

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
September 30, 2012**

**October 24, 2012
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

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, October 24, 2012 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 September 26, 2012*
 - State Investment Commission Meeting held on October 10, 2012*
- Alternative Consultant — EnCap Energy Capital Fund IX Recommendation*
- HF Monitoring Process
- Risk Management Discussion
- Legal Counsel Report
- Chief Investment Officer Report
- Treasurer's Report

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

POSTED ON FRIDAY, OCTOBER 19, 2012

APPROVAL OF MINUTES



**State Investment Commission
Monthly Meeting Minutes
Wednesday, September 26, 2012
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, September 26, 2012 in Room 135, State House.

I. Roll Call of Members

The following members were present: Ms. Rosemary Booth Gallogly, Mr. J. Michael Costello, Mr. Robert Giudici, Ms. Paula McNamara, Mr. Andrew Reilly, General Treasurer Gina Raimondo and Mr. Frank Karpinski. The committee respects and recognizes Ms. Reback was absent due to Yom Kippur.

Also in attendance: Mr. Thomas Lynch of Cliffwater, Alternative Investment Consultant to the Commission; Mr. Allan Emkin and Mr. John Burns, of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Ms. Sally Dowling, of Adler Pollock Legal Counsel to the Commission; Kenneth Goodreau, chief investment officer and members of the Governor's, Treasurer's and Auditor General's staff.

Treasurer Raimondo called the meeting to order at 9:03 a.m.

II. Approval of Minutes

On a motion by Ms. Booth Gallogly and seconded by Mr. Reilly, it was unanimously **VOTED: To approve the draft of the minutes of the August 22, 2012 meeting of the State Investment Commission.**

III. General Consultant Fixed Income Update

Mr. Burns updated the board on the core manager hirings and explained the guidelines and contracts are being negotiated. Treasury is currently working with a transition manager to execute and Mr. Goodreau and Mr. Kem Edwards, from Treasury, then gave an update on the specifics on timeline and logistics of the transition.

Treasurer Raimondo explained PCA and Treasury staff will create a timeline for the remainder of the fixed income transition.

IV. Legal Counsel Report

There was no legal update.

V. CIO Report

Mr. Goodreau gave an update on performance and explained some upcoming changes in reporting performance. He explained our performance relative to the benchmark is good, but volatility is down and this is especially important when the fund has negative cash flows to pay benefits. All our volatility numbers in the past five years have been dramatically reduced. He said the plan's costs are around the median when compared to other state's plans. He elaborated, when compared to similar risk-averse states with higher alternatives exposure their average fees are much higher than ERSRI's. In conclusion, the portfolio is hitting its benchmark while reducing risk and volatility in a relatively cost-efficient manner.

Ms. Booth Gallogly asked about the best page to analyze the hedge funds and Mr. Goodreau pointed her to the Cliffwater performance reports and then analyzed them.

Mr. Lynch gave a brief update on the overall hedge fund portfolio and explained it is beating the hedge fund benchmark with a third less risk. The portfolio is producing half the return of the equity market with about 20% of the volatility.

Mr. Costello reiterated, while competitive returns are important, lowering risk and the standard deviation is also very important because of the plan's liquidity issues.

Mr. Emkin stated the equity and bond markets have done extremely well recently.

The committee discussed best practices on how to analyze the hedge fund portfolio and Treasurer Raimondo recommended Cliffwater present next meeting on how the hedge fund portfolio is being monitored.

VI. Treasurer's Report

Treasurer Raimondo explained the custody transition is going very well and gave a brief update.

Separately, she also mentioned TIAA-CREF opened their Providence Office last week with about 10 full-time employees.

VII. Adjournment

There being no other business to come before the Board, on a motion by Mr. Costello and seconded by Ms. McNamara the meeting adjourned at 9:27 a.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer



State Investment Commission

Monthly Meeting Minutes

Wednesday, October 10, 2012

9:00 a.m.

Room 135, State House

The Interim Meeting of the State Investment Commission (SIC) was called to order at 9:06 a.m., Wednesday, October 10, 2012 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 and General Treasurer Gina Raimondo.

Also in attendance: Mr. Allan Emkin and Mr. John Burns, of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Ms. Sally Dowling, of Adler Pollock Legal Counsel to the Commission; Kenneth Goodreau, chief investment officer and members of the Governor's, Treasurer's and Auditor General's staff.

Treasurer Raimondo called the meeting to order at 9:06 a.m.

II. General Consultant Risk Management Presentation

Treasurer Raimondo thanked everyone for making the effort to come to an interim meeting. The Treasurer explained how PCA came to her and suggested the committee take some time to think about the possibility of a negative market correction, with the focus on the US equity market. The Treasurer explained she did not want to make any decisions without full input from the board.

Treasurer Raimondo then introduced Mr. Emkin to discuss the concepts of risk management and possible methods on which to mitigate risk.

Mr. Emkin explained aspects of the current climate are unprecedented and explained as consultants, PCA does not take this unique situation lightly. He said the board has already systematically addressed a variety of risks, but there is still a significant exposure to growth and equity risk.

Mr. Emkin explained the risks of the general market environment and pointed out the more unfunded a plan is the more disastrous a big negative return could be, because you won't have the ability to recuperate losses. It would be prudent to avoid this situation if possible.

Ms. McNamara asked what has changed in the last few months to warrant this. Mr. Emkin cited a confluence of the recent run-up of the equity markets, general market risk and further that the pricing of these risk-mitigating methods is currently low, because perceived volatility is also low.

Mr. Costello mentioned we have already taken certain measures to mitigate risk and the board would have to strategically time the policy change which is extremely difficult.

Mr. Emkin reiterated the difference between a relative return and absolute return investor. He explained, in his estimation, this board has made a conscious decision to be more concerned about preservation of principal.

Mr. Goodreau explained managing a lot of risk in the markets is out of the board's control, but it is important the board defines what level of risk is prudent.

Treasurer Raimondo elaborated; we are managing someone's pension dollars, not an endowment. The portfolio has still not made up from the loss in 2008 and as the chair of the committee, she is more concerned about not losing people's retirement money than capitalizing on the upside.

Mr. Costello said we should price it out and then make a decision. His main concern is hitting our 7.5% number over a five to ten year timeframe. The Treasurer agreed.

Mr. Reilly asked how broad this protection will go and how does the board make sure it's in the right area. Mr. Emkin said there are a variety of risks, but there is no question the largest single risk in the portfolio is growth risk which is directly related to equity, U.S. equity in particular. He explained the best situation of all is if you don't have to use the insurance policy. Mr. Goodreau mentioned all of our equity is in a passive mandate at very little cost. Only a few years ago, these were active mandates where we paid for active protection against the downside. He explained, though it has a cost, a hedge would be a more effective way to protect against downside than active managers.

Mr. Costello applauded PCA and the Treasurer for having this conversation, but he was concerned about implicitly timing the market. He said the portfolio might have a hard time hitting the assumed rate of return year-over-year if we don't have years where we are up 10-15%, because there will be years where the portfolio is down or only up 2-3%. He believes at some point you need to take risk to hit the return. The Treasurer agreed but pointed out the portfolio might have a difficult time hitting its target rate of return if we have a year like we had in 2008.

Mr. Emkin and Mr. Burns explained risk mitigating options to the board in detail, including simple puts and calls, collars, put-spreads and a put-spread collars.

Mr. Fay sought to define what levels of risk and option pricing the board is willing to tolerate.

Mr. Giudici asked if this was typical for a defined benefit plan to use these types of vehicles and Mr. Emkin answered that it is mainstream.

Ms. Booth Gallogly asked if there are any other ways to mitigate risk and Mr. Emkin said, not without structurally changing policy.

Mr. Goodreau referenced a policy in place which says the board is allowed to take advantage of opportunistic events as long as the action is risk mitigating and not return chasing.

Treasurer Raimondo recommended PCA bring a proposal on what the board should consider with guidelines it should be inexpensive, palatable and not give up too much upside.

III. Adjournment

There being no other business to come before the Board, on a motion by Mr. Costello and seconded by Ms. Reback the meeting adjourned at 10:15 a.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer

STAFF SUMMARY

**RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
September 30, 2012**

PORTFOLIO PERFORMANCE

September

The ERSRI portfolio posted a 1.86% gain for the month of September, against the policy index of 2.10%. Global Equities gained 2.96%, the Fixed Income asset class returned 0.64%, and the Real Return class returned 0.83%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was 0.77% against its 1.96% index.

Calendar Year to Date

For the eight months ending September 30, 2012, the portfolio is up 10.05% against the policy index of 10.09%. Global Equities were up 13.22%, fixed income returned 6.66%, while Real return generated a return of 5.64%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2013, the fund has gained 4.47%, against the policy index of 4.73%.

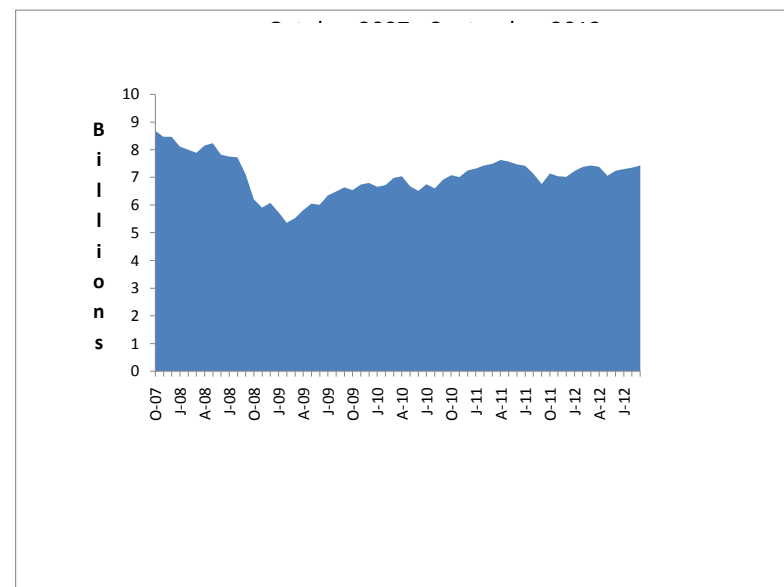
Index Performance Summary - September 30, 2012		
Market Indices	Sep-12	Calendar YTD
<u>Global Equity</u>		
S & P 500	0.00%	0.00%
MSCI AC World	3.15%	12.88%
Russell 2000	0.00%	0.00%
MSCI ACWI ex US	0.00%	0.00%
Policy Index	1.96%	10.57%
<u>Fixed Income</u>		
BC AGG	0.14%	3.99%
HFRI Fund Wgt Com	0.82%	3.38%
<u>Real Return</u>		
CPI +4%	0.77%	5.59%

ERSRI Performance By Asset Class	Sep-12	Calendar YTD
Global Equity	2.96%	13.22%
Fixed Income	0.64%	6.66%
Real Return	0.83%	5.64%
Total Fund Composite*	0.77%	8.80%
Manager Summary	Sep-12	CYTD
<u>GLOBAL EQUITY</u>		
SSgA S&P 500	0.00%	0.00%
Russell Overlay	0.08%	0.14%
Wellington Technical Eq	0.00%	0.00%
Russell 2000 Index	0.00%	0.00%
MSCI Ex US Index Fund	0.00%	0.00%
Global Equity Hedge Funds	1.12%	4.91%
Total Global Equity	2.96%	13.22%
<u>FIXED INCOME</u>		
Brown Bros Core	0.63%	7.61%
Fidelity	0.39%	4.04%
Taplin Canida & Habacht	0.82%	8.58%
Fixed Income Cash Acct	0.00%	0.00%
Mackay Shield	0.84%	10.94%
Alternative Fixed Income	-0.22%	-0.46%
Total Fixed Income	0.64%	7.28%
<u>Real Return</u>		
Brown Bros TIPS	0.65%	6.88%
Alternative Absolute Return	1.01%	4.39%
Total Real Return	0.83%	5.64%
*Total Fund Composite includes all classes ex PE & RE		

**Market Valuation Report
September 30, 2012**

Market Values

The total portfolio value increased in September by \$80.1 million to \$7.43 billion. This compares with an decrease in value of \$365.4 million for the same period in 2011. The Global Equity Market values decreased by \$180.0 million, including transfers out of \$180.0 million; Fixed Income increased by \$8.7 million, including transfers out of \$0.2 million; The Cash Accounts increased by \$238.9 million including transfers in of \$238.9 million, and Alternative Investments decreased by \$5.4 million, including transfers out of \$8.4 million. The Real Return Pool increased by \$6.4 million including transfers in of \$0.2 million. The overlay account increased by \$4.9 million, including transfers in of \$0.0 million.



Cash Flow

September's pension payroll of \$77.4 million was greater than the \$25.3 million in contributions and wire transfers received by \$52.1 million.

To meet pension and other obligations, a transfer from long-term investments of \$55.2 million was necessary.

Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$218.9 million on commitments of \$1,146 million.

