

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
December 31, 2009**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Frank T. Caprio, Chair

**Mr. J. Michael Costello
Mr. Robert R. Gaudreau, Jr.
Dr. Robert J. McKenna
Mr. Andrew K. Reilly**

**Ms. Rosemary Booth Gallogly
Mr. Robert Giudici
Ms. Marcia Reback
Mr. John R. Treat**



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

Frank T. Caprio
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, January 27, 2010 at 9:00 a.m. in Room 135 of the State House.

AGENDA

1. Membership Roll Call
2. Approval of Minutes
 - State Investment Commission Meeting held on December 16, 2009*
3. General Consultant Report – Pension Consulting Alliance
 - Economically Targeted Investment Policy*
 - Alternative Investment Search*
 - Real Estate Discussion
4. Educational Series Presentation
 - Entrust Capital
5. Legal Counsel Report
 - Placement Agent Disclosure Certificate*
6. Chief Investment Officer Report
7. Treasurer's Report
8. New Business

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

POSTED ON THURSDAY, JANUARY 21, 2010



State of Rhode Island and Providence Plantations
General Treasurer
State House - 102
Providence, Rhode Island 02903

Frank T. Caprio
General Treasurer

State of Rhode Island and Providence Plantations
STATE INVESTMENT COMMISSION

Monthly Meeting December 16, 2009

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, December 16, 2009. The Treasurer called the meeting to order at 9:00 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Mr. Robert Gaudreau, Mr. Andrew Reilly, Mr. John Treat and General Treasurer Frank T. Caprio establishing a quorum. Ms. Rosemary Booth Gallogly arrived at 9:06 a.m.. Also present were Ms. Sally Dowling, of Adler, Pollock, and Sheehan and Mr. David Ursillo, of Rodio & Ursillo, Legal Counsel to the Commission; Mr. Allan Emkin and Mr. John Burns of Pension Consulting Alliance (PCA), General Policy Consultants to the Commission; Mr. Nick Katsikis and Ms Lisa Tyrell of State Street Corporation; Mr. Michael Bane of PCG, and members of the Treasurer's staff. Dr. Robert McKenna, Mr. Robert Giudici, and Ms. Marcia Reback were not present.

State Investment Commission Minutes. Treasurer Caprio entertained a motion for approval of the minutes for the meeting of November 18, 2009. Mr. Reilly moved, Mr. Gaudreau seconded, and the subsequent motion passed. The following members voted in favor: Mr. Michael Costello, Mr. Robert Gaudreau, Mr. Andrew Reilly, Mr. John Treat and General Treasurer Frank T. Caprio.

VOTED: To approve the Minutes of the November 18, 2009 monthly meeting.

General Consultant Report. Mr. Burns introduced Mr. David Saunders of K2 Advisors, a noted practitioner in the hedge fund field.

Mr. Goodreau noted K2 Advisors was highly recommended by the staff at Mass PRIM.

Mr. Saunders asked the board to refer to the presentation material, then told the board about his professional experience culminating with the founding of K2 Advisors in 1994. He gave an overview of K2 Advisors, its global regulatory registrations, and client list.

He stated a hedge fund is not solely an absolute return investment. Hedge funds have delivered significant performance over time, however, there have been losses. He defined hedge funds as nothing more than a fee structure agreement. He then detailed some of the reasons to invest in hedge funds, highlighting the key elements of: an attractive risk adjusted return and a vehicle that is meant to protect capital. The main reason is risk diversification because the exposure is uncorrelated to equity and fixed income portfolios.

He covered points to consider when investing in hedge funds, stressing transparency, ongoing due diligence, and access to good managers as the most important.

A discussion among the group followed.

Mr. Saunders then addressed the long/short strategies, the least risky in hedge funds, explaining there are levels of diversification. At Mr. Burns' request he covered an example of a long/short investment.

Mr. Treat asked what the duration of a long/short investment would be.

Mr. Saunders explained that just like there are different methodologies there are different timelines for these investments.

He then told the group that in the 1990s investment banks developed a system based on Value at Risk (VaR). VaR is based on the common sense fact that risk is the odds of losing money. This is the quantitative method used to measure risk in hedge fund investments.

Ms. Booth Gallogly asked if the VaR calculation would have shown a high risk of losing money for the hedge funds that failed.

Mr. Saunders replied there are three types of risk we consider with hedge funds, headline risk, operational short falls (fraud) and market risk.

Ms. Booth Gallogly asked if there is less government oversight on this type of investment than with others even after the recent scandals.

Mr. Saunders replied that it is difficult for the government to monitor the financial industry with the resources they have. Common sense and vigilant due diligence will keep the investor out of trouble with hedge fund investing. Transparency is essential. To illustrate the optimal level of transparency he reviewed numerous examples of reports on hedge fund portfolios.

Ms. Booth Gallogly asked if the VaR calculation takes into account the liquidity issue.

Mr. Saunders replied that it is a separate measurement, which allows you to calculate liquidity at the fund level. VaR is not a 100% measurement, a stress test is needed as well. He continued reviewing additional examples of methods and reports to measure risk. He noted we have addressed market exposure and the other risk element is skill. Once market exposure is backed out of the equation you are left with the skill function.

Mr. Costello asked for information on multi-strategy and fund to fund hedge fund management.

Mr. Saunders reviewed benefits and liabilities in both; however, in fund to fund you are getting exactly what you specify in your guidelines.

Mr. Costello asked in a managed low risk portfolio what the expected rates of return are.

Mr. Saunders replied that the market is dynamic and there are times when you want more risk and times you want less. Historically the goal was 8% but from 1990 to now the fluctuation has been remarkable. He thanked the group for their attention.

Performance Review.

Mr. Emkin mentioned that in reviewing performance material the underperformance of real estate relative to its benchmark stood out. He encouraged the board to bring in Townsend for information on performance in the real estate portfolio.

Treasurer Caprio commented the commission has taken a patient approach to real estate and has invested very little over the past three years; most investments were made prior to 2007. The changes we made in other areas of the portfolio in the past year are producing meaningful results. We are looking to the future in exploring vehicles for additional return.

Mr. Saunders noted he applauds the action the board is taking.

Legal Counsel Report. Legal Counsel had no report.

Chief Investment Officer Report Mr. Goodreau thanked Mr. Saunders for the presentation. He asked the group to turn to the performance material and to note that the total plan was up 3.61% for the month, the total plan benchmark was up 3.32%. Additionally, fiscal year return to date is 16.43% with private equity and real estate markdowns. Non-private equity and real estate is up 23.68%. It is good to see the increase in the overall value of the program; we are at \$6.9 billion as of last night's close. We will continue to focus on risk management going forward.

Treasurer's Report. Treasurer Caprio stated that there are contractual matters to address; the first item is the State Street contract. He said the distributed spread sheet shows the SIC will be paying less for more services than was paid ten years ago. That translates into a 2009 fee that is about 60% of the 1999 fee. Based on the positive negotiations and the agreement we have reached, it is the staff's recommendation that we extend the contract eighteen months. Treasurer Caprio asked if there were any questions for Treasury or State Street staff.

He then entertained a motion to extend the State Street contract for 18 months subject to final documents being negotiated and signed. Mr. Costello moved, Mr. Reilly and Mr. Treat seconded and the subsequent motion passed. The following members voted in favor: Ms. Rosemary Booth Gallogly, Mr. Michael Costello, Mr. Robert Gaudreau, Mr. Andrew Reilly, Mr. John Treat and General Treasurer Frank T. Caprio.

VOTED: To extend the State Street contract for 18 months subject to final documents being negotiated and signed.

Treasurer Caprio told the board that the current legal representation of the board is Adler, Pollock and Sheehan for alternative investments and Rodio and Ursillo for day to day and open meeting issues. The contracts with Adler, Pollock and Sheehan and Rodio and Ursillo allow for an extension for one year.

He entertained a motion to extend those contracts pursuant to the original contracts negotiated after the RFP process. Mr. Costello moved, Mr. Reilly seconded and the subsequent motion passed. The following members voted in favor: Ms. Rosemary Booth Gallogly, Mr. Michael Costello, Mr. Robert Gaudreau, Mr. Andrew Reilly, Mr. John Treat and General Treasurer Frank T. Caprio.

VOTED: To extend the contract with Adler, Pollock and Sheehan and the contract with Rodio and Ursillo for one year.

Treasurer Caprio then stated there is a recommendation for a bond custody services RFP and asked Mr. Izzo to give the group details of the recommendation.

Mr. Izzo commented that insurance, construction companies and banks are required to post a bond in order to conduct business in RI. The custodian will monitor and manage these accounts.

Treasurer Caprio entertained a motion for the authority for a bond custody services RFP. Mr. Treat moved, Mr. Costello seconded and the subsequent motion passed. The following members voted in favor: Ms. Rosemary Booth Gallogly, Mr. Michael Costello, Mr. Robert Gaudreau, Mr. Andrew Reilly, Mr. John Treat and General Treasurer Frank T. Caprio.

VOTED: To authorize a bond custody services RFP.

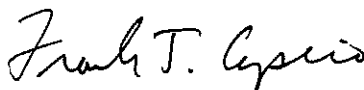
New Business. There was no new business.

There being no new business, the Treasurer entertained a motion to adjourn. Mr. Treat moved, Mr. Reilly seconded and the subsequent motion passed. The following members voted in favor: Ms. Rosemary Booth Gallogly, Mr. Michael Costello, Mr. Robert Gaudreau, Mr. Andrew Reilly, Mr. John Treat and General Treasurer Frank T. Caprio.

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 10:14AM.

Respectfully submitted,



Frank T. Caprio
General Treasurer

STAFF SUMMARY

**RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
December 31, 2009**

PORTFOLIO PERFORMANCE

December

The ERSRI portfolio posted a 1.30% gain for the month of December, against the policy index of 1.07%. Domestic Equities gained 3.63%, international equities were up 2.16%, and the fixed income asset class returned -0.38%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was 1.61% against its 1.22% index.

Calendar Year to Date

For the twelve months ending December 31, 2009, the portfolio is up 17.95% against the policy index of 18.99%. Domestic equities were up 28.61%, international equities were up 36.55%, while fixed income generated a return of 14.32%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2010, the fund has gained 15.56%, against the policy index of 14.73%.

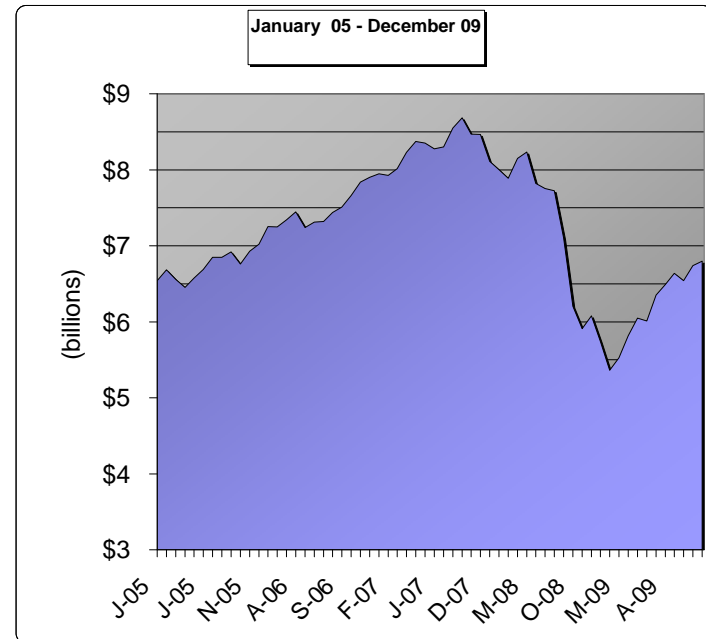
Index Performance Summary - December 31, 2009		
Market Indices	Dec-09	Calendar YTD
<u>Domestic Equity</u>		
S & P 500	1.93%	26.46%
DJ Wilshire 5000	2.85%	28.34%
Russell 2000	8.05%	22.77%
Policy Index	1.22%	20.70%
<u>International Equity</u>		
MSCI ACWI	2.13%	42.14%
<u>Fixed Income</u>		
BC AGG	-1.56%	5.93%
<u>Real Estate</u>		
NCREIF	-3.24%	-21.05%

ERSRI Performance By Asset Class	Dec-09	Calendar YTD
Domestic Equity	3.63%	28.61%
Fixed Income	-0.38%	14.32%
International Equity	2.16%	36.55%
Total Fund Composite*	1.61%	25.68%
Manager Summary	Dec-09	CYTD
<u>DOMESTIC EQUITY</u>		
Shott	0.02%	-1.39%
SSgA S&P 500	1.95%	26.61%
Russell Overlay	-0.07%	0.64%
Wellington Technical Eq	4.14%	22.49%
Russell 2000 Index	8.06%	
Total Domestic Equity	3.63%	28.61%
<u>FIXED INCOME</u>		
Brown Bros TIPS	-2.01%	10.72%
Brown Bros Core	-1.47%	7.95%
Fidelity	-1.01%	8.20%
Taplin Canida & Habacht	-0.07%	25.63%
Fixed Income Cash Acct	0.02%	0.49%
Mackay Shield	2.07%	45.52%
Total Fixed Income	-0.38%	14.32%
<u>INTERNATIONAL EQUITY</u>		
Total International Equity	2.16%	36.55%
*Total Fund Composite includes all classes ex PE & RE		

Market Valuation Report
December 31, 2009

Market Values

The total portfolio value increased in December by \$61.5 million to \$6.80 billion. This compares with an increase in value of \$170 million for the same period in 2008. The Domestic Equity Market values increased by \$87.4 million, including transfers in of \$0.2 Million; Fixed Income decreased by \$25.4 million including transfers out of \$18.8 million; while International Values increased by \$26.0 million, including transfers in of \$0.03 million. The Cash Accounts decreased by \$4.7 million including transfers in of \$0.3 million, and Alternative Investments decreased by \$9.3 million, including transfers out of \$1.5 million. The Real Return Pool decreased by \$7.8 million including transfers in of \$0.03 million. The overlay account decreased by \$4.7 million.



Cash Flow

December pension payroll of \$68.8 million was greater than the \$44.5 million in contributions and wire transfers received by \$24.3 million.

To meet pension and other obligations, a transfer from long-term investments of \$20.2 million was necessary.

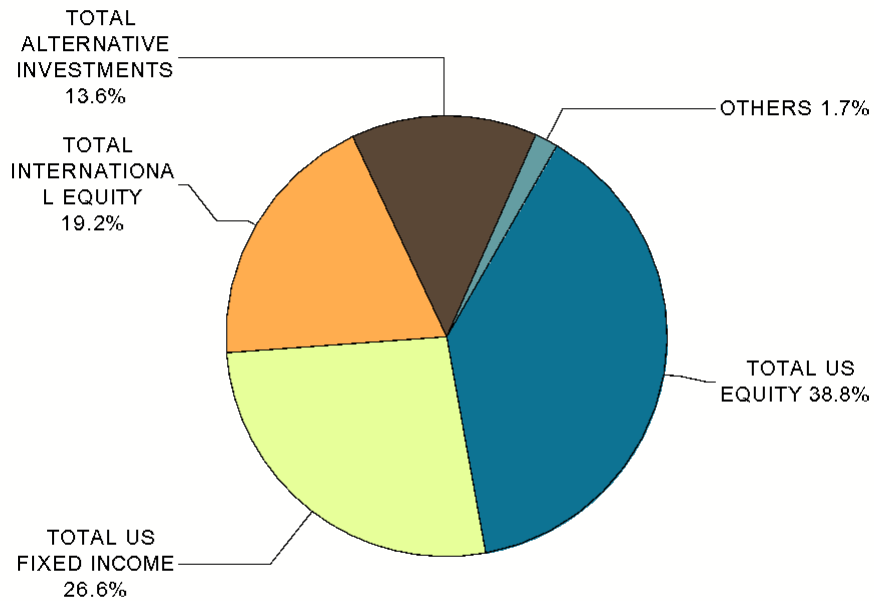
Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$313.6 million on commitments of \$1,286 million.

