

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
December 31, 2010**

**January 26, 2011  
MEETING**

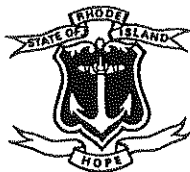
**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Honorable Gina M. Raimondo, Chair**

**Ms. Rosemary Booth Gallogly  
Mr. Thomas P. Fay  
Mr. Robert Giudici  
Ms. Marcia Reback**

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

# AGENDA



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

Gina M. Raimondo  
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION  
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, January 26, 2011 at 9:00 a.m. in Room 135 of the State House.

**AGENDA**

1. Chairperson Call to Order
2. Membership Roll Call
3. Approval of Minutes
  - State Investment Commission Meeting held on November 17, 2010 \*
4. General Consultant Report – Pension Consulting Alliance
5. Legal Counsel Report
6. Chief Investment Officer Report
7. Treasurer's Report
8. New Business

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

**POSTED ON FRIDAY, January 21, 2011**

# APPROVAL OF MINUTES

## **RHODE ISLAND INVESTMENT COMMISSION**

The meeting of the Rhode Island Investment Commission scheduled for Wednesday, December 15, 2010 was cancelled.

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

**Monthly Meeting November 17, 2010**

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, November 17, 2010. General Treasurer Caprio called the meeting to order at 9:03 a.m.

Membership Roll Call. Present were: Ms. Rosemary Booth Gallogly, Mr. Michael Costello, Mr. Thomas Fay, Mr. Robert Giudici, Ms. Marcia Reback and General Treasurer Frank T. Caprio, establishing a quorum. Also present were: Ms. Sally Dowling, of Adler Pollock, & Sheehan, and Mr. Michael Murphy, of Rodio & Ursillo, Legal Counsel to the Commission; Mr. John Burns of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Ms. Lisa Tyrrell and Ms. Kirti Patel of State Street Corporation, Ms. Michelle Davidson of Pacific Corporate Group, Mr. Peter Kerwin and Gail Mance-Rios of RI Higher Education Assistance Authority, Robert Keith, Christopher Nikolich and Patricia Roberts of AllianceBernstein and members of the Treasurer's staff. Mr. Robert Gaudreau, Mr. Andrew Reilly and Dr. Robert McKenna were not present.

State Investment Commission Minutes. Treasurer Caprio entertained a motion for approval of the minutes for the meeting of October 27, 2010. Ms. Booth Gallogly moved, Mr. Fay seconded, and the subsequent motion passed. The following members voted in favor: Ms. Booth Gallogly, Mr. Costello, Mr. Fay, Mr. Giudici, Ms. Reback and Treasurer Caprio.

**VOTED: To approve the Minutes of the October 27, 2010 monthly meeting.**

General Consultant Report. Mr. Burns stated that he will comment on two documents, the fixed income Revised 2010 Ten-Year Capital Market Assumptions and the Rhode Island Fixed Income Portfolio as of September 30, 2010. He observed that in the history of PCA this is the first time that more than one fixed income capital market assumption has been calculated in a calendar year for asset allocation or liabilities studies. Conditions in the fixed income market, where yields have gone from 4.04% to 2.77%, are currently 3.0%, warranted the revised calculation. He emphasized that the important changes are TIPS going from 5% to 4% and domestic fixed income from 4% to 3%. The expected risk did not change but it probably will in January.

Mr. Burns turned to the Fixed Income Portfolio overview. He stated that based on the data as of September 30, 2010, the managers are doing exactly what they were hired to do. They are managing various risks, including interest rate and credit risk, consistent with the fund's mandate guidelines. He noted all the mandates are benchmark sensitive.

CollegeBoundfund Presentation.

Treasurer Caprio called Mr. Robert Keith, Mr. Christopher Nikolich and Ms. Patricia Roberts of AllianceBernstein to give the presentation on the CollegeBoundfund.

Ms. Roberts stated that she is the CollegeBound*fund* relationship manager for the State of Rhode Island. Ms. Roberts noted that the team was on the agenda for a program review, including performance and investment philosophy, and that the topic of the recent Morningstar analysis had been added for discussion.

Ms. Roberts asked the group to turn to page 4 of the CollegeBound*fund* presentation to review a summary of the criteria for the Morningstar analysis. She stated that CollegeBound*fund* received a favorable ranking for its "Pricing" and was ranked nationally as #13 for lowest fees out of the 33 programs in the review. She noted that although CollegeBound*fund*'s competitive pricing nationally was acknowledged, the very favorable fees for Rhode Island residents were omitted. With respect to the topic of "Performance," the CollegeBound*fund* was average in its five-year, age-based performance plans. With regard to the topic of Portfolio construction, she noted that Morningstar offered positive commentary about CollegeBound*fund*'s popular age-based tracks, calling them "well-diversified". She also indicated that CollegeBound*fund* has a variety of other options in addition to the age-based portfolios, including a popular stable value choice, risk-based portfolios and individual fund portfolios. She noted that in the "People" category, CollegeBound*fund* was also given a favorable ranking, indicating that Morningstar ranked the firm #19, a top quartile rank, for strong manager tenure out of 79 plans. Further, she noted that Morningstar ranked AllianceBernstein as #7 out of 18 plans for 5-year manager retention.

Mr. Keith stated that he met with Don Phillips, one of the founders of Morningstar, last week and had met the week prior with individuals who conducted the analysis and issued the report. Mr. Keith noted that Morningstar views corporate change as a question mark whereas AllianceBernstein views it as part of the ongoing evolution of any firm.

The group then discussed investment philosophy and the 2008 market downturn impact.

Ms. Booth Gallogly asked if Morningstar discussed age based options in a child's later years, as a child approaches 17 or 18.

Mr. Nikolich stated that the team had incorporated the following: asset allocation, college inflation, risk factors and participant behavior. There are individual and principal protected options for participants who do not want aged based options. He referred the group to page 48 and 49 in the appendix and highlighted that economic and market downturns were typically short and that markets tended to rebound prior to the bottom of the economic cycle. 2008 was no different from prior market downturns in this regard.

Mr. Costello stated that he recalled that two years ago AllianceBernstein told the board that the reason for the higher equity percentage was that there was an 11 to 12 year payout cycle. He asked if AllianceBernstein's view on that duration has changed or whether it is up to the participant to change options.

Mr. Nikolich commented that AllianceBernstein has not viewed the draw-down period as 11 or 12 years. The examination of over 17 million investor transactions demonstrated that investors typically draw down money over 4 or 5 years, not typically all monies in the beneficiary's first year of college. Therefore, a higher equity allocation can benefit participants by helping to grow their savings above the rate of college inflation as they are saving for college. This is critical as college tuition inflation has averaged over 5% per year.

Mr. Fay asked for clarification of the gain indicated in the chart on page 49.

Mr. Nikolich responded that the slide illustrated that while market downturns were severe, the length of the decline was typically short, averaging 15 months excluding the depression.

Ms. Roberts commented that the AllianceBernstein team has met several times with Mr. Dingley, Mr. Goodreau and others after the difficult time in 2008 to talk about enhancements to the current program structure that might be considered. She also noted that a decision was made by the small group to hold off on any modifications until the direction of the relationship was decided. Early 2009 was clearly not an opportune time to make any modifications to the program that might result in selling at the market bottom. AllianceBernstein will continue to work with the SIC and RIHEAA to consider and potentially implement enhancements to the program.

Treasurer Caprio commented that when we review this issue we should consider that Morningstar focused on the national portion of the program in the fee ranking and in doing so, overlooked that Rhode

Island residents who invest in the program have the lowest available fees in the country for the popular age-based investment options. He also noted the newly-launched CollegeBound*baby* fund provides \$100 for each newly born or adopted child in the state whose parents or guardians open an account within one year of birth or adoption.

Ms. Roberts stated that additionally, RI residents do not have an annual fee as their annual account maintenance fees are waived by AllianceBernstein. She asked the group to look at page 28 of the appendix for current information on the size of the program and the number of accounts established in Rhode Island and across the nation. She noted that Rhode Island's partnership with AllianceBernstein is something you should feel proud of. Treasurer Caprio mentioned that the relationship also provides substantial funding for matching grants and scholarships for Rhode Island residents.

Mr. Nikolich proceeded with a review of performance for the fund and discussed pages 13 – 16 of the presentation. Mr. Nikolich highlighted that all of the underlying components that make up the age-based and risk-based program options have good long-term track records.

Legal Counsel Report. Legal Counsel had no report.

Chief Investment Officer Report. Mr. Goodreau stated that the fund is performing very well in a year that has been hard to navigate. The one month return is up 16 basis points. The fund is 49 basis points ahead of the benchmark for the calendar year and 106 basis points up from the benchmark of 12.95% for the 12 month period ending October 31, 2010. The standard deviation numbers are down relative to peers, and where the fund was in the past. The standard deviation is 11.5 and the benchmark is 12.5. The fund is beating almost every average time period with less volatility.

Treasurer Caprio asked for the return numbers for the fiscal and calendar year to date.

Mr. Goodreau replied that calendar year to date the fund is up 8.6% which is 50 basis points ahead of the 8.1% and for the fiscal year starting July 1, 2010 the fund is up almost 11% with lower fees.

Treasurer's Report. Treasurer Caprio reported that we will keep with the past practice and not hold a December meeting. He said that he and his staff are working closely to assist in a smooth transition. The fund is in a favorable position for the start of the new administration.

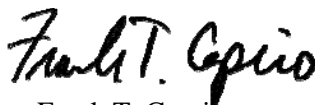
New Business. There was no new business.

There being no new business, Treasurer Caprio entertained a motion to adjourn. Ms. Booth Gallogly moved, Ms. Reback seconded, and the subsequent motion passed. The following members voted in favor: Ms. Booth Gallogly, Mr. Costello, Mr. Fay, Mr. Giudici, Ms. Reback and Treasurer Caprio.

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 10:01 a.m.

Respectfully submitted,



Frank T. Caprio  
General Treasurer



# STAFF SUMMARY

RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
December 31, 2010

**PORTFOLIO PERFORMANCE**

**December**

The ERSRI portfolio posted a 3.86% gain for the month of December, against the policy index of 4.33%. Domestic Equities gained 6.94%, international equities were up 7.85%, and the fixed income asset class returned -0.30%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was 4.17% against its 4.13% index.

**Calendar Year to Date**

For the twelve months ending December 31, 2010, the portfolio is up 12.26% against the policy index of 12.22%. Domestic equities were up 17.40%, international equities were up 11.27%, while fixed income generated a return of 6.18%.

**Fiscal Year to Date**

For the Fiscal Year ended June 30, 2011, the fund has gained 14.33%, against the policy index of 15.70%.

Index Performance Summary - December 31, 2010		
Market Indices	Dec-10	Calendar YTD
<b><u>Domestic Equity</u></b>		
S & P 500	6.68%	15.06%
DJ Wilshire 5000	6.78%	16.93%
Russell 2000	7.94%	26.85%
Policy Index	4.13%	12.01%
<b><u>International Equity</u></b>		
MSCI ACWI	7.85%	11.60%
<b><u>Fixed Income</u></b>		
BC AGG	-1.08%	6.54%
<b><u>Real Estate</u></b>		
NCREIF	3.94%	6.89%

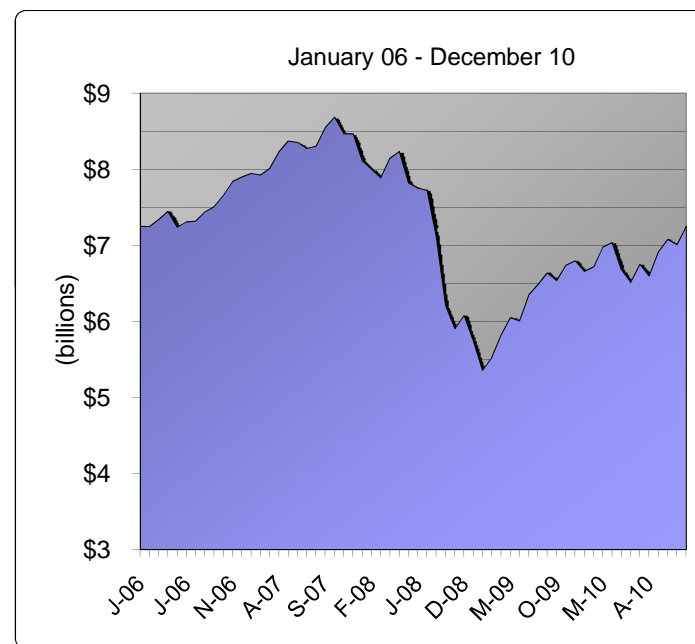
ERSRI Performance By Asset Class	Dec-10	Calendar YTD
Domestic Equity	6.94%	17.40%
Fixed Income	-0.30%	6.18%
International Equity	7.85%	11.27%
<b>Total Fund Composite*</b>	<b>4.17%</b>	<b>12.21%</b>
Manager Summary	Dec-10	CYTD
<b><u>DOMESTIC EQUITY</u></b>		
Shott	6.29%	12.13%
SSgA S&P 500	6.68%	15.14%
Russell Overlay	-0.22%	0.21%
Wellington Technical Eq	5.61%	5.43%
Russell 2000 Index	7.92%	26.92%
<b>Total Domestic Equity</b>	<b>6.94%</b>	<b>17.40%</b>
<b><u>FIXED INCOME</u></b>		
Brown Bros TIPS	-1.74%	6.14%
Brown Bros Core	-0.84%	6.48%
Fidelity	-0.56%	7.16%
Taplin Canida & Habacht	-0.44%	8.53%
Fixed Income Cash Acct	0.02%	0.19%
Mackay Shield	1.32%	13.18%
<b>Total Fixed Income</b>	<b>-0.30%</b>	<b>6.18%</b>
<b><u>INTERNATIONAL EQUITY</u></b>		
<b>Total International Equity</b>	<b>7.85%</b>	<b>11.27%</b>

\*Total Fund Composite includes all classes ex PE & RE

**Market Valuation Report  
December 31, 2010**

**Market Values**

The total portfolio value increased in December by \$242.0 million to \$7.25 billion. This compares with an increase in value of \$60 million for the same period in 2009. The Domestic Equity Market values increased by \$184.1 million, including transfers in of \$0.068 million; Fixed Income decreased by \$41.9 million, including transfers out of \$36.9 million; while International Values increased by \$99.6 million, including transfers in of \$0.151 million. The Cash Accounts increased by \$22.5 million including transfers in of \$23.3 million, and Alternative Investments increased by \$0.5 million, including transfers out of \$12.5 million. The Real Return Pool decreased by \$7.2 million including transfers in of \$0.00 million. The overlay account decreased by \$15.5 million.



### **Cash Flow**

December's pension payroll of \$71.2 million was greater than the \$45.6 million in contributions and wire transfers received by \$25.6 million.

To meet pension and other obligations, a transfer from long-term investments of \$26.9 million was necessary.

### **Alternative Investments**

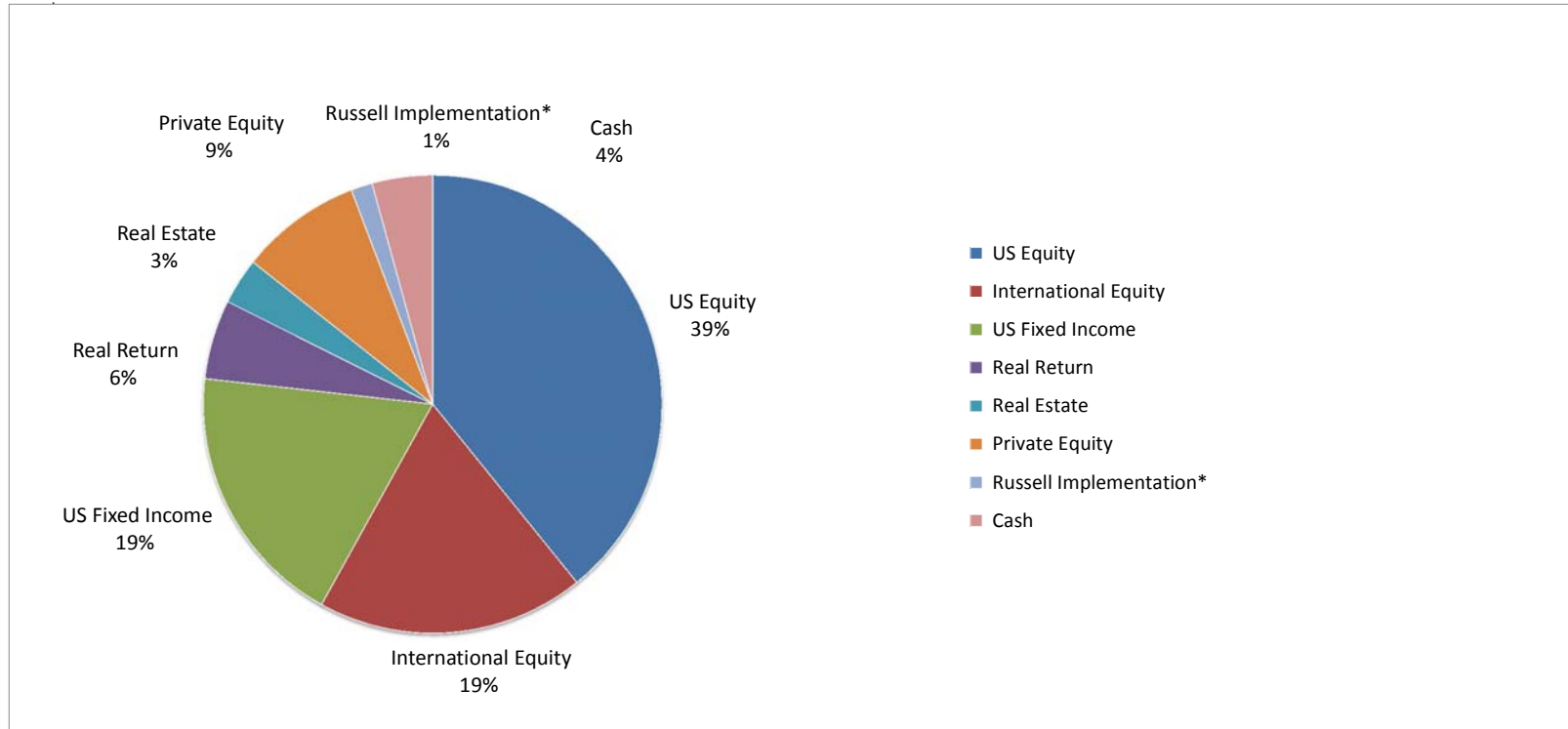
At this time the alternative investment asset class has unfunded commitments of approximately \$189.5 million on commitments of \$1,088 million.

