

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
December 31, 2012**

**January 23, 2013
MEETING**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Honorable Gina M. Raimondo, Chair

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

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

Section I.

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, January 23, 2013 at 9:00 a.m. in Room 135 of the State House.

AGENDA

- Chairperson Call to Order
- Membership Roll Call
- Approval of Minutes
 - State Investment Commission Meeting held on December 19, 2012*
- Bank Loan/High Yield Recommendation*
- General Consultant — Infrastructure Policy Statement*
- Corporate Governance Briefing
- Legal Counsel Report
- Chief Investment Officer Report
 - Review of New Reporting & Mid-Year Update
- Treasurer's Report

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

POSTED ON FRIDAY, JANUARY 18, 2013

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Section II.

Approval of Minutes



State Investment Commission

Monthly Meeting Minutes

Wednesday, December 19, 2012

9:00 a.m.

Room 135, State House

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:00 a.m., Wednesday, December 19, 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, General Treasurer Gina Raimondo. Mr. Fay left at 10:52.

Also in attendance: Mr. Thomas Lynch of Cliffwater, Alternative Investment Consultant to the Commission; Mr. John Burns, Ms. Judy Chambers, and Mr. David Glickman of Pension Consulting Alliance (PCA), General Policy Consultant and Real estate Consultant to the Commission; Ms. Sally Dowling, of Adler Pollock, Legal Counsel to the Commission; Mr. Robert Furuhjelm and Ms. Janine Peake of Nordic Capital; Anne-Marie Fink, chief investment officer and members of the Governor's and Treasurer's staff.

Treasurer Raimondo called the meeting to order at 9:00 a.m.

II. Approval of Minutes

On a motion by Mr. Reilly and seconded by Ms. Paula McNamara, it was unanimously **VOTED: To approve the draft of the minutes of the November 28, 2012 meeting of the State Investment Commission.**

Before moving to the agenda, Treasurer Raimondo took a moment to acknowledge the tragedy in Newtown, Connecticut. The Treasurer asked Ms. Fink and Cliffwater to go through our portfolio to see if our private equity managers own companies which distribute semi-automatic weapons. She explained Wellspring has a stake in United Sporting Company and as of January 1st they will no longer distribute the weapons. Anne-Marie is putting together a corporate governance program and someone will be at the board meeting in January to continue that conversation.

III. Nordic Capital Fund VIII Recommendation

Mr. Lynch introduced Mr. Furuhjelm and Ms. Peake.

Mr. Furuhjelm explained ERSRI has been an investor in Nordic since Fund III in 1998. Nordic has realized a net \$72 million with a net return of 3.4X on realized investments. They are the lead investor in 77 acquisitions and have invested 7 Billion Euros in the Nordic region.

Mr. Furuhjelm pointed out they recently opened an office in Germany to evaluate opportunities in that market. He explained all of their transactions are large to mid-cap buyouts and about 40% of their total investments are in the healthcare space.

Mr. Furuhjelm continued to review the book, explaining their offices, investors and investments geographic location. He stated they are very good at creating efficiencies while maintaining employee and customer loyalty in the businesses. He referenced accolades along these lines.

Ms. Booth Gallogly asked about the Nordic and European healthcare system and how this effects their investments and Mr. Furuhjelm and Ms. Peake explained that dynamic.

Mr. Reilly asked for an update on Fund VII and they provided an update on their final six investments and their plan to continue to improve that process in Fund VIII.

Nordic left the room and Mr. Lynch provided investment and operations due diligence. He explained how this fit into the private equity portfolio as a whole.

On a motion by Ms. Booth Gallogly and seconded by Mr. Costello, it was unanimously **VOTED: to commit \$20 million to Nordic Capital, for investment in Nordic Capital Fund VIII predicated on satisfactory completion of all due diligence.**

IV. Hedge Fund Redemption

Mr. Lynch recommended a \$50M redemption of the Wexford Spectrum fund. He read the memo on why they came to this conclusion including their recent request for a side pocket and investments in private companies.

Ms. Fink agreed with Mr. Lynch and explained they are not fulfilling their mandate and role in the portfolio.

The board explained the timeline for getting the cash redemption. Ms. Fink said we have some time before the cash is received and she explained staff will be looking at a variety of options on where to reallocate the money.

Mr. Reilly asked if there is a penalty and Mr. Lynch said no. He explained there is a risk Wexford could put up a gate.

On a motion by Mr. Costello and seconded by Mr. Giudici, it was unanimously **VOTED: to accept the recommendation to redeem all investments in the Wexford Spectrum Fund.**

Mr. Lynch then explained the watch list process and said the internal investment committee put Gracie on a watch list because of instability in their partnership structure and because they have recently had some redemptions. Ms. Fink said this does not necessarily mean redemption, but the firm is being looked at very carefully.

V. Infrastructure Policy Statement

Ms. Chambers reviewed the policy statement, including how the committee plans to run the portfolio, what investment preferences are, what the risks are, strategic objectives, long term performance objectives with a benchmark. She listed prohibited investments including

nuclear facilities, correctional facilities and underlying assets with significant commodity exposure.

Ms. Chambers explained the section regarding “Rhode Island Investments”, saying they would encourage managers to look for investment opportunities in Rhode Island, but they should have the same risk-return expectations. She also explained the section on responsible contracting policies (RCP) in detail.

Mr. Costello asked how this policy compares to others and Ms. Chambers explained it was a relatively standard, straight-forward policy.

Treasurer Raimondo asked how many funds would be in the infrastructure portfolio and Ms. Chambers said the allocated capital to this space is 3% or about \$220M. She said there will be about 3-5 managers and Ms. Fink said it would most likely be at the lower end of that range.

Ms. Reback suggested the staff “shall” notify the SIC if a manager does not comply with ERSRI RCP instead of “may.” The board agreed. Ms. Reback also voiced concerns about letter “h” of infrastructure investment risks and a line on union recognition in the RCP.

Ms. Chambers explained this is standard pro-labor language and many other pension funds have adopted policies very similar to this.

The board discussed the issues raised and it was concluded they would seek the guidance of Mr. Emkin, a national leader in this area as well as legal staff.

The decision was made to revisit the policy next meeting in light of Ms. Reback’s concerns.

VI. Policy Guidelines for Swap Related QIRs

Ms. Fink explained this is something Russell our overlay manager asked us to put in place because they need it to do SWAPs for us as part of Dodd-Frank.

The committee discussed Russell’s role in the portfolio and explained they use SWAPs to get the portfolio back into policy. Ms. Fink explained this is a cheaper way to get back into policy day-to-day. It is a boiler plate policy and all of their other clients are being asked to approve a similar policy.

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

VOTED: to adopt the policy regarding qualified independent representatives as related to Swaps transactions.

VII. Real Estate Restructuring Plan

Mr. Glickman said the goal today is to provide an update of the decisions made previously about the real estate portion of the portfolio. He presented the portfolio by property sector diversification, geographic diversification, risk classification and vintage exposure by commitment year. The portfolio is currently 68% core and 32% non-core.

He explained REITS should be a part of the portfolio and can be used opportunistically and should make up between 0% and 25% of the portfolio.

Mr. Glickman and the board discussed secondary sales opportunities in the non-core part of the portfolio in detail. The committee stressed they do not want to sell just to sell and the pricing has to be competitive. He recommended putting additional funds into the good

performing managers in the portfolio. He then provided a pacing plan update and said this should take until 2015 to avoid vintage year concentration risk.

VIII. Legal Counsel Report

There was no legal update.

IX. CIO Report

Ms. Fink reviewed November estimated performance in each asset class. She reviewed detractors and best performers. She explained with the markets now performing well it is a good thing we did not put the hedge on. She pointed out the FDIC blanket insurance is going away at the end of the year and she is working with Mr. Vin Izzo, cash manager to review that effect on the portfolio. All the portfolio's deposits are fully collateralized, so the effect is minimal. She provided a brief update on the variable rate and banking RFPs. She then gave a brief update on the December markets to date.

X. Treasurer's Report

Treasurer Raimondo thanked the committee for all their work this year to improve the portfolio.

XI. Adjournment

There being no other business to come before the Board, on a motion by Ms. Booth Gallogly and seconded by Mr. Giudici the meeting adjourned at 11:13 a.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer

Section III.

Staff Summary



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

Gina M. Raimondo
General Treasurer

January 17, 2013

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

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, Municipal Employees', State Police and Judicial Retirement Systems of the State of Rhode Island at the close of business on December 31, 2012.

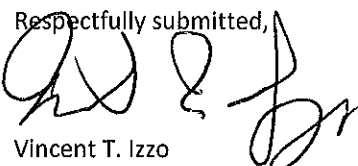
Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation
December 31, 2012

Asset Class		Base Market Value
Grand Total		\$7,482,887,468
GLOBAL PUBLIC EQUITY		\$3,354,194,158
EQUITY HEDGE FUNDS *		\$546,321,025
PRIVATE EQUITY *		\$575,181,607
US TRADITIONAL FIXED		\$1,059,734,703
REAL ESTATE *		\$269,602,417
REAL RET HEDGE FUNDS *		\$515,744,687
INFLATION-LINKED BDS		\$385,134,389
CASH & SHORT-TERM INV. **		\$776,974,482

Plan Allocations	%	Base Market Value
Grand Total	100.00%	\$7,482,887,468
STATE EMP RET PLAN	81.94%	\$6,131,761,725
MUNI EMP RET PLAN	16.30%	\$1,219,487,997
STATE POLICE RET PL	1.16%	\$87,102,384
JUDICIAL RET PLAN	0.60%	\$44,535,363

* Alternative Investments – comprising the four components as indicated – are illiquid and may not have readily determinable market values. As such, they are generally based on appraisals only.

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

Respectfully submitted,

Vincent T. Izzo
Cash Manager

Portfolio Highlights

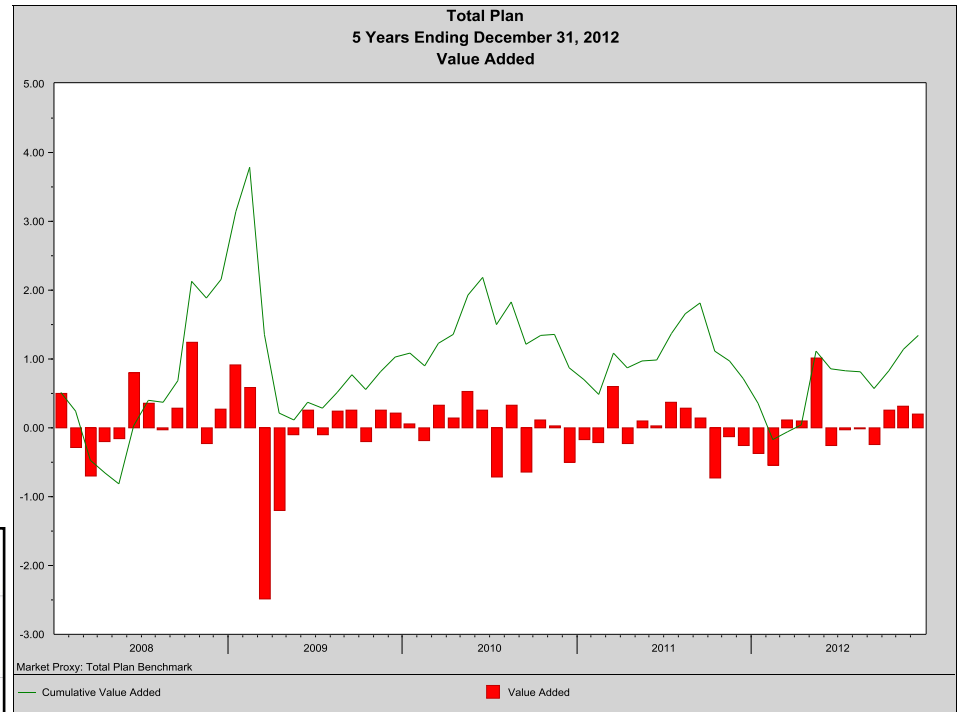
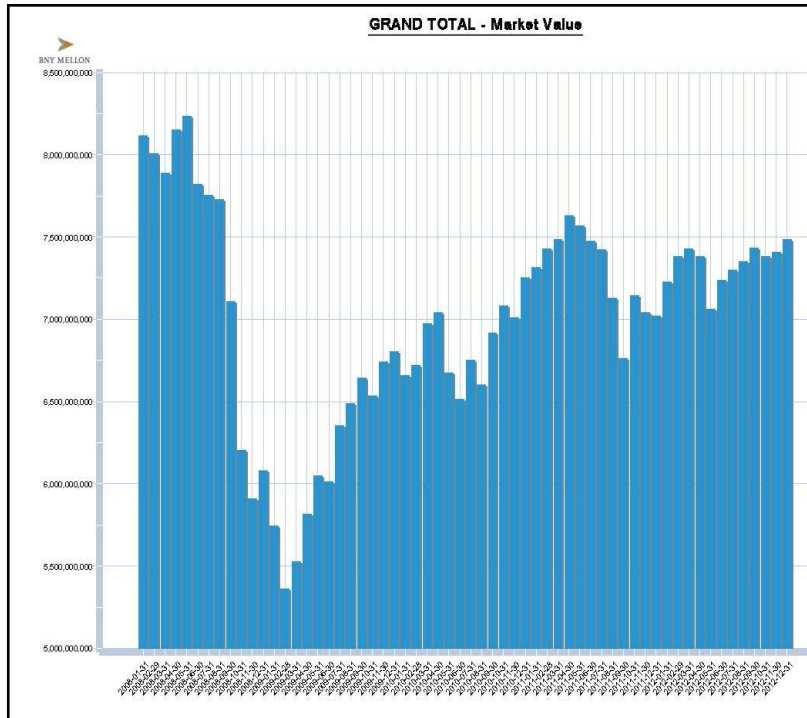
PORTFOLIO PERFORMANCE December

The ERSRI portfolio posted a 1.5% gain for December, against the policy index of 1.64%. Total Equity gained 2.07%, the US Traditional Fixed Income returned -0.05%, the Real Return Hedge Funds returned 1.33%, and GILB's returned 0.32%

Calendar Year to Date For the twelve months ending December 31, 2012, the portfolio is up 12.49% against the policy index of 12.16%. Total Equity was up 15.88%, US Traditional Fixed Income returned 7.95%, while Real Return Hedge Funds returned 5.33% and GILB's earned 9.20%

Fiscal Year to Date For the Fiscal Year to date, the fund has gained 6.86%, versus the policy index of 6.70%.

Market Values The total portfolio value increased in December by \$77.3 million to \$7.5 billion. This compares with an decrease in value of \$19.3 million for the same period in 2011. The increase represents \$110.2 million of market impact, offset by \$32.9 million of transfers out.



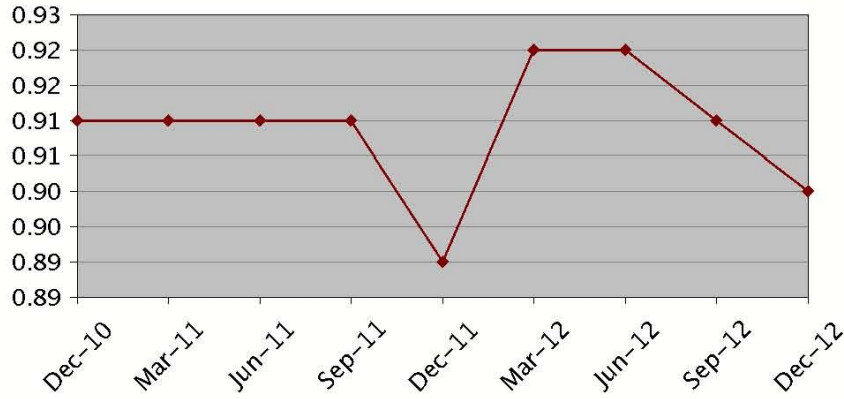
Market Proxy: Total Plan Benchmark

— Cumulative Value Added

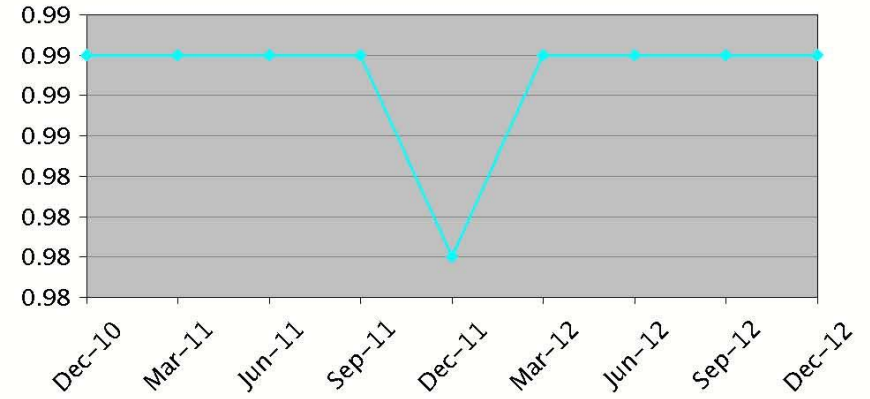
■ Value Added

Account Name Benchmark Name	Market Value (M)	Month	Fiscal YTD
US Public Equity	1,616.29	1.23	5.94
Non-US Public Equity	1,737.92	3.54	13.68
Equity Hedge Funds	546.32	0.76	5.56
Private Equity	575.84	1.36	3.92
US Traditional Fixed Income	1,099.75	-0.05	3.74
Real Estate	269.60	3.21	4.80
Real Return Hedge Funds	515.74	1.33	5.33
Inflation-Linked Bonds	395.86	0.32	4.74
Total Cash	672.33	0.04	0.18
Total Plan	7,482.89	1.50	6.86

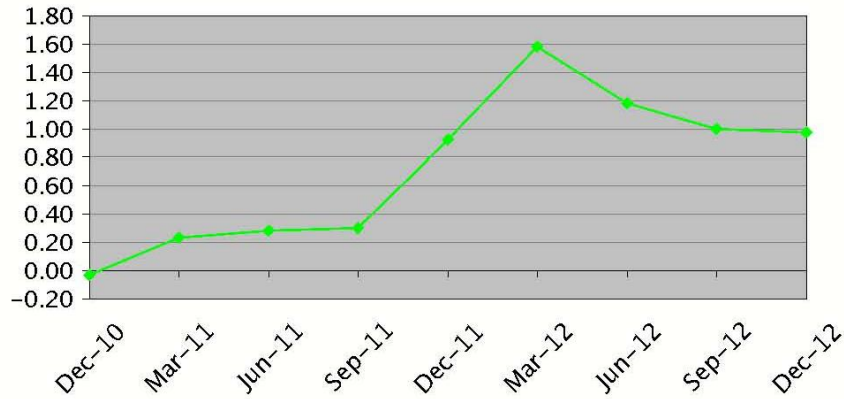
Beta



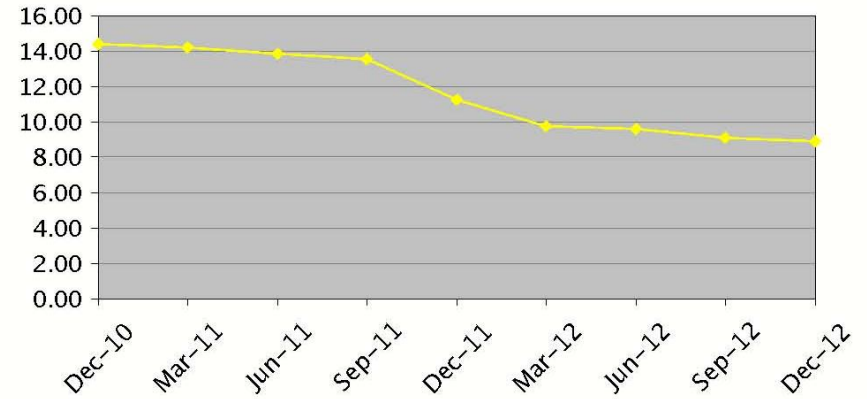
R-Squared



Annualized Sharpe Ratio



Annualized Standard Deviation



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

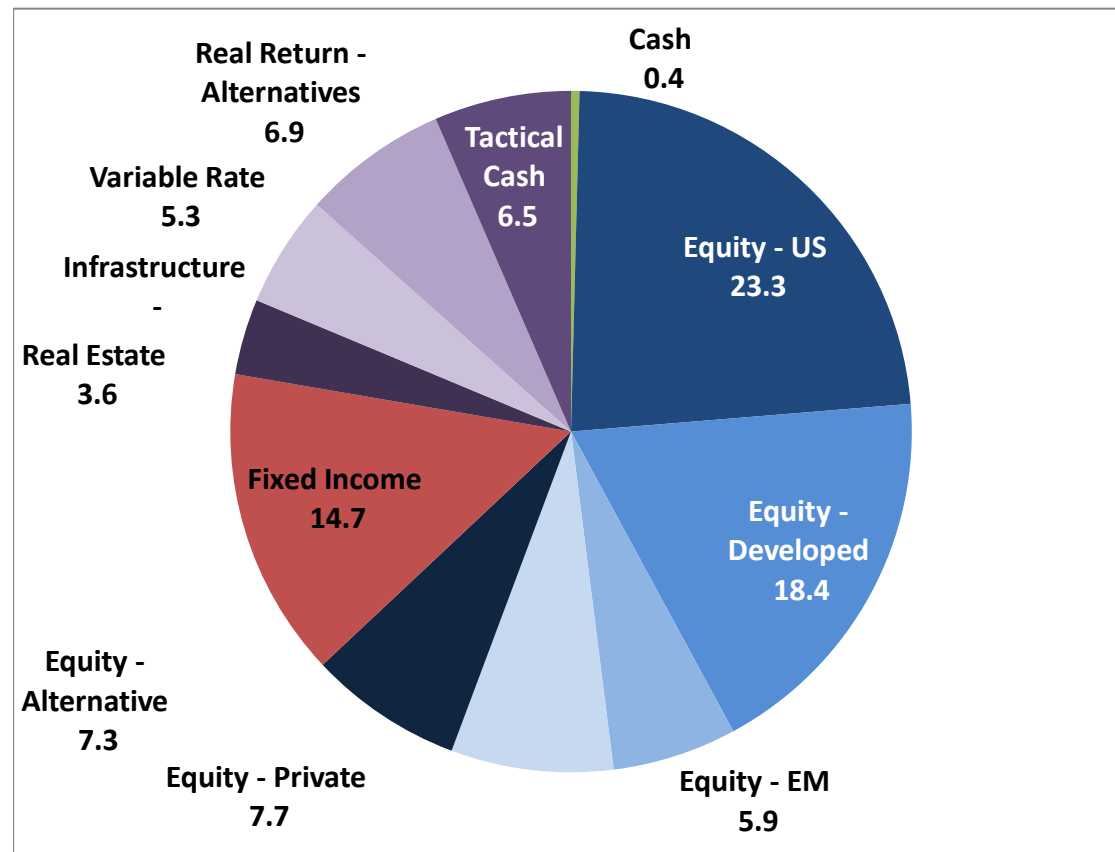
Section IV.

