STATE OF CONNECTICUT

2011

ANNUAL REPORT OF THE
TREASURER
For the fiscal year ended June 30, 2011

STATE OF CONNECTICUT
Office of the State Treasurer

The State Motto “Qui Transtulit Sustinet,” (He Who Transplanted Still Sustains), has been associated with the various versions of the state seal from the creation of the Saybrook Colony Seal.

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STATE OF CONNECTICUT

QUI TRANSTULIT SUSTINET

TREASURER'S OFFICE

Denise L. Nappier
Treasurer

State of Connecticut
Office of the Treasurer

Jonathan A. Harris
Deputy Treasurer

December 30, 2011

The Honorable Dannel P. Malloy, Governor of Connecticut
State Capitol
210 Capitol Avenue
Hartford, CT 06106

In accordance with Section 3-37(a) of the Connecticut General Statutes, I enclose for your review the 2011 Annual Report of the Office of the Treasurer of the State of Connecticut, which covers the twelve-month period ending June 30, 2011. The Annual Report includes quantitative data, explanatory comments and financial information regarding the Connecticut Retirement Plans and Trust Funds (CRPTF); the Short-Term Investment Fund (STIF); and the Connecticut Higher Education Trust (CHET), Connecticut's 529 College Savings Program. In addition, the operations of the divisions of Debt Management, Second Injury Fund and Unclaimed Property are also presented.

During Fiscal Year 2011, the Office of the Treasurer achieved a number of milestones that will benefit state residents and businesses, including the following highlights:

- During the Fiscal Year ended June 30, 2011, CRPTF earned an average net return of 20.75% -- the highest return achieved by the Fund in twenty-three years. Net market value increased by $3.3 billion, with $4.5 billion from investment returns offset by $1.2 billion in net benefit payments and fees, to end the fiscal year at $25.2 billion. This robust performance was driven primarily by positioning the fund to take advantage of the energetic rebound of the domestic and emerging equities markets. While there remain many challenges to our state, national and global economies, the record-setting performance is evidence of the strength of our investment strategy, even during tough economic times. As of June 30, 2011, the value of the investment porfolio of the two largest retirements plans - the Teachers' Retirement Fund and the State Employees' Retirement Fund - was $14.1 billion and $9.0 billion, respectively.
- The Unclaimed Property Division of the Treasury returned a record $52 million to 17,933 rightful owners, the greatest amount of dollars ever returned in the history of the program. Approximately $125 million was deposited in the State's General Fund, which represents $57 million from the sale of unclaimed securities and $68 million in unclaimed property reported by holders.
- 2011 marks the thirteenth consecutive year in which my office has been able to either reduce or maintain the Second Injury Fund assessment rate for Connecticut businesses – the longest period without an assessment rate increase in the history of the Fund. The achievement is a direct result of management reforms and tighter fiscal controls initiated in 1999 when I first took office. And, as a result, Connecticut businesses have realized an estimated $653 million in savings – including $84 million in projected savings for Fiscal Year 2011. In addition, since the beginning of my administration, unfunded liabilities of injured workers have declined by 50.5% from $838 million to $415 million as of June 30, 2011.

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- Significant debt service savings were achieved by refunding existing debt as interest rates continued at historically low levels. During Fiscal Year 2011, $47 million of General Obligation refunding bonds, $137.7 million of Special Tax Obligation refunding bonds, and $152.4 million of Bradley International Airport refunding bonds were issued for a total of $337 million in refunding bonds. Since January 1999, debt refunding and defeasances have produced $664 million in debt service savings. In addition, during the year, $1.4 billion of bonds for capital and other projects were issued, including the largest transportation infrastructure bond issue, $600 million, at the lowest cost in the history of the Special Tax Obligation bond program.
- In 2000, my office initiated a multifaceted effort to prevent losses due to the malfeasance of others and, whenever possible, to recover lost assets. This effort has included the negotiation of best practices for contract terms, monitoring of contract obligations, the filing of claims, and managing Connecticut's fair share of securities litigation. In Fiscal Year 2011, we recovered $4.6 million from class action lawsuits, and recaptured a total of $40.6 million since 2000 by closely monitoring and participating in class action settlements.
- CHET, Connecticut's 529-college savings program, reached a milestone of 105,699 accounts and more than $1.6 billion in assets. This compares with just over 4,000 accounts and $18 million in assets at the beginning of my administration in 1999. TIAA-CREF continues to administer the CHET direct 529 college savings plan with assets of $1.584 billion representing 103,083 accounts as of June 30, 2011. In October 2010, Hartford Life Insurance Company began managing the first advisor-sold 529 college savings plan sponsored by the State. At the close of Fiscal Year 2011, CHET Advisor had 2,616 accounts and $36.9 million in assets.
- The Short-Term Investment Fund (STIF) exceeded its primary benchmark by 15 basis points, earning an additional $7.4 million in interest income for Connecticut's agencies, authorities, municipalities and their taxpayers. During the past 12-plus years of my administration, STIF's superior performance has earned government investors an additional $173 million in investment income. Total assets under management were more than $4.5 billion, and STIF's reserves were bolstered by $4.9 million during the fiscal year. I am pleased to report that Standard & Poor's reaffirmed STIF's AAAm rating, the highest rating available.
- The Community Bank and Credit Union Investment Program, launched in 2006, supports Connecticut-based banks and credit unions with assets of less than $500 million through investments in certificates of deposit. Eleven banks and one credit union participate in the program, and the State currently has $376.5 million invested with these institutions.

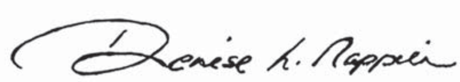
In addition to the foregoing highlights, my office continued to play an important role in seeking to protect and increase the value of various securities by advocating with companies in which the pension fund invests for improvement in their corporate governance practices. During Fiscal Year 2011, we focused on key corporate governance issues, including executive compensation, independence of board chairs, diversity of members of boards of directors, climate change and shareholder rights. Promoting responsible corporate behavior as a means to rebuild and restore the U.S. economy to a point of sustainable growth was an important element of our engagement with companies. In addition, my office provided comments to the SEC on several of the proposed rules and regulations to implement the Dodd-Frank financial reform legislation that was ultimately signed into law by President Barack Obama on July 21, 2010, and provides significant new tools and protections for shareholders and consumers. In the area of climate change and related energy issues, my office continued to take a leading role engaging a number of companies to set greenhouse gas emission goals and targets for energy use reductions and report to shareholders on progress in achieving those goals.

With all of this said, I must extend my gratitude to the members of the Investment Advisory Council, under the Chairmanship of Joseph D. Roxe, for their insight, financial acumen and dedication to serving the best interests of the 190,000 state and municipal employees, teachers, retirees and survivorships of the CRPTF, as well as the taxpayers and citizens of our State.

2011 TREASURER'S LETTER

This Annual Report was prepared by dedicated employees who worked diligently throughout the year to manage the State's financial resources with utmost care, and they did so in the face of declining budgetary and key personnel resources. I acknowledge their work with sincere appreciation, and trust that this Report will prove both informative and useful. In accordance with our practice of recent years, this Annual Report is available both in print and electronically via the Treasury's website, www.state.ct.us/ott.

Sincerely,



Denise L. Nappier
Treasurer

Mission Statement

To serve as the premier State Treasurer's Office in the nation through effective management of public resources, high standards of professionalism and integrity, and expansion of opportunity for the citizens and businesses of Connecticut.

Duties of the Treasury

The duties and authority of the Office of the Treasurer are set out in Article Four, Section 22 of the Connecticut Constitution and in Title 3 of the Connecticut General Statutes. In general, the Treasurer is responsible for the safe custody of the property and money belonging to the State.

The Treasurer receives all money belonging to the State, makes disbursements as directed by Statute, and manages, borrows, and invests all funds for the State.

State revenue is received into the Treasury each year which covers the State's disbursements. The Treasurer is also responsible for prudently investing the more than $25.2 billion in State pension and trust fund assets, $4.8 billion in total State, local short-term, and other investments, and over $1.6 billion of assets in the Connecticut Higher Education Trust. The Treasurer maintains an accurate account of all funds through sophisticated security measures and procedures.

Boards, Committees, and Commissions

By law, the Treasurer is a member of the following:

- State Bond Commission
- Banking Commission
- Connecticut Lottery Corporation
- Council of Fiscal Officers
- Information and Telecommunication Systems Executive Steering Committee
- Connecticut Development Authority
- Connecticut Health and Educational Facilities Authority
- Connecticut Student Loan Foundation
- Connecticut Airport Authority
- Teachers' Retirement Board
- Investment Advisory Council
- Finance Advisory Committee
- Student Financial Aid Information Council
- The Standardization Committee
- Connecticut Higher Education Trust Advisory Committee
- Connecticut Housing Finance Authority
- Connecticut Higher Education Supplemental Loan Authority
- Clean Energy Finance and Investment Authority
- State Employees' Retirement Commission

Additional information on responsibilities of each is provided on Supplemental pages S-55 to S-57.

Office of the State Treasurer Organization

The Office of the Treasurer consists of an executive office and five divisions, which are as follows:

The Executive Office has responsibility for policy-setting, investor and corporate relations, legal and legislative affairs, compliance, public education and information, business and information services, and special projects. The Executive Office ensures that the Treasury adheres to the highest order of public values, fiscal prudence and ethics in the conduct of the public's business.

The Pension Funds Management Division, under the direction of the Chief Investment Officer, manages the investment portfolios of the State's six pension funds and eight state trust funds with a combined market value in excess of $25.2 billion. The portfolios are invested in various asset classes ranging from domestic and international stocks to fixed income securities, real estate, alternative investments and private investment equity. Beneficiaries and participants include approximately 190,000 teachers, state and municipal employees, as well as trust funds that support academic programs, grants, and initiatives throughout the state. The Teachers' Retirement Fund is the Treasury's largest pension fund under management containing $14.1 billion, followed by the State Employees' Retirement Fund containing $9.0 billion and the Municipal Employees' Retirement Fund with $1.7 billion. The Pension Funds Management Division also serves as staff to the Investment Advisory Council.

The Cash Management Division, under the direction of an Assistant Treasurer, has responsibility for cash accounting and reporting, cash positioning and forecasting, bank reconciliation, bank administration, check processing and short-term investments. Over 3 million banking transactions are accounted for and reconciled annually. The division maintains accountability over the state's internal and external cash flows through the Treasury's 20 bank accounts annually. The Division prudently and productively manages clients' cash, including 1,129 accounts within the Short-Term investment Fund for the State, State agencies and authorities, and municipal and local government entities.

The Debt Management Division, under the direction of an Assistant Treasurer, administers the state's bond and debt financing program, including the sale of state bonds. Monitoring the bond markets, financing structures and economic trends that affect interest rates are critical requirements for favorable bond issuances. The Division oversees the issuance of bonds to finance state capital projects, refinances outstanding debt when appropriate, manages debt service payments and cash flow borrowing, provides information and data to private credit rating agencies, and administers the Clean Water and Drinking Water loan programs. As of June 30, $19.2 billion of state debt was outstanding.

The Second Injury Fund Division, under the direction of an Assistant Deputy Treasurer, is a workers' compensation insurance program for certain injured worker claims. The Second Injury Fund adjudicates those qualifying workers' compensation claims fairly and in accordance with applicable law, insurance industry standards and best practices. Where possible, the Second Injury Fund seeks to help injured workers return to gainful employment or will seek settlement of claims, which will ultimately reduce the burden of Second Injury Fund liabilities on Connecticut businesses.

The Unclaimed Property Division, under the direction of an Assistant Deputy Treasurer, collects and safeguards all financial assets left unclaimed by owners for a specific period of time, generally three years. Unclaimed assets include, but are not limited to: savings and checking accounts; uncashed checks; deposits; stocks, bonds or mutual fund shares; travelers checks or money orders; life insurance policies; and safe deposit box contents. The Division publicizes the names of rightful owners in an attempt to return unclaimed property to them.

2011 Annual Report Year at a Glance

COMBINED INVESTMENT FUNDS, JUNE 30

Market Value of Assets Under Management	$ 25,247,594,232
Net Assets Under Management	$ 25,183,664,686
Total Investment Returns for the Fiscal Year	$ 4,453,114,895
Total Management Fees for the Fiscal Year	$ 118,784,258
Total Number of Advisors	155
Increase in Total Advisors from Prior Year	5
One-Year Total Return	20.75% (1)
Five-Year Compounded Annual Total Return	4.72% (1)
Ten-Year Compounded Annual Total Return	5.44% (1)

(1) Represents a composite return of the total pension and trust funds. Individual returns for the three primary pension funds (Teachers'; State Employees; and Municipal Employees') are separately presented as the asset allocations of each fund are different.

2011 TREASURY OVERVIEW

CONNECTICUT HIGHER EDUCATION TRUST, JUNE 30

Direct Plan Number of Participant Accounts		103,083
Direct Plan Net Assets	$	1,584,327,698
Advisor Plan Number of Participant Accounts		2,616
Advisor Plan Net Assets	$	36,871,692

DEBT MANAGEMENT, JUNE 30

Total Debt Outstanding	$	19,210,029,823
General Obligation Debt included above	$	13,623,254,823
Total New Debt Issued During the Fiscal Year	$	2,367,810,000
General Obligation Debt Issued included above	$	1,247,035,000
Total Debt Retired and Defeased During the Fiscal Year	$	2,332,419,706
General Obligation Debt Retired and Defeased included above	$	1,557,462,265
Total Debt Service Paid on Outstanding Debt During the Fiscal Year	$	2,908,942,950
General Obligation Debt Service Paid included above	$	2,219,447,668

CASH MANAGEMENT, JUNE 30

Total Cash Inflows During the Fiscal Year	$	90,330,659,795
Total Cash Outflows During the Fiscal Year	$	89,968,308,947

SHORT-TERM INVESTMENT FUND, JUNE 30

Total Net Assets of the Fund	$	4,494,226,177
One-Year Total Return		0.23%
Five-Year Compounded Annual Total Return		2.32%
Ten-Year Compounded Annual Total Return		2.37%
Weighted Average Maturity		31 days
Number of Participant Accounts		1,129

SHORT-TERM PLUS INVESTMENT FUND, JUNE 30

Total Net Assets of the Fund	$	19,551,246
Weighted Average Maturity		144 days
Number of Participant Accounts		1

SECOND INJURY FUND, JUNE 30

Number of Claims Settled During the Fiscal Year		177
Total Cost of Claims Settled and Paid	$	8,146,182
Second Injury Fund Estimated Unfunded Liability (expressed as reserves)	$	414,878,605
Number of Claims Outstanding		2,593

UNCLAIMED PROPERTY, JUNE 30

Dollar Value of Gross Unclaimed Property Receipts	$	125,029,194
Dollar Value of Claims Paid	$	51,946,468
Number of Property Claims Paid		17,933

Division Overview

STATE OF CONNECTICUT

TREASURER'S OFFICE

QUI TRANSTULIT SUSTINET

State of Connecticut
Investment Advisory Council
Hartford

JOSEPH D. ROXE
CHAIRMAN

December 15, 2011

The Honorable Dannel P. Malloy
Governor
State of Connecticut
Executive Chambers
Hartford, Connecticut

Dear Governor Malloy:

As Chairman of the Investment Advisory Council ("IAC"), I am pleased to present this report on the performance of the State of Connecticut Retirement Plans and Trust Funds ("CRPTF" or the "Funds") and the activities of the IAC for Fiscal Year ended June 30, 2011.

Despite the ongoing volatile U.S. and global capital markets throughout Fiscal Year 2011, the CRPTF experienced a second consecutive year of robust performance. The one year investment return for the CRPTF was 20.75%; an excellent performance and significant in light of the continued economic uncertainties. The three largest plans in the CRPTF provide pension fund benefits to approximately 190,000 state and municipal employees, teachers, retirees and survivorships. These plans represent the State Employees' Retirement Fund ("SERF"), the Teachers' Retirement Fund ("TERF") and the Connecticut Municipal Employees' Retirement Fund ("CMERF") and comprise 99% of the CRPTF. Specifically, SERF, TERF and CMERF posted net total returns (after all expenses) of 21.15%, 20.77% and 17.87%, respectively.

The IAC focused on several important policy initiatives put forth by Treasurer Nappier. The initial funding of $400 million to four Absolute Return Fund of Hedge Funds managers was completed this past fiscal year in the Alternative Investment Fund ("AIF") with an objective of reducing volatility and hedging against inflation. Additionally, the IAC provided input regarding a $60 million commitment to an Alternative Real Assets manager, advancing toward fulfillment of the second track of the AIF strategy. Over the course of the fiscal year, the IAC reviewed and rendered advice on a number of competitive investment provider candidates as recommended by the Treasurer. The IAC offered feedback on commitments to two private investment partnerships totaling $125 million, two real estate partnerships totaling $175 million and two core real estate separate account managers. With regard to competitive search processes in the public markets, the IAC supported the hiring of one manager for the small-mid capital growth mandate and three passive money managers. In Fiscal Year 2011, the Treasurer conducted a competitive search for a general investment consultant and presented candidates to the IAC for consideration. The members furnished advice and feedback regarding the candidate firms and supported the Treasurer's hiring of the consultant.

c/o 55 Elm Street, Hartford, Connecticut 06106-1773, Telephone: (860) 702-3000

INVESTMENT ADVISORY COUNCIL

Also presented during the fiscal year, at my request and on behalf of the members of the IAC, were several educational presentations by outside investment management firms and Treasury staff on topics including tail risk to investment implications regarding inflation and the IAC's role with respect to corporate governance. These discussions helped to establish the foundation for the asset liability study to be conducted in Fiscal Year 2012. The demographics of the plan participants are such that in fiscal year 2011, the CRPTF received contributions of $582 million and withdrew monies for payment of pension benefits of $1.7 billion. Appropriate strategic planning and sufficient short term funds were positioned to meet these contractual pension obligations.

The IAC continued its practice of reviewing fund performance at each meeting and conducted a more extensive review of fund performance on a quarterly basis. Finally, throughout the year, the Treasurer presented for the IAC's review, compliance reports on Corporate Governance, MacBride Principles and Connecticut's statute regarding investments in Sudan. I would like to add that the membership comprising the IAC remained consistent in Fiscal Year 2011.

As Chairman of the IAC, I am very pleased to serve alongside fellow council members whose dedication to the IAC's mission demonstrates an unwavering commitment to those whom we represent. It is with this sense of duty and solemn pledge to maintain our commitment to all the current and future pension beneficiaries and the taxpayers of the State of Connecticut that I submit this summary on behalf of the IAC.

Sincerely,

Joseph D. Roxe, Chairman
Investment Advisory Council

c/o 55 Elm Street, Hartford, Connecticut 06106-1773, Telephone: (860) 702-3000

INVESTMENT ADVISORY COUNCIL

The Investment Advisory Council (IAC) consists of The State Treasurer and Secretary of the Office of Policy and Management (as ex-officio members of the council), five public members all of whom shall be experienced in matters relating to investments appointed by the Governor and legislative leadership, and three representatives of the teachers' unions and two representatives of the state employees' unions (CGS Sec. 3-13b).

Pursuant to C.G.S. Sec.3-13b, the IAC annually reviews the Investment Policy (IPS) Statement recommended by the Treasurer which includes an outline of the standards governing investment of plan and trust fund investments by the Treasurer. The IPS includes, with respect to each plan and trust fund, (A) investment objectives; (B) asset allocation policy and risk tolerance; (C) asset class definitions, including specific types of permissible investments within each asset class and any specific limitations or other considerations governing the investment of any funds; (D) investment and money manager guidelines; (E) investment performance evaluation guidelines; (F) guidelines for the selection and termination of providers of investment related services who shall include, but not be limited to, external investment and money managers, investment consultants, custodians, broker-dealers, legal counsel, and similar investment industry professionals; and (G) proxy voting guidelines. The Treasurer shall thereafter adopt the IPS, including any such changes recommended by the IAC the Treasurer deems appropriate, with the approval of a majority of the members appointed to the IAC. The current IPS was adopted by the Treasurer and approved by the IAC in October 2007. Subsequently in May 2008, the IAC approved the Treasurer's adopted asset allocation modifications for various plans to increase the allocations to the Liquidity Fund and subsequently in February 2009, the IAC approved the Treasurer's adopted revision to set forth guidelines for the Connecticut Retirement Plans and Trust Funds' ("CRPTF") new Alternative Investment Fund ("AIF")

All plan and trust fund investments by the State Treasurer shall be reviewed by the Investment Advisory Council along with all information regarding such investments provided to the IAC which the Treasurer deems relevant to the council's review and such other information as may be requested by the council. The IAC shall also review the report provided by the Treasurer at each regularly scheduled meeting of the IAC as to the status of plan and trust fund investments and any significant changes which may have occurred or which may be pending with regard to the funds. The council shall promptly notify the Auditors of Public Accounts and the Comptroller of any unauthorized, illegal, irregular or unsafe handling or expenditure of plan and trust funds or breakdowns in the safekeeping of plan and trust funds or contemplated action to do the same within their knowledge.

At the close of the fiscal year, the IAC shall make a complete examination of the security investments of the State and determine as of June thirtieth, the value of such investments in the custody of the Treasurer and report thereon to the Governor, the General Assembly and beneficiaries of plan and trust fund assets administered, held or invested by the Treasurer (CGS Sec. 3-13b(c)(2)).

Council members who contributed their time and knowledge to the IAC during fiscal 2011 include:

JOSEPH D. ROXE, Chairman, as appointed by the Governor. Chairman, Bay Holdings LLC.

BENJAMIN B. BARNES, Secretary, State Office of Policy and Management (Ex-officio member; Service effective January 5, 2011).

THOMAS BARNES, Branch Manager, Riverside Investment Services.

MICHAEL FREEMAN, Representative of State Teachers' unions, Teacher, Stonington High School.

DAVID HIMMELREICH, Principal, Hynes, Himmelreich, Glennon & Company.

STANLEY MORTEN, Independent consultant, CitiGroup/Smith Barney.

WILLIAM MURRAY, Representative of State Teachers' unions, NEA, Danbury.

DENISE L. NAPPIER, Treasurer, State of Connecticut (Ex-officio member) and council secretary.

SHARON M. PALMER, Representative of State Teachers' unions, President, AFT Connecticut.

DAVID M. ROTH, Principal and Managing Director, WLD Enterprises, Inc.

BRENDA L. SISCO, Acting Secretary, State Office of Policy and Management (Ex-officio member ; Served until January 4, 2011).

CAROL M. THOMAS, Representative of State Employees' unions, Retiree, Department of Developmental Services.

PETER THOR, Representative of State Employees' unions, Coordinator, Policy & Planning, AFSCME Council 4.

Division Overview

Introduction

As principal fiduciary of six state pension funds and eight trust funds, (known collectively as the "Connecticut Retirement Plans and Trust Funds" or "CRPTF"), the Treasurer is responsible for managing $25.2 billion of net assets for retirement plans serving approximately 190,000 state and municipal employees, teachers, retirees and survivorships, as well as trust funds that support academic programs, grants, and initiatives throughout the state. The Pension Funds Management Division ("PFM" or "the Division") is responsible for the day-to-day administration of the CRPTF.

Prudent investment management requires the proper safeguard of CRPTF assets to ensure the retirement security of the beneficiaries and the spending policy of the trust funds. Funding of the pension benefit liability is dependent upon investment returns, state contributions and the contribution requirements of eligible retirement plan participants. The spending requirements of the trust funds is maintained through generation of investment income and capital gains as well as the preservation of capital

As shown in Figure 1-1, over the last ten years the net asset value of the pension and trusts has grown from approximately $18.7 billion to approximately $25.2 billion. The Teachers' Retirement Fund ("TERF"), with approximately $14.1 billion of assets under management at June 30, 2011, is the largest participating fund. The State Employees' Retirement Fund ("SERF") and the Connecticut Municipal Employees' Retirement Fund ("CMERF") have approximately $9.0 billion and $1.7 billion of assets, respectively. During the Fiscal Year ended June 30, 2011, total investment return (comprised of interest income, dividends, securities lending income, and net realized gains and unrealized capital gains, net of Fund operating expenses) was approximately $4.4 billion. (See figure 1-2.)

CRPTF's total investment in securities at fair value as of June 30, 2011 is illustrated below:

INVESTMENT SUMMARY AT JUNE 30, 2011

	Fair Value (1)	% of Total Fund Fair Value
Liquidity Fund ("LF")(2)	$ 775,433,903	3.07%
Mutual Equity Fund ("MEF")	6,634,922,151	26.28%
Developed Market International Stock Fund ("DMISF")	5,391,257,095	21.35%
Emerging Market International Stock Fund ("EMISF")	2,629,250,556	10.41%
Real Estate Fund ("REF")	1,097,203,255	4.35%
Core Fixed Income Fund ("CFIF")	3,001,125,667	11.89%
Inflation Linked Bond Fund ("ILBF")	1,115,148,171	4.42%
Emerging Market Debt Fund ("EMDF")	1,141,817,330	4.52%
High Yield Debt Fund ("HYDF")	710,362,023	2.81%
Commercial Mortgage Fund ("CMF")	2,386,359	0.01%
Alternative Investment Fund	519,007,742	2.06%
Private Investment Fund ("PIF")	2,229,679,980	8.83%
Total Fund	$25,247,594,232	100.00%

(1) "Fair Value" includes securities and cash invested in Liquidity Fund (LF), and excludes receivables (FX contracts, interest, dividends due from brokers, foreign tax, securities lending receivables, reserve for doubtful accounts, invested securities lending collateral and prepaid expenses), payables (FX contracts, due to brokers, income distribution, securities lending collateral and accrued expenses), and cash not invested in LF.

(2) The market value of LF presented represents the market value of the pension and trust balances in LF only (excluding receivables and payables); the LF balances of the other combined investment funds are shown in the market value of each fund.

Fund Management

Under the supervision of a Chief Investment Officer, the Division executes and manages the investment programs of the pension and trust funds with a sixteen-member professional staff. Internal resources are augmented by several outside consulting firms that provide research and analytical expertise to the Treasurer, the Chief Investment Officer and Pension Fund Management Division staff. State Street Bank and Trust, as the custodian of record for the CRPTF, retains physical custody, safeguards plan assets and provides record keeping services under the supervision of PFM staff.

The Treasurer employs external money and investment managers to manage the portfolios underlying each Fund. Money and investment managers are selected based upon asset class expertise, investment performance and style. Investment and money managers are expected to comply with the parameters, guidelines, and restrictions set forth in CRPTF's Investment Policy Statement ("IPS"). As of June 30, 2011, 155 external money and investment managers were employed by the Treasury to invest the pension and trust assets, an increase of 5 managers from June 30, 2010. (See figure 1-5.)

The Division allocates all operating overhead directly to the earnings of the pension and trust fund assets under management. It is therefore incumbent upon the Division to manage assets in a cost-effective manner consistent with the maximization of long-term returns.

Investment Policy

One of the immutable principles of investment management is that asset allocation decisions are responsible for as much as 90% of the resulting returns. In October 2007, the independent Investment Advisory Council ("IAC") approved the Treasurer's adopted IPS including the asset allocation plan, which governs the main objective, CRPTF investments. Subsequently in May 2008 and in February 2009, the IAC approved the Treasurer's adopted modifications.

The asset allocation plan is customized for each plan and trust with the main objective being the maximization of investment returns over the long term at an acceptable level of risk, primarily through asset diversification. Risk, in this context, is defined as volatility of investment returns. (See the Understanding Investment Performance discussion in the Supplemental Section.)

Diversification across asset classes is a critical component in structuring portfolios to maximize return at a given level of risk. Likewise, asset allocation is used to minimize risk while seeking a specific level of return. In selecting an asset allocation strategy, there is a careful examination of the expected risk/return tradeoffs, correlation of investment returns, and diversification benefits of the available asset classes (i.e., those not restricted by statute) under different economic scenarios.

As shown in Figure 1-3, the number and complexity of asset classes comprising the asset allocation policy have fluctuated during the last ten years. As of June 30, 2011, multiple asset classes were included in the IPS, including public market funds associated with the management of global equities and fixed income, and alternative investments such as real estate, private investments and other opportunistic investment strategies.

At fiscal year-end, global developed and emerging markets equities comprised the largest percent of the total CRPTF, at approximately 58.0%. Equities have an established record of maximizing investment returns over the long term. Fixed income and alternative investments were also included to enhance portfolio returns during highly inflationary or deflationary environments and to mitigate the effects of volatility in the stock market.

Asset Classes

To realize the asset allocations set forth in the IPS for each plan and trust, the Treasurer administers the Combined Investment Fund as a series of mutual funds in which the various retirement plans and trusts may invest through the purchase of ownership interests. The asset mix for each of the 14 plans and trusts is established by the Treasurer, with approval of the independent IAC, based on (1) capital market theory,

(2) financial and fiduciary requirements, and (3) liquidity needs. However there are instances in which the asset mix for a trust is set by the trust's governing document. A broad array of asset classes is considered for inclusion in a potential asset allocation structure. Each asset class has its own distinct characteristics, as well as expectations for long-term return and risk behavior.

The asset classes which make up the CRPTF's portfolio include:

Domestic Equity

The Mutual Equity Fund ("MEF") invests primarily in the common stocks of U.S. corporations. The Treasurer manages the underlying investment portfolios with the support of external money managers. MEF assets, which are allocated across the U.S. stock market, ensure diversification by both market capitalization and investment style, such as value and growth. The MEF may invest opportunistically to take advantage of shifts in the investment landscape that offer diversification and/or risk return benefits. This opportunistic allocation is made within the broad context of the MEF. As of June 30, 2011, the MEF structure was 65.5% invested in large-cap stocks, 14.1% in small/mid-cap stocks, 5.3% in all-cap, 11.3% in active extension and 3.8% in cash equivalents and other net assets. The Fund measures its performance against the benchmark for MEF which is the Russelll 3000 Index (R3000).

Management of the MEF includes the use of pure indexing, enhanced indexing, active management, and opportunistic strategies executed by external money managers. Index and enhanced index strategies are referred to as passive strategies. The goal of enhanced indexing is to generate a return slightly in excess of the selected index. Indexing is particularly appropriate for the "large-cap" segment of the equity markets, which is defined as the securities of the largest capitalized public companies. Given the efficiency of the domestic equity market, approximately 76.5% of the portfolio use passive strategies. The balance of the portfolio is activity managed, mainly in the "small- and mid-cap" sectors of the equity markets, to allow the CRPTF the opportunity to achieve enhanced returns. Small- and mid-cap securities are issued by companies that are smaller and not as closely monitored, researched or analyzed as the larger capitalization companies. Consequently, the small- and mid-cap segments of the U.S. equity market are less efficient. As a result of this relative inefficiency, active money managers have the potential to outperform these markets over the long term, while earning an acceptable level of return per unit of risk.

International Equity

The Treasurer achieves exposure to international equities through two funds: the Developed Markets International Stock Fund ("DMISF") and the Emerging Markets International Stock Fund ("EMISF") each of which have distinct risk/reward opportunities. The DMISF and the EMISF are separate asset classes and provide the flexibility for each plan and trust fund to pursue individual allocations to international developed and/or emerging markets. DMISF and EMISF assets are allocated across foreign markets so that there is diversification by market, capitalization and style, in a mix that is structured to replicate the characteristics of the comparable non-U.S. developed and emerging stock market indices.

The DMISF invests primarily in the common stocks of non-U.S. corporations, through portfolios managed by external money managers. Non-U.S. stocks are defined as common stocks issued by companies domiciled outside of the U.S. The benchmark for DMISF is the S&P/Citigroup Broad Market Index (BMI) EPAC (Europe, Pacific Asia Composite) 50% Hedged with net dividends reinvested. International developed markets are defined as the countries included in this benchmark.

The EMISF invests primarily in the common stocks of non-U.S. corporations, defined as the countries included in the EMISF benchmark which is the Morgan Stanley Capital International (MSCI) Emerging Markets Free Index ("EMF Index") with net dividends reinvested. These investments are made through portfolios managed by external money managers.

The DMISF is comprised of passive indexing, risk controlled, core developed markets and opportunistic strategies. Mandates for active growth/value and small cap developed market strategies represent roughly 23.7% and 15.9% of the DMISF, respectively, and introduce greater flexibility with regard to benchmark weightings. The currency exposure of the DMISF investments is managed through a currency hedging overlay strategy.

The EMISF is invested 100 percent in active, unhedged emerging markets strategies.

Fixed Income Investments

Fixed income assets are diversified across four types of funds: the Core Fixed Income Fund ("CFIF"), the Inflation Linked Bond Fund ("ILBF"), the Emerging Markets Debt Fund ("EMDF"), and the High Yield Debt Fund ("HYDF"). Investments in the various fixed income funds serve to reduce the overall volatility of CRPTF returns under various economic scenarios. Further, the fixed income portfolio provides cash flow to the CRPTF over all economic cycles, through interest payments and bond maturities.

The CFIF consists of managed, primarily investment grade, fixed income portfolios that include debt instruments issued by the U.S. Government and its agencies, quasi-government agencies, U.S. corporations or any other public or private U.S. corporation whose debt security is regulated by the Securities and Exchange Commission (including Eurobonds and quasi or sovereign debt). The benchmark for CFIF is the Barclay's US Aggregate Index.

The ILBF consists of managed fixed income portfolios containing domestic and foreign government-issued bonds. These bonds offer protection against inflation and contribute to overall diversification. Treasury Inflation Protected Securities ("TIPS") pay semi-annual interest according to the bonds' coupon; the principal of the bonds are adjusted for inflation as measured by the Consumer Price Index ("CPI"). The benchmark for ILBF is the Barclay's Capital U. S. Treasury Inflation Protection Securities ("BC TIPS") Index.

The EMDF consists of managed fixed income portfolios that contain debt instruments issued by governments and companies located and/or operating in emerging countries as defined by the benchmark and/or by The World Bank. The benchmark for EMDF is the J.P. Morgan Emerging Markets Bond Index ("EMBI") Global.

The HYDF consists of managed fixed income portfolios that included debt instruments rated below investment grade by a nationally recognized rating agency service (example: Standard & Poor's, Moody's or Fitch). The majority of the bonds are U.S. dollar denominated. The benchmark for HYDF is the Citigroup High Yield Market Index.

Liquidity Fund

The Liquidity Fund ("LF") consists of managed fixed income portfolios invested in readily marketable securities. The LF is designed to provide the ability to generate cash as needed (primarily for benefit payments) with minimal exposure to risk of principal. This structure enables the core holdings of the CRPTF to remain fully invested according to their investment mandate. A secondary objective of the LF is to earn a return above money market rates. While the majority of the LF is invested in money market instruments, there are allocations to intermediate maturities and developed and emerging global markets. The benchmark for the LF is the one-month LIBOR Index.

Real Estate and Private Equity

The Real Estate Fund ("REF") is the vehicle by which the CRPTF invests in the real estate asset class. The investments may consist of a number of different investment strategies and investment vehicles, including externally managed commingled funds, open-end funds, separate accounts and/or publicly traded real estate securities. The REF invests in real estate properties and mortgages and is designed to dampen volatility of overall returns through diversification and to provide long-term rates of return. The REF will invest in the following: core strategies; value added strategies (investments involving efforts to increase property value through repositioning, development and redevelopment); opportunistic strategies (strategies that target niche opportunities, market inefficiencies, or special purpose markets); and publicly traded securities (primarily Real Estate Investment Trusts and Real Estate Operating Companies). Leverage at the aggregate of the REF is limited to 60% of REF's total valuation. These investments also adhere to the Responsible Contractor Policy. The benchmark for REF is the National Council of Real Estate Investment Fiduciaries Index (NCREIF), lagged by one quarter.

Private Investment Fund (PIF) investments generally are made in externally managed limited partnerships or through separate accounts that focus on private stock investments, which include both venture capital and corporate finance investment strategies. Venture capital typically involves equity capital invested in young or development stage companies, and may include start-up, early, mid or late-stage companies. Corporate finance typically involves equity and debt capital invested in growth, mature or distressed stage companies, often through the financing of acquisitions, spin-offs, mergers or changes in capitalization. The benchmark for PIF is the Standard & Poor's 500 Index ("S&P 500") with the objective of exceeding the S&P 500 by 500 basis points.

Alternative Investments

The Alternative Investment Fund ("AIF") invests in strategies that offer the potential to enhance return and/or reduce risk. The AIF provides a vehicle for investment in portfolio strategies which are not easily classified, categorized, or described in the other investment funds. Hybrid strategies which contain multiple asset classes are also considered part of the opportunity set. The initial funding of AIF occurred during the fiscal year and recorded performance is not meaningful. AIF's benchmark is the 90-day Treasury Bill.

Securities Lending

The Treasury maintains a securities lending program for the CIF designed to provide incremental risk adjusted returns. This program involves the lending of securities to broker/dealers secured by collateral valued slightly in excess of the market value of the loaned securities. Typically, the loaned securities are used by broker/dealers as collateral for repurchase agreements, as well as to cover short sales, customer defaults, dividend recapture, and arbitrage trades. To mitigate the risks of securities lending transactions, the master custodian carefully monitors the credit ratings of each counter-party and overall collateral level. Collateral held is marked-to-market on a daily basis to ensure adequate coverage. The guidelines of the securities lending collateral investment pool require a high level of creditworthiness and consist of short duration assets.

State Street Bank and Trust Company, the current master custodian for the Funds, is responsible for marketing the program, lending the securities, and obtaining adequate collateral. As of June 30, 2011, securities with a market value of approximately $3.28 billion had been loaned against collateral of approximately $3.35 billion. Income generated by securities lending totaled $23.4 million for the fiscal year.

The Year in Review

Total Fund Performance

During the fiscal year, the value of CRPTF's portfolio increased to $25.2 billion as of June 30, 2011 from $21.8 billion. The portfolio posted a net increase from operations of $4.4 billion (net investment income of $0.9 billion, realized gains of $0.8 billion and unrealized gains of approximately $2.7 billion) and a net cash outflow of $1.1 billion. The net cash outflow of $1.1 billion consisted primarily of redemptions and distributions to unit holders (the CRPTF's) of approximately $4.2 billion that were offset by net contributions from unit holders of approximately $3.1 billion.

For the fiscal year ended June 30, 2011, the CRPTF posted an investment return of 20.75% (3), net of all expenses. The CRPTF is made up of 14 plans and trusts and the return for each plan or trust is measured against its customized benchmark. The three largest plans, which represent approximately 99% of the CRPTF assets, are SERF, TERF, and CMERF. The returns of TERF, SERF and CMERF are measured against a hybrid benchmark customized to reflect each plan's asset allocation and performance objectives. Investment return calculations are prepared using a time weighted rate of return based upon market rate of return.

TERF's benchmark is comprised of 24% Russell 3000 Index; 19% S&P/Citigroup EPAC Broad Market 50% Hedged index; 9% MSCI Emerging Market Investable Market Index; 13% Barclay's US Aggregate Index; 4% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 6% Barclay's US TIPS Index; 6% One Month Libor Index; 5% NCREIF Index; 2% 90 Day T-Bill + 300; and 10% S&P 500 Index.

(3) Represents a composite return of the total pension and trust funds. Individual returns for the three primary pension funds (Teachers'; State Employees; and Municipal Employees') are separately presented as the asset allocations of each fund are different.

SERF's benchmark is comprised of 25% Russell 3000 Index; 19% S&P/Citigroup EPAC Broad Market 50% Hedged index; 9% MSCI Emerging Market Investable Market Index; 13% Barclay's US Aggregate Index; 4% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 6% Barclay's US TIPS Index; 4% One Month Libor Index; 5% NCREIF Index; 2% 90 Day T-Bill + 300; and 11% S&P 500 Index.

CMERF's benchmark is comprised of 19% Russell 3000 Index; 15% S&P/Citigroup EPAC Broad Market 50% Hedged index; 8% MSCI Emerging Market Investable Market Index; 19% Barclay's US Aggregate Index; 5% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 10% Barclay's US TIPS Index; 3% One Month Libor Index; 7% NCREIF Index; 2% 90 Day T-Bill + 300; and 10% S&P 500 Index.

Domestic Equity Performance

During fiscal year 2011, the MEF generated a positive return of 31.92%, net of fees and operating expenses, which underperformed the Russell 3000 Index return of 32.37% by 45 basis points.

International Equity Performance

The DMISF posted a gain of 26.30%, net of fees and operating expenses, outperforming the S&P Citigroup BMI return of 23.20% by 310 basis points.

During the fiscal year ended June 30, 2011, the EMISF generated a return of 28.55%, net of fees and operating expenses, outperforming the MSCI Emerging Markets Free index return of 27.53% by 102 basis points.

Fixed Income Performance

For the Fiscal Year 2011 the CFIF generated a total return of 4.49%, net of fees and operating expenses, outperforming the Barclay's Capital Aggregate Index return of 3.90% by 59 basis points.

The HYDF posted a return of 15.96% net of fees and operating expenses, outperforming the CitiGroup High Yield Market Index return of 15.26% by 70 basis points.

The ILBF generated a total return of 7.23% net of fees and operating expenses, 51 basis points less than the Barclay's Capital U.S. Treasury Inflation Protection Index (BC TIPS) return of 7.74%.

The EMDF generated a total return of 16.06%, net of fees and operating expenses, outperforming the J.P. Morgan Emerging Market Bond Global Index (EMBI) return of 11.74% by 432 basis points.

Finally, the LF generated a return of 1.20%, outperforming the one month LIBOR benchmark of.25%, by 95 basis points.

Real Estate and Private Equity Performance

For Fiscal Year ended June 30, 2011, the REF generated a total return of 16.12%; net of fees, essentially matching the un-levered National Council of Real Estate Investment Fiduciaries Index (NCREIF) gross return of 16.03%.

For the Fiscal Year 2011, the Private Investment Fund ("PIF") generated a one year 17.32% compounded annual rate of return underperforming relative to its public market benchmark, the S&P 500, which returned 30.69% over the same period.

Detailed descriptions and performance information for each of the CIFs can be found on pages 28 through 76.

2011 Management Initiatives

During the fiscal year the Office of the Treasurer ("OTT") committed the initial funding of the Alternative Investment Fund (AIF) of $100 million to each of four absolute return fund of hedge fund managers. As of fiscal year end, the funds have not posted a full year's investment performance return. Over the course of Fiscal Year 2011 the second track of the AIF, real assets, also had an initial commitment of $60 million.

The build out of the AIF represents the completion of the goals and objectives of the 2007 Asset and Liability Study. In furtherance of the asset class objectives, the The AIF is expected to provide the CRPTF with the flexibility to consider evolving and market-driven investment strategies.

In the public equity portfolio, the Treasurer hired three managers for a passive money manager panel late in the fiscal year. Also in Mutual Equity Fund within the public equity portfolio, the Treasurer presented one manager to the IAC as a result of a competitive search that was hired for the small-mid cap growth mandate.

Progress continued in the implementation of the investment pacing plan established for real estate and private equity opportunities during Fiscal Year 2011. Two investment commitments totaling $125 million were awarded to Private Investment Fund managers and two investment commitments totaling $175 million were awarded to Real Estate Fund managers. A competitive search was also conducted for the Core Real Estate Separate Account mandate, resulting in the hiring of two Separate Account managers, intended to expand the Core Real Estate portfolio as appropriate over time. Additionally, as a result of the CRPTF's general investment consultant's announcement in the first quarter of Fiscal Year 2011 that it would exit the public pension plan consulting business sector, a competitive search for a general investment consultant was conducted and a new general investment consultant was hired.

First funded in 2005, the Connecticut Horizon Fund ("CHF") is now a $797 million fund-of-funds public market program and a $155 million private equity allocation created to provide access to the OTT's business to a wider number of firms, and to open up such business to more women-owned, minority-owned, Connecticut-based and emerging firms. In Fiscal Year 2011, public market managers totaled 43 CHF sub-managers; 25% were emerging firms, 27% were minority-owned, 31% were women-owned, and 17% were Connecticut-based firms. Additionally, there are 11 private equity sub-managers; including 4 minority-owned, 2 emerging strategies, 1 women-owned and 3 Connecticut-based.

Expansion of the diversity of firms with which PFM does business continued during FY11. Overall, minority-owned, women-owned, Connecticut-based and emerging firms, 37 in all, comprised 30% of the firms with which the division did business; these firms earned fees in excess of $35 million, representing 36% of all fees paid by the division.

Over the course of the fiscal year, insightful discussions and educational overviews were presented to the IAC by outside investment firms and OTT staff on topics ranging from tail risk to investment implications of inflation, to the role of the Liquidity Fund and the IAC's role with respect to corporate governance.

Finally, the Fiscal Year 2011 legislative session included bills enacted by the General Assembly that established the Treasurer or her designee as an ex-officio nonvoting member of the State Employees Retirement Commission, and as an ex-officio voting member of the Teachers' Retirement Board.

Proxy Voting and Corporate Governance

During 1999 and 2000, the Treasurer's Office developed comprehensive domestic and international proxy voting policies. These policies, which are part of the Investment Policy Statement as mandated by state law, guide proxy voting at Connecticut Retirement Plans and Trust Funds ("CRPTF") portfolio companies. Under these policies, the Treasurer not only votes proxies, but also engages with companies through letters, dialogues, and filing shareholder resolutions either alone or in concert with other institutional investors to protect and enhance the value of the CRPTF. The Office also advocates for the protection and enhancement of shareholder rights with the Securities and Exchange Commission (SEC), the U.S. Congress and the stock exchanges. In spring of 2007, the Investment Advisory Counsel approved changes to the domestic policies to reflect recent developments in the laws and regulations affecting proxy voting.

Connecticut law requires the Treasurer to consider the economic, social, and environmental impact of investment decisions. State law also prohibits investment in companies doing business in Northern Ireland that have not implemented the MacBride Principles of fair employment. Similar statutory prohibitions allow the Treasurer to engage with, and divest of holdings in, companies conducting business with Sudan and with Iran counter to U.S. foreign policy.

In Fiscal Year 2011, the CRPTF filed shareholder resolutions at 13 companies. The CRPTF engaged with over 22 companies through activities ranging from writing letters and attending annual shareholder meetings, to holding face-to-face dialogues with corporate management and board members. In support of its efforts, the Treasurer's Office worked with a wide cross-section of investors representing public pension funds, labor funds, and faith-based investors. Executive compensation is one of the key issues for the CRPTF, and the fund was active in this area throughout the reporting period. In 2011, the Treasurer addressed executive compensation on a number of fronts including advocating for an annual advisory vote on executive compensation at all companies (say on pay), calling for independence of compensation consultants, working with several portfolio companies to adopt policies related to severance payments, addressing internal pay equity, and requesting policies requiring equity compensation be held until retirement. One major success this year was the new votes mandated under the Dodd-Frank Act. All companies subject to federal proxy rules must provide shareholders with an advisory vote on executive compensation more commonly known as "Say on Pay". Such companies must also provide shareholders with an advisory vote on the desired frequency of "Say on Pay" votes every one, two or three years.

In the area of climate change and related energy issues, the Treasurer's Office continued to take a leading role in the Investor Network on Climate Risk (INCR) and the Global Warming Shareholder Campaign (GWSC). The Treasurer engaged with a number of companies on these issues, including asking companies to set greenhouse gas emission goals, to set targets for energy use reductions and report to shareholders on progress in achieving those targets, to issue sustainability reports to shareholders that directly address climate and energy issues, calling on auto companies to produce more energy efficient vehicles, and engaging with investors and electric utility companies on new business models that will be needed in that industry.

As part of its corporate governance practices, the Treasurer's Office is charged with enforcing the state law relating to religious non-discrimination practices in the workplace in Northern Ireland. Our office has taken an proactive measure to educated companies about our unique Connecticut law and currently there are only six domestic "Prohibited Securities" the CRPTF is unable to invest: Crane Company, PPG Industries, Domino's Pizza, BE Aerospace, Manpower and Yum Brands.

In addition to the MacBride Principles, the Treasurer's Office proposed, and the General Assembly adopted a law, requiring the CRPTF to review pension fund investments in companies doing business in the Republic of Sudan. The 2006 law grants the Treasurer authority to engage and potentially divest holdings from companies shown to contribute to the Sudanese government-backed genocide. Through the end of FY 2011, the Treasurer has engaged with well over 40 companies and has directed CRPTF's investment managers to divest from and refrain from further investment in 13 companies: Bharat Heavy Electricals Ltd. (BHEL), China Petroleum and Chemical Corp., CNPC (Hong Kong), Dongfeng Motor Corporation, MISC Bhd, Nam Fatt Corp., Oil and Natural Gas Corp. (ONGC), PECD Group, PetroChina Co. Ltd., Petronas Capital Ltd., Sinopec Shanghai Petrochemical Corp., Sudan Telecom (Sudatel), and Wartsila Oyj. In 2011, the General Assembly enacted similar legislation with respect to companies doing business in Iran.

Copies of the Connecticut pension fund's proxy voting policies and a report of proxy votes cast are available for review and download at the State Treasurer's web site: http://www.state.ct.us/ott/proxyvoting.htm

Asset Recovery and Loss Prevention

Treasurer Nappier's Legal and Compliance Units work to manage risk by limiting opportunities for loss due to the malfeasance of others. Extensive pre-contracting due diligence helps the Office of the Treasurer select the best vendors and products to meet the needs of the Office. Careful contract negotiation, coupled with implementation of best practice contract language, lends clarity to the obligations of the Office of the Treasurer and of the vendors of the Office. The Office maintains contact with other similar governmental offices and shares ideas for enhancement of contract language, frequently offering advice to counterparts in other states.

The Office of the Treasurer deters malfeasance with its reputation for aggressive pursuit of all opportunities to recover assets lost due to the misfeasance or malfeasance of others.

The Office of the Treasurer takes a measured approach to litigation, but is prepared, when necessary, to pursue judicial solutions where negotiations are unsuccessful. The Office of the Treasurer believes that investor-managed cases are more effectively negotiated, efficiently litigated and achieve larger settlements for the benefit of all investors. As such, the Office of the Treasurer believes it should take on its fair share of the management responsibility of such litigation and will consider making application to serve as lead plaintiff in class action litigation where appropriate From time to time, the Office of the Treasurer has used litigation to encourage corporate governance enhancements. Although rare, the Office of the Treasurer has filed individual and group actions to pursue specific rights where disputing parties are unwilling or unable to reach an extra-judicial conclusion.

Class Action Securities Litigation

The CRPTF recovered $4.552 million from class action settlements in the fiscal year ended 2011, including substantial recovery from the securities litigation involving Peregrine, SCOR and Enron. We continue to closely monitor opportunities to recover lost assets through participation in class action litigation. The Office of the Treasurer, as the Trustee for the CRPTF, is currently the lead plaintiff in the matter known as In Re Amgen, Inc. Securities Litigation, filed in the federal district court for the Southern District of California.

The court in Amgen approved the class certification motion. We entered the discovery phase of the case in the fall of 2009. The Defendants have filed an appeal to the 9th Circuit Court of Appeals, seeking to set aside the class certification order. All discovery activities have been stayed, pending the appeal, which was heard in October 2011, subsequent to the end of the fiscal year. On November 8, 2011, the 9th Circuit Court of Appeals issued its opinion affirming the District Court's ruling with respect to class certification. The Defendant's motion for rehearing en banc was denied, clearing the way for discovery to resume in the District Court.

Corporate Governance Related Litigation

Litigation has not been required for corporate governance matters in the past fiscal year. The Office of the Treasurer prefers to focus on engagement of companies with these issues. Litigation is an effective tool, but used judiciously.

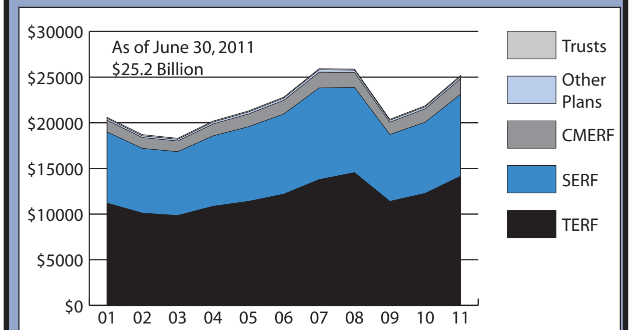
Other Litigation

The Office of the Treasurer engaged legal counsel in Belgium to pursue recovery of losses in connection with certain alleged malfeasance by the Dutch-Belgian financial firm Fortis, N.A. This matter remains in preliminary phase of litigation.

We continue to await final distribution of limited remaining assets from an investment in Keystone Venture V L.P. (the "Partnership"). Although such final distribution was anticipated to have occurred in December 2008, counsel and the liquidating trustee are in agreement that such distribution should wait until the conclusion of a certain action initiated by the Securities and Exchange Commission against the Managing Partners and Michael Liberty. Expected to have been resolved in the fall of 2008, the matter was not concluded during the Fiscal Year ended 2011. The limited partners have requested that any disgorged assets obtained by these federal agencies be turned over to the investors. The SEC's case against Mr. Liberty settled in October 2010. Upon receipt of amounts to be distributed to the limited partners pursuant to the order of the court, the limited remaining assets will be distributed.

Figure 1-1

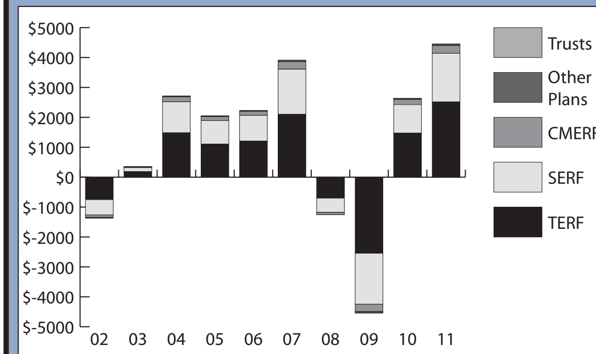
PENSION AND TRUST FUNDS
Growth in Assets ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 1-2

PENSION AND TRUST FUNDS
Investment Returns ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

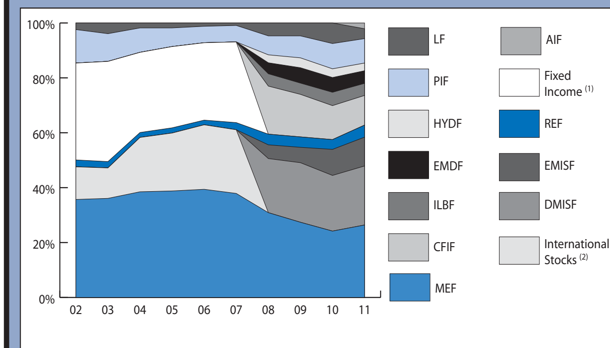
Figure 1-3

PENSION AND TRUST FUNDS ASSET ALLOCATION
Actual vs. Policy at June 30, 2011

	TERF				SERF				CMERF			
	Actual	Target Policy	Lower Range	Upper Range	Actual	Target Policy	Lower Range	Upper Range	Actual	Target Policy	Lower Range	Upper Range
U.S. EQUITY												
Mutual Equity Fund (MEF)	26.5%	24.0%	17.0%	35.0%	27.4%	25.0%	17.0%	35.0%	22.0%	19.0%	12.0%	27.0%
INTERNATIONAL EQUITY												
Developed Market Intl Stock Fund (DMISF)	21.9%	19.0%	13.0%	27.0%	21.9%	19.0%	13.0%	27.0%	17.7%	15.0%	8.0%	21.0%
Emerging Market Intl Stock Fund (EMISF)	10.6%	9.0%	6.0%	12.0%	10.6%	9.0%	6.0%	12.0%	9.7%	8.0%	6.0%	10.0%
REAL ESTATE												
Real Estate Fund (REF)	4.3%	5.0%	4.0%	7.0%	4.3%	5.0%	4.0%	7.0%	4.7%	7.0%	5.0%	9.0%
FIXED INCOME												
Core Fixed Income Fund (CFIF)	10.1%	13.0%	9.0%	20.0%	10.3%	13.0%	9.0%	20.0%	15.0%	19.0%	14.0%	26.0%
Inflation Linked Bond Fund (ILBF)	4.1%	6.0%	4.0%	8.0%	4.1%	6.0%	4.0%	8.0%	8.4%	10.0%	7.0%	13.0%
Emerging Market Debt Fund (EMDF)	4.5%	4.0%	3.0%	5.0%	4.5%	4.0%	3.0%	5.0%	5.7%	5.0%	3.0%	7.0%
High Yield Debt Fund (HYDF)	2.8%	2.0%	1.0%	3.0%	2.8%	2.0%	1.0%	3.0%	2.8%	2.0%	1.0%	3.0%
Liquidity Fund (LF)	4.2%	6.0%	4.0%	10.0%	3.1%	4.0%	2.0%	7.0%	3.2%	3.0%	1.0%	6.0%
Commercial Mortgage Fund (CMF)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PRIVATE EQUITY												
Private Investment Fund (PIF)	8.9%	10.0%	8.0%	14.0%	8.9%	11.0%	8.0%	14.0%	8.8%	10.0%	**7.0%**	**13.0%**
ALTERNATIVE INVESTMENT												
Alternative Investment Fund (AIF)	2.1%	2.0%	0.0%	10.0%	2.1%	2.0%	0.0%	10.0%	2.0%	2.0%	**0.0%**	**10.0%**
TOTAL	**100.0%**	**100.0%**			**100.0%**	**100.0%**			**100.0%**	**100.0%**		

Figure 1-4

PENSION AND TRUST FUNDS
Asset Class Diversification



(1) *Prior to November 1, 2007 CFIF, ILBF EMDF and HYDF were included in a Combined Investment Fund titled Mutual Fixed Income Fund.*
(2) *Prior to November 1, 2007 DMISF and EMISF were included in a Combined Investment Fund titled International Stock Fund.*

Figure 1-5

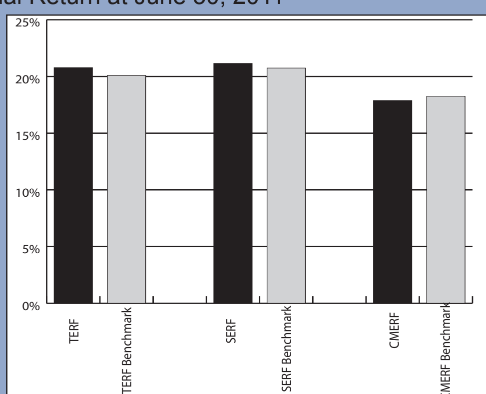
PENSION AND TRUST FUNDS
Advisor Breakdown

Fund	June 30, 2011	June 30, 2010
MEF	9	9
DMISF(1)	13	13
EMISF	4	4
PIF	65	66
CFIF	5	5
ILBF	2	2
EMDF	5	5
HYDF	4	4
CMF	1	1
REF	36	35
LF	6	6
AIF	5	-
Total(2)	155	150

(1) *Does not include the Currency Overlay Manager.*
(2) *Actual total advisors was 144 and 142, respectively when factoring in advisors across multiple funds. Private Investment Fund partnerships with a $0 market value are not included.*

Figure 1-6

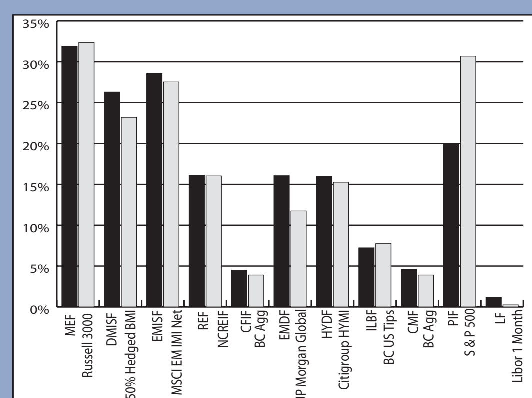
PENSION AND TRUST FUNDS
Annual Return at June 30, 2011 (1)



(1) *Each Plan benchmark composite represents the Plans policy allocation weights times each investment Fund's return.*

Figure 1-7

PENSION AND TRUST FUNDS
Annual Returns vs. Benchmarks



Combined Investment Funds Total Return Analysis (%)

	Fiscal Years Ending June 30,					Annualized		
	2011	2010	2009	2008	2007	3 Years	5 Years	10 Years
(Investment performance is calculated using a time-weighted rate of return based on the market rate of return.)								
PLANS								
Teacher's Retirement Fund (TERF)	20.77	12.87	(17.14)	(4.77)	17.47	4.14	4.79	5.46
TERF Benchmark-NCREIF	20.09	12.29	(16.85)	(6.03)	17.85	4.04	4.55	5.34
TERF Benchmark-Russell 3000	20.87	13.63	(17.62)	(7.29)	18.00	4.36	4.49	5.09
State Employees' Retirement Fund (SERF)	21.15	12.93	(18.25)	(4.83)	17.37	3.80	4.55	5.28
SERF Benchmark-NCREIF	20.74	12.60	(17.42)	(6.20)	17.85	4.08	4.54	5.33
SERF Benchmark-Russell 3000	21.52	13.93	(18.19)	(7.46)	18.00	4.40	4.47	5.09
CT Municipal Employees' Retirement Fund (CMERF)	17.87	12.57	(14.90)	(4.11)	16.96	4.13	4.84	5.28
CMERF Benchmark-NCREIF	18.26	11.82	(14.20)	(5.11)	17.85	4.44	5.00	5.56
CMERF Benchmark-Russell 3000	19.92	13.71	(15.26)	(6.57)	18.00	4.94	4.96	5.33
COMBINED INVESTMENT FUNDS								
U.S. Stocks								
Mutual Equity Fund	31.92	14.01	(28.36)	(12.99)	18.24	2.52	2.08	3.16
Russell 3000 Index	32.37	15.72	(26.56)	(12.69)	20.07	4.00	3.35	3.44
International Stocks								
Developed Markets International Stock Fund	26.30	11.03	(27.98)	(14.60)	26.36	0.34	1.74	N/A
S&P/Citigroup EPAC BMI 50% Hedged	23.20	9.68	(26.79)	(16.05)	27.07	(0.36)	1.08	4.56
Emerging Markets International Stock Fund	28.55	25.23	(30.90)	0.19	42.27	3.61	9.66	17.06
MSCI Emerging Market Investable Market Index	27.53	24.57	(26.84)	3.49	44.99	5.14	11.77	16.38
Equity Commercial Real Estate								
(1) Real Estate Fund	16.12	(20.18)	(28.66)	6.04	14.21	(12.88)	(4.34)	1.32
Russell 3000 Index	32.37	15.72	(26.56)	(12.69)	20.07	4.00	3.35	3.44
Russell NCREIF (1 Qtr. Lag)	16.03	(9.60)	(14.68)	13.58	16.59	(3.63)	3.45	7.48
U.S. Fixed Income								
Core Fixed Income Fund	4.49	11.81	2.84	5.65	5.84	6.31	6.08	5.80
BC Aggregate Bond Index	3.90	9.50	6.05	7.13	6.12	6.46	6.52	5.74
Emerging Market Debt	16.06	23.02	(3.62)	5.59	14.84	11.23	10.78	N/A
JP Morgan EMBI Global	11.74	17.90	2.24	5.10	11.12	10.44	9.59	N/A
High Yield Debt	15.96	24.54	(4.59)	(1.88)	12.01	11.27	8.65	8.24
Citigroup High Yield Market Index	15.26	25.64	(3.26)	(2.29)	11.63	11.89	8.85	8.85
Inflation Linked Bonds	7.23	9.48	(0.20)	16.81	3.45	5.42	7.20	N/A
BC US Tips	7.74	9.52	(1.11)	15.09	3.99	5.28	6.91	6.95
Commercial Mortgage Fund	4.61	6.75	(3.14)	12.05	8.17	2.65	5.57	7.26
BC Aggregate Bond Index	3.90	9.50	6.05	7.13	6.12	6.46	6.52	5.74
Alternative Assets								
(1) Private Investment Fund	19.89	17.32	(16.36)	13.66	19.56	5.57	9.84	6.07
S & P 500	30.69	14.43	(26.22)	(13.12)	20.59	3.34	2.94	2.72
State Street Private Equity Index (1 Qtr. Lag)	21.91	20.89	(29.34)	13.54	29.75	1.36	8.94	8.23
Liquidity Fund								
(2) Liquidity Fund	1.20	0.98	1.54	4.59	5.61	1.24	2.77	2.68
Libor 1 Month Index	0.25	0.27	1.35	4.10	5.37	0.62	2.24	2.31

(1) Real Estate and Private Investment returns published for prior years were net of management fees and for 2008 forward published numbers are net of all expenses.

(2) The Liquidity Fund includes all cash balances, including manager cash. However all fund returns still reflect cash balances.

2011 liquidity fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: To achieve a return greater than that of money market investment by investing in longer horizons within the short-end of the yield curve.

Performance Objective: An annual total return in excess of the benchmark.

Benchmark: One Month LIBOR Index

Date of Inception: November 1, 2007

Total Net Assets: $1,735,951,756

Number of Advisors: 6 external

Management Fees: $3,744,527

Operating Expenses: $754,304

Expense Ratio: .23%

Description of the Fund

The Liquidity Fund consists of short-term assets such as money market instruments, intermediate term assets that include enhanced cash and intermediate duration fixed income securities, and longer-term assets which are liquid securities on the longer end of the short-term yield curve.

Portfolio Characteristics

The preservation of the Fund's capital, a high degree of liquidity and a strong focus on credit fundamentals represent the core of the investment philosophy for the Liquidity Fund. The Liquidity Fund investments include Treasury securities, Government Agency paper, commercial paper, certificates of deposit, asset-backed securities, mortgage backed securities, domestic and foreign corporate bonds, sovereign debt and foreign currency. Preferred stock and convertible bonds are not permitted, nor are derivative securities, with the exception of currency spot or forward contracts. At June 30, 2011 the weighted average maturity of the LF was 321 days and the average quality rating was AA-1. (See Figure 2-5.)

Market Review

The Federal Reserve maintained rates between 0 and .25% for the entire fiscal year in an effort to stimulate economic growth in the U.S. By the end of the fiscal year, the yield curve had steepened with the shorter end, up to five years, shifting downward while the longer end, beyond five years shifted upwards. Pessimistic macroeconomic events caused a flight to quality early in the fiscal year. Despite substantial levels of fiscal and monetary actions by policymakers, unemployment in the U.S. held firm around 9%. Tax incentives that had supported residential real estate ended and the supply of shadow inventory remained high. Meanwhile, consumer deleveraging continued unabated and major corporations were reluctant to invest their cash hoards. Towards the end of the fiscal second quarter, cuts in payroll taxes, an extension of unemployment benefits and a tax credit for business capital expenditures drove Treasury yields up as investors shifted towards riskier assets. During the third quarter of the fiscal year, yields on Treasuries rose amid signs of economic recovery and concern that higher commodity prices and the Fed's second round of quantitative easing might spark inflation. Yields changed course in the fourth quarter as higher gasoline prices and the disruption in global supply chains from the Japanese earthquake crimped U.S. growth. Concern about the sovereign debt crisis sparked a flight to safety as well. However, the Treasury rally stalled late in the quarter when Greece agreed to austerity measures, easing concerns about a sovereign default, and U.S. manufacturing expanded while commodity prices fell. Over the course of the year, the U.S. dollar weakened.

Performance Summary

For the fiscal year ended June 30, 2011 the Liquidity Fund generated a return of 1.20%, net of all expenses, outperforming the one month LIBOR benchmark of .25%, by 95 basis points. (See Figure 2-6.) Tier 1 returned

.29%, having the lowest credit and interest rate risk of the three tiers. Annual return contributions for Tiers 2 and 3 were .98% and 6.51%, respectively.

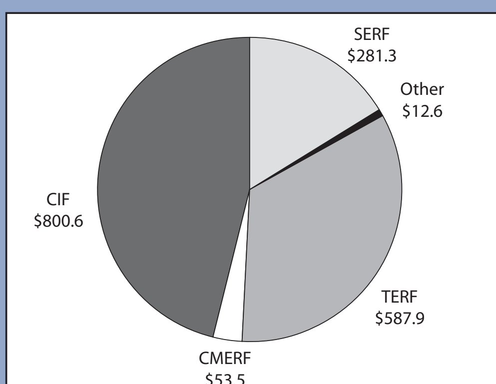
As of June 30, 2011, the Fund's compounded annualized total returns for the trailing three, five and ten year periods were 1.24%, 2.77% and 2.68%, respectively, net of all expenses. These returns exceeded those of the Fund's benchmark for the time periods listed by 62, 53 and 37 basis points, respectively. The cumulative returns of the Liquidity Fund for the three, five and ten year periods were 3.76%, 14.61% and 30.24%, respectively. (See Figure 2-6.)

Risk Profile

By maintaining a short average maturity the Fund has relatively low interest rate risk and by investing in high quality securities, the Liquidity Fund has a lower risk of credit default. The Fund does assume currency risk though its investments in global sovereign bonds and emerging market currencies. The Fund has some negligible liquidity risk, reinvestment risk or inflation risk. Counter party risk is carefully managed by dealing only with reputable, very high quality firms.

Figure 2-1

LIQUIDITY FUND
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund
CIF - Combined Investment Funds

Figure 2-2

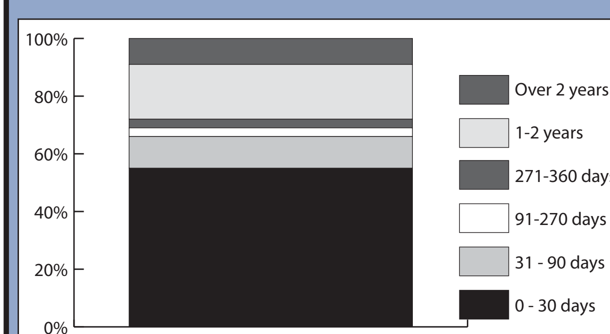
LIQUIDITY FUND(1)
Risk Profile at June 30, 2011

Relative Volatility	1.06
Standard Deviation	0.68
R^2	0.09
Beta	0.63
Alpha	0.53

(1) Based upon returns over the last five years.

Figure 2-3

LIQUIDITY FUND
Security Maturity(1) Analysis at June 30, 2011



(1) Or Interest Rate Reset Period.

Figure 2-4

LIQUIDITY FUND
Distribution by Security Type at June 30, 2011

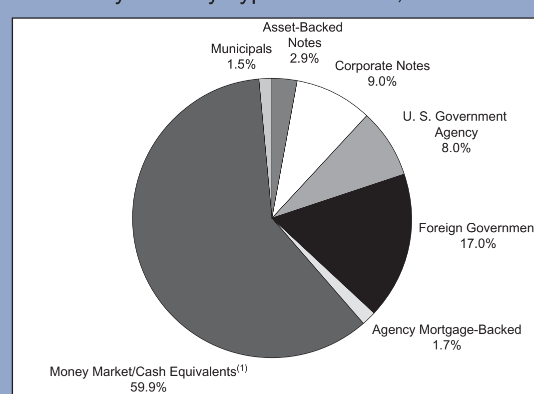


Figure 2-5

LIQUIDITY FUND
Comprehensive Profile

Date	Number of Issues	Yield(1)	Average Maturity	Average Quality
2011	337	1.20%	321 days	Aa-1
2010	244	0.98%	202 days	Aa-1
2009	162	1.54%	36 days	Aa-2
2008	71	4.59%	39 days	A-1+/AA+
2007	97	5.61%	87 days	A-1+/AA+
2006	69	4.54%	54 days	A-1+/AA+
2005	100	2.38%	44 days	A-1+/AA+
2004	92	1.30%	48 days	A-1+/AA+
2003	109	1.80%	48 days	A-1+/AA+
2002	104	3.03%	51 days	A-1+/AA+

(1) Represents annual total return of the Fund for year ended June 30.

Figure 2-6

LIQUIDITY FUND
Periods ending June 30, 2011

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
LF	1.20	1.24	2.77	2.68
Libor 1 Month Index	0.25	0.62	2.24	2.31
CPI-Urban	3.56	1.04	2.16	2.41
Cumulative Total Return (%)				
LF	1.20	3.76	14.61	30.24
Libor 1 Month Index	0.25	1.87	11.74	25.62
CPI-Urban	3.56	3.16	11.28	26.84

Figure 2-7

LIQUIDITY FUND
Annual Total Return

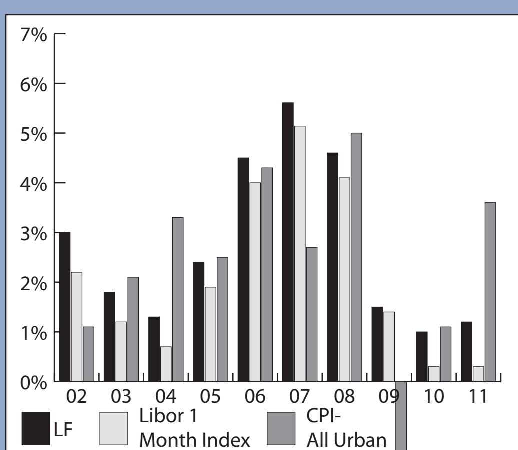


Figure 2-8

LIQUIDITY FUND
Investment Advisor Tiers at June 30, 2011

Investments	Net Asset Value	% of Fund
Tier I	$748,368,894	43.11%
Tier II	490,049,324	28.23%
Tier III	497,533,538	28.66%
Total LF	**1,735,951,756**	**100.00%**

Figure 2-9

LIQUIDITY FUND
Investment Advisors at June 30, 2011

Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	$748,368,894	43.11%
Payden & Rygel	130,709,153	7.53%
PIMCO	184,811,003	10.65%
Ambassador Capital Management	174,529,169	10.05%
Lazard	253,085,162	14.58%
Colchester Global Investors Ltd.	244,448,375	14.08%
Total LF	**1,735,951,756**	**100.00%**

Figure 2-10

LIQUIDITY FUND
Ten Largest Holdings* at June 30, 2011

Security Name	Maturity Date	Market Value	%
Barclays Bank PLC	01/06/2012	$ 40,000,000	2.53%
Cmmnwlth Bank of Australia	07/08/2011	39,998,367	2.53%
Credit Suisse NY	02/07/2012	35,000,000	2.21%
Royal Bank of Scotland PLC	09/09/2011	35,000,000	2.21%
ING Bank Amsterdam	09/01/2011	35,000,000	2.21%
DNB Norway Bank ASA	12/15/2011	35,000,000	2.21%
New Zealand Govt SR Unsec.	04/15/2015	30,202,126	1.92%
Lloyds Bk PLC NY BRN	08/29/2011	30,000,000	1.90%
Westpac Banking Corp	11/17/2011	30,000,000	1.90%
BNP Paribas NY BANCH	11/21/2011	30,000,000	1.90%
Top Ten		**$ 340,200,493**	**21.52%**

* *A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..*

2011

alternative investment fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: A long-term asset allocation with the goal of enhancing overall portfolio expected returns, reduce risk, or a combination of both in a variety of market conditions. Additionally, the investment strategy will provide diversification benefits and some inflation protection.

Performance Objective: To outperform the 90 day T-Bill Rate,("T-Bills"), by 350 basis points

Benchmark: T-Bills

Date of Inception: February 1, 2011

Total Net Assets: $518,865,606

Number of Patnerships: 5 external

Expensed Management Fees: $ 0

Operating Expenses: $709,689

Expense Ratio: 0.14%

Capitalized and Netted Fees: $1,803,589

Description of the Fund

The Alternative Investment Fund (AIF) is an externally managed fund whose strategic focus is divided into four sub-categories: absolute return strategies, real assets, opportunistic investments and new ideas/new products. The AIF represents a unique investment style that differs from traditional long-only funds. While the AIF strategies represent a broad range of investment styles, mandates and products that focus primarily on the liquid equity, fixed income and derivatives markets, they also include allocations to non-traditional investments, including illiquid securities and investments. Fundamentally, AIF strategies may target absolute returns without reference to a traditional benchmark since managers may use a wide range of investment tools such as short-selling, leverage, derivatives, and complex securities to achieve their objectives.

This Fund structure allows for experienced industry professionals to manage AIF's assets while allowing the Fund to realize the benefits of a diverse market portfolio.

The AIF mandate will be executed through investment advisors and money managers who actively manage a fund of funds ('FoF") portfolio or through direct investments in single manager funds ("SMF")

The performance objective of the fund is to outperform, net of management fees, and Division operating expenses, the 90 day T-Bill rate by 350 basis points.

Portfolio Characteristics

The AIF is invested in four absolute return oriented FoFs for a total of $400 million and one real asset oriented private equity style fund which invests in energy infrastructure for $60 million.

Absolute Return Strategies ("ARS")

The four FoFs that we have invested in have given us exposure to the following types of strategies.

Equity Linked: Investment Managers maintain positions both long and short primarily in equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors or geographies and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios.

Credit Linked: Managers seek to profit from the realization of a valuation discrepancy in the relationship between multiple credit linked securities. Managers employ a variety of fundamental and quantitative techniques to establish investment valuations, and security types range broadly across fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity to the investment manager.

Event Driven: Managers who hold positions in companies currently or prospectively involved in corporate transactions of a wide variety including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from more senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event Driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investments are typically evaluated on fundamental characteristics, as opposed to quantitative metrics.

Trading: Managers trade a broad range of strategies predicated on movements in underlying economic variables and the impact these have on equity, fixed income, currencies, and other derivative instruments. Managers employ a variety of techniques, both discretionary and systematic analysis; combinations of top-down and bottom-up views; quantitative and fundamental approaches and long and short term holding periods. Although some strategies employ relative value techniques, trading strategies are generally directional and focus on capturing the market beta of a manager's view of a particular trade.

Multi Strategy: managers in this strategy use any combination of the strategies noted above in an attempt to produce returns in any market condition. While managers in this strategy use various techniques to produce returns, they are generally categorized by their diversified use of many strategies and no one strategy dominates. They generally have different teams in the firm running different strategies according to their defined expertise. The portfolio managers of each team focus on selecting the best investments for their portfolio based on their expertise and agreed-upon portfolio constraints. The top-level portfolio managers focus on capital allocation among the various strategies in search of the highest risk-adjusted returns available in the markets.

Real Asset Strategies

Real assets provide at least two primary benefits to a diversified plan. First, real assets have low correlation to equities and fixed income markets and should thereby provide diversification benefits to the overall investment portfolio. Real assets are also designed to yield an inflation-adjusted or positive 'real' return. The inflation protection provided by real asset investments helps the investment portfolio maintain purchasing power to meet liabilities (e.g. spending needs) particularly during periods of rising inflation or sustained input price increases. Importantly, the asset class should outpace inflation in the long run, which makes real assets a good long-term inflation hedge. Real assets also create both current income as well as the potential for capital appreciation, both of which may be enhanced through the use of leverage.

Market Review

AIF made its initial investment to ARS FoF managers on February 1, 2011 and was not invested in the strategy throughout the fiscal year. For the trailing 1-year period, the HFRI Fund of Funds Composite returned 6.52%. Hedge Funds generally had much stronger performance in calendar year 2010 Q3 and Q4 than in calendar year 2011 Q1 and Q2. The strongest returns have been generated in equity-linked and event-driven strategies, though credit-linked and trading strategies also had moderately strong performance, as well.

In the first half of 2011, the hedge fund industry saw an estimated $34 billion in net inflows, which is on pace to double the amount of inflows in 2010. Most of the inflows went to large funds as the industry continues to see bifurcation between those funds focusing more on managing for institutional investors vs. those that have a more high net worth clientele.

Performance Summary

From its initial investment made on February 1, 2011, the CRPTF AIF generated a total return of [-0.1%]. This performance is extremely short-term, the portfolio has just launched and has not yet reached its anticipated diversification targets, and fuller evaluation will come with a more seasoned portfolio.

Risk Profile

Given AIF's investment policy and objectives, the AIF is exposed to several forms of risk. These include, but are not limited to, risks attendant with alternative investments, such as management, operations and product risk, overall liquidity risk, leverage, short selling, derivative use, and transparency. Assuming these risks as part of a prudent, total portfolio strategy enables AIF to participate in the possibility of achieving its investment objectives.

2011 mutual equity fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: To achieve a long-term, real rate of return significantly above the inflation rate.

Performance Objective: To achieve a net return, that, at a minimum matches the benchmark, over rolling three to five year periods.

Benchmark: Russell 3000 Index

Date of Inception: July 1, 1972

Total Net Assets: $6,637,861,349

Number of Advisors: 9 external

Management Fees: $10,311,111

Operating Expenses: $2,180,352

Expense Ratio: 0.21%

Description of the Fund

The Mutual Equity Fund ("MEF") invests primarily in the common stocks of U.S. corporations Assets are allocated across the U.S. stock market, diversified by market capitalization and investment style.

Portfolio Characteristics

The largest industry weightings at June 30, 2011 were information technology (15.4%), followed by financials (12.1%) and industrials (10.0%). (See Figure 3-3.)

The MEF's ten largest holdings, aggregating to 12.9% of Fund investments, included a variety of blue chip companies and were broadly diversified with the largest holding of 2.3% in Exxon Mobil. (See Figure 3-9.)

Market Review

U.S. stocks generated strong performance during fiscal 2011 with the S&P 500 up almost 31%. Quantitative easing by the Federal Reserve Bank, signs of domestic economic strengthening, an extension of the Bush-era tax cuts, and healthy corporate earnings contributed to a higher equity market. Shares climbed to new bull market highs by the end of April, overcoming bearish factors such as political and social turmoil in various countries in the Middle East and North Africa, a spike in oil prices and a catastrophic earthquake and tsunami in Japan. Stocks stumbled in May and June, however, as soft U.S. economic data raised concerns about the durability of the recovery and as European officials scrambled to develop and agree upon new financial assistance to Greece. Mid- and small-cap stocks outperformed large-cap stocks over the past fiscal year, and growth stocks surpassed value stocks across all market capitalizations. Energy and materials stocks fared best as oil climbed above $100 per barrel for a time and materials benefited from sharply higher commodity prices and global demand for resources. Consumer discretionary, telecommunication services, and industrials also produced excellent returns. Most remaining sectors modestly lagged the broad market, but financial stocks underperformed significantly amid continued housing market weakness and as new regulations weighed on banks' earnings.

Performance Summary

For the fiscal year ended June 30, 2011, the Mutual Equity Fund posted a return of 31.92%, net of fees and operating expenses, which underperformed the Russell 3000 Index return of 32.37% by 45 basis points. (See Figure 3-4.) During this same period, MEF's net assets grew from $5.289 billion to $6.638 billion, an increase of $1.349 billion. Of this net total change, an increase of $1.552 billion was due to net realized and unrealized gains and $300 million in net cash outflows to participating pension plans and trusts. Also impacting the net change was an inflow of $97 million in net investment income.

While volatility in investment returns is expected in the short-term, the Fund's long-term performance remains the most important comparative measure. As Figure 3-4 illustrates, the MEF has generated annualized total returns, net of fees, of 2.52%, 2.08%, and 3.16% over the last three, five, and ten-year periods, respectively. The Fund returns underperformed the Russell 3000 for the three -and five- and ten -year periods by 148, 127 and 28 basis points, respectively

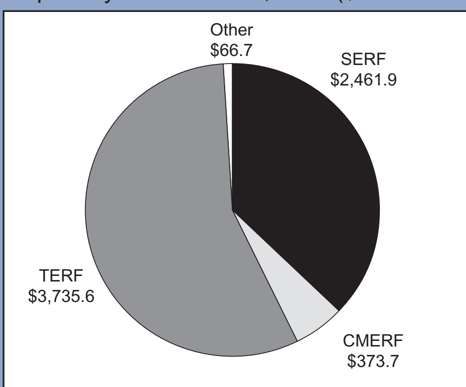
The MEF's cumulative total returns for the three, five, and ten year periods ending June 30, 2011, were 7.74%, 10.84%, and 36.45%, respectively.

Risk Profile

Based on returns over the last five years, the Fund has exhibited a similar degree of risk as that of its benchmark, the Russell 3000 Index. With a relative volatility of 1.01, the MEF's returns have almost equal volatility to those of the Index and reflect a strong degree of correlation, as shown by the fund's beta of 1.00. MEF's annual excess return during the five year period, or return relative to that achieved by the benchmark, was a negative 1.27%. (See Figure 3-2.)

Figure 3-1

MUTUAL EQUITY FUND
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 3-2

MUTUAL EQUITY FUND (1)
Risk Profile at June 30, 2011

Relative Volatility	1.01
Standard Deviation	18.58
R2	1.00
Beta	1.00
Alpha	-1.27

(1) Based upon returns over the last five years.

Figure 3-3

MUTUAL EQUITY FUND
Fiscal 2011 Industrial Sector vs. Index (%)
Based on Investments in Securities, at Value (1)

At 6/30/2011:	MEF		Russel 3000	
	% of Net Assets	Annual Return	%of Net Assets	Annual Return
Energy	9.9	59.1	11.3	53.5
Materials	3.2	52.6	4.5	47.0
Industrials	10.0	43.7	12.0	37.8
Consumer Discretionary	9.2	47.9	11.9	42.7
Consumer Staples	7.7	29.8	8.7	27.7
Health Care	9.6	34.7	11.4	29.7
Financials	12.1	19.7	16.1	15.4
Information Technology	15.4	32.9	17.7	29.2
Telecomm Services	2.5	48.1	2.8	38.2
Utilities	2.5	32.3	3.6	25.9
Commingled Fund	17.9	8.6	0.0	-
	100.0		100.0	

(1) Excludes the Liquidity Fund.

Figure 3-4

MUTUAL EQUITY FUND
Periods ending June 30, 2011

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
MEF	31.92	2.52	2.08	3.16
Russell 3000	32.37	4.00	3.35	3.44
Cumulative Total Return (%)				
MEF	31.92	7.74	10.84	36.45
Russell 3000	32.37	12.49	17.93	40.24

PENSION FUNDS MANAGEMENT DIVISION

Figure 3-5

MUTUAL EQUITY FUND
Annual Total Return

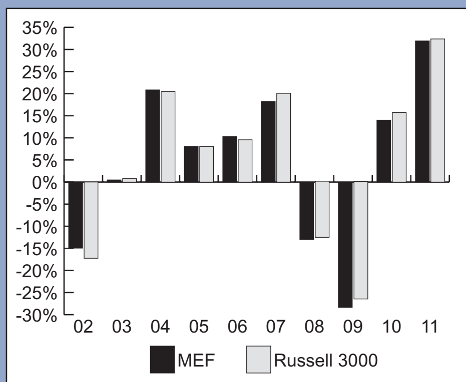


Figure 3-6

MUTUAL EQUITY FUND
Components of Total Return ($ in millions)

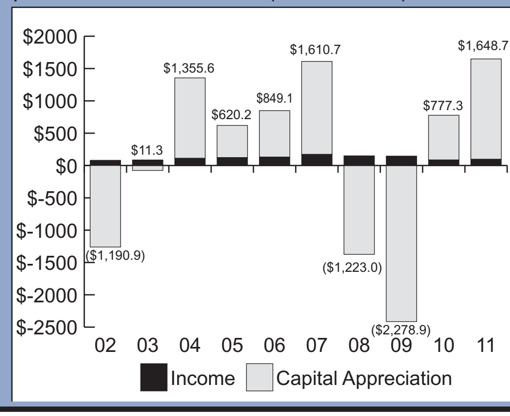


Figure 3-7

MUTUAL EQUITY FUND
Comprehensive Profile for the Fiscal Years ending June 30,

	2011		2010		2009		2008		2007	
	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell
# of Issues	1.665	3,000	1,914	3,000	1,954	3,000	2,206	3,000	2,175	3,000
Cap ($ Bil)	$81.5	$73.2	$57.2	$59.0	$52.8	$58.7	$69.6	$72.2	$81.1	$81.5
P/E	19.4	20.2	16.3	17.5	20.5	19.8	18.5	18.1	17.6	18.8
Div Yield	1.80%	1.80%	1.90%	2.00%	1.98%	2.19%	1.90%	2.10%	1.60%	1.70%
ROE	18.7%	18.2%	15.9%	15.8%	18.4%	20.2%	19.0%	20.2%	19.5%	20.0%
P/B	3.5	3.5	2.7	2.9	2.9x	3.0x	3.6x	3.8x	3.6x	4.0x
Cash & Equiv.	0.6%	0.0%	0.9%	0.0%	9.7%	0.0%	0.8%	0.0%	0.7%	0.0%

Source: Monthly Bundle-Equity Portfolio Characteristics under Russell 3000

Figure 3-8

MUTUAL EQUITY FUND
Investment Advisors at June 30, 2011

Investment Advisor	Net Asset Value	% of Fund
Large Cap	**$4,349,689,055**	**65.53%**
T. Rowe Price Associates	949,008,871	14.30%
State Street Global Advisors	3,400,680,184	51.23%
Active Extension	**746,909,829**	**11.25%**
Pyramis	382,472,887	5.76%
Numeric	364,436,942	5.49%
All Cap	**354,143,230**	**5.33%**
Capital Prospects	180,524,387	2.72%
FIS Group, Inc.	173,618,843	2.61%
Small/Mid Cap	**494,466,341**	**7.45%**
AXA Rosenberg Investment Management	494,466,341	7.45%
Small/Mid Cap	**440,465,635**	**6.64%**
Frontier Capital Mgmt Co	259,227,511	3.91%
Bivium	181,238,124	2.73%
Other (1)	**252,187,259**	**3.80%**
TOTAL MEF	**6,637,861,349**	**100.00%**

(1) *Other represents cash equivalents and other net assets.*

Figure 3-9

MUTUAL EQUITY FUND
Ten Largest Holdings* at June 30, 2011

Security Name	Sector	Market Value	%
Exxon Mobil Corp	Energy	$152,381,690	2.30%
Apple Inc	Information Tech	117,751,022	1.77%
Chevron Corp	Energy	80,649,802	1.22%
Microsoft	Technology	80,510,144	1.21%
Intl Business Machines	Information Tech	76,930,397	1.16%
AT&T Inc	Telecomm Svcs	75,960,279	1.14%
General Electric Co	Industrials	74,495,887	1.12%
Proctor & Gamble Co	Consumer Staples	70,207,916	1.06%
Johnson & Johnson	Health Care	67,686,960	1.02%
JP Morgan Chase & Co	Financials	64,073,679	0.97%
Top Ten		**860,647,776**	**12.97%**

* *A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..*

2011 core fixed income fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: To achieve a long-term real rate of return above the inflation rate and provide a stream of income to meet the cash flow needs of the plans and trusts.

Performance Objective: To achieve a net return that, at a minimum, matches its benchmark over rolling three to five year periods.

Benchmark: Barclays Capital U. S. Aggregate

Date of Inception: November 1, 2007

Number of Advisors: 5 external

Operating Expenses: $718,401

Total Net Assets: $2,718,069,246

Management Fees: $3,625,463

Expense Ratio: 0.16%

Description of the Fund

The Core Fixed Income Fund ("CFIF") invests primarily in debt instruments issued by the U.S. government and its agencies, "quasi Government" agencies, U.S. corporations, Euro bonds, high quality quasi or sovereign debt and any other public or private U.S. regulated debt security.

Portfolio Characteristics

CFIF continues to be well diversified across the spectrum of available fixed income securities. The Fund was invested in U.S. Government (20%), agency (4%), corporate (24%), mortgage-backed (41%) and asset-backed (4%) securities. The remaining 6% was invested in the Liquidity Fund and other assets. For the purpose of enhancing value, each CFIF active manager is given some discretion to deviate from the Barclays Capital Aggregate in the management of its portfolio. This active investment management can result in weighting differences between CFIF and the Barclays Capital Aggregate in terms of sectors, quality ratings and maturities. At June 30, 2011, the CFIF was under weighted U.S. Treasury and agency securities and over weighted corporate bonds, mortgage-backed securities and asset backed securities versus the Barclays Capital Aggregate. (See Figure 4-4.)

Market Review

The credit markets faced multiple economic and political headwinds during this fiscal year. Slowing domestic economic growth, high unemployment, financial reform, continuing corporate and individual de-leveraging, a weak housing market, and the European sovereign debt crisis all contributed to both a low rate environment and, generally, a strong U.S. Treasury market. The Fed maintained a near zero interest rate policy all year resulting in investors moving out along the yield curve in search of higher yield. The yield curve, which had flattened in the first half of the fiscal year, steepened after the November elections as economic data improved and a new stimulus bill was introduced. Risk-on and risk-off trades fluctuated with investor confidence and current headlines during the year. Volatility continued and was pronounced especially during periods of global turmoil and central bank interventions. The Federal Reserve's QE2 (quantitative easing) program, in which it purchased $600 billion of U.S. Treasuries and invested another $250 billion in Treasuries with proceeds from mortgage backed securities, had a positive impact on the pricing of all taxable risk sectors. Credit spreads trended narrower during the first three fiscal quarters until there was a sharp reversal and Treasuries underperformed virtually all other sectors. Towards the end of the period, investment-grade corporate spreads reversed trend and began widening due to signs of an economic slowdown in the U.S., heightened European sovereign debt concerns and renewed regulatory and litigation concerns for banks. Within the corporate sector, industrial spreads widened as better than expected earnings were offset by headline risk, including rising merger and acquisition activity and stock repurchases.

Performance Summary

The CFIF's value as of June 30, 2011 was $2.718 billion, up from $2.701 billion one year earlier. Of this $17 million increase, $104 million was due to net cash outflows from participating pension and trust funds, $16 million from net realized and unrealized gains, and $105 million from net investment income.

