

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
JANUARY 31, 2008**

**KARA KING
PACIFIC CORPORATE GROUP**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Frank T. Caprio, Chair

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

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



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

Frank Caprio
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, February 27, 2008 at 9:00 a.m. in Room 135 of the State House.

AGENDA

1. Membership Roll Call
2. Approval of Minutes
 - State Investment Commission Meeting held on 1/23/08 *
3. Manager Continuation Policy Analysis & Review - Wilshire
 - NorthPointe Capital
4. General Consultant Capital Markets Review - Wilshire
5. Alternative Investments Consultant -- PCG
 - .406 Ventures *
6. Legal Counsel Report
7. Deputy Treasurer for Finance Report
8. Treasurer's Report
9. New Business

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

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

Regular Meeting January 23, 2008

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, January 23, 2008. The Treasurer called the meeting to order at 9:00 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Ms. Rosemary Booth Gallogly, Mr. Robert Gaudreau, Mr. Robert Giudici, Dr. Robert McKenna, Ms. Marcia Reback, Mr. Andrew Reilly, Mr. John Treat, and General Treasurer Frank T. Caprio. Also present were: Mr. Kenneth E. Goodreau, Deputy General Treasurer for Finance; Mr. William Bensus, of Wilshire Associates Incorporated, General Consultant to the Commission; Ms. Lisa Tyrrell of the State Street Corporation; Mr. Frank Karpinski, Executive Director of RIERs; and other members of the Treasurer's staff. Ms. Reback excused herself at 10:15 a.m.

State Investment Commission Minutes. The Treasurer entertained a motion for approval of the minutes. Dr. Mc Kenna moved, Ms. Reback and Mr. Treat seconded and the motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, Mr. Treat, and Treasurer Caprio.

VOTED: To approve the Minutes of the December 6, 2007 regular meeting.

Wilshire Associates Incorporated – Capital Markets Review. Prior to the Capital Market Review, Treasurer Caprio stated that due to the current volatility of the market the Staff has been monitoring the Private Equity portion of the portfolio. This asset allocation is particularly sensitive to the extreme highs and lows in the market; as a result, capital calls have increased. Treasurer Caprio suggested that the Commission delay making any decisions regarding additional Private Equity investments until we see a re-balancing of the portfolio.

Mr. Bensus began by stating that there will be slower growth in 2008. He expects inflation to be in the range of 2% - 2.5 %; economic growth will flatten out in 2008. The credit and liquidity crisis caused by the sub-prime market has spilled over to the equity markets. Mr. Bensus believes the volatility within the global equity markets will continue during the first half of 2008 and then will level off during the second half. This is a global phenomenon affecting the Asian, European, and Emerging markets, as well as the U.S. market.

Mr. Bensus referred to 2007 returns: the U.S. Equity segment of the market was up about 5.5% attributed mainly to large cap stocks; small cap stocks were down about 1.5 % measured by the Russell 2000; mid cap stocks in general had positive returns; the Dow Jones Wilshire 5000 was up about 5.6% for the year; Non U.S. Equity in developed markets was up about 11.5%; emerging markets were up approximately 39.8%; the bond market was up approximately 7%; high yield was up about 2%.

Mr. Bensur gave the following report regarding market conditions at the close of business on January 22, 2008: the S&P 500 was down 10.7%; small cap was down about 12%; developed markets were down about 12%; emerging markets were down 13.5%; bonds continue to do well; the Lehman Aggregate is up about 2.3%; high yield was down about 2%.

Treasurer Caprio asked for a review of the Benchmark and Allocation Study. Mr. Bensur began by explaining the resources and tools used by his research teams each year to forecast capital markets performance. Wilshire's asset class return, risk, and correlation assumptions are developed based on a ten year expected rate of return. The study is adjusted to incorporate recent trends. He went on to discuss the variables used to arrive at a forecast of returns for each asset class. The report Mr. Bensur distributed to the Commission is not fully vetted. However, a complete report will be distributed by Wilshire Associates in a week.

The projections from 2007 to 2008 changed only in the following asset allocations: Non-U.S. Equity +0.25%; Fixed Income -0.25%; TIPS -1.00%; Private Markets -0.50%. Mr. Bensur went on to discuss the details of four different models of alternative policy portfolios, stating what the potential risks and returns may be for each. The model policy portfolio returns would range from 7.65% to 8.10%. The current policy has an expected rate of return of 7.92%. In the existing capital market environment, RIRS will face challenges trying to achieve the discount rate/return of 8.25%. Mr. Bensur recommends maintaining a long term approach while continuing to explore ideas that may increase expected return, decrease expected risk, or both.

Treasurer Caprio noted when the fiscal year ended on June 30, 2007 the portfolio had exceeded its target of 8.25%. However, the Auditor General's Report indicated that we lagged against our benchmark by close to 300 basis points. If the Commission had benchmarked all asset allocation percentages without the participation of our active managers, the portfolio would have captured the additional 300 basis points. The shortfall was due to under performance in the international area. All three International Managers are culpable, but the loss was more attributable to The Boston Company. International Management fees are generally more costly than other management fees.

Treasurer Caprio noted the importance of exposure to the international markets, adding that the issue now is how the exposure will be managed and what type of resources the Commission is going to devote to this portion of the portfolio. Mr. Bensur stated that he felt the active managers have had a difficult time keeping pace with the sizable beta returns within the international markets. From a return standpoint, the allocation is attractive but the implementation tools did not perform within expectations. Passive management or indexing has been growing as an institutional implementation tool within the Non U.S. Equity space, which would save the Commission active management fees.

Mr. Goodreau asked whether ERSRI is more concerned with benchmark risks or total return risks. ERSRI's portfolio requires a different investment style. Remaining in capital markets for an extended period of time patiently waiting ten to fifteen years to achieve targeted returns does not work due to our short term and intermediate term

liabilities. Therefore, there may be periods of time when our managers occasionally have to take a tactical position and ratchet down risk and exposure. Risk should be addressed on a monthly, quarterly, and semi-annual basis to allow flexibility and shifting of asset classes, as needed. When markets are turbulent we do not have the flexibility to shift asset classes at this time because there are no offsetting non-correlating asset classes in place. If the Commission decides to index the portfolio, ERSRI will have exposure, create efficiencies, reduce costs, and reduce risk. The other option would be to put decisions regarding investment options in the hands of active managers, providing they are truly active alpha managers.

Treasurer Caprio remarked that the portfolio had a 20% unfunded liability which has increased during the last five years to 45%; primarily because the average return during this period was 2.5% rather than the projected 8.25%. He asked the Commission to consider whether we should stay the course and possibly earn returns once again of 2.5% over the next five years, or consider prudent changes in management and management styles that will benefit the taxpayers and retirees. He noted that the RFP consultant process is underway which should have a positive affect on ERSRI's portfolio.

Mr. Treat asked how often the current asset allocations are reviewed. Mr. Bensur replied the review is done on an annual basis, but they are forecasted out ten years. A conversation ensued with Mr. Bensur, Treasurer Caprio, Mr. Goodreau and Commission Members regarding asset allocation management tools and styles in regard to how they are affected by specific market conditions. Treasurer Caprio thanked everyone for their comments and concluded by stating that the Staff and Commission's goal is to be very proactive and innovative toward achieving the goal of highest rate of return with a minimal element of risk.

Manager Continuation Policy Analysis & Review – The Boston Company. Mr. Bensur stated that The Boston Company is down 10% for the year relative to market opportunity. In August or September 2007, The Boston Company came before the Commission. At that time, the Staff and Commission decided to watch their performance for the next six months before making any decisions. Mr. Bensur recommended no action be taken at this time, as during these challenging and volatile times in the equity market this product is expected to do well. When there is enough significant cyclical recovery, this will be the appropriate time to make a recommendation to terminate or maintain the relationship with The Boston Company. An index exposure would provide an appropriate short term alternative. This will accomplish two things: anchor this portion of the portfolio to the Non-U.S. Equity market and reduce fees. Mr. Bensur suggested watching the fund into the second quarter of 2008.

Alternative Investments Consultant – PCG. Treasurer Caprio stated that Ms. Davidson will be giving a review of 2007 allocation performance to Mr. Goodreau and will report to the Commission at a later date. The Treasurer remarked that all numbers are very strong and as of December 31, 2007, we were fully allocated in the Private Equity portion of the portfolio, so there is no urgency to add new investments.

Legal Counsel RFP Recommendations. Treasurer Caprio explained the need to obtain RFP's for all service providers within the Treasury Department when contracts are

expiring. This is prudent in regard to cost efficiency and superior service. As such, when the legal contract was near expiration an RFP was issued. He remarked that Brown Rudnick Berlack Israels has done a great job, but their fee structure is more in line with New York legal fees; they admittedly do not have the flexibility to bring their fees within our expectations. The relationship with Brown Rudnick Berlack Israels will continue to be positive and they have agreed to assist the Commission in the future, if needed.

Mr. Mark Dingley, Legal Counsel/Chief of Staff, announced that a sub-committee of the Commission made the following recommendations: Adler Pollack & Sheehan will handle all investment transactions and Rodio & Ursillo will handle all administrative services. These changes will continue to provide the Commission with superior service while reducing costs. The Treasurer added that with Mr. Dingley's past experience as General Legal Counsel to a publicly traded company, a fair amount of legal work can be done in house resulting in additional savings. The Treasurer entertained a motion for approval of the recommendations of the Legal Sub-Committee as stated on the Legal RFP Summary. Mr. Treat so moved, Mr. Reilly and Ms. Gallogly seconded. The motion was passed and the following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Mr. Reilly, Mr. Treat, and Treasurer Caprio. Ms. Reback was absent.

VOTED: To approve the recommendations from the Legal Sub-Committee for change in Legal Counsel as stated on the Legal RFP Summary.

Deputy Treasurer for Finance Report. Mr. Goodreau stated we are in a credit crunch which is affecting the amount of money our Private Equity Firms are requesting. Capital calls are becoming more aggressive while business is slowing down, so we are not recouping the capital contributions. For the short term, we will start looking into new Private Equity opportunities once the markets have made a correction. Mr. Costello and Mr. Reilly both remarked that Private Equity is a lucrative investment and should not be tabled for a lengthy period. Mr. Gaudreau replied that is not his intention. He will be meeting with Ms. Davidson of PCG to discuss our Private Equity allocations and will report back to the Commission.

Treasurer's Report. The Treasurer commended the Commission and Staff for deciding to add Wellington Management Company to our team of managers. He stated this is an example of superior performance (alpha) by an active manager in a fund of a manageable size. This is the type of manager, within Domestic Equity, that the Commission will be looking for in the future.

Treasurer Caprio noted that we have received all RFP's from the companies interested in the Consultant position. A sub-committee is being formed and the Treasurer encouraged all Members and Staff to join the committee to participate in the selection process. Mr. Gaudreau and Mr. Reilly have already expressed an interest to serve on the sub-committee. The Treasurer hopes to have some recommendations for the February SIC Meeting.

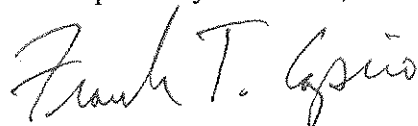
New Business. There being no questions and no new business, Treasurer Caprio entertained a motion to adjourn the meeting. Mr. Costello moved, Ms. Gallogly

seconded and the motion was passed. The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Mr. Reilly, Mr. Treat, and Treasurer Caprio. Ms. Reback was absent.

VOTED: To adjourn the meeting

There being no further business, the meeting was adjourned at 11:00 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Frank T. Caprio". The signature is written in dark ink and is positioned above the printed name and title.

Frank T. Caprio
General Treasurer

RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
January 31, 2008

PORTFOLIO PERFORMANCE

January

The ERSRI portfolio posted a loss of 4.01% for the month of January, against the policy index of -4.50%. Domestic equities were down 6.31%, international equities lost 8.89%, and the fixed income asset class returned 1.50%. Additionally, the retirement fund earned \$762,144 from the securities lending program during this month. If we factor out PE & RE investments, due to the way they are monitored the plan performance was -4.60% against its -4.68% index.

Calendar Year to Date

For the one month ended January 31, 2008, the portfolio is down 4.01% against the policy index of -4.50%. Domestic equities were down 6.31%, international equities were down 8.89%, while fixed income generated a return of 1.50%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2008, the fund has lost 2.62%, against the policy index of -2.60%.

