 |
| JPMorgan Strategic Property Fund          | \$ 50,000,000.00        | \$ -            |
| JPMorgan Alternative Property Fund        | \$ 20,000,000.00        | \$ -            |
| LaSalle Income & Growth Fund IV           | \$ 15,000,000.00        | \$ 397,937.57   |
| Magna Hotel                               | \$ 4,000,000.00         | \$ 801,401.00   |
| Morgan Stanley Prime Property Fund        | \$ 35,000,000.00        | \$ -            |
| Prudential Real Estate Investors (PRISA)  | \$ 50,000,000.00        | \$ -            |
| Starwood Hospitality Fund I               | \$ 10,000,000.00        | \$ -            |
| TA Realty Fund VIII                       | \$ 15,000,000.00        | \$ -            |
| Tri Continental Fund VII                  | \$ 15,000,000.00        | \$ 428,467.00   |
| Walton Street Real Estate Fund V          | \$ 20,000,000.00        | \$ -            |
| Westbrook Real Estate Fund VI             | \$ 15,000,000.00        | \$ 79,399.00    |
| Westbrook Real Estate Fund VII            | \$ 15,000,000.00        | \$ 1,500,000.00 |
|   | \$ 339,000,000.00       | \$ 7,235,429.57 |

## Section VII.

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### Cash Flow

# Monthly Valuation Change

Period : 01-Mar-2013 - 31-Mar-2013

| Category                           | Source Account Name  | Closing Balance         | Market Value Increase/(Decrease) | Transfer In/(Out)      | Opening Balance         |
|------------------------------------|----------------------|-------------------------|----------------------------------|------------------------|-------------------------|
| <b>Grand Total</b>                 |                      | <b>7,682,222,140.85</b> | <b>109,995,283.10</b>            | <b>(35,133,495.81)</b> | <b>7,607,360,353.56</b> |
| <b>Total Global Equity</b>         |                      | <b>4,164,586,744.44</b> | <b>82,564,679.28</b>             | <b>251,021.68</b>      | <b>4,081,771,043.48</b> |
| <b>Global Equity</b>               |                      | <b>3,587,166,049.51</b> | <b>70,974,242.73</b>             | <b>251,021.68</b>      | <b>3,515,940,785.10</b> |
|                                    | SSGA MSCI EAFE       | 1,222,721,335.36        | 10,662,230.85                    | 84,679.27              | 1,211,974,425.24        |
|                                    | SSGA MSCI EM         | 434,572,128.43          | (8,005,196.87)                   | 106,469.71             | 442,470,855.59          |
|                                    | SSGA MSCI CANADA     | 134,610,060.44          | 806,012.41                       | 9,900.79               | 133,794,147.24          |
|                                    | SSGA R3000 INDEX     | 1,795,262,525.28        | 67,511,196.34                    | 49,971.91              | 1,727,701,357.03        |
| <b>Global Equity Hedge Funds</b>   |                      | <b>577,420,694.93</b>   | <b>11,590,436.55</b>             | <b>0.00</b>            | <b>565,830,258.38</b>   |
|                                    | THIRD POINT PTRS     | 64,846,488.23           | 1,848,301.01                     | 0.00                   | 62,998,187.22           |
|                                    | MASON CAPITAL        | 62,139,914.00           | 2,259,873.05                     | 0.00                   | 59,880,040.95           |
|                                    | PFM DIVERSIFIED      | 65,288,614.41           | 1,790,094.86                     | 0.00                   | 63,498,519.55           |
|                                    | DAVIDSON KEMPNER     | 66,983,734.54           | 704,513.84                       | 0.00                   | 66,279,220.70           |
|                                    | ASCEND PTRS II       | 63,055,330.53           | 712,820.74                       | 0.00                   | 62,342,509.79           |
|                                    | INDUS ASIA PACIFIC   | 44,089,308.98           | (149,353.62)                     | 0.00                   | 44,238,662.60           |
|                                    | ELLIOTT ASSOCIATES   | 69,110,122.20           | 886,901.86                       | 0.00                   | 68,223,220.34           |
|                                    | SAMLYN ON/OFFSHORE   | 70,708,250.83           | 1,465,601.55                     | 0.00                   | 69,242,649.28           |
|                                    | VIKING GLOBAL EQUITI | 71,198,931.21           | 2,071,683.26                     | 0.00                   | 69,127,247.95           |
| <b>Private Equity</b>              |                      | <b>566,933,905.38</b>   | <b>11,248,650.86</b>             | <b>(12,613,544.72)</b> | <b>568,298,799.24</b>   |
| <b>Private Equity</b>              |                      | <b>566,933,905.38</b>   | <b>11,248,650.86</b>             | <b>(12,613,544.72)</b> | <b>568,298,799.24</b>   |
|                                    | PRIVATE EQUITY       | 566,933,905.38          | 11,248,650.86                    | (12,613,544.72)        | 568,298,799.24          |
| <b>Total Fixed Income</b>          |                      | <b>1,098,400,764.22</b> | <b>1,070,183.09</b>              | <b>0.00</b>            | <b>1,097,330,581.13</b> |
| <b>Fixed Income</b>                |                      | <b>1,098,400,764.22</b> | <b>1,070,183.09</b>              | <b>0.00</b>            | <b>1,097,330,581.13</b> |
|                                    | MACKAY SHIELDS       | 547,616,129.75          | 288,195.15                       | 0.00                   | 547,327,934.60          |
|                                    | PYRAMIS GLOBAL ADV   | 550,784,634.47          | 781,987.94                       | 0.00                   | 550,002,646.53          |
| <b>Total Real Return</b>           |                      | <b>1,147,339,061.87</b> | <b>8,396,819.50</b>              | <b>215,075,634.13</b>  | <b>923,866,608.24</b>   |
| <b>Alternative Absolute Return</b> |                      | <b>390,734,134.99</b>   | <b>4,305,184.02</b>              | <b>0.00</b>            | <b>386,428,950.97</b>   |
|                                    | WEXFORD SPECTRUM     | 54,558,117.38           | 1,455,038.12                     | 0.00                   | 53,103,079.26           |
|                                    | GRAHAM GLOBAL        | 52,805,189.41           | 48,927.84                        | 0.00                   | 52,756,261.57           |
|                                    | BREVAN HOWARD        | 81,223,534.40           | 156,659.18                       | 0.00                   | 81,066,875.22           |
|                                    | BLUE CREST CAP       | 21,209,754.43           | 13,274.33                        | 0.00                   | 21,196,480.10           |
|                                    | WINTON FUTURE FD     | 30,899,297.23           | 802,159.48                       | 0.00                   | 30,097,137.75           |
|                                    | OZ DOMESTIC PTRS     | 87,914,889.40           | 1,159,707.81                     | 0.00                   | 86,755,181.59           |
|                                    | DE SHAW              | 62,123,352.74           | 669,417.26                       | 0.00                   | 61,453,935.48           |
| <b>Alternative Fixed Income</b>    |                      | <b>154,826,057.41</b>   | <b>(641,841.03)</b>              | <b>15,075,634.13</b>   | <b>140,392,264.31</b>   |
|                                    | BRIGADE LEV CAP      | 53,450,316.09           | 777,220.36                       | 0.00                   | 52,673,095.73           |
|                                    | CAPULA GLOBAL        | 51,375,741.32           | 412,783.31                       | 0.00                   | 50,962,958.01           |
|                                    | CLAREN ROAD CR. FUND | 50,000,000.00           | 0.00                             | 50,000,000.00          | 0.00                    |
|                                    | GRACIE CREDIT FUND   | 0.00                    | (1,831,844.70)                   | (34,924,365.87)        | 36,756,210.57           |
| <b>Credit</b>                      |                      | <b>199,519,596.53</b>   | <b>(480,403.47)</b>              | <b>200,000,000.00</b>  | <b>0.00</b>             |
|                                    | WAMCO                | 199,519,596.53          | (480,403.47)                     | 200,000,000.00         | 0.00                    |
| <b>GILBs</b>                       |                      | <b>402,259,272.94</b>   | <b>5,213,879.98</b>              | <b>0.00</b>            | <b>397,045,392.96</b>   |
|                                    | BROWN BROTHERS HARR  | 402,259,272.94          | 5,213,879.98                     | 0.00                   | 397,045,392.96          |
| <b>Real Estate</b>                 |                      | <b>272,271,660.62</b>   | <b>2,071,015.10</b>              | <b>(1,929,334.25)</b>  | <b>272,129,979.77</b>   |

# Monthly Valuation Change

Period : 01-Mar-2013 - 31-Mar-2013

| Category                      | Source Account Name | Closing Balance       | Market Value Increase/(Decrease) | Transfer In/(Out)       | Opening Balance       |
|-------------------------------|---------------------|-----------------------|----------------------------------|-------------------------|-----------------------|
| <b>Real Estate</b>            |                     | <b>272,271,660.62</b> | <b>2,071,015.10</b>              | <b>(1,929,334.25)</b>   | <b>272,129,979.77</b> |
|                               | REAL ESTATE         | 272,271,660.62        | 2,071,015.10                     | (1,929,334.25)          | 272,129,979.77        |
| <b>Total Cash</b>             |                     | <b>389,596,218.90</b> | <b>(33,388.56)</b>               | <b>(224,939,080.88)</b> | <b>614,568,688.34</b> |
| <b>Cash Accounts</b>          |                     | <b>389,596,218.90</b> | <b>(33,388.56)</b>               | <b>(224,939,080.88)</b> | <b>614,568,688.34</b> |
|                               | CITIZENS CASH       | 2,479,902.00          | 0.00                             | 1,389,563.00            | 1,090,339.00          |
|                               | ERSRI CASH          | 387,116,316.90        | (33,388.56)                      | (226,328,643.88)        | 613,478,349.34        |
| <b>Total Other</b>            |                     | <b>36,070,898.24</b>  | <b>4,548,223.96</b>              | <b>(10,000,000.00)</b>  | <b>41,522,674.28</b>  |
| <b>Other</b>                  |                     | <b>36,070,898.24</b>  | <b>4,548,223.96</b>              | <b>(10,000,000.00)</b>  | <b>41,522,674.28</b>  |
|                               | RUSSELL OVERLAY FD  | 36,070,898.24         | 4,548,223.96                     | (10,000,000.00)         | 41,522,674.28         |
| <b>Total Miscellaneous</b>    |                     | <b>7,022,887.18</b>   | <b>129,099.87</b>                | <b>(978,191.77)</b>     | <b>7,871,979.08</b>   |
| <b>Miscellaneous Accounts</b> |                     | <b>7,022,887.18</b>   | <b>129,099.87</b>                | <b>(978,191.77)</b>     | <b>7,871,979.08</b>   |
|                               | SHOTT CAPITAL       | 4,424,421.60          | 218,716.50                       | (1,088,541.05)          | 5,294,246.15          |
|                               | RI TRANS ACCT       | 206,304.03            | 6,534.87                         | 0.00                    | 199,769.16            |
|                               | TAPLIN CANIDA HAB   | 0.50                  | 0.01                             | 0.00                    | 0.49                  |
|                               | FIXED INC TRANS     | 481,795.30            | 20,057.80                        | 0.00                    | 461,737.50            |
|                               | BROWN BROS HARR     | 0.00                  | (110,349.28)                     | 110,349.28              | 0.00                  |
|                               | MACKAY SHIELDS LLC  | 1,907,050.24          | (5,818.69)                       | 0.00                    | 1,912,868.93          |
|                               | DOM EQUITY TRANS    | 74.25                 | 0.00                             | 0.00                    | 74.25                 |
|                               | NON-US EQUITY TRANS | 3,241.26              | (41.34)                          | 0.00                    | 3,282.60              |

## Custodian Inception To Date Valuation Change

Period : 01-Nov-2012 - 31-Mar-2013

| Category                           | Source Account Name  | Closing Balance         | Market Value Increase/(Decrease) | Transfer In/(Out)       | Opening Balance         |
|------------------------------------|----------------------|-------------------------|----------------------------------|-------------------------|-------------------------|
| <b>Grand Total</b>                 |                      | <b>7,682,222,140.85</b> | <b>493,242,751.76</b>            | <b>(192,276,522.07)</b> | <b>7,381,255,911.16</b> |
| <b>Total Global Equity</b>         |                      | <b>4,164,586,744.44</b> | <b>397,317,888.61</b>            | <b>313,945.15</b>       | <b>3,766,954,910.68</b> |
| <b>Global Equity</b>               |                      | <b>3,587,166,049.51</b> | <b>355,212,783.68</b>            | <b>313,945.15</b>       | <b>3,231,639,320.68</b> |
|                                    | SSGA MSCI CANADA     | 134,610,060.44          | 2,903,481.27                     | 12,829.04               | 131,693,750.13          |
|                                    | SSGA MSCI EAFE       | 1,222,721,335.36        | 123,266,335.22                   | 108,746.38              | 1,099,346,253.76        |
|                                    | SSGA MSCI EM         | 434,572,128.43          | 18,244,247.73                    | 135,790.67              | 416,192,090.03          |
|                                    | SSGA R3000 INDEX     | 1,795,262,525.28        | 210,798,719.46                   | 56,579.06               | 1,584,407,226.76        |
| <b>Global Equity Hedge Funds</b>   |                      | <b>577,420,694.93</b>   | <b>42,105,104.93</b>             | <b>0.00</b>             | <b>535,315,590.00</b>   |
|                                    | ASCEND PTRS II       | 63,055,330.53           | 2,069,050.53                     | 0.00                    | 60,986,280.00           |
|                                    | DAVIDSON KEMPNER     | 66,983,734.54           | 2,937,454.54                     | 0.00                    | 64,046,280.00           |
|                                    | ELLIOTT ASSOCIATES   | 69,110,122.20           | 3,923,362.20                     | 0.00                    | 65,186,760.00           |
|                                    | INDUS ASIA PACIFIC   | 44,089,308.98           | 2,416,948.98                     | 0.00                    | 41,672,360.00           |
|                                    | MASON CAPITAL        | 62,139,914.00           | 5,426,714.00                     | 0.00                    | 56,713,200.00           |
|                                    | PFM DIVERSIFIED      | 65,288,614.41           | 7,221,094.41                     | 0.00                    | 58,067,520.00           |
|                                    | SAMLYN ON/OFFSHORE   | 70,708,250.83           | 5,833,190.83                     | 0.00                    | 64,875,060.00           |
|                                    | THIRD POINT PTRS     | 64,846,488.23           | 8,633,138.23                     | 0.00                    | 56,213,350.00           |
|                                    | VIKING GLOBAL EQUITI | 71,198,931.21           | 3,644,151.21                     | 0.00                    | 67,554,780.00           |
| <b>Private Equity</b>              |                      | <b>566,933,905.38</b>   | <b>25,239,841.67</b>             | <b>(65,037,384.21)</b>  | <b>606,731,447.92</b>   |
| <b>Private Equity</b>              |                      | <b>566,933,905.38</b>   | <b>25,239,841.67</b>             | <b>(65,037,384.21)</b>  | <b>606,731,447.92</b>   |
|                                    | PRIVATE EQUITY       | 566,933,905.38          | 25,239,841.67                    | (65,037,384.21)         | 606,731,447.92          |
| <b>Total Fixed Income</b>          |                      | <b>1,098,400,764.22</b> | <b>993,843.15</b>                | <b>1,482,609.33</b>     | <b>1,095,924,311.74</b> |
| <b>Fixed Income</b>                |                      | <b>1,098,400,764.22</b> | <b>993,843.15</b>                | <b>1,482,609.33</b>     | <b>1,095,924,311.74</b> |
|                                    | MACKAY SHIELDS       | 547,616,129.75          | 381,362.74                       | 0.00                    | 547,234,767.01          |
|                                    | PYRAMIS GLOBAL ADV   | 550,784,634.47          | 612,480.41                       | 1,482,609.33            | 548,689,544.73          |
| <b>Total Real Return</b>           |                      | <b>1,147,339,061.87</b> | <b>38,722,553.69</b>             | <b>215,075,634.13</b>   | <b>893,540,874.05</b>   |
| <b>Alternative Absolute Return</b> |                      | <b>390,734,134.99</b>   | <b>25,550,884.99</b>             | <b>0.00</b>             | <b>365,183,250.00</b>   |
|                                    | BLUE CREST CAP       | 21,209,754.43           | 242,254.43                       | 0.00                    | 20,967,500.00           |
|                                    | BREVAN HOWARD        | 81,223,534.40           | 4,501,159.40                     | 0.00                    | 76,722,375.00           |
|                                    | DE SHAW              | 62,123,352.74           | 7,262,652.74                     | 0.00                    | 54,860,700.00           |
|                                    | GRAHAM GLOBAL        | 52,805,189.41           | 2,079,489.41                     | 0.00                    | 50,725,700.00           |
|                                    | OZ DOMESTIC PTRS     | 87,914,889.40           | 5,639,664.40                     | 0.00                    | 82,275,225.00           |
|                                    | WEXFORD SPECTRUM     | 54,558,117.38           | 3,560,467.38                     | 0.00                    | 50,997,650.00           |
|                                    | WINTON FUTURE FD     | 30,899,297.23           | 2,265,197.23                     | 0.00                    | 28,634,100.00           |
| <b>Alternative Fixed Income</b>    |                      | <b>154,826,057.41</b>   | <b>328,083.28</b>                | <b>15,075,634.13</b>    | <b>139,422,340.00</b>   |
|                                    | BRIGADE LEV CAP      | 53,450,316.09           | 1,917,216.09                     | 0.00                    | 51,533,100.00           |
|                                    | CAPULA GLOBAL        | 51,375,741.32           | 1,552,141.32                     | 0.00                    | 49,823,600.00           |
|                                    | CLAREN ROAD CR. FUND | 50,000,000.00           | 0.00                             | 50,000,000.00           | 0.00                    |
|                                    | GRACIE CREDIT FUND   | 0.00                    | (3,141,274.13)                   | (34,924,365.87)         | 38,065,640.00           |
| <b>Credit</b>                      |                      | <b>199,519,596.53</b>   | <b>(480,403.47)</b>              | <b>200,000,000.00</b>   | <b>0.00</b>             |
|                                    | WAMCO                | 199,519,596.53          | (480,403.47)                     | 200,000,000.00          | 0.00                    |
| <b>GILBs</b>                       |                      | <b>402,259,272.94</b>   | <b>13,323,988.89</b>             | <b>0.00</b>             | <b>388,935,284.05</b>   |
|                                    | BROWN BROTHERS HARR  | 402,259,272.94          | 13,323,988.89                    | 0.00                    | 388,935,284.05          |
| <b>Real Estate</b>                 |                      | <b>272,271,660.62</b>   | <b>10,626,438.70</b>             | <b>(13,522,498.28)</b>  | <b>275,167,220.20</b>   |