#### **CAPITAL CALLS Net of Distributions**

December 2010	FYTD	UNFUNDED BALANCE
-\$10,069,715	-\$42,480,946	\$189,509,759
December 2009	FYTD	UNFUNDED BALANCE
-\$3,026,162	\$7,801,816	\$313,632,775

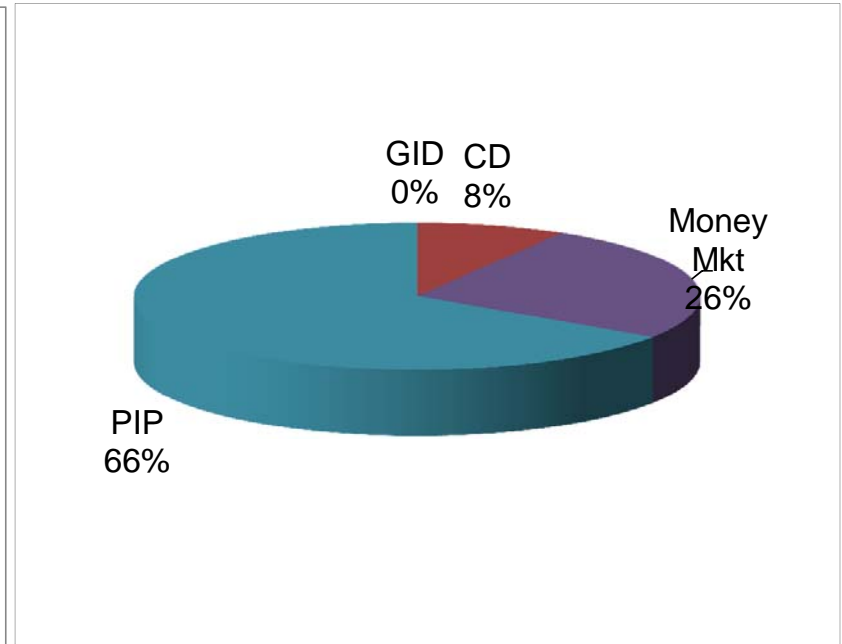
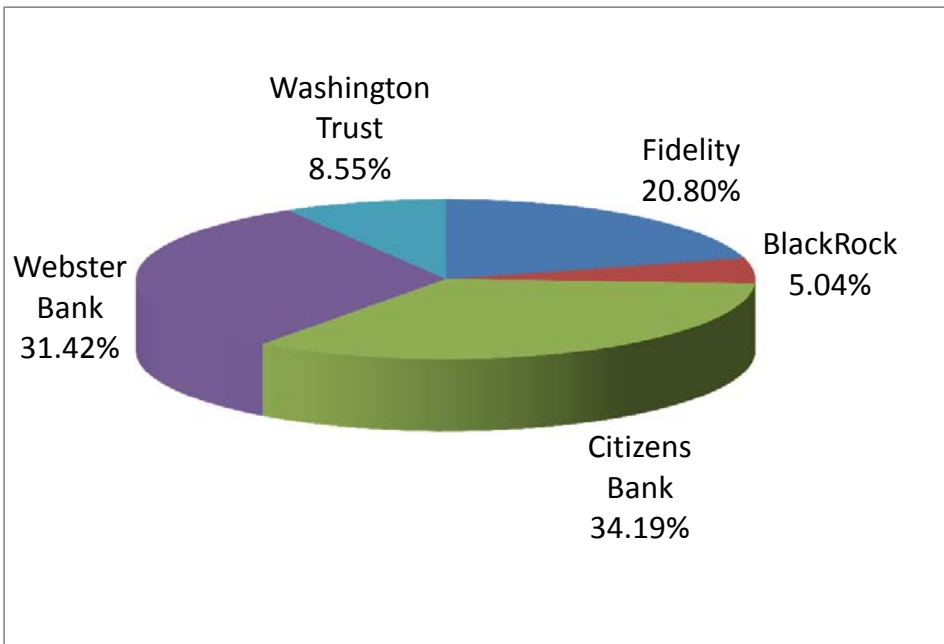
## State of Rhode Island

Asset Allocation  
12/31/2010



	Value	Allocation
US Equity	2,841.53	39.2%
International Equity	1,368.21	18.9%
US Fixed Income	1,357.76	18.7%
Real Return	406.39	5.6%
Real Estate	237.01	3.3%
Private Equity	621.48	8.6%
Russell Implementation*	109.52	1.5%
Cash	309.48	4.3%
<b>Total Fund</b>	<b>7,251.37</b>	<b>100.0%</b>

**RHODE ISLAND STATE INVESTMENT COMMISSION  
SHORT TERM CASH INVESTMENTS AT:  
December 31, 2010**



REPO = Repurchase Agreement
GID = Government Insured Deposit
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  
Dec-10**

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	5.04%	A1		P-1	A-1	A1	A+	Stable
RBS Citizens	3,4	34.19%	A2		P-1	A-2	A2	A-	Negative
Federated	6	0.00%				N/R		N/R	N/R
Fidelity	6	20.80%				N/R		N/R	N/R
Merrill Lynch	2,5,6	0.00%	A2		P-1	A-1	A2	A	Negative
Morgan Stanley	1,2,5	0.00%	A2		P-1	A-1	A2	A	Negative
Sovereign Bank	3,4	0.00%	A3		P-2	A-1	A3	A	Stable
State Street Bank & Trust Comp	1,3	0.00%	A1		P-1	A-1	A1	A+	Negative
Webster Bank	3,4	31.42%	A3		P-2	A-2	A3	BBB	Stable
Washington Trust	3,7	8.55%				N/R		N/R	N/R
Oppenheimer	5	0.00%					B2		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
- 7 Government Insured Deposit

**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  
**BB, B, CCC, CC, C** - Have significant speculative characteristics. BB least speculative, C highest degree.  
**D** - Payment default  
**Modifiers:**  
 + or - show relative standing within the category.

# PERFORMANCE





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

Gina M. Raimondo  
General Treasurer

January 20, 2011

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, 2010.

Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation

December 31, 2010

Asset Class	
Cash/Short Term Investments	525,170,787
Equities - Domestic	2,839,681,493
Equities - International	1,368,168,552
<i>Fixed Income - Government</i>	\$1,050,296,027
<i>Fixed Income - Corporate</i>	\$609,601,989
<i>Fixed Income - In State</i>	\$0
Total Fixed Income	1,659,898,015
Alternative Investments	621,447,538
Real Estate	237,005,118
<b>Total Fund Investments</b>	<b>7,251,371,504</b>
Plan Allocation	
State Employees & Teachers	83.07% 6,023,493,330
Municipal Employees	15.50% 1,124,118,009
State Police	0.92% 66,584,182
Judicial	0.51% 37,175,983
<b>Total Fund Investments</b>	<b>100.00% 7,251,371,504</b>

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,

Kenneth Goodreau  
Chief Investment Officer

**State of Rhode Island**  
**Summary of Performance**  
**Rates of Return**  
PERIODS ENDING December 31, 2010

	MKT VAL	% of FUND	1 Month	3 Months	YTD	FYTD	1 Year	2 Years	3 Years	5 Years	ITD	Incept Date
<b>DOMESTIC EQUITY</b>												
<b>Index</b>												
SSGA S&P 500 INDEX FUND S&P 500	1,935,246,195	26.7	6.7 6.7	10.8 10.8	15.1 15.1	23.3 23.3	15.1 15.1	20.7 20.6	-2.8 -2.9		0.1 0.0	11/01/2006
RUSSELL 2000 INDEX FUND RUSSELL 2000	742,399,325	10.2	7.9 7.9	16.2 16.3	26.9 26.9	29.5 29.4	26.9 26.9				34.6 34.6	05/01/2009
<b>Active Core</b>												
WELLINGTON TECHNICAL EQUITY RUSSELL 3000	161,334,905	2.2	5.6 6.8	11.8 11.6	5.4 16.9	20.2 24.5	5.4 16.9	13.6 22.5	0.8 -2.0		3.9 -1.3	08/01/2007
<b>Other</b>												
SHOTT CAPITAL	2,546,078	0.0							-1.4	-8.3		04/01/1999
<b>TOTAL US EQUITY RUSSELL 3000</b>	<b>2,841,526,504</b>	<b>39.2</b>	<b>6.9 6.8</b>	<b>12.2 11.6</b>	<b>17.4 16.9</b>	<b>24.6 24.5</b>	<b>17.4 16.9</b>	<b>22.9 22.5</b>	<b>-1.5 -2.0</b>	<b>2.8</b>	<b>9.1 -1.3</b>	<b>03/01/1989</b>
<b>INTERNATIONAL EQUITY</b>												
<b>Index</b>												
MSCI ACWI EX US INDEX FUND MSCI AC WORLD ex US (NET)	1,367,618,322	18.9	7.9 7.8	7.2 7.2	11.3 11.2	25.0 25.0	11.3 11.2				30.1 30.0	05/01/2009
<b>Active</b>												
TAX RECLAIMS MSCI AC WORLD ex US (GROSS)	277,079	0.0	7.9	7.3	11.6	25.1	11.6				14.6	11/01/2009
SSGA TRANSITION ACCOUNT	309,650	0.0										11/01/2000
<b>TOTAL INTERNATIONAL EQUITY MSCI AC WORLD ex US (GROSS)</b>	<b>1,368,205,050</b>	<b>18.9</b>	<b>7.9 7.9</b>	<b>7.2 7.3</b>	<b>11.3 11.6</b>	<b>25.0 25.1</b>	<b>11.3 11.6</b>	<b>23.3</b>	<b>-2.8</b>	<b>5.2</b>	<b>5.1 14.6</b>	<b>03/01/1989</b>
<b>U.S. FIXED INCOME</b>												
<b>Core</b>												
BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	359,227,911	5.0	-0.8 -1.2	-1.4 -1.3	6.5 6.3	1.5 1.0	6.5 6.3	7.2 5.7	5.5 6.1	5.1 6.0	6.5 7.2	03/01/1990
<b>Mortgage</b>												
PYRAMIS GLOBAL ADVISORS BC MBS	463,307,240	6.4	-0.6 -0.6	0.5 0.2	7.2 5.4	1.6 0.9	7.2 5.4	7.7 5.6	6.7 6.5	6.0 6.3	7.5 7.1	10/01/1989
<b>Corporates</b>												
TAPLIN, CANIDA & HABACHT BC CREDIT	363,716,525	5.0	-0.4 -1.0	-1.1 -1.9	8.5 8.5	2.8 2.7	8.5 8.5	16.8 12.2	5.8 6.9	5.4 6.0	6.7 6.6	04/01/1996
<b>High Yield</b>												
MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	171,511,593	2.4	1.3 1.8	2.9 3.2	13.2 14.4	8.5 9.3	13.2 14.4	28.3 32.8	8.3 9.2	7.8 8.4	11.9 10.8	10/01/2002
<b>Other</b>												
FIXED INCOME CASH ACCOUNT	275,813,432	3.8	0.0	0.1	0.2	0.1	0.2	0.3	1.1		2.0	04/01/2007
<b>TOTAL US FIXED INCOME BC AGGREGATE</b>	<b>1,633,576,700</b>	<b>22.5</b>	<b>-0.3 -1.1</b>	<b>-0.1 -1.3</b>	<b>6.2 6.5</b>	<b>2.1 1.2</b>	<b>6.2 6.5</b>	<b>10.2 6.2</b>	<b>5.9 5.9</b>	<b>5.7 5.8</b>	<b>6.5 6.4</b>	<b>12/01/1992</b>
<b>REAL RETURN POOL</b>												
BROWN BROTHERS HARRIMAN - TIPS BARCLAYS US TIPS INDEX	406,390,380	5.6	-1.7 -1.6	-1.3 -0.7	6.1 6.3	1.5 1.8	6.1 6.3	8.4 8.4	5.4 4.9	5.5 5.3	5.7 5.5	06/01/2004
<b>TOTAL REAL RETURN CPI + 4%</b>	<b>406,390,380</b>	<b>5.6</b>	<b>-1.7 0.4</b>	<b>-1.3 1.2</b>	<b>6.1 5.1</b>	<b>1.5 2.4</b>	<b>6.1 5.1</b>	<b>8.4</b>	<b>5.4</b>	<b>5.5</b>	<b>5.7 4.9</b>	<b>06/01/2004</b>
<b>ALTERNATIVE INVESTMENTS</b>												
REAL ESTATE NCREIF PROPERTY LAG + 100 BPS	237,005,855	3.3	2.3 3.9	4.7 0.0	4.5 0.0	8.8 0.0	4.5 0.0	-22.3 0.0	-15.5 0.0	-4.7 0.0	-3.3 0.0	01/01/2005
PRIVATE EQUITY S&P 500 PLUS 300 BP	621,477,273	8.6	1.4 6.9	4.0 11.6	15.0 18.5	6.1 25.0	15.0 18.5	4.8 24.2	-2.0 0.1	6.6 5.4	8.9 12.8	01/01/1989
<b>TOTAL ALTERNATIVE INVESTMENTS TOTAL ALTERNATIVES BENCHMARK</b>	<b>858,483,128</b>	<b>11.8</b>	<b>1.6 5.7</b>	<b>4.2 8.4</b>	<b>12.2 13.7</b>	<b>6.9 17.8</b>	<b>12.2 13.7</b>	<b>-4.4 10.4</b>	<b>-6.1 -1.1</b>	<b>3.1 5.2</b>	<b>8.1</b>	<b>04/01/1996</b>
<b>RE-BALANCING</b>												
RUSSELL IMPLEMENTATION SERVICES	109,521,363	1.5	-0.2	-0.2	0.2	-0.2	0.2	0.4			0.0	09/01/2008
<b>CASH</b>												
CASH ACCOUNT (INSIDE)	32,678,568	0.5										07/01/2000
CASH ACCOUNT (OUTSIDE)	989,810	0.0										07/01/2000
<b>TOTAL PLAN TOTAL PLAN BENCHMARK*</b>	<b>7,251,371,504</b>	<b>100.0</b>	<b>3.9 4.3</b>	<b>6.0 6.3</b>	<b>12.3 12.2</b>	<b>14.3 15.7</b>	<b>12.3 12.2</b>	<b>15.1 15.5</b>	<b>-0.8 -1.2</b>	<b>4.0</b>	<b>9.3</b>	<b>01/01/1984</b>

\* Effective 4/1/09: 36.0% RUSSELL 3000/ 22.0% BC AGG / 17.5% MSCI AC WORLD FREE EX USA / 10.0% CPI + 4% / 7.5% S&P 500 + 3% / 5.0%NCREIF PROPERTY LAGG / 2.0% 91 DAY T-BILL

# State of Rhode Island

## Summary of Performance

### Rates of Return

PERIODS ENDING December 31, 2010

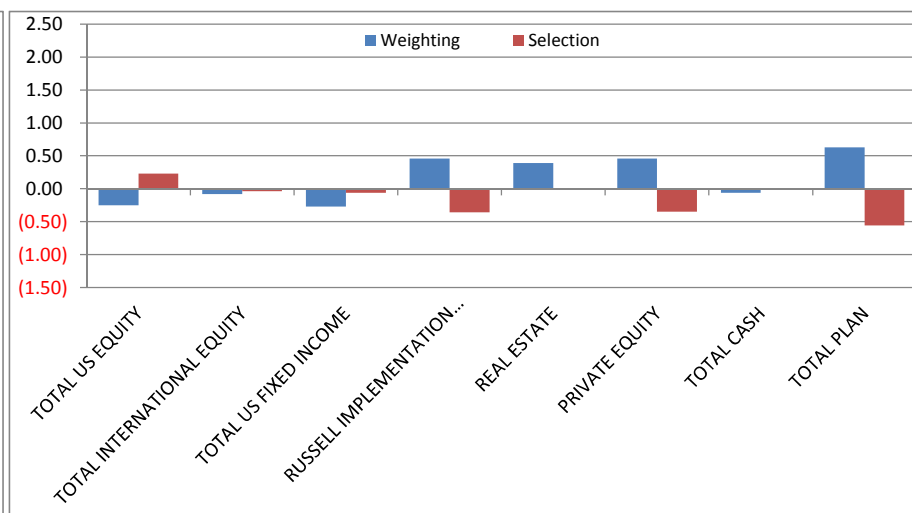
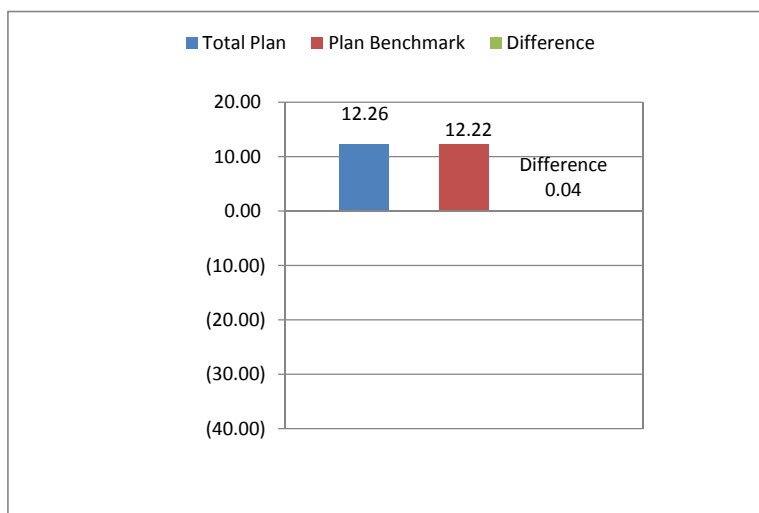
		MKT VAL	% of FUND	6 YEARS	7 YEARS	8 YEARS	9 YEARS	10 YEARS	ITD	Incept Date
<b>DOMESTIC EQUITY</b>										
<b>Index</b>										
	SSGA S&P 500 INDEX FUND S&P 500	1,935,246	26.7	2.7	3.9	6.7	3.0	1.4	0.1	11/1/2006
	RUSSELL 2000 INDEX FUND RUSSELL 2000	742,399	10.2	4.5	6.4	10.8	6.8	6.3	34.6	5/1/2009
<b>Active Core</b>										
	WELLINGTON TECHNICAL EQUITY S&P 500	161,335	2.2	2.7	3.9	6.7	3.0	1.4	3.9	8/1/2007
<b>Other</b>										
	SHOTT CAPITAL	2,546	0.0							4/1/1999
<b>TOTAL US EQUITY RUSSELL 3000</b>		<b>2,841,527</b>	<b>39.2</b>	<b>3.4</b> <b>3.3</b>	<b>4.7</b> <b>4.5</b>	<b>8.2</b> <b>7.5</b>	<b>4.5</b> <b>3.8</b>	<b>2.5</b> <b>2.2</b>	<b>9.1</b>	<b>3/1/1989</b>
<b>INTERNATIONAL EQUITY</b>										
<b>Index</b>										
	MSCI ACWI EX US INDEX FUND MSCI EAFE (NET)	1,367,618	18.9	4.2	6.4	10.0	6.7	3.5	30.1	5/1/2009
<b>Active</b>										
	TAX RECLAIMS MSCI AC WORLD ex US (GROSS)	277	0.0	7.2	9.1	12.7	9.3	6.0		11/1/2009
	SSGA TRANSITION ACCOUNT	310	0.0							11/1/2000
<b>TOTAL INTERNATIONAL EQUITY MSCI AC WORLD ex US (GROSS)</b>		<b>1,368,205</b>	<b>18.9</b>	<b>7.0</b> <b>7.2</b>	<b>8.8</b> <b>9.1</b>	<b>11.5</b> <b>12.7</b>	<b>8.1</b> <b>9.3</b>	<b>4.7</b> <b>6.0</b>	<b>5.1</b>	<b>3/1/1989</b>
<b>U.S. FIXED INCOME</b>										
<b>Core</b>										
	BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	359,228	5.0	4.7	4.7	5.0	5.5	5.8	6.5	3/1/1990
<b>Mortgage</b>										
	PYRAMIS GLOBAL ADVISORS BC MBS	463,307	6.4	5.5	5.5	5.3	5.8	6.1	7.5	10/1/1989 1/0/1900
<b>Corporates</b>										
	TAPLIN, CANIDA & HABACHT BC CREDIT	363,717	5.0	4.9	5.0	6.2	6.1	6.6	6.7	4/1/1996
<b>High Yield</b>										
	MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	171,512	2.4	7.1	8.1	11.3			11.9	10/1/2002
<b>Other</b>										
	FIXED INCOME CASH ACCOUNT	275,813	3.8						2.0	4/1/2007
<b>TOTAL US FIXED INCOME BC AGGREGATE</b>		<b>1,633,577</b>	<b>22.5</b>	<b>5.3</b> <b>5.2</b>	<b>5.4</b> <b>5.1</b>	<b>5.9</b> <b>5.0</b>	<b>6.0</b> <b>5.6</b>	<b>6.1</b> <b>5.8</b>	<b>6.5</b>	<b>12/1/1992</b>
<b>REAL RETURN POOL</b>										
	BROWN BROTHERS HARRIMAN - TIPS BC GLOBAL INFLATION LINKED: U.S. TIPS	406,390	5.6	5.2	4.9	5.4	5.8	6.9	7.0	5.7
<b>TOTAL REAL RETURN CPI + 4%</b>		<b>406,390</b>	<b>5.6</b>	<b>5.2</b> <b>6.4</b>	<b>6.5</b> <b>6.5</b>	<b>6.5</b> <b>6.5</b>	<b>6.5</b> <b>6.5</b>	<b>6.4</b> <b>6.4</b>	<b>5.7</b>	
<b>ALTERNATIVE INVESTMENTS</b>										
	REAL ESTATE NCREIF PROPERTY INDEX QTR LAG	237,006	3.3	-3.3	6.1	7.0	7.1	6.9	7.3	-3.3
	PRIVATE EQUITY S&P 500 PLUS 300 BP	621,477	8.6	10.9	5.8	12.1	11.7	10.2	5.1	8.9
<b>TOTAL ALTERNATIVE INVESTMENTS TOTAL ALTERNATIVES BENCHMARK</b>		<b>858,483</b>	<b>11.8</b>	<b>7.6</b> <b>6.4</b>	<b>9.1</b> <b>7.4</b>	<b>9.0</b> <b>9.1</b>	<b>7.7</b> <b>6.9</b>	<b>3.7</b> <b>6.1</b>	<b>8.1</b>	<b>4/1/1996</b>
<b>RE-BALANCING</b>										
	RUSSELL IMPLEMENTATION SERVICES	109,521	1.5						0.0	9/1/2008
<b>CASH</b>										
	CASH ACCOUNT (INSIDE)	32,679	0.5							
	CASH ACCOUNT (OUTSIDE)	990	0.0							
<b>TOTAL PLAN TOTAL PLAN BENCHMARK</b>		<b>7,251,372</b>	<b>100.0</b>	<b>4.8</b> <b>4.6</b>	<b>6.0</b> <b>5.7</b>	<b>8.5</b> <b>8.1</b>	<b>6.0</b> <b>5.7</b>	<b>4.4</b> <b>4.3</b>	<b>9.3</b>	<b>1/1/1984</b>