For the fiscal year ended June 30, 2011 the Core Fixed Income Fund generated a total return of 4.49%, net of fees and operating expenses, outperforming the benchmark return of 3.90% by 59 basis points. For the trailing three, five and ten-year periods, CFIF's compounded annualized total returns were 6.31%, 6.08% and 5.80% respectively, net of all expenses. (See Figure 4-8.)

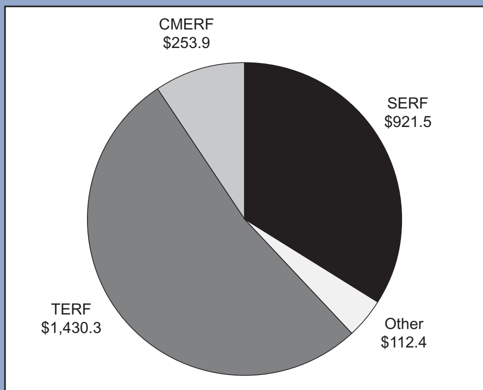
Risk Profile

Given CFIF's investment policies and objectives, the Fund is exposed to various forms of risk, such as credit default risk, interest rate risk, liquidity risk, inflation risk, reinvestment risk and counter party risk. These risks are monitored on an on-going basis and actions are taken to mitigate identified risks.

External rating agencies assign credit ratings to individual securities reflecting their view of the underlying firm's credit worthiness or in the case of securitized debt, the underlying assets. U.S. Treasury bonds, which carry the highest rating of AAA, are backed by the full faith and credit of the U.S. Government. The overall quality of the Core Fixed Income Fund is very high quality at AA-1. Sixty five percent of the Fund is rated AAA. (See Figure 4-5.)

Figure 4-1

CORE FIXED INCOME FUND
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 4-2

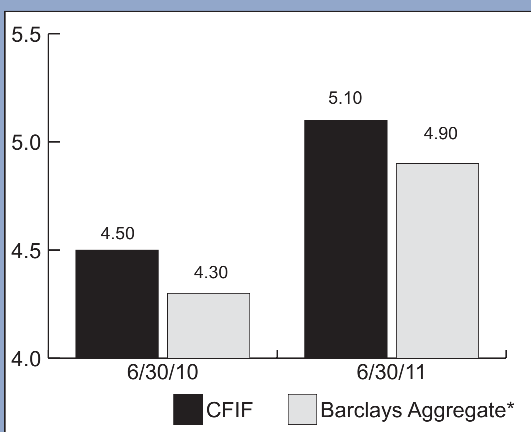
CORE FIXED INCOME FUND (1)
Risk Profile at June 30, 2011

Relative Volatility	1.13
Standard Deviation	4.09
R^2	0.83
Beta	1.04
Alpha	-0.44

(1) Based upon returns over the last five years.

Figure 4-3

CORE FIXED INCOME FUND
Modified Duration vs. Index (1) (in Years)



(1) Computed without the effect of Cash and other Net Assets.

Figure 4-4

CORE FIXED INCOME FUND
Distribution by Sector at June 30, 2011
Based on Investments in Securities, at Value

	CFIF	Barclays Aggregate	Variance
Treasury	20.1%	33.5%	-13.4%
Agency	4.4%	6.2%	-1.8%
Corporate	23.9%	20.2%	3.7%
Mortgage-Backed	41.4%	34.6%	6.8%
Asset-Backed	4.1%	0.3%	3.8%
Other[1]	6.1%	5.2%	0.9%
TOTAL	**100.0%**	**100.0%**	

(1) Other category includes Liquidity Fund and other assets.

Figure 4-5

CORE FIXED INCOME FUND
Distribution by Quality Rating at June 30, 2011
Based on Investments in Securities, at Value

Aaa	64.9%
Aa-1	0.5%
Aa-2 to A-1	6.6%
A-2 to Baa-1	10.2%
Less than Baa-1	9.8%
Not Rated[1]	8.0%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 4-6

CORE FIXED INCOME FUND
Distribution by Coupon at June 30, 2011
Based on Investments in Securities, at Value

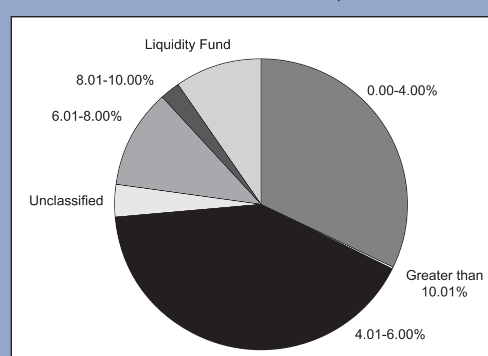


Figure 4-7

CORE FIXED INCOME FUND
Duration Distribution at June 30, 2011
Based on Investments in Securities, at Value

0-3 Years	23.1%
3-5 Years	28.4%
5-7 Years	20.8%
7-10 Years	6.8%
10+ Years	7.8%
Unknown(1)	3.5%
Liquidity Fund(2)	9.6%
Total	100.0%

(1) *Represents securities for which the duration could not be calculated by the custodian..*

Figure 4-8

CORE FIXED INCOME FUND
Periods ending June 30, 2011

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
CFIF	4.49	6.31	6.08	5.80
BC Aggregate	3.90	6.46	6.52	5.74
Cumulative Total Return (%)				
CFIF	4.49	20.15	34.34	75.69
BC Aggregate	3.90	20.65	37.16	74.82

Figure 4-9

CORE FIXED INCOME FUND
Annual Total Return

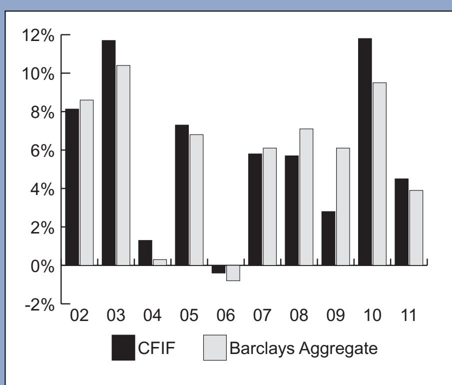


Figure 4-10

CORE FIXED INCOME FUND
Investment Advisors at June 30, 2011

Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	$1,034,932,957	38.08%
BlackRock Financial Mgmt, Inc.	670,848,445	24.68%
Wellington	533,857,499	19.64%
Phoenix	328,279,063	12.08%
Progress	138,600,374	5.10%
Other (1)	11,550,908	0.42%
TOTAL CFIF	**$2,718,069,246**	**100.00%**

(1) *Other represents Liquidity Fund, other assets and terminated advisor balances.*

Figure 4-11

CORE FIXED INCOME FUND
Comprehensive Profile
for the Fiscal Year ending June 30,

	2011		2010		2009		2008	
	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	LBAI*
Number of Issues	3,661	7,627	3,398	7,755	3,421	8,454	4,123	9,457
Average Coupon	4.50%	4.30%	4.70%	4.50%	4.90%	5.00%	5.10%	5.40%
Yield Maturity	3.10%	2.80%	3.10%	2.70%	5.70%	4.00%	6.10%	5.10%
Average Maturity	7.10	7.00	6.60	6.10	6.70	5.90	6.80	6.00
Modified Duration	5.10	4.90	4.50	4.30	4.60	4.20	4.80	4.70
Average Quality	AA-1	AAA	AA-1	AA-1	AA-1	AAA	AA-1	AAA
Liquidity Fund*	9.6%	0.00%	4.5%	0.0%	6.8%	0.0%	5.8%	0.0%

** Note: Beginning weights.*

Figure 4-12

CORE FIXED INCOME FUND
Ten Largest Holdings[1] at June 30, 2011

Security Name	Maturity	Market Value	%
FNMA TBA JUL 30 yr Single Fam 4%	12/1/2041	$ 57,320,000	1.91%
Government Natl Mtg Assn 4%	12/1/2041	38,604,561	1.29%
FHLMC Gold TBA 30 yr TBA 4%	12/1/2041	29,372,364	0.98%
US TREASURY N/B 4.5%	2/15/2041	24,581,181	0.82%
FNMA TBA 30YR Single Family JU 3.5%	12/1/2041	24,288,750	0.81%
WI Treasury Sec 0.5%	5/31/2013	22,853,972	0.76%
FHLMC TBA JUL 30 Gold Single 5%	12/1/2041	18,460,356	0.61%
GNMA II TBA JUL 30 4.5%	12/1/2041	17,679,312	0.59%
FNMA TBA JUL 30 Single Fam 4.5%	12/1/2041	16,345,574	0.54%
WI Treasury Sec 1.75%	5/31/2016	15,318,860	0.51%
Top Ten		**$ 264,824,930**	**8.82%**

* *A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..*

Figure 4-13

CORE FIXED INCOME FUND
Quarterly Current Yield [1] vs. Indices (%)

	6/30/11	3/31/11	12/31/10	9/30/10	6/30/10
CORE FIXED INCOME	**4.04**	**4.12**	**4.12**	**4.10**	**4.53**
Barclays Aggregate	4.02	4.08	4.10	4.08	4.18
Citigroup 3 Month T-Bill	0.02	0.09	0.13	0.16	0.17
Barclays Treasury	2.71	2.78	2.77	2.74	2.90
Barclays Agency	2.79	2.78	2.82	2.91	3.05
Barclays Mortgage	4.56	4.66	4.72	4.77	4.80
Barclays Corporate	5.17	5.28	5.31	5.22	5.48
Barclays Asset Backed	3.77	3.95	4.14	4.18	4.38

(1) Current Yield represents annual coupon interest divided by the market value of securities.

* All of the Barclays Capital indicies were formerly known as the Lehman Brothers indicies.

2011 inflation linked bond fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: To achieve a long-term, real rate of return above the inflation rate.

Performance Objective: achieve a net return, that, at a minimum, matches the benchmark, over rolling three-to five-year periods.

Benchmark: Barclays Capital U.S. Treasury Inflation Protection Securities (“BC TIPS”) Index.

Date of Inception: November 1, 2007

Total Net Assets: $1,119,427,191

Number of Advisors: 2 external

Management Fees: $976,317

Operating Expenses: $308,526

Expense Ratio: 0.12%

Description of the Fund

The Inflation Linked Bond Fund (“ILBF”) invests primarily in inflation linked bonds that provide a real rate of return above inflation. Inflation Linked Bonds pay semi-annual coupons that account for the real return while the inflation component of the return accrues to the bonds’ principal every year. At June 30, 2011, the Fund had two investment advisors.

Portfolio Characteristics

The ILBF is comprised principally of U.S. TIPS. The Fund has Moody’s Investor Services highest quality rating, AAA, matching the quality rating of the benchmark. The Fund’s average coupon at June 30, 2011 was 1.97% versus 1.99% for the benchmark. The average maturity of Fund and its benchmark were 9.07 years and 9.09 years, respectively. (Figure 5-9.)

Market Review

Early in the fiscal year inflation expectations fell sharply, first as a result of a flight-to-quality rally in nominal U.S. Treasuries, and then amid softening U.S. economic data and falling commodity prices. There was much volatility during the first fiscal quarter as decelerating economic growth led investors to first shun TIPS in favor of nominal Treasuries and then reverse their inflation expectations after the second round of quantitative easing, rising commodity prices and stronger exports due to a weaker dollar. Higher oil and gasoline prices, in addition to modestly higher core inflation, further elevated inflation expectations causing TIPS to outperform conventional U.S. Treasuries. The fourth quarter brought mixed performance for real yields. Short-maturity real yield fell as much as 145 basis points, while long-maturity real yields increased 3-5 basis points. This dramatic curve steepening was driven by increase in oil and gasoline prices caused by tensions in the Middle East and North Africa regions, exacerbated by the decline in the value of the U.S. dollar. Higher food prices and increasing core and headline CPI (consumer price index) drove more investors to seek inflation protection.

Performance Summary

The ILBF’s value as of June 30, 2011 was $1.119 billion, an increase of $ 57 million from the end of the prior fiscal year. Of this total, $21 million was due to net cash outflows to participating pension and trust funds, $41 million from net investment income, and $ 37 million from net realized and unrealized gains.

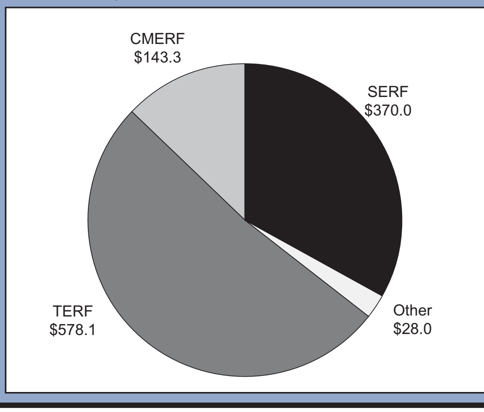
For the fiscal year ended June 30, 2011, the ILBF generated a total return of 7.23%, net of fees and operating expenses, underperforming the benchmark return of 7.74% by 51 basis points. For the trailing three year period, ILBF's compounded annualized total return was 5.42%, net of fees and operating expenses, outperforming the benchmark by 14 basis points. For the trailing five year period, ILBF's annualized return was 7.20% versus 6.91% by the benchmark. (Figure 5-7.)

Risk Profile

The major risk facing the Inflation Linked Bond Fund is a rise in real interest rates. Real interest rates are primarily driven by expectations for real growth in the economy and for monetary policy. Economic growth and tight monetary policy to stem inflationary pressures are conditions that can drive up real interest rates. A rise in real interest rates decreases the effectiveness of TIPS as an inflation hedge, as bond prices fall.

Figure 5-1

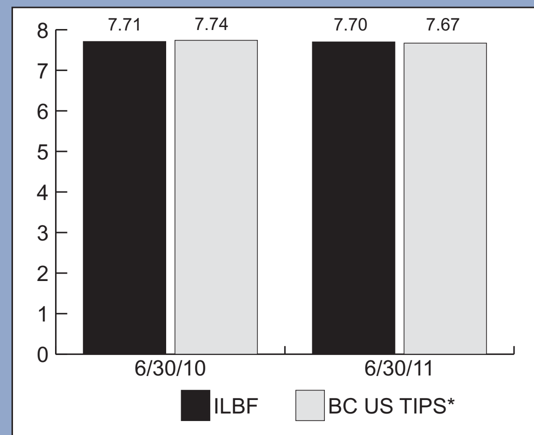
INFLATION LINKED BOND FUND
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 5-2

INFLATION LINKED BOND FUND
Modified Duration vs. Index (1) (in Years)



(1) Computed without the effect of Cash and other Net Assets.

Figure 5-3

INFLATION LINKED BOND FUND
Distribution by Sector at June 30, 2011
Based on Investments in Securities, at Value

	ILBF	BC US TIPS*	Variance
Treasury	96.1%	100.0%	-3.9%
Agency	0.0%	0.0%	0.0%
Corporate	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
Liqudity Fund[1]	3.9%	0.0%	3.9%
TOTAL	**100.0%**	**100.0%**	

Figure 5-4

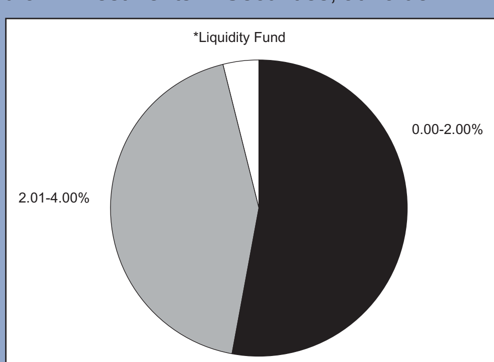
INFLATION LINKED BOND FUND
Distribution by Quality Rating at June 30, 2011
Based on Investments in Securities, at Value

Aaa	100.0%
Aa-1	0.0%
Aa-2 to A-1	0.0%
A-2 to Baa-1	0.0%
Less than Baa-1	0.0%
Not Rated[1]	0.0%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 5-5

INFLATION LINKED BOND FUND
Distribution by Coupon at June 30, 2011
Based on Investments in Securities, at Value



**Note: Ending weights*

Figure 5-6

INFLATION LINKED BOND FUND
Duration Distribution at June 30, 2011
Based on Investments in Securities, at Value

0-3 Years	47.8%
3-5 Years	4.9%
5-7 Years	20.8%
7-10 Years	17.3%
10+ Years	5.3%
Unknown(1)	0.0%
Liquidity Fund(2)	3.9%
Total	100.0%

(1) Represents securities for which the duration could not be calculated by the custodian.

Figure 5-7

INFLATION LINKED BOND FUND
Periods ending June 30, 2011

	1 YR	3 YRS	5YRS
Compounded, Annual Total Return (%)			
ILBF	7.23	5.42	7.20
LB U.S. Tips	7.74	5.28	6.91
Cumulative Total Return (%)			
ILBF	7.23	17.16	41.58
LB U.S. Tips	7.74	16.68	39.64

Figure 5-8

INFLATION LINKED BOND FUND
Annual Total Return

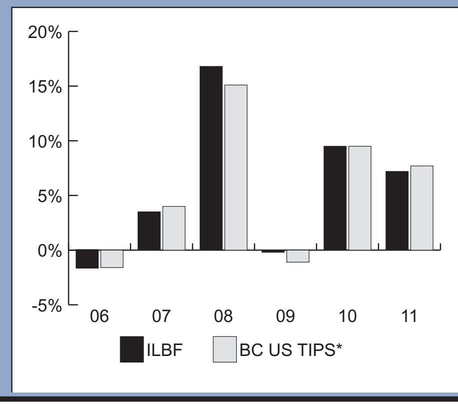


Figure 5-9

INFLATION LINKED BOND FUND
Comprehensive Profile for the Fiscal Year ending June 30,

	2011 ILBF	2011 BC US TIPS	2010 ILBF	2010 BC US TIPS*
Number of Issues	31	31	26	29
Average Coupon	1.97%	1.99%	2.25%	2.19%
Average Maturity	9.07	9.09	9.15	9.17
Effective Duration	7.70	7.64	7.71	7.74
Average Quality	AAA	AAA	AAA	AAA
Liquidity Fund (1)	3.9%	0.00%	3.8%	0.0%

(1) Ending Weights

Figure 5-10

INFLATION LINKED BOND FUND
Investment Advisors at June 30, 2011

Investment Advisor	Net Asset Value	% of Fund
Brown Brothers Harriman	$631,810,431	56.44%
Hartford Investment Mgmt Co.	487,011,471	43.51%
Other (1)	605,289	0.05%
TOTAL ILBF	**$1,119,427,191**	**100.00%**

(1) Other represents Liquidity Fund, other assets and terminated advisor balances.

Figure 5-11

INFLATION LINKED BOND FUND
Ten Largest Holdings (1) at June 30, 2011

Security Name	Maturity	Market Value	%
U.S. Treasury Bonds	01/15/25	$132,043,343	11.84%
U.S. Treasury Notes	01/15/17	118,676,805	10.64%
U.S. Treasury Notes	07/15/15	88,020,690	7.89%
U.S. Treasury Notes	01/15/26	77,221,770	6.93%
U.S. Treasury Notes	07/15/12	64,019,673	5.74%
U.S. Treasury Notes	07/15/20	54,887,745	4.92%
U.S. Treasury Notes	04/15/15	47,469,617	4.26%
U.S. Treasury Notes	01/15/27	46,535,328	4.17%
U.S. Treasury Bonds	02/15/41	46,316,923	4.16%
U.S. Treasury Notes	01/15/15	45,809,309	4.11%
Top Ten		**$721,001,203**	**64.66%**

(1) A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..

* The Barclays Capital U. S. TIPS Index was formerly known as the Lehman Brothers U. S. TIPS Index.

2011 emerging market debt fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: To achieve a long-term, real rate of return above the inflation rate and to utilize a range of manager style techniques to capture excess return.

Performance Objective: To achieve a net return that, at a minimum, matches its benchmark over rolling three to five year periods.

Benchmark: J.P. Morgan Emerging Market Bond Index Global (EMBI).

Date of Inception: November 1, 2007

Total Net Assets: $1,157,813,950

Number of Advisors: 5 external

Management Fees: $4,462,954

Operating Expenses: $446,625

Expense Ratio: 0.42%

Description of the Fund

The Emerging Market Debt Fund ("EMDF") invests primarily in debt instruments issued by governments and companies operating in developing countries as defined by the benchmark and/or the The World Bank.

Portfolio Characteristics

The Emerging Market Debt Fund is a diversified portfolio with an overall yield to maturity of 6.65% versus the benchmark yield to maturity of 7.36%. (See Figure 6-11.) The Fund is diversified across geographic regions with the highest weighting in Latin American countries at 38%. Europe was the second highest regional concentration in the portfolio. (See Figure 6-3.) The average quality of EMDF was Baa-3, the same quality as the benchmark. (See Figure 6-11.) The distribution by quality ratings for the Fund is portrayed in Figure 6-4.

Market Review

The emerging markets' bond market generated strong returns in fiscal 2011. Higher growth forecasts and stronger sovereign balance sheets than in developed countries attracted investors to this market. Accommodating U.S. monetary policy and a low interest rate environment ignited a search for higher yielding assets across the globe. Inflation was a concern, however, as output gaps narrowed and the emerging market economies imported easy monetary policy from the G-3 countries. By November re-emerging concerns about the European sovereign debt and Chinese monetary policy tightening weighed on risk appetite and caused emerging bonds to weaken. At the same time, credit spreads narrowed in an environment of rapidly increasing U.S. Treasury yields. During the next quarter, emerging economies led the rebound in global growth but capital flows slowed as the economic recovery spread to the developed world. Central bank approaches to fighting inflation varied by country with some raising rates while other chose quantitative tightening methods to mute the currency appreciation that accompanies higher rates. Overall emerging markets had a solid final quarter as emerging countries benefited from positive credit momentum, strong currencies and lower interest rates. Local currency bonds generated higher returns than dollar-denominated emerging markets' bonds for the fiscal year due to positive currency gains. Global events such as the Arab Spring, the Japanese disasters, and turmoil in Ivory Coast, combined with higher inflation in emerging markets and lower global growth expectations, had an adverse effect on emerging credit markets. Investor sentiment improved as geo-political events stabilized and U.S. Treasury yields reversed direction. This led to a search for yield, which supported emerging market bond prices.

Performance Summary

The EMDF's value as of June 30, 2011 was $1.157 billion, a decrease of $18 million from a year earlier. Of this decrease, $193 million was due to net cash outflows to participating pension and trust funds and $75 million was generated from net investment income. Net realized and unrealized gains contributed $100 million.

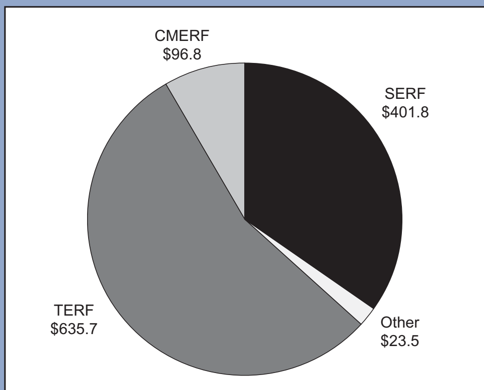
For the fiscal year ended June 30, 2011 the Emerging Market Debt Fund outperformed its benchmark by 432 basis points.The Fund generated a return of 16.06%, net of fees and operating expenses compared the benchmark return of 11.74%. For the trailing three-year and five-year periods, EMDF's compounded annualized total returns were 11.23% and 10.78%, respectively, net of fees. (See Figure 6-7.)

Risk Profile

Given EMDF's investment policies and objectives, the Fund is exposed to various forms of risk. These include, but are not limited to interest rate risk, currency risk, purchasing power risk, default risk, and reinvestment risk. In addition, the Fund is potentially exposed to geopolitical risk. These risks are monitored on an on-going basis and actions are taken as appropriate to mitigate identified risks.

Figure 6-1

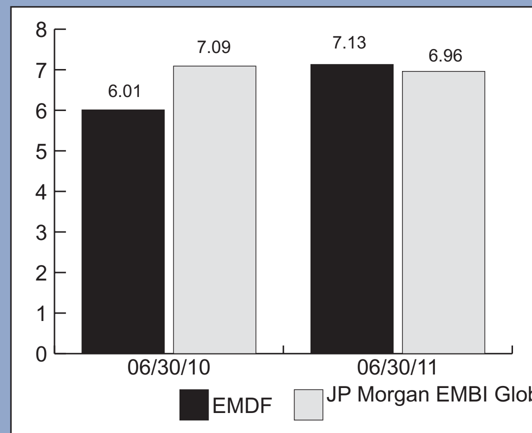
EMERGING MARKET DEBT FUND
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 6-2

EMERGING MARKET DEBT FUND
Modified Duration vs. Index (1) (in Years)



(1) Computed without the effect of Cash and other Net Assets.

Figure 6-3

EMERGING MARKET DEBT FUND
Distribution by Region at June 30, 2011

	EMDF	JP Morgan EMBI	Variance
Asia	15.4%	17.9%	-2.5%
Africa	7.2%	3.8%	3.4%
Europe	28.6%	32.0%	-3.4%
Latin America	37.8%	43.2%	-5.4%
Middle East	2.1%	3.1%	-1.0%
United States	8.9%	0.0%	8.9%
TOTAL	**100.0%**	**100.0%**	

Figure 6-4

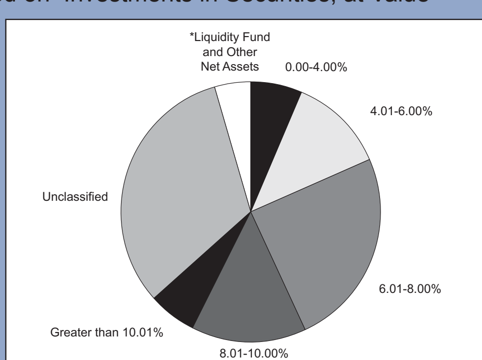
EMERGING MARKET DEBT FUND
Distribution by Quality Rating at June 30, 2011
Based on Investments in Securities, at Value

Aaa	2.0%
Aa-1	0.0%
Aa-2 to A-1	0.5%
A-2 to Baa-1	15.2%
Less than Baa-1	33.0%
Not Rated[1]	49.3%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 6-5

EMERGING MARKET DEBT FUND
Distribution by Coupon at June 30, 2011
Based on Investments in Securities, at Value



** Includes Liquidity Fund and other assets. Note: Ending weights.*

Figure 6-6

EMERGING MARKET DEBT FUND
Duration Distribution at June 30, 2011
Based on Investments in Securities, at Value

0-3 Years	8.6%
3-5 Years	12.3%
5-7 Years	15.5%
7-10 Years	14.3%
10+ Years	12.7%
Unknown(1)	32.1%
Liquidity Fund(2)	4.5%
Total	100.0%

(1) Represents securities for which the duration could not be calculated by the custodian.
(2) Represents monies invested in the Liquidity Fund and other net assets at the end of quarter.

Figure 6-7

EMERGING MARKET DEBT FUND
Periods ending June 30, 2011

	1 YR	3 YRS	5YRS
Compounded, Annual Total Return (%)			
EMDF	16.06	11.23	10.78
JP Morgan			
EMBI Global Index	11.74	10.44	9.59
Cumulative Total Return (%)			
EMDF	16.06	37.60	66.86
JP Morgan			
EMBI Global Index	11.74	34.69	58.09

Figure 6-8

EMERGING MARKET DEBT FUND
Annual Total Return

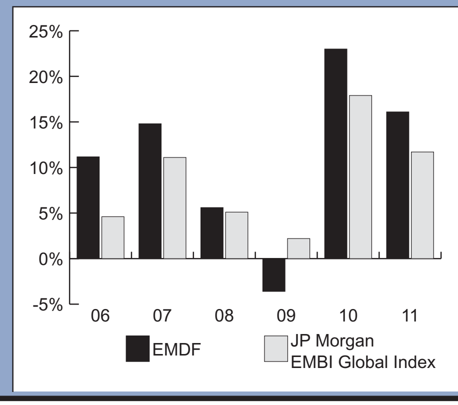


Figure 6-9

EMERGING MARKET DEBT FUND
Investment Advisors at June 30, 2011

Investment Advisor	**Net Asset Value**	**% of Fund**
Ashmore	$327,567,335	28.29%
Stone Harbor Investment Partners	289,371,354	24.99%
ING Investment Management	221,115,482	19.10%
Pyramis	152,907,758	13.21%
UBS Global Asset Management	167,231,170	14.44%
Other (1)	(379,149)	-0.03%
TOTAL EMDF	**$1,157,813,950**	**100.00%**

(1) *Other represents Liquidity Fund, other assets and terminated advisor balances.*

Figure 6-10

EMERGING MARKET DEBT FUND
Ten Largest Holdings* at June 30, 2011

Security Name	Maturity	Market Value	%
Russian Federation	03/31/30	$23,216,436	2.03%
Nota Tesouro Nacional	01/01/21	10,914,872	0.96%
Republic of Colombia	09/18/37	10,812,060	0.95%
Petroleos de Venezuela	10/28/14	9,792,574	0.86%
Republic of Iraq	01/15/28	9,618,872	0.84%
South Africa (Republic)	12/21/26	9,310,808	0.81%
Republic of Indonesia	03/04/19	8,798,288	0.77%
Republic of Argentina	12/31/33	8,643,106	0.76%
Nota Do Tesouro Nacional	05/15/45	7,624,227	0.67%
Republic of Indonesia	01/17/38	7,482,380	0.65%
Top Ten		**$106,213,623**	**9.30%**

* *A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..*

Figure 6-11

EMERGING MARKET DEBT FUND
Comprehensive Profile for the Fiscal Year ending June 30,

	2011 EMDF	2011 EMBI	2010 EMDF	2010 EMBI	2009 EMDF	2009 EMBI	2008 EMDF	2008 EMBI
Number of Issues	656	273	475	225	391	203	302	196
Yield to Maturity	6.65%	7.36%	6.33%	5.86%	14.48%	7.77%	8.15%	7.62%
Average Maturity	11.05%	12.03%	10.19%	12.40%	10.98%	12.30%	-	-
Modified Duration	7.13	6.96	6.01	7.09	5.93	6.37	5.11	6.29
Average Quality	Baa-3	Baa-3	Baa-3	Baa-3	Ba-1	Ba-1	Ba-1	Ba-1
*Other	4.5%	0.0%	6.7%	0.0%	6.9%	0.0%	2.7%	0.0%

** Includes Liquidity Fund and other assets. Note: Ending weights*

2011 high yield debt fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: To achieve a long-term real rate of return above the inflation rate and to utilize a range of manager style techniques to capture excess return.

Performance Objective: To achieve a net return, that, at a minimum, matches that of the benchmark over rolling three to five year periods.

Benchmark: Citigroup High Yield Market Index

Date of Inception: November 1, 2007

Total Net Assets: $717,576,730

Number of Advisors: 4 external

Management Fees: $2,511,539

Operating Expenses: $210,242

Expense Ratio: 0.39%

Description of the Fund

The High Yield Debt Fund ("HYDF") in debt instruments rated below investment grade by a nationally recognized rating agency.

At June 30, 2011 the Fund had four money managers. (See Figure 7-11.)

Portfolio Characteristics

The HYDF is comprised of 659 securities and is well diversified across a range of corporate high yield securities, predominantly in the U. S. Two of the fund's managers tend to focus their investing in the higher quality end of the below investment grade spectrum, while the other two managers will consider lower rated investment opportunities. The Fund's average quality rating was B-2, matching the average quality of the benchmark. (See Figure 7-10.) At June 30, 2011, almost two-thirds of the Fund's investments had maturities in the three to seven year time frame. (See Figure 7-7).

Market Review

The high yield bond market had strong performance in fiscal 2011 as demand for yield was robust and supply, from both re-financings and new issues, hit record levels. Very low interest rates incentivized borrowers to issue new debt, as well as to re-finance a significant volume of outstanding debt due to mature over the next several years and to fund acquisitions. Investors seeking higher yields were especially willing to assume additional credit risk in an environment of improved corporate earnings, higher equity prices and rising forecasts for economic growth which occurred during the first half of the period. Lower quality bonds had some periods of outperformance as investors reached for yield and economic conditions seemed to be improving, but for most of the year higher quality bonds performed better. Investors worried that the turmoil in the financial system could make it difficult for lower rated credits to access funding when needed. Default rates were relatively low over the course of the fiscal year.

Performance Summary

The HYDF's value as of June 30, 2011 was $ 717 million, an increase of $25 million since June 2010. This increase was the result of $80 million from net cash outflows to participating pension and trust funds, $61 million from net investment income and $44 million from net realized and unrealized gains.

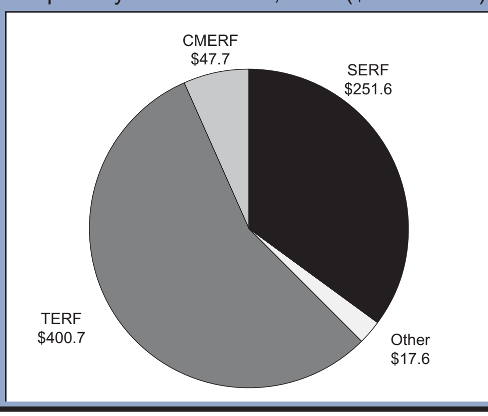
For the fiscal year ended June 30, 2011 the HYDF gained 15.96%, net of fees and operating expenses, compared to the benchmark return of 15.26%. Over the five year period, HYDF had an annualized return of 8.65% versus the index return of 8.85%. On a cumulative basis over the same period, this Fund returned 51.42% compared to the index return of 52.81% (See Figure 7-8.)

Risk Profile

Given the HYDF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to credit default risk, interest rate risk, liquidity risk, reinvestment risk and inflation risk. In addition, the Fund is occasionally exposed to political, economic and currency risk resulting from investments in international high yield securities.

Figure 7-1

HIGH YIELD DEBT FUND
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 7-2

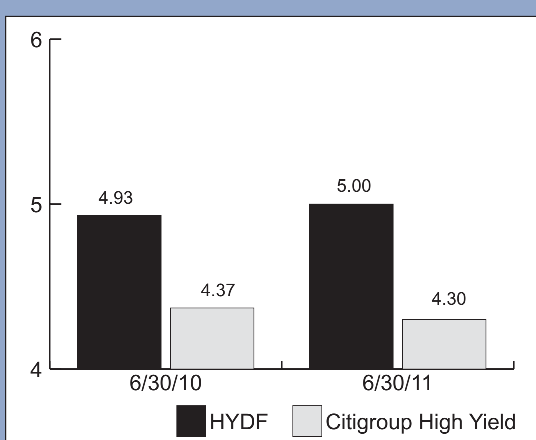
HIGH YIELD DEBT FUND (1)
Risk Profile at June 30, 2011

Relative Volatility	0.85
Standard Deviation	11.55
R2	0.93
Beta	0.82
Alpha	-0.20

(1) Based upon returns over the last five years.

Figure 7-3

HIGH YIELD DEBT FUND
Modified Duration vs. Index (1) (in Years)



(1) Computed without the effect of Cash and other Net Assets.

Figure 7-4

HIGH YIELD DEBT FUND
Distribution by Sector at June 30, 2011
Based on Investments in Securities, at Value

	HYDF	Citigroup	Variance
Treasury	0.0%	0.0%	0.0%
Agency	0.0%	0.0%	0.0%
Corporate	95.2%	100.0%	-4.8%
Mortgage-Backed	0.0%	0.0%	0.0%
Asset-Backed	0.0%	0.0%	0.0%
Other1	4.8%	0.0%	4.8%
TOTAL	100.0%	100.0%	

(1) Other category includes non fixed-income securities such as common and preferred stock and convertible securities, Liquidity Fund and other assets.

Figure 7-5

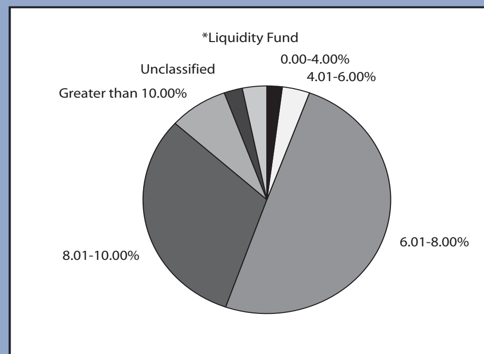
HIGH YIELD DEBT FUND
Distribution by Quality Rating at June 30, 2011
Based on Investments in Securities, at Value

Aa-2 to A-1	0.3%
A-2 to Baa-1	0.9%
Less than Baa-1	96.3%
Not Rated1	2.5%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 7-6

HIGH YIELD DEBT FUND
Distribution by Coupon at June 30, 2011
Based on Investments in Securities, at Value



** Note: Ending weights.*

Figure 7-7

HIGH YIELD DEBT FUND
Duration Distribution at June 30, 2011
Based on Investments in Securities, at Value

0-3 Years	18.1%
3-5 Years	28.8%
5-7 Years	35.9%
7-10 Years	9.2%
10+ Years	2.3%
Unknown(1)	2.5%
Liquidity Fund(2)	3.2%
Total	100.0%

(1) Represents securities for which the duration could not be calculated by the custodian.

Figure 7-8

HIGH YIELD DEBT FUND
Periods ending June 30, 2011

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
HYDF	15.96	11.27	8.65	8.24
Citigroup High Yield Market Index	15.26	11.89	8.85	8.85
Cumulative Total Return (%)				
HYDF	15.96	37.78	51.42	120.65
Citigroup High Yield Market Index	15.26	40.09	52.81	133.49

Figure 7-9

HIGH YIELD DEBT FUND
Annual Total Return

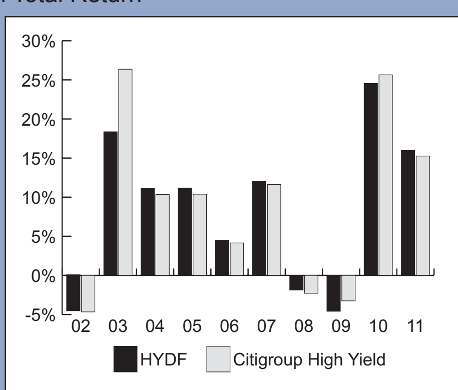


Figure 7-10

HIGH YIELD DEBT FUND
Comprehensive Profile for the Fiscal Year ending June 30,

	2011		2010		2009	
	HYDF	Citigroup	HYDF	Citigroup	HYDF	Citigroup
Number of Issues	659	1,540	679	1,394	605	1,222
Average Coupon	7.90%	8.30%	8.10%	8.34%	7.90%	8.10%
Yield Maturity	13.60%	7.50%	9.11%	8.95%	11.90%	12.20%
Average Maturity	6.90	5.60	6.86	5.71	7.8	6.5
Modified Duration	5.00	4.30	4.93	4.37	4.7	4.2
Average Quality	B-2	B-2	B-2	B-2	B-1	B-1
Liquidity Fund	3.2%	0.0%	4.0%	0.0%	8.2%	0.0%

**Note: Ending Weights*

Figure 7-11

HIGH YIELD DEBT FUND
Investment Advisors at June 30, 2011

Investment Advisor	Net Asset Value	% of Fund
Loomis Sayles & Co., Inc.	$228,508,388	31.85%
Stone Harbor Investment Partners	100,540,205	14.01%
Shenkman Capital Management	239,821,174	33.42%
Oaktree Capital Management, L.L.C.	144,593,300	20.15%
Other (1)	4,113,663	0.57%
TOTAL HYDF	**$717,576,730**	**100.00%**

(1) Other represents Liquidity Fund, other assets and terminated advisor balances.

Figure 7-12

HIGH YIELD DEBT FUND
Ten Largest Holdings* at June 30, 2011

Security Name	Maturity	Market Value	%
Vertex Pharmaceuticals Inc	Common Stock	$ 7,756,128	1.09%
Qwest Capital Funding	07/15/28	7,047,900	0.99%
Borden Inc	02/15/23	5,942,563	0.84%
Toys R Us Inc	10/15/18	5,900,344	0.83%
European Bk Recon + Dev	09/10/12	5,784,253	0.81%
Tenet Healthcare Corp	11/15/31	5,556,925	0.78%
Mex Bonos Desarr Fix Rt	12/15/16	4,932,666	0.70%
AES Corp	10/15/17	4,817,700	0.68%
Algoma Acquisition Corp	06/15/15	4,682,550	0.66%
Albertsons Inc	08/01/29	4,476,775	0.63%
Top Ten		$56,897,804	8.01%

* *A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..*

2011 developed markets international stock fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: To achieve a long-term, real rate of return above the U.S. inflation rate.

Performance Objective: To achieve a net return, that, at a minimum, matches the benchmark, over rolling three- to five-year periods.

Benchmark: S&P/Citigroup BMI EPAC (Europe, Pacific, and Asia Composite) Index 50% Hedged

Date of Inception: November 1, 2007	**Total Net Assets:** $5,408,701,858
Number of Advisors: 14 external	**Management Fees:** $23,227,562
Operating Expenses: $2,005,953	**Expense Ratio:** 0.51%

Description of the Fund

The Developed Markets International Stock Fund ("DMISF") invests primarily in the common stocks of non-U.S. corporations. DMISF assets are allocated across foreign markets and diversified by market, capitalization and style which, in aggregate, are structured to replicate the characteristics of the comparable developed non-U.S. equity markets index.

Portfolio Characteristics

At fiscal year-end, DMISF invested in many developed foreign countries. The largest geographic concentrations were in the United Kingdom (12.9%) and Japan (12.2%). Active management of the portfolio results in variances from the index weightings. (See Figure 8-5.) In addition to being well diversified by market, the DMISF is also diversified by industry and capitalization. (See Figure 8-7.)

Market Review

Despite political unrest, natural disaster and economic uncertainty, international equity market returns were remarkably strong. Top performing international developed countries included Austria, Norway, New Zealand, Germany and France. As expected, Greece was the weakest country followed by Israel and Japan. For the first half of the fiscal year, cyclical stimulus beat out structural problems and stocks continued their choppy advance from the early months of 2010. In Europe, concerns over the regional debt crisis resurfaced and dominated equity markets. Ireland, Greece and Portugal received bail-out packages over the course of the period. Germany was the main growth engine in Europe. Early in the fiscal year, equities hit a low before rallying as fears about a double dip recession faded towards calendar year end. Stocks moved higher during the first four months of 2011 despite volatility from significant global events. The period began with political turmoil spreading across the Middle East and North Africa and a sharp rise in the price of oil and other commodities. Despite Japan's nuclear disaster and rating agency downgrades the outlook for both the U.S. and Japan equity markets rose as investors focused on strong corporate earnings reports. However, the rally was short-lived. Fear of Greek contagion rekindling fear about the broader sovereign debt crisis in Europe, coupled with weaker global economic data, resulted in a sharp reversal in May and June. At the end of June, there was a sharp rally on encouraging data from the U.S. manufacturing sector and Germany's decisions to support the refinancing of Greece's public debt. Similar to the U.S., the energy and materials sectors were the leading performers, and growth outperformed value stocks, albeit by a small margin.

Performance Summary

DMISF's market value grew from $4.434 billion on June 30, 2010 to $5.408 billion by fiscal year end 2011, an increase of $974 million. Net realized and unrealized gains of $1.038 billion along with $130 million of net investment income were offset by cash withdrawals of $194 million by participating retirement plans and trust funds.

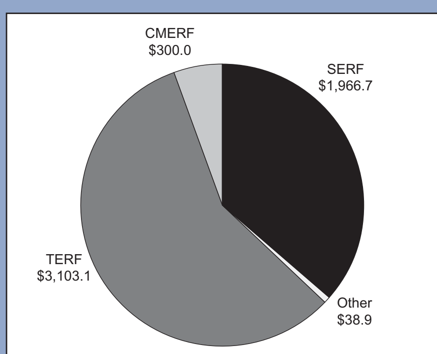
For the fiscal year ended June 30, 2011, the Developed Markets International Stock Fund generated a return of 26.30%, net of fees and operating expenses, outperforming its benchmark return of 23.20% by 310 basis points. The Fund outperformed its benchmark by 70 basis points over the three year period, generating a return of .34% versus -.36% for the index. Over the five year period, the Fund's annualized return was 1.74% versus 1.08% for its benchmark, an outrperformance of 66 basis points. (Figure 8-3).

Risk Profile

Given DMISF's investment policies and objectives, the Fund is exposed to several risks. These include, but are not limited to, political and economic risk, currency exchange risk, market risk, and individual company risk. A 50% currency hedging strategy is employed to reduce the portfolio's currency risk over time. The Fund has been slightly less volatile than its benchmark over the five-year period ending June 30, 2011. DMISF's high R2 score of 0.99 demonstrates a relatively strong overall correlation with the performance of the index. The results indicate that the Fund is producing higher risk–adjusted returns compared to its benchmark.

Figure 8-1

DEVELOPED MARKETS INTERNATIONAL STOCK
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 8-2

DEVELOPED MARKETS INTERNATIONAL STOCK [(1)]
Risk Profile at June 30, 2011

Relative Volatility	0.99
Standard Deviation	18.98
R2	0.99
Beta	0.99
Alpha	0.66

(1) Based upon returns over the last five years.

Figure 8-3

DEVELOPED MARKETS INTERNATIONAL STOCK
Periods ending June 30, 2011

	1 YR	3 YRS	5YRS
Compounded, Annual Total Return (%)			
DMISF	26.30	0.34	1.74
S&P/Citigroup BMI			
EPAC 50% Hedged	23.20	-0.36	1.08
Cumulative Total Return (%)			
DMISF	26.30	1.03	9.02
S&P/Citigroup BMI			
EPAC 50% Hedged	23.20	-1.07	5.54

Figure 8-4

DEVELOPED MARKETS INTERNATIONAL STOCK
Annual Total Return

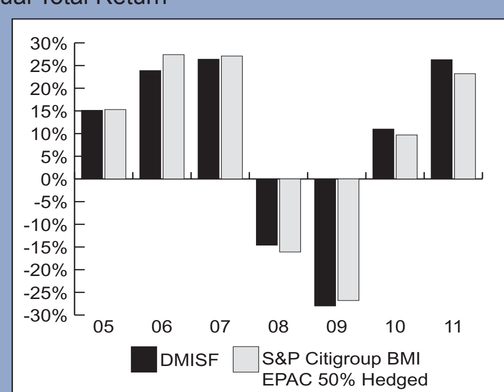


Figure 8-5

DEVELOPED MARKETS INTERNATIONAL STOCK
Diversification by Benchmark Country with Return (%) at June 30, 2011 (1)

	DMISF % of Net Assets 6/30/11	Benchmark % of Net Assets 6/30/11	Variance
Australia	4.2	8.2	-4.0
Austria	0.5	0.4	0.1
Belgium	0.4	1.0	-0.6
Denmark	0.8	1.1	-0.3
Finland	0.6	1.0	-0.4
France	6.0	9.1	-3.1
Germany	5.4	7.9	-2.5
Greece	0.2	0.3	-0.1
Hong Kong	5.3	3.4	1.9
Ireland	0.6	0.4	0.2
Italy	1.9	2.9	-1.0
Japan	12.2	19.3	-7.1
Korea	6.7	5.5	1.2
Luxembourg	0.3	0.3	0.0
Netherlands	2.2	2.5	-0.3
New Zealand	0.2	0.2	0.0
Norway	0.5	1.0	-0.5
Portugal	0.1	0.3	-0.2
Singapore	1.2	1.7	-0.5
Spain	1.7	3.2	-1.5
Sweden	1.4	3.2	-1.8
Switzerland	4.5	7.4	-2.9
United Kingdom	12.9	19.7	-6.8
Other	30.2	0.0	30.2
Total	**100.0**	**100.0**	

Figure 8-6

DEVELOPED MARKETS INTERNATIONAL STOCK
Investment Advisors at June 30, 2011

Investment Advisor	Net Asset Value	% of Fund
Index	**618,965,748**	**11.44%**
State Street Global Advisors	618,965,748	11.44%
Core	**1,849,620,814**	**34.19%**
Invesco Global Asset Mgmt.	225,720,371	4.17%
AQR Capital Management	709,699,814	13.12%
Acadian Asset Management	239,312,412	4.42%
Artio Global	552,012,604	10.21%
Progress	122,875,613	2.27%
Active-Growth	**666,633,801**	**12.33%**
MFS Institutional Advisors, Inc.	666,633,801	12.33%
Active-Value	**616,109,382**	**11.39%**
Grantham, Mayo, Van Otterloo	616,109,382	11.39%
Small Cap	**859,932,581**	**15.90%**
Schroder Investment Mgmt.	295,978,786	5.47%
Dimensional Fund Advisors	265,344,305	4.91%
William Blair & Company	298,609,490	5.52%
Risk Controlled	**825,113,367**	**15.26%**
BlackRock	401,410,912	7.42%
Pyramis	423,702,455	7.84%
Other (1)	**-27,673,835**	**-0.51%**
TOTAL DMISF	**5,408,701,858**	**100.00%**

(1) Other represents Liquidity Fund, other assets and terminated advisor balances, as well as, currency overlay balances for the DMISF (managed by Pareto).

Figure 8-7

DEVELOPED MARKETS INTERNATIONAL STOCK
Ten Largest Holdings* at June 30, 2011

Security Name	Country	Market Value	%
Nestle SA CHFO.10 REGD	Switzerland	$ 72,564,515	1.35%
Royal Dutch Shell PLC A Shares Eur .07	United Kingdom	63,995,556	1.19%
Total SA Eur 2.5 Post Division	France	58,086,644	1.08%
Sanofi Aventis EUR 2.0	France	55,274,981	1.02%
HSBC Holdings ORD USD 0.50 UK REG	United Kingdom	51,537,166	0.95%
Rio Tinto PLC	United Kingdom	42,375,625	0.79%
Vodafone Group ORD USD 0.11428571	United Kingdom	42,360,079	0.79%
Samsung Electronics Co Ltd KRW5000	Republic of Korea	40,646,643	0.75%
ING Groep NV Euro .24	Netherlands	39,759,642	0.74%
Astrazeneca ORD USD 0.25	United Kingdom	39,468,204	0.73%
Top Ten		$506,069,055	9.39%

* *A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act.*

2011

emerging markets international stock fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: To achieve a long-term, real rate of return above the U.S. inflation rate.

Performance Objective: To achieve a net return, that, at a minimum, matches the benchmark, over rolling three-to five-year periods.

Benchmark: MSCI Emerging Markets Free Index(“EMF”)

Date of Inception: November 1, 2007	**Total Net Assets:** $2,637,999,206
Number of Advisors: 4 external	**Management Fees:** $16,214,103
Operating Expenses: $3,731,575	**Expense Ratio:** 0.85%

Description of the Fund

The Emerging Market International Stock Fund (“EMISF”) invests primarily in the common stocks of non-U.S. corporations. The EMISF assets are allocated across foreign markets and diversified by market, capitalization and style,which, in aggregate, are structured to replicate the characteristics of the comparable emerging markets equity index. EMISF was managed by four emerging markets’ external managers.

Portfolio Characteristics

The EMISF country allocations differ, in some cases significantly, to the weightings of the index. Each manager is permitted some discretion to deviate from the index in order to enhance performance. In the aggregate, the managers’ stock selections resulted in the Fund being underweight China. This represents the largest variance from the index 7.1% versus 17.3% for the index. Other countries that were meaningfully underweighted relative to the benchmark were India, South Africa and Taiwan. Thailand and Turkey had significant over weights to the index. Twenty-four percent of the fund was allocated to stocks in emerging countries outside of the benchmark. (See Figure 9-6.)

The EMISF was well diversified at year-end. (Figure 9-8.). The EMISF’s largest holdings included a variety of “blue chip” companies located in Latin America, the Far East, and Eastern Europe.

Market Review

Robust emerging market fundamentals encouraged a significant global asset allocation shift into the emerging world over the past fiscal year. Emerging equities started the year strong supported by continued growth and steady corporate earnings. However, emerging market equity markets tumbled in January on fears of the region overheating amid rising inflation and sustained policy tightening. Political strife in the Arab world, which disrupted oil supplies and accelerated price hikes, further undermined confidence. These concerns led to a reallocation of funds out of emerging markets and into developed markets where investors perceived improved growth prospects. There was a brief rally in emerging equities followed by a reversal due to worries over an economic slowdown, a spike in oil prices and the disasters in Japan. Risk appetite was further blunted by the European sovereign debt crisis and the Greek cabinet reshuffle. The late passage of a crucial austerity package and economic reforms in Greece provided the markets some respite, however. Poland and Russia were emerging markets’ country leaders this fiscal year. Poland’s largely domestic-driven economy enabled it to sidestep worries over the fiscal woes of their less prudent Western peers. In Russia, hopes of increased infrastructure spending ahead of the 2018 Soccer World Cup and sharply higher oil prices underpinned local equities. Elsewhere, the emerging Asian markets of Indonesia, Malaysia and Thailand benefited from sustained economic growth, although the pace of expansion moderated. In contrast, Egypt tumbled in the wake of a political revolt which ousted its president, Hosni Mubarak, and triggered a wave of uprisings in the Middle East and Northern Africa regions. At the sector level, consumer discretionary and staples, materials, industrials and energy were the strongest performers. As a group, utility stocks generated the lowest returns.

Performance Summary

The EMISF's value as of June 30, 2011 was $2.638 billion, up from $2.073 billion one year earlier. Of this $565 million increase, $550 million emanated from net realized and unrealized gains, and $45 million from net investment income offset by $30 million in net cash outflows to participating pension and trust funds.

For the fiscal year ended June 30, 2011, the Emerging Markets International Stock Fund (EMISF) generated a return of 28.55%, net of fees and operating expenses, outperforming its benchmark index return of 27.53% by 102 basis points. Under weighting Columbia, India and South Africa, and over weighting the Philippines and Turkey, relative to the index, contributed positively to performance. Over weighting Hungary and under weighting Peru detracted from performance.

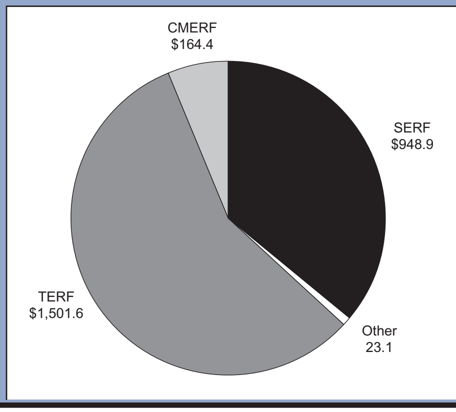
The Fund returned 3.61% and 9.66% for the three and five year periods, underperforming by 153 basis points and 211 basis points respectively. Over the ten year period, the fund outperformed the benchmark by 68 basis points. The cumulative returns for the Fund for the three, five and ten year periods were 11.23%, 58.55% and 383.44%, respectively, as illustrated in Figure 9-4.

Risk Profile

Given EMISF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, political and economic risk, currency exchange risk, market risk, and individual company risk. Based on returns over the last five years, the Fund's risk profile is similar to that of the benchmark. Its high R^2 of 0.99 demonstrates a strong overall correlation with the performance of the index. In the aggregate, EMISF's annualized excess return over the five-year period, or return in excess of that earned by the benchmark, was -2.11%. (See Figure 9-2.) Over the past five years, the fund has experienced slightly less volatility than the benchmark as evidenced by its .97 relative volatility.

Figure 9-1

EMERGING MARKETS INTERNATIONAL STOCK
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 9-2

EMERGING MARKETS INTERNATIONAL STOCK
Risk Profile at June 30, 2011

Relative Volatility	0.97
Standard Deviation	26.73
R2	0.99
Beta	0.96
Alpha	-2.11

(1) Based upon returns over the last five years.

Figure 9-3

EMERGING MARKETS INTERNATIONAL STOCK
Fiscal 2011 Economic Sector vs. Index (%)

	EM ISF	MSCI Index	Vari-ance
Energy	12.4	13.1	-0.7
Materials	10.7	14.4	-3.7
Industrials	6.2	9.4	-3.2
Consumer Discretionary	7.5	9.8	-2.3
Consumer Staples	4.2	4.7	-0.5
Health Care	1.0	1.1	-0.1
Financials	25.0	24.1	0.9
Information Technology	8.9	10.3	-1.4
Telecommunication Services	6.6	7.6	-1.0
Utilities	3.4	3.7	-0.3
Commingled Fund	12.2	0.0	12.2
Preferred Stock	0.0	0.0	0.0
Private Placement	0.0	0.0	0.0
Other	0.0	1.8	-1.8
Liquidity Fund	1.9	0.0	1.9
	100.0	100.0	

Figure 9-4

EMERGING MARKETS INTERNATIONAL STOCK
Periods ending June 30, 2011

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
EMISF	28.55	3.61	9.66	17.06
MSCI Emerging Markets IMI Index	27.53	5.14	11.77	16.38
Cumulative Total Return (%)				
EMISF	28.55	11.23	58.55	383.34
MSCI Emerging Markets IMI Index	27.53	16.22	74.40	355.81

Figure 9-5

EMERGING MARKETS INTERNATIONAL STOCK
Annual Total Return

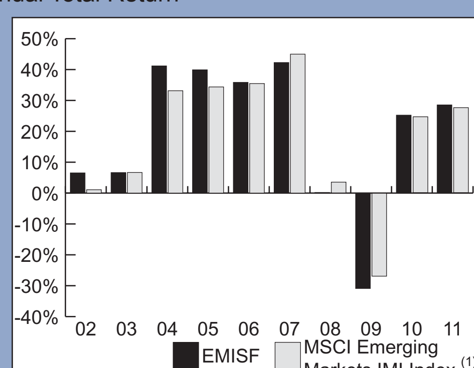


Figure 9-6

EMERGING MARKETS INTERNATIONAL STOCK
Diversification by Benchmark Country with Return (%) at June 30, 2011 (1)

	EMISF		EMISF Benchmark	
	% of Net Assets 6/30/11	Total Return	% of Net Assets 6/30/11	Total Return
Argentina	0.1	68.6	0.2	64.2
Brazil	14.7	28.1	15.5	23.8
Chile	0.8	42.8	1.7	40.1
China	7.1	10.7	17.3	12.5
Columbia	0.1	57.1	0.8	33.2
Czech Republic	0.6	41.0	0.4	38.8
Egypt	0.5	-6.2	0.3	-12.0
Hungary	1.7	34.3	0.4	40.8
India	1.7	10.3	7.3	8.0
Indonesia	2.9	29.3	2.6	31.7
Israel	0.6	-40.1	0.0	0.0
Jordan	0.0	0.0	0.0	0.0
Kazakhstan	0.1	18.5	0.0	0.0
Korea	13.0	39.7	14.7	43.1
Malaysia	1.8	33.6	3.1	35.3
Mexico	3.9	29.5	4.4	30.1
Morocco	0.0	25.1	0.2	16.9
Pakistan	0.0	-0.5	0.1	27.8
Peru	0.1	-13.8	0.5	7.2
Philippines	0.9	38.3	0.6	24.1
Poland	1.7	62.3	1.7	57.0
Russia	7.0	46.1	6.8	45.0
South Africa	3.7	44.2	7.3	36.5
Taiwan	6.5	30.5	11.0	35.9
Thailand	3.8	41.1	1.7	43.0
Turkey	3.0	17.4	1.4	10.3
Venezuela	0.0	0.0	0.0	0.0
Other Countries	23.7	0.0	0.0	0.0
Total	**100.0**		**100.0**	

(1) Includes Liquidity Fund and cash equivalents at each country level.

Figure 9-7

EMERGING MARKETS INTERNATIONAL STOCK
Investment Advisors at June 30, 2011

Investment Advisor	**Net Asset Value**	**% of Fund**
Grantham, Mayo, Van Otterloo	754,435,835	28.60%
Emerging Markets Management	707,713,117	26.83%
Aberdeen Asset Management	649,192,062	24.61%
Schroders Investment Mgt	519,626,634	19.70%
Other (1)	7,031,558	0.26%
TOTAL EMISF	2,637,999,206	100.00%

(1) *Other represents Liquidity Fund, other assets and terminated advisor balances, as well as, currency overlay balances for the DMISF.*

Figure 9-8

EMERGING MARKETS INTERNATIONAL STOCK
Ten Largest Holdings* at June 30, 2011

Security Name	**Country**	**Market Value**	**%**
Vale SA Depository Receipts	Brazil	74,489,956	2.83%
Samsung Electronic KRW 5000	Republic of Korea	61,686,375	2.35%
China Mobile Ltd. HKD 0.10	Hong Kong	56,053,831	2.13%
CNOOC Ltd HKD 0.02	Hong Kong	54,821,320	2.09%
Petroleo Brasileiro SA Sponsored ADR	Brazil	53,660,394	2.04%
Gazprom ADR OAO	Russian Federation	53,224,651	2.02%
Lukoil OAO ADR Rub 0.025	Russian Federation	44,400,079	1.69%
Astra International TBK IDR 500.0	Indonesia	39,987,849	1.52%
Ind + Comm Bk of China CNY 1.0	China	37,544,927	1.43%
Taiwan Semiconductor SP ADR	Taiwan	36,730,862	1.40%
Top Ten		**$512,600,244**	**19.50%**

* *A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..*

2011

real estate fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: The Real Estate Fund's ("REF") strategic objectives are to provide diversification to the overall CRPTF investment program, preserve investment capital and generate attractive risk-adjusted rates of return. The REF will also provide consistent current income and provide capital gains to the CRPTF and act as a hedge against inflation given different economic scenarios.

Performance Objective: The Performance Objective of REF is to achieve a net return that, at a minimum, matches the benchmark, over rolling three-to five-year periods. The ability of an investment manager to outperform a benchmark will be contingent upon the amount of risk allowed in the IMA and the current market conditions of the asset class. Therefore, the objective above the benchmark will be based on the amount of excess return in the marketplace given the level of risk.

Benchmark: National Council of Real Estate Investment Fiduciaries Index (NCREIF) with a one quarter lag.

Date of Inception: July 1, 1982

Total Net Assets: $1,097,267,279

Number of Partnerships: 36 external

Management Fees [(1)]**:** $3,405,582

Operating Expenses: $440,766

Expense Ratio: 0.41%

Capitalized and Netted Fees: $15,676,348

(1) See note 1 to the Financial Statements for a discussion of similar fees incurred at the investment level.

Description of the Fund

The Real Estate Fund (REF) invests in real estate, real estate related investments, and real estate related debt and mortgages. REF may consist of a number of investment strategies and vehicles including, externally managed commingled funds, open-end funds, separate accounts, publically traded real estate securities, limited partnerships and/or other indirect ownership structures managed by professional real estate investment firms.

REF is benchmarked against the NCREIF Index and its strategic objectives are: (1) to provide diversification to the overall CRPTF investment program; (2) to preserve investment capital and generate attractive risk-adjusted rates of return; (3) to provide current income; and (4) to provide a hedge against inflation. Its returns are expected to be equal to or greater than each plan's actuarially determined assumed rate of return and competitive, on a risk adjusted basis, with that of other asset classes in which CRPTF invests.

Portfolio Characteristics

As of June 30, 2011, the portfolio consisted of 36 externally managed portfolios/investments with roughly 90% invested in Close-End fund vehicles, 7% in Open-End funds, and 3.0% of the Fund's assets held in Separate Accounts. The Real Estate Fund primarily invests in closed-end private investment partnerships in the three main real estate investment sub-asset classes: Core, Value-Add, and Opportunistic strategies.

Investment Strategies

Core

Core real estate is generally characterized by lower risk, low leverage, vehicles that invest in stabilized income-producing properties that provide steady net operating income or cash flow. Properties are usually located in major regional markets, have investment grade tenants, at-market rents, and high occupancy levels. Fund assets are typically held for the long-term, over an 8-10 year time period, and can be expected to generate most of their returns through cash income distributions. These returns historically closely track the returns of NCREIF because the portfolio property types consisting of office, industrial, multi-family, and retail, are typically held in percentages representative of the Index.

Value-Add

Value-Added real estate investments are moderately risky in nature. Investments within this sub-category generate their returns from a combination of current income and capital appreciation, and employ higher leverage ratios than Core portfolios. Performance of the strategy relies more heavily on returns derived from the rehabilitation or enhancement of assets that need improvement or repositioning. Annual returns are expected to be higher than those of a Core real estate portfolio and are benchmarked to the NCREIF Index plus 200 basis points.

Opportunistic

Opportunistic real estate investments are usually higher in risk with a commensurate higher expected return. Investments in this sub-strategy encompass the broadest opportunity set of the three sub-strategies. Opportunistic real estate investments therefore require a higher risk tolerance and generally a shorter investment time horizon than Core, with average holding periods expected in the range of three to five years. Annual returns are benchmarked to the NCREIF Property Index plus 500 basis points.

Public REITs

Real Estate Investment Trusts trade on public stock exchanges like equity securities. These shares offer a highly liquid vehicle through which investors can gain exposure to real estate and generally offer high yields. The publically traded nature makes REITs highly liquid but also more highly correlated to equity market moves.

Within the CRPTF Real Estate Fund roughly 32% of the partnerships are Core allocations, 23% Value-Add, 34% characterized as Opportunistic, and nearly 6% in Public REITs and the CRPTF Liquidity Fund separately. (See Figure 10.4) The portfolio is well diversified geographically with nearly 30% of the assets located in the East, 7% in the Mid West, 20% in the South, and 22% in the West. The remaining percentage of the Real Estate Fund is invested in Ex-US partnerships, with just over 4% International and the balance of 17% held in the Liquidity Fund. (See figure 10-6.) Further diversification of the portfolio is achieved by property type, with the portfolio consisting of roughly 18% Apartments, 8% Industrial, 23% Office, 10% Retail, 16% Hotels, and slightly under 25% weighting to the Liquidity Fund and other specialty property types including land, medical offices, and senior living. (See figure 10-7.) While the NPI remains the tracked real estate investments benchmark, the CRPTF at any given time may be tactically under or overweight specific property types, regions, vintage years or other characteristics of the Index.

Performance Summary

For the fiscal year ending June 30, 2011, REF's market value increased from $783.8 million to roughly $1.1 billion. The Fund generated a total one year return of 16.12%, net of fees, versus a gross return in the National Council of Real Estate Investment Fiduciaries Property Index (NCREIF) of 16.3%. Part of this positive performance was due to recent commitments to opportunistic debt strategies in the Fund, increases in Core property valuations, and a partial recovery in recent vintage year real estate funds, which the CRPTF is disproportionately allocated to versus older vintage year funds. This disparity is due to REF being out of the market and making no new investments in the asset class for the period 1999 to 2004.

For the trailing three, five and ten year periods, REF's compounded annual returns, net of all expenses, were (12.88%), (4.34%), and 1.32%, respectively. (See figure 10-8). The REF returns underperformed the benchmark in the three, five and ten year periods by 925 basis points, 779 basis points, and 616 basis points, respectively. While much of the long-term underperformance is due to the legacy portfolio (1998 commitments) returns have been steadily improving as the Fund has been actively investing through the recent real estate cycle. During the same reporting period last year the REF returns underperformed the benchmark in the three, five and ten year periods by 1,116 basis points, 1,011 basis points and 594 basis points, respectively and have therefore improved by 191 basis and 232 basis points over the three year and five year measurement period respectively.

Market Review

The investment and operating environment for real estate stabilized and remained favorable throughout fiscal year 2011. However, there still remains some uncertainty regarding the domestic macroeconomic outlook and increasing questions centered around the various global economies. In real estate, property managers have experienced moderate increases in tenant demand, while tighter credit and financing has limited new supply, development, and construction projects. These market dynamics have benefited lower risk Core strategies as slowly firming real estate fundamentals and interest in high quality, stable cash flowing assets have resulted in growing institutional demand. This has resulted in increasing market values and compressing cap rates. Vacancies have generally declined and improvements have been seen across almost all markets, with apartments and hotels in particular outperforming.

However, with real estate coming off one of its weakest performance periods on record significant distress remains in the sector. The Fund capitalized on the bifurcated market, where non-core investments, and particularly overleveraged credit-distress situations, present themselves for opportunistic capital, and closed on two higher return focused funds in the distressed space. With less opportunistic capital being put to work, and leveraged assets still an issue and additional impaired loans providing attractive investment opportunities, we expect these funds to deploy substantial capital for quality assets at attractive valuations in the coming investment cycle. Throughout the last fiscal year Investors have refocused attention on the real estate asset class (moving up the risk spectrum) and while many of the fundamentals remain intact and we would expect continued positive performance, this will likely come at a slightly contracted pace from what has been experienced following the previous historic market lows.

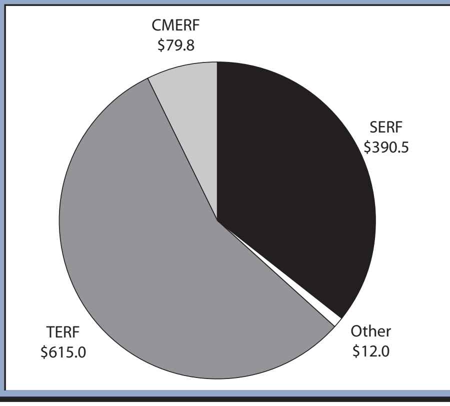
Risk Profile

The real estate fund takes both a total portfolio and asset class specific approach to risk management. Risk is managed at the portfolio level through diversification and strategic asset allocation and strategy implementation. Given the nature of private property appraisals and the discretion around valuation judgments in lieu of a real-time marked-to-market pricing, REF’s risk and return profile is complex. Risks attendant to alternative investments, such as management, operations, market, and liquidity risk, are managed at the asset class level with additional risk management focused on financing, geography, and property type risks specific to a fund manager’s real estate investments.

However, even with great attention being paid to portfolio diversification and risk management, the Fund has exhibited more volatility than its benchmark. Over the last five years, REF’s volatility relative to its benchmark has been 1.25 with a beta of 0.17. The low beta indicates a low sensitivity to overall fluctuations in the benchmark, albeit a significant increase from the beta of -0.03 in FY 2010, but also highlights the effect of the increased volatility through less diversification and exposure of the fund to 1999 through 2004 vintage years. In the aggregate, the Fund’s monthly alpha, or return relative to that achieved by the benchmark, was negative 7.79 over the five-year time period. (See figure 10-2.) This too is an improvement over the FY 2010 performance of negative 10.11. The Fund’s statistics are consistent with its low R2 of 0.02, signifying almost no correlation between Fund returns and those of the benchmark; but as allocations are added and further strategy and vintage year diversification achieved in the portfolio, the Fund will likely more closely align with the performance and volatility of the benchmark.

Figure 10-1

REAL ESTATE FUND
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 10-2

REAL ESTATE FUND
Risk Profile at June 30, 2011

Relative Volatility	1.25
Standard Deviation	10.20
R^2	0.02
Beta	0.17
Alpha	-7.79

(1) Based upon returns over the last five years.

Figure 10-3

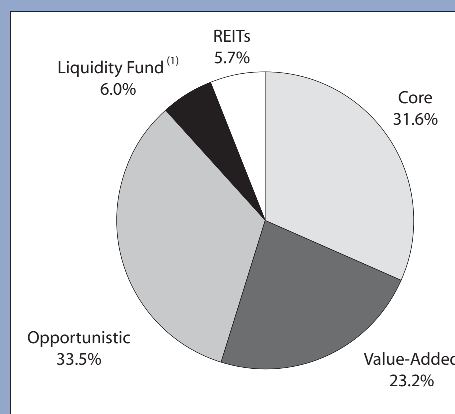
REAL ESTATE FUND
Investments Analysis [(1)]

At	No. of REF Investments	REF Book Value	REF Market Value
6/30/2011	36	$1,310,614,926	$1,057,213,580
6/30/2010	35	1,097,439,251	715,310,010
6/30/2009	34	996,474,812	745,643,849
6/30/2008	31	920,921,272	968,885,960
6/30/2007	23	485,341,324	531,570,750
6/30/2006	12	259,551,191	330,169,779
6/30/2005	11	304,926,401	394,855,227
6/30/2004	10	324,142,113	344,673,596
6/30/2003	10	393,641,512	420,132,363
6/30/2002	10	413,693,249	467,819,628

(1) Number of investments in annuities, partnerships, corporations, and trusts, excluding the Liquidity Fund.

Figure 10-4

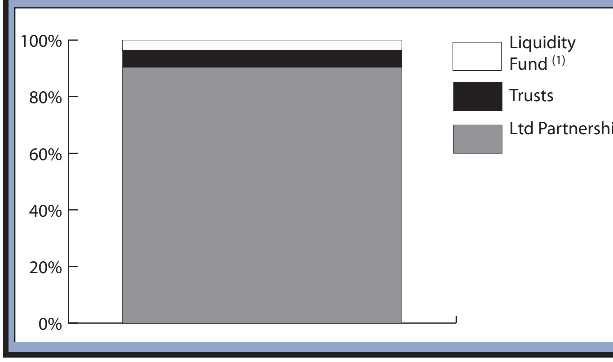
REAL ESTATE FUND
Distribution by Investment Type at June 30, 2011
Based on Investments in Securities, at Value



(1) Includes Liquidity Fund and other assets.

Figure 10-5

REAL ESTATE FUND
Distribution by Investment Type at June 30, 2011
Based on Investments in Securities, at Value



(1) Includes Liquidity Fund and other assets.

Figure 10-6

REAL ESTATE FUND
Distribution by Geographic Location at June 30, 2011
Based on Investments in Securities, at Value

	REF	NCREIF	Variance
East	29.9%	33.0%	-3.1%
Midwest	6.7%	10.0%	-3.3%
South	19.8%	23.0%	-3.2%
West	21.8%	34.0%	-12.2%
International	4.6%	0.0%	4.6%
Liquidity Fund (1)	17.2%	0.0%	17.2%
	100.0%	100.0%	

(1) Includes Liquidity Fund and other assets.

Figure 10-7

REAL ESTATE FUND
Diversification by Property Type at June 30, 2011
Based on Investments in Securities, at Value

	REF	NCREIF	Variance
Apartment	18.2%	26.0%	-7.8%
Industrial	8.4%	14.0%	-5.6%
Office	22.8%	35.0%	-12.2%
Retail	10.3%	22.0%	-11.7%
Hotel	15.9%	3.0%	12.9%
Liquidity Fund(1)	24.4%	0.0%	24.4%
	100.0%	100.0%	

(1) Includes senior living, real estate mixed use, land, Liquidity Fund and other assets.

Figure 10-8

REAL ESTATE FUND
Periods ending June 30, 2011

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
REF	16.12	-12.88	-4.34	1.32
NCREIF Property	16.03	-3.63	3.45	7.48
Cumulative Total Return (%)				
REF	16.12	-33.88	-19.92	14.06
NCREIF Property	16.03	-10.51	18.51	105.80

Figure 10-9

REAL ESTATE FUND
Annual Total Return

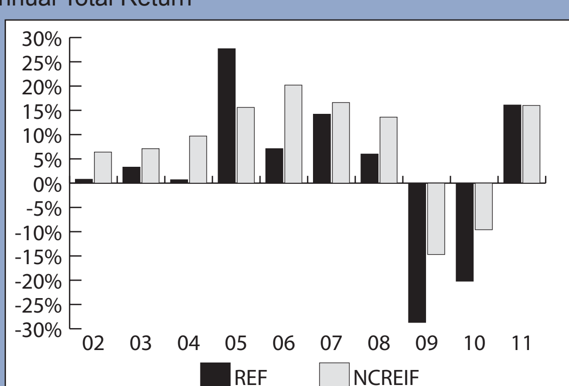


Figure 10-10

REAL ESTATE FUND
Components of Total Return ($ in millions)

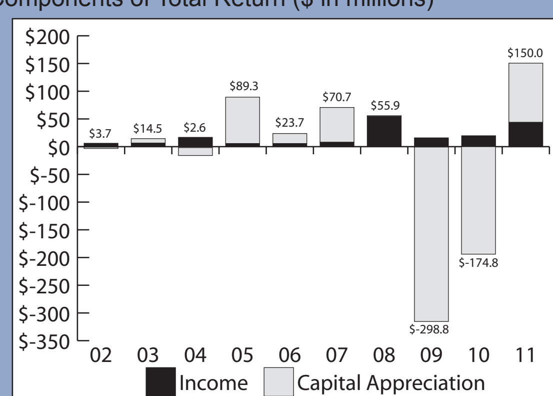


Figure 10-11

REAL ESTATE FUND
Funds at June 30, 2011

Fund	Net Asset Value	% of Fund
1800 E. St. Andrew Place	$17,718,587	1.61%
1155 Perimeter Center West	26,978,805	2.46%
AEW Partners III	6,184,858	0.56%
AEW 221 Trust	2,137,623	0.19%
AEW Core	44,928	0.00%
Alliance Bernstein Legacy	52,936,515	4.82%
Apollo Real Estate	11,611,733	1.06%
Blackstone Real Estate VI LP	102,645,074	9.35%
Blackstone Real Estate Spec Sit II LP	26,523,834	2.42%
Blackstone Real Estate Partner Europe III LP	6,707,543	0.61%
Canyon Johnson Urban Fund II	27,267,184	2.49%
Canyon Johnson Urban Fund III	12,658,348	1.15%
Capri Select Income II LLC	6,424,830	0.59%
Colony Realty Partners II LP	24,181,610	2.20%
Cornerstone Patriot	49,996,200	4.56%
Covenant Apartment Fund V LP	25,731,250	2.35%
Covenant Apartment Fund VI	22,313,540	2.03%
The Glen at Lafayette Hill	13,347,468	1.22%
IL & FS India Realty Fund II	32,128,701	2.93%
Macfarlane Urban Real Estate Fund II LP	31,642,385	2.88%
Marathon Legacy Securities PPI	61,544,800	5.61%
Mullica Hill Plaza	8,537,811	0.78%
North Scottsdale Corporate Center	41,966,361	3.82%
Prime Property Fund	123,937,350	11.30%
Rio Hill Shopping Center	39,361,216	3.59%
Lone Star Real Estate Part II LP	3,612,780	0.33%
RLJ Lodging Trust	63,062,410	5.75%
Rocky Creek Apartments	13,206,195	1.20%
Rockwood Capital Fund V	9,164,238	0.84%
Rockwood Capital VI Limited Partnership	10,059,141	0.92%
Rockwood Capital VII Limited Partnership	16,908,700	1.54%
Starwood Opportunity Fund VII	34,859,600	3.18%
Starwood Opportunity Fund VIII	39,137,274	3.57%
Urban Strategy America Fund LP	29,322,595	2.67%
Walton Street Real Estate	16,680,034	1.52%
WLR IV PPIP Co Invest LP	46,672,057	4.25%
Other (1)	40,053,701	3.65%
TOTAL REF	1,097,267,279	100.00%

(1) *Other represents moneys earmarked for distribution to participants, reinvestment, and expenses as well as terminated advisor balances.*

Figure 10-12

REAL ESTATE FUND
Ten Largest Holdings* at June 30, 2011

Property Name	Type	Market Value	%
Prime Property Fund	Core	$123,937,350	11.30%
Blackstone Real Estate VI LP	Opportunistic	102,645,074	9.35%
RLJ Lodging Trust	Opportunistic	63,062,410	5.75%
Marathon Legacy Securities PPI	Value-Added	61,544,800	5.61%
Alliance Bernstein Legacy	Value-Added	52,936,515	4.82%
Cornerstone Patriot	Core	49,996,200	4.56%
WLR IV PPIP Co Invest LP	Opportunistic	46,672,057	4.25%
North Scottsdale Corp Center	Core	41,966,361	3.82%
Rio Hill Shopping Center	Core	39,361,216	3.59%
Starwood Opportunity Fund VIII	Opportunistic	39,137,274	3.57%
Top Ten		$621,259,257	56.62%

* *A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..*

Figure 10-13

REAL ESTATE FUND
New Investments Made in Fiscal Year 2011 (in Excess of $3 Million)

Partnership Name	Commitment Amount	Investment Type
Blackstone Special Situations Fund II L.P.	$75 million	Public-Private Investment Fund
Lone Star Real Estate Fund II L.P.	$75 million	Public-Private Investment Fund
Total	$150 million	

2011 commercial mortgage fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: The Commercial Mortgage Fund ("CMF") provides an alternate source of domestic fixed income investment for the retirement funds. It is the vehicle for investing CRPTF's assets in mortgages on income-producing commercial property, which are expected to produce, yields superior to corporate and government (treasury) fixed income securities in exchange for reduced liquidity. These differences aside, commercial mortgages are expected to perform similarly to other domestic fixed income securities, which are driven by U.S. interest rate changes.

Performance Objective: A total annual return equal to the Barclays Aggregate Bond Index plus 100 basis point after expenses.

Benchmark: Barclays Aggregate Bond Index ("BCI")

Date of Inception: November 2, 1987

Total Net Assets: $2,390,274

Number of Advisors: 1 external

Management Fees: $25,000

Operating Expenses: $5,178

Expense Ratio: 0.97%

Description of the Fund

The Commercial Mortgage Fund ("CMF") is an externally managed fund that holds mortgages on income-producing commercial property. Established in 1982, it serves as a fixed income investment tool for the pension plans with the goal of realizing yields in excess of those available from traditional domestic fixed income securities, while accepting slightly greater credit and liquidity risks. The CMF's performance objective is an annual total return, net of management fees and operating expenses, which exceeds that of the BCI by 100 basis points.

Currently CMF's investment assets consist of one externally managed commercial real estate mortgage loan and interests in Yankee Mac pooled residential mortgage-backed securities created pursuant to a previous Connecticut State Treasury program.

Portfolio Characteristics

The sole remaining commercial mortgage loan is secured by three mobile home parks in Phoenix, AZ. The loan has a 9.55% interest rate and matures in September 2012. Debt service coverage is abundant at 3.5 times. CMF had no delinquent or non-performing loans at fiscal year end and the portfolio is healthy from both a debt and credit risk standpoint.

Performance Summary

For the fiscal year ended June 30, 2011, the CMF generated a return of 4.6%, net of management fees and operating expenses, outperforming the BCI of 3.9% by 70 basis points, 30 basis points less than target. The performance variance is partially attributable to an unrealized valuation adjustment.

For the trailing three, five, and ten-year periods, CMF's total compounded annual portfolio return was 2.65%, 5.57% and 7.26%, respectively, net of all expenses. The Fund's results over the three and five year period under-performed the benchmark by 381 basis points and 95 basis points respectively. However, for the 10 year period the Fund's results exceeded the benchmark by a total of 152 basis points.

At June 30, 2011, the Fund consisted of one commercial mortgage loan in the amount of $2,072,130 and three residential mortgage pools with a combined value of $79,553 and cash of $234,676 at fair value. The CMF continues to be inactive regarding new loans and is being managed to maximize the total return of its remaining holdings.

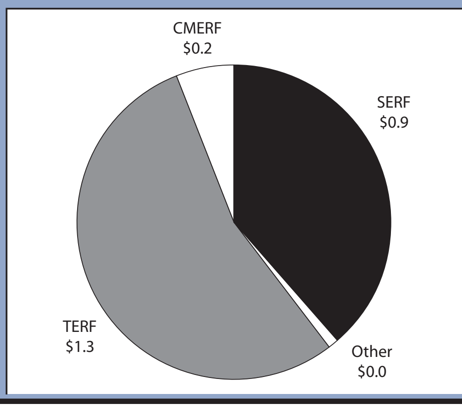
Risk Profile

Given CMF's investment policies and objectives, the Fund is exposed to several forms of risk. These include risks specific to fixed income investing, such as purchasing power risk, market risk, and default risk. Moreover, falling interest rates subject commercial mortgages to the risk of prepayment, thereby shortening investors' assumed time horizon and exposing them to reinvestment risk. However, yield maintenance-based prepayment penalties, which are included in the majority of the Fund's commercial mortgage investments, help minimize this risk.

Based on returns over the last five years, the Fund's risk profile is similar to that of the BC Aggregate Bond Index. With a relative volatility of 3.19, its returns are more volatile than the index. This is partly due to the funds remaining assets that are concentrated in few investments and lack the diversification that would be seen in an actively managed portfolio of mortgages and related loans. This is further evidenced in the both Fund's low beta of .52 and low R2 of .03, which signifies a limited amount of sensitivity and minimal explanation of the Fund's movements related to that of the benchmark Index as a whole. CMF's five-year monthly alpha, or return in excess of that predicted by returns in the overall market, at June 30, 2011 was -0.95.

Figure 11-1

COMMERCIAL MORTGAGE FUND
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 11-2

COMMERCIAL MORTGAGE FUND (1)
Risk Profile at June 30, 2011

Relative Volatility	3.19
Standard Deviation	11.53
R^2	0.03
Beta	0.52
Alpha	-0.95

(1) Based upon returns over the last five years.

Figure 11-3

COMMERCIAL MORTGAGE FUND
Quarterly Current (1) Yield Analysis

	CMF	BC Aggregate
06/30/2011	8.10%	3.95%
03/31/2011	8.04%	4.02%
12/31/2010	7.89%	4.03%
09/30/2010	7.57%	4.07%
06/30/2010	7.70%	4.18%

(1) Current Yield represents annual coupon interest divided by the market value of securities.

Figure 11-4

COMMERCIAL MORTGAGE FUND
Distribution by Property Type at June 30, 2011
Based on Investments in Securities, at Value

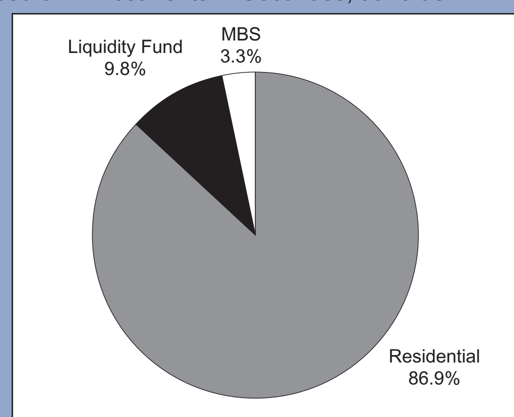


Figure 11-5

COMMERCIAL MORTGAGE FUND
Distribution by Location at June 30, 2011
Based on Investments in Securities, at Value

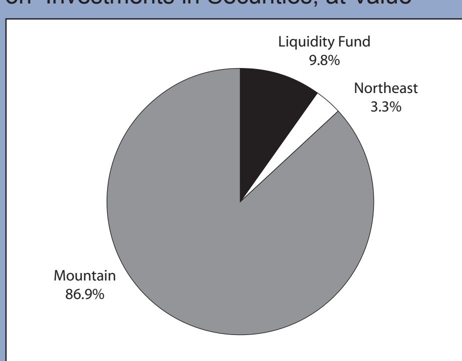


Figure 11-6

COMMERCIAL MORTGAGE FUND
Maturity Analysis
Dollar Value ($ in millions)/Number of Loans

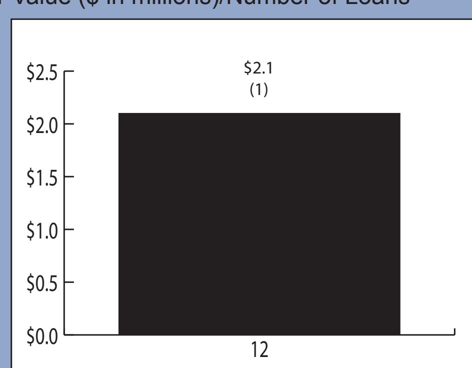


Figure 11-7

COMMERCIAL MORTGAGE FUND
Periods ending June 30, 2011

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
CMF	4.61	2.65	5.57	7.26
BC Aggregate	3.90	6.46	6.52	5.74
Cumulative Total Return (%)				
CMF	4.61	8.17	31.11	101.52
BC Aggregate	3.90	20.65	37.16	74.82

Figure 11-8

COMMERCIAL MORTGAGE FUND
Annual Total Return

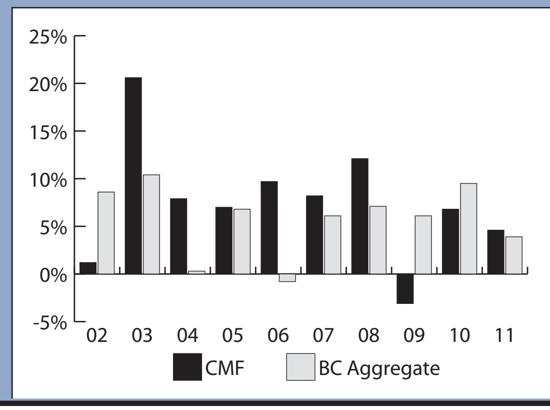


Figure 11-9

COMMERCIAL MORTGAGE FUND
Components of Total Return ($ in millions)

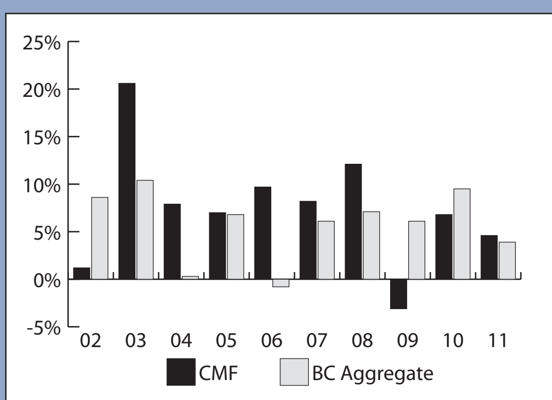


Figure 11-10

COMMERCIAL MORTGAGE FUND
Investment Advisors at June 30, 2011

Investment Advisor	**Net Asset Value**	**% of Fund**
AEW Capital Management	2,072,818	86.72%
Other [(1)]	317,456	13.28%
TOTAL CMF	**2,390,274**	**100.00%**

(1) Other also includes residential mortgage-backed securities for the Commercial Mortgage Fund.

Figure 11-11

COMMERCIAL MORTGAGE FUND
Five Largest Holdings* at June 30, 2011

Property Name	Property Type	Market Value	%
SASCO	Other	$2,072,130	86.84%
Yankee Mac Series G 11.125%	Residential	30,830	1.29%
Yankee Mac Series E 11.056%	Residential	25,309	1.06%
Yankee Mac Series F 12.981%	Residential	23,414	0.98%
Top Four		**$2,151,683**	**90.17%**

* *A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..*

2011 private investment fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: An Illiquid Investment with the goal of earning returns in excess of that of the public equity markets through investments in private equity companies.

Performance Objective: To outperform the Standard & Poor 500 Index ("S&P 500") by 500 basis points at the end of ten years.

Benchmark: S&P 500

Date of Inception: July 1, 1987

Total Net Assets: $2,232,348,296

Number of Partnerships: 65 external

Expensed Management Fees (1): $7,431,762

Operating Expenses: $1,920,312

Expense Ratio: 0.44%

Capitalized and Netted Fees: $27,788,685

(1) See Note 1 to the Financial Statements for a discussion of similar fees incurred at the investment level.

Description of the Fund

The Private Investment Fund (PIF) is an externally managed fund whose strategic focus is divided into two sub-asset classes: venture capital and corporate finance. Further corporate finance encompasses several underlying strategies, including buyout, mezzanine, and special situations. The Private Investment Fund serves as a long-term investment tool for the Pension and Trust Funds, with the goal of earning returns in excess of the public equity markets through investments in private and public companies.

This Fund structure allows for experienced industry professionals to manage PIF's assets while allowing the Fund to realize the benefits of a diversified private market portfolio in the areas of investment type, strategic focus, industry type and geographic region. The performance objective of the Fund is to outperform the Standard & Poor's 500 Index by 500 basis points, net of management fees and Division operating expenses, over a rolling ten-year period.

Portfolio Characteristics

The Private Investment Fund invests in private equity funds either directly as a Limited Partner to a specific fund or indirectly as a limited partner to a fund of funds vehicle. Fund-of-funds investments are investment funds which may have multiple areas of strategic focus. These funds invest in multiple private equity partnerships that invest in underlying companies. Private equity investments include two general areas of strategic focus:

Corporate Finance

- Buyout focused investments are defined as controlling or majority investments in private equity or equity-like securities of more established companies on the basis of the company's asset values and/or cash flow.
- Mezzanine Debt focused investments are defined as investments in securities located between equity and senior debt in the company's capital structure. Mezzanine debt investments offer higher current income than senior debt securities and often offer equity participation features that may take the form of warrants or contingent equity interests.
- Special Situation focused investments are defined as investments in a variety of securities (Debt, Preferred Equity and/or Common Equity) in portfolio companies at a variety of stages of development (Seed, Early Stage, Later Stage).

- International Private Equity focused investments are defined as investments in private equity or equity-like securities in companies located outside the continental United States. International Private Equity investments often offer higher return potential, with higher risk, as a result of the above average rates of growth available in select international economies.

Venture Capital

- Venture Capital focused investments can be narrowly defined as investments in private equity or equity-like securities of developing companies in need of growth or expansion capital. These investments can range from early-stage financing, where a company has little more than a marketable idea, to expansion financing, where a company has a marketable product but requires additional capital to bring the product to market.

Through June 30, 2011, the PIF had 65 active funds and aggregate capital commitments totaling $3.6 billion. Approximately 60 percent, or $2.2 billion, has been "drawn down" for investment purposes as of that date while the balance of approximately $1.4 billion or 40 percent is committed but not "drawn". (See Figure 12-6.)

Market Review

The private equity market has shown some signs of recovery in 2011. Despite continued volatility, fundraising in calendar year ("CY") 2011 is on pace to surpass CY 2010. U.S. buyout fund managers raised $37 billion through June 30, 2011, versus $44 billion raised through all of CY 2010. U.S. venture fund managers raised $11 billion through June 30, 2011, versus $13 billion raised through all of CY 2010 (Source: Thomson Reuters).