Asset Allocation

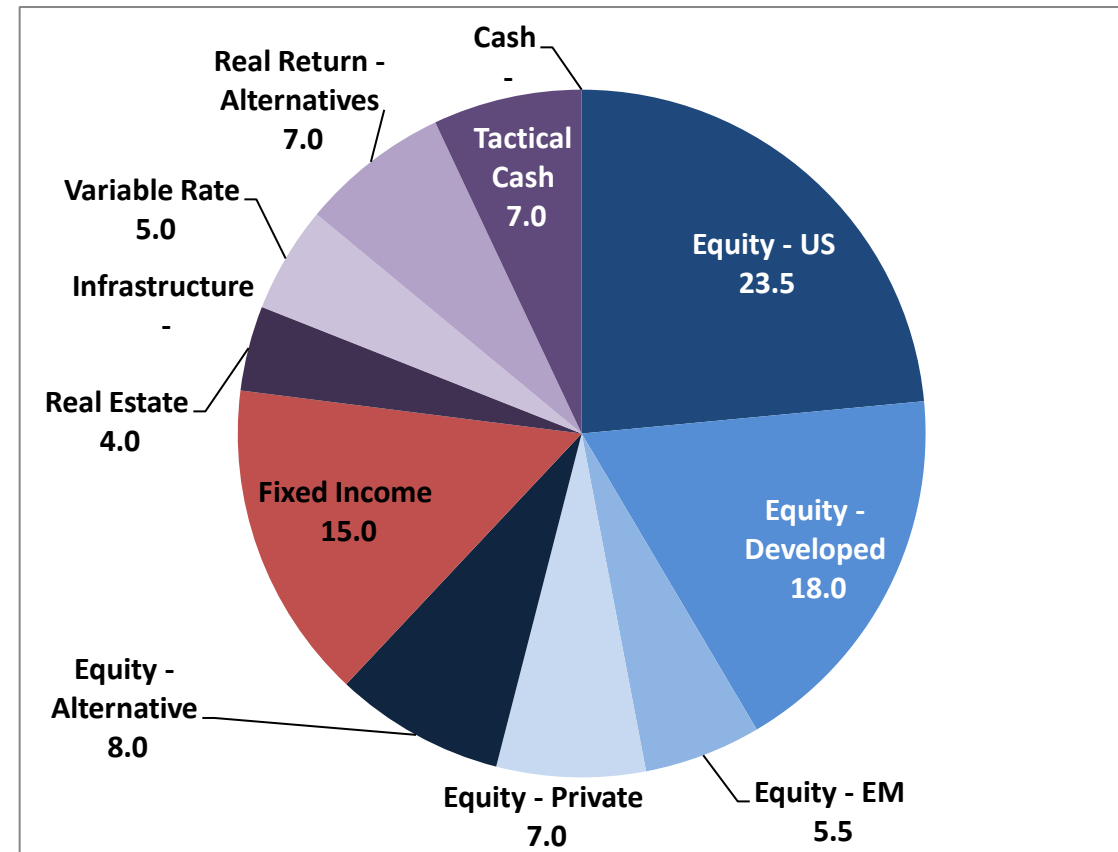
ERSRI Portfolio

%% - as of Dec. 31, 2012

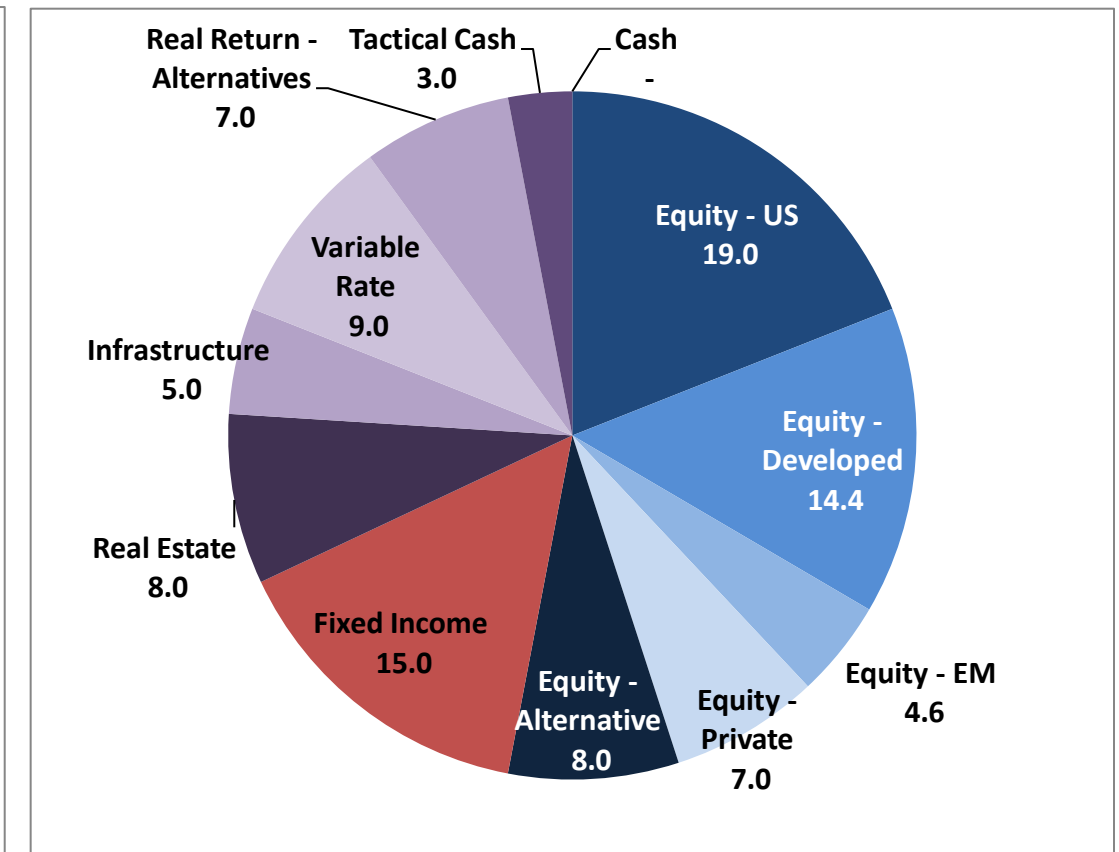
Actual Allocation



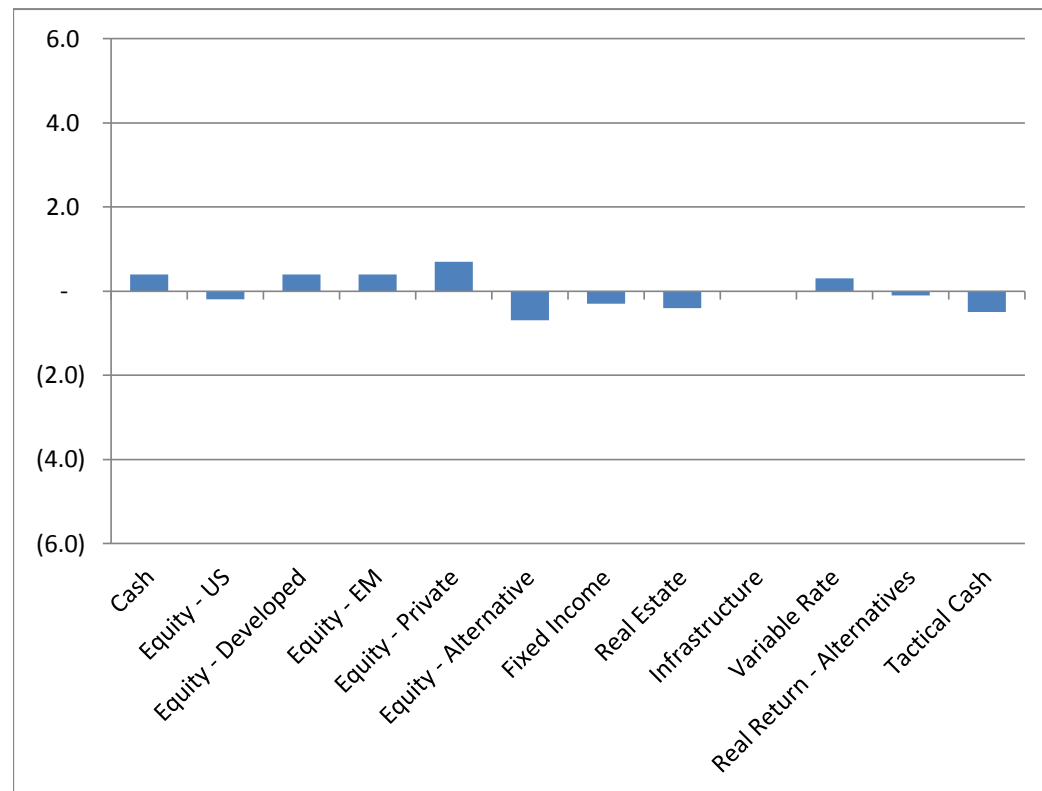
Tactical Allocation



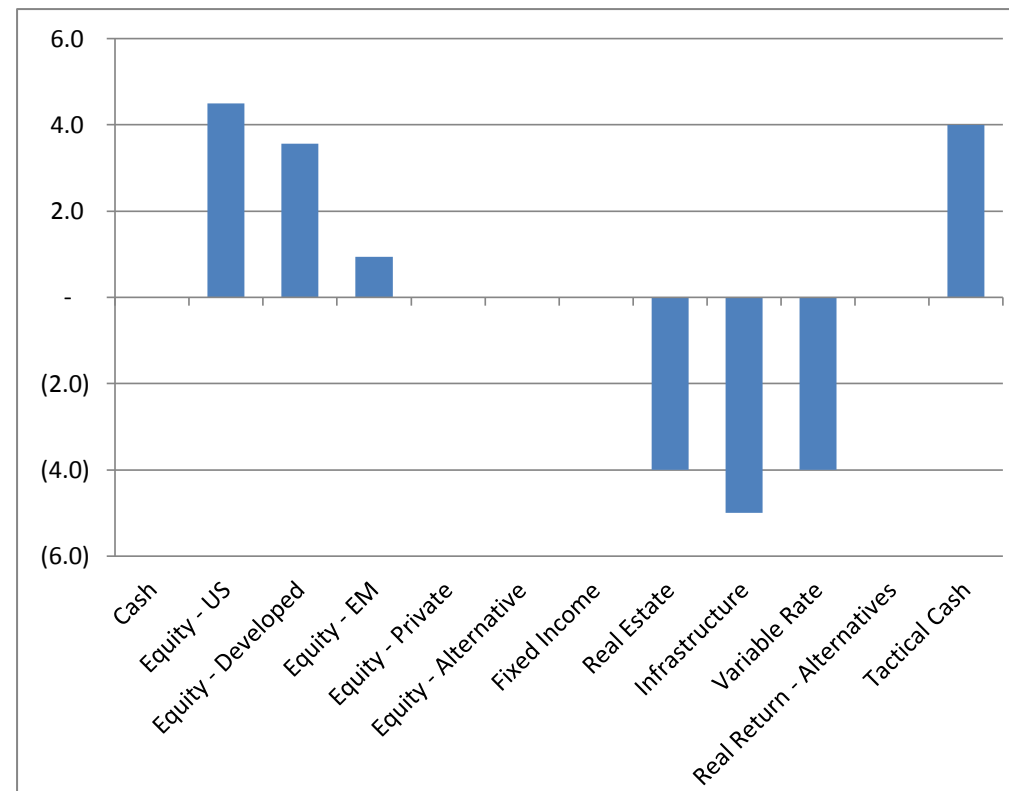
Policy Allocation



Actual vs. Tactical



Tactical vs. Policy



Notes:

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

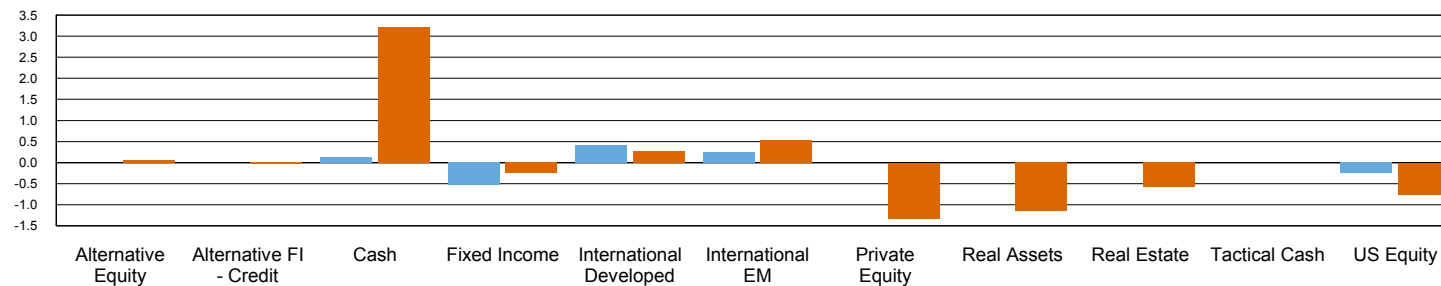
Tactical vs. Policy: Tactical allocations diverge from policy to allow time to vet third-party managers allowing prudent implementation of SIC policy decisions, and to diversify vintage-year exposure for drawdown funds (e.g., private equity, real estate, infrastructure).

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

Asset Summary

<u>Asset Class</u>	<u>Physical Exposure</u>		<u>Synthetic Exposure</u>		<u>Net Position</u>		<u>Overlay Target</u>		<u>Policy Target</u>	
Total Market Value	7,458.1	100.0%	0.0	0.0%	7,458.1	100.0%	7,458.1	100.0%	7,458.1	100.00%
Cash	240.0	3.2%	-207.3	-2.8%	32.7	0.4%	24.0	0.3%	0.0	0.00%
Cash	240.0	3.2%	-207.3	-2.8%	32.7	0.4%	24.0	0.3%	0.0	0.00%
Equity	4,474.1	60.0%	207.3	2.8%	4,681.4	62.8%	4,650.2	62.4%	4,564.3	61.20%
US Equity	1,621.5	21.7%	128.3	1.7%	1,749.8	23.5%	1,767.8	23.7%	1,678.1	22.50%
Private Equity	572.5	7.7%	0.0	0.0%	572.5	7.7%	572.5	7.7%	671.2	9.00%
International Developed	1,295.1	17.4%	79.0	1.1%	1,374.2	18.4%	1,343.5	18.0%	1,275.3	17.10%
International EM	442.7	5.9%	0.0	0.0%	442.7	5.9%	424.3	5.7%	402.7	5.40%
Alternative Equity	542.2	7.3%	0.0	0.0%	542.2	7.3%	542.2	7.3%	537.0	7.20%
Fixed	1,099.9	14.7%	0.0	0.0%	1,099.9	14.7%	1,139.8	15.3%	1,118.7	15.00%
Fixed Income	1,099.9	14.7%	0.0	0.0%	1,099.9	14.7%	1,139.8	15.3%	1,118.7	15.00%
Other	1,644.1	22.0%	0.0	0.0%	1,644.1	22.0%	1,644.1	22.0%	1,775.0	23.80%
Real Estate	262.7	3.5%	0.0	0.0%	262.7	3.5%	262.7	3.5%	305.8	4.10%
Real Assets	764.7	10.3%	0.0	0.0%	764.7	10.3%	764.7	10.3%	850.2	11.40%
Alternative FI - Credit	139.4	1.9%	0.0	0.0%	139.4	1.9%	139.4	1.9%	141.7	1.90%
Tactical Cash	477.3	6.4%	0.0	0.0%	477.3	6.4%	477.3	6.4%	477.3	6.40%

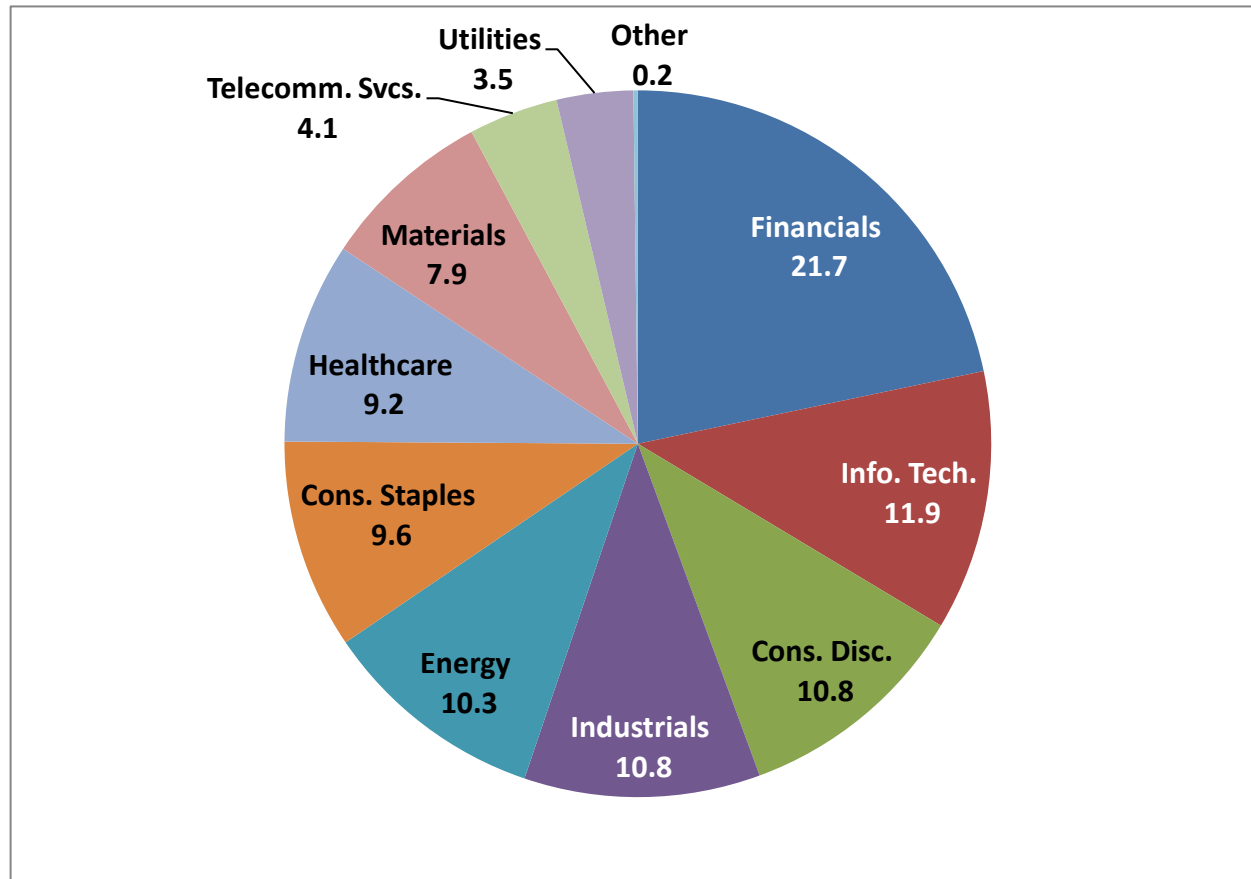
Deviations from Target Allocation



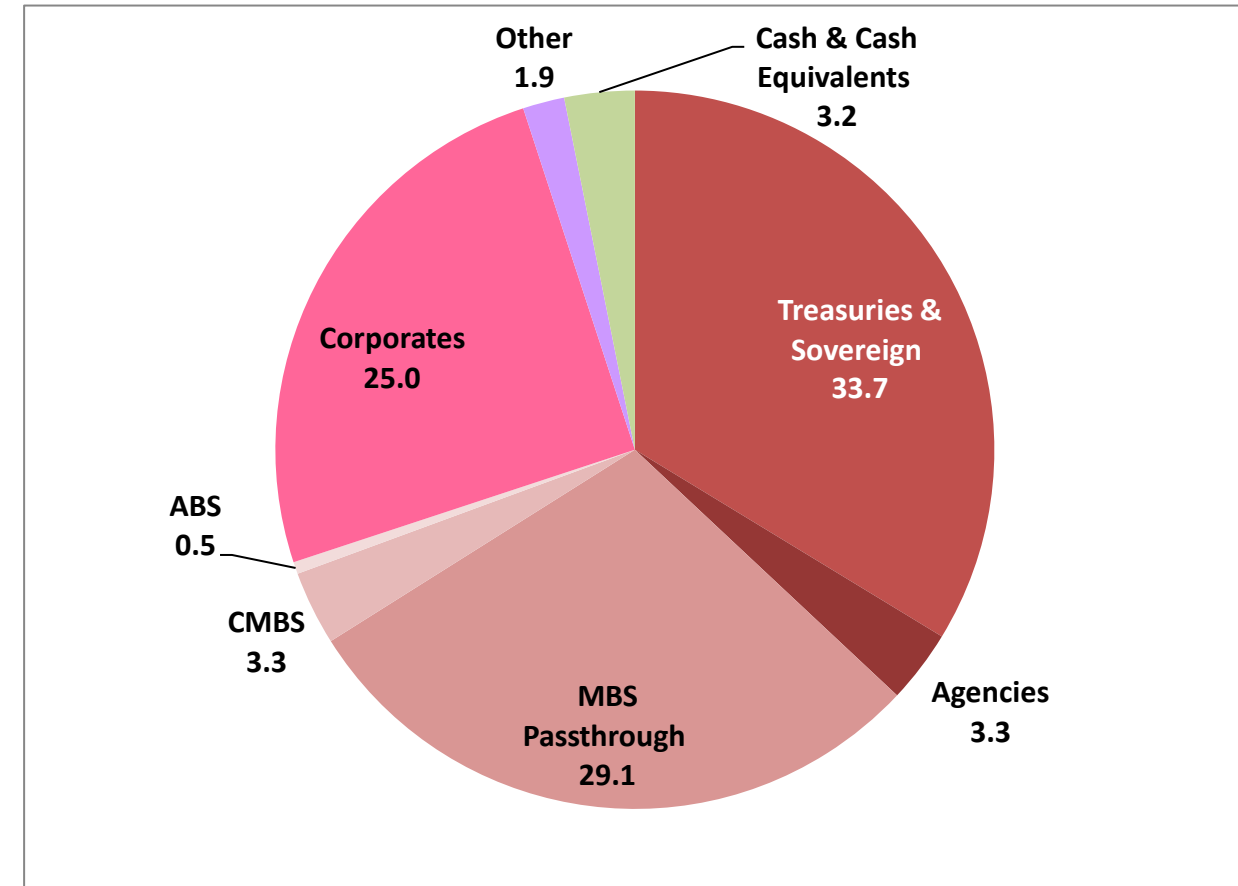
ERSRI Asset Allocation Public-Asset Portfolios