## Custodian Inception To Date Valuation Change

Period : 01-Nov-2012 - 31-Mar-2013

| Category                      | Source Account Name | Closing Balance       | Market Value Increase/(Decrease) | Transfer In/(Out)       | Opening Balance       |
|-------------------------------|---------------------|-----------------------|----------------------------------|-------------------------|-----------------------|
| <b>Real Estate</b>            |                     | <b>272,271,660.62</b> | <b>10,626,438.70</b>             | <b>(13,522,498.28)</b>  | <b>275,167,720.20</b> |
|                               | REAL ESTATE         | 272,271,660.62        | 10,626,438.70                    | (13,522,498.28)         | 275,167,720.20        |
| <b>Total Cash</b>             |                     | <b>389,596,218.90</b> | <b>(595,398.05)</b>              | <b>(258,434,852.87)</b> | <b>648,626,469.82</b> |
| <b>Cash Accounts</b>          |                     | <b>389,596,218.90</b> | <b>(595,398.05)</b>              | <b>(258,434,852.87)</b> | <b>648,626,469.82</b> |
|                               | CITIZENS CASH       | 2,479,902.00          | 0.00                             | 2,479,902.00            | 0.00                  |
|                               | ERSRI CASH          | 387,116,316.90        | (595,398.05)                     | (260,914,754.87)        | 648,626,469.82        |
| <b>Total Other</b>            |                     | <b>36,070,898.24</b>  | <b>21,325,222.98</b>             | <b>(55,000,000.00)</b>  | <b>69,745,675.26</b>  |
| <b>Other</b>                  |                     | <b>36,070,898.24</b>  | <b>21,325,222.98</b>             | <b>(55,000,000.00)</b>  | <b>69,745,675.26</b>  |
|                               | RUSSELL OVERLAY FD  | 36,070,898.24         | 21,325,222.98                    | (55,000,000.00)         | 69,745,675.26         |
| <b>Total Miscellaneous</b>    |                     | <b>7,022,887.18</b>   | <b>(387,638.99)</b>              | <b>(17,153,975.32)</b>  | <b>24,564,501.49</b>  |
| <b>Miscellaneous Accounts</b> |                     | <b>7,022,887.18</b>   | <b>(387,638.99)</b>              | <b>(17,153,975.32)</b>  | <b>24,564,501.49</b>  |
|                               | BROWN BROS BOND     | 0.00                  | (1,271,132.15)                   | (629,969.37)            | 1,901,101.52          |
|                               | BROWN BROS HARR     | 0.00                  | (218,440.75)                     | 217,827.78              | 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     | 481,795.30            | 665,124.48                       | (16,029,090.43)         | 15,845,761.25         |
|                               | MACKAY SHIELDS LLC  | 1,907,050.24          | 303,290.78                       | (3,287,514.62)          | 4,891,274.08          |
|                               | NON-US EQUITY TRANS | 3,241.26              | (89,537.20)                      | 74,846.86               | 17,931.60             |
|                               | RI TRANS ACCT       | 206,304.03            | (84,517.78)                      | (141,662.59)            | 432,484.40            |
|                               | SHOTT CAPITAL       | 4,424,421.60          | 432,506.51                       | 3,005,275.49            | 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 2013

|                         | FY 2012-13    |                |               |                 |              |                 |                     |                 |                 |                |                  |               |                  |
|-------------------------|---------------|----------------|---------------|-----------------|--------------|-----------------|---------------------|-----------------|-----------------|----------------|------------------|---------------|------------------|
|                         | TOTAL         | Projected June | Projected May | Projected April | Actual March | Actual February | Actual January 2013 | Actual December | Actual November | Actual October | Actual September | Actual August | Actual July 2012 |
| MEMBER BENEFITS         | 838,762,163   | 70,000,000     | 70,000,000    | 70,000,000      | 69,672,763   | 69,700,687      | 69,847,694          | 69,843,970      | 69,849,685      | 69,952,061     | 70,150,727       | 70,338,986    | 69,405,592       |
| ADMINISTRATIVE EXPENSES | 6,911,258     | 897,153        | 474,315       | 568,054         | 662,098      | 550,670         | 552,758             | 617,477         | 611,739         | 442,410        | 541,540          | 705,326       | 287,720          |
| INVESTMENT EXPENSES     | 4,838,069     | 420,419        | 173,652       | 405,876         | 450,999      | 220,096         | 59,358              | 445,386         | 85,286          | 1,078,332      | 334,436          | 209,630       | 954,598          |
| TOTAL OUTFLOW           | 850,511,490   | 71,317,572     | 70,647,967    | 70,973,930      | 70,785,860   | 70,471,454      | 70,459,810          | 70,906,833      | 70,546,710      | 71,472,802     | 71,026,703       | 71,253,942    | 70,647,910       |
| CONTRIBUTIONS           | 451,203,333   | 46,667,601     | 44,302,044    | 42,467,147      | 39,422,719   | 33,108,869      | 35,845,503          | 41,301,246      | 27,947,918      | 35,941,474     | 21,497,658       | 28,770,623    | 53,930,531       |
| OTHER INCOME*           | 75,585,075    | 11,059,760     | 7,436,249     | 990,900         | 8,611,826    | 3,375,926       | 2,341,228           | 9,530,600       | 8,735,970       | 7,613,442      | 7,523,067        | 2,906,960     | 5,459,146        |
| TOTAL INCOME            | 526,788,408   | 57,727,361     | 51,738,293    | 43,458,047      | 48,034,545   | 36,484,795      | 38,186,731          | 50,831,846      | 36,683,888      | 43,554,916     | 29,020,725       | 31,677,583    | 59,389,677       |
| DIFFERENCE              | (323,723,082) | (13,590,211)   | (18,909,674)  | (27,515,883)    | (22,751,315) | (33,986,658)    | (32,273,078)        | (20,074,986)    | (33,862,822)    | (27,917,885)   | (42,005,978)     | (39,576,359)  | (11,258,232)     |

Municipal Employees Retirement System

|                         | TOTAL        | Projected June | Projected May | Projected April | Actual March | Actual February | Actual January 2013 | Actual December | Actual November | Actual October | Actual September | Actual August | Actual July 2012 |
|-------------------------|--------------|----------------|---------------|-----------------|--------------|-----------------|---------------------|-----------------|-----------------|----------------|------------------|---------------|------------------|
| MEMBER BENEFITS         | 84,397,321   | 7,000,000      | 7,000,000     | 7,000,000       | 7,037,882    | 7,123,762       | 7,129,449           | 7,060,546       | 7,042,964       | 6,997,104      | 7,109,456        | 7,007,580     | 6,888,578        |
| ADMINISTRATIVE EXPENSES | 1,363,061    | 174,971        | 92,345        | 110,375         | 132,873      | 110,253         | 109,675             | 122,747         | 121,378         | 87,420         | 106,647          | 138,204       | 56,172           |
| INVESTMENT EXPENSES     | 952,861      | 81,994         | 33,809        | 78,864          | 90,509       | 44,067          | 11,778              | 88,538          | 16,922          | 213,079        | 65,861           | 41,076        | 186,366          |
| TOTAL OUTFLOW           | 86,713,243   | 7,256,965      | 7,126,154     | 7,189,239       | 7,261,263    | 7,278,082       | 7,250,902           | 7,271,831       | 7,181,264       | 7,297,604      | 7,281,964        | 7,186,860     | 7,131,115        |
| CONTRIBUTIONS           | 51,364,979   | 5,420,386      | 4,664,657     | 4,415,298       | 4,111,725    | 3,834,860       | 4,570,476           | 4,191,495       | 3,603,314       | 4,354,978      | 3,491,224        | 3,512,997     | 5,193,569        |
| OTHER INCOME*           | 14,915,260   | 2,156,973      | 1,447,777     | 192,536         | 1,728,258    | 675,913         | 464,535             | 1,894,570       | 1,733,348       | 1,504,423      | 1,481,536        | 569,601       | 1,065,789        |
| TOTAL INCOME            | 66,280,239   | 7,577,359      | 6,112,434     | 4,607,834       | 5,839,983    | 4,510,773       | 5,035,011           | 6,086,065       | 5,336,662       | 5,859,401      | 4,972,760        | 4,082,598     | 6,259,358        |
| DIFFERENCE              | (20,433,004) | 320,395        | (1,013,720)   | (2,581,405)     | (1,421,280)  | (2,767,309)     | (2,215,891)         | (1,185,765)     | (1,844,602)     | (1,438,203)    | (2,309,204)      | (3,104,262)   | (871,758)        |

CASH FLOW ANALYSIS - INCOME & EXPENSES

State Police  
Retirement System

|                         | TOTAL     | Projected<br>June | Projected<br>May | Projected<br>April | Actual<br>March | Actual<br>February | Actual<br>January<br>2013 | Actual<br>December | Actual<br>November | Actual<br>October | Actual<br>September | Actual<br>August | Actual<br>July<br>2012 |
|-------------------------|-----------|-------------------|------------------|--------------------|-----------------|--------------------|---------------------------|--------------------|--------------------|-------------------|---------------------|------------------|------------------------|
| MEMBER BENEFITS         | 910,042   | 70,000            | 70,000           | 70,000             | 106,480         | 80,668             | 85,611                    | 83,113             | 68,708             | 68,708            | 68,708              | 68,708           | 69,340                 |
| ADMINISTRATIVE EXPENSES | 95,837    | 12,041            | 6,313            | 7,495              | 9,628           | 7,949              | 7,794                     | 8,771              | 8,626              | 6,178             | 7,500               | 9,649            | 3,893                  |
| INVESTMENT EXPENSES     | 66,888    | 5,642             | 2,311            | 5,355              | 6,558           | 3,177              | 837                       | 6,327              | 1,203              | 15,059            | 4,632               | 2,868            | 12,918                 |
| TOTAL OUTFLOW           | 1,072,767 | 87,683            | 78,624           | 82,850             | 122,666         | 91,794             | 94,242                    | 98,211             | 78,536             | 89,945            | 80,840              | 81,225           | 86,151                 |
| CONTRIBUTIONS           | 4,285,042 | 475,000           | 500,000          | 485,000            | 396,480         | 270,668            | 270,611                   | 273,113            | 288,708            | 278,708           | 263,708             | 408,708          | 374,340                |
| OTHER INCOME*           | 1,050,175 | 148,433           | 98,967           | 13,074             | 125,231         | 48,734             | 33,014                    | 135,383            | 123,185            | 106,322           | 104,193             | 39,765           | 73,875                 |
| TOTAL INCOME            | 5,335,218 | 623,433           | 598,967          | 498,074            | 521,711         | 319,402            | 303,624                   | 408,496            | 411,893            | 385,030           | 367,901             | 448,473          | 448,215                |
| DIFFERENCE              | 4,262,451 | 535,750           | 520,343          | 415,224            | 399,045         | 227,607            | 209,382                   | 310,285            | 333,357            | 295,085           | 287,061             | 367,248          | 362,064                |

Judicial  
Retirement System

|                         | TOTAL     | Projected<br>June | Projected<br>May | Projected<br>April | Actual<br>March | Actual<br>February | Actual<br>January<br>2013 | Actual<br>December | Actual<br>November | Actual<br>October | Actual<br>September | Actual<br>August | Actual<br>July<br>2012 |
|-------------------------|-----------|-------------------|------------------|--------------------|-----------------|--------------------|---------------------------|--------------------|--------------------|-------------------|---------------------|------------------|------------------------|
| MEMBER BENEFITS         | 1,480,237 | 121,000           | 121,000          | 121,000            | 128,810         | 128,810            | 134,294                   | 120,887            | 120,887            | 120,887           | 120,887             | 120,887          | 120,887                |
| ADMINISTRATIVE EXPENSES | 49,050    | 6,203             | 3,252            | 3,861              | 4,919           | 4,062              | 3,987                     | 4,484              | 4,412              | 3,161             | 3,839               | 4,934            | 1,935                  |
| INVESTMENT EXPENSES     | 34,267    | 2,907             | 1,191            | 2,759              | 3,351           | 1,624              | 428                       | 3,235              | 615                | 7,705             | 2,370               | 1,466            | 6,618                  |
| TOTAL OUTFLOW           | 1,563,555 | 130,110           | 125,442          | 127,620            | 137,080         | 134,496            | 138,709                   | 128,606            | 125,915            | 131,753           | 127,096             | 127,287          | 129,440                |
| CONTRIBUTIONS           | 2,705,237 | 196,000           | 196,000          | 196,000            | 313,810         | 213,810            | 209,294                   | 215,887            | 210,887            | 215,887           | 210,887             | 325,887          | 200,887                |
| OTHER INCOME*           | 538,094   | 76,466            | 50,983           | 6,735              | 63,982          | 24,905             | 16,887                    | 69,215             | 63,011             | 54,401            | 53,324              | 20,337           | 37,848                 |
| TOTAL INCOME            | 3,243,331 | 272,466           | 246,983          | 202,735            | 377,792         | 238,715            | 226,181                   | 285,102            | 273,899            | 270,288           | 264,211             | 346,224          | 238,735                |
| DIFFERENCE              | 1,679,777 | 142,356           | 121,540          | 75,115             | 240,712         | 104,219            | 87,472                    | 156,496            | 147,984            | 138,535           | 137,115             | 218,937          | 109,295                |

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

FISCAL YEAR 2013

CASH FLOW: DIRECTLY BILLED INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

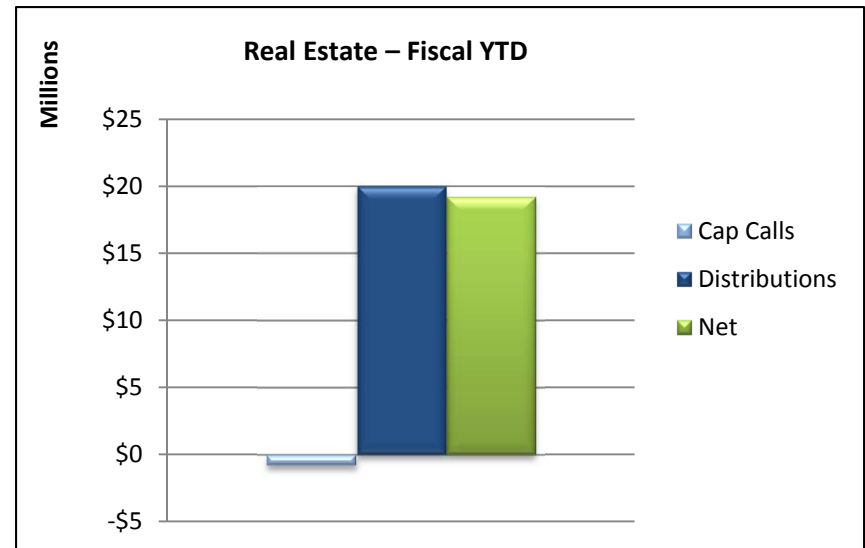
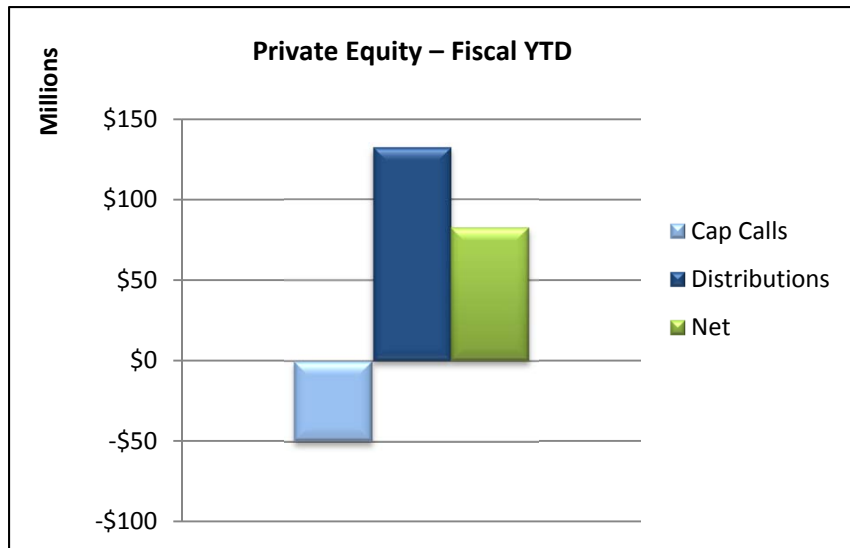
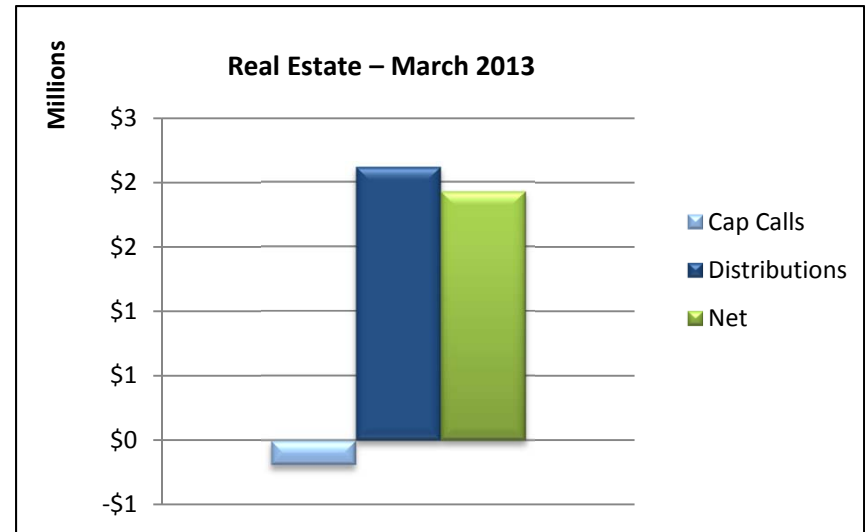
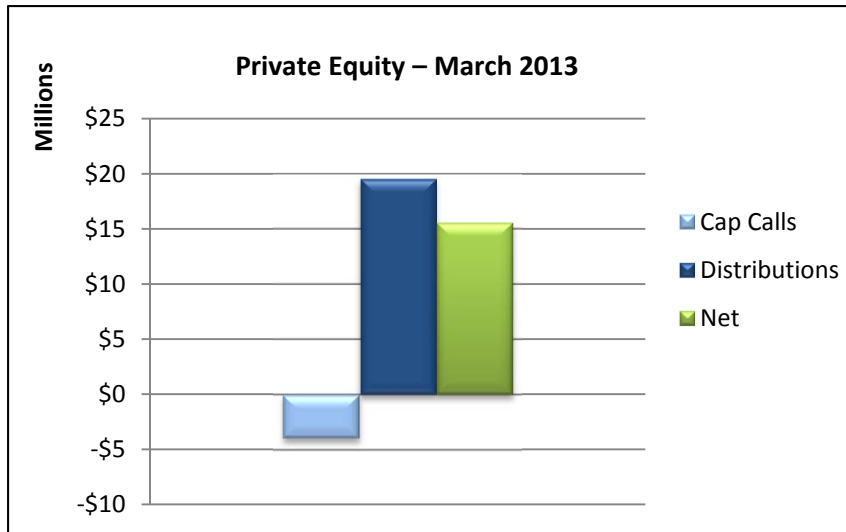
ACCRUAL BASIS