\* Effective 4/1/09: 36.0% RUSSELL 3000/ 22.0% BC AGG / 17.5% MSCI AC WORLD FREE EX USA / 10.0% CPI + 4% / 7.5% S&P 500 + 3% / 5.0%NCREIF PROPERTY LAGG / 2.0% 91 DAY T-BILL

**STATE OF RHODE ISLAND**  
**TOTAL PLAN POOL ATTRIBUTION**  
 1 Year Period: December 31, 2009 - December 31, 2010  
 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	38.80	42.50	(3.70)	17.40	16.93	0.47	(0.25)	0.23	
TOTAL INTERNATIONAL EQUITY	19.20	20.00	(0.80)	11.27	11.60	(0.33)	(0.08)	(0.04)	
TOTAL US FIXED INCOME	26.60	25.00	1.60	6.18	6.54	(0.36)	(0.27)	(0.06)	
RUSSELL IMPLEMENTATION SERVICES	1.50	0.00	1.50	0.21	17.17	(16.96)	0.46	(0.36)	
REAL ESTATE	3.70	5.00	(1.30)	4.46	5.84	(1.38)	0.39	0.00	
PRIVATE EQUITY	10.00	7.50	2.50	15.00	18.48	(3.48)	0.46	(0.35)	
TOTAL CASH	0.30	0.00	0.30	0.18	0.13	0.05	(0.06)	0.01	
<b>TOTAL PLAN</b>	<b>100</b>	<b>100</b>		<b>12.26</b>	<b>12.22</b>	<b>0.04</b>	<b>0.63</b>	<b>(0.56)</b>	<b>(0.04)</b>

**ERSRI Monthly Market Value Report With Time Weighted Returns**

December 31, 2010

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								11/30/2010	In/(out)	12/31/2010	Increase/decrease
<b>Domestic Equity</b>											
Shott Capital Management IRR	12.13%	15.06%	-2.93%	S & P 500	6.29%	6.68%	-0.39%	2,395,295	-	2,546,078	150,783
SSgA S&P 500	15.14%	15.06%	0.08%	S & P 500	6.68%	6.68%	0.00%	1,814,038,905	37,350	1,935,246,195	121,169,940
Wellington Tech Eq	5.43%	16.93%	-11.50%	Russell 3000	5.61%	6.78%	-1.17%	153,071,559	-	161,334,905	8,263,346
Russell 2000 Index Fund	26.92%	26.85%	0.07%	Russell 2000	7.92%	7.94%	-0.02%	687,943,414	30,220	742,399,326	54,425,691
<b>Total Domestic Equity</b>	<b>17.40%</b>	<b>16.93%</b>	<b>0.47%</b>		<b>6.94%</b>	<b>6.78%</b>	<b>0.16%</b>	<b>2,657,449,173</b>	<b>67,570</b>	<b>2,841,526,504</b>	<b>184,009,761</b>
<b>International Equity</b>											
Boston Company		11.60%		MSCI ACWI		7.85%		63,143	-	64,936	1,793
Goldman Sachs		11.60%		MSCI ACWI		7.85%		104,665	(118)	107,980	3,433
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	303,390	-	309,650	6,260
Mondrian		11.60%		MSCI ACWI		7.85%		100,911	-	104,162	3,252
MSCI Ex US Index Fund	11.27%	11.15%	0.12%	MSCI Ex US Index Fund	7.85%	7.83%	0.02%	1,268,044,332	151,075	1,367,618,322	99,422,915
<b>Total International Equity</b>	<b>11.27%</b>	<b>11.60%</b>	<b>-0.33%</b>		<b>7.85%</b>	<b>7.85%</b>	<b>0.00%</b>	<b>1,268,616,440</b>	<b>150,957</b>	<b>1,368,205,050</b>	<b>99,437,653</b>
<b>Fixed Income</b>											
Fidelity Management & Research	7.16%	5.37%	1.79%	BC MBS	-0.56%	-0.55%	-0.01%	465,918,200	-	463,307,240	(2,610,960)
Brown Brothers, Harriman	6.48%	6.30%	0.18%	Citigroup BIG	-0.84%	-1.16%	0.32%	362,280,954	-	359,227,911	(3,053,044)
Taplin, Canida & Habacht	8.53%	8.47%	0.06%	BC Credit	-0.44%	-1.01%	0.57%	365,329,666	-	363,716,525	(1,613,141)
Mackay Shields	13.18%	14.42%	-1.24%	CS First BosHiYield	1.32%	1.84%	-0.52%	169,274,402	-	171,511,593	2,237,191
Fixed Income Cash Acct	0.19%	0.13%	0.06%		0.02%	0.02%	0.00%	312,664,815	(36,899,882)	275,813,432	48,499
<b>Total Fixed Income</b>	<b>6.18%</b>	<b>6.54%</b>	<b>-0.36%</b>		<b>-0.30%</b>	<b>-1.08%</b>	<b>0.78%</b>	<b>1,675,468,037</b>	<b>(36,899,882)</b>	<b>1,633,576,700</b>	<b>(4,991,455)</b>
<b>Alternative Investments</b>											
Private Equity	15.00%	18.48%	-3.48%	N/A	1.37%	6.93%	-5.56%	623,972,440	(10,069,715)	621,477,273	7,574,548
Real Estate	4.46%	6.89%	-2.43%	NCREIF + 100	2.31%	3.94%	-1.63%	234,036,072	(2,387,314)	237,005,855	5,357,098
<b>Total Alternatives</b>	<b>12.20%</b>	<b>13.68%</b>	<b>-1.48%</b>		<b>1.62%</b>	<b>5.70%</b>	<b>-4.08%</b>	<b>858,008,512</b>	<b>(12,457,029)</b>	<b>858,483,128</b>	<b>12,931,645</b>
<b>Cash Accounts</b>											
Cash in Trust	0.19%	0.13%	0.06%		0.02%	0.02%	0.00%	10,115,594	23,282,260	32,678,568	(719,285)
Cash Outside Trust	0.00%	0.13%	-0.13%		0.00%	0.02%	-0.02%	1,092,659	-	989,810	(102,849)
<b>Total Cash</b>	<b>0.19%</b>	<b>0.13%</b>	<b>0.06%</b>		<b>0.02%</b>	<b>0.02%</b>	<b>0.00%</b>	<b>11,208,253</b>	<b>23,282,260</b>	<b>33,668,378</b>	<b>(822,134)</b>
<b>Real Return Pool</b>											
Brown Bros TIPS	6.14%	6.33%	-0.19%	CPI +4%	-1.74%	-1.56%	-0.18%	413,591,189	-	406,390,380	(7,200,809)
<b>Other</b>											
Russell Overlay	0.21%				-0.22%			125,050,939	-	109,521,363	(15,529,576)
<b>Total Plan Ex PE &amp; RE</b>	<b>12.21%</b>	<b>12.01%</b>	<b>0.20%</b>		<b>4.17%</b>	<b>4.13%</b>	<b>0.04%</b>	<b>7,009,392,543</b>	<b>(25,856,124)</b>	<b>7,251,371,504</b>	<b>267,835,085</b>
<b>Total Plan</b>	<b>12.26%</b>	<b>12.22%</b>	<b>0.04%</b>		<b>3.86%</b>	<b>4.33%</b>	<b>-0.47%</b>				

\*Policy Index: (Effective 04/1/09)

36% Russell 3000

22% BC Agg

17.5% MSCI World Free Ex USA

10% CPI + 4%

7.5% S&P 500 + 3%

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

639-3623

## State of Rhode Island

RATES OF RETURN - Total

Periods Ending December 31, 2010



STATE STREET

### PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
<b>U.S. EQUITY</b>									
SSGA S&P 500 INDEX FUND	S&P 500	6.68	6.68	0.00	15.14	15.06	0.08	1,935,246	-0
SHOTT CAPITAL	S&P 500	6.29	6.68	-0.39	12.13	15.06	-2.93	2,546	0
WELLINGTON TECHNICAL EQUITY	RUSSELL 3000	5.61	6.78	-1.17	5.43	16.93	-11.50	161,335	-315
RUSSELL 2000 INDEX FUND	RUSSELL 2000	7.92	7.94	-0.02	26.92	26.85	0.07	742,399	-0
TOTAL US EQUITY	RUSSELL 3000	6.94	6.78	0.16	17.40	16.93	0.47	2,841,527	-315
<b>INTERNATIONAL EQUITY</b>									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)		7.85			11.60		65	0
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)		7.85			11.60		108	-0
MONDRIAN	MSCI AC WORLD ex US (GROSS)		7.85			11.60		104	0
MSCI ACWI EX US INDEX FUND	MSCI AC WORLD ex US (NET)	7.85	7.83	0.02	11.27	11.15	0.12	1,367,618	-0
TOTAL INTERNATIONAL EQUITY	MSCI AC WORLD ex US (GROSS)	7.85	7.85	0.00	11.27	11.60	-0.33	1,368,205	-0
<b>U.S. FIXED INCOME</b>									
PYRAMIS GLOBAL ADVISORS	BC MBS	-0.56	-0.55	-0.01	7.16	5.37	1.79	463,307	0
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	-0.84	-1.16	0.32	6.48	6.30	0.18	359,228	0
TAPLIN, CANIDA & HABACHT	BC CREDIT	-0.44	-1.01	0.57	8.53	8.47	0.06	363,717	5
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	1.32	1.84	-0.52	13.18	14.42	-1.24	171,512	0
FIXED INCOME CASH ACCOUNT	91 DAY T-BILL	0.02	0.02	0.00	0.19	0.13	0.06	275,813	-36,900
TOTAL US FIXED INCOME	BC AGGREGATE	-0.30	-1.08	0.78	6.18	6.54	-0.36	1,633,577	-36,895

# State of Rhode Island

RATES OF RETURN - Total

Periods Ending December 31, 2010



STATE STREET

## PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
<b>REAL RETURN POOL</b>									
1 BROWN BROTHERS HARRIMAN - TIPS	BARCLAYS US TIPS INDEX	-1.74	-1.56	-0.18	6.14	6.33	-0.19	406,390	0
TOTAL REAL RETURN POOL	CPI + 4%	-1.74	0.37	-2.11	6.14	5.11	1.03	406,390	0
<b>ALTERNATIVE INVESTMENTS</b>									
PRIVATE EQUITY	S&P 500 PLUS 300 BP	1.37	6.93	-5.56	15.00	18.48	-3.48	621,477	-11,049
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	2.31	3.94	-1.63	4.46	6.89	-2.43	237,006	-2,474
TOTAL ALTERNATIVE INVESTMENTS	TOTAL ALTERNATIVES BENCHMARK	1.62	5.70	-4.08	12.20	13.68	-1.48	858,483	-13,524
<b>CASH EQUIVALENTS</b>									
CASH ACCOUNT (INSIDE)	91 DAY T-BILL	0.02	0.02	0.00	0.19	0.13	0.06	32,679	22,521
CASH ACCOUNT (OUTSIDE)	91 DAY T-BILL	0.00	0.02	-0.02	0.00	0.13	-0.13	990	-103
TOTAL CASH	91 DAY T-BILL	0.01	0.02	-0.01	0.18	0.13	0.05	33,668	22,418
<b>OTHER</b>									
RUSSELL IMPLEMENTATION SERVICES		-0.22			0.21			109,521	-62
<b>TOTAL PLAN</b>									
TOTAL PLAN	TOTAL PLAN BENCHMARK	3.86	4.33	-0.47	12.26	12.22	0.04	7,251,372	-28,377
TOTAL PLAN ex PE RE	TOTAL PLAN BENCHMARK ex PE RE	4.17	4.13	0.04	12.21	12.01	0.20	6,392,888	-14,853

## State of Rhode Island

RATES OF RETURN - Total

Periods Ending December 31, 2010



STATE STREET

### PERFORMANCE SUMMARY REPORT

---

#### Endnotes

- 1 Effective 11/1/09: Moved from Fixed Income to Real Return The return history remains in fixed income.



# State of Rhode Island

TOTAL PLAN

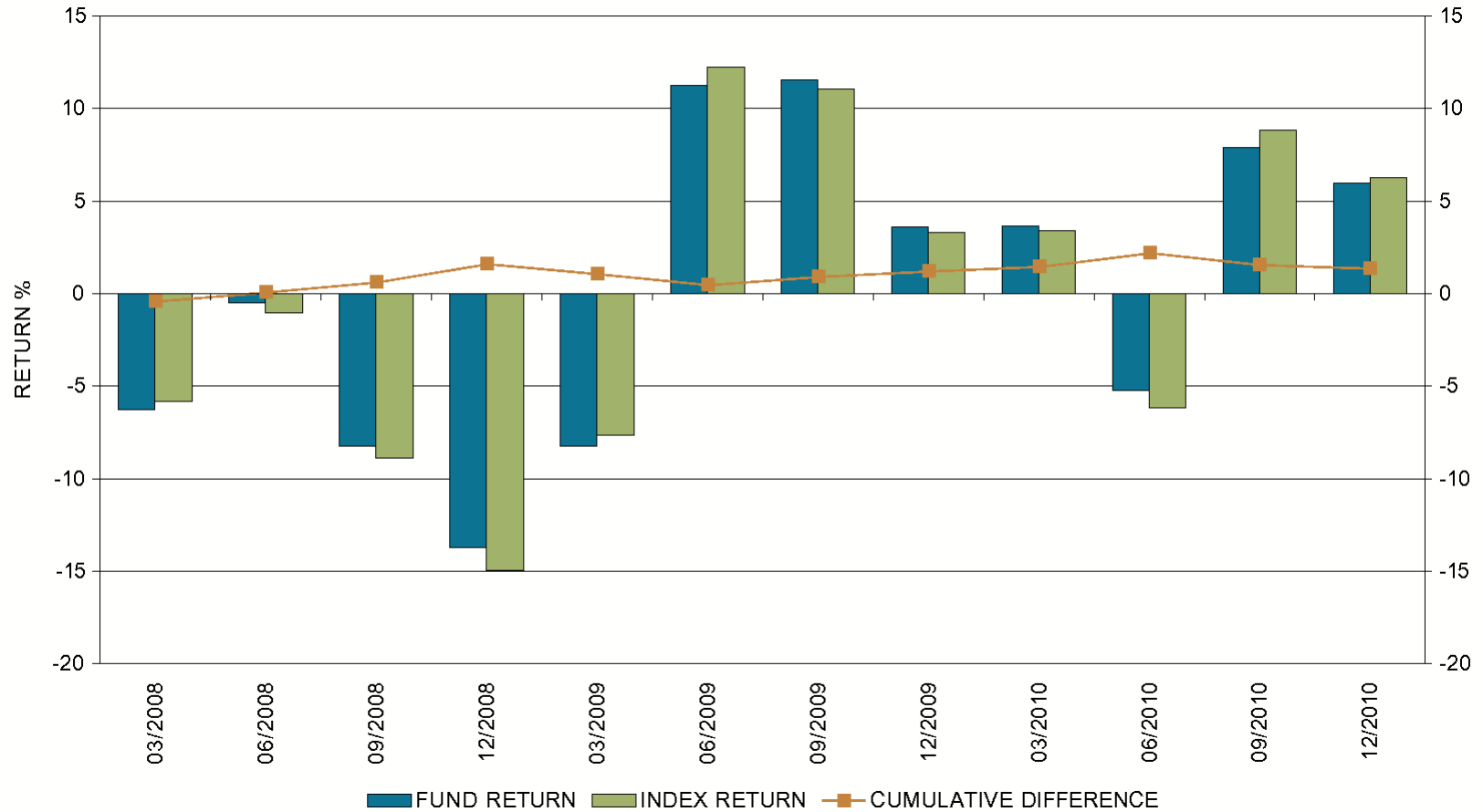
Index: TOTAL PLAN BENCHMARK

PERIODS: December 31, 2007 - December 31, 2010



STATE STREET

## CUMULATIVE PERFORMANCE REPORT



# State of Rhode Island

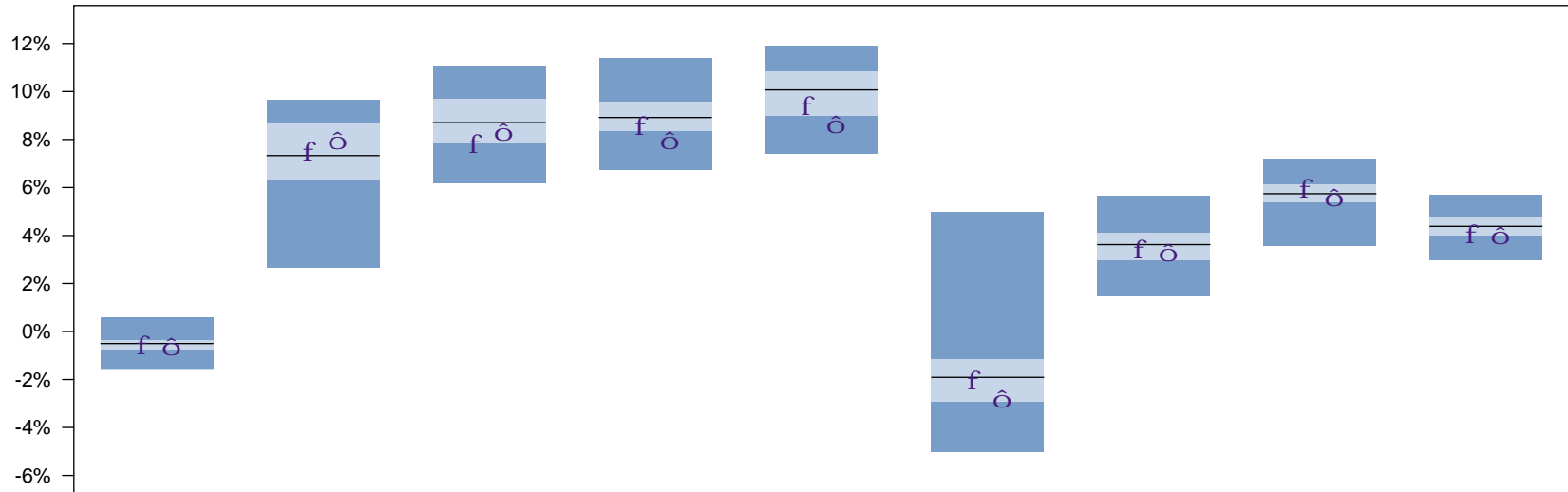
Public Funds (DB) > \$1 Billion (SSC)