CAPITAL CALLS Net of Distributions

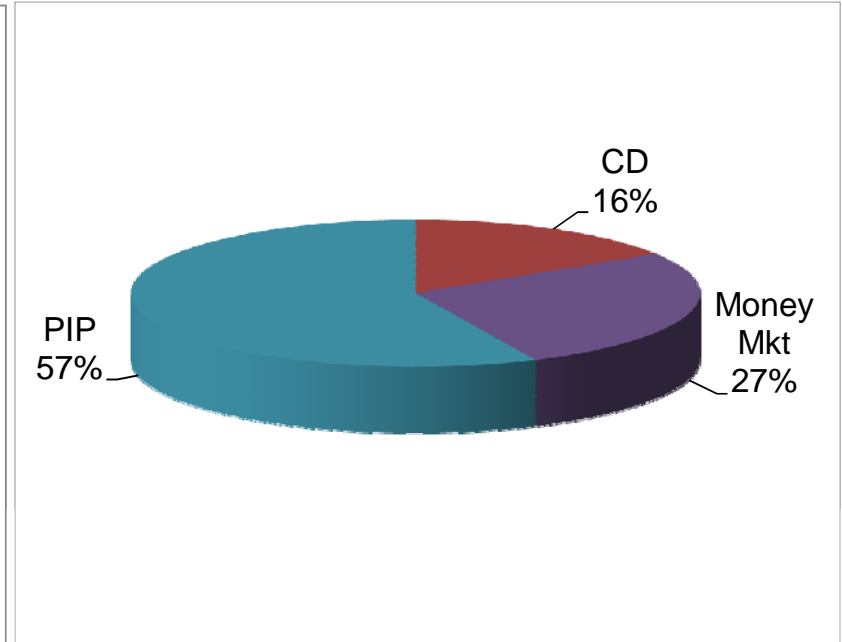
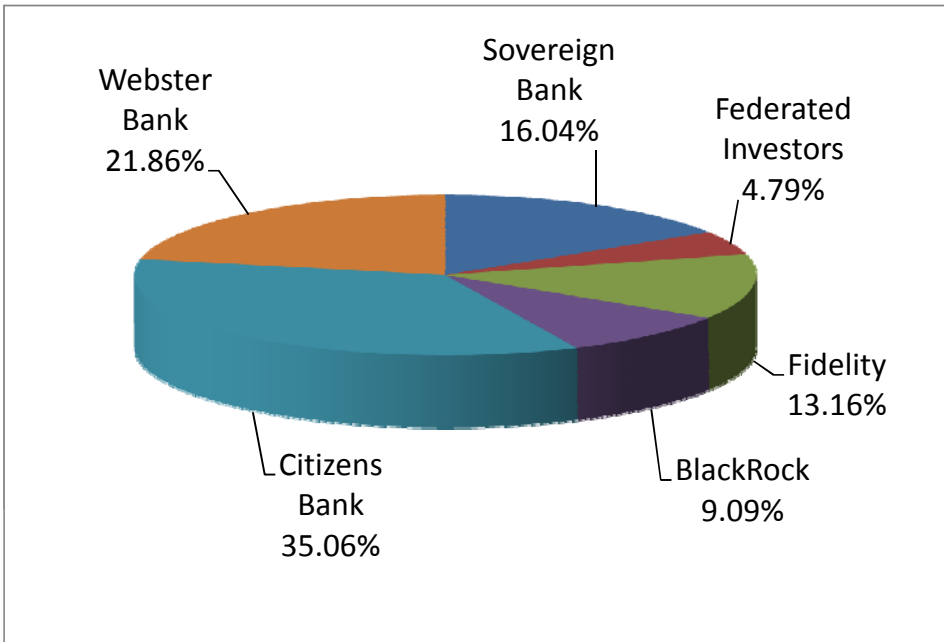
December 2009	FYTD	UNFUNDED BALANCE
-\$3,026,162	\$7,801,816	\$313,632,775
December 2008	FYTD	UNFUNDED BALANCE
\$5,978,043	\$31,407,779	\$393,726,588

CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)



FUND	CURRENT PERIOD
TOTAL US EQUITY	2,491.7
TOTAL US FIXED INCOME	1,709.7
TOTAL INTERNATIONAL EQUITY	1,230.6
TOTAL ALTERNATIVE INVESTMENTS	873.5
TOTAL CASH	16.2
RUSSELL IMPLEMENTATION SERVICES	95.7
TOTAL	6,417.4

**RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT:
December 31, 2009**



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

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

**Issuer Credit Ratings
December, 2009**

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	0.00%				N/R		N/R	
JP Morgan Chase	2,3,5	0.00%	Aa1		P-1	A-1+	Aa1	AA-	Negative
BlackRock Inc.	6	9.09%	A1-		P-1	A-1	A1	A+	Stable
RBS Citizens	3,4	35.06%	A2		P-1	A-1	A1	A	Stable
Federated	6	4.79%				N/R		N/R	N/R
Fidelity	6	13.16%				N/R		N/R	N/R
Merrill Lynch	2,5,6	0.00%	A2		P-1	A-1	A2	A	Stable
Morgan Stanley	1,2,5	0.00%	A2		P-1	A-1	A2	A	Negative
Sovereign Bank	3,4	16.04%	Aa2		P-1	A-1+	Aa2	AA	Negative
State Street Bank & Trust Comp	1,3	0.00%	A1		P-1	A-1	A1	A+	Negative
Webster Bank	3,4	21.86%	A2		P-1-	A-2		BBB	Negative
Wells Fargo	6	0.09%	A1		P-1	A-1+	A1	AA-	Stable

Instrument Codes

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

Ratings Definitions

Moody's Short-Term Debt Ratings:

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

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.

Moody's Issuer Rating Symbols:

- Aaa** - Offer exceptional financial security (high-grade)
 - Aa** - Offer excellent financial security (high-grade)
 - A** - Offer good financial security
 - Baa** - Offer adequate financial security
 - Ba** - Offer questionable financial security
 - B** - Offer poor financial security
 - Caa** - Offer very poor financial security
 - Ca** - Offer extremely poor financial security
 - C** - Lowest rated class, usually in default
- Modifiers:
1 - Higher end of letter rating category
2 - Mid-range of letter rating category
3 - Lower end of letter rating category

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

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 Long-Term Debt Ratings:

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

PERFORMANCE



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

Frank T. Caprio
General Treasurer

January 20, 2010

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

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on December 31, 2009.

Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation
December 31, 2009

Asset Class		
Cash/Short Term Investments		723,266,097
Equities - Domestic		2,486,203,059
Equities - International		1,230,452,143
Fixed Income - Government	\$897,803,277	
Fixed Income - Corporate	\$589,777,794	
Fixed Income - In State	\$0	
Total Fixed Income		1,487,581,070
Alternative Investments		638,440,651
Real Estate		234,787,309
Total Fund Investments		6,800,730,330
Plan Allocation		
State Employees & Teachers	83.70%	5,692,359,216
Municipal Employees	15.01%	1,020,868,674
State Police	0.81%	54,835,363
Judicial	0.48%	32,667,077
Total Fund Investments	100.00%	6,800,730,330

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

Respectfully submitted,

Vincent Izzo, Cash Manager

State of Rhode Island

Summary of Performance

Rates of Return

PERIODS ENDING December 31, 2009

		MKT VAL	% of FUND	1 Month	3 Months	YTD	FYTD	1 Year	2 Years	3 Years	5 Years	ITD	Incept Date
DOMESTIC EQUITY													
Index													
	SSGA S&P 500 INDEX FUND S&P 500	1,680,618,735	24.7	2.0 1.9	6.1 6.0	26.6 26.5	22.7 22.6	26.6 26.5	-10.6 -10.7	-5.5 -5.6		-4.3 -4.4	11/01/2006
	RUSSELL 2000 INDEX FUND RUSSELL 2000	654,923,272	9.6	8.1 8.1	3.9 3.9		23.9 23.9					29.5 29.5	05/01/2009
Active Core													
	WELLINGTON TECHNICAL EQUITY S&P 500	154,665,245	2.3	4.1 1.9	6.8 6.0	22.5 26.5	18.1 22.6	22.5 26.5	-1.5 -10.7	-5.6		3.3 -4.4	08/01/2007
Other													
	SHOTT CAPITAL	1,517,563	0.0							-9.8			04/01/1999
TOTAL US EQUITY RUSSELL 3000		2,491,724,815	36.6	3.6 2.9	5.7 5.9	28.6 28.3	23.3 23.2	28.6 28.3	-9.8 -10.3	-5.4 -5.4	0.8 0.8	8.7 9.1	03/01/1989
INTERNATIONAL EQUITY													
Index													
	MSCI ACWI EX US INDEX FUND MSCI AC WORLD ex US (NET)	1,228,974,561	18.1	2.2 2.1	3.8 3.7		24.2 24.2					39.6 39.4	05/01/2009
Active													
	GOLDMAN SACHS MSCI AC WORLD ex US (GROSS)	392,823	0.0	2.1	3.8	42.1	24.3	42.1	-11.8	-3.0	6.3	9.4	08/01/2004
	THE BOSTON COMPANY MSCI AC WORLD ex US (GROSS)	392,773	0.0	2.1	3.8	42.1	24.3	42.1	-11.8	-3.0	6.3	9.4	12/01/2004
	MONDRIAN MSCI AC WORLD ex US (GROSS)	438,866	0.0	2.1	3.8	42.1	24.3	42.1	-11.8	-3.0	6.3	9.4	05/01/2004
TOTAL INTERNATIONAL EQUITY MSCI AC WORLD ex US (GROSS)		1,230,638,274	18.1	2.2 2.1	3.8 3.8	36.6 42.1	24.2 24.3	36.6 42.1	-9.2 -11.8	-3.0 -3.0	6.2 6.3	4.8 9.4	03/01/1989
U.S. FIXED INCOME													
Core													
	BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	337,745,911	5.0	-1.5 -1.7	0.1 0.0	8.0 5.1	3.4 3.6	8.0 5.1	5.0 6.0	4.9 6.4	4.3 5.2	6.5 7.2	03/01/1990
Mortgage													
	PYRAMIS GLOBAL ADVISORS BC MBS	432,748,880	6.4	-1.0 -1.4	0.9 0.6	8.2 5.9	4.1 2.9	8.2 5.9	6.4 7.1	5.8 7.0	5.2 5.8	7.5 7.2	10/01/1989
Corporates													
	TAPLIN, CANIDA & HABACHT BC CREDIT	335,598,334	4.9	-0.1 -1.0	2.0 1.0	25.6 16.0	11.4 8.6	25.6 16.0	4.5 6.1	4.5 5.7	4.2 4.7	6.6 6.5	04/01/1996
High Yield													
	MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	152,291,421	2.2	2.1 2.9	5.2 6.2	45.5 54.2	17.5 21.2	45.5 54.2	6.0 6.7	4.5 5.3	5.9 6.0	11.7 10.3	10/01/2002
Other													
	FIXED INCOME CASH ACCOUNT	451,281,175	6.6	0.0	0.1	0.5	0.1	0.5	1.6			2.6	04/01/2007
TOTAL US FIXED INCOME BC AGGREGATE		1,709,665,721	25.1	-0.4 -1.6	1.3 0.2	14.3 5.9	6.3 4.0	14.3 5.9	5.8 5.6	5.9 6.0	5.1 5.0	6.5 6.4	12/01/1992
REAL RETURN POOL													
	BROWN BROTHERS HARRIMAN - TIPS CPI + 4%	383,363,369	5.6	-2.0 0.4	2.1 1.3	10.7 7.1	5.0 2.4	10.7 7.1	5.1 5.6	7.1 6.5	5.0 6.7	5.7 6.6	06/01/2004
TOTAL REAL RETURN BENCHMARK CPI + 4%		383,363,369	5.6	-2.0 0.4	2.1 1.3	10.7 7.1	5.0 2.4	10.7 7.1	5.1 5.6	7.1 6.5	5.0 6.7	5.7 6.6	06/01/2004
ALTERNATIVE INVESTMENTS													
	REAL ESTATE NCREIF PROPERTY LAG + 100 BPS	234,788,045	3.5	-0.3 -3.2	-7.7 0.0	-42.2 0.0	-19.8 0.0	-42.2 0.0	-24.0 0.0	-10.1 0.0	-4.8 0.0	-4.8 0.0	01/01/2005
	PRIVATE EQUITY S&P 500 PLUS 300 BP	638,669,018	9.4	-1.0 2.2	7.3 6.9	-4.4 30.8	14.3 24.1	-4.4 30.8	-9.5 -6.4	1.2 -1.6	10.2 4.1	8.6 12.7	01/01/1989
TOTAL ALTERNATIVE INVESTMENTS TOTAL ALTERNATIVES BENCHMARK		873,457,063	12.8	-0.8 0.0	2.9 2.8	-18.5 7.4	2.8 10.2	-18.5 7.4	-14.0 -6.8	-2.3 -0.9	6.7 5.4	7.8	04/01/1996
RE-BALANCING													
	RUSSELL IMPLEMENTATION SERVICES	95,668,822	1.4	-0.1	0.1	0.6	0.2	0.6				-0.2	09/01/2008
CASH													
	CASH ACCOUNT (INSIDE)	13,567,869	0.2										07/01/2000
	CASH ACCOUNT (OUTSIDE)	2,644,397	0.0										07/01/2000
TOTAL PLAN TOTAL PLAN BENCHMARK		6,800,730,330	100.0	1.3 1.1	3.6 3.3	18.0 19.0	15.6 14.7	18.0 19.0	-6.7 -7.2	-2.0 -2.0	3.4 3.2	9.2	01/01/1984

* As of 4/31/2006 Total Plan Benchmark consists of 42.5% Wilshire 5000, 20% MSCI AC World ex U.S., 25% BC Aggregate, 7.5% S&P 500 + 300 BP, 5% NCREIF Property Qtr Lag

State of Rhode Island

Summary of Performance

Rates of Return

PERIODS ENDING December 31, 2009

		MKT VAL	% of FUND	6 YEARS	7 YEARS	8 YEARS	9 YEARS	10 YEARS	ITD	Incept Date
DOMESTIC EQUITY										
Index										
	SSGA S&P 500 INDEX FUND S&P 500	1,680,619	24.7	2.1	5.5	1.6	0.0	-1.0	-4.3	11/1/2006
	RUSSELL 2000 INDEX FUND RUSSELL 2000	654,923	9.6	3.3	8.7	4.5	4.3	3.5	29.5	5/1/2009
Active Core										
	WELLINGTON TECHNICAL EQUITY S&P 500	154,665	2.3	2.1	5.5	1.6	0.0	-1.0	3.3	8/1/2007
Other										
	SHOTT CAPITAL	1,518	0.0							4/1/1999
TOTAL US EQUITY WILSHIRE 5000		2,491,725	36.6	2.7 2.8	6.9 6.5	2.9 2.6	0.9 1.0	-0.4 -0.3	8.7	3/1/1989
INTERNATIONAL EQUITY										
Index										
	MSCI ACWI EX US INDEX FUND MSCI EAFE (NET)	1,228,975	18.1	6.2	10.3	6.6	3.0	1.2	39.6	5/1/2009
Active										
	GOLDMAN SACHS MSCI AC WORLD ex US (GROSS)	393	0.0	8.7	12.8	9.0	5.4	3.1		8/1/2004
	THE BOSTON COMPANY MSCI AC WORLD ex US (GROSS)	393	0.0	8.7	12.8	9.0	5.4	3.1		12/1/2004
	MONDRIAN MSCI AC WORLD ex US (GROSS)	439	0.0	8.7	12.8	9.0	5.4	3.1		5/1/2004
TOTAL INTERNATIONAL EQUITY MSCI AC WORLD ex US (GROSS)		1,230,638	18.1	8.4 8.7	11.6 12.8	7.7 9.0	4.0 5.4	2.3 3.1	4.8	3/1/1989
U.S. FIXED INCOME										
Core										
	BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	337,746	5.0	4.4	4.8	5.4	5.7	6.4	6.5	3/1/1990
Mortgage										
	PYRAMIS GLOBAL ADVISORS BC MBS	432,749	6.4	5.2	5.1	5.6	5.9	6.5	7.5	10/1/1989
Corporates										
	TAPLIN, CANIDA & HABACHT BC CREDIT	335,598	4.9	4.5	5.8	5.8	6.4	6.7	6.6	4/1/1996
High Yield										
	MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	152,291	2.2	7.3	11.0				11.7	10/1/2002
Other										
	FIXED INCOME CASH ACCOUNT	451,281	6.6						2.6	4/1/2007
TOTAL US FIXED INCOME BC AGGREGATE		1,709,666	25.1	5.3 4.9	5.9 4.8	6.0 5.4	6.1 5.8	6.5 6.3	6.5	12/1/1992
REAL RETURN POOL										
	BROWN BROTHERS HARRIMAN - TIPS CPI + 4%	383,363	5.6						5.7	6/1/2004
TOTAL REAL RETURN BENCHMARK CPI + 4%		383,363	5.6						5.7	
ALTERNATIVE INVESTMENTS										
	REAL ESTATE NCREIF PROPERTY INDEX QTR LAG	234,788	3.5	7.2	7.3	7.1	7.4	7.8	-4.8	1/1/2005
	PRIVATE EQUITY S&P 500 PLUS 300 BP	638,669	9.4	11.7	11.2	9.6	4.1	7.4	8.6	1/1/1989
TOTAL ALTERNATIVE INVESTMENTS TOTAL ALTERNATIVES BENCHMARK		873,457	12.8	8.6 6.7	8.6 8.7	7.2 6.3	2.8 5.5	5.1	7.8	4/1/1996 1/0/1900
RE-BALANCING										
	RUSSELL IMPLEMENTATION SERVICES	95,669	1.4						-0.2	9/1/2008
CASH										
	CASH ACCOUNT (INSIDE)	13,568	0.2							
	CASH ACCOUNT (OUTSIDE)	2,644	0.0							
TOTAL PLAN TOTAL PLAN BENCHMARK		6,800,730	100.0	5.0 4.7	7.9 7.6	5.3 5.0	3.5 3.5	2.8 2.6	9.2	1/1/1984

* As of 4/31/2006 Total Plan Benchmark consists of 42.5% Wilshire 5000, 20% MSCI AC World ex U.S., 25% BC Aggregate, 7.5% S&P 500 + 300 BP, 5% NCREIF Property Qtr Lag

