

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
OCTOBER 24, 2007**

**KENNETH E. GOODREAU
DEPUTY GENERAL TREASURER FOR FINANCE**

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, October 24, 2007 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 9/26/07 *
3. Manager Continuation Policy Analysis & Review - Wilshire
 - The Boston Company
4. General Consultant Capital Markets Review - Wilshire
5. Alternative Investments Consultant – PCG
 - Bain Capital *
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.

POSTED ON WEDNESDAY, OCTOBER 17, 2007

STATE INVESTMENT COMMISSION
State of Rhode Island and Providence Plantations

Regular Meeting September 26, 2007

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, September 26, 2007. The Treasurer called the meeting to order at 9:15 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Ms. Rosemary Booth Gallogly, Mr. Robert Giudici, Dr. Robert McKenna, Ms. Marcia Reback, Mr. Andrew Reilly, Mr. John Treat, and General Treasurer Frank T. Caprio. Mr. Robert Gaudreau was absent. 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. Michelle Davidson Pacific Corporate Group (PCG), Alternative Investments Consultant to the Commission; and other members of the Treasurer's staff.

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

VOTED: To approve the Minutes of the August 29, 2007 regular meeting.

Manager Continuation Policy analysis – Wilshire Associates. Mr. Bensus stated he would dispense with the Capital Markets Review as everyone is tuned into how the market is performing. In general, he stated that July and August was a period of negative volatility; the market has since recovered. On the year, U.S. equity is up about 8%; international exposures continue to outperform U.S. exposures and are now up 14.5%. Emerging markets are up about 32%. Fixed income has become slightly more normalized. The Lehman aggregate is up about 3.5 % on high yield bonds and spreads have widened out and are up about 3% on a year to date basis.

Mr. Bensus then moved on to the Manager Continuation Policy analysis by explaining why the policy was put in place and stating this is only one of many tools used for analyses of performance. He recommended the commission retain all of the U.S. equity managers. Mr. Bensus reminded the commission that the benchmark for State Street Global Advisors had been converted from Russell 1000 to S&P 500 as of December 31, 2006.

The non U.S. equity space has been a bit of a challenge. Mr. Bensus recommended we retain Goldman Sachs Asset Management and Mondrian Investment Partners Ltd.. However, he suggested we monitor Boston Company Asset Management which has experienced organizational and performance issues. Mr. Bensus suggested we

schedule The Boston Company to come before the commission for a review at the next SIC meeting. Treasurer Caprio concurred with Mr. Bensus's suggestion.

Fixed income managers have performed well, although MacKay Shields LLC personnel developments should be monitored. Treasurer Caprio stated we had exited Shenkman earlier this year and Mr. Bensus concluded this was a positive decision. Mr. Bensus stated there would be a day when spreads and high yield space return to normality. He suggested the committee analyze, review, and shelf RFP names of high yield managers who are already vetted in the event yield curves migrate back to normal conditions, as there may be a great opportunity for excess returns. Treasurer Caprio concurred and suggested the staff discuss a strategy with Wilshire for RFP's in the high yield space. Mr. Giudici asked how often Wilshire reviews changes in personnel within the management groups and how this impacts their performance. Mr. Bensus stated they evaluate this on an ongoing basis. Mr. Goodreau stated that the Treasury staff has a fiduciary responsibility to take part in the review process along with Willshire Consulting.

Mr. Bensus went on to discuss asset allocation investment performance. He recommends maintaining the current exposures to US equity (42.5%), non-US equity (20.0%), and fixed income (25.0%). Real estate has a target of 5% and the fund is currently at 3.5% and building. Private equity has a target of 7.5% and the fund is currently at 5.8%. RIRS currently has 5 to 5.5% cash and cash equivalents on hand.

Proposed Investment in Point Judith Venture Fund II, L.P. Michelle Davidson of PCG stated Point Judith Capital Venture Fund II will make early stage venture capital investments in the information technology and science sectors. Geographically, the fund will focus on investments in the Northeast region. The breakdown will be 60-70% IT and 30-40% life science investments.

Treasurer Caprio noted that Point Judith is a local company and it is prudent that ERSRI support these types of world class entities to help grow our local economy. He asked Gina Raimondo, General Partner, to introduce the members of Point Judith Capital: Sean Marsh, General Partner, and David Martirano, General Partner.

Ms. Raimondo went on to summarize her education and the history of the fund. She stated that there is one amendment to the overview as it was presented; the fund was closed in January of this year but has been given an opportunity by the Limited Partners to reopen the fund to allow ERSRI to invest. Ms. Raimondo thanked the commission for considering a smaller investment which is atypical for ERSRI; however she is looking forward to a larger investment and greater commitment in Point Judith's next fund. The average investment size will range from \$3 million to \$6 million in a total of 13 to 15 portfolio companies. The General Partner will seek board representation on all investments. The fund will leverage its newly established partnership with Tudor Asset Management. Tudor has chosen Point Judith exclusively to be their early stage partner. Through its relationship with Tudor and Tudor Ventures, Point Judith should be able to enhance its industry and deal flow network. The firm will have access to Tudor's

proprietary research as well as analyses on industries, competitive landscapes, management teams, and market dynamics for potential financings, providing a competitive edge for Point Judith.

Mr. Marsh stated that the early stage venture investment business is more about working with entrepreneurs to build these companies rather than the financial, mechanical, and engineering aspects. The way they achieve alpha and achieve top quartile returns is by targeting specific industries within their area of expertise and optimizing their ability to add value to these companies. Mr. Martirano concluded with an overview of Fund II's current performance stating that the fund should be fully invested in about eighteen months.

Mr. Goodreau reiterated the importance of Tudor's commitment to Fund II and the huge advantage this affords the commission in regard to this investment.

Treasurer Caprio then entertained a motion for investment in Point Judith Fund II in the amount of \$5 million, pending satisfactory legal review. Mr. Reilly moved, Dr. McKenna seconded and the following motion was passed: The following members voted in favor: Ms. Gallogly, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, Mr. Treat, and Treasurer Caprio. Mr. Costello recused himself from participating in the vote.

VOTED: To invest up to \$5 million in Point Judith Fund II contingent upon satisfactory review and negotiation of investment and other legal documents.

Proposed Investment in Perseus Partners VII, L.P. Ms. Davidson of PCG introduced Frank Pearl, Chairman & CEO, and Ray Newton III, Senior Managing Director. She went on to state that Perseus, L.L.C. is a private equity firm founded in 1995 that manages seven investment funds with capital commitments totaling \$2 billion. Perseus Partners VII, L.P. fund has a target of \$750 million and focuses on buyout and growth equity investments, biotechnology and medical device consolidations. They have a highly experienced team with the ability to identify companies and sectors with unrecognized value. Perseus VII, L.P. intends to invest between \$25 and \$100 million in each of its portfolio companies. The average investment size of these companies is \$37 million. The strategy of Perseus VII, L.P. is to make growth equity and buyout investments in companies with strong management teams, rich intellectual property assets, powerful consumer brands, and/or highly skilled work forces.

Ms. Reback asked why there was a high turnover in personnel at the firm. Mr. Pearl explained that turn over at the junior level is very common and Ms. Davidson of PCG concurred. Mr. Pearl explained that the five senior people have been together for many years and they are the core of the company.

Mr. Pearl went on to explain that this is the seventh fund. The investment sectors are broken as follows: 50% undervalued and distressed investments, 25% healthcare, and 25% energy and environmental. They have closed \$600 million and will have a final

closing in a little over a month. The core of their investors has been with them through four or five funds. The reason for this is their return is very high (75%).

Ms. Gallogly asked Mr. Pearl to comment on why the closure dates for private equity holdings have dragged on. In regard to Perseus, Mr. Pearl explained that they create substantial companies through consolidation. In these transactions the firm is really a strategic owner building a business, not just a financial owner. These companies will typically be held for five to seven years. There will be a great deal of realization up front, and then a big slug of value will be generated some years later.

Mr. Giudici asked Mr. Pearl how personal bankruptcy impacts his investment strategy. Mr. Pearl stated it does not have a direct impact on his strategy, but it does affect the economy negatively. There will be more bankruptcies which he considers to be an opportunity for Perseus.

Treasurer Caprio then entertained a motion for investment in Perseus Fund VII in the amount of \$15 million, pending satisfactory legal review. Ms. Reback moved, Mr. Costello seconded and the following motion was passed unanimously. The following members voted in favor: The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, Mr. Treat, and Treasurer Caprio.

VOTED: To invest up to \$15 million in Perseus Partners VII, L.P. contingent upon satisfactory review and negotiation of investment and other legal documents.

Proposed Investment in Fenway Partners Capital Fund III, L.P. Ms. Davidson introduced Mr. Richard Dresdale, President, and Mr. Gregg Smart, Senior Managing Director. She explained that Fenway was founded in 1994 to acquire underperforming but profitable middle market companies with significant opportunities for earnings growth. They are focused on consumer branded products and the transportation / logistics sector. Treasurer Caprio interjected that we are currently invested in Fenway Fund II. Ms. Davidson stated they have a very experienced management team. Transportation / logistics are not currently represented in our portfolio and there is less competition in this type of investment. Ms. Davidson commented that it is worth continuing the relationship.

Mr. Dresdale went over the history of the firm. He noted the transaction size is \$100 to \$500 million. To date the fund has closed on four investments representing \$276.6 million of invested capital. He noted that Fund I's performance was poor. There was one large loss where fraud was identified, but the issues were addressed and the team was rebuilt, they tightened their investment screen and focused on the areas that are most familiar to them. They have not lost capital since 2000.

Mr. Reilly asked why the fees charged to the portfolio companies are larger than those charged by other managers of similar size companies. Mr. Smart stated this helps to pay overhead. They have had no turnover in their management team. In order to

retain their team, they were more aggressive at the portfolio company level during the period of time at the back end of Fund II. Fund III has a split of 80/20 which is the industry norm. The fees will be slightly lower as the fund moves ahead. Mr. Reilly asked if there was a formula or matrix to determine fees. Mr. Dresdale responded that the fees were not formulaic, but rather they are based on a bandwidth related to the size of the company and the resources being allocated.

Treasurer Caprio then entertained a motion for investment in Fenway Fund III in the amount of \$15 million, pending satisfactory legal review. Ms. Reback moved, Mr. Treat seconded and the following motion was passed: The following members voted in favor: Ms. Gallogly, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, Mr. Treat, and Treasurer Caprio. Mr. Costello recused himself from participating in the vote.

VOTED: To invest up to \$15 million in Fenway Partners Capital Fund III, L.P. contingent upon satisfactory review and negotiation of investment and other legal documents.

Legal Counsel Report. Treasurer Caprio stated that there was no legal counsel report for the month. Mr. Edward Pare of Brown, Rudnick, Berlack Israels, LLP, legal counsel to the Commission, indicated that there were no legal developments for the month.

Deputy Treasurer for Finance Report. Mr. Goodreau asked Mr. Izzo, Cash Manager, to speak to the commission regarding short term cash management within the portfolio. Mr. Izzo asked the commission to approve an increase in the cap on money market funds from 50% to 75%, as we are consistently near our cap. Recently money market funds have been out performing the other investment instruments we have by 25 basis points on average. These funds have liquidity and are available on a daily basis which allows us to meet unexpected obligations. Treasurer Caprio remarked that the guidelines currently allow 75% allocation to the US Agency account. Treasurer Caprio thanked Mr. Izzo for bringing this to the commission's attention.

Treasurer Caprio then entertained a motion to increase allocation for money market funds from 50% to 75%. Mr. Costello moved, Ms. Reback seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, Mr. Treat, and Treasurer Caprio.

VOTED: To increase the allocation for money market funds for short term investments from 50% to 75%.

Treasurer's Report. Treasurer Caprio first announced that the Sudan divesture legislation has passed. One of the targeted companies was Rolls Royce PLC who is currently providing aircraft engines and aircraft to the Sudanese government which are being used to bomb the villages. During the push for legislation, Rolls Royce PLC withdrew all activity from the Sudan government. There was also a major development

with Berkshire Hathaway this week. Although not directly involved in Sudan, they are a major shareholder of the Malaysian oil company Petronus which is fueling Sudanese aircraft. Pressure was put on Berkshire Hathaway last week during their annual meeting. They have since announced the beginning of divestment of these holdings. There has also been discussion that California is getting ready to pass a bill to prevent major corporate entities from having activity within the country. This is being closely monitored and may result in legislation here in Rhode Island.

New Business. There being no further new business, the Treasurer entertained a motion to adjourn.

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

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,


Frank T. Caprio
General Treasurer

RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
September 30, 2007

PORTFOLIO PERFORMANCE

September

The ERSRI portfolio posted a gain of 3.20% for the month of September, against the policy index of 3.56%. Domestic equities were up 3.59%, international equities gained 4.60%, and the fixed income asset class returned 0.93%. Additionally, the retirement fund earned \$385,992 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 3.01% against its 3.47% index.

Calendar Year to Date

For the nine months ended September 30, 2007, the portfolio is up 8.78% against the policy index of 9.94%. Domestic equities were up 8.33%, international equities were up 11.74%, while fixed income generated a return of 4.04%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2008, the fund has gained 1.98%, against the policy index of 2.74%.