PERIOD ENDING November 30, 2010



STATE STREET

## TOTAL RETURN



	1 Month	1 Qtr	2 Qtrs	3 Qtrs	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
5th Percentile	0.58	9.64	11.06	11.37	11.89	4.96	5.67	7.19	5.69
25th Percentile	-0.34	8.68	9.68	9.58	10.85	-1.15	4.13	6.13	4.80
50th Percentile	-0.50	7.33	8.70	8.92	10.07	-1.91	3.62	5.74	4.38
75th Percentile	-0.77	6.31	7.85	8.32	9.00	-2.95	2.98	5.36	3.98
95th Percentile	-1.60	2.64	6.19	6.72	7.42	-5.04	1.49	3.57	2.97
No. of Obs	30	29	28	28	27	27	27	27	26
f TOTAL PLAN	-0.49	7.59	7.89	8.67	9.49	-1.93	3.50	6.04	4.16
o 1 TOTAL PLAN BENCHMARK	-0.53	8.06	8.40	8.05	8.72	-2.71	3.38	5.69	4.12

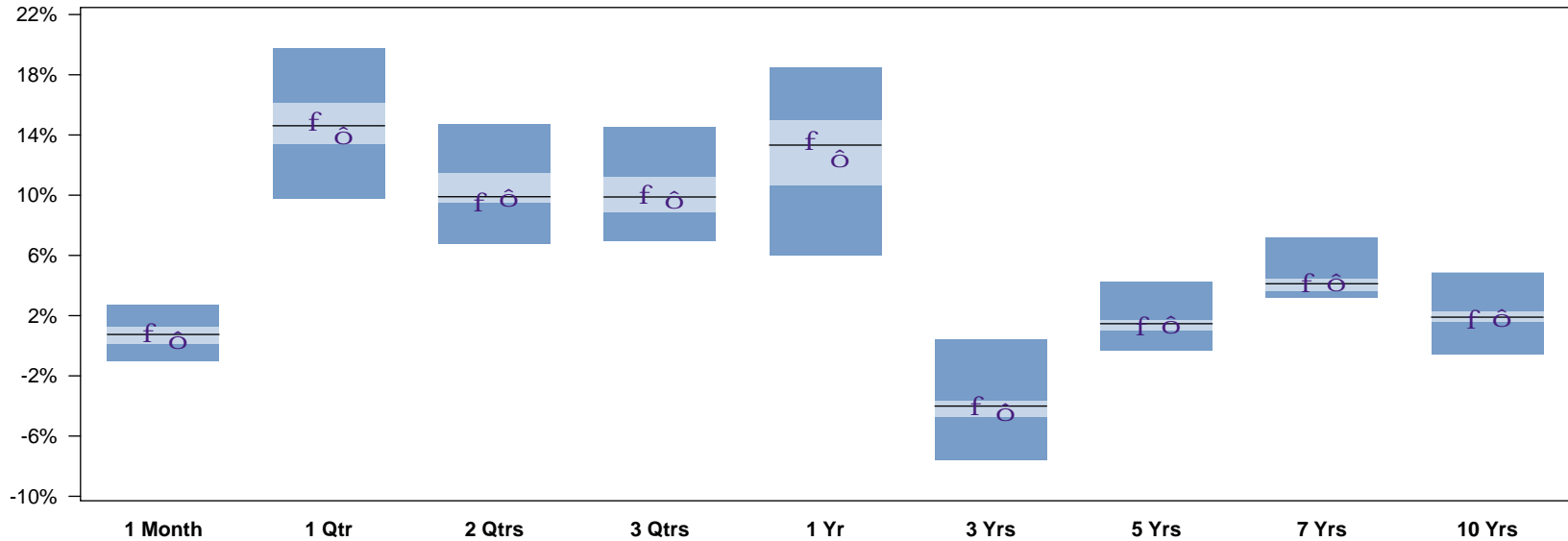
# State of Rhode Island

US EQUITY POOLS PUBLIC GT 1BILL (SSC)  
 PERIOD ENDING November 30, 2010



STATE STREET

## TOTAL RETURN



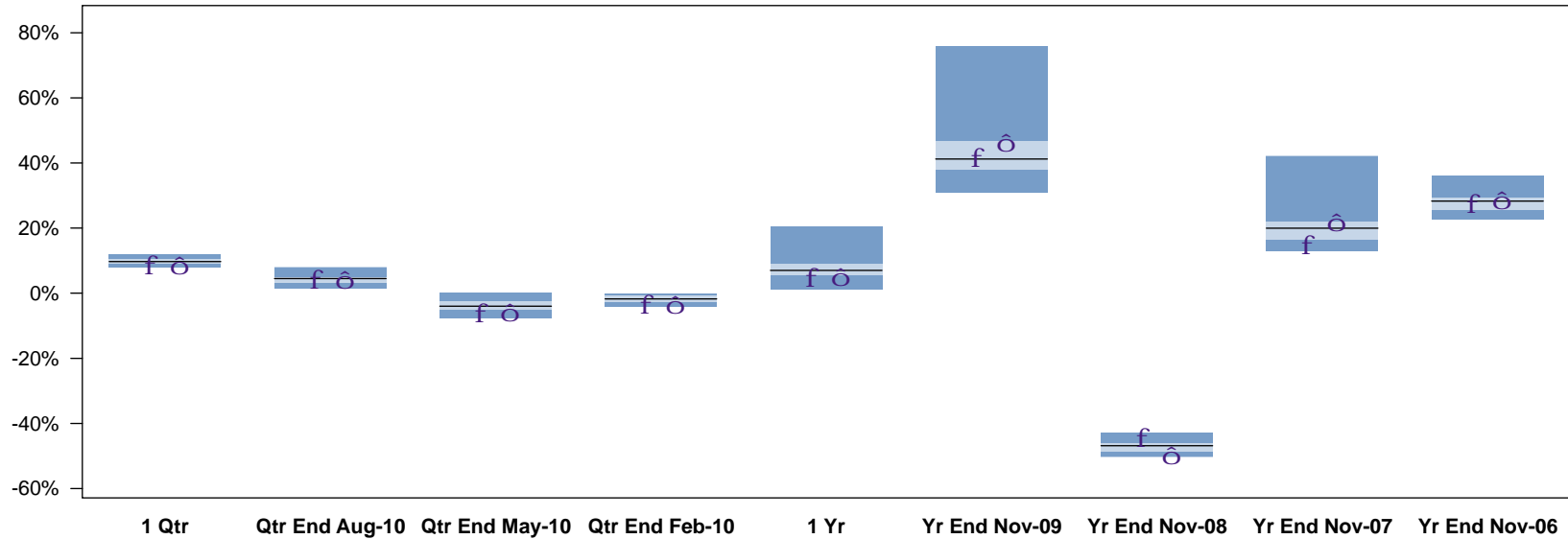
	1 Month		1 Qtr		2 Qtrs		3 Qtrs		1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
5th Percentile	2.73		19.74		14.70		14.49		18.50		0.38		4.24		7.16		4.85	
25th Percentile	1.32		16.11		11.45		11.23		15.03		-3.65		1.72		4.44		2.33	
50th Percentile	0.75		14.61		9.90		9.88		13.33		-4.01		1.46		4.12		1.90	
75th Percentile	0.10		13.40		9.46		8.85		10.63		-4.74		0.98		3.57		1.52	
95th Percentile	-1.01		9.80		6.73		6.98		6.01		-7.57		-0.32		3.17		-0.59	
No. of Obs	27		28		28		27		27		24		24		20		20	
f TOTAL US EQUITY	0.99	36	15.06	32	9.64	66	10.20	36	13.76	43	-3.87	33	1.46	53	4.29	39	1.90	48
o WILSHIRE 5000	0.53	69	14.16	64	9.99	43	9.86	54	12.62	58	-4.26	58	1.57	42	4.38	32	2.00	39

# State of Rhode Island

Intl Equity Pools - Public Funds (DB) (SSC)  
 PERIOD ENDING November 30, 2010



## TOTAL RETURN



	1 Qtr		Qtr End Aug-10		Qtr End May-10		Qtr End Feb-10		1 Yr		Yr End Nov-09		Yr End Nov-08		Yr End Nov-07		Yr End Nov-06	
5th Percentile	11.79		8.00		0.15		-0.31		20.46		75.78		-42.78		42.12		35.99	
25th Percentile	10.46		5.08		-2.37		-0.69		9.20		46.79		-45.86		22.11		29.42	
50th Percentile	9.73		4.50		-3.99		-1.73		7.02		41.22		-46.87		19.97		28.30	
75th Percentile	9.10		3.16		-5.25		-2.90		5.42		37.81		-48.86		16.22		25.55	
95th Percentile	8.10		1.42		-7.71		-4.17		1.11		30.79		-50.28		12.86		22.74	
No. of Obs	42		43		43		43		43		36		36		36		36	
f TOTAL INTERNATIONAL	9.32	68	4.84	33	-5.31	78	-2.89	75	5.40	77	42.18	46	-43.84	15	15.43	79	28.13	54
o MSCI AC WORLD ex US (G	9.36	67	4.75	38	-5.05	67	-2.84	73	5.69	64	47.13	24	-48.95	83	22.54	21	29.25	28

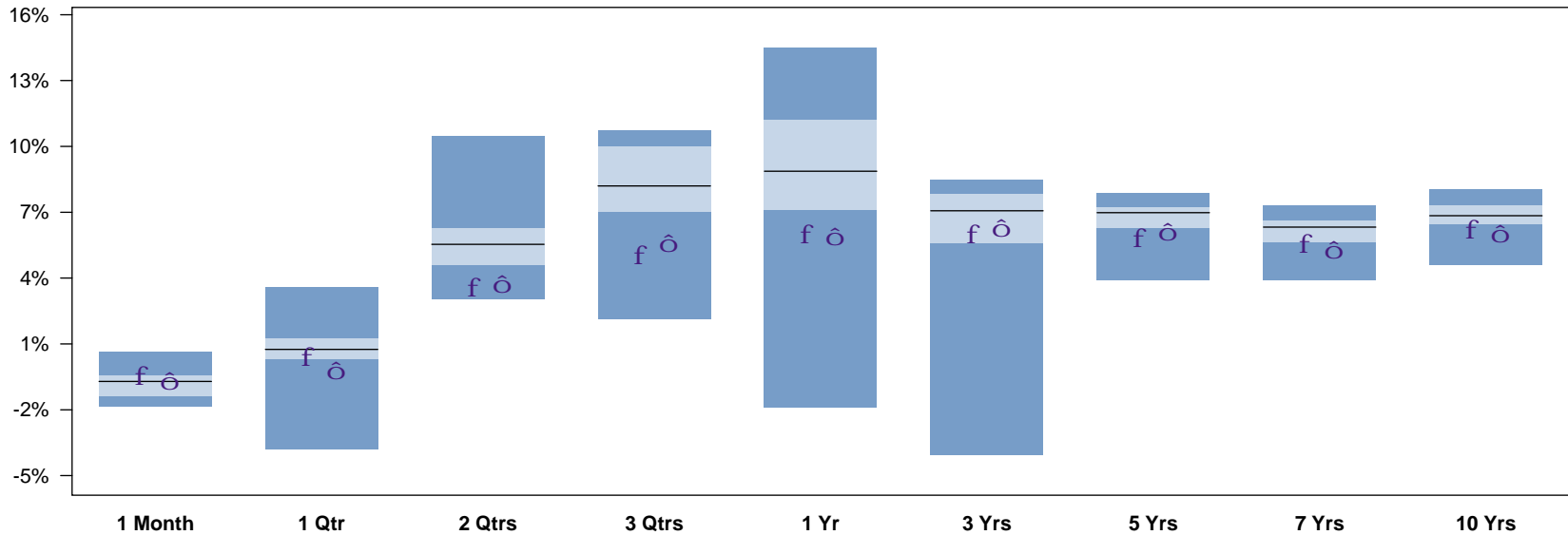
# State of Rhode Island

US FIXED INC POOL PUBLIC GT 1 BILL (SSC)  
 PERIOD ENDING November 30, 2010



STATE STREET

## TOTAL RETURN



	1 Month	1 Qtr	2 Qtrs	3 Qtrs	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
5th Percentile	0.62	3.59	10.48	10.72	14.48	8.49	7.85	7.29	8.06
25th Percentile	-0.44	1.26	6.28	10.01	11.22	7.87	7.24	6.62	7.35
50th Percentile	-0.71	0.75	5.54	8.20	8.87	7.07	6.98	6.32	6.84
75th Percentile	-1.41	0.28	4.56	7.00	7.09	5.59	6.29	5.63	6.45
95th Percentile	-1.86	-3.80	3.04	2.12	-1.88	-4.04	3.91	3.93	4.60
No. of Obs	17	16	17	17	17	14	12	13	12
f TOTAL US FIXED INCOM	-0.34	0.50	3.68	5.13	6.10	6.08	5.94	5.65	6.31
o BC AGGREGATE	-0.57	-0.11	3.85	5.69	6.02	6.39	6.23	5.42	6.15

# State of Rhode Island

TOTAL PLAN

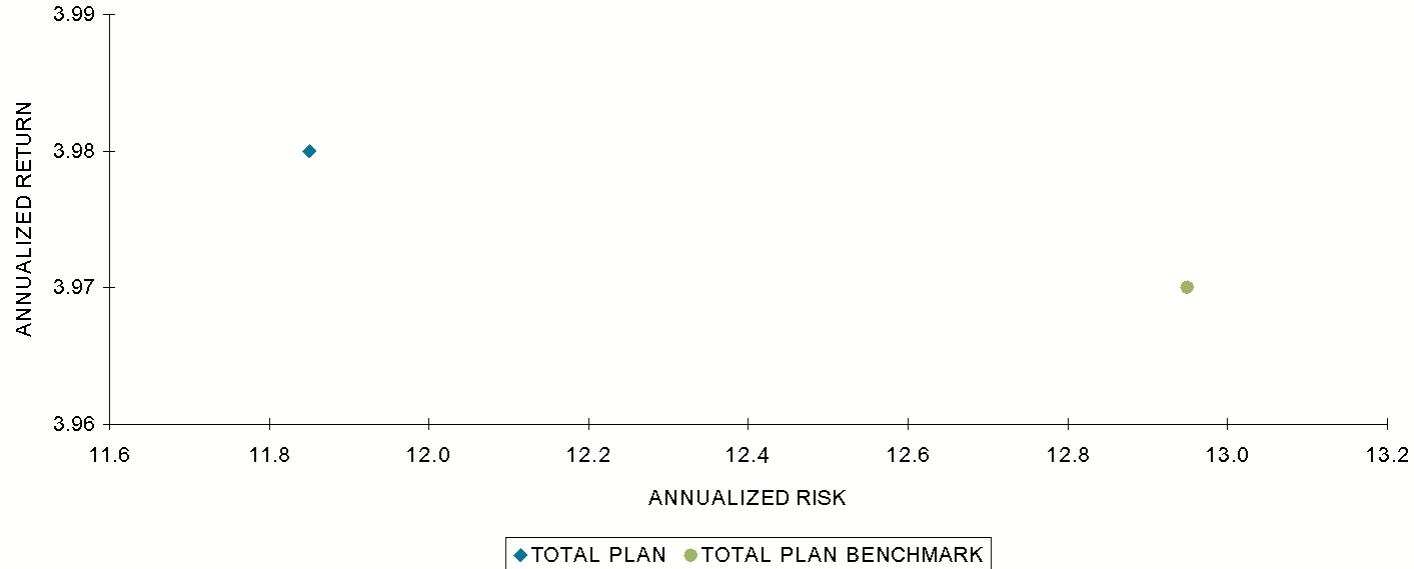
Benchmark: TOTAL PLAN BENCHMARK

December 31, 2005 - December 31, 2010



STATE STREET

## RISK VS. RETURN



### RISK INFORMATION

Portfolio Return	3.98
Benchmark Return	3.97
Return Differences	0.01
Portfolio Standard Deviation	11.85
Benchmark Standard	12.95
Tracking Error	1.87

### RISK STATISTICS

Historic Beta	0.91
R-squared	0.99
Jensen's Alpha	0.15
Sharpe Ratio	0.13
Treynor Ratio	1.71
Information Ratio	0.00

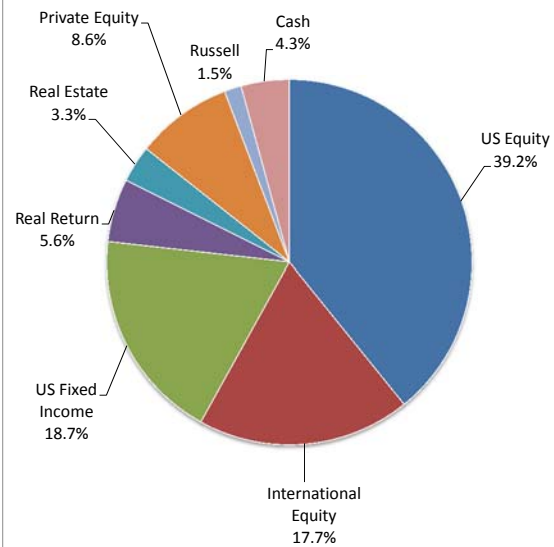
# ASSET ALLOCATION

## State of Rhode Island

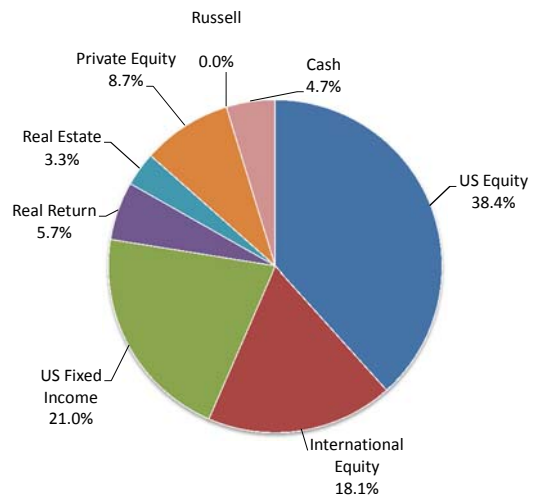
Asset Allocation

12/31/2010

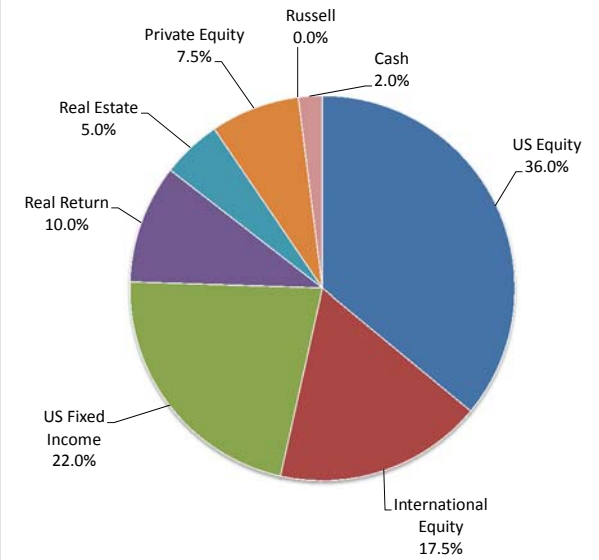
### Physical Allocation



### Notional Allocation



### Policy Allocation



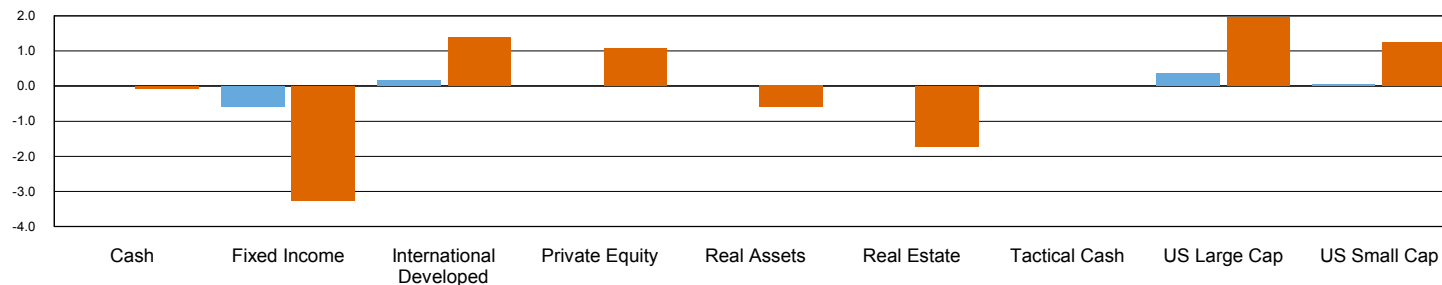
\* Difference in actual investment allocation versus target allocation policy is offset by the notional overlay provided by the Russell Implementation account.