ERSRI Monthly Market Value Report With Time Weighted Returns

December 31, 2009

	Calendar YTL			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								11/30/2009	In/(out)	12/31/2009	Increase/decrease
Domestic Equity											
Shott Capital Management IRR	-1.39%	26.46%	-27.85%	S & P 500	0.02%	1.93%	-1.91%	1,517,332		1,517,563	231
SSgA S&P 500	26.61%	26.46%	0.15%	S & P 500	1.95%	1.93%	0.02%	1,648,308,206	129,087	1,680,618,735	32,181,442
Wellington Tech Eq	22.49%	26.46%	-3.97%	S & P 500	4.14%	1.93%	2.21%	148,499,281	11,641	154,665,245	6,154,323
Russell 2000 Index Fund				Russell 2000	8.06%	8.05%	0.01%	606,015,119	48,779	654,923,272	48,859,374
Total Domestic Equity	28.61%	28.34%	0.27%		3.63%	2.85%	0.78%	2,404,339,938	189,506	2,491,724,815	87,195,370
International Equity											
Boston Company		42.14%		MSCI ACWI		2.13%		444,548	(33,850)	392,773	(17,925)
Goldman Sachs		42.14%		MSCI ACWI		2.13%		444,910	(27,511)	392,823	(24,576)
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	431,368	(27)	439,252	7,912
Mondrian		42.14%		MSCI ACWI		2.13%		458,746	-	438,866	(19,879)
MSCI Ex US Index Fund				MSCI Ex US Index Fund	2.16%	2.11%	0.05%	1,202,905,943	97,071	1,228,974,561	25,971,548
Total International Equity	36.55%	42.14%	-5.59%		2.16%	2.13%	0.03%	1,204,685,513	35,683	1,230,638,274	25,917,079
Fixed Income											
Fidelity Management & Research	8.20%	5.89%	2.31%	BC MBS	-1.01%	-1.41%	0.40%	437,140,539	35,874	432,748,880	(4,427,533)
Brown Brothers, Harriman	7.95%	5.06%	2.89%	Citigroup BIG	-1.47%	-1.71%	0.24%	342,753,816	28,142	337,745,911	(5,036,047)
Taplin, Canida & Habacht	25.63%	16.04%	9.59%	BC Credit	-0.07%	-1.00%	0.93%	335,803,430	27,516	335,598,334	(232,612)
Mackay Shields	45.52%	54.22%	-8.70%	CS First BosHiYield	2.07%	2.90%	-0.83%	149,193,807	12,244	152,291,421	3,085,370
Fixed Income Cash Acct	0.49%	0.21%	0.28%		0.02%	0.01%	0.01%	470,137,684	(18,927,933)	451,281,175	71,423
Total Fixed Income	14.32%	5.93%	8.39%		-0.38%	-1.56%	1.18%	1,735,029,277	(18,824,158)	1,709,665,721	(6,539,399)
Alternative Investments											
Private Equity	-4.44%	30.78%	-35.22%	N/A	-0.96%	2.18%	-3.14%	648,669,203	(3,026,162)	638,669,018	(6,974,023)
Real Estate	-42.15%	-21.05%	-21.10%	NCREIF + 100	-0.31%	-3.24%	2.93%	234,094,024	1,507,875	234,788,045	(813,854)
Total Alternatives	-18.48%	7.41%	-25.89%		-0.78%	-0.02%	-0.76%	882,763,227	(1,518,287)	873,457,063	(7,787,877)
Cash Accounts											
Cash in Trust	0.49%	0.21%	0.28%		0.02%	0.01%	0.01%	12,872,563	307,608	13,567,868	387,698
Cash Outside Trust	0.20%	0.20%	0.00%		0.00%	0.01%	-0.01%	8,025,232	-	2,644,397	(5,380,835)
Total Cash	0.43%	0.21%	0.22%		0.02%	0.01%	0.01%	20,897,794	307,608	16,212,266	(4,993,136)
Real Return Pool											
Brown Bros TIPS	10.72%	6.86%	3.86%	CPI +4%	-2.01%	0.15%	-2.16%	391,180,003	31,648	383,363,369	(7,848,281)
Other											
Russell Overlay	0.64%				-0.07%			100,351,596	-	95,668,822	(4,682,774)
Total Plan Ex PE & RE	25.68%	20.70%	4.98%		1.61%	1.22%	0.39%	6,739,247,349	(19,778,000)	6,800,730,330	81,260,981
Total Plan	17.95%	18.99%	-1.04%		1.30%	1.07%	0.23%				

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

- 42.5% Wilshire 5000
- 25.0% Lehman Aggregate
- 20.0% MSCI ACWI X-US
- 5.0% NCREIF 1 Qtr Lag
- 7.5% S&P500 plus 300bps

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

State of Rhode Island

RATES OF RETURN - Total

Periods Ending December 31, 2009



STATE STREET

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
U.S. EQUITY									
SSGA S&P 500 INDEX FUND	S&P 500	1.95	1.93	0.02	26.61	26.46	0.15	1,680,619	129
SHOTT CAPITAL	S&P 500	0.02	1.93	-1.91	-1.39	26.46	-27.85	1,518	0
WELLINGTON TECHNICAL EQUITY	S&P 500	4.14	1.93	2.21	22.49	26.46	-3.97	154,665	12
RUSSELL 2000 INDEX FUND	RUSSELL 2000	8.06	8.05	0.01				654,923	49
TOTAL US EQUITY	RUSSELL 3000	3.63	2.85	0.78	28.61	28.34	0.27	2,491,725	190
INTERNATIONAL EQUITY									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)		2.13			42.14		393	-34
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)		2.13			42.14		393	-28
MONDRIAN	MSCI AC WORLD ex US (GROSS)		2.13			42.14		439	0
MSCI ACWI EX US INDEX FUND	MSCI AC WORLD ex US (NET)	2.16	2.11	0.05				1,228,975	97
TOTAL INTERNATIONAL EQUITY	MSCI AC WORLD ex US (GROSS)	2.16	2.13	0.03	36.55	42.14	-5.59	1,230,638	36
U.S. FIXED INCOME									
PYRAMIS GLOBAL ADVISORS	BC MBS	-1.01	-1.41	0.40	8.20	5.89	2.31	432,749	36
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	-1.47	-1.71	0.24	7.95	5.06	2.89	337,746	28
TAPLIN, CANIDA & HABACHT	BC CREDIT	-0.07	-1.00	0.93	25.63	16.04	9.59	335,598	28
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	2.07	2.90	-0.83	45.52	54.22	-8.70	152,291	12
FIXED INCOME CASH ACCOUNT	91 DAY T-BILL	0.02	0.01	0.01	0.49	0.21	0.28	451,281	-18,928
TOTAL US FIXED INCOME	BC AGGREGATE	-0.38	-1.56	1.18	14.32	5.93	8.39	1,709,666	-18,824

State of Rhode Island

RATES OF RETURN - Total

Periods Ending December 31, 2009



STATE STREET

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
ALTERNATIVE INVESTMENTS									
PRIVATE EQUITY	S&P 500 PLUS 300 BP	-0.96	2.18	-3.14	-4.44	30.78	-35.22	638,669	-3,795
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	-0.31	-3.24	2.93	-42.15	-21.05	-21.10	234,788	1,420
TOTAL ALTERNATIVE INVESTMENTS	TOTAL ALTERNATIVES BENCHMARK	-0.78	-0.02	-0.76	-18.48	7.41	-25.89	873,457	-2,375
CASH EQUIVALENTS									
CASH ACCOUNT (INSIDE)	91 DAY T-BILL	0.02	0.01	0.01	0.49	0.21	0.28	13,568	308
CASH ACCOUNT (OUTSIDE)	91 DAY T-BILL	0.00	0.01	-0.01	0.20	0.21	-0.01	2,644	-5,381
TOTAL CASH	91 DAY T-BILL	0.01	0.01	0.00	0.43	0.21	0.22	16,212	-5,073
OTHER									
RUSSELL IMPLEMENTATION SERVICES		-0.07			0.64			95,669	0
TOTAL PLAN									
TOTAL PLAN	TOTAL PLAN BENCHMARK	1.30	1.07	0.23	17.95	18.99	-1.04	6,800,730	-26,016
TOTAL PLAN ex PE RE	TOTAL PLAN BENCHMARK ex PE RE	1.61	1.22	0.39	25.68	20.70	4.98	5,927,273	-23,641
REAL RETURN POOL									
¹ BROWN BROTHERS HARRIMAN - TIPS	CPI + 4%	-2.01	0.15	-2.16	10.72	6.86	3.86	383,363	32

State of Rhode Island

TOTAL PLAN

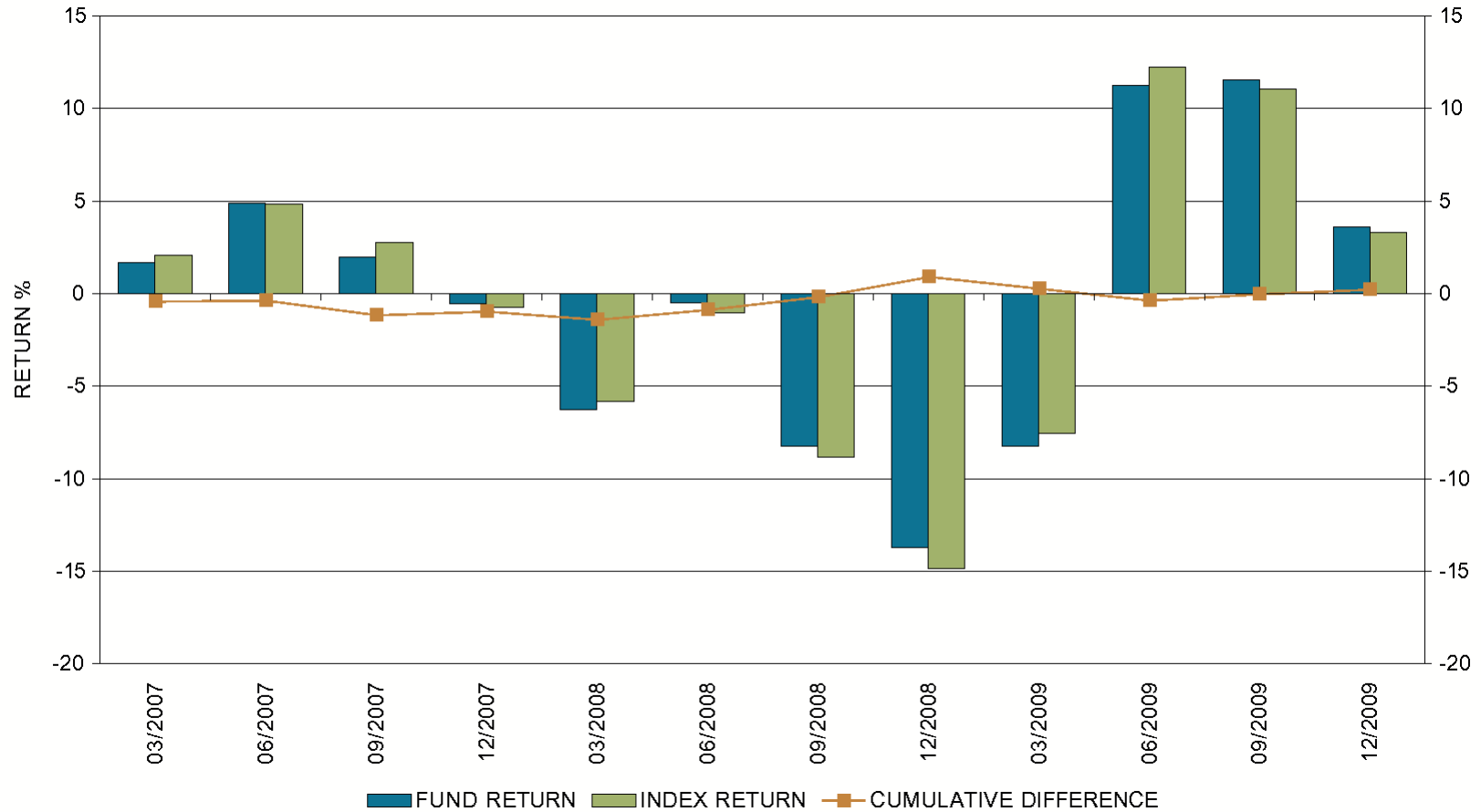
Index: TOTAL PLAN BENCHMARK

PERIODS: December 31, 2006 - December 31, 2009



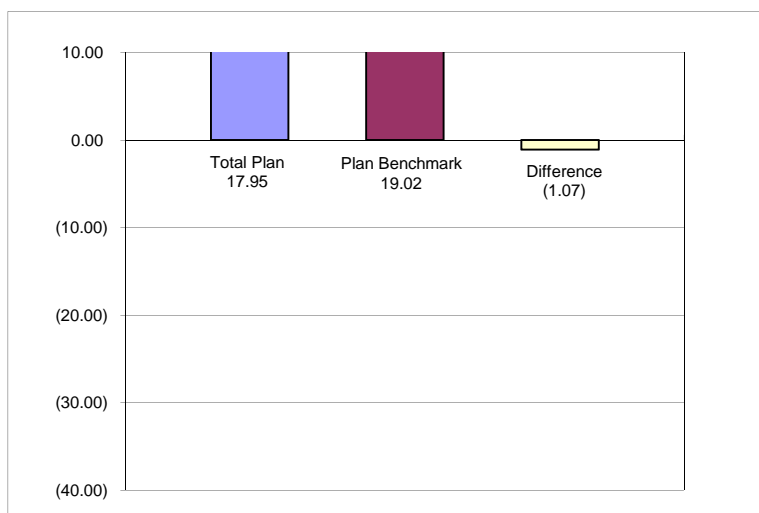
STATE STREET

CUMULATIVE PERFORMANCE REPORT

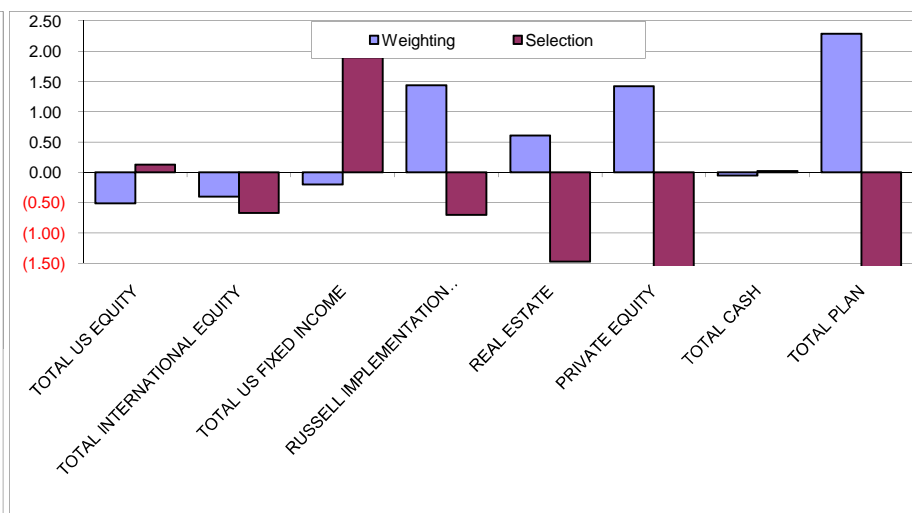


STATE OF RHODE ISLAND
TOTAL PLAN POOL ATTRIBUTION
 1 Year Period: December 31, 2008 - December 31, 2009
 Value Added

1 YEAR RETURNS



VALUE ADDED ATTRIBUTION



	Beginning Weights			Returns			Value Added		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference	Weighting	Selection	Timing
TOTAL US EQUITY	37.10	42.50	(5.40)	28.61	28.34	0.27	(0.51)	0.13	
TOTAL INTERNATIONAL EQUITY	16.90	20.00	(3.10)	36.55	42.14	(5.59)	(0.40)	(0.67)	
TOTAL US FIXED INCOME	27.50	25.00	2.50	14.32	5.93	8.39	(0.20)	2.25	
RUSSELL IMPLEMENTATION SERVICES	1.50	0.00	1.50	0.64	28.30	(27.66)	1.44	(0.70)	
REAL ESTATE	6.20	5.00	1.20	(42.15)	(22.11)	(20.04)	0.61	(1.47)	
PRIVATE EQUITY	10.50	7.50	3.00	(4.44)	30.78	(35.22)	1.42	(3.29)	
TOTAL CASH	0.30	0.00	0.30	0.43	0.21	0.22	(0.05)	0.02	
TOTAL PLAN	100	100	0.00	17.95	19.02	(1.07)	2.29	(3.76)	(0.32)

State of Rhode Island

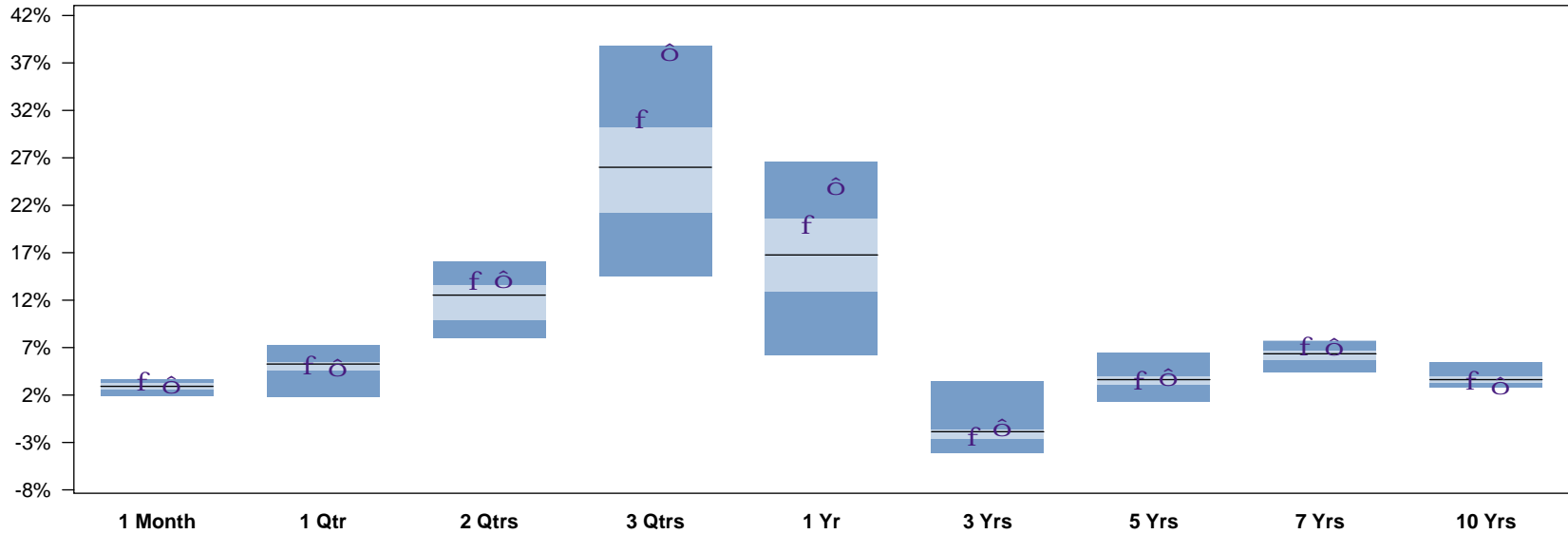
PUBLIC FUNDS (DB) > \$1 BILLION (SSC)