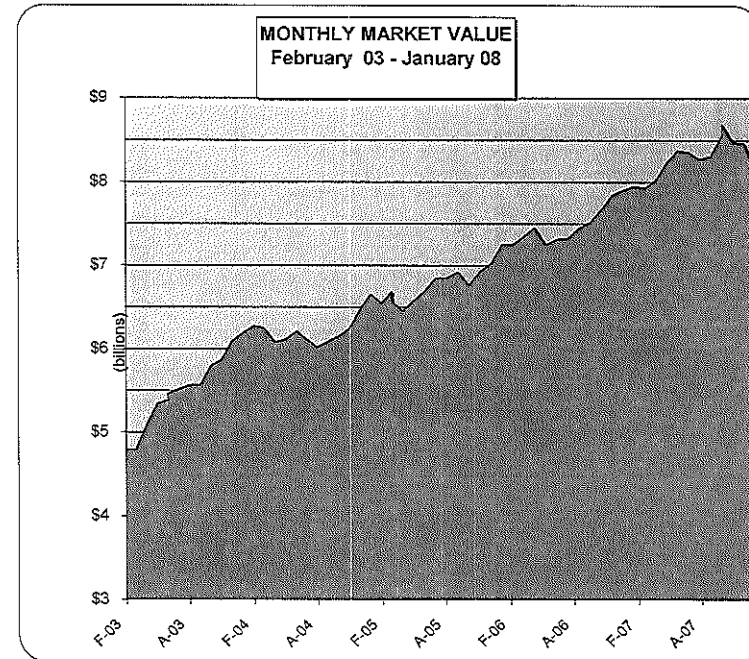
Index Performance Summary - January 31, 2008		
Market Indices	Jan-08	Calendar YTD
<u>Domestic Equity</u>		
S & P 500	-6.00%	-6.00%
DJ Wilshire 5000	-6.06%	-6.06%
Russell 2000	-6.82%	-6.82%
Russell 1000	-6.00%	-6.00%
Policy Index	-4.68%	-4.68%
<u>International Equity</u>		
MSCI ACWI	-9.68%	-9.68%
<u>Fixed Income</u>		
Lehman AGG	1.22%	1.22%
<u>Real Estate</u>		
NCREIF	3.56%	3.56%

ERSRI Performance By Asset Class	Jan-08	Calendar YTD
Domestic Equity	-6.31%	-6.31%
Fixed Income	1.50%	1.50%
International Equity	-8.89%	-8.89%
Total Fund Composite*	-4.60%	-4.60%
Manager Summary	Jan-08	CYTD
<u>DOMESTIC EQUITY</u>		
Shott	-16.16%	-16.16%
PIMCO	-5.02%	-5.02%
SSgA S&P 500	-6.00%	-6.00%
SSgA Core	-7.04%	-7.04%
Wasatch	0.00%	0.00%
Northpointe	-6.82%	-6.82%
Wellington	-7.40%	-7.40%
Wellington Technical Eq	-8.12%	-8.12%
Total Domestic Equity	-6.31%	-6.31%
<u>FIXED INCOME</u>		
Brown Bros TIPS	4.01%	4.01%
Brown Bros Core	1.53%	1.53%
Fidelity	1.42%	1.42%
Taplin Canida & Habacht	-0.59%	-0.59%
Fixed Income Cash Acct	0.38%	0.38%
Mackay Shield	-1.51%	-1.51%
Total Fixed Income	1.50%	1.50%
<u>INTERNATIONAL EQUITY</u>		
Mondrian	-8.52%	-8.52%
Goldman Sachs	-10.31%	-10.31%
Boston Co	-7.84%	-7.84%
Total International Equity	-8.89%	-8.89%

*Total Fund Composite includes all classes ex PE & RE

Market Values

The total portfolio value decreased in January by \$352.8 million to \$8.11 billion. This compares with an increase in value of \$52.1 million for the same period in 2007. The domestic equity market values decreased by \$224.6 million, including transfers in of \$0.24 million; fixed income increased by \$17.5 million, including transfers out of \$14.9 million; while international values decreased by \$150.9 million, including transfers in of \$0.03 million. The cash accounts decreased by \$13.4 million including transfers out netting \$16.1 million, and alternative investments increased by \$18.6 million, including transfers in netting \$16.8 million.



Cash Flow

January's pension payroll of \$60.0 million was more than the \$ 49.4 million in contributions and wire transfers received by \$10.6 million.

To meet pension and other obligations, \$15.0 million was transferred from long-term investments.

Alternative Investments

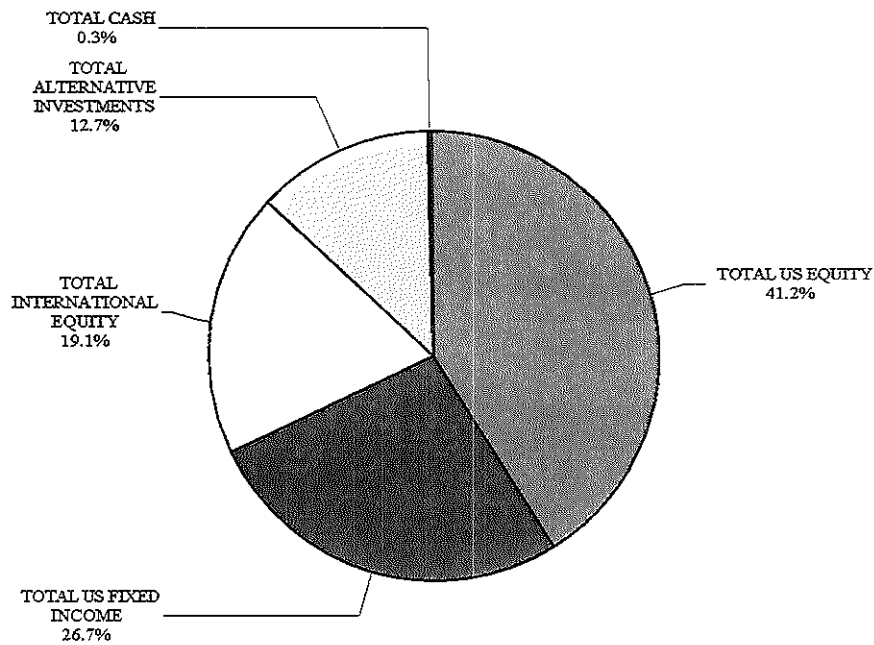
At this time the alternative investment asset class has unfunded commitments of approximately \$395 million on commitments of \$1,246 million.

CAPITAL CALLS Net of Distributions

January 2008	FYTD	UNFUNDED BALANCE
\$15,533,201	\$42,392,613	\$394,746,066
January 2007	FYTD	UNFUNDED BALANCE
\$5,465,763	-\$3,336,741	\$401,505,410



CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)



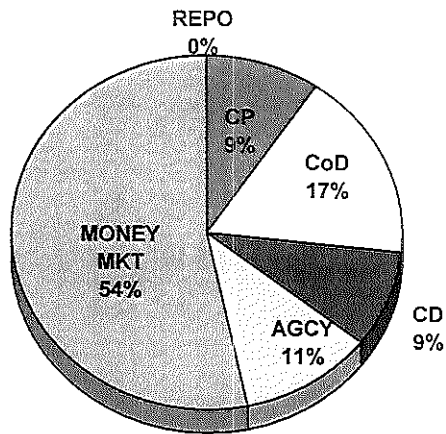
<u>MANAGER</u>	<u>CURRENT PERIOD</u>
TOTAL US EQUITY	3,340.2
TOTAL US FIXED INCOME	2,170.3
TOTAL INTERNATIONAL EQUITY	1,546.6
TOTAL ALTERNATIVE INVESTMENTS	1,030.5
TOTAL CASH	25.9
TOTAL	8,113.5

RHODE ISLAND STATE INVESTMENT COMMISSION

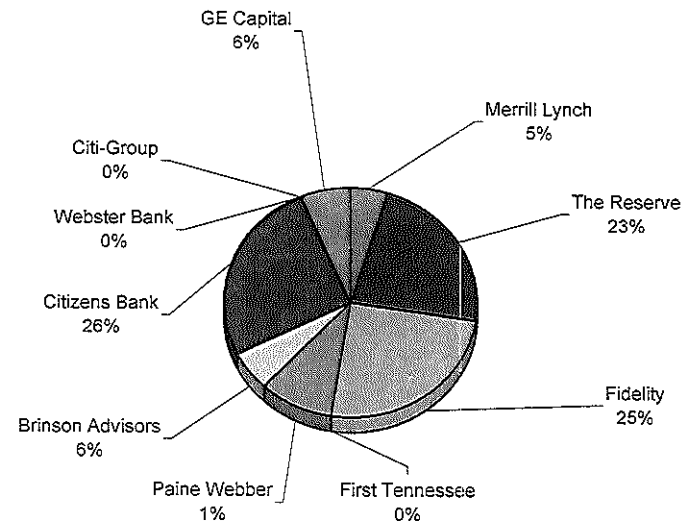
SHORT TERM CASH INVESTMENTS AT

JANUARY 31, 2008

Portfolio By Instrument



Portfolio by Issuer



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

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

Issuer Credit Ratings
January, 2008

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
Chase Securities	2,3,5	0%	Aa2		P-1	A-1+	Aa2	AA-	Stable
Citigroup Inc.	2	0%	Aa1		P-1	A-1+	Aa1	AA	Negative
RBS Citizens	3,4	26%	Aa2		P-1	A-1+	Aa2	AA-	Negative
First Tennessee Capital Markets	5	0%	A3		P-1	A-1	A3	A	Negative
Fidelity	6	25%				N/R		N/R	N/R
Merrill Lynch	2,5,6	5%	A1		P-1	A-1	A1	A+	Negative
The Reserve	6	23%	Aaa				Aaa	AAA	Stable
GE Capital	2	6%	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley	1,2,5	0%	Aa3		P-1	A-1+	Aa3	AA-	Negative
Paine Webber	5	9%	Aaa		P-1	A-1+	Aaa	AA+	Stable
UBS Brinson Advisors	6	6%	Aaa		P-1	A-1+	Aaa	AA	Stable
State Street Bank & Tru	1,3	0%	Aa1		P-1	A-1+	Aa1	AA	Stable
Webster Bank	3,4	0%	A2		P-1	A-2	A3	BBB+	Stable

Instrument Codes

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

Ratings Definitions

Moody's Short-Term Debt Ratings:

- P-1 - Prime-1 have a superior ability for repayment of sr. S-T debt obligations
- P-2 - Prime-2 have a strong ability for repayment of sr. S-T debt obligations
- P-3 - Prime-3 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.



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

Frank Caprio
General Treasurer

February 20, 2008

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 January 31, 2008.

Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation

January 31, 2008

Asset Class	
Cash/Short Term Investments	617,576,781
Equities - Domestic	3,244,481,694
Equities - International	1,506,284,753
<i>Fixed Income - Government</i>	\$1,128,042,391
<i>Fixed Income - Corporate</i>	\$586,652,545
<i>Fixed Income - In State</i>	\$0
Total Fixed Income	1,714,694,936
Alternative Investments	667,499,626
Real Estate	362,857,960
Total Fund Investments	8,113,395,750
Plan Allocation	
State Employees & Teachers	84.89% 6,887,068,875
Municipal Employees	14.10% 1,143,709,757
State Police	0.62% 50,316,717
Judicial	0.40% 32,300,402
Total Fund Investments	100.00% 8,113,395,750

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

Respectfully submitted,

Vincent Izzo, Cash Manager

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING January 31, 2008



STATE STREET
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
U.S. EQUITY												
SSGA S&P 500 INDEX FUND	1,606,531	19.80	-6.00	-10.55	-4.31	-6.00	-7.25	-2.29				
NORTHPOINTE CAPITAL	351,011	4.33	-6.82	-15.18	-10.89	-6.82	-17.31	-13.40	-1.78	5.71	6.39	14.80
PIMCO	507,479	6.25	-5.02	-9.14	-2.20	-5.02	-5.13	-0.47	6.50	7.60	7.30	12.34
SSGA - CORE	352,744	4.35	-7.04	-11.47	-4.85	-7.04	-7.89	-2.29	7.04	9.28	8.68	12.94
WELLINGTON MANAGEMENT CO. LLC	374,112	4.61	-7.40	-14.28	-12.45	-7.40	-17.30	-10.72	-1.16	5.88	5.98	16.96
WELLINGTON TECHNICAL EQUITY	147,236	1.81	-8.12	-10.46	2.39	-8.12						
SHOTT CAPITAL	1,100	0.01	-16.16	-27.85	-35.34	-16.16	-36.96	-30.80	-23.50			
TOTAL US EQUITY	3,340,214	41.17	-6.31	-11.31	-5.62	-6.31	-9.24	-4.15	3.92	7.21	7.12	13.57
<i>RUSSELL 1000</i>			<i>-6.00</i>	<i>-10.59</i>	<i>-4.27</i>	<i>-6.00</i>	<i>-7.23</i>	<i>-2.45</i>	<i>5.68</i>	<i>7.77</i>	<i>7.47</i>	<i>12.59</i>
<i>RUSSELL 2000</i>			<i>-6.82</i>	<i>-13.56</i>	<i>-7.51</i>	<i>-6.82</i>	<i>-13.83</i>	<i>-9.78</i>	<i>-0.18</i>	<i>5.81</i>	<i>6.52</i>	<i>15.26</i>
<i>RUSSELL 2000 GROWTH</i>			<i>-9.17</i>	<i>-14.92</i>	<i>-6.20</i>	<i>-9.17</i>	<i>-11.07</i>	<i>-4.54</i>	<i>0.26</i>	<i>6.33</i>	<i>5.67</i>	<i>14.91</i>
<i>RUSSELL 2000 VALUE</i>			<i>-4.10</i>	<i>-12.04</i>	<i>-8.89</i>	<i>-4.10</i>	<i>-16.64</i>	<i>-14.76</i>	<i>-0.66</i>	<i>5.18</i>	<i>7.22</i>	<i>15.49</i>
<i>RUSSELL 3000</i>			<i>-6.06</i>	<i>-10.83</i>	<i>-4.54</i>	<i>-6.06</i>	<i>-7.79</i>	<i>-3.08</i>	<i>5.16</i>	<i>7.61</i>	<i>7.39</i>	<i>12.77</i>
<i>S&P 500</i>			<i>-6.00</i>	<i>-10.55</i>	<i>-4.32</i>	<i>-6.00</i>	<i>-7.29</i>	<i>-2.31</i>	<i>5.77</i>	<i>7.28</i>	<i>7.02</i>	<i>12.04</i>
<i>DOW WILSHIRE 5000 FREE FLOAT</i>			<i>-6.06</i>	<i>-10.79</i>	<i>-4.51</i>	<i>-6.06</i>	<i>-7.76</i>	<i>-2.64</i>	<i>5.32</i>	<i>7.87</i>	<i>7.68</i>	<i>13.17</i>
INTERNATIONAL EQUITY												
GOLDMAN SACHS	503,567	6.21	-10.31	-16.45	-10.22	-10.31	-10.83	-0.13	9.28	15.92		
THE BOSTON COMPANY	517,642	6.38	-7.84	-12.28	-7.90	-7.84	-9.45	-1.59	7.54	11.79		
MONDRIAN	525,319	6.47	-8.52	-12.08	-4.67	-8.52	-6.58	4.13	13.27	16.53		
TRANSITION ACCOUNT INT EQUITY	17	0.00										
PUTNAM INVESTMENTS	6	0.00										
BANK OF IRELAND	5	0.00										
TOTAL INTERNATIONAL EQUITY	1,546,555	19.06	-8.89	-13.62	-7.52	-8.89	-8.85	0.42	9.82	14.61	15.09	20.09

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING January 31, 2008



STATE STREET.
For Everything You Invest In.