|                                 | Actual<br>Jul 12 | Actual<br>Aug | Actual<br>Sept | Actual<br>Oct | Actual<br>Nov | Projected<br>Dec | Projected<br>Jan 13 | Projected<br>Feb | Projected<br>Mar | Projected<br>Apr | Projected<br>May | Projected<br>June | Projected<br>TOTAL |
|---------------------------------|------------------|---------------|----------------|---------------|---------------|------------------|---------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|
| <b>EQUITIES</b>                 |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| SSGA Russell 1000/S&P 500       |                  |               | 27,895         |               |               | 0                |                     |                  | 0                |                  |                  | 0                 | 27,895             |
| SSGA Russell 2000/3000          |                  |               | 25,130         |               |               | 49,972           |                     |                  | 50,000           |                  |                  | 50,000            | 175,101            |
| Shott Capital                   |                  |               | <u>1,164</u>   |               |               | <u>4,665</u>     |                     |                  | <u>1,522</u>     |                  |                  | <u>1,700</u>      | <u>9,051</u>       |
|                                 |                  |               | 54,189         |               |               | 54,636           |                     |                  | 51,522           |                  |                  | 51,700            | 212,047            |
| <b>FIXED INCOME</b>             |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| Brown Bros.                     |                  |               | 183,058        |               |               | 0                |                     |                  | 0                |                  |                  | 0                 | 183,058            |
| Pyramis                         |                  |               | 143,469        |               |               | 123,066          |                     |                  | 139,160          |                  |                  | 140,446           | 546,140            |
| Taplin                          |                  |               | 205,941        |               |               | 4,567            |                     |                  | 0                |                  |                  | 0                 | 210,509            |
| Mackay Shields                  |                  |               | 215,552        |               |               | 129,982          |                     |                  | 199,536          |                  |                  | 185,000           | 730,070            |
| Brown Bros. TIPS/GILB           |                  |               | <u>108,086</u> |               |               | <u>110,349</u>   |                     |                  | <u>103,456</u>   |                  |                  | <u>115,000</u>    | <u>436,891</u>     |
|                                 |                  |               | 856,105        |               |               | 367,964          |                     |                  | 442,152          |                  |                  | 440,446           | 2,106,668          |
| <b>INT'L EQUITIES</b>           |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| SSGA MSCI ACWI                  |                  |               | 97,138         |               |               | 0                |                     |                  | 0                |                  |                  | 0                 | 97,138             |
| SSGA MSCI EAFE                  |                  |               | 24,067         |               |               | 84,679           |                     |                  | 85,000           |                  |                  | 85,000            | 278,746            |
| SSGA MSCI CAD                   |                  |               | 2,928          |               |               | 9,901            |                     |                  | 10,000           |                  |                  | 10,000            | 32,829             |
| SSGA MSCI Emerg Mkts            |                  |               | <u>29,321</u>  |               |               | <u>106,470</u>   |                     |                  | <u>110,000</u>   |                  |                  | <u>110,000</u>    | <u>355,791</u>     |
|                                 | 0                |               | 153,454        | 0             |               | 201,050          |                     |                  | 205,000          |                  |                  | 205,000           | 764,504            |
| <b>REAL ESTATE</b>              |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| Directly Billed Real Estate     | 129,888          | 122,709       | 79,437         | 802,275       | 0             | 197,115          | 0                   | 0                | 77,266           | 125,166          | 121,978          | 96,354            | 1,752,189          |
| <b>ALTERNATIVE INVESTMENTS</b>  |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| Directly Billed Private Equity  | 1,030,612        | 132,331       | 327,863        | 511,900       | 104,026       | 346,370          | 72,401              | 268,964          | 474,151          | 367,688          | 88,984           | 414,608           | 4,139,897          |
| <b>SUB TOTAL-INV MGMT FEES</b>  |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
|                                 | 1,160,500        | 255,040       | 1,471,048      | 1,314,175     | 104,026       | 1,167,136        | 72,401              | 268,964          | 1,250,092        | 492,854          | 210,962          | 1,208,107         | 8,975,305          |
| <b>PROFESSIONAL FEES</b>        |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| Legal                           | 5,829            | 4,894         | 7,054          | 0             | 4,144         | 8,794            | 0                   | 3,144            | 11,594           | 973              | 0                | 3,806             | 50,231             |
| St St Bank/BNY Mellon - Custodi | 60,268           | 62,284        | 60,084         | 59,995        | 30,012        | 60,714           | 61,869              | 63,476           | 63,057           | 62,408           | 61,653           | 61,306            | 707,126            |
| 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        | 96,607         | 13,125        | 13,125        | 112,514          | 13,125              | 13,125           | 67,362           | 13,125           | 13,125           | 13,125            | 394,610            |
| PCA Real Estate                 | <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>10,417</u>    | <u>10,417</u>    | <u>10,417</u>    | <u>10,417</u>    | <u>10,417</u>     | <u>125,003</u>     |
|                                 | 127,139          | 128,220       | 211,662        | 121,037       | 95,198        | 229,938          | 122,911             | 127,662          | 189,929          | 124,423          | 122,695          | 126,154           | 1,726,970          |
| <b>OPERATING EXPENSE</b>        |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
| Retirement Transfers            | 202,402          | 724,514       | 466,139        | 517,108       | 571,641       | 545,622          | 545,053             | 537,772          | 607,063          | 574,404          | 456,372          | 818,188           | 6,566,279          |
| Other Expense                   | 0                | <u>7,150</u>  | <u>5,925</u>   | 0             | <u>6,250</u>  | <u>5,925</u>     | 0                   | <u>7,500</u>     | <u>12,525</u>    | <u>4,500</u>     | <u>6,250</u>     | <u>5,700</u>      | <u>61,725</u>      |
|                                 | 202,402          | 731,664       | 472,064        | 517,108       | 577,891       | 551,547          | 545,053             | 545,272          | 619,588          | 578,904          | 462,622          | 823,888           | 6,628,004          |
| <b>TOTAL:</b>                   |                  |               |                |               |               |                  |                     |                  |                  |                  |                  |                   |                    |
|                                 | 1,490,042        | 1,114,924     | 2,154,773      | 1,952,321     | 777,115       | 1,948,621        | 740,366             | 941,899          | 2,059,609        | 1,196,181        | 796,280          | 2,158,150         | 17,330,279         |

Note: Numbers in bold are actual.

N.B. - For cash flow purposes, this schedule only shows expenses that are billed directly. Some asset classes, including but not limited to cash managers and hedge fund managers, deduct fees from the assets they manage. Since ERSRI does not pay a separate bill, those fees are not included in this cash flow schedule.

# Private Equity & Real Estate Cash Flow

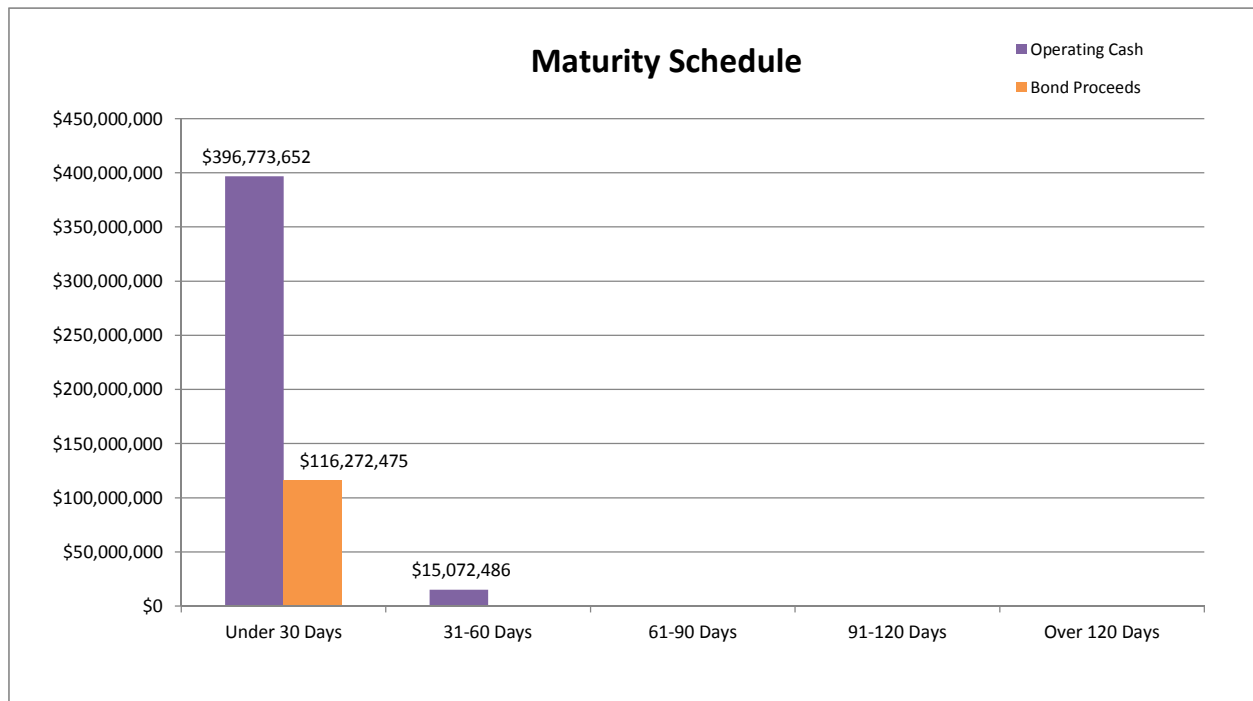


## Section VIII.

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### Short-Term Investments

**Short-Term Investment Maturity Schedule & SIC Compliance Report at March 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            | 187,580,066        | 187,580,066        |
|                         | 0%           | 0%                | 0%           | 0%                | 0%                 | 0%           | 0%           | 46%                | 45.55%             |
| Bank RI                 | 0            | 15,072,486        | 0            | 0                 | 0                  | 0            | 0            | 0                  | 15,072,486         |
|                         | 0%           | 4%                | 0%           | 0%                | 0%                 | 0%           | 0%           | 0%                 | 3.66%              |
| Sovereign Bank          | 0            | 0                 | 0            | 0                 | 90,495,396         | 0            | 0            | 0                  | 90,495,396         |
|                         | 0%           | 0%                | 0%           | 0%                | 22%                | 0%           | 0%           | 0%                 | 21.97%             |
| 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                 | 2,828,469          | 0            | 0            | 0                  | 2,828,469          |
|                         | 0%           | 0%                | 0%           | 0%                | 1%                 | 0%           | 0%           | 0%                 | 0.69%              |
| Webster Bank            | 0            | 0                 | 0            | 0                 | 65,682,979         | 0            | 0            | 0                  | 65,682,979         |
|                         | 0%           | 0%                | 0%           | 0%                | 16%                | 0%           | 0%           | 0%                 | 15.95%             |
| Oppenheimer Inc         | 0            | 0                 | 0            | 0                 | 0                  | 0            | 0            | 0                  | 0                  |
|                         | 0%           | 0%                | 0%           | 0%                | 0%                 | 0%           | 0%           | 0%                 | 0.00%              |
| Washington Trust        | 0            | 25,159,505        | 0            | 25,027,236        | 0                  | 0            | 0            | 0                  | 50,186,742         |
|                         | 0%           | 6%                | 0%           | 6%                | 0%                 | 0%           | 0%           | 0%                 | 12.19%             |
| <b>TOTALS</b>           | -            | <b>40,231,991</b> | -            | <b>25,027,236</b> | <b>159,006,844</b> | -            | -            | <b>187,580,066</b> | <b>411,846,138</b> |
| <b>(%) PORTFOLIO</b>    | <b>0.00%</b> | <b>9.77%</b>      | <b>0.00%</b> | <b>6.08%</b>      | <b>38.61%</b>      | <b>0.00%</b> | <b>0.00%</b> | <b>45.55%</b>      | <b>100.00%</b>     |

**Note: PIP + CD must be under 75%.**

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

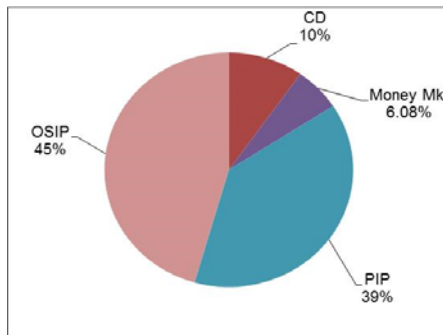
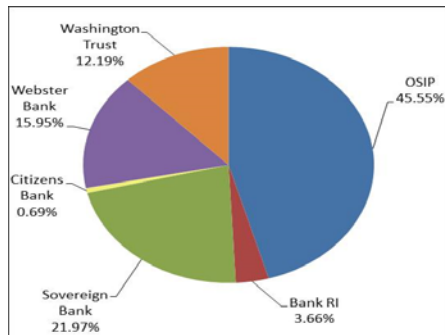
**State of Rhode Island**  
**Short Term Cash Monthly Performance**  
**Performance for**  
**March 01, 2013 to March 31, 2013**

| <b>Fund Name</b>                 | <b>Beginning Balance</b> | <b>Ending Balance</b>    | <b>Average Daily Balance</b> | <b>Earnings</b>      | <b>Yield(Annual)</b> |
|----------------------------------|--------------------------|--------------------------|------------------------------|----------------------|----------------------|
| GENERAL FUND                     | \$ 153,487,736.77        | \$ 120,926,094.83        | \$ 136,494,188.39            | \$ 38,358.06         | 0.3309%              |
| H.A.V.A                          | \$ 294.54                | \$ 294.55                | \$ 294.54                    | \$ 0.01              | 0.0400%              |
| GENERAL FUND (HIST PRES)         | \$ 537,054.56            | \$ 537,113.00            | \$ 537,054.56                | \$ 58.44             | 0.1281%              |
| HISTORIC TAX CREDITS             | \$ 1,202,216.65          | \$ 202,274.67            | \$ 557,055.36                | \$ 58.02             | 0.1226%              |
| HIGHWAY FUND                     | \$ 13,552,536.08         | \$ 1,054,219.76          | \$ 10,171,890.92             | \$ 1,683.68          | 0.1949%              |
| T.D.I. RESERVE (DET)             | \$ 92,357,615.62         | \$ 76,377,287.09         | \$ 83,389,873.68             | \$ 19,671.47         | 0.2778%              |
| EMPLOYER PENSION CONTRIBUTION    | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| RICAP GL FUND 21                 | \$ 109,496,495.09        | \$ 103,013,654.15        | \$ 105,190,043.48            | \$ 17,159.06         | 0.1921%              |
| BOND CAPITAL FUND                | \$ 3,467,057.89          | \$ 5,167,781.48          | \$ 3,583,186.92              | \$ 723.59            | 0.2378%              |
| R.I. CLEAN WATER ACT             | \$ 3,177,054.85          | \$ 3,177,320.32          | \$ 3,177,054.85              | \$ 265.47            | 0.0984%              |
| STATE LOTTERY FUND               | \$ 47,903,098.41         | \$ 54,814,351.15         | \$ 48,093,420.99             | \$ 11,252.74         | 0.2755%              |
| ASSESSED FRINGE BEN ADM          | \$ 7,755.37              | \$ 7,755.54              | \$ 7,755.37                  | \$ 0.17              | 0.0258%              |
| AUTO EQUIPMENT SERVICE           | \$ 401,151.78            | \$ 301,162.21            | \$ 614,055.01                | \$ 10.43             | 0.0200%              |
| HEALTH INSURANCE FUND            | \$ 32,263,149.83         | \$ 25,766,598.88         | \$ 32,105,085.31             | \$ 3,449.05          | 0.1265%              |
| FLEET REVOLVING LOAN FUND        | \$ 7,608,200.33          | \$ 7,609,717.91          | \$ 7,608,200.33              | \$ 1,517.58          | 0.2349%              |
| EMPLOYEES RETIREMENT             | \$ 151,398.65            | \$ 757,837.06            | \$ 19,567,527.68             | \$ 6,438.41          | 0.3874%              |
| MUNICIPAL EMPLOYEES RET.         | \$ 12,145.00             | \$ 112,490.46            | \$ 1,628,274.03              | \$ 345.46            | 0.2498%              |
| RETIREE HEALTH FUND              | \$ 3,489,187.86          | \$ 2,989,524.63          | \$ 3,102,091.09              | \$ 336.77            | 0.1278%              |
| BOG RETIREE FUND                 | \$ 9,181.41              | \$ 9,182.41              | \$ 9,181.41                  | \$ 1.00              | 0.1282%              |
| RIPTA HEALTH FUND                | \$ 466.60                | \$ 466.65                | \$ 466.60                    | \$ 0.05              | 0.1262%              |
| PERMANENT SCHOOL FUND            | \$ 1,932,635.63          | \$ 1,932,845.86          | \$ 1,932,635.63              | \$ 210.23            | 0.1281%              |
| TEACHER RETIREE HEALTH FUND      | \$ 805,924.28            | \$ 806,011.97            | \$ 805,924.28                | \$ 87.69             | 0.1281%              |
| RI ST POL RETIREE HEALTH         | \$ 717.67                | \$ 717.75                | \$ 717.67                    | \$ 0.08              | 0.1312%              |
| RI LEG RETIREE HEALTH            | \$ 195.04                | \$ 195.04                | \$ -                         | \$ -                 | 0.0000%              |
| RI JUDICIAL RETIREE HEALTH       | \$ 15,133.29             | \$ 15,133.55             | \$ 15,133.29                 | \$ 0.26              | 0.0202%              |
| UNIVERSITY COLLEGE               | \$ 907,516.25            | \$ 1,907,677.47          | \$ 1,455,903.35              | \$ 161.22            | 0.1304%              |
| HIGHER EDUCATION                 | \$ 305,643.93            | \$ 1,205,782.73          | \$ 1,283,063.28              | \$ 138.80            | 0.1274%              |
| INDUS. BLDG. & MTG. INS.         | \$ 3,152,303.47          | \$ 3,152,646.48          | \$ 3,152,303.47              | \$ 343.01            | 0.1281%              |
| <b>Operating Funds Totals</b>    | <b>\$ 476,243,866.85</b> | <b>\$ 411,846,137.60</b> | <b>\$ 464,482,381.49</b>     | <b>\$ 102,270.75</b> | <b>0.259%</b>        |
| G.O. NOTE 1991 SER. B            | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CCDL1993A                        | \$ 7,385.84              | \$ 7,386.05              | \$ 7,385.46                  | \$ 0.80              | 0.1275%              |
| BOND CCDL 1994 SERIES A          | \$ 15,001.21             | \$ 15,001.63             | \$ 15,000.43                 | \$ 1.63              | 0.1279%              |
| BOND CCBL96A                     | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CAP DEV OF 1997 SERIES A         | \$ 41,015.64             | \$ 41,016.80             | \$ 41,013.51                 | \$ 4.46              | 0.1280%              |
| CCDL1998A                        | \$ 1,695,969.97          | \$ 1,696,017.99          | \$ 1,695,881.90              | \$ 184.53            | 0.1281%              |
| CCDL 1998B                       | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| MMG099 1999                      | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| BOND CAPITOL CCDL2000A           | \$ 102,392.40            | \$ 102,395.30            | \$ 102,387.08                | \$ 11.14             | 0.1281%              |
| MULTI-MODAL GEN OBL 2000         | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CCDL2001C                        | \$ 201,343.08            | \$ 201,348.78            | \$ 201,332.62                | \$ 21.91             | 0.1281%              |
| CCDL2002B                        | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CCDL 2004 SERIES A               | \$ 3,016,321.34          | \$ 3,014,693.05          | \$ 3,015,169.71              | \$ 328.08            | 0.1281%              |
| BOND CCDL 2005 SERIES C          | \$ 7,268,783.75          | \$ 7,265,918.17          | \$ 7,266,623.01              | \$ 790.69            | 0.1281%              |
| BOND CCDL 2005 SERIES E          | \$ 717,726.38            | \$ 717,746.70            | \$ 717,689.11                | \$ 78.09             | 0.1281%              |
| BOND CCDL 2006 SERIES B          | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| BOND CCDL 2006 SERIES C          | \$ 2,478,069.79          | \$ 2,436,529.23          | \$ 2,453,781.11              | \$ 266.89            | 0.1281%              |
| GO BND-NTAX 2007 SERIES A        | \$ 5,938,815.99          | \$ 5,938,984.18          | \$ 5,938,507.60              | \$ 646.19            | 0.1281%              |
| GO BND-TAX 2007 SERIES B         | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| GO BND-NTAX 2008 SERIES B        | \$ 431,615.22            | \$ 431,627.42            | \$ 431,592.79                | \$ 46.96             | 0.1281%              |
| GO BND-TAX 2008 SERIES C         | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CCDL10B BOND CAPITAL COMPONENT   | \$ 1,932,099.33          | \$ 1,833,427.31          | \$ 1,874,677.47              | \$ 203.71            | 0.1279%              |
| CCDL10C                          | \$ 161,558.15            | \$ 161,575.73            | \$ 161,558.15                | \$ 17.58             | 0.1281%              |
| CCDL10D                          | \$ 103,924.30            | \$ 103,927.25            | \$ 103,918.91                | \$ 11.31             | 0.1281%              |
| CCDL2011A                        | \$ 43,679,074.12         | \$ 31,967,747.85         | \$ 38,432,756.02             | \$ 4,158.81          | 0.1274%              |
| CCDL2012B                        | \$ 60,302,598.77         | \$ 58,389,856.96         | \$ 59,187,922.45             | \$ 6,435.00          | 0.1280%              |
| CLEAN WATER CCDL 1998B           | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CLEAN WATER CCDL 1994 (A)        | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CAP DEV. OF 1997 SERIES A        | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CLEAN WATER CCDL 2002 B          | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CLEAN WATER 2004 SERIES A        | \$ 222,539.12            | \$ 222,545.42            | \$ 222,527.57                | \$ 24.21             | 0.1281%              |
| CLN WATER CCDL 2005 SER E        | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CAP DEV. OF 1997 SERIES A        | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| RI POLLUT. CONT 94 SER. A        | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CCDL99A 1999A                    | \$ 205,305.87            | \$ 205,311.69            | \$ 205,295.21                | \$ 22.34             | 0.1281%              |
| POL. CTRL CCDL 2006 SER C        | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CLEAN WATER 2007 SERIES A        | \$ 283,274.86            | \$ 283,282.88            | \$ 283,260.15                | \$ 30.82             | 0.1281%              |
| RI POLLUTION CONTROL 2008 B      | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CCDL10B CLEAN WATER COMPONENT    | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| CCDL2011A CLEAN WATER COMPONENT  | \$ 1,236,099.49          | \$ 1,236,134.50          | \$ 1,236,035.30              | \$ 134.50            | 0.1281%              |
| CCDL2011A POLL CTRL CMPNT        | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| <b>Bond Proceeds Fund Totals</b> | <b>\$ 130,040,914.62</b> | <b>\$ 116,272,474.89</b> | <b>\$ 123,594,315.56</b>     | <b>\$ 13,419.65</b>  | <b>0.128%</b>        |
| TANS PROCEEDS                    | \$ -                     | \$ -                     | \$ -                         | \$ -                 | -                    |
| <b>Grand Totals</b>              | <b>\$ 606,284,781.47</b> | <b>\$ 528,118,612.49</b> | <b>\$ 588,076,697.05</b>     | <b>\$ 115,690.40</b> | <b>0.232%</b>        |