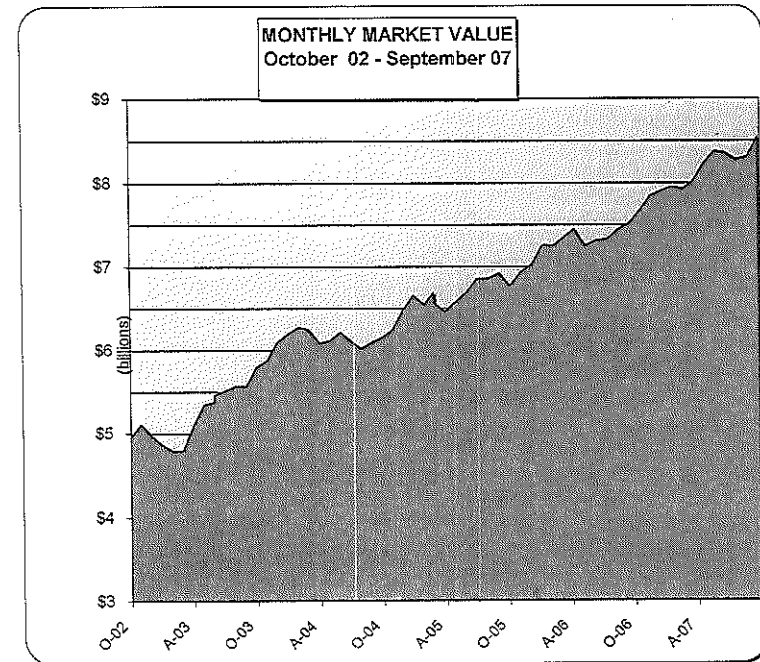
Index Performance Summary - September 30, 2007		
Market Indices	Sep-07	Calendar YTD
<u>Domestic Equity</u>		
S & P 500	3.74%	9.13%
DJ Wilshire 5000	3.59%	9.13%
Russell 2000	1.72%	3.16%
Russell 1000	3.82%	9.30%
Policy Index	3.47%	9.61%
<u>International Equity</u>		
MSCI ACWI	6.62%	17.85%
<u>Fixed Income</u>		
Lehman AGG	0.76%	3.85%
<u>Real Estate</u>		
NCREIF	4.59%	13.26%

ERSRI Performance By Asset Class	Sep-07	Calendar YTD
Domestic Equity	3.59%	8.33%
Fixed Income	0.93%	4.04%
International Equity	4.60%	11.74%
Total Fund Composite*	3.01%	7.85%
Manager Summary	Sep-07	CYTD
<u>DOMESTIC EQUITY</u>		
Shott	0.78%	12.29%
PIMCO	4.45%	9.32%
SSgA S&P 500	3.75%	9.16%
SSgA Core	3.59%	11.04%
Wasatch	0.00%	0.00%
Northpointe	2.57%	2.57%
Wellington	2.57%	6.44%
Total Domestic Equity	3.59%	8.33%
<u>FIXED INCOME</u>		
Brown Bros TIPS	1.24%	5.75%
Brown Bros Core	0.77%	3.05%
Fidelity	0.96%	2.76%
Taplin Canida & Habacht	0.73%	3.76%
Fixed Income Cash Acct	0.43%	0.00%
Shenkman		
Mackay Shield	2.06%	2.59%
Total Fixed Income	0.93%	4.04%
<u>INTERNATIONAL EQUITY</u>		
Mondrian	4.63%	13.44%
Goldman Sachs	5.40%	14.58%
Boston Co	3.44%	8.53%
Total International Equity	4.60%	11.74%
*Total Fund Composite includes all classes ex PE & RE		

Market Valuation Report
September, 2007

Market Values

The total portfolio value increased in September by \$245.8 million to \$8.55 billion. This compares with an increase in value of \$70.0 million for the same period in 2006. The domestic equity market values increased by \$121.8 million, including transfers out of \$5.1 million; fixed income increased by \$25.7 million, including transfers in of \$5.1 million; while international values increased by \$73.7 million, including transfers in of \$0.1 million. The cash accounts decreased by \$20.9 million including transfers out netting \$24.0 million, and alternative investments increased by \$45.4 million, including transfers out netting \$4.0 million.



Cash Flow

September's pension payroll of \$57.9 million was more than the \$ 35.4 million in contributions and wire transfers received by \$22.5 million.

To meet pension and other obligations, \$27.8 million was transferred from long-term investments.

Alternative Investments

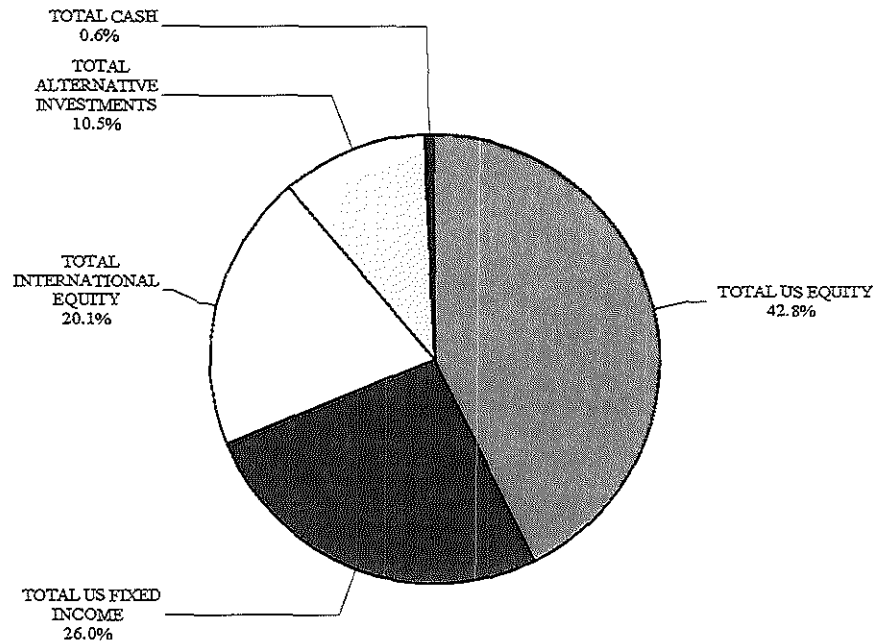
At this time the alternative investment asset class has unfunded commitments of approximately \$446 million on commitments of \$1,246 million.

CAPITAL CALLS Net of Distributions

September 2007	FYTD	UNFUNDED BALANCE
-\$7,363,896	-\$8,914,153	\$446,072,832
September 2006	FYTD	UNFUNDED BALANCE
\$5,600,711	-\$9,323,061	\$407,491,730



CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)



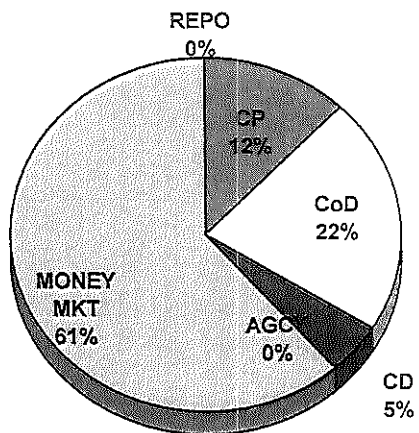
MANAGER	CURRENT PERIOD
TOTAL US EQUITY	3,657.6
TOTAL US FIXED INCOME	2,225.6
TOTAL INTERNATIONAL EQUITY	1,715.2
TOTAL ALTERNATIVE INVESTMENTS	898.9
TOTAL CASH	51.1
TOTAL	8,548.4

RHODE ISLAND STATE INVESTMENT COMMISSION

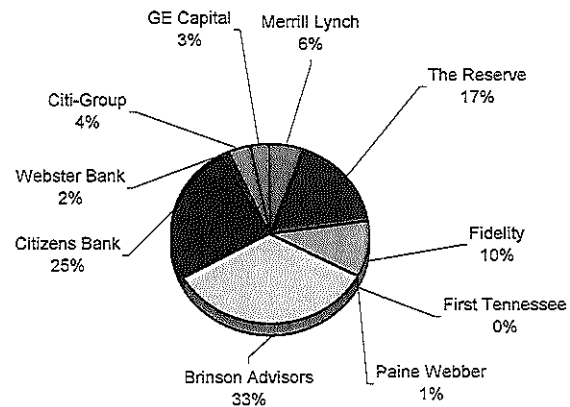
SHORT TERM CASH INVESTMENTS AT

SEPTEMBER 30, 2007

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
September, 2007**

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	4%	Aa1		P-1	A-1+	Aa1	AA	Stable
Citizens Bank RI	3,4	25%	Aa2		P-1	A-1+	Aa2	AA	Negative
First Tennessee Capital Markets	5	0%	A1		P-1	A-1	A1	A	Negative
Fidelity	6	10%				N/R		N/R	N/R
Merrill Lynch	2,5,6	6%	Aa3		P-1	A-1+	Aa3	AA-	Stable
The Reserve	6	17%	Aaa				Aaa	AAA	Stable
GE Capital	2	3%	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley	1,2,5	0%	Aa3		P-1	A-1+	Aa3	AA-	Stable
Paine Webber	5	0%	Aaa		P-1	A-1+	Aaa	AA+	Stable
UBS Brinson Advisors	6	34%	Aaa		P-1	A-1+	Aaa	AA+	Stable
State Street Bank & Trust	1,3	0%	Aa1		P-1	A-1+	Aa1	AA	Stable
Webster Bank	3,4	2%	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-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

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:

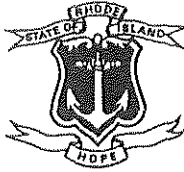
- + or - show relative standing within the category.

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



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

Frank Caprio
General Treasurer

October 17, 2007

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

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on September 30, 2007

September 30, 2007

Asset Class		
Cash/Short Term Investments		685,472,981
Equities - Domestic		3,601,039,876
Equities - International		1,665,493,598
Fixed Income - Government	\$1,086,327,724	
Fixed Income - Corporate	\$611,352,014	
Fixed Income - In State	\$0	
Total Fixed Income		1,697,679,737
Alternative Investments		555,315,588
Real Estate		343,486,920
Total Fund Investments		8,548,488,700
Plan Allocation		
State Employees & Teachers	85.04%	7,269,579,636
Municipal Employees	13.99%	1,196,068,362
State Police	0.59%	50,303,419
Judicial	0.38%	32,537,283
Total Fund Investments	100.00%	8,548,488,700

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 E. Goodreau, CMT

State of Rhode Island
SUMMARY OF PERFORMANCE
RATES OF RETURN
PERIODS ENDING September 30, 2007



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	1,767,438	20.68	3.75	2.07	8.46	9.16	2.07					
NORTHPOINTE CAPITAL	410,291	4.80	2.57	-3.31	0.12	2.57	-3.31	11.91	10.93	14.76	15.90	19.39
PIMCO	600,094	7.02	4.45	2.92	8.46	9.32	2.92	16.48	13.43	12.93	13.19	15.42
SSGA - CORE	390,718	4.57	3.59	2.08	8.17	11.04	2.08	18.83	15.24	15.76	15.05	15.63
WELLINGTON MANAGEMENT CO. LLC	435,857	5.10	2.57	-3.61	3.65	6.44	-3.61	14.97	13.17	15.80	16.03	21.76
WELLINGTON TECHNICAL EQUITY	53,158	0.62	5.50									
SHOTT CAPITAL	80	0.00	0.78	-1.69	12.72	12.29	-1.69	7.86				
TOTAL US EQUITY	3,657,636	42.79	3.59	0.91	6.89	8.33	0.91	16.12	13.01	14.05	14.20	17.01
RUSSELL 1000			3.82	1.98	7.99	9.30	1.98	16.90	13.53	13.77	13.80	15.98
RUSSELL 2000			1.72	-3.09	1.19	3.16	-3.09	12.35	11.13	13.36	14.69	18.75
RUSSELL 2000 GROWTH			2.91	0.02	6.72	9.36	0.02	18.95	12.22	14.11	13.56	18.70
RUSSELL 2000 VALUE			0.45	-6.26	-4.10	-2.70	-6.26	6.09	9.98	12.51	15.66	18.70
RUSSELL 3000			3.65	1.55	7.40	8.77	1.55	16.52	13.33	13.74	13.87	16.18
S&P 500			3.74	2.03	8.44	9.13	2.03	16.44	13.58	13.14	13.32	15.45
DOW WILSHIRE 5000 FREE FLOAT			3.59	1.46	7.62	9.13	1.46	17.00	13.64	13.99	14.18	16.50
INTERNATIONAL EQUITY												
GOLDMAN SACHS	573,230	6.71	5.40	1.54	10.04	14.58	1.54	27.06	23.69	26.70		
THE BOSTON COMPANY	569,279	6.66	3.44	-0.38	6.69	8.53	-0.38	18.00	18.07			
MONDRIAN	572,608	6.70	4.63	1.86	9.47	13.44	1.86	25.58	23.33	24.97		
TRANSITION ACCOUNT INT EQUITY	72	0.00										
PUTNAM INVESTMENTS	5	0.00										
BANK OF IRELAND	5	0.00										
TOTAL INTERNATIONAL EQUITY	1,715,199	20.06	4.60	1.11	8.79	11.74	1.11	23.05	21.47	23.81	23.31	23.14

08/11/07

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING September 30, 2007



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>			6.62	4.69	13.50	17.85	4.69	31.06	25.07	26.52	25.67	26.34
<i>MSCI EAFE (NET)</i>			5.35	2.18	8.72	13.15	2.18	24.86	21.98	23.24	22.95	23.55
U.S. FIXED INCOME												
BROWN BROTHERS HARRIMAN - CORE	301,611	3.53	0.77	1.75	1.34	3.05	1.75	4.19	3.81	3.75	4.14	4.44
FIDELITY MANAGEMENT TRUST	493,795	5.78	0.96	1.50	1.20	2.76	1.50	4.36	4.41	4.25	4.33	4.57
BROWN BROTHERS HARRIMAN - TIPS	547,560	6.41	1.24	4.51	3.41	5.75	4.51	4.30	3.02	3.95		
MACKAY SHIELDS, LLC	136,329	1.59	2.06	-0.12	0.44	2.59	-0.12	8.05	8.42	8.16	9.78	14.87
TAPLIN, CANIDA & HABACHT	304,690	3.56	0.73	1.22	2.45	3.76	1.22	5.20	5.02	4.42	4.81	7.41
FIXED INCOME CASH ACCOUNT	441,061	5.16	0.43	1.33	2.65		1.33					
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	2,225,622	26.04	0.93	2.08	2.16	4.04	2.08	5.10	4.56	4.60	4.88	5.92
<i>CSFB GLOBAL HIGH YIELD</i>			2.23	0.05	0.69	3.72	0.05	8.34	8.05	7.47	8.90	12.49
<i>LB AGGREGATE</i>			0.76	2.84	2.31	3.85	2.84	5.14	4.40	3.86	3.82	4.13
<i>LB CREDIT</i>			0.80	2.08	1.33	2.86	2.08	4.23	3.81	3.46	3.70	5.02
<i>LB GOV/CREDIT</i>			0.70	3.01	2.50	4.00	3.01	5.08	4.20	3.66	3.58	4.16
<i>CITIGROUP BIG</i>			0.75	3.03	2.42	3.95	3.03	5.25	4.47	3.95	3.92	4.23
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			0.65	3.49	2.05	3.42	3.49	4.67	3.94	4.18	4.41	4.87
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			0.80	2.87	2.15	3.76	2.87	5.40	4.82	4.32	4.34	4.17