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<i>MSCI AC WORLD ex US (GROSS)</i>			-9.68	-14.98	-5.76	-9.68	-6.03	5.39	12.14	17.03	17.12	22.88
<i>MSCI EAFE (NET)</i>			-9.24	-14.20	-7.52	-9.24	-8.89	0.22	9.59	13.82	14.46	20.28
U.S. FIXED INCOME												
BROWN BROTHERS HARRIMAN - CORE	311,311	3.84	1.53	2.72	4.41	1.53	4.99	6.28	5.21	4.25	4.35	4.92
FIDELITY MANAGEMENT TRUST	509,213	6.28	1.42	2.70	4.26	1.42	4.64	5.83	5.49	4.63	4.76	4.82
BROWN BROTHERS HARRIMAN - TIPS	599,338	7.39	4.01	8.03	11.75	4.01	14.36	15.76	7.53	6.18		
MACKAY SHIELDS, LLC	133,208	1.64	-1.51	-3.66	-0.06	-1.51	-2.54	-0.48	5.63	5.41	6.59	11.68
TAPLIN, CANIDA & HABACHT	305,013	3.76	-0.59	-0.81	1.38	-0.59	1.31	3.39	4.35	3.60	4.04	6.16
FIXED INCOME CASH ACCOUNT	311,609	3.84	0.38	1.19	2.52	0.38	2.97					
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	2,170,267	26.75	1.50	2.90	5.15	1.50	5.83	7.64	5.91	4.99	5.20	6.13
<i>CSFB GLOBAL HIGH YIELD</i>			-1.58	-3.36	0.60	-1.58	-2.56	-0.13	5.65	4.96	6.15	10.02
<i>LB AGGREGATE</i>			1.68	3.80	6.82	1.68	7.71	8.81	6.52	4.92	4.73	4.76
<i>LB CREDIT</i>			1.22	2.23	5.22	1.22	5.58	6.41	5.42	3.91	4.19	5.02
<i>LB GOV/CREDIT</i>			1.90	4.12	7.15	1.90	8.22	9.36	6.59	4.86	4.64	4.83
<i>CITIGROUP BIG</i>			1.95	4.18	7.38	1.95	8.34	9.32	6.79	5.14	4.92	4.94
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			1.91	4.42	8.22	1.91	9.44	9.65	6.68	5.09	5.50	5.68
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			1.86	4.01	7.33	1.86	8.04	8.89	6.92	5.41	5.23	4.86

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING January 31, 2008



STATE STREET.
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
ALTERNATIVE INVESTMENTS												
REAL ESTATE	362,859	4.47	0.14	2.00	6.35	0.14	6.66	24.90	14.09	10.59		
PRIVATE EQUITY	667,620	8.23	0.41	9.85	23.07	0.41	22.93	27.18	19.41	25.32	23.47	20.50
TOTAL ALTERNATIVE INVESTMENTS	1,030,478	12.70	0.32	6.92	16.50	0.32	16.55	26.29	17.35	22.85	21.55	18.93
¹ TOTAL ALTERNATIVES BENCHMARK			-3.31	-4.41	1.70	-3.31	0.02	7.36	12.40	13.56	12.82	15.18
NCREIF PROPERTY INDEX QTR LAG			0.00	3.56	8.31	0.00	8.31	17.30	17.46	18.03	16.60	14.79
S&P 500 PLUS 300 BP			-5.52	-9.49	-2.63	-5.52	-5.31	0.92	8.92	10.42	10.15	15.18
CASH EQUIVALENTS												
CASH ACCOUNT (INSIDE)	5,230	0.06	6.99	10.91	14.84	6.99	16.36	19.64	14.05	11.75	13.11	17.10
CASH ACCOUNT (OUTSIDE)	20,652	0.25	0.29	0.68	1.60	0.29	1.84	3.70	3.73	3.47	2.91	3.25
TOTAL PLAN												
TOTAL PLAN	8,113,395	100.00	-4.01	-6.17	-0.88	-4.01	-2.62	3.00	7.37	9.77	9.68	13.87
² TOTAL PLAN BENCHMARK			-4.50	-7.32	-1.12	-4.50	-2.60	3.19	7.88	9.68	9.43	13.53
TOTAL PLAN ex PE RE	7,082,917	87.30	-4.60	-7.77	-2.90	-4.60	-4.80	0.42	6.15	8.60	8.68	13.31
³ TOTAL PLAN BENCHMARK ex PE RE			-4.68	-7.73	-1.52	-4.68	-2.97	2.60	7.36	9.21	9.07	12.99

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING January 31, 2008



STATE STREET.
For Everything You Invest In

Endnotes

1 As of 7/1/2000: 60% S&P 500 plus 300bps / 40% NCREIF PROPERTY LAG

2 As of 04/31/2006: 42.5% W5000 / 25.0% LB AGG / 20.0% MSCI AC WORLD FREE ex USA / 5.0% NCREIF PROPERTY LAG / 7.5% S&P 500 plus 300bps

Prior to 04/31/2006: 52.5% W5000/ 25.0% LB AGG / 22.5% MSCI AC WORLD FREE ex USA

3 As of 01/01/1988: 48.57% Wilshire 5000 / 28.57% LB Aggregate / 22.86% MSCI AC World Free ex US

ERSRI Monthly Market Value Report With Time Weighted Returns

January 31, 2008

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								12/31/2007	In/(out)	1/31/2008	Increase/decrease
Domestic Equity											
Shott Capital Management IRR	-16.16%	-6.00%	-10.16%	S & P 500	-16.16%	-6.00%	-10.16%	1,312,086	-	1,100,013	(212,073)
SSgA S&P 500	-6.00%	-6.00%	0.00%	S & P 500	-6.00%	-6.00%	0.00%	1,708,957,888	119,184	1,606,531,343	(102,545,729)
SSgA Core	-7.04%	-6.00%	-1.04%	Russell 1000	-7.04%	-6.00%	-1.04%	379,416,579	25,824	352,744,220	(26,698,182)
PIMCO	-5.02%	-6.00%	0.98%	S & P 500	-5.02%	-6.00%	0.98%	534,288,662	38,784	507,478,939	(26,848,507)
NorthPointe Capital	-6.82%	-6.82%	0.00%	Russell 2000	-6.82%	-6.82%	0.00%	376,656,560	28,704	351,010,567	(25,674,697)
Wellington Mgmt	-7.40%	-6.82%	-0.58%	Russell 2000	-7.40%	-6.82%	-0.58%	403,960,345	31,584	374,112,305	(29,879,624)
Wellington Tech Eq	-8.12%	-6.06%	-2.06%	Russell 3000	-8.12%	-6.06%	-2.06%	160,242,060	-	147,236,144	(13,005,917)
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	-	-	-	-
Total Domestic Equity	-6.31%				-6.31%			3,564,834,180	244,080	3,340,213,531	(224,864,729)
International Equity											
Boston Company	-7.84%	-9.68%	1.84%	MSCI ACWI	-7.84%	-9.68%	1.84%	561,617,315	38,304	517,646,255	(44,009,364)
Goldman Sachs	-10.31%	-9.68%	-0.63%	MSCI ACWI	-10.31%	-9.68%	-0.63%	561,457,810	38,304	503,566,915	(57,929,198)
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	687,335	(88,863)	598,817	345
Mondrian	-8.52%	-9.68%	1.16%	MSCI ACWI	-8.52%	-9.68%	1.16%	574,235,576	38,304	525,318,570	(48,955,310)
Total International Equity	-8.89%				-8.89%			1,697,998,036	26,049	1,547,130,557	(150,893,528)
Fixed Income											
Fidelity Management & Research	1.42%	1.85%	-0.43%	Lehman Mortgage Backed	1.42%	1.85%	-0.43%	502,061,466	20,640	509,212,812	7,130,706
Brown Brothers, Harriman	1.53%	1.95%	-0.42%	Salomon Brd Inv Grade	1.53%	1.95%	-0.42%	306,586,629	20,688	311,310,753	4,703,436
Taplin, Canida & Habacht	-0.59%	1.22%	-1.81%	Lehman Credit Index	-0.59%	1.22%	-1.81%	306,803,597	9,408	305,012,698	(1,800,307)
Mackay Shields	-1.51%	-1.58%	0.07%	CS First BoshYield	-1.51%	-1.58%	0.07%	135,218,079	36,480	133,207,607	(2,046,952)
Brown Bros TIPS	4.01%	3.96%	0.05%	Lehman US TIPS Index	4.01%	3.96%	0.05%	576,191,121	33,792	599,338,268	23,113,355
Fixed Income Cash Acct	0.38%				0.38%			325,371,315	(15,000,000)	311,609,225	1,237,910
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Total Fixed Income	1.50%				1.50%			2,152,232,207	(14,878,992)	2,169,691,363	32,338,148
Alternative Investments											
Private Equity	0.41%	N/A	N/A	N/A	0.41%	N/A	N/A	650,854,101	15,533,201	667,619,644	1,232,342
Real Estate	0.14%	0.08%	0.06%	NCREIF + 100	0.14%	0.08%	0.06%	361,044,991	1,301,674	362,858,651	511,986
Total Alternatives	0.32%				0.32%			1,011,899,092	16,834,876	1,030,478,296	1,744,328
Cash Accounts											
Cash in Trust	6.99%	N/A	N/A		6.99%	N/A	N/A	20,490,454	(16,132,999)	5,229,719	872,264
Cash Outside Trust	0.29%	N/A	N/A		0.29%	N/A	N/A	18,754,451	-	20,652,285	1,897,833
Total Cash	2.82%				2.82%			39,244,906	(16,132,999)	25,882,004	2,770,097
Total Plan Ex PE & RE	-4.60%	-4.68%	0.08%		-4.60%	-4.68%	0.08%	8,466,208,420	(13,906,986)	8,113,395,750	(338,905,684)
Total Plan	-4.01%	-4.50%	0.49%		-4.01%	-4.50%	0.49%				

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

- 42.5% Wilshire 5000
- 25.0% Lehman Aggregate
- 20.0% MSCI ACWI X-US
- 5.0% NCREIF 1 Qtr Lag

State of Rhode Island

RATES OF RETURN - Total

Periods Ending January 31, 2008



STATE STREET.
For Everything You Invest In™

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
U.S. EQUITY									
SSGA S&P 500 INDEX FUND	S&P 500	-6.00	-6.00	0.00	-6.00	-6.00	0.00	1,606,531	119
SSGA - CORE	RUSSELL 1000	-7.04	-6.00	-1.04	-7.04	-6.00	-1.04	352,744	26
PIMCO	S&P 500	-5.02	-6.00	0.98	-5.02	-6.00	0.98	507,479	39
NORTHPOINTE CAPITAL	RUSSELL 2000	-6.82	-6.82	0.00	-6.82	-6.82	0.00	351,011	29
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	-7.40	-6.82	-0.58	-7.40	-6.82	-0.58	374,112	31
SHOTT CAPITAL	S&P 500	-16.16	-6.00	-10.16	-16.16	-6.00	-10.16	1,100	0
WELLINGTON TECHNICAL EQUITY	RUSSELL 3000	-8.12	-6.06	-2.06	-8.12	-6.06	-2.06	147,236	0
TOTAL US EQUITY		-6.31			-6.31			3,340,214	244
INTERNATIONAL EQUITY									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	-7.84	-9.68	1.84	-7.84	-9.68	1.84	517,642	38
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	-10.31	-9.68	-0.63	-10.31	-9.68	-0.63	503,567	0
MONDRIAN	MSCI AC WORLD ex US (GROSS)	-8.52	-9.68	1.16	-8.52	-9.68	1.16	525,319	38
TRANSITION ACCOUNT INT EQUITY								17	-88
TOTAL INTERNATIONAL EQUITY		-8.89			-8.89			1,546,555	-11
U.S. FIXED INCOME									
FIDELITY MANAGEMENT TRUST	LB MBS	1.42	1.85	-0.43	1.42	1.85	-0.43	509,213	20
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	1.53	1.95	-0.42	1.53	1.95	-0.42	311,311	21
TAPLIN, CANIDA & HABACHT	LB CREDIT	-0.59	1.22	-1.81	-0.59	1.22	-1.81	305,013	9
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	-1.51	-1.58	0.07	-1.51	-1.58	0.07	133,208	36
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	4.01	3.96	0.05	4.01	3.96	0.05	599,338	34
FIXED INCOME CASH ACCOUNT		0.38			0.38			311,609	-15,000
TRANSITION ACCOUNT FIXED INCOME								575	0
TOTAL US FIXED INCOME		1.50			1.50			2,170,267	-14,880

State of Rhode Island

RATES OF RETURN - Total

Periods Ending January 31, 2008



STATE STREET
For Everything You Invest In™

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
ALTERNATIVE INVESTMENTS									
PRIVATE EQUITY		0.41			0.41			667,620	14,044
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	0.14	0.08	0.06	0.14	0.08	0.06	362,859	1,302
TOTAL ALTERNATIVE INVESTMENTS	TOTAL ALTERNATIVES BENCHMARK	0.32	-3.31	3.63	0.32	-3.31	3.63	1,030,478	15,346
CASH EQUIVALENTS									
CASH ACCOUNT (INSIDE)		6.99			6.99			5,230	-16,129
CASH ACCOUNT (OUTSIDE)		0.29			0.29			20,652	1,838
TOTAL CASH		2.82			2.82			25,882	-14,291
TOTAL PLAN									
TOTAL PLAN	TOTAL PLAN BENCHMARK	-4.01	-4.50	0.49	-4.01	-4.50	0.49	8,113,395	-13,592
TOTAL PLAN ex PE RE	TOTAL PLAN BENCHMARK ex PE RE	-4.60	-4.68	0.08	-4.60	-4.68	0.08	7,082,917	-28,938