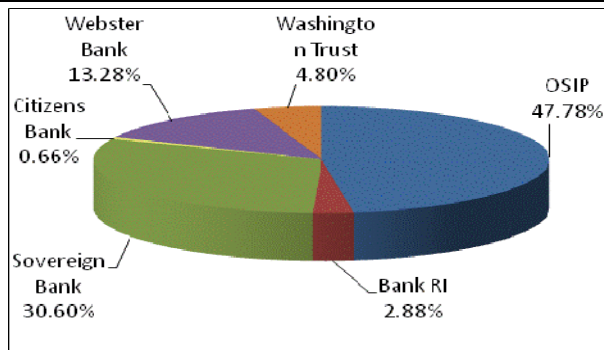
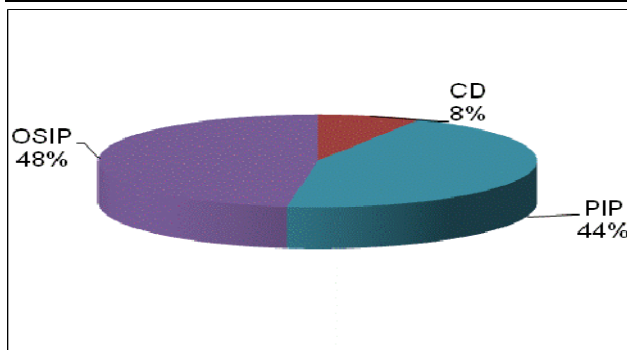
CAPITAL CALLS Net of Distributions

September 2012	FYTD	UNFUNDED BALANCE
-\$5,427,523	-\$12,533,225	\$ 218,866,971
September 2011	FYTD	UNFUNDED BALANCE
-\$5,613,484	-\$12,022,962	\$144,210,200

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

**Issuer Credit Ratings
September 30, 2012**

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	2.88%	N/R	N/A	N/A	N/A	N/A	N/A	N/A	
Sovereign Bank	3,4	30.60%	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	0.66%	A3	P-2	A-1	A3	A		Stable	
Webster Bank	3,4	13.28%	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	47.78%	N/R	N/A	N/A	N/A	N/A		N/A	
Washington Trust	3,7	4.80%	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.

PERFORMANCE



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

Gina M. Raimondo
General Treasurer

October 19, 2012

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

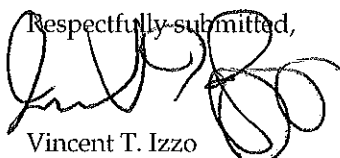
This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on September 30, 2012.

Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation

September 30, 2012

Asset Class		
Cash/Short Term Investments		584,915,534
Global Equities		3,699,767,647
<i>Fixed Income - Government</i>	\$663,600,720	
<i>Fixed Income - Corporate</i>	\$758,754,526	
<i>Fixed Income - In State</i>	\$0	
Total Fixed Income		1,422,355,246
Real Return		839,069,883
Alternative Investments		612,632,509
Real Estate		273,882,364
Total Fund Investments		7,432,623,182
Plan Allocation		
State Employees & Teachers	82.11%	6,102,967,648
Municipal Employees	16.17%	1,201,872,509
State Police	1.14%	84,524,891
Judicial	0.58%	43,258,134
Total Fund Investments	100.00%	7,432,623,182

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

Respectfully submitted,

Vincent T. Izzo
Cash Manager

State of Rhode Island
Summary of Performance
Periods Ending 09/30/2012

	<u>Ending Market Value</u>	<u>% of plan</u>	<u>1 Month</u>	<u>3 Month</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>ITD</u>	<u>Inception Date</u>
SSGA MSCI EAFE INDEX NL MSCI EAFE (NET)	1,090,091,830	14.7	3.0 3.0								08/12 08/12
SSGA MSCI CANADA INDEX NL MSCI CANADA (NET)	132,117,793	1.8	3.7 3.7								08/12 08/12
SSGA MSCI EMERG MKTS INDEX NL MSCI EMERGING MARKETS (NET)	418,833,316	5.6	6.0 6.0								08/12 08/12
INTERNATIONAL PUBLIC EQUITY MSCI AC WORLD ex US (NET)	1,641,215,234	22.1	3.7 3.7	7.3 7.4	10.5 10.4	14.7 14.5	3.5 3.2			12.4 12.1	05/09 05/09
SSGA RUSSELL 3000 INDEX NL RUSSELL 3000 INDEX	1,612,176,517	21.7	2.6								08/12 08/12
ALTERNATIVE EQUITY HFRX EQUITY HEDGE	532,969,860	7.2	1.1 0.8	3.0 2.2	4.9 3.4					4.1 1.1	11/11 11/11
TOTAL GLOBAL EQUITY MSCI AC WORLD (NET)	3,788,253,667	51.0	3.0 3.1	6.2 6.8	13.2 12.9	23.3 21.0	9.2 7.2	-0.4 -2.1	8.9 8.6	2.3 1.9	07/00 07/00
BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	414,541,951	5.6	0.6 0.1	2.9 1.6	7.5 4.0	8.8 5.1	7.1 6.0	6.5 6.7	5.5 5.5		04/90 04/90
PYRAMIS GLOBAL ADVISORS Barclays MBS	418,854,739	5.6	0.4 0.2	1.5 1.1	4.0 2.8	5.1 3.7	6.2 5.0	6.5 6.4	5.5 5.2		11/89 11/89
TAPLIN, CANIDA & HABACHT Barclays Credit	423,871,487	5.7	0.8 0.6	3.9 3.5	8.4 8.2	10.3 10.1	8.8 8.7	6.7 7.9	7.1 6.4		05/96 05/96
MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	202,377,361	2.7	0.7 1.3	4.2 4.3	10.5 11.2	16.5 17.9	11.8 12.6	8.1 8.6	11.2 10.5	11.2 10.5	10/02 10/02
ALTERNATIVE FIXED INCOME Barclays Aggregate Bond	139,207,470	1.9	-0.2 0.1	0.2 1.6	-0.5 4.0					-1.0 5.1	12/11 12/11
TOTAL FIXED INCOME Barclays Aggregate Bond	1,598,853,009	21.5	0.6 0.1	2.7 1.6	6.5 4.0	8.1 5.2	6.4 6.2	6.3 6.5	6.1 5.3		01/93 01/93
BROWN BROTHERS HARRIMAN - TIPS Barclays US TIPS Index	386,934,115	5.2	0.7 0.5	2.4 2.2	6.7 6.5	9.3 9.4	9.5 9.5	8.4 8.1		6.9 6.7	06/04 06/04

State of Rhode Island
Summary of Performance
Periods Ending 09/30/2012

	<u>Ending Market Value</u>	<u>% of plan</u>	<u>1 Month</u>	<u>3 Month</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>ITD</u>	<u>Inception Date</u>
ALTERNATIVE ABSOLUTE RETURN	364,848,500	4.9	1.0	3.0	4.4					4.8	11/11
HFRI Fund of Funds Composite Index			0.8	2.4	3.4					1.8	11/11
TOTAL ALTERNATIVE ABSOLUTE RETURN	751,782,615	10.1	0.8	2.7	5.6	7.9				8.8	11/09
CPI + 4%			0.8	1.8	5.6	6.1				6.4	11/09
REAL ESTATE	273,882,954	3.7	1.0	2.3	7.0	10.6	6.2	-5.2		-0.7	01/05
NCREIF PROPERTY LAG + 100 BPS			2.8	2.9	9.3	13.1	9.9	3.6		8.9	01/05
PRIVATE EQUITY	611,716,300	8.2	0.1	1.4	9.1	6.3	14.3	4.2	10.8		02/89
S&P 500 PLUS 300 BP			2.8	7.1	19.0	34.0	16.6	4.1	11.2		02/89
TOTAL ALTERNATIVE INVESTMENTS	885,599,255	11.9	0.3	1.7	8.4	7.6	12.1	1.4	8.8	8.3	04/96
TOTAL ALTERNATIVES BENCHMARK			2.8	5.3	14.8	25.1	13.8	4.0	10.4		04/96
RUSSELL IMPLEMENTATION SERVICES	71,282,505	1.0	0.1	0.1	0.1	0.3	-0.1			-0.2	09/08
CASH ACCOUNT (INSIDE)	334,019,983	4.5	0.0	0.1	0.2	0.2	0.2	1.7	10.5	17.5	07/00
91 DAY TREASURY BILL			0.0	0.0	0.1	0.1	0.1	0.7	1.8	2.2	07/00
CASH ACCOUNT (OUTSIDE)	1,376,584	0.0	0.0	0.0	0.0	0.0	0.0	0.4	1.7	2.2	07/00
91 DAY TREASURY BILL			0.0	0.0	0.1	0.1	0.1	0.7	1.8	2.2	07/00
Other	1,455,564	0.0									11/11
TOTAL PLAN	7,432,623,182	100.0	1.9	4.4	9.9	15.5	9.0	1.5	8.3		02/84
TOTAL PLAN BENCHMARK			2.1	4.7	10.1	16.9	9.0	1.4	8.3		02/84

Employees' Retirement System of the State of Rhode Island
Hedge Fund Portfolio
Portfolio Performance Summary
Estimated as of September 30, 2012



Fund	Market Value	Actual %	Returns			1 Year	3 Year	5 Year	Incep	Std Dev	Sharpe Ratio	Incep Date
			Sep	YTD	FYTD							
Global Equities												
Ascend Partners Fund II LP	61,317,412	5.9%	0.15%	2.81%	0.36%	-	-	-	2.20%	1.37%	-	Nov-11
Davidson Kempner Institutional Partners, L.P.	63,707,623	6.1%	1.05%	5.84%	2.55%	-	-	-	6.18%	1.57%	-	Nov-11
Elliott Associates, L.P.	64,605,363	6.2%	1.90%	9.87%	4.66%	-	-	-	7.68%	4.81%	-	Nov-11
Indus Asia Pacific Fund, LP	41,528,077	4.0%	1.00%	3.82%	3.47%	-	-	-	3.82%	7.34%	-	Jan-12
Mason Capital Ltd.	58,395,006	5.6%	-1.15%	-2.67%	-1.58%	-	-	-	-2.67%	4.24%	-	Jan-12
PFM Diversified Fund A.I., L.P.	28,972,141	2.8%	1.60%	-	3.25%	-	-	-	-3.43%	7.15%	-	Mar-12
PFM Diversified Fund, L.P.	29,040,289	2.8%	1.64%	-	3.31%	-	-	-	-3.20%	7.14%	-	Mar-12
Samlyn Onshore Fund, L.P.	63,803,180	6.2%	1.62%	6.34%	3.83%	-	-	-	6.34%	5.62%	-	Jan-12
Third Point Partners Qualified L.P.	54,952,988	5.3%	3.20%	9.91%	6.37%	-	-	-	9.91%	5.84%	-	Jan-12
Viking Global Equities, LP	66,753,791	6.4%	1.17%	11.42%	4.10%	-	-	-	11.26%	3.12%	-	Dec-11
Total Global Equities	533,075,869	51.4%	1.16%	5.18%	2.95%	-	-	-	4.25%	3.42%	-	Nov-11
MSCI AC World Index Free - Net			3.15%	12.86%	6.83%	-	-	-	9.27%	14.79%	-	Nov-11
Russell 3000 Index (DRI)			2.63%	16.13%	6.23%	-	-	-	16.77%	10.85%	-	Nov-11
HFRI Equity Hedge (Total) Index			1.94%	5.51%	3.47%	-	-	-	2.43%	8.26%	-	Nov-11
Real Return												
BlueCrest Capital LP	20,980,442	2.0%	0.63%	4.90%	2.49%	-	-	-	4.90%	1.76%	-	Jan-12
Brevan Howard LP	76,945,020	7.4%	1.81%	1.46%	5.28%	-	-	-	2.59%	5.00%	-	Nov-11
Brigade Leveraged Capital Structures Fund LP	51,466,208	5.0%	0.18%	-	1.44%	-	-	-	2.93%	1.54%	-	Mar-12
Capula Global Relative Value Fund Ltd.	49,874,091	4.8%	-0.13%	-0.01%	0.77%	-	-	-	-0.25%	1.77%	-	Dec-11
DE Shaw Composite International Fund	54,688,128	5.3%	2.00%	9.04%	3.47%	-	-	-	9.38%	3.20%	-	Nov-11
Gracie Credit Opportunities Fund, L.P.	37,864,953	3.7%	-1.00%	-4.30%	-2.08%	-	-	-	-5.34%	4.03%	-	Dec-11
Graham Global Investment Fund Ltd. - Discretionary 6V Portfolio	50,923,962	4.9%	0.36%	1.85%	1.37%	-	-	-	1.85%	2.24%	-	Jan-12
OZ Domestic Partners II, L.P.	81,274,042	7.8%	1.09%	8.96%	3.49%	-	-	-	8.37%	2.88%	-	Nov-11
Wexford Spectrum Fund, LP	50,655,175	4.9%	0.72%	1.31%	1.04%	-	-	-	1.31%	4.66%	-	Jan-12
Winton Futures Fund Limited	29,383,380	2.8%	-2.18%	-3.33%	0.82%	-	-	-	-2.06%	7.19%	-	Dec-11
Total Real Return	504,055,400	48.6%	0.60%	2.95%	2.17%	-	-	-	3.19%	1.93%	-	Nov-11
ML 3-month T-Bills			0.01%	0.06%	0.03%	-	-	-	0.06%	0.02%	-	Nov-11
HFRI Fund of Funds Composite Index			0.79%	3.33%	2.34%	-	-	-	1.75%	3.69%	-	Nov-11
Total Hedge Fund Portfolio	1,037,131,269	100.0%	0.88%	4.08%	2.57%	-	-	-	3.81%	2.44%	-	Nov-11
HFRI Fund of Funds Composite Index			0.79%	3.33%	2.34%	-	-	-	1.75%	3.69%	-	Nov-11
Market Indices												
Libor3Month			0.03%	0.34%	0.10%	-	-	-	0.43%	0.02%	-	Nov-11
Barclays Aggregate Bond Index			0.14%	4.00%	1.59%	-	-	-	5.05%	2.20%	-	Nov-11
Barclays High Yield Credit Bond Index			1.39%	12.12%	4.53%	-	-	-	12.61%	5.75%	-	Nov-11
S&P 500 TR			2.58%	16.43%	6.35%	-	-	-	17.36%	10.55%	-	Nov-11
MSCI EAFE - Net			2.96%	10.08%	6.92%	-	-	-	3.75%	18.51%	-	Nov-11
MSCI EMF (Emerging Markets Free) - Net			6.03%	11.99%	7.75%	-	-	-	3.27%	21.94%	-	Nov-11