# Asset Summary

<u>Asset Class</u>	<u>Physical Exposure</u>		<u>Synthetic Exposure</u>		<u>Net Position</u>		<u>Overlay Target</u>		<u>Policy Target</u>	
<b>Total Market Value</b>	<b>7,246.1</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>7,246.1</b>	<b>100.0%</b>	<b>7,246.1</b>	<b>100.0%</b>	<b>7,246.1</b>	<b>100.00%</b>
<b>Cash</b>	<b>-5.9</b>	<b>-0.1%</b>	<b>5.8</b>	<b>0.1%</b>	<b>-0.1</b>	<b>0.0%</b>	<b>-0.1</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.00%</b>
Cash	-5.9	-0.1%	5.8	0.1%	-0.1	0.0%	-0.1	0.0%	0.0	0.00%
<b>Equity</b>	<b>4,829.4</b>	<b>66.6%</b>	<b>-244.8</b>	<b>-3.4%</b>	<b>4,584.6</b>	<b>63.3%</b>	<b>4,543.1</b>	<b>62.7%</b>	<b>4,420.1</b>	<b>61.00%</b>
International Developed	1,367.9	18.9%	-73.1	-1.0%	1,294.8	17.9%	1,282.8	17.7%	1,268.1	17.50%
Private Equity	621.4	8.6%	0.0	0.0%	621.4	8.6%	621.4	8.6%	543.5	7.50%
US Small Cap	742.4	10.2%	-79.0	-1.1%	663.4	9.2%	659.7	9.1%	652.1	9.00%
US Large Cap	2,097.7	28.9%	-92.7	-1.3%	2,005.0	27.7%	1,979.2	27.3%	1,956.4	27.00%
<b>Fixed</b>	<b>1,357.9</b>	<b>18.7%</b>	<b>239.1</b>	<b>3.3%</b>	<b>1,597.0</b>	<b>22.0%</b>	<b>1,638.5</b>	<b>22.6%</b>	<b>1,594.1</b>	<b>22.00%</b>
Fixed Income	1,357.9	18.7%	239.1	3.3%	1,597.0	22.0%	1,638.5	22.6%	1,594.1	22.00%
<b>Other</b>	<b>1,064.6</b>	<b>14.7%</b>	<b>0.0</b>	<b>0.0%</b>	<b>1,064.6</b>	<b>14.7%</b>	<b>1,064.6</b>	<b>14.7%</b>	<b>1,231.8</b>	<b>17.00%</b>
Tactical Cash	420.3	5.8%	0.0	0.0%	420.3	5.8%	420.3	5.8%	420.3	5.80%
Real Estate	237.9	3.3%	0.0	0.0%	237.9	3.3%	237.9	3.3%	362.3	5.00%
Real Assets	406.4	5.6%	0.0	0.0%	406.4	5.6%	406.4	5.6%	449.3	6.20%

## Deviations from Target Allocation



## ASSET ALLOCATION REPORT

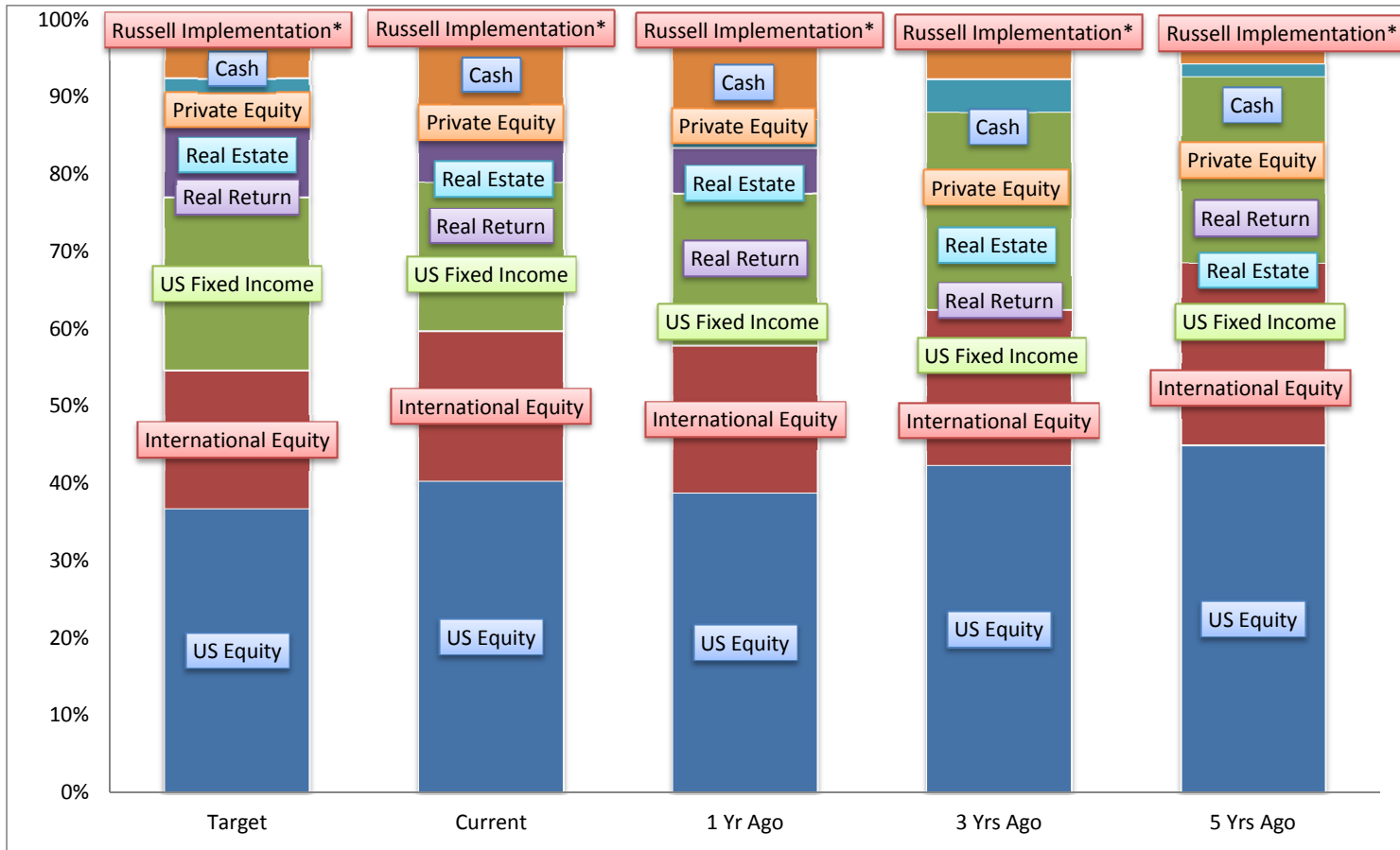
### December 31, 2010

	Style Mandate	Actual (Millions \$)	
<i>Domestic Equity</i>			
SSGA S&P 500 INDEX FUND	Passive	1,935.25	26.69%
WELLINGTON TECHNICAL EQUITY	Passive	161.33	2.22%
SHOTT CAPITAL	Enhanced Equity	2.55	0.04%
RUSSELL 2000 INDEX FUND	Tactical Equity	742.40	10.24%
<b>TOTAL DOMESTIC EQUITY</b>		<b>2,841.53</b>	<b>39.19%</b>
<i>International Equity</i>			
MSCI ACWI EX US INDEX FUND	Passive	1,367.62	18.86%
TAX RECLAIMS	Closed	0.28	0.00%
SSGA TRANSITION ACCOUNT	Closed	0.31	0.00%
<b>TOTAL INT'L EQUITY</b>		<b>1,368.21</b>	<b>18.87%</b>
<i>Domestic Fixed Income</i>			
BROWN BROTHERS HARRIMAN - CORE	Opportunistic Core	359.23	4.95%
PYRAMIS GLOBAL ADVISORS	Mortgages	463.31	6.39%
MACKAY SHIELDS, LLC	High Yield	171.51	2.37%
TAPLIN, CANIDA & HABACHT	Corporates	363.72	5.02%
<b>TOTAL FIXED-INCOME</b>		<b>1,357.76</b>	<b>18.72%</b>
<i>Alternative Investments</i>			
Real Estate	Real Estate	237.01	3.27%
Pacific Corp Group	Private Equity	621.48	8.57%
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>858.48</b>	<b>11.84%</b>
<i>Real Return Pool</i>			
BROWN BROTHERS HARRIMAN - TIPS	TIPS	406.39	5.60%
<b>TOTAL REAL RETURN POOL</b>		<b>406.39</b>	<b>5.60%</b>
<i>Cash</i>			
CASH EQUIVALENTS	STIF, Yield+	33.67	0.46%
FIXED INCOME CASH ACCOUNT	STIF, Yield+	275.81	3.80%
<i>Other</i>			
Russell Implementation Services		109.52	1.51%
<b>TOTAL ASSETS</b>		<b>7,251.37</b>	<b>100.00%</b>

# State of Rhode Island

Historical Asset Allocation

12/31/2010

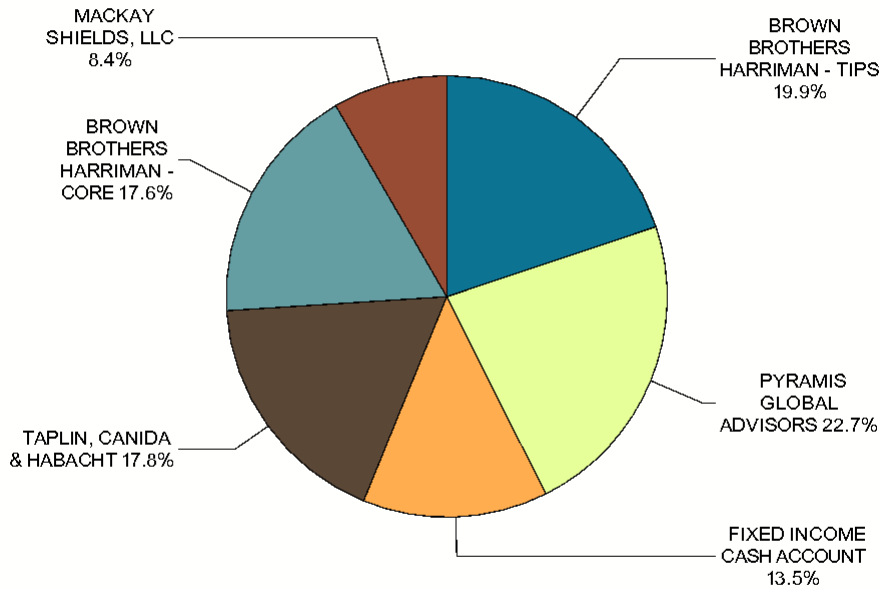


	Target	Current	1 Yr Ago	3 Yrs Ago	5 Yrs Ago
US Equity	36.0%	39.2%	36.6%	42.1%	44.7%
International Equity	17.5%	18.9%	18.1%	20.0%	23.5%
US Fixed Income	22.0%	18.7%	18.5%	25.4%	23.9%
Real Return	10.0%	5.6%	5.6%	0.0%	0.0%
Real Estate	5.0%	3.3%	3.5%	4.3%	1.8%
Private Equity	7.5%	8.6%	9.4%	7.7%	5.6%
Russell Implementation*	0.0%	1.5%	1.4%	0.0%	0.0%
Cash	2.0%	4.3%	6.9%	0.5%	0.6%
<b>Total Plan</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>





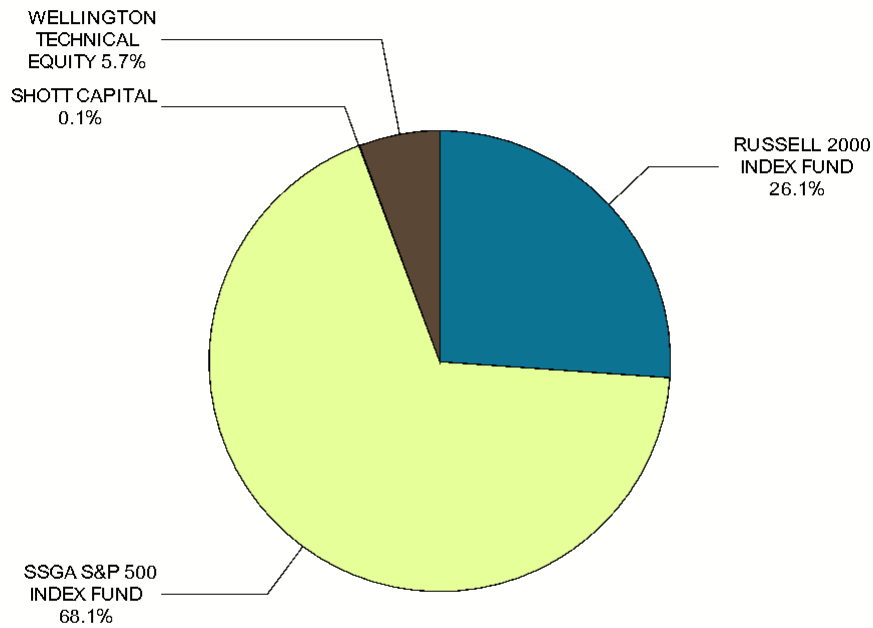
CURRENT MANAGER ALLOCATION



FUND	CURRENT PERIOD	ONE YEAR AGO	ALLOC.
BROWN BROTHERS	406.4	383.4	19.9
PYRAMIS GLOBAL ADVISORS	463.3	432.7	22.7
FIXED INCOME CASH	275.8	451.3	13.5
TAPLIN, CANIDA & HABACHT	363.7	335.6	17.8
BROWN BROTHERS	359.2	337.7	17.6
MACKAY SHIELDS, LLC	171.5	152.3	8.4
TOTAL	2,040.0	2,093.0	100.0

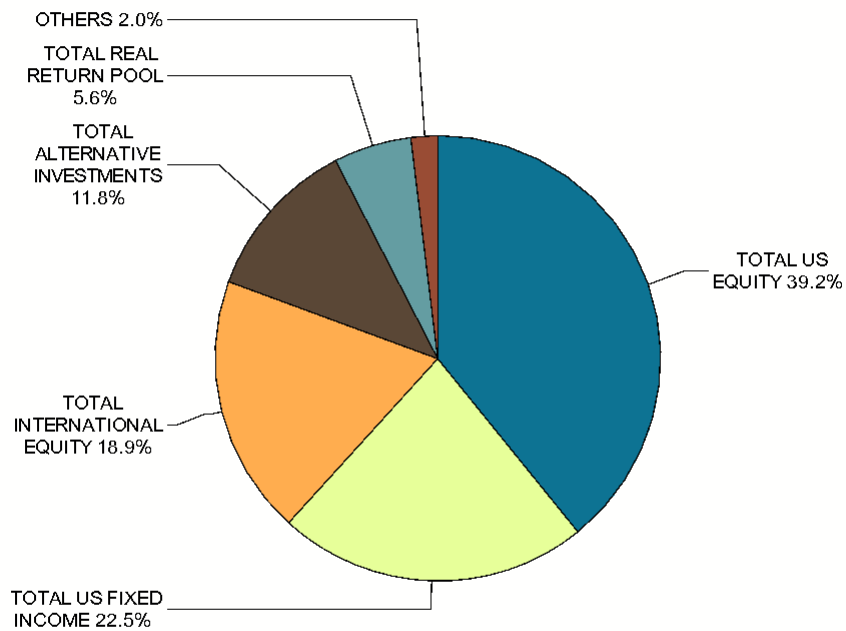


**CURRENT MANAGER ALLOCATION**



FUND	CURRENT PERIOD	ONE YEAR AGO	ALLOC.
RUSSELL 2000 INDEX FUND	742.4	654.9	26.1
SSGA S&P 500 INDEX FUND	1,935.2	1,680.6	68.1
SHOTT CAPITAL	2.5	1.5	0.1
WELLINGTON TECHNICAL	161.3	154.7	5.7
<b>TOTAL</b>	<b>2,841.5</b>	<b>2,491.7</b>	<b>100.0</b>

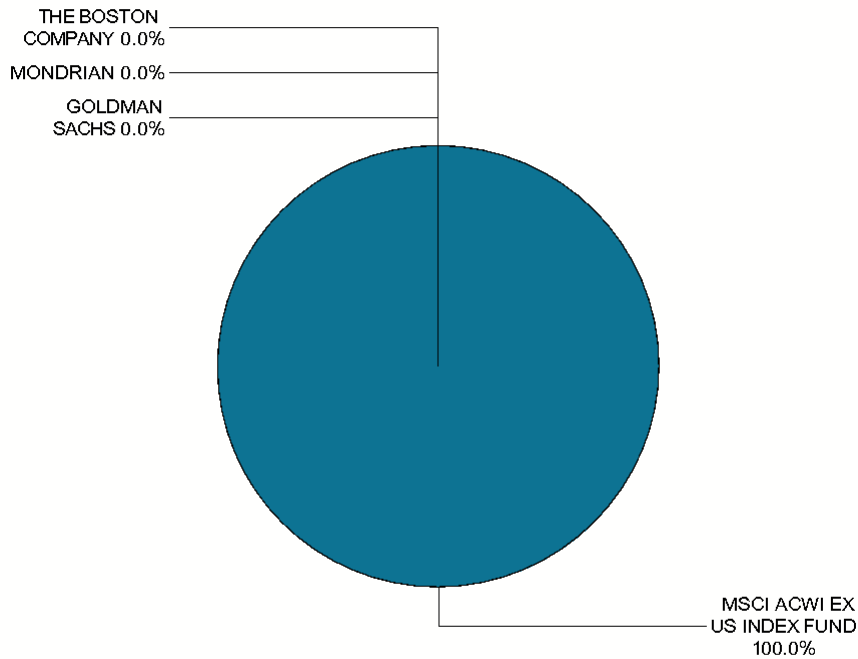
**CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)**



FUND	CURRENT PERIOD
TOTAL US EQUITY	2,841.5
TOTAL US FIXED INCOME	1,633.6
TOTAL INTERNATIONAL EQUITY	1,368.2
TOTAL ALTERNATIVE INVESTMENTS	858.5
TOTAL CASH	33.7
RUSSELL IMPLEMENTATION SERVICES	109.5
TOTAL REAL RETURN POOL	406.4
<b>TOTAL</b>	<b>7,251.4</b>



**CURRENT MANAGER ALLOCATION**



FUND	CURRENT PERIOD	ONE YEAR AGO	ALLOC.
■ MSCI ACWI EX US INDEX	1,367.6	1,229.0	100.0
■ GOLDMAN SACHS	0.1	0.4	0.0
■ MONDRIAN	0.1	0.4	0.0
■ THE BOSTON COMPANY	0.1	0.4	0.0
TOTAL	1,367.9	1,230.2	100.0

# CASH FLOW



CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2011	FY 2010-11											TOTAL	
	Actual July 2010	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2011	Projected February	Projected March	Projected April	Projected May		Projected June
MEMBER BENEFITS	64,786,488	65,481,557	65,315,924	65,166,401	65,107,559	65,068,608	64,740,453	64,876,760	64,656,314	64,567,121	64,560,508	64,475,293	778,802,986
ADMINISTRATIVE EXPENSES	393,312	548,021	590,613	618,987	508,890	492,317	365,869	494,446	750,716	624,882	615,392	866,576	6,870,022
INVESTMENT EXPENSES	1,380,131	2,706	360,147	343,219	464,523	886,459	1,108,357	159,865	234,516	376,620	378,219	352,246	6,047,008
TOTAL OUTFLOW	66,559,931	66,032,284	66,266,684	66,128,608	66,080,973	66,447,384	66,214,679	65,531,071	65,641,546	65,568,623	65,554,119	65,694,115	791,720,016
CONTRIBUTIONS	36,468,984	42,272,364	26,277,602	55,664,547	35,150,605	40,872,116	55,724,324	38,389,409	38,842,643	43,857,442	20,000,348	36,811,095	470,331,479
OTHER INCOME*	1,128,429	5,823,900	2,312,189	3,673,433	3,646,844	7,980,238	712,073	1,400,191	5,187,461	3,439,255	1,361,324	7,740,460	44,405,798
TOTAL INCOME	37,597,413	48,096,264	28,589,791	59,337,980	38,797,449	48,852,354	56,436,397	39,789,600	44,030,104	47,296,697	21,361,672	44,551,555	514,737,277
DIFFERENCE	(28,962,518)	(17,936,020)	(37,676,893)	(6,790,627)	(27,283,524)	(17,595,030)	(9,778,282)	(25,741,471)	(21,611,442)	(18,271,926)	(44,192,447)	(21,142,560)	(276,982,739)