State of Rhode Island

TOTAL PLAN

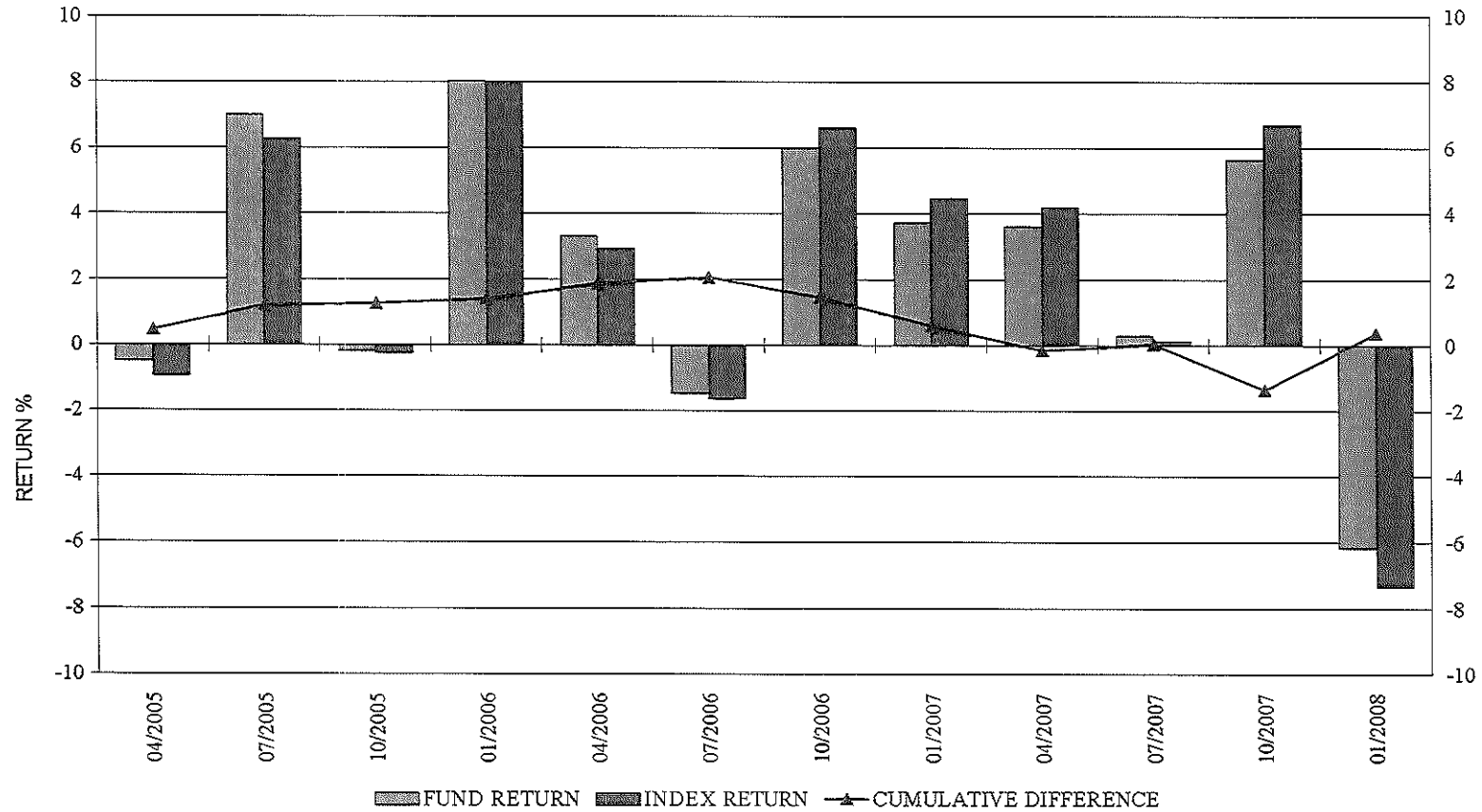
Index: TOTAL PLAN BENCHMARK

PERIODS: January 31, 2005 - January 31, 2008



STATE STREET
For Everything You Invest In™

CUMULATIVE PERFORMANCE REPORT

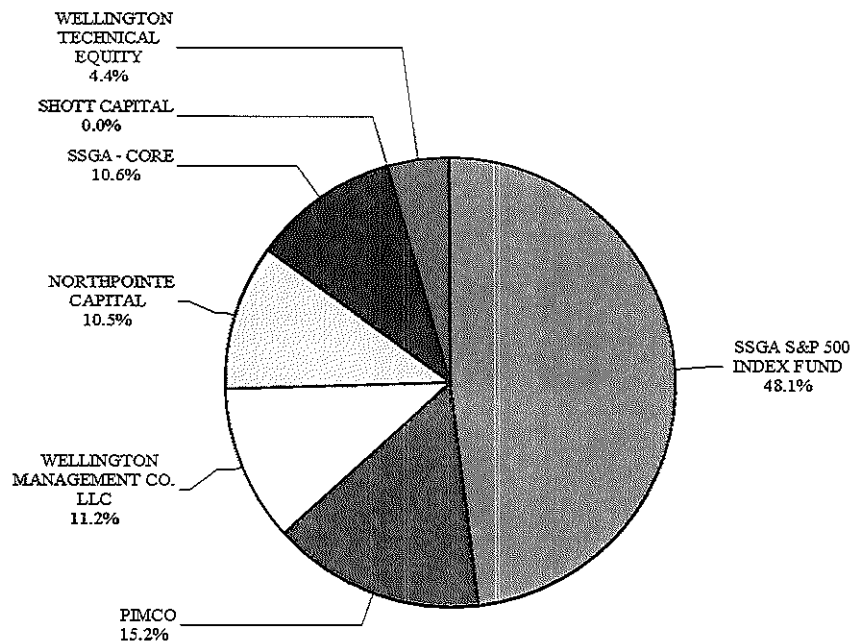


State of Rhode Island
MANAGER ALLOCATION ANALYSIS
PERIOD ENDING 01/31/2008



STATE STREET.
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
SSGA S&P 500 INDEX FUND	1,606.5	1,690.9
PIMCO	507.5	555.3
WELLINGTON MANAGEMENT CO. LLC	374.1	418.5
NORTHPOINTE CAPITAL	351.0	404.9
SSGA - CORE	352.7	381.7
SHOTT CAPITAL	1.1	4.1
WELLINGTON TECHNICAL EQUITY	147.2	
TOTAL	3,340.1	3,455.4

State of Rhode Island

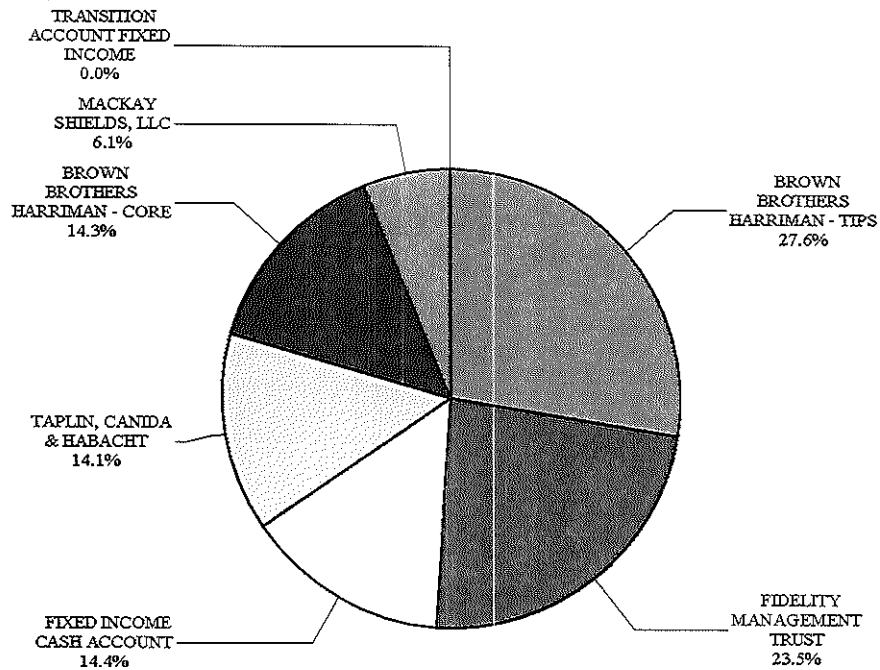
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 01/31/2008



STATE STREET.
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



MANAGER	CURRENT PERIOD	ONE YEAR AGO
BROWN BROTHERS HARRIMAN - TIPS	599.3	517.2
FIDELITY MANAGEMENT TRUST	509.2	480.8
FIXED INCOME CASH ACCOUNT	311.6	
TAPLIN, CANIDA & HABACHT	305.0	294.8
BROWN BROTHERS HARRIMAN - CORE	311.3	292.4
MACKAY SHIELDS, LLC	133.2	132.8
SHENKMAN CAPITAL MANAGEMENT		132.8
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
TOTAL	2,170.2	1,851.4

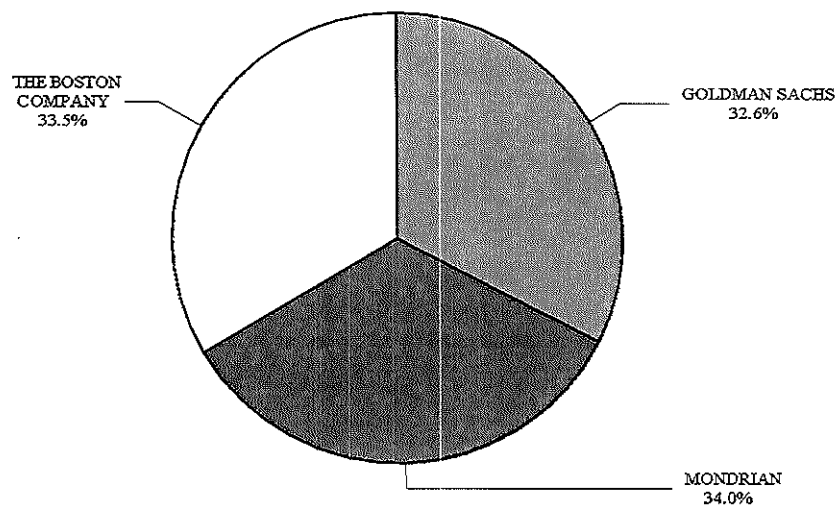
State of Rhode Island
 MANAGER ALLOCATION ANALYSIS
 PERIOD ENDING 01/31/2008



STATE STREET.
 For Everything You Invest In™

CURRENT MANAGER ALLOCATION

MANAGER	CURRENT PERIOD	ONE YEAR AGO
GOLDMAN SACHS	503.6	637.6
MONDRIAN	525.3	631.8
THE BOSTON COMPANY	517.6	623.0
TRANSITION ACCOUNT INT EQUITY	0.0	0.1
TOTAL	1,546.5	1,892.5



**ASSET ALLOCATION REPORT
JANUARY 31st, 2008**

	Style Mandate	Actual (Millions \$)		Target (Millions \$)		Difference (Millions \$)
Domestic Equity						
SSgA S&P 500 Index Fund	Passive	1,606.53	19.80%	1,659.19	20.45%	(52.66)
SSgA Core	Active core	352.74	4.35%	365.10	4.50%	(12.36)
PIMCO	Enhanced Equity	507.48	6.25%	523.31	6.45%	(15.84)
NorthPointe Capital	Small Cap Value	351.01	4.33%	405.67	5.00%	(54.66)
Wellington Mgmt	Small Cap Core	374.11	4.61%	446.24	5.50%	(72.12)
Wellington Technical Equity	Tactical Equity	147.24	1.81%	48.68	0.60%	98.56
Shott Capital	Alternative Distribution	1.10	0.01%	0.00	0.00%	1.10
TOTAL DOMESTIC EQUITY		3,340.21	41.17%	3,448.19	42.50%	(107.98)
International Equity						
Boston Company	MSCI ACWI	517.64	6.38%	541.16	6.67%	(23.52)
Goldman Sachs	MSCI ACWI	503.57	6.21%	541.16	6.67%	(37.60)
Mondrian	MSCI ACWI	525.32	6.47%	540.35	6.66%	(15.03)
Transition Account		0.02	0.00%	0.00	0.00%	0.02
TOTAL INT'L EQUITY		1,546.56	19.06%	1,622.68	20.00%	(76.12)
Domestic Fixed Income						
Fidelity Management & Research	Mortgages	509.21	6.28%	507.09	6.25%	2.13
Brown Brothers, Harriman	Opportunistic Core	311.31	3.84%	304.25	3.75%	7.06
Taplin, Canida & Habacht	Corporates	305.01	3.76%	304.25	3.75%	0.76
Mackay Shields	High yield	133.21	1.64%	152.13	1.88%	(18.92)
Shenkman Capital Mgmt	High yield	0.00	0.00%	152.13	1.88%	(152.13)
Brown Brothers, Harriman TIPS	TIPS	599.34	7.39%	608.50	7.50%	(9.17)
Fixed Income Cash Account		311.61	3.84%	0.00	0.00%	311.61
Transition Account		0.58	0.01%	0.00	0.00%	0.58
TOTAL FIXED-INCOME		2,170.27	26.75%	2,028.35	25.00%	141.92
Alternative Investments						
Real Estate	Real Estate	362.86	4.47%	405.7	5.00%	(42.8)
Pacific Corp Group	Private Equity	667.62	8.23%	608.50	7.50%	59.1
TOTAL ALTERNATIVE INVESTMENTS		1,030.48	12.70%	1,014.17	12.50%	16.30
CASH EQUIVALENTS	STIF, Yield+	25.88	0.32%	0.00	0.00%	25.88
TOTAL ASSETS		8,113.40	100.00%	8,113.40	100.00%	(0.00)