%% - as of Dec. 31, 2012

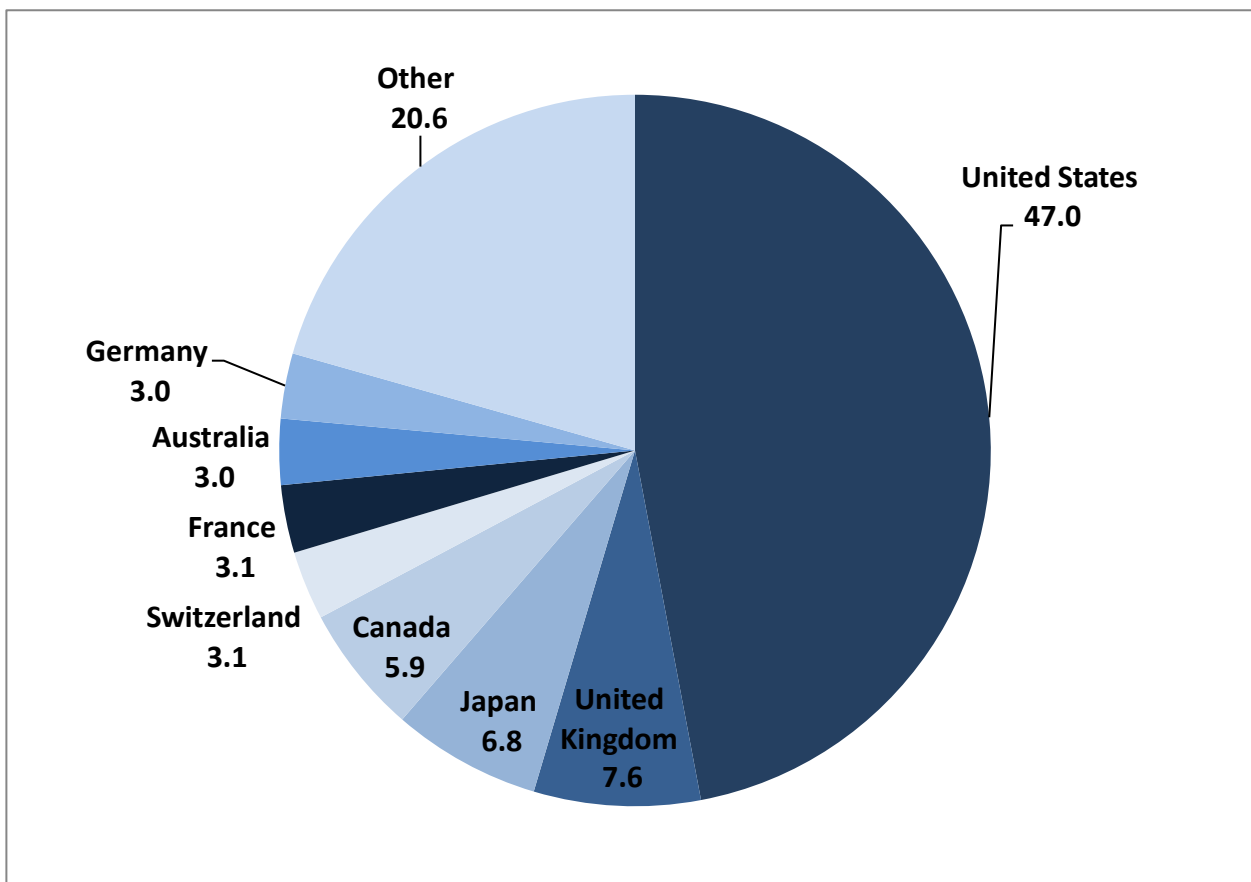
Global Public Equity - by Industry Sector



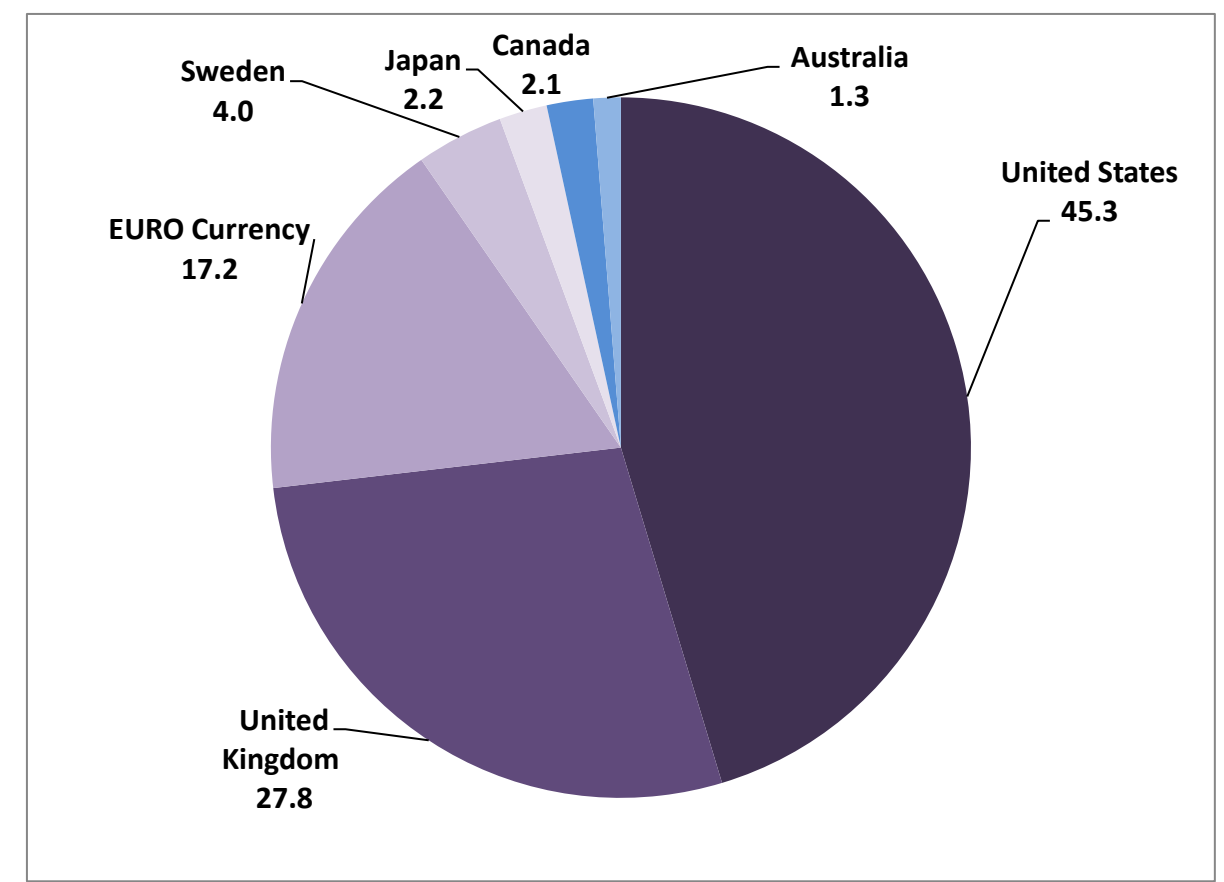
Core Fixed Income - by Type



Global Public Equity - by Geography



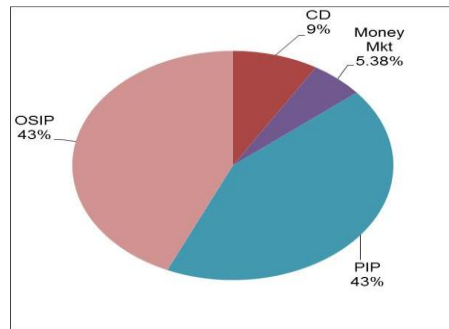
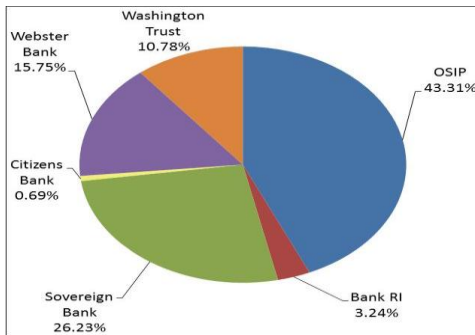
Global Inflation-Linked Bonds - by Geography



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

**Issuer Credit Ratings
December 31, 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	3.24%	N/R	N/A	N/A	N/A	N/A	N/A	N/A	
Sovereign Bank	3,4	26.23%	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	69.00%	A3	P-2	A-1	A3	A		Stable	
Webster Bank	3,4	15.75%	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	43.31%	N/R	N/A	N/A	N/A	N/A		N/A	
Washington Trust	3,7	10.78%	N/R	N/A	N/A	N/A	N/A		N/A	
First Tennessee Bank		0.00%	Baa1	P-2	A-2	Baa1	BBB		Negative	
Merrill Lynch	2,5,6	0.00%	Baa2	(P)P-2	A-2	Baa2	A-		Negative	
Morgan Stanley	1,2,5	0.00%	Baa1	P-2	A-2	Baa1	A-		Negative	
UBS		0.00%	A2	P-1	A-1	A2	A		Stable	



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

Ratings Definitions

Moody's Short-Term Debt Ratings:

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

Moody's Issuer Rating Symbols:

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

Moody's Long-Term Debt Ratings:

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

Modifiers:

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

S&P Short-Term Credit Ratings:

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

S&P Outlook Definitions:

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

S&P Long-Term Debt Ratings:

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

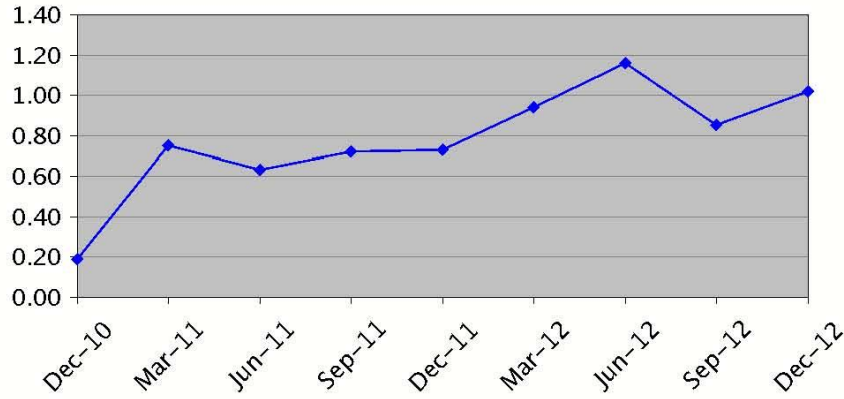
Section V.

Risk Overview

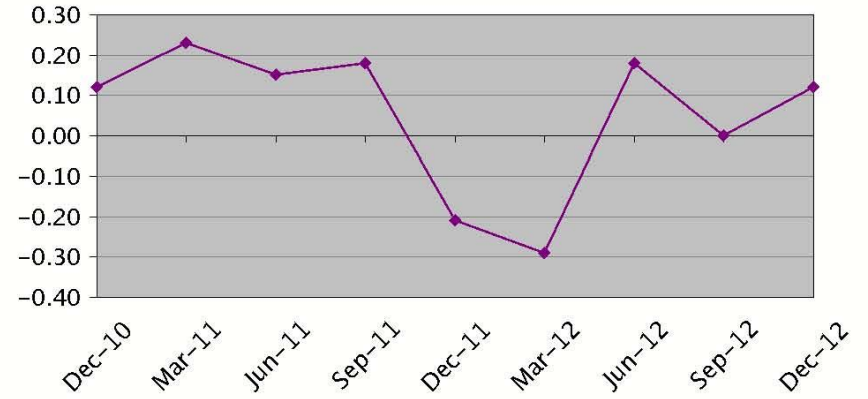
5 Years Ending December 31, 2012 Comparison

	Total Plan	Total Plan Benchmark
Ann Return	2.09	1.82
Ann Ex Ret vs Mkt	0.27	0.00
Ann Tracking Error	1.87	0.00
Ann Std Dev	12.28	13.48
Beta	0.91	1.00
R-Squared	0.99	1.00
Ann Alpha	0.31	0.00
Ann Sharpe Ratio	0.19	0.16
Treynor Ratio	0.21	0.18
Ann Info Ratio	0.06	---

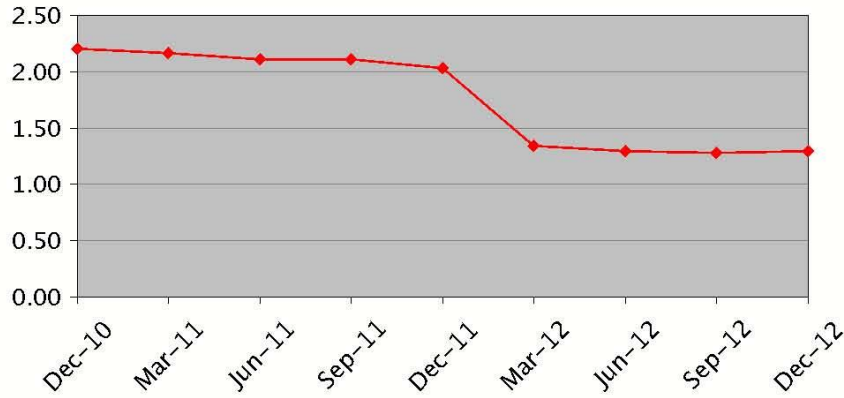
Annualized Alpha



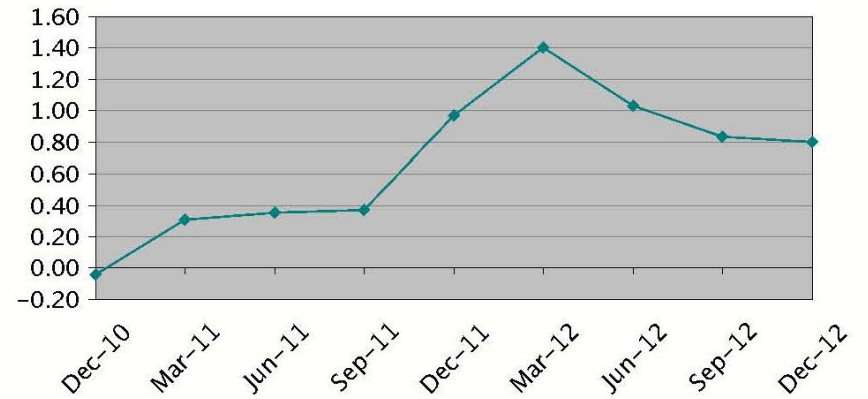
Annualized Information Ratio



Annualized Tracking Error



Treynor Ratio

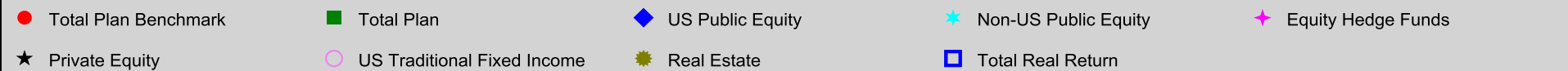
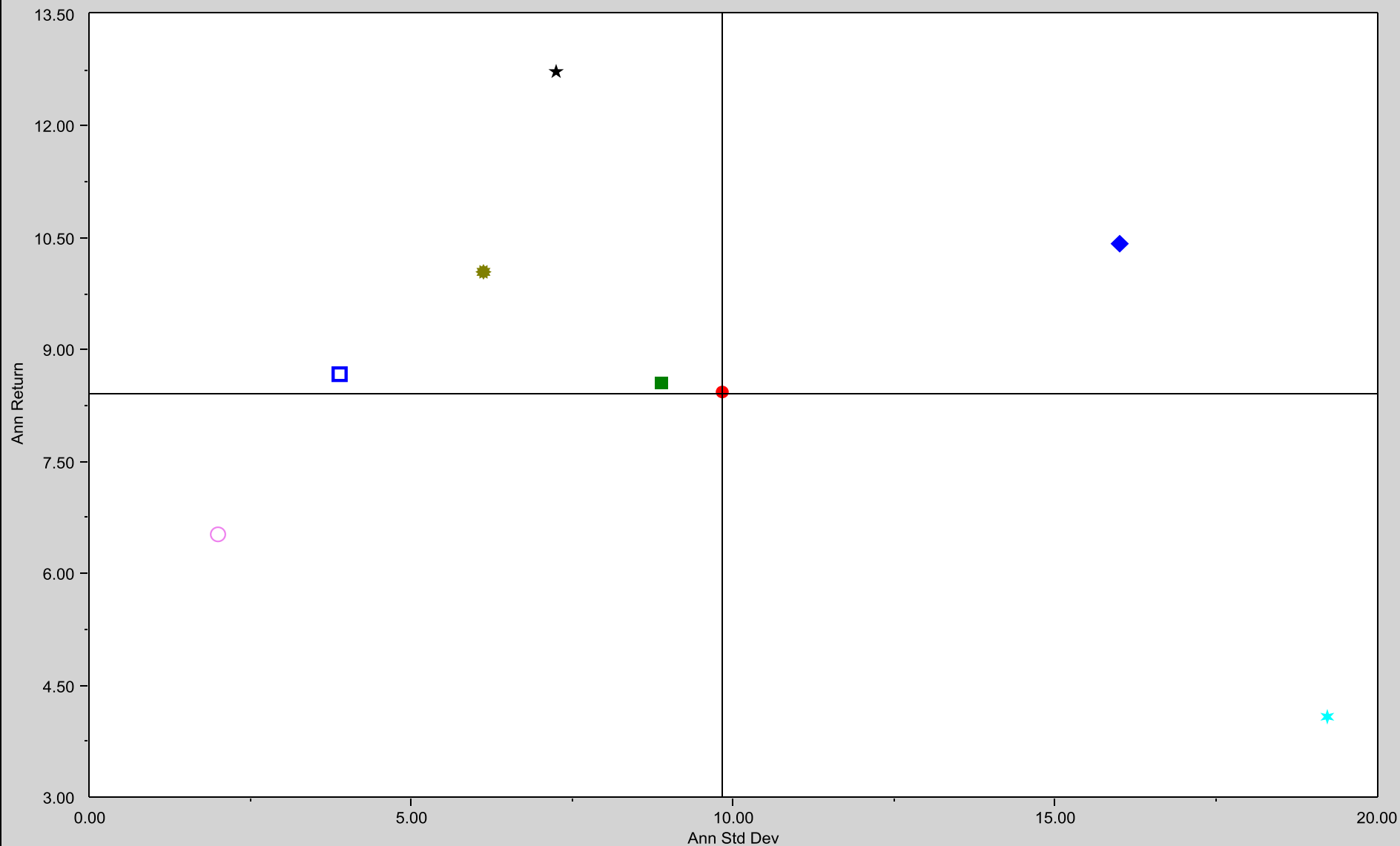


Policy Benchmark is Total Plan Benchmark. Risk-free Proxy is BofA Merrill Lynch 3 Month US Treasury Bill (G001)