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

**Issuer Credit Ratings  
March 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             |          |                |
| Bank RI                           | 3,4                 | 3.66%                 | N/R            | N/A     | N/A  | N/A             | N/A | N/A             | N/A      |                |
| Sovereign Bank                    | 3,4                 | 21.97%                | Baa1           | P-2     | A-2  | Baa1            | BBB |                 | Negative |                |
| Bank of America                   |                     | 0.00%                 | Baa2           | P-2     | A-2  | Baa2            | A-  |                 | Negative |                |
| JP Morgan Chase                   |                     | 0.00%                 | A2             | P-1     | A-1  | A2              | A   |                 | Negative |                |
| Federated                         |                     | 0.00%                 | N/R            | N/A     | N/A  | N/A             | N/A |                 | N/A      |                |
| Fidelity                          |                     | 0.00%                 | N/R            | N/A     | N/A  | N/A             | N/A |                 | N/A      |                |
| BlackRock Inc.                    |                     | 0.00%                 | A1             | P-1     | A-1  | A1              | A+  |                 | Stable   |                |
| State Street Bank & Trust Company |                     | 0.00%                 | Aa2            | P-1     | A-1+ | Aa2             | AA- |                 | Negative |                |
| RBS Citizens                      | 3,4                 | 0.69%                 | A3             | P-2     | A-1  | A3              | A   |                 | Stable   |                |
| Webster Bank                      | 3,4                 | 15.95%                | A3             | P-2     | A-2  | A3              | BBB |                 | Stable   |                |
| Oppenheimer                       |                     | 0.00%                 | N/A            | N/A     | N/A  | B2              | B+  |                 | Negative |                |
| Ocean State Investment Pool       | 6                   | 45.55%                | N/R            | N/A     | N/A  | N/A             | N/A |                 | N/A      |                |
| Washington Trust                  | 3,7                 | 12.19%                | N/R            | N/A     | N/A  | N/A             | N/A |                 | N/A      |                |
| First Tennessee Bank              |                     | 0.00%                 | Baa1           | P-2     | A-2  | Baa1            | BBB |                 | Negative |                |
| Merrill Lynch                     | 2,5,6               | 0.00%                 | Baa2           | (P)P-2  | A-2  | Baa2            | A-  |                 | Negative |                |
| Morgan Stanley                    | 1,2,5               | 0.00%                 | Baa1           | P-2     | A-2  | Baa1            | A-  |                 | Negative |                |
| UBS                               |                     | 0.00%                 | A2             | P-1     | A-1  | A2              | A   |                 | Stable   |                |



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

**Ratings Definitions**

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

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

**Moody's Issuer Rating Symbols:**

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

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

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

**Modifiers:**

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

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

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

**S&P Outlook Definitions:**

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

**S&P Long-Term Debt Ratings:**

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



## Section IX.

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### Defined Contribution Plan

# Quarterly Performance Summary -- State of Rhode Island

| (A)   | (B)        | (C)             | (D)        | (E)       | (F)       | (G)            | (H)             | (I) | (J)                     | (K)    | (L)   | (M)    | (N)   | (O)          | (P)   | (Q)         | (R)   | (S) | (T)  | (U)      |
|---|------------|-----------------|------------|-----------|-----------|----------------|-----------------|-----|-------------------------|--------|-------|--------|-------|--------------|-------|-------------|-------|-----|------|----------|
| Ticker  | Mgr Tenure | AUM \$ Millions | Net ER     | Net %-ile | Rev Share | 1-month Return | As of 3/31/2013 |     | Annualized Total Return |        |       |        |       | Since Incep. |       | Incep. Date |       |     |      |          |
|   |            |                 |            |           |           |                | %-ile           | YTD | %-ile                   | 1 Year | %-ile | 3 Year | %-ile | 5 Year       | %-ile | 10 Year     | %-ile |     |      |          |
| <b>Stable Value/Guaranteed &amp; Money Market</b>   |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| <b>Stable Value/Guaranteed</b>                      |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| <b>TIAA Stable Value</b>                            |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| <b>Money Market</b>                                 |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| Vanguard Prime Money Market Inv                     | VMMXX      | 9.75            | 113,078.00 | 0.16      |           | 0.00           | -               |     | -                       |        | 0.03  |        | 0.05  |              | 0.49  |             | 1.80  |     |      | 06/04/75 |
| <b>Yields: 7-Day Yield: 0.01%</b>                   |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| <i>Citi 3-Month Treasury Bill</i>                   |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            |           |           |                | 0.01            |     | 0.02                    |        | 0.08  |        | 0.09  |              | 0.31  |             | 1.66  |     |      |          |
| <b>FIXED INCOME</b>                                 |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| <b>Intermediate-Term Bond</b>                       |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| Vanguard Total Bond Market Index Signal             | VBTSX      | 20.33           | 105,701.00 | 0.10      | 1         | 0.00           | 0.09            | 63  | (0.06)                  | 76     | 3.81  | 79     | 5.49  | 69           | 5.43  | 66          |       |     | 5.87 | 09/01/06 |
| <i>Barclays U.S. Aggregate Float Adjusted Index</i> |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            |           |           |                | 0.08            |     | (0.12)                  |        | 3.89  |        | 5.59  |              |       |             |       |     |      |          |
| <i>Intermediate-Term Bond Median</i>                |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            | 0.85      |           |                | 0.13            |     | 0.20                    |        | 5.40  |        | 6.05  |              | 5.90  |             | 4.93  |     |      |          |
| <i>Intermediate-Term Bond Number of Funds</i>       |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            |           | 1,269     |                |                 |     |                         | 1,257  | 1,158 | 1,158  | 1,005 | 1,005        | 879   | 878         | 609   | 606 |      |          |
| <b>Inflation-Linked Bond</b>                        |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| PIMCO Real Return Instl                             | PRRIX      | 5.33            | 22,601.00  | 0.45      | 16        | 0.00           | 0.43            | 2   | 0.12                    | 24     | 7.61  | 2      | 9.12  | 2            | 6.77  | 1           | 6.91  | 3   |      | 01/29/97 |
| <i>Barclays US Treasury US TIPS TR USD</i>          |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            |           |           |                | 0.28            |     | (0.36)                  |        | 5.68  |        | 8.57  |              | 5.89  |             | 6.32  |     |      |          |
| <i>Inflation-Protected Bond Median</i>              |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            | 0.76      |           |                | 0.18            |     | (0.42)                  |        | 4.95  |        | 7.75  |              | 5.17  |             | 5.74  |     |      |          |
| <i>Inflation-Protected Bond Number of Funds</i>     |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            |           | 217       |                |                 |     |                         | 215    | 198   | 198    | 180   | 180          | 148   | 148         | 42    | 41  |      |          |
| <b>Equity</b>                                       |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| <b>Large Cap Blend - Index</b>                      |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| Vanguard 500 Index Signal                           | VIFSX      | 21.33           | 114,204.00 | 0.05      | -         | 0.00           | 3.75            | 43  | 10.60                   | 43     | 13.93 | 31     | 12.65 | 16           | 5.83  | 27          |       |     | 4.76 | 09/29/06 |
| <i>S&amp;P 500 TR</i>                               |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            |           |           |                | 3.75            |     | 10.61                   |        | 13.96 |        | 12.67 |              | 5.81  |             | 8.53  |     |      |          |
| <i>Large Blend Median</i>                           |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            | 1.15      |           |                | 3.69            |     | 10.48                   |        | 13.06 |        | 11.02 |              | 5.02  |             | 8.08  |     |      |          |
| <i>Large Blend Number of Funds</i>                  |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            |           | 1,785     |                |                 |     |                         | 1,755  | 1,665 | 1,665  | 1,476 | 1,476        | 1,328 | 1,327       | 827   | 822 |      |          |
| <b>Mid Cap Blend</b>                                |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
| Vanguard Mid Cap Index Signal                       | VMISX      | 14.92           | 30,505.00  | 0.10      | 1         | 0.00           | 4.36            | 46  | 12.86                   | 48     | 15.45 | 53     | 14.06 | 32           | 8.06  | 36          |       |     | 4.97 | 03/30/07 |
| <i>MSCI U.S. Mid Cap 450 Index (GR USD)</i>         |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            |           |           |                | 4.45            |     | 13.34                   |        | 15.95 |        | 14.28 |              | 8.18  |             | 12.20 |     |      |          |
| <i>Mid-Cap Blend Median</i>                         |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            | 1.25      |           |                | 4.26            |     | 12.80                   |        | 15.96 |        | 13.00 |              | 7.19  |             | 10.65 |     |      |          |
| <i>Mid-Cap Blend Number of Funds</i>                |            |                 |            |           |           |                |                 |     |                         |        |       |        |       |              |       |             |       |     |      |          |
|   |            |                 |            |           | 433       |                |                 |     |                         | 427    | 410   | 410    | 353   | 348          | 313   | 312         | 204   | 199 |      |          |



# Quarterly Performance Summary -- State of Rhode Island

| (A)   | (B)              | (C)             | (D)       | (E)       | (F)       | (G)            | (H)                   | (I) | (J)    | (K)    | (L)   | (M)    | (N)   | (O)    | (P)    | (Q)     | (R)   | (S)          | (T)         | (U)      |  |
|---|------------------|-----------------|-----------|-----------|-----------|----------------|-----------------------|-----|--------|--------|-------|--------|-------|--------|--------|---------|-------|--------------|-------------|----------|--|
| Ticker  | Mgr Tenure       | AUM \$ Millions | Net ER    | Net %-ile | Rev Share | 1-month Return | As of 3/31/2013 %-ile | YTD | %-ile  | 1 Year | %-ile | 3 Year | %-ile | 5 Year | %-ile  | 10 Year | %-ile | Since Incep. | Incep. Date |          |  |
| <b>Small Cap Blend</b>                              |                  |                 |           |           |           |                |                       |     |        |        |       |        |       |        |        |         |       |              |             |          |  |
| Vanguard Small Cap Index Signal                     | VSISX            | 21.33           | 26,331.00 | 0.10      | 1         | 0.00           | 4.69                  | 38  | 12.85  | 35     | 18.10 | 24     | 14.83 | 24     | 9.78   | 15      |       |              | 6.14        | 12/15/06 |  |
| <i>MSCI U.S. Small Cap 1750 Index (GR USD)</i>      |                  |                 |           |           |           |                | 4.75                  |     | 12.85  |        | 18.09 |        | 14.78 |        | 9.67   |         | 12.89 |              |             |          |  |
| <i>Small Blend Median</i>                           |                  |                 |           |           |           |                | 1.30                  |     | 4.55   |        | 12.36 |        | 13.28 |        | 7.75   |         | 11.14 |              |             |          |  |
| <i>Small Blend Number of Funds</i>                  |                  |                 |           |           |           |                | 711                   |     |        |        | 704   | 663    | 663   | 605    | 604    | 536     | 535   | 330          | 329         |          |  |
| <b>Foreign Large Blend</b>                          |                  |                 |           |           |           |                |                       |     |        |        |       |        |       |        |        |         |       |              |             |          |  |
| TIAA-CREF International Eq Idx Instl                | TCIEX            | 8.67            | 3,140.00  | 0.08      | 1         | 0.00           | 1.50                  | 24  | 4.37   | 27     | 11.46 | 22     | 5.24  | 38     | (0.63) | 42      | 9.75  | 35           |             | 10/01/02 |  |
| <i>MSCI EAFE NR USD</i>                             |                  |                 |           |           |           |                | 0.82                  |     | 5.13   |        | 11.25 |        | 5.00  |        | (0.89) |         | 9.69  |              |             |          |  |
| <i>Foreign Large Blend Median</i>                   |                  |                 |           |           |           |                | 1.34                  |     | 1.01   |        | 3.70  |        | 4.78  |        | (1.01) |         | 9.14  |              |             |          |  |
| <i>Foreign Large Blend Number of Funds</i>          |                  |                 |           |           |           |                | 838                   |     |        |        | 828   | 776    | 776   | 708    | 708    | 600     | 599   | 324          | 323         |          |  |
| <b>Diversified Emerging Markets</b>                 |                  |                 |           |           |           |                |                       |     |        |        |       |        |       |        |        |         |       |              |             |          |  |
| Vanguard Emerging Mkts Stock Idx Signal             | VERSX            | 4.67            | 68,182.00 | 0.18      | 1         | 0.00           | (1.49)                | 61  | (2.61) | 75     | 1.56  | 61     | 3.00  | 59     | 0.81   | 46      |       |              | 4.46        | 01/19/07 |  |
| <i>MSCI EM NR USD</i>                               |                  |                 |           |           |           |                | (1.72)                |     | (1.62) |        | 1.96  |        | 3.27  |        | 1.09   |         | 17.05 |              |             |          |  |
| <i>Diversified Emerging Mkts Median</i>             |                  |                 |           |           |           |                | 1.60                  |     | (1.17) |        | 2.87  |        | 3.45  |        | 0.59   |         | 16.01 |              |             |          |  |
| <i>Diversified Emerging Mkts Number of Funds</i>    |                  |                 |           |           |           |                | 659                   |     |        |        | 652   | 556    | 560   | 358    | 356    | 258     | 257   | 145          | 144         |          |  |
| <b>Miscellaneous Sector</b>                         |                  |                 |           |           |           |                |                       |     |        |        |       |        |       |        |        |         |       |              |             |          |  |
| TIAA Real Estate Account                            | Variable Annuity | 8.33            | 14,208.30 | 0.92      |           | 0.25           | 0.91                  |     | 1.88   |        | 8.59  |        | 13.54 |        | (2.40) |         |       |              | 5.94        | 10/02/95 |  |
| <b>Allocation (Target Date Only)</b>                |                  |                 |           |           |           |                |                       |     |        |        |       |        |       |        |        |         |       |              |             |          |  |
| <b>Lifecycle</b>                                    |                  |                 |           |           |           |                |                       |     |        |        |       |        |       |        |        |         |       |              |             |          |  |
| Vanguard Target Retirement Income Inv               | VTINX            | 0.17            | 8,390.00  | 0.16      | -         | 0.00           | 1.04                  | 51  | 2.54   | 55     | 6.78  | 56     | 7.64  | 28     | 5.55   | 10      |       |              | 5.75        | 10/27/03 |  |
| <i>Vanguard Target Retirement Income Compos. Lx</i> |                  |                 |           |           |           |                | 0.95                  |     | 2.47   |        | 6.83  |        | 7.68  |        | 5.52   |         |       |              |             |          |  |
| American Century LIVESTRONG Inc A                   | ARTAX            | 6.33            | 358.00    | 1.02      | 59        | 0.50           | 1.49                  | 23  | 3.91   | 25     | 7.59  | 37     | 8.04  | 19     | 5.07   | 28      |       |              | 5.50        | 08/31/04 |  |
| JPMorgan SmartRetirement Income Instl               | JSIIX            | 6.92            | 447.00    | 0.59      | 14        | 0.10           | 1.14                  | 45  | 2.74   | 46     | 6.95  | 51     | 7.43  | 36     | 5.87   | 5       |       |              | 5.54        | 05/15/06 |  |
| T. Rowe Price Retirement Income                     | TRRIX            | 10.58           | 2,659.00  | 0.57      | 13        | 0.15           | 1.16                  | 42  | 3.35   | 31     | 7.12  | 46     | 7.16  | 47     | 5.49   | 11      | 6.87  | 1            |             | 09/30/02 |  |
| BlackRock LifePath Retirement Instl                 | STLAX            | 5.92            | 617.00    | 0.85      | 40        | 0.00           | 1.05                  | 51  | 2.33   | 62     | 6.07  | 68     | 7.11  | 48     | 5.20   | 17      | 6.13  | 15           |             | 03/01/94 |  |
| Fidelity Freedom Income                             | FFFAX            | 5.58            | 2,385.00  | 0.44      | 5         |                | 0.74                  | 79  | 1.84   | 77     | 4.79  | 84     | 5.18  | 85     | 4.32   | 63      | 4.58  | 80           |             | 10/17/96 |  |
| <i>Retirement Income Median</i>                     |                  |                 |           |           |           |                | 0.92                  |     | 1.05   |        | 2.65  |        | 7.07  |        | 4.67   |         | 5.26  |              |             |          |  |
| <i>Retirement Income Number of Funds</i>            |                  |                 |           |           |           |                | 289                   |     |        |        | 288   | 281    | 281   | 259    | 259    | 205     | 205   | 21           | 21          |          |  |