This year is also on pace to register the highest amount of capital invested post-Lehman. U.S. buyout fund managers have invested $83 billion through the first half of 2011, which annualized is 50% above the pace in 2010. U.S. venture fund managers have invested $34 billion through the first half of 2011, which annualized is 14% above the pace in 2010 (Source: Thomson Reuters).

Buyout transaction prices have softened for small deals but increased slightly for larger deals. EBITDA purchase multiples for transaction sizes with EBITDA less than $50 million dropped to 7.9x in the first half of 2011 from 8.4x in 2010. EBITDA purchase multiples for transaction sizes with EBITDA greater than $50 million rose to 8.6x in the first half of 2011 from 8.5x in 2010 (Source: S&P LCD).

The IPO market remains relatively sluggish. There were 24 venture-backed IPOs and 11 buyout-backed IPOs in the first half of 2011 (Source: Thomson Reuters). The U.S. credit down grade, public market volatility and economic malaise caused a slowdown in the IPO market in the third quarter of 2011. A number of IPOs scheduled to price during the quarter were postponed due to market uncertainty.

Performance Summary

For the fiscal year ended June 30, 2011, PIF generated a compounded annual rate of return of 19.89%. This return was measured using a Time Weighted Return ("TWR") calculation methodology.

While short-term returns are evaluated, longer term (e.g. 10 years) returns are more meaningful in evaluating private equity portfolio performance. Long-term horizons better reflect the illiquid nature of PIF's holdings and the time it takes for investments to mature. PIF's performance is benchmarked against the S&P 500 plus 500 basis points. Over the last 10 years through June 30, 2011, PIF has exceeded its benchmark of the S&P 500 plus 500 by 8 basis points. From a TWR perspective, the PIF has underperformed the State Street Private Equity Index time-weighted benchmark of 21.91% by 202 basis points.

The institutional standard for measuring private equity performance is the Internal Rate of Return ("IRR"), rather than the TWR. IRR is a dollar-weighted annualized return that considers both cash flows and time. Since its inception in 1987, PIF has generated an 8.51% IRR. A tool commonly used by institutional investors to benchmark IRR performance is the public market equivalent ("PME"). The PME essentially converts a public equity index TWR into an IRR. From inception through June 30, 2011, PIF has generated 551 basis points in excess of its S&P 500 PME.

During fiscal 2011, PIF added $75 million of new commitments to one private equity fund manager (See Figure 12-10).

During fiscal year 2011, PIF's assets increased from $2,014 million to $2,232 million, an increase of $218 million.

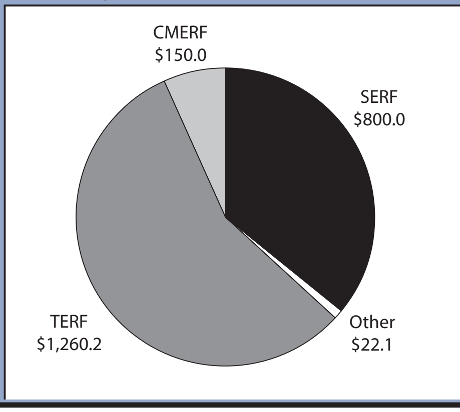
Risk Profile

Given PIF's investment policy and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, the risks attendant with alternative investments, such as management, operations, and product risk, as well as overall liquidity risk. Assuming these risks as part of a prudent, total portfolio strategy enables PIF to participate in the possibility of substantial long-term investment returns.

PIF's risk profile is complex given the valuation judgments and liquidity constraints placed on it due to its alternative investment strategy. Over the last five years, PIF's volatility relative to its benchmark has been 0.51 with a correlation of 0.03. Over the last five years, the Fund has returned an annual alpha, or return relative to that predicted by its benchmark, of -1.73. (See Figure 12-2.)

Figure 12-1

PRIVATE INVESTMENT FUND
Ownership Analysis at June 30, 2011 ($ in millions)



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 12-2

PRIVATE INVESTMENT FUND (1)
Risk Profile at June 30, 2011

Relative Volatility	0.45
Standard Deviation	8.07
R2	0.02
Beta	0.06
Alpha	0.90

(1) Based upon quarterly returns over the last five years.

Figure 12-3

PRIVATE INVESTMENT FUND
Distribution by Industry at June 30, 2011
Based on Investments in Securities, at Value

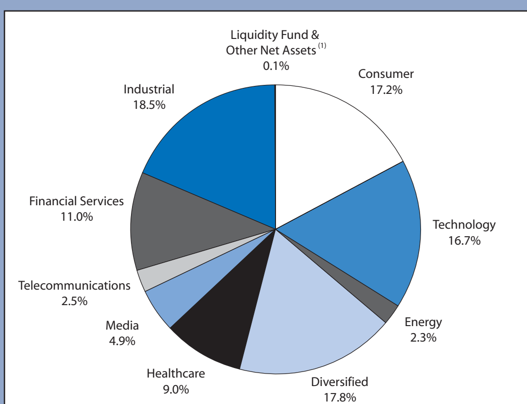


Figure 12-4

PRIVATE INVESTMENT FUND
Distribution by Geographic Location at June 30, 2011
Based on Investments in Securities, at Value

Region	%
Northeast (Excludes Connecticut)	20.0%
International	10.9%
West Coast	21.8%
Liquidity Fund/Other Assets & Liabilities (1)	0.1%
Southeast	15.1%
Mid-Atlantic	9.6%
MidWest	8.8%
Southwest	8.7%
Connecticut	3.3%
Northwest	1.7%
TOTAL	100.00%

(1) Includes the Liquidity Fund and other assets at the partnership level..

Figure 12-5

PRIVATE INVESTMENT FUND
Periods ending June 30, 2011

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
PIF	19.89	5.57	9.84	6.07
S & P 500	30.69	3.34	2.94	2.72
State Street Private Equity Index (1 Qtr. Lag)	21.91	1.36	8.94	8.23
Cumulative Total Return (%)				
PIF	19.89	17.65	59.87	80.26
S & P 500	30.69	10.35	15.61	30.77
State Street Private Equity Index (1 Qtr. Lag)	21.91	4.13	53.42	120.47

Figure 12-6

PRIVATE INVESTMENT FUND
Distributed by Committed and Invested Capital
As of June 30, 2011 ($ in millions)

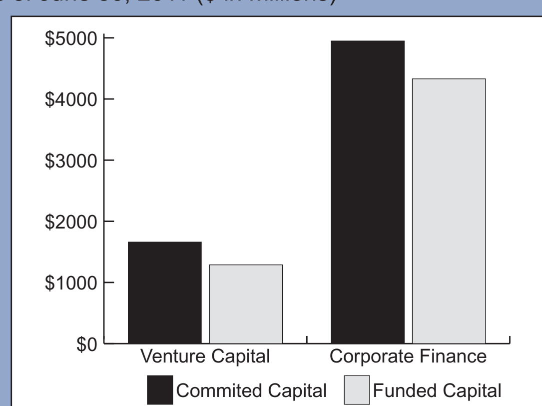


Figure 12-7

PRIVATE INVESTMENT FUND
Annual Total Return

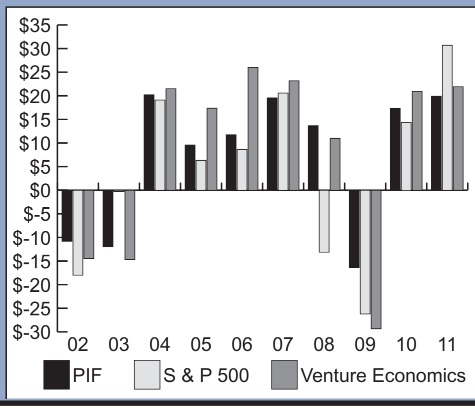


Figure 12-8

PRIVATE INVESTMENT FUND
Components of Total Return ($ in millions)

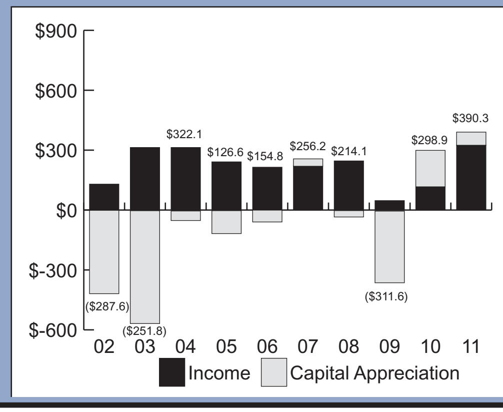


Figure 12-9

PRIVATE INVESTMENT FUND
Ten Largest Holdings* at June 30, 2011

Partnership Name	Partnership Type	Market Value	%
Pegasus Partners IV	Special Situations	$161,583,508	7.25%
Fairview Constitution II LP	Fund of Funds	147,371,586	6.61%
Constitution Liquidating Fund	Fund of Funds	133,519,602	5.99%
Fairview Constitution III LP	Fund of Funds	122,781,747	5.51%
Parish Capital Buyout Fund II	Fund of Funds	121,798,328	5.46%
KKR 2006 Fund	Buyout	96,902,601	4.35%
Welsh Carson Anderson & Stowe X LP	Buyout	87,370,525	3.92%
KKR Millenium	Buyout	85,974,801	3.85%
Court Square Capital II	Buyout	79,567,617	3.57%
Thomas H. Lee Fund VI	Buyout	71,443,658	3.20%
Top Ten		**$1,108,313,973**	**49.71%**

* *A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..*

Figure 12-10

PRIVATE INVESTMENT FUND
New Commitments Made in Fiscal Year 2011[(1)]

Partnership Name	Commitment Amount	Partnership Type	Inv. Date
Wellspring V	$75 million	Buyout	October 29, 2010

(1) These represent new Private Equity Partnerships that were invested in by the Fund during fiscal year 2011.

Figure 12-11

PRIVATE INVESTMENT FUND
Investment Advisors at June 30, 2011

Investment Advisor	Net Asset Value	% of Fund
Buyout	**$999,457,630**	**44.77%**
KKR Millennium Fund	85,974,801	3.85%
Yucaipa American Alliance Fund II LP	65,529,535	2.93%
Hicks, Muse Tate & Furst Equity Fund III	24,671,237	1.10%
Thomas H. Lee Equity Fund VI	71,443,658	3.20%
Welsh Carson Anderson & Stowe VIII	7,044,582	0.32%
Wellspring Capital Partners III	12,258,245	0.55%
SCP Private Equity Partners	419,674	0.02%
TA XI, L.P.	14,231,282	0.64%
Charterhouse Equity Partners IV	62,402,655	2.80%
DLJ Merchant Banking Fund II	3,712,098	0.17%
KKR 1996 Fund	2,245,265	0.10%
FS Equity Partners V	52,106,243	2.33%
FS Equity Partners VI	23,809,200	1.07%
Blackstone Capital Partners III	8,320,013	0.37%
Thayer Equity Investors IV	1,991,131	0.09%
Green Equity Investors III	2,327,999	0.10%
Wellspring Capital Partners II	2,142,723	0.10%
Candover 2008 Fund	8,467,011	0.38%
Leeds Equity Partners V LP	10,388,157	0.47%
Welsh Carson Anderson & Stowe XI	34,321,268	1.54%
AIG Healthcare Partners LP	20,952,199	0.94%
AIG Altaris Health Partners II	11,815,392	0.53%
Welsh Carson Anderson & Stowe X LP	87,370,525	3.91%
Court Square Capital Partners II	79,567,617	3.56%
Ethos Private Equity Fund V	32,616,110	1.46%
Boston Ventures VII	51,094,882	2.29%
KKR 2006 Fund	96,902,601	4.34%
Nogales Investors Fund II	12,137,058	0.54%
ICV Partners II LP	34,104,500	1.53%
Vista Equity Partners Fund III	48,736,119	2.18%
RFE Investments Partners	1,477,601	0.07%
RFE Investment Partners VII	28,876,249	1.29%
Venture Capital	**20,359,448**	**0.91%**
Conning Capital Partners V	519,986	0.02%
Grotech Partners V	2,647,214	0.12%
Crescendo III	2,025,342	0.09%
Syndicated Communications	15,166,906	0.68%

Investment Advisor	Net Asset Value	% of Fund
Mezzanine	**53,246,070**	**2.39%**
SW Pelham Fund	3,482,490	0.16%
Audax Mezzanine III Limited Partnership	3,966,725	0.18%
GarMark Partners	519,327	0.02%
GarMark Partners II LP	39,729,499	1.78%
SW Pelham Fund II	5,548,029	0.25%
International	**112,398,113**	**5.04%**
Compass Partners European Equity Fund	17,228,646	0.77%
Gilbert Global Equity Partners	37,240,785	1.67%
Carlyle Europe Partners	(39,545)	0.00%
AIG Global Emerging Markets Fund	10,179,928	0.46%
Carlyle Asia Partners	47,788,299	2.14%
Fund of Funds	**668,142,401**	**29.93%**
The Constitution Liquidating Fund	133,519,602	5.98%
Landmark Private Equity Fund VIII	25,621,504	1.15%
CS/CT Cleantech Opp Fund	15,724,580	0.70%
CT Emerging Pvt Equity	17,093,202	0.77%
Fairview Constitution III	122,781,747	5.50%
Goldman Sachs Private Equity Partners CT	6,084,690	0.27%
Lexington Capital Partners II	2,800,161	0.13%
Parish Capital I LP	39,753,296	1.78%
Parish Capital Buyout Fund II	121,798,328	5.46%
Fairview Constitution II LP	147,371,586	6.60%
Connecticut Horizon Legacy	5,396,604	0.24%
Landmark Equity Partners XIV LP	20,716,133	0.93%
JP Morgan Nutmeg I	9,480,968	0.42%
Special Situations	**299,206,486**	**13.40%**
Welsh Carson Anderson & Stowe Capital Partners III	12,545,428	0.56%
Levine Leichtman Capital Partners IV LP	33,873,345	1.52%
Greenwich Street Capital Partners II	1,554,180	0.07%
Pegasus Partners IV	161,583,508	7.24%
WLR Recovery Fund IV	61,768,314	2.76%
KPS Special Situations Fund II	27,881,711	1.25%
Other (3)	**79,538,148**	**3.56%**
SUBTOTAL PIF	**$2,232,348,296**	**100.00%**

(1) Other represents moneys earmarked for distribution to participants, reinvestment, and expenses as well as terminated advisor balances.

Division Overview

The Debt Management Division is responsible for the cost-effective issuance and management of the State of Connecticut's bonded debt. The State's strategic investment in local school construction, roads, bridges, airports, higher education, clean water, and economic development are the foundation of Connecticut's physical and social infrastructure. The Division uses the latest financial instruments available in the public financing market when issuing new debt. The Debt Management Division consists of eleven professionals under the direction of the Assistant Treasurer.

The Division maintains relationships with institutional and retail investors who have shown confidence in the State's economy by purchasing bonds and notes at attractive interest rates. The optimization of the State's credit rating is critical to obtaining low rates in the future. Debt Management staff is in continual contact and actively participates in rating presentations with Moody's Investors Service, Standard and Poor's Ratings, and Fitch Ratings, the three major rating agencies.

During the last several legislative sessions, Division staff has been involved in the drafting of new laws with the Executive and Legislative Branches and has provided financial advice on new legislative initiatives. This has resulted in the design of new bonding programs that have been well received in the financial markets, while maintaining exemption from federal and State taxes where appropriate. Specific examples include electric deregulation; Second Injury; UCONN 2000; school construction; open space; economic development in Bridgeport, Hartford, and New Haven; municipal financial oversight; Bradley International Airport; Economic Recovery Notes; Transportation Strategy Board Project Funding; securitization to preserve Conservation and Clean Energy Programs; the establishment of a Housing Trust Fund bonding program; the authorization of bonding backed by future federal transportation funds; and a program designed to improve the funding of the Teachers' Retirement Fund including the issuance of bonds, and the creation of a new quasi-public agency to manage Bradley International Airport.

The Division manages all public financing programs for the State and coordinates the issuance of bonds with State quasi-public authorities, including the Connecticut Development Authority, the Connecticut Health and Educational Facilities Authority, the Connecticut Housing Finance Authority, the Connecticut Resources Recovery Authority, the Connecticut Higher Education Supplemental Loan Authority, and the Capital City Economic Development Authority.

The active public financing programs for the State include:

	Amount Outstanding June 30, 2011
GENERAL OBLIGATION BONDS General Obligation bonds are paid out of the revenues of the State General Fund and are supported by the full faith and credit of the State of Connecticut. General Obligation bonds are issued for construction of State buildings, grants and loans for housing, local school construction, economic development, community care facilities, State parks, and open space. Public Act 07-186 authorized the issuance of bonds sufficient to fund a $2 billion deposit into the Teachers' Retirement Fund. On April 30, 2008, the State issued $2,276,578,271 of Taxable General Obligation - Teacher Retirement Fund bonds.	$12,707,459,823
ECONOMIC RECOVERY NOTES Economic recovery notes are paid out of the revenues of the State General Fund and are supported by the full faith and credit of the State of Connecticut. Economic recovery notes were issued to finance the State's FY 2009 budget deficit.	$915,795,000
UCONN 2000 BONDS The University of Connecticut pays UCONN 2000 bonds from a debt service commitment appropriated from the State General Fund originally established under P.A. 95-230 and extended in 2010. Up to $2.8 billion of Debt Service Commitment bonds will be issued under a 22-year $2.8 billion capital program to rebuild and refurbish the University of Connecticut.	$804,310,000

DEBT MANAGEMENT DIVISION

OTHER GENERAL FUND APPROPRIATION DEBT $215,270,000

The State has committed to pay interest and principal on these bonds by appropriation from the State's General Fund. This debt consists of the following programs:

Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds, Child Care Facilities Program bonds for a childcare facilities program were assumed by the State, and the State has committed to pay interest and principal on these bonds by appropriation from the State's General Fund ($66,575,000).

The Connecticut Housing Finance Authority (CHFA) Special Needs Housing Mortgage Finance Program Bonds were issued to provide funding of the new supportive housing program. The State is required to make all debt service payments on the bonds pursuant to a contract assistance agreement between CHFA, the Treasurer, and the Office of Policy and Management ($76,720,000).

The Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and the Office of Policy and Management ($29,165,000).

Other appropriation debt includes Connecticut Development Authority (CDA) Tax Incremental Financing and CDA Lease Revenue Financing for a State facility, ($27,185,000) and a Certificate of Participation issue for the Connecticut Juvenile Training School Energy Center Project ($15,625,000).

SPECIAL TAX OBLIGATION BONDS $3,357,595,000

Transportation-related bonds are paid out of revenues pledged in the State Transportation Fund. Special Tax Obligation bonds are issued for the State's portion of highway and bridge construction, maintenance and capital needs of mass transit systems, State piers, and general aviation airports. The bonds are secured by transportation-related taxes and revenues, and additional security for the bonds is provided by a debt service reserve fund that totaled $437.8 million on June 30, 2011.

CLEAN WATER FUND REVENUE BONDS $899,105,000

The Clean Water Fund and the Drinking Water Fund constitute the State's revolving fund programs. Revenue bonds provide below-market-rate loans to Connecticut municipalities for the planning, design, and construction of wastewater treatment projects and to Connecticut municipalities and private water companies for drinking water quality improvement projects. The bonds are secured by loan repayments from Connecticut municipalities and private borrowers, general revenues of the program, and restricted revolving fund assets of $96.5 million for the Clean Water Fund and $16.5 million for the Drinking Water Fund as of June 30, 2011. The revolving fund includes State G.O. bonds and Federal Capitalization Grants. An interest rate subsidy is provided to borrowers from earnings on the revolving fund and from State G.O. subsidy bonds. The State also provides grants and some loans for the program through its general obligation bond program.

CAPITAL CITY ECONOMIC DEVELOPMENT BOND $100,155,000

The Capital City Economic Development Authority (CCEDA) bonds were issued to provide funding for the Adriaen's Landing Development project in Hartford. The State is required to make all debt service payments on the bonds up to a maximum annual amount of $9 million pursuant to a contract assistance agreement between CCEDA, the Treasurer, and OPM. CCEDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

BRADLEY INTERNATIONAL AIRPORT REVENUE BONDS $169,090,000

The airport revenue bonds are payable solely from gross operating revenues from the operation of Bradley International Airport, and proceeds are used for capital improvements at the airport.

BRADLEY PARKING GARAGE REVENUE BONDS $41,250,000

Parking garage bonds are payable from garage parking revenues and by a guarantee from the project developer/lessee. The bonds financed the design and construction of a new parking garage at Bradley International Airport with approximately 3,450 parking spaces on five levels.

Total debt outstanding at June 30, 2011	$19,210,029,823

Bonds issued during the fiscal year include:

Bond Type	Par Amount	True Interest Cost (1)	Average Life (Years)	Issue Date
NEW MONEY ISSUES:				
GENERAL OBLIGATION				
2010 Series B Taxable QSCBs(2)	$203,400,000	0.30%	19.0	10/19/2010
2010 Series C Taxable RZEDBs(2)	22,205,000	2.90%	20.0	10/19/2010
2010 Series D Taxable BABs(2)	294,395,000	3.29%	16.6	10/19/2010
2011 Series A SIFMA Index Bonds	337,620,000	0.94%	4.5	05/19/2011
2011 Series A Taxable	15,465,000	0.65%	1.0	05/19/2011
2011 Series B	162,870,000	3.07%	10.5	05/31/2011
2011 Series B Taxable	89,045,000	1.46%	2.4	05/31/2011
2011 Series C SIFMA Index Bonds	75,000,000	1.14%	6.0	05/31/2011
CLEAN WATER FUND				
2011 Clean Water Fund Series A	182,935,000	3.01%	7.9	03/24/2011
SPECIAL TAX OBLIGATION				
2010 Series A	199,570,000	2.20%	5.3	11/10/2010
2010 Series B Taxable BABs(2)	400,430,000	3.44%	15.5	11/10/2010
CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM				
2010 Series 12 Special Obligation Bonds	30,000,000	4.77%	11.6	10/19/2010
CHFA SPECIAL NEEDS HOUSING				
2010 Series 14 Special Obligation Bonds	15,685,000	3.87%	12.9	10/19/2010
2010 Series 15 Taxable Special Obligation Bonds	2,100,000	1.77%	2.1	10/19/2010
2011 Subtotal New Money Issues	**$2,030,720,000**			
REFUNDING BONDS:				
General Obligation Refunding Bonds 2010 Series D	$47,035,000	3.12%	10.6	10/19/2010
Special Tax Obligation Refunding Bonds 2010 Series C	137,675,000	2.80%	7.3	11/10/2010
Bradley International Airport Refunding 2011 Series A & B	152,380,000	4.21%	11.3	03/31/2011
2011 Subtotal Refunding Issues	**$337,090,000**			
TOTAL	**$2,367,810,000**			

(1) An industry defined term representing a composite overall present-value based interest rate for an entire bond issue excluding cost of issue and other costs.

(2) Bonds authorized under the federal American Recovery and Reinvestment Act. The bonds are issued as taxable securities but are eligible for federal reimbursements of a portion of the interest expense, providing a savings as compared with regular tax-exempt bonds. The TIC's shown are after federal subsidy.

The Year in Review

Highlights of the Debt Management Division's accomplishments and important initiatives in fiscal year 2011 include:

- New Money Bonds - During fiscal year 2011, the Debt Management Division issued $1.4 billion of new money bonds to fund local school construction, State grants and economic development initiatives, transportation infrastructure projects, clean water fund loans and grants, and improvements at State universities. In addition, the Division issued $581.2 million in General Obligation bonds to repay maturing General Obligation bond anticipation notes.

- Refunding Bonds – To take advantage of refunding savings, the Division issued $47.0 million of General Obligation refunding bonds, $137.7 million of Special Tax Obligation refunding bonds, and $152.4 million of Bradley International Airport refunding bonds, for a total of $337 million in refunding bonds. Since January 1999, debt refundings and defeasances have produced $664 million in debt service savings.

- Credit Rating Agency Matters - Fiscal year 2011 continued to be a challenge in the area of credit ratings. The Division communicated throughout the year with the credit rating agencies and the investment community to provide frequent and timely updates regarding the State budget and economy. The Division coordinated several major interagency credit rating agency presentations which served to introduce the new Administration and their fiscal agenda, the benefits of a major union concession package, as well as detailed analysis regarding the State's fiscal situation and employee post-retirement plans.

- State Budget Matters and Deficits – The Division took necessary steps to submit written and oral testimony to gain approval from the Department of Public Utility Control for the issuance of Economic Recovery Revenue bonds payable from charges on electric bills to close a projected budget gap in accordance with legislation passed the prior year. The Division closely monitored a court challenge of the financing which was heard by the State Supreme Court which rules in favor of the State. As the State's fiscal condition improved, the issuance of the bonds was no longer necessary and the Division worked to create and advance the legislation that repealed the bonding.

- American Recovery and Reinvestment Act (ARRA) – The Division continued to lead and completed a statewide program with other state agencies to implement the cost-effective bonding options available to the State and its municipalities for a limited time under the ARRA. The Division issued an additional $920.4 million of "Build America Bonds" in four series including the limited but most advantageous bonding options known as Recovery Zone Bonds and Qualified School Construction Bonds which provide for the highest level of federal interest subsidy. Build America Bonds provide for the issuance of taxable bonds and the federal government reimburses 35%, or more, of the interest expense, providing a savings as compared with traditional tax-exempt bonds. These Build America Bond issues allowed the State increased market access to new bond investors. Altogether, under the ARRA initiative $1.9 billion of bonds were issued which will result in total State savings of $223.7 million over the life of the bonds.

- Transportation Bonding Program - The Division completed the issuance of $737.7 million of Special Tax Obligation bonds including $600 million to fund new and ongoing transportation infrastructure improvements and $137.7 million of refunding bonds for savings. The $600 million portion of the financing was the largest new money bond sale in the history of the transportation program and the State again utilized Build America Bonds which resulted in the lowest interest cost in the history of the program at 3.22%, saving the State more than $30 million versus an all tax-exempt sale. The $137.7 million tax-exempt refunding bonds will provide more than $8.9 million of debt service savings over the life of the bonds. The Division also consulted with the Office of Policy and Management, the Department of Transportation, and the Legislature on budget, credit rating, and bonding matters impacting the Special Transportation Fund.

- Bradley International Airport - The Division continued to work closely with the Department of Transportation on matters concerning Bradley International Airport with two major accomplishments this fiscal year. First was the sale of $152 million of General Airport Revenue Refunding Bonds which refunded most of the Airport's outstanding bonds. Following a competitive search, the bonds were sold as direct placements to two banks and structured as variable rate securities to match two forward starting interest rate swap agreements providing an interest rate below where a traditional fixed-rate bond could be sold. The sale will provide cash-flow savings to the Airport of nearly $1.5 million annually for the next 20 years and nearly $30 million of total debt service savings. Second, was the key leadership role the Division played in the development and passage of Public Act 11-84 which created the new quasi-public agency, the Connecticut Airport Authority, to assume management and operation of Bradley International Airport and the five other State-owned airports. The Act authorizes and specifies the transition of control over these airports to the new Authority. The legislation authorizes the issuance of bonds backed solely by the new Authority's revenues and allows for the transfer of the outstanding Bradley Airport bonds. The Authority is governed by a new 11-member board, including the State Treasurer.

- Clean Water Fund and Municipal Finance Issues –The Division issued $182.9 million for Clean Water Fund bonds to fund new clean water and drinking water projects and began developing proposals to expand the use of the state revolving fund strategy for critical infrastructure work. The Division worked closely with the Departments of Energy and Environmental Protection and Public

Health to successfully commit funding for program participants throughout the state including the Metropolitan District and the Mattabassett District. The Division completed recommendations to the City of Bridgeport on its funding requirements relative to its pension obligation bonds and reached an agreement with the City and OPM on a legislative proposal.

- Quasi-Public Agencies – The Division continued to coordinate with the State's quasi-public agencies including consulting with the Connecticut Housing Finance Authority on the issuance of bonds for the supportive housing and emergency mortgage assistance programs, with the Connecticut Health and Educational Facilities Authority on the refunding of Childcare Program bonds, with the Connecticut Development Authority on deploying various new bonding options included in the ARRA to local projects as well as and with the Connecticut Higher Education Supplemental Loan Authority on bonding, credit issues and organizational issues.

- University of Connecticut - The Division continued its support of the University of Connecticut bond financing program and continued to collaborate on policy and procedures for lease financing and tax reporting issues. The Division also consulted with the University on a variety of finance issues related to the UCONN 2000 bonding program and approval of additional funding authorizations for significant economic development initiatives including the new John Dempsey Hospital and a new Research Triangle on the Storrs campus.

- Work continued on strengthening Division administration, including new systems and contracting with professionals:

  ♦ The Clean Water Fund program continued with the phased installation of its new loan and grant project management accounting system.

  ♦ The Division implemented further improvements to its investor relations program and the BUYCTBONDS website.

  ♦ The Division worked with disclosure counsel to make several improvements to the State's bond disclosure and process over the year by providing additional details regarding the State's post-employment benefit plans and by establishing written descriptions of disclosure practices for communication and training purposes.

  ♦ A major Request for Proposals for Bond Underwriters was developed and issued to assist the State in an updated evaluation of the bond underwriting community which has undergone significant changes in recent years.

  ♦ The Division worked closely with the Cash Management Division on the development of a new report to the legislature on the status of the State's cash position and bonding by program. The report has been well received and provides a valuable tool for communicating the interrelationship between the state cash and bonding.

  ♦ The Division continued to monitor developments in the municipal credit markets including the impact of various provisions of the federal Financial Reform Legislation on the municipal industry and proposals for changes in municipal disclosure.

  ♦ Following her appointment to the federal Environmental Facilities Advisory Board in March 2009, the Division's Clean Water Fund financial administrator remained active in her role by contributing on EFAB reports and analyses.

2011 Division Performance

The Division focused on several important initiatives during the fiscal year including completion of the plan to maximize the benefit for the State from bonding options authorized under the American Recovery and Reinvestment Act, continuing to work with the Cash Management Division to monitor and efficiently manage the State's overall state cash resources, and providing expertise to assist with new initiatives put forward by the new Administration including development of legislation to provide for the transition of Bradley International Airport operations to a new quasi-public authority.

DEBT MANAGEMENT DIVISION

Fiscal year 2011 continued to be a year of challenges in the area of credit ratings. Following a major industry recalibration of municipal credit ratings the prior year, the continued weak economy as well an increased focus by the rating agencies on long-term liabilities required significant analysis by the Division to ensure the State's obligations are put in context and that the State's strong financial management is emphasized. The Division communicated throughout the year with the credit rating agencies and the investment community to provide frequent and timely updates regarding the State budget and the economy.

Figure 13-1

DEBT MANAGEMENT
General Fund Debt Service Appropriation as a Percent of the General Fund Appropriation

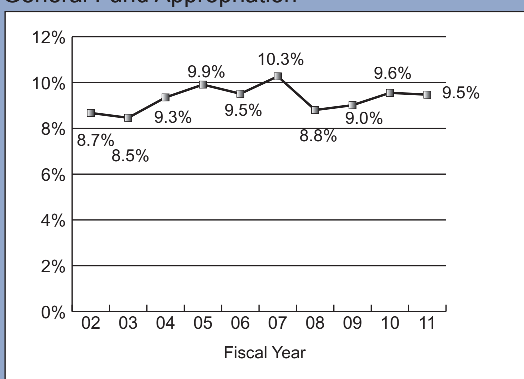


Figure 13-2

DEBT MANAGEMENT
Total Debt Outstanding ($ in millions) at June 30, 2011

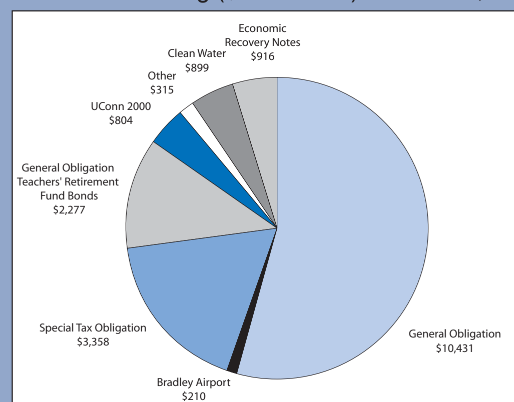
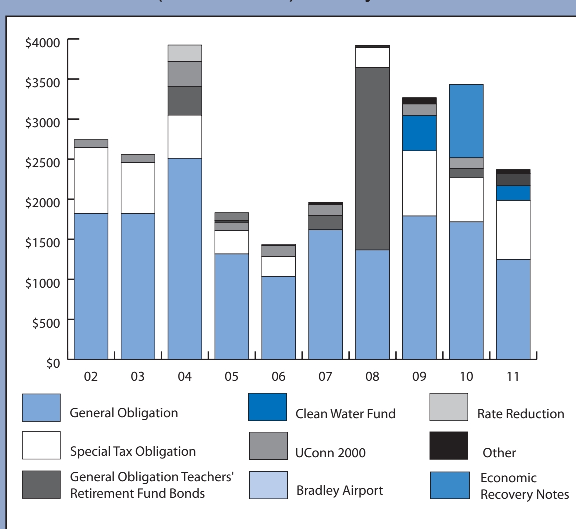


Figure 13-3

DEBT MANAGEMENT
Bond Issuance ($ in millions) fiscal years 2002 - 2011



Division Overview

The Cash Management Division is responsible for managing the state's cash movements, banking relationships and short-term investments. The Cash Management Division is responsible for:Maintaining maximum investment balances by ensuring more timely deposits, controlling disbursements, minimizing banking costs and providing accurate cash forecasts;

- Maintaining maximum investment balances by ensuring more timely deposits, controlling disbursements, minimizing banking costs and providing accurate cash forecasts;
- Earning the highest current income level in the Short-Term Investment Fund (STIF) consistent, first, with the safety of principal and, second, the provision of liquidity;
- Providing responsive services to STIF investors;
- Prudently investing more stable fund balances for longer periods and higher yields, including banks that meet standards for financial strength and community support;
- Protecting State deposits through well-controlled internal operations and use of high quality banks;
- Improving operating efficiency by more use of electronic data communication and funds processing; and
- Providing State agencies with technical assistance on cash management and banking issues.

Under the administration of an Assistant Treasurer, the 20 employees of the Division are organized into four Treasury units.

The Bank Control and Reconciliation unit maintains accountability of the state's annual internal and external cash flow. The unit tracks the flow of funds through 20 Treasury bank accounts and authorizes the release of state payroll, retirement and vendor checks. More than three million transactions are accounted for and reconciled annually. The unit also processes stop payments and check reissues.

The Cash Control unit, on a daily basis, forecasts available cash, funds disbursement accounts, concentrates cash from depository banks, sweeps available cash into short-term investment vehicles to maximize investment balances, and executes electronic transfers. The unit also prepares annual cash flow projections for various State and bond rating agencies and the primary retirement funds, and monitors actual cash receipts and disbursements, prepares the monthly cash report for the legislature. During fiscal year 2011, the unit controlled movement of $24.8 billion to and from state bank accounts and investment vehicles.

The Short-Term Investments unit invests STIF assets, monitors custodian activity, and prepares quarterly and annual performance reports on the Fund. During fiscal year 2011, the unit invested an average of $4.9 billion in short-term money market instruments. As of June 30, 2011, the unit administered 1,129 active STIF accounts for 68 state agencies and authorities and 269 municipalities and local entities. In addition, the unit manages the Grant Express program that enables municipalities to deposit certain grant payments directly into their STIF accounts, and the Debt Express and Clean Water Fund Express programs that allow towns to make debt payments automatically from their STIF accounts. The unit makes longer-term investments for balances that are expected to be available on a more stable basis in our STIF Plus and Extended Investment Portfolio programs, and, pursuant to CGS 3-24k, the Community Bank and Credit Union Initiative, in which we support Connecticut-based banks and credit unions with assets not exceeding $500 million through the investment in institutions' certificates of deposit.

The Client Services unit works with state agencies to speed the deposit of funds and identify mechanisms to reduce banking costs. The unit also reviews state agencies' requests to open new bank accounts, maintains records of the state's bank accounts held by individual banks, reviews bank invoices and compensation, and manages the division's procurement efforts for new bank services. The Client Services unit also manages the insurance collateral program in conjunction with the Department of Insurance, which requires companies writing insurance policies in the state to deposit securities and funds totaling a fixed percentage of the policies' value. At June 30, 2011, approximately $373 million in securities was pledged to the program.

The Year in Review

Highlights of the Division's accomplishments and important initiatives in fiscal year 2011 include:

- Expanded with the Comptroller's Office a system for making electronic payments to municipalities and vendors, which totaled $6.4 billion during the year;
- Held our sixteenth annual meeting of STIF investors in concert with our fourth Public Finance Outlook conference attended by over 180 state, local government, and private finance professionals;
- Added payments flowing through the Debt Service Express, in which participating towns have debt service payments deducted from their STIF accounts by their bond paying agent;
- Continued to develop and test a multi-level business continuity and disaster recovery system to support daily cash operations;
- Expanded the process of depositing checks through the internet via remote deposit, allowing for faster depositing and reduction of banking costs;
- Worked with state agencies to expand the ability to collect fees and other receipts via electronic checks or credit card payments over Internet-based systems;
- Worked with state agencies to establish them as vendors that would allow receipt of payment through individuals' on-line bank bill paying systems allowing for faster depositing and reduced banking costs;
- Worked with the State agencies and the State University System to make electronic payments, thus streamlining payment administration and reducing banking costs;
- Completed implementation of new banking services for the Department of Labor to allow it to make unemployment benefit payments by direct deposit or via debit cards. That initiative will save the state in excess of $4 million annually in administrative costs; and
- Assisted other agencies in implementing debit card payment process, allowing for a reduction of paper-based processes.

2011 Division Performance

The Cash Management Division successfully realized many achievements throughout the 2011 fiscal year including:;

- Total annual return of 0.23 percent in STIF. This exceeded its primary benchmark by 15 basis points, resulting in $7.4 million in additional interest income for Connecticut governments and their taxpayers, while adding $4.9 million to its reserves. Over the past ten years STIF has earned an additional $135.5 million, while adding $29.7 million to its reserves during this period. (The next section of this report provides a detailed discussion of STIF.);
- STIF's Comprehensive Annual Financial Report (CAFR) was awarded the Certificate of Achievement for Excellence in Financial Reporting for 2010 by the Government Finance Officers Association (GFOA);
- STIF's credit rating of AAAm – the highest available — was maintained and affirmed by Standard & Poor's (S&P), the leading rating agency of money market funds and local government investment pools;

- The addition of nine local government STIF accounts with $14 million of assets;
- Investment of $38 million with community financial institutions under the Connecticut Community Bank and Credit Union Initiative at an average awarded annualized interest rate of 0.25 percent;
- STIF Plus and the Extended Investment Portfolio, longer-term investment portfolios, earned 1.61 percent and 0.36 percent respectively, thereby adding $0.8 million in incremental state income;
- The identification and recapture of $4,060,000 in annualized bank overcharges; and
- Expansion of Grant Express program, in which certain state grants are deposited directly into municipal STIF accounts. Since the inception of this program, $18.8 billion has been deposited into municipal STIF accounts, thereby accelerating the availability of municipal funds;

2011 short-term investment fund

Fund Facts at June 30, 2011

Investment Strategy/Goals: To provide a safe, liquid and effective investment vehicle for the operating cash of the State, municipalities and other Connecticut political subdivisions.

Performance Objective: As high a level of current income as is consistent with, first, the safety of principal and, second, the provision of liquidity.

Benchmarks: iMoneyNet Money Fund AverageTM - Rated First Tier Institutional Average (MFR) Index, Federal Reserve Three-Month CD, Federal Reserve Three-Month T-Bill.

Date of Inception: 1972

Total Net Assets: $4.5 billion

Internally Managed

External Management Fees: None

Expense Ratio: Less than 3 basis points (includes internal management and personnel salaries)

Description of the Fund

The Treasurer's Short-Term Investment Fund ("STIF" or the "Fund") is an AAAm rated investment pool of high-quality, short-term money market instruments managed by the Treasurer's Cash Management Division. Created in 1972, it serves as an investment vehicle for the operating cash of the State Treasury, State agencies and authorities, municipalities, and other political subdivisions of the State. (See figure 15-1.) STIF's objective is to provide as high a level of current income as is consistent with, first, the safety of principal and, second, the provision of liquidity to meet participants' daily cash flow requirements. During the 2011 fiscal year, STIF's portfolio averaged $4.9 billion.

STIF employs a top-down approach to developing its investment strategy for the management of its assets. Starting with the objectives of the Fund, STIF considers constraints outlined in its investment policy, which include among other parameters: liquidity management, limitations on the portfolio's weighted average maturity (see figure 15-2), and permissible investment types. Next, an asset allocation is developed to identify securities that are expected to perform well in the current market environment. Over the long-term, STIF continually analyzes expectations of future interest rate movements and changes in the shape of the yield curve to ensure the most prudent and effective short-term money management for its clients. Ongoing credit analysis enables STIF to enhance its yield by identifying high-quality credits in undervalued sectors of the economy.

STIF pays interest monthly based on the daily earnings of the Fund less Fund expenses and an allocation to the Fund's Designated Surplus Reserve. The daily reserve allocations equal one-tenth of one percent of the Fund's daily balances divided by the number of days in the year, until the reserve totals one percent of the Fund's daily balance. The reserve on June 30, 2011, totaled $43.4 million.

To help the Fund and its investors evaluate performance, STIF compares its returns to three benchmarks. The first is iMoneyNet Money Fund AverageTM - Rated First Tier Institutional Average (MFR) Index. This index represents an average of institutional money market mutual funds rated AAAm that invest primarily in first-tier (securities rated A-1, P-1) taxable securities. While STIF's investment policy allows for somewhat greater flexibility than these SEC-registered funds, the MFR Index is the most appropriate benchmark against which to judge STIF's performance. During the past year, STIF's actual investment strategy has been considerably more restrictive than most private money funds and its own policy would permit. (See figure 15-3.)

STIF's yields are also compared to the average Federal Reserve three-month T-Bill rate and the Federal Reserve three-month CD rate. The former benchmark is used to measure STIF's effectiveness in achieving yields in excess of a "risk-free" investment. The latter is shown for the benefit of STIF investors, many of whom invest in bank certificates of deposit. In viewing these benchmarks, it is important to keep in mind that yields of the CD index will exceed those of the T-Bill index due to a CD's slightly higher risk profile and comparatively lower liquidity. Additionally, it is important to note that the 90-day benchmarks exceed STIF's shorter average maturity. In order to maintain its AAAm rating, the STIF cannot exceed a 60-day weighted average maturity (WAM) limit. Furthermore, these benchmarks are "unmanaged" and are not affected by management fees or operating expenses. (See figure 15-6.)

Among the Fund's several achievements during the 2011 fiscal year was the reaffirmation and continuation of its AAAm rating by Standard & Poor's. In S&P's view, "a fund rated 'AAAm' has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risks."

Portfolio Characteristics

Fiscal year 2011 saw a continuation of the cautious strategy that began in the first half of fiscal year 2008. This strategy was taken in response to the highly unsettled financial markets which were a direct result of the unwinding of the sub-prime real estate market. STIF's more conservative investment practices include increased liquidity, short average portfolio maturity, holdings of securities issued guaranteed or insured by the U.S. government and federal agencies, and significantly restricted investments in corporate securities.

Accordingly, at year-end STIF held 69 percent of fund assets in overnight investments or investments that are available on a same-day basis. During the fiscal year, the Fund's weighted average maturity increased from 19 to 31 days. Thirty-seven percent of STIF's assets were invested in securities issued, insured or guaranteed by the U.S. government or federal agencies, in repurchase agreements backed by such securities, or in money funds comprised of such securities.

The Fund ended the year with a 82 percent concentration in investments with short-term ratings of A-1+ or long-term ratings of AAA (the highest ratings of Standard & Poor's). Seventy-nine percent of the Fund was invested in securities with maturities, or interest rate reset dates for adjustable rate securities, of less than 30 days, versus 88 percent at the previous year-end. The Fund's three largest security weightings included deposit instruments (47.2 percent), federal agency securities (22.3 percent) and bank commercial paper (15.2 percent). (See Figure 1-5.)

Market Review

Fiscal Year 2011 got underway with many positive expectations, following three consecutive quarterly gains in Gross Domestic Product (GDP) of 3.8 percent or above. Unfortunately, the economy seemed to turn on a dime, as the first three quarters of FY2011 saw GDP falling from a lackluster 2.5 percent to an anemic .4 percent in the third quarter. While the fourth quarter saw a modest increase to 1.3 percent, the overall economy is still mired in extremely slow growth. GDP growth during the fiscal year totaled but 1.6 percent. Meanwhile, the unemployment rate ended the fiscal year at 9.2 percent, down only slightly from the 9.5 rate at the beginning of the year, but higher than the 8.8 percent posted at the end of the third quarter. During calendar year 2012, the economy is expected to grow at a rate of 2.2 percent, and the unemployment rate is expected to average 8.8 percent.

With short-term interest rates already at historically low levels, in August 2010, in an effort to both maintain liquidity and lower long-term interest rates, the Federal Reserve's Federal Open Market Committee (FOMC) agreed to maintain the Fed's holdings of securities at their current level by reinvesting principal payments from agency debt and agency mortgage-backed securities in longer-term Treasury securities. By November, the FOMC determined that more assistance was necessary, and announced what has come to be known as "Quantitative Easing 2," or QE2, and began to expand security holdings in order to promote a stronger pace of economic recovery and to help ensure that inflation, over time, is at levels consistent with the dual mandate of fostering maximum employment and price stability. With the end of the fiscal year, the Federal Reserve had completed its purchase of $600 billion of U.S. Treasury securities thus ending QE2.

The Federal Reserve maintained its target range for the federal funds rate at 0.00 – 0.25 percent throughout the year. During that time the actual effective federal funds rate fell from .17 percent to .07 percent. At its November 2011 meeting the FOMC indicated that it expected to maintain the federal funds rate at "exceptionally low levels" through mid- 2013.

Performance Summary

For the one-year period ending June 30, 2011, STIF reported an annual total return of 0.23 percent, net of operating expenses and $4.9 million in allocations to Fund reserves. Annual total return measures the total investment income a participant would earn with monthly compounding at the Fund's monthly net earned rate during the year. This figure exceeded that achieved by its benchmark, the MFR Index, which equaled 0.08 percent, by 15 basis points. In addition, STIF performance handily exceeded that of three-month T-Bills, which yielded 0.12 percent and performed well against three-month CDs, which yielded 0.28 percent. STIF's relative performance was also directly affected by the fund's more cautious investment strategy for most of the fiscal year that, while prudent under difficult market conditions, resulted in reductions in STIF's yield.

The principal reasons for STIF's strong performance despite its more cautious strategy for most of the year was its low overall expenses which give the Fund a risk-free advantage over other money funds.

Over the long-term, STIF has performed exceptionally well. For the trailing three-, five-, seven-, and ten-year periods, STIF's compounded annual total return was 0.68 percent, 2.32 percent, 2.61 percent, and 2.37 percent, net of operating expenses and contributions to reserves, exceeding returns of each of its benchmarks for all time periods. Viewed on a dollar-for-dollar basis, had one invested $10 million in STIF ten years ago, that investment would have been worth $12.6 million at June 30, 2011, versus $12.3 million for a hypothetical investment in the MFR Index. (See Figure 1-6.) During the past 10 years, STIF has earned $135.5 million above its benchmark while adding $29.7 million to its reserves.

Risk Profile

STIF is considered extremely low risk for several reasons. First, its portfolio is comprised of high-quality, highly liquid securities, which insulate the Fund from default and liquidity risk. (See figure 15-4.) Second, its relatively short average maturity reduces the Fund's price sensitivity to changes in market interest rates. Third, STIF has a strong degree of asset diversification by security type and issuer, as required by its investment policy, strengthening its overall risk profile. And finally, STIF's reserves are available to protect against security defaults or the erosion of security values due to dramatic and unforeseen market changes. As the primary short-term investment vehicle for the operating cash of the State, STIF has the ultimate confidence of the State government.

While STIF is managed diligently to protect against losses from credit and market changes, the Fund is not insured or guaranteed by any government. Therefore, the maintenance of capital cannot be fully assured.

Figure 15-1

SHORT-TERM INVESTMENT FUND
Ownership Analysis at June 30, 2011 ($ in millions)

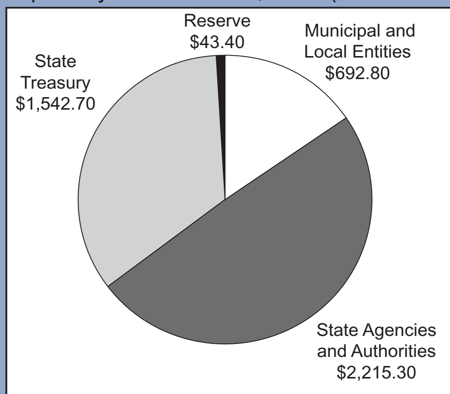


Figure 15-2

SHORT-TERM INVESTMENT FUND
Maturity Analysis

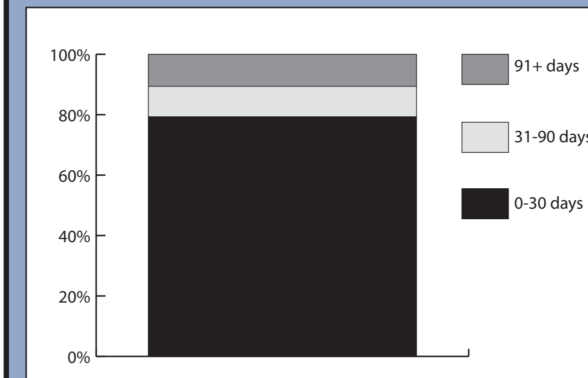


Figure 15-3

SHORT-TERM INVESTMENT FUND
Quarterly Yield vs. Benchmark

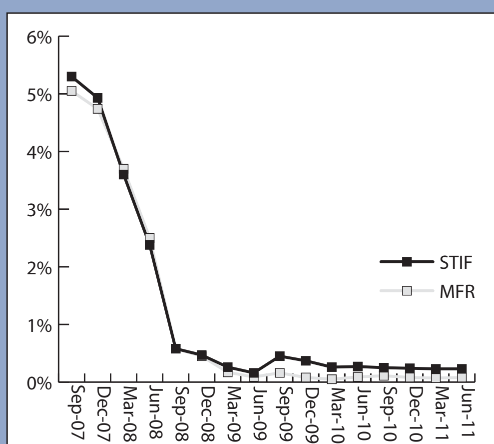


Figure 15-4

SHORT-TERM INVESTMENT FUND
Distribution by Quality Rating at June 30, 2011
Based on Investments in Securities, at Value

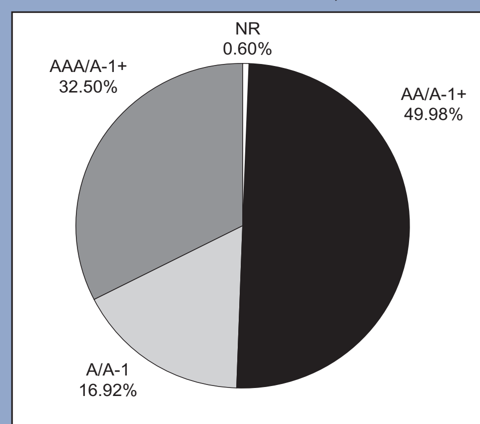


Figure 15-5

SHORT-TERM INVESTMENT FUND
Distribution by Security Type at June 30, 2011

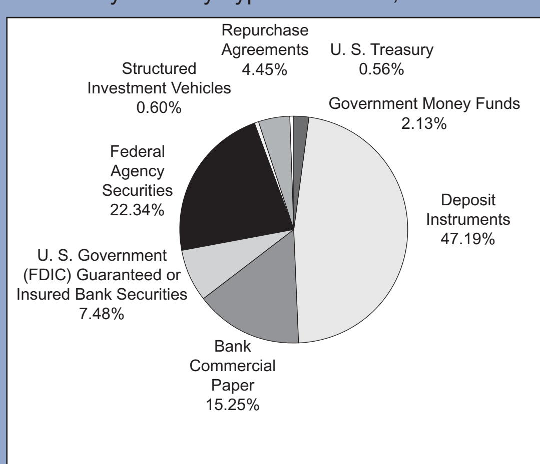


Figure 15-6

SHORT-TERM INVESTMENT FUND
Period ending June 30, 2011

	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Compounded Annual Total Return (%)					
STIF	0.23	0.68	2.32	2.61	2.37
MFR Index*	0.08	0.49	2.11	2.35	2.06
Fed. Three-Month T-Bill	0.12	0.26	1.68	2.10	1.91
Fed. Three-Month CD	0.28	0.82	2.36	2.68	2.35
Cumulative Total Return (%)					
STIF	0.23	2.07	12.17	19.79	26.39
MFR Index*	0.08	1.47	11.03	17.68	22.66
Fed. Three-Month T-Bill	0.12	0.78	8.70	15.64	20.78
Fed. Three-Month CD	0.28	2.47	12.38	20.34	26.20

STIF uses a time-weighted linked rate of return formula to calculate rates of return.

Represents iMoneyNet Money Fund Average™ - Rated First Tier Institutional Average (MFR) Index.

Division Overview

The primary mission of the Division is to reunite rightful owners or heirs with unclaimed property in accordance with state law. Another core responsibility is to receive and record all property received from holders of unclaimed property. All Division goals support the principal mission of unclaimed property as a consumer protection service, safeguarding the financial assets of Connecticut citizens until such time as they may claim their property.

The division receives and maintains a permanent record of reports of unclaimed property filed annually by holders of such property. Holders include banks, insurance companies, brokerage firms, utility companies and businesses that are required to relinquish this property to the State Treasurer following a loss of contact with the owner of record, generally three years. The division prescribes the form of holder reports, and is responsible for monitoring holder reporting. To determine whether a holder is complying with its duties under the law unclaimed property is permitted to conduct examinations of company records. If the Treasurer, in his or her discretion, determines that securities or mutual funds transferred to the Treasurer as unclaimed property should be sold, the division is responsible for carrying out the sale, in accordance with the requirements of law, and retaining the proceeds of the sale for the benefit of the owner of the property. The division is also responsible for preparing monthly, quarterly and annual financial statements.

The division processes claims of persons asserting ownership of property that has been abandoned and delivered to the Treasurer's Office. The division provides claim forms and provides instruction on the documentation required to prove ownership of the various types of property that have been transferred to the Treasurer. Claims are reviewed and if ownership is proven, the division is responsible for issuing checks to the rightful owner. In order to attempt to locate the owners of abandoned property, the Treasurer biennially publishes a list of abandoned property reported and transferred to the Treasurer in the previous calendar year [since the last publication]. The Treasurer also maintains a user friendly website that is updated with new names weekly.

The Year in Review

During fiscal year 2011, the Unclaimed Property Division returned $51.9 million to rightful owners, an accomplishment representing the largest dollar amount returned by the Division. During the same time period the Division received $68.1 million in unclaimed property receipts voluntarily reported by holders.

2011 Division Performance

- The Division returned $51.9 million to 17,933 rightful owners.
- The Division received $68.1 million in unclaimed property receipts voluntarily reported by holders.
- The Division sold 16.8 million shares that brought $57 million into the general fund until rightful owners come forward to claim the property.
- The Division maintains a website with $578.7 million in escheated property for 976,115 rightful owners.
- Connecticut General Statute section 3-69a (a) (2), requires the Unclaimed Property Division to deposit a portion of its receipts into the Citizen's Election Fund and the balance into the General Fund. For fiscal year 2011, the division deposited $18,373,174 million into the Citizens' Election Fund.

UNCLAIMED PROPERTY DIVISION

Figure 16-1

UNCLAIMED PROPERTY FUND
Summary of Gross Receipts ($ in millions)

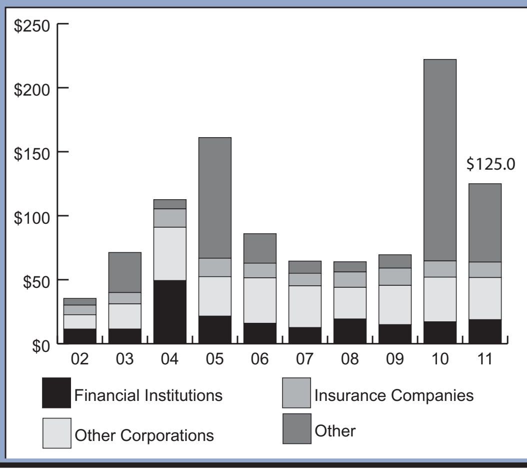


Figure 16-2

UNCLAIMED PROPERTY FUND
Claims Paid ($ in millions)

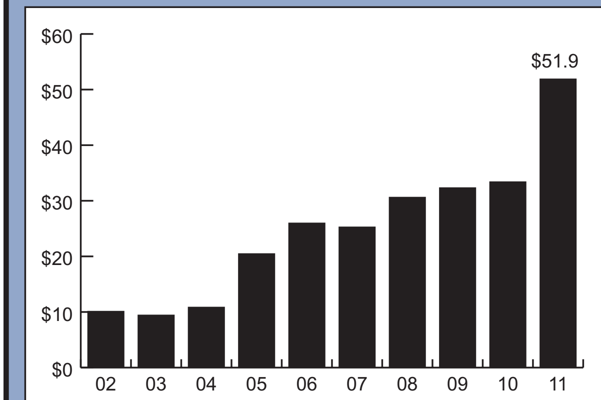


Figure 16-3

UNCLAIMED PROPERTY FUND
Number of Claims Paid

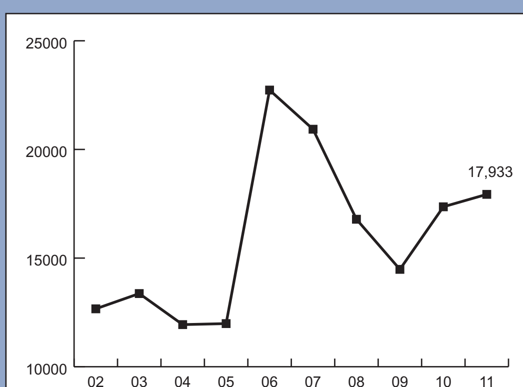
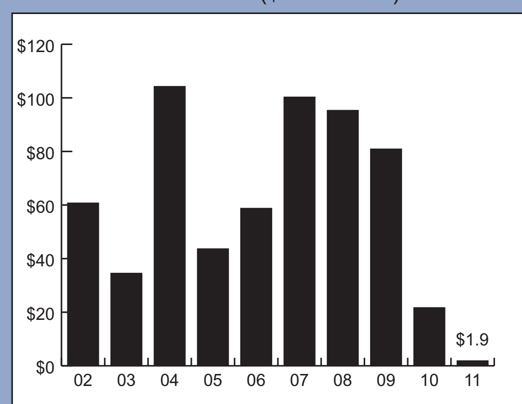


Figure 16-4

UNCLAIMED PROPERTY FUND
Market Value of Securities ($ in millions)



DIVISION OVERVIEW

The State Treasurer is the Custodian of the Second Injury Fund ("SIF" or "the Fund"), a state operated workers' compensation insurance fund established in 1945 to discourage discrimination against veterans and encourage the assimilation of workers with a pre-existing injury into the workforce. Prior to July 1, 1995, the Fund provided relief to employers where a worker, who already had a pre-existing injury or condition, was hurt on the job and that second injury was made "materially and substantially" worse by the first injury. Such employers transferred liability for these workers' compensation claims to the Fund after 104 weeks, if certain criteria were met under the Connecticut Workers' Compensation Act (thus the term "Second Injury Fund").

The Fund continues to be liable for claims involving uninsured employers, for reimbursement of cost of living adjustments for certain injuries involving payment of total disability or dependent widow's benefits and, on a pro rata basis, reimbursement claims to employers of any worker who had more than one employer at the time of the injury. In addition the Fund is still responsible for "second injury claims" which were transferred to the Fund prior to July 1, 1999.

The mission of the Second Injury Fund is to provide quality service both to the injured workers and employers of Connecticut, whom we jointly serve. The Fund accomplishes this by adjudicating qualifying workers' compensation claims fairly and in accordance with applicable law, industry standards and best practices. Where possible, the Second Injury Fund seeks to return injured workers to gainful employment or seeks settlement of claims, which will ultimately reduce the burden of Second Injury Fund liabilities on Connecticut taxpayers and businesses.

The Assistant Deputy Treasurer maintains general oversight over the division which includes a management team, a claims unit, an accounting and collections unit, an investigations unit, and other administrative support functions. The Second Injury Fund works closely with the Office of the Attorney General who represents the Fund before the Workers' Compensation Commission, the Chief State's Attorney's office and other state agencies in the fulfillment of its mission.

History

The Fund's responsibilities were expanded over the years through judicial and legislative reform. In addition to payments for "second injury" claims, the Fund assumed other statutory obligations such as: Group health insurance reimbursements; Benefit payments pending appeals; Cost of Living reimbursements for death benefits; Cost of Living reimbursements for total disabilities; Acknowledgment of Physical Defects claims; Concurrent employment claims; and Uninsured employer claims.

The Fund experienced minimal growth during its first 30 years. However in the two decades preceding the 1995 Reform Act, the Fund experienced significant annual claim growth. While there were many explanations for the rapid acceleration of the Fund's liabilities during this period, (i.e., higher benefit levels, medical inflation, etc.) the primary reasons for its exponential growth can be attributed to the impact of a 1974 Connecticut Supreme Court decision in the Jacques case. In summary, cases could be transferred to the Fund based on a pre-existing "condition" as well as a prior injury, regardless of whether the condition was manifest or not. Thus the Jacques case opened the door for a myriad of latent conditions such as arthritis, disc disease and compromised cardiac function.

After 50 years, the Fund had become the largest disburser of workers' compensation benefits in the State. An actuarial analysis projected the Fund's future liability at $6.2 billion as of June 30, 1994. Its operations, which are financed by assessments on Connecticut employers, reached a dollar value high of $146.5 million in 1995. In response the Connecticut General Assembly closed the Fund to new "second injury" claims sustained on or after July 1, 1995.

Legislative Reforms

The Workers' Compensation Reform Act of 1993 was responsible for significantly reducing Connecticut employers' cost of business. However, additional legislative changes also impacted the Fund. Highlights are listed below:

Public Act 95-277

- Closed the Fund to new "second injury" claims for injuries sustained on or after 7/1/95 and expanded enforcement, fines and penalties against employers who fail to provide workers' compensation coverage.

Public Act 96-242

- Imposed a July 1, 1999 deadline for transfer of all eligible "second injury" claims to the Fund and authorized the issuance of up to $750 million in bonds to finance settlement of claims against the Fund.

Public Act 05-199 (Effective 07/01/06)

- This bill, drafted with the assistance of a task force convened by Treasurer Nappier clarified the language of the SIF statutes regarding assessments and eased the process by which the Fund can reach settlements with injured workers of uninsured employers.

Public Act 10-11

- Beginning on July 1, 2010, the Fund is mandated to impose a 15% penalty on the filing of late assessments or $50, whichever is greater.

Assessments

The Second Injury Fund operations are financed by assessments on all Connecticut employers. The Treasurer as Custodian of the Fund, establishes the assessment rate on or before May 1st of each year. Treasurer Nappier is the first Connecticut State Treasurer to formalize an assessment audit program to ensure uniform methods of reporting.

Insured employers pay a surcharge on their workers' compensation insurance policies based on "standard premiums" calculated and issued by insurance companies who also collect and remit this assessment to the Fund. Effective 7/1/06, insured employers paid based on a Second Injury Fund Surcharge. The assessment for self-insured employers is based on "paid losses" for medical and indemnity benefits incurred in the prior calendar year.

There were 4 assessments made in FY 2011 on insured employers of $24.9 million. Self insured employers were assessed 4 times during FY 2011 at $6 million, bringing the total assessment on all Connecticut employers to $30.9 million for FY 2011. For FY 2011, the assesment rate for insured employers is 2.75%. Effective January 1, 2011, the assessment rate is 3.25% for self-insured employers. The previous rate for self-insured employers was 3.84%.

The Year in Review

Fiscal Year 2011 Highlights

The Second Injury Funds' major achievements during the past year have continued the implementation of Treasurer Nappier's management reforms. Highlights for fiscal year 2011 include:

- 2011 marks the thirteenth consecutive year in which the Fund either reduced or maintained assessment rates for Connecticut businesses - representing the longest period of time without a rate increase in the history of the Fund.

- Provided $31.8 million in indemnity, medical and settlement payments to injured workers. The number of injured workers receiving bi-weekly benefits is now 315 compared to 326 a year ago.
- Achieved a total of 177 settlements at a cost of $8.1 million. Through June 30, 2011, the Fund has paid 3 injured workers receiving bi-weekly benefits settlements at a cost of $.5 million with an estimated future net savings of $1.3 million
- A total savings of $2.2 million in medical costs was realized using the services and Preferred Provider Organization Networks offered by our contracted medical vendors. The Fund worked in conjunction with the nurse consultant to review all bills for causal relation, contract compliance and duplicate payments.
- Continued to implement the General Assembly's 1996 mandate to reduce the financial impact of the Fund on Connecticut's businesses:
- As of June 30, 2011 the Fund's open claim inventory was 2,593 (See figure 17-1)
- Reserves (estimated unfunded liability) for all open claims were $414.9 million, a reduction of $12 million (2.8%) from a year ago. (See figure 17-2)
- Worked with the Second Injury Fund Advisory Board to help the Fund carry out its mission.

Figure 17-1

SECOND INJURY FUND
Open Claims by Statute as of 06/30/2011

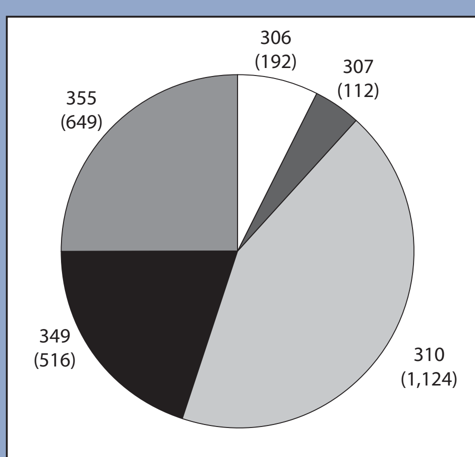
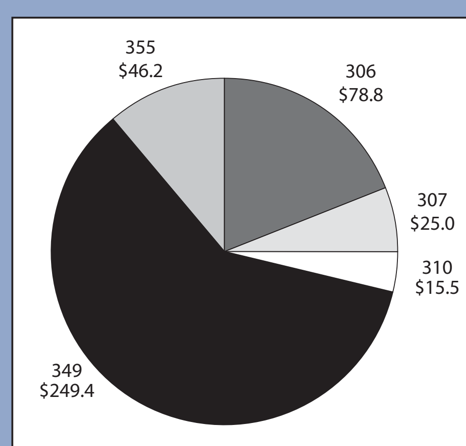


Figure 17-2

SECOND INJURY FUND
Value of Reserves by Statute as of 6/30/2011
($ in millions)



Description of the Trust

The Connecticut Higher Education Trust ("CHET" or "Trust") is a Qualified State Tuition Program pursuant to Section 529 of the Internal Revenue Code, which was unanimously approved by the Connecticut General Assembly in Public Act No. 97-224 (the "Act") and signed into law by the Governor in July 1997. The program began operating on January 1, 1998. While the Trust is considered an instrumentality of the State, the assets of the Trust do not constitute property of the State, and the Trust shall not be construed to be a department, institution or agency of the State.

CHET is a trust, available for families to save and invest for higher education expenses, that is privately managed under the supervision of the State Treasurer. Current Internal Revenue Service regulations provide that total contributions to an individual account may not exceed the amount determined by actuarial estimates as is necessary to pay tuition, required fees, and room and board expenses of the designated beneficiary for five years of undergraduate enrollment at the highest cost institution allowed by the program. While money is invested in CHET, there are no federal or state taxes on earnings. Amounts may be withdrawn to pay for tuition, room and board, fees, books, supplies and equipment required by the beneficiary for enrollment or attendance at any eligible public or private educational institution. Earnings withdrawn for qualified education expenses are exempt from Federal and Connecticut State income taxes. Earnings withdrawn for non-qualified expenses are taxable income to the account owner, and incur an additional federal tax penalty of 10 percent.

The state income tax deduction for CHET, which became effective on July 1, 2006, provides Connecticut taxpayers with the ability to deduct program contributions of up to $5,000 for single filers or $10,000 for joint filers per year from their Connecticut adjusted gross income.

Since 1999, TIAA-CREF Tuition Financing, Inc. ("TFI"), a wholly-owned subsidiary of Teachers Insurance and Annuity Association of America ("TIAA"), and the Treasurer of the State of Connecticut have had a Management Agreement under which TFI serves as Program Manager. In 2009, the Treasurer initiated a competitive bidding process by issuing a Request for Proposal ("RFP") for management of the CHET program soliciting proposals for both the current Direct Sold program, as well as for an Advisor Sold Plan. As a result of this RFP, in 2010, the Treasurer entered into: (1) a new Management Agreement with TFI for the Direct Sold program for a contract period ending in March 2015; and (2) a Management Agreement with The Hartford Life Insurance Company to be the program manager for an Advisor Sold plan for a contract period ending August 30, 2017. The Advisor Sold Plan commenced operation in October 2010. The Program is operated in a manner such that it is exempt from registration as an investment company under the Investment Company Act of 1940.

Under the Direct Sold Plan, an individual participating in the Program establishes an Account in the name of a Beneficiary. Contributions may be allocated among eleven investment options, including three new options added in the fall of 2010: the Managed Allocation Option, the Aggressive Managed Allocation Option, the Conservative Managed Allocation Option, the High Equity Option, the Equity Index Option, the Social Choice Option, the Active Fixed Income Option, the Money Market Option, the Principal Plus Interest Option, the Active Equity Option, and the Index Fixed-Income Option. These options provide Connecticut families the opportunity to save for future college expenses, with the flexibility to choose investment vehicles which meet their particular risk tolerance and financial need.

Program features of CHET Direct include a low minimum account opening balance of $25 ($15 if using payroll deduction), and the convenience of automated payroll and bank Electronic Funds Transfers (EFT) for contributions. Account funds can be used at thousands of eligible (accredited) college and higher education institutions nationwide and abroad. The program allows for transferability of account funds to other eligible members of the original beneficiary's family without penalty. In addition, over 500 employers currently offer payroll deduction in the state.

CHET Advisor is not marketed directly to individuals. The Hartford has developed a network of financial advisors through the state that now offer CHET Advisor as an investment option.

Under the Advisor Sold Plan there are 18 investment options, including one age based option, 5 static portfolios, and 12 individual portfolios. The static portfolios are: CHET Advisor Aggressive Growth, Growth, Balanced, Conservative, and a Checks & Balances Portfolio. The 12 Individual Portfolios are The Hartford Small Company, Growth Opportunities, International Opportunities, Capital Appreciation, Fundamental Growth, MidCap, Global Research, Value, Dividend & Growth, Inflation Plus, Total Return Bond, and Money Market 529 Portfolio. The Advisor Sold plan has 3 investment classes: A, C, and E. Class A has an up front sales charge, Class C has no up front sales charge but has a contingent deferred sales charge for withdrawals made within one year of deposit, and Class E, which is only available to certain groups associated with Hartford Life, has no sales charge or deferred sales charge.

There are annual management fees for both CHET Direct and CHET Advisor, which vary based on investment option chosen.

In June 2006, the Treasurer approved an increase in CHET's account balance limit for contributions from its previous level of $235,000, which had remained level since program inception, to $300,000. This increased contribution limit was made to keep pace with increasing college tuition costs and has more closely aligned CHET with maximum levels in other state plans. Under federal statute, this account balance limit applies to the total amount a beneficiary has in both CHET Direct and CHET Advisor accounts.

The Year in Review

CHET continued its aggressive push to educate, build awareness and grow new accounts by promoting CHET as the official state-sponsored 529 college plan for Connecticut families of all demographic and socio-economic groups. During fiscal year 2011, the number of new accounts in the CHET Direct program grew from 94,886 (June 2010) to 103,083 (June 2011), with 89.8% of those accounts coming from state residents. During the same period, total assets reached $1.58 billion. Much progress has been made since 1999, when Treasurer Nappier began to supervise the management of CHET Direct. At that time there were just over 4,000 accounts and $18 million in total assets.

The CHET Direct program continues to realize an increase in account redemptions as account owners begin to withdraw funds for their beneficiaries' college tuition payments with $401,557,362 withdrawn (14,932 beneficiaries) since inception and $102,939,000 withdrawn (3,278 beneficiaries) over the last 12 months.

The CHET Advisor plan began operation in October 2010, and as of June 30, 2011, there were 2,616 CHET program accounts with total assets of $ 36.9 million.

As a low-cost, direct-sold 529 college saving plan, CHET Direct's annual fees are among the lowest in the country. Under the provisions of the new contract, effective November 2010, the fee structure changed from a flat fee (unitary pricing for all options) to a non-unitary structure which is more standard for the industry (program management fee plus state administrative fee plus underlying mutual fund fees). The new fee structure includes a base management fee of 0.20% plus an asset management fee that varies depending on the investment option chosen. The base program management fee was further reduced from 0.20% to 0.18% in June 2011, when total assets under management exceeded $1.5 billion for over 90 consecutive days. An additional program management fee reduction will occur when assets under management reach $2 billion. There is also a state oversight fee to pay for the administrative expenses of the Trustee which is 0.01% for CHET Direct and 0.02% for CHET Advisor.

The State Treasurer's Office works closely with TFI to strengthen public awareness and increase understanding of CHET. Each year an annual marketing plan is developed outlining strategies and tactics to educate all Connecticut families about the benefits and affordability of saving for college early via CHET. In 2010 - 11, CHET utilized a series of integrated direct marketing campaigns (direct mail, e-mail and online advertising), community events, promotions, radio, and television and print ads. CHET also schedules educational seminars and webinars and distributes information to schools, libraries, financial influencers and employers.

Major marketing milestones in fiscal year 2011 include, the launch of outdoor advertising (billboards and bus ads), executing an award winning essay and drawing promotion (CHET Dream Big! Competition), continuing a summer reading promotion in libraries throughout the state, expanding educational activities and promotions targeting low-to-moderate income families and developing new events and activities targeting Hispanic/Latino families. These efforts were undertaken to improve CHET's brand awareness.

CHET Advisory Committee

There is a statutorily established CHET Advisory Committee, which meets annually. The Committee met on December 2, 2010.

The Connecticut Higher Education Trust Advisory Committee consists of the State Treasurer, the Commissioner of Higher Education, the Secretary of the Office of Policy and Management and the co-chairpersons and ranking members of the joint standing committees of the General Assembly having cognizance of matters relating to education and finance, revenue and bonding, or their designees, and one student financial aid officer and one finance officer at a public institution of higher education in the state, each appointed by the Board of Governors of Higher Education, and one student financial aid officer and one finance officer at an independent institution of higher education in the state, each appointed by the Connecticut Conference of Independent Colleges.

The statutory members of the CHET Advisory Committee as of the December 3, 2010 annual meeting were:

DENISE L. NAPPIER, State Treasurer

BRENDA SISCO, Acting Secretary, Office of Policy and Management

MICHAEL MEOTTI, Commissioner, Department of Higher Education

SEN. THOMAS GAFFEY, Senate Chair, Education Committee

REP. ANDREW M. FLEISCHMANN, House Chair, Education Committee

SEN. SAM CALIGIURI, Senate Ranking Member, Education Committee

REP. MARILYN GIULIANO, House Raking Member, Education Committee

SEN. EILEEN M. DAILY, Senate Chair, Finance, Revenue and Bonding Committee

REP. CAMERON STAPLES, House Chair, Finance, Revenue and Bonding Committee

SEN. ANDREW RORABACK, Senate Ranking Member, Finance, Revenue and Bonding Committee

REP. VINCENT CANDELORA, House Ranking Member, Finance, Revenue and Bonding Committee

MARGARET WOLF, Director of Financial Aid, Capitol Community College

JAMES BLAKE, Executive Vice President of Finance & Administration, Southern Connecticut State University

JULIE L. DOLAN, Vice President Finance, Fairfield University

JULIE SAVINO, Dean of Student Financial Assistance, Sacred Heart University

Financial Statements

STATE OF CONNECTICUT

QUI TRANSTULIT SUSTINET

TREASURER'S OFFICE

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL

210 CAPITOL AVENUE

HARTFORD, CONNECTICUT 06106-1559

JOHN C. GERAGOSIAN

ROBERT M. WARD

CERTIFICATION BY AUDITORS OF PUBLIC ACCOUNTS AND STATE COMPTROLLER

We have audited the accompanying statement of net assets of the Combined Investment Funds, as of June 30, 2011, and the related statements of changes in net assets for the fiscal years ended June 30, 2011 and 2010. We have audited the accompanying statement of net assets of the Short-Term Investment Fund, including the list of investments as of June 30, 2011, and the related statements of changes in net assets for the fiscal years ended June 30, 2011 and 2010. We have audited the accompanying statement of net assets of the Short-Term Plus Investment Fund, including the list of investments as of June 30, 2011, and the related statements of changes in net assets for the fiscal years ended June 30, 2011 and 2010. We have audited the statements of condition of the other Non-Civil List Trust Funds as of June 30, 2011, together with the related statements of revenue and expenditures, and statements of changes in fund balance and the statements of cash flows for the other Non-Civil List Trust Funds, for the fiscal year ended June 30, 2011. We have also audited the statement of net assets of the Second Injury Fund, together with the related statements of revenues, expenses and changes in fund net assets and the statements of cash flows for the Second Injury Fund, for the fiscal years ended June 30, 2011 and 2010. We have also examined the schedules of Civil List Funds investments, as of June 30, 2011, the Civil List Funds cash receipts and disbursements for the fiscal year ended June 30, 2011, and debt outstanding, as of June 30, 2011, and changes in debt outstanding during the fiscal year ended June 30, 2011. These financial statements and schedules are the responsibility of the management of the State Treasury. Our responsibility is to express an opinion on the financial statements and schedules based on our audit.

We did not audit the accompanying financial statements of the Tax Exempt Proceeds Fund, Inc. or the Connecticut Higher Education Trust. These financial statements were audited by other auditors whose reports thereon have been included with the accompanying financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2011, by correspondence with the custodians. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the notes to the financial schedules, the State Treasury has prepared the schedules of Civil List Funds investments, as of June 30, 2011, the Civil List Funds cash receipts and disbursements for the fiscal year ended June 30, 2011 and debt outstanding, as of June 30, 2011, and changes in debt outstanding during the fiscal year ended June 30, 2011, using accounting practices prescribed by the State Comptroller which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial schedules of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the schedules referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the cash and investments of the Civil List Funds as of June 30, 2011, the Civil List Funds cash receipts and disbursements for the fiscal year ended June 30, 2011, the balance of bonds outstanding as of June 30, 2011, and bonds issued, retired and refunded, and bond interest payments made during the year ended on that date.

In our opinion, the schedules referred to above present fairly, in all material respects the cash and investments of the Civil List Funds as of June 30, 2011, the Civil List Funds cash receipts and disbursements for the fiscal year ended June 30, 2011, the balance of bonds outstanding as of June 30, 2011, and bonds issued, retired and refunded, and bond interest payments made during the year ended on that date, all in accordance with the modified cash basis of accounting, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Combined Investment Funds, the Short-Term Investment Fund, the Short-Term Plus Investment Fund, the Second Injury Fund and other Non-Civil List Trust Funds as of June 30, 2011, and the results of their operations and changes in net assets for the year then ended, and the changes in fund balance for the other Non-Civil List Trust Funds and cash flows for the Second Injury Fund and the other Non-Civil List Trust Funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1B to the financial statements of the Combined Investment Funds, the State Treasurer's policy is to present investments at fair value. The fair value of most of the assets of the Real Estate Fund, the Commercial Mortgage Fund, the Private Investment Fund and the Alternative Investment Fund are estimated by investment advisors in the absence of readily ascertainable market values, and reviewed and adjusted, when appropriate, by the State Treasurer. The fair value of most of the assets of the Real Estate Fund, the Private Investment Fund and the Alternative Investment Fund are presented at the cash adjusted fair values, which utilize the investment advisors' prior quarter or in some cases prior two month ending estimated values adjusted for cash flows of the Funds during the subsequent months that affect the value at the Funds' level. Adjustments are made for underlying investments that experienced significant changes in value during the quarter, if deemed appropriate. We have reviewed the investment advisors' values, the relevant cash flows and the procedures used by the State Treasurer in reviewing the estimated values and have read underlying documentation and, in the circumstances, we believe the procedures to be reasonable and the documentation appropriate. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The Combined Investment Funds Schedule of Net Assets by Investment Fund, Schedules of Changes in Net Assets by Investment Fund, Total Net Asset Value by Pension Plans and Trust Funds and the Schedules of Investment Activity by Pension Plan and by Trust, contained within the supplemental information section, are presented for purposes of additional analysis and are not a required part of the financial statements of the Combined Investment Funds. Such information has been subjected to the auditing procedures applied in the audit of the financial statements of the Combined Investment Funds and, in our opinion, is fairly presented in all material respects in relation to the financial statements of the Combined Investment Funds taken as a whole. The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the Management's Discussion and Analysis and express no opinion on it. The introduction section, supplemental information section and the statutory appendix have not been audited except as specifically noted in this auditors' opinion.

At the present time, a separate auditors' report is being prepared by the Auditors of Public Accounts covering the State-Wide operations of the State Treasury. This auditors' report, consisting of comments, recommendations, and certifications, will be maintained on file in the offices of the Auditors of Public Accounts.

This particular certification is issued by the Auditors of Public Accounts and the State Comptroller in accordance with Section 2-90 of the General Statutes.

John C. Geragosian
Auditor of Public Accounts

Robert M. Ward
Auditor of Public Accounts

Kevin Lembo
State Comptroller

December 20, 2011
State Capitol
Hartford, Connecticut

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) provides an overview of the Annual Report of the Office of the Treasurer's financial performance for the fiscal year ended June 30, 2011. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements, notes to financial statements and on Compliance Under C.G.S. Section 2-90 based on an Audit of Financial Statements performed in Accordance with Government Auditing Standards included in the "Financial Statements" section, and the other information included in the "Supplemental Information" section of this report.

FINANCIAL STATEMENTS PRESENTED IN THIS REPORT

The Treasurer is the chief fiscal officer of the State of Connecticut, overseeing a wide variety of activities regarding the prudent conservation and management of State funds. These include the asset investment administration of a $25.2 billion portfolio for six State pension and eight State trust funds, a short-term investment fund approximating $4.5 billion, a short-term plus investment fund approximating $20 million and the Connecticut Higher Education Trust (Direct Plan and Advisor Plan), a qualified state tuition program designed to promote and enhance affordability and accessibility of higher education to State residents, containing $1.6 billion as of June 30, 2011.

The organizational structure of the Treasury comprises an Executive Office which coordinates all financial reporting, administration and support functions within the Treasury, oversees administration of the Connecticut Higher Education Trust, and five divisions including: Pension Funds Management responsible for managing the assets of over 190,000 active and retired teachers, state, and municipal employees as well as trust funds financing academic programs, grants, and initiatives throughout the state; Debt Management, the public finance department for the State, responsible for issuing and managing the State's debt including issuing bonds to finance State capital projects and managing debt service payments and cash flow borrowing, administering the Clean Water Fund and Tax Exempt Proceeds Fund and maintaining the State's rating agency relationships; Cash Management, responsible for all the State's cash inflows and outflows and managing the State's cash transactions, banking relationships and short-term investments; Unclaimed Property responsible for returning unclaimed property to rightful owners or heirs; and the Second Injury Fund, responsible for managing the largest workers' compensation claim operation in Connecticut, serving injured workers whose claims are paid by the Fund.

The financial statements include: the Combined Investment Funds (which includes Civil and Non-Civil List Trust Funds), Short-Term Investment Fund, Short-Term Plus Investment Fund, Connecticut Higher Education Trust, Tax Exempt Proceeds Fund, escheat securities private purpose trust fund held for others (Unclaimed Property), and the Second Injury Fund.

Combined Investment Funds and Short-Term and Short-Term Plus Investment Funds: The Statement of Net Assets and the Statement of Changes in Net Assets are two financial statements that report information about the Funds as a whole, and about its activities that should help explain how the Funds are performing as a result of this year's activities. These statements include all assets and liabilities using the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets presents all of the Funds assets and liabilities, with the difference between the two reported as "net assets".

The Statement of Changes in Net Assets presents information showing how the Funds net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Funds financial statements.

Civil And Non-Civil List Trust Funds: The Civil List Pension and Trust Funds schedule includes all cash and investment balances, and activity for the fiscal year. The Non-Civil List Trust Funds Financial Statements include all assets and liabilities, revenues and expenditures, and changes in fund balances using the accrual basis of accounting.

The Notes to the Civil and Non-Civil List Trust Funds Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Connecticut Higher Education Trust (Direct Plan and Advisor Plan): The Statement of Assets and Liabilities and Statement of Operations are two financial statements that report information about the Connecticut Higher Education Trust Program as of June 30.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Connecticut Higher Education Trust Program financial statements.

Tax Exempt Proceeds Fund: The Statement of Assets and Liabilities, Statement of Operations and Statement of Changes in Net Assets are financial statements that report information about the Tax Exempt Proceeds Fund.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Tax Exempt Proceeds Fund financial statements.

The Second Injury Fund: The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Fund Balance are financial statements that report information about the Second Injury Fund.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Second Injury Fund's financial statements.

FINANCIAL HIGHLIGHTS OF FISCAL YEAR 2011

At June 30, 2011, the Combined Investment Funds reported investment balances of $25.2 billion. The Short-Term Investment Fund reported a fund balance of $4.5 billion. These two funds account for 99% of the investments in the fiduciary funds managed by the Office of the Treasurer.

The Connecticut Retirement Plans and Trust Funds fiscal 2011 performance produced a net return (after all expenses) of 20.75%. Pension and Trust assets were $21.9 billion at June 30, 2010 and were $25.2 billion at June 30, 2011 as a result of 2011 positive funds performance.

The Short Term Investment Fund , at June 30, 2011, achieved an annual return of 0.23%, exceeding its benchmark by 15 basis points, resulting in $7.4 million in additional interest income for the state, state agencies and municipalities and their taxpayers while also adding $4.9 million to its reserves. At the end of the 2011 fiscal year, the Short Term Investment Fund had approximately $4.5 billion in assets under management.

The Short Term Plus Investment Fund, at the end of the 2011 fiscal year, had $20 million in assets under management and an annual return of 1.61%.

The Treasury refunded or defeased $383 million of various bonds in the 2011 fiscal year, providing future debt service savings of $19 million. Since January 1999, debt refunding and defeasances have produced $664 million in debt service savings.

The Connecticut Higher Education Trust (CHET) Direct Plan held 103,083 accounts with total assets of $1.584 billion at the end of the 2011 fiscal year compared to 94,886 accounts and $1.265 billion in assets in the prior fiscal year. The Connecticut Higher Education Trust (CHET) Advisor plan held 2,616 accounts with total assets of $36.9 million at the end of the 2011 fiscal year since beginning operation in October 2010.

The Office of the Treasurer recovered $4.6 million in the fiscal year from class action lawsuits.

CONDENSED FINANCIAL INFORMATION

Combined Investment Funds represent investments available to the pension funds of the State employees and teachers, municipal employees, as well as academic programs, grants and initiatives throughout the State.

Net Assets and Changes in Net Assets

Net Assets - The net assets of the Combined Investment Funds at the close of the 2011 fiscal year were $25.2 billion, an increase of $3.3 billion from the previous year. The change in net assets resulted from net investment gains from operations of $4.4 billion and $1.1 billion of net cash outflows to the Connecticut Retirement Plans and Trust Funds. The net cash outflow of $1.1 billion was comprised of distributions to the plans and trusts.

The net assets of the Combined Investment Funds at the close of the 2010 fiscal year were $21.9 billion, a increase of $1.5 billion from the previous year. The change in net assets resulted from net investment gains from operations of $2.6 billion and $1.1 billion of net cash outflows to the Connecticut Retirement Plans and Trust Funds. The net cash outflow of $1.1 billion was comprised of distributions to the plans and trusts.

Operating Income – Favorable performance results achieved a return of 20.75%, net of all management fees and expenses, resulting in an increase in net assets from operations in the 2011 fiscal year, compared to a positive return of 12.88%, net of all expenses for the previous fiscal year. Returns were positive in the Funds investment classes in fiscal year 2011 due to the U.S. economic recovery following three years of market volatility related to credit market tightening around the world.

Favorable performance results achieved a return of 12.88%, net of all management fees and expenses, resulting in an increase in net assets from operations in the 2010 fiscal year, compared to a negative return of -17.37%, net of all expenses for the previous fiscal year. Returns were positive in the Funds investment classes except for the Real Estate Fund in fiscal year 2010 due to the U.S. economic recovery following three years of market volatility related to credit market tightening around the world.

Table 1 - Net Assets

Assets	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Investments at Fair Value	$25,247,594,232	$3,462,654,827	$21,784,939,405	$1,353,759,257	$20,431,180,148
Cash, Receivables and Other	7,959,897,971	465,281,647	7,494,616,324	(4,025,732,123)	11,520,348,447
Total Assets	33,207,492,203	3,927,936,474	29,279,555,729	(2,671,972,866)	31,951,528,595
Liabilities	(8,023,827,517)	(613,862,150)	(7,409,965,367)	4,159,396,944	(11,569,362,311)
Net Assets	$25,183,664,686	$3,314,074,324	$21,869,590,362	$1,487,424,078	$20,382,166,284

Table 2 - Changes in Net Assets

Additions	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Dividends	$703,324,261	$285,915,989	$417,408,272	$17,548,252	$399,860,020
Interest	283,834,381	(40,210,637)	324,045,018	(34,875,299)	358,920,317
Securities Lending & Other Income	30,005,152	970,818	29,034,334	(45,853,028)	74,887,362
Total Investment Income	1,017,163,794	246,676,170	770,487,624	(63,180,075)	833,667,699
Total Investment Expenses	89,624,828	(5,823,534)	83,801,294	6,071,663	89,872,957
Net Investment Income	927,538,966	240,852,636	686,686,330	(57,108,412)	743,794,742
Net Realized Gain/(Loss)	825,681,448	611,256,859	214,424,589	3,156,785,285	(2,942,360,696)
Net Change in Unrealized Gains on Investments	2,699,894,481	962,233,358	1,737,661,123	4,071,262,087	(2,333,600,964)
Net Increase (Decrease) in Net Assets resulting from operations	4,453,114,895	1,814,342,853	2,638,772,042	7,170,938,960	(4,532,166,918)
Purchase of Units by Participants	3,118,436,763	(528,613,447)	3,647,050,210	(2,952,232,462)	6,599,282,672
Total Additions	7,571,551,658	1,285,729,406	6,285,822,252	4,218,706,498	2,067,115,754
Deductions					
Administrative Expense	4,130,621	(294,844)	3,835,777	(442,484)	3,393,293
Distribution of Income to Unit Owners	813,290,425	(234,002,156)	579,288,269	128,352,904	707,641,173
Redemption of Units by Participants	3,440,056,288	775,217,840	4,215,274,128	2,630,463,556	6,845,737,682
Total Deductions	4,257,477,334	540,920,840	4,798,398,174	2,758,373,976	7,556,772,148
Change in Net Assets	3,314,074,324	1,826,650,246	1,487,424,078	6,977,080,472	(5,489,656,394)
Beginning Net Assets	21,869,590,362	1,487,424,078	20,382,166,284	(5,489,656,394)	25,871,822,678
Ending Net Assets	$25,183,664,686	$3,314,074,324	$21,869,590,362	$1,487,424,078	$20,382,166,284

Short-Term Investment Fund represents an investment pool of short-term money market instruments serving the State and State agencies, authorities, municipalities and other public subdivisions of the State.

Net Assets and Changes in Net Assets

Net Assets - The net assets under management in the Short-Term Investment Fund at the close of the 2011 fiscal year were approximately $4.5 billion, versus $4.6 billion the previous year.

The net assets under management in the Short-Term Investment Fund at the close of the 2010 fiscal year were $4.6 billion, approximately the same as the previous year.

Operating Income - General financial market conditions produced an annual total return of 0.23%, net of operating expenses and allocations to Fund reserves in fiscal 2011, compared to an annual total return of 0.34%, net of operating expenses and allocations to Fund reserves in the previous fiscal year. The annual total return exceeded that achieved by its benchmark, which equaled .08%, by 15 basis points, resulting in $7.4 million in additional interest income for Connecticut governments and their taxpayers while also adding $4.9 million to its reserves.

General financial market conditions produced an annual total return of 0.34%, net of operating expenses and allocations to Fund reserves in fiscal 2010, compared to an annual total return of 1.49%, net of operating expenses and allocations to Fund reserves in the previous fiscal year. The annual total return exceeded that achieved by its benchmark, which equaled 0.09%, by 25 basis points, resulting in $11.9 million in additional interest income for Connecticut governments and their taxpayers while also adding $4.7 million to its reserves.