PERIOD ENDING November 30, 2009



STATE STREET

TOTAL RETURN



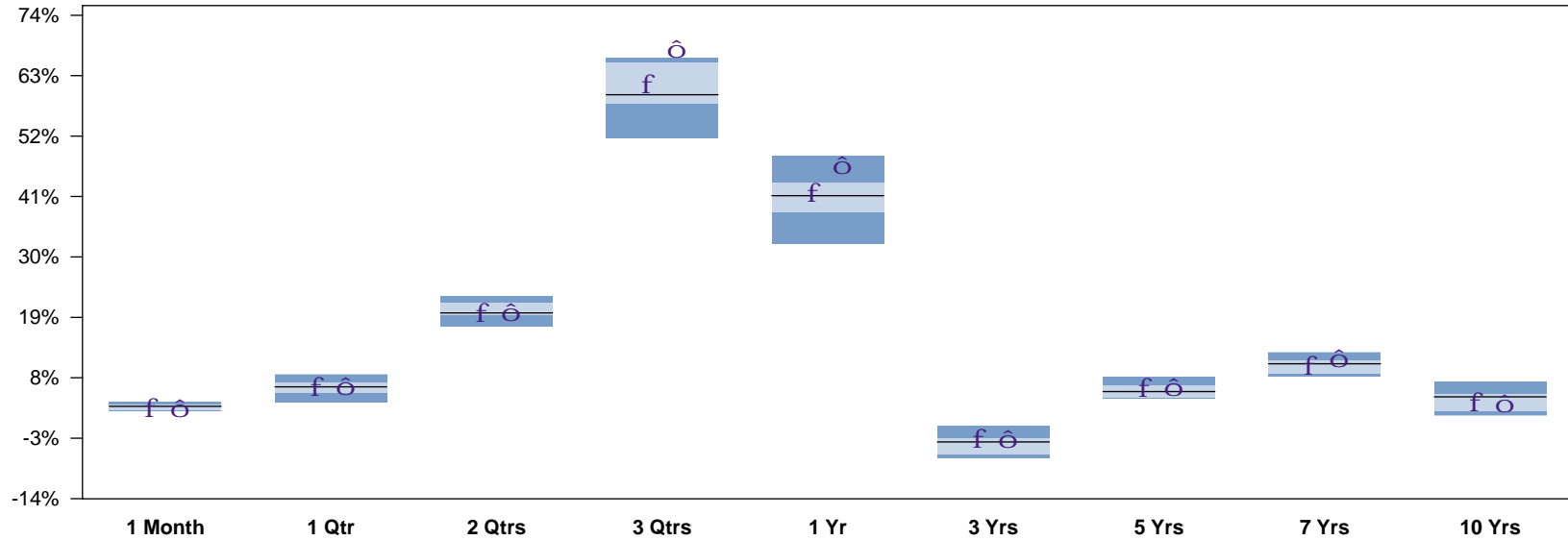
	1 Month	1 Qtr	2 Qtrs	3 Qtrs	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
5th Percentile	3.61	7.23	16.09	38.77	26.55	3.48	6.41	7.70	5.41
25th Percentile	3.29	5.48	13.64	30.22	20.63	-1.55	3.97	6.75	3.96
50th Percentile	2.92	5.26	12.53	26.00	16.76	-1.87	3.63	6.35	3.63
75th Percentile	2.60	4.57	9.89	21.14	12.82	-2.64	3.06	5.60	3.25
95th Percentile	1.91	1.79	8.02	14.45	6.19	-4.07	1.32	4.38	2.83
No. of Obs	28	27	28	28	27	23	24	24	23
f TOTAL PLAN	3.61	5.32	14.25	31.29	20.15	-2.13	3.79	7.33	3.76
o 1 TOTAL PLAN BENCHMARK	3.32	5.11	14.48	38.37	24.27	-1.15	4.14	7.33	3.29

State of Rhode Island

INTL EQUITY POOLS - PUBLIC FUNDS (SSC)
 PERIOD ENDING November 30, 2009



TOTAL RETURN



	1 Month	1 Qtr	2 Qtrs	3 Qtrs	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
5th Percentile	3.55	8.62	22.78	66.23	48.36	-0.83	8.22	12.61	7.32
25th Percentile	3.17	7.25	21.68	65.38	43.61	-3.02	6.67	11.28	5.09
50th Percentile	2.80	6.36	19.81	59.52	41.16	-3.67	5.49	10.55	4.54
75th Percentile	2.06	5.24	19.41	57.94	38.01	-6.00	4.31	8.68	1.81
95th Percentile	2.03	3.49	17.43	51.70	32.35	-6.55	4.21	8.22	1.19
No. of Obs	13	13	13	13	13	13	12	12	11
f TOTAL INTERNATIONAL	2.89	6.80	20.30	61.83	42.18	-2.68	6.60	10.62	4.04
o MSCI AC WORLD ex US (G	2.89	6.86	20.41	68.28	47.13	-2.73	6.75	11.98	3.84

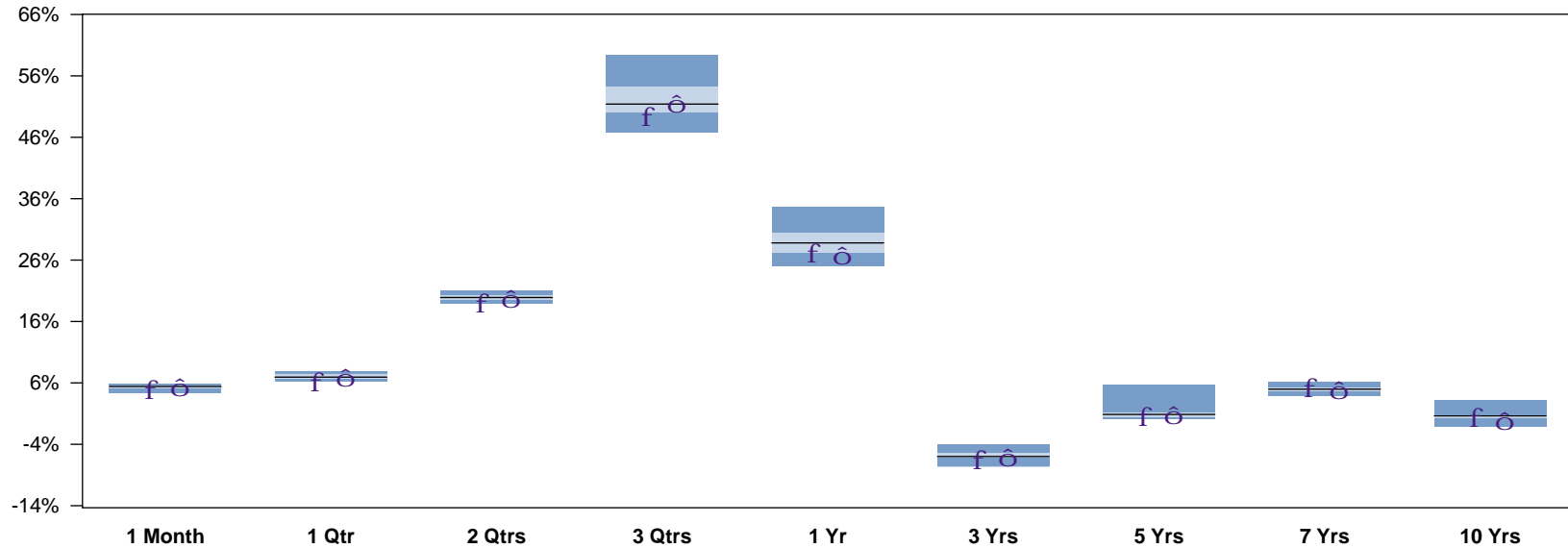
State of Rhode Island

US EQUITY POOLS PUBLIC GT 1BILL (SSC)
 PERIOD ENDING November 30, 2009



STATE STREET

TOTAL RETURN



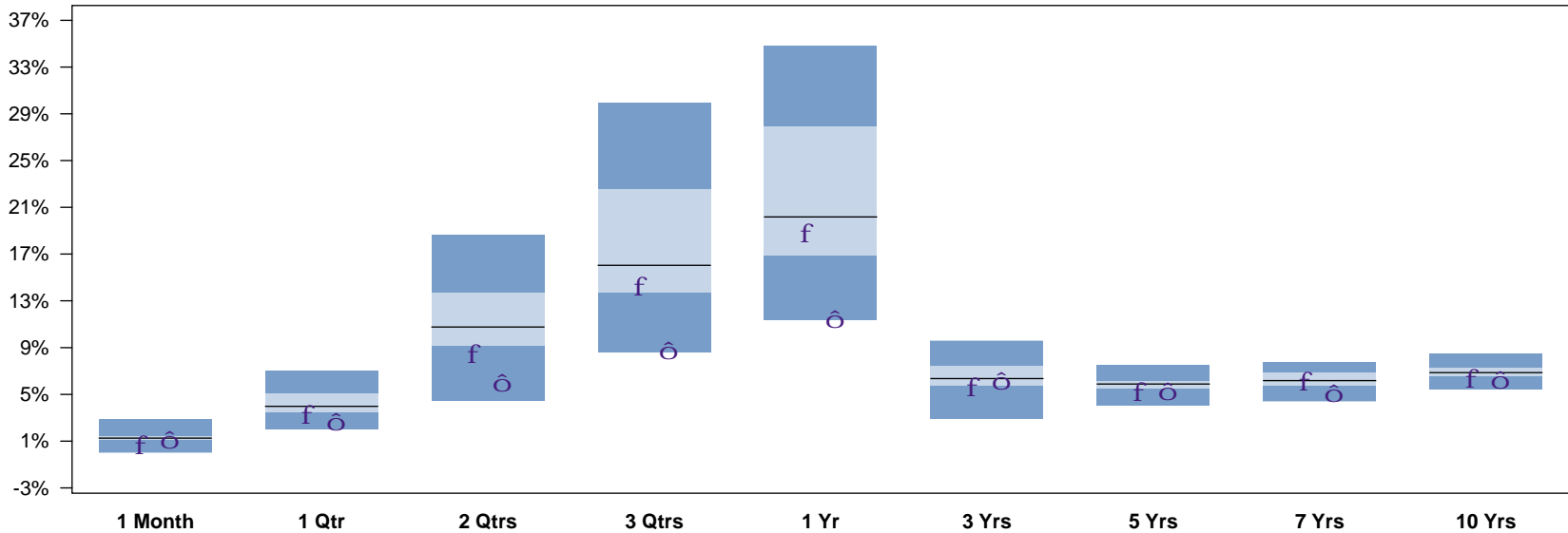
	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	5.83		7.90		21.12		59.34		34.62		-4.02		5.68		6.15		3.25	
25th Percentile	5.62		7.55		20.35		54.26		30.45		-5.31		1.23		5.35		0.83	
50th Percentile	5.42		6.94		19.89		51.40		28.80		-5.98		0.87		4.98		0.64	
75th Percentile	5.10		6.65		19.48		50.05		27.05		-6.27		0.37		4.53		0.24	
95th Percentile	4.39		6.19		18.97		46.83		25.00		-7.64		0.08		3.82		-1.06	
No. of Obs	20		20		20		20		19		20		18		15		16	
f TOTAL US EQUITY	5.27	67	6.50	86	19.36	77	49.69	77	27.44	61	-6.21	67	0.82	58	5.54	19	0.65	48
o WILSHIRE 5000	5.61	26	7.19	36	20.02	34	51.83	43	27.09	71	-5.73	38	1.11	33	5.21	35	0.20	79

State of Rhode Island

US FIXED INCOME POOLS - PUBLIC FUNDS (SSC)
 PERIOD ENDING November 30, 2009



TOTAL RETURN



	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	2.90		7.04		18.62		29.97		34.79		9.57		7.53		7.79		8.47	
25th Percentile	1.46		5.10		13.70		22.58		27.90		7.51		6.19		6.90		7.33	
50th Percentile	1.26		3.98		10.76		16.04		20.18		6.35		5.88		6.18		6.86	
75th Percentile	1.05		3.43		9.12		13.69		16.85		5.68		5.52		5.70		6.52	
95th Percentile	0.02		2.04		4.45		8.64		11.35		2.88		4.09		4.41		5.40	
No. of Obs	37		37		37		36		36		35		28		27		27	
f TOTAL US FIXED INCOM	0.88	87	3.40	79	8.68	82	14.41	57	19.00	55	5.83	62	5.40	83	6.26	40	6.53	68
o BC AGGREGATE	1.29	45	2.86	85	6.21	90	8.98	92	11.63	95	6.40	49	5.49	77	5.30	83	6.45	78

State of Rhode Island

TOTAL PLAN

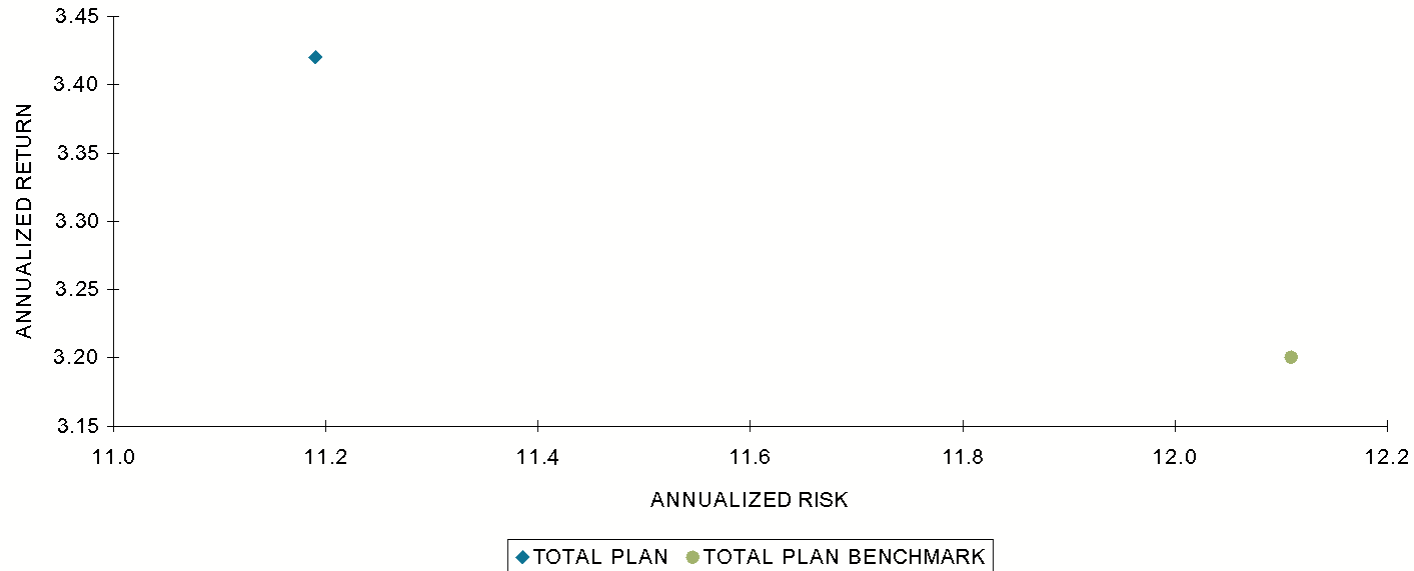
Benchmark: TOTAL PLAN BENCHMARK

December 31, 2004 - December 31, 2009



STATE STREET

RISK VS. RETURN



RISK INFORMATION

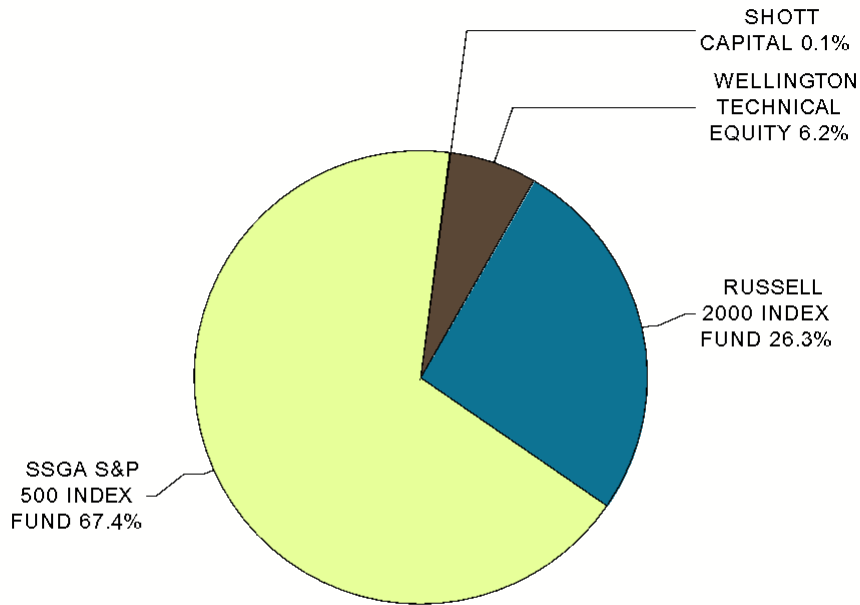
Portfolio Return	3.42
Benchmark Return	3.20
Return Differences	0.21
Portfolio Standard Deviation	11.19
Benchmark Standard	12.11
Tracking Error	1.81

RISK STATISTICS

Historic Beta	0.92
R-squared	0.98
Jensen's Alpha	0.23
Sharpe Ratio	0.04
Treynor Ratio	0.43
Information Ratio	0.12



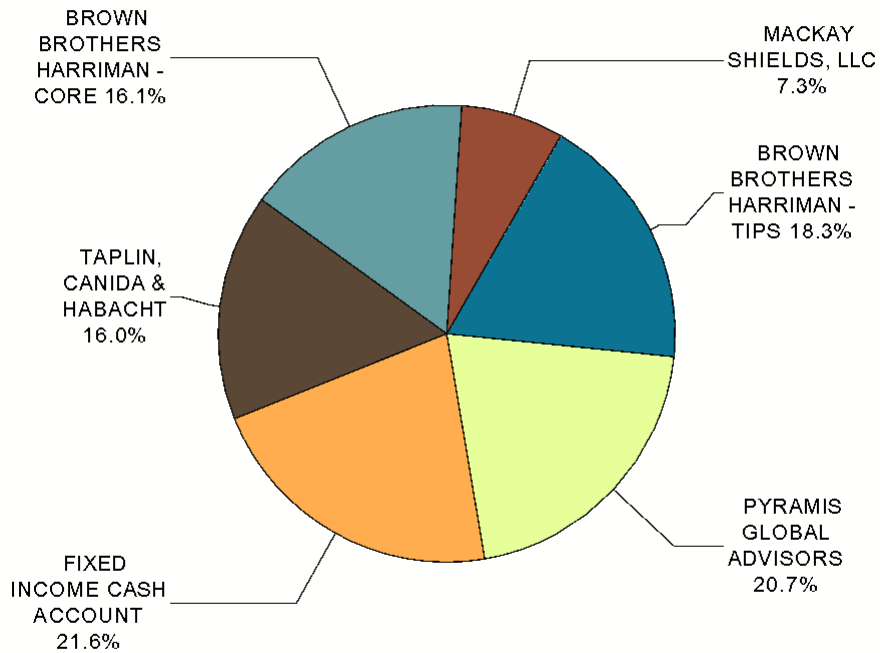
CURRENT MANAGER ALLOCATION



FUND	CURRENT PERIOD	ONE YEAR AGO	ALLOC.
RUSSELL 2000 INDEX FUND	654.9		26.3
SSGA S&P 500 INDEX FUND	1,680.6	1,079.3	67.4
PIMCO		315.3	0.0
WELLINGTON MANAGEMENT		249.9	0.0
NORTHPOINTE CAPITAL		248.0	0.0
SSGA - CORE		235.6	0.0
SHOTT CAPITAL	1.5	1.1	0.1
WELLINGTON TECHNICAL	154.7	127.0	6.2
TOTAL		2,256.1	100.0