ALLOCATION BY MANAGEMENT STYLE

Domestic Equity						
Core		499.98	6.16%	413.78	4.50%	86.20
Index		1,606.53	19.80%	1,659.19	17.75%	(52.66)
Enhanced Equity		507.48	6.25%	523.31	6.75%	(15.84)
Active Small Cap		725.12	8.95%	851.91	13.50%	(126.78)
TOTAL DOMESTIC EQUITY		3,340.21	41.17%	3,448.19	42.50%	(107.98)
International Equity						
Active		1,546.56	19.06%	1,622.68	20.00%	(76.12)
TOTAL INT'L EQUITY		1,546.56	19.06%	1,622.68	20.00%	(76.12)
Domestic Fixed Income						
Mortgage		509.21	6.28%	507.09	6.25%	2.13
Core		311.31	3.84%	304.25	3.75%	7.06
Corporates		305.01	3.76%	304.25	3.75%	0.76
High Yield		133.78	1.64%	304.25	3.75%	(170.47)
TIPS		599.34	7.39%	608.50	7.50%	(9.17)
Other		311.61	3.84%	-	0.00%	311.61
TOTAL FIXED-INCOME		2,170.27	26.74%	2,028.35	25.00%	141.92
Alternative Investments						
Real Estate		362.86	4.47%	405.67	5.00%	(42.81)
Other Alternative Investments		667.62	8.23%	608.50	7.50%	59.12
TOTAL ALTERNATIVE INVESTMENTS		1,030.48	12.70%	1,014.17	12.50%	16.30
CASH EQUIVALENTS	STIF, Yield+	25.88	0.32%	0.00	0.00%	25.88
TOTAL ASSETS		8,113.40	100.00%	8,113.40	100.00%	(0.00)

RHODE ISLAND STATE INVESTMENT COMMISSION
Domestic Equity Holdings By Top 10 Market Values
Separately Managed

JANUARY 31, 2008

<i>Equities</i>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	EXXON MOBIL CORP	184,570	\$15,946,848	SSgA
2	TRIZETTO GROUP	487,500	9,516,000	Wellington,NorthPointe
3	TELEDYNE TECH	175,610	9,066,744	Wellington,NorthPointe
4	CHEVRON CORP	106,400	8,990,800	SSgA
5	BANK AMERICA CORP.	196,800	8,728,080	SSgA
6	PFIZER INC	363,500	8,502,265	SSgA
7	ADC TELECOMMUNICATIONS INC	554,500	8,201,055	Wellington,NorthPointe
8	RED HAT INC.	422,500	7,892,300	Wellington
9	CISCO SYS INC	319,200	7,820,400	SSgA
10	TIVO INC	889,400	7,800,038	Wellington
		2.90%	\$92,464,530	
	Total Composite Equities	\$3,192,108,119		

International Equity Holdings By Top 10 Market Values

JANUARY 31, 2008

<i>International Equities</i>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	DPT EMERGING MARKET	4,734,186	\$60,834,296	Mondrian
2	UNILEVER PLC	894,565	29,396,879	Mondrian,Goldman,Boston Co.
3	NOVARTIS AG	551,942	27,737,058	Mondrian,Goldman,Boston Co.
4	TOTAL SA	368,964	26,609,688	Mondrian,Boston Co.
5	ROYAL DUTCH SHELL	735,150	26,177,532	Mondrian,Boston Co.
6	GLAXOSMITHKLINE	935,647	21,985,988	Mondrian,Boston Co.
7	BP PLC	2,067,265	21,863,730	Mondrian,Boston Co.
8	TAKEDA PHARMACEUTICAL CO LTD	338,900	20,558,711	Mondrian,Goldman,Boston Co.
9	RWE AG (NEU)	162,068	19,786,923	Mondrian,Boston Co.
10	SANOFI AVENTIS	221,874	17,854,333	Goldman,Boston Co.
		17.47%	\$272,805,138	
	Total Composite International Equities	\$1,561,786,234		

Top 10 Market Values SIC

FISCAL YEAR 2008

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI ACCRUAL BASIS

	Actual Jul 07	Actual Aug	Actual Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 08	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
EQUITIES													
SSgA Core			260,984			242,895			254,599			222,371	980,848
SSgA Russell 1000/S&P 500			35,288			40,562			66,927			32,408	175,186
Shott Capital			1,446			948			2,195			2,718	7,308
PIMCO			0			200,000			1,000			225,000	426,000
Wellington Mgmt			690,947			634,038			647,075			679,274	2,651,334
Wasatch Advisors			0			121,645			120,000			126,713	368,359
NorthPointe			<u>590,310</u>			<u>543,982</u>			<u>566,385</u>			<u>589,850</u>	<u>2,290,527</u>
			1,578,976			1,784,071			1,658,181			1,878,334	6,899,561
FIXED INCOME													
Brown Bros.			143,304			140,551			141,829			129,732	555,417
Fidelity			160,096			157,334			158,790			148,636	624,856
Taplin			191,761			193,592			187,094			169,909	742,356
Mackay Shields			148,591			141,118			145,904			147,848	563,461
Brown Bros.TIPS			<u>141,966</u>			<u>140,110</u>			<u>140,412</u>			<u>136,883</u>	<u>569,365</u>
			785,712			772,705			774,030			733,008	3,065,455
INT'L EQUITIES													
The Boston Co			565,228			584,801			570,511			551,739	2,272,279
Mondrian			338,577			363,762			353,466			316,283	1,372,088
Goldman Sachs Asset Mgmt			475,637			489,525			532,968			499,383	1,997,513
SSgA MSCI ACWI			0			0			0			0	0
	0		1,379,442	0		1,438,088			1,456,945			1,367,405	5,641,880
REAL ESTATE													
L & B Real Estate	71,577	17,187	17,188	329,250	201,893	348,834	0	17,188	202,228	55,479	56,250	0	1,317,074
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fees	1,059,228	598,052	57,249	578,597	166,134	998,614	1,488,953	19,516	249,256	206,620	462,405	278,946	6,163,570
SUB TOTAL-INV MGMT FEES													
	1,130,805	615,239	3,818,567	907,847	368,027	5,342,311	1,488,953	36,704	4,340,640	262,099	518,655	4,257,693	23,087,540
PROFESSIONAL FEES													
Legal	0	0	12,581	0	6,701	15,535	13,726	6,000	7,365	12,737	9,677	17,791	102,111
St St Bank Custodial	10,784	8,495	35,791	18,017	8,948	15,129	9,541	10,000	10,949	10,619	11,995	12,861	163,129
Pacific Corp Group		0	0	93,750	93,750	0	0	93,750	0	0	93,750	0	375,000
Wilshire Assoc	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	249,997
Townsend	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	<u>15,000</u>	<u>35,625</u>	<u>157,500</u>
	31,617	29,328	104,930	132,600	130,232	87,122	44,100	130,583	74,772	44,188	151,255	87,110	1,047,738
OPERATING EXPENSE													
Retirement Transfers	369,522	368,651	525,602	512,275	603,183	808,484	0	0	0	3,680,498	0	0	6,868,213
Other Expense	0	<u>3,097</u>	<u>33,907</u>	<u>6,250</u>	<u>6,250</u>	<u>6,250</u>	<u>21,497</u>	<u>22,425</u>	<u>3,000</u>	0	<u>8,333</u>	<u>8,333</u>	<u>118,442</u>
	369,522	371,747	558,608	518,525	609,433	814,734	21,497	22,425	3,000	3,680,498	8,333	8,333	6,986,655
TOTAL:	1,531,944	1,016,314	4,482,005	1,558,972	1,107,692	6,244,167	1,554,551	189,712	4,418,412	3,986,785	678,244	4,353,136	31,121,933

Note: Numbers in bold are actual.

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2008

	FY 2007-08												
	Actual July 2007	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2008	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	52,425,504	53,123,807	53,371,008	53,041,011	52,935,677	53,259,955	55,398,684	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	633,555,646
ADMINISTRATIVE EXPENSES	81,164	112,168	939,170	123,439	119,107	777,259	55,682	89,849	65,360	3,165,757	134,243	81,164	5,744,371
INVESTMENT EXPENSES	961,630	523,195	63,300	770,935	368,027	1,143,783	1,263,900	31,234	384,116	222,931	441,147	237,214	6,411,412
TOTAL OUTFLOW	53,468,298	53,759,170	54,373,478	53,935,385	53,422,811	55,180,937	56,718,267	52,121,083	52,448,476	55,388,697	52,575,390	52,318,378	645,711,429
CONTRIBUTIONS	67,315,617	24,268,735	31,456,913	39,521,411	50,419,000	41,453,000	43,124,000	45,847,529	37,662,635	42,576,485	39,989,274	51,824,521	515,459,120
OTHER INCOME*	7,285,447	10,151,633	8,518,524	3,050,830	3,844,958	3,705,916	2,194,110	8,825,708	11,598,390	6,200,118	13,473,498	16,040,178	94,889,309
TOTAL INCOME	74,601,064	34,420,368	39,975,437	42,572,241	54,263,958	45,158,916	45,318,110	54,673,237	49,261,025	48,776,603	53,462,772	67,864,699	610,348,429
DIFFERENCE	21,132,766	(19,338,802)	(14,398,041)	(11,363,144)	841,147	(10,022,081)	(11,400,156)	2,552,154	(3,188,451)	(6,612,095)	887,382	15,546,321	(35,363,000)

Municipal Employees Retirement System

	Actual July 2007	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2008	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	4,451,916	4,467,625	4,500,775	4,497,408	4,495,051	4,530,782	4,616,934	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	53,810,491
ADMINISTRATIVE EXPENSES	13,354	18,455	154,522	20,453	19,780	129,077	9,247	14,745	10,731	520,429	22,089	13,354	946,214
INVESTMENT EXPENSES	158,218	86,082	10,415	127,741	51,879	189,944	209,891	5,126	63,063	36,648	72,521	39,029	1,050,557
TOTAL OUTFLOW	4,623,487	4,572,162	4,665,712	4,645,602	4,566,710	4,849,802	4,836,072	4,469,870	4,523,794	5,007,077	4,544,590	4,502,383	55,807,262
CONTRIBUTIONS	4,890,850	3,427,165	3,947,195	5,055,145	3,776,000	4,383,000	6,233,000	3,888,036	4,038,723	4,393,140	5,350,512	5,150,814	54,533,580
OTHER INCOME*	1,198,679	1,670,254	1,401,558	535,511	638,518	615,428	354,368	1,448,337	1,904,204	1,019,254	2,214,944	2,639,101	15,620,155
TOTAL INCOME	6,089,529	5,097,419	5,348,753	5,530,656	4,414,518	4,998,428	6,597,368	5,336,373	5,942,927	5,412,394	7,565,456	7,789,915	70,153,735
DIFFERENCE	1,466,042	525,258	683,041	915,054	(152,192)	148,625	1,761,296	866,502	1,419,133	405,317	3,020,866	3,287,532	14,346,473

Retirement System	Actual July 2007	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2008	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
ADMINISTRATIVE EXPENSES	925	1,278	10,702	1,468	1,429	9,324	668	989	732	35,787	1,518	925	65,745
INVESTMENT EXPENSES	10,958	5,962	721	9,171	3,748	13,721	15,162	344	4,305	2,520	4,987	2,703	74,302
TOTAL OUTFLOW	25,883	21,240	25,424	24,639	19,176	37,045	29,830	15,333	19,037	52,307	20,504	17,628	308,047
CONTRIBUTIONS	535,000	530,000	485,000	525,000	810,000	480,000	490,000	1,280,000	520,000	540,000	550,000	780,000	7,525,000
OTHER INCOME*	83,022	115,683	97,073	38,293	46,124	44,456	26,321	97,177	129,982	70,088	152,309	182,786	1,081,314
TOTAL INCOME	618,022	645,683	582,073	561,293	856,124	524,456	516,321	1,377,177	649,982	610,088	702,309	962,786	8,606,314
DIFFERENCE	592,138	824,443	556,649	536,654	836,948	487,411	486,491	1,361,844	630,945	557,781	681,804	945,158	8,298,267

*Includes Income from Real Estate Investments, Private Equity, Securities Lending, and Cash Accounts.