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING September 30, 2007



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	343,488	4.02	3.19	3.57	17.19	22.22	3.57	23.40	12.99			
PRIVATE EQUITY	555,433	6.50	5.84	10.94	16.36	14.79	10.94	10.63	17.92	22.36	23.15	18.11
TOTAL ALTERNATIVE INVESTMENTS	898,921	10.52	4.82	8.02	16.63	17.37	8.02	14.91	16.40	21.10	21.87	17.18
¹ TOTAL ALTERNATIVES BENCHMARK			4.18	3.51	9.37	12.26	3.51	18.77	17.32	17.07	16.45	17.09
NCREIF PROPERTY INDEX QTR LAG			4.59	4.59	8.38	13.26	4.59	17.24	17.95	17.98	16.15	14.39
S&P 500 PLUS 300 BP			3.91	2.77	9.89	11.41	2.77	19.56	16.68	16.24	16.43	18.61
CASH EQUIVALENTS												
CASH ACCOUNT (INSIDE)	47,661	0.56	3.04	3.86	5.95	5.85	3.86	10.45	8.48	9.38	11.52	20.14
CASH ACCOUNT (OUTSIDE)	3,451	0.04	0.34	0.84	1.99	3.01	0.84	4.21	3.81	3.32	3.64	3.15
TOTAL PLAN												
TOTAL PLAN	8,548,489	100.00	3.20	1.98	6.96	8.78	1.98	14.71	13.08	14.27	14.40	15.63
² TOTAL PLAN BENCHMARK			3.56	2.74	7.70	9.94	2.74	16.88	13.99	14.28	14.16	15.63
TOTAL PLAN ex PE RE	7,649,568	89.48	3.01	1.32	5.94	7.85	1.32	14.56	12.70	13.75	13.87	15.47
³ TOTAL PLAN BENCHMARK ex PE RE			3.47	2.63	7.46	9.61	2.63	16.60	13.51	13.83	13.73	15.13

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING September 30, 2007



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

September 30, 2007

								Valuation Change			
	Calendar YTD			Benchmark Description	Current Month			Market Value	Transfers	Market Value	Market Value
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	8/31/2007	In/(out)	9/30/2007	Increase/Decrease
Domestic Equity											
Shott Capital Management IRR	12.29%	9.13%	3.16%	S & P 500	0.78%	3.74%	-2.96%	5,432,019	(5,393,966)	80,179	42,127
SSgA S&P 500	9.16%	9.13%	0.03%	S & P 500	3.75%	3.74%	0.01%	1,703,479,212	131,599	1,767,437,919	63,827,108
SSgA Core	11.04%	9.30%	1.74%	Russell 1000	3.59%	3.82%	-0.23%	377,159,312	28,514	390,717,618	13,529,791
PIMCO	9.32%	9.13%	0.19%	S & P 500	4.45%	3.74%	0.71%	574,497,773	42,824	600,093,535	25,552,938
NorthPointe Capital	2.57%	3.16%	-0.59%	Russell 2000	2.57%	1.72%	0.85%	399,970,781	31,694	410,291,219	10,288,744
Wellington Mgmt	6.44%	3.16%	3.28%	Russell 2000	2.57%	1.72%	0.85%	424,882,831	34,874	435,857,407	10,939,702
Wellington Tech Eq				Russell 3000	5.50%	3.65%	1.85%	50,388,652	-	53,158,420	2,769,768
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	-	-	-	-
Total Domestic Equity	8.33%				3.59%			3,535,810,580	(5,124,463)	3,657,636,295	126,950,178
International Equity											
Boston Company	8.53%	17.85%	-9.32%	MSCI ACWI	3.44%	6.62%	-3.18%	550,327,670	42,294	569,283,794	18,913,830
Goldman Sachs	14.58%	17.85%	-3.27%	MSCI ACWI	5.40%	6.62%	-1.22%	543,863,805	42,294	573,230,012	29,323,913
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	651,778	-	652,848	1,069
Mondrian	13.44%	17.85%	-4.41%	MSCI ACWI	4.63%	6.62%	-1.99%	547,210,099	42,294	572,807,665	25,355,272
Total International Equity	11.74%				4.60%			1,642,053,352	126,882	1,715,774,318	73,594,084
Fixed Income											
Fidelity Management & Research	2.76%	3.73%	-0.97%	Lehman Mortgage Backed	0.96%	0.77%	0.19%	489,075,374	22,790	493,795,058	4,696,894
Brown Brothers, Harriman	3.05%	3.95%	-0.90%	Salomon Brd Inv Grade	0.77%	0.75%	0.02%	299,284,764	22,843	301,611,004	2,303,397
Taplin, Canida & Habacht	3.76%	2.86%	0.90%	Lehman Credit Index	0.73%	0.80%	-0.07%	302,442,600	10,388	304,689,959	2,236,972
Mackay Shields	2.59%	3.72%	-1.13%	CS First BoshIYield	2.06%	2.23%	-0.17%	133,536,954	40,280	136,328,806	2,751,572
Brown Bros TIPS	5.75%	6.35%	-0.60%	Lehman US TIPS Index	1.24%	1.33%	-0.09%	540,799,159	37,312	547,560,329	6,723,858
Fixed Income Cash Acct					0.43%			434,162,577	5,000,000	441,060,911	1,898,333
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Total Fixed Income	4.04%				0.93%			2,199,301,427	5,133,613	2,225,046,067	20,611,027
Alternative Investments											
Private Equity	14.79%	N/A	N/A	N/A	5.84%	N/A	N/A	524,025,611	(7,363,896)	555,433,263	38,771,548
Real Estate	22.22%	14.00%	8.22%	NCREIF + 100	3.19%	4.64%	-1.45%	329,519,541	3,338,454	343,487,549	10,629,554
Total Alternatives	17.37%				4.82%			853,545,152	(4,025,442)	898,920,812	49,401,102
Cash Accounts											
Cash in Trust	5.85%	N/A	N/A		3.04%	N/A	N/A	37,523,863	8,719,410	47,660,598	1,417,325
Cash Outside Trust	3.01%	N/A	N/A		0.34%	N/A	N/A	34,454,902	(32,750,000)	3,450,610	1,745,708
Total Cash	4.65%				1.90%			71,978,765	(24,030,590)	51,111,208	3,163,033
Total Plan Ex PE & RE	7.85%	9.61%	-1.76%		3.01%	3.47%	-0.46%	8,302,689,277	(27,920,000)	8,548,488,700	273,719,424
Total Plan	8.78%	9.94%	-1.16%		3.20%	3.56%	-0.36%				

*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 September 30, 2007



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	3.75	3.74	0.01	9.16	9.13	0.03	1,767,438	132
SSGA - CORE	RUSSELL 1000	3.59	3.82	-0.23	11.04	9.30	1.74	390,718	29
PIMCO	S&P 500	4.45	3.74	0.71	9.32	9.13	0.19	600,094	43
NORTHPOINTE CAPITAL	RUSSELL 2000	2.57	1.72	0.85	2.57	3.16	-0.59	410,291	32
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	2.57	1.72	0.85	6.44	3.16	3.28	435,857	35
SHOTT CAPITAL	S&P 500	0.78	3.74	-2.96	12.29	9.13	3.16	80	-5,394
WELLINGTON TECHNICAL EQUITY	RUSSELL 3000	5.50	3.65	1.85				53,158	0
TOTAL US EQUITY		3.59			8.33			3,657,636	-5,124
INTERNATIONAL EQUITY									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	3.44	6.62	-3.18	8.53	17.85	-9.32	569,279	42
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	5.40	6.62	-1.22	14.58	17.85	-3.27	573,230	10
MONDRIAN	MSCI AC WORLD ex US (GROSS)	4.63	6.62	-1.99	13.44	17.85	-4.41	572,608	42
TRANSITION ACCOUNT INT EQUITY								72	-1,742
TOTAL INTERNATIONAL EQUITY		4.60			11.74			1,715,199	-1,648
U.S. FIXED INCOME									
FIDELITY MANAGEMENT TRUST	LB MBS	0.96	0.77	0.19	2.76	3.73	-0.97	493,795	23
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	0.77	0.75	0.02	3.05	3.95	-0.90	301,611	23
TAPLIN, CANIDA & HABACHT	LB CREDIT	0.73	0.80	-0.07	3.76	2.86	0.90	304,690	44
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	2.06	2.23	-0.17	2.59	3.72	-1.13	136,329	40
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	1.24	1.33	-0.09	5.75	6.35	-0.60	547,560	37
FIXED INCOME CASH ACCOUNT		0.43						441,061	5,000
TRANSITION ACCOUNT FIXED INCOME								575	0
TOTAL US FIXED INCOME		0.93			4.04			2,225,622	5,167

State of Rhode Island

RATES OF RETURN - Total

Periods Ending September 30, 2007



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		5.84			14.79			555,433	669
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	3.19	4.64	-1.45	22.22	14.00	8.22	343,488	3,407
TOTAL ALTERNATIVE INVESTMENTS	TOTAL ALTERNATIVES BENCHMARK	4.82	4.18	0.64	17.37	12.26	5.11	898,921	4,076
CASH EQUIVALENTS									
CASH ACCOUNT (INSIDE)		3.04			5.85			47,661	9,035
CASH ACCOUNT (OUTSIDE)		0.34			3.01			3,451	-31,096
TOTAL CASH		1.90			4.65			51,111	-22,061
TOTAL PLAN									
TOTAL PLAN	TOTAL PLAN BENCHMARK	3.20	3.56	-0.36	8.78	9.94	-1.16	8,548,489	-19,590
TOTAL PLAN ex PE RE	TOTAL PLAN BENCHMARK ex PE RE	3.01	3.47	-0.46	7.85	9.61	-1.76	7,649,568	-23,666

State of Rhode Island

TOTAL PLAN

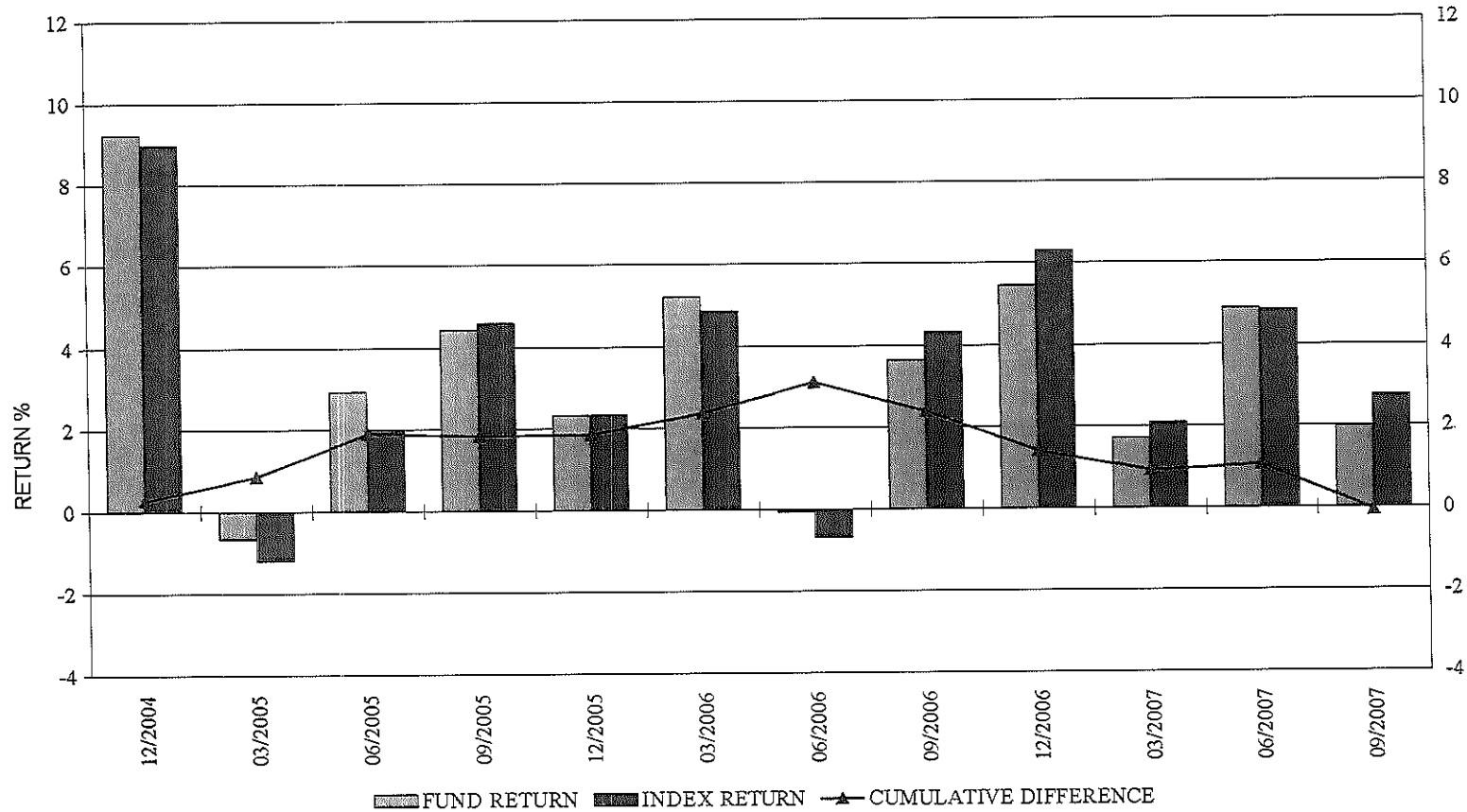
Index: TOTAL PLAN BENCHMARK

PERIODS: September 30, 2004 - September 30, 2007



STATE STREET
For Everything You Invest In™

CUMULATIVE PERFORMANCE REPORT

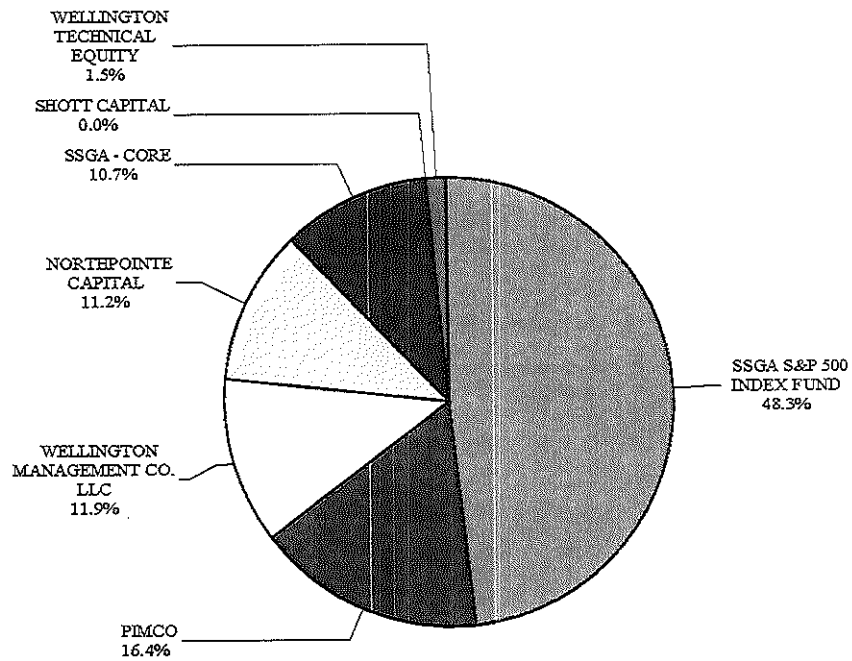


State of Rhode Island
MANAGER ALLOCATION ANALYSIS
PERIOD ENDING 09/30/2007



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	1,767.4	
PIMCO	600.1	514.7
WELLINGTON MANAGEMENT CO. LLC	435.9	402.9
NORTEPOINTE CAPITAL	410.3	366.2
SSGA - CORE	390.7	347.7
SHOTT CAPITAL	0.1	3.2
WELLINGTON TECHNICAL EQUITY	53.2	
SSGA RUSSELL 1000		1,362.8
WASATCH ADVISORS		199.6
TOTAL	3,657.7	3,197.1