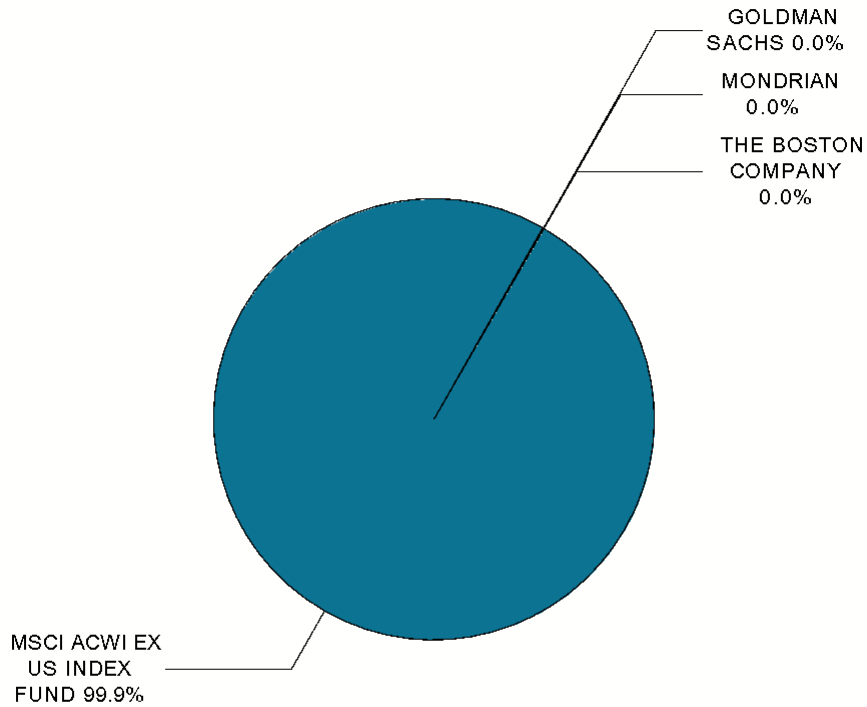
CURRENT MANAGER ALLOCATION



FUND	CURRENT PERIOD	ONE YEAR AGO	ALLOC.
BROWN BROTHERS	383.4	501.1	18.3
PYRAMIS GLOBAL ADVISORS	432.7	479.4	20.7
FIXED INCOME CASH	451.3	3.0	21.6
TAPLIN, CANIDA & HABACHT	335.6	267.5	16.0
BROWN BROTHERS	337.7	313.1	16.1
MACKAY SHIELDS, LLC	152.3	104.8	7.3
TOTAL	2,093.0	1,669.0	100.0



CURRENT MANAGER ALLOCATION



FUND	CURRENT PERIOD	ONE YEAR AGO	ALLOC.
■ MSCI ACWI EX US INDEX	1,229.0		99.9
■ GOLDMAN SACHS	0.4	315.1	0.0
■ MONDRIAN	0.4	355.0	0.0
■ THE BOSTON COMPANY	0.4	357.0	0.0
TOTAL	1,230.2	1,027.1	100.0

ASSET ALLOCATION

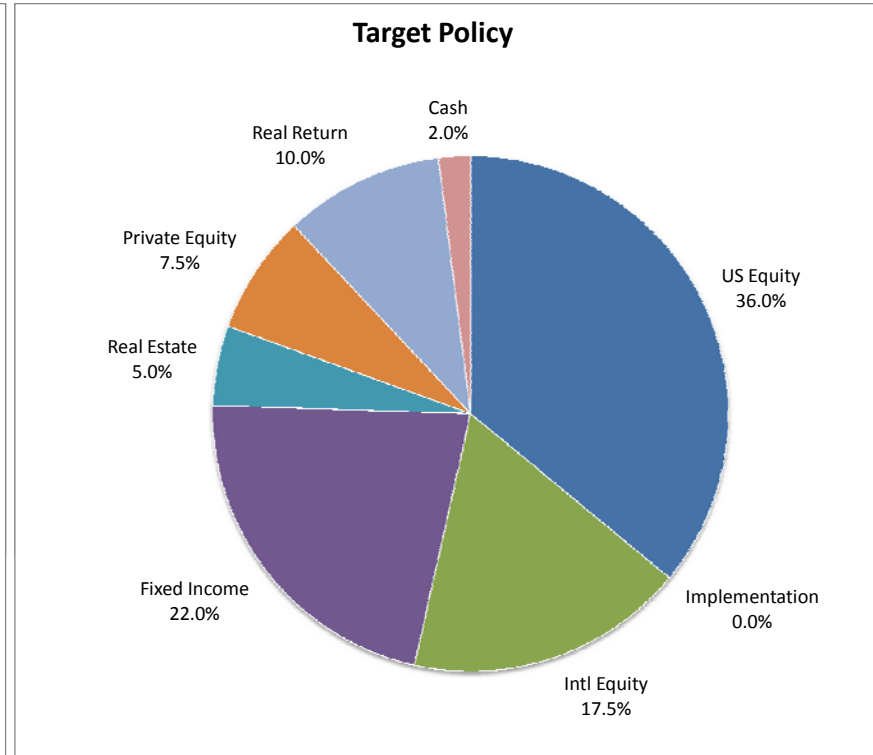
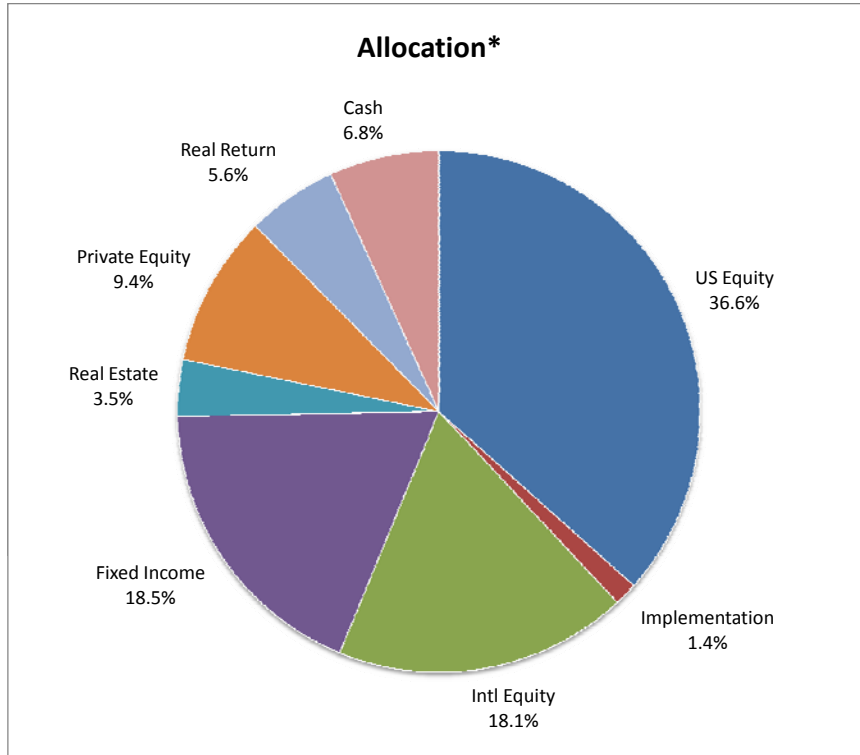
ASSET ALLOCATION REPORT

31-Dec-09

	Style Mandate	Actual (Millions \$)	
<i>Domestic Equity</i>			
SSGA S&P 500 INDEX FUND	Passive	1,680.62	24.71%
RUSSELL 2000 INDEX FUND	Passive	654.92	9.63%
PIMCO	Enhanced Equity	-	0.00%
WELLINGTON TECHNICAL EQUITY	Tactical Equity	154.67	2.27%
WELLINGTON MANAGEMENT CO. LLC	Closed	-	0.00%
SSGA - CORE	Closed	-	0.00%
NORTHPOINTE CAPITAL	Closed	-	0.00%
TRANSITION ACCOUNT DOMESTIC		-	0.00%
SHOTT CAPITAL		1.52	0.02%
TOTAL DOMESTIC EQUITY		2,491.72	36.64%
<i>International Equity</i>			
MSCI ACWI EX US INDEX FUND	Passive	1,228.97	18.07%
GOLDMAN SACHS	Closed	0.39	0.01%
THE BOSTON COMPANY	Closed	0.39	0.01%
MONDRIAN	Closed	0.44	0.01%
BANK OF IRELAND	Closed	-	0.00%
TRANSITION ACCOUNT INTERNATIONAL		-	0.00%
TOTAL INT'L EQUITY		1,230.20	18.09%
<i>Domestic Fixed Income</i>			
BROWN BROTHERS HARRIMAN - CORE	Opportunistic Core	337.75	4.97%
PYRAMIS GLOBAL ADVISORS	Mortgages	432.75	6.36%
MACKAY SHIELDS, LLC	High Yield	152.29	2.24%
TAPLIN, CANIDA & HABACHT	Corporates	335.60	4.94%
FIXED INCOME CASH ACCOUNT		451.28	6.64%
TOTAL FIXED-INCOME		1,709.67	25.14%
<i>Alternative Investments</i>			
Real Estate	Real Estate	234.79	3.45%
Pacific Corp Group	Private Equity	638.67	9.39%
TOTAL ALTERNATIVE INVESTMENTS		873.46	12.84%
<i>Real Return Pool</i>			
BROWN BROTHERS HARRIMAN - TIPS	TIPS	383.36	5.64%
TOTAL REAL RETURN POOL		383.36	5.64%
CASH EQUIVALENTS	STIF, Yield+	16.21	0.24%
<i>Other</i>			
OTHER - Russell Implementation Services		95.67	1.41%
TOTAL ASSETS		6,800.29	100.00%

State of Rhode Island

Asset Allocation
December 31, 2009



Allocation vs. Target Policy

	Weights		
	Allocation*	Policy	Difference
US Equity	36.6	36.0	0.6
Implementation	1.4	0.0	1.4
Intl Equity	18.1	17.5	0.6
Fixed Income	18.5	22.0	-3.5
Real Estate	3.5	5.0	-1.5
Private Equity	9.4	7.5	1.9
Real Return	5.6	10.0	-4.4
Cash	6.8	2.0	4.8
Total Fund	100.0	100.0	

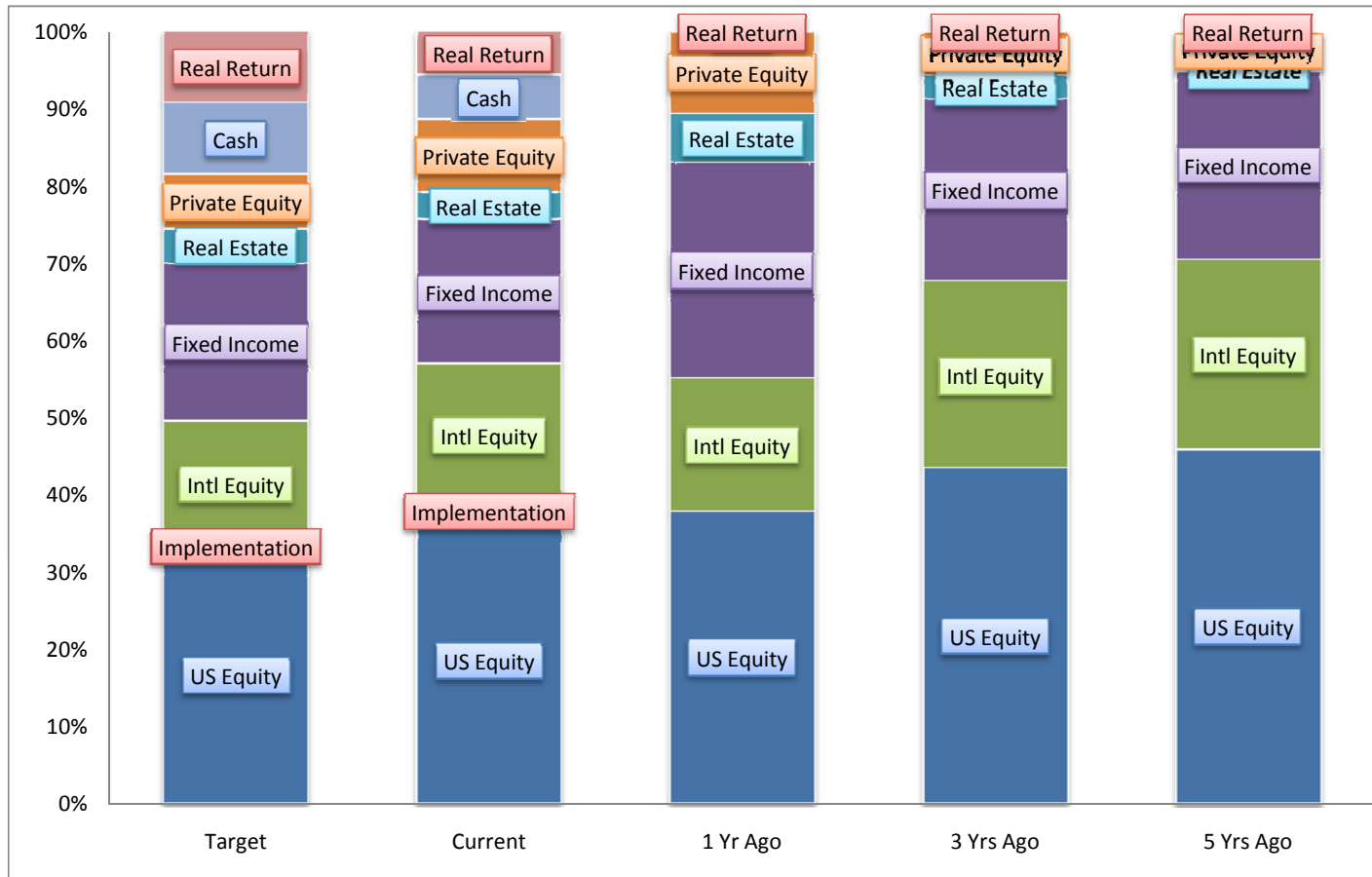


* End of Period Weights

State of Rhode Island

Historical Asset Allocation

December 31, 2009



	Target	Current	1 Yr Ago	3 Yrs Ago	5 Yrs Ago
US Equity	36.0%	36.6%	37.1%	43.0%	45.5%
Implementation	0.0%	1.4%	1.5%	0.0%	0.0%
Intl Equity	17.5%	18.1%	16.9%	24.1%	24.4%
Fixed Income	22.0%	18.5%	27.5%	23.4%	24.4%
Real Estate	5.0%	3.5%	6.2%	3.0%	0.0%
Private Equity	7.5%	9.4%	10.5%	5.7%	5.0%
Real Return	10.0%	5.6%	0.0%	0.0%	0.0%
Cash	2.0%	6.8%	0.3%	0.8%	0.6%
Total Plan	100.0%	100%	100%	100%	100%

FISCAL YEAR 2010

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 09	Actual Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 09	Projected Feb 09	Projected Mar 09	Projected Apr 09	Projected May 09	Projected June 10	Projected TOTAL
EQUITIES													
SSgA Core ZU99/ZU76			260,984			259,816			151,442			21,210	693,452
SSgA Russell 1000/S&P ZU14			35,288			40,981			165,213			(320,885)	(79,403)
SSGA Russell 2000 ZU06			0			0			0			17,388	
Shott Capital ZU49			421			5			460			2,718	3,604
PIMCO ZU55			0			0			0			225,000	225,000
Wellington Mgmt ZU38			552,688			467,084			375,054			56,240	1,451,067
Wellington Tech Eq ZU04			348,739			292,948			276,882			296,937	1,215,505
NorthPointe ZU47			<u>477,596</u>			<u>368,146</u>			<u>390,653</u>			<u>55,000</u>	<u>1,291,394</u>
			1,675,715			1,428,979			1,359,704			353,608	4,800,618
FIXED INCOME													
Brown Bros. ZU69			146,129			142,889			130,550			152,252	571,820
Fidelity ZU46			143,712			156,534			148,748			140,949	589,943
Taplin ZU84			199,476			170,185			168,847			179,763	718,271
Mackay Shields ZU59			143,587			128,557			120,255			147,848	540,247
Brown Bros. TIPS ZU44			155,959			<u>145,060</u>			<u>149,697</u>			<u>113,544</u>	<u>564,260</u>
			788,863			743,225			718,096			734,357	2,984,541
INT'L EQUITIES													
The Boston Co ZU77			468,563			415,036			390,653			59,304	1,333,555
Mondrian ZU67			32,787			231,080			224,262			50,000	538,129
Goldman Sachs Asset Mg ZU25			384,863			259,954			233,810			50,000	928,627
SSgA MSCI ACWI ZU08			<u>140,497</u>			<u>16,671</u>			<u>0</u>			<u>88,387</u>	<u>245,555</u>
	0		1,026,710	0		922,741			848,725			247,691	3,045,866
REAL ESTATE													
L & B Real Estate ZU79	178,749	77,105	94,424	161,810	0	87,590	378,902	159,603	238,864	241,734	0	256,830	1,875,611
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fee ZU32	1,440,569	125,721	342,215	409,000	443,096	769,307	1,129,056	146,891	544,404	289,778	149,822	656,072	6,445,931
SUB TOTAL-INV MGMT FEES	1,619,318	202,826	3,927,928	570,810	443,096	3,951,841	1,507,958	306,494	3,709,793	531,511	149,822	2,248,558	19,152,568
PROFESSIONAL FEES													
Legal	1,539	1,808	675	1,013	6,701	16,670	6,000	250	1,304	2,664	6,206	2,453	47,282
St St Bank Custodial	6,092	15,412	16,951	19,255	2,552	21,394	22,161	16,884	18,164	18,940	21,875	12,861	192,541
Pacific Corp Group ZU76		93,750	0	93,750	0	0	0	93,750	0	64,410		93,750	439,410
PCA/Wilshsire/Russell	14,583	14,583	14,583	14,583	14,583	109,054	14,583	14,583	115,328	14,583	14,583	14,583	370,214
Townsend	<u>0</u>	<u>0</u>	<u>35,625</u>	<u>0</u>	<u>0</u>	<u>35,625</u>	<u>0</u>	<u>0</u>	<u>35,625</u>	<u>0</u>		<u>35,625</u>	<u>142,500</u>
	22,214	125,553	67,834	128,601	23,836	182,743	42,744	125,467	170,421	100,597	42,664	159,273	1,191,947
OPERATING EXPENSE													
Retirement Transfers	450,000	530,255	480,567	665,657	492,580	467,833	418,351	443,340	715,596	513,836	687,929	858,260	<u>6,724,205</u>
Other Expense	<u>0</u>	<u>6,250</u>	<u>11,650</u>	<u>0</u>	<u>6,250</u>	<u>6,250</u>	<u>21,497</u>	<u>22,425</u>	<u>6,250</u>	<u>0</u>	<u>6,250</u>	<u>17,050</u>	<u>103,872</u>
	450,000	536,505	492,217	665,657	498,830	474,083	439,848	465,765	721,846	513,836	694,179	875,310	6,828,077
TOTAL:	2,091,532	864,884	4,487,979	1,365,068	965,762	4,608,667	1,990,551	897,726	4,602,060	1,145,945	886,665	3,283,141	27,172,593

Note: Numbers in bold are actual.