Employees' Retirement System of the State of Rhode Island
Hedge Fund Portfolio
Portfolio Performance Summary
Estimated as of September 30, 2012



Fund	Market Value	Actual %	Sep	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
9/30/2012

Fund	Trailing Returns						Calendar Year Returns					5 Yr Std Dev	Sharpe Ratio			Start Date	
	YTD	Sep	Aug	Jul	1 Year	3 Year	5 Year	2011	2010	2009	2008		2007	3 yr	5 yr		Incep.
Global Equities																	
Ascend Partners Fund II LP	3.23%	0.11%	0.56%	-0.36%	2.30%	1.36%	2.86%	-3.02%	2.94%	13.61%	-3.58%	15.36%	4.82%	0.26	0.37	0.94	Jan-04
Davidson Kempner Institutional Partners, LP	5.66%	1.05%	0.79%	0.62%	7.24%	6.56%	4.69%	1.27%	9.17%	17.79%	-9.03%	6.56%	4.94%	1.72	0.73	1.48	Mar-96
Elliott Associates, L.P. (HFR98)	9.52%	1.90%	2.50%	0.20%	8.43%	8.95%	10.66%	3.94%	7.39%	30.85%	-3.08%	32.07%	5.86%	2.31	1.57	1.79	Feb-77
Indus Asia Pacific Fund	4.42%	1.00%	1.20%	1.80%	1.29%	1.97%	0.46%	-7.18%	7.36%	25.45%	-28.99%	33.49%	9.85%	0.25	-0.02	0.72	Dec-00
Mason Capital, Ltd.	-2.89%	-1.16%	1.26%	-1.64%	-3.14%	5.66%	3.64%	4.20%	9.62%	25.16%	-15.42%	16.75%	8.30%	0.97	0.34	0.75	Feb-02
PFM Diversified Fund, LP	0.80%	1.63%	2.08%	-0.47%	-1.27%	1.88%	4.19%	-3.35%	4.36%	21.35%	-6.10%	31.21%	7.59%	0.26	0.43	0.83	Nov-04
Samlyn Capital - Composite	7.35%	1.60%	1.79%	0.80%	11.53%	2.82%	8.35%	-5.05%	1.98%	23.57%	6.62%	-	9.15%	0.33	0.80	1.00	Mar-07
Third Point Partners L.P.	11.50%	3.20%	1.80%	1.60%	11.38%	19.62%	9.04%	-0.54%	41.52%	38.14%	-32.84%	16.61%	14.54%	1.62	0.59	1.22	Jun-95
Viking Global Equities	11.30%	1.20%	0.90%	2.00%	17.73%	8.87%	10.81%	7.71%	3.67%	19.20%	-0.73%	38.97%	7.98%	1.41	1.19	1.47	Oct-99
Real Return																	
BlueCrest Capital International Limited	4.96%	0.64%	0.43%	1.45%	6.94%	9.65%	15.47%	6.10%	12.80%	45.41%	6.26%	10.80%	5.34%	3.05	2.52	1.85	Dec-00
Brigade Leveraged Capital Structures Fund	4.15%	0.18%	-0.04%	0.34%	3.64%	5.90%	6.16%	2.55%	7.66%	39.64%	-17.14%	10.15%	7.61%	1.91	0.68	0.73	Jan-07
Brevan Howard L.P. (Series B)	1.28%	1.81%	0.96%	2.29%	1.66%	5.01%	10.49%	11.33%	0.92%	17.10%	19.14%	23.60%	7.33%	0.94	1.25	1.29	Sep-05
Capula Global Relative Value Fund Limited	-0.02%	-0.12%	0.43%	0.44%	0.97%	5.78%	8.74%	6.19%	9.58%	12.24%	9.45%	18.00%	5.39%	2.20	1.38	1.63	Oct-05
DE Shaw Composite International Fund	7.08%	1.90%	1.30%	-0.20%	9.11%	4.95%	5.66%	3.69%	1.56%	21.31%	-9.81%	7.15%	6.70%	1.05	0.69	1.30	Mar-01
Gracie Credit Opportunities Fund L.P.	-4.32%	-1.00%	0.05%	-1.20%	-5.72%	0.31%	7.38%	0.10%	4.44%	16.18%	17.94%	18.45%	6.23%	0.00	1.00	1.21	Jul-04
Graham Discretionary - 6V Portfolio	1.86%	0.36%	0.27%	0.77%	3.27%	5.14%	7.67%	3.56%	7.10%	17.13%	8.66%	-6.88%	5.38%	1.80	1.20	0.81	Jun-04
OZ Master Fund, Ltd	8.02%	1.09%	1.10%	0.78%	8.09%	6.03%	4.34%	-0.48%	8.52%	23.11%	-15.92%	11.48%	6.03%	1.62	0.55	1.67	Apr-94
Wexford Spectrum Fund, L.P.	1.42%	0.90%	0.62%	-0.38%	4.68%	3.37%	3.30%	-3.44%	8.45%	30.76%	-13.87%	13.03%	9.71%	0.47	0.27	0.93	Apr-97
Winton Futures Fund - USD Class B	-3.36%	-2.18%	-1.31%	4.41%	-3.38%	5.87%	7.39%	6.29%	14.47%	-4.64%	21.01%	17.97%	9.32%	0.66	0.69	0.72	Oct-97
Benchmarks																	
HFRI Fund of Funds Composite Index	3.33%	0.79%	0.75%	0.78%	2.84%	1.48%	-1.65%	-5.72%	5.70%	11.47%	-21.37%	10.25%	6.56%	0.27	-0.39	0.59	Jan-90
HFRI Fund Weighted Composite Index	4.65%	1.10%	0.87%	0.87%	5.54%	3.90%	1.44%	-5.25%	10.25%	19.98%	-19.03%	9.96%	7.89%	0.60	0.08	1.00	Jan-90
Market Indices																	
3 Month Libor - BOM	0.34%	0.03%	0.04%	0.04%	0.47%	0.37%	1.13%	0.35%	0.35%	0.65%	2.79%	5.25%	0.38%				Mar-86
Barclays Aggregate Bond Index	4.00%	0.14%	0.07%	1.38%	5.17%	6.20%	6.54%	7.86%	6.56%	5.93%	5.24%	6.96%	3.56%				Jan-76
Barclays High Yield Credit Bond Index	12.12%	1.39%	1.17%	1.90%	19.36%	12.90%	9.34%	4.98%	15.11%	58.21%	-26.15%	1.88%	14.13%				Jul-83
S&P 500 (TR)	16.44%	2.58%	2.25%	1.39%	30.20%	13.20%	1.05%	2.11%	15.06%	26.46%	-37.00%	5.49%	19.13%				Jan-70
MSCI EAFE - Net - USD	10.08%	2.96%	2.69%	1.13%	13.75%	2.12%	-5.24%	-12.14%	7.75%	31.78%	-43.38%	11.17%	23.52%				Dec-69
MSCI EM (EMERGING MARKETS) - Net - USD	11.98%	6.03%	-0.33%	1.95%	16.93%	5.63%	-1.28%	-18.42%	18.88%	78.51%	-53.33%	39.42%	29.55%				Jan-99

Note: The above is manager composite history.

ERSRI Monthly Market Value Report With Time Weighted Returns											
September 30, 2012											
	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value 8/31/2012	Transfers In/(out)	Market Value 9/30/2012	Market Value Increase/decrease
Global Equity											
Shott Capital Management IRR				S & P 500				919,790	(5,982)	979,912	66,104
SSGA S&P 500				S & P 500			1,692,303,041	(1,692,271,668)	31,373	0	
Wellington Tech Eq				Russell 3000			529,792	(528,457)	1,403	68	
Russell 2000 Index Fund				Russell 2000			564,753,174	(564,749,510)	3,664	0	
Russell 3000 Index Fund				Russell 3000	2.28%		-	1,612,176,517	1,612,176,517	0	
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	479,872	2,023,691	2,503,562	-	
MSCI EAFE Index Fund					2.97%		-	1,090,091,830	1,090,091,830	0	
MSCI Canada Index Fund					3.75%		-	132,117,793	132,117,793	0	
MSCI Emerging Mkts Index Fund					5.99%		-	418,833,316	418,833,316	0	
MSCI Ex US Index Fund				MSCI Ex US Index Fund			1,177,651,133	(1,177,651,133)	0	0	
Sub-Total Global Equity	14.30%	12.88%	1.42%	MSCI AC World	3.25%	3.15%	0.10%	3,436,636,802	(179,963,604)	3,256,739,371	66,174
Global Equity Hedge Funds											
Davidson Kempner	5.85%	2.60%	3.25%	HFRX Equity Hedge	1.13%	0.78%	0.35%	62,995,380	-	63,707,580	712,200
Mason Capital	-2.69%	2.60%	-5.29%	HFRX Equity Hedge	-1.15%	0.78%	-1.93%	59,063,040	-	58,386,600	(676,440)
Viking Global Equities III	11.40%	2.60%	8.80%	HFRX Equity Hedge	1.19%	0.78%	0.41%	65,989,440	-	66,771,900	782,460
Ascend Partners Fund II	2.75%	2.60%	0.15%	HFRX Equity Hedge	0.03%	0.78%	-0.75%	61,277,700	-	61,293,300	15,600
Elliott Associates	9.70%	2.60%	7.10%	HFRX Equity Hedge	1.90%	0.78%	1.12%	63,400,740	-	64,605,360	1,204,620
Third Point Partners	9.91%	2.60%	7.31%	HFRX Equity Hedge	3.03%	0.78%	2.25%	53,337,550	-	54,952,950	1,615,400
PFM Diversified	2.60%	2.60%	-2.60%	HFRX Equity Hedge	1.56%	0.78%	0.78%	57,043,920	-	57,932,790	888,870
Sarnlym On/Off Shore Fund	6.32%	2.60%	3.72%	HFRX Equity Hedge	1.61%	0.78%	0.83%	62,779,740	-	63,791,340	1,011,600
Indus Asia Pacific Fund	3.82%	2.60%	1.22%	HFRX Equity Hedge	0.78%	0.78%	0.00%	41,204,800	-	41,528,040	323,240
Sub-Total Global Equity Hedge F	4.91%	3.40%	1.51%	HFRX Equity Hedge	1.12%	0.78%	0.34%	527,092,310	-	532,969,860	5,877,550
Total Global Equity	13.22%	12.88%	0.34%	MSCI AC World	2.96%	3.15%	-0.19%	3,963,729,112	(179,963,604)	3,789,709,231	5,943,724
Fixed Income											
Pyramis Global Advisors	4.04%	2.80%	1.24%	BC MBS	0.39%	0.21%	0.18%	417,224,530	-	418,854,739	1,630,209
Brown Brothers, Harriman	7.61%	3.99%	3.62%	Citigroup BIG	0.63%	0.13%	0.50%	412,124,662	(179,330)	414,541,951	2,596,620
Taplin, Canada & Habacht	8.58%	8.25%	0.33%	BC Credit	0.82%	0.60%	0.22%	420,441,921	-	423,871,487	3,429,567
Mackay Shields	10.94%	11.22%	-0.28%	CS First BoshYield	0.84%	1.26%	-0.42%	200,887,120	-	202,377,361	1,490,241
Sub-Total Fixed Income	7.28%	3.99%	3.29%	BC Aggregate	0.64%	0.14%	0.50%	1,450,678,233	(179,330)	1,459,645,539	9,146,636
Alternative Fixed Income											
Capula Global Master Fund	-0.04%	3.38%	-3.42%		-0.10%	0.82%	-0.92%	49,924,450	-	49,874,050	(50,400)
Brigade Leveraged Capital					0.23%	0.82%	-0.59%	51,351,700	-	51,468,500	116,800
Gracie Credit Fund	-4.53%	3.38%	-7.91%		-0.99%	0.82%	-1.81%	38,244,640	-	37,864,920	(379,720)
Sub-Total Alternative Fixed Income	-0.46%	3.38%	-3.84%	HFRI FOF Conservative	-0.22%	0.82%	-1.04%	139,520,790	-	139,207,470	(313,320)
Total Fixed Income	6.66%	3.99%	2.67%	BC Aggregate	0.57%	0.14%	0.43%	1,590,199,023	(179,330)	1,598,853,009	8,833,316
Alternative Investments											
Private Equity	9.72%	19.01%	-9.29%	S&P 500 plus 300BPS	0.12%	2.83%	-2.71%	616,739,434	(5,427,523)	611,716,301	404,389
Real Estate	7.40%	8.46%	-1.06%	NCREIF + 100	0.99%	2.68%	-1.69%	274,260,557	(3,003,708)	273,882,954	2,626,106
Total Alternatives	9.00%	14.80%	-5.80%		0.39%	2.77%	-2.38%	890,999,991	(8,431,231)	885,599,255	3,030,495
Cash Accounts											
Cash in Trust	0.15%		0.15%		0.02%		0.02%	94,993,318	238,851,640	334,019,983	175,025
Cash Outside Trust	0.00%		0.00%		0.00%		0.00%	703,852	-	1,376,584	672,732
Total Cash	0.15%	0.15%		91 Day T-Bill	0.02%	0.02%		95,697,170	238,851,640	335,396,567	847,757
Real Return Pool											
Brown Bros TIPS	6.88%	6.25%	0.63%	Barclays US TIPS Index	0.65%	0.51%	0.14%	384,241,292	179,330	386,934,115	2,513,492
Sub-Total Real Return	6.88%	5.59%	1.29%	CPI +4%	0.65%	0.77%	-0.12%	384,241,292	179,330	386,934,115	2,513,492
Alternative Absolute Return											
Brevan Howard Master Fund	1.49%	3.38%	-1.89%	HFRI Fund Wgt Comp Index	1.87%	0.82%	1.05%	75,532,350	-	76,944,975	1,412,625
OZ Domestic Partners II	9.13%	3.38%	5.75%	HFRI Fund Wgt Comp Index	1.38%	0.82%	0.56%	80,163,975	-	81,273,975	1,110,000
DE Shaw Composite Fund	8.94%	3.38%	5.56%	HFRI Fund Wgt Comp Index	2.02%	0.82%	1.20%	53,606,050	-	54,688,100	1,082,050
Graham Global Inv Fund	1.85%	3.38%	-1.53%	HFRI Fund Wgt Comp Index	0.34%	0.82%	-0.48%	50,751,700	-	50,923,950	172,250
Wexford Spectrum Fund	1.31%	3.38%	-2.07%	HFRI Fund Wgt Comp Index	0.82%	0.82%	0.00%	50,243,650	-	50,855,150	411,500
Winton Future Fund Ltd	-3.34%	3.38%	-6.72%	HFRI Fund Wgt Comp Index	-2.18%	0.82%	-3.00%	30,036,720	-	29,381,910	(654,810)
Blue Crest Capital	4.90%	3.38%	1.52%	HFRI Fund Wgt Comp Index	0.60%	0.82%	-0.22%	20,856,320	-	20,980,440	124,120
Sub-Total Alt Absolute Return	4.39%	3.38%	1.01%	HFRI Fund Wgt Comp Index	1.01%	0.82%	0.19%	361,190,765	-	364,848,500	3,657,735
Total Real Return	5.64%	5.59%	0.05%	CPI +4%	0.83%	0.77%	0.06%	745,432,057	179,330	751,782,615	6,171,227
Other											
Russell Overlay	0.14%				0.08%			66,423,550	-	71,282,505	4,858,955
Total Plan Ex PE & RE	8.80%	10.57%	-1.77%		0.77%	1.96%	-1.19%				
Total Plan	10.05%	10.09%	-0.04%		1.86%	2.10%	-0.24%	7,352,480,904	50,456,805	7,432,623,182	29,685,473