# Quarterly Performance Summary -- State of Rhode Island

| (A)   | (B)           | (C)                | (D)       | (E)          | (F)          | (G)     | (H)   | (I)             | (J)   | (K)                     | (L)   | (M)    | (N)   | (O)    | (P)   | (Q)     | (R)   | (S)            | (T)    | (U)      |  |
|---|---------------|--------------------|-----------|--------------|--------------|---------|-------|-----------------|-------|-------------------------|-------|--------|-------|--------|-------|---------|-------|----------------|--------|----------|--|
| Ticker  | Mgr<br>Tenure | AUM<br>\$ Millions | Net<br>ER | Net<br>%-ile | Rev<br>Share | 1-month |       | As of 3/31/2013 |       | Annualized Total Return |       |        |       |        |       | Since   |       | Incep.<br>Date |        |          |  |
|   |               |                    |           |              |              | Return  | %-ile | YTD             | %-ile | 1 Year                  | %-ile | 3 Year | %-ile | 5 Year | %-ile | 10 Year | %-ile |                | Incep. |          |  |
| Vanguard Target Retirement 2010 Inv               | VTENX         | 0.17               | 5,631.00  | 0.16         | 1            | 0.00    | 1.34  | 37              | 3.52  | 47                      | 7.80  | 39     | 8.31  | 13     | 5.32  | 14      |       |                | 5.86   | 06/07/06 |  |
| <i>Vanguard Target Retirement 2010 Compos. Lx</i> |               |                    |           |              |              |         | 1.29  |                 | 3.61  |                         | 7.93  |        | 8.36  |        | 5.28  |         |       |                |        |          |  |
| JPMorgan SmartRetirement 2010 Instl               | JSWIX         | 6.92               | 358.00    | 0.60         | 17           | 0.10    | 1.14  | 62              | 2.66  | 68                      | 6.93  | 53     | 7.53  | 40     | 5.44  | 12      |       |                | 5.23   | 05/15/06 |  |
| T. Rowe Price Retirement 2010                     | TRRAX         | 10.58              | 5,751.00  | 0.61         | 18           | 0.15    | 1.42  | 24              | 4.07  | 11                      | 8.42  | 22     | 8.45  | 7      | 5.66  | 6       | 8.37  | 1              |        | 09/30/02 |  |
| Fidelity Freedom 2010                             | FFFCX         | 5.58               | 7,067.00  | 0.59         | 15           |         | 1.52  | 13              | 3.90  | 25                      | 7.43  | 46     | 7.42  | 44     | 4.63  | 37      | 6.46  | 16             |        | 10/17/96 |  |
| <i>Target Date 2000-2010 Median</i>               |               |                    |           |              |              |         | 0.92  |                 | 1.30  |                         | 3.47  |        | 7.21  |        | 7.28  |         | 4.21  |                | 6.09   |          |  |
| <i>Target Date 2000-2010 Number of Funds</i>      |               |                    |           |              |              |         | 154   |                 |       |                         | 153   | 146    | 146   | 139    | 139   | 122     | 122   | 14             | 14     |          |  |
| Vanguard Target Retirement 2015 Inv               | VTXVX         | 0.17               | 15,566.00 | 0.16         | 1            | 0.00    | 1.74  | 9               | 4.63  | 17                      | 8.75  | 29     | 8.70  | 11     | 5.31  | 10      |       |                | 6.22   | 10/27/03 |  |
| <i>Vanguard Target Retirement 2015 Compos. Lx</i> |               |                    |           |              |              |         | 1.61  |                 | 4.71  |                         | 8.92  |        | 8.70  |        | 5.24  |         |       |                |        |          |  |
| American Century LIVESTRONG 2015 A                | ARFAX         | 6.33               | 888.00    | 1.05         | 59           | 0.50    | 1.58  | 28              | 4.05  | 38                      | 7.66  | 59     | 8.28  | 27     | 4.88  | 23      |       |                | 6.05   | 08/31/04 |  |
| JPMorgan SmartRetirement 2015 Instl               | JSFIX         | 6.92               | 750.00    | 0.66         | 14           | 0.10    | 1.45  | 50              | 3.52  | 52                      | 8.39  | 41     | 8.66  | 13     | 5.81  | 2       |       |                | 5.51   | 05/15/06 |  |
| T. Rowe Price Retirement 2015                     | TRRGX         | 9.17               | 6,862.00  | 0.66         | 14           | 0.15    | 1.66  | 20              | 4.81  | 7                       | 9.20  | 14     | 9.09  | 1      | 5.81  | 1       |       |                | 6.33   | 02/27/04 |  |
| Fidelity Freedom 2015                             | FFVFX         | 5.58               | 7,254.00  | 0.60         | 10           |         | 1.57  | 31              | 3.98  | 40                      | 7.60  | 60     | 7.53  | 54     | 4.51  | 37      |       |                | 5.68   | 11/06/03 |  |
| <i>Target Date 2011-2015 Median</i>               |               |                    |           |              |              |         | 0.96  |                 | 1.46  |                         | 3.64  |        | 8.09  |        | 7.64  |         | 4.13  |                | 5.67   |          |  |
| <i>Target Date 2011-2015 Number of Funds</i>      |               |                    |           |              |              |         | 180   |                 |       |                         | 178   | 153    | 153   | 135    | 135   | 96      | 96    | 5              | 5      |          |  |
| Vanguard Target Retirement 2020 Inv               | VTWNX         | 0.17               | 14,181.00 | 0.16         | -            | 0.00    | 1.91  | 14              | 5.33  | 15                      | 9.41  | 26     | 8.98  | 19     | 5.18  | 17      |       |                | 5.67   | 06/07/06 |  |
| <i>Vanguard Target Retirement 2020 Compos. Lx</i> |               |                    |           |              |              |         | 1.83  |                 | 5.48  |                         | 9.69  |        | 9.24  |        | 5.27  |         |       |                |        |          |  |
| American Century LIVESTRONG 2020 A                | ARBMX         | 4.33               | 599.00    | 1.08         | 53           | 0.50    | 1.63  | 51              | 4.46  | 41                      | 8.20  | 55     | 8.69  | 29     |       |         |       |                | 4.46   | 05/30/08 |  |
| JPMorgan SmartRetirement 2020 Instl               | JTTIX         | 6.92               | 1,527.00  | 0.69         | 14           | 0.10    | 1.75  | 39              | 4.43  | 43                      | 9.68  | 18     | 9.44  | 5      | 6.02  | 1       |       |                | 5.69   | 05/15/06 |  |
| T. Rowe Price Retirement 2020                     | TRRBX         | 10.58              | 14,917.00 | 0.70         | 16           | 0.15    | 1.89  | 15              | 5.48  | 9                       | 9.91  | 12     | 9.60  | 4      | 5.84  | 3       | 9.09  | 1              |        | 09/30/02 |  |
| BlackRock LifePath 2020 Instl                     | STLCX         | 5.92               | 1,188.00  | 0.85         | 27           | 0.25    | 1.38  | 65              | 3.17  | 75                      | 7.04  | 79     | 7.65  | 66     | 4.29  | 44      | 7.07  | 25             |        | 03/01/94 |  |
| Fidelity Freedom 2020                             | FFFDX         | 5.58               | 15,446.00 | 0.64         | 11           |         | 1.70  | 47              | 4.40  | 45                      | 8.12  | 58     | 7.92  | 58     | 4.16  | 54      | 7.48  | 10             |        | 10/17/96 |  |
| <i>Target Date 2016-2020 Median</i>               |               |                    |           |              |              |         | 1.04  |                 | 1.64  |                         | 4.30  |        | 8.41  |        | 8.16  |         | 4.20  |                | 6.82   |          |  |
| <i>Target Date 2016-2020 Number of Funds</i>      |               |                    |           |              |              |         | 223   |                 |       |                         | 222   | 209    | 209   | 180    | 180   | 141     | 141   | 21             | 21     |          |  |

# Quarterly Performance Summary -- State of Rhode Island

| (A)  | (B)           | (C)                | (D)       | (E)          | (F)          | (G)     | (H)   | (I)             | (J)   | (K)    | (L)   | (M)                     | (N)   | (O)    | (P)   | (Q)     | (R)   | (S)    | (T)            | (U)      |
|--|---------------|--------------------|-----------|--------------|--------------|---------|-------|-----------------|-------|--------|-------|-------------------------|-------|--------|-------|---------|-------|--------|----------------|----------|
| Ticker   | Mgr<br>Tenure | AUM<br>\$ Millions | Net<br>ER | Net<br>%-ile | Rev<br>Share | 1-month |       | As of 3/31/2013 |       |        |       | Annualized Total Return |       |        |       |         | Since |        | Incep.<br>Date |          |
|  |               |                    |           |              |              | Return  | %-ile | YTD             | %-ile | 1 Year | %-ile | 3 Year                  | %-ile | 5 Year | %-ile | 10 Year | %-ile | Incep. |                |          |
| Vanguard Target Retirement 2025 Inv<br><i>Vanguard Target Retirement 2025 Composite Lx</i> | VTTVX         | 0.17               | 18,143.00 | 0.17         | 1            | 0.00    | 2.20  | 16              | 6.03  | 23     | 10.08 | 28                      | 9.31  | 20     | 5.03  | 14      |       |        | 6.30           | 10/27/03 |
|  |               |                    |           |              |              |         | 2.04  |                 | 6.15  |        | 10.34 |                         | 9.57  |        | 5.13  |         |       |        |                |          |
| American Century LIVESTRONG 2025 A   | ARWAX         | 6.33               | 1,225.00  | 1.11         | 62           | 0.50    | 1.68  | 67              | 4.81  | 68     | 8.53  | 69                      | 8.96  | 31     | 4.92  | 15      |       |        | 6.45           | 08/31/04 |
| JPMorgan SmartRetirement 2025 Instl  | JNSIX         | 5.75               | 774.00    | 0.73         | 19           | 0.10    | 2.10  | 23              | 5.21  | 53     | 10.48 | 14                      | 9.79  | 5      | 6.00  | 2       |       |        | 4.46           | 07/31/07 |
| T. Rowe Price Retirement 2025  | TRRHX         | 9.17               | 8,209.00  | 0.73         | 19           | 0.15    | 2.05  | 26              | 6.02  | 24     | 10.40 | 16                      | 9.93  | 3      | 5.77  | 4       |       |        | 6.49           | 02/27/04 |
| BlackRock LifePath 2025 Instl  | LPBIX         | 2.83               | 16.00     | 0.85         | 30           | 0.25    | 1.47  | 87              | 3.72  | 89     | 7.58  | 88                      |       |        |       |         |       |        | 12.16          | 06/30/10 |
| Fidelity Freedom 2025  | FFTWX         | 5.58               | 8,605.00  | 0.69         | 14           |         | 2.03  | 34              | 5.27  | 49     | 9.03  | 58                      | 8.39  | 59     | 4.31  | 41      |       |        | 5.92           | 11/06/03 |
| <i>Target Date 2021-2025 Median</i>  |               |                    |           |              |              |         | 1.92  |                 | 5.25  |        | 9.28  |                         | 8.56  |        | 4.03  |         |       |        | 5.53           |          |
| <i>Target Date 2021-2025 Number of Funds</i>   |               |                    |           |              | 183          |         |       |                 |       | 181    | 155   | 155                     | 122   | 122    | 91    | 91      | -     | -      |                |          |
| Vanguard Target Retirement 2030 Inv<br><i>Vanguard Target Retirement 2030 Composite Lx</i> | VTHRX         | 0.17               | 11,111.00 | 0.17         | -            | 0.00    | 2.34  | 21              | 6.63  | 24     | 10.70 | 22                      | 9.59  | 23     | 4.86  | 15      |       |        | 5.38           | 06/07/06 |
|  |               |                    |           |              |              |         | 2.25  |                 | 6.83  |        | 10.99 |                         | 9.87  |        | 4.96  |         |       |        |                |          |
| American Century LIVESTRONG 2030 A   | ARCMX         | 4.33               | 532.00    | 1.13         | 58           | 0.50    | 1.91  | 63              | 5.46  | 55     | 9.07  | 60                      | 9.28  | 30     |       |         |       |        | 4.04           | 05/30/08 |
| JPMorgan SmartRetirement 2030 Instl  | JSMIX         | 6.92               | 1,323.00  | 0.76         | 16           | 0.10    | 2.32  | 23              | 5.93  | 46     | 11.12 | 15                      | 9.92  | 12     | 5.75  | 3       |       |        | 5.55           | 05/15/06 |
| T. Rowe Price Retirement 2030  | TRRCX         | 10.58              | 12,563.00 | 0.75         | 16           | 0.15    | 2.18  | 38              | 6.55  | 25     | 10.87 | 19                      | 10.26 | 9      | 5.76  | 2       | 9.62  | 1      | 09/30/02       |          |
| BlackRock LifePath 2030 Instl  | STLDX         | 5.92               | 1,037.00  | 0.85         | 23           | 0.25    | 1.70  | 75              | 4.10  | 82     | 8.01  | 79                      | 8.08  | 70     | 3.84  | 58      | 7.39  | 53     | 03/01/94       |          |
| Fidelity Freedom 2030  | FFFEX         | 5.58               | 11,678.00 | 0.71         | 13           |         | 2.11  | 46              | 5.55  | 51     | 9.30  | 57                      | 8.39  | 64     | 3.68  | 64      | 7.79  | 14     | 10/17/96       |          |
| <i>Target Date 2026-2030 Median</i>  |               |                    |           |              |              |         | 2.07  |                 | 5.64  |        | 9.67  |                         | 8.76  |        | 4.07  |         | 7.41  |        |                |          |
| <i>Target Date 2026-2030 Number of Funds</i>   |               |                    |           |              | 223          |         |       |                 |       | 222    | 209   | 209                     | 180   | 180    | 141   | 141     | 16    | 16     |                |          |
| Vanguard Target Retirement 2035 Inv<br><i>Vanguard Target Retirement 2035 Composite Lx</i> | VTTHX         | 0.17               | 12,816.00 | 0.18         | 1            | 0.00    | 2.58  | 16              | 7.31  | 16     | 11.38 | 22                      | 9.89  | 18     | 4.87  | 16      |       |        | 6.66           | 10/27/03 |
|  |               |                    |           |              |              |         | 2.45  |                 | 7.50  |        | 11.62 |                         | 10.17 |        | 4.98  |         |       |        |                |          |
| American Century LIVESTRONG 2035 A   | ARYAX         | 6.33               | 853.00    | 1.16         | 65           | 0.50    | 2.12  | 71              | 6.09  | 69     | 9.69  | 73                      | 9.71  | 24     | 4.79  | 18      |       |        | 6.76           | 08/31/04 |
| JPMorgan SmartRetirement 2035 Instl  | SRJIX         | 5.75               | 501.00    | 0.79         | 22           | 0.10    | 2.59  | 14              | 6.49  | 46     | 11.65 | 14                      | 10.20 | 5      | 5.99  | 2       |       |        | 4.17           | 07/31/07 |
| T. Rowe Price Retirement 2035  | TRRJX         | 9.17               | 5,555.00  | 0.77         | 19           | 0.15    | 2.29  | 48              | 6.88  | 38     | 11.12 | 35                      | 10.41 | 1      | 5.71  | 4       |       |        | 6.51           | 02/27/04 |
| BlackRock LifePath 2035 Instl  | LPJIX         | 2.83               | 11.00     | 0.85         | 28           | 0.25    | 1.81  | 88              | 4.58  | 90     | 8.42  | 86                      |       |        |       |         |       |        | 13.63          | 06/30/10 |
| Fidelity Freedom 2035  | FFTHX         | 5.58               | 5,864.00  | 0.75         | 17           |         | 2.36  | 37              | 6.26  | 62     | 9.85  | 71                      | 8.53  | 75     | 3.65  | 65      |       |        | 5.79           | 11/06/03 |
| <i>Target Date 2031-2035 Median</i>  |               |                    |           |              |              |         | 2.27  |                 | 6.43  |        | 10.47 |                         | 9.10  |        | 3.95  |         |       |        | 5.66           |          |
| <i>Target Date 2031-2035 Number of Funds</i>   |               |                    |           |              | 183          |         |       |                 |       | 181    | 155   | 155                     | 122   | 122    | 91    | 91      | -     | -      |                |          |