State of Rhode Island

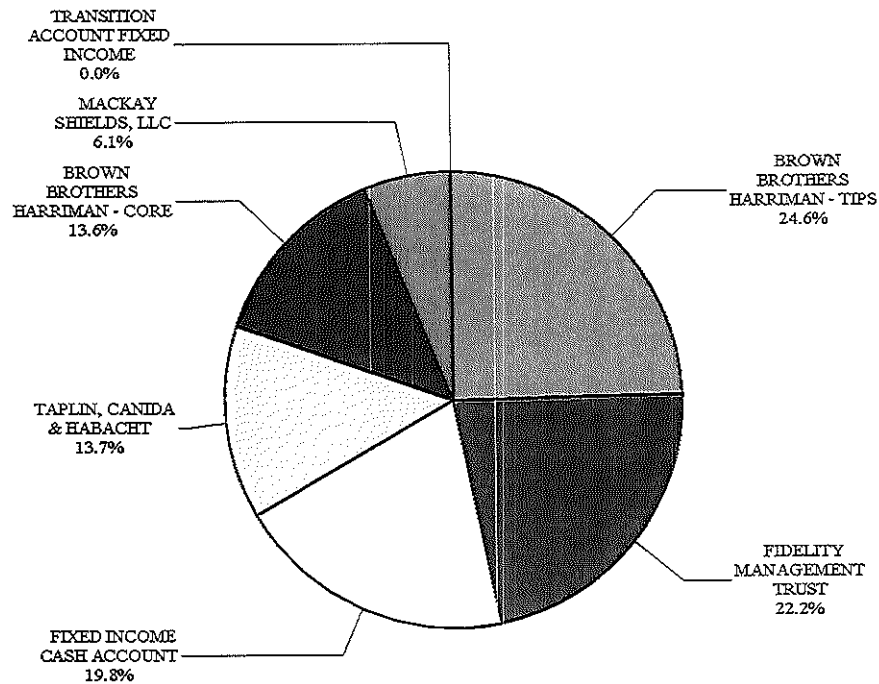
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 09/30/2007



STATE STREET.
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
BROWN BROTHERS HARRIMAN - TIPS	547.6	524.4
FIDELITY MANAGEMENT TRUST	493.8	480.7
FIXED INCOME CASH ACCOUNT	441.1	
TAPLIN, CANIDA & HABACHT	304.7	289.4
BROWN BROTHERS HARRIMAN - CORE	301.6	289.0
MACKAY SHIELDS, LLC	136.3	125.3
SHENKMAN CAPITAL MANAGEMENT		127.0
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
TOTAL	2,225.7	1,836.4

State of Rhode Island

MANAGER ALLOCATION ANALYSIS

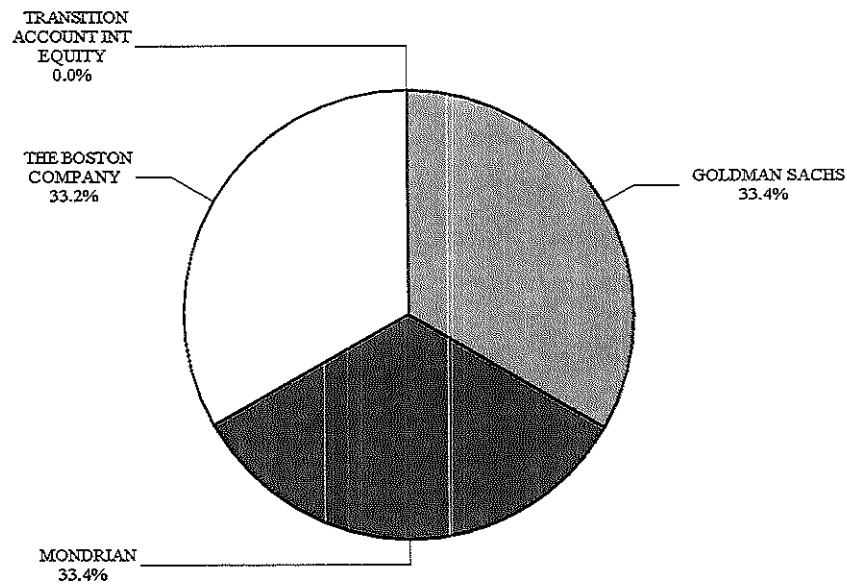
PERIOD ENDING 09/30/2007



STATE STREET.
For Everything You Invest In™

CURRENT MANAGER ALLOCATION

<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
GOLDMAN SACHS	573.2	577.6
MONDRIAN	572.6	584.0
THE BOSTON COMPANY	569.3	571.4
TRANSITION ACCOUNT INT EQUITY	0.1	0.1
TOTAL	1,715.2	1,733.1



**ASSET ALLOCATION REPORT
SEPTEMBER 30th, 2007**

	Style Mandate	Actual (Millions \$)		Target (Millions \$)		Difference (Millions \$)
Domestic Equity						
SSgA S&P 500 Index Fund	Passive	1,767.44	20.68%	1,748.17	20.45%	19.27
SSgA Core	Active core	390.72	4.57%	384.68	4.50%	6.04
PIMCO	Enhanced Equity	600.09	7.02%	551.38	6.45%	48.72
NorthPointe Capital	Small Cap Value	410.29	4.80%	427.42	5.00%	(17.13)
Wellington Mgmt	Small Cap Core	435.86	5.10%	470.17	5.50%	(34.31)
Wellington Technical Equity	Tactical Equity	53.16	0.62%	51.29	0.60%	1.87
Shott Capital	Alternative Distribution	0.08	0.00%	0.00	0.00%	0.08
TOTAL DOMESTIC EQUITY		3,657.64	42.79%	3,633.11	42.50%	24.53
International Equity						
Boston Company	MSCI ACWI	569.28	6.66%	570.18	6.67%	(0.91)
Goldman Sachs	MSCI ACWI	573.23	6.71%	570.18	6.67%	3.05
Mondrian	MSCI ACWI	572.61	6.70%	569.33	6.66%	3.28
Transition Account		0.07	0.00%	0.00	0.00%	0.07
TOTAL INT'L EQUITY		1,715.20	20.06%	1,709.70	20.00%	5.50
Domestic Fixed Income						
Fidelity Management & Research	Mortgages	493.80	5.78%	534.28	6.25%	(40.49)
Brown Brothers, Harriman	Opportunistic Core	301.61	3.53%	320.57	3.75%	(18.96)
Taplin, Canida & Habacht	Corporates	304.69	3.56%	320.57	3.75%	(15.88)
Mackay Shields	High yield	136.33	1.59%	160.28	1.88%	(23.96)
Shenkman Capital Mgmt	High yield	0.00	0.00%	160.28	1.88%	(160.28)
Brown Brothers, Harriman TIPS	TIPS	547.56	6.41%	641.14	7.50%	(93.58)
Fixed Income Cash Account		441.06	5.16%	0.00	0.00%	441.06
Transition Account		0.58	0.01%	0.00	0.00%	0.58
TOTAL FIXED-INCOME		2,225.62	26.04%	2,137.12	25.00%	88.50
Alternative Investments						
Real Estate	Real Estate	343.49	4.02%	427.4	5.00%	(83.9)
Pacific Corp Group	Private Equity	555.43	6.50%	641.14	7.50%	(85.7)
TOTAL ALTERNATIVE INVESTMENTS		898.92	10.52%	1,068.56	12.50%	(169.64)
CASH EQUIVALENTS	STIF, Yield+	51.11	0.60%	0.00	0.00%	51.11
TOTAL ASSETS		8,548.49	100.00%	8,548.49	100.00%	0.00

ALLOCATION BY MANAGEMENT STYLE

Domestic Equity						
Core		443.88	5.19%	435.97	5.10%	7.90
Index		1,767.44	20.68%	1,748.17	17.75%	19.27
Enhanced Equity		600.09	7.02%	551.38	6.75%	48.72
Active Small Cap		846.15	9.90%	897.59	13.50%	(51.44)
TOTAL DOMESTIC EQUITY		3,657.64	42.79%	3,633.11	43.10%	24.53
International Equity						
Active		1,715.20	20.06%	1,709.70	20.00%	5.50
TOTAL INT'L EQUITY		1,715.20	20.06%	1,709.70	20.00%	5.50
Domestic Fixed Income						
Mortgage		493.80	5.78%	534.28	6.25%	(40.49)
Core		301.61	3.53%	320.57	3.75%	(18.96)
Corporates		304.69	3.56%	320.57	3.75%	(15.88)
High Yield		136.90	1.59%	320.57	3.75%	(183.66)
TIPS		547.56	6.41%	641.14	7.50%	(93.58)
Other		441.06	5.16%	-	0.00%	441.06
TOTAL FIXED-INCOME		2,225.62	26.03%	2,137.12	25.00%	88.50
Alternative Investments						
Real Estate		343.49	4.02%	427.42	5.00%	(83.94)
Other Alternative Investments		555.43	6.50%	641.14	7.50%	(85.70)
TOTAL ALTERNATIVE INVESTMENTS		898.92	10.52%	1,068.56	12.50%	(169.64)
CASH EQUIVALENTS	STIF, Yield+	51.11	0.60%	0.00	0.00%	51.11
TOTAL ASSETS		8,548.49	100.00%	8,548.49	100.60%	0.00

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

SEPTEMBER 30, 2007

<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	183,270	\$16,963,471	SSgA
2	ON SEMICONDUCTO	1,043,100	13,101,336	Wellington,NorthPointe
3	HERCULES INC	538,800	11,325,576	Wellington,NorthPointe
4	TELEDYNE TECH	197,810	10,561,076	Wellington,NorthPointe
5	NEUSTAR INC	297,500	10,201,275	Wellington,NorthPointe
6	FIRST CMNTY BANK	173,800	9,508,598	Wellington,NorthPointe
7	BANK AMERICA CORP.	185,700	9,335,139	SSgA
8	UCBH HLDGS INC	512,100	8,951,508	Wellington,NorthPointe
9	CHEVRON CORP	91,700	8,581,286	SSgA
10	I B M	72,600	8,552,280	SSgA
		2.97%	\$107,081,545	
Total Composite Equities		\$3,603,427,926		

International Equity Holdings By Top 10 Market Values

SEPTEMBER 30, 2007

<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	3,691,088	\$64,372,578	Mondrian
2	ROYAL BANK SCOT GRP	3,106,378	33,226,069	Mondrian,Goldman,Boston Co.
3	ROYAL DUTCH SHELL	771,330	31,767,571	Mondrian,Goldman,Boston Co.
4	UNILEVER PLC	1,001,060	31,510,403	Mondrian,Goldman,Boston Co.
5	TOTAL SA	346,250	28,077,745	Mondrian,Goldman,Boston Co.
6	NOVARTIS AG	499,640	27,479,772	Mondrian,Boston Co.
7	GLAXOSMITHKLINE	929,715	24,567,173	Mondrian,Boston Co.
8	BP PLC	2,008,588	23,223,202	Mondrian,Boston Co.
9	RWE AG (NEU)	169,490	21,259,737	Mondrian,Boston Co.
10	SANOFI AVENTIS	242,054	20,440,790	Goldman,Boston Co.
		17.98%	\$305,925,039	
Total Composite International Equities		\$1,701,725,726		