*Policy Index: (Effective 12/1/11)

20% BC Agg

52% MSCI World Free

11% CPI + 4%

7.5% S&P 500 + 3%

5% NCCREIF Prop LAGC

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

State of Rhode Island

TOTAL PLAN

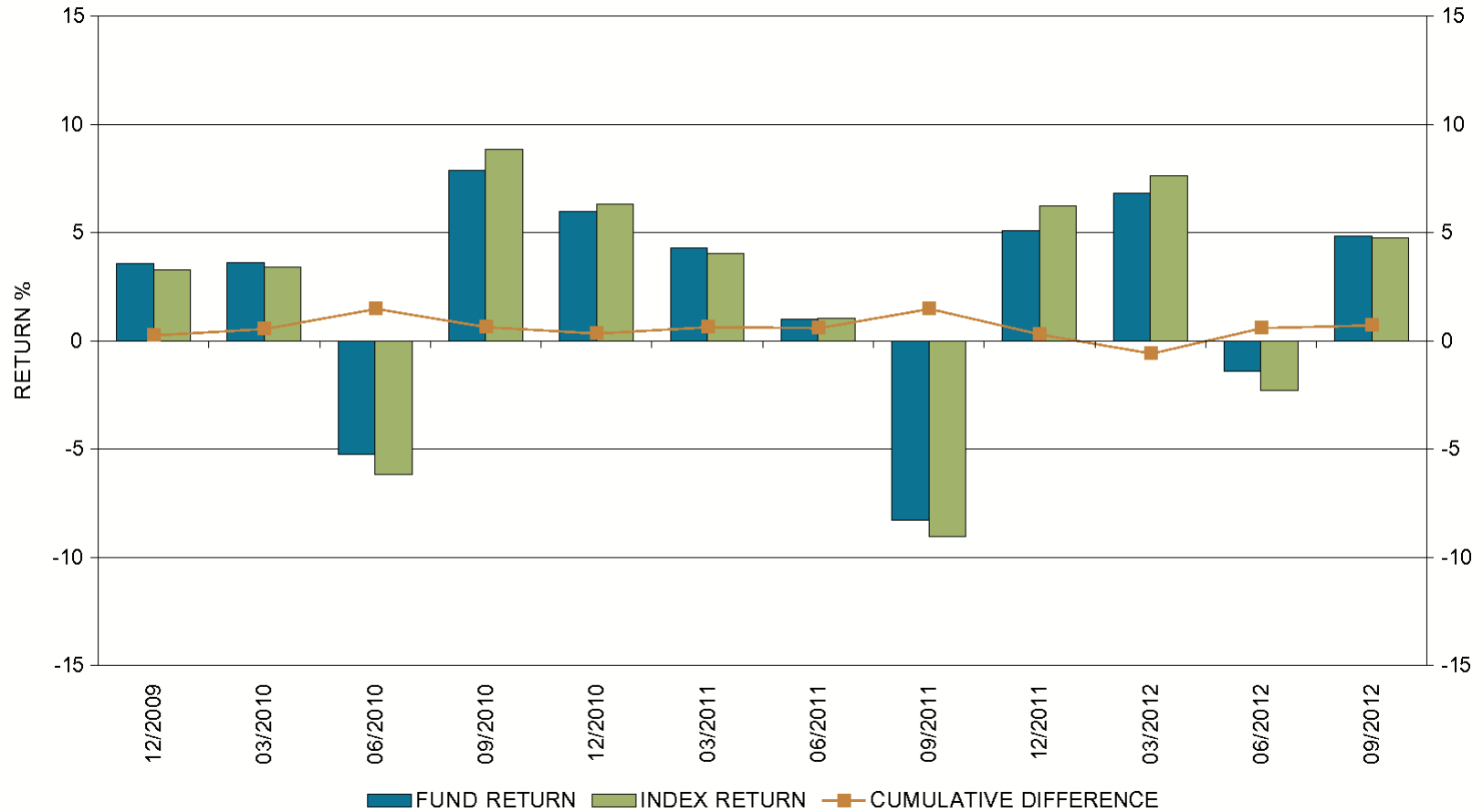
Index: TOTAL PLAN BENCHMARK

PERIODS: September 30, 2009 - September 30, 2012



STATE STREET

CUMULATIVE PERFORMANCE REPORT



State of Rhode Island

TOTAL PLAN

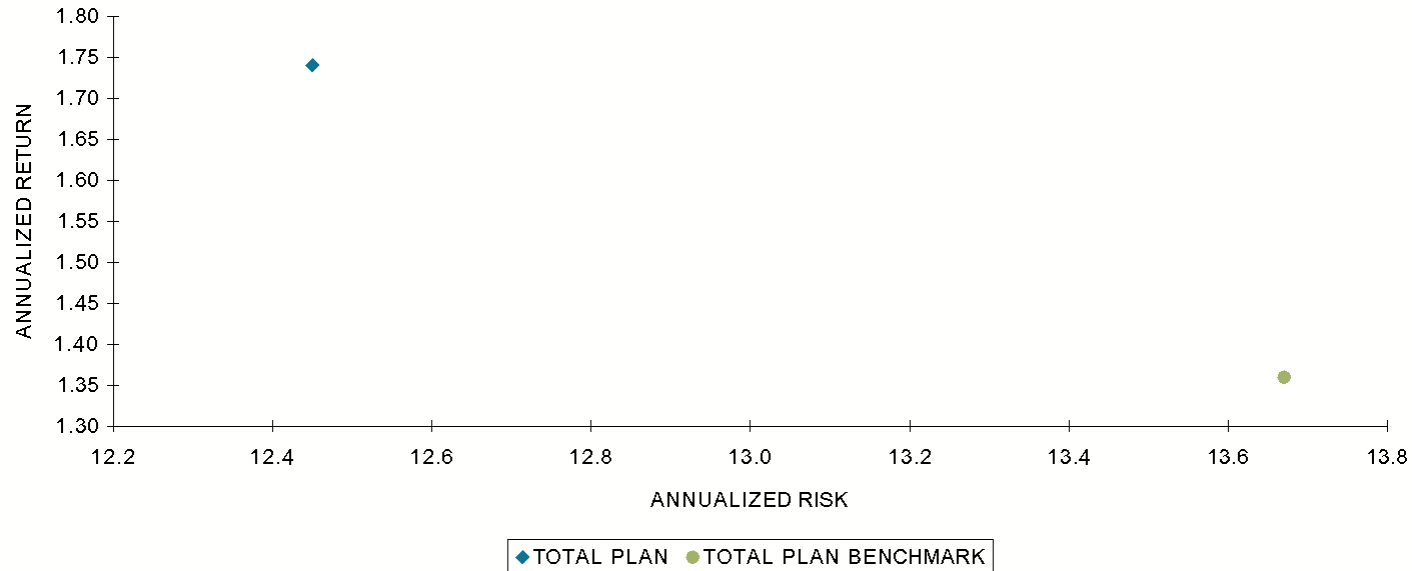
Benchmark: TOTAL PLAN BENCHMARK

September 30, 2007 - September 30, 2012



STATE STREET

RISK VS. RETURN



RISK INFORMATION

Portfolio Return	1.74
Benchmark Return	1.36
Return Differences	0.38
Portfolio Standard Deviation	12.45
Benchmark Standard	13.67
Tracking Error	1.91

RISK STATISTICS

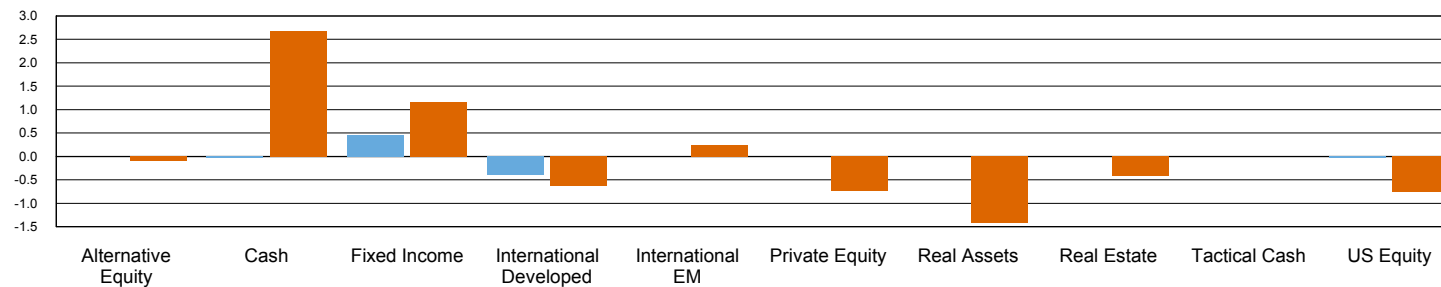
Historic Beta	0.91
R-squared	0.99
Jensen's Alpha	0.44
Sharpe Ratio	0.08
Treynor Ratio	1.12
Information Ratio	0.20

ASSET ALLOCATION

Asset Summary

Asset Class	Physical Exposure		Synthetic Exposure		Net Position		Overlay Target		Policy Target	
	Value	%	Value	%	Value	%	Value	%	Value	%
Total Market Value	7,422.2	100.0%	0.0	0.0%	7,422.2	100.0%	7,422.2	100.0%	7,422.2	100.00%
Cash	198.3	2.7%	-180.7	-2.4%	17.7	0.2%	19.8	0.3%	0.0	0.00%
Cash	198.3	2.7%	-180.7	-2.4%	17.7	0.2%	19.8	0.3%	0.0	0.00%
Equity	4,395.0	59.2%	203.6	2.7%	4,598.6	62.0%	4,630.1	62.4%	4,542.4	61.20%
Alternative Equity	527.1	7.1%	0.0	0.0%	527.1	7.1%	527.1	7.1%	534.4	7.20%
International Developed	1,222.2	16.5%	74.6	1.0%	1,296.8	17.5%	1,326.0	17.9%	1,269.2	17.10%
International EM	418.8	5.6%	0.0	0.0%	418.8	5.6%	418.8	5.6%	400.8	5.40%
US Equity	1,613.4	21.7%	129.0	1.7%	1,742.5	23.5%	1,744.8	23.5%	1,670.0	22.50%
Private Equity	613.4	8.3%	0.0	0.0%	613.4	8.3%	613.4	8.3%	668.0	9.00%
Fixed	1,600.0	21.6%	-22.9	-0.3%	1,577.0	21.2%	1,543.4	20.8%	1,514.1	20.40%
Fixed Income	1,600.0	21.6%	-22.9	-0.3%	1,577.0	21.2%	1,543.4	20.8%	1,514.1	20.40%
Other	1,228.9	16.6%	0.0	0.0%	1,228.9	16.6%	1,228.9	16.6%	1,365.7	18.40%
Real Estate	272.9	3.7%	0.0	0.0%	272.9	3.7%	272.9	3.7%	304.3	4.10%
Real Assets	748.1	10.1%	0.0	0.0%	748.1	10.1%	748.1	10.1%	853.6	11.50%
Tactical Cash	207.8	2.8%	0.0	0.0%	207.8	2.8%	207.8	2.8%	207.8	2.80%