# Quarterly Performance Summary -- State of Rhode Island

| (A)   | (B)        | (C)             | (D)      | (E)       | (F)       | (G)     | (H)         | (I)             | (J)         | (K)    | (L)          | (M)                     | (N)          | (O)    | (P)         | (Q)     | (R)          | (S)    | (T)         | (U)   |          |
|---|------------|-----------------|----------|-----------|-----------|---------|-------------|-----------------|-------------|--------|--------------|-------------------------|--------------|--------|-------------|---------|--------------|--------|-------------|-------|----------|
| Ticker  | Mgr Tenure | AUM \$ Millions | Net ER   | Net %-ile | Rev Share | 1-month |             | As of 3/31/2013 |             |        |              | Annualized Total Return |              |        |             |         | Since Incep. |        |             |       |          |
|   |            |                 |          |           |           | Return  | %-ile       | YTD             | %-ile       | 1 Year | %-ile        | 3 Year                  | %-ile        | 5 Year | %-ile       | 10 Year | %-ile        | Incep. | Date        |       |          |
| Vanguard Target Retirement 2040 Inv                 | VFORX      | 0.17            | 6,964.00 | 0.18      | -         | 0.00    | 2.67        | 18              | 7.64        | 19     | 11.74        | 23                      | 10.06        | 20     | 5.01        | 12      |              |        |             | 5.36  | 06/07/06 |
| <i>Vanguard Target Retirement 2040 Composite Lx</i> |            |                 |          |           |           |         | <i>2.56</i> |                 | <i>7.84</i> |        | <i>11.98</i> |                         | <i>10.32</i> |        | <i>5.07</i> |         |              |        |             |       |          |
| American Century LIVESTRONG 2040 A                  | ARDMX      | 4.33            | 310.00   | 1.20      | 62        | 0.50    | 2.25        | 61              | 6.58        | 56     | 10.15        | 58                      | 10.10        | 18     |             |         |              |        |             | 4.12  | 05/30/08 |
| JPMorgan SmartRetirement 2040 Instl                 | SMTIX      | 6.92            | 944.00   | 0.79      | 18        | 0.10    | 2.70        | 16              | 6.71        | 51     | 11.86        | 20                      | 10.31        | 11     | 5.90        | 1       |              |        |             | 5.63  | 05/15/06 |
| T. Rowe Price Retirement 2040                       | TRRDY      | 10.58           | 8,324.00 | 0.78      | 16        | 0.15    | 2.40        | 43              | 7.12        | 33     | 11.34        | 30                      | 10.50        | 9      | 5.79        | 2       | 9.62         | 1      |             |       | 09/30/02 |
| BlackRock LifePath 2040 Instl                       | STLEX      | 5.92            | 823.00   | 0.85      | 21        | 0.25    | 1.98        | 79              | 4.88        | 84     | 8.84         | 79                      | 8.42         | 71     | 3.41        | 68      | 7.58         | 57     |             |       | 03/01/94 |
| Fidelity Freedom 2040                               | FFFFX      | 5.58            | 7,308.00 | 0.75      | 13        |         | 2.45        | 35              | 6.30        | 66     | 9.94         | 61                      | 8.55         | 67     | 3.48        | 66      | 8.05         | 36     |             |       | 09/06/00 |
| <i>Target Date 2036-2040 Median</i>                 |            |                 |          |           |           |         | <i>1.10</i> |                 | <i>2.36</i> |        | <i>6.73</i>  |                         | <i>10.50</i> |        | <i>9.11</i> |         | <i>3.90</i>  |        | <i>7.64</i> |       |          |
| <i>Target Date 2036-2040 Number of Funds</i>        |            |                 |          |           | 220       |         |             |                 |             | 218    | 205          | 205                     | 176          | 176    | 134         | 134     | 16           | 16     |             |       |          |
| Vanguard Target Retirement 2045 Inv                 | VTIVX      | 0.17            | 7,249.00 | 0.18      | 1         | 0.00    | 2.62        | 23              | 7.63        | 22     | 11.72        | 29                      | 10.04        | 17     | 4.97        | 16      |              |        |             | 7.05  | 10/27/03 |
| <i>Vanguard Target Retirement 2045 Composite Lx</i> |            |                 |          |           |           |         | <i>2.56</i> |                 | <i>7.84</i> |        | <i>11.98</i> |                         | <i>10.32</i> |        | <i>5.07</i> |         |              |        |             |       |          |
| American Century LIVESTRONG 2045 A                  | AROAX      | 6.33            | 529.00   | 1.23      | 67        | 0.50    | 2.31        | 70              | 6.85        | 60     | 10.51        | 63                      | 10.28        | 6      | 4.78        | 19      |              |        |             | 6.92  | 08/31/04 |
| JPMorgan SmartRetirement 2045 Instl                 | JSAIX      | 5.75            | 228.00   | 0.79      | 19        | 0.10    | 2.63        | 22              | 6.71        | 62     | 12.02        | 19                      | 10.26        | 9      | 6.26        | 1       |              |        |             | 4.44  | 07/31/07 |
| T. Rowe Price Retirement 2045                       | TRRKX      | 7.92            | 2,972.00 | 0.78      | 17        | 0.15    | 2.41        | 51              | 7.08        | 43     | 11.31        | 40                      | 10.49        | 2      | 5.79        | 5       |              |        |             | 6.50  | 05/31/05 |
| BlackRock LifePath 2045 Instl                       | LPHIX      | 2.83            | 5.00     | 0.85      | 26        | 0.25    | 2.07        | 88              | 5.35        | 91     | 9.12         | 85                      |              |        |             |         |              |        |             | 15.02 | 06/30/10 |
| Fidelity Freedom 2045                               | FFFGX      | 5.58            | 2,437.00 | 0.76      | 15        |         | 2.46        | 48              | 6.54        | 70     | 10.14        | 70                      | 8.61         | 80     | 3.48        | 66      |              |        |             | 3.65  | 06/01/06 |
| <i>Target Date 2041-2045 Median</i>                 |            |                 |          |           |           |         | <i>1.05</i> |                 | <i>2.44</i> |        | <i>6.99</i>  |                         | <i>10.98</i> |        | <i>9.25</i> |         | <i>3.90</i>  |        | <i>5.90</i> |       |          |
| <i>Target Date 2041-2045 Number of Funds</i>        |            |                 |          |           | 183       |         |             |                 |             | 180    | 154          | 154                     | 121          | 121    | 89          | 89      | -            | -      |             |       |          |
| Vanguard Target Retirement 2050 Inv                 | VFIX       | 0.17            | 2,950.00 | 0.18      | -         | 0.00    | 2.64        | 18              | 7.62        | 24     | 11.75        | 26                      | 10.06        | 20     | 5.00        | 17      |              |        |             | 5.42  | 06/07/06 |
| <i>Vanguard Target Retirement 2050 Composite Lx</i> |            |                 |          |           |           |         | <i>2.56</i> |                 | <i>7.84</i> |        | <i>11.98</i> |                         | <i>10.32</i> |        | <i>5.07</i> |         |              |        |             |       |          |
| American Century LIVESTRONG 2050 A                  | ARFMX      | 4.33            | 145.00   | 1.25      | 63        | 0.50    | 2.38        | 54              | 7.08        | 48     | 10.70        | 58                      | 10.44        | 8      |             |         |              |        |             | 3.63  | 05/30/08 |
| JPMorgan SmartRetirement 2050 Instl                 | JTSIX      | 5.75            | 216.00   | 0.79      | 16        | 0.10    | 2.61        | 23              | 6.62        | 66     | 11.81        | 23                      | 10.38        | 9      | 6.26        | 1       |              |        |             | 4.45  | 07/31/07 |
| T. Rowe Price Retirement 2050                       | TRRMX      | 6.33            | 1,778.00 | 0.78      | 15        | 0.15    | 2.33        | 67              | 7.04        | 50     | 11.27        | 41                      | 10.49        | 7      | 5.76        | 7       |              |        |             | 4.10  | 12/29/06 |
| BlackRock LifePath 2050 Instl                       | STLFX      | 4.83            | 128.00   | 0.85      | 23        | 0.25    | 2.18        | 85              | 5.59        | 84     | 9.40         | 77                      | 8.70         | 72     |             |         |              |        |             | 3.59  | 06/30/08 |
| Fidelity Freedom 2050                               | FFFHX      | 5.58            | 2,071.00 | 0.77      | 15        |         | 2.49        | 41              | 6.64        | 66     | 10.18        | 67                      | 8.55         | 77     | 3.13        | 83      |              |        |             | 3.36  | 06/01/06 |
| <i>Target Date 2046-2050 Median</i>                 |            |                 |          |           |           |         | <i>1.10</i> |                 | <i>2.42</i> |        | <i>7.06</i>  |                         | <i>10.97</i> |        | <i>9.25</i> |         | <i>3.95</i>  |        | <i>7.90</i> |       |          |
| <i>Target Date 2046-2050 Number of Funds</i>        |            |                 |          |           | 205       |         |             |                 |             | 202    | 185          | 185                     | 140          | 140    | 91          | 91      | 6            | 6      |             |       |          |



# Quarterly Performance Summary -- State of Rhode Island

| (A)   | (B)    | (C)           | (D)                | (E)       | (F)          | (G)          | (H)               | (I)             | (J)  | (K)                     | (L)    | (M)   | (N)    | (O)   | (P)    | (Q)             | (R)     | (S)            | (T)    | (U)      |
|---|--------|---------------|--------------------|-----------|--------------|--------------|-------------------|-----------------|------|-------------------------|--------|-------|--------|-------|--------|-----------------|---------|----------------|--------|----------|
|   | Ticker | Mgr<br>Tenure | AUM<br>\$ Millions | Net<br>ER | Net<br>%-ile | Rev<br>Share | 1-month<br>Return | As of 3/31/2013 |      | Annualized Total Return |        |       |        |       |        | Since<br>Incep. |         | Incep.<br>Date |        |          |
|   |        |               |                    |           |              |              |                   | %-ile           | YTD  | %-ile                   | 1 Year | %-ile | 3 Year | %-ile | 5 Year | %-ile           | 10 Year | %-ile          | Incep. | Date     |
| Vanguard Target Retirement 2055 Inv                 | VFFVX  | 0.17          | 251.00             | 0.18      | 1            | 0.00         | 2.65              | 27              | 7.62 | 27                      | 11.76  | 33    |        |       |        |                 |         |                | 13.66  | 08/18/10 |
| <i>Vanguard Target Retirement 2055 Composite Lx</i> |        |               |                    |           |              |              | 2.56              |                 | 7.84 |                         | 12     |       |        |       |        |                 |         |                |        |          |
| Vanguard Target Retirement 2060 Inv                 | VTTSX  | 0.17          | 8.00               | 0.18      | 1            | 0.00         | 2.67              | 25              | 7.61 | 28                      | 12.04  | 22    |        |       |        |                 |         |                | 15.73  | 01/19/12 |
| <i>Vanguard Target Retirement 2060 Composite Lx</i> |        |               |                    |           |              |              | 2.56              |                 | 7.84 |                         | 12     |       |        |       |        |                 |         |                |        |          |
| American Century LIVESTRONG 2055 A                  | AREMX  | 2.08          | 8.00               | 1.26      | 69           | 0.50         | 2.43              | 61              | 7.24 | 45                      | 10.89  | 60    |        |       |        |                 |         |                | 7.63   | 04/01/11 |
| JPMorgan SmartRetirement 2055 Instl                 | JFFIX  | 1.25          | 1.00               | 0.79      | 22           | 0.10         | 2.71              | 20              | 6.78 | 76                      | 12.40  | 11    |        |       |        |                 |         |                | 16.25  | 01/31/12 |
| T. Rowe Price Retirement 2055                       | TRRNK  | 6.33          | 408.00             | 0.78      | 20           | 0.15         | 2.36              | 75              | 7.02 | 58                      | 11.25  | 52    | 10.52  | 1     | 5.75   | 1               |         |                | 4.09   | 12/29/06 |
| BlackRock LifePath 2055 Instl                       | LPVIX  | 2.83          | 1.00               | 0.85      | 29           | 0.25         | 2.27              | 87              | 5.88 | 96                      | 9.58   | 85    |        |       |        |                 |         |                | 15.49  | 06/30/10 |
| Fidelity Freedom 2055                               | FDEEX  | 1.83          | 20.00              | 0.78      | 20           |              | 2.62              | 34              | 6.88 | 70                      | 10.39  | 70    |        |       |        |                 |         |                | 5.73   | 06/01/11 |
| <i>Target Date 2051+ Median</i>                     |        |               |                    | 1.04      |              |              | 2.53              |                 | 7.15 |                         | 11.33  |       | 9.24   |       | 3.03   |                 |         |                | 8.96   |          |
| <i>Target Date 2051+ Number of Funds</i>            |        |               |                    |           | 143          |              |                   |                 |      | 130                     | 109    | 109   | 43     | 43    | 17     | 17              | -       | -              |        |          |

**Key**

Source: Morningstar & TIAA-CREF

Typical IPS Measurable Category

= Fund included based on client request

**Net ER = Net expense ratio**

-Tracking error calculated using "Morningstar Analyst Assigned Benchmark"

-Vanguard Composite Index Data from Vanguard Fact Sheets

available at [www.vanguard.com](http://www.vanguard.com)

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

Mgr Tenure, AUM, Net ER, Net %-ile, Rev Share data as of 3/31/2013

Since Incep. = Since Inception Date

Incep. Date = Inception Date



# Disclosures



Yields: CREF Money Market Current 7-Day Yield: 0.00%

Yields: TIAA-CREF Money Market Retirement Current 7-Day Yield: 0.00%

\*The current yield more closely reflects the account's current earnings than does the total return.

%-ile --> Percentile Ranking in Morningstar Category.

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# Disclosures



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# Disclosures



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If the sample menu includes TIAA Traditional Annuity and/or TIAA Stable Value, please refer to the RFP responses and/or RFP Response Expense Supplement(s) for important additional details regarding estimated or actual expenses associated with these options.

This model investment menu is provided as a sample menu. Clients can choose from 10,000+ funds from our open platform when they finalize their menu. TIAA-CREF Individual & Institutional Services, LLC, and Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF), are not plan fiduciaries and do not provide investment menu advice or make recommendations.

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.

## **12b-1 Fee**

The maximum annual charge deducted from fund assets to pay for distribution and marketing costs. Although usually set on a percentage basis, this amount will occasionally be a flat figure. Only active 12b-1 plans are represented here. This information is taken directly from the fund's prospectus. (Morningstar lists the maximum amount.)

## **Recordkeeping Offset(TC)**

The total revenue share (12b-1 and sub-TA fees) contractually agreed to by fund company to cover the cost of administering the fund. The fee goes to off-set the costs of the plan. Revenue share is a by-product of share class and is decided once pricing requirements are known. The amount includes 12b-1. For TIAA-CREF options The revenue share contractually agreed to by TIAA-CREF to cover the cost of administering the fund. The fee goes to off-set the costs of the plan. The amount does not include 12b-1.

## **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.

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## Section X.

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457 Plans

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

| <b>Plan Provider</b> | <b>6/30/2012</b>         | <b>9/30/2012</b>         | <b>12/31/2012</b>        | <b>3/31/2013</b>         |
|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Valic                | \$ 46,994,535.83         | \$ 47,704,868.43         | \$ 47,545,059.30         | \$ 49,383,252.98         |
| Fidelity             | \$ 76,449,768.55         | \$ 80,840,890.74         | \$ 81,326,449.93         | \$ 86,598,876.46         |
| ING                  | \$ 106,089,472.87        | \$ 110,196,585.14        | \$ 111,464,941.54        | \$ 117,128,376.12        |
| <b>Total</b>         | <b>\$ 229,533,777.25</b> | <b>\$ 238,742,344.31</b> | <b>\$ 240,336,450.77</b> | <b>\$ 253,110,505.56</b> |

# Monthly Plan Performance Update

STATE OF RHODE ISLAND - STATE OF RI (35835)

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

| Name                                       | Cumulative Total Returns |      |       |       | Average Annual Total Returns |       |       |      |       |
|--|--------------------------|------|-------|-------|------------------------------|-------|-------|------|-------|
|  | As of                    | 1 mo | 3 mo  | YTD   | As of                        | 1 yr  | 3 yr  | 5 yr | 10 yr |
| DOW JONES 30 INDUSTRIAL AVERAGE            | 03/31/2013               | 3.86 | 11.93 | 11.93 | 03/31/2013                   | 13.37 | 13.32 | 6.50 | 8.94  |
| NASDAQ COMPOSITE INDEX                     | 03/31/2013               | 3.49 | 8.51  | 8.51  | 03/31/2013                   | 7.40  | 12.25 | 8.70 | 10.31 |
| BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX | 03/31/2013               | 0.08 | -0.12 | -0.12 | 03/31/2013                   | 3.77  | 5.52  | 5.47 | 5.02  |
| RUSSELL 2000 INDEX                         | 03/31/2013               | 4.62 | 12.39 | 12.39 | 03/31/2013                   | 16.30 | 13.45 | 8.24 | 11.52 |
| STANDARD & POOR'S 500™ INDEX               | 03/31/2013               | 3.75 | 10.61 | 10.61 | 03/31/2013                   | 13.96 | 12.67 | 5.81 | 8.53  |

| 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 |
| <b>Stock Investments</b> |                          |      |       |       |                              |       |       |       |       |       |                        |                     |                |
| <b>Large Cap</b>         |                          |      |       |       |                              |       |       |       |       |       |                        |                     |                |
| FID CONTRAFUND           | 03/31/2013               | 3.69 | 9.18  | 9.18  | 03/31/2013                   | 10.41 | 12.68 | 6.27  | 10.89 | 12.30 | —                      | 0.74% on 03/01/2013 | 05/17/1967     |
| FID LARGE CAP STOCK      | 03/31/2013               | 3.94 | 10.79 | 10.79 | 03/31/2013                   | 15.66 | 12.86 | 7.20  | 8.72  | 7.52  | —                      | 1.03% on 06/29/2012 | 06/22/1995     |
| FID NEW MILLEN           | 03/31/2013               | 4.32 | 11.48 | 11.48 | 03/31/2013                   | 14.03 | 13.39 | 8.82  | 11.03 | 13.64 | —                      | 0.96% on 01/29/2013 | 12/28/1992     |
| INVS DIVRS DIVD INV      | 03/31/2013               | 4.98 | 12.78 | 12.78 | 03/31/2013                   | 20.07 | 12.37 | 7.87  | —     | 6.64  | —                      | 0.91% on 02/28/2013 | 07/15/2005     |
| SPTN 500 INDEX ADV       | 03/31/2013               | 3.75 | 10.60 | 10.60 | 03/31/2013                   | 13.91 | 12.63 | 5.80  | 8.48  | 9.68  | —                      | 0.07% on 01/01/2013 | 02/17/1988     |
| <b>Mid-Cap</b>           |                          |      |       |       |                              |       |       |       |       |       |                        |                     |                |
| FID LOW PRICED STK       | 03/31/2013               | 4.76 | 10.38 | 10.38 | 03/31/2013                   | 14.77 | 13.34 | 8.68  | 12.98 | 14.29 | 1.5% / 90days          | 0.88% on 09/29/2012 | 12/27/1989     |
| SPTN MID CAP IDX ADV     | 03/31/2013               | 4.24 | 12.96 | 12.96 | 03/31/2013                   | 17.22 | —     | —     | —     | 23.00 | .75% / 30days          | 0.22% on 01/01/2013 | 09/08/2011     |
| <b>Small Cap</b>         |                          |      |       |       |                              |       |       |       |       |       |                        |                     |                |
| SPTN SM CAP IDX ADV      | 03/31/2013               | 4.60 | 12.35 | 12.35 | 03/31/2013                   | 16.28 | —     | —     | —     | 23.96 | 1.5% / 90days          | 0.30% on 01/01/2013 | 09/08/2011     |
| <b>International</b>     |                          |      |       |       |                              |       |       |       |       |       |                        |                     |                |
| HARBOR INTL INV          | 03/31/2013               | 0.03 | 2.00  | 2.00  | 03/31/2013                   | 7.47  | 6.47  | 0.57  | 12.87 | 11.68 | —                      | 1.15% on 03/01/2013 | 11/01/2002     |
| SPTN INTL INDEX ADV      | 03/31/2013               | 1.25 | 4.29  | 4.29  | 03/31/2013                   | 11.30 | 5.17  | -0.69 | 9.70  | 4.69  | 1% / 90days            | 0.17% on 05/04/2012 | 11/05/1997     |