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**Rhode Island Employees Retirement System
Securities Lending Report
January, 2008**

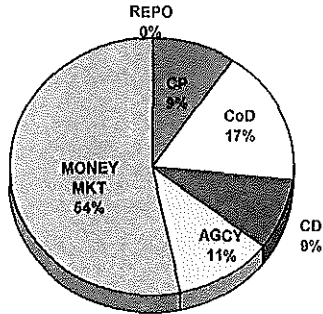
<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<u>DOMESTIC EQUITY</u>		
Wellington Terminal Equity	12,606	22,437,409
Wellington Mgmt. Co., LLP	115,535	184,919,210
NorthPointe Capital	133,813	174,784,432
SSgA Core	<u>24,689</u>	<u>51,455,952</u>
Total Domestic Equity	<u>\$ 286,643</u>	<u>\$ 433,597,003</u>
<u>INTERNATIONAL EQUITY</u>		
Goldman Sachs	11,602	19,080,983
Boston Company	27,476	45,054,644
Mondrian	<u>17,888</u>	<u>29,431,083</u>
Total International Equity	<u>\$ 56,967</u>	<u>\$ 93,566,709</u>
<u>FIXED INCOME</u>		
Brown Brothers, Harriman	21,856	33,343,844
Taplin, Canida & Habacht	7,417	18,923,425
Fidelity Management Trust Company	0	0
Mackay Shields	9,810	16,277,456
Brown Brothers, Harriman (TIPS)	<u>379,451</u>	<u>542,663,710</u>
Total Fixed Income	<u>\$ 418,534</u>	<u>\$ 611,208,434</u>
 TOTAL SECURITIES LENDING INCOME	 <u>\$ 762,144</u>	 <u>\$ 1,138,372,146</u>
 Calendar Year 2007 YTD	 \$ 762,144	

RHODE ISLAND STATE INVESTMENT COMMISSION

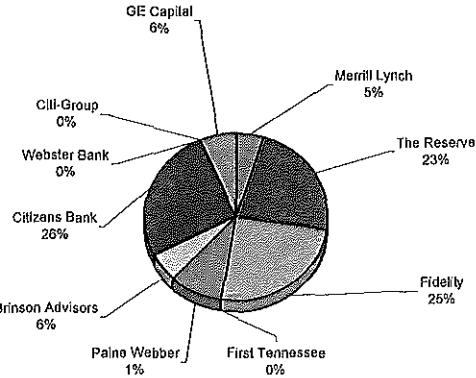
SHORT TERM CASH INVESTMENTS AT

JANUARY 31, 2008

Portfolio By Instrument



Portfolio by Issuer



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

Vendor	CP	CD	Agency	Money Mkt	CoD	Repo	Total (\$)
Guidelines-Total/Vendor	25%/10%	25%/10%	75%/35%	76%/35%	25%/25%	100%/20%	
Merrill Lynch	0	0	11,379,399	0	0	0	11,379,399
The Reserve	0	0	0	54,220,129	0	0	54,220,129
Chase Securities	0	0	0	0	0	0	0
Paine Webber	7,391,502	0	14,699,245	0	0	0	22,090,747
Fidelity	0	0	0	60,246,501	0	0	60,246,501
First Tennessee	0	0	0	0	0	0	0
Brinson Advisors	0	0	0	13,430,648	0	0	13,430,648
Citizens Bank	0	21,300,620	0	0	41,543,902	0	62,844,522
GE Capital	14,977,216	0	0	0	0	0	14,977,216
Webster Bank	0	0	0	0	0	0	0
Citi-Group	0	0	0	0	0	0	0
State St Bank	0	0	0	0	0	0	0
TOTALS	22,368,718	21,300,620	26,078,644	127,897,279	41,543,902	0	239,189,163
(%) PORTFOLIO	9%	9%	11%	53%	17%	0%	100%

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

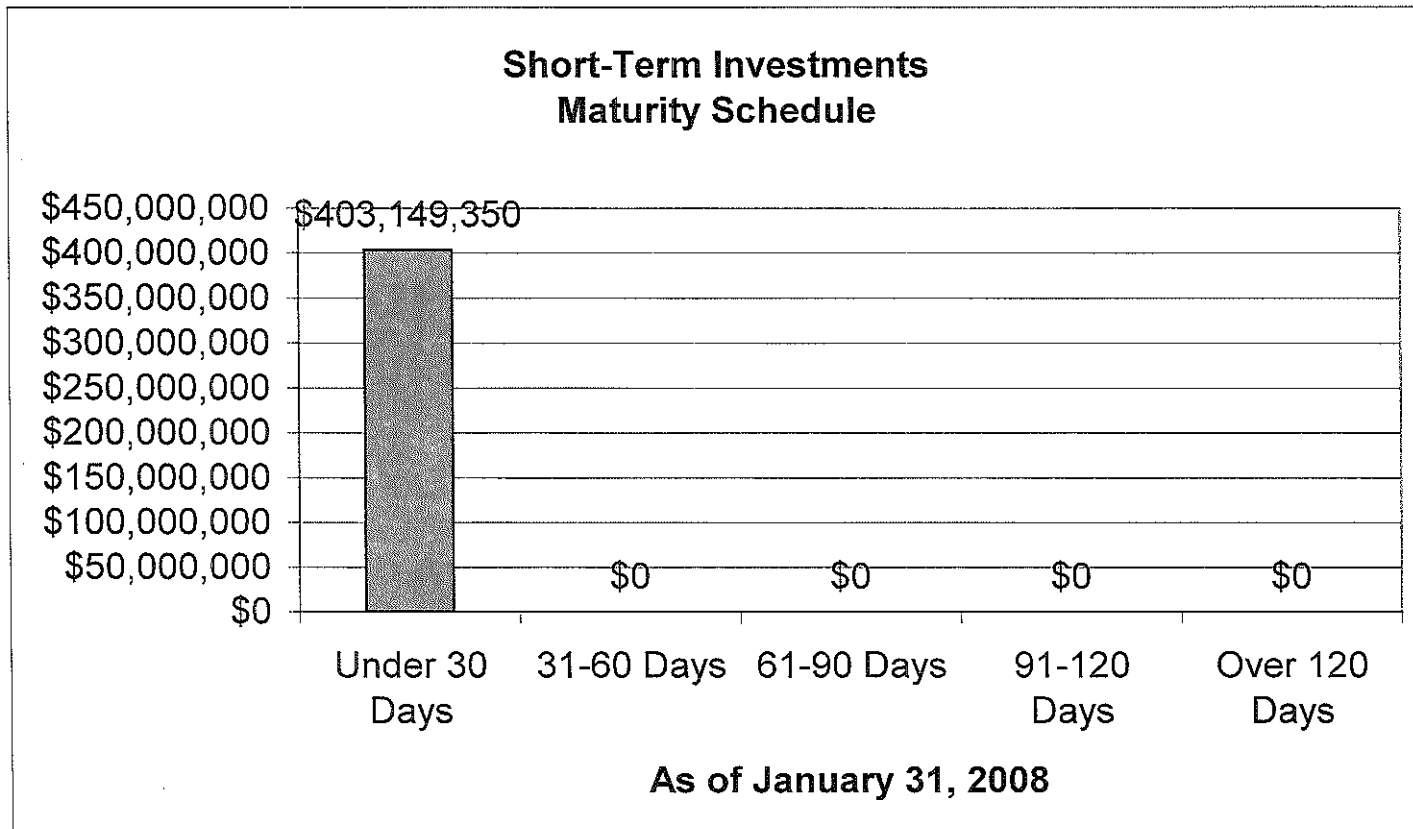
State of Rhode Island and Providence Plantations
Office of the General Treasurer

Short Term Investments Portfolio by Fund

As of January 31, 2008

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	44,796,664	591	44,797,255
4904 PENSION C	2,999,842	158	3,000,000
4908 PAYROLL A	779,959	41	780,000
4916 GENERAL FUND H.A.V.A.	1,174,180	0	1,174,180
4918 RICAP	3,210,226	32	3,210,257
4920 GENERAL FUND (HIST PRES)	519,118	3,230	522,349
4955 HEALTH INSURANCE FUND	12,035,925	8,709	12,044,634
5400 HIGHWAY FUND	28,468,552	53	28,468,605
5500 UNIVERSITY COLLEGE	4,802,381	0	4,802,381
6920 AUTO EQUIPMENT SERVICE	521,683	0	521,683
8000 T.D.I. RESERVE (DET)	86,680,642	11,383	86,692,025
8300 PERMANENT SCHOOL FUND	781,501	912	782,413
8400 EMP RETIREMENT FUND	2,499,232	0	2,499,232
8500 MUN EMP RETIREMENT FUND	2,240,770	0	2,240,770
8700 R.I. CLEAN WATER ACT	911,434	0	911,434
9000 BOND CAPITAL FUND	2,824,594	0	2,824,594
9700 STATE LOTTERY FUND	41,878,776	22,949	41,901,725
9800 INDUS. BLDG. & MTG. INS.	2,063,685	0	2,063,685
4911 TANS	140,375,849	231,614	140,607,463
4917 TOBACCO SETTLEMENT	23,584,338	0	23,584,338
Subtotal	403,149,350	279,672	403,429,022
8703 CLEAN WATER 1991 SERIES A	45,867		
8706 CLEAN WATER CCDL 1994 (A)	6,069		
8707 CAP DEV. OF 1997 SERIES A	19,387		
8710 CLEAN WATER CCDL 2002 A	133,002		
8711 CLEAN WATER 2004 SERIES A	696,925		
8712 CLN WATER CCDL 2005 SER E	822,058		
8733 CAP DEV. OF 1997 SERIES A	7,062		
8737 RI POLLUT. CONT 94 SER. A	6,345		
8739 CCDL99A 1999A	328,676		
8746 POLUTION CTRL CCDL 2006 C	234,924		
8747 CLEAN WATER 2007 SERIES A	501,694		
9114 G.O. NOTE 1991 SER. B	3,798		
9117 BOND CCDL 1994 SERIES A	192,962		
9120 BOND CCBL98A	619,395		
9121 CAP DEV OF 1997 SERIES A	346		
9123 CCDL 1998B	2,102,659		
9125 MMG099 1999	2,851		
9126 BOND CAPITAL CCDL2000A	1,472,685		
9127 MULTI-MODAL GEN OBL 2000	2,822		
9131 CCDL 2004 SERIES A	11,116,008		
9132 BOND CCDL 2005 SERIES C	16,463,496		
9133 BOND CCDL 2005 SERIES E	3,855,990		
9134 BOND CCDL 2006 SERIES B	22,683		
9135 BOND CCDL 2006 SERIES C	37,608,988		
9136 GO BND-NTAX 2007 SERIES A	93,621,607		
9137 GO BND-TAX 2007 SERIES A	8,532,628		
Subtotal Bond Proceed Accounts	178,420,926		
Total Short Term Portfolio	581,570,276		

* General Fund (4901,4911,4916), TDI (8000), & JSTE (5400), Clean Water (8700), Lottery (9700), RI Ind Bldg (9800) and Auto Equip (6900) Investments do not reflect interest earnings on Brinson and Fidelity MM, and Citizens Premium Investments due to nature of Money Market investments. Interest is posted on the 1st business day of the next month.



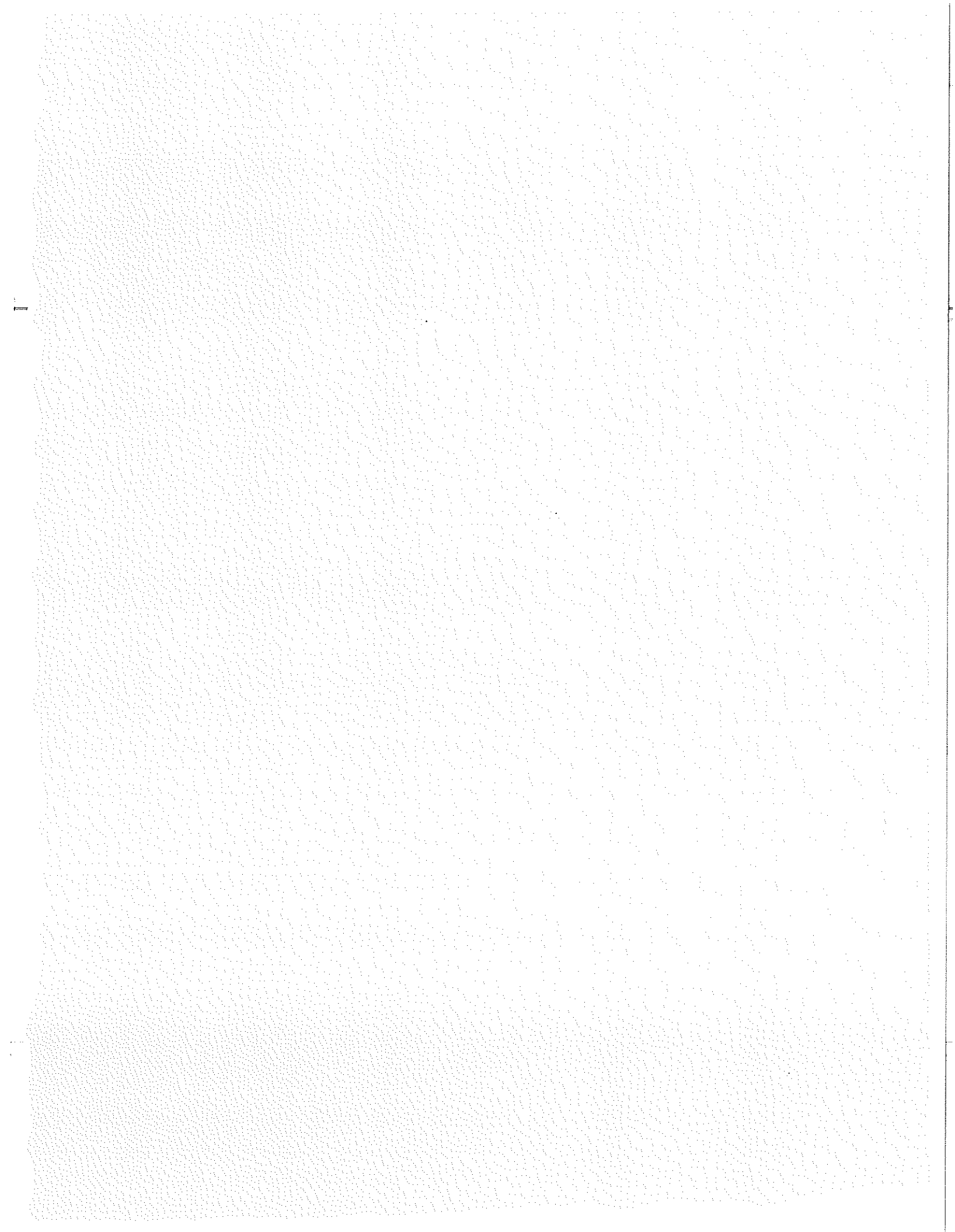
Maturities in \$Millions

Note: Includes \$308.3 Million of Money Market investments with no specific maturity

January, 2008	3.80%
December, 2007	4.60%
January, 2007	5.21%

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
JANUARY 31, 2007**

<u>FUND NAME</u>	January Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund (Fidelity Balanced Fund)	\$ (161,405)	\$ 2,275,232
<u>TOTALS</u>	\$ (161,405)	\$ 2,275,232



Portfolio Director

The information is current as of 12/31/2007.