Deviations from Target Allocation



CASH FLOW

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2013	FY 2012-13												TOTAL
	Actual July 2012	Actual August	Actual September	Projected October	Projected November	Projected December	Projected January 2013	Projected February	Projected March	Projected April	Projected May	Projected June	
MEMBER BENEFITS	69,405,592	70,338,986	70,150,727	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	839,895,304
ADMINISTRATIVE EXPENSES	287,720	705,326	541,540	646,649	418,609	763,480	566,091	729,552	1,080,787	568,054	474,315	897,153	7,679,276
INVESTMENT EXPENSES	954,598	209,630	334,436	(942,146)	6,757	517,797	501,413	228,446	666,823	405,876	173,652	420,419	3,477,701
TOTAL OUTFLOW	70,647,910	71,253,942	71,026,703	69,704,504	70,425,365	71,281,277	71,067,504	70,957,998	71,747,610	70,973,930	70,647,967	71,317,572	851,052,281
CONTRIBUTIONS	53,930,531	28,770,623	21,497,658	38,118,149	49,232,033	41,087,919	49,365,444	44,163,220	54,087,522	42,467,147	44,302,044	46,667,601	513,689,891
OTHER INCOME*	5,459,146	2,906,960	7,523,067	7,603,294	8,542,405	10,450,579	4,447,436	6,041,223	5,261,846	990,900	7,436,249	11,059,760	77,722,865
TOTAL INCOME	59,389,677	31,677,583	29,020,725	45,721,443	57,774,438	51,538,498	53,812,880	50,204,443	59,349,368	43,458,047	51,738,293	57,727,361	591,412,756
DIFFERENCE	(11,258,232)	(39,576,359)	(42,005,978)	(23,983,061)	(12,650,927)	(19,742,779)	(17,254,623)	(20,753,556)	(12,398,243)	(27,515,883)	(18,909,674)	(13,590,211)	(259,639,525)

Municipal Employees Retirement System

	Actual July 2012	Actual August	Actual September	Actual October	Actual November	Projected December	Projected January 2013	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	6,888,578	7,007,580	7,109,456	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	84,005,614
ADMINISTRATIVE EXPENSES	56,172	138,204	106,647	124,054	80,412	147,098	109,377	141,222	209,477	110,375	92,345	174,971	1,490,355
INVESTMENT EXPENSES	186,366	41,076	65,861	(180,743)	1,298	99,763	96,880	44,221	129,243	78,864	33,809	81,994	678,631
TOTAL OUTFLOW	7,131,115	7,186,860	7,281,964	6,943,311	7,081,710	7,246,861	7,206,258	7,185,443	7,338,720	7,189,239	7,126,154	7,256,965	86,174,600
CONTRIBUTIONS	5,193,569	3,512,997	3,491,224	5,123,170	4,733,696	5,048,323	6,107,049	4,633,750	5,058,462	4,415,298	4,664,657	5,420,386	57,402,581
OTHER INCOME*	1,065,789	569,601	1,481,536	1,458,630	1,640,949	2,013,490	859,312	1,169,419	1,019,846	192,536	1,447,777	2,156,973	15,075,856
TOTAL INCOME	6,259,358	4,082,598	4,972,760	6,581,800	6,374,645	7,061,813	6,966,361	5,803,169	6,078,308	4,607,834	6,112,434	7,577,359	72,478,437
DIFFERENCE	(871,758)	(3,104,262)	(2,309,204)	(361,511)	(707,066)	(185,048)	(239,897)	(1,382,274)	(1,260,412)	(2,581,405)	(1,013,720)	320,395	(13,696,163)

CASH FLOW ANALYSIS - INCOME & EXPENSES

**Judges/State Police
Retirement System**

	Actual July 2012	Actual August	Actual September	Actual October	Actual November	Projected December	Projected January 2013	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
<i>MEMBER BENEFITS</i>	190,227	189,595	189,595	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,369,417
<i>ADMINISTRATIVE EXPENSES</i>	5,888	14,583	11,339	12,266	8,002	14,735	11,012	14,315	21,360	11,356	9,564	18,244	152,664
<i>INVESTMENT EXPENSES</i>	19,536	4,334	7,002	(17,870)	129	9,993	9,754	4,482	13,179	8,114	3,502	8,549	70,705
<i>TOTAL OUTFLOW</i>	215,652	208,512	207,936	194,395	208,132	224,728	220,767	218,797	234,539	219,470	213,066	226,793	2,592,785
<i>CONTRIBUTIONS</i>	385,000	545,000	285,000	512,000	529,000	502,000	500,000	515,000	835,000	490,000	505,000	480,000	6,083,000
<i>OTHER INCOME*</i>	111,723	60,102	157,517	144,218	163,302	201,690	86,518	118,538	103,994	19,809	149,949	224,899	1,542,259
<i>TOTAL INCOME</i>	496,723	605,102	442,517	656,218	692,302	703,690	586,518	633,538	938,994	509,809	654,949	704,899	7,625,259
<i>DIFFERENCE</i>	281,072	396,590	234,581	461,823	484,170	478,962	365,752	414,740	704,454	290,339	441,883	478,106	5,032,474

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

FISCAL YEAR 2013

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 12	Actual Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 13	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected TOTAL
EQUITIES													
SSgA Russell 1000/S& ZU14			43,236			40,866			40,498			45,000	169,600
SSGA Russell 2000 ZU06			30,210			28,140			28,019			30,000	596,063
Shott Capital ZU49			1,703			1,592			1,522			1,700	6,518
Wellington Tech Eq ZU04			<u>335,337</u>			<u>310,389</u>			<u>376,641</u>			<u>350,000</u>	1,372,367
			410,486			380,987			446,681			426,700	1,548,485
FIXED INCOME													
Brown Bros. ZU44			171,735			173,397			176,758			167,000	688,889
Pyramis ZU46			158,869			157,589			139,160			140,446	596,063
Taplin ZU84			239,702			244,821			198,244			201,399	884,165
Mackay Shields ZU59			189,045			190,881			199,536			185,000	764,462
Brown Bros.TIPS ZU69			<u>123,164</u>			<u>114,716</u>			<u>103,456</u>			<u>115,000</u>	456,336
			882,514			881,403			817,154			808,844	3,389,916
INT'L EQUITIES													
SSgA MSCI ACWI ZU08			<u>148,827</u>			<u>141,598</u>			<u>152,271</u>			<u>165,000</u>	607,696
	0		148,827	0		141,598			152,271			165,000	607,696
REAL ESTATE													
L & B Real Estate ZU79	129,888	122,709	79,437	121,725	0	84,071	126,079	230,671	82,336	125,166	121,978	96,354	1,320,414
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt F ZU32	1,030,612	132,331	327,863	(1,262,485)	8,184	543,482	481,969	46,479	726,909	367,688	88,984	414,608	2,906,623
SUB TOTAL-INV MGMT FEES													
	1,160,500	255,040	1,849,127	(1,140,759)	8,184	2,031,540	608,048	277,150	2,225,351	492,854	210,962	1,911,506	9,773,134
PROFESSIONAL FEES													
Legal	5,829	4,894	2,464	11,320	46,641	24,357	0	18,031	7,542	973	0	3,806	125,858
St St BankBNY Mellon - Cust	60,268	62,763	61,759	61,462	60,582	60,714	61,869	63,476	63,057	62,408	61,653	61,306	741,317
Cliffwater ZU76	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	75,322	13,125	13,125	68,944	13,125	13,125	67,362	13,125	13,125	13,125	329,756
PCA Real Estate	10,417	10,417	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	125,003
	127,139	128,699	187,462	133,825	168,265	201,932	122,911	142,550	185,878	124,423	122,695	126,154	1,771,934
OPERATING EXPENSE													
Retirement Transfers	202,402	724,514	466,139	405,345	478,315	383,396	560,824	764,161	1,063,383	574,404	456,372	818,188	6,897,442
Other Expense	0	7,150	5,925	0	6,250	5,700	6,250	5,700	0	4,500	6,250	5,700	53,425
	202,402	731,664	472,064	405,345	484,565	389,096	567,074	769,861	1,063,383	578,904	462,622	823,888	6,950,867
TOTAL:	1,490,042	1,115,403	2,508,652	(601,590)	661,014	2,622,568	1,298,033	#####	3,474,612	1,196,181	796,280	2,861,549	18,495,935

Note: Numbers in bold are actual.

State of Rhode Island Private Equity Unfunded Commitment
September 2012

Partnership Investment	Total Commitment	ERSRI Unfunded (USD)
Advent Global Private Equity Fund VII	\$ 20,000,000.00	\$ 18,820,000.00
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 750,000.00
Alta Partners VIII	\$ 15,000,000.00	\$ 3,750,000.00
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	\$ 4,937,500.00
Birch Hill Equity Partners III	\$ 18,294,534.00	\$ 1,029,879.75
Braemar Energy Ventures III	\$ 10,000,000.00	\$ 7,685,632.00
Castile III	\$ 5,000,000.00	\$ 475,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,093,115.00
Centerbridge Special Credit Partners II	\$ 25,000,000.00	\$ 21,250,000.00
Charterhouse Capital Partners VIII	\$ 19,282,680.00	\$ 2,620,879.20
Coller International Capital IV	\$ 15,000,000.00	\$ 2,100,000.00
Coller International Capital V	\$ 15,000,000.00	\$ 3,382,500.00
Constellation III	\$ 15,000,000.00	\$ 966,138.88
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.00
CVC European Equity Partners IV	\$ 21,210,948.00	\$ 2,501,562.01
CVC V	\$ 25,710,240.00	\$ 9,469,776.89
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 232,336.00
Fenway III	\$ 15,000,000.00	\$ 122,722.00
First Reserve Fund X	\$ 20,000,000.00	\$ 1.00
First Reserve Fund XI	\$ 20,000,000.00	\$ 566,377.00
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	\$ 1,125,000.00
Green Equity Investors V	\$ 20,000,000.00	\$ 4,019,099.30
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 1,124,606.00
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 2,494,385.00
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	\$ 805,016.52
Matlin Patterson Glb. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ -
MHR Institutional Partners III	\$ 20,000,000.00	\$ 6,996,282.00
Nautic Partners V	\$ 20,000,000.00	\$ 651,894.55
Nautic Partners VI	\$ 20,000,000.00	\$ 2,285,972.25
Nautic Partners VII	\$ 20,000,000.00	\$ 20,000,000.00
Nordic Capital Fund III	\$ 12,176,720.00	\$ -
Nordic Capital Fund V	\$ 18,788,464.91	\$ -
Nordic Capital Fund VI	\$ 19,282,680.00	\$ -

State of Rhode Island Private Equity Unfunded Commitment
September 2012

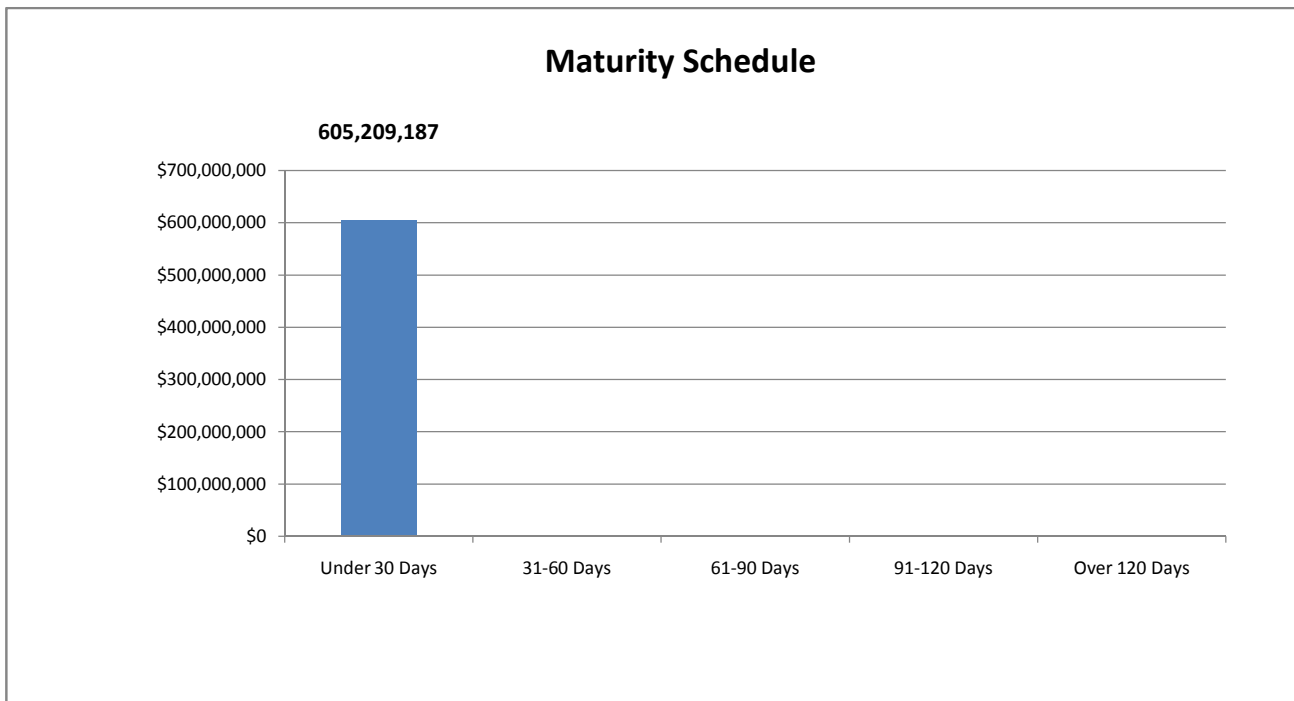
Nordic VII	\$	19,282,680.00	\$	4,664,494.60
Oaktree Capital Management Fund III	\$	20,000,000.00	\$	13,500,000.00
Palladin III	\$	10,000,000.00	\$	4,498,532.00
Parthenon Investors II	\$	23,960,000.00	\$	1,953,022.00
Perseus VII	\$	15,000,000.00	\$	1,216,758.00
Point 406	\$	10,000,000.00	\$	1,520,000.00
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	\$	1,982,025.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,160,471.00
Providence Equity Partners VI	\$	25,000,000.00	\$	3,261,397.00
Providence Equity Partners VII	\$	25,000,000.00	\$	23,500,002.00
SKM Equity Fund II	\$	10,000,000.00	\$	1,735,947.00
Summit Partners	\$	20,000,000.00	\$	12,700,000.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	675,000.00
Thomas McNerney & Partners II	\$	15,000,000.00	\$	2,137,500.00
TPG Partners IV	\$	15,000,000.00	\$	1,092,575.00
TPG Partners V	\$	20,000,000.00	\$	2,794,387.00
TPG VI	\$	10,000,000.00	\$	3,729,095.00
Trilantic IV	\$	11,098,351.00	\$	922,808.01
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	\$	1,939,525.00
Wellspring Capital Partners III	\$	20,000,000.00	\$	21,112.00
Wellspring Capital Partners IV	\$	20,000,000.00	\$	2,282,921.00
WLR	\$	8,000,000.00	\$	1,458,248.00
Total Alternative Investments	\$	1,145,837,297.91	\$	218,866,971.16