Table 3 - Net Assets

Assets	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Investments in Securities, at Amortized Cost	$4,492,012,617	$(87,753,153)	$4,579,765,770	$33,032,434	$4,546,733,336
Receivables and Other	2,985,286	125,867	2,859,419	(1,081,804)	3,941,223
Total Assets	4,494,997,903	(87,627,286)	4,582,625,189	31,950,630	4,550,674,559
Liabilities	(771,726)	264,448	(1,036,174)	1,113,394	(2,149,568)
Net Assets	$4,494,226,177	$(87,362,838)	$4,581,589,015	$33,064,024	$4,548,524,991

Table 4 - Changes in Net Assets

Assets	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Net Interest Income	$17,361,375	$(3,882,679)	$21,244,054	$(53,695,119)	$74,939,173
Net Realized Gains	109,800	(174,396)	284,196	(322,507)	606,703
Total Increase from Operations	17,471,175	(4,057,075)	21,528,250	(54,017,626)	75,545,876
Purchase of Units by Participants	12,770,956,609	(1,778,734,152)	14,549,690,761	(1,036,715,340)	15,586,406,101
Total Additions	12,788,427,784	(1,782,791,227)	14,571,219,011	(1,090,732,966)	15,661,951,977
Deductions					
Distribution of Income to Participants	11,300,006	(4,272,188)	15,572,194	(54,126,804)	69,698,998
Redemption of Units by Participants	12,863,246,508	(1,658,122,790)	14,521,369,298	(1,575,618,016)	16,096,987,314
Operating Expenses	1,244,108	30,613	1,213,495	(48,834)	1,262,329
Total Deductions	12,875,790,622	(1,662,364,365)	14,538,154,987	(1,629,793,654)	16,167,948,641
Change in Net Assets	(87,362,838)	(120,426,862)	33,064,024	539,060,688	(505,996,664)
Total net assets – beginning	4,581,589,015	33,064,024	4,548,524,991	(505,996,664)	5,054,521,655
Total net assets - ending	$4,494,226,177	$(87,362,838)	$4,581,589,015	$33,064,024	$4,548,524,991

Short-Term Plus Investment Fund is intended for the investment of funds that are not needed for immediate liquidity and are not likely to be needed for at least several months.

Net Assets

Net Assets - The net assets under management in the Short-Term Plus Investment Fund at the close of the 2011 fiscal year were $20 million, lower than the prior year due to redemption of investments, and an annual return of 1.61%.

Net Assets - The net assets under management in the Short-Term Plus Investment Fund at the close of the 2010 fiscal year were $52.6 million, lower than the prior year due to redemption of investments, and an annual return of 6.23%.

Table 5 - Net Assets

Assets	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Investments in Securities, at Fair Value	$19,546,926	$(32,996,001)	$52,542,927	$(36,311,336)	$88,854,263
Receivables and Other	14,077	(42,136)	56,213	(127,587)	183,800
Total Assets	19,561,003	(33,038,137)	52,599,140	(36,438,923)	89,038,063
Liabilities	(9,757)	22,517	(32,274)	119,005	(151,279)
Net Assets	$19,551,246	$(33,015,620)	$52,566,866	$(36,319,918)	$88,886,784

Table 6 - Changes in Net Assets

Additions	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Net Interest Income	$322,839	$(296,025)	$618,864	$(6,296,068)	$6,914,932
Net Realized Gains	11,839	(28,175)	40,014	45,440	(5,426)
Total Investment Income	334,678	(324,200)	658,878	(6,250,628)	6,909,506
Purchase of Units by Participants	347,223	(408,233)	755,456	(6,711,457)	7,466,913
Total Additions	681,901	(732,433)	1,414,334	(12,962,085)	14,376,419
Deductions					
Distribution of Income to Participants	324,706	311,746	636,452	6,196,850	6,833,302
Redemption of Units by Participants	33,595,187	7,729,520	41,324,707	184,975,293	226,300,000
Operating Expenses	9,972	12,454	22,426	53,778	76,204
Net Change in Unrealized Loss	(232,344)	(4,016,989)	(4,249,333)	6,843,496	2,594,163
Total Deductions	33,697,521	4,036,731	37,734,252	198,069,417	235,803,669
Change in Net Assets	(33,015,620)	3,304,298	(36,319,918)	185,107,332	(221,427,250)
Total net assets – beginning	52,566,866	(36,319,918)	88,886,784	(221,427,250)	310,314,034
Total net assets - ending	$19,551,246	$(33,015,620)	$52,566,866	$(36,319,918)	$88,886,784

Connecticut Higher Education Trust

Net Assets and Changes in Net Assets (Direct Plan)

Net Assets – Net Assets of the Connecticut Higher Education Trust (CHET) Direct Plan at the close of the current fiscal year were $1.584 billion, an increase of $318 million from the previous year.

Net assets of the Connecticut Higher Education Trust (CHET) Direct Plan at the close of the 2010 fiscal year were $1.265 billion, an increase of $216 million from the previous year.

Changes in Net Assets – The change in net assets increased by $318 million in fiscal year 2011 resulting from $201 of net realized and unrealized appreciation on investments including net investment income in addition to $117 million of contributions to active accounts, net of redemptions.

The change in net assets of the increased by $216 million in fiscal year 2010 resulting from $103 of net realized and unrealized appreciation on investments including net investment income in addition to $113 million of contributions to active accounts, net of redemptions.

Table 7 - Net Assets

Assets	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Investments, at Value	$1,584,492,902	$318,367,864	$1,266,125,038	$216,592,698	$1,049,532,340
Cash, Receivables and Other	1,961,731	(650,403)	2,612,134	1,514,776	1,097,358
Total Assets	1,586,454,633	317,717,461	1,268,737,172	218,107,474	1,050,629,698
Liabilities	(2,126,935)	759,017	(2,885,952)	(1,524,360)	(1,361,592)
Net Assets	$1,584,327,698	$318,476,478	$1,265,851,220	$216,583,114	$1,049,268,106

Table 8 - Changes in Net Assets

Additions	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Net investment income	$29,824,422	$7,190,940	$22,633,482	$(4,618,765)	$27,252,247
Net realized gain on investments	9,355,065	24,820,242	(15,465,177)	20,798,151	(36,263,328)
Realized gain distributions	151,711	151,711	0	0	0
Net change in unrealized appreciation (depreciation)	162,212,789	66,539,638	95,673,151	214,293,154	(118,620,003)
Net Increase (Decrease) in Net Assets Resulting From Operations	201,543,987	98,702,531	102,841,456	230,472,540	(127,631,084)
From account owner transactions	116,932,491	3,190,833	113,741,658	13,516,940	100,224,718
Change in Net Assets	318,476,478	101,893,364	216,583,114	243,989,480	(27,406,366)
Total net assets – beginning	1,265,851,220	216,583,114	1,049,268,106	(27,406,366)	1,076,674,472
Total net assets - ending	$1,584,327,698	$318,476,478	$1,265,851,220	$216,583,114	$1,049,268,106

Net Assets and Changes in Net Assets (Advisor Plan)

Net Assets – Net Assets of the Connecticut Higher Education Trust (CHET) Advisor Plan at the close of the current fiscal year were $37 million.

Changes in Net Assets – The change in net assets of the increased by $37 million in fiscal year 2011 resulting from $1 million of net realized and unrealized appreciation on investments including net investment income in addition to $36 million of contributions to active accounts, net of redemptions. The Advisor Plan began operations in October 2010.

Table 9 - Net Assets

Assets	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Investments, at Value	$36,826,918	$36,826,918	$ -	$ -	$ -
Cash, Receivables and Other	218,084	218,084	-	-	-
Total Assets	37,045,002	37,045,002	-	-	-
Liabilities	(173,310)	(173,310)	-	-	-
Net Assets	$36,871,692	$36,871,692	$ -	$ -	$ -

Table 10 - Changes in Net Assets

Additions	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Net investment income	$114,502	$114,502	$ -	$ -	$ -
Net realized gain on investments	176,442	176,442	-	-	-
Realized gain distributions	11,346	11,346	-	-	-
Net change in unrealized appreciation (depreciation)	407,296	407,296	-	-	-
Net Increase (Decrease) in Net Assets Resulting From Operations	709,586	709,586	-	-	-
From account owner transactions	36,162,106	36,162,106	-	-	-
Change in Net Assets	36,871,692	36,871,692	-	-	-
Total net assets – beginning	-	-	-	-	-
Total net assets - ending	$36,871,692	$36,871,692	$ -	$ -	$ -

Net Assets and Changes in Net Assets (Consolidated)

Net Assets – Net Assets of the Connecticut Higher Education Trust (CHET Direct and Advisor Plans) at the close of the current fiscal year were $1.621 billion, an increase of $355 million from the previous year.

Net assets of the Connecticut Higher Education Trust (CHET Direct and Advisor Plans) at the close of the 2010 fiscal year were $1.265 billion, an increase of $216 million from the previous year.

Changes in Net Assets – The change in net assets increased by $355 million in fiscal year 2011 resulting from $202 of net realized and unrealized appreciation on investments including net investment income in addition to $153 million of contributions to active accounts, net of redemptions.

The change in net assets of the increased by $216 million in fiscal year 2010 resulting from $103 of net realized and unrealized appreciation on investments including net investment income in addition to $113 million of contributions to active accounts, net of redemptions.

Table 11 - Net Assets

Assets	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Investments, at Value	$1,621,319,820	$355,194,782	$1,266,125,038	$216,592,698	$1,049,532,340
Cash, Receivables and Other	2,179,815	(432,319)	2,612,134	1,514,776	1,097,358
Total Assets	1,623,499,635	354,762,463	1,268,737,172	218,107,474	1,050,629,698
Liabilities	(2,300,245)	585,707	(2,885,952)	(1,524,360)	(1,361,592)
Net Assets	$1,621,199,390	$355,348,170	$1,265,851,220	$216,583,114	$1,049,268,106

Table 12 - Changes in Net Assets

Additions	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Net investment income	$29,938,924	$7,305,442	$22,633,482	$(4,618,765)	$27,252,247
Net realized gain on investments	9,531,507	24,996,684	(15,465,177)	20,798,151	(36,263,328)
Realized gain distributions	163,057	163,057	0	0	0
Net change in unrealized appreciation (depreciation)	162,620,085	66,946,934	95,673,151	214,293,154	(118,620,003)
Net Increase (Decrease) in Net Assets Resulting From Operations	202,253,573	99,412,117	102,841,456	230,472,540	(127,631,084)
From account owner transactions	153,094,597	39,352,939	113,741,658	13,516,940	100,224,718
Change in Net Assets	355,348,170	138,765,056	216,583,114	243,989,480	(27,406,366)
Total net assets – beginning	1,265,851,220	216,583,114	1,049,268,106	(27,406,366)	1,076,674,472
Total net assets - ending	$1,621,199,390	$355,348,170	$1,265,851,220	$216,583,114	$1,049,268,106

Second Injury Fund

Net Assets - The net assets of the Second Injury Fund (SIF) at the close of fiscal year 2011 were $30.7 million, a decrease of $7.1 million from the previous year net asset balance of $37.8 million.

The net assets of the Fund at the close of previous fiscal year were $37.8 million, a decrease of $14.5 million from the previous year net asset balance of $52.3 million..

Operating Income – The $7.1 million decrease in net assets resulted mainly from a net operating loss of $7.1 million.

The $14.5 million decrease in net assets in 2010 resulted mainly from a net operating loss of $14.7

Tax Exempt Proceeds Fund

Net Assets - The net assets of the Tax Exempt Proceeds Fund at the close of the fiscal year were $95 million, a decrease of $30 million from the previous year.

The net assets of the Tax Exempt Proceeds Fund at the close of the 2010 fiscal year were $125 million, a decrease of $7 million from the previous year.

Changes in Net Assets – The total decreases in net assets of the Tax Exempt Proceeds Fund in fiscal years 2011 and 2010 were the result of a net decrease of fund investments.

REQUIRED SUPPLEMENTARY INFORMATION

Following the Financial Statements section of this annual report is a Supplemental Information section that further explains and supports the financial information and includes additional schedules for the Combined Investment Funds, debt schedules, cash management activities including Civil List Funds, and information on Unclaimed Property and fiscal year division expenses for the Office of the Treasurer.

DEBT ADMINISTRATION

Long-term debt obligations of the State consist of general obligation bonds and revenue dedicated bonded debt. General obligation bonds, issued by the State, are backed by the full faith and credit of the State. Dedicated revenue debt payments are made from legally restricted revenues.

At June 30, 2011, the State had $19.2 billion in bonds and notes outstanding, the same amount as of the end of June 30, 2010. Outstanding debt at June 30, 2011 was issued to fund local school construction projects, state grants and economic development initiatives, Clean Water Fund loans, improvements to state universities and transportation projects.

The following table presents total outstanding debt for the State distinguished by bond financing type.

Table 13 - Outstanding Debt as of June 30,

Bond Type	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
General obligation –					
Tax supported	$10,430,351,552	$271,347,735	$10,159,003,817	$211,723,492	$9,947,280,325
Bond Anticipation Notes	0	(581,245,000)	581,245,000	0	581,245,000
Teachers Retirement Fund	2,276,578,271	0	2,276,578,271	0	2,276,578,271
Economic Recovery Notes	915,795,000	0	915,795,000	915,795,000	0
Revenue supported	530,000	(530,000)	1,060,000	(530,461)	1,590,461
Special Tax Obligation	3,357,595,000	327,110,000	3,030,485,000	213,470,000	2,817,015,000
Bradley International Airport	169,090,000	(19,695,000)	188,785,000	(10,145,000)	198,930,000
Clean Water Fund	899,105,000	77,155,000	821,950,000	(63,250,000)	885,200,000
UCONN 2000	804,310,000	(73,182,441)	877,492,441	32,547,726	844,944,715
CDA Increment Financing	24,930,000	(2,620,000)	27,550,000	(2,525,000)	30,075,000
CDA Government					
Lease revenue	2,255,000	(660,000)	2,915,000	(620,000)	3,535,000
CHEFA Childcare					
Facilities program	66,575,000	(1,665,000)	68,240,000	(1,360,000)	69,600,000
Bradley Parking operations	41,250,000	(1,755,000)	43,005,000	(1,650,000)	44,655,000
CT Juvenile Training school	15,625,000	(455,000)	16,080,000	(440,000)	16,520,000
CHFA Special Needs Housing Bonds	76,720,000	14,945,000	61,775,000	(1,980,000)	63,755,000
CCEDA Bonds	100,155,000	(2,525,000)	102,680,000	(2,435,000)	105,115,000
CHFA Emergency					
Mortgage Assistance Program	29,165,000	29,165,000	0	0	0
Total	$19,210,029,823	$35,390,294	$19,174,639,529	$1,288,600,757	$17,886,038,772

During fiscal year 2011, the State issued $2.368 billion of bonds for capital projects and other purposes including the largest ($600 million) transportation infrastructure bond issue at the lowest cost in the history of the Special Tax Obligation bond program. The $2.368 billion of issued bonds were offset by bonds retired of $1.949 billion and bonds refunded of $0.383 billion, resulting in a net increase of $35 million in bonds outstanding. Since 1999, debt refunding and defeasances have produced $0.664 billion in debt savings to taxpayers.

Moody's Investors Service, Standard & Poor's Corporation, and Fitch Investors Service rate the State's general obligations AA with Stable Outlooks from all three credit rating agencies.

More detailed information about outstanding bonds and other long-term debt can be found in the Supplemental and Statistical Sections of this report.

ECONOMIC CONDITIONS AND OUTLOOK

As fiscal year 2011 was ending, economic recovery in the U.S. was continuing at a moderate pace but uneven across sectors and too slowly from the perspective of millions of unemployed workers. Although the stock market realized double digit gains over the previous fiscal year with the S&P ending the fiscal year at 1,321, 28% better than when the fiscal year began, and the percent of the U.S. labor force unemployed fell to 9.2 percent down from 9.5 percent at the end of fiscal year 2010, the economy is not as robust as it needs to be for sustained recovery. Consumer spending expanded moderately through 2010, only to decelerate in the first half of 2011. Consumer confidence continues to be confronted with increases in food and energy prices, declining home values, tightness in some credit markets and continuing high unemployment. The housing sector which typically plays an important role in economic recovery continues to be depressed in the U.S. and is a major reason that the current recovery is less vigorous than it ought to be. Sharp declines in house prices in some areas have left many homeowners "underwater" on their mortgages, creating financial hardship for households and the rates of mortgage delinquency and default has resulted in stress for financial institutions as well. Although banking and financial conditions in the U.S. have improved since the 2008 and 2009 financial crisis, financial stress continues to drag on the recovery as concerns about European sovereign debt and the down-grade of U.S. long-term credit rating by one of the major rating agencies, and controversy surrounding the U.S. federal deficit pose ongoing risks to growth. Developments in the public sector are also relatively weak as fiscally constrained state and local governments continue to cut spending and employment.

The Federal Open Market Committee expects a moderate economic recovery to continue and anticipates that inflation will be at or below 2 percent over the medium run. At its November 2011 meeting, the Committee maintained the target range for the federal funds rate at 0 to ¼ percent and indicated that it expects to keep it at "exceptionally low levels" through mid-2013 to help spur the economy.

Although Connecticut has experienced a modest recovery, economic growth has not been sufficient to substantially reduce the state unemployment rate at 9.1 percent at June 30, 2011, the same as the fiscal year ended June 2010. The State Comptroller reported that the state's General Fund ended the 2011 fiscal year with a pre-audited $236.9 million surplus, that would have been a $1 billion deficit without the use of reserves, federal stimulus funds, and one-time actions. General Fund tax revenues increased by $1.5 bilion, or 10.6 percent, during the year with personal income taxes growing $660 milion and sales tax revenues increasing $149 million or 4.7 percent from a year ago.

However, Connecticut's economic outlook mirrors the U.S. outlook with more jobs lost to recession that will take a decade to replace at current job growth. Housing price declines of almost 10 percent in the first quarter of 2011 compared to last year and potential federal spending cuts to Connecticut also dampen the economic outlook for Connecticut.

CONTACTING THE OFFICE OF THE TREASURER

This financial report is designed to provide a general overview of the Office of the Treasurer's finances and to show the Office's accountability for the money it receives. Questions about this report or requests for additional information should be addressed to:

Connecticut State Treasury
55 Elm Street
Hartford, CT 06106-1773
Telephone (860) 702-3000
www.state.ct.us/ott

DENISE L. NAPPIER
TREASURER

State of Connecticut
Office of the Treasurer

JONATHAN A. HARRIS
DEPUTY TREASURER

December 30, 2011

To the Honorable
Dannel P. Malloy Governor of Connecticut
Denise L. Nappier, Treasurer of Connecticut
Members of the Connecticut General Assembly
And Citizens of the State of Connecticut

This report was prepared by the Office of the Treasurer, which is responsible for the accuracy of the data, the completeness and fairness of the presentation and all disclosures. We present the financial statements and data as being accurate in all material respects and prepared in conformity with generally accepted accounting principles and such financial statements are audited annually by the State of Connecticut Auditors of Public Accounts.

To carry out this responsibility, the Office of the Treasurer maintains financial policies, procedures, accounting systems and internal controls that management believes provide reasonable, but not absolute, assurance that accurate financial records are maintained and investments and other assets are safeguarded.

It is our belief that the contents of this Annual Report make evident the State of Connecticut Office of the Treasurer's support of the safe custody and conscientious stewardship of the State's property and money, including Trusts and Custodial accounts held by the State Treasurer. In addition, the Office of the Treasurer has sought to maximize earnings on the assets held by the State Treasurer within the boundaries of prudent investment guidelines authorized by Article Four, Section 22 of the Connecticut Constitution and in Title 3 of the Connecticut General Statutes, thereby stabilizing taxpayer costs and securing the safety of benefit commitments established by various General Statutes covering the State retirement systems and other retirement systems administered by the State.

The State of Connecticut also issues a Comprehensive Annual Financial Report (the "CAFR") available from the State Comptroller's Office. The material presented herein is intended to expand on, but not to conflict with, the State's CAFR.

In management's opinion, the internal control structure of the Office of the Treasurer is adequate to ensure that the financial information in this report presents fairly the financial condition and results of operations of the funds that follow.

Sincerely,

Jonathan A. Harris
Deputy Treasurer

55 ELM STREET, HARTFORD, CONNECTICUT 06106-1773 • (860) 702-3000
An Equal Opportunity Employer

COMBINED INVESTMENT FUNDS

STATEMENT OF NET ASSETS
JUNE 30, 2011

	TOTAL
ASSETS	
Investments in Securities, at Fair Value	
Liquidity Fund	$ -
Cash Equivalents	942,957,157
Asset Backed Securities	110,039,354
Government Securities	2,775,762,822
Government Agency Securities	992,775,441
Mortgage Backed Securities	242,805,316
Corporate Debt	1,693,274,813
Convertible Securities	42,898,411
Common Stock	12,448,536,622
Preferred Stock	107,956,321
Real Estate Investment Trust	189,026,932
Mutual Fund	1,777,676,416
Limited Liability Corporation	4,168,064
Trusts	2,137,623
Limited Partnerships	3,917,578,940
Annuities	-
Total Investments in Securities, at Fair Value	25,247,594,232
Cash	64,376,386
Receivables	-
Foreign Exchange Contracts	4,110,565,494
Interest Receivable	219,261,314
Dividends Receivable	26,442,974
Due from Brokers	372,193,039
Foreign Taxes	10,682,284
Securities Lending Receivable	1,525,017
Reserve for Doubtful Receivables	(3,849,973)
Total Receivables	4,736,820,149
Invested Securities Lending Collateral	3,156,098,291
Other Funds on Deposit	-
Prepaid Expenses	2,603,145
Total Assets	33,207,492,203
LIABILITIES	
Payables	
Foreign Exchange Contracts	4,158,172,716
Due to Brokers	691,789,022
Income Distribution	884,624
Other Payable	19,696
Total Payables	4,850,866,058
Securities Lending Collateral	3,156,098,291
Accrued Expenses	16,863,168
Total Liabilities	8,023,827,517
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	$ 25,183,664,686

The accompanying notes are an integral part of these financial statements.

COMBINED INVESTMENT FUNDS

STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		TOTAL
ADDITIONS		
OPERATIONS		
Investment Income		
Dividends	$	703,324,261
Interest		283,834,381
Other Income		6,613,165
Securities Lending		23,391,987
Total Income		1,017,163,794
Expenses		
Investment Advisory Fees		73,515,636
Custody and Transfer Agent Fees		2,075,473
Professional Fees		3,128,803
Security Lending Fees		3,226,234
Security Lending Rebates		3,858,275
Investment Expenses		3,820,407
Total Expenses		89,624,828
Net Investment Income		927,538,966
Net Realized Gain (Loss)		825,681,448
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency		2,699,894,481
Net Increase (Decrease) in Net Assets Resulting from Operations		4,453,114,895
Unit Transactions		
Purchase of Units by Participants		3,118,436,763
TOTAL ADDITIONS		7,571,551,658
DEDUCTIONS		
Administrative Expenses:		
Salary and Fringe Benefits		(4,130,621)
Distributions to Unit Owners:		
Income Distributed		(813,290,425)
Unit Transactions		
Redemption of Units by Participants		(3,440,056,288)
TOTAL DEDUCTIONS		(4,257,477,334)
Change in Net Assets Held in Trust for Participants		3,314,074,324
Net Assets- Beginning of Period		21,869,590,362
Net Assets- End of Period	$	25,183,664,686

The accompanying notes are an integral part of these financial statements

COMBINED INVESTMENT FUNDS

STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

		TOTAL
ADDITIONS		
OPERATIONS		
Investment Income		
Dividends	$	417,408,272
Interest		324,045,018
Other Income		5,608,105
Securities Lending		23,426,229
Total Income		770,487,624
Expenses		
Investment Advisory Fees		69,739,420
Custody and Transfer Agent Fees		2,019,838
Professional Fees		2,744,429
Security Lending Fees		3,303,483
Security Lending Rebates		4,383,689
Investment Expenses		1,610,435
Total Expenses		83,801,294
Net Investment Income		686,686,330
Net Realized Gain (Loss)		214,424,589
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency		1,737,661,123
Net Increase (Decrease) in Net Assets Resulting from Operations		2,638,772,042
Unit Transactions		
Purchase of Units by Participants		3,647,050,210
TOTAL ADDITIONS		6,285,822,252
DEDUCTIONS		
Administrative Expenses		
Salary and Fringe Benefits		(3,835,777)
Distributions to Unit Owners		
Income Distributed		(579,288,269)
Unit Transactions		
Redemption of Units by Participants		(4,215,274,128)
TOTAL DEDUCTIONS		(4,798,398,174)
Change in Net Assets Held in Trust for Participants		1,487,424,078
Net Assets- Beginning of Period		20,382,166,284
Net Assets- End of Period	$	21,869,590,362

The accompanying notes are an integral part of these financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Combined Investment Funds (the “Funds”) are separate legally defined funds, which have been created by the Treasurer of the State of Connecticut (the “Treasurer”) under the authority of the Connecticut General Statutes (CGS) Section 3-31b. The Funds are open-end, unitized portfolios consisting of the Liquidity Fund, Alternative Investment Fund, Mutual Equity Fund, Core Fixed Income Fund, Inflation Linked Bond Fund, Emerging Market Debt Fund, High Yield Debt Fund, Developed Market International Stock Fund, Emerging Market International Stock Fund, Real Estate Fund, Commercial Mortgage Fund and the Private Investment Fund. The Funds were established to provide a means for investing pension and other trust fund assets entrusted to the Treasurer in a variety of investment classes. The units of the Funds are owned by these pension and trust funds. For financial reporting purposes of the State of Connecticut, the Funds are considered to be internal investment pools and are not reported in the State’s combined financial statements. Instead, each fund type’s investment in the fund is reported as “equity in combined investment funds” in the State’s combined balance sheet.

The Treasurer, as sole fiduciary of the Funds, is authorized to invest in a broad range of fixed income and equity securities, as well as real estate properties, mortgages and private equity. This authority is restricted only by statute. Such limitations include prohibitions against investment in companies doing business in Iran and those doing business in Northern Ireland, but who have failed to implement the MacBride Principles (CGS Section 3–13h). Other legislation restricts the maximum aggregate investment in equity securities to 60% of the fair value of the Trust Funds.

The Funds are not subject to regulatory oversight and are not registered with the Securities and Exchange Commission as an investment company.

The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of their financial statements.

A. NEW PRONOUNCEMENTS

There were no new pronouncements for the fiscal year ending June 30, 2011.

B. SECURITY VALUATION

Investments are stated at fair value for each of the Funds as described below. For the Commercial Mortgage Fund, the investments listed on the Statement of Net Assets, other than the amounts invested in the Liquidity Fund, are shown at fair values provided to the Fund by the investment advisor, and adjusted, when appropriate, by the Treasurer’s staff.

For the Real Estate and Private Investment Funds substantially all of the investments, other than those in the Liquidity Fund, are shown at values that are estimated by the Treasurer’s staff. Such estimations utilize the investment advisors’ prior quarter end estimated fair value, plus or minus the appropriate related cash flows as described later in this section.

For the Alternative Investment Fund substantially all of the investments, other than those in the Liquidity Fund, are shown at values that are estimated by the Treasurer’s staff. Such estimations for the Absolute Return Strategy category utilize the investment advisors’ prior two month period end estimated fair value, plus or minus the appropriate related cash flows, as described later in this section. Estimations for the Real Asset category utilize the investment advisors’ prior quarter end estimated fair value, plus or minus the appropriate related cash flows. Cash flows are described later in this section.

The Treasurer’s staff reviews the valuations for all investments in these alternative asset classes (Commercial Mortgage, Real Estate, Private Investment and Alternative Investment Funds) to see that they are reasonable and consistent. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed and the differences could be material.

Liquidity Fund

Existing money market vehicles are valued at amortized cost on a daily basis, which approximates fair value. A standard price hierarchy is utilized in the daily valuation of the Liquidity Fund.

The Liquidity Fund at times may utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the Funds' currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the Funds' investments against currency fluctuations. Also, a contract to buy or sell can offset a previous contract. Losses may arise from changes in the value of the foreign currency or failure of the counterparties to perform under the contracts' terms.

Investing in forward currency contracts may increase the volatility of the Funds' performance. Price movements of currency contracts are influenced by, among other things, international trade, fiscal, monetary, and exchange control programs and policies; national and international political and economic events; and changes in worldwide interest rates. Governments from time to time intervene in the currency markets with the specific intent of influencing currency prices. Such intervention may cause certain currency prices to move rapidly. Additionally, the currency markets may be particularly sensitive to interest rate fluctuations.

The U. S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service.

Investments are valued based on quoted market prices when available. For securities that have no quoted market value, fair value is estimated based on yields currently available on comparable securities of issuers with similar credit ratings and maturities.

"When-issued" securities held in the fund are fully collateralized by U.S Government securities and such collateral is in the possession of the Fund's custodial bank. The collateral is evaluated daily to ensure its market value exceeds the current market value of the instruments including accrued interest

The Liquidity Fund invests in Mortgage Backed Securities (MBSs) and Asset Backed Securities (ABSs), which are included in the Statement of Net Assets. These are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgage or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates, but is generally prior to the stated maturity date. At June 30, 2011, the Fund held MBSs of $26,266,438 and ABSs of $45,929,656.

Repurchase agreements held in the fund are collateralized at 100 percent of the securities' value. Such transactions are only entered into with primary government securities dealers who report directly to the Federal Reserve Bank of New York. The collateral is evaluated daily to ensure its fair value exceeds the current fair value of the repurchase agreements including accrued interest.

<u>Alternative Investment Fund</u>

Investments in securities not listed on security exchanges and investments in limited partnerships, which comprise substantially all of the Fund's investments, are carried at the cash adjusted fair value. For investments in the Absolute Return Strategy category, the cash adjusted fair value utilizes the prior two month end period fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Alternative Investment Fund, to estimate the current fair value. For investments in the Real Asset category, the cash adjusted fair value utilizes the prior calendar quarter end fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Alternative Investment Fund, to estimate the current fair value. The Treasurer's staff reviews the estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, this estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total Fund-level differences between the cash adjusted estimates and the investment advisors' estimated values, adjustments to the reported cash adjusted fair values are made to prevent overstatement. At June 30, 2011, the estimated investment values provided by the investment advisors, net of the adjustments noted above, was lower than the cash adjusted fair values reported on the Statement of Net Assets by approximately $9 million. Consistent with the cash adjusted fair value presentation this increase will be considered for the next period adjustment.

Mutual Equity Fund

Securities traded on securities exchanges are valued at the last reported sales price on the last business day of the fiscal year. Corporate bonds and certain over-the-counter stocks are valued at the mean of bid and asked prices as furnished by broker-dealers.

Core Fixed Income Fund

Investments are valued based on quoted market prices when available. For securities that have no quoted market value, fair value is estimated based on yields currently available on comparable securities of issuers with similar credit ratings and maturities.

"When-issued" securities held in the fund are fully collateralized by U.S Government securities and such collateral is in the possession of the Fund's custodial bank. The collateral is evaluated daily to ensure its market value exceeds the current market value of the instruments including accrued interest.

The Core Fixed Income Fund invests in Mortgage Backed Securities (MBSs) and Asset Backed Securities (ABSs), which are included in the Statement of Net Assets. These are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgage or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates, but is generally prior to the stated maturity date. At June 30, 2011, the Fund held MBSs of $208,709,340 and ABSs of $61,192,651.

Interest-only stripped mortgage backed securities (IOs), a specialized type of Collateralized Mortgage Obligation (CMO), are included as Mortgage Backed Securities on the statement of Net Assets. The cash flow on these investments is derived from the interest payments on the underlying mortgage loans. Prepayments on the underlying loans curtail these interest payments, reducing the value of the IOs and, as such, these instruments are extremely sensitive to changes in interest rates, which encourage or discourage such prepayments. At June 30, 2011 the Fund's holdings had a fair value of $1,209,630 and a cost of $3,089,418. The valuations were provided by the custodian.

Investments in non-U.S. fixed income securities are utilized on an opportunistic basis. Certain advisors within the Core Fixed Income Fund are authorized to invest in global fixed income securities.

Inflation Linked Bond Fund

Investments are valued based on quoted market prices when available. For securities that have no quoted market value, fair value is estimated based on yields currently available on comparable securities of issuers with similar credit ratings and maturities.

"When-issued" securities held in the fund are fully collateralized by U.S Government securities and such collateral is in the possession of the Fund's custodial bank. The collateral is evaluated daily to ensure its market value exceeds the current market value of the instruments including accrued interest.

Investments in non-U.S. fixed income securities are utilized on an opportunistic basis. Certain advisors within the Inflation Linked Bond Fund are authorized to invest in global fixed income securities.

Emerging Market Debt Fund

Investments are valued based on quoted market prices when available. For securities that have no quoted market value, fair value is estimated based on yields currently available on comparable securities of issuers with similar credit ratings.

The Emerging Market Debt Fund invests in securities in emerging market countries that are either U.S. dollar-denominated or issued in the local currency of the country. In addition to bond interest rate sensitivity, the local currency bonds' values will fluctuate with exchange rates.

When-issued securities held are fully collateralized by U.S Government securities and such collateral is in the possession of the Fund's custodian. The collateral is evaluated daily to ensure its market value exceeds the current market value of the instruments including accrued interest.

The Emerging Market Debt Fund sometimes invests in Asset Backed Securities (ABSs), which are included in the Statement of Net Assets. These are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgage or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates, but is generally prior to the stated maturity date. At June 30, 2011, the Fund held ABSs of $608,380.

<u>High Yield Debt Fund</u>

Investments are valued based on quoted market prices when available. For securities that have no quoted market value, fair value is estimated based on yields currently available on comparable securities of issuers with similar credit ratings and maturities.

"When-issued" securities held in the fund are fully collateralized by U.S Government securities and such collateral is in the possession of the Fund's custodial bank. The collateral is evaluated daily to ensure its market value exceeds the current market value of the instruments including accrued interest.

The High Yield Debt Fund invests in Mortgage Backed Securities (MBSs) and Asset Backed Securities (ABSs), which are included in the Statement of Net Assets. These are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgage or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates, but is generally prior to the stated maturity date. At June 30, 2011, the Fund held MBSs of $7,749,985 and ABSs of $2,308,667.

Investments in non-U.S. fixed income securities are utilized on an opportunistic basis. Certain advisors within the High Yield Debt Fund are authorized to invest in global fixed income securities.

<u>Developed Market International Stock Fund</u>

The Developed Market International Stock Fund at times may utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the Funds' currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the Funds' investments against currency fluctuations. Also, a contract to buy or sell can offset a previous contract. Losses may arise from changes in the value of the foreign currency or failure of the counterparties to perform under the contracts' terms.

Investing in forward currency contracts may increase the volatility of the Funds' performance. Price movements of currency contracts are influenced by, among other things, international trade, fiscal, monetary, and exchange control programs and policies; national and international political and economic events; and changes in worldwide interest rates. Governments from time to time intervene in the currency markets with the specific intent of influencing currency prices. Such intervention may cause certain currency prices to move rapidly. Additionally, the currency markets may be particularly sensitive to interest rate fluctuations.

The U. S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service

Investments in securities listed on security exchanges are valued at the last reported sales price on the last business day of the fiscal year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean of the last reported bid and asked prices.

Certain cash held in non-U.S. dollar denominated trading accounts is non-interest bearing.

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Certain cash held in non-U.S. dollar denominated trading accounts is non-interest bearing.

Real Estate Fund

Investments in securities not listed on security exchanges and investments in trusts, limited partnerships, and annuities, which comprise substantially all of the Fund's investments, are carried at the cash adjusted fair value. The cash adjusted fair value utilizes the prior calendar quarter end fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Real Estate Fund, to estimate the current fair value. The Treasurer's staff reviews the prior quarter estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, this estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total Fund-level differences between the cash adjusted estimates and the investment advisors' estimated values, adjustments to the reported cash adjusted fair values are made to prevent overstatement. At June 30, 2011, the estimated investment values provided by the investment advisors, net of the adjustments noted above, exceeded cash adjusted fair values reported on the Statement of Net Assets by approximately $28 million. Consistent with the cash adjusted fair value presentation this increase will be considered for the next quarter's adjustment.

Commercial Mortgage Fund

This Fund invests in commercial mortgage loans and mortgage backed securities generally through indirect ownership vehicles such as trusts and corporations. The value of the Fund's interest in these entities is based on the fair value of the underlying commercial loan portfolio or securities held. Fair value for the mortgage portfolio is computed by discounting the expected cash flows of the loans at a rate commensurate with the risk inherent in the loans. The discount rate is determined using the yield on U.S. Treasury securities of comparable remaining maturities plus an appropriate market spread for credit and liquidity risk. The Fund does not record fair values in excess of amounts at which the borrower could settle the obligation, giving effect to any prepayment premiums. In the event that the fair value of the loan collateral, based on an appraisal, is less than the outstanding principal balance, the collateral value is used as fair value. These calculations are performed by the investment advisor and reviewed by Treasury personnel.

Private Investment Fund

The Private Investment Fund is comprised of investments in various limited partnerships, limited liability companies and securities. The general partner or managing member is the investment advisor and is compensated on a fee basis for management services in addition to its participation in partnership profits and losses. These investments are carried at their cash adjusted fair values. The cash adjusted fair value utilizes the prior quarter fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Private Investment Fund, to estimate the current fair value. The Treasurer's staff reviews the prior quarter estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, the estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total Fund-level differences between the cash adjusted estimates and the investment advisors' estimated values, adjustments of reported cash adjusted values are made to prevent overstatement. At June 30, 2011, the estimated investment values provided by the investment advisors, net of the adjustments noted above, exceeded cash adjusted fair values reported on the Statement of Net Assets by approximately $29 million. Consistent with the cash adjusted fair value presentation this increase will be considered for the next quarter's adjustment. Securities traded on securities exchanges are valued at the last reported sales price on the last business day of the fiscal year.

C. INVESTMENT TRANSACTIONS AND RELATED INCOME

Investment transactions are accounted for on a trade date basis. Dividend income is recognized as earned on the ex-dividend date. Interest income is recorded on the accrual basis as earned. Realized gains and losses are computed on the basis of the average cost of investments sold. Such amounts are calculated independent of and are presented separately from the Net Change in Unrealized Gains and Losses on the Statement of Operations and the Statement of Changes in Net Assets. Realized gains and losses on investments held more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year(s) and the current year. Unrealized gains and losses represent the difference between the fair value and the cost of investments. The increase (decrease) in such difference is accounted for as a change in unrealized gain (loss). In the Funds' cost basis records, premiums are amortized using the straight-line method that approximates the interest method.

Dividends earned by the Private Investment, Real Estate, Alternative Investment and Commercial Mortgage Funds relate to investments that are not listed on security exchanges. Such dividends are recognized as income when received, generally net of advisory fees.

D. FOREIGN CURRENCY TRANSLATION

The value of investments, assets and liabilities denominated in currencies other than U.S. dollars are translated into U.S. dollars based upon appropriate fiscal year end foreign exchange rates. Purchases and sales of foreign investments and income and expenses are converted into U.S. dollars based on currency exchange rates prevailing on the respective dates of such transactions. The Funds do not isolate that portion of the results of operations arising from changes in the exchange rates from that portion arising from changes in the market prices of securities.

E. SHARE TRANSACTIONS AND PRICING

All unit prices are determined at the end of each month based on the net asset value of each fund divided by the number of units outstanding. Purchases and redemptions of units are based on the prior month end price and are generally processed on the first business day of the month. .

F. EXPENSES

Expenses of the funds, excluding certain managment fees as discussed in more detail in note 1J, are recognized on the accrual basis and are deducted in calculating net investment income and net asset value on a monthly basis. Each of the funds bears its direct expenses, such as investment advisory fees, and, in addition, each of the funds is allocated a portion of the overhead expenses of the Pension Funds Management Division of the Office of the State Treasurer, which services the funds. These expenses include salary and fringe benefit costs and other administrative expenses. Certain of these costs are allocated among the Funds based on relative net asset values. Other costs are charged directly based on the specific duties of personnel.

G. DISTRIBUTIONS

Net investment income earned by the Combined Investment Funds is distributed monthly to the unit owners of the funds, generally in the following month.

H. DERIVATIVE FINANCIAL INSTRUMENTS

GASB Statement Number 53 Accounting and Financial Reporting for Derivative Instruments, requires that the fair value of financial arrangements called derivatives or derivative instruments be reported in the financial statements. GASB defines a derivative instrument as a financial instrument or other contract with all of the following characteristics: a) It has one or more reference rates and (2) one or more notional amounts or payment provisions or both. b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors. c) Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

For the fiscal year ended June 30, 2011, the funds maintained positions in a variety of such securities that are all reported at fair value on the statement of net assets. The following is a listing of such securities:

Adjustable Rate Securities:

Fund	Fair Value	Cost
Liquidity	$ 328,298,685	$ 328,463,004
Core Fixed Income	218,064,640	214,880,579
Emerging Market Debt	53,198,399	48,913,966
High Yield Investment	20,308,063	18,816,983

Asset Backed Securities:

Fund	Fair Value	Cost
Liquidity	$ 45,929,656	$ 46,019,743
Core Fixed Income	61,192,651	60,368,689
Emerging Market Debt	608,380	69,937
High Yield Investment	2,308,667	2,100,725

Mortgage Backed Securities, Net of CMO's:

Fund	Fair Value	Cost
Liquidity	$ 23,002,350	$ 23,134,327
Core Fixed Income	35,000,176	34,730,638
High Yield Investment	7,749,985	7,840,454

CMO's:

Fund	Fair Value	Cost
Liquidity	$ 3,264,088	$ 3,291,680
Core Fixed Income	173,709,164	169,822,600

TBA's:

Fund	Fair Value	Cost
Liquidity	$ 6,517,545	$ 6,537,354
Core Fixed Income	236,405,138	237,786,810

Interest Only:

Fund	Fair Value	Cost
Core Fixed Income	$ 1,209,630	$ 3,089,418

Options:

Fund	Fair Value	Cost
Emerging Market Debt	$ 608,373	$ 776,564

The Emerging Market Debt Fund held futures with a notional cost of $12,138,860 and an unrealized gain of $30,983 reported in the Due From Brokers in the Statement of Net Assets. The Developed Market International Stock also held futures with a notional cost of $44,497,680 and an unrealized gain of $6,907,223 reported in the Due From Brokers and an unrealized loss of $1,965,440 reported in the Due to Brokers in the Statement of Net Assets.

The Liquidity, Core Fixed Income, Inflation Linked, Emerging Market Debt, High Yield Debt, Developed Market International Stock and Emerging Market International Stock Funds were invested in foreign exchange contracts. The specific nature of these investments is discussed more fully in the foreign exchange contract note for each respective fund, where appropriate. These financial instruments are utilized for trading and other purposes. Those that are used for other than trading purposes are foreign exchange contracts, which can be used to facilitate trade settlements, and may serve as foreign currency hedges. The credit exposure resulting from such contracts is limited to the recorded fair value of the contracts on the Statement of Net Assets.

The remaining such securities are utilized for trading purposes and are intended to enhance investment returns. All positions are reported at fair value and changes in fair value are reflected in income as they occur. The funds' credit exposure resulting from such investments is limited to the recorded fair value of the derivative financial instruments.

The Mutual Equity, Core Fixed Income, Emerging Market Debt, Developed International Stock, and the Emerging Market International Stock Funds also utilize derivatives indirectly through participation in mutual funds. These mutual funds may hold derivatives from time to time. Such derivatives may be used for hedging, investment and risk management purposes. These transactions subject the investor to credit and market risk.

I. COMBINATION/ELIMINATION ENTRY

The financial statements depict a full presentation of each of the Combined Investment Funds. However, one of these funds, the Liquidity Fund, is owned both directly by the pension plans and trust funds which have accounts in the Fund, and also indirectly because each of the other Combined Investment Funds has an account with the Liquidity Fund. As a result, elimination entries are presented for the purpose of netting out balances and transactions relating to the ownership of the Liquidity Fund by the other Combined Investment Funds. The combined presentation totals to the overall net assets owned by the pension plans and trust funds.

J. FEES AND REALIZED GAINS

Investment advisory fees incurred for certain investments in the Alternative Investment, Private Investment and Real Estate Funds are generally charged to the entity in which the Fund has been invested. In such cases, these amounts are either capitalized in the cost basis of the investment on a cash basis and become a component of unrealized gain (loss) or are netted against the corresponding income generated. Certain other fees are incurred directly by the Funds and are expensed. These expensed amounts are accrued and the expense is reflected as Investment Advisory Fees on the Statement of Operations. The appropriate treatment is determined depending on the terms of the investment agreement. Capitalized fees are not separately presented on the Statement of Operations. These fees are borne by the partners in their respective shares. The following is a listing of the Funds total fees for the fiscal year ended June 30, 2011:

Fund	Netted	Capitalized	Expensed	Total
Alternative Investment	$ 1,136,864	$ 666,725	$ -	$1,803,589
Private Investment	14,220,889	13,567,796	7,431,762	35,220,447
Real Estate	11,733,787	3,942,561	3,405,582	19,081,930

In addition, realized gains and losses are not reported at the level of the Fund's investment since these relate to realized gains and losses on the underlying securities held by the Funds' investment vehicles. The following is the Fund's share of such net realized gains and losses for the fiscal year ended June 30, 2011:

Fund	Net Realized Gain/(Loss)
Alternative Investment	$ -
Private Investment	283,094,077
Real Estate	18,684,152

Periodically the Private Investment and Real Estate Funds may receive security distributions in lieu of cash. These securities are included as Common Stock and Real Estate Investment Trust, respectively on the Statement of Net Assets. When one of these individual securities is sold the realized gain or loss is presented on the Statement of Operations. The Private Investment Fund incurred realized gain of $2,106,851 for such transactions for the fiscal year ended June 30, 2011.

The Mutual Equity, Core Fixed Income, Emerging Market International Stock and the Developed Market International Stock Funds include investments in a limited partnership and investments in mutual funds. Fees incurred from these investments are deducted from the operations of the fund and are not separately presented on the Statement of Operations. The following is a listing of he corresponding fees incurred for the fiscal year ended June 30, 2011:

Fund	Amount
Mutual Equity	$ 4,123,629
Core Fixed Income	2,478
Emerging Market Debt	2,129,009
Emerging Market International Stock	639,867
Developed Market International Stock	59,655

Investment advisory fees for the Liquidity, Mutual Equity, Core Fixed Income, Inflation Linked Bond, Emerging Market Debt, High Yield Investment, Developed Market International Stock and the Emerging Market International Stock Funds, except those noted above are estimated monthly based on periodic reviews of asset values and performance results. Accordingly, the amounts listed as Investment Advisory Fees on the Statement of Operations represent estimates of annual management fee expenses.

K. RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation.

L. RELATED PARTY AND OTHER TRANSACTIONS

There were no related party transactions during the fiscal year. Additionally, there were no “soft dollar” transactions. Soft dollar transactions result from arrangements whereby firms doing business with organizations such as the Treasury arrange for third parties to provide other services in lieu of cash payment. These arrangements tend to obscure the true cost of operations and can result in potential overpayment for services. Such transactions have been prohibited by the Treasurer.

M. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: DEPOSITS, INVESTMENTS AND SECURITIES LENDING PROGRAM

Deposits:

The Funds minimize custodial credit risk by maintaining certain restrictions set forth in the Investment Policy Statement. Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution’s failure the Funds would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. The Funds utilize a Liquidity Account that is a cash management pool investing primarily in highly liquid money market securities such as commercial paper, certificates of deposit, bank notes and other cash equivalents, asset backed securities, and floating rate corporate bonds. Deposits shall consist of cash instruments generally maturing in less than one year and having a quality rating, by at least one widely recognized rating agency, of A-1 or P-1 and earn interest at a rate equal to or better than the International Business Communications (“IBC”) First Tier Institutions-Only Rated Money Fund Report Index.

At June 30, 2011, the reported amount of Funds deposits were $64,376,386 and the bank balance was $64,376,386. Of the bank amount, $64,376,386 was uncollateralized and uninsured. Through the Securities Lending Program $3,343,760,661 was collateralized with securities held by the counterparty’s trust department or agent but not in the State’s name.

Investments:

Pursuant to the Connecticut General Statutes, the Treasurer is the principal fiduciary of the Funds, authorized to invest in a broad range of equity and fixed income securities, as well as real estate properties, mortgages and private equity. The Funds minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, in accordance with a comprehensive Investment Policy Statement (IPS), as developed by The Office of the Treasurer and the State’s Investment Advisory Council (IAC), that provides policy guidelines for the Funds and includes an asset allocation plan. The asset allocation plan’s main objective is to maximize investment returns over the long term at an acceptable level of risk. There have been no violations of these investment restrictions during the 2011 fiscal year.

The Funds concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. There are no restrictions in the amount that can be invested in Government Securities and Government Agency Securities. However, there can be no more than 5% of the total portfolio market value invested in other securities.

NOTES TO FINANCIAL STATEMENTS (Continued)

The following table provides average credit quality and exposure levels information on the credit ratings associated with Funds investments in debt securities.

	Fair Value	Percentage of Fair Value
Aaa	$1,516,058,143	21.28%
Aa	241,933,887	3.39
A	424,357,299	5.95
Baa	595,952,139	8.36
Ba	304,776,628	4.28
B	373,176,345	5.24
Caa	139,050,202	1.95
Ca	5,204,588	0.07
C	876,794	0.01
Mig	3,352,817	0.05
Prime 1	46,090,000	0.65
Government fixed income securities (not rated)	1,914,726,126	26.87
Not Rated	1,560,725,724	21.90
	$7,126,280,692	100.00%

The investments in the Private Equity, Real Estate, Alternative Investment and Commercial Mortgage Funds generally utilize investment vehicles such as limited partnerships, common stocks, and trusts to comply with investment guidelines against direct ownership of such investment assets.

The investments of the Liquidity, Mutual Equity, Core Fixed Income, Inflation Linked Bond, Emerging Market Debt, High Yield Investment, Developed Market International Stock and the Emerging Market International Stock Funds have securities registered under the State Street Bank and Trust Co. nominee name Pondwave & Co. and held by a designated agency of the Pension Plans and Trust Funds of the State of Connecticut, or bearer and held by a designated agency of the Pension Plans and Trust Funds of the State of Connecticut.

Investments of cash collateral received under securities lending arrangements are registered in the master custodian's name and are invested in a fund maintained by the master custodian exclusively for the Funds. In circumstances where securities or letters of credit are received as collateral under securities lending arrangements, the collateral is held by the master custodian in a commingled pool in the master custodian's name, as trustee. When "tri-party" collateral is received, the collateral consists of cash, letters of credit or securities but is held in a commingled pool by a third party master custodian in the Funds' master custodian's name. The breakdown of Securities Lending is as follows:

Investment	Fair Value
Government Securities	$ 40,228,697
Government Agency Securities	14,388,140
U.S. Corporate Stock	43,364,917
International Equity	96,291,466
Collateral Securities held by Investment Pools under Securities Lending Arrangements:	
Other	742,343,070
Corporate Debt	2,407,144,371
Total	$3,343,760,661

The following table provides information about the interest rate risks associated with the Funds investments. Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity tend to be more sensitive to changes in interest rates and therefore, more volatile than those with shorter maturities. Investment Managers that manage the CRPTF portfolio are given full discretion to manage their portion of CRPTF assets within their respective guidelines and constraints. The guidelines and constraints require each manager to maintain a diversified portfolio at all times. In addition, each core manager is required to maintain a target duration that is similar to its respective benchmark which is typically the Barclay's Aggregate – an intermediate duration index.

The investments include certain short-term cash equivalents, various long term items, and restricted assets by maturity in years.

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
Cash Equivalents	$942,957,157	$742,526,363	$2,222,040	$ -	$198,208,754
Asset Backed Securities	110,039,354	67,309	93,311,155	16,660,890	-
Government Securities	2,775,762,822	115,115,200	1,176,573,034	674,570,704	809,503,884
Government Agency Securities	992,775,441	9,864,988	35,374,029	57,610,451	889,925,973

NOTES TO FINANCIAL STATEMENTS (Continued)

Mortgage Backed Securities	242,805,316	718,257	39,860,478	6,399,087	195,827,494
Corporate Debt	1,693,274,813	83,013,977	558,676,734	758,238,349	293,345,753
Convertible Debt	42,898,411	2,856,791	17,567,338	11,348,911	11,125,371
Mutual Fund	325,767,378	-	-	-	325,767,378
	$7,126,280,692	$954,162,885	$1,923,584,808	$1,524,828,392	$2,723,704,607

Exposure to foreign currency risk results from investments in foreign currency-denominated equity or fixed income securities. As a means of limiting its exposure, the CRPTF utilizes a strategic hedge ratio of 50% for the developed market portion of the International Stock Fund. This strategic hedge ratio represents the neutral stance or desired long-term exposure to currency for the ISF. To implement this policy, currency specialists actively manage the currency portfolio as an overlay strategy to the equity investment managers. These specialists may manage the portfolio passively or actively depending on opportunities in the market place. While managers within the fixed income portion of the portfolio are allowed to invest in non-U.S. dollar denominated securities, managers are required to limit that investment to a portion of their respective portfolios. The following table provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

				Fixed Income Securities					Equities		
Foreign Currency	Total	Cash	Cash Equiv Collateral	Government Securities	Mutual Funds	Corporate Debt	Convertible Securities	Asset Backed	Common Stock	Preferred Stock	Real Estate Investment Trust
Argentine Peso	$3,594,413	$273,267	$ -	$3,321,146	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Australian Dollar	409,806,129	3,451,707	-	52,729,493	-	23,181,386	-	-	310,961,887	-	19,481,656
Brazilian Real	214,438,622	1,246,162	-	41,517,963	-	11,912,623	340,763	67,309	106,651,665	52,702,137	-
Canadian Dollar	120,666,682	1,450,008	-	502,530	-	-	-	-	118,667,658	-	46,486
Chilean Peso	8,733,494	30,789	-	1,820,635	-	-	-	-	6,882,070	-	-
Colombian Peso	17,459,894	-	-	9,267,073	-	6,729,355	-	1,463,466	-	-	-
Czech Koruna	16,549,259	87	-	-	-	-	-	-	16,549,172	-	-
Danish Krone	64,139,294	419,904	-	-	-	-	-	-	63,719,390	-	-
Egyptian Pound	11,720,958	963,087	-	143,629	-	-	-	-	10,614,242	-	-
Euro Currency	1,653,397,890	6,315,681	184,700	78,084,708	-	6,768,807	-	1,081,793	1,519,714,594	36,743,878	4,503,729
Ghana Cedi	842,858	-	-	842,858	-	-	-	-	-	-	-
Hong Hong Dollar	619,778,772	4,481,737	-	-	-	-	-	-	614,295,538	-	1,001,497
Hungarian Forint	51,178,563	2,151	-	5,852,922	-	-	-	-	45,323,490	-	-
Iceland Krona	2,082	2,082	-	-	-	-	-	-	-	-	-
Indian Rupee	3,385,032	-	-	3,385,032	-	-	-	-	-	-	-
Indonesian Rupiah	105,899,061	524,076	-	12,884,293	-	9,783,941	-	-	82,706,751	-	-
Israeli Shekel	10,274,259	60,732	-	278,123	-	-	-	-	9,935,404	-	-
Japanese Yen	989,239,887	7,252,207	-	495,206	-	-	-	-	977,249,579	-	4,242,895
Kazakhstan Tenge	551,276	-	-	-	-	551,276	-	-	-	-	-
Malaysian Ringgit	83,193,113	545,288	-	36,804,985	-	-	-	-	45,842,840	-	-
Mexican Peso	106,582,377	788,204	-	55,516,760	-	-	-	-	50,277,413	-	-
Moroccan Dirham	725,611	54,047	-	-	-	-	-	-	671,564	-	-
New Russian Ruble	4,628,412	13,363	-	2,441,222	-	1,812,235	-	-	361,592	-	-
New Taiwan Dollar	84,667,424	900,859	-	-	-	-	-	-	83,766,565	-	-
New Zealand Dollar	63,640,250	1,580,800	-	51,619,093	-	-	-	-	10,426,251	-	14,106
Norwegian Krone	56,827,850	232,569	-	16,990,991	-	-	-	-	39,604,290	-	-
Pakistan Rupee	169,388	169,388	-	-	-	-	-	-	-	-	-
Peruvian Nouveau Sol	1,963,728	9,282	-	1,954,446	-	-	-	-	-	-	-
Philippine Peso	26,032,433	72,941	-	2,518,054	-	-	-	-	23,441,438	-	-
Polish Zloty	98,066,938	3,512,656	-	47,661,072	-	-	-	-	46,893,210	-	-
Pound Sterling	1,037,326,784	4,779,737	-	18,906,878	686,330	1,866,256	-	-	1,004,549,200	-	6,538,383
Singapore Dollar	85,701,636	737,057	-	-	-	-	-	-	82,020,688	-	2,943,891
South African Rand	135,186,794	3,336,568	-	30,733,997	-	950,298	-	-	100,165,931	-	-
South Korean Won	507,644,168	2,128,320	-	351,649	-	-	-	-	495,720,178	9,444,021	-
Sri Lanka Rupee	663,879	-	-	-	-	-	-	-	663,879	-	-
Swedish Krona	113,665,156	676,000	-	-	-	-	-	-	112,989,156	-	-
Swiss Franc	353,870,066	1,899,419	-	-	-	-	-	-	351,970,647	-	-
Thailand Baht	111,073,744	480,672	-	8,779,385	-	-	-	-	101,813,687	-	-
Turkish Lira	104,728,468	728,518	-	21,284,088	-	-	-	-	79,326,077	-	3,389,785
	$7,278,016,644	$49,119,365	$184,700	$506,688,231	$686,330	$63,556,177	$340,763	$2,612,568	$6,513,776,046	$98,890,036	$42,162,428

Securities Lending:

Certain of the Funds engage in securities lending transactions to provide incremental returns to the Funds. The Funds are permitted to enter into securities lending transactions pursuant to Section 3-13d of the Connecticut General Statutes and the Custodial Contract. The Funds' master custodian is authorized to lend available securities to authorized broker-dealers and banks subject to a form loan agreement.

During the period ended June 30, 2011, the master custodian lent certain securities of the Client and received cash or other collateral as indicated on the Securities Lending Authorization Agreement. The master custodian did not have the ability to pledge or sell collateral securities delivered therefore absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 100% of the market value of the loaned securities.

Pursuant to the Securities Lending Authorization Agreement, the master custodian has an obligation to indemnify the Client in the event any borrower failed to return the loaned securities or pay distributions thereon. There were no such failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year that resulted in a declaration or notice of Default of the Borrower. During the fiscal year, the Client and the borrowers maintained the right to terminate all securities lending transactions upon notice. The cash collateral received on each loan was invested in an individual account known as the State of Connecticut Collateral Investment Trust. On June 30, 2011, the Client had no credit risk exposure to borrowers. The fair value of collateral held for the Funds as of June 30, 2011 was $3,156,098,291 as cash and $201,954,109 as non-cash. The fair value of securities on loan for the Funds as of June 30, 2011 was $ 3,091,067,086 as cash and $194,273,220 as non-cash.

Under ordinary circumstances, the average effective duration of the security lending operations will be managed such that it will not exceed 120 days, or fall below 1 day. Under such ordinary circumstances, the net duration, as defined by the duration of assets less the duration of liabilities, will not exceed 45 days. In the event that the average effective duration does exceed 120 days, or the net duration does exceed 45 days for any 3-day period, the Trustee shall, (i) notify the Funds within 5 business days and (ii) take appropriate action as is reasonable to return an average effective duration below 120 days or a net duration below 45 days. The average effective duration is calculated using the weighted average effective duration of holdings. The average effective duration of the security lending program at June 30, 2011 was 34.22 days.

The average effective duration is managed to be within 45 days due to the inability to monitor the weighted average duration of liabilities. The weighted average duration of liabilities is assumed to remain at 1 day.

The fair value of collateral held and the fair value of securities on loan are as follows for the Funds as of June 30, 2011:

Fund	Fair Value of Collateral	Fair Value of Securities Lent
Mutual Equity	$ 1,222,290,357	$ 1,206,918,113
Core Fixed Income	589,687,614	577,444,541
Inflation Linked Bond	566,334,706	555,257,941
Emerging Market Debt	72,154,397	71,392,623
High Yield Investment	164,278,168	161,965,299
Developed Market International Stock	500,061,026	480,408,371
Emerging Market International Stock	238,506,992	231,953,418
Total	$3,353,313,260	$3,285,340,306

Investments made using the cash collateral received from security loans were included in the Statement of Net Assets. The fair value of these amounts is as follows:

Fund	Cash Equivalents	Corporate Debt	Total Investments
Mutual Equity	$265,649,179	$861,402,165	$1,127,051,344
Core Fixed Income	143,527,466	465,406,558	608,934,024
Inflation Linked Bond	160,160,964	519,342,846	679,503,810
Emerging Market Debt	12,477,814	40,460,942	52,938,756
High Yield Investment	39,941,655	129,516,033	169,457,688
Developed Market International Stock	82,159,552	266,413,077	348,572,629
Emerging Market International Stock	38,426,440	124,602,750	163,029,190
Total	$ 742,343,070	$ 2,407,144,371	$ 3,149,487,441

These amounts are invested in a pool which is maintained solely on behalf of the Funds, but whose investments are held in the master custodian's name. The above total amounts were included on the Statement of Net Assets in "Invested Securities Lending Collateral".

NOTE 3: PURCHASES AND SALES OF INVESTMENT SECURITIES

For the period ended June 30, 2011, the aggregate cost of purchases and proceeds from sales of investment securities were as follows:

Fund	Purchases	Sales
Alternative Investment	$ 916,385,693	$ 404,599,315
Mutual Fixed Income	6,185,841,582	6,392,503,443
Core Fixed Income	9,586,588,998	9,155,952,666
Inflation Linked Bond	3,126,690,757	3,138,867,428
Emerging Market Debt	1,739,323,285	1,858,365,452
High Yield Investment	974,633,132	974,602,516
Developed Market International Stock	4,393,821,328	4,563,586,321
Emerging Market International Stock	2,299,768,396	2,273,759,347
Real Estate	719,217,477	543,747,765
Commercial Mortgage	4,900,743	6,219,671
Private Investment	1,679,492,693	1,632,142,595

The above amounts include the effect of cost adjustments processed during the year.

NOTE 4: UNREALIZED APPRECIATION AND DEPRECIATION ON INVESTMENTS AND FOREIGN EXCHANGE CONTRACTS

At June 30, 2011, the gross appreciation of investment securities and foreign currency in which there was an excess of fair value over cost, the gross depreciation of investment securities and foreign currency in which there was an excess of cost over fair value and the resulting net appreciation (depreciation) by fund were as follows:

Fund	Gross Appreciation	Gross Depreciation	Net Appreciation (Depreciation)
Liquidity	$22,01,547	$3,493,613	$18,517,934
Alternative Investment	7,134,187	-	7,134,187
Mutual Equity	1,614,751,333	307,495,661	1,307,255,672
Core Fixed Income	115,143,484	25,595,530	89,547,954
Inflation Linked Bond	39,253,978	-	39,253,978
Emerging Market Debt	138,179,950	8,527,224	129,652,726
High Yield Investment	45,370,911	20,604,768	24,766,143
Developed Market International Stock	950,803,186	244,222,644	706,580,542
Emerging Market International Stock	567,053,946	52,148,906	514,905,040
Real Estate	62,939,191	316,287,309	(253,348,118)
Commercial Mortgage	48,514	218	48,296
Private Investment	424,595,164	104,585,883	320,009,281

NOTE 5: FOREIGN EXCHANGE CONTRACTS

From time to time the Liquidity, Core Fixed Income, Inflation Linked Bond Fund, Emerging Market Debt, Developed Market International Stock, Emerging Market International Funds utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the Funds' currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the Funds' investments against currency fluctuations. Also, a contract to buy or sell can offset a previous contract. Losses may arise from changes in the value of the foreign currency or failure of the counterparties to perform under the contracts' terms.

The U. S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service.

Investing in forward currency contracts may increase the volatility of the Funds' performance. Price movements of currency contracts are influenced by, among other things, international trade, fiscal, monetary, and exchange control programs and policies; national and international political and economic events; and changes in worldwide interest rates. Governments from time to time intervene in the currency markets with the specific intent of influencing currency prices. Such intervention may cause certain currency prices to move rapidly. Additionally, the currency markets may be particularly sensitive to interest rate fluctuations.

At June 30, 2011, the Funds had recorded unrealized gains (losses) from open forward currency contracts as follows:

Liquidity Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Argentine Peso	$ 6,295,182	$ 35,060
Brazilian Real	7,322,149	292,756

Chilean Peso	10,050,457	161,843
Colombian Peso	4,470,000	82,879
Czech Koruna	-	122,362
Euro Currency	32,466,033	611,208
Ghana Cedi	13,209,453	123,151
Indian Rupee	22,434,813	271,455
Indonesian Rupiah	2,495,450	(4,660)
Israeli Shekel	7,609,875	21,053
Japanese Yen	22,056,788	445,851
Kazakhstan Tenge	9,317,684	(17,060)
Kenyan Shilling	1,810,418	6,148
Malaysian Ringgit	13,065,700	41,310
Mexican Peso	9,275,375	(22,586)
New Romanian Leu	-	85,380
New Russian Ruble	2,530,000	31,807
New Zealand Dollar	3,025,924	41,976
Nigerian Naira	5,147,000	115,008
Norwegian Krone	812,523	1,575
Philippine Peso	5,083,000	4,191
Polish Zloty	-	(133,034)
Pound Sterling	16,223,496	(174,984)
Serbian Dinar	-	145,089
Singapore Dollar	33,961,143	796,764
South African Rand	2,268,903	12,608
South Korean Won	9,996,532	217,203
Swedish Krona	14,730,169	63,400
Thailand Baht	10,233,131	(179,338)
Turkish Lira	6,020,479	76,336
Uganda Shilling	8,507,847	(530,065)
Ukraine Hryvna	12,058,426	208,279
Uruguayan Peso	9,025,444	122,801
Yuan Renminbi	9,417,605	141,285
Zambian Kwacha	4,531,260	(9,948)
	$ 315,452,259	$ 3,207,103
Contracts to Sell:		
Australian Dollar	$ 65,194,831	$ (3,300,555)
Brazilian Real	4,553,000	(177,512)
Czech Koruna	1,362,670	(3,146)
Euro Currency	161,285,164	(2,843,405)
Ghana Cedi	677,211	(1,285)
Indian Rupee	6,112,670	(109,413)
Japanese Yen	13,583,945	(134,561)
Malaysian Ringgit	1,801,105	3,877
Mexican Peso	12,200,025	(117,508)
New Zealand Dollar	51,053,750	(5,092,914)
Norwegian Krone	16,596,993	(509,835)
Polish Zloty	26,313,628	(696,323)
Serbian Dinar	1,081,884	20,666
Singapore Dollar	539,498	(3,026)
South African Rand	2,066,212	(35,199)
Swedish Krona	4,840,941	(37,071)
Yuan Renminbi	4,387,000	(71,147)
	373,650,527	(13,108,357)
Total	$ 689,102,786	$ (9,901,254)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	$ 689,102,786	$ 689,102,786	$ -
Unrealized Gain/Loss	3,207,103	(13,108,357)	(9,901,254)
Net	$ 692,309,889	$ 702,211,143	$ (9,901,254)

Core Fixed Income Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	$ 6,679,102	$ 154,940
Euro Currency	441,155	(9,369)
Pound Sterling	1,201,300	4,364
	$ 8,321,557	149,935

Contracts to Sell:		
Australian Dollar	$ 15,408,001	$ (393,573)
Euro Currency	1,849,790	13,974
Pound Sterling	2,481,838	18,897
	19,739,629	(360,702)
Total	$ 28,061,186	$ (210,767)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	$ 28,061,186	$ 28,061,186	$ -
Unrealized Gain/Loss	149,935	(360,702)	(210,767)
Net	$ 28,211,121	$ 28,421,888	$ (210,767)

Inflation Linked Bond Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Sell:		
Pound Sterling	$ 19,119,643	$ 250,060
	19,119,643	250,060
Total	$ 19,119,643	$ 250,060

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	$ 19,119,643	$ 19,119,643	$ -
Unrealized Gain/Loss	-	250,060	250,060
Net	$ 19,119,643	$ 18,869,583	$ 250,060

Emerging Market Debt Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Argentine Peso	$ 1,061,597	$ 3,108
Brazilian Real	9,632,284	468,847
Chilean Peso	7,211,378	17,382
Colombian Peso	2,450,170	153,567
Czech Koruna	1,061,138	4,132
Euro Currency	11,448,836	54,573
Hungarian Forint	2,200,091	55,331
Indian Rupee	14,290,041	179,166
Indonesian Rupiah	6,570,314	143,475
Israeli Shekel	14,263,670	115,508
Malaysian Ringgit	12,559,797	85,150
Mexican Peso	3,748,106	3,472
New Russian Ruble	14,965,669	204,670
New Taiwan Dollar	1,195,015	7,254
Peruvian Nouveau Sol	1,367,840	15,959
Philippine Peso	2,576,453	(8,755)
Polish Zloty	3,748,033	62,844
Singapore Dollar	3,550,756	98,712
South African Rand	1,400,292	11,174
South Korean Won	1,677,539	14,838
Thailand Baht	2,781,149	(28,323)
Turkish Lira	7,109,944	(142,762)
Yuan Renminbi	31,942,476	318,551
	$ 158,812,588	$ 1,837,873
Contracts to Sell:		
Argentine Peso	$ 986,850	$ (2,841)
Brazilian Real	22,093,399	(418,810)
Chilean Peso	5,129,518	(13,975)
Colombian Peso	5,719,695	(95,721)
Czech Koruna	1,788,422	(14,231)
Euro Currency	26,200,157	(249,633)
Hungarian Forint	532,798	(8,615)
Indonesian Rupiah	7,626,723	(19,215)
Israeli Shekel	13,818,118	(89,216)
Malaysian Ringgit	6,172,179	(50,618)
Mexican Peso	3,379,993	(28,331)
New Russian Ruble	6,398,456	(50,874)
New Taiwan Dollar	5,252,589	(157)
Peruvian Nouveau Sol	2,414,833	(28,855)
Philippine Peso	1,478,976	(6,267)

Polish Zloty	2,680,609	(54,301)
Pound Sterling	628,191	5,345
South African Rand	11,488,823	(78,957)
South Korean Won	2,396,665	(36,925)
Thailand Baht	1,288,802	(703)
Turkish Lira	4,598,249	200,061
Yuan Renminbi	20,892,380	(45,733)
	152,966,425	(1,088,572)
Total	$ 311,779,013	$ 749,301

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	$ 311,779,013	$ 311,779,013	$ -
Unrealized Gain/Loss	1,837,873	(1,088,572)	749,301
Net	$ 313,616,886	$ 312,867,585	$ 749,301

Developed Market International Stock Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	$ 253,488,582	$ 11,409,622
Brazilian Real	151,433	(431)
Danish Krone	21,165,106	(240,048)
Euro Currency	200,278,089	(1,318,688)
Hong Kong Dollar	16,425,537	(2,708)
Israeli Shekel	16,390,485	558,697
Japanese Yen	110,807,203	(22,787)
New Zealand Dollar	53,448,032	1,464,165
Norwegian Krone	104,615,042	2,033,619
Pound Sterling	64,184,683	(1,582,155)
Singapore Dollar	43,028,524	791,047
South Korean Won	10,355,148	126,487
Swedish Krona	146,139,036	(1,796,414)
Swiss Franc	64,548,301	2,506,506
	$ 1,105,025,201	$ 13,926,912
Contracts to Sell:		
Australian Dollar	$ 98,930,652	$ (3,372,228)
Brazilian Real	82,829	(464)
Canadian Dollar	409,516	300
Danish Krone	56,440,470	(1,123,103)
Euro Currency	829,034,681	(25,721,551)
Hong Kong Dollar	137,889,846	58,057
Israeli Shekel	1,329,492	(10,086)
Japanese Yen	563,105,218	(14,078,702)
New Zealand Dollar	6,687,545	(609,129)
Norwegian Krone	86,457,706	(2,459,705)
Pound Sterling	442,107,766	69,049
Singapore Dollar	67,601,579	(1,402,586)
South Korean Won	49,216,713	(1,568,809)
Swedish Krona	103,962,482	(141,571)
Swiss Franc	180,506,818	(11,952,249)
	2,623,763,313	(62,312,777)
Grand total	$ 3,728,788,514	$ (48,385,865)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	$ 3,728,788,514	$ 3,728,788,514	$ -
Unrealized Gain/Loss	13,926,912	(62,312,777)	(48,385,865)
Net	$ 3,742,715,426	$ 3,791,101,291	$ (48,385,865)

Emerging Market International Stock Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Brazilian Real	$ 344,909	$ 1,269
Czech Koruna	101	-
Hong Kong Dollar	57,379	10
Hungarian Forint	292,702	3,862
Indonesian Rupiah	139,332	317

Malaysian Ringgit		583,719		3,018
Mexican Peso		102		-
Polish Zloty		126,739		1,424
South African Rand		20,253		285
Thailand Baht		29,892		(24)
Turkish Lira		102		-
	$	1,595,230	$	10,161
Contracts to Sell:				
Hong Kong Dollar	$	1,560,548	$	(295)
Hungarian Forint		199,727		(339)
Malaysian Ringgit		2,201,287		(12,617)
South African Rand		666,661		(6,793)
Thailand Baht		45,148		(68)
Turkish Lira		623,656		-
		5,297,027		(20,112)
Total	$	6,892,257	$	(9,951)

Financial Statement Amounts:

		Receivable		Payable		Net
FX Value	$	6,892,257	$	6,892,257	$	-
Unrealized Gain/Loss		10,161		(20,112)		(9,951)
Net	$	6,902,418	$	6,912,369	$	(9,951)

The net unrealized gain has been included in the Statement of Changes in Net Assets as a component of Net Change in Unrealized Gain (Loss) on Investments and Foreign Currency.

NOTE 6: COMMITMENTS

In accordance with the terms of the individual investment agreements, the Private Investment Fund and the Real Estate Fund have outstanding commitments to make additional investments. These commitments will be fulfilled as suitable investment opportunities become available. Unfunded commitments at June 30, 2011, were as follows:

Fund	Total Commitment	Cumulative Amounts Funded	Unfunded Commitment
Real Estate	$ 1,969,192,028	$ 1,620,315,426	$ 348,876,602
Private Investment	5,490,334,096	4,102,410,117	1,387,923,979
Alternative Investment	460,000,000	403,900,000	56,100,000

Certain Private Investment Funds allow the General Partner to recycle distributions without a reduction in unfunded commitments and accordingly have no impact upon the above amounts. Capital recycling is a tool frequently used by investment managers to fully invest the committed capital of a fund in portfolio investments. Since fees and expenses are a component of a fund's total capital commitments, capital recycling generally allows fund managers to: (i) mitigate the impact of fees and expenses and (ii) increase the possibility that limited partner capital is invested in portfolio companies. Recycling provisions allow managers to recall capital distributions if certain criteria are met. The use of recycling provisions varies by manager but generally limits capital recycling to a range between 0% and 20% of total commitments. As a result the actual commitment could be as much as 120% of the stated commitment amount.

NOTE 7: CONTINGENCY

There was no pending or threatened litigation against the Connecticut Retirement Plans and Trust Funds ("CRPTF") during the fiscal year ended June 30, 2011.

The CRPTF continues to work with other investors and investment partners to recover assets lost due to the malfeasance of others. The Limited Partners of an investment in the Private Investment Fund ("PIF"), await final distribution of a small reserve established when the limited partnership was dissolved. The majority of the proceeds from the aggregate $6.8 million settlement were distributed. A liquidating trustee was appointed in 2007 to dissolve the partnership and wind up its business activities. The remaining reserve was scheduled to be distributed, on a pro rata basis, in December 2008. The liquidating trustee is waiting for the conclusion of a related SEC action.

Additionally, another limited partnership in the PIF invested $15 million in a portfolio company that reported double digit revenue growth. In 2005, the General Partner initiated a sales process expecting to realize significant gain. Lack of cooperation from management challenged the sale process, resulting in legal action from the partnership and other investors in the portfolio company to force a sale. This process uncovered serious financial irregularities in the portfolio company, resulting in the removal and criminal investigation of the CEO and other senior managers. The portfolio company is currently in bankruptcy. In July 2008, the Bankruptcy Court approved the portfolio company's plan of liquidation. A liquidation trustee was appointed to oversee further liquidation efforts, including investigation and pursuit of potential litigation claims. The liquidation trustee has filed law suits or arbitration proceedings against certain parties, including the bank that issued the credit facility, the investment bank, an equipment manufacturer, accounting firms, and a law firm, among others. In January 2009, the liquidation trustee entered into a settlement agreement with the General Partner, exchanging mutual releases for the GP, the fund and its investors. Additionally, the settlement agreement provides for a sharing of recovery from further prosecution of the matter, including any settlement reached with the insurance carrier. Recoveries are anticipated to be quite modest, if at all. In 2009, the bank has filed a motion under seal which, if granted, may permit the bank to reduce any liability to the liquidation trustee by the proportionate amount that it can attribute to either the minority shareholders (including the fund).

NOTE 9: COST BASIS OF INVESTMENTS

The aggregate cost values of investments in the Funds are as follows at June 30, 2011:

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND
Investments in Securities, at Cost					
Cash Reserve Fund	$ -	$ 107,973,555	$ 40,056,051	$ 289,360,613	$ 43,753,588
Cash Equivalents	942,141,445	-	-	-	-
Asset Backed Securities	46,019,743	-	-	60,368,689	-
Government Securities	368,180,016	-	-	722,188,974	1,032,140,605
Government Agency Securities	38,834,601	-	-	919,385,781	-
Mortgage Backed Securities	26,426,008	-	-	204,553,239	-
Corporate Debt	140,525,005	-	-	714,102,167	-
Convertible Securities	-	-	-	-	-
Common Stock	-	-	4,118,711,285	-	-
Preferred Stock	-	-	-	-	-
Real Estate Investment Trust	-	-	73,479,075	-	-
Mutual Fund	-	-	838,671,218	1,618,250	-
Limited Liability Corporation	-	-	-	-	-
Trusts	-	-	-	-	-
Limited Partnerships	-	403,900,000	256,748,850	-	-
Partnerships	-	-	-	-	-
Annuities	-	-	-	-	-
Total Investments in Securities, at cost	$ 1,562,126,818	$ 511,873,555	$ 5,327,666,479	$ 2,911,577,713	$ 1,075,894,193

NOTE 8: SUBSEQUENT EVENT

The CRPTF has performed an evaluation of subsequent events through December 20, 2011, the date the basic financial statements were available to be issued. No material events were identified.

EMERGING MARKET DEBT FUND	HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND
$ 45,466,173	$ 22,053,401	$ 96,487,104	$ 43,135,658	$ 39,936,447	$ 234,883	$ 76,307,905
336,564	757,434	29,107	-	-	-	-
69,938	2,100,725	-	-	-	-	-
521,575,959	6,562,931	-	-	-	-	-
-	-	-	-	-	-	-
-	7,840,455	-	-	-	79,553	-
194,051,525	588,723,550	-	-	-	-	-
-	36,905,741	267,101	-	-	-	-
433,972	12,069,501	4,511,549,769	1,772,311,320	-	2,023,627	5,311,780
-	8,582,142	28,969,962	44,410,336	-	-	-
-	-	35,592,345	3,543,325	65,349,648	-	-
250,230,473	-	11,781,165	250,944,877	-	-	-
-	-	-	-	-	-	1,823,598,834
-	-	-	-	8,193,224	-	-
-	-	-	-	1,237,072,054	-	4,452,180
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$1,012,164,604	$ 685,595,880	$ 4,684,676,553	$ 2,114,345,516	$ 1,350,551,373	$ 2,338,063	$ 1,909,670,699

COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS

FISCAL YEAR ENDED JUNE 30,	Liquidity Fund 2011	Liquidity Fund 2010	Liquidity Fund 2009	Liquidity Fund 2008	Liquidity Fund 2007	Alternative Investment Fund 2011	Alternative Investment Fund 2010	Alternative Investment Fund 2009	Alternative Investment Fund 2008	Alternative Investment Fund 2007
PER SHARE DATA										
Net Asset Value- Beginning of Period	$1.00	$1.00	$1.00	$-	$-	$-	$-	$-	$-	$-
INTRAFUND TRANSFER IN/(OUT)	-	-	-	-	-	-	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	0.01	0.01	0.02	-	-	-	-	-	-	-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	0.01	0.00	(0.00)	-	-	1.01	-	-	-	-
Total from Investment Operations	0.02	0.01	0.02	-	-	1.01	-	-	-	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(0.01)	(0.01)	(0.02)	-	-	-	-	-	-	-
Net Asset Value - End of Period	$1.01	$1.00	$1.00	$-	$-	$1.01	$-	$-	$-	$-
TOTAL RETURN	**1.20%**	**0.98%**	**1.54%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$1,736	$2,219	$2,171	$-	$-	$519	$-	$-	$-	$-
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.23%	0.15%	0.04%	-	-	0.27%	-	-	-	-
Ratio of Expenses to Average Net Assets	0.23%	0.15%	0.04%	-	-	0.27%	-	-	-	-
Ratio of Net Investment Income (Loss) to Average Net Assets	0.74%	0.70%	1.55%	-	-	0.02%	-	-	-	-

FISCAL YEAR ENDED JUNE 30,	Mutual Equity 2011	Mutual Equity 2010	Mutual Equity 2009	Mutual Equity 2008	Mutual Equity 2007	Mutual Fixed Income 2011	Mutual Fixed Income 2010	Mutual Fixed Income 2009	Mutual Fixed Income 2008	Mutual Fixed Income 2007
PER SHARE DATA										
Net Asset Value- Beginning of Period	$726.98	$648.30	$927.68	$1,085.16	$933.70	$-	$-	$-	$114.53	$112.04
INTRAFUND TRANSFER IN/(OUT)	-	-	-	-	-	-	-	-	(116.90)	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	13.33	10.86	16.89	16.87	18.04	-	-	-	2.00	6.23
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	214.37	79.56	(279.76)	(156.38)	151.06	-	-	-	2.08	1.53
Total from Investment Operations	227.70	90.42	(262.87)	(139.51)	169.10	-	-	-	4.08	7.76
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(12.92)	(11.74)	(16.51)	(17.97)	(17.64)	-	-	-	(1.71)	(5.27)
Net Asset Value - End of Period	$941.76	$726.98	$648.30	$927.68	$1,085.16	$-	$-	$-	$(0.00)	$114.53
TOTAL RETURN	**31.92%**	**14.01%**	**-28.36%**	**-12.99%**	**18.24%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**6.92%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$6,638	$5,289	$5,590	$7,999	$9,818	$-	$-	$-	$-	$7,594
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.21%	0.24%	0.14%	0.26%	0.12%	-	-	-	-	0.13%
Ratio of Expenses to Average Net Assets	0.24%	0.27%	0.30%	0.80%	0.75%	-	-	-	-	1.01%
Ratio of Net Investment Income (Loss) to Average Net Assets	1.61%	1.58%	2.14%	1.68%	1.83%	-	-	-	-	5.19%

FISCAL YEAR ENDED JUNE 30,	Core Fixed Income 2011	Core Fixed Income 2010	Core Fixed Income 2009	Core Fixed Income 2008	Core Fixed Income 2007	Inflation Linked Bond 2011	Inflation Linked Bond 2010	Inflation Linked Bond 2009	Inflation Linked Bond 2008	Inflation Linked Bond 2007
PER SHARE DATA										
Net Asset Value- Beginning of Period	$117.87	$110.56	$113.86	$-	$-	$137.44	$128.08	$131.19	$-	$-
INTRAFUND TRANSFER IN/(OUT)	-	-	-	115.45	-	-	-	-	120.07	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	4.55	4.92	5.30	4.09	-	5.23	4.87	2.21	10.41	-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	0.69	7.88	(2.44)	(1.44)	-	4.79	7.39	(2.11)	2.15	-
Total from Investment Operations	5.24	12.80	2.86	2.65	-	10.02	12.26	0.10	12.56	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.79)	(5.49)	(6.16)	(4.24)	-	(2.71)	(2.90)	(3.21)	(1.44)	-
Net Asset Value - End of Period	$118.32	$117.87	$110.56	$113.86	$-	$144.75	$137.44	$128.08	$131.19	$-
TOTAL RETURN	**4.49%**	**11.81%**	**2.84%**	**5.65%**	**0.00%**	**7.23%**	**9.48%**	**-0.20%**	**16.81%**	**0.00%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$2,718	$2,701	$3,160	$4,537	$-	$1,119	$1,063	$837	$1,173	$-
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.16%	0.15%	0.14%	0.20%	-	0.12%	0.13%	0.11%	0.07%	-
Ratio of Expenses to Average Net Assets	0.22%	0.20%	0.31%	1.30%	-	0.33%	0.35%	0.76%	0.55%	-
Ratio of Net Investment Income (Loss) to Average Net Assets	3.85%	4.18%	4.62%	8.62%	-	3.71%	3.59%	1.79%	5.45%	-

Source: Amounts were derived from custodial records.

COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)

	EMERGING MARKET DEBT					HIGH YIELD DEBT				
FISCAL YEAR ENDED JUNE 30,	**2011**	**2010**	**2009**	**2008**	**2007**	**2011**	**2010**	**2009**	**2008**	**2007**
PER SHARE DATA										
Net Asset Value- Beginning of Period	$128.50	$108.68	$118.78	$-	$-	$113.69	$98.48	$112.63	$-	$-
INTRAFUND TRANSFER IN/(OUT)	-	-	-	121.80		-	-	-	119.44	
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	8.71	9.02	10.90	4.34	-	10.40	9.33	9.72	5.41	-
Net Gains or (Losses) on Securities										
(Both Realized and Unrealized)	11.69	15.68	(15.89)	(5.90)	-	7.36	14.19	(15.60)	(7.68)	-
Total from Investment Operations	20.40	24.70	(4.99)	(1.56)	-	17.76	23.52	(5.88)	(2.27)	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(3.88)	(4.88)	(5.11)	(1.46)	-	(8.50)	(8.31)	(8.27)	(4.54)	-
Net Asset Value - End of Period	$145.02	$128.50	$108.68	$118.78	$-	$122.95	$113.69	$98.48	$112.63	$-
TOTAL RETURN	**16.06%**	**23.02%**	**-3.62%**	**5.59%**	**0.00%**	**15.96%**	**24.54%**	**-4.59%**	**-1.88%**	**0.00%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$1,158	$1,176	$1,132	$1,047	$-	$718	$693	$733	$759	$-
Ratio of Expenses to Average Net Assets										
(excl. sec. lending fees & rebates)	0.42%	0.43%	0.32%	0.32%	-	0.39%	0.39%	0.33%	0.45%	-
Ratio of Expenses to Average Net Assets	0.43%	0.43%	0.35%	0.40%	-	0.42%	0.43%	0.48%	1.03%	-
Ratio of Net Investment Income (Loss)										
to Average Net Assets	6.42%	7.55%	8.93%	5.16%	-	8.67%	8.92%	9.08%	9.37%	-

	INTERNATIONAL STOCK					DEVELOPED MARKET INTERNATIONAL				
FISCAL YEAR ENDED JUNE 30,	**2011**	**2010**	**2009**	**2008**	**2007**	**2011**	**2010**	**2009**	**2008**	**2007**
PER SHARE DATA										
Net Asset Value- Beginning of Period	$-	$-	$-	$442.47	$347.57	$295.58	$270.69	$384.58	$-	$-
INTRAFUND TRANSFER IN/(OUT)	-	-	-	(473.81)		-	-	-	478.96	
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	-	-	-	2.41	9.09	8.68	6.97	8.45	9.49	-
Net Gains or (Losses) on Securities										
(Both Realized and Unrealized)	-	-	-	31.53	92.81	68.92	23.23	(114.67)	(97.18)	-
Total from Investment Operations	-	-	-	33.94	101.90	77.60	30.20	(106.22)	(87.69)	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	-	-	-	(2.60)	(7.00)	(6.39)	(5.31)	(7.67)	(6.69)	-
Net Asset Value - End of Period	$-	$-	$-	$0.00	$442.47	$366.79	$295.58	$270.69	$384.58	$-
TOTAL RETURN	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**29.65%**	**26.30%**	**11.03%**	**-27.98%**	**-14.60%**	**0.00%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$-	$-	$-	$-	$6,021	$5,409	$4,435	$4,416	$5,108	$-
Ratio of Expenses to Average Net Assets										
(excl. sec. lending fees & rebates)	-	-	-	-	0.52%	0.51%	0.54%	0.41%	0.54%	-
Ratio of Expenses to Average Net Assets	-	-	-	-	1.19%	0.53%	0.57%	0.49%	0.96%	-
Ratio of Net Investment Income (Loss)										
to Average Net Assets	-	-	-	-	2.42%	2.62%	2.49%	2.51%	3.92%	-

	EMERGING MARKET INTERNATIONAL STOCK					REAL ESTATE				
FISCAL YEAR ENDED JUNE 30,	**2011**	**2010**	**2009**	**2008**	**2007**	**2011**	**2010**	**2009**	**2008**	**2007**
PER SHARE DATA										
Net Asset Value- Beginning of Period	$327.75	$264.93	$389.39	$-	$-	$30.40	$38.76	$55.48	$55.10	$56.53
INTRAFUND TRANSFER IN/(OUT)	-	-	-	474.35		-	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	7.00	6.05	6.72	18.06	-	1.44	0.88	0.86	3.41	0.81
Net Gains or (Losses) on Securities										
(Both Realized and Unrealized)	86.38	61.21	(126.78)	(100.62)	-	3.40	(8.62)	(16.51)	0.13	6.98
Total from Investment Operations	93.38	67.26	(120.06)	(82.56)	-	4.84	(7.74)	(15.65)	3.54	7.79
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.72)	(4.44)	(4.40)	(2.40)	-	(1.52)	(0.62)	(1.07)	(3.16)	(9.22)
Net Asset Value - End of Period	$416.41	$327.75	$264.93	$389.39	$-	$33.72	$30.40	$38.76	$55.48	$55.10
TOTAL RETURN	**28.55%**	**25.23%**	**-30.90%**	**0.19%**	**0.00%**	**16.12%**	**-20.18%**	**-28.66%**	**6.04%**	**14.21%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$2,638	$2,073	$1,147	$1,304	$-	$1,097	$784	$770	$1,002	$686
Ratio of Expenses to Average Net Assets										
(excl. sec. lending fees & rebates)	0.85%	0.87%	0.59%	0.99%	-	0.43%	0.51%	0.52%	0.48%	0.25%
Ratio of Expenses to Average Net Assets	0.86%	0.89%	0.67%	1.38%	-	0.43%	0.51%	0.52%	0.48%	0.25%
Ratio of Net Investment Income (Loss)										
to Average Net Assets	1.90%	2.15%	2.08%	9.28%	-	4.62%	2.54%	1.80%	6.42%	1.45%

Source: Amounts were derived from custodial records.

COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)

	COMMERCIAL MORTGAGE					PRIVATE INVESTMENT				
FISCAL YEAR ENDED JUNE 30,	**2011**	**2010**	**2009**	**2008**	**2007**	**2011**	**2010**	**2009**	**2008**	**2007**
PER SHARE DATA										
Net Asset Value- Beginning of Period	$48.51	$49.48	$55.58	$54.86	$59.31	$49.63	$44.43	$54.85	$56.43	$55.35
INTRAFUND TRANSFER IN/(OUT)	-	-	-	-	-	-	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	3.51	3.76	3.71	4.25	4.18	7.58	2.97	1.83	8.15	8.47
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(1.35)	(0.51)	(5.39)	1.26	(0.88)	1.50	4.59	(9.99)	(0.92)	1.29
Total from Investment Operations	2.16	3.25	(1.68)	5.51	3.30	9.08	7.56	(8.16)	7.23	9.76
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.13)	(4.22)	(4.42)	(4.79)	(7.75)	(7.71)	(2.36)	(2.26)	(8.81)	(8.68)
Net Asset Value - End of Period	$46.54	$48.51	$49.48	$55.58	$54.86	$51.00	$49.63	$44.43	$54.85	$56.43
TOTAL RETURN	**4.61%**	**6.75%**	**-3.14%**	**12.05%**	**8.17%**	**19.89%**	**17.32%**	**-16.36%**	**13.66%**	**19.56%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$2	$4	$5	$7	$8	$2,232	$2,014	$1,627	$1,795	$1,564
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.97%	1.21%	1.53%	1.16%	0.82%	0.44%	0.55%	0.54%	0.66%	0.36%
Ratio of Expenses to Average Net Assets	0.97%	1.21%	1.53%	1.16%	0.82%	0.44%	0.55%	0.54%	0.66%	0.36%
Ratio of Net Investment Income (Loss) to Average Net Assets	7.49%	7.77%	7.09%	7.77%	5.65%	15.26%	6.37%	2.76%	14.65%	14.97%

Source: Amounts were derived from custodial records.

SHORT-TERM INVESTMENT FUND

STATEMENT OF NET ASSETS
JUNE 30, 2011

	June 30, 2011
ASSETS	
Investment in Securities, at Amortized Cost (Note 7)	$ 4,492,012,617
Accrued Interest and Other Receivables	2,795,035
Prepaid Assets	190,251
Total Assets	$ 4,494,997,903
LIABILITIES	
Distribution Payable (dividend guaranteed)	771,681
Interest Payable	45
Total Liabilities	$ 771,726
NET ASSETS HELD IN TRUST FOR PARTICIPANTS (includes reserve)	$ 4,494,226,177

See accompanying Notes to the Financial Statements.