State of Rhode Island Alternative Investment Unfunded Commitment
December 2009

<u>Partnership Investment</u>	<u>Total Commitment</u>		<u>ERSRI Remaining Commitment</u>
Alta BioPharma Partners III	\$	15,000,000.00	\$ 2,250,000.00
Alta Partners VIII	\$	15,000,000.00	\$ 6,750,000.00
Apollo Investment Fund IV	\$	15,000,000.00	\$ 32,445.00
Apollo Investment Fund VI	\$	20,000,000.00	\$ 2,711,767.62
Apollo VII	\$	25,000,000.00	\$ 19,098,821.00
Aurora Equity Partners II**	\$	15,000,000.00	\$ 38,917.00
Aurora Equity Partners III**	\$	15,000,000.00	\$ 669,174.00
Avenue Special Situations Fund III	\$	15,000,000.00	\$ -
Avenue Special Situations Fund IV	\$	20,000,000.00	\$ -
Avenue V	\$	20,000,000.00	\$ -
Bain X	\$	25,000,000.00	\$ 17,875,000.00
Birch Hill Equity Partners III*	\$	17,110,800.00	\$ 1,223,437.68
Blackstone Capital Partners III **	\$	20,000,000.00	\$ 921,017.00
Blackstone Capital Partners IV **	\$	25,000,000.00	\$ 2,435,595.00
Blackstone Capital Partners V**	\$	20,000,000.00	\$ 3,778,565.52
Castile III	\$	5,000,000.00	\$ 2,225,000.00
Catterton Partners V	\$	15,000,000.00	\$ 513,013.00
Catterton Partners VI	\$	15,000,000.00	\$ 4,807,018.00
Centerbridge	\$	15,000,000.00	\$ 3,646,206.00
Charterhouse Capital Partners VIII*	\$	21,481,500.00	\$ 4,545,548.70
Coller International Capital IV**	\$	15,000,000.00	\$ 2,100,000.00
Coller International Capital V	\$	15,000,000.00	\$ 6,787,500.00
Constellation III	\$	15,000,000.00	\$ 8,281,799.95
CVC European Equity Partners III	\$	20,000,000.00	\$ 899,966.29
CVC European Equity Partners IV*	\$	23,629,650.00	\$ 3,074,837.05
CVC 5	\$	28,642,000.00	\$ 23,104,290.53
Fenway Partners Capital Fund II	\$	15,000,000.00	\$ 348,826.00
Fenway III	\$	15,000,000.00	\$ 4,254,793.00
First Reserve Fund X	\$	20,000,000.00	\$ 1.63
First Reserve Fund XI	\$	20,000,000.00	\$ 4,475,562.29
Focus Ventures III	\$	15,000,000.00	\$ 4,725,000.00
Granite Global Ventures II	\$	15,000,000.00	\$ 675,000.00
Granite Global Ventures III	\$	15,000,000.00	\$ 6,750,000.00
Green Equity Investors IV	\$	15,000,000.00	\$ 356,765.63
Green Equity Investors V	\$	20,000,000.00	\$ 14,310,543.08
Harvest Partners III	\$	15,000,000.00	\$ 364,023.61
Kayne Anderson Energy Fund III	\$	15,000,000.00	\$ 2,237,545.10
Kayne Anderson Energy Fund IV	\$	15,000,000.00	\$ 8,100,000.53
Leapfrog Ventures II	\$	10,000,000.00	\$ 2,605,000.00
Leeds Weld Equity Partners IV	\$	10,000,000.00	\$ 75,360.41
Lighthouse Capital Partners V	\$	11,250,000.00	\$ 787,500.00
Lighthouse Capital Partners VI	\$	15,000,000.00	\$ 3,374,999.99
LNK Partners	\$	12,500,000.00	\$ 6,647,534.24
Matlin Patterson Glb. Opp. Fund (CSFB)	\$	15,000,000.00	\$ -
MHR Institutional Partners III	\$	20,000,000.00	\$ 7,477,953.00
Nautic Partners V	\$	20,000,000.00	\$ 995,607.29

State of Rhode Island Alternative Investment Unfunded Commitment

<u>Partnership Investment</u>	December 2009		<u>ERSRI Remaining</u>
	<u>Total Commitment</u>		<u>Commitment</u>
Nautic Partners VI	\$ 20,000,000.00	\$	13,259,981.88
Nordic Capital Fund III*	\$ 11,178,800.00	\$	182,226.33
Nordic Capital Fund V*	\$ 20,930,929.16	\$	0.10
Nordic Capital Fund VI*	\$ 21,481,500.00	\$	447,715.44
Nordic VII	\$ 21,481,500.00	\$	15,650,259.77
OCM Opportunities Fund II	\$ 12,000,000.00	\$	-
OCM Principal Opportunities Fund	\$ 5,000,000.00	\$	-
Palladin III	\$ 10,000,000.00	\$	6,110,701.00
Parthenon Investors	\$ 15,000,000.00	\$	-
Parthenon Investors II	\$ 20,000,000.00	\$	1,754,706.00
Perseus VII	\$ 15,000,000.00	\$	4,146,950.00
Point 406	\$ 10,000,000.00	\$	4,970,000.00
Point Judith II	\$ 5,000,000.00	\$	2,504,490.12
Providence Equity Partners III	\$ 15,000,000.00	\$	1,935,458.51
Providence Equity Partners IV	\$ 25,000,000.00	\$	1,524,852.79
Providence Equity Partners V	\$ 25,000,000.00	\$	2,237,971.00
Providence Equity Partners VI	\$ 25,000,000.00	\$	12,182,333.00
SKM Equity Fund II**	\$ 10,000,000.00	\$	1,735,947.00
Thomas McNerney & Partners	\$ 15,000,000.00	\$	1,687,500.00
Thomas McNerney & Partners 2	\$ 15,000,000.00	\$	7,912,500.00
TPG Partners II	\$ 10,000,000.00	\$	308,515.00
TPG Partners IV	\$ 15,000,000.00	\$	1,210,207.00
TPG Partners V	\$ 20,000,000.00	\$	4,813,924.00
TPG VI	\$ 20,000,000.00	\$	17,132,303.00
Trilantic	\$ 11,098,351.00	\$	6,918,900.74
VS&A Communication Partners III	\$ 15,000,000.00	\$	7,978.00
W Capital Partners	\$ 15,000,000.00	\$	1,143,000.00
W Capital Partners II	\$ 15,000,000.00	\$	7,691,508.00
Washington & Congress Capital Partners**	\$ 15,000,000.00	\$	305,637.24
Wellspring Capital Partners III	\$ 20,000,000.00	\$	226,894.00
Wellspring Capital Partners IV	\$ 20,000,000.00	\$	5,126,281.00
Willis Stein & Partners	\$ 5,000,000.00	\$	-
WLR	\$ 8,000,000.00	\$	4,172,099.00
Total Alternative Investments	\$ 1,285,785,030.16	\$	313,632,775.05

*transactions occur in foreign currence

** fees NOT affecting unfunded commitment

State of Rhode Island Real Estate Investment Unfunded Commitment
December 2009

<u>Real Estate Partnership Investment</u>	<u>Total Commitment</u>	<u>ERSRI Remaining Commitment</u>
AEW	\$ 35,000,000.00	\$ 31,500,000.00
Fillmore East Fund I	\$ 10,000,000.00	\$ 0.08
Fremont Strategic Property Partners II	\$ 15,000,000.00	\$ 1,873,108.00
GMAC Commerical Realty Partners II	\$ 15,000,000.00	\$ 2,155,117.00
Heitman Advisory Corporation		\$ -
JPMorgan Fleming Asset Mgmt. Strat. Prc	\$ 50,000,000.00	\$ -
JPMorgan Alternative Property Fund	\$ 20,000,000.00	\$ -
LaSalle Income & Growth Fund IV	\$ 15,000,000.00	\$ 397,937.57
L&B Real Estate Counsel		\$ -
Magna Hotel	\$ 4,000,000.00	\$ 3,204,016.00
Morgan Stanley Prime Property Fund	\$ 35,000,000.00	\$ -
Prudential Real Esate Investors (PRISA)	\$ 50,000,000.00	\$ -
Prudential Real Esate Investors (PRISA) I	\$ 15,000,000.00	\$ 1,530,000.00
RREEF America REIT II Fund	\$ 35,000,000.00	\$ -
Starwood Hospitality Fund I	\$ 10,000,000.00	\$ -
TA Realty Fund VIII	\$ 15,000,000.00	\$ -
Tri Continental Fund VII	\$ 15,000,000.00	\$ 519,486.00
Walton Street Real Estate Fund V	\$ 20,000,000.00	\$ 0.18
Westbrook Real Estate Fund VI***	\$ 16,401,663.00	\$ 79,399.00
Westbrook Real Estate Fund VII	\$ 15,000,000.00	\$ 2,636,362.40
***-adjusted to reflect required reserve amount		
	\$ 390,401,663.00	\$ 43,895,426.23

CASH FLOW

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2010

	FY 2009-10 Actual July 2009	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2010	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	63,056,758	63,646,340	63,333,592	63,428,007	63,302,177	63,141,976	61,801,389	61,978,079	61,959,280	61,955,036	61,716,204	61,676,639	750,995,477
ADMINISTRATIVE EXPENSES	408,441	556,383	498,174	774,384	437,762	549,777	411,255	391,033	424,138	423,733	543,383	876,677	6,295,142
INVESTMENT EXPENSES	1,360,290	170,227	366,214	478,412	371,118	717,241	1,272,407	1,272,279	539,724	539,208	126,029	766,832	7,979,982
TOTAL OUTFLOW	64,825,490	64,372,950	64,197,980	64,680,803	64,111,057	64,408,994	63,485,052	63,641,392	62,923,142	62,917,977	62,385,616	63,320,148	765,270,601
CONTRIBUTIONS	84,101,702	22,893,995	30,893,310	44,233,430	34,706,454	39,034,513	36,600,607	59,404,144	47,351,474	47,000,000	47,000,000	47,000,000	540,219,629
OTHER INCOME*	1,589,383	1,381,391	1,041,431	895,764	4,668,231	1,619,651	3,801,160	1,258,126	1,726,255	1,144,628	1,617,475	1,261,627	22,005,122
TOTAL INCOME	85,691,085	24,275,386	31,934,741	45,129,194	39,374,685	40,654,164	40,401,767	60,662,270	49,077,729	48,144,628	48,617,475	48,261,627	562,224,751
DIFFERENCE	20,865,595	(40,097,564)	(32,263,239)	(19,551,609)	(24,736,372)	(23,754,831)	(23,083,285)	(2,979,122)	(13,845,413)	(14,773,349)	(13,768,141)	(15,058,521)	(203,045,851)

Municipal Employees Retirement System

	Actual July 2009	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2010	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	5,347,764	5,472,938	5,438,728	5,455,594	5,486,972	5,537,763	5,005,800	5,162,921	5,228,275	5,214,605	5,261,887	5,289,300	63,902,545
ADMINISTRATIVE EXPENSES	71,902	98,352	88,381	137,916	78,231	98,597	70,505	67,060	72,984	73,316	94,851	154,395	1,106,489
INVESTMENT EXPENSES	239,464	30,091	64,970	85,204	66,321	128,630	218,139	218,190	92,873	93,297	21,999	135,050	1,394,228
TOTAL OUTFLOW	5,659,130	5,601,381	5,592,079	5,678,713	5,631,523	5,764,990	5,294,444	5,448,171	5,394,132	5,381,218	5,378,737	5,578,745	66,403,262
CONTRIBUTIONS	4,600,229	3,807,534	3,954,514	5,335,167	6,472,902	5,000,093	5,856,987	5,267,609	4,926,208	4,150,539	4,895,482	5,704,774	59,972,038
OTHER INCOME*	279,793	244,189	184,761	159,533	834,240	290,468	651,664	215,762	297,046	198,049	282,341	222,190	3,860,037
TOTAL INCOME	4,880,022	4,051,723	4,139,275	5,494,700	7,307,142	5,290,561	6,508,651	5,483,371	5,223,254	4,348,588	5,177,823	5,926,964	63,832,075
DIFFERENCE	(779,107)	(1,549,658)	(1,452,805)	(184,013)	1,675,619	(474,429)	1,214,207	35,200	(170,878)	(1,032,630)	(200,914)	348,219	(2,571,187)

CASH FLOW ANALYSIS - INCOME & EXPENSES

**Judges/State Police
Retirement System**

	Actual July 2009	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2010	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	106,501	106,501	106,501	106,501	106,501	106,501	109,179	106,978	106,709	106,501	106,501	106,501	1,281,376
ADMINISTRATIVE EXPENSES	5,874	8,196	7,421	11,646	6,673	8,451	5,628	5,375	5,891	5,963	7,733	12,598	91,449
INVESTMENT EXPENSES	19,564	2,508	5,455	7,195	5,657	11,025	17,412	17,489	7,496	7,588	1,794	11,020	114,203
TOTAL OUTFLOW	131,940	117,205	119,377	125,342	118,831	125,978	132,219	129,843	120,095	120,052	116,028	130,119	1,487,028
CONTRIBUTIONS	1,580,000	437,000	427,000	685,000	422,000	470,000	260,000	420,000	430,000	420,000	420,000	420,000	6,391,000
OTHER INCOME*	22,859	20,349	15,513	13,472	71,161	24,897	52,016	17,295	23,975	16,108	23,018	18,130	318,792
TOTAL INCOME	1,602,859	457,349	442,513	698,472	493,161	494,897	312,016	437,295	453,975	436,108	443,018	438,130	6,709,792
DIFFERENCE	1,470,919	340,145	323,136	573,129	374,329	368,920	179,797	307,452	333,879	316,056	326,990	308,011	5,222,764

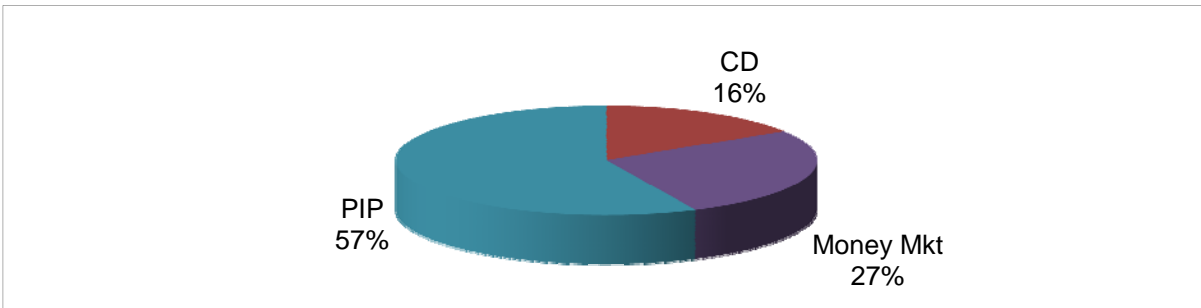
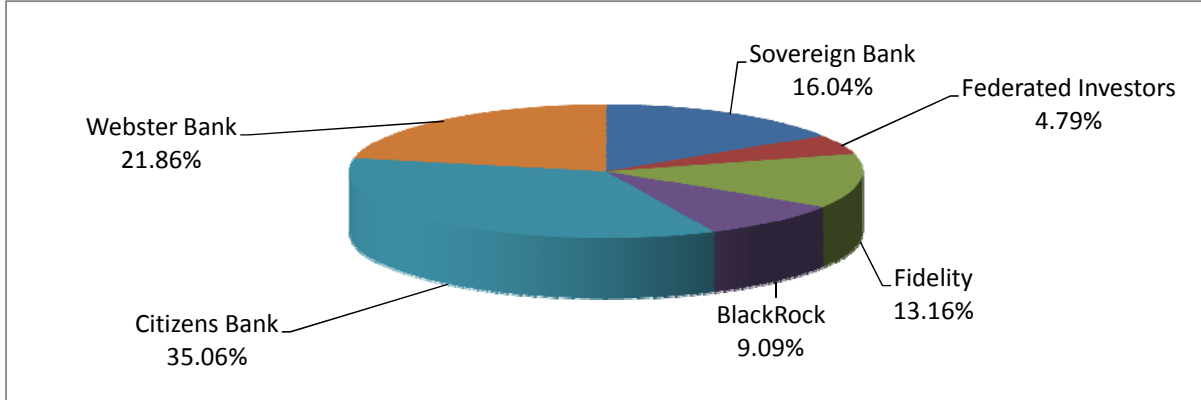
*includes income from Real Estate Investments, Private Equity, Securities Lending, and Cash Accounts,