State of Rhode Island Real Estate Investment Unfunded Commitment
September 2012

Real Estate Partnership Investment	Total Commitment	ERSRI Unfunded
AEW	\$ 35,000,000.00	\$ 0.40
Fillmore East Fund I	\$ 10,000,000.00	\$ 0.08
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	\$ 841,924.00
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	\$ 7,275,953.05

SHORT TERM INVESTMENTS

Short-Term Investment Maturity Schedule & SIC Compliance Report at September 30, 2012



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	250,089,028	250,089,028
	0%	0%	0%	0%	0%	0%	0%	48%	47.78%
Bank RI	0	15,049,962	0	0	0	0	0	0	15,049,962
	0%	3%	0%	0%	0%	0%	0%	0%	2.88%
Sovereign Bank	0	0	0	0	160,151,296	0	0	0	160,151,296
	0%	0%	0%	0%	31%	0%	0%	0%	30.60%
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	3,467,318	0	0	0	3,467,318
	0%	0%	0%	0%	1%	0%	0%	0%	0.66%
Webster Bank	0	0	0	0	69,478,152	0	0	0	69,478,152
	0%	0%	0%	0%	13%	0%	0%	0%	13.28%
Oppenheimer Inc	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	25,131,570	0	0	0	0	0	0	25,131,570
	0%	5%	0%	0%	0%	0%	0%	0%	4.80%
TOTALS	-	40,181,532	-	-	233,096,766	-	-	250,089,028.35	523,367,327
(%) PORTFOLIO	0.00%	7.68%	0.00%	0.00%	44.54%	0.00%	0.00%	47.78%	100.00%

Note: PIP + CD must be under 75%.

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

State of Rhode Island
Short Term Cash Monthly Performance
Performance for

September 01, 2012 to September 30, 2012

Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield(Annual)
GENERAL FUND	\$ 160,478,403.73	\$ 189,133,754.65	\$ 198,951,737.06	\$ 55,350.92	0.3385%
H.A.V.A	\$ 294.43	\$ 294.45	\$ 294.43	\$ 0.02	0.0826%
GENERAL FUND (HIST PRES)	\$ 536,676.99	\$ 536,745.45	\$ 536,676.99	\$ 68.46	0.1552%
HISTORIC TAX CREDITS	\$ 1,201,371.41	\$ 1,201,524.67	\$ 1,201,371.41	\$ 153.26	0.1552%
HIGHWAY FUND	\$ 15,338,779.67	\$ 15,141,516.13	\$ 17,398,779.67	\$ 2,736.46	0.1914%
T.D.I. RESERVE (DET)	\$ 104,148,985.29	\$ 91,267,692.45	\$ 96,442,318.62	\$ 18,707.16	0.2360%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	-
RICAP GL FUND 21	\$ 125,379,123.37	\$ 122,398,658.92	\$ 124,445,790.04	\$ 19,535.55	0.1910%
BOND CAPITAL FUND	\$ 4,063,549.55	\$ 1,864,017.32	\$ 2,876,882.89	\$ 467.77	0.1978%
R.I. CLEAN WATER ACT	\$ 3,175,072.90	\$ 3,175,430.95	\$ 3,175,072.90	\$ 358.05	0.1372%
STATE LOTTERY FUND	\$ 56,945,362.68	\$ 51,956,383.47	\$ 49,088,696.02	\$ 11,020.79	0.2732%
ASSESSED FRINGE BEN ADM	\$ 7,752.02	\$ 7,752.62	\$ 7,752.02	\$ 0.60	0.0942%
AUTO EQUIPMENT SERVICE	\$ 200,989.23	\$ 201,004.06	\$ 200,989.23	\$ 14.83	0.0898%
HEALTH INSURANCE FUND	\$ 26,442,605.56	\$ 28,845,909.89	\$ 26,149,272.23	\$ 3,304.33	0.1537%
FLEET REVOLVING LOAN FUND	\$ 500,813.31	\$ 1,100,865.34	\$ 580,813.31	\$ 52.03	0.1090%
EMPLOYEES RETIREMENT	\$ 121,968.36	\$ 424,193.58	\$ 6,128,635.02	\$ 2,225.22	0.4418%
MUNICIPAL EMPLOYEES RET.	\$ 109,837.36	\$ 110,108.02	\$ 1,436,504.03	\$ 270.66	0.2292%
RETIREE HEALTH FUND	\$ 4,487,054.96	\$ 2,587,543.20	\$ 3,810,388.29	\$ 488.24	0.1559%
BOG RETIREE FUND	\$ 259,164.26	\$ 9,176.12	\$ 84,164.26	\$ 11.86	0.1714%
RIPTA HEALTH FUND	\$ 466.28	\$ 466.34	\$ 466.28	\$ 0.06	0.1566%
PERMANENT SCHOOL FUND	\$ 1,431,594.17	\$ 1,431,776.76	\$ 1,431,594.17	\$ 182.59	0.1552%
TEACHER RETIREE HEALTH FUND	\$ 2,104,818.70	\$ 2,105,087.22	\$ 2,104,818.70	\$ 268.52	0.1552%
RI ST POL RETIREE HEALTH	\$ 345,702.41	\$ 717.26	\$ 104,202.41	\$ 14.85	0.1734%
RI LEG RETIREE HEALTH	\$ 194.95	\$ 194.96	\$ 194.95	\$ 0.01	0.0624%
RI JUDICIAL RETIREE HEALTH	\$ 55,120.61	\$ 55,124.68	\$ 55,120.61	\$ 4.07	0.0898%
UNIVERSITY COLLEGE	\$ 2,455,753.70	\$ 5,056,083.73	\$ 2,579,087.03	\$ 330.03	0.1557%
HIGHER EDUCATION	\$ 4,930.61	\$ 1,105,089.41	\$ 1,278,263.94	\$ 158.80	0.1511%
INDUS. BLDG. & MTG. INS.	\$ 3,649,749.39	\$ 3,650,214.99	\$ 3,649,749.39	\$ 465.60	0.1552%
Operating Funds Totals	\$ 513,446,135.90	\$ 523,367,326.64	\$ 543,719,635.90	\$ 116,190.74	0.260%
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	-
CCDL1993A	\$ 7,386.37	\$ 7,386.19	\$ 7,385.47	\$ 0.94	0.1549%
BOND CCDL 1994 SERIES A	\$ 15,002.27	\$ 15,001.91	\$ 15,000.45	\$ 1.91	0.1549%
BOND CCBL96A	\$ -	\$ -	\$ -	\$ -	-
CAP DEV OF 1997 SERIES A	\$ 40,477.30	\$ 41,017.51	\$ 40,562.58	\$ 5.17	0.1551%
CCDL1998A	\$ 1,696,090.59	\$ 1,696,049.81	\$ 1,695,884.89	\$ 216.35	0.1552%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
MMG099 1999	\$ -	\$ -	\$ -	\$ -	-
BOND CAPITOL CCDL2000A	\$ 102,399.68	\$ 102,397.22	\$ 102,387.26	\$ 13.06	0.1552%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	-
CCDL2001C	\$ 201,357.40	\$ 201,352.55	\$ 201,332.98	\$ 25.68	0.1552%
CCDL2002B	\$ -	\$ -	\$ -	\$ -	-
CCDL 2004 SERIES A	\$ 3,026,928.99	\$ 3,026,855.41	\$ 3,026,561.24	\$ 386.11	0.1552%
BOND CCDL 2005 SERIES C	\$ 7,458,338.41	\$ 7,457,602.98	\$ 7,457,331.73	\$ 951.36	0.1552%
BOND CCDL 2005 SERIES E	\$ 829,160.44	\$ 829,131.49	\$ 829,052.67	\$ 105.76	0.1552%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	-
BOND CCDL 2006 SERIES C	\$ 2,988,456.22	\$ 2,988,336.82	\$ 2,988,055.74	\$ 381.20	0.1552%
GO BND-NTAX 2007 SERIES A	\$ 5,939,240.39	\$ 5,939,095.59	\$ 5,938,518.47	\$ 757.60	0.1552%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	-
GO BND-NTAX 2008 SERIES B	\$ 474,681.33	\$ 474,669.92	\$ 474,623.76	\$ 60.55	0.1552%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	-
CCDL10B BOND CAPITAL COMPONENT	\$ 2,451,135.97	\$ 2,450,965.31	\$ 2,450,749.32	\$ 312.65	0.1552%
CCDL10C	\$ 161,444.56	\$ 161,445.16	\$ 161,444.56	\$ 20.60	0.1552%
CCDL10D	\$ 103,931.70	\$ 103,929.20	\$ 103,919.09	\$ 13.26	0.1552%
CCDL2011A	\$ 58,155,178.12	\$ 54,375,289.52	\$ -	\$ 7,131.86	0.1556%
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	\$ 222,554.95	\$ 222,549.60	\$ 222,527.96	\$ 28.39	0.1552%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	-
CCDL99A 1999A	\$ 205,320.48	\$ 205,315.54	\$ -	\$ 26.19	0.1552%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2007 SERIES A	\$ 283,295.01	\$ 283,288.20	\$ -	\$ 36.14	0.1552%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	-
CCDL10B CLEAN WATER COMPONENT	\$ -	\$ -	\$ -	\$ -	-
CCDL2011A CLEAN WATER COMPONENT	\$ 1,260,191.05	\$ 1,260,160.75	\$ -	\$ 160.75	0.1552%
CCDL2011A POLL CTRL CMPNT	\$ -	\$ -	\$ -	\$ -	-
Bond Proceeds Fund Totals	\$ 85,622,571.23	\$ 81,841,860.68	\$ 25,715,338.17	\$ 10,635.53	0.155%
TANS PROCEEDS	\$ -	\$ -	\$ -	\$ -	-
Grand Totals	\$ 599,068,707.13	\$ 605,209,187.32	\$ 569,434,974.07	\$ 126,826.27	0.246%

457 Plans

State of Rhode Island Total Assets 457 Plans

Plan Provider	12/31/2011	3/31/2012	6/30/2012	9/30/2012
Valic	\$ 45,634,487.05	\$ 47,688,848.77	\$ 46,994,535.83	\$ 47,704,868.43
Fidelity	\$ 73,424,771.97	\$ 78,343,734.74	\$ 76,449,768.55	\$ 80,840,890.74
ING	\$ 99,442,315.29	\$ 107,030,165.15	\$ 106,089,472.87	\$ 110,196,585.14
Total	\$ 218,501,574.31	\$ 233,062,748.66	\$ 229,533,777.25	\$ 238,742,344.31

Monthly Plan Performance Update

STATE OF RHODE ISLAND - STATE OF RI (35835)

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

Name	Cumulative Total Returns				Average Annual Total Returns				
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr
DOW JONES 30 INDUSTRIAL AVERAGE	09/30/2012	2.75	5.02	12.19	09/30/2012	26.52	14.45	2.16	8.60
NASDAQ COMPOSITE INDEX	09/30/2012	1.70	6.54	20.73	09/30/2012	30.64	14.90	3.96	11.20
BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX	09/30/2012	0.14	1.58	3.99	09/30/2012	5.16	6.19	6.53	5.32
RUSSELL 2000 INDEX	09/30/2012	3.28	5.25	14.23	09/30/2012	31.91	12.99	2.21	10.17
STANDARD & POOR'S 500™ INDEX	09/30/2012	2.58	6.35	16.44	09/30/2012	30.20	13.20	1.05	8.01