| 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 |
| <b>Blended Investments*</b>   |                          |      |       |       |                              |       |      |      |       |       |                        |                     |                |
| <b>Others</b>                 |                          |      |       |       |                              |       |      |      |       |       |                        |                     |                |
| FID FREEDOM K 2000            | 03/31/2013               | 0.75 | 1.86  | 1.86  | 03/31/2013                   | 4.84  | 5.30 | —    | —     | 7.70  | —                      | 0.39% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2005            | 03/31/2013               | 1.17 | 2.93  | 2.93  | 03/31/2013                   | 6.03  | 6.48 | —    | —     | 10.26 | —                      | 0.46% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2010            | 03/31/2013               | 1.59 | 3.96  | 3.96  | 03/31/2013                   | 7.53  | 7.53 | —    | —     | 11.42 | —                      | 0.50% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2015            | 03/31/2013               | 1.58 | 4.01  | 4.01  | 03/31/2013                   | 7.70  | 7.64 | —    | —     | 11.70 | —                      | 0.51% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2020            | 03/31/2013               | 1.67 | 4.41  | 4.41  | 03/31/2013                   | 8.17  | 8.00 | —    | —     | 12.83 | —                      | 0.54% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2025            | 03/31/2013               | 2.07 | 5.30  | 5.30  | 03/31/2013                   | 9.17  | 8.51 | —    | —     | 13.60 | —                      | 0.58% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2030            | 03/31/2013               | 2.19 | 5.61  | 5.61  | 03/31/2013                   | 9.46  | 8.54 | —    | —     | 14.04 | —                      | 0.59% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2035            | 03/31/2013               | 2.43 | 6.34  | 6.34  | 03/31/2013                   | 10.01 | 8.68 | —    | —     | 14.39 | —                      | 0.62% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2040            | 03/31/2013               | 2.42 | 6.40  | 6.40  | 03/31/2013                   | 10.04 | 8.66 | —    | —     | 14.54 | —                      | 0.62% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2045            | 03/31/2013               | 2.53 | 6.60  | 6.60  | 03/31/2013                   | 10.27 | 8.75 | —    | —     | 14.71 | —                      | 0.63% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2050            | 03/31/2013               | 2.59 | 6.73  | 6.73  | 03/31/2013                   | 10.26 | 8.70 | —    | —     | 14.80 | —                      | 0.64% on 05/30/2012 | 07/02/2009     |
| FID FREEDOM K 2055            | 03/31/2013               | 2.70 | 6.93  | 6.93  | 03/31/2013                   | 10.48 | —    | —    | —     | 5.85  | —                      | 0.64% on 05/30/2012 | 06/01/2011     |
| FID FREEDOM K INCOME          | 03/31/2013               | 0.74 | 1.84  | 1.84  | 03/31/2013                   | 4.77  | 5.20 | —    | —     | 7.51  | —                      | 0.39% on 05/30/2012 | 07/02/2009     |
| <b>Bond Investments</b>       |                          |      |       |       |                              |       |      |      |       |       |                        |                     |                |
| <b>Income</b>                 |                          |      |       |       |                              |       |      |      |       |       |                        |                     |                |
| PIMCO TOT RETURN ADM          | 03/31/2013               | 0.31 | 0.54  | 0.54  | 03/31/2013                   | 7.65  | 6.65 | 7.50 | 6.39  | 7.39  | —                      | 0.71% on 11/21/2012 | 09/08/1994     |
| SPTN US BOND IDX ADV          | 03/31/2013               | 0.10 | -0.06 | -0.06 | 03/31/2013                   | 3.85  | 5.44 | 5.28 | 4.78  | 6.84  | —                      | 0.17% on 01/01/2013 | 03/08/1990     |
| <b>Short-Term Investments</b> |                          |      |       |       |                              |       |      |      |       |       |                        |                     |                |
| <b>Others</b>                 |                          |      |       |       |                              |       |      |      |       |       |                        |                     |                |
| FID RETIRE MMKT               | 03/31/2013               | 0    | 0     | 0     | 03/31/2013                   | 0.01  | 0.01 | 0.52 | 1.80  | 3.75  | —                      | 0.42% on 10/30/2012 | 12/02/1988     |
| <b>Other Investments</b>      |                          |      |       |       |                              |       |      |      |       |       |                        |                     |                |
| <b>Others</b>                 |                          |      |       |       |                              |       |      |      |       |       |                        |                     |                |
| 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<sup>®</sup> Index is an unmanaged market capitalization-weighted index of the National Market System which includes over 5,000 stocks traded only over-the-counter and not on an exchange.

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

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

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

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

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

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

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

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

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

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

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

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# PERFORMANCE UPDATE

## ING Life Insurance and Annuity Company

### STATE OF RHODE ISLAND

**Average Annual Total Returns as of: 03/31/2013** (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 800-232-5422. Investment return and principal value of an investment will fluctuate so that, when sold, an investment may be worth more or less than the original cost.

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

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

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

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

| Investment Options                                     | Fund Benchmark ID (BM) | 1-Mo Fund | 1-Mo BM | 3-Mo Fund | 3-Mo BM | YTD Fund | YTD BM | 1-Yr Fund | 1-Yr BM | 3-Yr Fund | 3-Yr BM | 5-Yr Fund | 5-Yr BM | 10-Yr Fund | 10-Yr BM | Incept | Fund Inception Date | Gross Fund Exp %* | Net Fund Exp %* |
|--|------------------------|-----------|---------|-----------|---------|----------|--------|-----------|---------|-----------|---------|-----------|---------|------------|----------|--------|---------------------|-------------------|-----------------|
| <b>Stability of Principal</b>                          |                        |           |         |           |         |          |        |           |         |           |         |           |         |            |          |        |                     |                   |                 |
| <i>Stability of Principal</i>                          |                        |           |         |           |         |          |        |           |         |           |         |           |         |            |          |        |                     |                   |                 |
| ING Fixed Account - 457/401 (13)(14)                   | MFR                    | 0.25      | 0.00    | 0.73      | 0.00    | 0.73     | 0.00   | 2.99      | 0.02    | 3.24      | 0.03    | 3.46      | 0.35    | 3.96       | 1.53     |        |                     |                   |                 |
| <b>Bonds</b>   |                        |           |         |           |         |          |        |           |         |           |         |           |         |            |          |        |                     |                   |                 |
| <i>High Yield Bond</i>                                 |                        |           |         |           |         |          |        |           |         |           |         |           |         |            |          |        |                     |                   |                 |
| Prudential High Yield Fund, Inc. - Class Z             | BCUSHY2IC              | 0.91      | 1.02    | 2.74      | 2.89    | 2.74     | 2.89   | 11.80     | 13.08   | 10.71     | 11.20   | 10.89     | 11.75   | 9.59       | 10.11    |        | 03/01/1996          | 0.62              | 0.62            |
| <i>Inflation-Protected Bond</i>                        |                        |           |         |           |         |          |        |           |         |           |         |           |         |            |          |        |                     |                   |                 |
| PIMCO VIT Real Return Portfolio - Administrative Class | LBUSTIPS               | 0.57      | 0.28    | 0.31      | -0.36   | 0.31     | -0.36  | 7.65      | 5.68    | 9.11      | 8.57    | 6.70      | 5.89    | 6.65       | 6.32     |        | 09/30/1999          | 0.65              | 0.65            |
| <i>Intermediate-Term Bond</i>                          |                        |           |         |           |         |          |        |           |         |           |         |           |         |            |          |        |                     |                   |                 |



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| Investment Options  | Fund Benchmark ID (BM) | 1-Mo |      | 3-Mo  |       | YTD   |       | 1-Yr  |       | 3-Yr  |       | 5-Yr  |      | 10-Yr |       | Incept | Fund Inception Date | Gross Fund Exp %* | Net Fund Exp %* |
|---|------------------------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|-------|--------|---------------------|-------------------|-----------------|
|   |                        | Fund | BM   | Fund  | BM    | Fund  | BM    | Fund  | BM    | Fund  | BM    | Fund  | BM   | Fund  | BM    |        |                     |                   |                 |
| <b>Asset Allocation</b>                                     |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| <i>Lifecycle</i>  |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| ING Solution 2015 Portfolio - Adviser Class (1)             | SPT2015                | 1.31 | 1.67 | 3.39  | 4.46  | 3.39  | 4.46  | 7.04  | 8.02  | 6.91  | 8.14  | 3.28  | 4.84 |       |       | 4.22   | 04/29/2005          | 1.39              | 1.28            |
| ING Solution 2015 Portfolio - Initial Class (2)             | SPT2015                | 1.37 | 1.67 | 3.50  | 4.46  | 3.50  | 4.46  | 7.56  | 8.02  | 7.42  | 8.14  | 3.80  | 4.84 |       |       | 4.75   | 04/29/2005          | 0.89              | 0.78            |
| ING Solution 2025 Portfolio - Initial Class (3)             | SPT2025                | 1.98 | 2.14 | 5.29  | 5.81  | 5.29  | 5.81  | 8.87  | 9.44  | 8.55  | 9.03  | 3.59  | 4.91 |       |       | 4.73   | 04/29/2005          | 0.97              | 0.86            |
| ING Solution 2035 Portfolio - Initial Class (4)             | SP2035                 | 2.31 | 2.47 | 6.39  | 6.78  | 6.39  | 6.78  | 9.62  | 10.55 | 9.04  | 9.59  | 3.61  | 4.67 |       |       | 4.97   | 04/29/2005          | 1.03              | 0.92            |
| ING Solution 2045 Portfolio - Initial Class (5)             | SP2045                 | 2.51 | 2.67 | 7.04  | 7.33  | 7.04  | 7.33  | 10.06 | 11.36 | 9.37  | 9.93  | 3.33  | 4.46 |       |       | 5.04   | 04/29/2005          | 1.04              | 0.93            |
| ING Solution 2055 Portfolio - Initial Class (6)             | SP2045                 | 2.52 | 2.67 | 7.07  | 7.33  | 7.07  | 7.33  | 10.05 | 11.36 | 9.39  | 9.93  |       |      |       |       | 9.97   | 03/08/2010          | 1.04              | 0.93            |
| ING Solution Income Portfolio - Initial Class (7)           | SPTREIN                | 1.24 | 1.06 | 2.97  | 2.73  | 2.97  | 2.73  | 7.03  | 6.35  | 6.78  | 6.93  | 4.46  | 4.42 |       |       | 4.81   | 04/29/2005          | 0.83              | 0.72            |
| <b>Balanced</b>   |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| <i>Moderate Allocation</i>                                  |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| ING T. Rowe Price Capital Appreciation Portfolio - Inst (8) | SPXLBGC                | 2.51 | 2.27 | 7.59  | 6.23  | 7.59  | 6.23  | 12.70 | 10.28 | 11.20 | 10.24 | 7.99  | 6.09 | 10.75 | 7.40  |        | 01/24/1989          | 0.65              | 0.65            |
| <b>Large Cap Value</b>                                      |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| <i>Large Blend</i>  |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| ING Growth and Income Portfolio - Class I                   | SPXRE                  | 3.14 | 3.75 | 8.56  | 10.61 | 8.56  | 10.61 | 10.94 | 13.96 | 10.86 | 12.67 | 5.40  | 5.81 | 8.17  | 8.53  |        | 12/31/1979          | 0.58              | 0.58            |
| ING U.S. Stock Index Portfolio - Institutional Class        | SPXRE                  | 3.76 | 3.75 | 10.52 | 10.61 | 10.52 | 10.61 | 13.76 | 13.96 | 12.40 | 12.67 | 5.57  | 5.81 |       | 5.91  |        | 05/03/2004          | 0.26              | 0.26            |
| <i>Large Value</i>  |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| BlackRock Equity Dividend Fund - Institutional Shares       | SPXRE                  | 2.86 | 3.75 | 8.43  | 10.61 | 8.43  | 10.61 | 12.59 | 13.96 | 12.00 | 12.67 | 5.21  | 5.81 | 10.72 | 8.53  |        | 11/29/1988          | 0.72              | 0.72            |
| <b>Large Cap Growth</b>                                     |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| <i>Large Growth</i>   |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| ING Large Cap Growth Portfolio - Institutional Class (9)    | RS1000G                | 3.40 | 3.75 | 8.92  | 9.54  | 8.92  | 9.54  | 10.18 | 10.08 | 13.49 | 13.06 | 11.75 | 7.30 |       |       | 8.34   | 05/03/2004          | 0.69              | 0.60            |
| <b>Small/Mid/Specialty</b>                                  |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| <i>Mid-Cap Blend</i>  |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| ING Russell Mid Cap Index Portfolio - Class I               | RSMID                  | 4.23 | 4.25 | 12.85 | 12.96 | 12.85 | 12.96 | 17.06 | 17.30 | 14.33 | 14.62 | 8.06  | 8.37 |       |       | 8.74   | 03/04/2008          | 0.45              | 0.43            |
| <i>Mid-Cap Growth</i>                                       |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| Principal MidCap Blend Fund - R-5 Class Shares              | RSMID                  | 4.05 | 4.25 | 12.12 | 12.96 | 12.12 | 12.96 | 19.80 | 17.30 | 18.40 | 14.62 | 10.75 | 8.37 | 12.73 | 12.27 |        | 12/06/2000          | 0.89              | 0.89            |
| <i>Small Blend</i>  |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| ING Russell Small Cap Index Portfolio - Class I (10)        | RS2000                 | 4.71 | 4.62 | 12.44 | 12.39 | 12.44 | 12.39 | 16.24 | 16.30 | 13.41 | 13.45 | 8.01  | 8.24 |       |       | 9.32   | 03/04/2008          | 0.48              | 0.46            |
| ING Small Company Portfolio - Class I                       | RS2000                 | 4.28 | 4.62 | 11.72 | 12.39 | 11.72 | 12.39 | 13.54 | 16.30 | 12.57 | 13.45 | 8.24  | 8.24 | 11.88 | 11.52 |        | 12/27/1996          | 0.86              | 0.86            |
| <b>Global / International</b>                               |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| <i>Foreign Large Blend</i>                                  |                        |      |      |       |       |       |       |       |       |       |       |       |      |       |       |        |                     |                   |                 |
| American Funds EuroPacific Growth Fund - Class R-4 (11)     | MSCIACEU               | 0.51 | 0.25 | 2.84  | 3.27  | 2.84  | 3.27  | 9.20  | 8.87  | 4.77  | 4.87  | 0.81  | 0.07 | 11.45 | 11.41 |        | 04/16/1984          | 0.85              | 0.85            |

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| Investment Options                               | Fund Benchmark ID (BM) | 1-Mo |      | 3-Mo |      | YTD  |      | 1-Yr  |       | 3-Yr |      | 5-Yr  |       | 10-Yr |      | Fund Inception Date | Gross Fund Exp %* | Net Fund Exp %* |        |
|--|------------------------|------|------|------|------|------|------|-------|-------|------|------|-------|-------|-------|------|---------------------|-------------------|-----------------|--------|
|  |                        | Fund | BM   | Fund | BM   | Fund | BM   | Fund  | BM    | Fund | BM   | Fund  | BM    | Fund  | BM   |                     |                   |                 | Incept |
| ING International Index Portfolio - Class I (12) | MSCIEAFE               | 1.49 | 0.88 | 4.37 | 5.23 | 4.37 | 5.23 | 11.31 | 11.79 | 5.18 | 5.49 | -0.97 | -0.40 |       |      | -0.37               | 03/04/2008        | 0.57            | 0.51   |
| <b>World Stock</b>                               |                        |      |      |      |      |      |      |       |       |      |      |       |       |       |      |                     |                   |                 |        |
| ING Oppenheimer Global Portfolio - Initial Class | MSCIAC                 | 1.64 | 1.88 | 7.10 | 6.63 | 7.10 | 6.63 | 14.38 | 11.19 | 9.51 | 8.35 | 5.23  | 2.63  | 10.37 | 9.92 |                     | 05/01/2002        | 0.75            | 0.75   |

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

### STATE OF RHODE ISLAND

#### Separate Account D

**Average Annual Total Returns as of: 03/31/2013** (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 800-232-5422. Investment return and principal value of an investment will fluctuate so that, when sold, an investment may be worth more or less than the original cost.**

These numbers reflect total Separate Account charges of 0.25% 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 |
|---|------|------|------|-------|-------|-------|-------|--------|---------------------|
| <b>Stability of Principal</b>   |      |      |      |       |       |       |       |        |                     |
| <i>Stability of Principal</i>   |      |      |      |       |       |       |       |        |                     |
| ING Fixed Account - 457/401 (13)(14)<br><i>This fund is not part of the product's separate account.</i> | 0.25 | 0.73 | 0.73 | 2.99  | 3.24  | 3.46  | 3.96  |        |                     |
| <b>Bonds</b>  |      |      |      |       |       |       |       |        |                     |
| <i>High Yield Bond</i>  |      |      |      |       |       |       |       |        |                     |
| Prudential High Yield Fund, Inc. - Class Z  | 0.89 | 2.68 | 2.68 | 11.50 | 10.42 | 10.60 | 9.31  |        | 03/01/1996          |
| <i>Inflation-Protected Bond</i>   |      |      |      |       |       |       |       |        |                     |
| PIMCO VIT Real Return Portfolio - Administrative Class  | 0.55 | 0.25 | 0.25 | 7.38  | 8.84  | 6.43  | 6.38  |        | 09/30/1999          |
| <i>Intermediate-Term Bond</i>   |      |      |      |       |       |       |       |        |                     |