SHORT-TERM INVESTMENT FUND

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

	2011	2010
ADDITIONS		
Operations		
Interest Income	$ 17,361,375	$ 21,244,054
Net Investment Income	17,361,375	21,244,054
Net Realized Gains	109,800	284,196
Net Increase Resulting from Operations	17,471,175	21,528,250
Share Transactions at Net Asset Value of $1.00 per Share		
Purchase of Units	12,770,956,609	14,549,690,761
TOTAL ADDITIONS	12,788,427,784	14,571,219,011
DEDUCTIONS		
Distribution to Participants (Notes 2 & 6)		
Distributions to Participants*	(11,300,006)	(15,572,194)
Total Distributions Paid and Payable	(11,300,006)	(15,572,194)
Share Transactions at Net Asset Value of $1.00 per Share		
Redemption of Units	(12,863,246,508)	(14,521,369,298)
Operations		
Operating Expenses	(1,244,108)	(1,213,495)
TOTAL DEDUCTIONS	(12,875,790,622)	(14,538,154,987)

* *Net of designated reserve transfer contributions and expenses.*

	2011	2010
CHANGE IN NET ASSETS	(87,362,838)	33,064,024
Net Assets Held in Trust for Participants		
Beginning of Year	4,581,589,015	4,548,524,991
End of Year	$ 4,494,226,177	$ 4,581,589,015

See accompanying Notes to the Financial Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: INTRODUCTION AND BASIS OF PRESENTATION

The Short-Term Investment Fund ("STIF" or the "Fund") is a money market investment pool managed by the Treasurer of the State of Connecticut. Section 3-27 of the Connecticut General Statutes (CGS) created STIF. Pursuant to CGS 3-27a - 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the Fund. Securities in which the State Treasurer is authorized to invest monies of STIF include United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, saving accounts, bankers' acceptances, repurchase agreements, and asset-backed securities. STIF is authorized to issue an unlimited number of units.

For State of Connecticut financial reporting purposes, STIF is considered to be a mixed investment pool – a pool having external and internal portions. The internal portion (i.e., the portion that belongs to investors that are part of the State's financial reporting entity) is not displayed in the State's basic financial statements. Instead, each fund type's investment in STIF is reported as "cash equivalents" in the statement of net assets. The external portion (i.e., the portion that belongs to investors which are not part of the State's financial reporting entity) is recorded in an investment trust fund in the basic financial statements.

The Fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use amortized cost to report net assets.

Related Party Transactions.

STIF had no related party transactions during the fiscal year with the State of Connecticut and its component units including leasing arrangements, the performance of administrative services and the execution of securities transactions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity.

The Fund is a Fiduciary Investment Trust Fund. A fiduciary fund is used to account for governmental activities that are similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The generally accepted accounting principles ("GAAP") used for fiduciary funds are generally those applicable to similar businesses in the private sector. The Fund uses the accrual basis of accounting.

Security Valuation of Financial Instruments.

The assets of the Fund are carried at amortized cost (which approximates fair value) except for Cheyne (Gryphon) which is reflected at amortized cost adjusted for reserve transfer (see Note 7and the List of Investments). All premiums and discounts on securities are amortized or accreted on a straight line basis.

Security Transactions.

Purchases and sales of investments are recorded on a trade date basis. Gains and losses on investments are realized at the time of the sales and are calculated on the basis of an identified block or blocks of securities having an identified amortized cost. Bond cost is determined by identified lot.

Interest Income.

Interest income, which includes amortization of premiums and accretion of discounts, is accrued as earned.

Expenses.

Operating and interest expenses of STIF are accrued as incurred.

Fiscal Year.

The fiscal year of STIF ends on June 30.

Distributions to Investors.

Distributions to investors are earned on units outstanding from date of purchase to date of redemption. Income is calculated daily based upon the actual earnings of the Fund net of administrative expenses and, if applicable, an allocation to the Designated Surplus Reserve. Distributions are paid monthly within two business days of the end of the month, and are based upon actual number of days in a year. Shares are sold and redeemed at a constant $1.00 net asset value per share, which is consistent with the per share net asset value of the Fund, excluding the Designated Surplus Reserve.

Designated Surplus Reserve.

While STIF is managed prudently to protect against losses from credit and market changes, the Fund is not insured or guaranteed by any government. Therefore, the maintenance of capital cannot be fully assured. In order to provide some protection to the shareholders of STIF from potential credit and market risks, the Treasurer has designated that a portion of each day's net earnings be transferred to the Designated Surplus Reserve (Reserve). Such amounts are restricted in nature and are not available for current distribution to shareholders. The amount transferred daily to the Designated Surplus Reserve is equal to 0.1 percent of end of day investment balance divided by the actual number of days in the year until the reserve account is equal to or greater than 1.0 percent of the daily investment balance. If net losses significant to the aggregate portfolio are realized, the Treasurer is authorized to transfer funds from the Reserve to Participants with Units Outstanding.

As of June 30, 2011, the balance in the Designated Surplus Reserve was $43,397,956 which reflects $4.9 million in contributions during the year.

Estimates.

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities in the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: DEPOSIT AND INVESTMENT DISCLOSURES

A formal investment policy (as adopted August 21, 1996, revised June 16, 2008 and April 17, 2009) specifies policies and guidelines that provide for the systematic management of STIF and prudent and productive investment of funds. STIF's investment practice is to invest all cash balances; as such, there was no uninvested cash at June 30, 2011. All securities of STIF are registered under the State Street Bank nominee name, Pond, Tide & Co., for the State of Connecticut nominee name, Conn. STIF & Co., and held by a designated agent of the State.

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the STIF's deposits may not be recovered. The STIF follows policy parameters that limit deposits in any one entity to a maximum of ten percent of total assets at the time of purchase. Further, the certificates of deposits must be issued from commercial banks whose short-term debt is rated at least A-1 by Standard and Poor's and F-1 by Fitch and whose long-term debt is rated at least A- and its issuer rating is at least "C".

Certificates of Deposit in banks are insured up to $250,000 (through December 31, 2013), any amount above this limit is considered uninsured. Additionally, state banking regulation requires all Connecticut public depositories to segregate collateral against public deposits in an amount equal to at least ten percent of the outstanding deposit. As of fiscal year-end, certificates of deposit in the Short-Term Investment Fund totaled $2,120,000,000. Of that amount, $1,907,100,000 was exposed to custodial credit risk representing the portion that was uninsured and uncollateralized. Each of the CD's had daily put options that would allow STIF to redeem the investments on a same-day basis.

Under the Federal Deposit Insurance Corporation (FDIC) rule for its Transaction Account Guarantee Program, the FDIC provides unlimited deposit insurance coverage for non-interest bearing transaction accounts, including Negotiable Order of Withdrawal (NOW) accounts that pay no more that 0.50 percent interest annually through June 30, 2011. As of fiscal year-end, the Short-Term Investment Fund did not hold any FDIC-insured NOW accounts in its portfolio.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in the general level of interest rates will adversely affect the fair value of an investment. The STIF's policy for managing interest rate risk is to limit investments to a very short weighted average maturity, not to exceed 90-days, and to comply with Standard and Poor's requirement that the weighted average maturity not exceed 60 days. The weighted-average maturity is calculated daily, and reported to Standard and Poor's weekly to ensure compliance. As of June 30, 2011 the weighted average maturity of the STIF was 31 days. The breakdown of the STIF's maturity profile is outlined below.

		Investment Maturity in Years	
Investments	**Amortized Cost**	**Less than One**	**One - Five**
Deposit Instruments:			
Fixed	$2,120,000,000	$2,120,000,000	$ -
Floating Rate Notes			
Corporate Notes			-
Structured Investment Vehicles	26,741,272	26,741,272	-
Federal Agency Securities			
Fixed	184,060,844	163,556,644	20,504,200
Floaters	819,341,532	819,341,532	
US Treasury	25,102,832	25,102,832	
US Government Guaranteed or Insured	335,980,319	308,310,050	27,670,269
Government Money Market Funds	95,785,818	95,785,818	-
Repurchase Agreements	200,000,000	200,000,000	-
Bank Commercial Paper	685,000,000	685,000,000	-
Total	$4,492,012,617	$4,443,838,148	48,174,469

Additionally, STIF is allowed by policy to invest in floating-rate debt securities. Further, investment in floating-rate securities with maturities greater than two years is limited to no more than 20 percent of the overall portfolio. For purposes of the weighted average maturity calculation and classification in the chart above, variable-rate securities are calculated using their interest rate reset dates. Because these securities reset frequently to prevailing market rates, interest rate risk is substantially reduced. As of fiscal year-end, the STIF portfolio held $819 million in variable rate securities.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The STIF manages its credit risk by investing only in debt securities that fall within the highest short-term or long-term rating categories by nationally recognized rating organizations.

Credit Quality Rating	Amortized Cost	Percentage of Amortized Cost
AAAm	$ 95,785,818	2.13%
AA / A-1+	2,245,000,000	49.98
A / A-1	760,000,000	16.92
N/R*	26,741,272	0.60
Federal Agency and U.S. Govt / Govt Guaranteed Securities	1,364,485,527	30.37
Total	$4,492,012,617	100.00%

* The security's credit rating, while in compliance with investment guidelines at time of purchase, is below guidelines as of June 30, 2011.

NOTES TO FINANCIAL STATEMENTS (Continued)

Concentration of Credit Risk

The Short-Term Investment Fund limits the amount it may invest in any one issuer to an amount not to exceed 10 percent at the time of purchase other than overnight or two-business-day repurchase agreements and U.S. government and agency securities. As of June 30, 2011, the table below lists issuers with concentrations of greater than 5 percent. The instances in which concentrations on June 30, 2011 exceeded 10 percent resulted from a decline in the overall portfolio size. At the time of purchase, the securities were at or below 10 percent.

Issuer	Fair Value	Percent of Total Portfolio
JP Morgan Chase Bank	$560,000,000	12.5
Wells Fargo Bank	560,000,000	12.5
Sovereign Bank	560,000,000	12.5
US Bank	510,000,000	11.3
TD Bank	440,000,000	9.8
Federal Farm Credit	386,492,748	8.6
Fannie Mae	243,087,345	5.4

NOTE 4: CUSTODIAN

State Street Bank was appointed as custodian for STIF effective February 1, 1996. STIF pays a percentage of the $110,600 custodial fee charged to the Short-Term Investment Unit. This percentage is calculated quarterly by determining the STIF size relative to that of the total Short-Term Investment Unit.

NOTE 5: ADMINISTRATION

STIF is managed and administered by employees of the State of Connecticut Treasury. Salaries and fringe benefit costs as well as operating expenses are charged directly to the Fund.

NOTE 6: DISTRIBUTIONS TO INVESTORS

The components of the distributions to investors are as follows for the income earned during the twelve months ended:

Distributions:	2011	2010
July	$940,472	$1,804,102
August	1,002,183	1,766,231
September	996,828	1,652,063
October	928,080	1,435,864
November	993,506	1,244,871
December	1,031,156	1,348,631
January	1,003,165	1,179,381
February	995,211	936,966
March	939,497	1,020,218
April	871,218	1,022,252
May	827,009	1,125,441
June (Payable at June 30)	771,681	1,036,174
Total Distribution Paid & Payable	$11,300,006	$15,572,194

NOTE 7: INVESTMENTS IN SECURITIES

The following is a summary of investments in securities, at amortized cost and fair value as of June 30, 2011:

Investment	Amortized Cost	Fair Value
Deposit Instruments	$2,120,000,000	$2,120,000,000
Structured Investment Vehicles	26,741,272	28,856,906
Federal Agency Securities	1,003,402,376	1,004,106,601
US Treasury	25,102,832	25,121,000
Government Money Market Funds	95,785,818	95,785,818
US Government Guaranteed/Insured	335,980,318	336,152,321
Repurchase Agreements	200,000,000	200,000,000
Bank Commercial Paper	685,000,000	684,999,703
TOTAL	$4,492,012,617	$4,495,022,349

The Gryphon Funding pass-through note was received as a result of the Cheyne Finance restructuring in July 2008, and consists of the securities that were underlying the Cheyne notes. Since the restructuring, the Gryphon note has made monthly principal and interest payments. Due to uncertain market conditions, and because the Gryphon note represents a continuation of the Cheyne notes, we determined that continuation of the previous accounting treatment of applying all cash distributions to amortized cost maximizes recovery of value and, in our view, best protects the fund. During the fiscal year, cash payments totaled $8.6 million, consisting of $8.3 million in principal and $0.3 million in interest. The interest payments are not included in Investment Income or in Distributions to Participants, but recorded against the amortized cost of this investment until such time as the relative principal and interest amounts, and their ultimate effect on the Fund, are known. As discussed in the fiscal year 2008 report, on December 5, 2008, $24 million was transferred from the reserves to cover a reduction in value effective June 30, 2008. Amortized cost reflects cash distributions of $49.2 million since April 2008 and the reserve transfer. The June 30, 2011, estimated fair value of $28.9 million was provided by the Gryphon custodian and, exceeds the security's amortized cost of $26.7 million by approximately $2.2 million.

Repurchase agreements are agreements to purchase securities from an entity for a specified amount of cash and to resell the securities to the entity at an agreed upon price and time. They are used to enhance returns with minimal risk on overnight cash deposits of the Fund. Such transactions are only entered into with primary government securities dealers who report directly to the Federal Reserve Bank of New York and commercial banks that meet certain quality standards. All repurchase agreements are collateralized at between 100 percent and 102 percent of the securities' value. As of fiscal year end, STIF held $200 million in repurchase agreements.

In an effort to improve disclosures associated with derivative contracts, the Government Accounting Standards Board (GASB) issued GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, effective for the fiscal years beginning after June 15, 2009. Statement No. 53 provides guidance on derivative disclosures, requires that all derivatives be reported on the Statement of Net Assets and defines a derivative instrument as a financial instrument or other contract with all three of the following characteristics: a) it has (1) one or more underlyings (a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates or other variable) and (2) one or more notional amounts (a number of currency units, shares, bushels, pounds, or other units specified in the contract) b) it requires no initial investment or smaller than would be required for other types of contracts c) its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

For the fiscal year ended June 30, 2011, the Short-Term Investment Fund held adjustable-rate corporate notes and U.S. government agency securities whose interest rates vary directly with short-term money market indices and are reset either daily, weekly, monthly or quarterly. Such securities allow the Fund to earn higher interest rates as market rates increase, thereby increasing fund yields and protecting against the erosion of market values from rising interest rates. These adjustable rate securities have similar exposures to credit and legal risks as fixed-rate securities from the same issuers.

NOTE 8: CREDIT RATING OF THE FUND

Throughout the year ended June 30, 2011, STIF was rated AAAm, its highest rating, by Standard and Poor's Corporation ("S&P"). In September 2010, following a review of the portfolio and STIF's investment policies, management and procedures, S&P reaffirmed STIF's AAAm rating and has continued to maintain this high rating throughout the current fiscal year. In order to maintain an AAAm rating, STIF adheres to the following guidelines:

- Weekly portfolio and market value calculations;
- Maintenance of credit quality standards for portfolio securities with at least 50% of such securities rated A-1+ or invested in overnight repurchase agreements with dealers or banks rated A-1;
- Ensuring adequate portfolio diversification standards with, at the time of purchase, no more than 5% of the portfolio invested in an individual security and no more than 10% invested in an individual issuer, excluding one and two day repurchase agreements and U.S. government agency securities; and
- A limit on the overall portfolio weighted average maturity (currently no more than 60 days).

It is the Treasurer's intention to take any and all such actions as are needed from time to time to maintain the AAAm rating.

NOTE 9: SUBSEQUENT EVENTS

The Fund management has evaluated the events and transactions that have occurred through December 20, 2011, the date the financial statements were available for issuance, and identified following events that have occurred requiring recognition or disclosure in the financial statements.

As of June 30, 2011, STIF owned $1,364 billion of the federal government or U.S. government (FIDC) guaranteed securities. On August 5, 2011, Standard & Poor's announced that it was downgrading long-term U.S. debt from AAA to AA+. S&P also put the new grade on "negative outlook,"

On November 29, 2011, Standard & Poor's cut its long-term credit rating on following securities: JP Morgan to A+, Bank of America to A. In addition, the short-term credit rating for our Bank of America Repurchase Agreement remained at A-1.

LIST OF INVESTMENTS AT JUNE 30, 2011

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost	Fair Value	Asset ID	Quality Rating
FEDERAL AGENCY SECURITIES (22.34% OF TOTAL INVESTMENTS)						
$ 7,550,000	FANNIE MAE, 3.625, 08/15/11	0.10	$ 7,579,433	$ 7,582,510	31398ATL6	AAA
25,000,000	FANNIE MAE-FLT, 0.30, 07/01/11	0.19	24,993,927	25,035,700	31398A3X8	AAA
25,000,000	FANNIE MAE-FLT, 0.27, 07/01/11	0.20	24,996,330	25,027,125	31398A6R8	AAA
25,000,000	FANNIE MAE-FLT, 0.27, 07/01/11	0.20	24,996,437	25,027,125	31398A6R8	AAA
25,000,000	FANNIE MAE-FLT, 0.27, 07/01/11	0.21	24,992,873	25,027,100	31398A6V9	AAA
25,000,000	FANNIE MAE-FLT, 0.27, 07/01/11	0.21	24,992,873	25,027,100	31398A6V9	AAA
50,000,000	FANNIE MAE-FLT, 0.40, 07/01/11	0.30	49,995,943	50,077,450	3135G0AQ6	AAA
3,690,000	FANNIE MAE-FLT, 0.40, 07/01/11	0.30	3,695,325	3,695,716	3135G0AQ6	AAA
50,000,000	FANNIE MAE-FLT, 0.40, 07/01/11	0.30	49,984,104	50,077,450	3135G0AQ6	AAA
6,500,000	FANNIE MAE-FLT, 0.40, 07/01/11	0.30	6,510,419	6,510,069	3135G0AQ6	AAA
7,000,000	FEDERAL FARM CREDIT, 1.00, 06/04/12	0.32	7,045,213	7,043,813	31331JPZ0	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.50, 07/01/11	0.16	25,000,000	25,005,225	31331GC80	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.35, 07/01/11	0.16	24,999,837	25,005,450	31331GH93	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.30, 07/01/11	0.17	24,999,213	25,006,350	31331JHR7	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.17, 07/01/11	0.11	25,000,000	25,004,575	31331G2M0	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.17, 07/01/11	0.11	25,000,000	25,004,575	31331G2M0	AAA
23,000,000	FEDERAL FARM CREDIT FLT, 0.23, 07/01/11	0.18	22,996,780	23,003,427	31331G2V0	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.23, 07/01/11	0.19	24,997,988	25,003,825	31331G4C0	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.26, 07/01/11	0.21	24,995,685	25,007,325	31331JCF8	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.35, 07/01/11	0.21	24,994,680	25,020,425	31331JND1	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.26, 07/06/11	0.12	24,998,407	25,020,525	31331JWJ8	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.50, 07/01/11	0.23	24,991,548	25,054,775	31331JQL0	AAA
10,000,000	FEDERAL FARM CREDIT FLT, 0.28, 07/01/11	0.18	9,998,036	10,010,950	31331JSX2	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.40, 07/01/11	0.26	25,000,000	25,038,825	31331JYS6	AAA
21,300,000	FEDERAL FARM CREDIT FLT, 0.30, 07/01/11	0.32	21,296,207	21,291,033	31331KGY0	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.30, 07/01/11	0.33	24,995,404	24,985,825	31331KJV3	AAA
25,000,000	FEDERAL FARM CREDIT FLT, 0.30, 07/01/11	0.33	24,995,404	24,985,825	31331KJV3	AAA
24,836,000	FEDERAL HOME LOAN BANK, 0.21, 07/20/11	0.02	24,833,247	24,835,727	313384JJ9	AAA
25,000,000	FEDERAL HOME LOAN BANK, 0.20, 08/01/11	0.10	24,999,546	25,002,075	313372HT4	AAA
10,000,000	FEDERAL HOME LOAN BANK, 0.30, 11/23/11	0.07	9,999,047	10,009,070	313371P26	AAA
10,000,000	FEDERAL HOME LOAN BANK, 0.785, 11/25/11	0.10	10,018,148	10,027,390	3133XYLD5	AAA
8,000,000	FEDERAL HOME LOAN BANK, 0.28, 12/19/11	0.09	7,989,360	7,996,584	313384QS1	AAA
10,000,000	FEDERAL HOME LOAN BANK, 0.625, 01/13/12	0.30	10,011,978	10,017,200	3133706G8	AAA
9,915,000	FEDERAL HOME LOAN BANK, 3.25, 03/09/12	0.29	10,112,741	10,116,582	3133XPCS1	AAA
10,000,000	FEDERAL HOME LOAN BANK, 0.39, 04/25/12	0.15	10,000,000	10,001,120	313373B76	AAA
10,000,000	FEDERAL HOME LOAN BANK, 0.41, 04/27/12	0.15	10,000,000	10,000,860	313373C42	AAA
10,000,000	FEDERAL HOME LOAN BANK, 0.25, 05/23/12	0.32	10,000,000	9,993,950	313373Y22	AAA
10,000,000	FEDERAL HOME LOAN BANK, 0.33, 07/16/12	0.45	10,000,000	9,987,820	313374F70	AAA
25,000,000	FEDERAL HOME LOAN BANK FLT, 0.30, 07/01/11	0.16	25,000,000	25,004,150	3133XX3D7	AAA
10,876,000	FREDDIE MAC, 0.145, 08/29/11	0.02	10,873,415	10,875,641	313396LA9	AAA
10,000,000	FREDDIE MAC, 1.72, 03/14/12	0.30	10,094,516	10,099,970	3128X8Q62	AAA
10,000,000	FREDDIE MAC, 5.125, 07/15/12	0.24	10,504,201	10,506,980	3134A4QD9	AAA
25,000,000	FREDDIE MAC-FLT, 0.20, 08/05/11	0.13	25,000,922	25,005,650	3128X8E24	AAA
25,000,000	FREDDIE MAC-FLT, 0.21, 07/01/11	0.14	24,997,298	25,006,900	3134G1DL5	AAA
25,000,000	FREDDIE MAC-FLT, 0.07, 07/01/11	0.15	24,968,402	24,990,050	3128X9WA4	AAA
25,000,000	FREDDIE MAC-FLT, 0.11, 07/02/11	0.12	24,991,049	24,998,025	3128X9XN5	AAA
5,000,000	FREDDIE MAC-FLT, 0.15, 07/11/11	0.12	4,997,509	5,000,790	3128X9YV6	AAA
25,000,000	FREDDIE MAC-FLT, 0.15, 07/16/11	0.12	24,992,064	25,004,125	3128X9ZJ2	AAA
50,000,000	FREDDIE MAC-FLT, 0.26, 07/01/11	0.21	49,976,868	50,045,850	3134G1U69	AAA
$1,002,667,000			$ 1,003,402,376	$ 1,004,106,601		
DEPOSIT INSTRUMENTS (47.19% OF TOTAL INVESTMENTS)[1]						
$ 140,000,000	JP MORGAN, 0.43, 07/01/11	0.43	$ 140,000,000	$ 140,000,000	N/A	A-1+
140,000,000	JP MORGAN, 0.43, 07/01/11	0.43	140,000,000	140,000,000	N/A	A-1+
140,000,000	JP MORGAN, 0.43, 07/01/11	0.43	140,000,000	140,000,000	N/A	A-1+
140,000,000	JP MORGAN, 0.43, 07/01/11	0.43	140,000,000	140,000,000	N/A	A-1+
20,000,000	SOVEREIGN BANK, 0.60, 07/01/11	0.60	20,000,000	20,000,000	N/A	A-1
30,000,000	SOVEREIGN BANK, 0.60, 07/01/11	0.60	30,000,000	30,000,000	N/A	A-1
510,000,000	SOVEREIGN BANK, 0.60, 07/01/11	0.60	510,000,000	510,000,000	N/A	A-1
15,000,000	TORONTO DOMINION, 0.72, 07/01/11	0.72	15,000,000	15,000,000	N/A	A-1+
15,000,000	TORONTO DOMINION, 0.67, 07/01/11	0.67	15,000,000	15,000,000	N/A	A-1+
15,000,000	TORONTO DOMINION, 0.29, 07/01/11	0.29	15,000,000	15,000,000	N/A	A-1+
50,000,000	TORONTO DOMINION, 0.25, 07/01/11	0.25	50,000,000	50,000,000	N/A	A-1+
135,000,000	TORONTO DOMINION, 0.25, 07/01/11	0.25	135,000,000	135,000,000	N/A	A-1+
130,000,000	TORONTO DOMINION, 0.25, 07/01/11	0.25	130,000,000	130,000,000	N/A	A-1+
45,000,000	TORONTO DOMINION, 0.25, 07/01/11	0.25	45,000,000	45,000,000	N/A	A-1+

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2011 (Continued)

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost	Fair Value	Asset ID	Quality Rating
35,000,000	TORONTO DOMINION, 0.23, 07/01/11	0.23	35,000,000	35,000,000	N/A	A-1+
240,000,000	WELLS FARGO, 0.20, 07/01/11	0.20	240,000,000	240,000,000	N/A	A-1+
235,000,000	WELLS FARGO, 0.20, 07/01/11	0.20	235,000,000	235,000,000	N/A	A-1+
85,000,000	WELLS FARGO, 0.20, 07/01/11	0.20	85,000,000	85,000,000	N/A	A-1+
$2,120,000,000			$ 2,120,000,000	$ 2,120,000,000		
BANK COMMERCIAL PAPER (15.25% OF TOTAL INVESTMENTS)[(1)]						
$ 175,000,000	RABO BANK, 0.01, 07/01/11	0.01	$ 175,000,000	$ 174,999,703	14977LU13	A-1+
170,000,000	US BANK, 0.20, 07/01/11	0.20	170,000,000	170,000,000	N/A	A-1+
170,000,000	US BANK, 0.20, 07/01/11	0.20	170,000,000	170,000,000	N/A	A-1+
170,000,000	US BANK, 0.20, 07/01/11	0.20	170,000,000	170,000,000	N/A	A-1+
$685,000,000			$ 685,000,000	$ 684,999,703		
U.S. TREASURY (0.56% OF TOTAL INVESTMENTS)						
$ 25,000,000	US TREASURY, 0.75, 11/30/11	0.75	$ 25,102,832	$ 25,121,000	912828NE6	AAA
$ 25,000,000			$ 25,102,832	$ 25,121,000		
U. S. GOVERNMENT (FDIC) GUARANTEED OR INSURED BANK SECURITIES (7.48% OF TOTAL INVESTMENTS)						
$ 10,000,000	BANCO BILBOA, 2.45, 06/22/12	0.30	$ 10,211,794	$ 10,206,590	05951TAA2	AAA
15,000,000	BANCO BILBOA, 2.45, 06/22/12	0.30	15,312,375	15,309,885	05951TAA2	AAA
9,332,000	BANK AMERICA, 2.10, 04/30/12	0.18	9,469,307	9,478,298	06050BAG6	AAA
20,000,000	BANK AMERICA, 2.10, 04/30/12	0.18	20,290,217	20,313,540	06050BAG6	AAA
20,000,000	BANK AMERICA, 3.125, 06/15/12	0.22	20,541,967	20,546,840	06050BAA9	AAA
10,000,000	CITIBANK, 1.50, 07/12/11	0.13	10,002,893	10,002,270	17314JAK9	AAA
6,500,000	CITIBANK, 1.375, 08/10/11	0.06	6,508,667	6,508,099	17314JAN3	AAA
10,000,000	CITIBANK, 1.25, 09/22/11	0.05	10,020,475	10,025,340	17314JAP8	AAA
10,000,000	CITIBANK, 1.25, 09/22/11	0.05	10,020,357	10,025,340	17314JAP8	AAA
10,743,000	CITIBANK, 1.25, 09/22/11	0.05	10,767,955	10,770,223	17314JAP8	AAA
1,095,000	CITIBANK, 2.125, 04/30/12	0.19	1,111,063	1,112,265	17313UAE9	AAA
10,041,000	CITIBANK, 2.125, 04/30/12	0.19	10,187,088	10,199,316	17313UAE9	AAA
10,000,000	CITIBANK, 1.875, 05/07/12	0.20	10,123,382	10,139,990	17290CAB2	AAA
10,000,000	CITIBANK, 1.875, 05/07/12	0.20	10,121,110	10,139,990	17290CAB2	AAA
10,000,000	CITIBANK, 1.875, 05/07/12	0.20	10,128,922	10,139,990	17290CAB2	AAA
9,905,000	CITIBANK, 1.875, 06/04/12	0.25	10,046,603	10,051,128	17314JAG8	AAA
1,095,000	CITIBANK NA, 1.25, 11/15/11	0.09	1,099,225	1,099,539	17314JAS2	AAA
10,000,000	CITIGROUP, 2.875, 12/09/11	0.10	10,108,538	10,117,940	17313UAA7	AAA
7,152,000	CITIGROUP, 2.125, 07/12/12	0.21	7,288,249	7,290,713	17313YAG6	AAA
20,000,000	CITIGROUP, 2.125, 07/12/12	0.21	20,382,020	20,387,900	17313YAG6	AAA
8,315,000	GE CAPITAL, 3.00, 12/09/11	0.12	8,413,033	8,416,742	36967HAD9	AAA
10,000,000	GE CAPITAL, 2.25, 03/12/12	0.14	10,132,639	10,143,730	36967HAN7	AAA
11,660,000	GE CAPITAL, 2.20, 06/08/12	0.19	11,866,231	11,876,176	36967HAH0	AAA
11,000,000	GE CAPITAL, 2.20, 06/08/12	0.19	11,194,557	11,203,940	36967HAH0	AAA
3,000,000	GOLDMAN SACHS - FLT, 0.51, 08/09/11	0.25	3,003,045	3,004,182	38146FAG6	AAA
25,000,000	GOLDMAN SACHS - FLT, 0.99, 07/05/11	0.10	25,086,232	25,092,675	38146FAB7	AAA
2,750,000	KEY BANK, 3.20, 06/15/12	0.21	2,826,085	2,827,239	49328CAA3	AAA
14,000,000	MORGAN STANLEY, 3.25, 12/01/11	0.33	14,170,884	14,164,346	61757UAB6	AAA
12,769,000	MORGAN STANLEY, 1.95, 06/20/12	0.29	12,974,480	12,971,606	61757UAH3	AAA
10,000,000	NY COMMUNITY BANK, 3.00, 12/16/11	0.04	10,120,595	10,131,520	64944QAA5	AAA
10,000,000	PNC BK, 2.30, 06/22/12	0.20	10,197,349	10,201,440	69351CAC7	AAA
2,246,000	US CENTRAL FCU, 1.25, 10/19/11	0.08	2,252,983	2,253,529	90345AAA0	AAA
$ 331,603,000			$ 335,980,318	$ 336,152,321		
REPURCHASE AGREEMENTS (4.45% OF TOTAL INVESTMENTS)						
$ 200,000,000	MERRILL LYNCH & CO., 0.03, 07/01/11	0.03	$ 200,000,000	$ 200,000,000	N/A	A-1
$ 200,000,000			$ 200,000,000	$ 200,000,000		
STRUCTURED INVESTMENT VEHICLES (0.60% OF TOTAL INVESTMENTS)						
$ 84,099,830	GRYPHON FUNDING LTD, 0.00, 07/05/11	0.00	$ 26,741,272	$ 28,856,906	N/A	N/R
$ 84,099,830			$ 26,741,272	$ 28,856,906		
MONEY MARKET FUNDS (2.13% OF TOTAL INVESTMENTS)						
$ 95,785,818	FFI GOVT FUND, 0.02, 07/01/11	0.02	$ 95,785,818	$ 95,785,818	N/A	AAAm
$ 95,785,818			$ 95,785,818	$ 95,785,818		
$4,544,155,648	**TOTAL INVESTMENT IN SECURITIES**		**$ 4,492,012,617**	**$ 4,495,022,349**		

(1) Deposit instruments have daily put option.

SHORT-TERM INVESTMENT FUND

SCHEDULE OF ANNUAL RATES OF RETURN

	Year Ended June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
STIF Total Rate of Return (%)	0.23	0.34	1.49	4.13	5.54	4.38	2.32	1.16	1.64	2.61
iMoneyNet Money Fund Average™ Rated First Tier Institutional Average (MFR) Index (%)[1]	0.08	0.09	1.30	4.07	5.14	4.01	1.91	0.75	1.20	2.22
Total Assets in STIF, End of Period ($ - Millions)	4,494	4,582	4,548	5,054	5,004	5,430	4,314	3,829	3,280	3,546
Percent of State Assets in Fund	84	84	81	83	80	84	84	81	69	67
Number of Participant Accounts in Composite, End of Year[2]										
State Treasury	52	51	47	39	47	58	84	124	115	112
Municipal and Local Entities	660	656	608	637	578	542	548	556	551	544
State Agencies and Authorities	417	416	367	418	406	406	446	474	440	428
Total	1,129	1,123	1,022	1,094	1,031	1,066	1,078	1,154	1,106	1,084

(1) Represents iMoneyNet Money Fund Average™ - Rated First Tier Institutional Average (MFR) Index. These Index rates have been taken from published sources.

(2) As of 2006 and going forward, inactive accounts were closed and only active accounts were included in the total number of participant accounts.

SHORT-TERM INVESTMENT FUND

SCHEDULE OF QUARTERLY RATES OF RETURN

FISCAL YEAR	Rate of Return(%)	iMoneyNet Money Fund Averages ™ (MFR) Index(%) (1)
2011		
Sep-10	0.06	0.03
Dec-10	0.06	0.02
Mar-11	0.06	0.02
Jun-11	0.05	0.01
YEAR	**0.23**	**0.08**
2010		
Sep-09	0.11	0.04
Dec-09	0.09	0.02
Mar-10	0.06	0.01
Jun-10	0.06	0.02
YEAR	**0.34**	**0.09**
2009		
Sep-08	0.58	0.58
Dec-08	0.47	0.45
Mar-09	0.26	0.17
Jun-09	0.16	0.09
YEAR	**1.49**	**1.30**
2008		
Sep-07	1.34	1.27
Dec-07	1.24	1.19
Mar-08	0.90	0.92
Jun-08	0.59	0.62
YEAR	**4.13**	**4.07**
2007		
Sep-06	1.36	1.26
Dec-06	1.38	1.26
Mar-07	1.33	1.26
Jun-07	1.36	1.26
YEAR	**5.54**	**5.14**

FISCAL YEAR	Rate of Return(%)	iMoneyNet Money Fund Averages ™ (MFR) Index(%) (1)
2006		
Sep-05	0.89	0.80
Dec-05	1.05	0.93
Mar-06	1.12	1.05
Jun-06	1.25	1.17
YEAR	**4.38**	**4.01**
2005		
Sep-04	0.38	0.29
Dec-04	0.53	0.41
Mar-05	0.64	0.54
Jun-05	0.77	0.67
YEAR	**2.32**	**1.91**
2004		
Sep-03	0.28	0.19
Dec-03	0.30	0.19
Mar-04	0.29	0.19
Jun-04	0.29	0.18
YEAR	**1.16**	**0.75**
2003		
Sep-02	0.48	0.38
Dec-02	0.45	0.32
Mar-03	0.36	0.26
Jun-03	0.35	0.24
YEAR	**1.64**	**1.20**
2002		
Sep-01	0.95	0.85
Dec-01	0.66	0.55
Mar-02	0.48	0.41
Jun-02	0.49	0.39
YEAR	**2.61**	**2.22**

(1) Represents iMoneyNet Money Fund Average™ - Rated First Tier Institutional Average (MFR) Index. These Index rates have been taken from published sources.

CALCULATION OF RATES OF RETURN

STIF uses a time-weighted linked rate of return formula to calculate rates of return. Other methods may produce different results and the results for individual participants and different periods may vary. The current rates of return may not be indicative of future rates of return.

The time-weighted linked rate of return formula used by STIF is as follows: Monthly returns are calculated by taking the sum of daily income earned on an accrual basis, after deduction for all operating expenses and a transfer to the Designated Surplus Reserve, divided by the average daily participant balance for the month.

The rates of return presented herein are those earned by the Fund during the periods presented as described above.

SHORT-TERM PLUS INVESTMENT FUND

STATEMENT OF NET ASSETS
JUNE 30, 2011

	June 30, 2011
ASSETS	
Investment in Securities, at Fair Value (Note 7)	$ 19,546,926
Accrued Interest and Other Receivables	10,326
Prepaid Assets	3,751
Total Assets	$ 19,561,003
LIABILITIES	
Distribution Payable	9,757
Total Liabilities	$ 9,757
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	$ 19,551,246

See accompanying Notes to the Financial Statements.

SHORT-TERM PLUS INVESTMENT FUND

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

	2011	2010
ADDITIONS		
Operations		
Interest Income	$ 322,839	$ 618,864
Net Investment Income	322,839	618,864
Net Realized Gains (Losses)	11,839	40,014
Net Increase Resulting from Operations	334,678	658,878
Share Transactions at Net Asset Value		
Purchase of Units	347,223	755,456
TOTAL ADDITIONS	681,901	1,414,334
DEDUCTIONS		
Distribution to Participants (Notes 2 & 6)		
Distributions to Participants	(324,706)	(636,452)
Total Distributions Paid and Payable	(324,706)	(636,452)
Share Transactions at Net Asset Value		
Redemption of Units	(33,595,187)	(41,324,707)
Operations		
Operating Expenses	(9,972)	(22,426)
Net Change in Unrealized Gain/(Loss) on Investments	232,344	4,249,333
TOTAL DEDUCTIONS	(33,697,521)	(37,734,252)
CHANGE IN NET ASSETS	(33,015,620)	(36,319,918)
Net Assets held in Trust for Participants		
Beginning of Year	52,566,866	88,886,784
End of Year	$ 19,551,246	52,566,866

See accompanying Notes to the Financial Statements.

NOTE 1: INTRODUCTION AND BASIS OF PRESENTATION

The Medium-Term Investment Fund ("STIF Plus" or the "Fund") is a money market and short-term bond investment pool managed by the Treasurer of the State of Connecticut. Section 3-28a of the Connecticut General Statutes (CGS) created STIF Plus. Pursuant to CGS 3-28a, the State, municipal entities, and political subdivisions of the State are eligible to invest in the Fund. The State Treasurer is authorized to invest monies of STIF Plus in United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, saving accounts, bankers' acceptances, repurchase agreements, asset-backed securities and investment fund comprised of authorized securities. STIF Plus is authorized to issue an unlimited number of units.

For State of Connecticut financial reporting purposes, STIF Plus is considered to be a mixed investment pool – a pool having external and internal portions. The internal portion (i.e., the portion that belongs to investors that are part of the State's financial reporting entity) is not displayed in the State's basic financial statements. Instead, each fund type's investment in STIF Plus is reported as "cash equivalents" in the statement of net assets. The external portion (i.e., the portion that belongs to investors which are not part of the State's financial reporting entity) is recorded in an investment trust fund in the basic financial statements.

Related Party Transactions.

STIF Plus had no related party transactions during the fiscal year with the State of Connecticut and its component units including leasing arrangements, the performance of administrative services and the execution of securities transactions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity.

The Fund is a Fiduciary Investment Trust Fund. A fiduciary fund is used to account for governmental activities that are similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The generally accepted accounting principles ("GAAP") used for fiduciary funds are generally those applicable to similar businesses in the private sector. The Fund uses the accrual basis of accounting.

Security Valuation of Financial Instruments.

The assets of the STIF Plus are carried at fair value which is the current market value. All premiums and discounts on securities are amortized or accreted on a straight line basis.

Security Transactions.

Purchases and sales of investments are recorded on a trade date basis. Gains and losses on investments are realized at the time of the sales and are calculated on the basis of an identified block or blocks of securities having an identified amortized cost. Bond cost is determined by identified lot.

Interest Income.

Interest income, which includes amortization of premiums and accretion of discounts, is accrued as earned.

Expenses.

Operating and interest expenses of STIF Plus are accrued as incurred.

Fiscal Year.

The fiscal year of STIF Plus ends on June 30.

Distributions to Investors.

Distributions to investors are earned on units outstanding from date of purchase to date of redemption. Income is calculated daily based upon the actual earnings of STIF Plus net of administrative expenses. Distributions are paid monthly within two business days of the end of the month, and are based upon actual number of days in a year. Shares are sold and redeemed at the current market value per share, which is consistent with the per share net asset value of the Fund.

Estimates.

The preparation of the financial statements in conformity with (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities in the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: DEPOSIT AND INVESTMENT DISCLOSURES

STIF Plus's investment practice is to invest all cash balances; as such, there was no uninvested cash at June 30, 2011. All securities of STIF Plus are registered under the State Street Bank nominee name, Pond, Tide & Co., for the State of Connecticut nominee name, Conn. STIF & Co., and held by a designated agent of the State.

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the STIF Plus's deposits may not be recovered. The STIF Plus follows policy parameters that limit deposits in any one entity to a maximum of five percent of total assets at the time of purchase. Further, the certificates of deposits must be issued from commercial banks whose short-term debt is rated at least A-1 by Standard and Poor's and F-1 by Fitch and whose long-term debt is rated at least AA- or which carry an unconditional letter of guarantee from such a bank that meets the short-term debt rating requirements.

Certificates of Deposit in banks are insured up to $250,000, any amount above this limit is considered uninsured. Additionally, state banking regulation requires all Connecticut public depositories to segregate collateral against public deposits in an amount equal to ten percent of the outstanding deposit. As of fiscal year-end, STIF Plus Investment Fund did not hold any certificates of deposit investments.

Interest Rate Risk – Investments

Interest rate risk that changes in the general level of interest rates will adversely affect the market value of an investment. STIF Plus's policy for managing interest rate risk is to perform, on a quarterly basis, an interest rate sensitivity analysis on the duration and the market value of the portfolio to determine the potential effect of a 200 basis point movement in interest rates. As of June 30, 2011 the weighted average maturity of the STIF Plus was 144 days. The breakdown of the STIF Plus's maturity profile is outlined below.

		Investment Maturity in Years	
Investments	**Fair Value**	**Less than One**	**One - Five**
Corporate Notes	$14,980,265	$14,980,265	$ -
Asset-Backed Securities			
Fixed	821,299	-	821,299
Floaters	3,745,286	3,745,286	-
Money Market Funds	76	76	-
Total	$19,546,926	$18,725,627	$821,299

Additionally, STIF Plus is allowed by policy to invest in floating-rate debt securities. For purposes of the weighted average maturity calculation and classification in the chart above, variable-rate securities are calculated using their interest rate reset dates. Because these securities re-set frequently to prevailing market rates, interest rate risk is substantially reduced. As of fiscal year-end, the STIF Plus portfolio held $18.7 million in variable rate securities.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The STIF Plus manages its credit risk by investment only in debt securities that fall within the highest short-term or long-term rating categories by nationally recognized rating organizations.

Investment Type	Fair Value	A-1+	AAA	A	B-	CCC
Corporate Notes	14,980,265	-	-	14,980,265	-	-
Asset Backed Securities						
Fixed	821,299	-	821,299	-	-	-
Floaters	3,745,286	-	2,506,586	-	753,565	485,136
Money Market Funds	76	76	-	-	-	
Total	$19,546,926	$76	$3,327,884	$14,980,265	$753,565	$485,136

Concentration of Credit Risk

STIF Plus limits the amount it may invest in any single corporate entity to an amount not to exceed 5 percent or in any single federal agency to an amount not to exceed 15 percent at the time of purchase. As of June 30, 2011, the table below lists issuers with concentrations of greater than 5 percent of the total portfolio.

Issuer	Fair Value	Percent of Total Portfolio
Goldman Sachs	$4,999,205	25.6%
Merrill Lynch	$9,981,060	51.1%

These concentrations result from the reduced size of the portfolio from $52.5 million to $20 million during the year. The concentrations were consistent with investment guidelines at the time of purchase.

NOTE 4: CUSTODIAN

State Street Bank was appointed as custodian for STIF Plus effective October 2, 2006. STIF Plus pays a percentage of the $110,600 custodial fee charged to the Short-Term Investment Unit. This percentage is calculated quarterly by determining the STIF Plus size relative to that of the total Short-Term Investment Unit.

NOTE 5: ADMINISTRATION

STIF Plus is managed and administered by employees of the State of Connecticut Treasury. Salaries and fringe benefit costs as well as operating expenses are charged directly to the Fund.

NOTE 6: DISTRIBUTIONS TO INVESTORS

The components of the distributions to investors are as follows for the income earned during the twelve months ended:

Distributions:	2011	2010
July	$36,235	$91,990
August	38,981	78,180
September	31,721	65,702
October	28,330	59,642
November	24,246	50,713
December	89,889	49,053
January	13,671	80,812
February	13,132	32,178
March	16,275	32,855
April	11,139	31,573
May	11,330	31,479
June (Payable at June 30)	9,757	32,275
Total Distribution Paid & Payable	$324,706	$636,452

NOTE 7: INVESTMENTS IN SECURITIES

The following is a summary of investments in securities, at amortized cost and market value as of June 30, 2011:

Investment	Amortized Cost	Fair Value
Asset-Backed Securities	$6,030,093	$4,566,585
Corporate Notes	15,000,942	14,980,265
Money Market Funds	76	76
TOTAL	$21,031,111	$19,546,926

In an effort to improve disclosures associated with derivative contracts, the Government Accounting Standards Board (GASB) issued GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, effective for the fiscal years beginning after June 15, 2009. Statement No. 53 provides guidance on derivative disclosures, requires that all derivatives be reported on the Statement of Net Assets and defines a derivative instrument as a financial instrument or other contract with all three of the following characteristics: a) it has (1) one or more underlyings (a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates or other variable) and (2) one or more notional amounts (a number of currency units, shares, bushels, pounds, or other units specified in the contract) b) it requires no initial investment or smaller than would be required for other types of contracts c) its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

For the fiscal year ended June 30, 2011, the Short-Term Plus Investment Fund held adjustable-rate corporate notes and asset-backed securities whose interest rates vary directly with short-term money market indices and are reset daily, monthly, quarterly or semi-annually. Such securities allow the Fund to earn higher interest rates as market rates increase, thereby increasing fund yields and protecting against the erosion of market values from rising interest rates. These adjustable rate securities have similar exposures to credit and legal risks as fixed-rate securities from the same issuers.

NOTE 8: SUBSEQUENT EVENTS

The Fund management has evaluated the events and transactions that have occurred through December 20, 2011, the date the financial statements were available for issuance, and identified following events that have occurred requiring recognition or disclosure in the financial statements.

As of July 13, 2011, Standard & Poor’s lowered the credit rating on our Granite Master Issuer Plc. Asset Backed Security to A+ from AAA

As of August 11, 2011, Standard & Poor’s lowered the credit rating on our Citigroup Mortgage Loan Trust Inc. Asset Backed Security to CCC from B-

As of November 29, 2011, Standard & Poor’s lowered the long-term credit rating on $10 million Merrill Lynch security and the $5 million Goldman Sachs security from A to A-.

SHORT-TERM PLUS INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2011

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost	Fair Value	Asset ID	Quality Rating
ASSET-BACKED SECURITIES (23.36% of total investments)						
$ 1,201,311	ARSI 2004-W10 A2 0.58, 10/25/34	0.58	$ 1,201,310	$ 1,113,313	040104LM1	AAA
1,034,465	CITI MORT LOAN TR - 2007 AMC2 0.27, 1/25/37	0.27	1,034,464	753,565	17311XAA3	B- (1)
1,471,249	GRANM 2007 - 12A1 0.33, 12/20/54	0.33	1,471,249	1,393,273	38741YDF3	AAA
1,094,903	INDB 2006-1 A1 0.26, 7/25/36	0.26	1,094,900	369,316	45661JAA1	CCC(1)
400,686	NAA 2006-AF2 1A1 0.29, 8/25/36	0.29	400,685	115,820	65536VAA5	CCC(1
827,486	RAMC 2005-2 AF3 4.49, 8/25/35	5.61	827,485	821,299	75970NAK3	AAA
$ 6,030,100			$ 6,030,093	$ 4,566,585		
CORPORATE NOTES (76.64% of total investments)						
$ 5,000,000	GOLDMAN SACHS 0.49, 2/6/12	0.49	$ 5,000,536	$ 4,999,205	38141GEW0	A (1)
10,000,000	MERRILL LYNCH 0.48, 6/5/12	0.48	10,000,406	9,981,060	59018YE72	A (1)
$ 15,000,000			$ 15,000,942	$ 14,980,265		
MONEY MARKET FUNDS (0.00% of total investments)						
$ 76	GS GOVT FUND 0.01, 07/01/10	0.01	$ 76	$ 76	03799N9J9	AAAm
$ 76			$ 76	$ 76		
$ 21,030,176	**TOTAL INVESTMENT IN SECURITIES**		**$ 21,031,111**	**$ 19,546,926**		

(1) The security's credit rating, while in compliance with investment guidelines at time of purchase, was below guidelines as of June 30, 2011.

CIVIL LIST PENSION AND TRUST FUNDS

SCHEDULE OF CASH AND INVESTMENTS, BALANCES AND ACTIVITY (at Fair Value)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Teachers' Retirement	State Employees' Retirement	Municipal Employees' Retirement	Probate Court Retirement	Judges' Retirement	State's Attorneys' Retirement	Soldiers Sailors & Marines Fund	Arts Endowment Fund	Police & Firemen's Survivor's Fund
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Income Receivable	561,458	264,949	46,520	3,976	4,256	202	599	825	1,060
Interest in Investment Funds	14,143,319,676	8,980,628,985	1,697,937,448	81,788,421	158,886,376	1,112,149	64,499,755	17,143,078	21,859,523
Total Cash and Investments	$14,143,881,134	$8,980,893,934	$1,697,983,968	$81,792,397	$158,890,632	$1,112,351	$64,500,354	$17,143,903	$21,860,583
Schedule of Activity:									
Cash and Investments at July 1, 2010	$12,273,604,215	$7,789,635,535	$1,470,627,674	$71,821,413	$149,775,559	$990,789	$61,698,583	$16,822,406	$19,425,040
Shares Purchased (Excluding Liquidity Fund)	656,130,900	411,724,000	129,297,400	3,319,600	5,349,400	9,100	-	2,461	207,000
Shares Redeemed (Excluding Liquidity Fund)	(450,516,324)	(340,145,408)	(12,830,812)	(1,496,087)	(13,405,383)	-	-	-	(986)
Net Purchase and Redemptions of Liquidity Fund	(396,381,003)	(213,075,858)	(93,770,025)	(1,924,098)	(4,083,788)	44,999	2,807	(99,117)	(33,639)
Net Investment Income	456,449,949	290,907,393	56,496,919	2,740,436	5,694,376	31,599	2,472,128	670,530	633,372
Realized Gain (Loss) from Sale of Investments	202,550,683	156,110,714	7,227,412	876,986	7,370,072	18	1,633	2,526	1,169
Change in Unrealized Gain/(Loss) on Investment Funds	1,857,979,982	1,176,408,235	197,392,419	9,190,917	13,881,026	67,250	2,796,732	414,889	2,261,014
Increase (Decrease) in Receivables - Net (1)	512,681	236,716	39,900	3,666	3,746	195	599	738	985
Distributions	(456,449,949)	(290,907,393)	(56,496,919)	(2,740,436)	(5,694,376)	(31,599)	(2,472,128)	(670,530)	(633,372)
Cash and Investments at June 30, 2011	$14,143,881,134	$8,980,893,934	$1,697,983,968	$81,792,397	$158,890,632	$1,112,351	$64,500,354	$17,143,903	$21,860,583

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

(1) Reflects timing differences in the recognition of income by the Plans.

NON-CIVIL LIST TRUST FUNDS

FINANCIAL STATEMENTS
JUNE 30, 2011

	SCHOOL FUND	AGRICULTURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND	MISC. AGENCY TRUST FUNDS
STATEMENT OF CONDITION, at Fair Value						
ASSETS						
Cash & Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$37,057
Interest & Dividends Receivable	368	37	124	60	190	-
Investments in Combined Investment Funds, at Fair Value	9,820,820	646,931	2,199,711	1,034,842	2,786,971	-
Total Assets	$9,821,188	$646,968	$2,199,835	$1,034,902	$2,787,161	$37,057
LIABILITIES & FUND BALANCE						
Due to Other Funds	$104,252	$20,907	$71,120	$33,472	$-	$-
Fund Balance	9,716,936	626,061	2,128,715	1,001,430	2,787,161	37,057
Total Liabilities & Fund Balance	$9,821,188	$646,968	$2,199,835	$1,034,902	$2,787,161	$37,057

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

STATEMENT OF REVENUE AND EXPENDITURES

	SCHOOL FUND	AGRICULTURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND
REVENUE					
Net Investment Income	$326,383	$20,908	$71,121	$33,471	$84,726
Realized Gain on Investments	1,788	7	24	4	1,522
Change in Unrealized Gain (Loss) on Investments	704,161	46,484	158,309	74,218	173,656
Increase (Decrease) in Cash Reserve Fund Income Receivables - (1)	331	35	115	54	175
Total Revenue	$1,032,663	$67,434	$229,569	$107,747	$260,079
EXPENDITURES	-	-	-	-	-
Excess of Revenue over Expenditures	$1,032,663	$67,434	$229,569	$107,747	$260,079

(1) Reflects timing differences in the recognition of income by the Plans and Trusts.

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

STATEMENT OF CHANGES IN FUND BALANCE

	SCHOOL FUND	AGRICULTURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND	MISC. AGENCY TRUST FUNDS
Fund Balance at July 1, 2010	$9,010,656	$579,534	$1,970,269	$927,154	$2,527,082	$36,972
Excess of Revenue over Expenditures	1,032,663	67,434	229,569	107,747	260,079	-
Net Cash Transactions	-	-	-	-	-	-
Transfer from Other Funds	37,515	-	-	-	-	85
Transfer to Other Funds	(378,194)	(23,418)	(79,661)	(37,515)	-	-
Increase in Due to Other Funds	14,296	2,511	8,538	4,044	-	-
Fund Balance at June 30, 2011	$9,716,936	$626,061	$2,128,715	$1,001,430	$2,787,161	$37,057

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

NON-CIVIL LIST TRUST FUNDS

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	SCHOOL FUND	AGRICUL-TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND
Cash Flows from Operating Activities:					
Excess of Revenues over Expenditures	$1,032,663	$67,434	$229,569	$107,747	$260,079
Realized Gain on Investments	(1,788)	(7)	(24)	(4)	(1,522)
Change in Unrealized (Gain) Loss on Investments	(704,161)	(46,484)	(158,309)	(74,218)	(173,656)
(Increase) Decrease in Cash Reserve Fund Income Receivables	(331)	(35)	(115)	(54)	(175)
Net Cash Provided by Operations	$326,383	$20,908	$71,121	$33,471	$84,726
Cash Flows from Non Capital Financing Activities:					
Operating Transfers - Out to Other Funds	(378,194)	(23,418)	(79,661)	(37,515)	-
Operating Transfers - In from Other Funds	37,515	-	-	-	-
Net Cash Used for Non-Capital Financing Actvities	(340,679)	(23,418)	(79,661)	(37,515)	-
Cash Flows from Investing Activities:					
Net Purchase and Redemptions of Cash Reserve Fund	14,296	2,510	8,540	4,044	130,274
Purchase of Investments	-	-	-	-	(215,000)
Proceeds from Sale of Investment	-	-	-	-	-
Net Cash Provided by (Used for) Investing Activities	14,296	2,510	8,540	4,044	(84,726)
Net Increase (Decrease) In Cash	-	-	-	-	-
Cash June 30, 2010	-	-	-	-	-
Cash June 30, 2011	$ -	$ -	$ -	$ -	$ -

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

NON-CIVIL LIST TRUST FUNDS

STATEMENT OF CONDITION, AT COST
JUNE 30, 2011

	SCHOOL FUND	AGRICUL-TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND	MISC. AGENCY TRUST FUNDS
ASSETS						
Cash & Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$37,057
Interest & Dividends Receivable	368	37	124	60	190	-
Investments in Combined Investment Funds	7,027,624	463,185	1,565,050	757,442	2,134,365	-
Total Assets	$7,027,992	$463,222	$1,565,174	$757,502	$2,134,555	$37,057
LIABILITIES						
Due to Other Funds	$104,252	$20,907	$71,120	$33,472	$ -	$ -
Fund Balance	6,923,740	442,315	1,494,054	724,030	2,134,555	37,057
Total Liabilities & Fund Balance	$7,027,992	$463,222	$1,565,174	$757,502	$2,134,555	$37,057

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Civil List and Non-Civil list trust funds (the "trust funds") are entrusted to the Treasurer for investment purposes. Civil List trust funds are mandated by the State Legislature and are administered by the Office of the State Comptroller. Accordingly, the presentation of the Civil List funds in the Treasurer's Annual Report (see Civil List trust funds cash and investments schedules in the Supplemental Information section of these document) is intended to present only the cash and investments under the Treasurer's care and does not depict a full financial statement presentation. The Non-Civil List Trust funds are not administered by the Office of the Comptroller. Accordingly, the financial statements presented for the Non-Civil List funds are designed to provide a full set of financial statements for the trusts' investment assets and provide the necessary detail for the respective Boards that administer these trust funds

Significant account policies of the trust funds are as follows:

Basis of Presentation: The foregoing Non-Civil List trust fund financial statements represent the financial position, results of operations and cash flows of the investment trust assets of the funds in accordance with generally accepted accounting principles. These financial statements present all of the financial statements of the Non-Civil List funds except for the Second Injury Fund which, due to the unique nature of its operation, is presented separately in this Annual Report. The financial statements do not include a Statement of Revenue and Expenditures for the Miscellaneous Agency and Trust Funds because agency funds do not report operations. These statements were prepared on the fair value basis. A Statement of Condition on a cost basis is also presented for informational purposes.

Valuation of Combined Investment Fund Shares: All unit prices are determined at the end of each month based on the fair value of the applicable investment fund.

Expenses: The Non-Civil List trust funds are not charged with any expenses for administration of the trust funds. Investment expenses of the Combined Investment Funds are deducted in calculating net investment income.

Distribution of Net Investment Income: Net investment income earned by the Combined Investment Funds is generally distributed in the following month. Net investment income is comprised of dividends and interest less investment expense.

Purchases and Redemptions of Units: Purchases and redemptions of units are generally processed on the first day of the month based on the prior month end price. Purchases represent cash that has been allocated to a particular investment fund in accordance with directions from the Treasurer's office. Redemptions represent the return of principal back to the plan. In the case of certain funds, a portion of the redemption can also include a distribution of income.

NOTE 2. STATEMENT OF CASH FLOWS

A statement of cash flows is presented for the non-expendable Non-Civil List trust funds. This presentation is in accordance with Governmental Accounting Standards Board (GASB) Statement No. 9. No such statement of cash flows is presented for the Miscellaneous Agency and Trust Funds as none is required.

NOTE 3. MISCELLANEOUS AGENCY AND TRUST FUND TRANSFERS

These transactions comprise principal and income transfers to trustees as well as transfers and expenditure payments made on their behalf. Certain of these transfers are made to the General Fund and other Civil List funds as well as various state agencies.

SECOND INJURY FUND

STATEMENT OF NET ASSETS
JUNE 30, 2011 and 2010

ASSETS	June 30, 2011	June 30, 2010
CURRENT ASSETS:		
Cash and cash equivalents	$ 36,715,654	$ 45,622,057
Receivables, net of allowance for uncollectible accounts - $11,053,205 and $10,791,669 respectively	5,681,289	5,906,527
Other Assets	36,793	41,587
TOTAL CURRENT ASSETS	42,433,736	51,570,171
NONCURRENT ASSETS:		
Capital assets:		
Computers	33,093	33,093
Office equipment	18,982	18,982
Less accumulated depreciation	(51,189)	(49,144)
TOTAL NONCURRENT ASSETS	886	2,931
TOTAL ASSETS	42,434,622	51,573,102
LIABILITIES		
CURRENT LIABILITIES:		
Claims and benefits payable	6,951,675	7,615,767
Settlement payable	1,630,400	3,112,332
Accounts payable and other accrued liabilities	1,396,157	1,240,501
Compensated absences	477,857	456,558
TOTAL CURRENT LIABILITIES	10,456,089	12,425,158
NONCURRENT LIABILITIES:		
Accounts payable and accrued liabilities	1,049,000	1,155,000
Compensated absences	181,974	161,605
TOTAL NONCURRENT LIABILITIES	1,230,974	1,316,605
TOTAL LIABILITIES	11,687,063	13,741,763
NET ASSETS		
Unrestricted Net Assets	30,747,559	37,831,339
TOTAL NET ASSETS	$ 30,747,559	$ 37,831,339

See accompanying Notes to the Financial Statements.

SECOND INJURY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

	2011	2010
OPERATING REVENUES		
Assessment Revenues	$30,882,941	$29,490,370
Fund Recoveries	687,321	602,702
Other Income	99,855	37,767
TOTAL OPERATING REVENUES	31,670,117	30,130,839
OPERATING EXPENSES		
Injured Worker Benefits:		
Settlements	6,664,250	10,782,487
Indemnity Claims Benefits	19,419,200	22,056,446
Medical Claims Benefits	5,677,423	5,305,199
Total Injured Worker Benefits	31,760,873	38,144,132
Administrative Expenses	7,083,251	6,654,720
TOTAL OPERATING EXPENSES	38,844,124	44,798,852
OPERATING INCOME (LOSS)	(7,174,007)	(14,668,013)
NON-OPERATING INCOME		
Interest Income	90,227	170,899
Change in Net Assets	(7,083,780)	(14,497,114)
NET ASSETS - Beginning of Year	37,831,339	52,328,453
NET ASSETS - End of Year	$30,747,559	$37,831,339

See accompanying Notes to the Financial Statements.

SECOND INJURY FUND

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
SOURCE:		
Assessment revenues	$ 31,166,387	$ 31,618,485
Fund recoveries	687,321	602,702
Other income	99,855	37,767
Other assets	4,939	(28,371)
Depreciation	2,044	2,316
	31,960,546	32,232,899
USE:		
Injured worker benefits	(34,012,897)	(37,514,807)
Administrative expenses	(6,944,134)	(6,521,593)
	(40,957,031)	(44,036,400)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(8,996,485)	(11,803,501)
CASH FLOWS FROM INVESTING ACTIVITIES		
SOURCE:		
Interest Income	90,082	174,431
NET CASH PROVIDED BY INVESTING ACTIVITIES	90,082	174,431
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,906,403)	(11,629,070)
Cash and cash equivalents, Beginning of Year	45,622,057	57,251,127
CASH AND CASH EQUIVALENTS, End of Year	$ 36,715,654	$ 45,622,057
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	$ (7,174,007)	$ (14,668,013)
Adjustments to reconcile operating income to net cash:		
Provided by operating activities:-		
Depreciation expense	2,044	2,316
Decrease (increase) in assets:		
Decrease in receivables, net	225,238	2,243,214
Decrease (increase) in other assets	4,939	(28,371)
Increase (decrease) in liabilities		
Increase (decrease) in accounts payable & accrued expenses	(2,096,367)	517,237
Increase (decrease) in compensated absences	41,668	130,116
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (8,996,485)	$ (11,803,501)

See accompanying Notes to the Financial Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: INTRODUCTION AND BASIS OF PRESENTATION

The Second Injury Fund ("SIF" or the "Fund") is an extension of the Workers' Compensation Act managed by the Treasurer of the State of Connecticut and operates under Chapter 568, of the Connecticut General Statutes (C.G.S.). Prior to July 1, 1995, the Fund provided relief to employers where a worker, who already had a preexisting injury or medical condition, was hurt on the job and that second injury was made "materially and substantially" worse by the preexisting injury or medical condition.

In 1995 the Connecticut General Assembly closed the Fund to new "second injury" claims sustained on or after July 1, 1995. However, the Fund continues to be liable for payment of claims which involve an uninsured or bankrupt employer and, on a pro rata basis, be liable for reimbursement claims to employers of any worker who had more than one employer at the time of the injury.

In addition, the Fund continues to be liable for and make payments with respect to:

- Widow and dependent death benefits
- Reimbursement for cost of living adjustments on certain claims
- Second injury claims transferred to the Fund prior to July 1999 with a date of injury prior to July 1, 1995.

For State of Connecticut financial reporting purposes, SIF is reported as an Enterprise Fund. (See Note 2)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The accompanying financial statements of SIF have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB).

The Fund utilizes the enterprise fund form of reporting. The reporting focuses on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. The full accrual form of accounting is employed, and revenues are recognized when earned, and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. GASB No. 34 has defined an enterprise fund as a governmental unit in which the pricing policies of the activity establish fees and charges designed to recover its costs.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the Fund are the monies assessed to Connecticut employers for their share of the Fund's expenses for managing workers' compensation claims assigned to the Fund by statute.

Cash and Cash Equivalents

Cash consists of funds in bank checking accounts and deposits held by the State General Fund in the Treasury Business Office account. Cash equivalents include investments in the State of Connecticut Short-Term Investment Fund (STIF). Custodial Credit Risk for Cash and Cash Equivalents is the risk that in the event of a bank failure, the SIF deposits may not be returned to them. STIF Investment Policy ensures strong asset diversification by security type and issuer, comprised of high quality, very liquid securities with a relatively short average maturity. SIF has 99.5% of its cash invested in STIF which is rated AAAm by Standard & Poor's Corporation ("S&P"). Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value.

Receivables, Net of Allowance for Uncollectible Accounts

The receivables balance is composed of assessment receivables and other receivables.

Assessment receivables are recorded inclusive of interest due and result from amounts billed in accordance with C.G.S. 31-354 Assessments: SIF's primary source of revenue is from the levying of assessments against self-insured and insured Connecticut employers. Insurance carriers who insure Connecticut employers are responsible to collect the assessments from employers and submit the revenue to SIF. (see Note 3)

Other receivables are recorded inclusive of interest due and result from amounts billed in accordance with either statute C.G.S. 31-301 or C.G.S.355.

C.G.S. 31-301, Appeal Cases, provides for the payment of indemnity (lost wages) and medical benefits to an injured worker while their claims are under appeal. Upon a decision in the appeal, the injured worker (in cases of denial of compensation), or insurer (in cases of award of compensation), must reimburse the SIF for monies expended during the appeal process. This statute was repealed with passage of P.A. 95-277 for appeals filed on injuries occurring after July 1, 1995. During fiscal years 2011 and 2010, there were no benefits paid for appeals cases.

C.G.S. 31-355, Non Compliance, mandates that SIF pay indemnity and medical benefits for injured workers whose employers fail to or are unable to pay the compensation. The most common examples of these cases involve employers who did not carry worker's compensation insurance or are bankrupt.

Appeal Cases and Non Compliance transactions are recorded as injured worker benefits when paid by the Fund. Concurrently, the Fund seeks recovery of the amounts paid from the party statutorily responsible and a receivable is established. The receivable is offset by a credit to Allowance for Uncollectible Accounts. Recoveries are recorded as revenue when cash is received.

The Fund records other receivables for penalties and citations and certain other payments made under other statutes where the Fund has a right to seek reimbursement. The receivable is offset by a credit to Allowance for Uncollectible Accounts. Recoveries are recorded as revenue when cash is received. Revenue is recorded for these receivables when cash is received.

The allowance for uncollectible account represents those amounts estimated to be uncollectible as of the balance sheet date. The Fund fully reserves for the other receivable balances. (see Note 4)

Capital Assets

The category of capital assets consists of computers and office equipment. The Fund is recording these capital assets at cost with a useful life of 5 years on a straight-line method. In the year of acquisition of the capital asset, the Fund has elected to take a half a year depreciation expense.

Claims Benefits Payable

This category of liability includes indemnity and medical benefits to injured workers as claims and widow and dependent death benefits that will not be submitted to the Fund well as reimbursements to insurance companies and self-insured employers for widow claims and dependent death benefits in addition to concurrent employment cases incurred as at the balance sheet date. The long-term portion of claims benefits payable represents an estimate of the amount of liability of as June 30, 2011 and June 30, 2010 of the concurrent employment until a year or more for reimbursement. (see Note 5)

Settlements Payable

Settlements are negotiated agreements for resolving the Fund's future exposure on injured worker claims. An accrual is made for all settlements committed as of the balance sheet date. (see Note 5)

Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities represent administrative expenses of the Fund outstanding as of June 30, 2011 and June 30, 2010 as well as assessments owed to Connecticut Workers' Compensation and other Connecticut employers. (see Note 5)

Compensated Absences

Vacation and sick policy is as follows: Employees hired on or before June 30, 1977 can accumulate up to a maximum of 120 vacation days. Employees hired after that date can accumulate up to a maximum of 60 days. Upon termination or death, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, or after ten years of service upon death, for an amount equal to one-fourth of his/her accrued sick leave up to a maximum payment equivalent of sixty days. (see Note 5)

NOTE 3: ASSESSMENTS

The assessment method for carriers paying on behalf of insured employers is on an actual premium basis. The premium surcharge, which is paid by insured employers through their worker's compensation insurance carrier within 45 days of the close of a quarter, is the premium surcharge rate multiplied by the employer's "SIF's surcharge base" premium on all policies with an effective date for that quarter. "SIF's surcharge base" means direct written premium on policies prior to application of any deductible policy premium credits. The premium surcharge is set yearly based on the Fund's budgetary needs prior to the start of the fiscal year. The annual insured employers' assessment rate for the fiscal year ending June 30, 2011 was 2.75% and for the fiscal year ending June 30, 2010 was 2.75%.

The method of assessment for self-insured employers is a quarterly billing based on the previous calendar year's paid losses. The annual assessment rate for self-insured employers for the fiscal year ending June 30, 2011 was 3.84% and for the fiscal year ending June 30, 2010 was 3.84%.

NOTE 4: RECEIVABLES

The following is an analysis of the changes in the Fund receivable balances:

As of June 30, 2011:

	Beginning Balance	Additions	Cash Receipts	Write-Offs	Ending Balance	Amount Due Within One Year	Allowance for Uncollectible
Assessments	$7,191,582	$45,549,083	$45,771,479	$0	$6,969,186	$5,681,289	$1,287,897
Non-Compliance 355	9,008,148	4,065,431	407,351	3,342,677	9,323,551	0	9,323,551
Other Receivables	498,466	255,338	294,882	17,165	441,757	0	441,757
Total Receivables	$16,698,196	$49,869,852	$46,473,712	$3,359,842	$16,734,494	$5,681,289	$11,053,205

As of June 30, 2010:

	Beginning Balance	Additions	Cash Receipts	Write-Offs	Ending Balance	Amount Due Within One Year	Allowance for Uncollectible
Assessments	$9,713,402	$61,177,185	$63,699,005	$0	$7,191,582	$5,906,527	$1,285,055
Non-Compliance 355	9,418,067	2,935,536	313,537	3,031,918	9,008,148	0	9,008,148
Other Receivables	577,095	410,202	326,931	161,900	498,466	0	498,466
Total Receivables	$19,708,564	$64,522,923	$64,339,473	$3,193,818	$16,698,196	$5,906,527	$10,791,669

NOTE 5: LIABILITES AND COMPENSATED ABSENCES

The following is an analysis of the changes in the Fund liabilities and compensated absence balances:

As of June 30, 2011:

	Beginning Balance	Additions	Cash Disbursements	Ending Balance	Amount Due Within One Year
Claims and Benefits Payable	$8,770,767	$24,990,623	$25,760,715	$8,000,675	$6,951,675
Settlements Payable	3,112,332	6,664,250	8,146,182	1,630,400	1,630,400
Accounts Payable & Accrued Expenses	1,240,501	7,522,973	7,367,317	1,396,157	1,396,157
Compensated Absences	618,163	41,668	-	659,831	477,857
Total Liabilities & Compensated Absences	$13,741,763	$39,219,514	$41,274,214	$11,687,063	$10,456,089

As of June 30, 2010:

	Beginning Balance	Additions	Cash Disbursements	Ending Balance	Amount Due Within One Year
Claims and Benefits Payable	$8,654,346	$27,486,147	$27,369,726	$8,770,767	$7,615,767
Settlements Payable	2,599,426	10,782,487	10,269,581	3,112,332	3,112,332
Accounts Payable & Accrued Expenses	1,352,591	7,037,239	7,149,329	1,240,501	1,240,501
Compensated Absences	488,046	130,117	-	618,163	456,558
Total Liabilities & Compensated Absences	$13,094,409	$45,435,990	$44,788,636	$13,741,763	$12,425,158

NOTE 6: SETTLEMENTS

Negotiations were at various stages of completion for settlements valued and accrued. As of June 30, 2011, they were $1.6 million and as of June 30, 2010, they were $3.1 million.

NOTE 7: SUBSEQUENT EVENTS

The Fund management has evaluated the events and transactions that have occurred through December 20, 2011, the date the financial statements were available for issuance, and identified no events or transactions that have occurred requiring recognition or disclosure in the financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

STATEMENTS OF ASSETS AND LIABILITIES

	June 30, 2011	June 30, 2010
ASSETS		
Investments, at value (cost: $1,461,251,357 and $1,305,096,276)	$ 1,584,492,902	$1,266,125,038
Cash	66,246	93,721
Dividends and interest receivable	826,702	893,515
Receivable from securities transactions	299,276	262,503
Receivable from Program units sold	769,507	1,362,395
TOTAL ASSETS	1,586,454,633	1,268,737,172
LIABILITIES		
Accrued program management fee	215,299	325,838
Accrued state trustee fee	11,253	9,143
Payable for securities transactions	1,142,310	1,382,394
Payable for Program units redeemed	758,073	1,168,577
TOTAL LIABILITIES	2,126,935	2,885,952
NET ASSETS	$1,584,327,698	$1,265,851,220

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30,

	2011	2010
INVESTMENT INCOME		
Interest	$4,405,575	$4,340,106
Dividends	28,762,891	22,710,556
TOTAL INCOME	33,168,466	27,050,662
EXPENSES		
Program management fees	3,218,380	4,313,321
State trustee fees	125,664	103,859
TOTAL EXPENSES	3,344,044	4,417,180
NET INVESTMENT INCOME	29,824,422	22,633,482
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments in underlying fund shares	9,355,065	(15,465,177)
Realized gain distributions from underlying mutual funds	151,711	-
Net change in unrealized appreciation (depreciation) on investments in underlying shares	162,212,789	95,673,151
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	171,719,565	80,207,974
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$201,543,987	$102,841,456

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30,

	2011	2010
OPERATIONS		
Net Investment income	$29,824,422	$22,633,482
Net realized gain (loss) on total investments	9,506,776	(15,465,177)
Net change in unrealized appreciation (depreciation) on investments	162,212,789	95,673,151
NET INCREASE (DECREASE) FROM OPERATIONS	201,543,987	102,841,456
ACCOUNT OWNER TRANSACTIONS		
Subscriptions	552,870,094	474,430,020
Redemptions	(435,937,603)	(360,688,362)
NET INCREASE (DECREASE) FROM ACCOUNT OWNER TRANSACTIONS	116,932,491	113,741,658
NET INCREASE (DECREASE) IN NET ASSETS	318,476,478	216,583,114
NET ASSETS:		
Beginning of year	1,265,851,220	1,049,268,106
End of year	$1,584,327,698	$1,265,851,220

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

2011 FINANCIAL HIGHLIGHTS

Conservative Managed Allocation Option
Age Bands Within the Conservative Managed Allocation Option

	Ages					
FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR	0-3*	4-7*	8-11*	12-14*	15-17*	18 &Over*
Net asset value, beginning of period	10.00	10.00	10.00	10.00	10.00	10.00
Gain (loss) from investment operations:						
Net investment income[(a)]	0.10	0.15	0.20	0.17	0.14	0.12
Net realized and unrealized gain (loss) on investments	0.59	0.43	0.32	0.18	0.13	0.01
Total gain (loss) from investment operations	0.69	0.58	0.52	0.35	0.27	0.13
Net asset value, end of period	$10.69	$10.58	$10.52	$10.35	$10.27	$10.13
TOTAL RETURN	6.90%[(c)]	5.80%[(c)]	5.20%[(c)]	3.50%[(c)]	2.70%[(c)]	1.30%[(c)]
RATIOS AND SUPPLEMENTAL DATA						
Net assets at end of period (in thousands)	$480	402	358	748	992	339
Ratio of expenses to average net assets[(b)]	0.21%[(d)]	0.21%[(d)]	0.21%[(d)]	0.21%[(d)]	0.21%[(d)]	0.21%[(d)]
Ratio of net investment income to average net assets	1.57%[(d)]	2.33%[(d)]	3.16%[(d)]	2.70%[(d)]	2.27%[(d)]	1.95%[(d)]

* The Portfolios commenced operations on November 22, 2010.
(a) Based on average units outstanding.
(b) Does not include expenses on Program investments in the TIAA-CREF Funds and the Non-Proprietary Funds.
(c) The percentages shown for this period are not annualized.
(d) The percentages shown for this period are annualized.

Moderate Managed Allocation Option [(c)]
Age Bands Within the Moderate Managed Allocation Option

	Ages					
FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR	0-3	4-7	8-11	12-14	15-17	18 &Over
Net asset value, beginning of year	$ 12.21	$ 11.48	$ 12.59	$ 13.31	$ 13.29	$ 13.58
Gain (loss) from investment operations:						
Net investment income[(a)]	0.26	0.27	0.31	0.35	0.29	0.22
Net realized and unrealized gain on investments	2.85	2.13	1.88	1.60	1.25	0.83
Total gain from investment operations	3.11	2.40	2.19	1.95	1.54	1.05
Net asset value, end of year	$ 15.32	$ 13.88	$ 14.78	$ 15.26	$ 14.83	$ 14.63
TOTAL RETURN	25.47%	20.91%	17.39%	14.65%	11.59%	7.73%
RATIOS AND SUPPLEMENTAL DATA						
Net assets at end of period (in thousands)	$ 31,514	$ 108,536	$ 208,152	$ 189,044	$ 191,975	$ 149,330
Ratio of expenses to average net assets[(b)]	0.28%	0.27%	0.26%	0.25%	0.26 %	0.27%
Ratio of net investment income to average net assets	1.81%	2.05%	2.24%	2.43%	2.02 %	1.52%

(a) Based on average units outstanding.
(b) Does not include expenses on Program investments in the TIAA-CREF Funds and the Non-Proprietary Funds.
(c) The Managed Allocation Option changed its name to the Moderate Managed Allocation Option on November 22, 2010.

Aggressive Managed Allocation Option
Age Bands Within the Aggressive Managed Allocation Option

	Ages					
FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR	0-3	4-7	8-11	12-14	15-17	18 &Over
Net asset value, beginning of year	$ 7.60	$ 7.99	$ 8.67	$ 9.13	$ 9.46	$ 9.96
Gain (loss) from investment operations:						
Net investment income[(a)]	0.13	0.15	0.19	0.22	0.24	0.21
Net realized and unrealized gain on investments	2.25	2.02	1.81	1.65	1.43	0.94
Total gain from investment operations	2.38	2.17	2.00	1.87	1.67	1.15
Net asset value, end of year	$ 9.98	$ 10.16	$ 10.67	$ 11.00	$ 11.13	$ 11.11
TOTAL RETURN	31.32%	27.16%	23.07%	20.48%	17.65%	11.55%
RATIOS AND SUPPLEMENTAL DATA						
Net assets at end of period (in thousands)	$ 21,127	$ 23,476 $	24,066	$ 17,848	$ 12,806	$ 6,314
Ratio of expenses to average net assets[(b)]	0.28%	0.27%	0.26%	0.26%	0.25 %	0.26%
Ratio of net investment income to average net assets	1.43%	1.58%	1.89%	2.10%	2.27 %	1.95%

(a) Based on average units outstanding.
(b) Does not include expenses on Program investments in the TIAA-CREF Funds and the Non-Proprietary Funds.

See notes to financial statements.

2011 FINANCIAL HIGHLIGHTS (Continued)

	High Equity Option	Equity Index Option [e]	Active Equity Option*	Index Fixed-Income Option*	Active Fixed-Income Option[f]	Social Choice Option	Money Market Option	Principal Plus Interest Option
FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR								
Net asset value, beginning of period	$ 11.28	$ 8.80	10.00	10.00	12.67	$ 8.19	$ 10.15	$ 13.91
Gain (loss) from investment operations:								
Net investment income (loss)[a]	0.26	0.15	0.07	0.14	0.51	0.12	(0.02)	0.35
Net realized and unrealized gain (loss) on investments	2.66	2.56	0.86	(0.02)	0.19	2.28	—	—
Total gain (loss) from investment operations	2.92	2.71	0.93	0.12	0.70	2.40	(0.02)	0.35
Net asset value, end of period	$ 14.20	$ 11.51	$ 10.93	$ 10.12	$ 13.37	$ 10.59	$ 10.13	$ 14.26
TOTAL RETURN	25.89%	30.80%	9.30%[c]	1.20%[c]	5.52%	29.30%	(0.20)%	2.52%
RATIOS AND SUPPLEMENTAL DATA								
Net assets at end of period (in thousands)	$ 250,607	$ 91,962	$ 3,690	$ 1,207	$ 37,100	$ 5,285	$ 12,889	$ 193,555
Ratio of expenses to average net assets[b]	0.27%	0.30%	0.21 %[d]	0.21 %[d]	0.22 %	0.26 %	0.31%	–%
Ratio of net investment income to average net assets	1.96%	1.42%	1.04 %[d]	2.39 %[d]	3.91 %	1.18 %	-0.21%	2.47%

* The Portfolios commenced operations on November 22, 2010.
(a) Based on average units outstanding.
(b) Does not include expenses on Program investments in the TIAA-CREF Funds and the Non-Proprietary Funds.
(c) The percentages shown for this period are not annualized.
(d) The percentages shown for this period are annualized.
(e) The 100% Equity Index Option changed its name to the Equity Index Option on November 22, 2010.
(f) The 100% Fixed-Income Option changed its name to the Active Fixed-Income option on November 22, 2010.

See notes to financial statements.

NOTE 1—ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Connecticut Higher Education Trust Program - Direct Plan (the "Direct Plan") was formed on July 1, 1997 by Connecticut law, to help people save for the costs of education after high school. The Direct Plan is administered by the Treasurer of the State of Connecticut, as trustee (the "Trustee") of the Connecticut Higher Education Trust (the "Trust"). The Trustee has the authority to enter into contracts for Direct Plan management services, adopt regulations for the administration of the Direct Plan and establish investment policies for the Direct Plan. TIAA-CREF Tuition Financing, Inc. ("TFI"), a wholly-owned subsidiary of Teachers Insurance and Annuity Association of America ("TIAA"), and the Trustee have entered into a Management Agreement under which TFI serves as Direct Plan Manager. The Direct Plan is intended to meet the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code ("Code") and was established pursuant to the Connecticut Annotated Statues Sections 3-22f to 3-22o. Investment options and allocations, as approved by the Trustee, are described in the current Disclosure Booklet for the Direct Plan.

The assets in the Principal Plus Interest Option are allocated to a funding agreement issued by TIAA-CREF Life Insurance Company ("TIAA-CREF Life"), a subsidiary of TIAA. The Funding Agreement guarantees to the Trust a return of principal plus a minimum rate of interest and provides the opportunity for additional interest as declared periodically by TIAA-CREF Life.

Teachers Advisors, Inc. ("Advisors"), an affiliate of TFI, is registered with the Securities and Exchange Commission as an investment adviser and provides investment advisory services to the TIAA-CREF Funds.

Effective November 22, 2010, the Managed Allocation Option, the 100% Equity Index Option, and the 100% Fixed-Income Option changed their names to the Moderate Managed Allocation Option, the Equity Index Option and the Active Fixed-Income Option, respectively.

The following investment options commenced operations on November 22, 2010: the Conservative Managed Allocation Option; the Active Equity Option; and the Index Fixed-Income Option.

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which may require the use of estimates made by management and the evaluation of subsequent events through August 29, 2011. Actual results may differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Direct Plan.

Security valuation: All investments are recorded at their estimated fair value as described in the valuation of investments note to the financial statements.

Accounting for investments: Securities transactions are accounted for as of the trade date for financial reporting purposes. Interest income is recorded as earned. Dividend income and capital gain distributions from the underlying mutual funds are recorded on the ex-dividend date. Realized gains and losses are based upon the specific identification method.

Income tax: No provision for federal income tax has been made. The Direct Plan is designed to constitute a qualified tuition program under Section 529 of the Code and does not expect to have any unrelated business income subject to tax.

Units: The beneficial interests for each account owner in the investment options are represented by Direct Plan units. Subscriptions and redemptions are recorded upon receipt of an account owner's instructions in good order, based on the next determined net asset value per unit ("Unit Value"). Unit Values for each investment option are determined at the close of business of the New York Stock Exchange. There are no distributions of net investment gains or net investment income to the investment option's account owners or beneficiaries.

NOTE 2—VALUATION OF INVESTMENTS

All investments are valued at fair value utilizing various valuation methods. U.S. GAAP establishes a hierarchy that prioritizes market inputs to valuation methods. The three levels of inputs are:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Direct Plan's own assumptions in determining the fair value of investments)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A description of the valuation techniques applied to the Direct Plan's major categories of assets and liabilities measured at fair value follows:

Investments in registered investment companies: These investments are valued at their net asset value on the valuation date. These investments are categorized in Level 1 of the fair value hierarchy.

Principal Plus Interest Option: The TIAA-CREF Life Funding Agreement, to which the Principal Plus Interest Option allocates assets, is carried at the principal contributed and earnings credited less any redemptions, which approximates fair value. The carrying value approximates fair value determined by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of TIAA-CREF Life. The Funding Agreement has a floating rate of interest that resets annually based on a projected rate of return. The Funding Agreement is categorized in Level 3 of the fair value hierarchy.

Transfers between levels are recognized at the end of the reporting period. As of June 30, 2011, there were no significant transfers between levels by the Direct Plan options.

As of June 30, 2011, all of the investments in the Moderate Managed Allocation Option, the Conservative Managed Allocation Option, the Aggressive Managed Allocation Option, the High Equity Option, the Equity Index Option, the Active Fixed-Income Option, the Social Choice Option, the Money Market Option, the Index Fixed-Income Option, and the Administrative Account were valued based on Level 1 inputs.

As of June 30, 2011, all investments in the Principal Plus Interest Option were categorized in Level 3 of the fair value hierarchy. The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining value::

	Principal Plus Interest Option
Balance as of 06/30/10	$ 173,440,400
Realized Gain/Loss	-
Change in Unrealized Appreciation/Depreciation	-
Interest Income	4,405,570
Gross Purchases	25,484,425
Gross Sales	(9,775,864)
Balance as of 06/30/11	$ 193,554,531

NOTE 3—MANAGEMENT AGREEMENTS

For its services as Direct Plan Manager with respect to the Moderate Managed Allocation Option, the Conservative Managed Allocation Option, the Aggressive Managed Allocation Option, the Equity Index Option, the Active Equity Option, the Active Fixed- Income Option, the Social Choice Option, the Money Market Option, the High Equity Option, and the Index Fixed-Income Option, TFI is paid an annual aggregate Direct Plan management fee of 0.18% of the average daily net assets of the Direct Plan, invested in such investment options. In addition, Advisors is paid investment management fees on the underlying investments in the TIAA-CREF Funds. The Direct Plan management fee indicated applies on total assets in the Plan up to $2.0 billion. The Direct Plan management fee will revert to 0.20%, however, if total assets in the Direct Plan decrease to below $1.5 billion for a period of at least 90 consecutive days. If, however, total assets in the Direct Plan reach $2.0 billion or above for a period of at least 90 days, the Direct Plan management fee indicated will be further reduced to 0.15% and will remain at such level for as long as such assets do not decline to below $2.0 billion for 90 consecutive days.

Prior to June 20, 2011, for its services as Direct Plan Manager with respect to the Moderate Managed Allocation Option, the Conservative Managed Allocation Option, the Aggressive Managed Allocation Option, the Equity Index Option, the Active Equity Option, the Active Fixed-Income Option, the Social Choice Option, the Money Market Option, the High Equity Option, and the Index Fixed-Income Option, TFI was paid an annual aggregate Direct Plan management fee of 0.20% of the average daily net assets of the Direct Plan, invested in such investment options.

Prior to November 22, 2010, for its services as Direct Plan Manager with respect to the Moderate Managed Allocation Option, the Aggressive Managed Allocation Option, the Equity Index Option, the Active Fixed-Income Option, the Social Choice Option, the Money Market Option and the High Equity Option, TFI was paid an annual aggregate Direct Plan management fee of 0.24% to 0.49% of the average daily net assets of the Direct Plan, invested in such investment options. In addition, Advisors was paid investment management fees on the underlying investments in the TIAA-CREF Funds. The Direct Plan management fee plus the weighted average expenses of each of the underlying mutual funds in the aforementioned investment options did not exceed 0.59% of the average daily net assets of the Direct Plan invested in such investment options.

No fee is charged on the assets invested in the Principal Plus Interest Option; however a fee is paid to TFI by TIAA-CREF Life for distribution, administrative and other reasonable expenses. TIAA-CREF Life also pays the Trustee a fee, equal to 0.01% of the average daily net assets held by the Principal Plus Interest Option, for expenses related to the oversight of the Trust for this Investment Option.

For its services administering the Direct Plan, each Investment Option (with the exception of the Principal Plus Interest Option) pays to the Trustee an Administrative Fee at an annual rate of 0.01% of the average daily net assets of the Investment Option.

For the period ended June 30, 2011, TFI received total Direct Plan management fees of $3,218,380. Total underlying fund fee expenses for the TIAA-CREF Funds during the period were $2,843,799. The Direct Plan management fees and the administrative fees charged to each investment option are disclosed in the Statements of Operations.

NOTE 4—INVESTMENTS

As of June 30, 2011, net unrealized appreciation (depreciation) of portfolio investments was $123,241,545 consisting of gross unrealized appreciation of $123,241,545.

An account owner has an investment in an investment option and not a direct investment in any underlying mutual fund or other investment vehicle.

NOTES TO FINANCIAL STATEMENTS (Continued)

As of June 30, 2011, the Direct Plan's investments consist of the following:

	UNITS	COST	MARKET VALUE
TIAA-CREF Mutual Funds (Institutional Class):			
Inflation-Linked Bond Fund	9,542,141	$98,667,017	$107,921,618
Equity Index Fund	25,454,558	193,144,736	258,109,220
International Equity Index Fund	16,056,865	260,462,821	279,550,019
Bond Fund	4,827,823	48,215,677	50,692,139
Money Market Fund	75,798,252	75,798,252	75,798,252
Real Estate Securities Fund	4,007,988	37,254,788	44,248,188
S&P 500 Index Fund	5,333,639	68,895,776	79,684,560
Mid-Cap Growth Fund	402,893	5,964,143	8,513,120
Mid-Cap Value Fund	474,209	7,502,749	8,720,712
Growth & Income Fund	84,570	784,900	824,560
Short-Term Bond Fund	4,048,171	41,903,183	42,060,497
Bond Index Fund	26,280,618	273,462,177	273,844,044
Large-Cap Value Fund	28,127	373,021	382,530
Social Choice Equity Fund	466,916	4,471,328	5,285,495
High Yield Fund	354,920	3,472,865	3,520,808
TIAA-CREF Funds (Retail Class):			
Money Market Fund*	528,176	528,176	528,176
TIAA-CREF Life Insurance Company:			
Guaranteed Funding Agreement		193,554,531	193,554,531
Non-Proprietary Funds:			
Artio International Equity Fund	57,049	715,080	723,954
DFA Emerging Markets Core Equity Portfolio	2,850,639	61,563,287	62,999,113
GE Institutional Small Cap Equity Fund	595,163	8,382,047	9,582,128
T. Rowe Price Large-Cap Growth Fund	22,337	372,900	384,638
Templeton Global Bond Fund	5,512,220	74,688,199	76,454,488
Thornburg International Value Fund	36,991	1,073,704	1,110,112
		$1,461,251,357	$1,584,492,902

* Represents the assets of the Administrative Account.

NOTE 5 – SUBSEQUENT EVENT

Effective August 1, 2011, the Direct Plan Manager and the Trustee have agreed to voluntarily waive the Money Market Option's Direct Plan management fee and administrative fee, respectively, in an attempt to maintain a 0.00% return for the option. The Direct Plan Manager and the Trustee may discontinue the waiver at any time without notice.