Top 10 Market Values SIC

**State of Rhode Island
Alternate Investments
Funding Report as of 6/30/07**

<u>Partnership Investment</u>	<u>Total Commitment</u>	<u>Total Funded</u>	<u>Total Remaining Commitment</u>
ABS Capital Partners II	\$5,000,000	\$4,911,478	\$88,522
Alta BioPharma Partners	\$10,000,000	\$10,000,000	\$0
Alta BioPharma Partners III	\$15,000,000	\$11,250,000	\$3,750,000
Alta California Partners II	\$10,000,000	\$10,000,000	\$0
Alta California Partners III	\$15,000,000	\$14,250,000	\$750,000
Alta California Partners VIII	\$15,000,000	\$3,000,000	\$12,000,000
Apollo Investment Fund IV	\$15,000,000	\$14,694,876	\$305,124
Apollo Investment Fund VI	\$20,000,000	\$7,275,475	\$12,724,525
Aurora Equity Partners II	\$15,000,000	\$14,961,083	\$38,917
Aurora Equity Partners III	\$15,000,000	\$6,931,713	\$8,068,287
Avenue Special Situations Fund III	\$15,000,000	\$15,000,000	\$0
Avenue Special Situations Fund IV	\$20,000,000	\$20,000,000	\$0
Birch Hill Equity Partners III	\$15,064,022	\$4,378,797	\$10,685,225
Blackstone Capital Partners III	\$20,000,000	\$19,075,955	\$924,045
Blackstone Capital Partners IV	\$25,000,000	\$18,623,221	\$6,376,779
Blackstone Capital Partners V	\$20,000,000	\$8,379,033	\$11,620,967
Boston Ventures Ltd V	\$5,000,000	\$4,740,667	\$259,333
Castile III	\$5,000,000	\$750,000	\$4,250,000
Catterton Partners V	\$15,000,000	\$13,172,236	\$1,827,764
Catterton Partners VI	\$15,000,000	\$4,715,936	\$10,284,064
Centerbridge	\$15,000,000	\$747,278	\$14,252,722
Charterhouse Capital Partners VII	\$15,397,500	\$12,442,178	\$2,955,322
Charterhouse Capital Partners VIII	\$17,829,000	\$6,960,796	\$10,868,204
Coller International Capital IV	\$15,000,000	\$11,737,500	\$3,262,500
Coller International Capital V	\$15,000,000	\$1,723,478	\$13,276,522
Crossroads Providence (Prov. Liquidating Trust)	\$45,000,000	\$45,000,000	\$0
CVC European Equity Partners II	\$15,000,000	\$13,714,106	\$1,285,894
CVC European Equity Partners III	\$20,000,000	\$18,287,738	\$1,712,262
CVC European Equity Partners IV	\$20,012,850	\$10,097,786	\$9,915,064
Doughty Hanson Fund II	\$5,300,000	\$5,238,676	\$61,324
Doughty Hanson Fund III	\$15,000,000	\$13,505,377	\$1,494,623
Fenway Partners Capital Fund II	\$15,000,000	\$14,086,808	\$913,192
First Reserve Fund VIII	\$15,000,000	\$15,000,000	\$0
First Reserve Fund X	\$20,000,000	\$18,420,088	\$1,579,912
First Reserve Fund XI	\$20,000,000	\$1,674,396	\$18,325,604
Focus Ventures III	\$15,000,000	\$3,450,000	\$11,550,000
Granite Global Ventures II	\$15,000,000	\$12,450,000	\$2,550,000
Granite Global Ventures III	\$15,000,000	\$3,750,000	\$11,250,000
Green Equity Investors IV	\$15,000,000	\$14,611,612	\$388,388
Green Equity Investors V	\$20,000,000	\$0	\$20,000,000
Harvest Partners III	\$15,000,000	\$14,631,273	\$368,727
Harvest Partners IV	\$15,000,000	\$13,580,200	\$1,419,800
Heritage Fund II	\$5,000,000	\$4,971,500	\$28,500
Kayne Anderson Energy Fund III	\$15,000,000	\$6,303,200	\$8,696,800
Kayne Anderson Energy Fund IV	\$15,000,000	\$0	\$15,000,000
Leapfrog Ventures II	\$10,000,000	\$3,550,000	\$6,450,000
Leeds Weld Equity Partners IV	\$10,000,000	\$7,557,630	\$2,442,370
Lehman Vros Merchant 4	\$15,000,000	\$0	\$15,000,000
Lighthouse Capital Partners V	\$11,250,000	\$10,462,500	\$787,500
Lighthouse Capital Partners VI	\$15,000,000	\$0	\$15,000,000
LNK Partners	\$12,500,000	\$2,362,636	\$10,137,364
Matlin Patterson Glob. Opp. Fund (CSFB)	\$15,000,000	\$15,000,000	\$0
MHR Institutional Partners III	\$20,000,000	\$5,400,000	\$14,600,000
Nautic Partners V	\$20,000,000	\$18,357,731	\$1,642,269
Nautic Partners VI	\$20,000,000	\$2,665,687	\$17,334,313
Nordic Capital Fund III	\$10,000,000	\$9,841,318	\$158,682
Nordic Capital Fund V	\$15,021,862	\$13,872,889	\$1,148,973
Nordic Capital Fund VI	\$18,061,500	\$5,858,505	\$12,202,995
OCM Opportunities Fund II	\$12,000,000	\$12,000,000	\$0
OCM Principal Opportunities Fund	\$5,000,000	\$5,000,000	\$0
Parthenon Investors	\$15,000,000	\$14,691,119	\$308,881
Parthenon Investors II	\$20,000,000	\$18,825,276	\$1,174,724
Providence Equity Partners	\$10,000,000	\$10,000,000	\$0

**State of Rhode Island
Alternate Investments
Funding Report as of 6/30/07**

<u>Partnership Investment</u>	<u>Total Commitment</u>	<u>Total Funded</u>	<u>Total Remaining Commitment</u>
Providence Equity Partners III	\$15,000,000	\$13,084,357	\$1,915,643
Providence Equity Partners IV	\$25,000,000	\$23,250,237	\$1,749,763
Providence Equity Partners V	\$25,000,000	\$22,691,531	\$2,308,469
Providence Equity Partners VI	\$25,000,000	\$3,386,530	\$21,613,470
SKM Equity Fund II	\$10,000,000	\$8,264,536	\$1,735,464
Thomas H. Lee Equity Fund IV (THL)	\$9,000,000	\$8,217,391	\$782,609
Thomas McNerney & Partners	\$15,000,000	\$10,462,500	\$4,537,500
Thomas McNerney & Partners 2	\$15,000,000	\$1,875,000	\$13,125,000
TPG Partners II	\$10,000,000	\$9,693,603	\$306,397
TPG Partners IV	\$15,000,000	\$13,343,387	\$1,656,613
TPG Partners V	\$20,000,000	\$5,569,071	\$14,430,929
VS&A Communication Partners III	\$15,000,000	\$14,918,739	\$81,261
W Capital Partners	\$15,000,000	\$12,207,000	\$2,793,000
Washington & Congress Capital Partners	\$15,000,000	\$14,694,363	\$305,637
Wellspring Capital Partners III	\$20,000,000	\$18,695,572	\$1,304,428
Wellspring Capital Partners IV	\$20,000,000	\$4,349,219	\$15,650,781
Welsh, Carson, Anderson & Stowe VII	\$15,000,000	\$15,000,000	\$0
Willis Stein & Partners	\$5,000,000	\$5,000,000	\$0
Total Alternative Investments	\$1,246,436,734	\$828,642,788	\$417,793,946

Real Estate Investments

Fillmore East Fund I	\$10,000,000	\$6,649,872	\$3,350,128
Fremont Strategic Property Partners II	\$15,000,000	\$8,555,968	\$6,444,032
Capmark Commerical Realty II (GMAC)	\$15,000,000	\$10,790,355	\$4,209,645
Heitman Advisory Corporation		\$0	
JPMorgan Fleming Asset Mgmt. Strat. Prop. Fund	\$50,000,000	\$50,000,000	\$0
JPMorgan Alternative Property Fund	\$20,000,000	\$20,000,000	
LaSalle Income & Growth Fund IV	\$15,000,000	\$11,903,217	\$3,096,783
Morgan Stanley Prime Property Fund	\$35,000,000	\$35,000,000	
Prudential Real Estate Investors (PRISA)	\$50,000,000	\$50,000,000	
Prudential Real Estate Investors (PRISA) II	\$15,000,000	\$3,000,000	\$12,000,000
RREEF America REIT II Fund	\$35,000,000	\$35,000,000	
Starwood Hospitality Fund I	\$10,000,000	\$4,500,000	\$5,500,000
TA Really Fund VIII	\$15,000,000	\$3,750,000	\$11,250,000
Tri Continental Fund VII	\$15,000,000	\$10,830,109	\$4,169,891
Walton Street Real Estate Fund V	\$20,000,000	\$15,095,474	\$4,904,526
Westbrook Real Estate Fund VI	\$15,000,000	\$15,000,000	\$0
Magna Fund Hotel	\$4,000,000	\$0	\$5,000,000
Westbrook Real Estate Fund VII	\$15,000,000	\$0	\$15,000,000
Total Real Estate Investments	\$354,000,000	\$280,074,995	\$74,925,005

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2008

	FY 2007-08												
	Actual July 2007	Actual August	Actual September	Projected October	Projected November	Projected December	Projected 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	52,003,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	626,920,319
ADMINISTRATIVE EXPENSES	81,164	112,168	939,170	35,665	119,438	81,564	41,155	89,849	85,360	3,165,767	134,243	81,164	4,926,705
INVESTMENT EXPENSES	981,630	523,195	63,300	654,009	535,706	880,803	764,774	31,234	384,116	222,931	441,147	237,214	5,700,058
TOTAL OUTFLOW	53,468,298	53,759,170	54,373,478	52,689,674	52,655,144	52,942,366	52,805,928	52,121,083	52,449,476	55,388,697	52,575,390	52,318,378	637,547,082
CONTRIBUTIONS	67,315,617	24,268,736	31,456,913	35,956,284	33,747,419	43,321,050	33,232,665	45,847,529	37,662,635	42,576,485	39,989,274	51,824,521	487,199,127
OTHER INCOME*	7,285,447	10,151,633	8,518,524	2,948,630	9,168,433	14,913,727	3,782,660	8,825,708	11,598,390	6,200,118	13,473,498	16,040,178	112,906,946
TOTAL INCOME	74,601,064	34,420,368	39,975,437	38,904,914	42,915,852	58,234,777	37,015,325	54,673,237	49,261,025	48,776,603	53,462,772	67,864,699	600,106,073
DIFFERENCE	21,132,766	(19,338,802)	(14,398,041)	(13,784,760)	(9,739,292)	5,292,411	(15,790,603)	2,552,154	(3,188,451)	(6,612,095)	887,382	15,546,321	(37,441,009)

Municipal Employees Retirement System

	FY 2007-08												
	Actual July 2007	Actual August	Actual September	Projected October	Projected November	Projected December	Projected January 2008	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	4,451,916	4,487,625	4,500,775	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	53,470,316
ADMINISTRATIVE EXPENSES	13,354	18,455	154,522	5,828	19,516	10,060	6,173	14,745	10,731	520,429	22,069	13,354	809,234
INVESTMENT EXPENSES	158,218	86,082	10,415	106,865	87,535	143,923	114,714	5,126	63,063	36,848	72,521	39,029	924,139
TOTAL OUTFLOW	4,623,487	4,572,162	4,665,712	4,562,693	4,557,051	4,603,983	4,570,887	4,469,870	4,523,794	5,007,077	4,544,590	4,502,383	55,203,689
CONTRIBUTIONS	4,890,850	3,427,165	3,947,195	3,257,542	3,890,409	4,500,354	5,191,597	3,888,036	4,038,723	4,393,140	5,350,512	5,150,814	51,926,837
OTHER INCOME*	1,198,679	1,670,254	1,401,558	481,807	1,498,125	2,438,908	567,390	1,448,337	1,904,204	1,019,254	2,214,944	2,639,101	18,480,561
TOTAL INCOME	6,089,529	5,097,419	5,348,753	3,739,349	5,388,534	6,937,762	5,758,987	5,336,373	5,942,927	5,412,394	7,565,456	7,789,915	70,407,398
DIFFERENCE	1,466,042	525,258	683,041	(823,344)	831,483	2,333,779	1,188,100	866,502	1,419,133	405,317	3,020,866	3,287,532	15,203,709

	Actual July 2007	Actual August	Actual September	Projected October	Projected November	Projected December	Projected 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	380	1,282	661	395	989	732	35,787	1,518	925	55,574
INVESTMENT EXPENSES	10,958	5,962	721	6,972	5,750	9,455	7,341	344	4,305	2,520	4,987	2,703	62,019
TOTAL OUTFLOW	25,883	21,240	25,424	21,353	21,032	24,116	21,736	15,333	19,037	52,307	20,504	17,628	285,594
CONTRIBUTIONS	535,000	530,000	485,000	500,000	490,000	510,000	510,000	1,280,000	520,000	540,000	550,000	780,000	7,280,000
OTHER INCOME*	83,022	115,683	97,073	3,436	98,416	160,088	36,310	97,177	129,982	70,088	152,309	182,786	1,254,369
TOTAL INCOME	618,022	645,683	582,073	53,436	588,416	670,088	546,310	1,377,177	649,982	610,088	702,309	962,786	8,484,369
DIFFERENCE	592,138	624,443	556,649	510,083	587,384	645,972	524,574	1,361,844	630,945	557,781	681,804	945,158	8,198,776

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

FISCAL YEAR 2008

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 07	Projected Aug	Projected 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			228,174			242,895			254,599			222,371	948,038
SSgA Russell 1000/S&P 500			25,333			40,562			66,927			32,408	165,231
Shott Capital			2,447			2,751			2,195			2,718	10,111
PIMCO			0			200,000			1,000			225,000	426,000
Wellington Mgmt			627,504			634,038			647,075			652,373	2,560,989
Wasatch Advisors			118,277			121,645			120,000			126,713	486,636
NorthPointe			<u>523,521</u>			<u>543,982</u>			<u>566,385</u>			<u>589,850</u>	<u>2,223,744</u>
			1,525,262			1,785,873			1,658,181			1,851,433	6,820,749
FIXED INCOME													
Brown Bros.			137,999			140,551			141,829			129,732	550,111
Fidelity			156,625			157,334			158,790			148,636	621,385
Taplin			180,056			184,623			187,094			169,909	721,682
Mackay Shields			135,754			141,118			145,904			132,920	555,696
Brown Bros.TIPS			<u>139,383</u>			<u>140,110</u>			<u>140,412</u>			<u>136,883</u>	<u>556,789</u>
			749,817			763,736			774,030			718,080	3,005,663
INT'L EQUITIES													
The Boston Co			567,015			584,801			570,511			566,138	2,288,465
Mondrian			344,183			363,762			353,466			316,283	1,377,699
Goldman Sachs Asset Mgmt			487,960			523,450			532,968			488,465	2,032,843
SSgA MSCI ACWI			0			0			0			0	0
	0		1,399,164	0		1,472,013			1,456,945			1,370,886	5,699,007
REAL ESTATE													
L & B Real Estate	71,577	17,187	17,188	73,899	312,588	34,375	34,375	17,188	202,228	55,479	56,250	0	892,334
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fees	1,059,228	598,052	57,249	693,948	316,403	999,806	971,558	19,516	249,256	206,620	462,405	278,946	5,912,987
SUB TOTAL-INV MGMT FEES	1,130,805	615,239	3,748,679	767,847	628,991	5,055,803	1,005,933	36,704	4,340,640	262,099	518,655	4,219,345	22,330,740
PROFESSIONAL FEES													
Legal	8,500	8,822	12,581	6,510	8,769	3,500	13,726	6,000	7,365	12,737	9,677	17,791	115,977
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		93,750	0	0	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>
	40,117	131,901	104,830	45,361	132,301	75,087	44,100	130,583	74,772	44,188	151,255	87,110	1,061,604
OPERATING EXPENSE													
Retirement Transfers	0	0	966,597	0	0	1,201,064	0	0	0	3,680,498	0	0	5,848,119
Other Expense	0	<u>3,097</u>	<u>33,007</u>	<u>2,552</u>	<u>8,014</u>	<u>32,088</u>	<u>21,497</u>	<u>22,425</u>	<u>3,000</u>	0	<u>8,333</u>	<u>8,333</u>	<u>142,347</u>
	0	3,097	999,564	2,552	8,014	1,233,152	21,497	22,425	3,000	3,680,498	8,333	8,333	5,990,466
TOTAL:	1,170,922	750,236	4,853,073	815,759	769,306	6,364,042	1,071,530	189,712	4,418,412	3,986,785	678,244	4,314,788	29,382,810

Note: Numbers in bold are actual.