SHORT TERM INVESTMENTS

RI SIC GUIDELINE COMPLIANCE REPORT

INVESTMENTS AS OF:

December 31, 2009



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

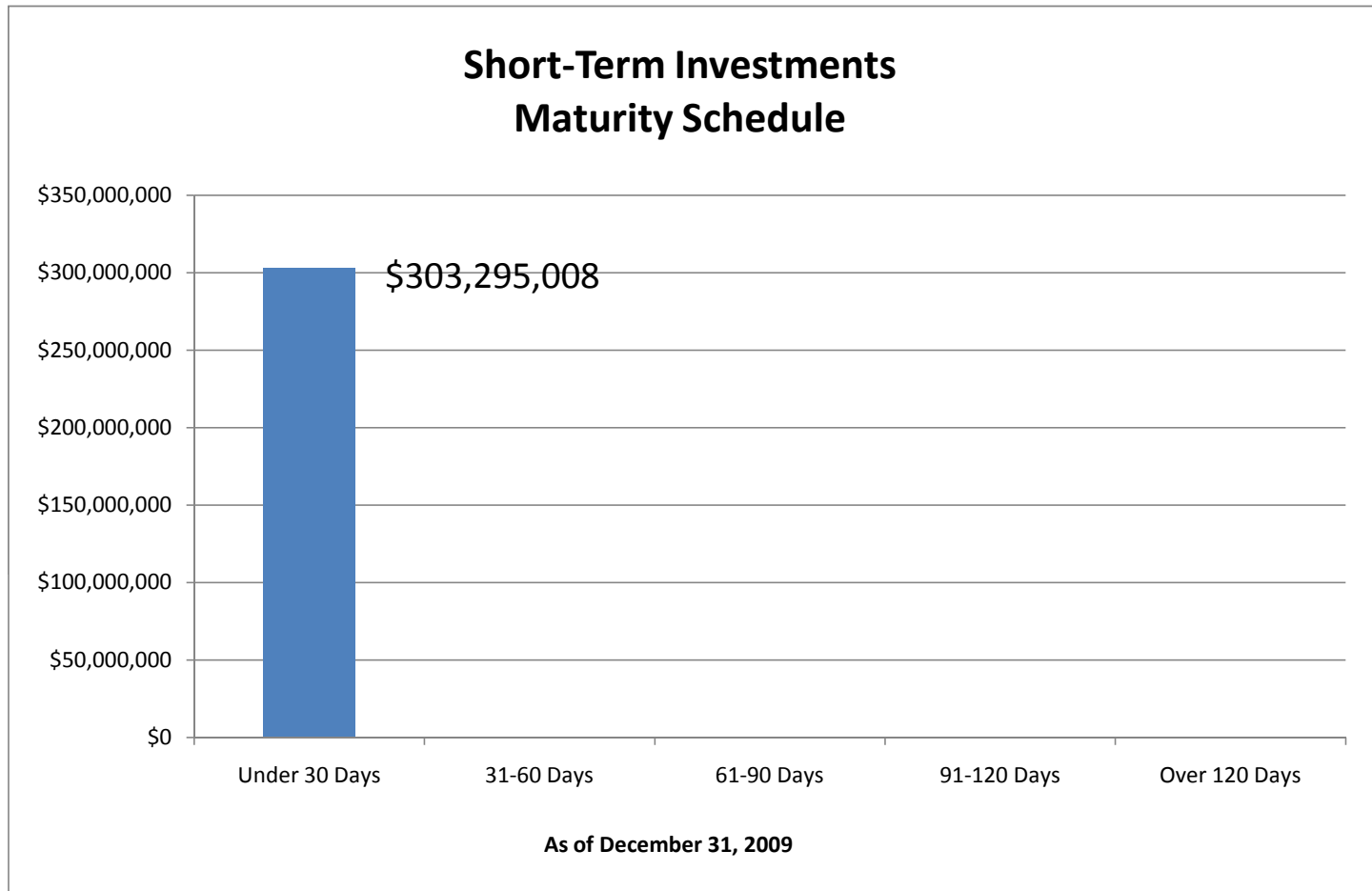
Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	
Bank RI	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0.00%
Sovereign Bank	0	48,635,886	0	0	0	0	48,635,886
	0%	16%	0%	0%	0%	0%	16.04%
JP Morgan Chase	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0.00%
Federated Investors	0	0	0	14,516,972	0	0	14,516,972
	0%	0%	0%	5%	0%	0%	4.79%
Fidelity	0	0	0	39,915,806	0	0	39,915,806
	0%	0%	0%	13%	0%	0%	13.16%
BlackRock	0	0	0	27,579,120	0	0	27,579,120
	0%	0%	0%	9%	0%	0%	9.09%
Wells Fargo	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0.00%
Citizens Bank	0	0	0	0	106,348,155	0	106,348,155
	0%	0%	0%	0%	35%	0%	35.06%
Webster Bank	0	0	0	0	66,299,070	0	66,299,070
	0%	0%	0%	0%	22%	0%	21.86%
Columbia Funds	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0.00%
TOTALS	-	48,635,885.77	-	82,011,897.29	172,647,225.15	-	303,295,008
(%) PORTFOLIO	0.00%	16.04%	0.00%	27.04%	56.92%	0.00%	100.00%

Note: PIP + CD must be under 75%. Acutal PIP + CD: 72.96%
 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, 2009 to December 31, 2009

Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield(Annual)
GENERAL FUND	\$ 97,811,124.78	\$ 99,083,413.76	\$ 113,224,028.00	\$ 72,288.98	0.7517%
H.A.V.A	\$ 293.41	\$ 293.51	\$ 293.41	\$ 0.10	0.4013%
PENSION C					
PAYROLL A					
GENERAL FUND (HIST PRES)	\$ 533,849.20	\$ 534,383.05	\$ 533,849.20	\$ 533.85	1.1774%
HIGHWAY FUND	\$ 10,705,822.35	\$ 7,009,427.68	\$ 9,592,919.12	\$ 3,605.33	0.4425%
T.D.I. RESERVE (DET)	\$ 124,643,396.03	\$ 110,457,296.43	\$ 117,049,847.64	\$ 38,900.40	0.3913%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	
RICAP GL FUND 21	\$ 116,346.26	\$ 216,550.17	\$ 600,217.23	\$ 203.91	0.4000%
BOND CAPITAL FUND	\$ 4,008,267.06	\$ 1,109,799.31	\$ 3,530,847.71	\$ 1,532.25	0.5110%
R.I. CLEAN WATER ACT	\$ 243,483.75	\$ 243,566.47	\$ 243,483.75	\$ 82.72	0.4000%
STATE LOTTERY FUND	\$ 35,830,669.58	\$ 37,687,497.44	\$ 32,016,153.46	\$ 6,827.86	0.2511%
ASSESSED FRINGE BEN ADM	\$ 1,900,475.34	\$ 2,201,088.10	\$ 1,803,701.15	\$ 612.76	0.4000%
AUTO EQUIPMENT SERVICE	\$ 804,734.62	\$ 604,911.57	\$ 520,863.65	\$ 176.95	0.4000%
HEALTH INSURANCE FUND	\$ 25,376,049.76	\$ 23,879,268.73	\$ 24,166,372.34	\$ 3,218.97	0.1568%
FLEET REVOLVING LOAN FUND	\$ 5,371,526.96	\$ 5,374,252.52	\$ 5,371,526.96	\$ 2,725.56	0.5974%
EMPLOYEES RETIREMENT	\$ 6,032,905.75	\$ 789,809.46	\$ 24,068,371.34	\$ 7,470.38	0.3654%
MUNICIPAL EMPLOYEES RET.	\$ 945,520.54	\$ 402,689.53	\$ 3,390,875.38	\$ 1,168.99	0.4059%
RETIREE HEALTH FUND	\$ 7,444,800.46	\$ 7,897,503.90	\$ 7,957,703.69	\$ 2,703.44	0.4000%
BOG RETIREE FUND	\$ 559,808.79	\$ 559,998.97	\$ 559,808.79	\$ 190.18	0.4000%
RIPTA HEALTH FUND	\$ 5,004.14	\$ 5,069.40	\$ 192,100.91	\$ 65.26	0.4000%
PERMANENT SCHOOL FUND	\$ 1,425,863.61	\$ 1,426,348.01	\$ 1,425,863.61	\$ 484.40	0.4000%
TEACHER RETIREE HEALTH FUND	\$ 254,448.57	\$ 54,806.79	\$ 1,054,448.57	\$ 358.22	0.4000%
UNIVERSITY COLLEGE	\$ 2,016,639.53	\$ 16,935.59	\$ 871,478.24	\$ 296.06	0.4000%
HIGHER EDUCATION	\$ 603,125.57	\$ 603,330.47	\$ 603,125.57	\$ 204.90	0.4000%
INDUS. BLDG. & MTG. INS.	\$ 3,135,702.07	\$ 3,136,767.35	\$ 3,135,702.07	\$ 1,065.28	0.4000%
Operating Funds Totals	\$ 329,769,858.13	\$ 303,295,008.21	\$ 351,913,581.79	\$ 144,716.75	0.484%
CLEAN WATER CCDL 1998B	\$ -	\$ -	\$ -	\$ -	
CLEAN WATER CCDL 1994 (A)	\$ 6,047.28	\$ 6,047.31	\$ 6,047.09	\$ 0.36	0.0701%
CAP DEV. OF 1997 SERIES A	\$ 11,166.38	\$ 11,166.43	\$ 11,166.03	\$ 0.66	0.0696%
CLEAN WATER CCDL 2002 B	\$ -	\$ -	\$ -	\$ -	
CLEAN WATER 2004 SERIES A	\$ 647,516.44	\$ 647,518.83	\$ 647,495.75	\$ 38.02	0.0691%
CLN WATER CCDL 2005 SER E	\$ 51,692.62	\$ 51,692.81	\$ 51,690.97	\$ 3.03	0.0690%
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	
CCDL99A 1999A	\$ 278,094.04	\$ 278,095.07	\$ 278,085.16	\$ 16.33	0.0691%
POL. CTRL CCDL 2006 SER C	\$ 232,529.38	\$ 232,530.24	\$ 232,521.95	\$ 13.65	0.0691%
CLEAN WATER 2007 SERIES A	\$ 499,371.41	\$ 499,373.25	\$ 499,355.45	\$ 29.32	0.0691%
RI POLLUTION CONTROL 2008 B	\$ 699,218.54	\$ 699,221.12	\$ 699,196.20	\$ 41.05	0.0691%
G.O. NOTE 1991 SER. B	\$ 3,791.70	\$ 3,791.71	\$ 3,791.58	\$ 0.22	0.0683%
BOND CCDL 1994 SERIES A	\$ 174,178.28	\$ 174,178.93	\$ 174,172.72	\$ 10.23	0.0692%
BOND CCBL96A	\$ 257,759.18	\$ 257,760.13	\$ 257,750.95	\$ 15.13	0.0691%
CAP DEV OF 1997 SERIES A	\$ 345.09	\$ 345.09	\$ 345.08	\$ 0.02	0.0682%
CCDL 1998B	\$ 1,749,676.23	\$ 1,749,682.67	\$ 1,749,620.33	\$ 102.72	0.0691%
MMG099 1999	\$ 2,846.03	\$ 2,846.04	\$ 2,845.94	\$ 0.17	0.0703%
BOND CAPITOL CCDL2000A	\$ 951,311.19	\$ 951,314.69	\$ 951,280.79	\$ 55.85	0.0691%
MULTI-MODAL GEN OBL 2000	\$ 2,817.72	\$ 2,817.73	\$ 2,817.63	\$ 0.17	0.0710%
CCDL 2004 SERIES A	\$ 7,088,868.75	\$ 7,088,894.86	\$ 7,088,642.26	\$ 416.18	0.0691%
BOND CCDL 2005 SERIES C	\$ 16,041,549.72	\$ 16,041,608.81	\$ 16,041,037.18	\$ 941.79	0.0691%
BOND CCDL 2005 SERIES E	\$ 2,425,644.60	\$ 2,425,653.54	\$ 2,425,567.10	\$ 142.41	0.0691%
BOND CCDL 2006 SERIES B	\$ 22,645.85	\$ 22,645.93	\$ 22,645.12	\$ 1.33	0.0692%
BOND CCDL 2006 SERIES C	\$ 6,404,920.04	\$ 6,404,943.63	\$ 6,404,715.40	\$ 376.03	0.0691%
GO BND-NTAX 2007 SERIES A	\$ 704,977.10	\$ 704,979.70	\$ 704,954.58	\$ 41.39	0.0691%
GO BND-TAX 2007 SERIES B	\$ 4,005,867.87	\$ 4,005,882.62	\$ 4,005,739.88	\$ 235.18	0.0691%
NON-TAX GO BND 2008 SERIES B	\$ 13,548,277.10	\$ 13,548,327.01	\$ 13,547,844.23	\$ 795.41	0.0691%
TAXABLE GO BND 2008 SERIES C	\$ 8,498,269.32	\$ 8,498,300.63	\$ 8,497,997.80	\$ 498.93	0.0691%
Bond Proceeds Fund Totals	\$ 64,309,381.86	\$ 64,309,618.78	\$ 64,307,327.17	\$ 3,775.58	0.069%
TANS PROCEEDS	\$ 177,756,131.91	\$ 161,841,481.66	\$ 174,272,260.95	\$ 85,349.75	0.5766%
Grand Totals	\$ 571,835,371.90	\$ 529,446,108.65	\$ 590,493,169.91	\$ 233,842.08	0.466%

Short Term Investments
Maturity Schedule
December 31, 2009



Note: Includes \$172.65 Million of Money Market and PIP investments with no specific maturity.

SPECIAL FUNDS

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
December 31, 2009**

<u>Fund Name</u>		Gain/Loss		Total Market Value
Abraham Touro Fund (Fidelity Balanced Fund)	\$	45,556	\$	1,918,942
<u>Totals</u>	\$	45,556	\$	1,918,942

457 PLANS

State of Rhode Island Total Assets 457 Plans

Plan Provider	3/31/2009	6/30/2009	9/30/2009	12/31/2009
AIG	\$ 39,620,369.65	\$ 40,947,393.41	\$ 42,598,583.23	\$ 43,422,475.26
Fidelity	\$ 45,004,563.87	\$ 51,873,678.86	\$ 59,437,779.77	\$ 62,523,511.95
ING	\$ 73,213,595.13	\$ 78,230,003.80	\$ 84,736,566.52	\$ 86,575,810.83
Total	\$ 157,838,528.65	\$ 171,051,076.07	\$ 186,772,929.52	\$ 192,521,798.04

AIG

The information is current as of 12/31/2009.

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>								
Core Value Fund (American Century)	18.04	18.04	-9.18	-2.02	-0.93	-0.93	1.91	12/8/2000
Vanguard Windsor II Fund	25.73	25.73	-7.30	-0.26	3.07	3.07	1.44	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	22.36	22.36	-7.94	-2.26	-3.15	-3.15	1.90	4/29/1994
Stock Index Fund (AIG Inv)	25.16	25.16	-6.67	-0.70	-2.07	-2.07	1.19	4/20/1987
<i>Large Cap Growth</i>								
Growth Fund (American Century)	35.44	35.44	-0.88	-	-2.20	-2.20	1.87	12/5/2005
Large Capital Growth Fund (SunAmerica/Invesco AIM)	30.11	30.11	-3.25	0.08	-0.35	0.24	1.59	12/20/2004
Domestic Mid Cap Equity								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (MorganStanley/Brazos)	45.90	45.90	-1.11	2.68	0.05	2.87	1.69	12/20/2004
Global Equity								
Global Social Awareness Fund (PineBridge Investments)	30.52	30.52	-6.98	-0.98	-2.33	-2.33	1.52	10/2/1989
Global Equity Fund (BlackRock)	28.56	28.56	-9.39	-	-4.37	-2.37	1.81	12/5/2005
International Equity								
Foreign Value Fund (Templeton Global)	46.18	46.18	-3.93	-	0.50	2.03	1.74	12/5/2005
Speciality								
Science & Technology Fund (T. Rowe/RCM/Wellington)	64.19	64.19	0.90	2.03	-9.33	-9.33	1.86	4/29/1994
Hybrid								
<i>Balanced</i>								
Vanguard Wellington Fund	20.92	20.92	-0.10	3.69	5.04	5.04	1.40	7/1/1929
Fixed Income								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	7.89	7.89	4.06	3.70	6.34	6.34	1.08	7/9/1973
Vanguard Long-Term Treasury Fund	-12.76	-12.76	4.74	4.17	6.56	6.56	1.05	5/19/1986
<i>International</i>								
International Government Bond Fund (PineBridge Investments)	10.69	10.69	5.05	4.13	5.58	5.58	1.52	10/1/1991
<i>Stable Value</i>								
Money Market I Fund (SunAmerica)	-0.50	-0.50	1.58	2.08	1.86	1.86	1.43	1/16/1986
7-Day current yield at 30-Jun-2009: -0.79								
Fixed Account Plus	0.00	0.00	2.27	2.90	4.46	4.46		1/1/1982