Asset Class Risk & Return

3 Years As of December 31, 2012

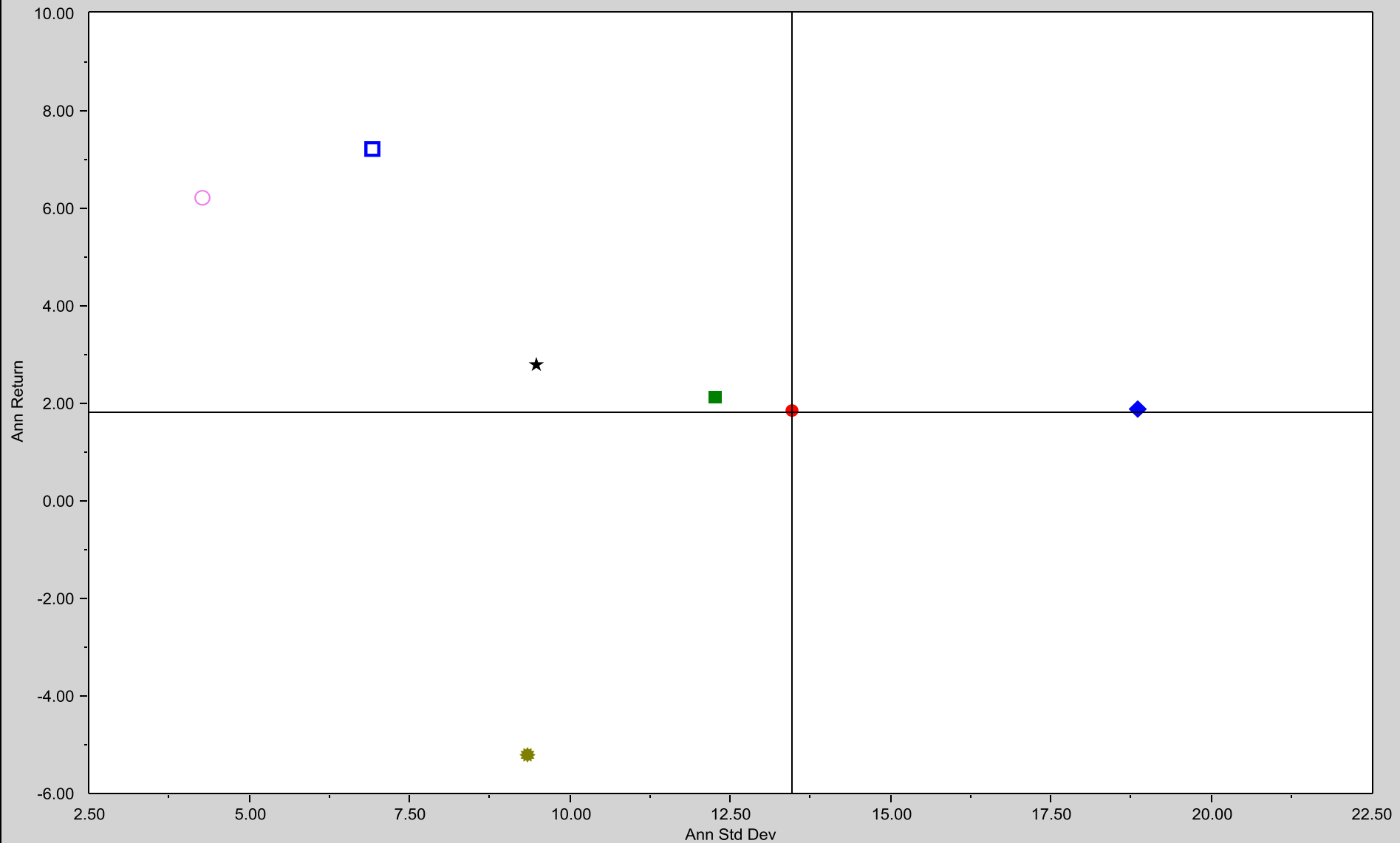
Scatter



Asset Class Risk & Return

5 Years As of December 31, 2012

Scatter



- Total Plan Benchmark
- Total Plan
- US Public Equity
- Non-US Public Equity
- Equity Hedge Funds
- Private Equity
- US Traditional Fixed Income
- Real Estate
- Total Real Return

3 Years Ending December 31, 2012 Comparison

	3 Year	Ann Std Dev	Beta (ACWI)	Beta (BC AGG)	Beta (GSCI)
US Public Equity	10.39	16.01	0.90	-3.30	0.64
Non-US Public Equity	4.05	19.24	1.11	-2.81	0.77
Equity Hedge Funds	---	---	---	---	---
Private Equity	12.71	7.26	0.05	-1.10	0.05
US Traditional Fixed Income	6.50	2.01	0.02	0.61	0.02
Real Estate	10.03	6.13	0.07	-0.10	0.03
Real Return Hedge Funds	---	---	---	---	---
Inflation-Linked Bonds	9.62	4.25	-0.03	1.20	-0.01
Cash	0.17	0.08	0.00	0.00	0.00
Russell Overlay Fd	-0.13	0.74	0.00	0.07	0.00

**3 Years Ending December 31, 2012
Correlation**

Ann Return

	US Pub Eq	Non-US Pub Eq	Eq HF	PE	FI	RE	RR HF	GILBS	Cash	Overlay
US Pub	1.00									
Non-US	0.91	1.00								
Eq HF	---	---	---							
PE	0.15	0.10	---	1.00						
FI	0.07	0.25	---	-0.38	1.00					
RE	0.09	0.22	---	0.00	0.03	1.00				
RR HF	---	---	---	---	---	---	---			
GILBS	-0.21	-0.07	---	-0.22	0.59	0.17	---	1.00		
Cash	0.01	0.05	---	-0.09	0.07	0.23	---	-0.10	1.00	
Overlay	-0.10	-0.06	---	-0.09	0.15	-0.15	---	0.14	-0.02	1.00

**5 Years Ending December 31, 2012
Correlation**

Ann Return

	US Pub Eq	Non-US Pub Eq	Eq HF	PE	FI	RE	RR HF	GILBS	Cash	Overlay
US Pub	1.00									
Non-US	---	---								
Eq HF	---	---	---							
PE	0.23	---	---	1.00						
FI	0.44	---	---	0.02	1.00					
RE	-0.06	---	---	0.22	-0.25	1.00				
RR HF	---	---	---	---	---	---	---			
GILBS	---	---	---	---	---	---	---	---		
Cash	-0.36	---	---	-0.34	-0.24	-0.01	---	---	1.00	
Overlay	---	---	---	---	---	---	---	---	---	---

Section VI.

Performance Overview

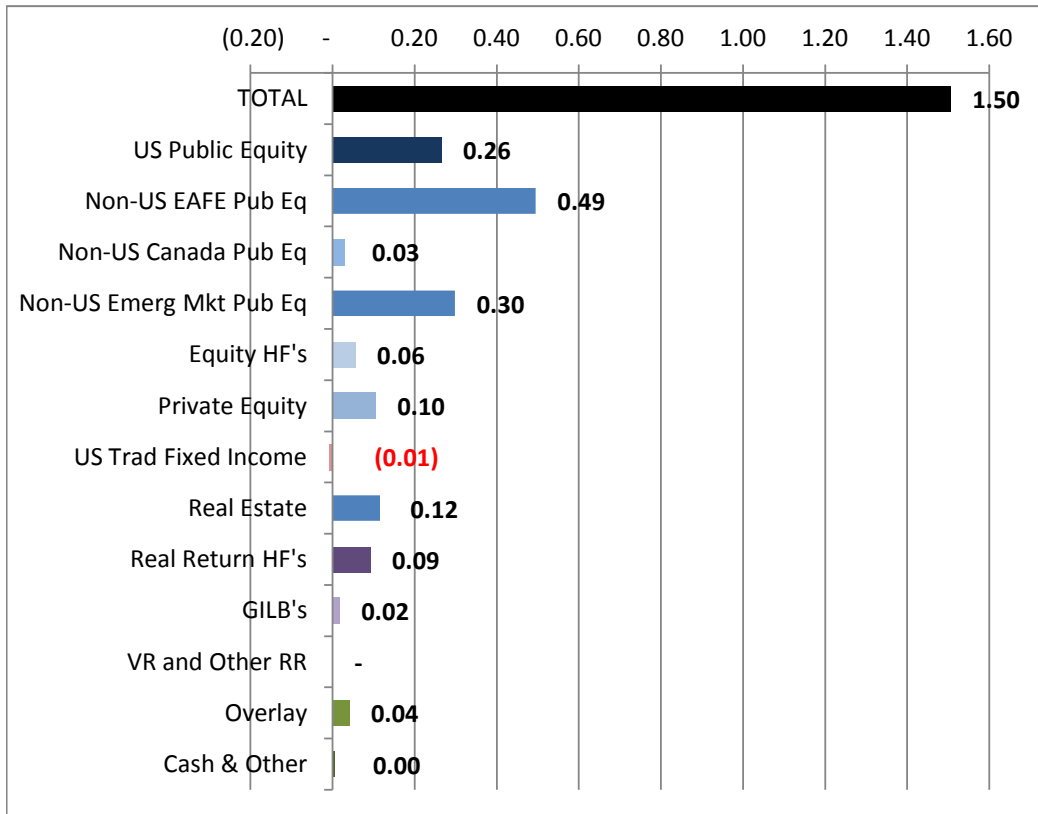
ERSRI Portfolio

Contribution to Return

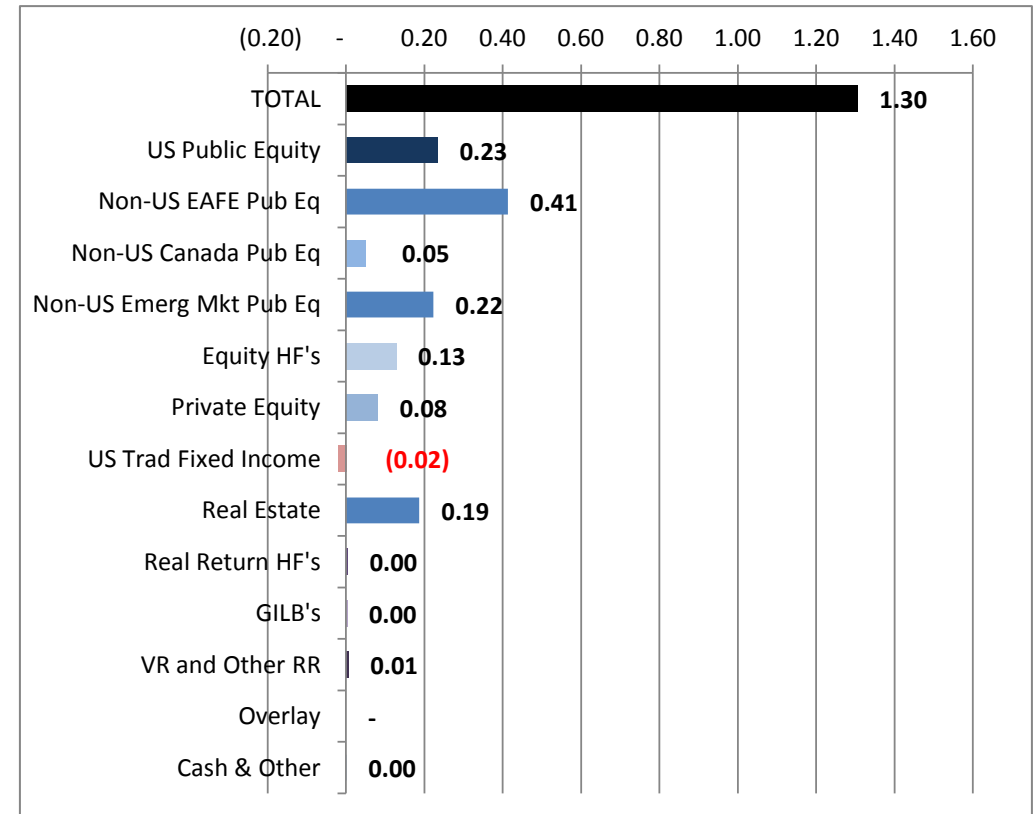
December 2012 Returns - in Percentages

All Data Rounded

Portfolio



Benchmark



TOTAL NET OF FEES

12/31/2012

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	1 Year	Annualized			ITD	Inception Date
						3 Years	5 Years	10 Years		
SSGA R3000 INDEX <i>Russell 3000 Index</i>	1,616,288,732.1	21.6	1.23 1.23						0.26 0.25	10/1/2012 10/1/2012
US Public Equity <i>Russell 3000 Index</i>	1,616,288,888.9	21.6	1.23 1.23	5.94 6.49	15.66 16.42	10.39 11.20	1.86 2.04		2.16 2.19	8/1/2007 8/1/2007
SSGA MSCI EAFE <i>MSCI EAFE Net Dividend Index</i>	1,161,904,089.5	15.5	3.20 3.20						9.75 9.72	9/1/2012 9/1/2012
SSGA MSCI CANADA <i>MSCI Canada Net Dividend Index</i>	133,216,080.4	1.8	1.60 1.53						4.61 4.36	9/1/2012 9/1/2012
SSGA MSCI EM <i>MSCI Emerging Markets Net Dividend Index</i>	442,785,255.8	5.9	5.05 4.89						12.05 11.95	9/1/2012 9/1/2012
Non-US Public Equity <i>Total International Equity BM</i>	1,737,923,393.9	23.2	3.54 3.47	13.68 13.17	17.02 16.52	4.05 3.32			13.27 11.64	5/1/2009 5/1/2009
Global Public Equity <i>MSCI All Country World Net Index</i>	3,354,212,282.9	44.8	2.41 2.27	10.06 9.91	17.82 16.13	8.84 6.63	0.99 -1.16	8.58 8.11	2.58	7/1/2000 7/1/2000
Private Equity <i>S&P + 300 BP</i>	575,842,348.8	7.7	1.36 1.15	3.92 7.51	11.77 19.44	12.71 14.17	2.76 4.71	11.18 10.28	3.83	1/1/1993 1/1/1993
Equity Hedge Funds <i>HFRX Equity Hedge Index</i>	546,321,025.2	7.3	0.76 0.44	5.56 3.59	7.98 4.81				6.06 2.16	11/1/2011 11/1/2011
Total Equity	4,476,375,656.9	59.8	2.07	15.88	15.88	9.11	1.04	8.78	2.14	6/1/1996
MACKAY SHIELDS <i>Barclays U.S. Aggregate Bond Index</i>	547,980,262.7	7.3	0.05 -0.14						0.14 0.02	11/1/2012 11/1/2012
PYRAMIS GLOBAL ADV <i>Barclays U.S. Aggregate Bond Index</i>	551,182,515.7	7.4	-0.12 -0.14						0.18 0.02	11/1/2012 11/1/2012
US Traditional Fixed Income <i>Barclays U.S. Aggregate Bond Index</i>	1,099,747,683.6	14.7	-0.05 -0.14	3.74 1.80	7.95 4.21	6.50 6.19	6.18 5.95	6.04 5.18	6.38 6.23	7/1/2000 7/1/2000
Credit Hedge Funds <i>Barclays U.S. Aggregate Bond Index</i>	139,827,422.2	1.9	0.29 -0.14	0.68 1.80	-0.02 4.21				-0.47 4.94	12/1/2011 12/1/2011

TOTAL NET OF FEES

12/31/2012

Account Name Benchmark Name	Market Value	% of Total	Month	Fiscal YTD	1 Year	Annualized				Inception Date
						3 Years	5 Years	10 Years	ITD	
Absolute Return Hedge Funds	375,917,264.4	5.0	1.73	6.10	7.13				6.48	11/1/2011
<i>HFRI Fund of Funds Composite Index</i>			<i>1.17</i>	<i>3.79</i>	<i>4.81</i>				<i>2.74</i>	<i>11/1/2011</i>
Real Return Hedge Funds	515,744,686.5	6.9	1.33	5.33	5.33				4.81	11/1/2011
BROWN BROTHERS HARR	395,860,134.8	5.3	0.32						1.78	11/1/2012
<i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>			<i>-0.02</i>						<i>1.31</i>	<i>11/1/2012</i>
Inflation-Linked Bonds	395,860,134.8	5.3	0.32	4.74	9.20	9.62			9.28	11/1/2009
<i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>			<i>-0.02</i>	<i>2.79</i>	<i>5.60</i>	<i>7.34</i>			<i>7.13</i>	<i>11/1/2009</i>
Real Estate	269,602,416.9	3.6	3.21	4.80	9.62	10.03	-5.25		-0.35	1/1/2005
<i>NCREIF Property Lagged + 100bp</i>			<i>2.40</i>	<i>5.54</i>	<i>12.00</i>	<i>11.90</i>	<i>3.28</i>		<i>8.93</i>	<i>1/1/2005</i>
ERSRI CASH ¹	671,347,268.0	9.0	0.04	0.01	0.11	0.16	0.75	8.17	17.13	7/1/2000
<i>BofA Merrill Lynch 3 Month US Treasury Bill (G001)</i>			<i>0.02</i>	<i>0.07</i>	<i>0.11</i>	<i>0.11</i>	<i>0.52</i>	<i>1.78</i>	<i>2.17</i>	<i>7/1/2000</i>
Total Cash	672,332,415.0	9.0	0.04	0.18	0.18	0.17	0.60		3.16	4/1/2004
Russell Overlay Fd	45,826,946.7	0.6	0.04	0.18	0.18	-0.13			-0.16	9/1/2008
Total Plan	7,482,887,468.2	100.0	1.50	6.86	12.49	8.52	2.09	8.04	4.10	7/1/2000
<i>Total Plan Benchmark</i>			<i>1.30</i>	<i>6.35</i>	<i>11.80</i>	<i>8.41</i>	<i>1.82</i>	<i>7.80</i>		<i>7/1/2000</i>
Total Plan ex Citizens	7,481,902,321.2	100.0	1.50						2.47	11/1/2012
<i>Total Plan Benchmark</i>			<i>1.30</i>						<i>1.96</i>	<i>11/1/2012</i>
Total Plan ex Overlay	7,437,060,521.5	99.4	1.46	6.75	12.39	8.35			4.26	8/1/2008
<i>Total Plan Benchmark</i>			<i>1.30</i>	<i>6.35</i>	<i>11.80</i>	<i>8.41</i>			<i>3.98</i>	<i>8/1/2008</i>
Total Plan ex PE & RE	6,637,442,702.4	88.7	1.44	5.88	11.25	7.58	2.19	7.89	6.22	4/1/1996
<i>Total Plan BM ex PE RE</i>			<i>1.22</i>	<i>6.08</i>	<i>12.07</i>	<i>8.12</i>	<i>1.67</i>	<i>7.48</i>		<i>4/1/1996</i>
Total PE & RE	845,444,765.8	11.3	1.93	4.19	11.11	12.08	0.44	9.23	8.33	4/1/1996
<i>Combined PE RE Benchmark</i>			<i>1.63</i>	<i>6.55</i>	<i>16.12</i>	<i>13.19</i>	<i>4.30</i>	<i>9.88</i>		<i>4/1/1996</i>

END NOTES

12/31/2012

1 RI6F01000002 ERSRI CASH

November performance reflects write-down of \$678k accrual. Accrual was overstated at prior custodian.

TOTAL NET OF FEES

12/31/2012

Account Name Benchmark Name	Market Value	% of Total	YTD	Month	Cumulative			2011	2010	Inception Date
					11/1/2012 - 11/30/2012	10/1/2012 - 10/31/2012	2012			
SSGA R3000 INDEX <i>Russell 3000 Index</i>	1,616,288,732.1	21.6		1.23	0.77	-1.72				10/1/2012
				1.23	0.77	-1.72				10/1/2012
US Public Equity <i>Russell 3000 Index</i>	1,616,288,888.9	21.6	15.66	1.23	0.77	-1.72	15.66	-0.86	17.33	8/1/2007
			16.42	1.23	0.77	-1.72	16.42	1.03	16.93	8/1/2007
SSGA MSCI EAFE <i>MSCI EAFE Net Dividend Index</i>	1,161,904,089.5	15.5		3.20	2.42	0.85				9/1/2012
				3.20	2.42	0.83				9/1/2012
SSGA MSCI CANADA <i>MSCI Canada Net Dividend Index</i>	133,216,080.4	1.8		1.60	-0.43	-0.32				9/1/2012
				1.53	-0.48	-0.37				9/1/2012
SSGA MSCI EM <i>MSCI Emerging Markets Net Dividend Index</i>	442,785,255.8	5.9		5.05	1.28	-0.63				9/1/2012
				4.89	1.27	-0.61				9/1/2012
Non-US Public Equity <i>Total International Equity BM</i>	1,737,923,393.9	23.2	17.02	3.54	1.90	0.38	17.02	-13.47	11.26	5/1/2009
			16.52	3.47	1.91	0.39	16.52	-12.14	7.75	5/1/2009
Global Public Equity <i>MSCI All Country World Net Index</i>	3,354,212,282.9	44.8	17.82	2.41	1.35	-0.66	17.82	-5.16	15.37	7/1/2000
			16.13	2.27	1.28	-0.67	16.13	-7.35	12.67	7/1/2000
Private Equity <i>S&P + 300 BP</i>	575,842,348.8	7.7	11.77	1.36	1.38	-0.27	11.77	12.37	14.00	1/1/1993
			19.44	1.15	0.83	-1.60	19.44	5.17	18.48	1/1/1993
Equity Hedge Funds <i>HFRX Equity Hedge Index</i>	546,321,025.2	7.3	7.98	0.76	1.29	0.44	7.98			11/1/2011
			4.81	0.44	0.49	0.43	4.81			11/1/2011
Total Equity	4,476,375,656.9	59.8	15.88	2.07	1.34	-0.48	15.88	-2.89	15.42	6/1/1996
MACKAY SHIELDS <i>Barclays U.S. Aggregate Bond Index</i>	547,980,262.7	7.3		0.05	0.09					11/1/2012
				-0.14	0.16					11/1/2012
PYRAMIS GLOBAL ADV <i>Barclays U.S. Aggregate Bond Index</i>	551,182,515.7	7.4		-0.12	0.31					11/1/2012
				-0.14	0.16					11/1/2012
US Traditional Fixed Income <i>Barclays U.S. Aggregate Bond Index</i>	1,099,747,683.6	14.7	7.95	-0.05	0.27	0.54	7.95	5.50	6.05	7/1/2000
			4.21	-0.14	0.16	0.20	4.21	7.84	6.54	7/1/2000
Credit Hedge Funds <i>Barclays U.S. Aggregate Bond Index</i>	139,827,422.2	1.9	-0.02	0.29	0.00	0.15	-0.02			12/1/2011
			4.21	-0.14	0.16	0.20	4.21			12/1/2011