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

Category/Funds	YTD Return	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	ITD Date
Domestic Equity								
Domestic Large Cap Equity								
<i>Large Cap Value</i>								
Core Value Fund (American Century)	-1.25	-1.25	5.98	11.30	2.76	2.76	1.63	12/8/2000
Vanguard Windsor II Fund	1.15	1.15	7.82	13.56	6.31	6.31	1.39	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	2.15	2.15	5.31	9.50	1.72	1.72	1.65	4/29/1994
Stock Index Fund (AIG Inv)	4.28	4.28	7.39	11.54	4.72	4.72	1.15	4/20/1987
<i>Large Cap Growth</i>								
Large Capital Growth Fund (AIG SunAmerica/AIM)	14.18	14.18	-	-	8.37	8.37	1.56	12/20/2004
Domestic Mid Cap Equity								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (MorganStanley/Brazos)	28.28	28.68	-	-	15.17	15.17	1.63	12/20/2004
Global Equity								
Global Equity Fund (Putnam)	8.20	8.20	-	-	14.31	14.31	1.75	12/5/2005
Social Awareness Fund (AIGGIC)	3.56	3.56	7.01	11.36	4.22	4.22	1.42	10/2/1989
International Equity								
Foreign Value Fund (Templeton Global)	10.27	10.27	-	-	15.58	15.58	1.66	12/5/2005
Specialty								
Science & Technology Fund (T. Rowe/RCM/Wellington)	16.75	16.75	7.91	13.56	1.84	1.84	1.83	4/29/1994
Hybrid								
<i>Balanced</i>								
Vanguard Wellington Fund	7.23	7.23	8.84	11.13	7.26	7.26	1.33	7/1/1929
Fixed Income								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	2.92	2.92	3.08	4.53	5.45	5.45	1.05	7/9/1973
Vanguard Long-Term Treasury Fund	8.37	8.37	4.97	4.60	6.10	6.10	1.06	5/19/1986
<i>International</i>								
International Government Bond Fund (AIGGIC)	6.16	6.16	3.88	7.83	5.50	5.50	1.50	10/1/1991
<i>Stable Value</i>								
Money Market I Fund (AIG SunAmerica)	3.86	3.86	3.18	1.86	2.59	2.59	1.32	1/16/1986
7-Day Yield at 31-Dec-2007: 3.16%								
Fixed Account Plus	0.00	0.00	2.27	3.07	4.62	4.62		1/1/1982
Short Term Fixed Account	3.00	3.00	3.00	3.00	3.60	3.60		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 for periods prior to the date the funds became available in the Separate Account are hypothetical and are derived from the performance of the underlying fund, adjusted to reflect fees, expenses, and surrender charges if applicable, of Portfolio Director as if the fund had been in the Separate Account during the stated period.

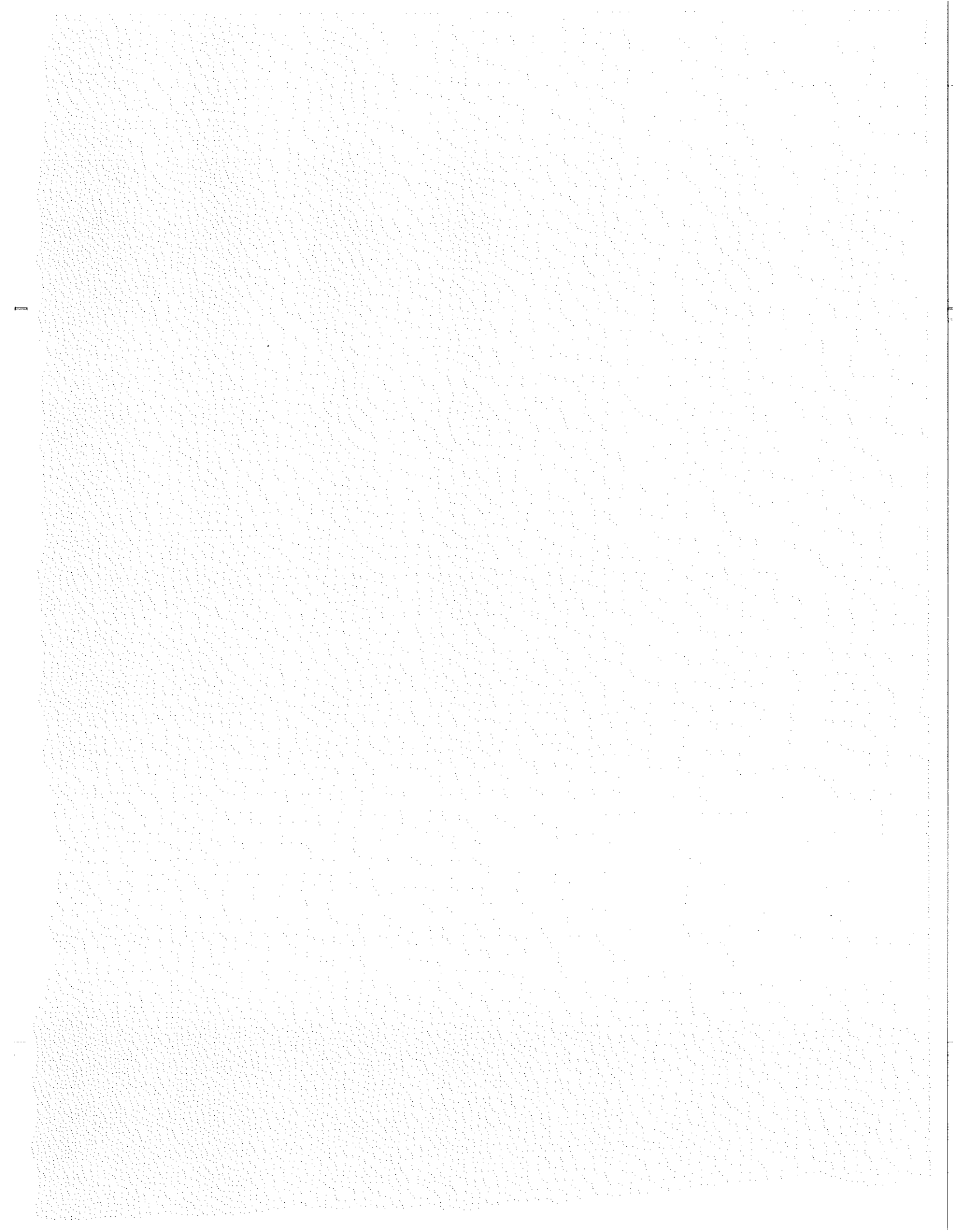
If applicable, returns on pages 1 & 2 reflect deduction of account maintenance fees and surrender charges, but not premium taxes or IncomeLOCK fees, if applicable. Partial or full surrenders may be subject to a surrender charge of the lesser of either 5% of the sum of the contributions received during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

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

- 1) The inclusion data found in this chart are based upon the date the funds were included in the Separate Account.
- 2) The inception data are based upon the inception date of underlying fund.
- 3) The Ariel [68] and the Ariel Appreciation [69] funds are not available in any 457(b) plans.

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

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



STATE OF RHODE ISLAND RETIREMENT PLANS INVESTMENT OPTIONS

PERFORMANCE UPDATE

AS OF DECEMBER 31, 2007

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 at 1-800-343-0860 or visit <https://www.mysavingsatwork.com> (log in, choose plan, select "Investment Choices & Research," and then pick investment option).

Fund ID	Fund Name	Cumulative Total Returns % Period Ending December 31, 2007			Average Annual Total Returns % Period Ending December 31, 2007				Fund Inception	Short-Term Trading Fee (%/Days)	Expense Ratio
		7-Day Yield▲	3 Month	YTD	1 Year	5 Year	10 Year	Life of Fund			
LIFE-CYCLE FUNDS											
FFFBX	Fidelity Freedom 2000		-0.08	5.32	5.32	5.95	5.82	6.74	10/17/96	n/a	0.57
FFFCX	Fidelity Freedom 2010		-0.59	7.43	7.43	9.36	7.14	8.32	10/17/96	n/a	0.68
FFFDX	Fidelity Freedom 2020		-1.22	8.54	8.54	12.30	7.56	8.88	10/17/96	n/a	0.76
FFFEX	Fidelity Freedom 2030		-1.69	9.27	9.27	13.75	7.55	8.89	10/17/96	n/a	0.80
FFFAX	Fidelity Freedom Income		0.08	4.83	4.83	5.23	5.23	5.79	10/17/96	n/a	0.55
MONEY MARKET (SHORT-TERM) FUNDS*											
FRTXX	Fidelity Retirement Money Market	4.80	1.23	5.12	5.12	2.96	3.70	4.61	12/02/88	n/a	0.42
BOND FUNDS											
PTRAX	PIMCO Total Return - Administrative Class		3.86	8.81	8.81	5.05	6.46	7.24	9/08/94	n/a	0.68
BALANCED/HYBRID FUNDS											
FPURX	Fidelity Puritan®		-1.14	6.17	6.17	11.24	7.21	11.65	4/16/47	n/a	0.60
DOMESTIC EQUITY FUNDS - LARGE-CAP VALUE											
FEGIX	Fidelity Equity-Income		-6.12	1.40	1.40	13.19	6.70	12.86	5/16/66	n/a	0.68
DOMESTIC EQUITY FUNDS - LARGE-CAP BLEND											
FDGFX	Fidelity Dividend Growth		-5.81	1.11	1.11	9.39	7.13	12.69	4/27/93	n/a	0.61
FGRIX	Fidelity Growth & Income		-5.28	0.74	0.74	8.41	4.44	12.51	12/30/85	n/a	0.68
FUSEX	Spartan® U.S. Equity Index - Investor Class		-3.36	5.43	5.43	12.72	5.78	11.36	2/17/88	n/a	0.10
DOMESTIC EQUITY FUNDS - LARGE-CAP GROWTH											
FBGRX	Fidelity Blue Chip Growth		-0.64	11.83	11.83	10.24	4.28	11.97	12/31/87	n/a	0.60
FCNTX	Fidelity Contrafund®		2.53	19.78	19.78	17.99	10.72	13.47	5/17/67	n/a	0.90

▲ The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

For explanations of symbols and important disclosures, please see last page(s) of this report.

continued

AS OF DECEMBER 31, 2007

Fund ID	Fund Name	Cumulative Total Returns % Period Ending December 31, 2007			Average Annual Total Returns % Period Ending December 31, 2007			Fund Inception	Short-Term Trading Fee (%/Days)	Expense Ratio↕
		3 Month	YTD	1 Year	5 Year	10 Year	Life of Fund			
DOMESTIC EQUITY FUNDS - LARGE-CAP GROWTH (CONTINUED)										
FMAGX	Fidelity Magellan®	1.68	18.83	18.83	12.71	6.31	18.42	5/02/63	n/a	0.54
FOCPX	Fidelity OTC	2.05	26.14	26.14	17.17	8.59	14.51	12/31/84	n/a	0.96
DOMESTIC EQUITY FUNDS - MID-CAP VALUEⓈ										
FDVLX	Fidelity Value	-6.78	2.21	2.21	16.98	10.12	14.01	12/01/78	n/a	0.70
DOMESTIC EQUITY FUNDS - MID-CAP GROWTHⓈ										
FMCSX	Fidelity Mid-Cap Stock	-5.54	8.20	8.20	15.94	10.90	14.08	3/29/94	0.75/30	0.83
FRSGX	Franklin Small-Mid Cap Growth - Class A	-6.21	11.67	11.67	15.61	7.47	12.35	2/14/92	2.00/7	1.00
INTERNATIONAL/GLOBAL FUNDS††										
FDIVX	Fidelity Diversified International	-0.41	16.03	16.03	23.21	13.39	12.68	12/27/91	1.00/30	0.93

MARKET INDICATORS^^

For comparison purposes only. It is not possible to invest directly in these indicators.

Dow Jones Industrial Average	-3.91	8.88	8.88	12.24	7.43
Lehman Brothers Intermediate U.S. Government/ Credit Index	2.90	7.39	7.39	4.06	5.76
MSCI EAFE® Index	-1.74	11.33	11.33	21.83	8.90
Standard & Poor's 500 SM Index	-3.33	5.49	5.49	12.83	5.91

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. The figures do not include the effects of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plan. If sales charges were included, returns would have been lower.

With the exception of domestic equity mutual funds, investment options have been assigned to investment categories based on Fidelity's analysis. Fidelity has verified the accuracy of the placement of certain third party non-mutual funds with either the plan sponsor or the plan sponsor's consultant. Within Domestic Equities, mutual funds are listed according to their actual Morningstar categories as of the date indicated. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past 3 years and may change at any time. These style calculations do not represent the funds' objectives and do not predict the funds' future styles.

SPECIFIC FUNDS

Morningstar, Inc., provided data on the non-Fidelity mutual funds. Although the data is gathered from reliable sources, accuracy and completeness cannot be guaranteed by Morningstar.

↕ Expense Ratio is the total annual fund operating expense ratio from the fund's most recent prospectus. For a mutual fund, the expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percent of the fund's total net assets. Where the investment option is not a mutual fund, the figure displayed in the expense ratio field is intended to reflect similar information. However, it may have been calculated using methodologies that differ from those used for mutual funds. Mutual fund data has been drawn from the most recent prospectus. For non-mutual fund investment options, the information has been provided by the trustee or plan sponsor. When no ratio is shown for these options it is due to the fact that none was available. Nevertheless, there may be fees and expenses associated with the investment option.