INDEPENDENT AUDITORS' REPORT

To the Trustee of the Connecticut Higher Education Trust Program - Direct Plan and Account Owners:

In our opinion, the accompanying statement of assets and liabilities and the related statement of operations and of changes in net assets and financial highlights present fairly, in all material respects, the financial position of twenty-six portfolios constituting the Connecticut Higher Education Trust Program - Direct Plan (the "Program") at June 30, 2011, the results of each of their operations, the changes in each of their net assets and each of their financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of TIAA-CREF Tuition Financing, Inc (hereafter referred to as the "Direct Plan Manager"). Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the Direct Plan Manager, and evaluating the overall financial statement presentation. We believe that our audit, which included confirmation of securities owned at June 30, 2011 by correspondence with the transfer agent, provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

August 29, 2011

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES AND SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2011

ASSETS	
Investments in underlying funds, at fair value*	
Powershares Emerging Markets Sovereign Debt	$309,017
SPDR Dow Jones International Real Estate ETF	454,073
SPDR Dow Jones REIT ETF	449,016
The Hartford Capital Appreciation Fund, Class Y	3,944,742
The Hartford Corporate Opportunities Fund, Class Y	715,556
The Hartford Dividend and Growth Fund, Class Y	3,818,774
The Hartford Equity Income Fund, Class Y	203,683
The Hartford Floating Rate Fund, Class Y	229,711
The Hartford Fundamental Growth Fund, Class Y	1,455,802
The Hartford Global Research Fund, Class Y	1,125,412
The Hartford Growth Opportunities Fund, Class Y	344,129
The Hartford Inflation Plus Fund, Class Y	2,956,652
The Hartford International Opportunities Fund, Class Y	2,262,432
The Hartford International Small Companies Fund, Class Y	691,738
The Hartford MidCap Fund, Class Y	2,404,225
The Hartford MidCap Value Fund, Class Y	1,035,359
The Hartford Money Market Fund, Class Y	2,299,767
The Hartford Short Duration Fund, Class Y	1,394,181
The Hartford Small Company Fund, Class Y	597,844
The Hartford Small/MidCap Equity Fund, Class Y	815,798
The Hartford SmallCap Growth Fund, Class Y	392,369
The Hartford Strategic Income Fund, Class Y	276,256
The Hartford Total Return Bond Fund, Class Y	4,785,112
The Hartford Value Fund, Class Y	3,607,194
The Hartford Value Opportunities Fund, Class Y	258,076
Total Investments	36,826,918
Cash	33,502
Receivable for investment securities sold	10,805
Receivable from the sale of units to account owners	136,040
Dividends receivable	37,693
Other Asset	44
TOTAL ASSETS	37,045,002
LIABILITIES	
Payable for investment securities purchased	159,452
Payable from units redeemed from account owners	13,122
Accrued plan manager fee	302
Accrued administration fee	20
Accrued distribution fee	414
TOTAL LIABILITIES	173,310
NET ASSETS	$36,871,692
Net assets consist of:	
Class A	
Net assets	$20,884,773
Units outstanding	1,881,917
Net asset value	$ -
Class C	
Net assets	$9,996,764
Units outstanding	920,100
Net asset value	$ -
Class E	
Net assets	$5,990,155
Units outstanding	535,109
Net asset value	$ -
* Identified cost	$36,419,622

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE PERIOD FROM SEPTEMBER 30,2010 TO JUNE 30, 2011

INVESTMENT INCOME	
Dividends	$195,415
TOTAL INVESTMENT INCOME	195,415
EXPENSES	
Plan Manager fees	35,128
Administration fees	2,339
Distribution fees	
Class A	14,800
Class C	34,077
Total Expenses Waived	(5,431)
TOTAL EXPENSES	80,913
NET INVESTMENT INCOME (LOSS)	114,502
NET REALIZED AND UNREALIZED GAIN (LOSS)	
Capital gain distribution received from underlying funds	11,346
Net realized gain (loss) on sale of underlying fund shares	176,442
Net unrealized appreciation (depreciation) on underlying fund shares	407,296
NET REALIZED AND UNREALIZED GAIN (LOSS)	595,084
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$709,586
UNIT TRANSACTIONS	
Subscriptions	
Class A	28,136,126
Class C	12,377,657
Class E	6,767,061
Net proceeds from sale of units to account holders	47,280,844
Redemptions	
Class A	(7,587,259)
Class C	(2,564,174)
Class E	(967,305)
Total cost of units redeemed	(11,118,738)
NET INCREASE IN NET ASSETS DERIVED FROM UNIT TRANSACTIONS	36,162,106
NET ASSETS:	
Total increase in net assets	36,871,692
Beginning of year	-
End of year	$36,871,692

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

FINANCIAL HIGHLIGHTS
FROM INCEPTION SEPTEMBER 30, 2010 THROUGH JUNE 30, 2011

	Net Asset Value at Beginning of Period	Net Investment Income (Loss)	Realized and Unrealized Gain (Loss)	Net Total from Investment Operations	Net Asset Value at End of Period	Total Return % Based on Net Asset Value Per Unit (1)	Net Assets at End of Period (000's)	Ratio of Expenses to Average Net Assets(2)	Ratio of Net Investment Income to Average Net Assets(2)	Portfolio Turnover Rate (3)
CHET Advisor Age-Based Portfolio 0-8:										
Class A	$10.00	$0.04	$1.29	$1.33	$11.33	13.30%	$4,594	0.57%	0.80%	25%
Class C	10.00	-	1.26	1.26	11.26	12.60	845	1.32	0.12	25
Class E	10.00	0.06	1.28	1.34	11.34	13.40	1,486	0.32	1.15	25
CHET Advisor Age-Based Portfolio 9-13:										
Class A	10.00	0.06	1.01	1.07	11.07	10.70	4,698	0.57	1.53	27
Class C	10.00	0.04	0.97	1.01	11.01	10.10	1,535	1.32	0.74	27
Class E	10.00	0.09	1.00	1.09	11.09	10.90	567	0.32	1.83	27
CHET Advisor Age-Based Portfolio 14-15:										
Class A	10.00	0.09	0.80	0.89	10.89	8.90	1,615	0.57	2.00	34
Class C	10.00	0.04	0.80	0.84	10.84	8.40	821	1.32	1.34	34
Class E	10.00	0.12	0.80	0.92	10.92	9.20	504	0.32	2.25	34
CHET Advisor Age-Based Portfolio 16-17:										
Class A	10.00	0.10	0.44	0.54	10.54	5.40	897	0.57	2.48	29
Class C	10.00	0.09	0.38	0.47	10.47	4.70	819	1.32	1.63	29
Class E	10.00	0.16	0.39	0.55	10.55	5.50	180	0.32	2.65	29
CHET Advisor Age-Based Portfolio 18+:										
Class A	10.00	0.06	0.20	0.26	10.26	2.60	599	0.57	1.82	74
Class C	10.00	0.05	0.15	0.20	10.20	2.00	378	1.32	0.96	74
Class E	10.00	0.14	0.14	0.28	10.28	2.80	119	0.32	1.90	74
CHET Advisor Aggressive Growth Portfolio:										
Class A	10.00	0.01	1.65	1.66	11.66	16.60	502	0.57	0.21	8
Class C	10.00	(0.05)	1.65	1.60	11.60	16.00	710	1.32	(0.83)	8
Class E	10.00	0.03	1.65	1.68	11.68	16.80	390	0.32	0.35	8
CHET Advisor Conservative Portfolio:										
Class A	10.00	0.11	0.42	0.53	10.53	5.30	309	0.57	2.38	7
Class C	10.00	0.06	0.42	0.48	10.48	4.80	398	1.32	1.61	7
Class E	10.00	0.15	0.40	0.55	10.55	5.50	91	0.32	2.51	7
CHET Advisor Growth Portfolio:										
Class A	10.00	0.03	1.29	1.32	11.32	13.20	2,374	0.57	0.85	13
Class C	10.00	-	1.26	1.26	11.26	12.60	420	1.32	(0.02)	13
Class E	10.00	0.07	1.27	1.34	11.34	13.40	389	0.32	1.32	13
CHET Advisor Balanced Portfolio:										
Class A	10.00	0.09	0.81	0.90	10.90	9.00	600	0.57	2.04	13
Class C	10.00	0.05	0.79	0.84	10.84	8.40	383	1.32	1.32	13
Class E	10.00	0.18	0.74	0.92	10.92	9.20	285	0.32	2.24	13
The Hartford Capital Appreciation 529 Portfolio:										
Class A	10.00	(0.03)	1.12	1.09	11.09	10.90	421	0.57	(0.57)	10
Class C	10.00	(0.07)	1.10	1.03	11.03	10.30	515	1.32	(1.32)	10
Class E	10.00	(0.02)	1.13	1.11	11.11	11.10	515	0.32	(0.32)	10
CHET Advisor Checks and Balances Portfolio:										
Class A	10.00	0.08	0.84	0.92	10.92	9.20	631	0.57	1.45	9
Class C	10.00	0.04	0.82	0.86	10.86	8.60	438	1.32	0.65	9
Class E	10.00	0.12	0.82	0.94	10.94	9.40	165	0.32	1.57	9

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

FINANCIAL HIGHLIGHTS
FROM INCEPTION SEPTEMBER 30, 2010 THROUGH JUNE 30, 2011 (Continued)

	Net Asset Value at Beginning of Period	Net Investment Income (Loss)	Realized and Unrealized Gain (Loss)	Net Total from Investment Operations	Net Asset Value at End of Period	Total Return % Based on Net Asset Value Per Unit (1)	Net Assets at End of Period (000's)	Ratio of Expenses to Average Net Assets(2)	Ratio of Net Investment Income to Average Net Assets(2)	Portfolio Turnover Rate (3)
The Hartford Dividend and Growth 529 Portfolio:										
Class A	$10.00	$0.08	$1.46	$1.54	$11.54	15.40 %	$522	0.57 %	1.75 %	1 %
Class C	10.00	0.05	1.42	1.47	11.47	14.70	305	1.32	0.89	1
Class E	10.00	0.11	1.44	1.55	11.55	15.50	228	0.32	1.69	1
The Hartford Fundamental Growth 529 Portfolio:										
Class A	10.00	(0.03)	1.23	1.20	11.20	12.00	124	0.57	(0.57)	8
Class C	10.00	(0.14)	1.28	1.14	11.14	11.40	30	1.32	(1.32)	8
Class E	10.00	(0.03)	1.25	1.22	11.22	12.20	39	0.32	(0.32)	8
The Hartford Global Research 529 Portfolio:										
Class A	10.00	0.02	1.44	1.46	11.46	14.60	98	0.57	0.24	5
Class C	10.00	(0.01)	1.40	1.39	11.39	13.90	75	1.32	(0.11)	5
Class E	10.00	0.03	1.44	1.47	11.47	14.70	140	0.32	0.38	5
The Hartford Growth Opportunities 529 Portfolio:										
Class A	10.00	(0.03)	2.06	2.03	12.03	20.30	235	0.57	(0.57)	1
Class C	10.00	(0.10)	2.06	1.96	11.96	19.60	52	1.32	(1.32)	1
Class E	10.00	(0.03)	2.08	2.05	12.05	20.50	57	0.32	(0.32)	1
The Hartford Inflation Plus 529 Portfolio:										
Class A	10.00	0.19	0.20	0.39	10.39	3.90	305	0.57	4.76	2
Class C	10.00	0.22	0.11	0.33	10.33	3.30	275	1.32	3.54	2
Class E	10.00	0.24	0.17	0.41	10.41	4.10	96	0.32	3.73	2
The Hartford International Opportunities 529 Portfolio:										
Class A	10.00	(0.02)	1.03	1.01	11.01	10.10	436	0.57	(0.36)	6
Class C	10.00	(0.06)	1.00	0.94	10.94	9.40	171	1.32	(0.93)	6
Class E	10.00	-	1.02	1.02	11.02	10.20	193	0.32	0.03	6
The Hartford MidCap 529 Portfolio:										
Class A	10.00	(0.03)	2.04	2.01	12.01	20.10	298	0.57	(0.57)	3
Class C	10.00	(0.06)	2.01	1.95	11.95	19.50	276	1.32	(1.32)	3
Class E	10.00	(0.02)	2.05	2.03	12.03	20.30	207	0.32	(0.32)	3
The Hartford Money Market 529 Portfolio:										
Class A	10.00	-	-	-	10.00	-	456	- (4)	-	54
Class C	10.00	-	-	-	10.00	-	990	- (4)	-	54
Class E	10.00	-	-	-	10.00	-	94	- (4)	-	54
The Hartford Small Company 529 Portfolio:										
Class A	10.00	(0.04)	3.04	3.00	13.00	30.00	319	0.57	(0.57)	4
Class C	10.00	(0.08)	3.00	2.92	12.92	29.20	173	1.32	(1.32)	4
Class E	10.00	(0.02)	3.04	3.02	13.02	30.20	107	0.32	(0.32)	4
The Hartford Total Return Bond 529 Portfolio:										
Class A	10.00	0.08	0.06	0.14	10.14	1.40	454	0.57	3.22	11
Class C	10.00	0.13	(0.05)	0.08	10.08	0.80	343	1.32	2.43	11
Class E	10.00	0.22	(0.06)	0.16	10.16	1.60	63	0.32	3.44	11
The Hartford Value 529 Portfolio:										
Class A	10.00	(0.02)	1.60	1.58	11.58	15.80	399	0.57	(0.24)	56
Class C	10.00	(0.01)	1.52	1.51	11.51	15.10	44	1.32	(0.11)	56
Class E	10.00	0.05	1.55	1.60	11.60	16.00	74	0.32	0.63	56

(1) Periods less than one year are not annualized for total returns.
(2) Periods less than one year are annualized for ratio of expenses to average net assets and ratios of net investment income to average net assets.
(3) Portfolio turnover rate is calculated on the basis of the fund as a whole without distinguishing between the class of shares issued.
(4) As of June 30, 2011, the CHET Advisor Plan Manager is waiving the Plan Manager, Administration, and Distrubution fees. If these waived fees were included, the ratio of expenses to average net assets would be as follows: 0.57% (Class A), 1.32% (Class C), and 0.32% (Class E).

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

The Connecticut Higher Education Trust (CHET) Program (the "Program") was formed on July 1, 1997, by Connecticut law, to help people save for the costs of education after high school. The Program is administered by the Treasurer of the State of Connecticut, as trustee (the "Trustee") of the Connecticut Higher Education Trust (the "Trust"). The Trustee has the authority to enter into contracts for program management services, adopt regulations for the administration of the Program, and establish investment policies for the Program. The Program consists of two components – CHET Direct Plan, which is offered directly by the state, and an advisor plan which began on September 30, 2010 ("CHET Advisor Plan"), for which Hartford Life Insurance Company ("Hartford Life") and the Trustee have entered into a management agreement under which Hartford Life serves as program manager. The Hartford Financial Services Group, Inc. ("The Hartford"), Hartford Life's parent company, has provided insurance and other financial management services for its clients since 1810. The Program is intended to meet the requirements of the qualified tuition program under Section 529 of the Internal Revenue Code and was established pursuant to the Connecticut General Statutes Section 3-22f to 3-22o. Investment options and allocations, as adopted by the Trustee, are described in the current Disclosure Booklet for the Program.

These financial statements are intended for use in connection with an Account opened in the CHET Advisor Plan only, and are not intended to include information relevant to the CHET Direct Plan, which is described in a separate report, and offers investment options different from those offered under the CHET Advisor Plan. For more information on the CHET Direct Plan, you may call 1-888-799-2438 or go to www.aboutchet.com.

Class A units are sold with a front-end sales charge of up to 5.50%, with the exception of the following portfolios that have a maximum front-end sales charge rate of:

Portfolio	Rate
CHET Advisor Age-Based Portfolio 16-17	3.00%
CHET Advisor Age-Based Portfolio 18+	3.00
The Hartford Conservative 529 Portfolio	3.00
The Hartford Inflation Plus 529 Portfolio	3.00
The Hartford Total Return Bond 529 Portfolio	3.00
The Hartford Money Market 529 Portfolio	-

Class C units are sold with a contingent deferred sales charge of up to 1% on shares redeemed within twelve months of purchase, with the exception of the Hartford Money Market 529 Portfolio, which has no contingent deferred sales charge. Class E units are sold without sales charges to certain eligible investors. All classes of units have identical redemption, dividend, liquidation, and other rights and the same terms and conditions, with the exceptions that each class may have different expenses, which may affect performance.

The portfolios operate in the manner of a "Fund of Funds," investing the majority of their assets in Class Y shares of underlying mutual funds sponsored by The Hartford as well as certain exchange-traded funds (ETFs). Collectively, the underlying mutual funds and ETFs are called the "Underlying Funds."

The accounting policies of the underlying mutual funds are outlined in the shareholder reports for such funds, available (1) without charge, upon request, by calling 888-843-7824 and (2) on the Securities and Exchange Commission's (SEC) website at http://www.sec.gov. The reports may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Underlying Funds are not covered by this report.

Hartford Life has entered into an agreement with Upromise Investment Advisors, LLC, to provide certain administrative services for the CHET Advisor Plan. Hartford Investment Financial Services, LLC, provides investment management services to the Trust. State Street Bank and Trust Company acts as custodian for assets of the Trust.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the CHET Advisor Plan in the preparation of its financial statements, which are in accordance with the accounting principles generally accepted in the United States ("U.S. GAAP"). The preparation of financial statements in accordance with U.S. GAAP may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

a) *Determination of Net Asset Value (NAV)* – The NAV of each class of the portfolio's units is based on the value of all underlying investment holdings, determined as of the close of regular trading (normally 4:00 p.m. Eastern Time) (the "NYSE Close") on each day that the New York Stock Exchange (the "Exchange") is open ("Valuation Date"). Information that becomes known to the portfolio after the NAV has been calculated on a particular day will not generally be used to retroactively adjust the NAV determined earlier that day.

b) *Investment Valuation* – Investments in open-end mutual funds are valued at the respective NAV of each underlying mutual fund as determined as of the NYSE Close on the Valuation Date. The portfolios generally use market prices in valuing the ETFs. If market prices are not readily available or are deemed unreliable, the portfolio will use the fair value of the security. U.S. GAAP defines fair value as the price that a portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants. The fair value measurement standards establish and require disclosure of a fair value hierarchy, separately for each major category of assets and liabilities. Various inputs are used in determining the fair value of the portfolio's investments. These inputs are summarized into three broad hierarchy levels. This hierarchy is based on whether the valuation inputs are observable or unobservable. These levels are:

- Level 1 – Quoted prices in active markets for identical securities. Level 1 may include exchange-traded instruments such as domestic equities, some foreign equities, options, futures, mutual funds, exchange-traded funds, rights, and warrants.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar securities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. Level 2 may include debt securities that are traded less frequently than exchange-traded instruments and which are valued using thirdparty pricing services; foreign equities, whose value is determined using a multi-factor regression model with inputs that are observable in the market; and short-term securities, which are valued at amortized cost.
- Level 3 – Significant unobservable inputs that are supported by limited or no market activity. Level 3 may include financial instruments whose values are determined using broker quotes or require significant management judgment or estimation. These unobservable valuation inputs may include estimates for current yields, maturity/duration, prepayment speed, and broker quotes for comparable securities along with other assumptions relating to credit quality, collateral value, complexity of the security structure, general market conditions, and liquidity. This category may include securities where trading has been halted or there are certain restrictions on trading. While these securities are priced using unobservable inputs, the valuation of these securities reflects the best available data and management believes the prices are a reasonable representation of exit price.

Valuation levels are not necessarily an indication of the risk associated with investing in such securities. Individual securities within any of the above-mentioned asset classes may be assigned a different hierarchical level than those presented above, as individual circumstances dictate.

For purposes of reporting transfers between different hierarchy levels, both transfers in and out of each level, as applicable, are shown as if they occurred at the beginning of the period. For the period ended June 30, 2011, all investments in the CHET Advisor Plan were valued as Level 1 securities.

c) *Security Transactions and Investment Income* – Security transactions are recorded as of the trade date (the date the order to buy or sell is executed) for financial reporting purposes. Realized gains and losses are determined on the basis of identified cost. Income and realized and unrealized capital gains and losses of each class are allocated daily based on the relative net assets of each class of units of the Portfolio.

Income and capital gain distributions from Underlying Funds are recorded on the ex-dividend date.

d) *Units* – Contributions by a participant are evidenced through the issuance of units in the particular portfolio according to the investment elections made by the participant. Contributions and withdrawals are subject to terms and limitations defined in the participation agreement between the participant and the CHET Advisor Plan. Contributions are invested in units of the assigned portfolio on the same day as the credit of the contribution to the participant's account. Withdrawals are based on the unit value calculated for such portfolio on the day that the withdrawal request is accepted. The earnings portion of non-qualified withdrawals, in addition to applicable federal and state income tax, may be subject to a 10% non-qualified withdrawal penalty to be withheld from the amount withdrawn.

e) *Cash* – Certain portfolios have cash as shown on the Statement of Assets and Liabilities. The cash is due to unsettled trades of ETFs.

f) *Receivables* – Receivables for investment securities sold and receivable from the sale of units to account owners of the CHET Advisor Plan at the balance sheet date represent the contributions of the participant and the sales of the portfolio that have not settled as of the reporting date, respectively.

g) *Payables* – Payables for investment securities purchased and payables from units redeemed from account owners of the CHET Advisor Plan at the balance sheet date represent the redemptions of the participant and the purchases of the portfolio that have not settled as of the reporting date, respectively.

NOTE 3: PRINCIPAL RISKS

Market Risks – A portfolio is exposed to the risks of the Underlying Funds in direct proportion to the amount of assets the portfolio allocates to each Underlying Fund. The market values of Underlying Funds may decline due to general market conditions, which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The market value of equity securities may also decline due to factors, which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

NOTE 4: FEDERAL AND STATE INCOME TAXES

No provision for federal income tax has been made. The program is designed to constitute a qualified tuition program under Section 529 of the Internal Revenue Code and does not expect to have any unrelated business income subject to tax.

NOTE 5: EXPENSES

Allocable expenses incurred by the CHET Advisor Plan are allocated to each portfolio and allocated to classes within the portfolio in proportion to the average daily net assets of the portfolio and each class, except where otherwise noted.

a) Plan Manager Fee – Hartford Life manages the CHET Advisor Plan under the direction of the Trustee, pursuant to a management agreement it has entered into with the Trustee. A fee of 0.30%, is charged to pay Hartford Life to perform many aspects of offering and administrating the CHET Advisor Plan. This fee is accrued and deducted daily as a percentage of average daily net assets in the portfolios and paid monthly. In addition, Hartford Life is paid investment management fees from the Hartford underlying funds.

Given the current low interest rate environment, Hartford Life has waived the annual plan manager fee for contributions to The Hartford Money Market 529 Portfolio. These fees may be resumed at the sole discretion of Hartford Life.

NOTES TO FINANCIAL STATEMENTS (Continued)

b) Administrative Fee – The Administrative Fee of 0.02%, is charged to pay the Trust's expenses related to the overall operation of the Connecticut Higher Education Trust. This fee is accrued and deducted daily as a percentage of average daily net assets in the portfolios and paid monthly. Until certain startup costs for the CHET Advisor Plan are recouped, the Trust will pay the administrative fee to Hartford Life.

Given the current low interest rate environment, the Trust has waived the administrative fee for contributions to The Hartford Money Market 529 Portfolio. This fee may be resumed at the sole discretion of the Trustee.

c) Annual Distribution Fee – The CHET Advisor Plan is authorized to charge an annual distribution fee to compensate Hartford Life for activities intended to result in the sale and distribution of Classes A and C units and for providing services for shareholders. The fee is accrued and deducted daily as a percentage of average net assets in the portfolios and paid monthly. The schedule below reflects the fees effective as of June 30, 2011:

Class of Units	Annual Fee
Class A	0.25%
Class C	1.00

Given the current low interest rate environment, Hartford Life has waived the annual distribution fee for contributions to The Hartford Money Market 529 Portfolio. These fees may be resumed at the sole discretion of Hartford Life.

NOTE 6: AFFILIATE HOLDINGS

As of June 30, 2011, affiliates of The Hartford had ownership of shares in the portfolios as follows:

Portfolio Name	Class A	Class C	Class E
CHET Advisor Age-Based Portfolio 0-8	2,498	2,500	2,502
CHET Advisor Age-Based Portfolio 9-13	2,498	2,500	2,502
CHET Advisor Age-Based Portfolio 14-15	2,498	2,500	2,502
CHET Advisor Age-Based Portfolio 16-17	2,498	2,500	2,502
CHET Advisor Age-Based Portfolio 18+	2,498	2,500	2,501
CHET Advisor Aggressive Growth Portfolio	2,498	2,501	2,501
CHET Advisor Conservative Portfolio	2,499	2,501	2,501
CHET Advisor Growth Portfolio	2,498	2,501	2,501
CHET The Hartford Balance Portfolio	2,498	2,501	2,501
The Hartford Capital Appreciation 529 Portfolio	2,499	2,501	2,500
CHET Advisor Checks and Balances Portfolio	2,499	2,501	2,500
The Hartford Dividend and Growth 529 Portfolio	2,500	2,502	2,498
The Hartford Fundamental Growth 529 Portfolio	2,499	2,502	2,499
The Hartford Global Research 529 Portfolio	2,499	2,501	2,500
The Hartford Growth Opportunity 529 Portfolio	2,499	2,501	2,500
The Hartford Inflation Plus 529 Portfolio	2,500	2,503	2,498
The Hartford International Opportunity 529 Portfolio	2,499	2,501	2,500
The Hartford MidCap 529 Portfolio	2,499	2,502	2,499
The Hartford Money Market 529 Portfolio	2,500	2,503	2,497
The Hartford Small Company 529 Portfolio	2,499	2,502	2,499
The Hartford Total Return Bond 529 Portfolio	2,500	2,503	2,497
The Hartford Value 529 Portfolio	2,499	2,502	2,498

NOTE 7: INVESTMENTS

As of June 30, 2011, net unrealized appreciation of portfolio investments was $407,296.

Purchases and sales of non-government portfolio securities for the period ended June 30, 2011, were $39,835,976 and $3,592,794, respectively.

An account owner's investment pursuant to an investment option is not a direct investment in any underlying mutual fund or other investment vehicle.

As of June 30, 2011, the Program's investments consist of the following:

	Shares	Cost	Market Value
CHET Advisor Plan:			
Powershares Emerging Markets Sovereign Debt	11,407	303,872	309,017
SPDR Dow Jones International Real Estate ETF	11,245	440,857	454,073
SPDR Dow Jones REIT ETF	6,742	431,144	449,016
The Hartford Capital Appreciation Fund, Class Y	105,786	4,009,785	3,944,742
The Hartford Corporate Opportunities Fund, Class Y	71,988	716,424	715,556
The Hartford Dividend and Growth Fund, Class Y	189,329	3,759,751	3,818,774
The Hartford Equity Income Fund, Class Y	14,988	200,421	203,683
The Hartford Floating Rate Fund, Class Y	25,956	231,432	229,711
The Hartford Fundamental Growth Fund, Class Y	122,233	1,452,861	1,455,802
The Hartford Global Research Fund, Class Y	107,284	1,093,120	1,125,412
The Hartford Growth Opportunities Fund, Class Y	11,591	330,985	344,129
The Hartford Inflation Plus Fund, Class Y	252,059	2,914,213	2,956,652
The Hartford International Opportunities Fund, Class Y	140,962	2,218,762	2,262,432
The Hartford International Small Company Fund, Class Y	49,730	674,961	691,738
The Hartford MidCap Fund, Class Y	93,368	2,334,294	2,404,225
The Hartford MidCap Value Fund, Class Y	81,205	1,023,530	1,035,359
The Hartford Money Market Fund, Class Y	2,299,767	2,299,767	2,299,767
The Hartford Short Duration Fund, Class Y	141,398	1,394,576	1,394,181
The Hartford Small Company Fund, Class Y	25,183	543,699	597,844
The Hartford Small/Mid Cap Equity Fund, Class Y	72,067	793,383	815,798
The Hartford SmallCap Growth Fund, Class Y	10,884	369,784	392,369
The Hartford Strategic Income Fund, Class Y	30,060	276,287	276,256
The Hartford Total Return Bond Fund, Class Y	447,207	4,774,318	4,785,112
The Hartford Value Fund, Class Y	303,126	3,576,764	3,607,194
The Hartford Value Opportunities Fund, Class Y	18,073	254,632	258,076
		$36,419,622	$36,826,918

NOTE 8: SUBSEQUENT EVENTS

As of the date of the report there were no subsequent events identified related to the CHET Advisor Plan which could have a material impact on the CHET Advisor Plan's financial statements.

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Connecticut Higher Education Trust Advisor Plan
Hartford, Connecticut

We have audited the accompanying statements of assets and liabilities of the Connecticut Higher Education Trust Program Advisor Plan (the "Plan"), including the schedule of investments, as of June 30, 2011, and the related statements of operations and of changes in net assets, and the financial highlights, for the period from September 30, 2010 to June 30, 2011, which collectively comprise the Plan's financial statements as listed in the table of contents. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the respective financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Plan as of June 30, 2011, the results of its operations and changes in its net assets, and financial highlights for the period from September 30, 2010 to June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

September 12, 2011

TAX EXEMPT PROCEEDS FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2011

Assets		
Investments in securities, at amortized cost (Note 2)	$	95,843,814
Receivable for shares sold		62,035
Accrued interest receivable		44,570
Total assets		95,950,419
Liabilities		
Due to custodian		395,838
Payable to affiliate (Note 3)		9,548
Dividends payable		2
Total liabilities		405,388
Net assets	$	95,545,031
Sources of Net Assets		
Net capital paid in on shares of capital stock (Note 5)	$	95,545,031
Accumulated net realized gain (losses)		—
Net assets	$	95,545,031
Net Asset Value, per share (applicable to 95,547,034 shares outstanding) (Note 5)	$	1.00

The accompanying notes are an integral part of these financial statements.

TAX EXEMPT PROCEEDS FUND, INC.

SCHEDULE OF INVESTMENTS
JUNE 30, 2011

Face Amount		Maturity Date	Interest Rate	Value (Note 2)	Ratings (a) Moody's	Standard & Poor's
Tax Exempt General Obligation Notes and Bonds (6.81%)						
$ 2,250,000	Deerfield Township, OH Various Purpose Park Acquisition BAN – Series 2010	11/08/11	0.65%	$ 2,256,766	MIG-1	
1,125,000	Town of Andover, MA GO BAN	02/24/12	0.60	1,129,737		SP-1+
1,151,680	Town of Northborough, MA GO BAN	04/27/12	0.70	1,159,204	MIG-1	
1,950,000	Town of South Windsor, CT GO BAN, Issue of 2011	02/21/12	0.60	1,958,107	MIG-1	SP-1+
6,476,680	**Total Tax Exempt General Obligation Notes and Bonds**			**6,503,814**		
Tax Exempt Variable Rate Demand Instruments (b) (93.50%)						
$ 3,000,000	City of Cohasset, MN RB (Minnesota Power & Light Company Project) – Series 1997A LOC LaSalle National Bank N.A.	06/01/20	0.09%	$ 3,000,000		A-1+
3,000,000	City of New York Fiscal 2004 Series H-4 LOC Bank of New York Mellon	03/01/34	0.03	3,000,000	VMIG-1	A-1+
1,400,000	City of Newport, KY Kentucky League of Cities Funding Trust Lease Program RB – Series 2002 LOC US Bank, N.A.	04/01/32	0.11	1,400,000	VMIG-1	
2,800,000	Colorado Health Facilities Authority HRB (Boulder Community Hospital Project) – Series 2000 LOC JPMorgan Chase Bank, N.A.	10/01/30	0.08	2,800,000	VMIG-1	A-1+
3,400,000	Columbus, OH Regional Airport Authority Capital Funding RB (Oasbo Expanded Asset Pooled Financing Program) – Series 2006 LOC U.S. Bank N.A.	12/01/36	0.09	3,400,000	VMIG-1	
1,745,000	Connecticut State Development Authority RB (Pierce Memorial Baptist Home, Inc. Project 1999 Refunding Series) LOC LaSalle National Bank N.A.	10/01/28	0.07	1,745,000		A-1+
4,000,000	Dormitory Authority of the State of New York Blythedale Childrens HRB Series 2009 LOC TD Bank, N.A.	12/01/36	0.09	4,000,000	VMIG-1	
1,775,000	East Baton Rouge Parish, LA PCRB (Exxon Mobile Project)	11/01/19	0.02	1,775,000	P-1	A-1+
2,000,000	Florida Housing Finance Corporation Multifamily Housing Revenue Refunding Bonds (Charleston Landing Apartments) 2001 Series I-A Guaranteed by Federal Home Loan Mortgage Corporation	07/01/31	0.08	2,000,000		A-1+
2,250,000	Florida Housing Finance Corporation Multifamily Housing Revenue Refunding Bonds (Island Club Apartments) 2001 Series J-A Guaranteed by Federal Home Loan Mortgage Corporation	07/01/31	0.08	2,250,000		A-1+

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011

Face Amount		Maturity Date	Interest Rate	Value (Note 2)	Ratings (a) Moody's	Standard & Poor's
Tax Exempt Variable Rate Demand Instruments (b) (Continued)						
$ 1,425,000	HEFA of the State of Missouri Educational Facilities RB (Ranken Technical College) – Series 2007 LOC Northern Trust Company	11/15/31	0.08%	$ 1,425,000		A-1+
3,400,000	Illinois Development Finance Authority RB (Glenwood School for Boys) – Series 1998 LOC Harris Trust & Savings Bank	02/01/33	0.10	3,400,000		A-1+
2,150,000	Illinois Finance Authority RB (Riverside Health System) - Series 2004 LOC JPMorgan Chase Bank, N.A.	11/15/29	0.08	2,150,000	VMIG-1	A-1+
2,800,000	Iowa Higher Education Loan Authority Private College Facility RB (University of Dubuque Project) – Series 2007 LOC Northern Trust Company	04/01/35	0.08	2,800,000		A-1+
2,000,000	Jackson County, MS Port Facility Refunding RB (Chevron U.S.A. Inc. Project) – Series 1993	06/01/23	0.02	2,000,000	P-1	
1,100,000	Long Island Power Authority, NY (Electric System) - Series 1B LOC State Street Bank & Trust Company	05/01/33	0.03	1,100,000	VMIG-1	A-1+
2,000,000	Marion County, FL IDA Multifamily Housing RRB (Chambrel at Pinecastle Project) – Series 2002 Guaranteed by Federal National Mortgage Association	11/15/32	0.09	2,000,000		A-1+
6,000,000	Maryland Health and Higher Educational Facilities Authority RB (University of Maryland Medical System Issue) – Series 2007A LOC Wachovia Bank, N.A.	07/01/34	0.07	6,000,000	VMIG-1	A-1+
3,000,000	Mississippi Business Finance Corporation Gult opportunity Zone IDRB (Chevron U.S.A. Inc. Project)	12/01/30	0.04	3,000,000	P-1	A-1+
645,000	New Canaan, CT Housing Authority RB (The Village at Waveny Care Center Project) – Series 2002 LOC Bank of America, N.A.	01/01/22	0.09	645,000		A-1+
1,800,000	New Jersey Health Care Facilities Financing Authority RB (Saint Barnabas Health Care System Issue) – Series 2001A LOC JP Morgan Chase Bank, N.A.	07/01/31	0.06	1,800,000	VMIG-1	A-1+
900,000	New Ulm, MN Hospital Refunding RB (Health Central Systems Project) – Series 1985 LOC Wells Fargo Bank, N.A.	08/01/14	0.13	900,000		A-1+
1,600,000	New York City, NY GO Bonds Fiscal 2004 Sub-Series H-7 LOC KBC Bank, N.A.	03/01/34	0.03	1,600,000	VMIG-1	A-1
1,000,000	New York City, NY Series 1994 A-5 LOC KBC Bank, N.A.	08/01/16	0.03	1,000,000	VMIG-1	A-1+
2,000,000	New York State HFA RB (Historic Front Street Housing RB) – Series 2003A LOC Landesbank Hessen Thuringen Girozentrale	11/01/36	0.07	2,000,000	VMIG-1	

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011

Face Amount		Maturity Date	Interest Rate	Value (Note 2)	Ratings (a) Moody's	Standard & Poor's
	Variable Rate Demand Instruments (b) (Continued)					
$ 5,000,000	Regents of the University of Michigan Hospital RRB Series 1998 A-2	12/01/24	0.03%	$ 5,000,000	VMIG-1	A-1+
5,000,000	State of California GO Bond (Kindergarten University Public Education Facilities RB) – Series 2004 B2 LOC Citibank, N.A.	05/01/34	0.03	5,000,000	VMIG-1	A-1+
2,400,000	State of California GO Bond (Kindergarten University Public Education Facilities RB) – Series 2004 B3 LOC Citibank, N.A.	05/01/34	0.03	2,400,000	VMIG-1	A-1+
150,000	State of Connecticut HEFA RB (Charlotte Hungerford Hospital Issue) – Series 1998C LOC Bank of America, N.A.	07/01/13	0.10	150,000	VMIG-1	
2,300,000	State of Connecticut HEFA RB (Yale University Issue) – Series Y-2	07/01/35	0.02	2,300,000	VMIG-1	A-1+
1,500,000	State of Connecticut HEFA RB (Yale University Issue) – Series Y-3	07/01/35	0.02	1,500,000	VMIG-1	A-1+
1,000,000	State of Connecticut HEFA RB (Yale-New Haven Hospital Issue) – Series K-2 LOC JPMorgan Chase Bank, N.A.	07/01/25	0.05	1,000,000	VMIG-1	A-1+
300,000	State of Connecticut HEFA RB Mulberry Gardens Issue, Series E LOC Bank of America, N.A.	07/01/36	0.10	300,000		A-1+
2,700,000	Sublette County, WY PCRB (Exxon Project) – Series 1984	11/01/14	0.02	2,700,000	P-1	A-1+
2,000,000	The City of New York GO Fiscal 1994 Sub series E-4 LOC BNP Paribas	08/01/21	0.05	2,000,000	VMIG-1	A-1+
1,800,000	The City of New York GO Fiscal 1994 Sub series E-4 LOC BNP Paribas	08/01/22	0.05	1,800,000	VMIG-1	A-1+
4,000,000	The City of New York GO Fiscal 2004 Sub series A-3 LOC Morgan Stanley Bank	08/01/31	0.05	4,000,000	VMIG-1	A-1+
1,000,000	Triborough Bridge and Tunnel Authority RB (MTA Bridges and Tunnels) – Series 2001B LOC State Street Bank & Trust Company	01/01/32	0.04	1,000,000	VMIG-1	A-1+
3,000,000	Turlock Irrigation District, CA COP (Capital Improvements and Refunding Project) 2001 Series A LOC Societe Generale	01/01/31	0.03	3,000,000		A-1+
89,340,000	**Total Tax Exempt Variable Rate Demand Instruments**			**89,340,000**		
	Total Investments (100.31%) (Cost $95,843,814†)			**$95,843,814**		
	Liabilities in Excess of Cash and Other Assets (-0.31%)			**(298,783)**		
	Net Assets (100.00%)			**$95,545,031**		

† Aggregate cost for federal income tax purposes is identical. All securities are valued at amortized cost and as a result, there is no unrealized appreciation and depreciation.

The accompanying notes are an integral part of these financial statements.

FOOTNOTES:

(a) Unless the securities are assigned their own ratings, the ratings are those of the bank whose letter of credit guarantees the issue or the insurance company who insures the issue. All letters of credit and insurance are irrevocable and direct pay covering both principal and interest. Ratings are unaudited. In addition, certain issuers may have either a line of credit, a liquidity facility, a standby purchase agreement or some other financing mechanism to ensure the remarketing of the securities. This is not a guarantee and does not serve to insure or collateralize the issue. Ratings have not been audited by Sanville & Company.

(b) Securities payable on demand at par including accrued interest (usually with seven days' notice) and, if indicated, unconditionally secured as to principal and interest by a bank letter of credit. The interest rates are adjustable and are based on bank prime rates or other interest rate adjustment indices. The rate shown is the rate in effect at the date of this statement.

KEY:

BAN	=	Bond Anticipation Note
COP	=	Certificate of Participation
GO	=	General Obligation
HEFA	=	Health and Educational Facilities Authority
HFA	=	Housing Finance Authority
HRB	=	Hospital Revenue Bond
IDA	=	Industrial Development Authority
IDRB	=	Industrial Development Revenue Bond
LOC	=	Letter of Credit
MTA	=	Metropolitan Transportation Authority
PCRB	=	Pollution Control Revenue Bond
RB	=	Revenue Bond
RRB	=	Revenue Refunding Bond

The accompanying notes are an integral part of these financial statements.

TAX EXEMPT PROCEEDS FUND, INC.

BREAKDOWN OF PORTFOLIO HOLDINGS BY MATURITY
JUNE 30, 2011

Securities Maturing in	Value	% of Portfolio
Less than 31 Days	$89,340,000	93.21%
31 through 60 Days	—	—
61 through 90 Days	—	—
91 through 120 Days	—	—
121 through 180 Days	2,256,766	2.36
Over 180 Days	4,247,048	4.43
Total	**$95,843,814**	**100.00%**

The accompanying notes are an integral part of these financial statements.

BREAKDOWN OF PORTFOLIO HOLDINGS BY STATE
JUNE 30, 2011

States	Value	% of Portfolio
California	$10,400,000	10.85%
Colorado	2,800,000	2.92
Connecticut	9,598,107	10.01
Florida	6,250,000	6.52
Illinois	5,550,000	5.79
Iowa	2,800,000	2.92
Kentucky	1,400,000	1.46
Louisiana	1,775,000	1.85
Maryland	6,000,000	6.26
Massachusetts	2,288,941	2.39
Michigan	5,000,000	5.22
Minnesota	3,900,000	4.07
Mississippi	5,000,000	5.22
Missouri	1,425,000	1.49
New Jersey	1,800,000	1.88
New York	21,500,000	22.43
Ohio	5,656,766	5.90
Wyoming	2,700,000	2.82
Total	**$95,843,814**	**100.00%**

The accompanying notes are an integral part of these financial statements.

TAX EXEMPT PROCEEDS FUND, INC.

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED
JUNE 30, 2011

INVESTMENT INCOME		
INCOME:		
Interest	$	269,297
EXPENSES: (NOTE 3)		
Investment management fee		396,908
Less: Fees waived (Note 3)		(131,171)
		265,737
Net investment income		3,560
REALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments		-0-
Increase in net assets resulting from operations	$	3,560

The accompanying notes are an integral part of these financial statements.

TAX EXEMPT PROCEEDS FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 and 2010

	2011	2010
INCREASE (DECREASE) IN NET ASSETS FROM		
OPERATIONS:		
Net investment income	$ 3,560	$ 2,777
Net realized gain on investments	-0-	-0-
Increase in net assets resulting from operations	3,560	2,777
DIVIDENDS TO SHAREHOLDERS FROM NET INVESTMENT INCOME*:	(3,560)	(2,777)
CAPITAL SHARE TRANSACTIONS (NOTE 5):	(29,613,940)	(7,018,649)
Total increase/(decrease)	(29,613,940)	(7,018,649)
NET ASSETS:		
Beginning of year	125,158,971	132,177,620
End of year	$ 95,545,031	$ 125,158,971
UNDISTRIBUTED NET INVESTMENT INCOME:	$ -0-	$ -0

* Designated as exempt-interest dividends for federal income tax purposes.

The accompanying notes are an integral part of these financial statements.

TAX EXEMPT PROCEEDS FUND, INC.

FINANCIAL HIGHLIGHTS

	Years Ended June 30,				
	2011	2010	2009	2008	2007
PER SHARE OPERATING PERFORMANCE					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	$1.00	$1.00	$1.00	$1.00	$1.00
Income from investment operations:					
Net investment income	0.000	0.000	0.011	0.026	0.032
Less distributions from:					
Dividends from net investment income	(0.000) (a)	(0.000) (a)	(0.011)	(0.026)	(0.032)
Net asset value, end of year	$1.00	$1.00	$1.00	$1.00	$1.00
TOTAL RETURN	0.00%	0.00%	1.10%	2.68%	3.27%
RATIO/SUPPLEMENTAL DATA					
Net assets, end of year (000's)	$95,545	$125,159	$132,178	$174,431	$189,080
Ratio to average net assets:					
Net investment income	0.00%	0.00%	1.14%	2.67%	3.23%
Expenses (net of fees waived)	0.27%	0.27%	0.40%	0.40%	0.40%
Management fees waived	0.13%	0.13%	0.00%	0.00%	0.00%

(a) Distribution resulted in less than $0.01 per share.

NOTES TO FINANCIAL STATEMENTS

1. Organization

Tax Exempt Proceeds Fund, Inc. ("Fund") is a no-load, diversified, open-end management investment company registered under the Investment Company Act of 1940 (the "1940 Act"). The Fund is a short term, tax exempt money market fund whose objective is to seek as high a level of current interest income exempt from federal income taxes as is believed to be consistent with the preservation of capital, maintenance of liquidity and stability of principal.

2. Summary of Significant Accounting Policies

VALUATION OF SECURITIES

Investments are recorded on the basis of amortized cost, which approximates value, as permitted by Rule 2a-7 under the 1940 Act. Under this method, a portfolio instrument is valued at cost and any discount or premium is amortized on a constant basis to the maturity of the instrument. The maturity of variable rate demand instruments is deemed to be the longer of the period required before the Fund is entitled to receive payment of the principal amount or the period remaining until the next interest rate adjustment. See Note 7 for additional disclosure on valuation of securities.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME

Securities transactions are recorded on a trade date basis. Interest income, adjusted for accretion of discount and amortization of premium, is recorded on the accrual basis from settlement date. Realized gains and losses on sales are computed on the basis of specific identification of the securities sold.

FEDERAL INCOME TAXES

It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its tax exempt and taxable (if any) income to its shareholders. As such, the Fund will not be subject to federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income tax is required in the financial statements. The Fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations.

In addition, GAAP requires management of the Fund to analyze all open tax years, fiscal years 2008-2011, as defined by IRS statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and during the year ended June 30, 2011, the Fund did not have a liability for any unrecognized tax benefits. The Fund has no examination in progress and is not aware of any tax positions for which it is reasonably possible that the total tax amounts of unrecognized tax benefits will significantly change in the next twelve months.

DIVIDENDS AND DISTRIBUTIONS

Dividends from net investment income (excluding capital gains and losses, if any, and amortization of market discount) are declared daily and paid monthly. Net realized capital gains, if any, are distributed at least annually and in no event later than 60 days after the end of the Fund's fiscal year.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

REPRESENTATIONS AND INDEMNIFICATIONS

In the normal course of business the Fund enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

2. Summary of Significant Accounting Policies (continued)

RISKS

The effect on performance from investing in securities issued or guaranteed by companies in the banking and financial services industries will depend to a greater extent on the overall condition of those industries. Financial services companies are highly dependent on the supply of short-term financing. The value of securities of issuers in the banking and financial services industry can be sensitive to changes in government regulation and interest rates and to economic downturns in the United States and abroad.

The value of, payment of interest on, repayment of principal for and the ability to sell a municipal security may be affected by constitutional amendments, legislative enactments, executive orders, administrative regulations, voter initiatives and the economics of the regions in which the issuers are located.

Since many municipal securities are issued to finance similar projects, especially those relating to education, housing, health care, transportation and utilities, conditions in those sectors can affect the overall municipal securities market and a Portfolio's investment in municipal securities.

There is some risk that a portion or all of the interest received from certain tax-free municipal securities could become taxable as a result of determinations by the Internal Revenue Service.

3. Investment Management Fees and Other Transactions with Affiliates

Under the Investment Management Contract, the Fund pays an investment management fee to the Manager at the annual rate of 0.40 of 1% per annum of the Fund's average daily net assets up to $250 million; 0.35 of 1% per annum of the average daily net assets between $250 million and $500 million; and 0.30 of 1% per annum of the average daily net assets over $500 million. The Management Contract also provides that the Manager will bear the cost of all other expenses of the Fund. Therefore, the fee payable under the Management Contract will be the only expense of the Fund. At June 30, 2011, the Fund owed $9,548 to the Manager for these services, which is included in Payable to Affiliates on the Statement of Assets and Liabilities. For the year ended June 30, 2011, the Manager waived $131,171 of investment management fee.

In a low interest rate environment, such as the environment that existed at June 30, 2011, Reich & Tang Asset Management LLC ("the "Manager") has historically waived their fees to maintain a minimum non-negative yield for the Fund. The Manager is under no contractual obligation to continue such waiver in the future.

Pursuant to a Distribution Plan adopted under Securities and Exchange Commission Rule 12b-1, the Fund and the Manager have entered into a Distribution Agreement. The Fund's Board of Directors has adopted the plan in case certain expenses of the Fund are deemed to constitute indirect payments by the Fund for distribution expenses.

Directors of the Fund not affiliated with the Manager receive from the Fund (fee is paid by the Manager from its management fee) an annual retainer of $1,250 and a fee of $450 for each Board of Directors meeting attended and are reimbursed for all out-of-pocket expenses relating to attendance at such meeting.

As of June 30, 2011, no Directors, Officers or affiliated entities had investments in the Fund.

4. Security Transactions with Affiliated Funds

The Fund is permitted to purchase or sell securities from or to certain other Reich & Tang Funds under specified conditions outlined in procedures adopted by the Board of Directors of the Fund. The procedures have been designed to ensure that any purchase or sale of securities of the Fund from or to another fund or portfolio that is or could be considered an affiliate by virtue of having a common investment advisor (or affiliated investment advisors), common Directors and/or common Officers complies with Rule 17a-7 of the 1940 Act. Further, as defined under the procedures, each transaction is effected at the current market price. For the year ended June 30, 2011, the Fund engaged in purchases and sales with affiliates, none of which resulted in any gains or losses, which amounted to:

Purchases	$124,870,000
Sales	115,370,000
Gains/(Losses)	-0-

5. Capital Stock

At June 30, 2011, 20,000,000,000 shares of $.001 par value stock were authorized. Transactions in capital stock, all at $1.00 per share, were as follows:

	Year Ended June 30, 2011		Year Ended June 30, 2010	
	Net Assets	**Shares**	**Net Assets**	**Shares**
Sold	$667,966,242	667,966,242	$767,955,845	767,955,845
Issued on reinvestment of dividends	3,546	3,546	3,012	3,012
Redeemed	(697,583,728)	(697,583,728)	(774,977,506)	(774,977,506)
Net increase (decrease)	$(29,613,940)	(29,613,940)	$(7,018,649)	(7,018,649)

6. Tax Information

The tax character of distributions paid during the years ended June 30, 2011 and 2010 was as follows:

	2011	2010
Tax-exempt income	$3,560	$2,777

7. Additional Valuation Information

Under the provisions of GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods giving the highest priority to readily available unadjusted quotes prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3) generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment's assigned level:

Level 1 – prices are determined using quoted prices in an active market for identical assets.

Level 2 – prices are determined using other significant observable inputs. Observable inputs are inputs that the other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3 – prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The following is a summary of the tiered valuation input levels, as of the end of the reporting period, June 30, 2011. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Money market securities may be valued using amortized cost, in accordance with the 1940 Act. Generally, amortized cost approximates the current fair value of a security, but as the value is not obtained from a quoted price in an active market, such securities are reflected as a Level 2.

The following table summarizes the inputs used to value the Fund's investments as of June 30, 2011:

Description	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Debt securities issued by states of the United States and political subdivisions of the states	$-0-	$95,843,814	$-0-
Total	$-0-	$95,843,814	$-0-

For the year ended June 30, 2011, there was no Level 1 or 3 investments.

8. Subsequent Events

Management has evaluated the impact of all subsequent events through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition of disclosure in the financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of
Tax Exempt Proceeds Fund, Inc.

We have audited the accompanying statement of assets and liabilities of Tax Exempt Proceeds Fund, Inc. (the "Fund") including the schedule of investments, as of June 30, 2011 and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2011 by correspondence with the Fund's custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Tax Exempt Proceeds Fund, Inc. as of June 30, 2011, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Sanville & Company

Sanville & Company
New York, New York
July 28, 2011

Supplemental Information

STATE OF CONNECTICUT

QUI TRANSTULIT SUSTINET

TREASURER'S OFFICE

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
TOTAL NET ASSET VALUE BY PENSION PLANS AND TRUST FUNDS
JUNE 30, 2011

Retirement Funds	**Net Asset Value**
Teachers' Retirement Fund	$14,143,319,676
State Employees' Retirement Fund	8,980,628,985
Municipal Employees' Retirement Fund	1,697,937,448
State Judges' Retirement Fund	158,886,376
The Probate Court Retirement Fund	81,788,421
State's Attorneys Retirement Fund	1,112,149
Non-retirement Trust Funds	
Soldiers' Sailors' & Marines' Fund	64,499,755
Police & Firemans' Survivors' Benefit Fund	21,859,523
Connecticut Arts Endowment Fund	17,143,078
School Fund	9,820,820
Ida Eaton Cotton Fund	2,199,711
Hopemead Fund	2,786,971
Andrew Clark Fund	1,034,842
Agricultural College Fund	646,931
TOTAL	$25,183,664,686

COMBINED INVESTMENT FUNDS

SCHEDULE OF NET ASSETS BY INVESTMENT FUND
JUNE 30, 2011

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
ASSETS						
Investments in Securities , at Fair Value						
Liquidity Fund	$ -	$108,158,042	$40,086,381	$289,392,173	$43,755,911	$45,483,368
Cash Equivalents	942,141,445	-	-	-	-	168,373
Asset Backed Securities	45,929,656	-	-	61,192,651	-	608,380
Government Securities	383,858,621	-	-	745,038,255	1,071,392,260	568,126,372
Government Agency Securities	38,591,115	-	-	954,184,326	-	-
Mortgage Backed Securities	26,266,438	-	-	208,709,340	-	-
Corporate Debt	143,857,477	-	-	740,956,972	-	202,881,437
Convertible Securities	-	-	-	-	-	-
Common Stock	-	-	5,027,603,351	-	-	433,972
Preferred Stock	-	-	-	-	-	-
Real Estate Investment Trust	-	-	83,802,096	-	-	-
Mutual Fund	-	-	1,117,356,713	1,651,950	-	324,115,428
Limited Liability Corporation	-	-	-	-	-	-
Trusts	-	-	-	-	-	-
Limited Partnerships	-	410,849,700	366,073,610	-	-	-
Annuities	-	-	-	-	-	-
Total Investments in Securities, at Fair Value	1,580,644,752	519,007,742	6,634,922,151	3,001,125,667	1,115,148,171	1,141,817,330
Cash	10,291,179	-	-	2,577,026	-	5,459,590
Receivables						
Foreign Exchange Contracts	692,309,889	-	-	28,211,121	19,119,643	313,616,886
Interest Receivable	6,394,294	97,217	36,302	20,555,859	7,798,624	14,038,660
Dividends Receivable	-	-	6,077,665	-	-	-
Due from Brokers	170,405,313	-	11,460,551	292,560,018	31,434,174	3,069,235
Foreign Taxes	3,460	-	2,157	84,706	-	816,532
Securities Lending Receivable	-	-	541,949	146,678	123,185	20,461
Reserve for Doubtful Receivables	(2,299)	-	(567)	(1,157,080)	-	(734,234)
Total Receivables	869,110,657	97,217	18,118,057	340,401,302	58,475,626	330,827,540
Invested Securities Lending Collateral	-	-	1,203,185,426	535,076,032	567,186,383	71,732,704
Other Funds on Deposit	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Assets	2,460,046,588	519,104,959	7,856,225,634	3,879,180,027	1,740,810,180	1,549,837,164
LIABILITIES						
Payables						
Foreign Exchange Contracts	702,211,143	-	-	28,421,888	18,869,583	312,867,585
Due to Brokers	19,196,636	-	12,609,007	596,795,236	35,097,564	6,384,273
Income Distribution	1,595,428	-	-	-	-	-
Other Payable	-	-	16,937	-	-	-
Total Payables	723,003,207	-	12,625,944	625,217,124	53,967,147	319,251,858
Securities Lending Collateral	-	-	1,203,185,426	535,076,032	567,186,383	71,732,704
Accrued Expenses	1,091,625	239,353	2,552,915	817,625	229,459	1,038,652
Total Liabilities	724,094,832	239,353	1,218,364,285	1,161,110,781	621,382,989	392,023,214
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	$1,735,951,756	$518,865,606	$6,637,861,349	$2,718,069,246	$1,119,427,191	$1,157,813,950
Units Outstanding	1,721,856,669	511,447,990	7,048,386	22,971,423	7,733,564	7,983,799
Net Asset Value and Redemption Price per Unit	$1.01	$1.01	$941.76	$118.32	$144.75	$145.02

COMBINED INVESTMENT FUNDS

SCHEDULE OF NET ASSETS BY INVESTMENT FUND (Continued)
JUNE 30, 2011

HIGH YIELD-DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
$22,065,995	$96,530,856	$43,160,362	$39,989,675	$234,676	$76,353,410	$(805,210,849)	$ -
647,339	-	-	-	-	-	-	942,957,157
2,308,667	-	-	-	-	-	-	110,039,354
7,347,314	-	-	-	-	-	-	2,775,762,822
-	-	-	-	-	-	-	992,775,441
7,749,985	-	-	-	79,553	-	-	242,805,316
605,578,927	-	-	-	-	-	-	1,693,274,813
42,557,648	340,763	-	-	-	-	-	42,898,411
13,039,864	5,204,432,130	2,200,438,752	-	2,072,130	516,423	-	12,448,536,622
9,066,284	39,280,341	59,609,696	-	-	-	-	107,956,321
-	38,772,641	3,389,785	63,062,410	-	-	-	189,026,932
-	11,900,364	322,651,961	-	-	-	-	1,777,676,416
-	-	-	-	-	4,168,064	-	4,168,064
-	-	-	2,137,623	-	-	-	2,137,623
-	-	-	992,013,547	-	2,148,642,083	-	3,917,578,940
-	-	-	-	-	-	-	-
710,362,023	5,391,257,095	2,629,250,556	1,097,203,255	2,386,359	2,229,679,980	(805,210,849)	25,247,594,232
173,311	47,913,125	8,253,334	-	-	-	(10,291,179)	64,376,386
							-
-	3,742,715,426	6,902,418	-	-	-	(692,309,889)	4,110,565,494
13,679,419	1,500,540	83,809	48,522	195	71,650	154,956,223	219,261,314
17,748	10,339,072	9,718,046	290,443	-	-	-	26,442,974
2,024,312	16,530,811	15,113,938	-	-	-	(170,405,313)	372,193,039
20,819	9,581,701	176,369	-	-	-	(3,460)	10,682,284
57,862	517,394	117,488	-	-	-	-	1,525,017
(954,721)	(970,970)	(32,401)	-	-	-	2,299	(3,849,973)
14,845,439	3,780,213,974	32,079,667	338,965	195	71,650	(707,760,140)	4,736,820,149
164,525,216	406,670,401	207,722,129	-	-	-	-	3,156,098,291
-	-	-	-	-	-	-	-
-	-	-	-	3,720	2,599,425	-	2,603,145
889,905,989	9,626,054,595	2,877,305,686	1,097,542,220	2,390,274	2,232,351,055	(1,523,262,168)	33,207,492,203
-	3,791,101,291	6,912,369	-	-	-	(702,211,143)	4,158,172,716
7,164,075	13,409,214	20,329,653	-	-	-	(19,196,636)	691,789,022
-	-	-	-	-	-	(710,804)	884,624
-	-	-	-	-	2,759	-	19,696
7,164,075	3,804,510,505	27,242,022	-	-	2,759	(722,118,583)	4,850,866,058
164,525,216	406,670,401	207,722,129	-	-	-	-	3,156,098,291
639,968	6,171,831	4,342,329	274,941	-	-	(535,530)	16,863,168
172,329,259	4,217,352,737	239,306,480	274,941	-	2,759	(722,654,113)	8,023,827,517
$717,576,730	$5,408,701,858	$2,637,999,206	$1,097,267,279	$2,390,274	$2,232,348,296	$(800,608,055)	$25,183,664,686
5,836,191	14,745,999	6,335,052	32,538,662	51,360	43,773,087		
$122.95	$366.79	$416.41	$33.72	$46.54	$51.00		

COMBINED INVESTMENT FUNDS

SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
ADDITIONS						
OPERATIONS						
Investment Income						
Dividends	$85	$ -	$99,360,942	$52,225	$ -	$14,765,344
Interest	19,080,293	762,553	318,964	105,809,508	39,950,279	64,825,034
Other Income	-	1,377	2,862,212	1,087,479	-	-
Securities Lending	-	-	7,442,782	3,263,915	4,119,109	265,952
Total Income	19,080,378	763,930	109,984,900	110,213,127	44,069,388	79,856,330
Expenses						
Investment Advisory Fees	3,744,527	-	10,311,111	3,625,463	976,317	4,462,954
Custody and Transfer Agent Fees	298,397	23,774	561,007	215,301	88,436	92,830
Professional Fees	115,276	594,707	344,247	120,371	49,944	53,055
Security Lending Fees	-	-	1,141,704	373,806	415,790	37,822
Security Lending Rebates	-	-	387,648	1,198,421	1,917,208	45,978
Investment Expenses	33,633	-	58,375	26,560	8,622	130,371
Total Expenses	4,191,833	618,481	12,804,092	5,559,922	3,456,317	4,823,010
Net Investment Income	14,888,545	145,449	97,180,808	104,653,205	40,613,071	75,033,320
Net Realized Gain (Loss)	3,942,913	87,178	358,757,969	33,602,882	34,501,696	43,091,437
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	7,771,655	7,134,187	1,193,972,862	(17,506,891)	2,563,637	57,310,513
Net Increase (Decrease) in Net Assets Resulting from Operations	26,603,113	7,366,814	1,649,911,639	120,749,196	77,678,404	175,435,270
Unit Transactions						
Purchase of Units by Participants	3,365,582,563	511,590,000	28,100,000	6,102,461	-	10,015,000
TOTAL ADDITIONS	3,392,185,676	518,956,814	1,678,011,639	126,851,657	77,678,404	185,450,270
DEDUCTIONS						
Administrative Expenses:						
Salary and Fringe Benefits	(306,998)	(91,208)	(1,216,723)	(356,169)	(161,524)	(170,369)
Distributions to Unit Owners:						
Income Distributed	(14,581,547)	-	(93,025,263)	(109,872,451)	(20,979,189)	(33,328,319)
Unit Transactions						
Redemption of Units by Participants	(3,860,226,344)	-	(235,000,000)	-	-	(170,000,000)
TOTAL DEDUCTIONS	(3,875,114,889)	(91,208)	(329,241,986)	(110,228,620)	(21,140,713)	(203,498,688)
Change in Net Assets Held in Trust for Participants	(482,929,213)	518,865,606	1,348,769,653	16,623,037	56,537,691	(18,048,418)
Net Assets- Beginning of Period	2,218,880,969	-	5,289,091,696	2,701,446,209	1,062,889,500	1,175,862,368
Net Assets- End of Period	$1,735,951,756	$518,865,606	$6,637,861,349	$2,718,069,246	$1,119,427,191	$1,157,813,950
Other Information:						
Units						
Purchased	10,389,783,088	511,447,990	29,111	52,129	-	70,243
Redeemed	(10,882,701,821)	-	(256,199)	-	-	(1,237,247)
Net Increase (Decrease)	(492,918,733)	511,447,990	(227,088)	52,129	-	(1,167,004)

COMBINED INVESTMENT FUNDS

SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

HIGH YIELD-DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
$393,827	$145,335,008	$63,623,474	$46,855,412	$262,668	$332,675,331	$(55)	$703,324,261
60,897,412	3,172,239	4,384	629,146	421	716,740	(12,332,592)	283,834,381
1,911,764	750,333	-	-	-	-	-	6,613,165
897,906	6,090,903	1,311,420	-	-	-	-	23,391,987
64,100,909	155,348,483	64,939,278	47,484,558	263,089	333,392,071	(12,332,647)	1,017,163,794
2,511,539	23,227,562	16,214,103	3,405,582	25,000	7,431,762	(2,420,284)	73,515,636
58,756	450,091	222,776	81,613	252	175,110	(192,870)	2,075,473
31,385	241,148	120,200	353,238	138	1,179,603	(74,509)	3,128,803
130,883	926,629	199,600	-	-	-	-	3,226,234
121,478	111,269	76,273	-	-	-	-	3,858,275
6,827	548,007	3,007,155	5,915	46	16,635	(21,739)	3,820,407
2,860,868	25,504,706	19,840,107	3,846,348	25,436	8,803,110	(2,709,402)	89,624,828
61,240,041	129,843,777	45,099,171	43,638,210	237,653	324,588,961	(9,623,245)	927,538,966
16,068,369	220,932,922	239,706,016	(22,261,165)	218	(100,200,476)	(2,548,511)	825,681,448
27,614,751	817,304,989	310,600,873	128,887,153	(239)	166,493,192	(2,252,201)	2,699,894,481
104,923,161	1,168,081,688	595,406,060	150,264,198	237,632	390,881,677	(14,423,957)	4,453,114,895
-	183,500,000	100,000,000	209,117,400	-	157,830,000	(1,453,400,661)	3,118,436,763
104,923,161	1,351,581,688	695,406,060	359,381,598	237,632	548,711,677	(1,467,824,618)	7,571,551,658
(113,274)	(766,707)	(381,444)	(210,928)	(4,742)	(548,964)	198,429	(4,130,621)
(49,997,656)	(95,073,687)	(30,189,982)	(45,732,372)	(274,059)	(329,660,715)	9,424,815	(813,290,425)
(30,000,000)	(282,000,000)	(100,000,000)	-	(1,395,000)	-	1,238,565,056	(3,440,056,288)
(80,110,930)	(377,840,394)	(130,571,426)	(45,943,300)	(1,673,801)	(330,209,679)	1,248,188,300	(4,257,477,334)
24,812,231	973,741,294	564,834,634	313,438,298	(1,436,169)	218,501,998	(219,636,318)	3,314,074,324
692,764,499	4,434,960,564	2,073,164,572	783,828,981	3,826,443	2,013,846,298	(580,971,737)	21,869,590,362
$717,576,730	$5,408,701,858	$2,637,999,206	$1,097,267,279	$2,390,274	$2,232,348,296	$(800,608,055)	$25,183,664,686
-	534,310	251,264	6,754,652	-	3,195,501		
(257,289)	(792,425)	(241,625)	-	(27,525)	-		
(257,289)	(258,115)	9,639	6,754,652	(27,525)	3,195,501		

COMBINED INVESTMENT FUNDS

SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
ADDITIONS					
OPERATIONS					
Investment Income					
Dividends	$ -	$88,910,121	$37,103	$ -	$7,100,299
Interest	18,673,154	955,780	124,264,831	33,200,382	84,874,231
Other Income	-	4,709,232	706,117	-	-
Securities Lending	-	6,397,444	3,562,763	4,199,924	197,765
Total Income	18,673,154	100,972,577	128,570,814	37,400,306	92,172,295
Expenses					
Investment Advisory Fees	2,892,287	10,744,251	3,499,757	901,014	4,544,477
Custody and Transfer Agent Fees	-	592,083	240,034	88,901	105,570
Professional Fees	92,550	385,394	151,501	47,887	59,984
Security Lending Fees	-	942,176	447,671	494,268	28,462
Security Lending Rebates	-	921,876	1,185,704	1,628,574	42,543
Investment Expenses	106,429	35,539	50,550	9,461	46,200
Total Expenses	3,091,266	13,621,319	5,575,217	3,170,105	4,827,236
Net Investment Income	15,581,888	87,351,258	122,995,597	34,230,201	87,345,059
Net Realized Gain (Loss)	1,398,777	146,422,841	(85,671,834)	28,198,333	54,206,617
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	2,448,634	544,793,180	292,061,850	21,323,807	101,685,851
Net Increase (Decrease) in Net Assets Resulting from Operations	19,429,299	778,567,279	329,385,613	83,752,341	243,237,527
Unit Transactions					
Purchase of Units by Participants	3,308,833,684	-	-	162,500,000	-
TOTAL ADDITIONS	3,328,262,983	778,567,279	329,385,613	246,252,341	243,237,527
DEDUCTIONS					
Administrative Expenses					
Salary and Fringe Benefits	(189,778)	(1,211,943)	(348,358)	(142,968)	(173,529)
Distributions to Unit Owners					
Income Distributed	(16,790,887)	(93,114,520)	(136,994,857)	(20,312,559)	(47,140,193)
Unit Transactions					
Redemption of Units by Participants	(3,263,630,115)	(985,500,000)	(650,500,000)	(150,000)	(151,900,000)
TOTAL DEDUCTIONS	(3,280,610,780)	(1,079,826,463)	(787,843,215)	(20,605,527)	(199,213,722)
Change in Net Assets Held in Trust for Participants	47,652,203	(301,259,184)	(458,457,602)	225,646,814	44,023,805
Net Assets- Beginning of Period	2,171,228,766	5,590,350,880	3,159,903,811	837,242,686	1,131,838,563
Net Assets- End of Period	$2,218,880,969	$5,289,091,696	$2,701,446,209	$1,062,889,500	$1,175,862,368
Other Information:					
Units					
Purchased	12,644,875,668	-	-	1,197,687	-
Redeemed	(12,603,477,742)	(1,347,647)	(5,661,321)	(1,171)	(1,263,797)
Net Increase (Decrease)	41,397,926	(1,347,647)	(5,661,321)	1,196,516	(1,263,797)

COMBINED INVESTMENT FUNDS

SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

HIGH YIELD-DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
$282,352	$126,496,894	$46,751,825	$23,136,047	$401,965	$124,291,666	$ -	$417,408,272
65,514,621	1,899,449	733,623	561,298	741	1,544,075	(8,177,167)	324,045,018
19,119	159,831	13,806	-	-	-	-	5,608,105
846,690	6,768,954	1,452,689	-	-	-	-	23,426,229
66,662,782	135,325,128	48,951,943	23,697,345	402,706	125,835,741	(8,177,167)	770,487,624
2,544,771	22,085,148	12,333,677	3,100,126	37,125	8,323,349	(1,266,562)	69,739,420
67,120	473,622	210,474	67,787	445	173,802	-	2,019,838
39,049	269,350	98,187	470,006	262	1,170,788	(40,529)	2,744,429
125,269	1,041,161	224,476	-	-	-	-	3,303,483
144,344	344,222	116,426	-	-	-	-	4,383,689
9,828	302,349	1,064,587	12,918	89	19,091	(46,606)	1,610,435
2,930,381	24,515,852	14,047,827	3,650,837	37,921	9,687,030	(1,353,697)	83,801,294
63,732,401	110,809,276	34,904,116	20,046,508	364,785	116,148,711	(6,823,470)	686,686,330
22,294,432	110,381,007	169,221,914	(63,080,704)	419	(168,334,674)	(612,539)	214,424,589
80,344,795	302,435,776	173,923,657	(131,384,936)	(1,691)	351,373,634	(1,343,434)	1,737,661,123
166,371,628	523,626,059	378,049,687	(174,419,132)	363,513	299,187,671	(8,779,443)	2,638,772,042
-	-	575,000,000	202,788,350	-	180,455,000	(782,526,824)	3,647,050,210
166,371,628	523,626,059	953,049,687	28,369,218	363,513	479,642,671	(791,306,267)	6,285,822,252
(123,172)	(794,406)	(316,026)	(311,138)	(16,490)	(291,075)	83,106	(3,835,777)
(56,649,900)	(83,870,390)	(25,395,091)	(13,884,655)	(390,812)	(92,097,306)	7,352,901	(579,288,269)
(150,000,000)	(419,900,000)	(1,500,000)	-	(1,267,000)	-	1,409,072,987	(4,215,274,128)
(206,773,072)	(504,564,796)	(27,211,117)	(14,195,793)	(1,674,302)	(92,388,381)	1,416,508,994	(4,798,398,174)
(40,401,444)	19,061,263	925,838,570	14,173,425	(1,310,789)	387,254,290	625,202,727	1,487,424,078
733,165,943	4,415,899,301	1,147,326,002	769,655,556	5,137,232	1,626,592,008	(1,206,174,464)	20,382,166,284
$692,764,499	$4,434,960,564	$2,073,164,572	$783,828,981	$3,826,443	$2,013,846,298	$(580,971,737)	$21,869,590,362
-	-	1,998,863	5,924,671	-	3,970,176		
(1,351,154)	(1,309,307)	(4,199)	-	(24,940)	-		
(1,351,154)	(1,309,307)	1,994,664	5,924,671	(24,940)	3,970,176		

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Teachers' Retirement Fund						
Book Value at June 30, 2010	$981,610,504	$ -	$897,719,878	$1,282,874,727	$503,985,596	$567,019,850
Market Value at June 30, 2010	$980,289,773	$ -	$2,988,186,991	$1,421,485,437	$548,922,968	$656,015,079
Shares Purchased	1,323,647,886	289,728,000	-	3,318,600	-	-
Shares Redeemed	(1,720,028,889)	-	(131,919,694)	-	-	(99,160,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,447,110	-	100,503,480	-	-	18,968,392
Net Investment Income Earned	5,223,161	-	52,535,693	57,816,408	10,834,574	18,507,523
Net Investment Income Distributed	(5,223,161)	-	(52,535,693)	(57,816,408)	(10,834,574)	(18,507,523)
Changes in Market Value of Fund Shares	2,539,426	4,115,167	778,789,656	5,536,884	29,198,565	59,834,076
Market Value at June 30, 2011	$587,895,306	$293,843,167	$3,735,560,433	$1,430,340,921	$578,121,533	$635,657,547
Book Value at June 30, 2011	$586,676,611	$289,728,000	$866,303,664	$1,286,193,327	$503,985,596	$486,828,242
Shares Outstanding	583,121,870	289,642,434	3,966,590	12,088,348	3,993,953	4,383,228
Market Value per Share	$1.01	$1.01	$941.76	$118.32	$144.75	$145.02
State Employees' Retirement Fund						
Book Value at June 30, 2010	$492,796,001	$ -	$517,435,007	$824,477,903	$317,633,554	$358,333,253
Market Value at June 30, 2010	$492,276,828	$ -	$1,973,380,209	$915,895,991	$351,278,978	$420,065,638
Shares Purchased	507,005,940	182,880,000	-	2,034,000	-	-
Shares Redeemed	(720,081,798)	-	(92,231,863)	-	-	(68,500,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	979,580	-	73,108,277	-	-	13,903,054
Net Investment Income Earned	2,494,007	-	34,683,562	37,250,697	6,933,505	11,782,573
Net Investment Income Distributed	(2,494,007)	-	(34,683,562)	(37,250,697)	(6,933,505)	(11,782,573)
Changes in Market Value of Fund Shares	1,106,175	2,604,111	507,666,506	3,566,426	18,685,376	36,376,362
Market Value at June 30, 2011	$281,286,725	$185,484,111	$2,461,923,129	$921,496,417	$369,964,354	$401,845,054
Book Value at June 30, 2011	280,699,723	182,880,000	498,311,421	826,511,903	317,633,554	303,736,307
Shares Outstanding	279,002,808	182,832,462	2,614,183	7,787,912	2,555,899	2,770,955
Market Value per Share	$1.01	$1.01	$941.76	$118.32	$144.75	$145.02
Municipal Employees' Retirement Fund						
Book Value at June 30, 2010	$146,594,347	$ -	$69,478,634	$229,221,269	$125,724,641	$68,622,077
Market Value at June 30, 2010	$146,517,965	$ -	$270,867,470	$252,311,195	$136,099,259	$78,184,020
Shares Purchased	58,460,774	34,066,000	28,000,000	560,400	-	10,000,000
Shares Redeemed	(152,230,799)	-	(4,326,374)	-	-	(1,500,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	486,251	-	3,440,236	-	-	260,242
Net Investment Income Earned	681,528	-	4,848,136	10,261,829	2,686,312	2,389,799
Net Investment Income Distributed	(681,528)	-	(4,848,136)	(10,261,829)	(2,686,312)	(2,389,799)
Changes in Market Value of Fund Shares	279,911	485,801	75,753,156	982,479	7,239,451	9,869,605
Market Value at June 30, 2011	$53,514,102	$34,551,801	$373,734,488	$253,854,074	$143,338,710	$96,813,867
Book Value at June 30, 2011	53,310,573	34,066,000	96,592,496	229,781,669	125,724,641	77,382,319
Shares Outstanding	53,079,592	34,057,854	396,848	2,145,416	990,256	667,588
Market Value per Share	$1.01	$1.01	$941.76	$118.32	$144.75	$145.02

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
$349,643,790	$1,980,299,419	$731,000,336	$758,504,486	$3,219,664	$1,638,272,371	$9,694,150,621
$384,152,931	$2,544,872,980	$1,169,227,244	$441,494,277	$2,086,847	$1,136,820,912	$12,273,555,439
-	89,720,000	69,525,000	114,869,300	-	88,970,000	1,979,778,786
(14,000,000)	(148,341,892)	(56,331,000)	-	(763,739)	-	(2,170,545,214)
-	-	-	-	-	-	-
1,575,727	53,206,261	27,213,882	-	(364,169)	-	202,550,683
27,883,512	54,616,381	17,103,686	25,691,509	149,344	186,088,158	456,449,949
(27,883,512)	(54,616,381)	(17,103,686)	(25,691,509)	(149,344)	(186,088,158)	(456,449,949)
28,962,445	563,669,140	291,950,809	58,645,890	341,883	34,396,041	1,857,979,982
$400,691,103	$3,103,126,489	$1,501,585,935	$615,009,467	$1,300,822	$1,260,186,953	$14,143,319,676
$337,219,517	$1,974,883,788	$771,408,218	$873,373,786	$2,091,756	$1,727,242,371	$9,705,934,876
3,258,899	8,460,200	3,606,000	18,237,658	27,951	24,710,424	955,497,556
$122.95	$366.79	$416.41	$33.72	$46.54	$51.00	
$233,656,259	$1,169,665,991	$465,897,266	$490,985,447	$2,255,951	$1,073,107,799	$5,946,244,431
$247,155,788	$1,627,168,905	$754,812,609	$282,553,780	$1,470,065	$723,548,511	$7,789,607,302
-	76,220,000	25,000,000	70,740,000	-	54,850,000	918,729,940
(14,860,000)	(128,020,554)	(36,000,000)	-	(532,991)	-	(1,060,227,206)
-	-	-	-	-	-	-
1,162,330	49,256,234	17,950,956	-	(249,717)	-	156,110,714
17,587,186	34,655,608	10,926,988	16,335,134	105,407	118,152,726	290,907,393
(17,587,186)	(34,655,608)	(10,926,988)	(16,335,134)	(105,407)	(118,152,726)	(290,907,393)
18,166,398	342,035,723	187,172,368	37,191,024	233,738	21,604,028	1,176,408,235
$251,624,516	$1,966,660,308	$948,935,933	$390,484,804	$921,095	$800,002,539	$8,980,628,985
219,958,589	1,167,121,671	472,848,222	561,725,447	1,473,243	1,127,957,799	5,960,857,879
2,046,511	5,361,799	2,278,833	11,579,543	19,792	15,686,880	514,537,578
$122.95	$366.79	$416.41	$33.72	$46.54	$51.00	
$42,529,705	$141,788,985	$78,448,043	$88,095,274	$350,873	$189,484,322	$1,180,338,170
$44,933,351	$228,180,690	$129,028,871	$51,260,032	$230,271	$133,007,930	$1,470,621,054
-	17,200,000	5,300,000	21,199,000	-	12,972,000	187,758,174
(900,000)	(1,000,412)	(5,019,000)	-	(85,026)	-	(165,061,611)
-	-	-	-	-	-	-
69,410	486,723	2,523,576	-	(39,026)	-	7,227,412
3,305,878	5,085,238	1,879,224	3,204,612	16,451	22,137,912	56,496,919
(3,305,878)	(5,085,238)	(1,879,224)	(3,204,612)	(16,451)	(22,137,912)	(56,496,919)
3,542,742	55,184,588	32,595,050	7,348,141	36,603	4,074,892	197,392,419
$47,645,503	$300,051,589	$164,428,497	$79,807,173	$142,822	$150,054,822	$1,697,937,448
41,699,115	158,475,296	81,252,619	109,294,274	226,821	202,456,322	1,210,262,145
387,510	818,045	394,869	2,366,624	3,069	2,942,356	98,250,026
$122.95	$366.79	$416.41	$33.72	$46.54	$51.00	

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Probate Court Retirement Fund						
Book Value at June 30, 2010	$6,646,273	$ -	$3,405,308	$10,958,676	$6,210,209	$3,327,360
Market Value at June 30, 2010	$6,645,942	$ -	$13,694,210	$12,387,287	$6,653,677	$3,848,575
Shares Purchased	3,809,175	1,651,000	-	27,600	-	-
Shares Redeemed	(5,733,273)	-	(522,069)	-	-	(100,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	13,718	-	418,405	-	-	18,585
Net Investment Income Earned	32,993	-	240,923	503,808	131,331	116,067
Net Investment Income Distributed	(32,993)	-	(240,923)	(503,808)	(131,331)	(116,067)
Changes in Market Value of Fund Shares	18,469	23,559	3,609,502	48,236	353,926	469,983
Market Value at June 30, 2011	$4,754,031	$1,674,559	$17,200,048	$12,463,123	$7,007,603	$4,237,143
Book Value at June 30, 2011	4,735,893	1,651,000	3,301,644	10,986,276	6,210,209	3,245,945
Shares Outstanding	4,715,430	1,650,620	18,264	105,331	48,412	29,218
Market Value per Share	$1.01	$1.01	$941.76	$118.32	$144.75	$145.02
Judges' Retirement Fund						
Book Value at June 30, 2010	$7,980,680	$ -	$11,188,223	$24,754,692	$14,909,682	$7,357,771
Market Value at June 30, 2010	$7,967,533	$ -	$29,088,106	$26,868,026	$16,093,634	$8,316,628
Shares Purchased	14,913,113	3,265,000	-	59,400	-	-
Shares Redeemed	(18,996,901)	-	(6,000,000)	-	-	(740,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(774)	-	4,125,876	-	-	123,503
Net Investment Income Earned	44,491	-	469,895	1,092,752	317,655	245,195
Net Investment Income Distributed	(44,491)	-	(469,895)	(1,092,752)	(317,655)	(245,195)
Changes in Market Value of Fund Shares	18,569	46,968	4,155,969	104,617	856,060	899,402
Market Value at June 30, 2011	$3,901,540	$3,311,968	$31,369,951	$27,032,043	$16,949,694	$8,599,533
Book Value at June 30, 2011	3,896,118	3,265,000	9,314,099	24,814,092	14,909,682	6,741,274
Shares Outstanding	3,869,861	3,264,620	33,310	228,458	117,097	59,299
Market Value per Share	$1.01	$1.01	$941.76	$118.32	$144.75	$145.02
State's Attorneys' Retirement Fund						
Book Value at June 30, 2010	$190,345	$-	$37,049	$435,160	$17,299	$45,435
Market Value at June 30, 2010	$190,453	$-	$158,685	$475,750	$22,248	$54,633
Shares Purchased	55,081	-	-	-	-	-
Shares Redeemed	(10,082)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	18	-	-	-	-	-
Net Investment Income Earned	1,170	-	2,822	19,333	439	1,662
Net Investment Income Distributed	(1,170)	-	(2,822)	(19,333)	(439)	(1,662)
Changes in Market Value of Fund Shares	1,284	-	46,882	1,842	1,183	7,025
Market Value at June 30, 2011	$236,754	$-	$205,567	$477,592	$23,431	$61,658
Book Value at June 30, 2011	235,362	-	37,049	435,160	17,299	45,435
Shares Outstanding	234,831	-	218	4,036	162	425
Market Value per Share	$1.01	$-	$941.76	$118.32	$144.75	$145.02

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
$2,052,995	$6,653,603	$3,750,710	$4,402,509	$20,966	$8,411,809	$55,840,418
$2,201,899	$11,014,746	$6,337,165	$2,513,630	$13,536	$6,510,436	$71,821,103
-	125,000	175,000	763,000	-	578,000	7,128,775
(50,000)	(519,120)	(300,000)	-	(4,898)	-	(7,229,360)
-	-	-	-	-	-	-
4,545	267,996	156,097	-	(2,360)	-	876,986
161,644	234,540	91,547	150,316	972	1,076,295	2,740,436
(161,644)	(234,540)	(91,547)	(150,316)	(972)	(1,076,295)	(2,740,436)
172,142	2,389,248	1,564,448	341,705	2,211	197,488	9,190,917
$2,328,586	$13,277,870	$7,932,710	$3,618,335	$8,489	$7,285,924	$81,788,421
2,007,540	6,527,479	3,781,807	5,165,509	13,708	8,989,809	56,616,819
18,939	36,200	19,050	107,299	182	142,866	6,891,811
$122.95	$366.79	$416.41	$33.72	$46.54	$51.00	
$4,504,115	$15,857,602	$8,519,959	$9,336,412	$34,481	$19,927,654	$124,371,271
$4,677,332	$23,723,243	$13,758,683	$5,300,672	$22,683	$13,958,509	$149,775,049
-	235,000	-	1,330,000	-	460,000	20,262,513
(190,000)	(4,118,022)	(2,350,000)	-	(7,361)	-	(32,402,284)
-	-	-	-	-	-	-
11,604	1,915,600	1,197,568	-	(3,305)	-	7,370,072
338,326	481,920	188,537	308,319	1,662	2,205,624	5,694,376
(338,326)	(481,920)	(188,537)	(308,319)	(1,662)	(2,205,624)	(5,694,376)
359,157	3,829,781	2,509,880	698,060	3,014	399,549	13,881,026
$4,858,093	$25,585,602	$15,116,131	$7,328,732	$15,031	$14,818,058	$158,886,376
4,325,719	13,890,180	7,367,527	10,666,412	23,815	20,387,654	119,601,572
39,512	69,755	36,301	217,328	323	290,560	8,226,424
$122.95	$366.79	$416.41	$33.72	$46.54	$51.00	
$53,177	$-	$-	$54,049	$-	$-	$832,514
$55,929	$-	$-	$33,084	$-	$-	$990,782
-	-	-	9,100	-	-	64,181
-	-	-	-	-	-	(10,082)
-	-	-	-	-	-	-
-	-	-	-	-	-	18
4,181	-	-	1,992	-	-	31,599
(4,181)	-	-	(1,992)	-	-	(31,599)
4,557	-	-	4,477	-	-	67,250
$60,486	$-	$-	$46,661	$-	$-	$1,112,149
53,177	-	-	63,149	-	-	886,631
492	-	-	1,384	-	-	241,549
$122.95	$-	$-	$33.72	$-	$-	

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Soldiers' Sailors' & Marines' Fund						
Book Value at June 30, 2010	$653,033	$-	$983,642	$37,929,520	$1,725,943	$4,533,494
Market Value at June 30, 2010	$652,199	$-	$4,477,002	$42,988,848	$2,280,963	$5,601,621
Shares Purchased	2,273,972	-	-	-	-	-
Shares Redeemed	(2,271,165)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,633	-	-	-	-	-
Net Investment Income Earned	4,107	-	79,614	1,746,806	45,021	170,492
Net Investment Income Distributed	(4,107)	-	(79,614)	(1,746,806)	(45,021)	(170,492)
Changes in Market Value of Fund Shares	1,807	-	1,322,703	166,372	121,330	720,250
Market Value at June 30, 2011	$658,446	$-	$5,799,705	$43,155,220	$2,402,293	$6,321,871
Book Value at June 30, 2011	657,473	-	983,642	37,929,520	1,725,943	4,533,494
Shares Outstanding	653,099	-	6,158	364,721	16,596	43,593
Market Value per Share	$1.01	$-	$941.76	$118.32	$144.75	$145.02
Endowment for the Arts						
Book Value at June 30, 2010	$1,070,982	$-	$-	$11,040,873	$502,392	$1,319,527
Market Value at June 30, 2010	$1,071,142	$-	$-	$11,956,991	$634,417	$1,557,898
Shares Purchased	681,552	-	-	2,461	-	-
Shares Redeemed	(780,669)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	2,526	-	-	-	-	-
Net Investment Income Earned	4,884	-	-	485,919	12,523	47,418
Net Investment Income Distributed	(4,884)	-	-	(485,919)	(12,523)	(47,418)
Changes in Market Value of Fund Shares	4,041	-	-	46,267	33,746	200,312
Market Value at June 30, 2011	$978,592	$-	$-	$12,005,719	$668,163	$1,758,210
Book Value at June 30, 2011	974,391	-	-	11,043,334	502,392	1,319,527
Shares Outstanding	970,647	-	-	101,465	4,616	12,124
Market Value per Share	$1.01	$-	$-	$118.32	$144.75	$145.02
Agricultural College Fund						
Book Value at June 30, 2010	$45,748	$-	$25,364	$302,380	$13,760	$36,140
Market Value at June 30, 2010	$45,753	$-	$117,942	$333,594	$17,700	$43,466
Shares Purchased	22,461	-	-	-	-	-
Shares Redeemed	(24,971)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	7	-	-	-	-	-
Net Investment Income Earned	256	-	2,097	13,557	349	1,322
Net Investment Income Distributed	(256)	-	(2,097)	(13,557)	(349)	(1,322)
Changes in Market Value of Fund Shares	192	-	34,844	1,292	942	5,589
Market Value at June 30, 2011	$43,442	$-	$152,786	$334,886	$18,642	$49,055
Book Value at June 30, 2011	43,245	-	25,364	302,380	13,760	36,140
Shares Outstanding	43,089	-	162	2,830	129	338
Market Value per Share	$1.01	$-	$941.76	$118.32	$144.75	$145.02

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
$5,301,306	$-	$-	$-	$-	$-	$51,126,938
$5,697,950	$-	$-	$-	$-	$-	$61,698,583
-	-	-	-	-	-	2,273,972
-	-	-	-	-	-	(2,271,165)
-	-	-	-	-	-	-
-	-	-	-	-	-	1,633
426,088	-	-	-	-	-	2,472,128
(426,088)	-	-	-	-	-	(2,472,128)
464,270	-	-	-	-	-	2,796,732
$6,162,220	$-	$-	$-	$-	$-	$64,499,755
5,301,306	-	-	-	-	-	51,131,378
50,119	-	-	-	-	-	1,134,287
$122.95	$-	$-	$-	$-	$-	
$1,545,250	$-	$-	$-	$-	$-	$15,479,024
$1,601,871	$-	$-	$-	$-	$-	$16,822,319
-	-	-	-	-	-	684,013
-	-	-	-	-	-	(780,669)
-	-	-	-	-	-	-
-	-	-	-	-	-	2,526
119,786	-	-	-	-	-	670,530
(119,786)	-	-	-	-	-	(670,530)
130,523	-	-	-	-	-	414,889
$1,732,394	$-	$-	$-	$-	$-	$17,143,078
1,545,250	-	-	-	-	-	15,384,894
14,090	-	-	-	-	-	1,102,941
$122.95	$-	$-	$-	$-	$-	
$42,296	$-	$-	$-	$-	$-	$465,688
$44,495	$-	$-	$-	$-	$-	$602,950
-	-	-	-	-	-	22,461
-	-	-	-	-	-	(24,971)
-	-	-	-	-	-	-
-	-	-	-	-	-	7
3,327	-	-	-	-	-	20,908
(3,327)	-	-	-	-	-	(20,908)
3,625	-	-	-	-	-	46,484
$48,120	$-	$-	$-	$-	$-	$646,931
42,296	-	-	-	-	-	463,185
391	-	-	-	-	-	46,940
$122.95	$-	$-	$-	$-	$-	

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Ida Eaton Cotton Fund						
Book Value at June 30, 2010	$153,607	$-	$87,363	$1,021,247	$46,470	$122,060
Market Value at June 30, 2010	$153,639	$-	$401,871	$1,135,132	$60,230	$147,907
Shares Purchased	71,922	-	-	-	-	-
Shares Redeemed	(80,462)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	24	-	-	-	-	-
Net Investment Income Earned	858	-	7,146	46,126	1,188	4,502
Net Investment Income Distributed	(858)	-	(7,146)	(46,126)	(1,188)	(4,502)
Changes in Market Value of Fund Shares	649	-	118,730	4,395	3,203	19,017
Market Value at June 30, 2011	$145,772	$-	$520,601	$1,139,527	$63,433	$166,924
Book Value at June 30, 2011	145,091	-	87,363	1,021,247	46,470	122,060
Shares Outstanding	144,589	-	553	9,631	438	1,151
Market Value per Share	$1.01	$-	$941.76	$118.32	$144.75	$145.02
Andrew Clark Fund						
Book Value at June 30, 2010	$73,509	$-	$41,101	$495,688	$22,555	$59,240
Market Value at June 30, 2010	$73,498	$-	$188,004	$533,708	$28,317	$69,536
Shares Purchased	33,858	-	-	-	-	-
Shares Redeemed	(37,902)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	4	-	-	-	-	-
Net Investment Income Earned	409	-	3,346	21,687	559	2,115
Net Investment Income Distributed	(409)	-	(3,346)	(21,687)	(559)	(2,115)
Changes in Market Value of Fund Shares	326	-	55,544	2,065	1,507	8,942
Market Value at June 30, 2011	$69,784	$-	$243,548	$535,773	$29,824	$78,478
Book Value at June 30, 2011	69,469	-	41,101	495,688	22,555	59,240
Shares Outstanding	69,218	-	259	4,528	206	541
Market Value per Share	$1.01	$-	$941.76	$118.32	$144.75	$145.02
School Fund						
Book Value at June 30, 2010	$447,888	$-	$384,307	$4,757,413	$216,479	$568,594
Market Value at June 30, 2010	$448,068	$-	$1,767,342	$5,250,728	$278,597	$684,154
Shares Purchased	368,755	-	-	-	-	-
Shares Redeemed	(383,051)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,788	-	-	-	-	-
Net Investment Income Earned	2,907	-	31,428	213,359	5,499	20,824
Net Investment Income Distributed	(2,907)	-	(31,428)	(213,359)	(5,499)	(20,824)
Changes in Market Value of Fund Shares	1,845	-	522,150	20,322	14,819	87,967
Market Value at June 30, 2011	$437,405	$-	$2,289,492	$5,271,050	$293,416	$772,121
Book Value at June 30, 2011	435,380	-	384,307	4,757,413	216,479	568,594
Shares Outstanding	433,853	-	2,431	44,548	2,027	5,324
Market Value per Share	$1.01	$-	$941.76	$118.32	$144.75	$145.02

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
$142,819	$-	$-	$-	$-	$-	$1,573,566
$151,139	$-	$-	$-	$-	$-	$2,049,918
-	-	-	-	-	-	71,922
-	-	-	-	-	-	(80,462)
-	-	-	-	-	-	-
-	-	-	-	-	-	24
11,301	-	-	-	-	-	71,121
(11,301)	-	-	-	-	-	(71,121)
12,315	-	-	-	-	-	158,309
$163,454	$-	$-	$-	$-	$-	$2,199,711
142,819	-	-	-	-	-	1,565,050
1,329	-	-	-	-	-	157,691
$122.95	$-	$-	$-	$-	$-	
$69,389	$-	$-	$-	$-	$-	$761,482
$71,601	$-	$-	$-	$-	$-	$964,664
-	-	-	-	-	-	33,858
-	-	-	-	-	-	(37,902)
-	-	-	-	-	-	-
-	-	-	-	-	-	4
5,355	-	-	-	-	-	33,471
(5,355)	-	-	-	-	-	(33,471)
5,834	-	-	-	-	-	74,218
$77,435	$-	$-	$-	$-	$-	$1,034,842
69,389	-	-	-	-	-	757,442
630	-	-	-	-	-	75,381
$122.95	$-	$-	$-	$-	$-	
$665,451	$-	$-	$-	$-	$-	$7,040,132
$700,278	$-	$-	$-	$-	$-	$9,129,167
-	-	-	-	-	-	368,755
-	-	-	-	-	-	(383,051)
-	-	-	-	-	-	-
-	-	-	-	-	-	1,788
52,366	-	-	-	-	-	326,383
(52,366)	-	-	-	-	-	(326,383)
57,058	-	-	-	-	-	704,161
$757,336	$-	$-	$-	$-	$-	$9,820,820
665,451	-	-	-	-	-	7,027,624
6,160	-	-	-	-	-	494,343
$122.95	$-	$-	$-	$-	$-	

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Hopemead Fund						
Book Value at June 30, 2010	$349,754	$-	$94,338	$1,240,840	$54,187	$142,321
Market Value at June 30, 2010	$350,082	$-	$430,759	$1,337,760	$68,284	$167,681
Shares Purchased	229,058	-	100,000	100,000	-	15,000
Shares Redeemed	(359,332)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,522	-	-	-	-	-
Net Investment Income Earned	1,960	-	7,978	55,360	1,347	5,180
Net Investment Income Distributed	(1,960)	-	(7,978)	(55,360)	(1,347)	(5,180)
Changes in Market Value of Fund Shares	644	-	126,658	6,541	3,632	22,127
Market Value at June 30, 2011	$221,974	$-	$657,417	$1,444,301	$71,916	$204,808
Book Value at June 30, 2011	221,002	-	194,338	1,340,840	54,187	157,321
Shares Outstanding	220,171	-	698	12,206	497	1,412
Market Value per Share	$1.01	$-	$941.76	$118.32	$144.75	$145.02
Police & Fireman's Survivors' Benefit Fund						
Book Value at June 30, 2010	$1,225,666	$-	$6,467,744	$8,140,446	$370,407	$972,808
Market Value at June 30, 2010	$1,226,357	$-	$6,333,105	$8,485,762	$450,228	$1,105,532
Shares Purchased	608,355	-	-	-	-	-
Shares Redeemed	(641,994)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,679	-	-	-	-	-
Net Investment Income Earned	6,887	-	112,623	344,810	8,887	33,647
Net Investment Income Distributed	(6,887)	-	(112,623)	(344,810)	(8,887)	(33,647)
Changes in Market Value of Fund Shares	5,431	-	1,871,079	32,838	23,951	142,149
Market Value at June 30, 2011	$1,199,828	$-	$8,204,184	$8,518,600	$474,179	$1,247,681
Book Value at June 30, 2011	1,193,706	-	6,467,744	8,140,446	370,407	972,808
Shares Outstanding	1,190,086	-	8,712	71,994	3,276	8,603
Market Value per Share	$1.01	$-	$941.76	$118.32	$144.75	$145.02

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
$166,677	$-	$-	$-	$-	$-	$2,048,117
$172,501	$-	$-	$-	$-	$-	$2,527,067
-	-	-	-	-	-	444,058
-	-	-	-	-	-	(359,332)
-	-	-	-	-	-	-
-	-	-	-	-	-	1,522
12,901	-	-	-	-	-	84,726
(12,901)	-	-	-	-	-	(84,726)
14,054	-	-	-	-	-	173,656
$186,555	$-	$-	$-	$-	$-	$2,786,971
166,677	-	-	-	-	-	2,134,365
1,517	-	-	-	-	-	236,502
$122.95	$-	$-	$-	$-	$-	
$1,140,668	$-	$-	$1,135,966	$4,830	$-	$19,458,535
$1,147,434	$-	$-	$673,506	$3,041	$-	$19,424,965
-	-	-	207,000	-	-	815,355
-	-	-	-	(986)	-	(642,980)
-	-	-	-	-	-	-
-	-	-	-	(510)	-	1,169
85,805	-	-	40,490	223	-	633,372
(85,805)	-	-	(40,490)	(223)	-	(633,372)
93,495	-	-	91,601	470	-	2,261,014
$1,240,929	$-	$-	$972,107	$2,015	$-	$21,859,523
1,140,668	-	-	1,342,966	3,334	-	19,632,079
10,093	-	-	28,827	43	-	1,321,634
$122.95	$-	$-	$33.72	$46.54	$-	

COMBINED INVESTMENT FUNDS
SUMMARY OF OPERATIONS (Dollars in Thousands)
FISCAL YEARS ENDING JUNE 30

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Investment Income (1)	$1,010,079	$762,800	$803,203	$1,171,356	$972,879	$889,710	$828,019	$946,643	$846,384	$741,812
Expenses (2)	86,671	79,950	62,802	82,403	56,738	69,712	64,509	49,131	48,428	60,570
Net Investment Income	923,408	682,850	740,401	1,088,953	916,141	819,998	763,510	897,512	797,956	681,242
Realized Gains/(Losses)	825,681	214,425	(2,815,892)	654,172	1,524,107	886,031	698,664	880,979	(566,640)	(449,961)
Change in Unrealized Gains/(Losses)	2,699,894	1,737,661	(2,460,069)	(3,004,322)	1,472,314	520,430	591,155	936,916	123,784	(1,563,253)
Total	$4,448,983	$2,634,936	$(4,535,560)	$(1,261,197)	$3,912,562	$2,226,459	$2,053,329	$2,715,407	$355,100	$(1,331,972)

(1) Securities lending income and expenses are shown net in the Investment Income line above for all periods presented.
(2) Expenses shown above include salary and fringe benefits.