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

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

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

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

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

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

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

ING

PERFORMANCE UPDATE

ING Life Insurance and Annuity Company

STATE OF RHODE ISLAND

Average Annual Total Returns as of: 12/31/2009 (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 BM	3-Mo Fund BM	YTD Fund BM	1-Yr Fund BM	3-Yr Fund BM	5-Yr Fund BM	10-Yr Fund BM	Incept Date	Gross Fund Exp %*	Net Fund Exp %*							
Stability of Principal																		
ING Fixed Account - 457/401 (6)(7)	MFR	0.30	0.00	0.88	0.01	3.55	0.25	3.55	0.25	4.05	2.37	4.15	2.82	5.01	2.63			
Money Market																		
ING Money Market Portfolio - Class I (2)	IBCM	0.00	0.03	0.09	0.09	0.33	0.56	0.33	0.56	2.70	2.79	3.19	3.34	2.97	3.07	01/01/1980	0.35	0.35
<i>The 7-day annualized Subaccount yield as of 12/31/2009 is 0.00%, which more closely reflects current earnings. (1)</i>																		
Bonds																		
Intermediate-Term Bond																		
ING Intermediate Bond Portfolio - Class I	LEHM	-0.36	-1.56	1.95	0.20	11.57	5.94	11.57	5.94	2.68	6.05	3.05	4.97	5.28	6.33	05/23/1973	0.51	0.51
Balanced																		
Moderate Allocation																		



Your future. Made easier.SM

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		Inception Date	Gross Fund Exp %*	Net Fund Exp %*	
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM				
Investment Options																			
Calvert Variable Series, Inc. Social Balanced Portfolio	SPXRE	1.27	1.93	3.69	6.04	25.29	26.46	25.29	26.46	-4.02	-5.63	0.32	0.42	0.39	-0.94		09/02/1986	0.92	0.92
ING Balanced Portfolio, Inc. - Class I	SPXRE	1.86	1.93	4.10	6.04	19.23	26.46	19.23	26.46	-3.27	-5.63	0.74	0.42	1.43	-0.94		04/03/1989	0.62	0.62
ING Van Kampen Equity and Income Portfolio - Initial Class	SPXRE	0.73	1.93	2.97	6.04	22.69	26.46	22.69	26.46	-0.89	-5.63	3.46	0.42			3.30	12/10/2001	0.65	0.65
Large Cap Value																			
<i>Large Blend</i>																			
AIM V.I. Core Equity Fund - Series I Shares (4)	SPXRE	2.38	1.93	4.97	6.04	28.30	26.46	28.30	26.46	-1.04	-5.63	3.56	0.42	-1.06	-0.94		05/02/1994	0.90	0.89
ING Growth and Income Portfolio - Class I	SPXRE	1.91	1.93	5.01	6.04	30.24	26.46	30.24	26.46	-4.45	-5.63	1.50	0.42	-2.18	-0.94		12/31/1979	0.60	0.60
ING Index Plus LargeCap Portfolio - Class I	SPXRE	2.48	1.93	5.88	6.04	23.20	26.46	23.20	26.46	-6.69	-5.63	-0.38	0.42	-1.72	-0.94		09/16/1996	0.47	0.47
ING Thornburg Value Portfolio - Initial Class	SPXRE	3.66	1.93	6.30	6.04	44.77	26.46	44.77	26.46	-2.20	-5.63	2.11	0.42	-2.27	-0.94		11/28/1997	0.90	0.90
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	SPXRE	2.86	1.93	5.93	6.04	31.76	26.46	31.76	26.46	-7.05	-5.63	0.12	0.42	-1.98	-0.94		11/28/1997	0.85	0.85
<i>Large Value</i>																			
Fidelity® VIP Equity-Income Portfolio - Initial Class	RS3000V	1.64	2.21	3.73	4.17	30.21	19.76	30.21	19.76	-8.82	-8.91	-0.72	-0.24	1.84	2.88		10/09/1986	0.57	0.57
ING Opportunistic LargeCap Portfolio - Class I	SPXRE	2.24	1.93	5.38	6.04	15.10	26.46	15.10	26.46	-8.61	-5.63	-1.06	0.42	-0.41	-0.94		12/13/1996	0.71	0.71
Large Cap Growth																			
<i>Large Growth</i>																			
AIM V.I. Capital Appreciation Fund - Series I Shares	SPXRE	3.49	1.93	6.40	6.04	21.08	26.46	21.08	26.46	-7.95	-5.63	-2.03	0.42	-4.30	-0.94		05/05/1993	0.88	0.88
Fidelity® VIP Contrafund® Portfolio - Initial Class	SPXRE	3.80	1.93	5.27	6.04	35.71	26.46	35.71	26.46	-2.83	-5.63	3.69	0.42	2.82	-0.94		01/03/1995	0.66	0.66
Fidelity® VIP Growth Portfolio - Initial Class	RS3000G	3.95	3.48	6.14	7.65	28.29	37.00	28.29	37.00	-4.88	-2.07	-0.55	1.58	-3.72	-3.79		10/09/1986	0.68	0.68
Small/Mid/Specialty																			
<i>Mid-Cap Growth</i>																			
ING T. Rowe Price Diversified Mid Cap Gr Port-Initial CI	RSMIDGRW	5.53	6.19	6.02	6.69	46.41	46.30	46.41	46.30	-1.91	-3.18	2.36	2.39			3.03	12/10/2001	0.66	0.66
<i>Small Blend</i>																			
ING Small Company Portfolio - Class I	RS2000	7.39	8.05	4.73	3.87	27.56	27.17	27.56	27.17	-2.34	-6.06	3.71	0.51	4.86	3.51		12/27/1996	0.86	0.86
Global / International																			
<i>Foreign Large Value</i>																			
ING Templeton Foreign Equity Portfolio - Initial Class (5)	SPXRE	0.87	1.93	1.46	6.04	32.82	26.46	32.82	26.46	-3.12	-5.63					2.42	01/03/2006	0.96	0.97
<i>World Stock</i>																			
ING Oppenheimer Global Portfolio - Initial Class	MSCIAC	2.10	2.10	5.09	4.72	39.73	35.41	39.73	35.41	-3.89	-4.05	3.53	3.64			5.80	05/01/2002	0.66	0.66

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.

See Performance Introduction Page for Important Information

*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: 12/31/2009 (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 0.50% 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									
ING Fixed Account - 457/401 (6)(7) <i>This fund is not part of the product's separate account.</i>	0.30	0.88	3.55	3.55	4.05	4.15	5.01		
Money Market									
ING Money Market Portfolio - Class I (2) <i>The 7-day annualized Subaccount yield as of 12/31/2009 is -0.50%, which more closely reflects current earnings. (1)</i>	-0.04	-0.04	-0.17	-0.17	2.18	2.68	2.46		01/01/1980
Bonds									
Intermediate-Term Bond									
ING Intermediate Bond Portfolio - Class I	-0.40	1.82	11.02	11.02	2.17	2.53	4.76		05/23/1973
Balanced									
Moderate Allocation									

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
Calvert Variable Series, Inc. Social Balanced Portfolio	1.23	3.56	24.67	24.67	-4.50	-0.18	-0.11		09/02/1986
ING Balanced Portfolio, Inc. - Class I	1.81	3.97	18.64	18.64	-3.76	0.24	0.93		04/03/1989
ING Van Kampen Equity and Inc-I/Janus Asp Balanced-I (3)	0.69	2.84	22.08	22.08	-1.38	2.94	2.02		09/13/1993
ING Van Kampen Equity and Income Portfolio - Initial Class	0.69	2.84	22.08	22.08	-1.38	2.94		2.78	12/10/2001
Large Cap Value									
<i>Large Blend</i>									
AIM V.I. Core Equity Fund - Series I Shares (4)	2.34	4.83	27.66	27.66	-1.54	3.04	-1.56		05/02/1994
ING Growth and Income Portfolio - Class I	1.87	4.88	29.59	29.59	-4.93	1.00	-2.67		12/31/1979
ING Index Plus LargeCap Portfolio - Class I	2.43	5.75	22.59	22.59	-7.15	-0.88	-2.22		09/16/1996
ING Thornburg Value Portfolio - Initial Class	3.62	6.17	44.04	44.04	-2.69	1.60	-2.76		11/28/1997
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	2.81	5.80	31.10	31.10	-7.51	-0.38	-2.47		11/28/1997
<i>Large Value</i>									
Fidelity® VIP Equity-Income Portfolio - Initial Class	1.60	3.60	29.56	29.56	-9.27	-1.21	1.33		10/09/1986
ING Opportunistic LargeCap Portfolio - Class I	2.19	5.25	14.53	14.53	-9.06	-1.56	-0.91		12/13/1996
Large Cap Growth									
<i>Large Growth</i>									
AIM V.I. Capital Appreciation Fund - Series I Shares	3.45	6.27	20.47	20.47	-8.41	-2.52	-4.78		05/05/1993
Fidelity® VIP Contrafund® Portfolio - Initial Class	3.76	5.14	35.03	35.03	-3.32	3.17	2.31		01/03/1995
Fidelity® VIP Growth Portfolio - Initial Class	3.91	6.01	27.65	27.65	-5.36	-1.05	-4.20		10/09/1986
Small/Mid/Specialty									
<i>Mid-Cap Growth</i>									
ING T. Rowe Price Div MidCap-I/Janus Aspen MidCap - I (3)	5.48	5.89	45.68	45.68	-2.40	1.85	-6.41		09/13/1993
ING T. Rowe Price Diversified Mid Cap Gr Port-Initial Cl	5.48	5.89	45.68	45.68	-2.40	1.85		2.52	12/10/2001
<i>Small Blend</i>									
ING Small Company Portfolio - Class I	7.35	4.60	26.93	26.93	-2.83	3.19	4.34		12/27/1996
Global / International									
<i>Foreign Large Value</i>									
ING Templeton Foreign Equity Portfolio - Initial Class (5)	0.83	1.34	32.16	32.16	-3.60			1.91	01/03/2006
<i>World Stock</i>									
ING Oppenheimer Global-Int/Janus Aspen Worldwide Gr-Inst (3)	2.05	4.96	39.03	39.03	-4.37	3.02	-3.33		09/13/1993
ING Oppenheimer Global Portfolio - Initial Class	2.05	4.96	39.03	39.03	-4.37	3.02		5.27	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

(1) The current yield reflects the deduction of all charges under the contract that are deducted from the total return quotations shown.

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

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

(2) An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although effective October 7, 2008, the fund seeks to preserve the value of your investment at \$1.00 per share, there is no assurance it will be able to do so. While the fund's objective includes the preservation of capital, it is possible to lose money by investing in the fund.

(3) The latter fund listed was replaced with the applicable ING Partners, Inc. Portfolio (the first fund listed). For most Plans this occurred after the close of business on December 3, 2004. The performance shown is based on the performance of the replaced fund until December 3, 2004, and the performance of the applicable ING Partners, Inc. Portfolio after that date. The replaced fund may not have been available under all contracts.

(4) AIM V.I. Core Equity Fund - Series I Shares: Effective July 1, 2007, Invesco Aim contractually agreed to waive 100% of the advisory fee Invesco Aim receives from affiliated money market funds on investments by the Fund in such affiliated money market funds. Fee Waiver reflects this agreement. This waiver agreement is in effect through at least April 30, 2009.

(5) ING Templeton Foreign Equity Portfolio - Inst Class: Under the administrative services agreement between ING Partners Inc., on behalf of the Portfolio and ING Funds Services, LLC, the Portfolio's administrator, ING Funds Services, LLC, provides administrative services necessary for the Portfolio's operation and is responsible for the supervision of the Portfolio's other service providers. ING Funds Services, LLC assumes all recurring costs of the Portfolio, such as custodian, director's, transfer agency and accounting fees.

(6) The CURRENT rate for the ING Fixed Account - 457/401 Base+115 is 3.55%, expressed as an annual effective yield, and is guaranteed not to drop below 3.20% through 12/31/2010. 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.

(7) 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

IBCM	The Money Fund Report Averages - All Taxable is an average of the returns of over 250 money market mutual funds surveyed each month by IBC/Donoghue, Inc.
LEHM	The 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.
RS2000	The Russell 2000 Index (a small cap index) consists of the smallest 2,000 companies in the Russell 3000 Index and represents approximately 10% of the Russell 3000 total market capitalization. The Russell 2000 returns assume reinvestment of all dividends.
RS3000G	The Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.
RS3000V	The Russell 3000 Value Index is a market capitalization-weighted index of value-oriented stocks of U.S. domiciled corporations.

See Performance Introduction Page for Important Information

Benchmark ID Benchmark Description

RSMIDGRW The Russell MidCap Growth Index is an unmanaged index of U.S. mid-cap growth stocks.

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.

Fidelity

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	12/31/2009	0.95	8.10	22.68	12/31/2009	22.68	-3.12	1.95	1.30
NASDAQ COMPOSITE INDEX	12/31/2009	5.87	7.20	45.36	12/31/2009	45.36	-1.17	1.71	-5.09
LEHMAN BROTHERS AGGREGATE BOND INDEX	12/31/2009	-1.56	0.20	5.93	12/31/2009	5.93	6.04	4.97	6.33
RUSSELL 2000 INDEX	12/31/2009	8.05	3.87	27.17	12/31/2009	27.17	-6.07	0.51	3.51
STANDARD & POOR'S 500™ INDEX	12/31/2009	1.93	6.04	26.46	12/31/2009	26.46	-5.63	0.42	-0.95

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 †

Stock Investments

Large Cap

FID BLUE CHIP GROWTH	12/31/2009	4.95	8.58	44.96	12/31/2009	44.96	-0.16	1.79	-2.11	10.24	—	0.76% on 10/09/2009	12/31/1987
FID CONTRAFUND	12/31/2009	2.97	7.36	29.23	12/31/2009	29.23	-0.92	4.75	3.17	12.25	—	0.95% on 02/28/2009	05/17/1967
FID DIVIDEND GROWTH	12/31/2009	5.04	5.46	51.00	12/31/2009	51.00	-4.50	0.66	1.49	10.10	—	0.62% on 10/09/2009	04/27/1993
FID EQUITY INCOME	12/31/2009	1.58	3.62	29.54	12/31/2009	29.54	-8.48	-0.59	1.83	11.52	—	0.71% on 04/01/2009	05/16/1966
FID GROWTH & INCOME	12/31/2009	3.01	4.86	23.05	12/31/2009	23.05	-15.25	-7.09	-4.09	9.10	—	0.78% on 10/09/2009	12/30/1985
FID OTC PORTFOLIO	12/31/2009	7.78	8.32	62.24	12/31/2009	62.24	3.40	5.68	-1.90	12.68	—	1.13% on 10/09/2009	12/31/1984
FIDELITY MAGELLAN	12/31/2009	4.35	4.06	41.13	12/31/2009	41.13	-5.33	-0.64	-2.27	16.72	—	0.71% on 05/30/2009	05/02/1963
SPARTAN US EQ INDEX	12/31/2009	1.94	6.01	26.51	12/31/2009	26.51	-5.65	0.38	-1.04	9.13	—	0.10% on 04/29/2009	02/17/1988

Mid-Cap

FID MID CAP STOCK	12/31/2009	5.89	4.38	50.39	12/31/2009	50.39	-4.19	3.22	3.57	10.72	.75 % / 30days	0.73% on 06/29/2009	03/29/1994
FID VALUE	12/31/2009	5.43	4.10	44.08	12/31/2009	44.08	-7.65	0.70	6.39	12.10	—	0.64% on 12/30/2009	12/01/1978
FIDELITY LOW PR STK	12/31/2009	4.24	5.20	39.08	12/31/2009	39.08	-2.89	3.22	11.04	14.17	1.5 % / 90days	0.99% on 10/09/2009	12/27/1989

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			Inception Date
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	
FIDELITY NEW MILLEN	12/31/2009	4.91	3.90	40.24	12/31/2009	40.24	-0.80	4.06	0.74	13.39	—	1.10% on 03/25/2009	12/28/1992
FKLN SMMIDCAP GRTH A	12/31/2009	6.25	7.00	43.17	12/31/2009	43.17	-2.77	1.78	-1.52	9.69	—	1.11% on 09/21/2009	02/14/1992

International

FID DIVERSIFIED INTL	12/31/2009	1.67	3.34	31.78	12/31/2009	31.78	-5.73	3.77	3.94	9.21	1 % / 30days	1.01% on 12/30/2009	12/27/1991
TEMPLETON FOREIGN A	12/31/2009	2.28	0.58	49.73	12/31/2009	49.73	-1.82	4.66	4.61	11.81	—	1.19% on 01/01/2010	10/05/1982

Blended Fund Investments

Others

FID FREEDOM 2000	12/31/2009	0.69	2.37	16.49	12/31/2009	16.49	1.81	3.22	3.15	5.70	—	0.49% on 05/30/2009	10/17/1996
FID FREEDOM 2010	12/31/2009	1.41	3.37	24.82	12/31/2009	24.82	0.04	3.03	2.72	6.45	—	0.64% on 05/30/2009	10/17/1996
FID FREEDOM 2020	12/31/2009	1.96	3.94	28.86	12/31/2009	28.86	-1.72	2.69	1.74	6.40	—	0.72% on 05/30/2009	10/17/1996
FID FREEDOM 2030	12/31/2009	2.44	4.38	30.57	12/31/2009	30.57	-3.46	2.03	0.84	5.92	—	0.76% on 05/30/2009	10/17/1996
FID FREEDOM INCOME	12/31/2009	0.55	2.35	16.12	12/31/2009	16.12	2.27	3.38	3.62	5.05	—	0.48% on 05/30/2009	10/17/1996
FID PURITAN	12/31/2009	1.61	4.73	26.69	12/31/2009	26.69	-1.60	2.74	4.15	11.07	—	0.67% on 10/30/2009	04/16/1947

Bond Investments

Stable Value

FID MGD INC PORT II	12/31/2009	0.12	0.33	1.78	12/31/2009	1.78	3.31	3.54	4.28	4.95	—	—	04/20/1993
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Income

PIMCO TOT RETURN ADM	12/31/2009	-0.88	0.93	13.55	12/31/2009	13.55	8.91	6.58	7.38	7.46	—	0.89% on 12/30/2009	09/08/1994
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Short Term Investments

Others

FIDELITY RETIRE MMKT	12/31/2009	0	0.04	0.63	12/31/2009	0.63	2.87	3.28	3.01	4.33	—	0.45% on 10/30/2009	12/02/1988
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Other Investments

Others

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

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

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

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

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

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

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

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

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

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

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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.

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

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