Municipal Employees Retirement System

	Actual July 2010	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	5,759,121	5,970,389	5,961,434	5,986,138	6,028,530	6,024,441	5,628,244	5,741,454	5,676,550	5,696,530	5,747,541	5,766,674	69,987,046
ADMINISTRATIVE EXPENSES	72,431	100,922	109,616	114,883	94,718	91,633	65,615	89,051	135,206	113,371	111,649	159,026	1,258,120
INVESTMENT EXPENSES	254,162	498	66,843	63,701	86,460	164,993	198,773	28,792	42,237	68,329	68,619	64,641	1,108,047
TOTAL OUTFLOW	6,085,714	6,071,810	6,137,893	6,164,722	6,209,708	6,281,067	5,892,631	5,859,297	5,853,993	5,878,230	5,927,809	5,990,340	72,353,213
CONTRIBUTIONS	4,157,420	4,226,982	3,779,357	3,955,928	4,286,411	4,770,013	5,113,953	6,276,047	6,226,961	4,556,660	4,271,452	7,021,682	58,642,866
OTHER INCOME*	207,809	1,072,515	429,137	681,781	678,772	1,485,328	127,703	252,178	934,273	623,975	246,982	1,420,455	8,160,908
TOTAL INCOME	4,365,229	5,299,497	4,208,494	4,637,709	4,965,183	6,255,341	5,241,656	6,528,225	7,161,234	5,180,635	4,518,434	8,442,137	66,803,774
DIFFERENCE	(1,720,485)	(772,313)	(1,929,399)	(1,527,013)	(1,244,525)	(25,726)	(650,975)	668,928	1,307,242	(697,595)	(1,409,375)	2,451,797	(5,549,439)

CASH FLOW ANALYSIS - INCOME & EXPENSES

Judges/State Police Retirement System

	Actual July 2010	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	115,057	113,835	125,801	123,501	123,501	123,501	108,032	108,076	108,054	108,054	108,054	108,054	1,373,520
ADMINISTRATIVE EXPENSES	6,471	9,016	9,907	10,383	8,694	8,411	5,624	7,736	11,745	9,954	9,803	14,075	111,819
INVESTMENT EXPENSES	22,706	45	6,041	5,757	7,936	15,144	17,038	2,501	3,669	5,999	6,025	5,721	98,582
TOTAL OUTFLOW	144,233	122,896	141,749	139,641	140,131	147,056	130,693	118,313	123,468	124,007	123,881	127,851	1,583,920
CONTRIBUTIONS	370,000	390,000	375,000	705,000	424,000	425,000	467,000	445,000	462,000	528,000	65,000	760,000	5,416,000
OTHER INCOME*	18,565	95,814	38,784	61,618	62,303	136,335	10,946	21,907	81,161	54,785	21,685	125,725	729,627
TOTAL INCOME	388,565	485,814	413,784	766,618	486,303	561,335	477,946	466,907	543,161	582,785	86,685	885,725	6,145,627
DIFFERENCE	244,332	362,918	272,035	626,977	346,172	414,279	347,253	348,594	419,692	458,778	(37,196)	757,875	4,561,707

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

FISCAL YEAR 2011

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 10	Actual Aug	Actual Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 11	Projected Feb 11	Projected Mar 11	Projected Apr 11	Projected May 11	Projected June 11	Projected TOTAL
<b>EQUITIES</b>													
SSgA Russell 1000/S&P :ZU14			37,365			7,127			31,075			100,000	175,567
SSGA Russell 2000 ZU06			30,227			30,801			33,387			17,388	
Shott Capital ZU49			264			5			460			2,718	3,446
Wellington Tech Eq ZU04			<u>315,297</u>			<u>350,000</u>			<u>340,655</u>			<u>350,000</u>	1,355,952
			383,153			387,933			405,577			470,106	1,534,966
<b>FIXED INCOME</b>													
Brown Bros. ZU44			166,174			107,338			159,463			152,252	585,228
Fidelity ZU46			152,798			145,993			147,583			140,949	587,323
Taplin ZU84			228,218			210,205			214,524			179,763	832,711
Mackay Shields ZU59			175,084			161,036			167,506			147,848	651,474
Brown Bros. TIPS ZU69			<u>114,026</u>			<u>158,453</u>			<u>108,601</u>			<u>113,544</u>	<u>494,624</u>
			836,300			783,025			797,678			734,357	3,151,360
<b>INT'L EQUITIES</b>													
The Boston Co ZU77			0			0			0			0	0
Mondrian ZU67			0			0			0			0	0
Goldman Sachs Asset Mgt ZU25			0			0			0			0	0
SSgA MSCI ACWI ZU08			<u>151,078</u>			<u>149,875</u>			<u>149,217</u>			<u>150,000</u>	<u>600,170</u>
	0		151,078	0		149,875			149,217			150,000	600,170
<b>REAL ESTATE</b>													
L & B Real Estate ZU79	135,186	0	86,931	127,607	357,152	979,695	1,173,526	0	243,230	150,642	385,731	86,250	3,725,951
<b>ALTERNATIVE INVESTMENTS</b>													
Other Alt Inv Mgmt Fee.ZU32	1,521,813	3,248	346,100	285,070	201,766	86,901	150,640	191,158	195,052	300,306	67,133	336,359	3,685,547
<b>SUB TOTAL-INV MGMT FEES</b>													
	1,656,999	3,248	1,803,562	412,677	558,919	2,387,429	1,324,167	191,158	1,790,754	450,948	452,864	1,777,072	12,697,994
<b>PROFESSIONAL FEES</b>													
Legal	11,405	1,415	1,350	1,013	639	828	6,000	2,933	729	731	12,273	2,453	41,767
St St Bank Custodial	62,022	61,219	62,196	63,000	63,000	63,000	63,723	63,896	61,083	63,189	62,639	62,000	750,968
Pacific Corp Group ZU76	84,375	84,375	0	0	84,375	0	0	87,500	0	84,375	0	93,750	434,375
PCA/Wilshshire/Russell	29,792	13,125	74,629	13,125	13,125	13,125	13,125	13,125	93,129	13,125	13,125	13,125	315,678
Townsend	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	<u>142,500</u>
	103,220	160,134	173,801	77,138	161,139	112,578	82,848	167,453	190,565	161,421	88,037	206,954	1,685,288
<b>OPERATING EXPENSE</b>													
Retirement Transfers	264,911	439,143	641,931	665,657	385,417	467,833	388,964	501,148	524,808	647,610	392,246	827,323	6,146,991
Other Expense	12,500	0	5,700	0	0	11,950	5,400	0	11,650	0	6,250	5,400	58,850
	277,411	439,143	647,631	665,657	385,417	479,783	394,364	501,148	536,458	647,610	398,496	832,723	6,205,841
<b>TOTAL:</b>	2,037,629	602,525	2,624,994	1,155,472	1,105,475	2,979,789	1,801,380	859,760	2,517,778	1,259,979	939,396	2,816,748	20,589,123

Note: Numbers in bold are actual.

State of Rhode Island Alternative Investments Unfunded Commitment  
December 2010

<u>Partnership Investment</u>	<u>Total Commitment</u>	<u>ERSRI Remaining Commitment</u>
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 1,500,000.00
Alta Partners VIII	\$ 15,000,000.00	\$ 5,250,000.00
Aurora Equity Partners II**	\$ 15,000,000.00	\$ -
Aurora Equity Partners III**	\$ 15,000,000.00	\$ 835,850.00
Avenue Special Situations Fund 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	\$ 12,812,500.00
Birch Hill Equity Partners III*	\$ 18,036,000.00	\$ 893,641.17
Castile III	\$ 5,000,000.00	\$ 1,375,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,085,947.28
Charterhouse Capital Partners VIII*	\$ 20,076,000.00	\$ 3,937,478.38
Coller International Capital IV**	\$ 15,000,000.00	\$ 2,100,000.00
Coller International Capital V	\$ 15,000,000.00	\$ 5,100,000.00
Constellation III	\$ 15,000,000.00	\$ 7,317,632.84
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.05
CVC European Equity Partners IV*	\$ 22,083,600.00	\$ 2,816,218.24
CVC 5	\$ 26,768,000.00	\$ 14,184,565.50
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 182,176.02
Fenway III	\$ 15,000,000.00	\$ 2,598,062.00
First Reserve Fund X	\$ 20,000,000.00	\$ 1.00
First Reserve Fund XI	\$ 20,000,000.00	\$ 4,377,941.00
Focus Ventures III	\$ 15,000,000.00	\$ 675,000.00
Granite Global Ventures II	\$ 15,000,000.00	\$ 675,000.00
Granite Global Ventures III	\$ 15,000,000.00	\$ 3,000,000.00
Green Equity Investors V	\$ 20,000,000.00	\$ 9,405,283.78
Harvest Partners III	\$ 15,000,000.00	\$ 357,288.61
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 1,312,078.00
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 5,550,000.00
Leapfrog Ventures II	\$ 10,000,000.00	\$ 1,485,000.00
Leeds Weld Equity Partners IV	\$ 10,000,000.00	\$ 114,277.47
Lighthouse Capital Partners V	\$ 11,250,000.00	\$ 787,500.00
Lighthouse Capital Partners VI	\$ 15,000,000.00	\$ 2,475,000.00
LNK Partners	\$ 12,500,000.00	\$ 3,357,293.99
Matlin Patterson Glob. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ -
MHR Institutional Partners III	\$ 20,000,000.00	\$ 5,877,953.00
Nautic Partners V	\$ 20,000,000.00	\$ 659,283.90
Nautic Partners VI	\$ 20,000,000.00	\$ 8,601,381.62
Nordic Capital Fund III*	\$ 11,920,000.00	\$ 194,308.66
Nordic Capital Fund V*	\$ 19,561,452.12	\$ -
Nordic Capital Fund VI*	\$ 20,076,000.00	\$ 937,256.08
Nordic VII	\$ 20,076,000.00	\$ 10,916,410.97

State of Rhode Island Alternative Investments Unfunded Commitment  
December 2010

OCM Opportunities Fund II	\$	12,000,000.00	\$	-
Palladin III	\$	10,000,000.00	\$	4,898,223.99
Parthenon Investors	\$	15,000,000.00	\$	-
Parthenon Investors II	\$	20,000,000.00	\$	1,953,022.00
Perseus VII	\$	15,000,000.00	\$	3,092,906.00
Point 406	\$	10,000,000.00	\$	3,579,999.84
Point Judith II	\$	5,000,000.00	\$	1,789,974.93
Providence Equity Partners III	\$	15,000,000.00	\$	1,938,955.51
Providence Equity Partners IV	\$	25,000,000.00	\$	1,893,462.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,225,717.00
Providence Equity Partners VI	\$	25,000,000.00	\$	7,144,071.00
SKM Equity Fund II**	\$	10,000,000.00	\$	1,735,947.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	1,387,500.00
Thomas McNerney & Partners 2	\$	15,000,000.00	\$	6,562,500.00
TPG Partners II	\$	10,000,000.00	\$	308,515.00
TPG Partners IV	\$	15,000,000.00	\$	1,080,897.00
TPG Partners V	\$	20,000,000.00	\$	3,010,431.00
TPG VI	\$	10,000,000.00	\$	6,525,618.00
Trilantic IV	\$	11,098,351.00	\$	4,403,667.53
VS&A Communication Partners III	\$	15,000,000.00	\$	-
W Capital Partners	\$	15,000,000.00	\$	880,500.00
W Capital Partners II	\$	15,000,000.00	\$	5,309,550.00
Washington & Congress Capital Partners**	\$	15,000,000.00	\$	305,637.24
Wellspring Capital Partners III	\$	20,000,000.00	\$	88,978.00
Wellspring Capital Partners IV	\$	20,000,000.00	\$	2,298,440.00
WLR	\$	8,000,000.00	\$	3,447,950.00
<b>Total Alternative Investments</b>	\$	<b>1,088,445,403.12</b>	\$	<b>189,509,758.59</b>

\*transactions occur in foreign currence

\*\* fees NOT affecting unfunded commitment

State of Rhode Island Real Estate Investment Unfunded Commitment  
December 2010

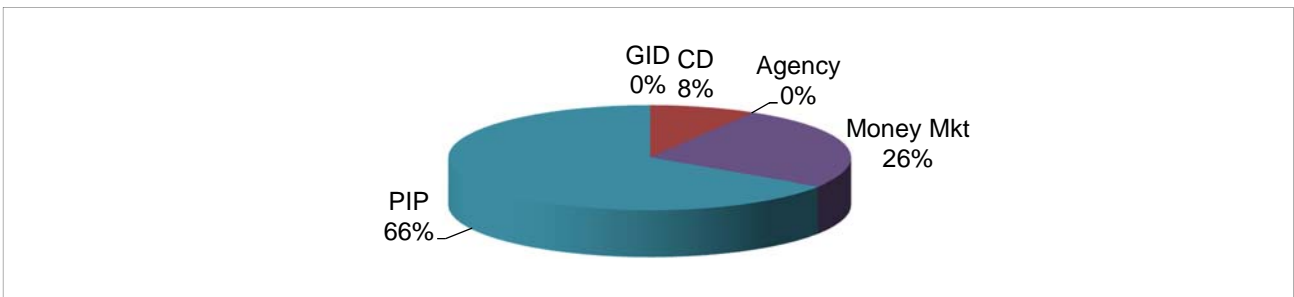
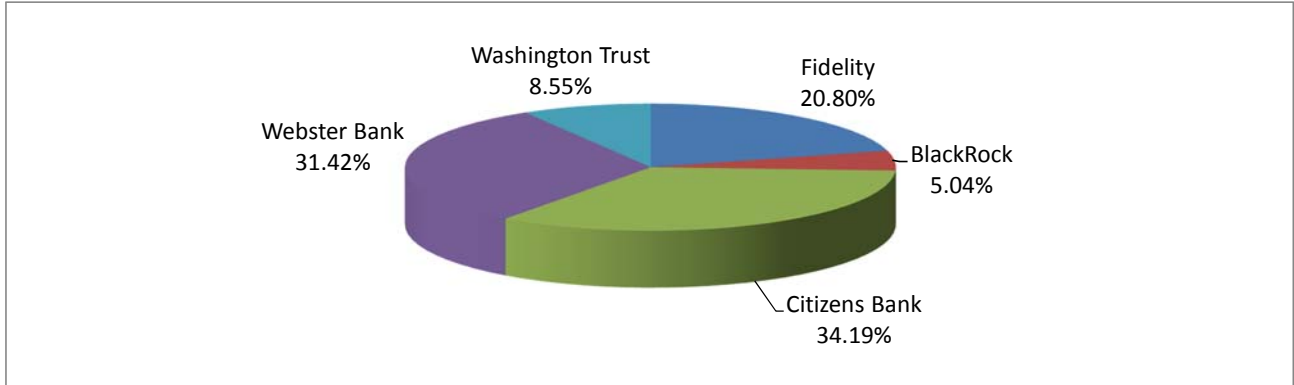
<u>Real Estate Partnership Investment</u>	<u>ERSRI Remaining</u> <u>Commitment</u>	
AEW	\$ 35,000,000.00	\$ 10,856,481.73
Fillmore East Fund I	\$ 10,000,000.00	\$ 0.08
Fremont Strategic Property Partners II	\$ 15,000,000.00	\$ 1,873,108.00
GMAC Commerical Realty Partners II	\$ 15,000,000.00	\$ 2,155,117.00
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
Magna Hotel	\$ 4,000,000.00	\$ 2,709,898.00
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	\$ -
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	\$ 428,467.00
Walton Street Real Estate Fund V	\$ 20,000,000.00	\$ -
Westbrook Real Estate Fund VI***	\$ 15,000,000.00	\$ 79,399.00
Westbrook Real Estate Fund VII	\$ 15,000,000.00	\$ 1,500,000.00
***-adjusted to reflect required reserve amount		
	\$ 389,000,000.00	\$ 20,000,408.38

# SHORT TERM INVESTMENTS

RI SIC GUIDELINE COMPLIANCE REPORT

INVESTMENTS AS OF:

December 31, 2010



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

Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	GID	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	
Bank RI	0	0	0	0	0	0	0	0
Sovereign Bank	0	0	0	0	0	0	0	0
JP Morgan Chase	0	0	0	0	0	0	0	0
Federated Investors	0	0	0	0	0	0	0	0
Fidelity	0	0	0	60,899,857	0	0	0	60,899,857
BlackRock	0	0	0	14,761,135	0	0	0	14,761,135
Wells Fargo	0	0	0	0	0	0	0	0
Citizens Bank	0	0	0	0	100,086,977	0	0	100,086,977
Webster Bank	0	0	0	0	91,982,867	0	0	91,982,867
Oppenheimer Inc	0	0	0	0	0	0	0	0
Washington Trust	0	25,034,493	0	0	0	0	0	25,034,493
<b>TOTALS</b>	-	<b>25,034,492.77</b>	-	<b>75,660,991.89</b>	<b>192,069,844.01</b>	-	-	<b>292,765,329</b>
<b>(%) PORTFOLIO</b>	<b>0.00%</b>	<b>8.55%</b>	<b>0.00%</b>	<b>25.84%</b>	<b>65.61%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>

Note: PIP + CD must be under 75%.