**Rhode Island Employees Retirement System
Securities Lending Report
September, 2007**

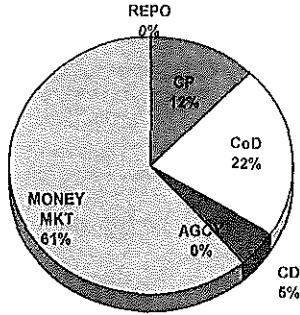
<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<u>DOMESTIC EQUITY</u>		
Wellington Technology Equity	2,770	7,541,453
Wellington Mgmt. Co., LLP	94,727	281,247,755
NorthPointe Capital	84,965	263,412,937
SSgA Core	<u>23,263</u>	<u>65,734,804</u>
Total Domestic Equity	\$ <u>205,725</u>	\$ <u>617,936,949</u>
<u>INTERNATIONAL EQUITY</u>		
Goldman Sachs	6,746	20,682,358
Boston Company	10,550	39,854,295
Mondrian	<u>19,847</u>	<u>55,084,147</u>
Total International Equity	\$ <u>37,144</u>	\$ <u>115,620,801</u>
<u>FIXED INCOME</u>		
Brown Brothers, Harriman	10,507	40,550,249
Taplin, Canida & Habacht	2,725	12,198,418
MacKay Shields	6,387	16,117,153
Brown Brothers, Harriman (TIPS)	<u>123,503</u>	<u>536,039,681</u>
Total Fixed Income	\$ <u>143,122</u>	\$ <u>604,905,501</u>
 TOTAL SECURITIES LENDING INCOME	 \$ <u>385,992</u>	 \$ <u>1,338,463,251</u>
 Calendar Year 2007 YTD	 \$ 2,096,778	

RHODE ISLAND STATE INVESTMENT COMMISSION

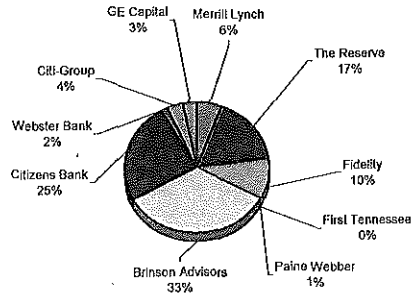
SHORT TERM CASH INVESTMENTS AT

SEPTEMBER 30, 2007

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%	50%/35%	25%/25%	100%/20%	
Merrill Lynch	21,931,407	0	0	0	0	0	21,931,407
The Reserve	0	0	0	66,301,837	0	0	66,301,837
Chase Securities	0	0	0	0	0	0	0
Paine Webber	0	0	0	0	0	0	0
Fidelity	0	0	0	38,695,495	0	0	38,695,495
First Tennessee	0	0	0	0	0	0	0
Brinson Advisors	0	0	0	132,952,886	0	0	132,952,886
Citizens Bank	0	12,487,038	0	0	83,509,235	0	95,996,272
GE Capital	11,589,363	0	0	0	0	0	11,589,363
Webster Bank	0	6,006,667	0	0	0	0	6,006,667
Citi-Group	14,079,679	0	0	0	0	0	14,079,679
Slate St Bank	0	0	0	0	0	0	0
TOTALS	47,600,449	18,493,706	0	237,950,218	83,509,235	0	387,553,606
(%) PORTFOLIO	12%	5%	0%	61%	22%	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

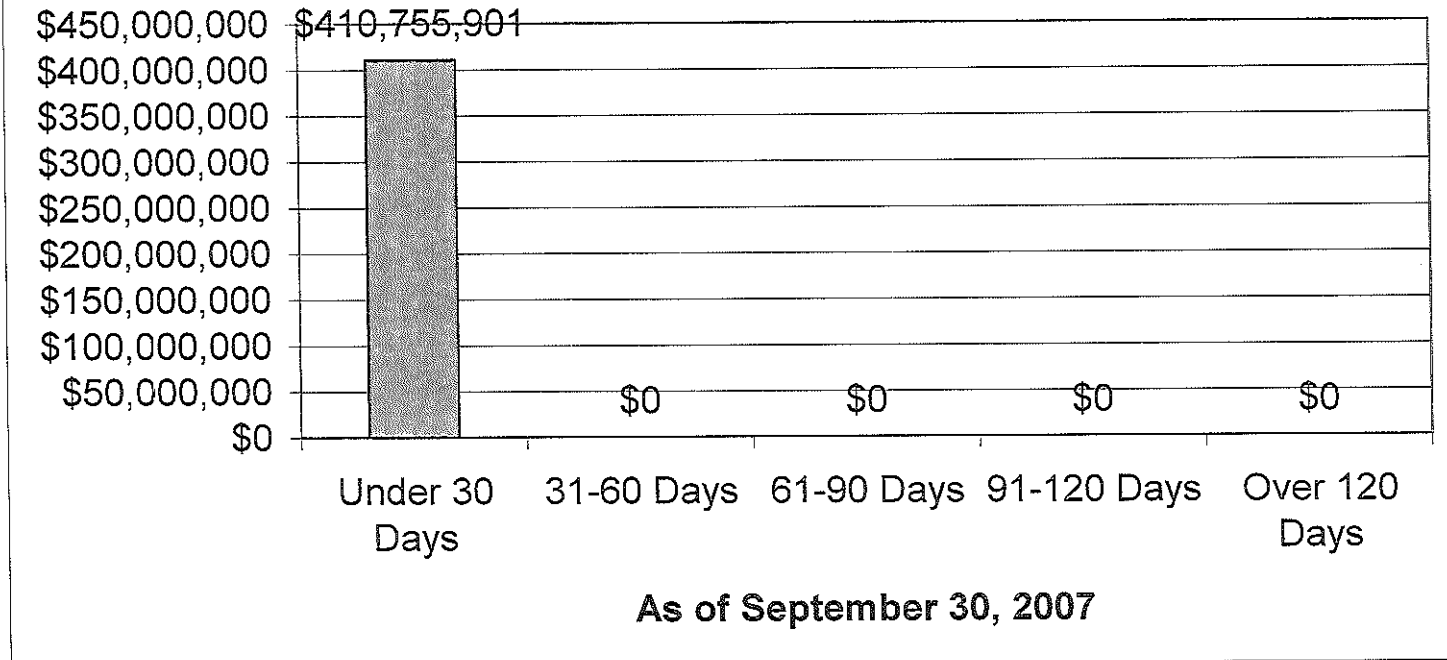
Short Term Investments Portfolio by Fund

As of September 30, 2007

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	150,716,136	2,742	150,718,878
4904 PENSION C	2,998,825	1,175	3,000,000
4908 PAYROLL A	439,828	172	440,000
4916 GENERAL FUND H.A.V.A.	1,156,185	0	1,156,185
4918 RICAP	7,596,997	3,003	7,600,000
4920 GENERAL FUND (HIST PRES)	511,466	3,874	515,341
4955 HEALTH INSURANCE FUND	18,239,677	7,634	18,247,310
5400 HIGHWAY FUND	24,932,096	2,663	24,934,759
5500 UNIVERSITY COLLEGE	10,504,578	8,854	10,513,431
6920 AUTO EQUIPMENT SERVICE	911,140	0	911,140
8000 T.D.I. RESERVE (DET)	103,281,787	0	103,281,787
8300 PERMANENT SCHOOL FUND	769,259	1,421	770,680
8400 EMP RETIREMENT FUND	2,500,521	0	2,500,521
8500 MUN EMP RETIREMENT FUND	180,376	0	180,376
8700 R.I. CLEAN WATER ACT	3,117,696	0	3,117,696
9000 BOND CAPITAL FUND	15,019,303	7,574	15,026,876
9700 STATE LOTTERY FUND	42,646,531	28,080	42,674,610
9800 INDUS. BLDG. & MTG. INS.	2,031,207	0	2,031,207
4911 TANS	0	0	0
4917 TOBACCO SETTLEMENT	23,202,296	22,557	23,224,852
Subtotal	410,755,901	89,748	410,845,649
8703 CLEAN WATER 1991 SERIES A	146,649		
8706 CLEAN WATER CCDL 1994 (A)	6,099		
8707 CAP DEV. OF 1997 SERIES A	19,483		
8710 CLEAN WATER CCDL 2002 A	166,002		
8711 CLEAN WATER 2004 SERIES A	700,370		
8712 CLN WATER CCDL 2005 SER E	886,160		
8733 CAP DEV. OF 1997 SERIES A	7,097		
8737 RI POLLUT. CONT 94 SER. A	6,376		
8739 CCDL99A 1999A	336,665		
8746 POLLUTION CTRL CCDL 2006 C	1,482,037		
8747 CLEAN WATER 2007 SERIES A	500,217		
9114 G.O. NOTE 1991 SER. B	3,817		
9117 BOND CCDL 1994 SERIES A	351,992		
9120 BOND CCBL96A	637,257		
9121 CAP DEV OF 1997 SERIES A	64,963		
9123 CCDL 1998B	2,113,224		
9125 MMG099 1999	2,865		
9126 BOND CAPITAL CCDL2000A	1,526,953		
9127 MULTI-MODAL GEN OBL 2000	2,836		
9131 CCDL 2004 SERIES A	11,411,186		
9132 BOND CCDL 2005 SERIES C	17,762,121		
9133 BOND CCDL 2005 SERIES E	4,789,227		
9134 BOND CCDL 2006 SERIES B	22,809		
9135 BOND CCDL 2006 SERIES C	51,120,109		
9136 GO BND-NTAX 2007 SERIES A	105,185,184		
9137 GO BND-TAX 2007 SERIES A	8,503,688		
Subtotal Bond Proceed Accounts	207,755,386		
Total Short Term Portfolio	618,511,288		

* General Fund (4901,4911,4916), TDI (8000), & ISTE (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.

Short-Term Investments Maturity Schedule



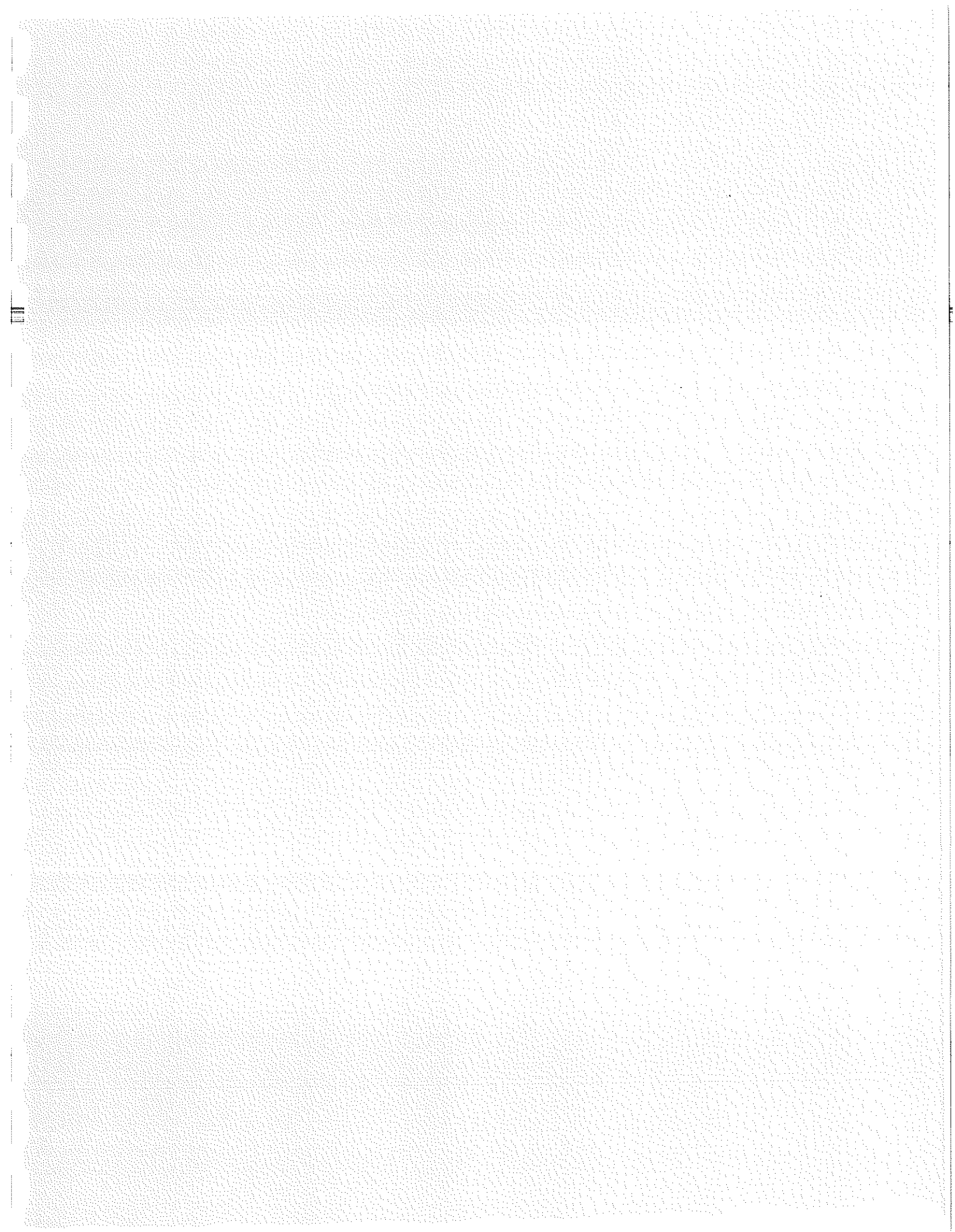
Maturities in \$Millions

Note: Includes \$321.6 Million of Money Market investments with no specific maturity

September, 2007	4.88%
August, 2007	4.95%
September, 2006	5.20%

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
SEPTEMBER 30, 2007**

<u>FUND NAME</u>	September Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund (Fidelity Balanced Fund)	\$ 74,321	\$ 2,473,507
<u>TOTALS</u>	\$ 74,321	\$ 2,473,507



STATE OF RHODE ISLAND RETIREMENT PLANS INVESTMENT OPTIONS

PERFORMANCE UPDATE

AS OF JUNE 30, 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 www.fidelity.com.