Source: Amounts were dervied from custodial records.

COMBINED INVESTMENT FUNDS
PENSION AND TRUST FUNDS
BALANCES (1) IN COMBINED INVESTMENT FUNDS (Dollars in Thousands)
AT JUNE 30, 2011

Fund Name	Teachers' Retirement Fund		State Employees' Retirement Fund		Municipal Employees' Retirement Fund		Probate Court Retirement Fund		Judges Retirement Fund		State's Attorneys' Retirement Fund		Trust Funds	
LF	$587,895	4.16%	$281,287	3.13%	$53,514	3.15%	$4,754	5.81%	$3,901	2.46%	$237	21.29%	$3,756	3.13%
AIF	293,843	2.08	185,484	2.07	34,552	2.03	1,675	2.05	3,312	2.08	-	0.00	-	0.00
MEF	3,735,560	26.41	2,461,923	27.41	373,734	22.01	17,200	21.03	31,370	19.74	206	18.51	17,868	14.89
CFIF	1,430,341	10.11	921,496	10.26	253,854	14.96	12,463	15.24	27,032	17.02	478	42.95	72,405	60.34
ILBF	578,122	4.09	369,964	4.12	143,339	8.44	7,008	8.57	16,950	10.67	23	2.07	4,021	3.35
EMDF	635,658	4.49	401,845	4.47	96,814	5.70	4,237	5.18	8,599	5.41	62	5.57	10,599	8.83
HYBD	400,691	2.83	251,625	2.80	47,645	2.81	2,329	2.85	4,858	3.06	60	5.39	10,369	8.64
DMISF	3,103,126	21.94	1,966,660	21.90	300,052	17.67	13,278	16.23	25,586	16.10	-	0.00	-	0.00
EMISF	1,501,586	10.62	948,936	10.57	164,428	9.68	7,933	9.70	15,116	9.51	-	0.00	-	0.00
REF	615,009	4.35	390,485	4.35	79,807	4.70	3,618	4.42	7,329	4.61	47	4.22	972	0.81
CMF	1,301	0.01	921	0.01	143	0.01	8	0.01	15	0.01	-	0.00	2	0.01
PIF	1,260,187	8.91	800,002	8.91	150,055	8.84	7,286	8.91	14,818	9.33	-	0.00	-	0.00
Total	$14,143,319	100.00%	$8,980,628	100.00%	$1,697,937	100.00%	$81,789	100.00%	$158,886	100.00%	$1,113	100.00%	$119,992	100.00%

(1) Based on Net Asset Value

Source: Amounts were dervied from custodial records.

COMBINED INVESTMENT FUNDS
INVESTMENT SUMMARY AT JUNE 30, 2011 (1)

Liquidity Fund (2)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$ 756,915,969	$ 775,433,903	3.07%	1.20%
2010	1,626,177,183	1,621,182,259	7.44%	0.98%
2009	952,212,787	950,605,428	4.65%	1.54%
2008	1,140,821,830	1,140,821,830	4.36%	4.59%
2007	236,297,695	236,297,695	0.88%	5.61%
2006	280,548,978	280,548,978	1.20%	4.51%
2005	395,948,288	395,948,288	1.84%	2.36%
2004	363,170,856	363,170,856	1.76%	1.28%
2003	710,832,993	710,832,993	3.75%	1.80%
2002	481,664,484	481,664,484	2.46%	3.03%

Mutual Equity Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$5,327,666,479	$6,634,922,151	26.28%	31.92%
2010	5,175,570,747	5,288,853,566	24.28%	14.01%
2009	6,019,782,554	5,588,272,211	27.35%	-28.36%
2008	7,563,373,750	8,017,007,807	30.68%	-12.99%
2007	7,628,304,018	9,810,773,724	36.64%	18.24%
2006	7,501,163,477	8,983,043,768	38.25%	10.29%
2005	6,991,797,244	8,284,992,409	38.40%	8.06%
2004	6,544,070,199	7,779,104,677	37.67%	20.86%
2003	6,047,280,312	6,603,061,918	34.77%	0.48%
2002	6,401,472,709	6,688,728,705	34.20%	-14.95%

Mutual Fixed Income Fund (6)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$ -	$ -	-	-
2010	-	-	-	-
2009	-	-	-	-
2008	-	-	-	-
2007	8,604,509,537	8,537,943,917	31.89%	6.92%
2006	7,179,817,139	7,052,537,386	30.03%	0.77%
2005	6,567,168,651	6,662,163,634	30.88%	7.70%
2004	6,368,703,625	6,325,884,136	30.63%	2.79%
2003	7,082,889,175	7,308,417,293	38.49%	12.03%
2002	7,412,105,698	7,295,007,838	37.30%	5.64%

Core Fixed Income Fund (6)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$2,911,577,713	$3,001,125,667	11.89%	4.49%
2010	2,682,943,303	2,789,605,943	12.81%	11.81%
2009	3,400,625,343	3,215,718,047	15.74%	2.84%
2008	4,979,684,914	4,851,300,830	18.57%	5.65%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-

Inflation Linked Bond Fund (6)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$1,075,894,193	$1,115,148,171	4.42%	7.23%
2010	1,033,720,440	1,070,660,872	4.91%	9.48%
2009	813,926,651	829,543,021	4.06%	-0.20%
2008	1,152,973,047	1,162,545,028	4.45%	16.81%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-

Emerging Market Debt Fund (6)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$1,012,164,604	$1,141,817,330	4.52%	16.06%
2010	1,082,027,071	1,155,351,613	5.30%	23.02%
2009	1,153,012,696	1,125,226,197	5.51%	-3.62%
2008	1,006,342,436	1,040,295,964	3.98%	5.59%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-

COMBINED INVESTMENT FUNDS
INVESTMENT SUMMARY AT JUNE 30, 2011 (1) (Continued)

	High Yield Debt Fund (6)				International Stock Fund (5)			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$685,595,880	$710,362,023	2.81%	15.96%	$ -	$ -	-	-
2010	659,015,939	656,175,724	3.01%	24.54%	-	-	-	-
2009	801,755,724	718,563,903	3.52%	-4.59%	-	-	-	-
2008	784,159,491	745,137,049	2.85%	-1.88%	-	-	-	-
2007	-	-	-	-	4,293,498,472	5,940,213,814	22.19%	29.65%
2006	-	-	-	-	4,145,802,552	5,392,666,574	22.96%	25.69%
2005	-	-	-	-	3,587,545,036	4,372,185,115	20.27%	19.23%
2004	-	-	-	-	3,407,481,400	3,995,868,265	19.35%	29.69%
2003	-	-	-	-	2,047,590,656	2,026,297,000	10.67%	-6.39%
2002	-	-	-	-	2,306,936,221	2,272,810,463	11.62%	-9.00%

	Developed Market International Stock Fund (5)				Emerging Market International Stock Fund (5)			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$4,684,676,553	$5,391,257,095	21.35%	26.30%	$2,114,345,516	$2,629,250,556	10.41%	28.55%
2010	4,552,279,820	4,328,450,937	19.87%	11.03%	1,860,837,675	2,065,255,957	9.48%	25.23%
2009	4,847,669,826	4,464,491,006	21.85%	-27.98%	1,110,911,776	1,141,401,975	5.59%	-30.90%
2008	4,879,325,913	5,077,825,949	19.43%	-14.60%	1,111,317,184	1,295,936,888	4.96%	0.19%
2007	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-

	Real Estate Fund (3)				Commercial Mortgage Fund (3)			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$1,350,551,373	$1,097,203,255	4.35%	16.12%	$2,338,063	$2,386,359	0.01%	4.61%
2010	1,174,718,491	792,483,221	3.64%	-20.18%	3,769,581	3,818,115	0.02%	6.75%
2009	1,021,805,530	770,955,194	3.77%	-28.66%	5,084,919	5,135,144	0.02%	-3.14%
2008	954,279,128	1,002,243,816	3.84%	6.04%	6,255,651	6,906,096	0.03%	12.05%
2007	638,511,736	684,741,163	2.56%	14.21%	7,355,621	7,763,461	0.03%	8.17%
2006	327,772,520	398,391,108	1.70%	6.87%	17,729,189	18,192,114	0.08%	9.51%
2005	309,798,748	399,727,575	1.85%	27.56%	19,796,542	20,267,798	0.09%	6.76%
2004	348,015,445	368,546,928	1.78%	0.53%	35,210,421	36,228,371	0.18%	7.83%
2003	399,402,161	425,893,012	2.24%	3.30%	69,871,489	71,990,878	0.38%	20.62%
2002	417,067,553	471,193,932	2.41%	0.81%	69,553,258	71,468,307	0.37%	1.19%

COMBINED INVESTMENT FUNDS
INVESTMENT SUMMARY AT JUNE 30, 2011 (1) (Continued)

Private Investment Fund (3)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$1,909,670,699	$2,229,679,980	8.83%	19.89%
2010	1,859,585,108	2,013,101,198	9.24%	17.32%
2009	1,819,125,566	1,621,268,022	7.94%	-16.36%
2008	1,809,775,995	1,789,139,253	6.85%	13.66%
2007	1,657,888,536	1,556,795,484	5.81%	19.56%
2006	1,692,805,252	1,357,518,114	5.78%	11.46%
2005	2,046,726,560	1,437,979,798	6.67%	8.94%
2004	2,406,829,047	1,781,312,669	8.63%	18.70%
2003	2,413,582,348	1,842,900,019	9.70%	-11.94%
2002	2,315,048,277	2,276,642,374	11.64%	-10.81%

Alternative Investment Fund (7)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$511,873,555	$519,007,742	2.06%	0.00%
2010	-	-	-	-
2009	-	-	-	-
2008	-	-	-	-
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-

Total Fund (4)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	$22,343,270,597	$25,247,594,232	100.00%	20.75%
2010	21,710,645,358	21,784,939,405	100.00%	12.88%
2009	21,945,913,372	20,431,180,148	100.00%	-17.37%
2008	25,388,309,339	26,129,160,510	100.00%	-4.71%
2007	23,066,365,615	26,774,529,258	100.00%	17.34%
2006	21,145,639,107	23,482,898,042	100.00%	10.55%
2005	19,918,781,069	21,573,264,617	100.00%	10.46%
2004	19,473,480,993	20,650,115,902	100.00%	15.23%
2003	18,771,449,134	18,989,393,113	100.00%	2.49%
2002	19,403,848,200	19,557,516,103	100.00%	-6.39%

(1) All rates of return are net of management fees and division operating expenses.

(2) The market value of the Liquidity Fund for the periods presented represents the market value of the pension and trust balances in the Liquidity Fund only (excluding receivables and payables); the Liquidity Fund balances of the other combined investment funds are shown in the market value of each fund.

(3) Investment returns published for prior years were net of management fees, but were restated in 2008 net of all expenses.

(4) Represents a composite return of the total pension and trust funds. Individual returns for the three primary pension funds (Teachers, State Employees and Minicipal Employees) are separately presented elsewhere due to different asset allocations of each fund.

(5) On November 1, 2007 the International Stock Fund (ISF) was reallocated into two sub portfolios of international equity securities. The reallocation was a result of the modifications to the Investment Policy Statement (IPS) as approved by the Investment Advisory Council (IAC) and adopted by the Treasurer in October 2007. The reallocation of assets, outlined in the IPS, was based on an asset liability study that identified the need to reallocate the international stock fund into two components: developed markets international stocks and emerging markets international stocks to allow for greater flexibility in managing risk and return in the various Connecticut Retirement Plans and Trust Funds.

(6) On November 1, 2007 the Mutual Fixed Income Fund was reallocated into four sub portfolios of fixed income securities. The reallocation was a result of the modifications to the Investment Policy Statement (IPS) as approved by the Investment Advisory Council (IAC) and adopted by the Treasurer in October 2007. The reallocation of assets, outlined in the IPS, was based on an asset liability study that identified the need to reallocate the mutual fixed income fund into four components: core fixed income, emerging market debt, high yield debt and inflation-linked bonds to allow for greater flexibility in managing risk and return in the various Connecticut Retirement Plans and Trust Funds.

(7) Inception of the Alternative Investment Fund during Fiscal 2011.

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2011

LIQUIDITY FUND

Security Name	Maturity Date	Market Value	%
Barclays Bank PLC	01/06/2012	$40,000,000	2.53%
CMMNWLTH Bank of Australia	07/08/2011	39,998,367	2.53%
Credit Suisse NY	02/07/2012	35,000,000	2.21%
Royal Bank of Scotland PLC	09/09/2011	35,000,000	2.21%
ING Bank Amsterdam	09/01/2011	35,000,000	2.21%
DNB Norway Bank ASA	12/15/2011	35,000,000	2.21%
New Zealand Govt SR Unsecured	04/15/2015	30,202,126	1.92%
Lloyds Bk PLC NY BRN	08/29/2011	30,000,000	1.90%
WESTPAC Banking Corp	11/17/2011	30,000,000	1.90%
BNP Paribas NY BANCH	11/21/2011	30,000,000	1.90%
Top Ten		**$340,200,493**	**21.52%**
Fair Value LF		**$1,580,644,752**	

ALTERNATIVE INVESTMENT FUND

Security Name	Partnership Type	Market Value	%
Prudence Crandall II Prisma	Hedge Fund-of-Funds	$102,948,400	19.84%
Prudence Crandall III Rock Creek	Hedge Fund-of-Funds	101,961,900	19.65%
Prudence Crandall I Permal	Hedge Fund-of-Funds	101,433,300	19.54%
Prudence Crandall IV K2	Hedge Fund-of-Funds	100,606,100	19.38%
Energy Fund XV LP	Hedge Fund-of-Funds	3,900,000	0.75%
Top Five		**$410,849,700**	**79.16%**
FAIR VALUE AIF		**$519,007,742**	

MUTUAL EQUITY FUND

Security Name	Industry Sector	Market Value	%
Exxon Mobil Corp	Energy	$152,381,690	2.30%
Apple Inc	Information Technology	117,751,022	1.77%
Chevron Corp	Energy	80,649,802	1.22%
Microsoft	Technology	80,510,144	1.21%
International Business Machines	Information Technology	76,930,397	1.16%
AT&T Inc	Telecommunication Svcs	75,960,279	1.14%
General Electric Co	Industrials	74,495,887	1.12%
Proctor & Gamble Co	Consumer Staples	70,207,916	1.06%
Johnson & Johnson	Health Care	67,686,960	1.02%
JP Morgan Chase & Co	Financials	64,073,679	0.97%
Top Ten		**$860,647,776**	**12.97%**
FAIR VALUE MEF		**$6,634,922,151**	

CORE FIXED INCOME FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
FNMA TBA JUL 30 yr Single Fam 4%	4.000%	12/01/2041	U.S. Govt Agency	$57,320,000	1.91%
Government Natl Mtg Assn 4%	4.000%	12/01/2041	U.S. Govt Agency	38,604,561	1.29%
FHLMC Gold TBA 30 yr TBA 4%	4.000%	12/01/2041	U.S. Govt Agency	29,372,364	0.98%
US Treasury N/B 4.5%	4.500%	02/15/2041	U.S. Govt Agency	24,581,181	0.82%
FNMA TBA 30YR Single Family JU 3.5%	3.500%	12/01/2041	U.S. Govt Agency	24,288,750	0.81%
WI Treasury Sec 0.5%	0.500%	05/31/2013	U.S. Govt Agency	22,853,972	0.76%
FHLMC TBA JUL 30 Gold Single 5%	5.000%	12/01/2041	U.S. Govt Agency	18,460,356	0.61%
GNMA II TBA JUL 30 4.5%	4.500%	12/01/2041	U.S. Govt Agency	17,679,312	0.59%
FNMA TBA JUL 30 Single Fam 4.5%	4.500%	12/01/2041	U.S. Govt Agency	16,345,574	0.54%
WI Treasury Sec 1.75%	1.750%	05/31/2016	U.S. Govt Agency	15,318,860	0.51%
Top Ten				**$264,824,930**	**8.82%**
FAIR VALUE CFI				**$3,001,125,667**	

COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2011 (Continued)

INFLATION LINKED BOND FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
U.S. Treasury Bonds	2.375%	01/15/2025	U.S. Govt Agency	$132,043,343	11.84%
U.S. Treasury Notes	2.375%	01/15/2017	U.S. Govt Agency	118,676,805	10.64%
U.S. Treasury Notes	1.875%	07/15/2015	U.S. Govt Agency	88,020,690	7.89%
U.S. Treasury Notes	2.000%	01/15/2026	U.S. Govt Agency	77,221,770	6.93%
U.S. Treasury Notes	3.000%	07/15/2012	U.S. Govt Agency	64,019,673	5.74%
U.S. Treasury Notes	1.250%	07/15/2020	U.S. Govt Agency	54,887,745	4.92%
U.S. Treasury Notes	0.500%	04/15/2015	U.S. Govt Agency	47,469,617	4.26%
U.S. Treasury Notes	2.375%	01/15/2027	U.S. Govt Agency	46,535,328	4.17%
U.S. Treasury Bonds	2.125%	02/15/2041	U.S. Govt Agency	46,316,923	4.16%
U.S. Treasury Notes	1.625%	01/15/2015	U.S. Govt Agency	45,809,309	4.11%
Top Ten				**$721,001,203**	**64.66%**
FAIR VALUE ILB				**$1,115,148,171**	

EMERGING MARKET DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
Russian Federation	7.500%	03/31/2030	$23,216,436	2.03%
Nota Tesouro Nacional	10.000%	01/01/2021	10,914,872	0.96%
Republic of Colombia	7.375%	09/18/2037	10,812,060	0.95%
Petroleos de Venezuela	4.900%	10/28/2014	9,792,574	0.86%
Republic of Iraq	5.800%	01/15/2028	9,618,872	0.84%
South Africa (Republic)	10.500%	12/21/2026	9,310,808	0.81%
Republic of Indonesia	11.625%	03/04/2019	8,798,288	0.77%
Republic of Argentina	8.280%	12/31/2033	8,643,106	0.76%
Nota Do Tesouro Nacional	6.000%	05/15/2045	7,624,227	0.67%
Republic of Indonesia	7.750%	01/17/2038	7,482,380	0.65%
Top Ten			**$106,213,623**	**9.30%**
FAIR VALUE EMD			**$1,141,817,330**	

HIGH YIELD DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
Vertex Pharmaceuticals Inc	Common Stock		$7,756,128	1.09%
Qwest Capital Funding	6.875%	07/15/2028	7,047,900	0.99%
Borden Inc	7.875%	02/15/2023	5,942,563	0.84%
Toys R Us Inc	7.375%	10/15/2018	5,900,344	0.83%
European Bk Recon + Dev	9.250%	09/10/2012	5,784,253	0.81%
Tenet Healthcare Corp	6.875%	11/15/2031	5,556,925	0.78%
Mex Bonos Desarr Fix Rt	7.250%	12/15/2016	4,932,666	0.70%
AES Corp	8.000%	10/15/2017	4,817,700	0.68%
Algoma Acquisition Corp	9.875%	06/15/2015	4,682,550	0.66%
Albertsons Inc	7.450%	08/01/2029	4,476,775	0.63%
Top Ten			**$56,897,804**	**8.01%**
FAIR VALUE HYI			**$710,362,023**	

COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2011 (Continued)

DEVELOPED MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
Nestle SA CHFO.10 REGD	Switzerland	$72,564,515	1.35%
Royal Dutch Shell PLC A Shares Eur .07	United Kingdom	63,995,556	1.19%
Total SA Eur 2.5 Post Division	France	58,086,644	1.08%
Sanofi Aventis EUR 2.0	France	55,274,981	1.02%
HSBC Holdings ORD USD 0.50 UK REG	United Kingdom	51,537,166	0.95%
Rio Tinto PLC	United Kingdom	42,375,625	0.79%
Vodafone Group ORD USD 0.11428571	United Kingdom	42,360,079	0.79%
Samsung Electronics Co Ltd KRW5000	Republic of Korea	40,646,643	0.75%
ING Groep NV Euro .24	Netherlands	39,759,642	0.74%
Astrazeneca ORD USD 0.25	United Kingdom	39,468,204	0.73%
Top Ten		**$506,069,055**	**9.39%**
FAIR VALUE DM ISF		**$5,391,257,095**	

EMERGING MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
Vale SA Depository Receipts	Brazil	$74,489,956	2.83%
Samsung Electronic KRW 5000	Republic of Korea	61,686,375	2.35%
China Mobile Ltd. HKD 0.10	Hong Kong	56,053,831	2.13%
CNOOC Ltd HKD 0.02	Hong Kong	54,821,320	2.09%
Petroleo Brasileiro SA Sponsored ADR	Brazil	53,660,394	2.04%
Gazprom ADR OAO	Russian Federation	53,224,651	2.02%
Lukoil OAO ADR Rub 0.025	Russian Federation	44,400,079	1.69%
Astra International TBK IDR 500.0	Indonesia	39,987,849	1.52%
Ind + Comm Bk of China CNY 1.0	China	37,544,927	1.43%
Taiwan Semiconductor SP ADR	Taiwan	36,730,862	1.40%
Top Ten		**$512,600,244**	**19.50%**
FAIR VALUE EM ISF		**$2,629,250,556**	

REAL ESTATE FUND

Property Name	Patnership Type	Market Value	%
Prime Property Fund	Core	$123,937,350	11.30%
Blackstone Real Estate VI LP	Opportunistic	102,645,074	9.35%
RLJ Lodging Trust	Opportunistic	63,062,410	5.75%
Marathon Legacy Securities PPI	Value-Added	61,544,800	5.61%
Alliance Bernstein Legacy	Value-Added	52,936,515	4.82%
Cornerstone Patriot	Core	49,996,200	4.56%
WLR IV PPIP Co Invest LP	Opportunistic	46,672,057	4.25%
North Scottsdale Corporate Center	Core	41,966,361	3.82%
Rio Hill Shopping Center	Core	39,361,216	3.59%
Starwood Opportunity Fund VIII	Opportunistic	39,137,274	3.57%
Top Ten		**$621,259,257**	**56.62%**
FAIR VALUE REF		**$1,097,203,255**	

COMMERCIAL MORTGAGE FUND

Property Name	Location	Property Type	Market Value	%
SASCO	Various	Other	$2,072,130	86.84%
Yankee Mac Series G 11.125%	Various	Residential	30,830	1.29%
Yankee Mac Series E 11.056%	Various	Residential	25,309	1.06%
Yankee Mac Series F 12.981%	Various	Residential	23,414	0.98%
Top Four			**$2,151,683**	**90.17%**
FAIR VALUE CMF			**$2,386,359**	

COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2011 (Continued)

PRIVATE INVESTMENT FUND

Partnership Name	Partnership Type	Market Value	%
Pegasus Partners IV	Special Situations	$161,583,508	7.25%
Fairview Constitution II LP	Fund of Funds	147,371,586	6.61%
Constitution Liquidating Fund	Fund of Funds	133,519,602	5.99%
Fairview Constitution III LP	Fund of Funds	122,781,747	5.51%
Parish Capital Buyout Fund II	Fund of Funds	121,798,328	5.46%
KKR 2006 Fund	Buyout	96,902,601	4.35%
Welsh Carson Anderson & Stowe X LP	Buyout	87,370,525	3.92%
KKR Millenium	Buyout	85,974,801	3.85%
Court Square Capital II	Buyout	79,567,617	3.57%
Thomas H. Lee Fund VI	Buyout	71,443,658	3.20%
Top Ten		**$1,108,313,973**	**49.71%**
FAIR VALUE PIF		**$2,229,679,980**	

* A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act..

PENSION FUNDS MANAGEMENT DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 (1)
FISCAL YEAR ENDED JUNE 30, 2011

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2011	Status at June 30, 2011
INVESTMENT ADVISORY SERVICES				
Domestic Equity Investment Advisory Services				
AXA Rosenberg Institutional Equity Management	Equity Advisor	Mar-96	$ 279,285	Active
Blackrock\Barclay’s Global Investors	Equity Advisor	Mar-96	222,037	Active
Bivium Capital Partners, LLC	Equity Advisor	Jul-05	1,653,052	Active
Capital Prospects LLC	Equity Advisor	Jul-05	986,297	Active
FIS Group Inc.	Equity Advisor	Jul-05	909,156	Active
Frontier Capital Management Co., LLC	Equity Advisor	Oct-10	363,922	Active
State Street Global Advisors	Equity Advisor	Mar-96	162,753	Active
T. Rowe Price Associates	Equity Advisor	Nov-08	2,397,474	Active
Total Domestic Equity Advisor Compensation			**$6,973,976**	
Core Fixed Income Investment Advisory Services				
Blackrock Financial Management	Core Income Advisor	Mar-96	$1,082,785	Active
Blackrock Investment(Transition) Management	Core Income Advisor	May-09	218,818	Active
Goodwin Capital Advisors(Phoenix)	Core Income Advisor	Nov-97	561,182	Active
Progress Investment Management	Core Income Advisor	Jul-05	856,501	Active
State Street Global Advisors	Core Income Advisor	Mar-96	254,916	Active
Wellington Asset Management	Core Income Advisor	Nov-97	783,754	Active
Total Core Fixed Income Advisor Compensation			**$3,757,956**	
Inflation Linked Bond Investment Advisory Services				
Hartford Investment Management Co.	Inflation Income Advisor	May-05	$425,952	Active
Brown Brother Harriman & Co	Inflation Income Advisor	May-05	544,320	Active
Total Inflation Linked Bond Advisor Compensation			**$970,272**	
Emerging Market Debt Investment Advisory Services				
ING Investment Management Co	Emerging Market Income Advisor	May-09	$1,144,741	Active
Pyramis Global Advisors	Emerging Market Income Advisor	Oct-07	1,014,829	Active
Stone Harbor Investment Partners	Emerging Market Income Advisor	Oct-07	1,244,074	Active
UBS Global Asset Management Co	Emerging Market Income Advisor	Oct-07	1,164,501	Active
Total Emerging Market Debt Advisor Compensation			**$4,568,145**	
High Yield Debt Advisory Services				
Loomis Sayles & Co., Inc.	High Yield Income Advisor	Mar-96	$451,485	Active
Oaktree Capital Management	High Yield Income Advisor	Mar-96	692,218	Active
Shenkman Capital Management	High Yield Income Advisor	Dec-07	903,707	Active
Stone Harbor Investment Partners	High Yield Income Advisor	Oct-07	446,607	Active
Total High Yield Debt Advisor Compensation			**$2,494,017**	
Liquidity Fund Advisory Services				
Ambassador Capital Management	Cash Reserve Account Advisor	May-09	$ 149,891	Active
Pacific Investment Management	Cash Reserve Account Advisor	Mar-09	351,078	Active
Payden & Rygel	Cash Reserve Account Advisor	Mar-09	150,388	Active
Colchester Global Investors	Cash Reserve Account Advisor	May-09	453,695	Active
Lazard Asset Management	Cash Reserve Account Advisor	Aug-09	2,102,854	Active
State Street Global Advisors	Cash Reserve Account Advisor	Mar-96	264,981	Active
Total Liquidity Fund Advisor Compensation			**$3,472,887**	
Developed Market International Equity Investment Advisory Services				
Acadian Asset Management	International Equity Advisor	Sep-06	$1,084,538	Active
AQR Capital Management, LLC	International Equity Advisor	Sep-06	2,938,960	Active
Artio Global Asset Management	International Equity Advisor	Sep-06	2,198,991	Active
Blackrock(Merrill Lynch)	International Equity Advisor	Aug-03	661,189	Active
Dimensional Fund Advisors	International Equity Advisor	Mar-09	1,593,995	Active
Grantham, Mayo, Van Otterloo & Co	International Equity Advisor	Mar-96	2,779,799	Active

PENSION FUNDS MANAGEMENT DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 (1) (Continued)
FISCAL YEAR ENDED JUNE 30, 2011

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2011	Status at June 30, 2011
Invesco Global Asset Management	International Equity Advisor	Aug-03	692,071	Active
MFS Institutional Advisors	International Equity Advisor	Aug-03	1,990,305	Active
Pareto Partners\Bank of New York	International Equity Advisor	Feb-04	2,452,593	Active
Progress Investment Management	International Equity Advisor	Jul-05	748,782	Active
Pyramis Investment (Fidelity)	International Equity Advisor	Aug-03	1,595,583	Active
Schroder Investment Management	International Equity Advisor	Sep-06	1,475,062	Active
State Street Global Advisors	International Equity Advisor	Mar-96	439,594	Active
William Blair & Company	International Equity Advisor	Mar-09	2,032,604	Active
Total Developed Market International Equity Advisor Compensation			**$22,684,066**	
Emerging Market International Equity Advisory Services				
Aberdeen Asset Management	International Equity Advisor	Jul-09	$3,380,056	Active
Emerging Markets Management LLC	International Equity Advisor	Aug-03	4,106,071	Active
Grantham, Mayo, Van Otterloo & Co	International Equity Advisor	Mar-96	4,935,690	Active
Schroder Investment Management	International Equity Advisor	Jan-10	3,034,520	Active
Total Emerging Market International Equity Advisor Compensation			**$15,456,337**	
Alternative Investment Advisory Services				
TCW-EIG Alternative Investment	Alternative Investment Advisor	Apr-11	$666,725	Active
Total Alternative Advisor Compensation			**$666,725**	
Real Estate Investment Advisory Services (2)				
AEW Capital Management, LP(Core)	Real Estate Advisor	Aug-98	$1,132,993	Active
Apollo Real Estate Advisors III	Real Estate Advisor	May-98	29,749	Active
Blackstone Real Estate Partners VI	Real Estate Advisor	Aug-07	1,499,801	Active
Blackstone Real Estate Partners Europe III	Real Estate Advisor	Nov-08	750,000	Active
Canyon Johnson Urban Fund III LP	Real Estate Advisor	Feb-08	1,437,500	Active
MacFarlane Urban Real Estate Fund II	Real Estate Advisor	Oct-08	1,849,589	Active
RLJ Urban Lodging Fund III, LP	Real Estate Advisor	Aug-07	426,176	Terminated
Rockwood Capital Partners Fund V	Real Estate Advisor	Apr-04	100,000	Active
Rockwood Capital Partners Fund VII	Real Estate Advisor	Jun-06	171,250	Active
Total Real Estate Advisor Compensation			**$7,397,058**	
Commercial Mortgage Investment Advisory Services				
AEW Capital Management, LP	Commercial Mortgage Advisor	Aug-87	$25,000	Active
Total Commercial Mortgage Advisor Compensation			**$25,000**	
Private Investment Advisory Services (2)				
Altaris Health Partners, LP	Private Investment Advisor	Sep-04	$582,712	Active
Altaris Healthcare Partners II, LP	Private Investment Advisor	Oct-07	494,565	Active
AIG Global Emerging Markets Fund, LP	Private Investment Advisor	Dec-97	279,708	Active
Audax Mezzanine Fund III, LP	Private Investment Advisor	May-10	527,283	Active
Boston Venture Capital Partners VII, LP	Private Investment Advisor	May-07	750,000	Active
Court Square Capital Partners II, LP	Private Investment Advisor	Dec-06	904,094	Active
Constitution Liquidating Fund, LP	Private Investment Advisor	Jul-87	354,945	Active
CS\CT Cleantech Opportunities Fund, LP	Private Investment Advisor	Jul-07	180,208	Active
CT Horizon Legacy Fund, LP	Private Investment Advisor	Jun-08	50,000	Active
Ethos Capital Fund V, LP	Private Investment Advisor	Aug-06	1,292,704	Active
Fairview Constitution II, LP	Private Investment Advisor	May-05	1,300,000	Active
Fairview Constitution III, LP	Private Investment Advisor	Jun-07	2,400,000	Active
FS Equity Partners V, LP	Private Investment Advisor	Mar-04	198,323	Active
FS Equity Partners VI, LP	Private Investment Advisor	Mar-04	286,657	Active
Garmark Partners, II LP	Private Investment Advisor	Jun-95	719,617	Active
GS Private Equity Partners CT, LP	Private Investment Advisor	May-97	411,767	Active
ICV Associates II, LP	Private Investment Advisor	Oct-05	628,189	Active
KKR Associates 2006 Fund, LP	Private Investment Advisor	May-07	1,348,975	Active
KKR Associates Millenium Fund, LP	Private Investment Advisor	Jul-01	80,291	Active
Leeds Equity Associates V, LP	Private Investment Advisor	Apr-09	466,100	Active
Levine Leichtman Capital Partners IV, LP	Private Investment Advisor	Jul-08	897,095	Active

PENSION FUNDS MANAGEMENT DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 [1] (Continued)
FISCAL YEAR ENDED JUNE 30, 2011

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2011	Status at June 30, 2011
M2 – CT Emerging Private Equity Fund-of-Funds, LP	Private Investment Advisor	Nov-07	1,050,000	Active
Nogales Investors II, LP	Private Investment Advisor	Oct-06	145,585	Active
Nutmeg Opportunities Fund, LP	Private Investment Advisor	Oct-09	103,945	Active
Pegasus Investors IV, LP	Private Investment Advisor	Aug-07	1,009,618	Active
SW Pelham Fund II, LP	Private Investment Advisor	Dec-02	189,585	Active
RFE Associates VII, LP	Private Investment Advisor	Feb-08	531,021	Active
Syncom Partners V, LP	Private Investment Advisor	Apr-06	586,345	Active
Thayer Equity Investors IV, LP	Private Investment Advisor	Nov-98	165,897	Active
Thomas H.Lee Equity Fund VI, LP	Private Investment Advisor	Jul-07	521,870	Active
Vista Equity Partners III, LP	Private Investment Advisor	Apr-08	570,546	Active
Wellspring Capital Partners III, LP	Private Investment Advisor	Apr-03	227,752	Active
WLR Recovery Associates IV, LP	Private Investment Advisor	Oct-07	733,935	Active
Yucaipa American Alliance Fund, LP	Private Investment Advisor	Jul-08	968,697	Active
Total Private Equity Advisor Compensation			**$20,958,029**	
Custodian Advisory Services				
State Street Bank & Trust Company	Custody Investment Advisor	Mar-96	$2,222,533	Active
Total Custodian Advisor Compensation			**$2,222,533**	
TOTAL COMPENSATION TO INVESTMENT ADVISORS			**$91,647,001**	
CONSULTING SERVICES				
CRA Rogers Casey	Consultant -Pension Funds	Jan-01	$240,225	Active
Franklin Park Associates LLC	Consultant -Private Investment	Jul-04	956,085	Active
Mercer Investment Consulting	Consultant -Pension Funds	Oct-07	505,250	Active
New England Pension Consultants(NEPC)	Consultant -Pension Funds	Jun-08	397,747	Active
The Townsend Group	Consultant -Pension Funds	Mar-08	250,000	Active
TOTAL CONSULTING SERVICES COMPENSATION			**$2,349,307**	
MISCELLANEOUS SERVICES				
Baker & Botts	Legal Services	Sep-10	$351,936	Active
Day Pitney	Legal Services	Jun-03	46,617	Active
Edwards Angell Palmer & Dodge	Legal Services	Dec-07	64,508	Active
Groom Law Group	Legal Services	Feb-08	56,853	Active
Lowe & Associates	Legal Services	Sep-10	25,367	Active
McCarter & English	Legal Services	Sep-10	53,174	Active
Pullman & Comley	Legal Services	Jul-03	11,274	Active
Reinhart Boerner Van Deuren	Legal Services	Dec-07	36,585	Active
Robinson & Cole	Legal Services	Dec-07	27,865	Active
A & A Office Systems	Photocopier Lease	N/A	5,140	Active
Advanced Corporate Networking	Computer Hardware	N/A	5,773	Active
Bloomberg Financial LP	Subscription	N/A	47,700	Active
Council of Institutional Investors	Membership Dues	N/A	29,900	Active
Institutional Shareholder Services	Proxy Voting	Nov-99	84,550	Active
Investor Responsibility Support Services	Asset Recovery	Dec-02	25,000	Active
Murphy Security Services	Security Services	N/A	7,900	Active
PRI Association	Subscription	N/A	10,553	Active
Suburban Stationers	Office Supplies	N/A	5,261	Active
Waste News	Subscription	N/A	6,196	Active
West Group	Subscription	N/A	12,884	Active
TOTAL MISCELLANEOUS SERVICES COMPENSATION			**$915,036**	
GRAND TOTAL			**$94,911,344**	

(1) Expenses are presented on a cash basis.

(2) Alternative Investment Management fees for the Private Investment Fund and the Real Estate Fund include capitalized fees and expensed fees. Capitalized fees are part of the cost of the investment and become a component of unrealized gain(loss). Capitalized fees are disclosed in Note 1 of the Combined Investment Funds Financial Statements. Expensed fees which are not part of the cost of the investment are recorded in the Statement of Operations.

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT

JUNE 30, 2011

Name of Fund	Investment Strategy		Net Assets Under Management	Percent of Fund Total
LIQUIDITY (LF)				
State Street Global Advisors	Active	$	748,368,894	43.11%
Payden & Rygel	Active		130,709,153	7.53%
PIMCO	Active		184,811,003	10.65%
Ambassador Capital Management	Active		174,529,169	10.05%
Lazard	Active		253,085,162	14.58%
Colchester Global Investors Ltd.	Active		244,448,375	14.08%
SUBTOTAL LF		**$**	**1,735,951,756**	**100.00%**
MUTUAL EQUITY FUND (MEF)				
Large Cap		**$**	**4,349,689,055**	**65.53%**
T. Rowe Price Associates	Enhanced - Index		949,008,871	14.30%
State Street Global Advisors	Passive - Indexed		3,400,680,184	51.23%
Active Extension			**746,909,829**	**11.25%**
Pyramis	Active		382,472,887	5.76%
Numeric	Active		364,436,942	5.49%
All Cap			**354,143,230**	**5.33%**
Capital Prospects	Active		180,524,387	2.72%
FIS Group, Inc.	Active		173,618,843	2.61%
Small/Mid Cap			**494,466,341**	**7.45%**
AXA Rosenberg Investment Management	Enhanced - Index		494,466,341	7.45%
Small/Mid Cap			**440,465,635**	**6.64%**
Frontier Capital Mgmt Co	Active		259,227,511	3.91%
Bivium	Active		181,238,124	2.73%
Other (1)			**252,187,259**	**3.80%**
SUBTOTAL MEF		**$**	**6,637,861,349**	**100.00%**
CORE FIXED INCOME FUND (CFIF)				
State Street Global Advisors	Passive	$	1,034,932,957	38.08%
BlackRock Financial Management, Inc.	Active		670,848,445	24.68%
Wellington	Active		533,857,499	19.64%
Phoenix	Active		328,279,063	12.08%
Progress	Active		138,600,374	5.10%
Other (1)			**11,550,908**	**0.42%**
SUBTOTAL CFIF		**$**	**2,718,069,246**	**100.00%**
INFLATION LINKED BOND FUND (ILBF)				
Brown Brothers Harriman	Active	$	631,810,431	56.44%
Hartford Investment Mgmt Co.	Active		487,011,471	43.51%
Other (1)			**605,289**	**0.05%**
SUBTOTAL ILBF		**$**	**1,119,427,191**	**100.00%**
EMERGING MARKET DEBT FUND (EMDF)				
Ashmore	Active	$	327,567,335	28.29%
Stone Harbor Investment Partners	Active		289,371,354	24.99%
ING Investment Management	Active		221,115,482	19.10%
Pyramis	Active		152,907,758	13.21%
UBS Global Asset Management	Active		167,231,170	14.44%
Other (1)			**(379,149)**	**-0.03%**
SUBTOTAL EMDF		**$**	**1,157,813,950**	**100.00%**
HIGH YIELD INCOME FUND (HYIF)				
Loomis Sayles & Co., Inc.	Active	$	228,508,388	31.85%
Stone Harbor Investment Partners	Active		100,540,205	14.01%
Shenkman Capital Management	Active		239,821,174	33.42%
Oaktree Capital Management, L.L.C.	Active		144,593,300	20.15%
Other (1)			**4,113,663**	**0.57%**
SUBTOTAL HYIF		**$**	**717,576,730**	**100.00%**

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)

JUNE 30, 2011

Name of Fund	Investment Strategy		Net Assets Under Management	Percent of Fund Total
DEVELOPED MARKET INTERNATIONAL STOCK FUND (DMISF)				
Index		**$**	**618,965,748**	**11.44%**
State Street Global Advisors	Index-Passive		618,965,748	11.44%
Core			**1,849,620,814**	**34.19%**
Invesco Global Asset Mgmt.	Active		225,720,371	4.17%
AQR Capital Management	Active		709,699,814	13.12%
Acadian Asset Management	Active		239,312,412	4.42%
Artio Global	Active		552,012,604	10.21%
Progress	Active		122,875,613	2.27%
Active-Growth			**666,633,801**	**12.33%**
MFS Institutional Advisors, Inc.	Active		666,633,801	12.33%
Active-Value			**616,109,382**	**11.39%**
Grantham, Mayo, Van Otterloo	Active		616,109,382	11.39%
Small Cap			**859,932,581**	**15.90%**
Schroder Investment Mgmt.	Active		295,978,786	5.47%
Dimensional Fund Advisors	Active		265,344,305	4.91%
William Blair & Company	Active		298,609,490	5.52%
Risk Controlled			**825,113,367**	**15.26%**
BlackRock	Active		401,410,912	7.42%
Pyramis	Active		423,702,455	7.84%
Other (1)			**(27,673,835)**	**-0.51%**
SUBTOTAL DMISF		**$**	**5,408,701,858**	**100.00%**
EMERGING MARKET INTERNATIONAL STOCK FUND (EMISF)				
Aberdeen Asset Management	Active	$	649,192,062	24.61%
Schroders Investment Mgt	Active		519,626,634	19.70%
Grantham, Mayo, Van Otterloo	Active		754,435,835	28.60%
Emerging Markets Management	Active		707,713,117	26.83%
Other (1)			**7,031,558**	**0.26%**
SUBTOTAL EMISF		**$**	**2,637,999,206**	**100.00%**
REAL ESTATE FUND (REF)				
1800 E. St. Andrew Place	Active	$	17,718,587	1.61%
1155 Perimeter Center West	Active		26,978,805	2.46%
AEW Partners III	Active		6,184,858	0.56%
AEW 221 Trust	Active		2,137,623	0.19%
AEW Core	Active		44,928	0.00%
Alliance Bernstein Legacy	Active		52,936,515	4.82%
Apollo Real Estate	Active		11,611,733	1.06%
Blackstone Real Estate VI LP	Active		102,645,074	9.35%
Blackstone Real Estate Spec Sit II LP	Active		26,523,834	2.42%
Blackstone Real Estate Partner Europe III LP	Active		6,707,543	0.61%
Canyon Johnson Urban Fund II	Active		27,267,184	2.49%
Canyon Johnson Urban Fund III	Active		12,658,348	1.15%
Capri Select Income II LLC	Active		6,424,830	0.59%
Colony Realty Partners II LP	Active		24,181,610	2.20%
Cornerstone Patriot	Active		49,996,200	4.56%
Covenant Apartment Fund V LP	Active		25,731,250	2.35%
Covenant Apartment Fund VI	Active		22,313,540	2.03%
The Glen at Lafayette Hill	Active		13,347,468	1.22%
IL & FS India Realty Fund II	Active		32,128,701	2.93%
Macfarlane Urban Real Estate Fund II LP	Active		31,642,385	2.88%
Marathon Legacy Securities PPI	Active		61,544,800	5.61%
Mullica Hill Plaza	Active		8,537,811	0.78%
North Scottsdale Corporate Center	Active		41,966,361	3.82%
Prime Property Fund	Active		123,937,350	11.30%
Rio Hill Shopping Center	Active		39,361,216	3.59%
Lone Star Real Estate Part II LP	Active		3,612,780	0.33%
RLJ Lodging Trust	Active		63,062,410	5.75%
Rocky Creek Apartments	Active		13,206,195	1.20%
Rockwood Capital Fund V	Active		9,164,238	0.84%
Rockwood Capital VI Limited Partnership	Active		10,059,141	0.92%

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)

JUNE 30, 2011

Name of Fund	Investment Strategy		Net Assets Under Management	Percent of Fund Total
Rockwood Capital VII Limited Partnership	Active		16,908,700	1.54%
Starwood Opportunity Fund VII	Active		34,859,600	3.18%
Starwood Opportunity Fund VIII	Active		39,137,274	3.57%
Urban Strategy America Fund LP	Active		29,322,595	2.67%
Walton Street Real Estate	Active		16,680,034	1.52%
WLR IV PPIP Co Invest LP	Active		46,672,057	4.25%
Other (3)	**Active**		**40,053,701**	**3.65%**
SUBTOTAL REF		**$**	**1,097,267,279**	**100.00%**
COMMERCIAL MORTGAGE FUND (CMF)				
AEW Capital Management	Active	$	2,072,818	86.72%
Other (2)			**317,456**	**13.28%**
SUBTOTAL CMF		**$**	**2,390,274**	**100.00%**
PRIVATE INVESTMENT FUND (PIF)				
Buyout		**$**	**999,457,630**	**44.77%**
KKR Millennium Fund	Active		85,974,801	3.85%
Yucaipa American Alliance Fund II LP	Active		65,529,535	2.93%
Hicks, Muse Tate & Furst Equity Fund III	Active		24,671,237	1.10%
Thomas H. Lee Equity Fund VI	Active		71,443,658	3.20%
Welsh Carson Anderson & Stowe VIII	Active		7,044,582	0.32%
Wellspring Capital Partners III	Active		12,258,245	0.55%
SCP Private Equity Partners	Active		419,674	0.02%
TA XI, L.P.	Active		14,231,282	0.64%
Charterhouse Equity Partners IV	Active		62,402,655	2.80%
DLJ Merchant Banking Fund II	Active		3,712,098	0.17%
KKR 1996 Fund	Active		2,245,265	0.10%
FS Equity Partners V	Active		52,106,243	2.33%
FS Equity Partners VI	Active		23,809,200	1.07%
Blackstone Capital Partners III	Active		8,320,013	0.37%
Thayer Equity Investors IV	Active		1,991,131	0.09%
Green Equity Investors III	Active		2,327,999	0.10%
Wellspring Capital Partners II	Active		2,142,723	0.10%
Candover 2008 Fund	Active		8,467,011	0.38%
Leeds Equity Partners V LP	Active		10,388,157	0.47%
Welsh Carson Anderson & Stowe XI	Active		34,321,268	1.54%
AIG Healthcare Partners LP	Active		20,952,199	0.94%
AIG Altaris Health Partners II	Active		11,815,392	0.53%
Welsh Carson Anderson & Stowe X LP	Active		87,370,525	3.91%
Court Square Capital Partners II	Active		79,567,617	3.56%
Ethos Private Equity Fund V	Active		32,616,110	1.46%
Boston Ventures VII	Active		51,094,882	2.29%
KKR 2006 Fund	Active		96,902,601	4.34%
Nogales Investors Fund II	Active		12,137,058	0.54%
ICV Partners II LP	Active		34,104,500	1.53%
Vista Equity Partners Fund III	Active		48,736,119	2.18%
RFE Investments Partners	Active		1,477,601	0.07%
RFE Investment Partners VII	Active		28,876,249	1.29%
Venture Capital			**20,359,448**	**0.91%**
Conning Capital Partners V	Active		519,986	0.02%
Grotech Partners V	Active		2,647,214	0.12%
Crescendo III	Active		2,025,342	0.09%
Syndicated Communications	Active		15,166,906	0.68%
Mezzanine			**53,246,070**	**2.39%**
SW Pelham Fund	Active		3,482,490	0.16%
Audax Mezzanine III Limited Partnership	Active		3,966,725	0.18%
GarMark Partners	Active		519,327	0.02%
GarMark Partners II LP	Active		39,729,499	1.78%
SW Pelham Fund II	Active		5,548,029	0.25%

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)

JUNE 30, 2011

Name of Fund	Investment Strategy		Net Assets Under Management	Percent of Fund Total
International			**112,398,113**	**5.04%**
Compass Partners European Equity Fund	Active		17,228,646	0.77%
Gilbert Global Equity Partners	Active		37,240,785	1.67%
Carlyle Europe Partners	Active		(39,545)	0.00%
AIG Global Emerging Markets Fund	Active		10,179,928	0.46%
Carlyle Asia Partners	Active		47,788,299	2.14%
Fund of Funds			**668,142,401**	**29.93%**
The Constitution Liquidating Fund	Active		133,519,602	5.98%
Landmark Private Equity Fund VIII	Active		25,621,504	1.15%
CS/CT Cleantech Opp Fund	Active		15,724,580	0.70%
CT Emerging Pvt Equity	Active		17,093,202	0.77%
Fairview Constitution III	Active		122,781,747	5.50%
Goldman Sachs Private Equity Partners CT	Active		6,084,690	0.27%
Lexington Capital Partners II	Active		2,800,161	0.13%
Parish Capital I LP	Active		39,753,296	1.78%
Parish Capital Buyout Fund II	Active		121,798,328	5.46%
Fairview Constitution II LP	Active		147,371,586	6.60%
Connecticut Horizon Legacy	Active		5,396,604	0.24%
Landmark Equity Partners XIV LP	Active		20,716,133	0.93%
JP Morgan Nutmeg I	Active		9,480,968	0.42%
Special Situations			**299,206,486**	**13.40%**
Welsh Carson Anderson & Stowe Capital Partners III	Active		12,545,428	0.56%
Levine Leichtman Capital Partners IV LP	Active		33,873,345	1.52%
Greenwich Street Capital Partners II	Active		1,554,180	0.07%
Pegasus Partners IV	Active		161,583,508	7.24%
WLR Recovery Fund IV	Active		61,768,314	2.76%
KPS Special Situations Fund II	Active		27,881,711	1.25%
Other (3)			**79,538,148**	**3.56%**
SUBTOTAL PIF		**$**	**2,232,348,296**	**100.00%**
ALTERNATIVE INVESTMENT FUND (AIF)				
Energy Fund XV Limited Partnership	Active	$	3,900,000	0.75%
Prudence Crandall I Permal Limited Partnership	Active		101,433,300	19.55%
Prudence Crandall II Prisma Limited Partnership	Active		102,948,400	19.84%
Prudence Crandall III Rock Creek Ltd. Partnership	Active		101,961,900	19.65%
Prudence Crandall IV K2 Limited Partnership	Active		100,606,100	19.39%
Other (3)			**108,015,906**	**20.82%**
SUBTOTAL AIF		**$**	**518,865,606**	**100.00%**
TOTAL		**$**	**25,984,272,741**	
Adjustments (4)			**(800,608,055)**	
GRAND TOTAL		**$**	**25,183,664,686**	

(1) Other represents cash equivalents, other net assets and terminated advisor balances, as well as, currency overlay balances for the DMISF.
(2) Other also includes residential mortgage-backed securities for the Commercial Mortgage Fund.
(3) Other represents moneys earmarked for distribution to participants, reinvestment, and expenses as well as terminated advisor balances.
(4) Represents Elimination Entry to the Financial Statements to account for investment of Combined Investment Funds in the Liquidity Fund.

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Broker Name	$ Commission	Shares/ Par Value	Avg Comm
ABEL NOSER CORPORATION	7,340.85	153,265.00	0.05
ABG SECURITIES AS (STOCKHOLM)	2,854.71	101,778.00	0.03
ABG SECURITIES LIMITED	13,207.27	717,566.00	0.02
ABG SUNDAL COLLIER NORGE ASA	840.89	89,175.00	0.01
ABM AMRO HOARE GOVETT ASIA LTD, SEOUL	3,153.30	128,346.00	0.02
ABN AMRO ASIA LIMITED	23,458.21	20,334,280.00	0.00
ABN AMRO BANK N. V. HONG KONG	16,901.54	5,129,743.00	0.00
ABN AMRO BANK N.V. FORMELY KNO	573.71	7,077.00	0.08
ABN AMRO BANK NV HONG KONG BRANCH	4,778.24	3,982,114.00	0.00
ABN AMRO INCORPORATED	4,623.56	153,310.00	0.03
ACCESS SECURITIES INC	7,204.50	240,150.00	0.03
ACTINVER CASA DE BOLSA SA DE CV	4,138.76	488,600.00	0.01
ADAMS HARKNESS AND HILL INC	5,579.27	142,779.00	0.04
AGORA CORDE TITUL E VAL MOB	274.05	28,739.00	0.01
ALARIS TRADING PARTNERS	362.88	20,315.00	0.02
ALBERT FRIED & COMPANY LLC	24.00	1,200.00	0.02
ALLEN & COMPANY INCORPORATED	3,339.00	155,100.00	0.02
ALLEN & COMPANY LLC	3,228.00	107,600.00	0.03
ALTIUM CAP	275.76	47,861.00	0.01
ALTIUM CAPITAL LTD	277.07	72,394.00	0.00
ALTRUSHARE SECURITIES LLC	3,078.45	102,615.00	0.03
AMERICAN PORTFOLIOS FINANIAL	310.93	7,335.00	0.04
AMERICAN TECHNOLOGY RESEARCH INC	2,429.00	67,900.00	0.04
AQUA SECURITIES LP	98.80	4,940.00	0.02
ARBUTHNOTSECURITIES LIMITED	854.28	28,478.00	0.03
ASIAN SECURITIES (PVT) LTD	4,567.36	207,700.00	0.02
ASSENT LLC	3.75	375.00	0.01
ATA SECURITIES INC. (ISTANBUL)	9,591.89	893,303.00	0.01
AUTREPAT-DIV RE	4,077.10	2,275,939.44	0.00
AVONDALE PARTNERS LLC	4,607.97	124,401.00	0.04
BAIRD ROBERT W. & COMPANY INCORPORATED	25,347.08	21,017,499.54	0.00
BANCA IMISECURITIES CORP	4,138.58	120,053.00	0.03
BANCO BILBAO VIZCAYA ARGENTARI	2,979.12	291,677.00	0.01
BANCO DE INVESTIMENTOS CREDIT	2,089.09	205,029.00	0.01
BANCO ITAU S.A.	3,027.21	150,011.00	0.02
BANCO ITAU SA	71,401.09	3,743,909.00	0.02
BANCO NACIONAL DE MEXICO S.A.	523.93	111,700.00	0.00
BANCO PACTUAL S.A.	21,162.64	762,346.00	0.03
BANCO SANTANDER BRASIL SA	4,026.08	18,365,086.00	0.00
BANCO SANTANDER CENTRAL HISPANO	61,253.99	57,548,516.00	0.00
BANCO SANTANDER DE NEGOCIOS	6,595.66	191,816,505.53	0.00
BANCO SANTANDER MEXICANO, S.A.	237.91	4,137,900.00	0.00
BANK AUSTRIA CREDITANSTALT AG	1,790.67	106,420.00	0.02
BANK AUSTRIA CREDITANSTALT HUNGARY	2,649.76	6,576.00	0.40
BANK HANDLOWY WARSAW POLAND	162.43	1,000.00	0.16
BANK J.VONTOBEL UND CO. AG	8,774.36	78,553.00	0.11
BANK OF NEW YORK BRUSSELS	1,504.41	6,488,226.00	0.00
BANKHAUS HERMANN LAMPE	137.91	1,701.00	0.08
BANQUE NATIONAL DE PARIS	214.18	270,260,400.00	0.00
BARCLAYS BANK PLC	8,395.42	8,610,172.00	0.00
BARCLAYS CAPITAL	159,078.24	90,640,154,158.40	0.00
BARCLAYS CAPITAL INC	53,118.10	818,221,647.52	0.00
BARCLAYS CAPITAL INC.	48,856.99	7,456,234,295.37	0.00
BARCLAYS CAPITAL INC./LE	6,945.72	4,968,855.00	0.00
BARCLAYS CAPITAL LE	37,707.51	6,068,515.00	0.01
BARCLAYS CAPITAL SECURITES LIMITED	314.93	11,100.00	0.03
BARCLAYS CTVM S.A.	1,871.07	66,835.00	0.03
BARRINGTON RESEARCH ASSOCIATES INC.	1,372.95	29,646.00	0.05
BEAL M R AND COMPANY	234.00	11,700.00	0.02
BEAR STEARNS SECURITIES CORP	1,206.81	27,810.00	0.04
BHF-BANK AKTIENGESELLSCHAFT	19.64	500.00	0.04
BHIRUD ASSOCIATES, INC	364.50	6,075.00	0.06
BLAYLOCK ROBERT VAN LLC	3,999.66	272,410.00	0.01
BLEY INVESTMENT GROUP	3,491.52	92,963.00	0.04
BLOOMBERGTRADEBOOK LLC	19,399.39	740,958.00	0.03
BMO CAPITAL MARKETS	1,046.05	36,211.00	0.03
BNP EQUITIES FRANCE	1,713.26	420,747.00	0.00
BNP PARIBAS	3,530.24	2,371,786.00	0.00
BNP PARIBAS BROKERAGE SECURITIES INC	443.00	653,150.00	0.00
BNP PARIBAS PEREGRINE SECS PT	25,448.36	27,857,100.00	0.00
BNP PARIBAS PEREGRINE SECURITIES	52,644.64	21,318,113.00	0.00
BNP PARIBAS SA	4,697.12	37,578,115.00	0.00
BNP PARIBAS SECURITIES (ASIA) LTD	1,137.42	239,680.00	0.00
BNP PARIBAS SECURITIES SERVICES	13,165.98	4,108,786.00	0.00
BNY BROKERAGE	3,194.35	91,267.00	0.04
BNY CONVERGEX	140,413.71	3,828,399.00	0.04
BNY CONVERGEX LJR	68,565.62	9,674,870.00	0.01
BNY MELLON/VTB CAPITAL PLC	23,696.60	2,537,550.00	0.01
BOCI SECURITIES LIMITED	4,440.55	3,404,400.00	0.00
BOCI SECURITIES LTD.	9,311.24	3,007,100.00	0.00
BOE SECURITIES INC	504.00	12,600.00	0.04
BOE SECURITIES INC/BROADCORT CAP CORP	1,165.38	32,332.00	0.04
BOENNING + SCATTERGOOD INC	4,116.70	141,050.00	0.03
BRADESCO S.A CTVM	5,511.40	192,184.00	0.03
BREAN MURRAY, CARRET& CO., LLC	424.00	8,480.00	0.05
BREWIN DOLPHIN BELL LAWRIE LIMITED	522.68	140,000.00	0.00

Broker Name	$ Commission	Shares/ Par Value	Avg Comm
BROADCORTCAPITAL (THRU ML)	413.00	38,100.00	0.01
BROCHHOUSE COOPER	207.82	8,163.00	0.03
BROCKHOUSE + COOPER INC MONTREAL	6,050.86	317,996.00	0.02
BRUNSWICKWARBURG NOMINEES	786.81	3,285,241.00	0.00
BTIG, LLC	5,208.30	155,974.00	0.03
BUCKINGHAM RESEARCH GROUP INC	589.21	12,247.00	0.05
CABRERA CAPITAL MARKETS	32,966.80	6,295,536.87	0.01
CACEIS BANK DEUTSCHLAND GMBH	6,167.17	335,836.00	0.02
CADIZ STOCK BROKING	2,086.23	61,024.00	0.03
CALYON SECURITIES	6,284.71	547,270.00	0.01
CANACCORDADAMS LIMITED	3,549.66	690,989.00	0.01
CANACCORDGENUITY CORP.	8,168.26	431,674.00	0.02
CANACCORDGENUITY INC	26,555.70	617,955.00	0.04
CANTOR CLEARING SERVICES	93.00	3,100.00	0.03
CANTOR FITZ EUR 2	11,178.54	978,241.00	0.01
CANTOR FITZGERALD	45.53	10,100.00	0.00
CANTOR FITZGERALD & CO / CASTLEOAK SEC	135.36	2,058,384.00	0.00
CANTOR FITZGERALD (HONG KONG)	261.17	35,194.00	0.01
CANTOR FITZGERALD + CO.	45,679.57	28,672,560.79	0.00
CANTOR FITZGERALD AND CO	1,320.90	3,111,277.00	0.00
CANTOR FITZGERALDINTERNATIONAL	2,252.36	28,907.00	0.08
CAPITAL INSTITUTIONAL SVCS INC EQUITIES	21,204.45	907,927.00	0.02
CARIS + COMPANY INC	3,069.84	61,721.00	0.05
CARNEGIE	3,703.29	372,036.00	0.01
CARNEGIE A S	2,475.60	109,020.00	0.02
CARNEGIE BK	3,061.73	18,639.00	0.16
CARNEGIE SECURITIES FINLAND	5,560.67	128,893.00	0.04
CAZENOVE ASIA LTD	4,442.29	2,212,000.00	0.00
CELFIN CAPITAL SA CORREDORES DE BOLSA	3,356.88	7,569,244.00	0.00
CENTRAL DEPOSITORY(PTE)LTD	363.50	483,750.00	0.00
CENTRO INTERNATIONALE HANDELSBANK	5,198.25	42,671.00	0.12
CESKA SPORITELNA	2,933.49	20,910.00	0.14
CHARLES SCHWAB & CO INC	2,149.61	880,571.00	0.00
CHEUOR CREDIT AG CHEUVREUX SA	51.72	39,010.00	0.00
CHICAGO ANALYTIC TRADING COMPANY	5,763.16	136,093.00	0.04
CHINA INTRTNL CAP CORP HK SECS LTD	12,039.92	7,603,463.00	0.00
CIBC WORLD MARKETS CORP	2,184.55	3,330,188.69	0.00
CIBC WORLD MKTS INC	5,493.54	4,439,992.00	0.00
CICC US SECURITIES, INC.	3,119.81	2,070,000.00	0.00
CITATION GROUP	1,578.03	52,601.00	0.03
CITIBANK AS PRAHA	2,899.81	21,994.00	0.13
CITIBANK BUDAPEST RT	5,897.04	38,712.00	0.15
CITIBANK BUDAPEST RT(HUNGARY)	1,492.58	14,734.00	0.10
CITIBANK MEXICO	521.92	13,122,547.00	0.00
CITIBANK N.A.	8,286.20	8,495,327,288.96	0.00
CITIBANK N.A. ISTANBUL	19.74	94,617.61	0.00
CITIBANK NA	574.15	13,109,310.00	0.00
CITIBANK NA SRI LANKA	6.92	300.00	0.02
CITIGROUPGLBL MARKTET KOERA SECS LTD	23,451.76	278,004.00	0.08
CITIGROUPGLOBAL MARKETS ASIA LTD	15,664.52	4,513,752.00	0.00
CITIGROUPGLOBAL MARKETS AUSTRALIA PTY	10,721.18	2,717,318.00	0.00
CITIGROUPGLOBAL MARKETS INC	159,292.66	695,520,635.12	0.00
CITIGROUPGLOBAL MARKETS INC SALOMON BRO	437.86	6,173,385,605.01	0.00
CITIGROUPGLOBAL MARKETS INC.	240,606.58	20,150,991,632.23	0.00
CITIGROUPGLOBAL MARKETS LIMITED	238,909.35	5,185,073,243.00	0.00
CITIGROUPGLOBAL MARKETS SINGAPORE SECUR	243.70	7,861,638.06	0.00
CITIGROUPGLOBAL MARKETS UK EQUITY LTD	34,455.10	3,978,599.00	0.01
CLSA AUSTRALIA PTY LTD	687.81	37,300.00	0.02
CLSA SECURITIES KOREA LTD.	6,924.08	47,684.00	0.15
CLSA SECURITIES MALAYSIA SDN BHD	1,672.20	1,345,834.00	0.00
CLSA SINGAPORE PTE LTD.	37,662.07	8,535,484.00	0.00
COLLINS STEWART	1,554.34	90,205.00	0.02
COLLINS STEWART + CO	3,251.69	107,554.00	0.03
COLLINS STEWART INC.	999.00	33,300.00	0.03
COLLINS STEWART LLC	1,727.00	55,740.00	0.03
COMMERCE INTL MERCHANT BANKERS	3,178.15	852,464.00	0.00
COMMERZBANK AG	1,724.93	77,405.00	0.02
COMMONWEALTH BANK OF AUSTRALIA	11.97	2,251.00	0.01
COMPASS POINT RESEARCH + TRADING, LLC	1,453.51	53,200.00	0.03
CONCORDE ERTEKPAPIR UGYNOKSEG RT	19.60	60.00	0.33
CORE PACIFIC SECURITIES INTL LIMITED	777.84	1,506,000.00	0.00
CORPCAPITAL CORREDORES DE BOLSA SA	118.50	208,800.00	0.00
COWEN ANDCOMPANY, LLC	23,257.98	1,004,505.00	0.02
CRAIG - HALLUM	6,860.18	213,021.00	0.03
CREDIT AGRICLE INDOSUEZ	1,331.21	119,625.00	0.01
CREDIT AGRICOLE INDOSUEZ CHEUVREUX	61,288.61	2,015,189.00	0.03
CREDIT AGRICOLE SECURITIES (USA) INC	30,639.58	1,495,402.00	0.02
CREDIT LYONNAIS CAPITAL INDONESIA	749.84	412,500.00	0.00
CREDIT LYONNAIS SECS	987.48	140,563.00	0.01
CREDIT LYONNAIS SECURITIES (USA) INC	64,147.13	14,015,244.00	0.00
CREDIT LYONNAIS SECURITIES ASIA GUERNSEY	3,450.53	32,982,700.00	0.00
CREDIT LYONNAIS SECURITIES(ASIA)	40,733.81	19,670,120.00	0.00
CREDIT RESEARCH + TRADING LLC	500.00	12,500.00	0.04
CREDIT SUISSE	672.17	4,618,212,650.00	0.00
CREDIT SUISSE FIRST BOSTON	1,504.93	5,352,946,160.00	0.00
CREDIT SUISSE FIRST BOSTON (EUROPE)	24,738.95	98,863,922.00	0.00

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Broker Name	$ Commission	Shares/ Par Value	Avg Comm
CREDIT SUISSE FIRST BOSTON SA CTVM	15,583.86	1,765,540.00	0.01
CREDIT SUISSE SECURITIES (EUROPE) LTD	307,325.12	5,231,074,391.00	0.00
CREDIT SUISSE SECURITIES (USA) LLC	629,860.96	9,351,480,907.98	0.00
CS FIRST BOSTON (HONG KONG) LIMITED	77,250.03	72,233,170.00	0.00
CS SECURITIES EUROPE LTD	124.62	2,222,038.00	0.00
CSFB AUSTRALIA EQUITIES LTD	5,436.03	1,961,438.00	0.00
CSI US INSTITUTIONAL DESK	759.30	18,606.00	0.04
D CARNEGIE AG	16,040.79	423,374.00	0.04
DAEWOO SECURITIES CO LTD	33,410.68	277,678.00	0.12
DAHLMAN ROSE + COMPANY LLC	799.50	25,450.00	0.03
DAIWA SECURITIES (HK) LTD.	33,460.85	17,198,571.00	0.00
DAIWA SECURITIES AMERICA INC	31,866.73	92,052,608.00	0.00
DANIEL STEWART AND COMPANY PLC	25.57	3,782.00	0.01
DANSKE BANK A.S.	11,543.14	123,991.00	0.09
DAVENPORT& CO. OF VIRGINIA, INC.	151.48	3,787.00	0.04
DAVIDSON D.A. + COMPANY INC.	1,027.50	33,200.00	0.03
DAVY STOCKBROKERS	2,931.93	250,398.00	0.01
DBS VICKERS (HONG KONG) LIMITED	4,388.90	2,013,000.00	0.00
DBS VICKERS SECURITIES (SINGAPORE)	14,223.14	6,207,047.00	0.00
DEAGROATT+ CAMPBELL SDN BHD	11,622.69	2,931,022.00	0.00
DENIZ YATIRIM MENKUL DEGERLER A.S.	3,431.23	684,714.00	0.01
DEUTSCHE BANK AG	507.37	2,753,100.00	0.00
DEUTSCHE BANK AG LONDON	180,273.01	6,421,439,468.72	0.00
DEUTSCHE BANK ALEX BROWN	954.70	27,620.00	0.03
DEUTSCHE BANK DE BARY AMSTERDAM	1,465.84	19,617.00	0.07
DEUTSCHE BANK OOO	851.38	131,102.00	0.01
DEUTSCHE BANK SECURITIES	345.45	25,588.00	0.01
DEUTSCHE BANK SECURITIES INC	439,588.65	24,215,280,298.40	0.00
DEUTSCHE MORGAN GRENFELL SECS	9,480.44	894,320.00	0.01
DEUTSCHE SECURITIES ASIA LIMITED	101,988.10	18,451,171.00	0.01
DEUTSCHE SECURITIES ASIA LTD	4,072.36	38,884.00	0.10
DIRECT ACCESS PARTNERS LLC	5,316.66	253,904.00	0.02
DIVINE CAPITAL MARKETS LLC	21,204.50	784,489.00	0.03
DNB NOR MARKETS CUSTODY DNB NORBANK ASA	4,868.44	115,397.00	0.04
DONGWON SECURITIES	15,925.12	158,027.00	0.10
DOUGHERTYCOMPANY	3,487.28	89,936.00	0.04
DOWLING &PARTNERS	10,664.74	359,608.00	0.03
DUNDAS UNLU SECURITIES INC.	13,812.41	2,560,033.00	0.01
DUPONT GILBERT SA	4,830.01	50,310.00	0.10
E. OHMAN JOB FONDKOMMISSION AB	1,101.02	22,329.00	0.05
EFG ISTANBUL MENKUL DE ERLER ANONIM SIR	2,716.39	287,389.00	0.01
EMERGING GROWTH EQUITIES LTD	595.00	59,500.00	0.01
ERSTE BANK DER OESTERREICHISCHEN	10,594.79	151,158.00	0.07
ESN NORTHAMERICA, INC.	346.50	6,345.00	0.05
EUROMOBILIARE SIM S.P.A.	6,730.22	1,324,654.00	0.01
EUROZ SECURITIES LIMITED	99.52	9,500.00	0.01
EVOLUTIONBEESON GREGORY LIMITED	3,669.23	113,796.00	0.03
EXANE S.A.	32,006.57	897,536.00	0.04
EXECUTION(HONG KONG) LIMITED	16,436.19	18,975,900.00	0.00
EXECUTIONLIMITED	1,588.26	190,198.00	0.01
FATOR - DORIA ATHERINO S.A CV	140.33	6,000.00	0.02
FIDELITY CAPITAL MARKETS	9,299.84	570,269.00	0.02
FIDENTIIS	245.71	13,300.00	0.02
FIG PARTNERS LLC	1,769.06	66,941.00	0.03
FINANCIALBROKERAGE GROUP (FBG)	16,745.54	2,453,647.00	0.01
FINANCIERA SAN PEDRO-PERU	2,417.00	75,900.00	0.03
FIRST ANALYSIS SECURITIES CORP	498.75	12,073.00	0.04
FIRST SOUTHWEST COMPANY	2,984.00	74,600.00	0.04
FOKUS BANK ASA	315.69	9,800.00	0.03
FRIEDMAN BILLINGS + RAMSEY	14,019.71	547,991.00	0.03
G TRADE SERVICES LTD	465.32	113,959.00	0.00
GARDNER RICH & CO	6,302.21	174,450.00	0.04
GBM INTERNATIONAL INC.	3,895.00	505,400.00	0.01
GILFORD SECURITIES	30.00	1,000.00	0.03
GLOBAL EQUITIES	186.32	5,804.00	0.03
GLOBAL HUNTER SECURITIES LLC	236.60	6,760.00	0.04
GMP SECURITIES LTD.	1,140.88	38,663.00	0.03
GOLDMAN SACHS (ASIA) LLC	16,789.07	237,949.00	0.07
GOLDMAN SACHS (JAPAN) LTD.	284.43	10,500.00	0.03
GOLDMAN SACHS + CO	342,045.01	5,372,169,356.77	0.00
GOLDMAN SACHS DO BRASIL BANCO MULTI AVEN	18,544.03	1,886,800.00	0.01
GOLDMAN SACHS INTERNATIONAL	157,003.37	29,305,738.16	0.01
GOLDMAN SACHS(ASIA)L.L.C.	40,789.65	2,834,600.00	0.01
GOODBODY STOCKBROKERS	3,429.21	188,017.00	0.02
GOODMORNING SHINHAN SECURITIES CO.	5,183.50	135,070.00	0.04
GORDON HASKETT	38.00	1,900.00	0.02
GREEN STREET ADVISORS	1,053.00	30,100.00	0.03
GREENTREEBROKERAGE SERVICES INC	2,143.01	86,328.00	0.02
GREENWICHPRIME	5,017.06	154,366.00	0.03
GREIG,MIDDLETON + CO	372.00	9,300.00	0.04
GUGGENHEIM CAPITAL MARKETS LLC	612.00	16,600.00	0.04
GUGGENHEIM CAPITAL, LLC	1,967.67	212,484.00	0.01
GUZMAN + CO	35,617.22	4,332,361.00	0.01
H RIVKIN	1,117.03	572,000.00	0.00
HEEVERS &CO. INC.	5,835.92	217,835.00	0.03
HEFLIN + CO LLC	17,574.30	880,510.00	0.02

Broker Name	$ Commission	Shares/ Par Value	Avg Comm
HEIGHT SECURITIES, LLC	776.90	23,540.00	0.03
HELVEA	625.08	3,420.00	0.18
HELVIA	63.18	104.00	0.61
HIBERNIA SOUTHCOAST CAPITAL INC	1,315.08	32,202.00	0.04
HONGKONG + SHANGHAI BANKING	18,374.26	5,940,740.00	0.00
HONGKONG AND SHANGHAI BANKING CORP	26,372.90	8,811,900.00	0.00
HONGKONG AND SHANGHAI BKG CORP	327.96	21,600.00	0.02
HOWARD WEIL DIVISION LEGG MASON	7,914.79	171,437.00	0.05
HSBC BANKBRASIL SA BANCO MULTIPLO	66.71	41,796.00	0.00
HSBC BANKPLC	72,790.73	1,600,535,472.00	0.00
HSBC BROKERAGE (USA) INC.	12.81	427.00	0.03
HSBC SECURITIES (USA) INC.	38,922.33	44,148,818,606.05	0.00
HSBC SECURITIES (USA), INC.	2,018.25	197,500.00	0.01
HSBC SECURITIES AUSTRALIA LTD	298.37	21,200.00	0.01
HUDSON SECURITIES INC	1,633.00	76,500.00	0.02
HVB CAPITAL MARKETS, INC	1,344.82	261,253.00	0.01
HYUNDAI SECURITIES CO. LTD.	1,873.76	38,933.00	0.05
ICAP CORPORATES LLC	360.00	9,000.00	0.04
ICAP SECURITIES LTD	84.44	200,702,444.00	0.00
IM TRUST S.A. CORREDORES DE BOLSA	1,523.78	83,183.00	0.02
ING BANK EURASIA ZAO	1,717.95	327,098.00	0.01
ING BANK N V	26,671.18	95,321,428.00	0.00
ING BANK N V HUNGARY BRANCH	6,108.03	22,543.00	0.27
ING BANK NV EQUITY	349.07	6,300.00	0.06
ING BARINGS CORP	1,296.00	2,402,400.00	0.00
ING FINANCIAL MARKETS LLC	72,568.60	550,325,914.00	0.00
INSTINET	27,252.92	1,660,321.89	0.02
INSTINET AUSTRALIA CLEARING SRVC PTY LTD	1,160.74	1,245,201.00	0.00
INSTINET CANADA	338.17	11,350.00	0.03
INSTINET FRANCE S.A.	2.20	147.00	0.01
INSTINET LLC	5,176.40	619,813.00	0.01
INSTINET PACIFIC LIMITED	46,316.28	50,225,595.00	0.00
INSTINET SINGAPORE SERVICES PT	637.37	1,382,200.00	0.00
INSTINET U.K. LTD	79,458.73	28,792,594.00	0.00
INVERLAT INTERNATIONAL	3,509.23	103,519.00	0.03
INVESTEC HENDERSON CROSTHWAITE	5,889.76	759,719.00	0.01
INVESTEC SECURITIES	6,510.78	278,219.00	0.02
INVESTMENT TECHNOLOGY GROUP INC.	58,442.26	4,824,802.00	0.01
INVESTMENT TECHNOLOGY GROUP LTD	35,180.61	5,918,013.00	0.01
INVESTMENT TECHNOLOGY GROUP LTD.	19.76	2,282.00	0.01
ISI GROUPINC	26,688.69	1,162,636.00	0.02
ISLAND TRADER SECURITIES INC	813.57	81,357.00	0.01
ITG AUSTRALIA LTD.	5,380.68	4,197,586.00	0.00
ITG CANADA	471.27	35,248.00	0.01
ITG INC	1,081.65	105,555.00	0.01
ITG INC.	57.20	4,400.00	0.01
ITG SECURITIES (HK) LTD	29,603.36	21,585,367.00	0.00
IVY SECURITIES, INC.	166.80	5,560.00	0.03
J AND E DAVY	7,166.64	928,574.00	0.01
J B WERE AND SON	6,997.68	892,229.00	0.01
J P MORGAN SECURITIES INC	111,642.26	8,042,073,323.36	0.00
J.P. MORGAN CLEARING CORP.	131,329.95	49,686,767.84	0.00
J.P. MORGAN SECURITIES INC.	82,194.36	4,454,273.00	0.02
J.P. MORGAN SECURITIES LIMITED	16,851.00	1,496,272.00	0.01
J.P.MORGAN SECURITIES(FAR EAST)LTD SEOUL	18,349.91	169,351.00	0.11
JACKSON SECURITIES	8,946.58	498,914.00	0.02
JANNEY MONTGOMERY, SCOTT INC	4,663.55	216,840.00	0.02
JB WERE AND SON (NZ) LTD	533.01	40,504.00	0.01
JEFFERIES+ COMPANY INC	378,254.39	89,352,945.40	0.00
JEFFERIESINTERNATIONAL LTD	13,169.07	1,460,822.00	0.01
JMP SECURITIES	8,307.31	198,410.00	0.04
JOH BERENBERG GOSSLER AND CO	12,624.36	170,861.00	0.07
JOHNSON RICE + CO	5,050.07	289,303.00	0.02
JONES & ASSOCIATES INC	75.02	4,651.00	0.02
JONESTRADING INSTITUTIONAL SERVICES LLC	21,247.84	912,023.00	0.02
JP MORGANBROKING HK LIMITED	12,788.49	3,332,600.00	0.00
JP MORGANSECURITIES AUSTRALIA LTD	3,405.76	943,286.00	0.00
JP MORGANSECURITIES LIMITED	234,757.08	156,139,030,775.70	0.00
JP MORGNASECURITIES SINGAPORE	5,838.07	5,648,760.00	0.00
JPMORGAN CHASE BANK	5,557.87	7,870,328,695.42	0.00
JPMORGAN CHASE BANK N.A. LONDON	18,255.21	758,969.00	0.02
JPMORGAN SECURITIES INC	205.80	1,032,190,496.60	0.00
JPMORGAN SECURITIES(ASIA PACIFIC)LTD	80,243.00	43,929,708.00	0.00
KAS-ASSOCIATIE N.V.	12,246.19	322,766.00	0.04
KBC BANK NV	355.89	6,538.00	0.05
KBC PEEL HUNT LTD	5,398.37	1,365,610.00	0.00
KEEFE BRUYETTE + WOODS INC	13,260.97	637,994.31	0.02
KEEFE BRUYETTE AND WOOD LIMITED	8,857.56	1,696,304.00	0.01
KEMPEN + CO N.V.	2,208.94	140,510.00	0.02
KEPLER EQUITIES FRANKFURT BRANCH	2,106.39	16,611.00	0.13
KEPLER EQUITIES PARIS	17,013.16	337,615.00	0.05
KEPLER EQUITIES ZURICH	1,197.63	39,729.00	0.03
KEYBANC CAPITAL MARKETS INC	10,175.02	11,415,223.93	0.00
KGI SECURITIES (HONG KONG) LIMITED	480.45	471,000.00	0.00
KIM ENG SECURITIES	11,673.70	5,137,060.00	0.00
KIM ENG SECURITIES, P.T.	6,872.68	4,360,000.00	0.00