TOTAL NET OF FEES

12/31/2012

Account Name Benchmark Name	Market Value	% of Total	YTD	Month	Cumulative			2011	2010	Inception Date
					11/1/2012 - 11/30/2012	10/1/2012 - 10/31/2012	2012			
Absolute Return Hedge Funds	375,917,264.4	5.0	7.13	1.73	1.19	0.09	7.13			11/1/2011
<i>HFRI Fund of Funds Composite Index</i>			<i>4.81</i>	<i>1.17</i>	<i>0.45</i>	<i>-0.28</i>	<i>4.81</i>			<i>11/1/2011</i>
Real Return Hedge Funds	515,744,686.5	6.9	5.33	1.33	0.86	0.11	5.33			11/1/2011
BROWN BROTHERS HARR	395,860,134.8	5.3		0.32	1.45					11/1/2012
<i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>				<i>-0.02</i>	<i>1.33</i>					<i>11/1/2012</i>
Inflation-Linked Bonds	395,860,134.8	5.3	9.20	0.32	1.45	0.52	9.20	13.80	6.00	11/1/2009
<i>Barclays World Govt Inflation-Linked All Maturities USD Hedg</i>			<i>5.60</i>	<i>-0.02</i>	<i>1.33</i>	<i>0.45</i>	<i>5.60</i>	<i>11.08</i>	<i>5.43</i>	<i>11/1/2009</i>
Real Estate	269,602,416.9	3.6	9.62	3.21	-1.36	0.67	9.62	17.14	3.74	1/1/2005
<i>NCREIF Property Lagged + 100bp</i>			<i>12.00</i>	<i>2.40</i>	<i>0.07</i>	<i>0.07</i>	<i>12.00</i>	<i>17.10</i>	<i>6.84</i>	<i>1/1/2005</i>
ERSRI CASH ¹	671,347,268.0	9.0	0.11	0.04	-0.10	0.02	0.11	0.16	0.19	7/1/2000
<i>BofA Merrill Lynch 3 Month US Treasury Bill (G001)</i>			<i>0.11</i>	<i>0.02</i>	<i>0.02</i>	<i>0.01</i>	<i>0.11</i>	<i>0.10</i>	<i>0.13</i>	<i>7/1/2000</i>
Total Cash	672,332,415.0	9.0	0.18	0.04	-0.10	0.09	0.18	0.14	0.18	4/1/2004
Russell Overlay Fd	45,826,946.7	0.6	0.18	0.04	0.02	-0.02	0.18	-0.78	0.21	9/1/2008
Total Plan ²	7,482,887,468.2	100.0	12.49	1.50	0.95	-0.14	12.49	1.39	12.07	7/1/2000
<i>Total Plan Benchmark</i>			<i>11.80</i>	<i>1.30</i>	<i>0.64</i>	<i>-0.40</i>	<i>11.80</i>	<i>1.55</i>	<i>12.24</i>	<i>7/1/2000</i>
Total Plan ex Citizens	7,481,902,321.2	100.0		1.50	0.95					11/1/2012
<i>Total Plan Benchmark</i>				<i>1.30</i>	<i>0.64</i>					<i>11/1/2012</i>
Total Plan ex Overlay	7,437,060,521.5	99.4	12.39	1.46	0.93	-0.12	12.39	0.98	12.07	8/1/2008
<i>Total Plan Benchmark</i>			<i>11.80</i>	<i>1.30</i>	<i>0.64</i>	<i>-0.40</i>	<i>11.80</i>	<i>1.55</i>	<i>12.24</i>	<i>8/1/2008</i>
Total Plan ex PE & RE	6,637,442,702.4	88.7	11.25	1.44	1.01	-0.16	11.25	-0.19	12.12	4/1/1996
<i>Total Plan BM ex PE RE</i>			<i>12.07</i>	<i>1.22</i>	<i>0.69</i>	<i>-0.55</i>	<i>12.07</i>	<i>0.66</i>	<i>12.03</i>	<i>4/1/1996</i>
Total PE & RE	845,444,765.8	11.3	11.11	1.93	0.52	0.02	11.11	13.89	11.27	4/1/1996
<i>Combined PE RE Benchmark</i>			<i>16.12</i>	<i>1.63</i>	<i>0.50</i>	<i>-0.96</i>	<i>16.12</i>	<i>9.86</i>	<i>13.68</i>	<i>4/1/1996</i>

END NOTES

12/31/2012

- | | | | |
|---|--------------|------------|---|
| 1 | RI6F01000002 | ERSRI CASH | November performance reflects write-down of \$678k accrual. Accrual was overstated at prior custodian. |
| 2 | RI6G23000000 | Total Plan | YTD - Calendar Year to Date
Month - Current Month
Cumulative Months - Prior Month and Second Prior Month
2011, 2010, 2009 - Calendar Years |

Employees' Retirement System of the State of Rhode Island
Hedge Fund Portfolio
Portfolio Performance Summary
Estimated as of December 31, 2012



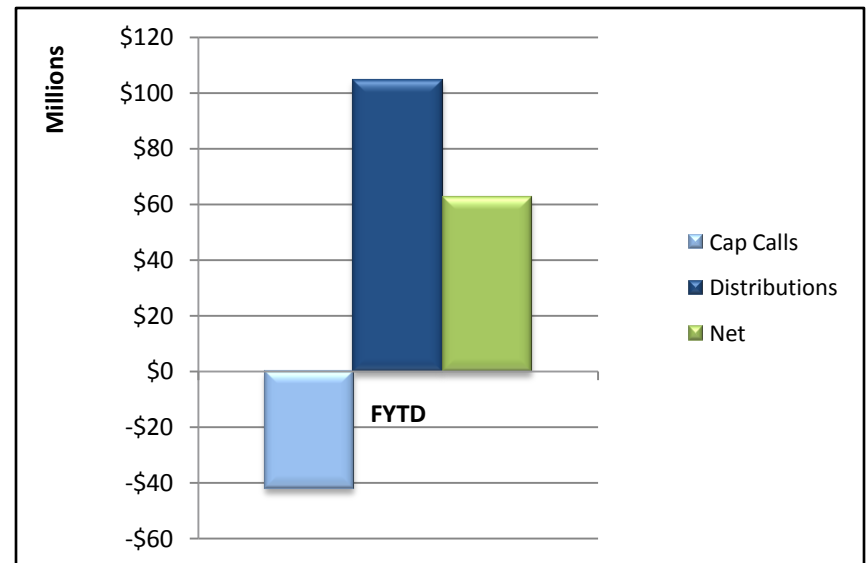
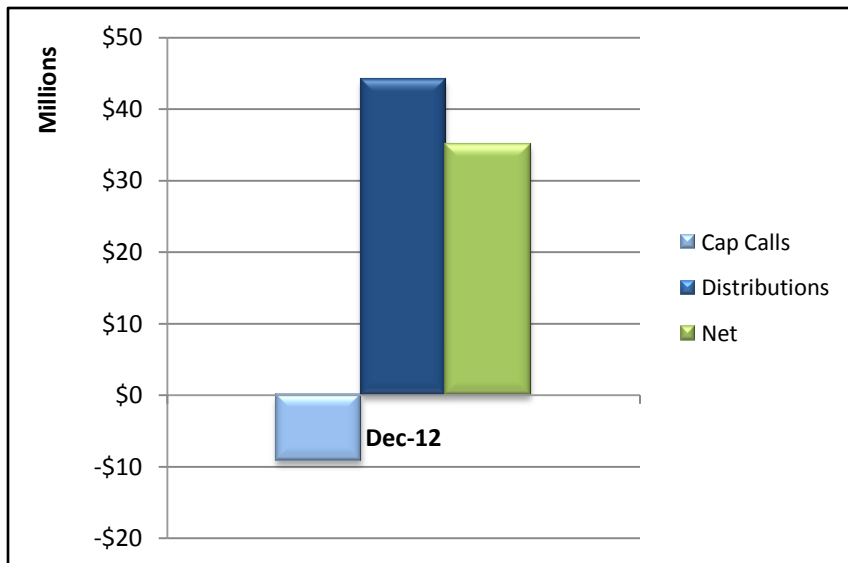
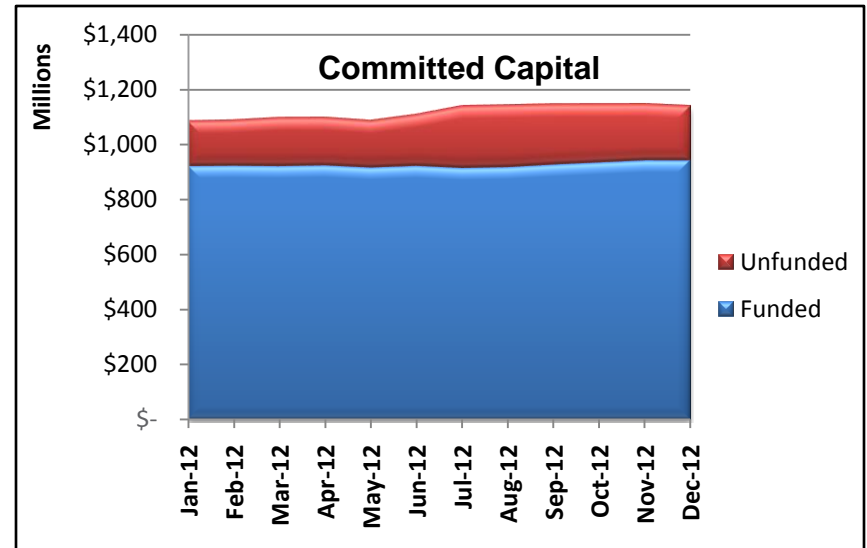
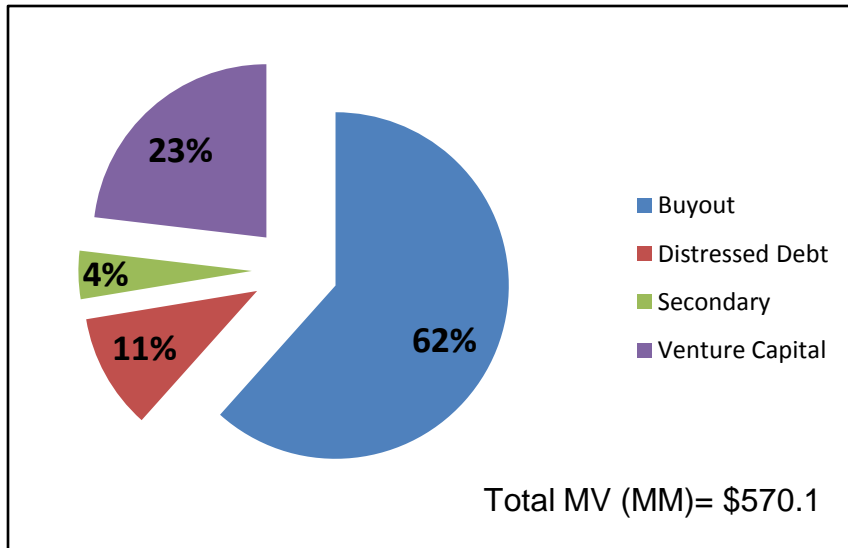
Fund	Market Value	Actual %	Dec	YTD	FYTD	Returns 1 Year	3 Year	5 Year	Incep	Std Dev	Sharpe Ratio	Incep Date
Global Equities												
Ascend Partners Fund II LP	60,898,563	5.7%	0.07%	2.11%	-0.32%	2.11%	-	-	1.28%	1.40%	0.60	Nov-11
Davidson Kempner Institutional Partners, L.P.	64,887,241	6.1%	0.69%	7.80%	4.45%	7.80%	-	-	6.94%	1.41%	4.47	Nov-11
Elliott Associates, L.P.	66,924,451	6.3%	1.30%	13.81%	8.41%	13.81%	-	-	9.81%	4.34%	2.09	Nov-11
Indus Asia Pacific Fund, LP	42,738,954	4.0%	2.20%	6.85%	6.49%	6.85%	-	-	6.85%	6.49%	0.99	Jan-12
Mason Capital Ltd.	56,844,087	5.4%	0.84%	-5.26%	-4.19%	-5.26%	-	-	-5.26%	4.63%	-1.23	Jan-12
PFM Diversified Fund, L.P.	30,497,938	2.9%	1.34%	-	8.49%	-	-	-	1.66%	7.32%	-	Mar-12
PFM Diversified Offshore Fund A.I., Ltd.	30,402,841	2.9%	1.38%	-	8.34%	-	-	-	1.34%	7.34%	-	Mar-12
Samlyn Onshore Fund, L.P.	65,715,811	6.2%	-0.24%	9.53%	6.95%	9.53%	-	-	9.53%	5.07%	1.74	Jan-12
Third Point Partners Qualified L.P.	59,711,640	5.6%	3.50%	19.42%	15.58%	19.42%	-	-	19.42%	5.74%	3.07	Jan-12
Viking Global Equities, LP	67,699,499	6.4%	-0.50%	13.00%	5.57%	13.00%	-	-	11.79%	3.11%	3.47	Dec-11
Total Global Equities	546,321,025	51.4%	0.94%	7.80%	5.50%	7.80%	-	-	5.83%	3.10%	1.71	Nov-11
MSCI AC World Index Free - Net			2.27%	16.11%	9.91%	16.11%	-	-	10.55%	13.13%	0.80	Nov-11
Russell 3000 Index (DRI)			1.23%	16.42%	6.50%	16.42%	-	-	14.45%	9.97%	1.36	Nov-11
HFRI Equity Hedge (Total) Index			1.57%	7.39%	5.33%	7.39%	-	-	3.64%	7.36%	0.46	Nov-11
Real Return												
BlueCrest Capital LP	21,163,231	2.0%	0.48%	5.82%	3.39%	5.82%	-	-	5.82%	1.61%	3.26	Jan-12
Brevan Howard LP	78,534,461	7.4%	1.46%	3.56%	7.46%	3.56%	-	-	4.03%	4.62%	0.78	Nov-11
Brigade Leveraged Capital Structures Fund LP	52,270,919	4.9%	1.20%	-	3.02%	-	-	-	4.54%	1.60%	-	Mar-12
Capula Global Relative Value Fund Ltd.	50,073,446	4.7%	-0.02%	0.39%	1.17%	0.39%	-	-	0.14%	1.65%	-0.17	Dec-11
DE Shaw Composite International Fund	59,027,785	5.6%	3.60%	17.69%	11.69%	17.69%	-	-	15.29%	4.66%	3.00	Nov-11
Gracie Credit Opportunities Fund, L.P.	37,457,232	3.5%	-0.75%	-5.33%	-3.13%	-5.33%	-	-	-5.88%	3.66%	-1.75	Dec-11
Graham Global Investment Fund Ltd. - Discretionary 6V Portfolio	51,906,063	4.9%	1.73%	3.81%	3.33%	3.81%	-	-	3.81%	2.55%	1.31	Jan-12
OZ Domestic Partners II, L.P.	83,857,498	7.9%	1.02%	12.42%	6.78%	12.42%	-	-	10.04%	2.63%	3.50	Nov-11
Wexford Spectrum Fund, LP	52,115,766	4.9%	1.50%	4.23%	3.96%	4.23%	-	-	4.23%	4.23%	0.90	Jan-12
Winton Futures Fund Limited	29,314,478	2.8%	1.36%	-3.56%	0.58%	-3.56%	-	-	-2.11%	6.94%	-0.34	Dec-11
Total Real Return	515,720,878	48.6%	1.28%	5.33%	4.53%	5.33%	-	-	4.76%	2.02%	2.10	Nov-11
ML 3-month T-Bills			0.02%	0.10%	0.07%	0.10%	-	-	0.09%	0.02%	-16.97	Nov-11
HFRI Fund of Funds Composite Index			1.60%	5.25%	4.23%	5.25%	-	-	3.12%	3.55%	0.76	Nov-11
Total Hedge Fund Portfolio	1,062,041,904	100.0%	1.10%	6.58%	5.03%	6.58%	-	-	5.38%	2.33%	2.08	Nov-11
HFRI Fund of Funds Composite Index			1.60%	5.25%	4.23%	5.25%	-	-	3.12%	3.55%	0.76	Nov-11
Market Indices												
Libor3Month			0.03%	0.42%	0.18%	0.42%	-	-	0.44%	0.03%	-	Nov-11
Barclays Aggregate Bond Index			-0.14%	4.23%	1.82%	4.23%	-	-	4.51%	2.02%	1.98	Nov-11
Barclays High Yield Credit Bond Index			1.58%	15.81%	7.97%	15.81%	-	-	13.84%	5.08%	2.50	Nov-11
S&P 500 TR			0.91%	15.99%	5.95%	15.99%	-	-	14.34%	9.78%	1.38	Nov-11
MSCI EAFE - Net			3.20%	17.31%	13.94%	17.31%	-	-	8.99%	16.51%	0.58	Nov-11
MSCI EMF (Emerging Markets Free) - Net			4.89%	18.23%	13.75%	18.23%	-	-	7.69%	19.72%	0.45	Nov-11

Employees' Retirement System of the State of Rhode Island
Hedge Fund Portfolio
Fund Level Performance Report
12/31/2012