Fund No.	Fund Name	Cumulative Total Returns % Period Ending June 30, 2007			Average Annual Total Returns % Period Ending June 30, 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											
00370	Fidelity Freedom 2000		2.29	3.93	9.80	5.72	6.36	6.94	10/17/96	n/a	0.57
00371	Fidelity Freedom 2010		3.90	5.82	14.01	8.61	7.72	8.58	10/17/96	n/a	0.68
00372	Fidelity Freedom 2020		5.26	7.36	17.16	10.74	8.19	9.20	10/17/96	n/a	0.76
00373	Fidelity Freedom 2030		6.32	8.51	19.40	11.71	8.19	9.25	10/17/96	n/a	0.80
00369	Fidelity Freedom Income		1.72	3.31	8.66	5.10	5.63	5.93	10/17/96	n/a	0.55
MONEY MARKET (SHORT-TERM) FUNDS*											
00630	Fidelity Retirement Money Market	5.04	1.26	2.51	5.14	2.59	3.72	4.59	12/02/88	n/a	0.42
BOND FUNDS											
99474	PIMCO Total Return - Administrative Class		-1.39	0.23	4.96	4.52	6.25	6.84	9/08/94	2.00/7	0.68
BALANCED/HYBRID FUNDS											
00004	Fidelity Puritan®		4.58	5.88	17.70	10.14	7.94	11.75	4/16/47	n/a	0.62
DOMESTIC EQUITY FUNDS - LARGE-CAP VALUE											
00023	Fidelity Equity-Income		7.31	8.45	23.67	11.96	8.52	13.21	5/16/66	n/a	0.68
DOMESTIC EQUITY FUNDS - MID-CAP VALUE											
00039	Fidelity Value		6.35	11.43	23.80	16.12	11.55	14.61	12/01/78	n/a	0.67
DOMESTIC EQUITY FUNDS - LARGE-CAP BLEND											
00330	Fidelity Dividend Growth		6.96	7.23	21.48	9.18	8.90	13.64	4/27/93	n/a	0.60
00027	Fidelity Growth & Income		7.43	6.91	17.25	7.60	6.10	13.13	12/30/85	n/a	0.69
00650	Spartan® U.S. Equity Index - Investor Class		6.26	6.92	20.49	10.60	6.98	11.75	2/17/88	n/a	0.10

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

continued

AS OF JUNE 30, 2007

Fund No.	Name	Cumulative Total Returns % Period Ending June 30, 2007		Average Annual Total Returns % Period Ending June 30, 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										
00312	Fidelity Blue Chip Growth	7.70	7.04	16.23	6.93	4.70	12.05	12/31/87	n/a	0.63
00022	Fidelity <i>Contrafund</i> ®	7.50	9.02	16.98	13.67	10.79	13.39	5/17/67	n/a	0.90
00021	Fidelity <i>Magellan</i> ®	8.60	10.78	16.74	8.81	6.51	18.46	5/02/63	n/a	0.54
00093	Fidelity OTC	9.61	11.36	26.64	12.12	7.59	14.22	12/31/84	n/a	0.80
DOMESTIC EQUITY FUNDS - MID-CAP GROWTHⓄ										
00337	Fidelity Mid-Cap Stock	7.67	14.77	20.62	14.43	13.00	15.17	3/29/94	0.75/30	0.83
93392	Franklin Small-Mid Cap Growth - Class A	7.18	13.50	20.76	12.77	8.41	12.90	2/14/92	2.00/7	0.97
INTERNATIONAL/GLOBAL FUNDS††										
00325	Fidelity Diversified International	7.77	11.10	25.72	19.02	12.78	12.81	12/27/91	1.00/30	1.01

MARKET INDICATORS^^

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

Dow Jones Industrial Average	9.11	8.76	23.04	10.19	7.84
Lehman Brothers Intermediate Gov't/Credit Bond Index	-0.15	1.44	5.76	4.15	5.66
MSCI EAFE® Index	6.51	10.88	27.20	17.98	7.89
Standard & Poor's 500 SM Index	6.28	6.96	20.59	10.71	7.13

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.

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

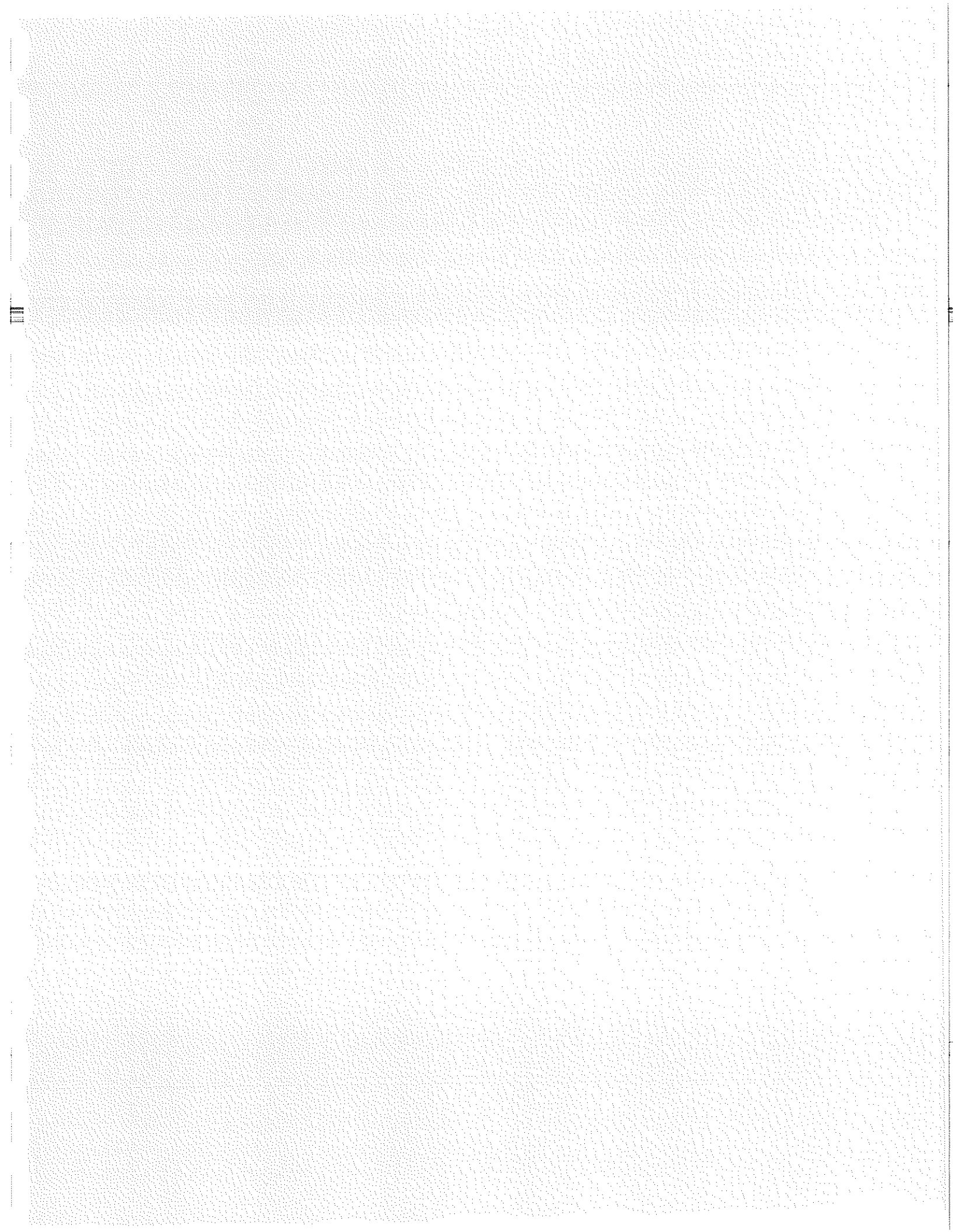
- ^^ Indices are unmanaged and you cannot invest directly in an index.
 - Dow Jones Industrial Average (DJIA)**, published by Dow Jones and Company, is an unmanaged average of 30 actively traded stocks (primarily industrial) and assumes reinvestment of dividends. It is not offered as a comparison for any investment option but rather as a general stock market indicator.
 - Lehman Brothers Intermediate Government/Credit Bond 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.
 - MSCI EAFE® Index (Morgan Stanley Capital International Europe, Australasia, Far East Index)** is an unmanaged index of over 1,000 foreign common stock prices and includes the reinvestment of dividends. The EAFE® Index is a registered service mark of Morgan Stanley and has been licensed for use by FMR Corp. The investment options offered through the plan are neither sponsored by nor affiliated with Morgan Stanley.
 - 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.

INVESTMENT RISK

- ⇒ These funds are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risks associated with investing in high yield, small cap and foreign securities.
- * 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.
- Ⓞ Investments in mid-sized companies may involve greater risks than those of larger, more well-known companies, but may be less volatile than investments in smaller 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 fluctuation.

AS OF JUNE 30, 2007

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call Fidelity at 1-800-343-0860 or visit www.fidelity.com for a free mutual fund prospectus. Read it carefully before you invest.



ING Life Insurance and Annuity Company



State of Rhode Island

Average Annual Total Returns as of 06/30/2007

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		
Stability of Principal																	
ING Fixed Account - 457/401 - Base + 60 (***) - 043	MFR	0.32%	0.39%	0.98%	1.18%	1.96%	2.36%	4.00%	4.79%	4.04%	3.31%	4.47%	2.27%	5.42%	3.38%		
Money Market																	
ING VP Money Market Portfolio - Class I - 003	IBCM	0.41%	0.43%	1.26%	1.33%	2.53%	2.66%	5.18%	5.43%	3.72%	3.96%	2.62%	3.00%	3.75%	3.70%		08/01/1975
<i>The 7-day annualized yield as of 06/30/2007 is 5.03%. (+)</i>																	
Bonds																	
Intermediate-Term Bond																	
ING VP Intermediate Bond Portfolio - Class I - 004	LEHM	-0.23%	-0.30%	-0.53%	-0.52%	1.16%	0.97%	5.79%	6.11%	4.30%	3.98%	5.01%	4.48%	5.85%	6.02%		05/23/1973
Balanced																	
Moderate Allocation																	
Calvert Social Balanced Portfolio - 101	SPXRE	-1.27%	-1.66%	2.84%	6.28%	3.45%	6.96%	12.18%	20.59%	7.86%	11.67%	7.93%	10.71%	5.60%	7.13%		09/02/1986
ING VP Balanced Portfolio, Inc. - Class I - 008	SPXRE	-1.58%	-1.66%	3.56%	6.28%	4.76%	6.96%	13.44%	20.59%	8.71%	11.67%	8.19%	10.71%	7.03%	7.13%		04/03/1989
ING Van Kampen Equity and Income Portfolio - Initial Class - 452	SPXRE	-1.19%	-1.66%	5.43%	6.28%	6.06%	6.96%	16.87%	20.59%	11.93%	11.67%	10.20%	10.71%			6.45%	12/10/2001
Large Cap Value																	
Large Blend																	
AIM V.I. Core Equity Fund - Series I Shares - 079	RS1000	-0.17%	-1.91%	6.95%	5.89%	9.07%	7.18%	22.34%	20.43%	11.97%	12.34%	10.62%	11.33%	6.45%	7.55%		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		
ING VP Growth and Income Portfolio - Class I - 001	SPXRE	-1.06%	-1.66%	6.88%	6.28%	7.61%	6.96%	20.10%	20.59%	11.81%	11.67%	9.18%	10.71%	3.97%	7.13%		05/01/1975
ING VP Index Plus LargeCap Portfolio - Class I - 035	SPXRE	-2.03%	-1.66%	6.06%	6.28%	6.48%	6.96%	19.54%	20.59%	11.30%	11.67%	9.95%	10.71%	7.14%	7.13%		09/16/1996
Large Value																	
Fidelity® VIP Equity-Income Portfolio - Initial Class - 106	RS3000V	-1.35%	-2.34%	7.49%	4.68%	8.68%	6.00%	24.26%	21.31%	14.23%	15.84%	12.21%	13.40%	8.43%	9.98%		10/09/1986
ING VP Value Opportunity Portfolio - Class I - 041	SPXRE	-2.16%	-1.66%	6.09%	6.28%	7.70%	6.96%	20.22%	20.59%	12.79%	11.67%	8.67%	10.71%	8.67%	7.13%		12/13/1996
Large Cap Growth																	
Large Blend																	
ING Thornburg Value Portfolio - Initial Class - 100	SPXRE	0.26%	-1.66%	7.22%	6.28%	10.52%	6.96%	26.86%	20.59%	12.58%	11.67%	10.53%	10.71%			6.32%	11/28/1997
ING UBS U.S. Large Cap Equity Portfolio - Initial Class - 105	SPXRE	-1.91%	-1.66%	6.69%	6.28%	7.20%	6.96%	21.06%	20.59%	13.91%	11.67%	11.16%	10.71%			5.27%	11/28/1997
Large Growth																	
AIM V.I. Capital Appreciation Fund - Series I Shares - 076	RS1000G	-1.41%	-1.49%	8.04%	6.86%	9.65%	8.13%	16.98%	19.06%	9.84%	8.72%	9.08%	9.29%	5.05%	4.39%		05/05/1993
Fidelity® VIP Contrafund® Portfolio - Initial Class - 133	SPXRE	-0.21%	-1.66%	7.32%	6.28%	8.99%	6.96%	17.02%	20.59%	15.64%	11.67%	14.05%	10.71%	10.92%	7.13%		01/03/1995
Fidelity® VIP Growth Portfolio - Initial Class - 109	RS3000G	1.16%	-1.42%	10.89%	6.84%	12.55%	8.22%	20.26%	18.83%	9.03%	8.96%	8.63%	9.57%	6.41%	4.42%		10/09/1986
Small/Mid/Specialty																	
Mid-Cap Growth																	
ING T. Rowe Price Diversified Mid Cap Growth Port - I Class - 449	RSMIDGRW	-1.25%	-1.73%	7.88%	6.75%	11.39%	10.97%	19.59%	19.72%	11.07%	14.47%	11.94%	15.44%			7.59%	12/10/2001
Small Blend																	
ING VP Small Company Portfolio - Class I - 042	RS2000	-0.68%	-1.46%	6.20%	4.43%	10.61%	6.46%	18.79%	16.44%	16.58%	13.45%	13.07%	13.88%	11.30%	9.06%		12/27/1996
Global / International																	
Foreign Large Blend																	
ING JPMorgan International Portfolio - Initial Class - 104	MSCIEAFE	0.17%	0.15%	6.77%	6.67%	9.59%	11.09%	22.19%	27.54%	19.17%	22.75%	13.67%	18.22%			7.98%	11/28/1997
World Stock																	
ING Oppenheimer Global Portfolio - Initial Class - 432	MSCIAC	-0.60%	-0.26%	7.34%	7.42%	8.69%	10.20%	23.27%	25.83%	17.71%	18.57%	15.06%	15.44%			13.07%	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 12/31/2007. 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.