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| <b>Investment Options</b>                                   | <b>1-Mo</b> | <b>3-Mo</b> | <b>YTD</b> | <b>1-Yr</b> | <b>3-Yr</b> | <b>5-Yr</b> | <b>10-Yr</b> | <b>Incept</b> | <b>Fund Inception Date</b> |
|---|-------------|-------------|------------|-------------|-------------|-------------|--------------|---------------|----------------------------|
| ING Intermediate Bond Portfolio - Class I                   | 0.13        | 0.63        | 0.63       | 7.45        | 7.73        | 5.65        | 4.88         |               | 05/23/1973                 |
| ING U.S. Bond Index Portfolio - Class I                     | 0.07        | -0.24       | -0.24      | 3.12        | 4.79        | 4.84        |              | 4.95          | 03/04/2008                 |
| <b>Asset Allocation</b>                                     |             |             |            |             |             |             |              |               |                            |
| <i>Lifecycle</i>  |             |             |            |             |             |             |              |               |                            |
| ING Solution 2015 Portfolio - Adviser Class (1)             | 1.29        | 3.33        | 3.33       | 6.78        | 6.64        | 3.03        |              | 3.96          | 04/29/2005                 |
| ING Solution 2015 Portfolio - Initial Class (2)             | 1.35        | 3.44        | 3.44       | 7.29        | 7.15        | 3.54        |              | 4.49          | 04/29/2005                 |
| ING Solution 2025 Portfolio - Initial Class (3)             | 1.96        | 5.22        | 5.22       | 8.60        | 8.28        | 3.33        |              | 4.47          | 04/29/2005                 |
| ING Solution 2035 Portfolio - Initial Class (4)             | 2.29        | 6.33        | 6.33       | 9.35        | 8.76        | 3.35        |              | 4.71          | 04/29/2005                 |
| ING Solution 2045 Portfolio - Initial Class (5)             | 2.49        | 6.98        | 6.98       | 9.79        | 9.09        | 3.08        |              | 4.78          | 04/29/2005                 |
| ING Solution 2055 Portfolio - Initial Class (6)             | 2.50        | 7.00        | 7.00       | 9.77        | 9.12        |             |              | 9.69          | 03/08/2010                 |
| ING Solution Income Portfolio - Initial Class (7)           | 1.22        | 2.91        | 2.91       | 6.76        | 6.51        | 4.20        |              | 4.55          | 04/29/2005                 |
| <b>Balanced</b>   |             |             |            |             |             |             |              |               |                            |
| <i>Moderate Allocation</i>                                  |             |             |            |             |             |             |              |               |                            |
| ING T. Rowe Price Capital Appreciation Portfolio - Inst (8) | 2.49        | 7.52        | 7.52       | 12.42       | 10.93       | 7.72        | 10.47        |               | 01/24/1989                 |
| <b>Large Cap Value</b>                                      |             |             |            |             |             |             |              |               |                            |
| <i>Large Blend</i>  |             |             |            |             |             |             |              |               |                            |
| ING Growth and Income Portfolio - Class I                   | 3.12        | 8.49        | 8.49       | 10.66       | 10.59       | 5.14        | 7.90         |               | 12/31/1979                 |
| ING U.S. Stock Index Portfolio - Institutional Class        | 3.74        | 10.46       | 10.46      | 13.48       | 12.12       | 5.30        |              | 5.65          | 05/03/2004                 |
| <i>Large Value</i>  |             |             |            |             |             |             |              |               |                            |
| BlackRock Equity Dividend Fund - Institutional Shares       | 2.84        | 8.36        | 8.36       | 12.32       | 11.72       | 4.94        | 10.44        |               | 11/29/1988                 |
| <b>Large Cap Growth</b>                                     |             |             |            |             |             |             |              |               |                            |
| <i>Large Growth</i>   |             |             |            |             |             |             |              |               |                            |
| ING Large Cap Growth Portfolio - Institutional Class (9)    | 3.38        | 8.85        | 8.85       | 9.91        | 13.20       | 11.47       |              | 8.07          | 05/03/2004                 |
| <b>Small/Mid/Specialty</b>                                  |             |             |            |             |             |             |              |               |                            |
| <i>Mid-Cap Blend</i>  |             |             |            |             |             |             |              |               |                            |
| ING Russell Mid Cap Index Portfolio - Class I               | 4.21        | 12.78       | 12.78      | 16.77       | 14.04       | 7.79        |              | 8.47          | 03/04/2008                 |
| <i>Mid-Cap Growth</i>                                       |             |             |            |             |             |             |              |               |                            |
| Principal MidCap Blend Fund - R-5 Class Shares              | 4.03        | 12.06       | 12.06      | 19.50       | 18.11       | 10.47       | 12.45        |               | 12/06/2000                 |
| <i>Small Blend</i>  |             |             |            |             |             |             |              |               |                            |
| ING Russell Small Cap Index Portfolio - Class I (10)        | 4.69        | 12.37       | 12.37      | 15.95       | 13.12       | 7.74        |              | 9.05          | 03/04/2008                 |
| ING Small Company Portfolio - Class I                       | 4.26        | 11.65       | 11.65      | 13.26       | 12.29       | 7.97        | 11.60        |               | 12/27/1996                 |
| <b>Global / International</b>                               |             |             |            |             |             |             |              |               |                            |
| <i>Foreign Large Blend</i>                                  |             |             |            |             |             |             |              |               |                            |
| American Funds EuroPacific Growth Fund - Class R-4 (11)     | 0.49        | 2.78        | 2.78       | 8.93        | 4.51        | 0.56        | 11.17        |               | 04/16/1984                 |
| ING International Index Portfolio - Class I (12)            | 1.47        | 4.31        | 4.31       | 11.03       | 4.92        | -1.21       |              | -0.62         | 03/04/2008                 |
| <i>World Stock</i>  |             |             |            |             |             |             |              |               |                            |

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| <b>Investment Options</b>                        | <b>1-Mo</b> | <b>3-Mo</b> | <b>YTD</b> | <b>1-Yr</b> | <b>3-Yr</b> | <b>5-Yr</b> | <b>10-Yr</b> | <b>Incept</b> | <b>Fund Inception Date</b> |
|--|-------------|-------------|------------|-------------|-------------|-------------|--------------|---------------|----------------------------|
| ING Oppenheimer Global Portfolio - Initial Class | 1.62        | 7.04        | 7.04       | 14.10       | 9.24        | 4.97        | 10.10        |               | 05/01/2002                 |

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

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

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

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

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

#### **Additional Notes**

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.

(1)ING Solution 2015 Portfolio - Adviser Class: The adviser is contractually obligated to limit expenses to 0.62% through May 1, 2013; 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.

(2)ING Solution 2015 Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; 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.

(3)ING Solution 2025 Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; 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 Solution 2035 Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; 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 Solution 2045 Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; 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.

(6)ING Solution 2055 Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; 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.

(7)ING Solution Income Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; 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.

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**Additional Notes**

(8)The ING T. Rowe Price Capital Appreciation - 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 T.Rowe Price Capital Appreciation Portfolio - Inst. Class prior to May 1, 2003 is based upon the Service Class performance, NOT adjusted by fees associated with the Inst. Class.

(9)ING Large Cap Growth Portfolio - Institutional Class: The adviser is contractually obligated to limit expenses to 0.60% 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.

(10)ING Russell Small Cap Index Portfolio - Class I: The adviser is contractually obligated to limit expenses to 0.45% through May 1, 2013; 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.

(11)EuroPacific Growth Fund - Class R-4 commenced operations on May 15, 2002. Class R-4 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 May 15, 2002 is based upon the Class A performance adjusted by the fee differences between classes.

(12)ING International Index Portfolio - Class I: The adviser is contractually obligated to limit expenses to 0.50% through May 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 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.

(13)The CURRENT rate for the ING Fixed Account - 457/401 Base+110 is 3.00%, expressed as an annual effective yield, and is guaranteed not to drop below 3.00% through 12/31/2013. 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.

(14)The Investment Option is neither a mutual fund nor part of a Separate Account. The returns listed do not include the impact of contract charges. Please refer to the contract or disclosure book to determine which Fixed Interest Options are available for your specific plan. The Investment Option is offered through ING Life and Insurance Annuity Company.

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

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

| <b>Benchmark ID</b> | <b>Benchmark Description</b>  |
|---------------------|---|
| BCUSHY2IC           | The Barclays Capital U.S. Corporate High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Barclays Capital U.S. Corporate High Yield Index, which covers the U.S. dollar-denominated, non-investment grade fixed-rate, taxable corporate bond market. Please note that indexes are unmanaged and their returns do not take into account any of the fees and expenses of the mutual funds to which they are compared. Individuals cannot invest directly in any index.  |
| LBUSTIPS            | The Barclays Capital US Treasury: US TIPS Index is an unmanaged market index comprised of all U.S. Treasury Inflation Protected Securities rated investment grade (Baa3 or better), have at least one year to final maturity, and at least \$250 million par amount outstanding. Please note that indexes are unmanaged and their returns do not take into account any of the fees and expenses of the mutual funds to which they are compared. Individuals cannot invest directly in any index.  |
| LEHM                | The Barclays Capital U.S. Aggregate Index is an unmanaged index composed of securities from the Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index, and the Asset-Backed Securities Index, including securities that are of investment-grade quality or better and have at least one year to maturity. Please note that indexes are unmanaged and their returns do not take into account any of the fees and expenses of the funds to which they are compared. Individuals cannot invest directly in any index. |
| MFR                 | The MFR Money Market Index is comprised of returns which are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by iMoney.net, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.  |
| MSCIAC              | The Morgan Stanley Capital International (MSCI) All Country World Index is a broad-based unmanaged index of developed country and emerging market equities.   |
| MSCIACEU            | The Morgan Stanley Capital International (MSCI) All Country World ex-U.S. Index is an unmanaged index that measures the returns of equities of companies which are domiciled outside the U.S. Please note that indexes are unmanaged and their returns do not take into account any of the fees and expenses of the mutual funds to which they are compared. Individuals cannot invest directly in any index.   |



See Performance Introduction Page for Important Information

| <b>Benchmark ID</b> | <b>Benchmark Description</b>   |
|---------------------|--|
| 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. Please note that indexes are unmanaged and their returns do not take into account any of the fees and expenses of the mutual funds to which they are compared. Individuals cannot invest directly in any index. |
| RS1000G             | The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Growth 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.   |
| RSMID               | The Russell Mid-Cap Index consists of the smallest 800 companies in the Russell 1000 Index, which represents approximately 35% of the Russell 1000 total market capitalization. The Russell Mid-Cap returns assume reinvestment of all dividends.  |
| SP2035              | S&P Target Date 2035 Index   |
| SP2045              | S&P Target Date 2045 Index   |
| SPT2015             | S&P Target Date 2015 Index   |
| SPT2025             | S&P Target Date 2025 Index   |
| SPTREIN             | S&P Target Date Retirement Income Index  |
| SPXLBGC             | 60% S&P 500/40% Barclays Capital Corp/Gov Bond Index: 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 (Barclays Capital Gov't Corp. 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.   |

The information is current as of 03/31/2013.

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   |
|---|------------|---------------|---------------|---------------|----------------|-----------------|---------------|------------|
| <b>Domestic Equity</b>                                      |            |               |               |               |                |                 |               |            |
| <b>Domestic Large Cap Equity</b>                            |            |               |               |               |                |                 |               |            |
| <i>Large Cap Value</i>                                      |            |               |               |               |                |                 |               |            |
| Dividend Value Fund (Black Rock/SunAmerica)                 | 10.57      | 14.54         | 12.72         | 4.62          | 7.29           | 7.29            | 1.76          | 12/8/2000  |
| Vanguard Windsor II Fund                                    | 10.04      | 13.38         | 10.20         | 4.68          | 8.21           | 8.21            | 1.40          | 6/24/1985  |
| <i>Large Cap Blend</i>                                      |            |               |               |               |                |                 |               |            |
| Core Equity Fund (Black Rock)                               | 10.12      | 10.09         | 9.11          | 3.68          | 5.61           | 5.61            | 1.88          | 4/29/1994  |
| Stock Index Fund (SunAmerica)                               | 10.29      | 12.66         | 11.40         | 4.64          | 7.32           | 7.32            | 1.17          | 4/20/1987  |
| <i>Large Cap Growth</i>                                     |            |               |               |               |                |                 |               |            |
| Growth Fund (American Century)                              | 8.19       | 6.33          | 10.97         | 5.26          | 3.68           | 3.68            | 1.67          | 12/5/2005  |
| Large Capital Growth Fund (SunAmerica/Invesco)              | 7.26       | 2.03          | 6.94          | 2.94          | 3.14           | 3.14            | 1.58          | 12/20/2004 |
| <b>Domestic Mid Cap Equity</b>                              |            |               |               |               |                |                 |               |            |
| <i>Mid Cap</i>  |            |               |               |               |                |                 |               |            |
| Mid Cap Strategic Growth Fund (RCM/MorganStanley)           | 10.76      | 3.12          | 9.57          | 4.06          | 5.86           | 5.86            | 1.67          | 12/20/2004 |
| <b>Global Equity</b>  |            |               |               |               |                |                 |               |            |
| Global Social Awareness Fund (PineBridge Investments)       | 7.54       | 12.00         | 7.95          | 1.90          | 5.95           | 5.95            | 1.48          | 10/2/1989  |
| Emerging Economies (formerly Global Equity) Fund (JPMorgan) | -0.67      | 1.52          | 3.09          | -2.69         | 0.16           | 0.16            | 1.84          | 12/5/2005  |
| <b>International Equity</b>                                 |            |               |               |               |                |                 |               |            |
| Foreign Value Fund (Templeton Global)                       | 0.03       | 5.52          | 2.88          | -0.43         | 2.27           | 2.27            | 1.63          | 12/5/2005  |
| <b>Specialty</b>  |            |               |               |               |                |                 |               |            |
| Science & Technology Fund (T. Rowe/RCM/Wellington)          | 7.19       | -0.24         | 9.36          | 6.92          | 8.26           | 8.26            | 1.82          | 4/29/1994  |
| <b>Hybrid</b>   |            |               |               |               |                |                 |               |            |
| <i>Balanced</i>   |            |               |               |               |                |                 |               |            |
| Dynamic Allocation (AllBr/SnAm)                             | 6.31       | N/A           | N/A           | N/A           | N/A            | N/A             | 1.12          | 12/19/2012 |
| Vanguard Wellington Fund                                    | 6.78       | 10.88         | 9.07          | 5.42          | 8.17           | 8.17            | 1.35          | 7/1/1929   |
| <b>Fixed Income</b>   |            |               |               |               |                |                 |               |            |
| <i>Investment Grade</i>                                     |            |               |               |               |                |                 |               |            |
| Vanguard Long-Term Investment-Grade Fund                    | -0.80      | 9.61          | 11.44         | 9.15          | 6.53           | 6.53            | 1.02          | 7/9/1973   |
| Vanguard Long-Term Treasury Fund                            | -2.21      | 6.68          | 11.36         | 7.27          | 6.20           | 6.20            | 1.00          | 5/19/1986  |
| <i>International</i>  |            |               |               |               |                |                 |               |            |
| International Government Bond Fund (PineBridge Investments) | -2.87      | 2.72          | 4.99          | 3.86          | 5.85           | 5.85            | 1.47          | 10/1/1991  |
| <i>Stable Value</i>   |            |               |               |               |                |                 |               |            |
| Money Market I Fund (SunAmerica)                            | -0.19      | -0.78         | -0.79         | -0.45         | 0.76           | 0.76            | 1.32          | 1/16/1986  |
| 7-Day current yield at 30-Sep-2009: -0.79                   |            |               |               |               |                |                 |               |            |
| Fixed Account Plus  | 2.35       | 2.52          | 3.10          | 3.39          | 4.13           | 4.13            |               | 1/1/1982   |
| Short Term Fixed Account                                    | 1.00       | 1.00          | 1.25          | 1.90          | 2.45           | 2.45            |               | 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.

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### OPEB Trust



# Total Performance Summary

Report ID: IPM0005

Reporting Currency: USD

## TOTAL NET OF FEES

3/31/2013

### Annualized

| Account Name<br>Benchmark Name                | Market<br>Value     | % of Total   | Month       | Fiscal YTD  | 1 Year      | 3 Years | 5 Years | 10 Years | ITD         | Inception<br>Date |
|---|---------------------|--------------|-------------|-------------|-------------|---------|---------|----------|-------------|-------------------|
| BROWN BROS HARR                               | 34,095,735.7        | 56.7         | 0.02        | 2.99        | 5.14        |         |         |          | 6.24        | 7/1/2011          |
| <i>Barclays U.S. Aggregate Bond<br/>Index</i> |                     |              | 0.08        | 1.68        | 3.77        |         |         |          | 5.20        | 7/1/2011          |
| SSGA S&P 500 INDX                             | 26,004,694.7        | 43.3         | 3.59        | 16.94       | 13.72       |         |         |          | 12.40       | 5/1/2011          |
| <i>S&amp;P 500 - Total Return Index</i>       |                     |              | 3.75        | 17.19       | 13.96       |         |         |          | 10.04       | 5/1/2011          |
| <b>Total OPEB</b>                             | <b>60,100,430.4</b> | <b>100.0</b> | <b>1.33</b> | <b>7.77</b> | <b>8.15</b> |         |         |          | <b>8.43</b> | <b>5/1/2011</b>   |
| <i>OPEB Custom Blend</i>                      |                     |              | 1.36        | 6.95        | 7.21        |         |         |          | 5.63        | 5/1/2011          |

END NOTES

3/31/2013

1 RI7GX0903OPE OPEB Custom Blend

65% Barclays Aggregate and 35% S&P 500



Total Performance Summary

Report ID: IPM0005

Reporting Currency: USD

TOTAL NET OF FEES

3/31/2013

| Account Name<br>Benchmark Name                | Market<br>Value     | % of Total   | YTD         | Month       | Cumulative              |                         |             | 2012 | 2011 | 2010 | Inception<br>Date |
|---|---------------------|--------------|-------------|-------------|-------------------------|-------------------------|-------------|------|------|------|-------------------|
|   |                     |              |             |             | 2/1/2013 -<br>2/28/2013 | 1/1/2013 -<br>1/31/2013 |             |      |      |      |                   |
| BROWN BROS HARR                               | 34,095,735.7        | 56.7         | 0.13        | 0.02        | 0.55                    | -0.44                   | 6.54        |      |      |      | 7/1/2011          |
| <i>Barclays U.S. Aggregate Bond<br/>Index</i> |                     |              | -0.12       | 0.08        | 0.50                    | -0.70                   | 4.21        |      |      |      | 7/1/2011          |
| SSGA S&P 500 INDX                             | 26,004,694.7        | 43.3         | 10.41       | 3.59        | 1.35                    | 5.16                    | 15.96       |      |      |      | 5/1/2011          |
| <i>S&amp;P 500 - Total Return Index</i>       |                     |              | 10.61       | 3.75        | 1.36                    | 5.18                    | 16.00       |      |      |      | 5/1/2011          |
| <b>Total OPEB</b>                             | <b>60,100,430.4</b> | <b>100.0</b> | <b>3.75</b> | <b>1.33</b> | <b>0.85</b>             | <b>1.52</b>             | <b>9.74</b> |      |      |      | <b>5/1/2011</b>   |
| <i>OPEB Custom Blend</i>                      |                     |              | 3.56        | 1.36        | 0.80                    | 1.36                    | 8.30        |      |      |      | 5/1/2011          |

## END NOTES

3/31/2013

- |   |              |                   |  |
|---|--------------|-------------------|--|
| 1 | RI7G10000000 | Total OPEB        | YTD - Calendar Year to Date<br>Month - Current Month<br>Cumulative Months - Prior Month and Second Prior Month |
| 2 | RI7GX0903OPE | OPEB Custom Blend | 2011, 2010, 2009 - Calendar Years<br>65% Barclays Aggregate and 35% S&P 500                                    |