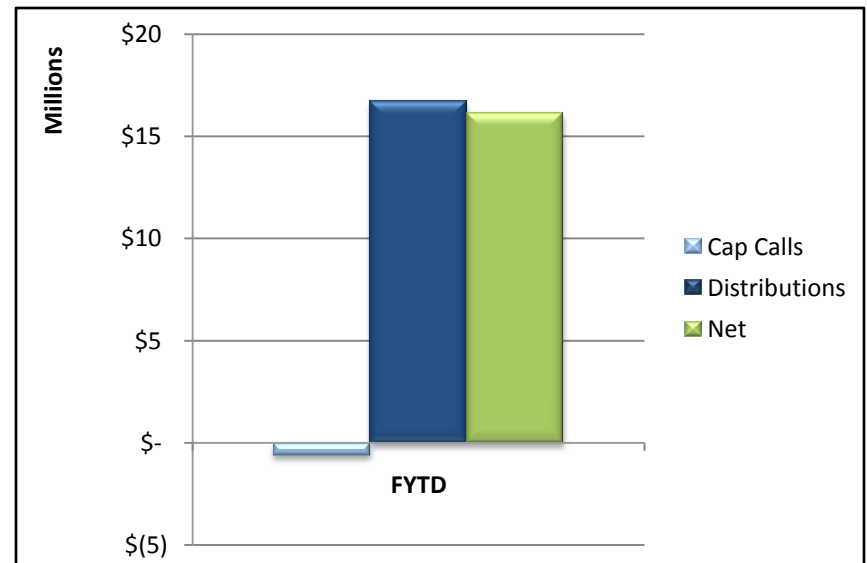
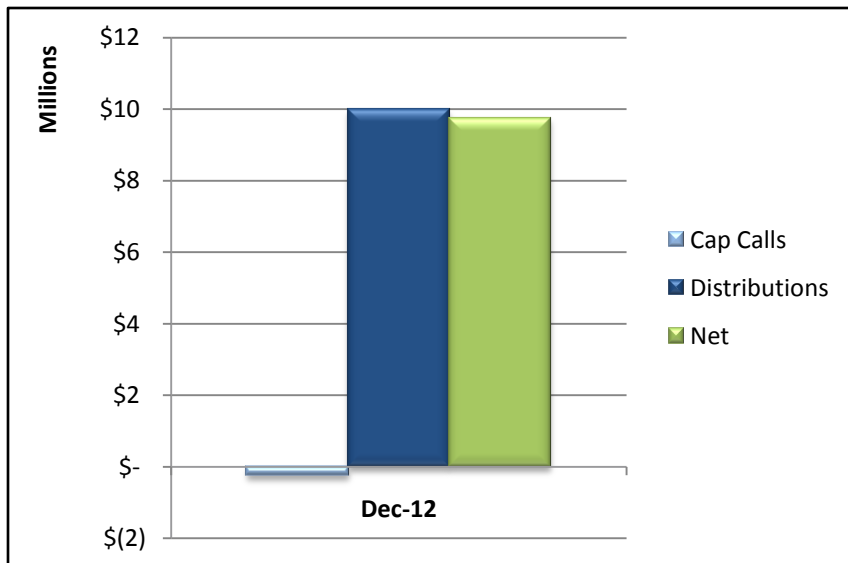
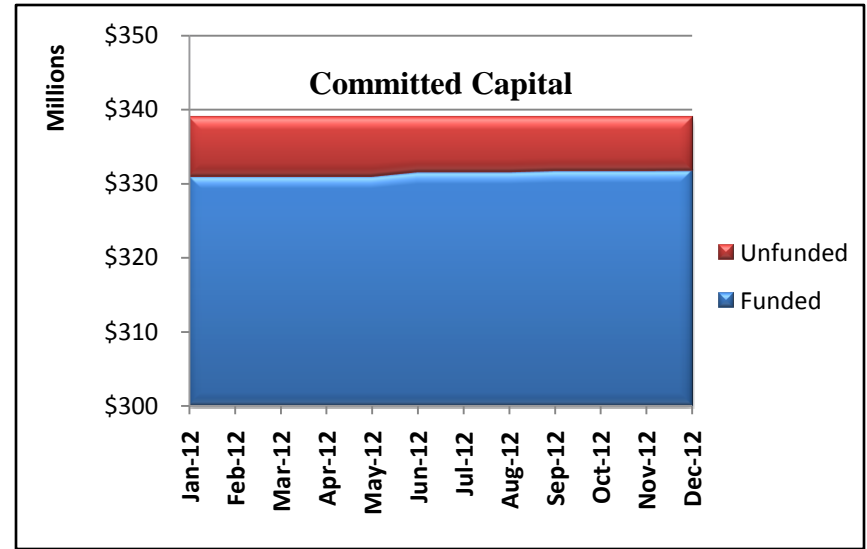
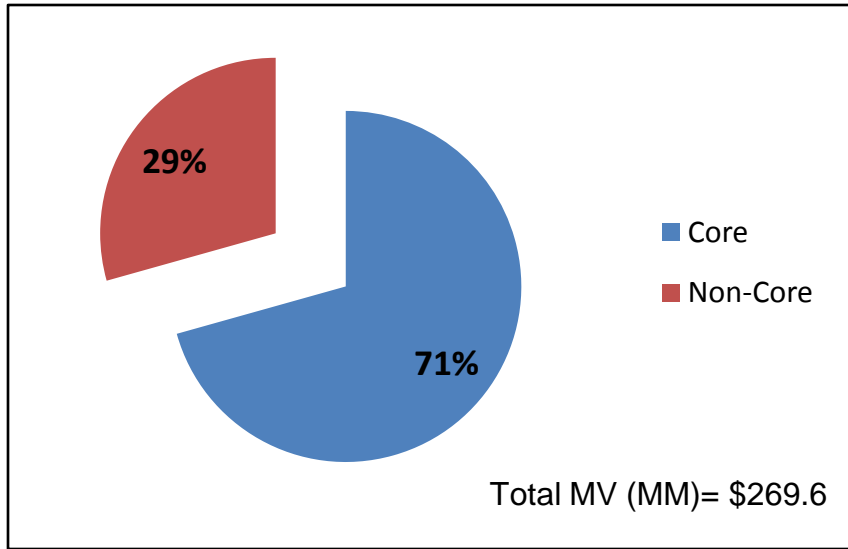
Fund	Trailing Returns				Calendar Year Returns					5 Yr Std Dev	Sharpe Ratio		Start Date				
	YTD	Dec	Nov	Oct	1 Year	3 Year	5 Year	2011	2010		2009	2008		2007	3 yr	5 yr	Incep.
Global Equities																	
Ascend Partners Fund II LP	2.47%	0.07%	-0.38%	-0.53%	2.47%	0.76%	2.30%	-3.02%	2.94%	13.61%	-3.58%	15.36%	4.71%	0.11	0.32	0.90	Jan-04
Davidson Kempner Institutional Partners, LP	6.75%	0.69%	0.53%	0.54%	6.75%	5.68%	4.81%	1.27%	9.17%	17.79%	-9.03%	6.56%	4.82%	1.52	0.81	1.48	Mar-96
Elliott Associates, L.P. (HFR98)	13.18%	1.30%	1.10%	0.90%	13.18%	8.10%	9.89%	3.94%	7.39%	30.85%	-3.08%	32.07%	5.63%	2.34	1.55	1.81	Feb-77
Indus Asia Pacific Fund	7.90%	2.20%	0.60%	0.50%	7.90%	2.45%	-0.86%	-7.18%	7.36%	25.45%	-28.99%	33.49%	9.24%	0.31	-0.15	0.74	Dec-00
Mason Capital, Ltd.	-5.64%	0.84%	-0.66%	-2.88%	-5.64%	2.53%	2.67%	4.20%	9.62%	25.16%	-15.42%	16.75%	8.41%	0.41	0.25	0.70	Feb-02
PFM Diversified Fund, LP	5.62%	1.34%	3.29%	0.11%	5.62%	2.13%	3.95%	-3.35%	4.36%	21.35%	-6.10%	31.21%	7.16%	0.30	0.45	0.88	Nov-04
Samlyn Capital - Composite	10.45%	-0.24%	1.44%	1.68%	10.45%	2.27%	7.10%	-5.05%	1.98%	23.57%	6.62%	-	8.92%	0.26	0.71	1.03	Mar-07
Third Point Partners L.P.	21.12%	3.50%	2.70%	2.40%	21.12%	19.46%	9.60%	-0.54%	41.52%	38.14%	-32.84%	16.61%	14.51%	1.64	0.64	1.24	Jun-95
Viking Global Equities	12.68%	-0.50%	0.70%	1.24%	12.68%	7.96%	8.29%	7.71%	3.67%	19.20%	-0.73%	38.97%	7.25%	1.28	1.01	1.46	Oct-99
Real Return																	
BlueCrest Capital International Limited	5.83%	0.48%	0.46%	-0.05%	5.83%	8.20%	14.37%	6.10%	12.80%	45.41%	6.26%	10.80%	5.35%	2.83	2.38	1.84	Dec-00
Brigade Leveraged Capital Structures Fund	6.85%	1.28%	0.22%	0.11%	6.85%	5.66%	6.42%	2.55%	7.66%	39.64%	-17.14%	10.15%	7.61%	1.87	0.74	0.78	Jan-07
Brevan Howard L.P. (Series B)	3.43%	1.46%	0.81%	-0.36%	3.43%	5.13%	10.14%	11.33%	0.92%	17.10%	19.14%	23.60%	7.30%	0.95	1.24	1.30	Sep-05
Capula Global Relative Value Fund Limited	0.33%	-0.02%	0.49%	-0.24%	0.33%	5.30%	7.48%	6.19%	9.58%	12.24%	9.45%	18.00%	5.12%	1.99	1.26	1.60	Oct-05
DE Shaw Composite International Fund	14.05%	2.80%	3.30%	0.30%	14.05%	6.30%	5.61%	3.69%	1.56%	21.31%	-9.81%	7.15%	6.75%	1.22	0.71	1.36	Mar-01
Gracie Credit Opportunities Fund L.P.	-5.37%	-0.75%	-0.85%	0.50%	-5.37%	-0.36%	6.27%	0.10%	4.44%	16.18%	17.94%	18.45%	6.25%	-0.21	0.86	1.15	Jul-04
Graham Discretionary - 6V Portfolio	3.80%	1.73%	0.57%	-0.37%	3.80%	4.81%	7.94%	3.56%	7.10%	17.13%	8.66%	-6.88%	4.73%	1.67	1.45	0.83	Jun-04
OZ Master Fund, Ltd	11.13%	1.02%	0.46%	0.86%	11.13%	6.27%	4.44%	-0.48%	8.52%	23.11%	-15.92%	11.48%	6.00%	1.67	0.60	1.68	Apr-94
Wexford Spectrum Fund, L.P.	4.23%	1.50%	0.56%	0.58%	4.23%	2.96%	4.22%	-3.44%	8.45%	30.76%	-13.87%	13.03%	9.56%	0.42	0.39	0.94	Apr-97
Winton Futures Fund - USD Class B	-3.57%	1.35%	1.00%	-2.54%	-3.57%	5.47%	6.25%	6.29%	14.47%	-4.64%	21.01%	17.97%	9.35%	0.65	0.60	0.71	Oct-97
Benchmarks																	
HFR1 Fund of Funds Composite Index	5.25%	1.60%	0.44%	-0.28%	5.25%	1.60%	-1.67%	-5.72%	5.70%	11.47%	-21.37%	10.25%	6.42%	0.29	-0.37	0.60	Jan-90
HFR1 Fund Weighted Composite Index	6.16%	1.26%	0.41%	-0.40%	6.16%	3.50%	1.50%	-5.25%	10.25%	19.98%	-19.03%	9.96%	7.75%	0.53	0.11	1.00	Jan-90
Market Indices																	
3 Month Libor - BOM	0.42%	0.03%	0.03%	0.03%	0.42%	0.37%	0.90%	0.35%	0.35%	0.65%	2.79%	5.25%	0.29%				Mar-86
Barclays Aggregate Bond Index	4.23%	-0.14%	0.16%	0.20%	4.23%	6.21%	5.96%	7.86%	6.56%	5.93%	5.24%	6.96%	3.53%				Jan-76
Barclays High Yield Credit Bond Index	15.81%	1.58%	0.80%	0.88%	15.81%	11.86%	10.33%	4.98%	15.11%	58.21%	-26.15%	1.88%	14.06%				Jul-83
S&P 500 (TR)	16.00%	0.91%	0.58%	-1.85%	16.00%	10.87%	1.66%	2.11%	15.06%	26.46%	-37.00%	5.49%	19.04%				Jan-70
MSCI EAFE - Net - USD	17.32%	3.20%	2.42%	0.83%	17.32%	3.56%	-3.69%	-12.14%	7.75%	31.78%	-43.38%	11.17%	23.47%				Dec-69
MSCI EM (EMERGING MARKETS) - Net - USD	18.22%	4.89%	1.27%	-0.61%	18.22%	4.66%	-0.92%	-18.42%	18.88%	78.51%	-53.33%	39.42%	29.04%				Jan-99

Note: The above is manager composite history.

Private Equity Statistics – December 2012



Real Estate Statistics – December 2012



Section VII.

Cash Flow

Monthly Valuation Change

Period : 01-Dec-2012 - 31-Dec-2012

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
Grand Total		7,482,887,468.20	110,236,005.85	(32,939,532.56)	7,405,590,994.91
Total Global Equity		3,900,515,182.98	83,133,415.58	0.00	3,817,381,767.40
Global Equity		3,354,194,157.76	79,033,795.35	0.00	3,275,160,362.41
	SSGA R3000 INDEX	1,616,288,732.05	19,681,362.47	0.00	1,596,607,369.58
	SSGA MSCI EAFE	1,161,904,089.52	35,983,680.74	0.00	1,125,920,408.78
	SSGA MSCI EM	442,785,255.83	21,274,532.64	0.00	421,510,723.19
	SSGA MSCI CANADA	133,216,080.36	2,094,219.50	0.00	131,121,860.86
Global Equity Hedge Funds		546,321,025.22	4,099,620.23	0.00	542,221,404.99
	VIKING GLOBAL EQUITI	67,699,499.27	(356,170.66)	0.00	68,055,669.93
	ELLIOTT ASSOCIATES	66,924,451.07	858,852.77	0.00	66,065,598.30
	SAMLYN ON/OFFSHORE	65,715,810.98	(136,303.50)	0.00	65,852,114.48
	DAVIDSON KEMPNER	64,887,241.06	451,191.77	0.00	64,436,049.29
	PFM DIVERSIFIED	60,900,778.35	1,030,892.66	0.00	59,869,885.69
	ASCEND PTRS II	60,898,563.28	(363,639.03)	0.00	61,262,202.31
	THIRD POINT PTRS	59,711,640.21	1,971,156.20	0.00	57,740,484.01
	MASON CAPITAL	56,844,087.26	(261,769.52)	0.00	57,105,856.78
	INDUS ASIA PACIFIC	42,738,953.74	905,409.54	0.00	41,833,544.20
Total Fixed Income		1,099,162,778.34	(424,483.76)	0.00	1,099,587,262.10
Fixed Income		1,099,162,778.34	(424,483.76)	0.00	1,099,587,262.10
	PYRAMIS GLOBAL ADV	551,182,515.67	(677,338.45)	0.00	551,859,854.12
	MACKAY SHIELDS	547,980,262.67	252,854.69	0.00	547,727,407.98
Total Real Return		911,604,821.29	8,060,390.91	0.00	903,544,430.38
Real Return		395,860,134.75	1,281,056.26	0.00	394,579,078.49
	BROWN BROTHERS HARR	395,860,134.75	1,281,056.26	0.00	394,579,078.49
Alternative Absolute Return		375,917,264.39	6,380,247.71	0.00	369,537,016.68
	OZ DOMESTIC PTRS	83,857,498.21	986,535.20	0.00	82,870,963.01
	BREVAN HOWARD	78,534,461.31	1,171,026.30	0.00	77,363,435.01
	DE SHAW	59,027,784.54	2,068,082.60	0.00	56,959,701.94
	WEXFORD SPECTRUM	52,115,765.73	778,632.75	0.00	51,337,132.98
	GRAHAM GLOBAL	51,906,063.28	885,217.52	0.00	51,020,845.76
	WINTON FUTURE FD	29,312,460.18	390,393.28	0.00	28,922,066.90
	BLUE CREST CAP	21,163,231.14	100,360.06	0.00	21,062,871.08
Alternative Fixed Income		139,827,422.15	399,086.94	0.00	139,428,335.21
	BRIGADE LEV CAP	52,296,744.51	659,872.92	0.00	51,636,871.59
	CAPULA GLOBAL	50,073,445.77	25,387.86	0.00	50,048,057.91
	GRACIE CREDIT FUND	37,457,231.87	(286,173.84)	0.00	37,743,405.71
Total Private Equity & Real Estate		845,444,765.78	16,675,918.01	(44,318,029.71)	873,086,877.48
Private Equity & Real Estate		845,444,765.78	16,675,918.01	(44,318,029.71)	873,086,877.48
	PRIVATE EQUITY	575,842,348.84	8,082,407.72	(34,570,224.61)	602,330,165.73
	REAL ESTATE	269,602,416.94	8,593,510.29	(9,747,805.10)	270,756,711.75
Total Cash		672,332,415.01	148,163.82	43,285,426.48	628,898,824.71
Cash Accounts		672,332,415.01	148,163.82	43,285,426.48	628,898,824.71
	ERSRI CASH	671,347,268.01	148,163.82	44,036,806.48	627,162,297.71

Monthly Valuation Change

Period : 01-Dec-2012 - 31-Dec-2012

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
	CITIZENS CASH	985,147.00	0.00	(751,380.00)	1,736,527.00
Total Other		45,826,946.67	3,727,762.33	(30,000,000.00)	72,099,184.34
Other		45,826,946.67	3,727,762.33	(30,000,000.00)	72,099,184.34
	RUSSELL OVERLAY FD	45,826,946.67	3,727,762.33	(30,000,000.00)	72,099,184.34
Total Miscellaneous		8,000,558.13	(1,085,161.04)	(1,906,929.33)	10,992,648.50
Miscellaneous Accounts		8,000,558.13	(1,085,161.04)	(1,906,929.33)	10,992,648.50
	SHOTT CAPITAL	5,127,022.43	(37,919.19)	0.00	5,164,941.62
	MACKAY SHIELDS LLC	1,929,872.85	(119,246.00)	(1,165,503.32)	3,214,622.17
	FIXED INC TRANS	584,905.28	(114,232.08)	(999,980.44)	1,699,117.80
	RI TRANS ACCT	340,562.99	134,456.28	0.00	206,106.71
	NON-US EQUITY TRANS	17,968.20	93.47	0.00	17,874.73
	DOM EQUITY TRANS	156.89	0.00	0.00	156.89
	TAPLIN CANIDA HAB	55.97	(63,997.94)	(2,498.92)	66,552.83
	FIDELITY MGMT	11.86	(591,190.36)	131,661.44	459,540.78
	BROWN BROS BOND	1.64	(185,039.63)	21,913.37	163,127.90
	BROWN BROS HARR	0.02	(108,085.59)	107,478.54	607.07

Custodian Inception To Date Valuation Change

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

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
Grand Total		7,482,887,468.20	179,729,562.60	(78,098,005.56)	7,381,255,911.16
Total Global Equity		3,900,515,182.98	133,560,272.30	0.00	3,766,954,910.68
Global Equity		3,354,194,157.76	122,554,837.08	0.00	3,231,639,320.68
	SSGA R3000 INDEX	1,616,288,732.05	31,881,505.29	0.00	1,584,407,226.76
	SSGA MSCI EAFE	1,161,904,089.52	62,557,835.76	0.00	1,099,346,253.76
	SSGA MSCI EM	442,785,255.83	26,593,165.80	0.00	416,192,090.03
	SSGA MSCI CANADA	133,216,080.36	1,522,330.23	0.00	131,693,750.13
Global Equity Hedge Funds		546,321,025.22	11,005,435.22	0.00	535,315,590.00
	VIKING GLOBAL EQUITI	67,699,499.27	144,719.27	0.00	67,554,780.00
	ELLIOTT ASSOCIATES	66,924,451.07	1,737,691.07	0.00	65,186,760.00
	SAMLYN ON/OFFSHORE	65,715,810.98	840,750.98	0.00	64,875,060.00
	DAVIDSON KEMPNER	64,887,241.06	840,961.06	0.00	64,046,280.00
	PFM DIVERSIFIED	60,900,778.35	2,833,258.35	0.00	58,067,520.00
	ASCEND PTRS II	60,898,563.28	(87,716.72)	0.00	60,986,280.00
	THIRD POINT PTRS	59,711,640.21	3,498,290.21	0.00	56,213,350.00
	MASON CAPITAL	56,844,087.26	130,887.26	0.00	56,713,200.00
	INDUS ASIA PACIFIC	42,738,953.74	1,066,593.74	0.00	41,672,360.00
Total Fixed Income		1,099,162,778.34	1,755,857.27	1,482,609.33	1,095,924,311.74
Fixed Income		1,099,162,778.34	1,755,857.27	1,482,609.33	1,095,924,311.74
	PYRAMIS GLOBAL ADV	551,182,515.67	1,010,361.61	1,482,609.33	548,689,544.73
	MACKAY SHIELDS	547,980,262.67	745,495.66	0.00	547,234,767.01
Total Real Return		911,604,821.29	18,063,947.24	0.00	893,540,874.05
Real Return		395,860,134.75	6,924,850.70	0.00	388,935,284.05
	BROWN BROTHERS HARR	395,860,134.75	6,924,850.70	0.00	388,935,284.05
Alternative Absolute Return		375,917,264.39	10,734,014.39	0.00	365,183,250.00
	OZ DOMESTIC PTRS	83,857,498.21	1,582,273.21	0.00	82,275,225.00
	BREVAN HOWARD	78,534,461.31	1,812,086.31	0.00	76,722,375.00
	DE SHAW	59,027,784.54	4,167,084.54	0.00	54,860,700.00
	WEXFORD SPECTRUM	52,115,765.73	1,118,115.73	0.00	50,997,650.00
	GRAHAM GLOBAL	51,906,063.28	1,180,363.28	0.00	50,725,700.00
	WINTON FUTURE FD	29,312,460.18	678,360.18	0.00	28,634,100.00
	BLUE CREST CAP	21,163,231.14	195,731.14	0.00	20,967,500.00
Alternative Fixed Income		139,827,422.15	405,082.15	0.00	139,422,340.00
	BRIGADE LEV CAP	52,296,744.51	763,644.51	0.00	51,533,100.00
	CAPULA GLOBAL	50,073,445.77	249,845.77	0.00	49,823,600.00
	GRACIE CREDIT FUND	37,457,231.87	(608,408.13)	0.00	38,065,640.00
Total Private Equity & Real Estate		845,444,765.78	21,229,156.44	(57,683,558.78)	881,899,168.12
Private Equity & Real Estate		845,444,765.78	21,229,156.44	(57,683,558.78)	881,899,168.12
	PRIVATE EQUITY	575,842,348.84	16,374,650.89	(47,263,749.97)	606,731,447.92
	REAL ESTATE	269,602,416.94	4,854,505.55	(10,419,808.81)	275,167,720.20
Total Cash		672,332,415.01	(446,692.50)	24,152,637.69	648,626,469.82
Cash Accounts		672,332,415.01	(446,692.50)	24,152,637.69	648,626,469.82
	ERSRI CASH	671,347,268.01	(446,692.50)	23,167,490.69	648,626,469.82

Custodian Inception To Date Valuation Change

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

Category	Source Account Name	Closing Balance	Market Value Increase/(Decrease)	Transfer In/(Out)	Opening Balance
	CITIZENS CASH	985,147.00	0.00	985,147.00	0.00
Total Other		45,826,946.67	6,081,271.41	(30,000,000.00)	69,745,675.26
Other		45,826,946.67	6,081,271.41	(30,000,000.00)	69,745,675.26
	RUSSELL OVERLAY FD	45,826,946.67	6,081,271.41	(30,000,000.00)	69,745,675.26
Total Miscellaneous		8,000,558.13	(514,249.56)	(16,049,693.80)	24,564,501.49
Miscellaneous Accounts		8,000,558.13	(514,249.56)	(16,049,693.80)	24,564,501.49
	SHOTT CAPITAL	5,127,022.43	(36,446.79)	4,176,829.62	986,639.60
	MACKAY SHIELDS LLC	1,929,872.85	501,757.42	(3,463,158.65)	4,891,274.08
	FIXED INC TRANS	584,905.28	642,733.80	(15,903,589.77)	15,845,761.25
	RI TRANS ACCT	340,562.99	(87,717.92)	(4,203.49)	432,484.40
	NON-US EQUITY TRANS	17,968.20	36.60	0.00	17,931.60
	DOM EQUITY TRANS	156.89	(20,300.46)	20,300.00	157.35
	TAPLIN CANIDA HAB	55.97	(70,143.37)	(2,498.92)	72,698.26
	FIDELITY MGMT	11.86	(64,776.86)	(351,051.74)	415,840.46
	BROWN BROS BOND	1.64	(1,271,300.49)	(629,799.39)	1,901,101.52
	BROWN BROS HARR	0.02	(108,091.49)	107,478.54	612.97

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2013	FY 2012-13												TOTAL
	Actual July 2012	Actual August	Actual September	Actual October	Actual November	Actual 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	69,952,061	69,849,685	69,843,970	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	839,541,020
ADMINISTRATIVE EXPENSES	287,720	705,326	541,540	442,410	611,739	617,477	566,091	729,552	1,080,787	568,054	474,315	897,153	7,522,163
INVESTMENT EXPENSES	954,598	209,630	334,436	1,078,332	85,286	445,386	501,413	228,446	666,823	405,876	173,652	420,419	5,504,297
TOTAL OUTFLOW	70,647,910	71,253,942	71,026,703	71,472,802	70,546,710	70,906,833	71,067,504	70,957,998	71,747,610	70,973,930	70,647,967	71,317,572	852,567,480
CONTRIBUTIONS	53,930,531	28,770,623	21,497,658	35,941,474	27,947,918	41,301,246	49,365,444	44,163,220	54,087,522	42,467,147	44,302,044	46,667,601	490,442,428
OTHER INCOME*	5,459,146	2,906,960	7,523,067	7,613,442	8,735,970	9,530,600	4,447,436	6,041,223	5,261,846	990,900	7,436,249	11,059,760	77,006,599
TOTAL INCOME	59,389,677	31,677,583	29,020,725	43,554,916	36,683,888	50,831,846	53,812,880	50,204,443	59,349,368	43,458,047	51,738,293	57,727,361	567,449,027
DIFFERENCE	(11,258,232)	(39,576,359)	(42,005,978)	(27,917,885)	(33,862,822)	(20,074,986)	(17,254,623)	(20,753,556)	(12,398,243)	(27,515,883)	(18,909,674)	(13,590,211)	(285,118,452)