Actual PIP + CD: **74.16%**

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

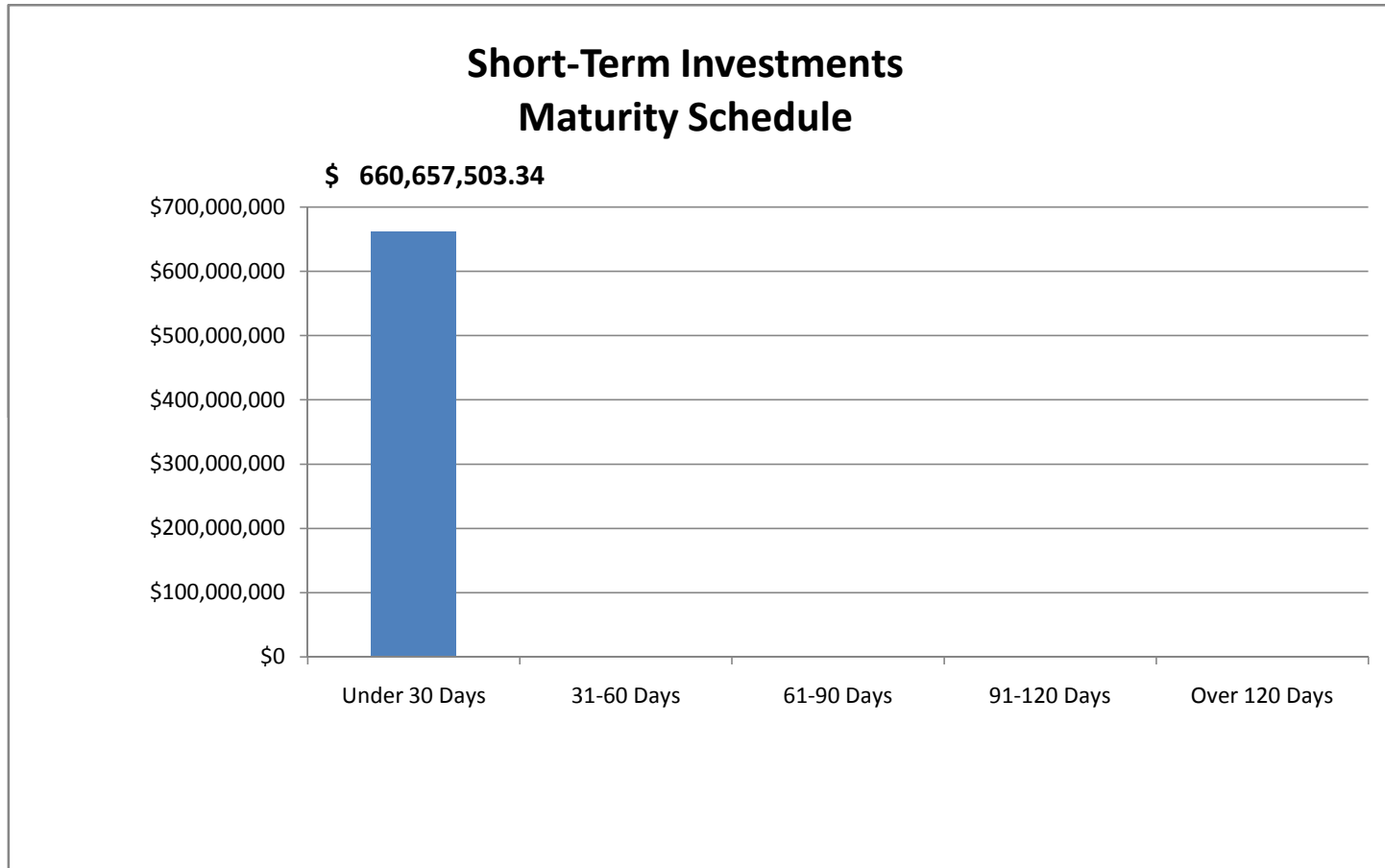


**State of Rhode Island**  
**Short Term Cash Monthly Performance**  
**Performance for**

**December 01, 2010 to December 31, 2010**

<b>Fund Name</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Average Daily Balance</b>	<b>Earnings</b>	<b>Yield(Annual)</b>
GENERAL FUND	\$ 38,506,223.91	\$ 8,123,170.46	\$ 57,823,721.70	\$ 18,931.67	0.3855%
H.A.V.A	\$ 293.97	\$ 294.01	\$ 293.97	\$ 0.04	0.1602%
GENERAL FUND (HIST PRES)	\$ 535,519.07	\$ 535,582.75	\$ 535,519.07	\$ 63.68	0.1400%
HIGHWAY FUND	\$ 16,550,050.99	\$ 10,352,124.71	\$ 9,730,696.16	\$ 2,073.72	0.2509%
T.D.I. RESERVE (DET)	\$ 97,166,148.99	\$ 82,781,999.17	\$ 88,343,568.34	\$ 15,850.18	0.2112%
EMPLOYER PENSION CONTRIBUTION	\$ 2,445.59	\$ 2,445.67	\$ 2,445.59	\$ 0.08	0.0385%
RICAP GL FUND 21	\$ 117,935,086.03	\$ 110,342,740.84	\$ 113,741,537.64	\$ 7,654.81	0.0792%
BOND CAPITAL FUND	\$ 9,905,419.68	\$ 7,238.85	\$ 5,857,032.58	\$ 1,819.17	0.3657%
R.I. CLEAN WATER ACT	\$ 1,004,337.81	\$ 1,004,457.23	\$ 1,004,337.81	\$ 119.42	0.1400%
STATE LOTTERY FUND	\$ 37,682,566.56	\$ 39,041,007.90	\$ 33,229,340.76	\$ 8,441.34	0.2991%
ASSESSED FRINGE BEN ADM	\$ 2,505,179.26	\$ 2,705,435.71	\$ 2,156,792.16	\$ 256.45	0.1400%
AUTO EQUIPMENT SERVICE	\$ 155,844.55	\$ 155,863.08	\$ 155,844.55	\$ 18.53	0.1400%
HEALTH INSURANCE FUND	\$ 17,609,322.95	\$ 15,810,578.88	\$ 15,383,516.50	\$ 1,255.93	0.0961%
FLEET REVOLVING LOAN FUND	\$ 70,148.46	\$ 70,156.90	\$ 70,148.46	\$ 8.44	0.1417%
EMPLOYEES RETIREMENT	\$ 504,009.89	\$ 106,493.70	\$ 21,055,622.79	\$ 2,483.81	0.1389%
MUNICIPAL EMPLOYEES RET.	\$ 161,602.24	\$ 261,888.79	\$ 2,293,860.30	\$ 286.55	0.1471%
RETIREE HEALTH FUND	\$ 9,510,736.77	\$ 10,211,940.89	\$ 10,126,865.80	\$ 1,204.12	0.1400%
BOG RETIREE FUND	\$ 760,989.84	\$ 1,761,153.20	\$ 1,373,893.07	\$ 163.36	0.1400%
RIPTA HEALTH FUND	\$ 1,657,254.37	\$ 1,957,497.07	\$ 2,041,125.34	\$ 242.70	0.1400%
PERMANENT SCHOOL FUND	\$ 1,428,713.16	\$ 1,428,883.04	\$ 1,428,713.16	\$ 169.88	0.1400%
TEACHER RETIREE HEALTH FUND	\$ 2,856,780.78	\$ 2,557,103.20	\$ 2,711,619.49	\$ 322.42	0.1400%
UNIVERSITY COLLEGE	\$ 419,588.56	\$ 609.52	\$ 176,298.24	\$ 20.96	0.1400%
HIGHER EDUCATION	\$ 1,604,263.57	\$ 404,320.84	\$ 481,682.92	\$ 57.27	0.1400%
INDUS. BLDG. & MTG. INS.	\$ 3,141,968.67	\$ 3,142,342.26	\$ 3,141,968.67	\$ 373.59	0.1400%
<b>Operating Funds Totals</b>	<b>\$ 361,674,495.67</b>	<b>\$ 292,765,328.67</b>	<b>\$ 372,866,445.07</b>	<b>\$ 61,818.12</b>	<b>0.195%</b>
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	
CCDL1993A	\$ 7,385.77	\$ 7,385.43	\$ 7,385.45	\$ 0.18	0.0287%
BOND CCDL 1994 SERIES A	\$ 15,001.05	\$ 15,000.38	\$ 15,000.41	\$ 0.38	0.0298%
BOND CCBL96A	\$ -	\$ -	\$ -	\$ -	
CAP DEV OF 1997 SERIES A	\$ 41,014.93	\$ 41,013.37	\$ 41,013.34	\$ 1.03	0.0296%
CCDL1998A	\$ 1,695,952.28	\$ 1,695,875.91	\$ 1,695,879.45	\$ 42.45	0.0295%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	
MMG099 1999	\$ -	\$ -	\$ -	\$ -	
BOND CAPITOL CCDL2000A	\$ 102,391.33	\$ 102,386.72	\$ 102,386.94	\$ 2.56	0.0294%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	
CCDL2001C	\$ 201,343.55	\$ 201,331.91	\$ 201,333.33	\$ 5.04	0.0295%
CCDL2002B	\$ 1,431.05	\$ 1,426.22	\$ 1,428.07	\$ 0.04	0.0330%
CCDL 2004 SERIES A	\$ 3,084,566.92	\$ 3,084,419.49	\$ 3,084,429.24	\$ 77.21	0.0295%
BOND CCDL 2005 SERIES C	\$ 11,433,121.82	\$ 11,429,973.33	\$ 11,430,597.38	\$ 286.13	0.0295%
BOND CCDL 2005 SERIES E	\$ 903,795.40	\$ 903,749.30	\$ 903,752.43	\$ 22.62	0.0295%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	
BOND CCDL 2006 SERIES C	\$ 9,871,546.29	\$ 9,865,368.28	\$ 9,866,683.27	\$ 246.98	0.0295%
GO BND-NTAX 2007 SERIES A	\$ 6,191,356.31	\$ 5,817,620.32	\$ 5,901,970.00	\$ 147.70	0.0295%
GO BND-TAX 2007 SERIES B	\$ 0.11	\$ -	\$ -	\$ -	0.0000%
GO BND-NTAX 2008 SERIES B	\$ 9,257,188.64	\$ 8,454,171.24	\$ 8,635,445.99	\$ 216.09	0.0295%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	
CCDL10B BOND CAPITAL COMPONENT	\$ 29,426,784.31	\$ 28,854,636.45	\$ 28,983,613.02	\$ 725.46	0.0295%
CCDL10C	\$ 33,260,796.72	\$ 30,849,535.87	\$ 31,237,791.62	\$ 783.69	0.0295%
CCDL10D	\$ 11,428,811.90	\$ 11,428,298.40	\$ 11,428,321.84	\$ 286.07	0.0295%
CLEAN WATER CCDL 1998B	\$ -	\$ -	\$ -	\$ -	
CLEAN WATER CCDL 1994 (A)	\$ 12,367.09	\$ 12,366.54	\$ 12,366.56	\$ 0.31	0.0295%
CAP DEV. OF 1997 SERIES A	\$ 22,729.72	\$ 22,728.70	\$ 22,728.75	\$ 0.57	0.0295%
CLEAN WATER CCDL 2002 B	\$ -	\$ -	\$ -	\$ -	
CLEAN WATER 2004 SERIES A	\$ 409,712.77	\$ 409,694.34	\$ 409,695.19	\$ 10.26	0.0295%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	
CCDL99A 1999A	\$ 233,226.47	\$ 233,215.97	\$ -	\$ 5.84	0.0295%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	
CLEAN WATER 2007 SERIES A	\$ 283,271.90	\$ 283,259.15	\$ -	\$ 7.09	0.0295%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	
CCDL10B CLEAN WATER COMPONENT	\$ 54,395.24	\$ 54,392.79	\$ -	\$ 1.36	0.0294%
<b>Bond Proceeds Fund Totals</b>	<b>\$ 117,938,191.57</b>	<b>\$ 113,767,850.11</b>	<b>\$ 113,981,822.28</b>	<b>\$ 2,869.06</b>	<b>0.029%</b>
TANS PROCEEDS	\$ 254,062,539.69	\$ 254,124,324.56	\$ 254,062,539.69	\$ 61,784.87	0.2863%
<b>Grand Totals</b>	<b>\$ 733,675,226.93</b>	<b>\$ 660,657,503.34</b>	<b>\$ 740,910,807.04</b>	<b>\$ 126,472.05</b>	<b>0.201%</b>

Short Term Investments  
Maturity Schedule  
13/31/2010



Maturities in \$Millions

Note: Includes \$267.7 Million of Money Market and PIP investments with no specific maturity

# SPECIAL FUNDS

**ABRAHAM TOURO FUND  
INVESTMENT SUMMARY  
December 31, 2010**

<b><u>Fund Name</u></b>		<b>Gain/Loss</b>		<b>Total Market Value</b>
<b>Abraham Touro Fund ( Fidelity Balanced Fund)</b>	<b>\$</b>	<b>86,293</b>	<b>\$</b>	<b>2,108,266</b>
<b><u>Totals</u></b>	<b>\$</b>	<b>86,293</b>	<b>\$</b>	<b>2,108,266</b>

457 PLANS

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

<b>Plan Provider</b>	<b>3/31/2010</b>	<b>6/30/2010</b>	<b>9/30/2010</b>	<b>12/31/2010</b>
AIG	\$ 44,256,808.86	\$ 42,900,890.45	\$ 44,649,454.39	\$ 45,773,269.99
Fidelity	\$ 65,400,449.95	\$ 60,612,749.48	\$ 66,514,567.48	\$ 71,987,604.68
ING	\$ 89,723,269.29	\$ 86,531,065.33	\$ 91,721,515.19	\$ 95,318,912.88
<b>Total</b>	\$ 199,380,528.10	\$ 190,044,705.26	\$ 202,885,537.06	\$ 213,079,787.55

**AIG**

The information is current as of 12/31/2010.

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

Category/Funds	YTD Return	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	ITD Date
<b>Domestic Equity</b>								
<b>Domestic Large Cap Equity</b>								
<i>Large Cap Value</i>								
Dividend Value Fund (Black Rock/SunAmerica)	13.14	13.14	-4.97	-0.31	0.61	0.61	1.83	12/8/2000
Vanguard Windsor II Fund	9.46	9.46	-4.83	0.40	2.50	2.50	1.43	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	11.92	11.92	-5.09	-0.65	-1.34	-1.34	1.90	4/29/1994
Stock Index Fund (SunAmerica)	13.78	13.78	-3.92	1.15	0.26	0.26	1.19	4/20/1987
<i>Large Cap Growth</i>								
Growth Fund (American Century)	17.30	17.30	-1.65	1.83	1.37	1.37	1.87	12/5/2005
Large Capital Growth Fund (SunAmerica/Invesco AIM)	14.57	14.57	-3.13	2.00	2.49	2.49	1.59	12/20/2004
<b>Domestic Mid Cap Equity</b>								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (MorganStanley/PineBridge Investments)	25.17	25.17	-2.02	4.96	6.27	6.27	1.69	12/20/2004
<b>Global Equity</b>								
Global Social Awareness Fund (PineBridge Investments)	11.33	11.33	-4.71	0.53	-0.11	-0.11	1.52	10/2/1989
Global Equity Fund (BlackRock)	10.33	10.33	-8.80	-0.03	0.02	0.02	1.81	12/5/2005
<b>International Equity</b>								
Foreign Value Fund (Templeton Global)	6.73	6.73	-4.97	2.78	2.94	2.94	1.74	12/5/2005
<b>Speciality</b>								
Science & Technology Fund (T. Rowe/RCM/Wellington)	21.12	21.12	2.14	5.49	-3.56	-3.56	1.86	4/29/1994
<b>Hybrid</b>								
<i>Balanced</i>								
Vanguard Wellington Fund	9.78	9.78	0.68	4.48	5.09	5.09	1.39	7/1/1929
<b>Fixed Income</b>								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	9.83	9.83	6.34	4.78	6.24	6.24	1.08	7/9/1973
Vanguard Long-Term Treasury Fund	8.05	8.05	4.64	4.62	5.56	5.56	1.05	5/19/1986
<i>International</i>								
International Government Bond Fund (PineBridge Investments)	7.25	7.25	5.41	5.89	6.82	6.82	1.52	10/1/1991
<i>Stable Value</i>								
Money Market I Fund (SunAmerica)	-0.78	-0.78	0.04	1.54	1.27	1.27	1.43	1/16/1986
7-Day current yield at 30-Sep-2009: -0.79								
Fixed Account Plus	3.61	3.61	3.77	3.80	4.39	4.39		1/1/1982
Short Term Fixed Account	2.00	2.00	2.67	2.80	3.05	3.05		1/1/1991

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

Returns reflect overall changes in accumulation unit value from the beginning to the end of the periods shown, after deduction of fund expenses. Figures on pages 3 & 4 do not reflect deduction of account maintenance fees, surrender charges, premium taxes or IncomeLOCK fees, if applicable. Separate Account expenses are deducted only from variable options. The expenses are calculated each day and are based on the average daily net asset value of each option at the Separate Account level. The expenses are annualized at 0.35% to 1.25%, depending on the variable option and contract. Returns for periods prior to the date the funds became available in the Separate Account are hypothetical and are calculated as if the fund had been in the Separate Account during the stated period.

Amounts held in your employer-sponsored plan(s), as well as in IRA's, are generally tax-deferred (and subject to required minimum distributions), regardless of whether they are used to fund an annuity or another qualifying arrangement, such as a trust or custodial account.

Bear in mind that annuities also provide additional features and benefits, including, but not limited to a guaranteed death benefit and guaranteed lifetime income options, for which a Separate Account fee is charged. Annuities are long-term investments. Income taxes are payable upon withdrawal. Federal restrictions and tax penalties may apply to early withdrawals.

Contributions to your Portfolio Director Fixed and Variable Annuity contract can qualify to be tax-deferred, subject to applicable contribution limits and related rules. That tax deferral is a result of issuing the contract, which satisfies specific important tax law requirements, including plan requirements, under your employer's retirement plan. It does not result from the mere fact that the contract is an annuity. Therefore, you do not receive any additional tax-deferred treatment of earnings beyond the treatment provided by the tax-qualified retirement plan itself.

Fixed Account Plus contributions received and deposited during a given month will earn that month's Current interest rate for the remainder of that calendar year (for all contract series except 7.0, 7.20, 7.40, 12.0, 12.20, 12.40, and 13.20). VALIC intends (though does not guarantee) to pay this same interest rate for those deposits and transfers through the end of the following calendar year. The current interest rate may differ from month to month.

\*Performance numbers for Fixed Account Plus and Short Term Fixed are based on annualized returns.

All Fixed Account Plus deposits for series 7.0, 7.20, 7.40, 12.0, 12.20, 12.40, and 13.20 will earn the monthly declared interest rate until that rate is changed. The interest rate for the Short-Term Fixed Account is



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

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

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

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

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 or for the General Account, when added to the contract.
- 2) The inception data are based upon the inception date of underlying fund.

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

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

## FUND EXPENSES

The following represents annual variable fund fees.

Fund Name	Separate Account Fee <sup>1</sup>	Management Fee	12b-1 Fee	Other Expenses <sup>2</sup>	Expense Waivers or Reimbursements	Total Expense
Core Equity Fund <sup>1</sup> (Wellington/WAMU)	0.80%	0.80%	None	0.15%	0.15%	1.90%
Dividend Value Fund (American Century)	0.80%	0.78%	None	0.23%	0.16%	1.97%
International Government Bond Fund	0.80%	0.50%	None	0.18%	None	1.48%
Mid Cap Strategic Growth Fund <sup>3</sup> (MorganStanley/Brazos)	0.80%	0.70%	None	0.16%	0.01%	1.67%
Money Market I Fund*	0.80%	0.40%	None	0.15%	None	1.35%
Science & Technology Fund <sup>1</sup> (T. Rowe Price/RCM)	0.80%	0.89%	None	0.13%	None	1.82%
Global Social Awareness Fund	0.80%	0.50%	None	0.19%	None	1.49%
Stock Index Fund <sup>3</sup>	0.80%	0.27%	None	0.11%	None	1.18%
Growth Fund (American Century)	0.80%	0.72%	None	0.14%	0.05%	1.71%
Large Capital Growth (SAAMCo/AIM)	0.80%	0.64%	None	0.14%	None	1.58%
Global Equity Fund (Putnam)	0.80%	0.81%	None	0.21%	None	1.82%
Foreign Value Fund (Franklin/Templeton)	0.80%	0.68%	None	0.16%	None	1.64%
Vanguard Long-Term Investment Grade Fund	0.80%	0.23%	None	0.03%	None	1.06%
Vanguard Long-Term Treasury Fund	0.80%	0.21%	None	0.04%	None	1.05%
Vanguard Wellington Fund	1.05%	0.31%	None	0.03%	None	1.39%
Vanguard Windsor II Fund	1.05%	0.34%	None	0.04%	None	1.43%

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

Annuity contracts typically include limitations, exclusions and expense charges, which are described in the current Portfolio Director prospectus. Fees include Separate Account fees, which range 0.55% to 1.05% depending on the contract, and Annual Net Fund Expenses, which range from 0.21% to 1.35% for the variable options. The current Annual Net Fund Expense is the current Annual Total Fund Expense less expense waivers or reimbursements. Fees are subject to change based on expense waivers and reimbursements. Additionally, account maintenance fees of \$3.75 per quarter and surrender charges may apply, depending on your contract.

Contributions to your Portfolio Director annuity contract can qualify to be tax-deferred, subject to applicable contribution limits and related rules. That tax deferral is a result of issuing the contract, which satisfies specific important tax law requirements, including plan requirements, under your work place retirement plan. It does not result from the mere fact that the contract is an annuity. Therefore, you do not receive any additional tax-deferred treatment of earnings beyond the treatment provided by the tax-qualified retirement plan itself.

<sup>1</sup>Through a commission recapture program a portion of the funds' expenses have been reduced. "Other expenses" does not take into account this expense reduction and is therefore higher than the actual expenses of the series. Had the expense reductions been taken into account, "Net Expense" would be as follows: Asset Allocation Fund, 0.72%; Broad Cap Value Fund, 0.84%; Global Equity Fund, 0.98%; Global Real Estate, 0.94%; Global Social Awareness Fund, 0.71%; Growth & Income Fund, 0.83%; Health Sciences Fund, 1.18%; Large Cap Core Fund, 0.83%; and Mid Cap Strategic Growth, 0.81%.