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	Inception Date
Stock Investments													
Large Cap													
FID CONTRAFUND	09/30/2012	3.11	6.51	18.13	09/30/2012	27.91	13.98	2.81	9.99	12.26	—	0.81% on 02/29/2012	05/17/1967
FID LARGE CAP STOCK	09/30/2012	3.75	8.83	19.43	09/30/2012	34.21	13.38	1.59	7.80	7.04	—	1.03% on 06/29/2012	06/22/1995
FID NEW MILLEN	09/30/2012	4.00	6.41	16.16	09/30/2012	27.06	13.74	3.68	10.26	13.41	—	1.00% on 01/28/2012	12/28/1992
INVS DIVRS DIVD INV	09/30/2012	2.35	5.62	14.78	09/30/2012	26.76	11.48	2.67	—	5.04	—	0.90% on 04/30/2012	07/15/2005
SPTN 500 INDEX ADV	09/30/2012	2.58	6.33	16.41	09/30/2012	30.14	13.15	1.03	7.96	9.45	—	0.07% on 04/28/2012	02/17/1988
Mid-Cap													
FID LOW PRICED STK	09/30/2012	1.97	6.77	14.81	09/30/2012	25.56	13.37	3.60	11.46	13.97	1.5 % / 90days	0.88% on 09/29/2012	12/27/1989
FID MID CAP STOCK	09/30/2012	2.55	6.31	15.50	09/30/2012	25.99	13.29	1.35	9.88	11.03	.75 % / 30days	0.86% on 06/29/2012	03/29/1994
SPTN MID CAP IDX ADV	09/30/2012	2.08	5.56	13.89	09/30/2012	27.88	—	—	—	17.71	.75 % / 30days	0.22% on 06/29/2012	09/08/2011
Small Cap													
SPTN SM CAP IDX ADV	09/30/2012	3.25	5.23	14.13	09/30/2012	31.49	—	—	—	20.72	1.5 % / 90days	0.30% on 06/29/2012	09/08/2011
International													
FID DIVERSIFD INTL	09/30/2012	3.39	7.33	13.68	09/30/2012	19.21	3.56	-5.02	8.86	8.32	1 % / 30days	0.90% on 12/30/2011	12/27/1991

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
HARBOR INTL INV	09/30/2012	2.83	5.48	11.81	09/30/2012	19.92	5.25	-2.52	—	11.24	2 % / 60days	1.16% on 03/01/2012	11/01/2002
SPTN INTL INDEX ADV	09/30/2012	2.88	6.66	10.42	09/30/2012	14.68	2.21	-5.10	8.22	4.05	1 % / 90days	0.17% on 05/04/2012	11/05/1997

Blended Investments*

Others

FID FREEDOM K 2000	09/30/2012	0.84	2.56	5.94	09/30/2012	8.66	6.08	—	—	8.17	—	0.39% on 05/30/2012	07/02/2009
FID FREEDOM K 2005	09/30/2012	1.26	3.63	8.22	09/30/2012	12.62	7.40	—	—	10.76	—	0.46% on 05/30/2012	07/02/2009
FID FREEDOM K 2010	09/30/2012	1.55	4.37	9.91	09/30/2012	15.21	8.18	—	—	11.74	—	0.50% on 05/30/2012	07/02/2009
FID FREEDOM K 2015	09/30/2012	1.54	4.51	10.12	09/30/2012	15.49	8.32	—	—	12.03	—	0.51% on 05/30/2012	07/02/2009
FID FREEDOM K 2020	09/30/2012	1.72	4.92	11.09	09/30/2012	17.31	8.83	—	—	13.18	—	0.54% on 05/30/2012	07/02/2009
FID FREEDOM K 2025	09/30/2012	1.99	5.58	12.41	09/30/2012	19.59	9.15	—	—	13.76	—	0.58% on 05/30/2012	07/02/2009
FID FREEDOM K 2030	09/30/2012	2.05	5.84	12.83	09/30/2012	20.34	9.20	—	—	14.17	—	0.59% on 05/30/2012	07/02/2009
FID FREEDOM K 2035	09/30/2012	2.33	6.35	13.72	09/30/2012	22.02	9.20	—	—	14.31	—	0.62% on 05/30/2012	07/02/2009
FID FREEDOM K 2040	09/30/2012	2.32	6.42	13.74	09/30/2012	22.32	9.21	—	—	14.47	—	0.62% on 05/30/2012	07/02/2009
FID FREEDOM K 2045	09/30/2012	2.37	6.50	14.01	09/30/2012	22.80	9.26	—	—	14.58	—	0.63% on 05/30/2012	07/02/2009
FID FREEDOM K 2050	09/30/2012	2.51	6.65	14.34	09/30/2012	23.42	9.16	—	—	14.66	—	0.64% on 05/30/2012	07/02/2009
FID FREEDOM K 2055	09/30/2012	2.56	6.82	14.41	09/30/2012	23.69	—	—	—	2.17	—	0.64% on 05/30/2012	06/01/2011
FID FREEDOM K INCOME	09/30/2012	0.86	2.56	5.93	09/30/2012	8.64	6.00	—	—	7.97	—	0.39% on 05/30/2012	07/02/2009

Bond Investments

Income

PIMCO TOT RETURN ADM	09/30/2012	0.87	3.09	8.88	09/30/2012	11.23	7.42	8.65	6.68	7.50	—	0.71% on 07/31/2012	09/08/1994
SPTN US BOND IDX ADV	09/30/2012	0.19	1.60	4.09	09/30/2012	5.14	6.07	6.11	5.16	6.99	—	0.17% on 10/29/2011	03/08/1990

Short-Term Investments

Others

FID RETIRE MMKT	09/30/2012	0	0	0.01	09/30/2012	0.01	0.02	0.96	1.86	3.83	—	0.42% on 10/29/2011	12/02/1988
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Other Investments

Others

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Brokerage Products and Services are offered through Fidelity Brokerage Services, Member NYSE, SIPC. Investment and workplace savings plan products and services offered directly to investors and plan sponsors are provided by Fidelity Brokerage Services, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917. Investment and workplace savings plan products and services distributed through investment professionals are provided by Fidelity Investments Institutional Services Company, Inc., 100 Salem Street, Smithfield, RI 02917.

PERFORMANCE UPDATE

ING Life Insurance and Annuity Company

STATE OF RHODE ISLAND

Average Annual Total Returns as of: 09/30/2012 (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 %*
Stability of Principal																			
<i>Stability of Principal</i>																			
ING Fixed Account - 457/401 (13)(14)	MFR	0.24	0.00	0.75	0.01	2.24	0.02	3.09	0.03	3.33	0.03	3.58	0.72	4.10	1.58				
Bonds																			
<i>High Yield Bond</i>																			
Prudential High Yield Fund, Inc. - Class Z	BCUSHY2IC	1.18	1.39	4.10	4.53	10.82	12.09	17.62	19.35	12.53	12.82	8.85	9.50	10.29	10.93		03/01/1996	0.63	0.63
<i>Inflation-Protected Bond</i>																			
PIMCO VIT Real Return Portfolio - Administrative Class	LBUSTIPS	0.82	0.51	2.64	2.12	7.97	6.25	10.81	9.10	10.07	9.29	8.52	7.93	6.95	6.64		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				
ING Intermediate Bond Portfolio - Class I	LEHM	0.95	0.14	3.62	1.59	7.74	3.99	9.58	5.16	9.07	6.19	5.85	6.53	5.32	5.32		05/23/1973	0.50	0.50
ING U.S. Bond Index Portfolio - Class I	LEHM	0.09	0.14	1.51	1.59	3.87	3.99	4.93	5.16	5.80	6.19					5.84	03/04/2008	0.41	0.41
Asset Allocation																			
<i>Lifecycle</i>																			
ING Solution 2015 Portfolio - Adviser Class (1)	SPT2015	1.28	1.39	3.99	3.74	10.15	8.59	16.25	15.42	7.89	8.36	1.27	2.41			3.91	04/29/2005	1.39	1.28
ING Solution 2015 Portfolio - Initial Class (2)	SPT2015	1.34	1.39	4.19	3.74	10.53	8.59	16.75	15.42	8.44	8.36	1.77	2.41			4.44	04/29/2005	0.89	0.78
ING Solution 2025 Portfolio - Initial Class (3)	SPT2025	1.76	1.71	4.96	4.42	12.08	10.17	20.48	18.79	9.06	9.16	0.35	1.54			4.11	04/29/2005	0.97	0.86
ING Solution 2035 Portfolio - Initial Class (4)	SP2035	2.16	1.98	5.48	4.95	13.17	11.33	23.20	21.19	9.20	9.57	-0.24	0.63			4.16	04/29/2005	1.03	0.92
ING Solution 2045 Portfolio - Initial Class (5)	SP2045	2.31	2.15	5.86	5.28	13.54	12.03	23.90	22.48	9.32	9.73	-0.91	0.07			4.14	04/29/2005	1.04	0.93
ING Solution 2055 Portfolio - Initial Class (6)	SP2045	2.32	2.15	5.83	5.28	13.52	12.03	23.90	22.48							8.23	03/08/2010	1.04	0.93
ING Solution Income Portfolio - Initial Class (7)	SPTREIN	1.10	0.94	3.75	2.81	9.42	6.47	14.27	10.83	7.53	7.18	3.55	3.18			4.64	04/29/2005	0.83	0.72
Balanced																			
<i>Moderate Allocation</i>																			
ING T. Rowe Price Capital Appreciation Portfolio - Inst (8)	SPXLBGC	1.56	1.58	5.34	4.49	12.71	11.65	23.82	20.10	11.80	10.74	4.90	3.66	10.04	7.25		01/24/1989	0.65	0.65
Large Cap Value																			
<i>Large Blend</i>																			
ING Growth and Income Portfolio - Class I	SPXRE	2.48	2.58	8.09	6.35	17.12	16.44	32.50	30.20	11.87	13.20	1.29	1.05	7.20	8.01		12/31/1979	0.58	0.58
ING U.S. Stock Index Portfolio - Institutional Class	SPXRE	2.53	2.58	6.23	6.35	16.23	16.44	29.84	30.20	12.91	13.20	0.81	1.05			5.06	05/03/2004	0.26	0.26
<i>Large Value</i>																			
BlackRock Equity Dividend Fund - Institutional Shares	SPXRE	2.44	2.58	4.75	6.35	11.90	16.44	25.25	30.20	12.60	13.20	1.75	1.05	9.99	8.01		11/29/1988	0.76	0.76
Large Cap Growth																			
<i>Large Growth</i>																			
ING Large Cap Growth Portfolio - Institutional Class (9)	RS1000G	1.91	1.96	7.51	6.11	19.93	16.79	31.51	29.18	15.76	14.73	7.20	3.24			7.95	05/03/2004	0.69	0.60
Small/Mid/Specialty																			
<i>Mid-Cap Blend</i>																			
ING Russell Mid Cap Index Portfolio - Class I	RSMID	2.02	2.12	5.49	5.59	13.75	13.99	27.61	28.03	13.93	14.26					6.21	03/04/2008	0.45	0.43
<i>Mid-Cap Growth</i>																			
Principal MidCap Blend Fund - R-5 Class Shares	RSMID	2.65	2.12	6.46	5.59	15.09	13.99	30.21	28.03	17.49	14.26	5.59	2.24	11.24	11.18		12/06/2000	0.89	0.89
<i>Small Blend</i>																			
ING Russell Small Cap Index Portfolio - Class I (10)	RS2000	3.35	3.28	5.42	5.26	14.05	14.23	31.63	31.91	12.88	12.99					7.19	03/04/2008	0.48	0.46
ING Small Company Portfolio - Class I	RS2000	2.22	3.28	4.09	5.26	12.77	14.23	32.21	31.91	12.73	12.99	2.86	2.21	10.19	10.17		12/27/1996	0.86	0.86
Global / International																			
<i>Foreign Large Blend</i>																			
American Funds EuroPacific Growth Fund - Class R-4 (11)	MSCIACEU	3.67	3.77	7.26	7.49	12.94	10.86	18.06	15.04	3.34	3.63	-2.22	-3.67	10.25	10.32		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	2.88	2.99	6.35	6.98	10.44	10.59	14.99	14.33	2.05	2.59					-2.89	03/04/2008	0.57	0.51
World Stock																			
ING Oppenheimer Global Portfolio - Initial Class	MSCIAC	3.24	3.19	7.87	6.97	13.29	13.39	20.70	21.67	8.28	7.78	-0.77	-1.54	8.80	9.16		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: 09/30/2012 (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
Stability of Principal									
<i>Stability of Principal</i>									
ING Fixed Account - 457/401 (13)(14) <i>This fund is not part of the product's separate account.</i>	0.24	0.75	2.24	3.09	3.33	3.58	4.10		
Bonds									
<i>High Yield Bond</i>									
Prudential High Yield Fund, Inc. - Class Z	1.16	4.03	10.58	17.28	12.24	8.57	10.02		03/01/1996
<i>Inflation-Protected Bond</i>									
PIMCO VIT Real Return Portfolio - Administrative Class	0.80	2.57	7.77	10.53	9.78	8.24	6.68		09/30/1999
<i>Intermediate-Term Bond</i>									