Municipal Employees Retirement System

	Actual July 2012	Actual August	Actual September	Actual October	Actual November	Actual 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	6,997,104	7,042,964	7,060,546	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	84,106,228
ADMINISTRATIVE EXPENSES	56,172	138,204	106,647	87,420	121,378	122,747	109,377	141,222	209,477	110,375	92,345	174,971	1,470,336
INVESTMENT EXPENSES	186,366	41,076	65,861	213,079	16,922	88,538	96,880	44,221	129,243	78,864	33,809	81,994	1,076,852
TOTAL OUTFLOW	7,131,115	7,186,860	7,281,964	7,297,604	7,181,264	7,271,831	7,206,258	7,185,443	7,338,720	7,189,239	7,126,154	7,256,965	86,653,416
CONTRIBUTIONS	5,193,569	3,512,997	3,491,224	4,354,978	3,603,314	4,191,495	6,107,049	4,633,750	5,058,462	4,415,298	4,664,657	5,420,386	54,647,179
OTHER INCOME*	1,065,789	569,601	1,481,536	1,504,423	1,733,348	1,894,570	859,312	1,169,419	1,019,846	192,536	1,447,777	2,156,973	15,095,129
TOTAL INCOME	6,259,358	4,082,598	4,972,760	5,859,401	5,336,662	6,086,065	6,966,361	5,803,169	6,078,308	4,607,834	6,112,434	7,577,359	69,742,308
DIFFERENCE	(871,758)	(3,104,262)	(2,309,204)	(1,438,203)	(1,844,602)	(1,185,765)	(239,897)	(1,382,274)	(1,260,412)	(2,581,405)	(1,013,720)	320,395	(16,911,108)

CASH FLOW ANALYSIS - INCOME & EXPENSES

**State Police
Retirement System**

	Actual July 2012	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2013	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	69,340	68,708	68,708	68,708	68,708	83,113	70,000	70,000	70,000	70,000	70,000	70,000	847,284
ADMINISTRATIVE EXPENSES	3,893	9,649	7,500	6,178	8,626	8,771	7,268	9,448	14,098	7,495	6,313	12,041	101,279
INVESTMENT EXPENSES	12,918	2,868	4,632	15,059	1,203	6,327	6,438	2,958	8,698	5,355	2,311	5,642	74,409
TOTAL OUTFLOW	86,151	81,225	80,840	89,945	78,536	98,211	83,706	82,406	92,796	82,850	78,624	87,683	1,022,972
CONTRIBUTIONS	374,340	408,708	263,708	278,708	288,708	273,113	500,000	500,000	750,000	485,000	500,000	475,000	5,097,284
OTHER INCOME*	73,875	39,765	104,193	106,322	123,185	135,383	57,102	78,235	68,636	13,074	98,967	148,433	1,047,170
TOTAL INCOME	448,215	448,473	367,901	385,030	411,893	408,496	557,102	578,235	818,636	498,074	598,967	623,433	6,144,454
DIFFERENCE	362,064	367,248	287,061	295,085	333,357	310,285	473,396	495,829	725,840	415,224	520,343	535,750	5,121,481

**Judicial
Retirement System**

	Actual July 2012	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2013	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	120,887	120,887	120,887	120,887	120,887	120,887	121,000	121,000	121,000	121,000	121,000	121,000	1,451,324
ADMINISTRATIVE EXPENSES	1,935	4,934	3,839	3,161	4,412	4,484	3,744	4,867	7,263	3,861	3,252	6,203	51,955
INVESTMENT EXPENSES	6,618	1,466	2,370	7,705	615	3,235	3,316	1,524	4,481	2,759	1,191	2,907	38,186
TOTAL OUTFLOW	129,440	127,287	127,096	131,753	125,915	128,606	128,061	127,391	132,743	127,620	125,442	130,110	1,541,465
CONTRIBUTIONS	200,887	325,887	210,887	215,887	210,887	215,887	191,000	206,000	276,000	196,000	196,000	196,000	2,641,324
OTHER INCOME*	37,848	20,337	53,324	54,401	63,011	69,215	29,416	40,303	35,358	6,735	50,983	76,466	537,397
TOTAL INCOME	238,735	346,224	264,211	270,288	273,899	285,102	220,416	246,303	311,358	202,735	246,983	272,466	3,178,721
DIFFERENCE	109,295	218,937	137,115	138,535	147,984	156,496	92,356	118,912	178,614	75,115	121,540	142,356	1,637,256

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

FISCAL YEAR 2013

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

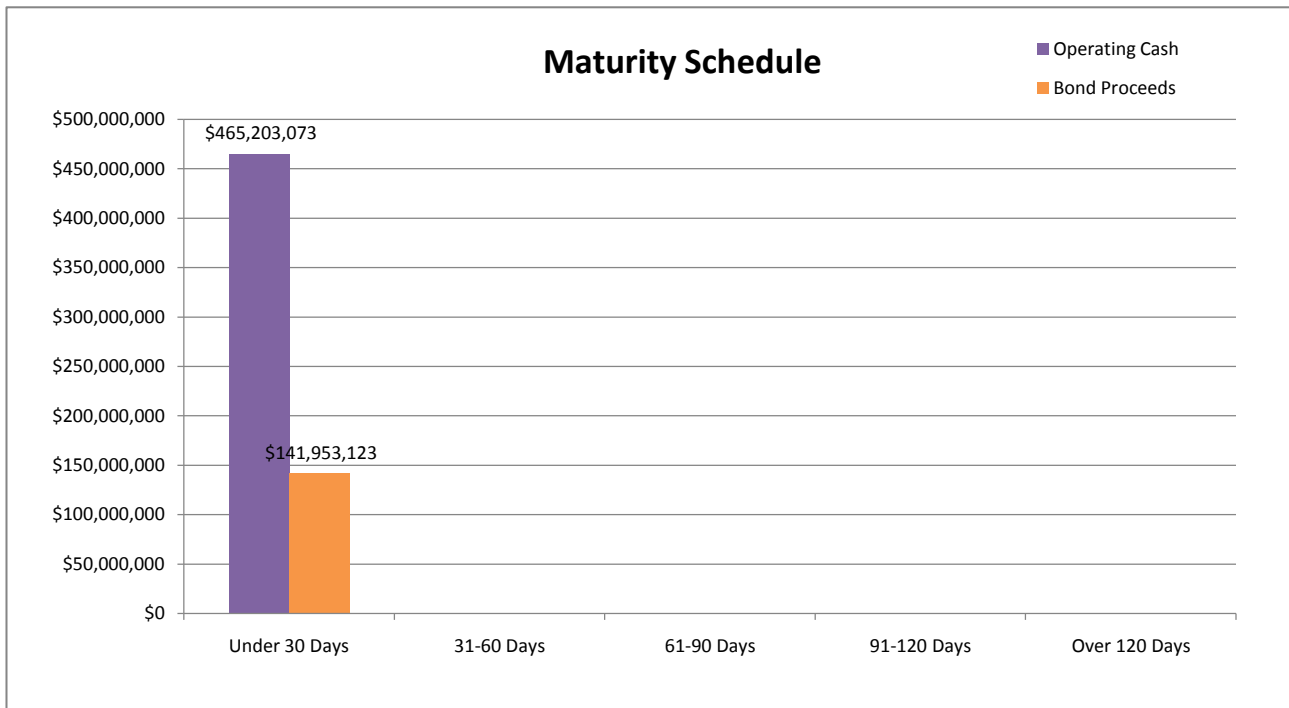
	Actual Jul 12	Actual Aug	Actual Sept	Actual Oct	Projected Nov	Projected Dec	Projected Jan 13	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected TOTAL
EQUITIES													
SSgA Russell 1000/S& ZU14			27,895			40,866			40,498			45,000	154,259
SSGA Russell 2000 ZU06			18,522			28,140			28,019			30,000	579,100
Shott Capital ZU49			1,164			1,592			1,522			1,700	610,151
Wellington Tech Eq ZU04						310,389			376,641			350,000	786,237
			<u>47,581</u>			<u>380,987</u>			<u>446,681</u>			<u>426,700</u>	1,197,268
FIXED INCOME													
Brown Bros. ZU44			183,058			173,397			176,758			167,000	700,212
Pyramis ZU46			141,905			157,589			139,160			140,446	579,100
Taplin ZU84			205,941			4,567			198,244			201,399	610,151
Mackay Shields ZU59			210,820			190,881			199,536			185,000	786,237
Brown Bros.TIPS ZU69			<u>108,086</u>			<u>114,716</u>			<u>103,456</u>			<u>115,000</u>	441,257
			849,810			641,150			817,154			808,844	3,116,958
INT'L EQUITIES													
SSgA MSCI ACWI ZU08			<u>97,138</u>			<u>141,598</u>			<u>152,271</u>			<u>165,000</u>	556,007
	0		97,138	0		141,598			152,271			165,000	556,007
REAL ESTATE													
L & B Real Estate ZU79	129,888	122,709	79,437	802,275	0	197,115	126,079	230,671	82,336	125,166	121,978	96,354	2,114,008
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt F ZU32	1,030,612	132,331	327,863	511,900	104,026	346,370	481,969	46,479	726,909	367,688	88,984	414,608	4,579,738
SUB TOTAL-INV MGMT FEES													
	1,160,500	255,040	1,401,829	1,314,175	104,026	1,707,219	608,048	277,150	2,225,351	492,854	210,962	1,911,506	11,563,979
PROFESSIONAL FEES													
Legal	5,829	4,894	7,054	0	4,144	24,357	0	18,031	7,542	973	0	3,806	76,630
St St BankBNY Mellon - Cust	60,268	62,284	60,084	59,995	60,582	60,714	61,869	63,476	63,057	62,408	61,653	61,306	737,697
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	96,607	13,125	13,125	68,944	13,125	13,125	67,362	13,125	13,125	13,125	351,041
PCA Real Estate	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	<u>10,417</u>	125,003
	127,139	128,220	211,662	121,037	125,768	201,932	122,911	142,550	185,878	124,423	122,695	126,154	1,740,371
OPERATING EXPENSE													
Retirement Transfers	202,402	724,514	466,139	517,108	571,641	545,622	560,824	764,161	1,063,383	574,404	456,372	818,188	7,264,758
Other Expense	0	7,150	5,925	0	6,250	5,925	6,250	5,700	0	4,500	6,250	5,700	53,650
	202,402	731,664	472,064	517,108	577,891	551,547	567,074	769,861	1,063,383	578,904	462,622	823,888	7,318,408
TOTAL:	1,490,042	1,114,924	2,085,555	1,952,321	807,685	2,460,698	1,298,033	#####	3,474,612	1,196,181	796,280	2,861,549	20,622,758

Note: Numbers in bold are actual.

Section VIII.

Short-Term Investments

Short-Term Investment Maturity Schedule & SIC Compliance Report at December 31, 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	201,472,104	201,472,104
	0%	0%	0%	0%	0%	0%	0%	43%	43.31%
Bank RI	0	15,057,631	0	0	0	0	0	0	15,057,631
	0%	3%	0%	0%	0%	0%	0%	0%	3.24%
Sovereign Bank	0	0	0	0	122,017,405	0	0	0	122,017,405
	0%	0%	0%	0%	26%	0%	0%	0%	26.23%
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	3,228,006	0	0	0	3,228,006
	0%	0%	0%	0%	1%	0%	0%	0%	0.69%
Webster Bank	0	0	0	0	73,271,060	0	0	0	73,271,060
	0%	0%	0%	0%	16%	0%	0%	0%	15.75%
Oppenheimer Inc	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	25,145,053	0	25,011,815	0	0	0	0	50,156,868
	0%	5%	0%	5%	0%	0%	0%	0%	10.78%
TOTALS	-	40,202,684	-	25,011,815	198,516,471	-	-	201,472,104	465,203,073
(%) PORTFOLIO	0.00%	8.76%	0.00%	5.45%	40.24%	0.00%	0.00%	45.55%	100.00%

Note: PIP + CD must be under 75%.

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

State of Rhode Island
Short Term Cash Monthly Performance
Performance for
December 01, 2012 to December 31, 2012

Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield(Annual)
GENERAL FUND	\$ 118,830,343.58	\$ 130,368,861.70	\$ 141,256,150.03	\$ 38,518.12	0.3211%
H.A.V.A	\$ 294.49	\$ 294.51	\$ 294.49	\$ 0.02	0.0800%
GENERAL FUND (HIST PRES)	\$ 536,876.69	\$ 536,948.62	\$ 536,876.69	\$ 71.93	0.1577%
HISTORIC TAX CREDITS	\$ 1,201,818.46	\$ 1,201,979.48	\$ 1,201,818.46	\$ 161.02	0.1578%
HIGHWAY FUND	\$ 12,144,934.72	\$ 23,448,171.48	\$ 18,012,676.65	\$ 3,236.76	0.2116%
T.D.I. RESERVE (DET)	\$ 100,300,310.90	\$ 84,817,214.92	\$ 92,784,181.86	\$ 16,904.02	0.2145%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	-
RICAP GL FUND 21	\$ 126,438,370.65	\$ 124,460,424.82	\$ 125,180,306.13	\$ 22,054.17	0.2074%
BOND CAPITAL FUND	\$ 3,765,181.22	\$ 3,965,964.36	\$ 3,700,665.09	\$ 783.14	0.2492%
R.I. CLEAN WATER ACT	\$ 3,176,124.86	\$ 3,176,499.96	\$ 3,176,124.86	\$ 375.10	0.1391%
STATE LOTTERY FUND	\$ 44,377,475.61	\$ 43,587,434.12	\$ 39,641,991.74	\$ 9,958.51	0.2958%
ASSESSED FRINGE BEN ADM	\$ 7,753.83	\$ 7,754.45	\$ 7,753.83	\$ 0.62	0.0941%
AUTO EQUIPMENT SERVICE	\$ 401,050.44	\$ 801,095.77	\$ 594,598.83	\$ 45.33	0.0898%
HEALTH INSURANCE FUND	\$ 27,052,632.80	\$ 30,056,660.58	\$ 30,171,987.64	\$ 4,027.78	0.1572%
FLEET REVOLVING LOAN FUND	\$ 8,403,701.94	\$ 7,605,271.46	\$ 7,732,734.20	\$ 1,569.52	0.2390%
EMPLOYEES RETIREMENT	\$ 733,687.04	\$ 140,554.23	\$ 21,424,009.62	\$ 6,867.19	0.3774%
MUNICIPAL EMPLOYEES RET.	\$ 10,861.34	\$ 561,280.46	\$ 1,980,216.18	\$ 419.12	0.2492%
RETIREE HEALTH FUND	\$ 2,088,174.62	\$ 3,288,571.92	\$ 2,959,142.36	\$ 397.30	0.1581%
BOG RETIREE FUND	\$ 9,178.37	\$ 9,179.60	\$ 9,178.37	\$ 1.23	0.1578%
RIPTA HEALTH FUND	\$ 466.45	\$ 466.51	\$ 466.45	\$ 0.06	0.1515%
PERMANENT SCHOOL FUND	\$ 1,432,126.79	\$ 1,432,318.63	\$ 1,432,126.79	\$ 191.84	0.1577%
TEACHER RETIREE HEALTH FUND	\$ 1,305,501.38	\$ 1,305,676.30	\$ 1,305,501.38	\$ 174.92	0.1578%
RI ST POL RETIREE HEALTH	\$ 717.43	\$ 717.53	\$ 717.43	\$ 0.10	0.1641%
RI LEG RETIREE HEALTH	\$ 194.99	\$ 195.01	\$ 194.99	\$ 0.02	0.1208%
RI JUDICIAL RETIREE HEALTH	\$ 15,130.39	\$ 15,131.54	\$ 15,130.39	\$ 1.15	0.0895%
UNIVERSITY COLLEGE	\$ 2,257,238.78	\$ 157,357.61	\$ 895,948.46	\$ 118.83	0.1562%
HIGHER EDUCATION	\$ 605,369.86	\$ 605,450.97	\$ 605,369.86	\$ 81.11	0.1578%
INDUS. BLDG. & MTG. INS.	\$ 3,651,107.53	\$ 3,651,596.72	\$ 3,651,107.53	\$ 489.19	0.1578%
Operating Funds Totals	\$ 458,746,625.16	\$ 465,203,073.26	\$ 498,277,270.31	\$ 106,448.10	0.252%
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	-
CCDL1993A	\$ 7,386.07	\$ 7,386.24	\$ 7,385.49	\$ 0.99	0.1578%
BOND CCDL 1994 SERIES A	\$ 15,001.66	\$ 15,002.01	\$ 15,000.48	\$ 2.01	0.1578%
BOND CCBL96A	\$ -	\$ -	\$ -	\$ -	-
CAP DEV OF 1997 SERIES A	\$ 41,016.89	\$ 41,017.84	\$ 41,013.66	\$ 5.50	0.1579%
CCDL1998A	\$ 1,696,021.66	\$ 1,696,060.68	\$ 1,695,888.10	\$ 227.22	0.1578%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
MMG099 1999	\$ -	\$ -	\$ -	\$ -	-
BOND CAPITOL CCDL2000A	\$ 102,395.52	\$ 102,397.88	\$ 102,387.46	\$ 13.72	0.1578%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	-
CCDL2001C	\$ 201,349.21	\$ 201,353.85	\$ 201,333.36	\$ 26.98	0.1578%
CCDL2002B	\$ -	\$ -	\$ -	\$ -	-
CCDL 2004 SERIES A	\$ 3,020,310.23	\$ 3,019,486.43	\$ 3,019,755.32	\$ 404.60	0.1578%
BOND CCDL 2005 SERIES C	\$ 7,269,007.60	\$ 7,269,172.56	\$ 7,268,433.54	\$ 973.86	0.1578%
BOND CCDL 2005 SERIES E	\$ 726,066.11	\$ 717,765.46	\$ 723,056.90	\$ 96.85	0.1577%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	-
BOND CCDL 2006 SERIES C	\$ 2,852,690.17	\$ 2,634,928.52	\$ 2,775,174.55	\$ 370.96	0.1574%
GO BND-NTAX 2007 SERIES A	\$ 5,938,997.01	\$ 5,939,133.66	\$ 5,938,529.32	\$ 795.67	0.1578%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	-
GO BND-NTAX 2008 SERIES B	\$ 433,578.57	\$ 433,588.55	\$ 433,544.43	\$ 58.09	0.1578%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	-
CCDL10B BOND CAPITAL COMPONENT	\$ 2,450,924.63	\$ 2,127,783.47	\$ 2,336,054.53	\$ 311.71	0.1571%
CCDL10C	\$ 161,504.64	\$ 161,526.28	\$ 161,504.64	\$ 21.64	0.1578%
CCDL10D	\$ 103,927.47	\$ 103,929.86	\$ 103,919.29	\$ 13.92	0.1577%
CCDL2011A	\$ 49,054,177.98	\$ 47,448,862.15	\$ 48,480,276.41	\$ 6,489.21	0.1576%
CCDL2012B	\$ 71,430,373.22	\$ 68,062,400.80	\$ 69,238,830.01	\$ 9,267.13	0.1576%
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	\$ 222,545.90	\$ 222,551.03	\$ 222,529.97	\$ 29.82	0.1578%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	-
CCDL99A 1999A	\$ 205,312.13	\$ 205,316.86	\$ 205,297.43	\$ 27.51	0.1578%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2007 SERIES A	\$ 283,283.49	\$ 283,290.01	\$ 283,263.21	\$ 37.95	0.1577%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	-
CCDL10B CLEAN WATER COMPONENT	\$ -	\$ -	\$ -	\$ -	-
CCDL2011A CLEAN WATER COMPONENT	\$ 1,260,139.83	\$ 1,260,168.83	\$ 1,260,049.62	\$ 168.83	0.1578%
CCDL2011A POLL CTRL CMPNT	\$ -	\$ -	\$ -	\$ -	-
Bond Proceeds Fund Totals	\$ 147,476,009.99	\$ 141,953,122.97	\$ 144,513,227.72	\$ 19,344.17	0.158%
TANS PROCEEDS	\$ -	\$ -	\$ -	\$ -	-
Grand Totals	\$ 606,222,635.15	\$ 607,156,196.23	\$ 642,790,498.03	\$ 125,792.27	0.230%

Section IX.