The VALIC Company II Lifestyle funds invest in the funds offered in VALIC Company I and VALIC Company II. The Vanguard LifeStrategy Funds invest in other Vanguard funds. Thus, each "Fund of Funds" indirectly bears the fees and expenses of those acquired funds.

The fund company may limit the number of trades in and out of the fund. Please see the individual fund prospectus for more information.

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

\*\*Pursuant to an Expense Limitation Agreement, the fund's advisor will waive fees and reimbursement expenses as shown in the column above. The expense waivers and fee reimbursements are voluntary and contractual and will continue through September 30, 2010 for VALIC Company I funds; December 31, 2010 for VALIC Company II funds; May 1, 2013 for Lou Holland fund; and indefinitely for SunAmerica High Watermark funds.

**NOT FDIC-INSURED \* MAY LOSE VALUE \* NO BANK GUARANTEE**

To obtain a Portfolio Director contract and underlying fund prospectuses, visit [www.valic.com](http://www.valic.com) or call 1-800-448-2542 and follow the prompts. The prospectuses contain the investment objectives, risks, charges, expenses and other information about the respective investment company that you should consider carefully before investing. Please read the prospectuses carefully before investing or sending money. Policy Form series UIT-194, UITG-194 and UITG-194-P.

Portfolio Director Fixed and Variable Annuity is issued by The Valiable Annuity Life Insurance Company and distributed by its affiliate, American General Distributors, Inc., 2929 Allen Parkway, Houston, Texas, 77019, member FINRA.

VALIC represents The Variable Annuity Life Insurance Company and its subsidiaries, VALIC Financial Adcisors, Inc. and VALIC Retirement Services Company.

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	12/31/2010	5.33	8.04	14.06	12/31/2010	14.06	-1.61	4.31	3.15
NASDAQ COMPOSITE INDEX	12/31/2010	6.29	12.34	18.15	12/31/2010	18.15	1.02	4.72	1.42
BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX	12/31/2010	-1.08	-1.30	6.54	12/31/2010	6.54	5.90	5.80	5.84
RUSSELL 2000 INDEX	12/31/2010	7.94	16.25	26.85	12/31/2010	26.85	2.22	4.47	6.33
STANDARD & POOR'S 500™ INDEX	12/31/2010	6.68	10.76	15.06	12/31/2010	15.06	-2.86	2.29	1.41

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	12/31/2010	5.37	13.80	19.61	12/31/2010	19.61	2.10	4.67	0.77	10.63	—	0.94% on 09/29/2010	12/31/1987
FID CONTRAFUND	12/31/2010	3.95	9.45	16.93	12/31/2010	16.93	-1.71	4.87	5.54	12.36	—	1.02% on 03/01/2010	05/17/1967
FID DIVIDEND GROWTH	12/31/2010	8.68	14.90	21.19	12/31/2010	21.19	1.44	3.89	2.28	10.70	—	0.93% on 09/29/2010	04/27/1993
FID EQUITY INCOME	12/31/2010	8.85	11.45	15.13	12/31/2010	15.13	-4.52	1.12	2.44	11.60	—	0.74% on 04/01/2010	05/16/1966
FID GROWTH & INCOME	12/31/2010	7.09	12.67	14.57	12/31/2010	14.57	-11.53	-5.04	-2.58	9.31	—	0.75% on 09/29/2010	12/30/1985
FID OTC PORTFOLIO	12/31/2010	6.91	13.66	20.14	12/31/2010	20.14	1.73	7.77	3.08	12.96	—	1.06% on 09/29/2010	12/31/1984
FIDELITY MAGELLAN	12/31/2010	6.66	12.04	12.41	12/31/2010	12.41	-7.06	0.45	-0.15	16.63	—	0.75% on 05/29/2010	05/02/1963
SPARTAN 500 INDEX	12/31/2010	6.66	10.72	14.98	12/31/2010	14.98	-2.89	2.25	1.32	9.38	—	0.10% on 04/29/2010	02/17/1988

### Mid-Cap

FID MID CAP STOCK	12/31/2010	8.89	14.82	23.57	12/31/2010	23.57	0.14	4.52	2.88	11.45	.75 % / 30days	0.65% on 06/29/2010	03/29/1994
FID VALUE	12/31/2010	7.92	13.35	22.27	12/31/2010	22.27	-1.97	2.08	7.71	12.41	—	0.64% on 12/30/2010	12/01/1978
FIDELITY LOW PR STK	12/31/2010	6.60	10.93	20.70	12/31/2010	20.70	2.33	5.41	11.21	14.47	1.5 % / 90days	0.99% on 09/29/2010	12/27/1989

Investment Name	Cumulative Total Returns				Average Annual Total Returns					Fees			
	As of	1 mo	3 mo	YTD	As of	1 yr	3 yr	5 yr	10 yr	Life	Short-Term Trading Fee	Expense Ratio †	Inception Date
FIDELITY NEW MILLEN	12/31/2010	7.02	11.38	18.93	12/31/2010	18.93	-0.11	5.68	3.14	13.70	—	1.05% on 01/29/2010	12/28/1992
FKLN SMMIDCAP GRTH A	11/30/2010	5.16	22.19	21.31	09/30/2010	19.45	-4.84	2.61	-1.80	9.93	—	1.06% on 09/01/2010	02/14/1992

### International

FID DIVERSIFIED INTL	12/31/2010	7.69	8.26	9.65	12/31/2010	9.65	-7.49	2.39	5.89	9.23	1 % / 30days	0.98% on 12/30/2010	12/27/1991
TEMPLETON FOREIGN A	11/30/2010	-5.92	8.49	-0.46	09/30/2010	1.19	-5.97	3.08	5.64	11.50	—	1.19% on 08/31/2010	10/05/1982

### Blended Fund Investments

#### Others

FID FREEDOM 2000	12/31/2010	1.65	2.68	7.86	12/31/2010	7.86	2.62	3.97	3.53	5.85	—	0.51% on 05/29/2010	10/17/1996
FID FREEDOM 2010	12/31/2010	3.88	5.94	11.65	12/31/2010	11.65	1.34	4.12	3.79	6.81	—	0.67% on 05/29/2010	10/17/1996
FID FREEDOM 2020	12/31/2010	4.82	7.29	12.93	12/31/2010	12.93	-0.41	3.65	3.31	6.85	—	0.74% on 05/29/2010	10/17/1996
FID FREEDOM 2030	12/31/2010	5.78	8.65	14.04	12/31/2010	14.04	-2.07	2.99	2.70	6.47	—	0.79% on 05/29/2010	10/17/1996
FID FREEDOM INCOME	12/31/2010	1.44	2.44	7.63	12/31/2010	7.63	3.17	4.13	3.75	5.23	—	0.50% on 05/29/2010	10/17/1996
FID PURITAN	12/31/2010	4.43	7.71	14.04	12/31/2010	14.04	0.78	4.52	4.74	11.11	—	0.61% on 10/30/2010	04/16/1947

### Bond Investments

#### Income

PIMCO TOT RETURN ADM	11/30/2010	-1.45	0.32	9.17	09/30/2010	10.65	10.57	8.09	7.66	7.71	—	0.72% on 11/12/2010	09/08/1994
----------------------	------------	-------	------	------	------------	-------	-------	------	------	------	---	---------------------	------------

### Short Term Investments

#### Others

FIDELITY RETIRE MMKT	12/31/2010	0	0.01	0.02	12/31/2010	0.02	1.18	2.68	2.39	4.13	—	0.42% on 10/30/2010	12/02/1988
----------------------	------------	---	------	------	------------	------	------	------	------	------	---	---------------------	------------

### Other Investments

#### Others

BROKERAGELINK	—	—	—	—	—	—	—	—	—	—	—	—	—
---------------	---	---	---	---	---	---	---	---	---	---	---	---	---

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

© 2006 FMR LLC. All rights reserved. The trademarks and service marks appearing herein are the property of their respective owners.



ING

# PERFORMANCE UPDATE

## ING Life Insurance and Annuity Company

### STATE OF RHODE ISLAND

**Average Annual Total Returns as of: 12/31/2010** (shown in percentages)

Mutual funds offered through a retirement plan are investments designed for retirement purposes. Early withdrawals will reduce your account value and if taken prior to age 59 1/2, a 10% IRS penalty may apply.

The performance data quoted represents past performance. Past performance does not guarantee future results. For month-end performance which may be lower or higher than the performance data shown please call 800-232-5422. Investment return and principal value of an investment will fluctuate so that, when sold, an investment may be worth more or less than the original cost.

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

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

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

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

Investment Options	Fund Benchmark ID (BM)	1-Mo Fund	1-Mo BM	3-Mo Fund	3-Mo BM	YTD Fund	YTD BM	1-Yr Fund	1-Yr BM	3-Yr Fund	3-Yr BM	5-Yr Fund	5-Yr BM	10-Yr Fund	10-Yr BM	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
<b>Stability of Principal</b>																			
ING Fixed Account - 457/401 (6)(7)	MFR	0.30	0.00	0.91	0.01	3.65	0.03	3.65	0.03	3.90	0.83	4.10	2.32	4.80	2.05				
<b>Money Market</b>																			
ING Money Market Portfolio - Class I (2)	IBCM	0.00	0.02	0.01	0.07	0.24	1.19	0.24	1.19	1.07	1.44	2.63	2.93	2.36	2.62	01/01/1980		0.37	0.37
<i>The 7-day annualized Subaccount yield as of 12/31/2010 is 0.01%, which more closely reflects current earnings. (1)</i>																			
<b>Bonds</b>																			
<b>Intermediate-Term Bond</b>																			



Your future. Made easier.<sup>SM</sup>



See Performance Introduction Page for Important Information

Investment Options	Fund Benchmark ID (BM)	1-Mo		3-Mo		YTD		1-Yr		3-Yr		5-Yr		10-Yr		Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*	
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM				Incept
ING Intermediate Bond Portfolio - Class I	LEHM	-0.40	-1.08	-0.56	-1.30	9.84	6.54	9.84	6.54	3.90	5.91	4.35	5.80	5.30	5.84	05/23/1973	0.51	0.51	
<b>Balanced</b>																			
<i>Moderate Allocation</i>																			
Calvert VP SRI Balanced Portfolio	SPXRE	3.03	6.68	5.62	10.76	12.10	15.06	12.10	15.06	-1.20	-2.86	1.52	2.29	1.86	1.42	09/02/1986	0.91	0.91	
ING Balanced Portfolio - Class I	SPXRE	3.88	6.68	4.82	10.76	14.12	15.06	14.12	15.06	-0.73	-2.86	2.58	2.29	2.84	1.42	04/03/1989	0.63	0.63	
ING Van Kampen Equity and Income Portfolio - Initial Class	SPXRE	5.61	6.68	8.55	10.76	12.32	15.06	12.32	15.06	1.83	-2.86	4.26	2.29		4.26	12/10/2001	0.65	0.65	
<b>Large Cap Value</b>																			
<i>Large Blend</i>																			
Fidelity® VIP Contrafund® Portfolio - Initial Class	SPXRE	7.56	6.68	12.31	10.76	17.22	15.06	17.22	15.06	-2.94	-2.86	3.74	2.29	5.18	1.42	01/03/1995	0.67	0.67	
ING Growth and Income Portfolio - Class I	SPXRE	6.67	6.68	10.28	10.76	14.14	15.06	14.14	15.06	-2.49	-2.86	2.60	2.29	0.28	1.42	12/31/1979	0.61	0.61	
ING Index Plus LargeCap Portfolio - Class I	SPXRE	6.03	6.68	9.63	10.76	13.96	15.06	13.96	15.06	-4.12	-2.86	1.19	2.29	0.56	1.42	09/16/1996	0.45	0.45	
ING Thornburg Value Portfolio - Initial Class	SPXRE	8.92	6.68	12.01	10.76	11.37	15.06	11.37	15.06	-0.96	-2.86	4.01	2.29	-0.63	1.42	11/28/1997	0.91	0.91	
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	SPXRE	6.59	6.68	10.73	10.76	13.44	15.06	13.44	15.06	-3.44	-2.86	0.85	2.29	-0.28	1.42	11/28/1997	0.85	0.85	
Invesco V.I. Core Equity Fund - Series I Shares (4)	SPXRE	6.46	6.68	9.12	10.76	9.56	15.06	9.56	15.06	-0.61	-2.86	4.38	2.29	1.43	1.42	05/02/1994	0.92	0.92	
<i>Large Value</i>																			
Fidelity® VIP Equity-Income Portfolio - Initial Class	RS3000V	8.98	7.92	11.69	10.92	15.15	16.23	15.15	16.23	-4.91	-3.90	0.97	1.45	2.46	3.63	10/09/1986	0.58	0.58	
<b>Large Cap Growth</b>																			
<i>Large Growth</i>																			
Fidelity® VIP Growth Portfolio - Initial Class	RS3000G	6.48	5.68	13.87	12.26	24.17	17.64	24.17	17.64	-5.59	-0.27	2.69	3.88	-0.46	0.30	10/09/1986	0.69	0.69	
Invesco V.I. Capital Appreciation Fund - Series I Shares	SPXRE	4.86	6.68	12.56	10.76	15.49	15.06	15.49	15.06	-7.01	-2.86	-0.86	2.29	-1.78	1.42	05/05/1993	0.92	0.92	
<b>Small/Mid/Specialty</b>																			
<i>Mid-Cap Growth</i>																			
ING T. Rowe Price Diversified Mid Cap Growth Port - Initial	RSMIDGRW	7.05	6.24	14.75	14.01	28.51	26.38	28.51	26.38	2.27	0.97	5.76	4.88		5.57	12/10/2001	0.66	0.66	
<i>Small Blend</i>																			
ING Small Company Portfolio - Class I	RS2000	8.58	7.94	13.91	16.25	24.38	26.86	24.38	26.86	3.04	2.22	6.23	4.47	6.48	6.33	12/27/1996	0.87	0.87	
<b>Global / International</b>																			
<i>Foreign Large Value</i>																			
ING Templeton Foreign Equity Portfolio - Initial Class (5)	MSCIWEUSN	8.12	8.05	5.34	7.16	8.87	8.94	8.87	8.94	-5.01	-6.33				3.68	01/03/2006	0.97	0.97	
<i>World Stock</i>																			
ING Oppenheimer Global Portfolio - Initial Class	MSCIAC	6.93	7.35	8.95	8.82	16.06	13.21	16.06	13.21	-1.11	-3.76	3.98	3.98		6.93	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.

See Performance Introduction Page for Important Information

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

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

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

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

\*The Gross Expense Ratios shown do not reflect any temporary fee or expense waivers that may be in effect for a fund. The performance of a fund with a temporary fee or expense waiver would have been lower if the gross fund fees / expenses listed had been reflected.

# PERFORMANCE UPDATE

## ING Life Insurance and Annuity Company

### STATE OF RHODE ISLAND

#### Separate Account D

**Average Annual Total Returns as of: 12/31/2010** (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
<b>Stability of Principal</b>									
ING Fixed Account - 457/401 (6)(7) <i>This fund is not part of the product's separate account.</i>	0.30	0.91	3.65	3.65	3.90	4.10	4.80		
<b>Money Market</b>									
ING Money Market Portfolio - Class I (2) <i>The 7-day annualized Subaccount yield as of 12/31/2010 is -0.49%, which more closely reflects current earnings. (1)</i>	-0.04	-0.12	-0.26	-0.26	0.57	2.12	1.85		01/01/1980
<b>Bonds</b>									
<b>Intermediate-Term Bond</b>									
ING Intermediate Bond Portfolio - Class I	-0.44	-0.68	9.29	9.29	3.38	3.83	4.78		05/23/1973

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
<b>Balanced</b>									
<i>Moderate Allocation</i>									
Calvert VP SRI Balanced Portfolio	2.98	5.49	11.54	11.54	-1.69	1.01	1.36		09/02/1986
ING Balanced Portfolio - Class I	3.83	4.69	13.55	13.55	-1.22	2.07	2.33		04/03/1989
ING Van Kampen Equity and Inc-I/Janus Asp Balanced-I (3)	5.57	8.41	11.76	11.76	1.32	3.74	3.45		09/13/1993
ING Van Kampen Equity and Income Portfolio - Initial Class	5.57	8.41	11.76	11.76	1.32	3.74		3.74	12/10/2001
<b>Large Cap Value</b>									
<i>Large Blend</i>									
Fidelity® VIP Contrafund® Portfolio - Initial Class	7.51	12.17	16.63	16.63	-3.42	3.22	4.66		01/03/1995
ING Growth and Income Portfolio - Class I	6.62	10.14	13.57	13.57	-2.98	2.09	-0.22		12/31/1979
ING Index Plus LargeCap Portfolio - Class I	5.99	9.49	13.39	13.39	-4.59	0.68	0.05		09/16/1996
ING Thornburg Value Portfolio - Initial Class	8.88	11.87	10.82	10.82	-1.46	3.49	-1.12		11/28/1997
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	6.55	10.60	12.88	12.88	-3.92	0.35	-0.78		11/28/1997
Invesco V.I. Core Equity Fund - Series I Shares (4)	6.41	8.99	9.01	9.01	-1.10	3.86	0.92		05/02/1994
<i>Large Value</i>									
Fidelity® VIP Equity-Income Portfolio - Initial Class	8.94	11.55	14.58	14.58	-5.38	0.46	1.94		10/09/1986
<b>Large Cap Growth</b>									
<i>Large Growth</i>									
Fidelity® VIP Growth Portfolio - Initial Class	6.44	13.72	23.55	23.55	-6.06	2.17	-0.96		10/09/1986
Invesco V.I. Capital Appreciation Fund - Series I Shares	4.82	12.42	14.91	14.91	-7.47	-1.36	-2.28		05/05/1993
<b>Small/Mid/Specialty</b>									
<i>Mid-Cap Growth</i>									
ING T. Rowe Price Div MidCap-I/Janus Aspen MidCap - I (3)	7.01	14.60	27.87	27.87	1.76	5.24	-0.29		09/13/1993
ING T. Rowe Price Diversified Mid Cap Growth Port - Initial	7.01	14.60	27.87	27.87	1.76	5.24		5.05	12/10/2001
<i>Small Blend</i>									
ING Small Company Portfolio - Class I	8.54	13.77	23.76	23.76	2.52	5.70	5.95		12/27/1996
<b>Global / International</b>									
<i>Foreign Large Value</i>									
ING Templeton Foreign Equity Portfolio - Initial Class (5)	8.08	5.21	8.33	8.33	-5.48			3.17	01/03/2006
<i>World Stock</i>									
ING Oppenheimer Global-Int/Janus Aspen Worldwide Gr-Inst (3)	6.89	8.81	15.48	15.48	-1.61	3.46	-0.20		09/13/1993
ING Oppenheimer Global Portfolio - Initial Class	6.89	8.81	15.48	15.48	-1.61	3.46		6.40	05/01/2002

See Performance Introduction Page for Important Information

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+125 is 3.50%, expressed as an annual effective yield, and is guaranteed not to drop below 3.15% through 12/31/2011. 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.

<b>Benchmark Id</b>	<b>Benchmark Description</b>
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.

See Performance Introduction Page for Important Information

<b>Benchmark Id</b>	<b>Benchmark Description</b>
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 iMoneynet, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.
MSCIAC	The Morgan Stanley Capital International (MSCI) All Country World Index is a broad-based unmanaged index of developed country and emerging market equities.
MSCIWEUSND	MSCI World Ex United States Net Dividend
RS2000	The Russell 2000 Index (a small cap index) consists of the smallest 2,000 companies in the Russell 3000 Index and represents approximately 10% of the Russell 3000 total market capitalization. The Russell 2000 returns assume reinvestment of all dividends.
RS3000G	The Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.
RS3000V	The Russell 3000 Value Index is a market capitalization-weighted index of value-oriented stocks of U.S. domiciled corporations.
RSMIDGRW	The Russell MidCap Growth Index is an unmanaged index of U.S. mid-cap growth stocks.
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.