See Performance Introduction Page for Important Information

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
ING Intermediate Bond Portfolio - Class I	0.93	3.55	7.54	9.31	8.80	5.58	5.06		05/23/1973
ING U.S. Bond Index Portfolio - Class I	0.07	1.44	3.67	4.67	5.54			5.58	03/04/2008
Asset Allocation									
<i>Lifecycle</i>									
ING Solution 2015 Portfolio - Adviser Class (1)	1.26	3.93	9.94	15.96	7.62	1.01		3.65	04/29/2005
ING Solution 2015 Portfolio - Initial Class (2)	1.32	4.13	10.32	16.46	8.17	1.51		4.18	04/29/2005
ING Solution 2025 Portfolio - Initial Class (3)	1.74	4.89	11.87	20.18	8.79	0.09		3.85	04/29/2005
ING Solution 2035 Portfolio - Initial Class (4)	2.14	5.41	12.96	22.89	8.92	-0.49		3.90	04/29/2005
ING Solution 2045 Portfolio - Initial Class (5)	2.29	5.80	13.33	23.59	9.05	-1.15		3.88	04/29/2005
ING Solution 2055 Portfolio - Initial Class (6)	2.30	5.76	13.30	23.59				7.96	03/08/2010
ING Solution Income Portfolio - Initial Class (7)	1.08	3.69	9.22	13.99	7.26	3.29		4.38	04/29/2005
Balanced									
<i>Moderate Allocation</i>									
ING T. Rowe Price Capital Appreciation Portfolio - Inst (8)	1.54	5.27	12.50	23.51	11.53	4.63	9.76		01/24/1989
Large Cap Value									
<i>Large Blend</i>									
ING Growth and Income Portfolio - Class I	2.46	8.03	16.90	32.18	11.59	1.03	6.93		12/31/1979
ING U.S. Stock Index Portfolio - Institutional Class	2.51	6.16	16.01	29.51	12.63	0.56		4.80	05/03/2004
<i>Large Value</i>									
BlackRock Equity Dividend Fund - Institutional Shares	2.42	4.68	11.69	24.94	12.32	1.49	9.72		11/29/1988
Large Cap Growth									
<i>Large Growth</i>									
ING Large Cap Growth Portfolio - Institutional Class (9)	1.89	7.44	19.71	31.19	15.47	6.93		7.68	05/03/2004
Small/Mid/Specialty									
<i>Mid-Cap Blend</i>									
ING Russell Mid Cap Index Portfolio - Class I	2.00	5.43	13.54	27.30	13.65			5.94	03/04/2008
<i>Mid-Cap Growth</i>									
Principal MidCap Blend Fund - R-5 Class Shares	2.63	6.40	14.88	29.89	17.20	5.32	10.96		12/06/2000
<i>Small Blend</i>									
ING Russell Small Cap Index Portfolio - Class I (10)	3.33	5.36	13.84	31.30	12.60			6.92	03/04/2008
ING Small Company Portfolio - Class I	2.20	4.03	12.56	31.88	12.45	2.61	9.91		12/27/1996
Global / International									
<i>Foreign Large Blend</i>									
American Funds EuroPacific Growth Fund - Class R-4 (11)	3.65	7.19	12.73	17.76	3.08	-2.46	9.97		04/16/1984
ING International Index Portfolio - Class I (12)	2.86	6.29	10.23	14.70	1.80			-3.13	03/04/2008
<i>World Stock</i>									

See Performance Introduction Page for Important Information

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date
ING Oppenheimer Global Portfolio - Initial Class	3.22	7.81	13.08	20.40	8.01	-1.02	8.52		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

The CURRENT rate for the ING Long Term Guaranteed Accumulation Account is 3.00%, expressed as an annual effective yield, and is guaranteed between 10/01/2012 and 12/29/2017.

Deposits received from 10/01/2012 through 10/31/2012 will receive this rate of interest. The annual rate of interest applied to your account may be higher or lower than the current rate. For more information regarding the GAA rates and terms, call 1-800-GAA-FUND.

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.

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Additional Notes

(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.

(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 12/31/2012. 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.

Benchmark ID	Benchmark Description
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.

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Benchmark ID	Benchmark Description
MFR	The MFR Money Market Index is comprised of returns which are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by 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.
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 09/30/2012.

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

Category/Funds	YTD Return	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	ITD Date
Domestic Equity								
Domestic Large Cap Equity								
<i>Large Cap Value</i>								
Dividend Value Fund (Black Rock/SunAmerica)	12.17	25.51	12.43	-0.64	6.65	6.65	1.90	12/8/2000
Vanguard Windsor II Fund	14.42	28.75	10.60	-1.25	7.15	7.15	1.40	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	13.62	27.29	9.83	-1.39	5.09	5.09	1.88	4/29/1994
Stock Index Fund (SunAmerica)	15.42	28.70	11.96	-0.06	6.80	6.80	1.18	4/20/1987
<i>Large Cap Growth</i>								
Growth Fund (American Century)	15.89	27.33	12.85	2.46	3.01	3.01	1.69	12/5/2005
Large Capital Growth Fund (SunAmerica/Invesco)	13.93	2.07	8.86	-0.52	2.70	2.70	1.58	12/20/2004
Domestic Mid Cap Equity								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (RCM/MorganStanley)	7.00	13.77	9.23	-0.86	4.69	4.69	1.64	12/20/2004
Global Equity								
Global Social Awareness Fund (PineBridge Investments)	12.31	20.40	6.53	-2.78	5.26	5.26	1.47	10/2/1989
Emerging Economies (formerly Global Equity) Fund (JPMorgan)	8.58	15.60	2.35	-7.73	-0.94	-0.94	1.8	12/5/2005
International Equity								
Foreign Value Fund (Templeton Global)	8.45	11.68	0.17	-4.21	1.19	1.19	1.64	12/5/2005
Speciality								
Science & Technology Fund (T. Rowe/RCM/Wellington)	13.32	19.02	11.50	1.94	9.72	9.72	1.82	4/29/1994
Hybrid								
<i>Balanced</i>								
Vanguard Wellington Fund	10.63	19.41	9.14	2.79	7.61	7.61	1.35	7/1/1929
Fixed Income								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	10.31	12.50	11.21	9.61	6.87	6.87	1.04	7/9/1973
Vanguard Long-Term Treasury Fund	3.99	5.33	10.86	9.98	6.69	6.69	1.02	5/19/1986
<i>International</i>								
International Government Bond Fund (PineBridge Investments)	7.60	8.94	5.88	5.99	7.44	7.44	1.47	10/1/1991
<i>Stable Value</i>								
Money Market I Fund (SunAmerica)	-0.59	-0.78	-0.78	-0.08	0.80	0.80	1.32	1/16/1986
7-Day current yield at 30-Sep-2009: -0.79								
Fixed Account Plus	2.78	2.87	3.34	3.54	4.21	4.21		1/1/1982
Short Term Fixed Account	1.00	1.00	1.50	2.10	2.55	2.55		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 contact 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, 12.40, and 13.20 will earn the monthly declared interest rate until that rate is changed. The interest rate for the Short-Term Fixed Account is declared annually in January.

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

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

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

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

~ 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.

OPEB

State of Rhode Island

RATES OF RETURN - Total

Periods Ending September 30, 2012



STATE STREET

PERFORMANCE SUMMARY REPORT

	EMV	ROR	Qtr ROR	FYTD	YTD	1 YEAR	3 YEARS	ITD	Incept Date
BROWN BROTHERS FI - ZUBD	29,339,698	0.31	2.14	2.14	5.87	6.99		8.21	07-01-11
Barclays Aggregate Bond - XSL		0.14	1.58	1.58	3.99	5.16		7.27	
SSGA S&P 500 INDEX FUND - ZUBA	16,939,612	2.59	6.34	6.34	16.42	30.22		9.52	05-01-11
S&P 500 - X01		2.58	6.35	6.35	16.44	30.20		6.28	
TOTAL OPEB - ZUBAA1	46,279,310	1.10	3.60	3.60	9.50	14.35		8.55	05-01-11
<i>OPEB Custom Blend - OPEB1</i>		<i>1.02</i>	<i>3.29</i>	<i>3.29</i>	<i>8.32</i>	<i>13.28</i>		<i>5.07</i>	

OSIP

State of Rhode Island
 OSIP Performance Q1
 July 1, 2012 to September 30, 2012

Fund #	Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield
6700	RIPTA HEALTH FUND	\$ 463.85	\$ 464.06	\$ 463.85	\$ 0.21	0.18%
6600	BOG RETIREE FUND	\$ 259,080.66	\$ 9,173.98	\$ 202,015.44	\$ 93.32	0.18%
4300	ASSESSED FRINGE BEN ADM	\$ 1,000,315.61	\$ 433.55	\$ 244,880.83	\$ 117.94	0.19%
7200	RI ST POL RETIREE HEALTH	\$ 345,589.75	\$ 713.26	\$ 266,839.75	\$ 123.51	0.18%
8000	HIGHER EDUCATION	\$ 4,929.00	\$ 1,105,089.35	\$ 420,146.39	\$ 160.35	0.15%
1004	GENERAL FUND (HIST PRES)	\$ 536,501.72	\$ 536,738.86	\$ 536,501.72	\$ 237.14	0.18%
1100	HISTORIC TAX CREDITS	\$ 1,200,979.05	\$ 1,201,509.91	\$ 1,200,979.05	\$ 530.86	0.18%
6800	PERMANENT SCHOOL FUND	\$ 1,430,451.32	\$ 1,431,083.60	\$ 1,430,451.32	\$ 632.28	0.18%
7100	TEACHER RETIREE HEALTH FUND	\$ 554,213.82	\$ 2,105,077.58	\$ 1,983,018.17	\$ 863.76	0.17%
2300	R.I. CLEAN WATER ACT	\$ 2,300,947.04	\$ 2,301,964.10	\$ 2,300,947.04	\$ 1,017.06	0.18%
6500	RETIREE HEALTH FUND	\$ 3,485,971.63	\$ 2,587,516.04	\$ 3,510,971.63	\$ 1,544.41	0.17%
8100	INDUS. BLDG. & MTG. INS.	\$ 3,648,557.42	\$ 3,650,170.16	\$ 3,648,557.42	\$ 1,612.74	0.18%
7500	UNIVERSITY COLLEGE	\$ 6,054,355.31	\$ 5,056,022.83	\$ 3,690,224.88	\$ 1,667.52	0.18%
1200	HIGHWAY FUND	\$ 8,789.08	\$ 12,911,895.89	\$ 7,059,876.04	\$ 3,106.81	0.17%
4000	STATE LOTTERY FUND	\$ 19,851,789.46	\$ 17,759,818.08	\$ 18,117,006.85	\$ 8,028.62	0.18%
5700	HEALTH INSURANCE FUND	\$ 20,520,474.15	\$ 28,430,982.48	\$ 23,941,126.32	\$ 10,508.33	0.17%
1400	T.D.I. RESERVE (DET)	\$ 47,058,316.92	\$ 50,980,267.75	\$ 50,086,577.79	\$ 21,950.83	0.17%
1000	GENERAL FUND	\$ 55,023,736.07	\$ 55,048,057.67	\$ 55,023,736.07	\$ 24,321.60	0.18%
2100	RICAP GL FUND 21	\$ 64,943,342.93	\$ 64,972,049.20	\$ 64,943,342.93	\$ 28,706.27	0.18%
Operating Funds Totals		\$ 228,228,804.79	\$ 250,089,028.35	\$ 238,607,663.49	\$ 105,223.56	0.17%
2216	CCDL1993A	\$ 7,386.34	\$ 7,386.19	\$ 7,384.56	\$ 3.26	0.18%
2217	BOND CCDL 1994 SERIES A	\$ 15,002.22	\$ 15,001.91	\$ 14,998.60	\$ 6.62	0.18%
2221	CAP DEV OF 1997 SERIES A	\$ 40,477.14	\$ 41,017.51	\$ 40,496.77	\$ 17.90	0.18%
2226	BOND CAPITOL CCDL2000A	\$ 102,399.29	\$ 102,397.22	\$ 102,374.56	\$ 45.25	0.18%
2242	CCDL10D	\$ 103,931.30	\$ 103,929.20	\$ 103,906.19	\$ 45.94	0.18%
2241	CCDL10C	\$ 161,393.82	\$ 161,465.16	\$ 161,393.82	\$ 71.34	0.18%
2228	CCDL2001C	\$ 201,356.62	\$ 201,352.55	\$ 201,307.99	\$ 88.98	0.18%
2339	CCDL99A 1999A	\$ 205,319.69	\$ 205,315.54	\$ 205,269.43	\$ 90.74	0.18%
2311	CLEAN WATER 2004 SERIES A	\$ 222,554.09	\$ 222,549.60	\$ 222,499.62	\$ 98.35	0.18%
2347	CLEAN WATER 2007 SERIES A	\$ 283,293.92	\$ 283,288.20	\$ 283,224.58	\$ 125.20	0.18%
2238	GO BND-NTAX 2008 SERIES B	\$ 474,679.50	\$ 474,669.92	\$ 474,564.85	\$ 209.77	0.18%
2233	BOND CCDL 2005 SERIES E	\$ 897,280.30	\$ 829,131.49	\$ 871,888.40	\$ 386.51	0.18%
2350	CCDL2011A CLEAN WATER COMPONENT	\$ 1,260,186.19	\$ 1,260,160.75	\$ 1,259,877.76	\$ 556.90	0.18%
2222	CCDL1998A	\$ 1,696,084.06	\$ 1,696,049.81	\$ 1,695,674.39	\$ 749.53	0.18%
2240	CCDL10B BOND CAPITAL COMPONENT	\$ 3,296,205.17	\$ 2,450,965.31	\$ 2,983,080.29	\$ 1,332.44	0.18%
2231	CCDL 2004 SERIES A	\$ 3,032,932.62	\$ 3,026,855.41	\$ 3,029,976.97	\$ 1,339.43	0.18%
2235	BOND CCDL 2006 SERIES C	\$ 3,348,081.72	\$ 2,988,336.82	\$ 3,214,367.18	\$ 1,426.73	0.18%
2236	GO BND-NTAX 2007 SERIES A	\$ 5,954,261.48	\$ 5,939,095.59	\$ 5,947,262.66	\$ 2,629.10	0.18%
2232	BOND CCDL 2005 SERIES C	\$ 7,571,036.21	\$ 7,457,602.98	\$ 7,527,515.45	\$ 3,329.21	0.18%
2243	CCDL2011A	\$ 72,665,605.82	\$ 54,375,289.52	\$ 65,164,612.00	\$ 29,105.71	0.18%
Bond Proceeds Fund Totals		\$ 101,539,467.50	\$ 81,841,860.68	\$ 93,511,676.07	\$ 41,658.91	0.18%
1050	TANS PROCEEDS	\$ -	\$ -	\$ -	\$ -	0.00%
Grand Totals		\$ 329,768,272.29	\$ 331,930,889.03	\$ 332,119,339.56	\$ 146,882.47	0.18%