457 Plans

State of Rhode Island Total Assets 457 Plans

Plan Provider	3/31/2012	6/30/2012	9/30/2012	12/31/2012
Valic	\$ 47,688,848.77	\$ 46,994,535.83	\$ 47,704,868.43	\$ 47,545,059.30
Fidelity	\$ 78,343,734.74	\$ 76,449,768.55	\$ 80,840,890.74	\$ 81,326,449.93
ING	\$ 107,030,165.15	\$ 106,089,472.87	\$ 110,196,585.14	\$ 111,464,941.54
Total	\$ 233,062,748.66	\$ 229,533,777.25	\$ 238,742,344.31	\$ 240,336,450.77

Monthly Plan Performance Update

STATE OF RHODE ISLAND - STATE OF RI (35835)

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

Name	Cumulative Total Returns				Average Annual Total Returns				
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr
DOW JONES 30 INDUSTRIAL AVERAGE	12/31/2012	0.79	-1.74	10.24	12/31/2012	10.24	10.87	2.62	7.32
NASDAQ COMPOSITE INDEX	12/31/2012	0.63	-2.46	17.76	12/31/2012	17.76	11.34	3.79	9.47
BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX	12/31/2012	-0.14	0.21	4.21	12/31/2012	4.21	6.19	5.95	5.18
RUSSELL 2000 INDEX	12/31/2012	3.56	1.85	16.35	12/31/2012	16.35	12.25	3.56	9.72
STANDARD & POOR'S 500™ INDEX	12/31/2012	0.91	-0.38	16.00	12/31/2012	16.00	10.87	1.66	7.10

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	Inception Date
Stock Investments													
Large Cap													
FID CONTRAFUND	12/31/2012	0.19	-1.59	16.26	12/31/2012	16.26	10.73	1.97	9.68	12.15	—	0.81% on 02/29/2012	05/17/1967
FID LARGE CAP STOCK	12/31/2012	2.12	1.07	20.71	12/31/2012	20.71	11.97	2.11	7.33	7.00	—	1.03% on 06/29/2012	06/22/1995
FID NEW MILLEN	12/31/2012	1.69	-0.43	15.66	12/31/2012	15.66	12.14	3.40	9.44	13.20	—	1.00% on 01/28/2012	12/28/1992
INVS DIVRS DIVD INV	12/31/2012	1.14	2.12	17.22	12/31/2012	17.22	10.45	4.06	—	5.16	—	0.90% on 04/30/2012	07/15/2005
SPTN 500 INDEX ADV	12/31/2012	0.90	-0.38	15.97	12/31/2012	15.97	10.83	1.65	7.05	9.34	—	0.07% on 01/01/2013	02/17/1988
Mid-Cap													
FID LOW PRICED STK	12/31/2012	2.98	3.21	18.50	12/31/2012	18.50	12.65	4.88	11.17	13.97	1.5% / 90days	0.88% on 09/29/2012	12/27/1989
SPTN MID CAP IDX ADV	12/31/2012	2.26	2.86	17.16	12/31/2012	17.16	—	—	—	16.56	.75% / 30days	0.22% on 01/01/2013	09/08/2011
Small Cap													
SPTN SM CAP IDX ADV	12/31/2012	3.55	1.92	16.32	12/31/2012	16.32	—	—	—	18.13	1.5% / 90days	0.30% on 01/01/2013	09/08/2011
International													
HARBOR INTL INV	12/31/2012	3.41	7.70	20.41	12/31/2012	20.41	5.96	-1.26	11.56	11.76	2% / 60days	1.16% on 03/01/2012	11/01/2002
SPTN INTL INDEX ADV	12/31/2012	3.99	7.57	18.78	12/31/2012	18.78	3.99	-3.27	8.36	4.48	1% / 90days	0.17% on 05/04/2012	11/05/1997

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	Inception Date
Blended Investments*													
Others													
FID FREEDOM K 2000	12/31/2012	0.30	0.47	6.44	12/31/2012	6.44	5.44	—	—	7.70	—	0.39% on 05/30/2012	07/02/2009
FID FREEDOM K 2005	12/31/2012	0.51	0.51	8.77	12/31/2012	8.77	6.49	—	—	10.11	—	0.46% on 05/30/2012	07/02/2009
FID FREEDOM K 2010	12/31/2012	0.57	0.57	10.53	12/31/2012	10.53	7.23	—	—	11.04	—	0.50% on 05/30/2012	07/02/2009
FID FREEDOM K 2015	12/31/2012	0.70	0.62	10.81	12/31/2012	10.81	7.32	—	—	11.32	—	0.51% on 05/30/2012	07/02/2009
FID FREEDOM K 2020	12/31/2012	0.77	0.69	11.86	12/31/2012	11.86	7.69	—	—	12.40	—	0.54% on 05/30/2012	07/02/2009
FID FREEDOM K 2025	12/31/2012	0.97	0.75	13.26	12/31/2012	13.26	7.94	—	—	12.95	—	0.58% on 05/30/2012	07/02/2009
FID FREEDOM K 2030	12/31/2012	0.94	0.72	13.65	12/31/2012	13.65	7.94	—	—	13.32	—	0.59% on 05/30/2012	07/02/2009
FID FREEDOM K 2035	12/31/2012	1.13	0.77	14.60	12/31/2012	14.60	7.87	—	—	13.46	—	0.62% on 05/30/2012	07/02/2009
FID FREEDOM K 2040	12/31/2012	1.12	0.76	14.61	12/31/2012	14.61	7.85	—	—	13.61	—	0.62% on 05/30/2012	07/02/2009
FID FREEDOM K 2045	12/31/2012	1.19	0.84	14.97	12/31/2012	14.97	7.90	—	—	13.73	—	0.63% on 05/30/2012	07/02/2009
FID FREEDOM K 2050	12/31/2012	1.20	0.78	15.23	12/31/2012	15.23	7.81	—	—	13.79	—	0.64% on 05/30/2012	07/02/2009
FID FREEDOM K 2055	12/31/2012	1.26	0.86	15.39	12/31/2012	15.39	—	—	—	2.38	—	0.64% on 05/30/2012	06/01/2011
FID FREEDOM K INCOME	12/31/2012	0.24	0.40	6.36	12/31/2012	6.36	5.36	—	—	7.50	—	0.39% on 05/30/2012	07/02/2009
Bond Investments													
Income													
PIMCO TOT RETURN ADM	12/31/2012	0.23	1.10	10.08	12/31/2012	10.08	7.48	8.07	6.55	7.46	—	0.71% on 11/21/2012	09/08/1994
SPTN US BOND IDX ADV	12/31/2012	-0.15	0.08	4.17	12/31/2012	4.17	6.04	5.66	4.95	6.91	—	0.17% on 01/01/2013	03/08/1990
Short-Term Investments													
Others													
FID RETIRE MMKT	12/31/2012	0	0	0.01	12/31/2012	0.01	0.01	0.71	1.83	3.78	—	0.42% on 10/30/2012	12/02/1988
Other Investments													
Others													
BROKERAGELINK	—	—	—	—	—	—	—	—	—	—	—	—	—

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

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

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

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

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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.

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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.

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PERFORMANCE UPDATE

ING Life Insurance and Annuity Company

STATE OF RHODE ISLAND

Average Annual Total Returns as of: 12/31/2012 (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	0.25	0.00	0.75	0.01	3.00	0.03	3.00	0.03	3.28	0.03	3.52	0.50	4.03	1.55				
Bonds																			
<i>High Yield Bond</i>																			
Prudential High Yield Fund, Inc. - Class Z	BCUSHY2IC	1.43	1.57	3.02	3.29	14.16	15.78	14.16	15.78	11.22	11.78	9.71	10.45	9.97	10.60		03/01/1996	0.62	0.62
<i>Inflation-Protected Bond</i>																			
PIMCO VIT Real Return Portfolio - Administrative Class	LBUSTIPS	-0.50	-0.65	0.73	0.69	8.76	6.98	8.76	6.98	9.51	8.90	7.64	7.04	6.90	6.65		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				
Asset Allocation																			
<i>Lifecycle</i>																			
ING Solution 2015 Portfolio - Adviser Class (1)	SPT2015	0.90	1.14	0.90	1.60	11.14	10.33	11.14	10.33	6.87	7.81	1.70	2.98			3.90	04/29/2005	1.39	1.28
ING Solution 2015 Portfolio - Initial Class (2)	SPT2015	0.97	1.14	1.06	1.60	11.70	10.33	11.70	10.33	7.42	7.81	2.20	2.98			4.44	04/29/2005	0.89	0.78
ING Solution 2025 Portfolio - Initial Class (3)	SPT2025	1.65	1.62	1.56	2.12	13.83	12.50	13.83	12.50	8.03	8.49	1.06	2.40			4.19	04/29/2005	0.97	0.86
ING Solution 2035 Portfolio - Initial Class (4)	SP2035	1.95	1.98	1.95	2.51	15.37	14.13	15.37	14.13	8.17	8.87	0.56	1.68			4.29	04/29/2005	1.03	0.92
ING Solution 2045 Portfolio - Initial Class (5)	SP2045	2.09	2.19	2.01	2.79	15.81	15.16	15.81	15.16	8.31	9.06	-0.06	1.21			4.27	04/29/2005	1.04	0.93
ING Solution 2055 Portfolio - Initial Class (6)	SP2045	2.10	2.19	2.01	2.79	15.80	15.16	15.80	15.16							8.23	03/08/2010	1.04	0.93
ING Solution Income Portfolio - Initial Class (7)	SPTREIN	0.63	0.58	0.63	0.97	10.12	7.51	10.12	7.51	6.75	6.84	3.62	3.37			4.57	04/29/2005	0.83	0.72
Balanced																			
<i>Moderate Allocation</i>																			
ING T. Rowe Price Capital Appreciation Portfolio - Inst (8)	SPXLBGC	1.03	0.43	1.84	-0.08	14.78	11.57	14.78	11.57	10.62	9.44	5.61	3.81	9.61	6.62		01/24/1989	0.65	0.65
Large Cap Value																			
<i>Large Blend</i>																			
ING Growth and Income Portfolio - Class I	SPXRE	0.97	0.91	-1.15	-0.38	15.78	16.00	15.78	16.00	9.64	10.87	1.37	1.66	6.85	7.10		12/31/1979	0.58	0.58
ING U.S. Stock Index Portfolio - Institutional Class	SPXRE	0.91	0.91	-0.38	-0.38	15.79	16.00	15.79	16.00	10.59	10.87	1.43	1.66			4.87	05/03/2004	0.26	0.26
<i>Large Value</i>																			
BlackRock Equity Dividend Fund - Institutional Shares	SPXRE	0.88	0.91	0.25	-0.38	12.18	16.00	12.18	16.00	10.24	10.87	2.00	1.66	9.49	7.10		11/29/1988	0.76	0.76
Large Cap Growth																			
<i>Large Growth</i>																			
ING Large Cap Growth Portfolio - Institutional Class (9)	RS1000G	0.27	-0.03	-1.53	-1.32	18.10	15.25	18.10	15.25	11.52	11.35	7.54	3.12			7.52	05/03/2004	0.69	0.60
Small/Mid/Specialty																			
<i>Mid-Cap Blend</i>																			
ING Russell Mid Cap Index Portfolio - Class I	RSMID	2.30	2.25	2.89	2.88	17.04	17.28	17.04	17.28	12.87	13.15					6.50	03/04/2008	0.45	0.43
<i>Mid-Cap Growth</i>																			
Principal MidCap Blend Fund - R-5 Class Shares	RSMID	1.87	2.25	3.26	2.88	18.84	17.28	18.84	17.28	16.53	13.15	6.77	3.57	11.24	10.65		12/06/2000	0.89	0.89
<i>Small Blend</i>																			
ING Russell Small Cap Index Portfolio - Class I (10)	RS2000	3.46	3.56	1.74	1.85	16.04	16.35	16.04	16.35	12.12	12.25					7.18	03/04/2008	0.48	0.46
ING Small Company Portfolio - Class I	RS2000	3.32	3.56	1.55	1.85	14.52	16.35	14.52	16.35	11.57	12.25	4.08	3.56	10.11	9.72		12/27/1996	0.86	0.86
Global / International																			
<i>Foreign Large Blend</i>																			
American Funds EuroPacific Growth Fund - Class R-4 (11)	MSCIACEU	2.74	3.49	5.56	5.89	19.22	17.39	19.22	17.39	4.06	4.33	-1.40	-2.44	10.01	10.22		04/16/1984	0.85	0.85

See Performance Introduction Page for Important Information

Investment Options	Fund Benchmark ID (BM)	1-Mo		3-Mo		YTD		1-Yr		3-Yr		5-Yr		10-Yr		Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*	
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM				
ING International Index Portfolio - Class I (12)	MSCIEAFE	3.93	3.21	7.50	6.60	18.72	17.90	18.72	17.90	3.99	4.04					-1.27	03/04/2008	0.57	0.51
World Stock																			
ING Oppenheimer Global Portfolio - Initial Class	MSCIAC	3.29	2.31	7.42	3.01	21.70	16.80	21.70	16.80	9.07	7.19	1.57	-0.61	9.06	8.66		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: 12/31/2012 (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>	0.25	0.75	3.00	3.00	3.28	3.52	4.03		
Bonds									
<i>High Yield Bond</i>									
Prudential High Yield Fund, Inc. - Class Z	1.41	2.95	13.83	13.83	10.93	9.43	9.69		03/01/1996
<i>Inflation-Protected Bond</i>									
PIMCO VIT Real Return Portfolio - Administrative Class	-0.52	0.66	8.48	8.48	9.23	7.37	6.64		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	0.76	1.47	9.12	9.12	8.65	5.44	5.02		05/23/1973
ING U.S. Bond Index Portfolio - Class I	-0.26	-0.08	3.59	3.59	5.46			5.26	03/04/2008
Asset Allocation									
<i>Lifecycle</i>									
ING Solution 2015 Portfolio - Adviser Class (1)	0.88	0.84	10.86	10.86	6.60	1.44		3.64	04/29/2005
ING Solution 2015 Portfolio - Initial Class (2)	0.95	1.00	11.42	11.42	7.15	1.94		4.18	04/29/2005
ING Solution 2025 Portfolio - Initial Class (3)	1.62	1.49	13.54	13.54	7.76	0.81		3.93	04/29/2005
ING Solution 2035 Portfolio - Initial Class (4)	1.92	1.88	15.08	15.08	7.90	0.31		4.03	04/29/2005
ING Solution 2045 Portfolio - Initial Class (5)	2.07	1.94	15.52	15.52	8.04	-0.30		4.01	04/29/2005
ING Solution 2055 Portfolio - Initial Class (6)	2.08	1.95	15.51	15.51				7.96	03/08/2010
ING Solution Income Portfolio - Initial Class (7)	0.61	0.57	9.84	9.84	6.48	3.36		4.31	04/29/2005
Balanced									
<i>Moderate Allocation</i>									
ING T. Rowe Price Capital Appreciation Portfolio - Inst (8)	1.01	1.77	14.49	14.49	10.34	5.34	9.33		01/24/1989
Large Cap Value									
<i>Large Blend</i>									
ING Growth and Income Portfolio - Class I	0.95	-1.21	15.49	15.49	9.36	1.12	6.59		12/31/1979
ING U.S. Stock Index Portfolio - Institutional Class	0.89	-0.45	15.50	15.50	10.31	1.18		4.60	05/03/2004
<i>Large Value</i>									
BlackRock Equity Dividend Fund - Institutional Shares	0.86	0.18	11.90	11.90	9.97	1.74	9.21		11/29/1988
Large Cap Growth									
<i>Large Growth</i>									
ING Large Cap Growth Portfolio - Institutional Class (9)	0.25	-1.59	17.80	17.80	11.24	7.27		7.25	05/03/2004
Small/Mid/Specialty									
<i>Mid-Cap Blend</i>									
ING Russell Mid Cap Index Portfolio - Class I	2.28	2.83	16.75	16.75	12.59			6.24	03/04/2008
<i>Mid-Cap Growth</i>									
Principal MidCap Blend Fund - R-5 Class Shares	1.85	3.19	18.55	18.55	16.24	6.51	10.97		12/06/2000
<i>Small Blend</i>									
ING Russell Small Cap Index Portfolio - Class I (10)	3.44	1.68	15.75	15.75	11.84			6.91	03/04/2008
ING Small Company Portfolio - Class I	3.29	1.49	14.23	14.23	11.30	3.82	9.84		12/27/1996
Global / International									
<i>Foreign Large Blend</i>									
American Funds EuroPacific Growth Fund - Class R-4 (11)	2.72	5.49	18.92	18.92	3.80	-1.65	9.74		04/16/1984
ING International Index Portfolio - Class I (12)	3.91	7.43	18.42	18.42	3.73			-1.52	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	3.27	7.35	21.39	21.39	8.80	1.32	8.78		05/01/2002

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

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

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

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

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

Additional Notes

Insurance products, annuities and funding agreements issued by ING Life Insurance and Annuity Company One Orange Way Windsor, CT 06095, (ILIAC), which is solely responsible for meeting its obligations. Plan administrative services provided by ILIAC or ING Institutional Plan Services, LLC. All companies are members of the ING family of companies. Securities are distributed by or offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.

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

(1)ING Solution 2015 Portfolio - Adviser Class: The adviser is contractually obligated to limit expenses to 0.62% through May 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(2)ING Solution 2015 Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(3)ING Solution 2025 Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(4)ING Solution 2035 Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(5)ING Solution 2045 Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(6)ING Solution 2055 Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(7)ING Solution Income Portfolio - Initial Class: The adviser is contractually obligated to limit expenses to 0.12% through May 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

See Performance Introduction Page for Important Information

Additional Notes

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

(9)ING Large Cap Growth Portfolio - Institutional Class: The adviser is contractually obligated to limit expenses to 0.60% through May 1, 2014; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses. This obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the management agreement and is subject to possible recoupment by the adviser within three years.

(10)ING Russell Small Cap Index Portfolio - Class I: The adviser is contractually obligated to limit expenses to 0.45% through May 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses and extraordinary expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(11)EuroPacific Growth Fund - Class R-4 commenced operations on May 15, 2002. Class R-4 has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A. The performance information above prior to May 15, 2002 is based upon the Class A performance adjusted by the fee differences between classes.

(12)ING International Index Portfolio - Class I: The adviser is contractually obligated to limit expenses to 0.50% through May 1, 2013; the obligation does not extend to interest, taxes, brokerage commissions, extraordinary expenses and Acquired Fund Fees and Expenses. The obligation will automatically renew for one-year terms unless it is terminated by the Portfolio or the adviser upon written notice within 90 days of the end of the current term or upon termination of the advisory agreement and is subject to possible recoupment by the adviser within three years.

(13)The CURRENT rate for the ING Fixed Account - 457/401 Base+110 is 3.00%, expressed as an annual effective yield, and is guaranteed not to drop below 3.00% through 12/31/2013. The annual rate of interest applied to your account may be higher or lower than the current rate. Restrictions may apply to transfers of funds from the Fixed Account to other contract investment options. Please refer to your product prospectus / disclosure booklet and call your 800 number for more information.

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

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

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

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.
MFR	The MFR Money Market Index is comprised of returns which are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by iMoney.net, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.
MSCIAC	The Morgan Stanley Capital International (MSCI) All Country World Index is a broad-based unmanaged index of developed country and emerging market equities.
MSCIACEU	The Morgan Stanley Capital International (MSCI) All Country World ex-U.S. Index is an unmanaged index that measures the returns of equities of companies which are domiciled outside the U.S. Please note that indexes are unmanaged and their returns do not take into account any of the fees and expenses of the mutual funds to which they are compared. Individuals cannot invest directly in any index.

See Performance Introduction Page for Important Information

Benchmark ID	Benchmark Description
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 12/31/2012.

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)	11.67	11.67	10.68	0.56	5.79	5.79	1.76	12/8/2000
Vanguard Windsor II Fund	15.49	15.49	8.71	0.23	6.69	6.69	1.40	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	13.28	13.28	7.77	-0.89	4.18	4.18	1.88	4/29/1994
Stock Index Fund (SunAmerica)	14.65	14.65	9.63	0.54	5.90	5.90	1.17	4/20/1987
<i>Large Cap Growth</i>								
Growth Fund (American Century)	14.00	14.00	9.65	1.35	2.66	2.66	1.67	12/5/2005
Large Capital Growth Fund (SunAmerica/Invesco)	11.53	11.53	5.97	-1.14	2.34	2.34	1.58	12/20/2004
Domestic Mid Cap Equity								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (RCM/MorganStanley)	8.35	8.35	7.85	-1.17	4.70	4.70	1.67	12/20/2004
Global Equity								
Global Social Awareness Fund (PineBridge Investments)	16.36	16.36	6.44	-1.29	4.85	4.85	1.48	10/2/1989
Emerging Economies (formerly Global Equity) Fund (JPMorgan)	17.94	17.94	3.94	-5.04	0.26	0.26	1.84	12/5/2005
International Equity								
Foreign Value Fund (Templeton Global)	17.83	17.83	2.76	-2.69	2.34	2.34	1.63	12/5/2005
Speciality								
Science & Technology Fund (T. Rowe/RCM/Wellington)	11.25	11.25	7.91	2.03	7.64	7.64	1.82	4/29/1994
Hybrid								
<i>Balanced</i>								
Vanguard Wellington Fund	11.39	11.39	7.91	3.16	7.07	7.07	1.35	7/1/1929
Fixed Income								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	10.76	10.76	12.25	9.14	6.81	6.81	1.02	7/9/1973
Vanguard Long-Term Treasury Fund	2.63	2.63	12.46	8.56	6.56	6.56	1.00	5/19/1986
<i>International</i>								
International Government Bond Fund (PineBridge Investments)	7.77	7.77	6.21	5.52	6.67	6.67	1.47	10/1/1991
<i>Stable Value</i>								
Money Market I Fund (SunAmerica)	-0.79	-0.79	-0.78	-0.29	0.78	0.78	1.32	1/16/1986
7-Day current yield at 30-Sep-2009: -0.79								
Fixed Account Plus	2.67	2.67	3.21	3.47	4.17	4.17		1/1/1982
Short Term Fixed Account	1.00	1.00	1.33	2.00	2.50	2.50		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.

Section X.

OPEB Trust



Total Performance Summary

Report ID: IPM0005

Reporting Currency: USD

TOTAL NET OF FEES

12/31/2012

Account Name Benchmark Name	Market Value	% of Total	YTD	Month	Cumulative			Inception Date
					11/1/2012 - 11/30/2012	10/1/2012 - 10/31/2012	2012	
BROWN BROS HARR <i>Barclays U.S. Aggregate Bond Index</i>	33,811,580.1	64.6	6.54 4.21	-0.13 -0.14	0.36 0.16	0.51 0.20	6.54 4.21	7/1/2011 7/1/2011
SSGA S&P 500 INDX <i>S&P 500 - Total Return Index</i>	18,491,954.1	35.4	15.96 16.00	0.91 0.91	0.57 0.58	-1.85 -1.85	15.96 16.00	5/1/2011 5/1/2011
Total OPEB ¹	52,303,534.2	100.0	9.74	0.23	0.44	-0.37	9.74	5/1/2011
<i>OPEB Custom Blend</i> ²			8.30	0.23	0.31	-0.55	8.30	5/1/2011

END NOTES

12/31/2012

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

Section XI.

Touro Fund

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
Fiscal Year 2013**

Month End	Year	Total Market Value
July	2012	\$2,134,676
August	2012	\$2,170,562
September	2012	\$2,209,711
October	2012	\$2,187,607
November	2012	\$2,205,082
December	2012	\$2,214,443
January	2013	n/a
February	2013	n/a
March	2013	n/a
April	2013	n/a
May	2013	n/a
June	2013	n/a

2013 FY Gain \$79,767