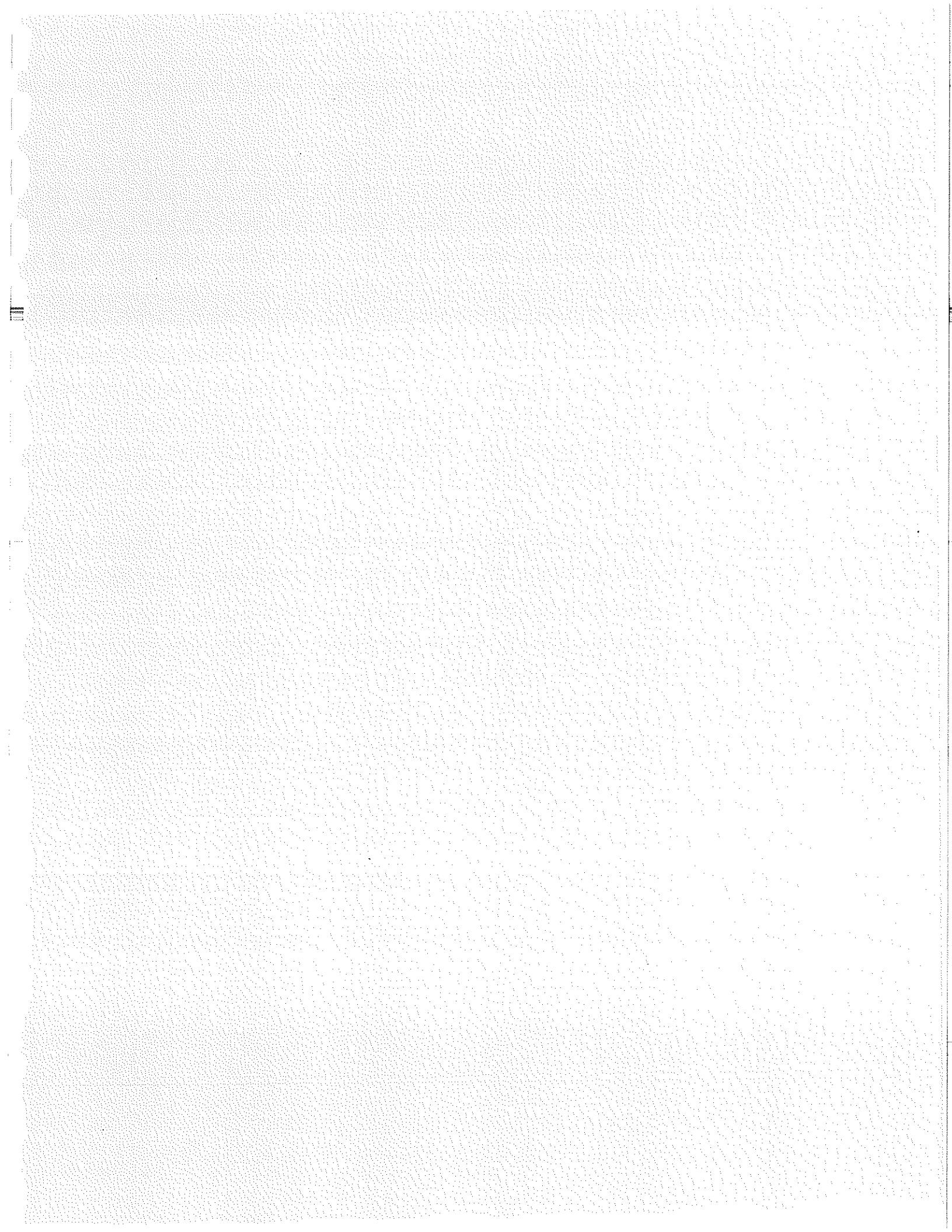
The 7-day yield was under reported from 6/1 to 6/5/07. The correct yield appears above.

Please note, the three or four digit number which appears next to each investment option is the fund number as assigned by ING.

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 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	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.



Portfolio Director

Fixed and Variable Annuity

The information is current as of 06/30/2007.

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)	6.72	21.67	11.33	10.52	4.20	4.20	1.63	12/8/2000
Vanguard Windsor II Fund	8.93	22.85	14.12	12.11	8.41	8.41	1.35	6/24/1985
<i>Large Cap Blend</i>								
Core Equity Fund (Black Rock)	5.83	16.95	7.94	8.02	3.11	3.11	1.65	4/29/1994
Social Awareness Fund	6.53	18.37	10.29	9.47	5.56	5.56	1.43	10/2/1989
Stock Index Fund	6.34	19.21	10.41	9.44	5.93	5.93	1.16	4/20/1987
<i>Large Cap Growth</i>								
Large Capital Growth Fund (SAAMCo/AIM)	7.79	17.25	-	-	16.03	16.03	1.59	12/20/2004
VALIC Ultra Fund (American Century)	6.55	9.26	-	-	8.65	8.65	1.73	12/5/2005
Domestic Mid Cap Equity								
<i>Mid Cap</i>								
Mid Cap Strategic Growth Fund (MorganStanley/Brazos)	15.39	19.32	-	-	17.89	17.89	1.64	12/20/2004
Global Equity								
Global Equily Fund (Putnam)	13.40	28.50	-	-	27.23	27.23	1.78	12/5/2005
International Equity								
Foreign Value Fund (Templeton Global)	8.09	22.22	-	-	22.00	22.00	1.64	12/5/2005
Specialty								
Science & Technology Fund (T. Rowe/RCM/Wellington)	11.01	23.74	6.34	9.72	1.22	1.22	1.81	4/29/1994
Hybrid								
<i>Balanced</i>								
Vanguard Wellington Fund	5.59	16.41	11.01	9.41	7.99	7.99	1.33	7/1/1929
Fixed Income								
<i>Investment Grade</i>								
Vanguard Long-Term Investment-Grade Fund	-1.74	6.45	4.42	5.32	5.96	5.96	1.05	7/9/1973
Vanguard Long-Term Treasury Fund	-1.47	4.81	4.00	4.85	6.20	6.20	1.06	5/19/1986
<i>International</i>								
International Government Bond Fund	-0.65	5.85	5.78	8.39	4.62	4.62	1.51	10/1/1991
<i>Stable Value</i>								
Money Market I Fund	2.03	4.08	2.62	1.53	2.63	2.63	1.33	1/16/1986
7-Day Yield at 31-Dec-2006: 4.03%								
Fixed Account Plus	0.00	0.00	2.31	3.20	4.68	4.68		4/1/1982
Short Term Fixed Account	3.00	3.00	3.00	3.00	3.67	3.67		2/1/1982

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

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

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.

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.

FUND EXPENSES

The following represents annual variable fund fees.

Fund Name	Separate Account Fee ¹	Management Fee	12b-1 Fee	Other Expenses ²	Expense Waivers or Reimbursements	Total Expense
Core Equity Fund ¹ (Wellington/WAMU)	0.80%	0.78%	None	0.12%	-0.05%	1.65%
Core Value Fund (American Century)	0.80%	0.77%	None	0.15%	-0.09%	1.63%
International Government Bond Fund	0.80%	0.50%	None	0.21%	None	1.51%
Mid Cap Strategic Growth Fund ³ (MorganStanley/Brazos)	0.80%	0.70%	None	0.69%	-0.55%	1.64%
Money Market I Fund*	0.80%	0.43%	None	0.13%	-0.03%	1.33%
Science & Technology Fund ¹ (T. Rowe Price/RCM)	0.80%	0.88%	None	0.13%	None	1.81%
Social Awareness Fund	0.80%	0.50%	None	0.13%	None	1.43%
Stock Index Fund ³	0.80%	0.25%	None	0.11%	None	1.16%
Large Capital Growth (SAAMCo/AIM)	0.80%	0.68%	None	0.65%	-0.54%	1.59%
VALIC Ultra Fund (American Century)	0.80%	0.83%	None	0.58%	-0.46%	1.73%
Global Equity Fund (Putnam)	0.80%	0.80%	None	1.36%	-1.18%	1.78%
Foreign Value Fund (Franklin/Templeton)	0.80%	0.69%	None	0.96%	-0.81%	1.64%
Vanguard Long-Term Investment Grade Fund	0.80%	0.22%	None	0.03%	None	1.05%
Vanguard Long-Term Treasury Fund	0.80%	0.23%	None	0.03%	None	1.08%
Vanguard Wellington Fund	1.05%	0.28%	None	0.02%	None	1.35%
Vanguard Windsor II Fund	1.05%	0.31%	None	0.03%	None	1.39%

*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.

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

**STATE OF RHODE ISLAND
MUTUAL FUND SELECTION**

The information is current as of 06/30/2007.

Category/Funds	YTD	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Expense Ratio	Inception Date
Foreign Large Blend								
Dreyfus International Stock Index <i>MSCI EAFE</i>	10.56%	26.36% 27.00%	21.57% 22.24%	16.81% 17.73%	6.74% 7.66%	6.74%	0.60%	6/30/1997
World Stock								
Janus Adviser Worldwide <i>MSCI World</i>	12.69%	31.09% 23.59%	14.91% 16.73%	8.89% 14.00%	6.78% 7.05%	6.78%	1.15%	5/1/1997
Small Blend								
Dreyfus Small Cap Stock Index <i>Standard & Poor's Smallcap 600</i>	8.37%	15.63% 16.04%	14.08% 14.47%	13.90% 14.36%	10.85% 11.27%	10.85%	0.50%	6/30/1997
Mid-Cap Blend								
Dreyfus Midcap Index <i>Standard & Poor's Midcap 400</i>	11.69%	17.90% 18.51%	14.63% 15.15%	13.63% 14.17%	12.77% 13.37%	12.77%	0.50%	6/19/1991
Large Growth								
MFS Massachusetts Investors Growth Stock	7.32%	16.71%	8.57%	7.11%	6.26%	6.26%	0.93%	1/1/1935
Calvert Social Investment Equity F	4.77%	14.00%	8.19%	7.82%	7.99%	7.99%	1.23%	8/24/1987
SunAmerica Blue Chip Growth	8.87%	18.52%	6.84%	6.36%	4.16%	4.16%	1.27%	11/21/2001
Pulnam Voyager	4.15%	14.08%	6.10%	5.90%	4.61%	4.61%	1.04%	4/1/1969
Franklin DynaTech <i>S&P 500</i>	8.61%	16.01% 20.59%	7.36% 11.68%	10.86% 10.71%	7.09% 7.13%	7.09%	0.97%	1/2/1968
Large Blend								
Dreyfus Disciplined Stock	8.15%	22.31%	12.30%	9.35%	6.00%	6.00%	0.93%	12/31/1987
Vanguard 500 Index	6.88%	20.41%	11.53%	10.58%	7.05%	7.05%	0.18%	8/31/1976
SunAmerica Growth & Income <i>S&P 500</i>	7.19%	19.92% 20.59%	10.66% 11.68%	7.91% 10.71%	4.76% 7.13%	4.76%	1.31%	11/16/2001
SunAmerica Focused Equity Strategy <i>Russell 1000 Growth</i>	6.21%	16.34% 19.04%	10.54% 8.70%	N/A N/A	N/A N/A	N/A	1.81%	2/20/2004
Moderate Allocation								
SunAmerica Balanced Assets	5.11%	14.90%	7.10%	5.72%	4.07%	4.07%	1.28%	11/16/2001
Dreyfus Founders Balanced	3.50%	12.98%	8.15%	6.86%	1.67%	1.67%	1.42%	2/19/1963
SunAmerica Focused Balanced Strategy <i>60% S&P 500 + 40% Lehman Agg.</i>	4.40%	13.07% 9.76%	8.37% 7.38%	N/A	N/A	N/A	1.63%	2/20/2004
Intermediate-Term Bond								
PIMCO Total Return	0.12%	4.73%	3.48%	4.29%	6.02%	6.02%	0.90%	1/13/1997
Lehman Brothers Aggregate Bond		6.12%	3.98%	4.48%	6.02%			
Intermediate Government								
Wells Fargo Advantage Government Securities <i>Lehman Brothers Intermediate Govt Bond</i>	0.75%	5.14% 5.43%	3.30% 3.19%	3.80% 3.50%	5.55% 5.35%	5.55%	1.02%	10/29/1986
Stable Value								
VALIC Fixed-Interest Option ***		June 2006		3.75%				
		Calendar Year 2006		3.25% (min. guaranteed)				

Source: Morningstar Principia Pro (as of 06/30/2007)

The performance data quoted represents past performance. Current performance may be higher or lower than the performance stated due to recent market volatility. Past performance does not guarantee future result. Investment return and principal value will fluctuate so an investor's shares, when redeemed, may be worth more or less than their original cost. Please visit www.aigvalic.com for month-end performance.

To view or print a prospectus, visit www.aigvalic.com and click on ePrint under Login. Enter your Plan ID in the Login field and click go. Click on "Funds" in Quick Links, and funds available for your plan are displayed. The prospectus contains the investment objectives, risks, charges, expenses and other information about the respective investment company that you should consider carefully before investing. Please read the prospectus carefully before investing or sending money. You may also request a copy by calling 1-888-568-2542.

Securities and investment advisory services offered through VALIC Financial Advisors, Inc., member NASD, SIPC and an SEC-registered investment advisor.

Copyright © 2007, American International Group, Inc. All rights reserved, Houston, Texas.