MARKET INDICATORS

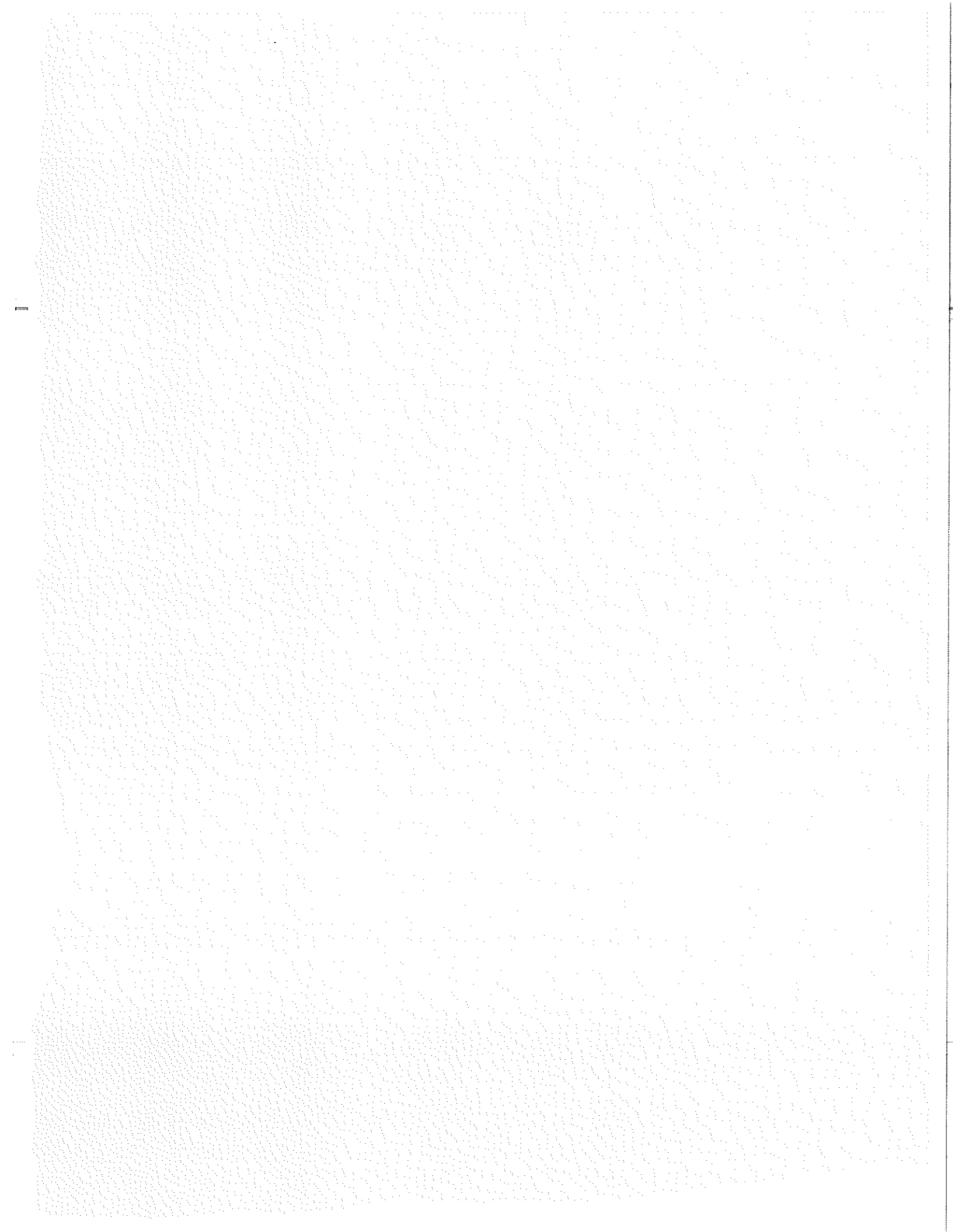
^^ Indices are unmanaged and you cannot invest directly in an index.

Dow Jones Industrial Average (DJIA), published by Dow Jones and Company, is an unmanaged average of 30 actively traded stocks (primarily industrial) and assumes reinvestment of dividends. It is not offered as a comparison for any investment option but rather as a general stock market indicator.

Lehman Brothers Intermediate U.S. Government/Credit Index is an unmanaged, market-value weighted index of government and investment-grade corporate fixed-rate debt issues with maturities between one and ten years.

Morgan Stanley Capital International Europe, Australasia, and Far East (MSCI EAFE®) Index is a market capitalization-weighted index of equity securities of companies domiciled in various countries. The index is designed to represent the performance of developed stock markets outside the United States and Canada and excludes certain market segments unavailable to U.S. based investors. Index returns for periods after January 1, 1997 are adjusted for tax withholding rates applicable to U.S. based mutual funds organized as Massachusetts business trusts.

The Standard & Poor's 500SM Index (S&P 500®) 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.



ING Life Insurance and Annuity Company



State of Rhode Island

Average Annual Total Returns as of 12/31/2007

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 800-525-4225. 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 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 (BM)	Returns Not Annualized						Average Annual Total Returns								Since Fund Inception	Fund Inception Date		
		1-Mo		3-Mo		YTD		1-Yr		3-Yr		5-Yr		10-Yr					
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM		
Stability of Principal																			
ING Fixed Account - 457/401 -Base + 60 (****)	MFR	0.33%	0.35%	0.99%	1.08%	4.00%	4.70%	4.00%	4.70%	4.00%	3.90%	4.29%	2.61%	5.28%	3.35%				
Money Market																			
ING VP Money Market Portfolio - Class I	IBCM	0.41%	0.39%	1.24%	1.21%	5.16%	5.28%	5.16%	5.28%	4.34%	4.54%	2.98%	3.40%	3.73%	3.71%				01/01/1980
<i>The 7-day annualized yield as of 12/31/2007 is 4.79%. (+)</i>																			
Bonds																			
Intermediate-Term Bond																			
ING VP Intermediate Bond Portfolio - Class I	LEHM	-0.21%	0.28%	2.24%	3.00%	6.03%	6.96%	6.03%	6.96%	4.40%	4.56%	4.87%	4.42%	5.81%	5.97%				05/23/1973
Balanced																			
Moderate Allocation																			
Calvert Social Balanced Portfolio	SPXRE	-0.05%	-0.69%	-1.33%	-3.33%	2.76%	5.50%	2.76%	5.50%	5.70%	8.62%	8.81%	12.83%	4.66%	5.91%				09/02/1986
ING VP Balanced Portfolio, Inc. - Class I	SPXRE	0.07%	-0.69%	-0.48%	-3.33%	5.57%	5.50%	5.57%	5.50%	6.57%	8.62%	9.50%	12.83%	5.98%	5.91%				04/03/1989
ING Van Kampen Equity and Income Portfolio - Initial Class	SPXRE	-1.62%	-0.69%	-2.07%	-3.33%	3.56%	5.50%	3.56%	5.50%	8.03%	8.62%	12.23%	12.83%			5.48%			12/10/2001
Large Cap Value																			
Large Blend																			
AIM V.I. Core Equity Fund - Series I Shares	RS1000	-0.91%	-0.65%	-1.93%	-3.23%	8.12%	5.77%	8.12%	5.77%	9.94%	9.08%	12.49%	13.43%	5.57%	6.20%				05/02/1994

Performance Update

See Performance Introduction Page for Important Information

Investment Options	Fund Benchmark (BM)	Returns Not Annualized						Average Annual Total Returns								Since Fund Inception	Fund Inception Date
		1-Mo		3-Mo		YTD		1-Yr		3-Yr		5-Yr		10-Yr			
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM		
Large Value																	
ING VP Growth and Income Portfolio - Class I	SPXRE	-0.16%	-0.69%	-1.57%	-3.33%	7.40%	5.50%	7.40%	5.50%	9.87%	8.62%	12.63%	12.83%	2.88%	5.91%	12/31/1979	
ING VP Index Plus LargeCap Portfolio - Class I	SPXRE	0.17%	-0.69%	-2.26%	-3.33%	5.03%	5.50%	5.03%	5.50%	8.24%	8.62%	12.08%	12.83%	5.92%	5.91%	09/16/1996	
Large Cap Growth																	
Large Blend																	
ING Thornburg Value Portfolio - Initial Class	SPXRE	-1.85%	-0.69%	-5.71%	-3.33%	7.24%	5.50%	7.24%	5.50%	8.36%	8.62%	12.97%	12.83%	5.57%	5.91%	11/28/1997	
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	SPXRE	-2.48%	-0.69%	-4.24%	-3.33%	1.18%	5.50%	1.18%	5.50%	8.22%	8.62%	12.69%	12.83%	4.64%	5.91%	11/28/1997	
Large Growth																	
AIM V.I. Capital Appreciation Fund - Series I Shares	RS1000G	-0.91%	-0.36%	-2.03%	-0.76%	12.01%	11.82%	12.01%	11.82%	9.02%	8.69%	12.35%	12.12%	4.79%	3.83%	05/05/1993	
Fidelity® VIP Contrafund® Portfolio - Initial Class	SPXRE	0.48%	-0.69%	0.84%	-3.33%	17.59%	5.50%	17.59%	5.50%	15.38%	8.62%	17.91%	12.83%	10.58%	5.91%	01/03/1995	
Fidelity® VIP Growth Portfolio - Initial Class	RS3000G	0.57%	-0.28%	1.75%	-0.88%	26.96%	11.39%	26.96%	11.39%	12.80%	8.64%	14.54%	12.41%	6.83%	3.82%	10/09/1986	
Small/Mid/Specialty																	
Mid-Cap Growth																	
ING T. Rowe Price Diversified Mid Cap Growth Port - I Class	RSMIDGRW	0.63%	0.27%	-1.65%	-1.70%	13.39%	11.42%	13.39%	11.42%	10.52%	11.38%	16.35%	17.89%		7.25%	12/10/2001	
Small Blend																	
ING VP Small Company Portfolio - Class I	RS2000	-0.51%	-0.06%	-4.26%	-4.57%	5.90%	-1.55%	5.90%	-1.55%	10.90%	6.80%	16.49%	16.25%	9.23%	7.08%	12/27/1996	
Global / International																	
Foreign Large Blend																	
ING JPMorgan International Portfolio - Initial Class	MSCIEAFE	-1.68%	-2.24%	-0.96%	-1.70%	10.12%	11.63%	10.12%	11.63%	13.98%	17.32%	17.91%	22.09%	7.54%	9.04%	11/28/1997	
World Stock																	
ING Oppenheimer Global Portfolio - Initial Class	MSCIAC	-0.94%	-1.08%	-4.42%	-1.70%	6.57%	12.19%	6.57%	12.19%	12.61%	14.94%	17.09%	18.80%		11.45%	05/01/2002	

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

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

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

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

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

Additional Notes

(+) THE CURRENT YIELD MORE CLOSELY REFLECTS CURRENT EARNINGS.

AN INVESTMENT IN ING VP MONEY MARKET PORTFOLIO IS NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY. THE FUND IS A MONEY MARKET FUND WHICH DOES NOT SEEK TO MAINTAIN A STABLE \$1.00 NET ASSET VALUE. WHILE THE FUND'S INVESTMENT OBJECTIVE INCLUDES THE PRESERVATION OF CAPITAL, IT IS POSSIBLE TO LOSE MONEY BY INVESTING IN THE FUND.

Performance Update

*** This investment option is not a mutual fund, but an investment option providing rates of return declared in advance. It is offered through ING Life Insurance and Annuity Company. The returns listed do not include the impact of contract charges.

The CURRENT rate for the ING Fixed Account - 457/401 - is 4.000%, expressed as an annual effective yield, and is guaranteed not to drop below 3.60% through 12/31/2008. The annual rate of interest applied to your account may be higher or lower than the current rate. Restrictions 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. The chart shows the performance for each investment option for the time periods shown.

Effective December 2, 2005, the ING VP MagnaCap Portfolio - Class I merged into the ING VP Value Opportunity Portfolio - Class I.

Effective April 28, 2006, AIM V.I. Premier Equity Fund - Series I Shares merged into AIM V.I. Core Equity Fund - Series I Shares.

Effective April 28, 2006, AIM V.I. Growth Fund - Series I Shares merged into AIM V.I. Capital Appreciation Fund - Series I Shares.

Effective April 28, 2006, AIM V.I. Core Stock Fund - Series I Shares merged into AIM V.I. Core Equity Fund - Series I Shares.

The 7-day yield was under reported from 6/1 to 6/5/07. The correct yield appears above.

Insurance products and/or third party administration services are offered by ING Life Insurance and Annuity Company. Securities offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.

Benchmark Id Benchmark Description

IBCM	The Money Fund Report Averages - All Taxable is an average of the returns of over 250 money market mutual funds surveyed each month by IBC/Donoghue, Inc.
LEHM	Composed of securities from the Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment.
MFR	Returns are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by iMoney.net, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.
MSCIAC	MSCI All Country World Index is a broad-based unmanaged index of developed country and emerging market equities.
MSCIEAFE	Morgan Stanley Capital International Europe, Australia, Far East Index (MSCI EAFE) is a market value-weighted average of the performance of more than 900 securities listed on the stock exchanges of countries in Europe, Australia and the Far East. The MSCI EAFE returns assume reinvestment of all dividends.
RS1000	The Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, and represents approximately 92% of the total market capitalization of the Russell 3000 Index.
RS1000G	The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Growth returns assume reinvestment of all dividends.
RS2000	The Russell 2000 Index (a small cap index) consists of the smallest 2,000 companies in the Russell 3000 Index and represents approximately 10% of the Russell 3000 total market capitalization. The Russell 2000 returns assume reinvestment of all dividends.
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.