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Broker Name	$ Commission	Shares/ Par Value	Avg Comm
KING, CL,& ASSOCIATES, INC	21,025.93	610,267.00	0.03
KINGSTON SECURITIES LTD	4,397.11	982,780.00	0.00
KNIGHT CLEARING SERVICES LLC	1,027.40	34,193.00	0.03
KNIGHT DIRECT LLC	3,107.56	282,608.00	0.01
KNIGHT EQUITY MARKETS L.P.	35,727.64	1,224,222.00	0.03
KNIGHT SECURITIES	11,625.38	674,032.00	0.02
KNIGHT SECURITIES INTERNATIONAL	249.63	1,140,415.00	0.00
KNIGHT SECURITIES L.P.	33,749.10	14,329,202.00	0.00
LABRANCHEFINANCIAL SERVICES L	9,328.72	474,626.00	0.02
LARRAIN VIAL	8,402.01	4,764,738.00	0.00
LAZARD ASSET MANAGEMENT	1,126.45	59,477.00	0.02
LAZARD CAPITAL MARKETS LLC	3,214.32	128,558.00	0.03
LEERINK SWANN AND COMPANY	5,980.27	159,774.00	0.04
LEHMAN BROTHERS EMM	27.41	3,900.00	0.01
LIBERUM CAPITAL LIMITED	249.07	5,057.00	0.05
LIQUIDNETASIA LIMITED	5,614.80	4,453,073.00	0.00
LIQUIDNETAUSTRALIA PTY LTD	1,926.89	556,318.00	0.00
LIQUIDNETCANADA CA	97.83	16,642.00	0.01
LIQUIDNETINC	21,914.83	928,843.00	0.02
LONGBOW SECURITIES LLC	400.00	9,700.00	0.04
LOOP CAPITAL MARKETS	69,894.21	4,912,633.00	0.01
LOOP CAPITAL MKTS LLC	12,413.10	433,665.00	0.03
M M WARBURG	2,522.52	56,786.00	0.04
M RAMSEY KING SECURITIES INC	10,602.71	386,035.00	0.03
M RAMSEY KING SECURITIES, INC.	321.00	58,800.00	0.01
MACQUARIEBANK LIMITED	48,755.75	6,661,041.00	0.01
MACQUARIEBANK LIMITED, LONDON	4,468.14	155,472.00	0.03
MACQUARIECAPITAL (EUROPE) LTD	10,642.38	1,724,527.00	0.01
MACQUARIEEQUITIES LIMITED (SYDNEY)	19,270.08	4,693,393.00	0.00
MACQUARIEEQUITIES NEW YORK	11,391.55	1,620,937.00	0.01
MACQUARIEEQUITIES NEW ZEALAND	1,009.29	170,000.00	0.01
MACQUARIESEC NZ LTD	16.83	18,706.00	0.00
MACQUARIESECURITIES (SINGAPORE)	29,632.72	30,748,249.00	0.00
MACQUARIESECURITIES (USA) INC	3,469.88	471,649.00	0.01
MACQUARIESECURITIES LIMITED	153,511.02	118,191,599.00	0.00
MACQUARIESECURITIES LTD SEOUL	7,631.57	170,774.00	0.04
MADISON WILLIAMS AND COMPANY	120.00	3,000.00	0.04
MAINFIRSTBANK DE	2,302.46	35,650.00	0.06
MAXIM GROUP	308.00	9,900.00	0.03
MEDIOBANCA SPA	6,719.21	469,746.00	0.01
MELLON BANK NA	31.01	1,200.00	0.03
MELVIN SECURITIES	1,537.29	98,443.00	0.02
MERRILL LYNCH (SINGAPORE) PTE LTD	669.96	643,000.00	0.00
MERRILL LYNCH AND CO INC	1,570.47	94,495.00	0.02
MERRILL LYNCH EQUITIES (AUSTRALIA)	23.16	5,073.00	0.00
MERRILL LYNCH FAR EAST LTD	1,344.66	600,200.00	0.00
MERRILL LYNCH INTERNATIONAL	319,428.26	19,117,067,374.00	0.00
MERRILL LYNCH INTERNATIONAL LIMITED	43.50	1,433,871.00	0.00
MERRILL LYNCH PEIRCE FENNER AND S	258,780.97	528,996,216.00	0.00
MERRILL LYNCH PIERCE FENNER + SMITH INC	119,111.76	2,353,228,689.03	0.00
MERRILL LYNCH PROFESSIONAL CLEARING CORP	784.45	16,575.00	0.05
MERRILL LYNCH, PIERCE FENNER SMITH	98.80	2,470.00	0.04
MERRIMAN CURHAN FORD + CO	867.39	20,371.00	0.04
MF GLOBALFXA SECURITIES LTD	2,681.35	173,500.00	0.02
MF GLOBALUK LIMITED	4,138.81	113,719.00	0.04
MILLER TABAK + COMPANY, LLC	1,132.50	86,200.00	0.01
MIRAE ASSET HONG KONG LIMITED	1,155.12	323,500.00	0.00
MIRAE ASSET SECURITIES CO LTD	3,608.67	61,832.00	0.06
MISCHLER FINANCIAL GROUP, INC-EQUITIES	3,016.85	108,371.00	0.03
MITSUBISHI UFJ SECURITIES (USA)	7,848.30	372,844.00	0.02
MITSUBISHI UFJ SECURITIES INT PLC	1,250.39	77,600.00	0.02
MIZUHO SEC ASIA LTD	2,880.48	265,721.00	0.01
MIZUHO SECURITIES CO. LTD	21.92	17,200,500.00	0.00
MIZUHO SECURITIES USA INC	11,595.27	1,230,106.00	0.01
MOGAVERO LEE & CO., INC.	2,302.70	80,490.00	0.03
MONTROSE SECURITIES EQUITIES	444.00	22,200.00	0.02
MONUMENT SECURITIES LIMITED	138.75	3,815.00	0.04
MOORS & CABOT, INC.	24.08	1,204.00	0.02
MORGAN KEEGAN & CO INC	6,899.34	4,196,511.00	0.00
MORGAN STANLEY	4,338.22	2,588,706.00	0.00
MORGAN STANLEY & CO. INCORPORATED/RETAIL	7,075.35	216,351.00	0.03
MORGAN STANLEY AND CO INTERNATIONAL	16,676.49	790,324.00	0.02
MORGAN STANLEY AND CO. INTERNATIONAL	179,553.96	531,380,980.46	0.00
MORGAN STANLEY CO INCORPORATED	708,448.52	3,094,338,025.89	0.00
MORGAN STANLEY DEAN WITTER AUSTRALIA	364.60	129,923.00	0.00
MORGAN STANLEY H.K. SECURITIES LTD	7,423.57	4,049,300.00	0.00
MORGAN STANLEY SECURITIES LIMITED	5,870.12	995,364.00	0.01
MR BEAL &COMPANY	27,552.56	1,832,042.00	0.02
NATEXIS BLEICHROEDER INC	4,973.66	62,542.00	0.08
NATIONAL BANK OF CANADA	579.13	18,452.00	0.03
NATIONAL FINANCIAL SERVICES CORP.	14,129.35	20,392,241.31	0.00
NBC CLEARING SERVICES INCORPORATED	1,989.39	50,100.00	0.04
NCB STOCKBROKERS LTD	9,765.91	724,639.00	0.01
NEEDHAM +COMPANY	11,068.43	278,392.00	0.04
NESBITT BURNS	15,132.80	212,177,449.00	0.00
NOBLE INTERNATIONAL INVESTMENTS INC.	470.00	18,800.00	0.03
NOMURA FINANCIAL AND INVESTMEN	19,331.66	240,996.00	0.08
NOMURA INTERNATIONAL (HONG KONG) LTD	1,280.96	386,900.00	0.00
NOMURA INTERNATIONAL PLC	97,844.14	155,707,844.00	0.00
NOMURA INTL (HK) LTD, SEOUL BR	841.98	12,861.00	0.07
NOMURA SECS (REPO)	43.73	1,500.00	0.03
NOMURA SECURITIES (HONG KONG) LTD	934.82	284,000.00	0.00
NOMURA SECURITIES INTERNATIONAL INC	144,829.13	69,529,004.81	0.00
NOMURA SECURITIES INTL. INC.	83.92	12,638,700.00	0.00
NOMURA SECURITIES SINGAPORE PTE LTD	47.78	28,000.00	0.00
NORDEA BANK FINLAND PLC	104.59	3,365.00	0.03
NORDEA BANK NORGE ASA	10.88	500.00	0.02
NORTH SOUTH CAPITAL LLC	3,673.90	113,720.00	0.03
NORTHERN TRUST BROKERAGE INSTITUTION	463,425.75	54,625,862.00	0.01
NORTHLANDSECURITIES INC.	1,704.00	61,700.00	0.03
NUMIS SECURITIES INC.	19,928.93	2,396,450.00	0.01
NUMIS SECURITIES LIMITED	2,487.35	127,547.00	0.02
NZB NEUE ZUERCHER BANK	8,218.33	63,847.00	0.13
O NEIL, WILLIAM AND CO. INC/BCC CLRG	6,388.60	155,497.00	0.04
OAK LAWN NATIONAL BANK	2.40	120.00	0.02
ODDO FINANCE	2,952.44	631,806.00	0.00
OIEN SECURITIES, INC	2,063.56	103,178.00	0.02
OLIVETREESECURITIES LIMITED	647.70	12,745.00	0.05
OPPENHEIMER + CO. INC.	17,779.14	5,103,639.18	0.00
ORIEL SECURITIES LTD	2,610.48	261,094.00	0.01
OTKRITIE BROKERAGE HOUSE JSC	803.32	9,353,141.00	0.00
PACIFIC AMERICAN SECURITIES, LLC	20,368.55	997,454.00	0.02
PACIFIC CREST SECURITIES	7,103.00	168,825.00	0.04
PANMURE GORDON AND CO LTD	1,036.45	107,020.00	0.01
PAREL	1,741.89	17,679.00	0.10
PARIBAS SECURITIES INC	11,003.49	1,440,269.80	0.01
PATERSONSSECURITIES LTD	15.17	21,023.00	0.00
PCS DUNBAR SECURITIES	935.00	18,700.00	0.05
PENSERRA SECURITIES LLC	2,407.47	187,155.00	0.01
PENSION FINANCIAL SERVICES	417.04	8,800.00	0.05
PENSON FINANCIAL INC.	389.88	28,204.00	0.01
PENSON FINANCIAL SERVICES CANADA INC	3,793.59	107,132.00	0.04
PENSON FINANCIAL SERVICES INC	13,491.13	690,119.00	0.02
PENSON FINANCIAL SERVICES, INC.	642.82	439,232.00	0.00
PERCIVAL FINANCIAL PARTNERS LTD.	3,686.40	92,160.00	0.04
PERSHING LLC	125,761.70	250,176,385.00	0.00
PERSHING LLC I	373.56	50,000.00	0.01
PERSHING SECURITIES LIMITED	42,859.86	3,371,114.00	0.01
PERSHING/CLEARANCE,NY	151.58	32,622,305.21	0.00
PETERCAM S.A.	1,000.30	23,031.00	0.04
PICKERINGENERGY PARTNERS, INC	399.71	9,244.00	0.04
PIPELINE TRADING SYSTEMS LLC	1,586.50	263,798.00	0.01
PIPER JAFFRAY	24,719.38	2,498,075.00	0.01
PRITCHARDCAPITAL PARTNERS LLC	15.00	300.00	0.05
PT. MANDIRI SEKURITAS	2,490.69	788,500.00	0.00
PULSE TRADING LLC	25,645.53	1,355,646.00	0.02
RABOBANK INTL	5,061.48	60,140.00	0.08
RASHID HUSSAIN SECURITIES SDN	4,448.82	646,000.00	0.01
RAYMOND JAMES + ASSOCIATES INC	3,714.64	21,227.00	0.17
RAYMOND JAMES AND ASSOCIATES INC	23,941.27	717,228.00	0.03
RAYMOND JAMES TRUST COMPANY	10,549.63	1,433,452.92	0.01
RBC CAPITAL MARKETS	23,011.02	349,278,821.46	0.00
RBC DOMINION SECURITIES INC.	2,474.75	342,734.00	0.01
RBS EQUITIES (AUSTRALIA) LIMITED	1,114.34	132,723.00	0.01
RBS SECURITIES INC	34,889.91	1,538,760.00	0.02
REDBURN PARTNERS LLP	15,652.20	2,282,139.00	0.01
RENAISSANCE BROKER LIMITED	2,995.63	603,917.00	0.00
RENAISSANCE CAPITAL GROUP	17,310.51	483,914.00	0.04
RENAISSANCE CAPITAL LTD	97.53	1,507.00	0.06
RENAISSANCE SECURITIES (CYPRUS) LIMITED	9,321.20	1,046,558.00	0.01
RENCAP SECURITIES INC	585.13	8,900.00	0.07
REYNDERS,GRAY + COMPANY,INC	136.00	3,400.00	0.04
RIDGE CLEARING & OUTSOURCING SOLUTIONS	1,363.32	4,434,875.00	0.00
RIDGE CLEARING AND OUTSOURCING SOLUTIONS	2,578.99	63,578,949.00	0.00
ROBERTS +RYAN INVESTMENTS INC	9,069.86	437,338.00	0.02
ROCHDALE SEC CORP.(CLS THRU 443)	12,822.10	560,630.00	0.02
ROSENBLATT SECURITIES LLC	3,013.88	150,694.00	0.02
ROTH CAPITAL PARTNERS LLC	2,986.50	62,595.00	0.05
ROYAL BANK OF CANADA EUROPE LTD	1,432.41	8,624,928.00	0.00
ROYAL BANK OF SCOTLAND PLC	11,330.73	6,742,231,186.61	0.00
ROYAL BK OF SCOTLAND LONDON	55.69	487.00	0.11
SAMSUNG SECURITIES CO LTD	18,551.80	692,914.00	0.03
SAMSUNG SECURITIES LIMITED-HOUSE A/C	587.66	143,250.00	0.00
SAMUEL A RAMIREZ & COMPANY INC	5,487.77	1,465,092.00	0.00
SANDLER ONEILL + PART LP	2,541.50	78,507.00	0.03
SANFORD C. BERNSTEIN LTD	19,740.35	826,538.00	0.02
SANFORD CBERNSTEIN CO LLC	34,912.12	2,294,024.00	0.02
SANTANDERCENTRAL HISPANO BOLSA	1,303.49	289,886.00	0.00
SCARSDALEEQUITIES LLC	397.00	7,989.00	0.05
SCOTIA CAPITAL (USA) INC	2,285.48	35,122,784.19	0.00
SCOTIA CAPITAL MKTS	5,937.07	149,361.00	0.04
SCOTT & STRINGFELLOW, INC	3,530.04	350,580.00	0.01

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Broker Name	$ Commission	Shares/ Par Value	Avg Comm
SEI FINANCIAL SER CO	1,575.20	39,380.00	0.04
SEI INVESTMENTS DISTRIBUTION CO	499.28	12,482.00	0.04
SG AMERICAS SECURITIES LLC	2,820.08	3,627,448.35	0.00
SG SECURITIES HK	12,593.51	20,215,259.00	0.00
SHENYIN WANGUO SECURITIES (HK(LTD	9,910.92	3,917,400.00	0.00
SIDOTI + COMPANY LLC	7,318.15	224,931.00	0.03
SIGNAL HILL CAPITAL GROUP LLC	1,719.00	50,700.00	0.03
SIMMONS +COMPANY INTERNATIONAL	333.00	10,000.00	0.03
SKANDINAVISKA ENSKILDA BANK	1,509.46	80,045.00	0.02
SKANDINAVISKA ENSKILDA BANKEN LONDON	8,725.75	340,504.00	0.03
SMITH BARNEY HARRIS UPHAM & CO INC	1,740.00	43,500.00	0.04
SOCIETE GENERALE LONDON BRANCH	51,869.82	5,459,047.00	0.01
SOCIETE GENERALE PARIS ZURICH BRA	8,663.27	76,454.00	0.11
SOCOPA SOCIEDADE CORRETORA PAULISTA CLEM	105.64	5,000.00	0.02
SOLEIL SECURITIES	598.00	14,950.00	0.04
SOUTHERN CROSS EQUITIES	1,608.94	1,006,918.00	0.00
SOUTHWESTSECURITIES	78.85	131,577.00	0.00
SPEAR, LEEDS AND KELLOGG	1,445.06	172,658.00	0.01
STANDARD CHARTERED BANK	3,331.24	38,740,683,400.00	0.00
STANDARD CHARTERED BANK (HONG KONG) LIMI	13,004.81	4,125,461.00	0.00
STANDARD CHARTERED BANK, LONDON	3,602.45	1,659,585,000.00	0.00
STANLEY (CHARLES) + CO LIMITED	181.76	39,381.00	0.00
STATE STREET BANK + TRUST CO LONDON	1,378.00	423,339.00	0.00
STATE STREET GLOBAL MARKETS, LLC	2,202.58	476,338.97	0.00
STEPHENS,INC.	5,880.80	12,076,198.23	0.00
STERNE AGEE & LEACH INC.	3,796.95	1,619,905.09	0.00
STIFEL NICOLAUS + CO INC	48,850.37	15,885,693.40	0.00
STUART FRANKEL + CO INC	3,617.83	156,976.00	0.02
STUDNESS RESEARCH	654.00	21,800.00	0.03
SUNGARD INSTITUTIONAL BROKERAGE INC	269.98	11,412.00	0.02
SUNTRUST CAPITAL MARKETS, INC.	16,396.99	444,085.00	0.04
SVENSKA HANDELSBANKEN	12,378.15	150,247,018.00	0.00
SVENSKA HANDELSBANKEN LONDON BRANCH	1,686.65	65,425.00	0.03
SWAP BROKER	2,646.59	19,804.00	0.13
SWEDBANK	5,404.91	203,952.00	0.03
TD WATERHOUSE CDA	4,003.01	247,141.00	0.02
TEB YATIRIM MENKUL DEGERLER A.S.	488.10	41,550.00	0.01
THE BENCHMARK COMPANY, LLC	1,400.64	43,678.00	0.03
THE ROYALBANK OF SCOTLAND N.V.UK EQUITI	34,013.64	2,005,235.00	0.02
THEMIS TRADING LLC	7,209.92	368,751.00	0.02
THINKEQUITY PARTNERS LLC	5,467.25	119,029.00	0.05
TKS SECURITIES PVT LTD	195.37	19,564.00	0.01
TONG YANGSECURITIES INC	7,198.21	95,968.00	0.08
TORONTO DOMINION BANK	4,511.09	9,332,665.00	0.00
TOURMALINE PARTNERS	4,716.95	172,888.00	0.03
TROIKA DIALOG USA, INC	44,483.50	2,310,088.00	0.02
UBS AG	262,213.33	176,414,858.40	0.00
UBS AG LONDON	74,159.84	479,381,799.00	0.00
UBS LIMITED UK	86.69	6,600.00	0.01
UBS SECURITIES ASIA LTD	156,512.19	173,433,086.00	0.00
UBS SECURITIES CANADA INC	1,765.31	148,884.00	0.01
UBS SECURITIES LLC	129,054.11	1,852,116,183.75	0.00
UBS SECURITIES PTE.LTD	934.96	111,000.00	0.01
UBS SECURITIES PTE.LTD., SEOUL	9,870.10	145,907.00	0.07
UBS SECURITIES SINGAPORE PTE	5,600.97	5,450,060.00	0.00
UBS WARBURG (HONG KONG) LIMITED	49,518.35	12,837,900.00	0.00
UBS WARBURG AUSTRALIA EQUITIES	456.49	152,085.00	0.00
UBS WARBURG LLC	34,235.46	3,057,999.00	0.01
UNICREDITBANK AG (HYPOVEREINSBANK)	6,784.30	1,771,730.00	0.00
UNICREDITBANK AG LONDON BRANCH	4,626.42	27,020.00	0.17
UNX INC.	174.48	8,724.00	0.02
UOB KAY HIAN (HONG KONG) LTD	1,414.65	246,000.00	0.01
UOB KAY HIAN PTE LIMITED	3,992.29	51,485.00	0.08
UOB KAY HIAN SECURITIES PT	1,073.69	1,560,000.00	0.00
URALSIB SECURITIES LIMITED	56.37	2,415.00	0.02
VANDHAM SECURITIES CORP	6,956.89	272,784.00	0.03
VTB BANK EUROPE PLC	7,393.19	37,854,833.00	0.00
W.J. BONFANTI INC	66.48	2,214.00	0.03
WEDBUSH MORGAN SECURITIES INC	8,182.93	2,922,931.83	0.00
WEDGE SECURITIES LLC	3,347.00	164,100.00	0.02
WEEDEN + CO.	54,514.19	3,577,981.00	0.02
WELLS FARGO INVT LLC	92.15	89,792.32	0.00
WELLS FARGO SECURITIES LLC	1,484.94	69,252,567.21	0.00
WELLS FARGO SECURITIES, LLC	12,158.89	14,752,071.00	0.00
WILLIAM BLAIR & COMPANY L.L.C	22,718.54	623,721.00	0.04
WILLIAMS CAPITAL GROUP LP (THE)	55,552.35	2,397,894.00	0.02
WINTERFLOOD SECURITIES LTD	303.29	82,800.00	0.00
WOOD AND COMPANY	1,273.28	31,123.00	0.04
WOORI INVESTMENT SECURITIES	19,661.72	151,607.00	0.13
WUNDERLICH SECURITIES INC.	184.45	705,130.75	0.00
YAMNER & CO INC (CLS THRU 443)	3,163.90	313,148.00	0.01
TOTAL	**$12,098,772.58**		

GLOSSARY OF INVESTMENT TERMS

Agency Securities – Securities, usually bonds, issued by U.S. Government agencies. These securities have high credit ratings but are not backed by the full faith and credit of the U.S. Government.

Alpha - A coefficient which measures risk-adjusted performance, factoring in the risk due to the specific security, rather than the overall market. A high value for alpha implies that the stock or mutual fund has performed better than would have been expected given its beta (volatility).

Asset - Anything owned that has economic value; any interest in property, tangible or intangible, that can be used for payment of debts.

Asset Backed Security- Bonds or notes collateralized by one or more types of assets including real property, mortgages, and receivables.

Banker's Acceptance (BA) - A high-quality, short-term negotiable discount note, drawn on and accepted by banks which are obligated to pay the face amount at maturity.

Basis Point (bp) - The smallest measure used in quoting yields or returns. One basis point is 0.01% of yield, 100 basis points equals 1%. For example, a yield that changed from 8.75% to 9.50% has increased by 75 basis points.

Benchmark - A standard unit used as the basis of comparison; a universal unit that is identified with sufficient detail so that other similar classifications can be compared as being above, below, or comparable to the benchmark.

Beta - A quantitative measure of the volatility of a given stock, mutual fund or portfolio relative to the overall market.

Book Value (BV) - The value of individual assets, calculated as actual cost minus accumulated depreciation. Book value may be more or less than current market value.

Capital Gain (Loss) - Also known as capital appreciation (depreciation), capital gain (loss) measures the increase (decrease) in value of an asset over time.

Certificates of Deposit (CDs) - A debt instrument issued by banks, usually paying interest, with maturities ranging from 3 months to six years.

Citigroup Broad Investment-Grade Bond Index (CBIG) - A market value-weighted index composed of over 4,000 individually priced securities with a quality rating of at least BBB. Each issue has a minimum maturity of one year with an outstanding par amount of at least $25 million.

Citigroup World Government Bond Index Non-U.S. (CWGBI) - An unhedged index measuring government issues of 12 major industrialized countries.

Coefficient of Determination (R^2) - A statistic which indicates the amount of variability in a dependent variable, such as Fund returns, which may be explained by an independent variable, such as market returns, in a regression model. The coefficient of determination is denoted R^2 and ranges from 0 to 1.0. If the statistic measures 0, the independent variable offers no explanation of the dependent variable. If the statistic measures 1.0, the independent variable fully explains the dependent variable.

Collateral – Assets pledged by a borrower to secure a loan or other credit, and subject to seizure in the event of default.

Collateralized Mortgage Obligation (CMO) – A mortgage-backed, investment-grade bond that separates mortgage pools into different maturity classes. CMO payment obligations are backed by mortgage-backed securities with a fixed maturity.

Commercial Paper - Short-term obligations with maturities ranging from 2 to 270 days. An unsecured obligation issued by a corporation or bank to finance its short-term credit needs.

Compounded Annual Total Return - Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized capital gains, including those attributable to currency fluctuations. In effect, compounded annual total return "smoothes" fluctuations in long-term investment returns to derive an implied year-to-year annual return.

Consumer Price Index (CPI) - A measure of change in the cost of a fixed basket of products and services as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Components of the CPI include housing costs, food, transportation, and electricity.

Cumulative Rate of Return - A measure of the total return earned for a particular time period. This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. For example, if a $100 investment grew to $120 in a two-year period, the cumulative rate of return would be 20%.

Current Yield - The relationship between the stated annual interest or dividend rate and the market price of a security. In calculating current yield, only income payments are considered; no consideration is given to capital gain/loss.

Derivative - Derivatives are generally defined as contracts whose value depend on, or derived from, the value of an underlying asset, reference rate, or index. For example, an option is a derivative instrument because its value derives from an underlying stock, stock index, or future.

Discount Rate - The interest rate that the Federal Reserve charges banks for loans, using government securities or eligible paper as collateral.

GLOSSARY OF INVESTMENT TERMS (Continued)

Diversification – A portfolio strategy designed to reduce exposure to risk by putting assets in several different securities or categories of investments.

Duration - A measure of the average time to receipt of all bond cash flows. Duration is used to determine the percentage change in price of a fixed income security for a given change in the security's yield to maturity. Duration is stated in terms of time periods, generally years. (See Modified and Macaulay duration).

Equity - The ownership interest possessed by shareholders in a corporation in the form of common stock or preferred stock.

ERISA (Employee Retirement Income Security Act) - The 1974 federal law which established legal guidelines for private pension plan administration and investment practices.

Expense Ratio – Operating costs (including management fees) expressed as a percentage of the fund's average net assets for a given time period.

Fair Value - The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds Rate - The interest rate that banks charge each other for the use of Federal Funds. This rate changes daily and is a sensitive indicator of general interest rate trends.

Federal Reserve Board – The 7- member Board of Governors that oversees Federal Reserve Banks, establishes monetary policy and monitors the economic health of the economy.

Fiduciary - A person, company, or association holding assets in trust for a beneficiary. The fiduciary is charged with the responsibility to invest the money prudently for the beneficiary's benefit.

Fitch Investor Services - A financial services rating agency.

Floating Rate Note - A fixed principal instrument which has a long or even indefinite life and whose yield is periodically reset relative to a reference index rate to reflect changes in short- or intermediate-term interest rates.

Gross Domestic Product - Total final value of goods and services produced in the United States over a particular period or time, usually one year. The GDP growth rate is the primary indicator of the health of the economy.

Hedge - An investment in assets which serves to reduce the risk of adverse price movements in a security, by taking an offsetting position in a related security, such as an option or short sale.

Index - A benchmark used in executing investment strategy which is viewed as an independent representation of market performance. Example: S&P 500 index.

Index Fund – A passively managed fund that tries to mirror the performance of a specific index, such as the S&P 500.

Inflation – The overall general upward price movement of goods and services in an economy, usually as measured by the Consumer Price Index and the Producer Price Index.

Investment Income - The equity dividends, bond interest, and/or cash interest paid on an investment.

J-Curve - An economic theory stating that a policy designed to have one effect will initially have the opposite effect. With regard to closed end commingled fund investments, this generally refers to the impact on returns of contributions made in the early portion of a fund's existence. Invested capital is used to pay fees and organizational costs as well as to make investments in non-income producing enterprises. Such uses negatively impact returns in early periods but are expected to generate increasing income and valuations in the late periods as the previously non-income producing entities start producing income and the relative size of fees and other costs diminish relative to the value of invested capital.

JP Morgan Emerging Markets Bond Index Plus (EMBI+) - An index which tracks total returns for traded external debt instruments in the emerging markets. The instruments include external-currency-denominated Brady bonds, loans and Eurobonds, as well as U.S. dollar local markets instruments. The EMBI+ expands upon Morgan's original Emerging Markets Bond Index, which was introduced in 1992 and covers only Brady bonds.

LB Aggregate Index - An index made up of Government, Corporate, Mortgage Backed, and Asset Backed securities, all rated investment grade. Returns are market value weighted inclusive of interest. Issues must have at least one year to maturity and an outstanding par value of at least $200 million.

Letter of Credit - An instrument or document issued by a bank, guaranteeing the payment of a customer's drafts up to a stated amount for a specified period. It substitutes the bank's credit for the buyer's and eliminates the seller's risk.

Liability - The claim on the assets of a company or individual - excluding ownership equity. An obligation that legally binds an individual or company to settle a debt.

Leverage - The use of borrowed funds to increase purchasing power and, ideally, to increase profitability of an investment transaction or business.

Macaulay Duration - The weighted-average term to maturity of a bond's cash flows. The weighting is based on the present value of each cash flow divided by price.

Market Value – A security's last reported sale price or its current bid and ask prices. The price as determined dynamically by buyers and sellers in an open market.

GLOSSARY OF INVESTMENT TERMS (Continued)

Master Custodian - An entity, usually a bank, used for safekeeping of securities and other assets. Responsible for other functions including accounting, performance measurement and securities lending.

Maturity Date - The date on which the principal amount of a bond or other debt instrument becomes payable or due.

Mezzanine Debt – Debt that incorporates equity –based options, such as warrants, with a lower – priority debt.

MFR Index (iMoneyNet's First Tier Institutional-only Rated Money Fund Report Averages™ Index) - An index which represents an average of the returns of institutional money market mutual funds that invest primarily in first-tier (securities rated A-1, P-1) taxable securities.

Modified Duration - A measure of the price sensitivity of a bond to interest rate movements. It is the primary basis for comparing the effect of interest rate changes on prices of fixed income securities.

Money Market Fund - An open-ended mutual fund that invests in commercial paper, bankers' acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities and pays money market rates of interest. The fund's net asset value remains a constant $1 per share - only the interest rate goes up or down.

Moody's (Moody's Investors Service) - A financial services rating agency.

MSCI-EAFE - Morgan Stanley Europe Australasia Far East foreign equity index. An arithmetic value weighted average of the performance of over 900 securities on the stock exchanges of 21 countries on three continents. The index is calculated on a total return basis, which includes reinvestment of dividends net of withholding taxes.

Net Asset Value (NAV) - The total assets (including any valuation gains or losses on investments or currencies) minus total liabilities divided by shares outstanding.

NCREIF (National Council of Real Estate Investment Fiduciaries) - An index consisting of investment-grade, non-agricultural, income-producing properties: apartments, hotels, offices, and warehouses. Its return includes appreciation, realized capital gains, and income. It is computed by adding the income return and capital appreciation return generated by the properties in the index, on a quarterly basis.

Par Value - The stated or face value of a stock or bond. It has little significance for common stocks, however, for bonds it specifies the payment amount at maturity.

Pension Fund - A fund set up by a corporation, labor union, governmental entity, or other organization to pay the pension benefits of retired workers.

Percentile - A description of the percentage of the total universe in which portfolio performance is ranked.

Price/Book (P/B) - A ratio showing the price of a stock divided by its book value. The P/B measures the multiple at which the market is capitalizing the net asset value per share of a company at any given time.

Price/Earnings (P/E) - A ratio showing the price of a stock divided by its earnings per share. The P/E measures the multiple at which the market is capitalizing the earnings per share of a company at any given time.

Present Value - The current value of a future cash flow or series of cash flows discounted at an appropriate interest rate or rates. For example, at a 12% interest rate, the receipt of one dollar a year from now has a present value of $0.89286.

Principal - Face value of an obligation, such as a bond or a loan, that must be repaid at maturity.

Prudent Person Rule - The standard adopted by some states to guide those fiduciaries with responsibility for investing money of others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investment.

Realized Gain (Loss) - A gain (loss) that has occurred financially. The difference between the principal amount received and the cost basis of an asset realized at sale.

Relative Volatility - The standard deviation of the Fund divided by the standard deviation of its selected benchmark. A relative volatility greater than 1.0 suggests comparatively more volatility in Fund returns than those of the benchmark.

Repurchase Agreements ("Repos") – A contract in which the seller of securities, such as Treasury Bills, agrees to buy them back at a specified time and price. Repos are widely used as a money market instrument.

Reverse Repurchase Agreements ("Reverse Repos") - A purchase of securities with an agreement to resell them at a higher price at a specific future date.

Return on Equity (ROE) - The net income for the accounting period after payment of preferred stock dividends and before payment of common stock dividends of a company divided by the common stock equity at the beginning of the accounting period.

Risk Adjusted Return - A modified (usually reduced) return which accounts for the cost of a specific investment exposure as well as the aggregate risk of such exposure.

Russell 3000 - An equity index comprised of the securities of the 3,000 largest public U.S. companies as determined by total market capitalization. This index represents approximately 98% of the U.S. equity market's capitalization.

GLOSSARY OF INVESTMENT TERMS (Continued)

Securities Lending - A carefully collateralized process of loaning portfolio positions to custodians, dealers, and short sellers who must make physical delivery of positions. Securities lending can reduce custody costs or enhance annual returns by a full percentage point or more in certain market environments.

Soft Dollars - The value of research or other services that brokerage houses and other service entities provide to a client "free of charge" in exchange for the client's brokerage.

S&P 500 (Standard & Poor's) – A basket of 500 stocks considered to be widely held. The performance of this index is thought to be representative of the stock market as a whole. The index selects its constituents based upon their market size, liquidity and sector. S&P 500 stocks are considered to be the leading large (to mid) cap corporations in a given sector.

S&P Credit Ratings Service - A financial services rating agency.

Standard Deviation - A statistical measure showing the deviation of an individual value in a probability distributed from the mean (average) of the distribution. The greater the degree of dispersion from the mean rate of return, the higher the standard deviation; therefore, the higher the risk.

Total Fund Benchmark - A hybrid benchmark customized to reflect the CRPTF's asset allocation and performance objectives. This benchmark is comprised of 36% Russell 3000 Index; 18% International Stock Fund benchmark; 29% Mutual Fixed Income benchmark; 5% Russell 3000 Index; 11% S&P 500 Index; and 1% MFR First Tier Rated Index. The International Stock Fund benchmark is comprised of 83% Citigroup Europe, Pacific, Asia Composite Broad Market Index (50% Hedged) and 17% MSCI Emerging Market Free Index. The Mutual Fixed Income benchmark consists of 73% Lehman Brothers U. S. Aggregate Index, 17% S&P/Citigroup High Yield Market Index, and 10% JPM Emerging Markets Bond Index.

Treasury Bill (T-Bill) - Short-term, highly liquid government securities issued at a discount from the face value and returning the face amount at maturity.

Treasury Bond or Note - Debt obligations of the Federal government that make semiannual coupon payments and are sold at or near par value in denominations of $1,000 or more.

Trust - A fiduciary relationship in which a person, called a trustee, holds title to property for the benefit of another person, called a beneficiary.

TUCS - Trust Universe Comparison Service. TUCS is based upon a pooling of quarterly trust accounting data from participating banks and other organizations that provide custody for trust assets.

Turnover - Security purchases or sales divided by the fiscal year's beginning and ending market values for a given portfolio.

Unrealized Gain (Loss) - A profit (loss) that has not been realized through the sale of a security. The gain (loss) is realized when a security or futures contract is actually sold or settled.

Variable Rate Note - Floating rate notes with a coupon rate adjusted at set intervals, such as daily, weekly, or monthly, based on different interest rate indices, such as LIBOR, Fed Funds, and Treasury Bills.

Volatility - A statistical measure of the tendency of a market price or yield to vary over time. Volatility is said to be high if the price, yield, or return typically changes dramatically in a short period of time.

Yield - The return on an investor's capital investment.

Yield Curve - A graph showing the term structure of interest rates by plotting the yields of all bonds of the same quality with maturities ranging from the shortest to the longest possible. The Y-axis represents the interest rate and the X-axis represents time, generally with a normal curve that is convex in shape.

Zero Coupon Bond - A bond paying no interest that sells at a discount and returns principal only at maturity.

UNDERSTANDING INVESTMENT PERFORMANCE

Introduction

This section discusses the Treasury's approach to measuring performance, including risk and return of the Connecticut Retirement Plans and Trust Funds (CRPTF).

Understanding Performance

To measure success in achieving the primary objective of the Asset Allocation Plan, the Fund's performance is evaluated in two principal areas: risk and return. The results of these reviews, coupled with information on portfolio characteristics, are used to monitor and improve the performance of the Fund's external investment managers.

To bring accountability and perspective to Fund performance and measurements of risk and return, CRPTF performance is compared to those of similarly structured peer groups and indices. In addition, the performance of the Combined Investment Funds (CIF) invested in by the various plans and trusts is compared to the performance of their respective benchmarks. Each Fund's benchmark is selected on the basis of portfolio composition, investment style, and objectives. The benchmark comparisons enable plan participants, the Treasurer and the Investment Advisory Council, to determine whether and by how much Fund returns exceeded or fell short of the benchmarks. The comparisons provide an understanding of the reason for the CIFs performance relative to their benchmarks.

Comparative performance is reviewed over both the near-term and the long-term for two reasons. First, pension management is, by its very nature, a long-term process. While both young and old employees comprise the pool of plan beneficiaries, the increasing life span of plan participants makes it important that plan assets be managed for the long term. Second, as experience has shown, results attained in the short term are not necessarily an indicator of results to be achieved over the long term. Performance must be viewed in a broad context.

Overall performance is measured by calculating monthly returns and linking them to provide one-, three-, five- and ten-year histories of overall investment performance. Short-term performance is measured by total return over one-month, quarter-end, and trailing one-year time periods. Risk is also measured over both short- and long-term periods.

Risk

The measurement of risk is a critical component in investment management. It is the basis for both strategic decision-making and investment evaluation. As an investment tool, investors assume risk to enhance portfolio returns. These enhancements, viewed as returns in excess of those available on "risk-free" investments, such as Treasury Bills, vary in magnitude according to the degree of risk assumed. Many investors focus on the negative aspects of risk and in doing so forego substantial upside potential, which can significantly enhance long-term returns. Thus, while risk can never be completely eliminated from a portfolio, the prudent management of risk can maximize investment returns at acceptable levels of risk.

Risk can take several forms and include: <u>market risk</u>, the risk of fluctuations in the overall market for securities; <u>company risk</u>, the risk of investing in any single company's stock or bonds; <u>currency-exchange risk</u>, the risk that a foreign country's currency may appreciate or depreciate relative to the U.S. dollar, thus impacting the value of foreign investments; and <u>political risk</u>, risk incurred through investing in foreign countries with volatile economies and political systems.

With respect to fixed income investments, investors also assume: <u>reinvestment risk</u>, the risk that cash flows received from a security will be reinvested at lower rates due to declining interest rates; <u>credit or default risk</u>, the risk that the issuer of a fixed income security may fail to make principal and interest payments on the security; <u>interest rate risk</u>, the risk that the market value of fixed coupon bonds will decline in the event of rising market interest rates; and <u>inflation or purchasing power risk</u>, the risk that the real value of a security and its cash flows may be reduced by inflation. The level of risk incurred in fixed income investing increases as the investment time horizon is lengthened. This is demonstrated by the comparatively higher yields available on "long bonds," or bonds maturing in 20 to 30 years, versus those available on short-term fixed income securities.

UNDERSTANDING INVESTMENT PERFORMANCE (Continued)

In the alternative investment category, risks are significantly greater than those of publicly traded investments. Assessment of progress is more tenuous and valuation judgments are more complex. The investor assumes not only management, product, market, and operations risk, similar to equity investing, but also assumes liquidity risk, the risk that one's investment cannot be immediately liquidated at other than a substantially discounted value. An additional risk to this category is transparency risk, the risk associated with not knowing the underlying investments within a portfolio.

Volatility

To measure the effects of risk on the portfolio, the volatility of returns is calculated over time. Volatility, viewed as deviation of returns from an average of these returns over time, is measured statistically by standard deviation. Funds with high standard deviations are considered riskier than those with low standard deviations.

To evaluate the significance of the Funds' standard deviation, each Fund's relative volatility, or the ratio of the Fund's standard deviation to that of the benchmark is calculated. A relative volatility greater than 1.0 indicates that the Fund is more volatile than the benchmark while a measure less than 1.0 indicates less volatility. A relative volatility of 1.0 signifies an equal degree of volatility between the Fund and the benchmark.

As an extension of standard deviation, each Fund's beta, or a measure of the relative price fluctuation of the Fund to its benchmark, is also calculated. The measurement of beta allows one to evaluate the sensitivity of Fund returns to given movements in the market and/or its benchmark. A beta greater than 1.0 compared to the selected market benchmark signifies greater price sensitivity while a beta less than 1.0 indicates less sensitivity.

To measure the degree of correlation between Fund returns and the benchmark, the Division calculates the coefficient of determination, or R^2. This calculation, which is used in conjunction with beta, allows one to evaluate how much of the volatility in Fund returns is explained by returns in the selected market benchmark. An R2 of 1.0 indicates that Fund returns are perfectly explained by returns of the benchmark, while a value less than 1.0 indicates that the returns of the benchmark explain only a portion of the fund return.

Finally, to evaluate how well each of the above measures actually predicted returns of the Fund, a calculation is performed on the Fund's alpha. This calculation measures the absolute difference between the Fund's monthly return and that predicted by its beta. Used together, these measures provide a comprehensive view of a Fund's relative risk profile.

Return

The Pension and Trust Funds are managed to maximize return and minimize risk. Return, viewed in this context, includes realized and unrealized gains in the market value of a security, including those attributable to currency fluctuations, as well as income distributed by a security such as dividends and interest. Return is measured through two calculations: compounded annual total return and cumulative total return.

Compounded Annual Total Return - This return measure evaluates performance over the short and long-term. Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized and unrealized capital gains, including gains attributable to currency fluctuations. In effect, compounded annual total return "smoothes" fluctuations in long-term investment returns to derive an implied year-to-year annual return.

Cumulative Total Return - This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. While this calculation does not "smooth" year-to-year fluctuations in long-term returns to derive implied annual performance, cumulative total return allows one to see on an absolute basis the percentage increase in the total Fund's value over a specified time. Viewed graphically, cumulative total return shows one what a $10 million investment in the CRPTF a set number of years ago would be worth today.

DEBT MANAGEMENT DIVISION

CHANGES IN DEBT OUTSTANDING - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Bond Finance Type	Outstanding June 30, 2010	FY 2011 Issued	FY 2011 Retired	FY 2011 Refunded or Defeased	Outstanding June 30, 2011	FY 2011 [1] Interest Paid
General Obligation - Tax Supported[2]	$10,159,003,817	$1,247,035,000	$ 927,702,265	$ 47,985,000	$ 10,430,351,552	$ 531,538,831
General Obligation - Bond Anticipation Bonds	581,245,000	-	581,245,000	-	-	16,418,733
General Obligation Teachers' Retirement Fund Bonds[3]	2,276,578,271	-	-	-	2,276,578,271	121,386,576
General Obligation - Economic Recovery Notes	915,795,000	-	-	-	915,795,000	40,567,963
General Obligation - Revenue Supported	1,060,000	-	530,000	-	530,000	58,300
Special Tax Obligation	3,030,485,000	737,675,000	271,330,000	139,235,000	3,357,595,000	152,400,633
Bradley International Airport	188,785,000	152,380,000	10,630,000	161,445,000	169,090,000	5,126,815
Clean Water Fund	821,950,000	182,935,000	71,365,000	34,415,000	899,105,000	34,865,123
UCONN 2000[4]	877,492,441	-	73,182,441	-	804,310,000	40,347,835
CDA Increment Financing[5]	27,550,000	-	2,620,000	-	24,930,000	1,130,111
CDA Governmental Lease Revenue[6]	2,915,000	-	660,000	-	2,255,000	192,390
CHEFA Childcare Facilities Program[7]	68,240,000	-	1,665,000	-	66,575,000	3,658,842
Juvenile Training School[8]	16,080,000	-	455,000	-	15,625,000	780,619
Bradley International Parking Operations	43,005,000	-	1,755,000	-	41,250,000	2,752,508
CHFA Special Needs Housing Bonds[9]	61,775,000	17,785,000	2,840,000	-	76,720,000	3,133,217
CCEDA Bonds[10]	102,680,000	-	2,525,000	-	100,155,000	4,430,108
CHFA Emergency Mortgage Assistance Program [11]	-	30,000,000	835,000	-	29,165,000	814,640
TOTAL	**$19,174,639,529**	**$2,367,810,000**	**$1,949,339,706**	**$ 383,080,000**	**$ 19,210,029,823**	**$ 959,603,244**

(1) Includes interest rate swap payments and variable rate bond fees.

(2) Debt outstanding at June 30, 2011 includes $8,645,000.00 in Certificates of Participation for the Middletown Courthouse, which is not debt of the State. However, the State is obligated to pay a base rent under a lease for the courthouse, subject to the annual appropriation of funds or the availability of other funds. The base rent is appropriated as debt service. The Certificates of Participation are included on the Treasurer's Debt Management System for control purposes.

(3) The General Obligation Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund $2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.

(4) UConn 2000 Bonds were authorized in three stages in a total amount of $2.8 billion over a 22 year period to be paid by the University of Connecticut from a State Debt Service commitment. As each series is issued, the debt service is appropriated from the State General Fund.

(5) The Connecticut Development Authority (CDA) has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund.

(6) The Connecticut Development Authority (CDA) has issued its lease revenue bonds for the New Britain Government Center. The State is obligated to pay base rent subject to the annual appropriation of funds. These payments are budgeted in the Treasurer's debt service budget as lease payments.

(7) On July 1, 1999, the Treasurer's Office assumed the responsibility for the Connecticut Health and Educational Facilities Authority (CHEFA) Childcare debt service appropriation per Public Act 97-259.

(8) A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.

(9) The Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Step Initiative. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and OPM.

(10) The Capital City Economic Development Authority (CCEDA) Bonds were issued to provide funding for the Adriaen's Landing development project in Hartford. The bonds, issued in a combination of fixed and variable rate securities, have a final maturity of 2034. The State is required to make all debt service payments on the bonds up to a maximum annual amount of $9 million pursuant to a contract assistance agreement between CCEDA, the Treasurer, and the Office of Police and Management. CCEDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

(11) The Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and the Office of Policy and Management.

Note 1: In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appear in the budget enacted by the General Assembly. The Budget Act enacted for the 2011 Fiscal Year is presented on a comprehensive basis of accounting other than generally accepted accounting principles. In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of this schedule.

Note 2: GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the budgetary basis presentation.

For a detailed listing of debt outstanding for the fiscal year ended June 30, 2011, please see Statutory Appendix.

DEBT MANAGEMENT DIVISION

RETIREMENT SCHEDULE OF IN-SUBSTANCE DEFEASED DEBT OUTSTANDING (1) - BUDGETARY BASIS
JUNE 30, 2011

Date Escrow Established	Amount of Principal Outstanding	Last Payment Date on Refunded Debt	Market Value of Escrow	Investment Profile of Escrow Account
BOND TYPE: GENERAL OBLIGATION				
11/05/1999	$ 650,927	06/01/2013	$ 887,061	State & Local Government Series Bonds/Cash
04/08/2004	270,740,000	11/15/2012	278,284,182	State & Local Government Series Bonds/FNMA/FHLB/Cash
04/27/2005	253,235,000	11/15/2012	256,091,049	State & Local Government Series Bonds/Cash
11/09/2006	238,340,000	10/15/2013	244,356,014	State & Local Government Series Bonds/Cash
05/10/2007	170,140,000	10/15/2013	172,784,333	State & Local Government Series Bonds/Cash
06/23/2010	261,690,000	03/01/2014	277,013,934	State & Local Government Series Bonds/Cash
10/19/2010	47,985,000	10/15/2012	51,042,737	State & Local Government Series Bonds/Cash
SUBTOTAL	**$ 1,242,780,927**		**$ 1,280,459,310**	
BOND TYPE: SPECIAL TRANSPORTATION FUND				
01/23/2003	$ 90,130,000	10/01/2011	$ 92,448,374	State & Local Government Series Bonds/Cash
12/02/2004	60,005,000	12/01/2012	64,270,162	Resolution Funding Strips/Cash
11/10/2010	139,235,000	12/01/2012	147,807,634	State & Local Government Series Bonds/Cash
SUBTOTAL	**$ 289,370,000**		**$ 304,526,170**	
BOND TYPE: CLEAN WATER FUND				
07/10/2003	$ 60,220,000	10/01/2011	$ 61,720,243	US Foreign Government Bonds/Cash
06/30/2008	10,305,000	10/01/2012	10,568,299	FNMA/FHLB/FHLMC/Cash
03/24/2011	34,415,000	10/01/2013	37,974,878	State and Local Government Series Bonds/Cash
SUBTOTAL	**$ 104,940,000**		**$ 110,263,420**	
BOND TYPE: UCONN 2000				
01/29/2004	$ 28,685,000	04/01/2012	$ 29,048,447	State and Local Government Series Bonds/Cash
03/15/2006	4,460,000	04/01/2012	4,699,825	State and Local Government Series Bonds/Cash
04/12/2007	46,695,000	02/15/2013	47,374,893	State and Local Government Series Bonds/Cash
05/25/2010	15,915,000	02/15/2013	17,388,122	State and Local Government Series Bonds/Cash
SUBTOTAL	**$ 95,755,000**		**$ 98,511,287**	
TOTAL	**$ 1,732,845,927**		**$ 1,793,760,187**	

(1) Represents bonds which have been refunded with proceeds of other bond issues and bonds which have been defeased using budget surplus. Although the State is still legally responsible for principal and interest payments on the refunded bonds, the refunded bonds are not carried as a liability of the State since they have been "in-substance" defeased. Investments adequate to meet all payments have been irrevocably deposited in escrow accounts with an independent agent for the sole purpose of satisfying principal and interest. The adequacy of each escrow account to meet debt service payments has been verified by an independent accounting firm.

Note 1: In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appear in the budget enacted by the General Assembly. The Budget is presented on a comprehensive basis of accounting other than generally accepted accounting principles. In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of this schedule.

Note 2: GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the budgetary basis presentation.

DEBT MANAGEMENT DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 (1)
FISCAL YEAR ENDED JUNE 30, 2011

Name of Firm	Description of Services	Aggregate Compensation Paid in FY 2011	Status as of 06/30/11
A.C. Advisory, Inc.	Financial Advisor	$ 51,364	Active
Acacia Financial Group, Inc.	Financial Advisor	47,195	Active
Accuity (Bond Buyer/Thomson/SourceMedia)	Advertising/Subscriptions	8,628	Active
AMTEC	Arbitrage Calculation/Verification Agent Fees	17,100	Active
Bank of America/Merrill Lynch	Liquidity/Remarketing Fees	189,180	Active
Barclay's Capital (fka Lehman Brothers)	Remarketing Fees	50,000	Active
Bayerische Landesbanke	Liquidity Fees	54,270	Active
Bloomberg	Subscription	9,540	Active
Bryant Miller Olive	Bond Counsel	56,374	Active
Carlin, Charron & Rosen, LLP	Auditor	76,886	Active
Citigroup Global Markets, Inc.	Management Fees	85,000	Active
Day Pitney, LLP	Bond/Disclosure Counsel	832,789	Active
Dexia Public Finance Bank	Liquidity Fees	330,229	Active
Edwards Angell Palmer & Dodge LLP	Bond Counsel	238,086	Active
Finn Dixon & Herling LLP	Disclosure/Tax Counsel	78,474	Active
First Southwest Company	Financial Advisor	12,633	Active
Fitch Ratings	Rating Agency	342,000	N/A
Goldman Sachs	Remarketing Fees	17,049	Active
Hardwick Law Firm, LLC	Bond Counsel	111,601	Active
Hawkins, Delafield & Wood, LLP	Arbitrage Calculation Fees /Bond Counsel	131,493	Active
ImageMaster	Financial Printer	95,822	Active
JP Morgan Chase Securities	Remarketing Fees	5,550	Active
Lamont Financial Services	Financial Advisor	30,695	Active
Landesbank Hessen-Thuringen	Liquidity Fees	421,060	Active
Law Offices of Joseph C Reid, PA	Bond Counsel	17,573	Active
Lewis & Munday	Bond Counsel	127,678	Active
M.R. Beal & Co.	Management Fees	80,000	Active
Moody's Investors Service	Rating Agency	322,953	N/A
Morgan Stanley & Co, Inc.	Management Fees	95,000	Active
Orrick, Herrington & Sutcliffe, LLP (BondLogistix)	Arbitrage Calculation Fees	26,300	Active
P.G. Corbin & Co.	Financial Advisor	180,476	Active
Public Resources Advisory Group	Financial Advisor	184,278	Active
Pullman & Comley, LLC	Bond Counsel	497,916	Active
Ramirez & Co.	Management Fees	75,000	Active
Robinson & Cole	Bond/Tax Counsel	193,080	Active
Seward and Monde	Auditor	43,689	Active
Shipman & Goodwin, LLP	Bond Counsel	99,777	Active
Siebert Brandford Shank & Co.	Management Fees	95,000	Active
Soeder & Associates	Tax/Disclosure Counsel	80,442	Active
Squire, Sanders & Dempsey	Bond Counsel	210,387	Active
Standard & Poor's Rating Service	Rating Agency	233,078	N/A
U. S. Bank	Administrative/Escrow/Trustee Fees	134,657	Active
Updike, Kelly & Spellacy	Bond Counsel	130,542	Active
Total		**$ 6,120,841**	

1) Expenses are presented on a cash basis. Debt Management expenses are comprised of payments to vendors made through the Treasury Business Office, fees netted at bond closings, and fees and expenses paid from Cost of Issuance accounts. Unless listed in the description, the amounts shown do not include bond issuance expenses paid on behalf of the State, counsel fees for firms representing the underwriter's, banks or trustees or sales charges which are distributed by agreement of the underwriters. Schedule does not include amounts paid to IRS for arbitrage rebate payments in accordance with IRS regulations.

CASH MANAGEMENT DIVISION

ACTIVITY STATEMENT
FISCAL YEAR ENDED JUNE 30, 2011

Description	Total	
INFLOWS		
RECEIPTS:		
DEPOSITS	$ 26,964,967,150.50	(1)
BAD CHECKS	(7,621,889.34)	(2)
TREASURY INITIATED TRANSFERS	2,215,540,181.36	(3)
TOTAL RECEIPTS	29,172,885,442.52	
TRANSFERS:	11,154,082,869.59	(4)
OTHER INFLOWS		
INTERNAL BANK TRANSFERS	32,441,809,328.26	(5)
INTERBANK TRANSFERS	17,561,882,155.12	(6)
TOTAL OTHER INFLOWS	50,003,691,483.38	
TOTAL INFLOWS	$ 90,330,659,795.49	
OUTFLOWS		
DISBURSEMENTS:		
VENDOR	$ 24,206,567,969.13	(7)
PAYROLL	4,164,135,540.69	(8)
TOTAL DISBURSEMENTS	28,370,703,509.82	
TRANSFERS:	11,593,913,953.60	(4)
OTHER OUTFLOWS:		
INTERNAL BANK TRANSFERS	32,441,809,328.26	(5)
INTERBANK TRANSFERS	17,561,882,155.12	(6)
TOTAL OTHER OUTFLOWS	50,003,691,483.38	
TOTAL OUTFLOWS	$ 89,968,308,946.80	

(1) Deposits - revenue received from taxes, licenses, lottery fees, federal grants and other sources.

(2) Bad Checks - checks issued with insufficient funds in the originator's bank account.

(3) Treasury Initiated Transfers - To record debt service payments to the proper bank account and transfer of investment income to the proper fund.

(4) Transfers - income earned from short and long-term investments, transfers of cash from one fund to the other, investment activity, and Certificates of Deposit purchased and sold with Connecticut banks under the Treasurer's Community Bank and Credit Union Initiative.

(5) Internal Bank Transfers - transfers of money from concentration accounts to zero balance accounts with the same depository institution to provide funds to cover authorized disbursements and invest excess cash.

(6) Interbank Transfers - transfers of state moneys between banks to invest excess cash or to cover authorized disbursements.

(7) Vendor - expenditures for goods and services provided to the State by vendors.

(8) Payroll - expenditures for the State's personnel and retirement payrolls.

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (1)
FISCAL YEAR ENDED JUNE 30, 2011
PRESENTED UNDER BUDGETARY BASIS OF ACCOUNTING (3) (4)

Fund Name	Cash Balance July 1, 2010	FY 2011 Receipts	FY 2011 Disbursements	Transfers	Other Net Adjustments (2)	Adjusted Cash Balance June 30, 2011
TOTAL FUNDS	**$(230,658,612.21)**	**$29,172,885,442.52**	**$28,370,703,509.82**	**$(439,831,084.01)**	**$149,782,001.67**	**$281,474,238.15**

(1) Detailed information on activity within each individual fund (formerly provided in the Statutory Appendix) can be obtained from the Comptroller's Annual Report.

(2) Other Net Adjustments have been included to bring the Treasurer's cash balance presentation into conformance with the Comptroller's cash balance presentation.
These adjustments include the following:
- Cash held in agency checking accounts.
- Petty cash balance.

(3) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the Budget Act enacted by the General Assembly. The Budget Act enacted for the 2011 fiscal year is presented on a comprehensive basis of accounting other than general accepted accounting principals. In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Civil List Funds Summary Schedule of Cash Receipts and Disbursements.

(4) GAAP accounting requires that investment balances be presented to include the accrued interest earned. This manner of presentation is not used for the budgetary basis presentation.

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
SUMMARY SCHEDULE OF CASH AND INVESTMENTS [1]
FISCAL YEAR ENDED JUNE 30, 2011
PRESENTED UNDER BUDGETARY BASIS OF ACCOUNTING [2] [3]

Description		Total All Funds
General Investments		
Cash	$	281,474,238.15
STIF		2,610,002,987.41
TEPF		11,891,953.60
Investments with Treasurer as Trustee		
Short-Term		1,210,616,081.30
Long-Term		16,124,565,662.89
Investments with Others as Trustee		
Short-Term		369,448,274.80
Long-Term		335,402,073.65
Total	$	20,943,401,271.80
Reconcilation Between Treasurer & Comptroller [4]		
Office of the Comptroller		
Cash and STIF June 30, 2011 (Annual Statutory Report)	$	3,015,415,773.07
Reporting Adjustment		0.01
Tax Exemp Bond Proceeds Fund #11000		187,584.31
Cash and invest with Trustee Fund #14005		708,645,368.12
Cash and invest with Trustee Fund #21008		12,977,568.21
Cash and invest with Trustee Fund #21009		118,639,060.36
Cash and invest with Trustee Fund #21015		189,807,618.38
Cash and invest with Trustee Fund #21018		68,301,866.26
Cash and invest with Trustee Fund #21020		10,421.74
Total	$	4,113,985,260.46
Office of the Treasurer		
Cash	$	281,474,238.15
STIF		2,610,002,987.41
TEPF		11,891,953.60
STIF/Investment with Treasurer as Trustee		1,210,616,081.30
Total	$	4,113,985,260.46

(1) For a detailed listing of the Civil List Investments for the Fiscal Year Ending June 30, 2011, please see Statutory Appendix.

(2) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the budget act enacted by the General Assembly. The Budget Act enacted for the 2011 fiscal year is presented on a comprehensive basis of accounting other than general accepted accounting principals. In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Summary Schedule of Cash and Investments.

(3) GAAP accounting requires that investment balances be presented to include the accrued investment earnings. This manner of presentation is not used for the budgetary basis presentation.

(4) Reconciliation of Cash Equivalents Per Comptroller's Books to Cash and General Investments and Short-Term Investments Per Treasury Books.

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CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM (1)
FISCAL YEAR ENDED JUNE 30, 2011

Fund	Participant	Department	SID	Interest Earned During the Year
12004	**Insurance Fund**			
	INSURANCE FUND	DOI37500	10010	$23,412.50
Total				23,412.50
12007	**Workers Compensation**			
	ADMINISTRATION FUND	WCC42000	10010	52,726.76
Total				52,726.76
12014	**Criminal Injuries Compensation Fund**			
	VICTIM SERVICES	JUD95000	12047	5,932.87
Total				5,932.87
12015	**Vending Facilities Operators Fringe Benefits**			
	VENDING FACILITY PROGRAM - FEDERAL INCOME	ESB65000	40012	19.35
Total				19.35
12017	**University of Connecticut Operating Fund**			
	OPERATING FUND	UOC67000	40001	566,204.65
Total				566,204.65
12018	**University Health Center Operating Fund**			
	OPERATING FUND	UHC72000	40001	123,830.12
	STUDENT SCHOLARSHIPS AND LOANS	UHC72000	40014	13,082.02
Total				136,912.14
12019	**State University Operating Fund**			
	STATE UNIVERSITIES	CSU83000	40001	473,286.49 (2)
	CENTRAL CONNECTICUT STATE UNIVERSITY	CSU84000		4,822.22
	EASTERN CONNECTICUT STATE UNIVERSITY	CSU85500		8,268.79
Total				486,377.50
12020	**Regional Community/Technical Colleges Operating Fund (Tuition Account)**			
	BOARD FOR REGIONAL COMM-TECH COLLEGE	CCC78000	40001	252,952.13
Total				252,952.13
12022	**University of Connecticut Research Foundation**			
	RESEARCH	UOC67000	40001	45,228.01
Total				45,228.01
12031	**Employment Security - Administration**			
	PENALTY & INTEREST	DOL40000	40213	26,875.10
	TITLE XII EXCESS FUNDS	DOL40000	40214	2,742.99
Total				29,618.09
12037	**Tobacco Settlement Fund**			
	TOBACCO SETTLEMENT FUND	OPM20000	0	4,993.19
Total				4,993.19
12060	**GENERAL FUND**			
	RESEARCH IN PLANT SCIENCE	AES48000	30099	1,199.31
	ADMINISTRATION OF GRANTS	AES48000	30116	654.22
	BOARD FOR STATE ACADEMIC AWARD	BAA77000	35186	6,668.97
	CT DISTANCE LEARNING CONSORTIUM	BAA77000	35289	1,291.97
	OFFICE OF TOURISM	CAT45200	30207	121.11
	CONN STATE LIBRARY ACCOUNT	CSL66000	30082	4.25
	CT LIBRARY & MUSEUM FUND	CSL66000	30093	4,679.63
	HISTORIC DOCUMENTS PRESERVATION ACCOUNT	CSL66000	35150	1,729.16
	RICHARD A. FORESTER MEMORIAL FUND	DCF91000	30084	30.35
	GEARUP SCHOLARSHIP TRUST FUND	DHE66500	22133	7,882.25
	WEISMAN TEACHER SCHOLARSHIP FUND	DHE66500	30405	102.59
	FINANCIAL LITERACY INITIATIVES	DHE66500	30432	1,366.27
	PRIVATE OCCUPATIONAL STUDENT PROTECTION FUND	DHE66500	35135	10,231.82
	CONNECTICUT FUTURES ACCOUNT	DHE66500	35151	1,782.99

CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM (1) (Continued)
FISCAL YEAR ENDED JUNE 30, 2011

Fund	Participant	Agency	SID	Interest Earned During the Year
	BOARD OF PAROLE'S ASSET FORFEITURE ACCOUNT	DOC88000	20127	44.44
	CORRECTIONAL MEMORIAL FUND	DOC88000	30015	75.33
	CORRECTION GENERAL WELFARE FUND	DOC88000	35137	1,263.51
	FEDERAL ASSET FORFEITURE	DPS32000	20493	1,193.56
	ENHANCED 911 TELECOMMUNICATIONS FUND	DPS32000	35190	45,064.13
	CHILDREN'S TRUST FUND	DSS60000	30219	1,117.50
	BRAIN INJURY PREVENTION AND SERVICE ACCOUNT	DSS60000	35308	321.31
	NVRLF SEQUESTERED ACCOUNT	ECD46000	30459	2,630.98
	CITIZENS ELECTION FUND RESERVE ACCT	ELE13500	30422	345.46
	CITIZEN ELECTION FUND	ELE13500	35333	-3,018.88
	CITIZEN ELECTION FUND GRANTS	ELE13500	35339	57,279.09
	FAUCHTSWANGER FUND	ESB65000	30030	19.83
	FRAUENHOFER FUND	ESB65000	30042	47.82
	MISCELLANEOUS GRANTS	ESB65000	30070	33.35
	SARA BROWN FUND	ESB65000	30092	565.48
	CHARLES PRECOURT MEMORIAL FUND	ESB65000	30104	9.47
	ANN COROTEAU MEMORIAL FUND	ESB65000	30113	12.55
	VENDING FACILITIES PROGRAM-STATE AND LOCAL INCOME	ESB65000	35149	1,362.44
	LAW LIBRARY-DONATED COPIER RECEIPTS	JUD95000	30238	11.50
	DERBY COURTHOUSE MAINTENANCE RESERVE	JUD95000	35188	590.90
	MERIDEN COURTHOUSE MAINTENANCE RESERVE	JUD95000	35195	910.59
	CRIMINAL VIOLENCE VICTIMS ESCROW ACCT.	JUD95000	35203	0.61
	CLIENT SECURITY FUND	JUD95000	35205	24,650.78
	MILFORD COURTHOUSE RESERVE ACCOUNT	JUD95000	35371	1,713.18
	DMHAS-COMMISSIONER'S OFFICE PRE-TRIAL ACCOUNT	MHA53000	35166	7,212.32
	DRUG ASSET FORFEITURE PROGRAM	MIL36000	35112	77.62
	EXXON OVERCHARGE	OPM20000	20488	108.08
	STRIPPER WELL OVERCHARGE	OPM20000	20492	1,759.43
	JUVENILE ACCOUNTABLIITY INCENTIVE BLOCK	OPM20000	21672	3,942.26
	JUSTICE ASSISTANCE GRANT	OPM20000	21921	20,808.35
	JUSTICE ASSISTANCE GRANT	OPM20000	26015	131.46
	JUSTICE ASSISTANCE GRANT	OPM20000	29002	9,185.44
	INVESTMENT FUND	OTT14000	35101	17,475.13
	SECOND INJURY	OTT14000	35105	2,477.72
	SECOND INJURY STIPULATION & REIMBURSEMENT	OTT14000	35111	6,792.85
	MUNICIPAL PARTICIPATION FUND	OTT14000	35269	32.48
	NUCLEAR SAFETY EMERGENCY PREPAREDNESS	PUC39000	35411	100.22
	WALLACE FOUNDATION GRANT	SDE64000	30256	0.40
	DIV. OF FINANCE AND INTERNAL OPERATIONS	SDE64000	35351	414.75
	FINANCIAL LITERACY UBS	SDE64000	35358	1,445.98
	FINANCIAL LITERACY	SDE64000	35380	653.17
	HELP AMERICA VOTE	SOS12500	21465	4,812.27
Total				251,419.75
21009	Bradley International Airport Operations			
	BRADLEY ENTERPRISE FUND	DOT57000	40001	32,046.83
Total				32,046.83
21019	Stadium Facility Enterprise Fund			
	STADIUM ENTERPRISE FUND	OPM20000	0	1,118.70
Total				1,118.70
22001	Correction Industries			
	CORRECTIONAL COMMISSARY FUND	DOC88000	42304	1,539.46
Total				1,539.46
31001	State Employees' Retirement System			
	STATE EMPLOYEES RETIREMENT FUND	OSC15000	40001	20,828.32
Total				20,828.32
31006	Teacher's Retirement System			
	TEACHER'S RETIREMENT BOARD OPERATING FUND	TRB77500	40001	-81,456.03
Total				-81,456.03

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM (1) (Continued)
FISCAL YEAR ENDED JUNE 30, 2011

Fund	Participant	Agency	SID	Interest Earned During the Year
31008	**Municipal Employees Retirement - Fund B**			
	MUNICIPAL EMPOLYEES RETIREMENT FUND	OSC15000	40001	2,312.93
Total				2,312.93
31011	**OPEB Fund**			
	OPEB FUND	OSC15000	40001	3,232.16
Total				3,232.16
31012	**Teacher's Retirement System**			
	TEACHER'S RETIREMENT BOARD	TRB77500	42358	135,395.14
Total				135,395.14
35001	**Connecticut Health Club Guaranty Fund**			
	HEALTH CLUB GUARANTEE FUND	DCP39500	40001	850.25
Total				850.25
35002	**Real Estate Guaranty**			
	REAL ESTATE GUARANTEE FUND	DCP39500	40001	1,214.69
Total				1,214.69
35003	**Home Improvement Guaranty Fund**			
	HOME IMPROVEMENT GUARANTEE FUND	DCP39500	40001	1,169.68
Total				1,169.68
35006	**New Home Construction Guaranty Fund**			
	NEW HOME CONSTRUCTION GUARANTY	DCP39500	40001	269.30
Total				269.30
35007	**Tobacco and Health Trust Fund**			
	TOBACCO HEALTH TRUST FUND	OPM20000	40001	15,673.75
Total				15,673.75
35008	**Biomedical Research Trust Fund**			
	BIOMEDICAL RESEARCH FUND	DPH48500	0	13,283.40
Total				13,283.40
35009	**Endowed Chair Investment Fund**			
	ENDOWED CHAIR INVESTMENT FUND	DHE66500	40001	13,117.96
Total				13,117.96
35012	**Various Treasurer's Trust Funds**			
	IRWIN LEPOW TRUST FUND	CME49500	42354	60.96
	R. GRAEME SMITH	DPS32000	42353	16.09
	FITCH FUND	DVA21000	42356	95.62
	JOHN H. KING	JUD95000	42355	394.43
	WHITE FUND	JUD95000	42357	3.69
Total				570.79
Grand Total				2,016,964.27

(1) Interest is earned at the monthly simple interest rate of the Treasurer's Short-Term Investment Fund. Interest is calculated on the average monthly balance of the fund or account, and credited to the fund or account on a quarterly basis.

(2) Interest is earned by the participant and allocated to the constituent units

CASH MANAGEMENT DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 (1)
FISCAL YEAR ENDED JUNE 30, 2011

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2011	Status As of 6/30/11
Bank of America	Banking Services	Various	$ 4,762,212 (2)	Active
Webster Bank	Banking Services	Jun-98	299,740 (2)	Active
People's Bank	Banking Services	Mar-97	182,701 (2)	Active
State Street Bank & Trust	STIF Custodian Fees	Jul-05	110,600	Active
US Bank National Assn	Bond Trustee & Paying Agent	Jul-06	90,481	Active
Wachovia Bank National Assn	Banking Services	Feb-97	69,242 (2)	Active
JP Morgan Chase Bank	P-Card	Mar-10	48,852 (2)	Active
Standard & Poors Financial McGraw-Hill Companies, Inc.	Subscription & Rating	N/A	36,500	Active
Bloomberg Financial LP	Subscription	N/A	19,080	Active
RogersCasey, Inc.	Investment Consulting Services	Dec-07	18,750	Active
Moodys Investors Services	Subscription & Research	N/A	17,833	Active
Fitch Information Inc.	Credit Research	N/A	13,283	Active
iMoney Net Inc.	Subscription	N/A	10,035	Active
TOTAL			**$ 5,679,309**	

(1) Expenses are presented on a cash basis.

(2) Includes compensation realized through bank balances and fees.

UNCLAIMED PROPERTY DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 [(1)]
FISCAL YEAR ENDED JUNE 30, 2011

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2011	Status As of 6/30/11
A & A Office Systems, Inc.	Photocopier Lease	N/A	$ 6,424	Active
ACS Unclaimed Property Clearinghouse	Securities Services & Claims Processing	July-06	878,998	Active
ACS Unclaimed Property Clearinghouse	Identification & Collection of Property	August-94	1,363,483	Active
Advance Corporate Networking Total	Comupter Equipment	N/A	7,216	Terminated
Audit Services US LLC	Identification & Collection of Property	May-06	164,422	Active
BlackRock Investment Management LLC	Security Commission Expense	May-09	77,203	Active
Bloomberg Financial LP	Subscription	N/A	19,080	Active
Dell Marketing LP	Computer Software	N/A	5,569	Terminated
Murphy Security Services LLC	Security Services	N/A	9,875	Active
Suburban Stationers Inc.	Office Supplies	N/A	9,658	Terminated
TOTAL			**$ 2,541,928**	

(1) Expenses are presented on a cash basis.

UNCLAIMED PROPERTY DIVISION

FIVE YEAR SELECTED FINANCIAL INFORMATION

	Fiscal Year Ended June 30,				
	2011	2010	2009	2008	2007
Gross Receipts (1)	125,029,194	222,107,523	69,496,494	64,037,656	64,567,697
Claims Paid	51,946,468	33,408,124	32,341,525	30,626,832	25,280,243
Transfer to Citizens Election Fund (3)	18,373,174	18,191,261	17,940,100	17,300,000	16,000,000
Administrative Expenses:					
Salaries & Fringe benefits	3,743,050	3,771,592	3,646,721	3,396,050	3,896,514
Data processing & hardware	2,427,212	2,514,603	2,170,581	3,018,137	2,826,339
All Other	157,153	431,564	119,645	449,575	220,355
Total Disbursements	76,647,057	58,317,144	56,218,572	54,790,594	48,223,451
Excess of Receipts over Disbursements (1)	$ 48,382,137	$163,790,379	$ 13,277,922	$ 9,247,062	$ 16,344,246
Approximate Market Value of Securities at Fiscal Year End:					
Total Securities Inventory	$ 1,932,505	$ 22,097,989	$ 88,297,207	$ 95,399,474	$ 99,761,769
Securities liquidated	$ 56,953,029	$151,166,311	$ 1,142,461	$ 0	$ 0
Number of claims paid	17,933	17,360	14,481	16,787	20,930

(1) Excess of receipts over disbursements is remitted to the General Fund, however, amounts collected remain liabilities of the State until returned to rightful owners.

(2) The amounts disclosed above as "receipts" and "claims paid" represent actual cash flows and do not include the value of the marketable securities received by the Unclaimed Property Division , nor the value of the securities returned to owners. However, the amounts disclosed above as fiscal year end market values of securities help provide a general indication of the relative net activity in such assets over time. Receipts, include the proceeds from securities liquidated in a given year.

(3) Per P.A. 05-5, October 25, 2005 special session, required Unclaimed Property Division to deposit certain funds into the Citizens' Election Fund and the balance is deposited into the General Fund.

Summary of Gross Receipts
Fiscal Year Ended June 30, 2011

Financial institutions	$18,824,884
Other corporations	32,920,767
Insurance companies	12,061,409
Govern agency/ public authorities	2,409,017
Dividends on securities held	179,927
Estates	18,058
Securities tendered	130,463
Securities sold	56,953,029
Sale of property lists, copying and other charges	5,000
Reciprocal exchange program with other states	1,526,640
Total Gross Receipts	$125,029,194

EXECUTIVE OFFICE

EX-OFFICIO DUTIES OF THE STATE TREASURER
BOARDS, COMMITTEES AND COMMISSIONS

STATE BOND COMMISSION (§ 3-20(c) CGS)

As authorized by the General Assembly, all projects and grants funded from State bonds, as well as the issuance of the bonds, must be authorized by the State Bond Commission. The members of the Commission include the Governor, Treasurer, Comptroller, Attorney General, Secretary of the Office of Policy and Management (OPM), Commissioner of Public Works, and the Cochairpersons and the ranking minority members of the joint standing committee of the General Assembly having cogniznace of matters relating to finance, revenue and bonding.

INVESTMENT ADVISORY COUNCIL (§ 3-13b(a) CGS)

The Investment Advisory Council advises on investment policy and guidelines, and also reviews the assets and performance of the pension funds. Additionally, the Council advises the Treasurer with respect to the hiring of outside investment advisors and on the appointment of the Chief Investment Officer. The Investment Advisory Council consists of the Treasurer, the Secretary of OPM and ten appointees of the Governor and State Legislature.

BANKING COMMISSION (§ 36a-70(h)(1) CGS)

The Banking Commission approves all applications for the creation of state banks or trust companies. As part of this process, the Commission holds public hearings on applications prior to granting approval. The Commission members are the Treasurer, Comptroller and Banking Commissioner.

FINANCE ADVISORY COMMITTEE (§ 4-93 CGS)

The Finance Advisory Committee approves budget transfers recommended by the Governor and has other such powers over the State budget when the General Assembly is not in session. The Committee members are the Governor, Lieutenant Governor, Treasurer, Comptroller, two Senate members who are members of the Legislature's Appropriations Committee and three House members who are members of the Legislature's Appropriations Committee.

CONNECTICUT LOTTERY CORPORATION BOARD OF DIRECTORS (§ 12-802(b) CGS)

The Connecticut Lottery Corporation manages the State lottery and is responsible to introduce new lottery games and maximize the efficiency of operations in order to provide a greater return to the general fund. The thirteen member Board of Directors includes the Treasurer, the Secretary of OPM, as well as appointees by the Governor and State Legislature.

CONNECTICUT HIGHER EDUCATION TRUST(CHET) ADVISORY COMMITTEE (§ 3-22e(a) CGS)

This committee advises the Treasurer on policies concerning CHET. The Connecticut Higher Education Trust allows families to make tax deferred investments for higher education costs. The Commissioner of Higher Education, the Secretary of OPM, the Cochairpersons and ranking members of the Legislature's education committee, and finance, revenue and bonding committees, and four representatives of private higher education and the public serve with the Treasurer on this board.

COUNCIL OF FISCAL OFFICERS (By Charter)

The purpose of the Council of Fiscal Officers is to provide a forum for discussion and participation in the development of State financial policies, practices and systems. Membership is open to all State officials or employees, elected or appointed, classified or unclassified, serving in a fiscal management position. The Treasurer is one of four permanent members of the Executive Board.

THE STANDARDIZATION COMMITTEE (§ 4a-58(a) CGS)

The standardization committee approves or grants waivers to existing purchasing regulations when it is in the best interests of the State to do so. The members of this committee include the Treasurer, Comptroller, Commissioner of Administrative Services, and such administrative heads of State departments as are designated for that duty by the Governor.

EX-OFFICIO DUTIES OF THE STATE TREASURER (Continued)
BOARDS, COMMITTEES AND COMMISSIONS

INFORMATION AND TELECOMMUNICATION SYSTEMS (IT)
EXECUTIVE STEERING COMMITTEE (§ 4d-12(b) CGS)

The IT Executive Steering Committee directs the planning, development, implementation and maintenance of State information and telecommunication systems. The Committee consists of the Treasurer, Comptroller, Secretary of OPM, Commissioner of Administrative Services, and the Chief Information Officer.

CONNECTICUT DEVELOPMENT AUTHORITY (CDA) (§ 32-11a(c) CGS)

The Connecticut Development Authority administers programs that support the State's economic development efforts. CDA has two basic types of loan programs: direct loans and loan guarantees (of bank loans). The Board membership includes the Treasurer, Commissioner of Economic and Community Development, Secretary of OPM, four members appointed by the Governor, and four members appointed by legislative leaders.

CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA) (§ 8-244(a) CGS)

CHFA was created to increase the supply of, and encourage and assist in the purchase, development and construction of, housing for low and moderate-income families and persons throughout the State. It provides mortgages for single family homeowners at below market rates, mortgages for multi-family developers, and construction financing. The members of the board include the Treasurer, Commissioner of Economic and Community Development, Secretary of OPM, Banking Commissioner, seven members appointed by the Governor, and four members appointed by legislative leaders.

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY (CHEFA)
BOARD OF DIRECTORS (§ 10a-179(a) CGS)

CHEFA is a conduit bond issuer for hospitals, nursing homes, private universities, private secondary schools and day care facilities. The board members include the Treasurer, Secretary of OPM, and eight members appointed by the Governor.

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY (CHESLA)
BOARD OF DIRECTORS (§ 10a-224(a) CGS)

CHESLA finances supplemental student loans and issues bonds every two years. The Board consists of eight members including the Treasurer, Commissioner of Higher Education, Secretary of OPM, and five additional members appointed by the Governor.

STUDENT FINANCIAL AID INFORMATION COUNCIL (§ 10a-161b CGS)

The council develops procedures to improve student financial aid policy and increase resources, develops methods to improve financial aid awareness, especially amoung middle and high school students and their families, and coordinates financial aid delivery. The council is assisted in their responsibilities by the Department of Higher Education and the Connecticut Association of Professional Financial Aid Administrators. The Council consists of the Commissioners of Higher Education, the Treasurer, four members appointed by the Governor, and four members appointed by the legislative leadership.

CONNECTICUT STUDENT LOAN FOUNDATION (§10a-201)

The Student Loan Foundation is a non-profit corporation created to improve educational opportunity and promote repayment of loans. The corporation is governed by a board of directors consisting of fourteen members including the chairperson of the Board of Governors of Higher Education and the Commissioner of Higher Education; six public members appointed by the Governor; four members with knowledge of business or finance appointed by the legislature leadership; and the Treasurer.

EX-OFFICIO DUTIES OF THE STATE TREASURER (Continued)
BOARDS, COMMITTEES AND COMMISSIONS

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY (CEFIA) (P.A 11-80)

CEFIA was created to promote, develop and invest in clean energy and energy efficiency projects in order to strengthen Connecticut's economy, protect community health, improve the environment, and promote a secure energy supply for the state. The members of its Board consist of eleven voting and two nonvoting members each with knowledge and expertise in matters related to the purpose and activities of the authority appointed as follows: The Treasurer, the Commissioner of Energy and Environmental Protection and the Commissioner of Economic and Community Development, each serving ex officio; four members appointed by the Legislature, two representing certain stakeholders (residential or low-income groups and environmental organizations) and two with specialized expertise (investment fund management and finance or deployment of renewable energy); four members appointed by the Governor, two with experience in the finance of renewable energy, one representing labor, and one with experience in research and development or manufacturing of clean energy; and two serving in an ex-officio, nonvoting capacity, including the president of the authority and a member of the board of Connecticut Innovations, Incorporated.

CONNECTICUT AIRPORT AUTHORITY (CAA) (P.A. 11-84)

CAA was established to develop, improve and operate Bradley International Airport and the five state-owned general aviation airports (Danielson, Groton/New London, Hartford Brainard, Waterbury-Oxford, and Windham Airports). The act also allows for the subsequent purchase of other general aviation airports and authorizes DOT to transfer them to CAA through one or more Memorandum of Understanding ("MOU"). With Treasurer and State Bond Commission approval, an MOU may allow CAA to assume the state's obligation for any outstanding Bradley International Airport revenue bonds. Any such assumption must be in compliance with the Indenture securing the outstanding bonds. An 11-member board governs CAA, appointed as follows: (1) (A) the Treasurer or the treasurer's designee, (B) the Commission of Transportation or the commissioner's designee, and (C) the Commissioner of Economic and Community Development or the commissioner's designee, each serving ex officio; (2) one appointed by the speaker of the House of Representatives for a term of four years; (3) one appointed by the minority leader of the House of representatives for a term of four years; (4) one appointed by the president pro tempore of the Senate for a term of four years; and (5) one appointed by the minority leader of the Senate for a term of four years.. The Governor shall appoint four members to the board as follows: (A) two members for two years; and (B) two members for four years.

STATE EMPLOYEES' RETIREMENT COMMISSION (§5-155a)

The Connecticut State Employees Retirement Commission administers the provisions of the State Employees Retirement System, the Municipal Employees Retirement System, and all other state retirement and pension plans except the Teachers' Retirement System. The Connecticut State Employees Retirement Commission consists of: six trustees representing employees who are appointed by the bargaining agents in accordance with the provisions of applicable bargaining agreements; six management trustees who are members of the State Employees Retirement System and appointed by the Governor; two actuarial trustees who are enrolled actuaries and Fellows of the Society of Actuaries, one of whom is nominated by the trustees representing employees and one of whom is nominated by the management trustees, and are appointed by the Governor; one neutral trustee who is chairman of the State Employees Retirement Commission and is enrolled in the National Academy of Arbitrators who is nominated by the employee and management trustees and appointed by the Governor; and the State Treasurer who serves as a non-voting ex officio trustee. The Comptroller, ex officio, is the nonvoting secretary of the Commission and provides secretariat support to the Commission.

TEACHERS' RETIREMENT BOARD (§10-183L)

The Teachers' Retirement Board administers the Connecticut Teachers' Retirement System. The Board consists of fourteen members: four active teacher members, two retired teacher members, the State Treasurer, the Secretary of the Office of Policy and Management and the Commissioner of the State Board of Education, and five public members appointed by the Governor.

EXECUTIVE OFFICE

TOTAL ADMINISTRATION EXPENDITURES
FISCAL YEARS ENDED JUNE 30,

Fiscal Years Ended June 30,

	2011	%	2010	%	2009	%	2008	%	2007	%
GENERAL FUND										
Personal Services	$3,072,415	3.13%	$3,210,145	3.66%	$3,602,754	3.80%	$3,513,197	4.11%	$3,607,677	3.89%
Other Expenses	186,710	0.19%	155,429	0.18%	239,594	0.25%	305,232	0.36%	285,592	0.31%
Capital Equipment	0	0.00%	0	0.00%	-	0.00%	100	0.00%	100	0.00%
TOTAL	**3,259,125**	**3.32%**	**3,365,574**	**3.83%**	**3,842,348**	**4.05%**	**3,818,529**	**4.47%**	**3,893,369**	**4.20%**
PENSION FUNDS										
Personal Services	$4,045,025	4.12%	$3,992,849	4.55%	$3,581,005	3.78%	$3,394,051	3.97%	$3,250,644	3.50%
Other Expenses	75,849,755	77.24%	65,105,625	74.17%	72,325,071	76.29%	62,672,093	73.29%	69,572,587	74.97%
Capital Equipment	2,709	0.00%	0	0.00%	7,388	0.01%	2,763	0.00%	28,007	0.03%
TOTAL	**79,897,489**	**81.36%**	**69,098,474**	**78.72%**	**75,913,464**	**80.07%**	**66,068,907**	**77.26%**	**72,851,238**	**78.50%**
SECOND INJURY FUND										
Personal Services	$6,476,474	6.59%	$6,203,425	7.07%	$6,523,771	6.88%	$6,031,570	7.05%	$6,535,640	7.04%
Other Expenses	457,424	0.47%	597,001	0.68%	672,593	0.71%	834,908	0.98%	712,690	0.77%
Capital Equipment	4,895	0.00%	0	0.00%	10,242	0.01%	27,048	0.03%	54,784	0.06%
TOTAL	**6,938,793**	**7.07%**	**6,800,426**	**7.75%**	**7,206,606**	**7.60%**	**6,893,526**	**8.06%**	**7,303,114**	**7.87%**
UNCLAIMED PROPERTY FUND										
Personal Services	$3,743,050	3.81%	$3,771,596	4.30%	$3,646,721	3.85%	$3,396,090	3.97%	$3,896,514	4.20%
Other Expenses	2,580,964	2.63%	2,946,163	3.36%	2,282,854	2.41%	3,441,613	4.02%	3,017,579	3.25%
Capital Equipment	3,401	0.00%	0	0.00%	7,372	0.01%	26,059	0.03%	29,115	0.03%
TOTAL	**6,327,415**	**6.44%**	**6,717,759**	**7.65%**	**5,936,947**	**6.26%**	**6,863,762**	**8.03%**	**6,943,208**	**7.48%**
SHORT-TERM INVESTMENT FUND										
Personal Services	$1,024,744	1.04%	$1,007,303	1.15%	$994,643	1.05%	$913,106	1.07%	$1,008,349	1.09%
Other Expenses	233,068	0.24%	262,867	0.30%	312,325	0.33%	365,873	0.43%	205,828	0.22%
Capital Equipment	846	0.00%	0	0.00%	1,733	0.00%	863	0.00%	8,291	0.01%
TOTAL	**1,258,658**	**1.28%**	**1,270,170**	**1.45%**	**1,308,701**	**1.38%**	**1,279,842**	**1.50%**	**1,222,468**	**1.32%**
Other Financing Sources (1)	**$522,380**	**0.53%**	**$522,873**	**0.60%**	**$595,201**	**0.63%**	**$587,610**	**0.69%**	**$589,270**	**0.63%**
TOTAL AGENCY	**$98,203,860**	**100.00%**	**$87,775,276**	**100.00%**	**$94,803,267**	**100.00%**	**$85,512,176**	**100.00%**	**$92,802,667**	**100.00%**

(1) Other Financing Sources include: Clean Water Fund; Special Transportation Fund; Bonds Cost of Issuance Fund; and the Capital Equipment Fund.

EXECUTIVE DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 (1)
FISCAL YEAR ENDED JUNE 30, 2011

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2011	Status As of 6/30/11
A & A Office Systems	Photocopier Lease	N/A	$ 9,637	Active
Advance Corporate Networking	Computer Software	N/A	10,824	Terminated
CERES, Inc.	Dues	N/A	20,000	Active
Corporate Governance Research Consulting, LLC	Corporate Governance Services	Mar-07	8,295	Active
Council of Institutional Investors	Dues	N/A	29,900	Active
Dell Marketing LP	Computer Software	N/A	8,353	Terminated
Interfaith Center on Corporate Responsibility	Subscription	N/A	-	Active
Investor Responsibility Support Services	Proxy Voting Services	Dec-02	25,000	Active
John Watts Assoc. INC	Remodeling New Offices	N/A	80,091	Terminated
JP Morgan Chase Bank	Purchasing Card Expenditures	N/A	6,134	Active
Murphy Security Service LLC	Security Service	N/A	14,813	Active
National Assocation Of StateTreasurer	Dues	N/A	7,200	Active
PRI Association	PRI Subscription	N/A	10,553	Active
Suburban Stationers Inc.	Office Supplies	N/A	7,109	Terminated
The Corporate Library	Subscription	N/A	25,000	Active
West Group	Subscription	N/A	25,768	Active
TOTAL				
TOTAL			$ 288,677	

(1) Expenses are presented on a cash basis.

SECOND INJURY FUND

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 [1]
FISCAL YEAR ENDED JUNE 30, 2011

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2011	Status As of 6/30/11
A & A Office Systems Inc.	Photocopier Lease	N/A	$ 9,315	Active
Aegis International Inc.	Surveillance Services	January-06	25,869	Active
Advanced Corporate Networking	Computer Equipment	N/A	10,463	Termated
Automatic Data Processing Inc.	Check Processing	June-06	16,690	Active
Coventry Healthcare Workers Compensation Inc.	Provider Bill Audit Services	February-06	139,222	Active
Crowe Paradis Services Corp	Computer Software	N/A	7,700	Active
Dell Marketing LP Total	Computer Software	N/A	8,075	Termated
Iron Mountain Off-Site Data Protection Records Management Services		N/A	8,931	Active
MCMC, LLC	IME/Case Mgmt./Job Placement	January-06	14,596	Active
Murphy Security Service, LLC	Security Services	NA	14,319	Active
Security Services of Connecticut Inc.	Surveillance Services	January-06	44,053	Active
Suburban Stationers Inc.	Office Supplies	N/A	10,323	Termated
TOTAL			**$ 309,556**	

(1) Expenses are presented on a cash basis. This schedule only includes services that were retained directly by the Fund and does not include medical services ordered by Workers Compensation Commissioners, claimants or their treating physicians.

Statutory Appendix

STATE OF CONNECTICUT

QUI TRANSTULIT SUSTINET

TREASURER'S OFFICE

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING [1] - BUDGETARY BASIS
JUNE 30, 2011

Issue Date	Outstanding June 30, 2010	FY 2011 Issued	FY 2011 Retired	Refunded or Defeased	Outstanding June 30, 2011	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2011 [2]	Interest Paid During FY 2011[3]
BOND TYPE: GENERAL OBLIGATION - TAX SUPPORTED											
11/20/1990	$ 5,645,889	$ -	$ 5,645,889	$ -	$ -				11/15/2010	$ -	$ 18,257,111
01/01/1991	1,240,622	-	1,240,622	-	-				01/01/2011	-	63,083
05/16/1991	5,333,307	-	5,333,307	-	-				05/15/2011	-	15,778,693
12/12/1991	5,752,615	-	1,932,943	-	3,819,672	6.701	6.701	12/15/2011	12/15/2011	10,035,415	4,865,057
01/21/1992	3,311,688	-	1,639,659	-	1,672,029	6.034	6.034	08/01/2011	02/01/2012	-	175,216
05/14/1992	5,275,284	-	2,214,743	-	3,060,541	6.777	6.777	05/15/2012	05/15/2012	7,890,798	5,670,257
11/17/1992	4,799,734	-	1,627,395	-	3,172,339	6.384	6.402	11/15/2011	11/15/2012	7,061,799	3,391,605
03/15/1993	17,340,000	-	8,670,000	-	8,670,000	5.500	5.500	03/15/2012	03/15/2012	-	953,700
03/15/1993	10,285,000	-	10,285,000	-	-	0.000	0.000	09/15/2010	09/15/2010	-	282,838
05/19/1993	6,151,940	-	3,034,900	-	3,117,040	5.923	5.923	06/15/2012	06/15/2012	5,855,736	5,713,100
10/01/1993	22,440,000	-	-	-	22,440,000	6.000	6.000	03/15/2012	03/15/2012	-	1,346,400
11/16/1993	7,998,362	-	1,636,958	-	6,361,404	5.362	5.383	12/01/2011	12/01/2012	9,837,963	2,382,042
03/15/1994	10,920,000	-	-	-	10,920,000	5.650	5.650	03/15/2012	03/15/2012	-	616,980
05/26/1994	8,876,076	-	1,729,524	-	7,146,552	6.394	6.414	06/01/2012	06/01/2013	13,836,130	3,297,476
11/22/1994	10,424,603	-	2,480,175	-	7,944,428	6.309	6.398	12/15/2011	12/15/2013	14,534,929	4,201,825
03/28/1996	2,709,056	-	382,500	-	2,326,556	5.030	5.030	11/01/2011	05/01/2018	-	131,471
05/14/1997	40,000,000	-	10,000,000	-	30,000,000	4.250	4.250	05/15/2012	05/15/2014	-	187,343
09/01/1997	10,010,402	-	914,591	-	9,095,811	5.081	5.081	03/01/2012	03/01/2020	-	508,628
09/30/1997	1,725,000	-	245,000	-	1,480,000	5.081	5.081	03/01/2012	03/01/2020	-	87,647
05/01/1999	11,568,240	-	784,800	-	10,783,440	4.633	4.633	09/01/2011	09/01/2022	-	517,777
05/06/1999	2,795,000	-	340,000	-	2,455,000	4.633	4.633	09/01/2011	09/01/2022	-	121,616
06/15/1999	4,675,000	-	-	-	4,675,000	5.250	5.250	06/15/2014	06/15/2014	-	245,438
08/01/1998	[4] 11,275,000	-	2,630,000	-	8,645,000	4.600	4.750	12/15/2011	12/15/2013	-	467,003
12/15/2000	33,000,000	-	33,000,000	-	-				12/15/2010	-	833,613
02/22/2001	100,000,000	-	-	-	100,000,000	3.500	3.500	02/15/2018	02/15/2021	-	802,293
06/12/2001	2,255,000	-	245,000	-	2,010,000	4.650	4.650	10/01/2011	10/01/2022	-	102,068
06/12/2001	7,251,000	-	489,260	-	6,761,740	4.652	4.652	10/01/2011	10/01/2022	-	325,922
06/15/2001	312,655,000	-	56,855,000	-	255,800,000	4.400	5.500	12/15/2011	12/15/2016	-	15,487,109
06/15/2001	20,000,000	-	20,000,000	-	-				06/15/2011	-	850,000
06/15/2001	20,000,000	-	-	-	20,000,000	4.330	4.330	06/15/2012	06/15/2012	-	866,000
11/15/2001	19,250,000	-	9,000,000	-	10,250,000	3.800	5.000	11/15/2011	11/15/2011	-	704,965
11/15/2001	194,840,000	-	16,325,000	-	178,515,000	5.000	5.125	11/15/2011	11/15/2019	-	9,523,469
12/15/2001	43,000,000	-	22,000,000	-	21,000,000	4.200	5.000	12/15/2011	12/15/2011	-	1,470,370
04/15/2002	28,500,000	-	14,250,000	-	14,250,000	4.250	5.250	04/15/2012	04/15/2012	-	1,384,845
06/15/2002	27,915,000	-	11,200,000	-	16,715,000	4.050	4.200	06/15/2012	06/15/2013	-	1,156,450
06/15/2002	34,470,000	-	-	-	34,470,000	5.000	5.500	12/15/2011	12/15/2018	-	1,820,100
08/15/2002	93,415,000	-	20,830,000	30,070,000	42,515,000	3.625	5.250	11/15/2011	11/15/2013	-	2,443,591
08/15/2002	212,350,000	-	11,770,000	-	200,580,000	4.000	5.500	11/15/2011	11/15/2015	-	11,214,950
11/01/2002	56,105,000	-	11,840,000	17,915,000	26,350,000	3.600	5.000	10/15/2011	10/15/2013	-	1,944,490
04/15/2003	88,130,000	-	15,000,000	-	73,130,000	3.600	5.000	04/15/2012	04/15/2023	-	4,038,008
04/15/2003	26,800,000	-	8,900,000	-	17,900,000	5.500	5.500	04/30/2012	04/30/2013	-	152,072

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING (1) - BUDGETARY BASIS (Continued)
JUNE 30, 2011

Issue Date	Outstanding June 30, 2010	FY 2011 Issued	FY 2011 Retired	Refunded or Defeased	Outstanding June 30, 2011	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2011 (2)	Interest Paid During FY 2011(3)
05/01/2003	72,795,000	-	13,250,000	-	59,545,000	3.400	5.000	05/01/2012	05/01/2023	-	3,343,648
08/20/2003	32,425,000	-	32,425,000	-	-				08/01/2010	-	810,625
10/01/2003	101,285,000	-	10,000,000	-	91,285,000	3.125	5.000	08/15/2011	08/15/2023	-	4,200,976
11/13/2003	72,000,000	-	10,525,000	-	61,475,000	3.250	5.250	10/15/2011	10/15/2023	-	2,936,422
12/18/2003	21,370,000	-	21,370,000	-	-				03/15/2011	-	1,068,500
03/01/2004	195,480,000	-	15,000,000	-	180,480,000	3.000	5.000	03/01/2012	03/01/2024	-	8,978,615
04/08/2004	944,765,000	-	73,945,000	-	870,820,000	3.000	5.000	12/01/2011	06/01/2020	-	46,196,244
05/04/2004	175,000,000	-	30,000,000	-	145,000,000	3.500	5.000	04/01/2012	04/01/2024	-	8,619,081
12/22/2004	205,000,000	-	15,000,000	-	190,000,000	3.125	5.000	12/01/2011	12/01/2024	-	9,487,508
03/16/2005	280,000,000	-	-	-	280,000,000	4.500	4.500	03/01/2016	03/01/2023	-	9,610,563
04/27/2005	275,860,000	-	-	-	275,860,000	4.375	5.250	06/01/2017	06/01/2021	-	14,409,938
04/27/2005	15,620,000	-	-	-	15,620,000	3.990	3.990	06/01/2016	06/01/2016	-	623,238
04/27/2005	20,000,000	-	-	-	20,000,000	5.070	5.070	06/01/2017	06/01/2017	-	1,014,000
04/27/2005	20,000,000	-	-	-	20,000,000	5.200	5.200	06/01/2020	06/01/2020	-	1,040,000
06/01/2005	236,250,000	-	15,750,000	-	220,500,000	4.000	5.000	06/01/2012	06/01/2025	-	10,300,500
06/01/2005	30,000,000	-	6,000,000	-	24,000,000	4.350	4.450	06/01/2012	06/01/2015	-	1,317,000
11/15/2005	240,000,000	-	15,000,000	-	225,000,000	4.000	5.000	11/15/2011	11/15/2025	-	10,972,500
03/09/2006	232,000,000	-	14,500,000	-	217,500,000	3.500	5.000	12/15/2011	12/15/2025	-	9,931,805
05/01/2006	160,000,000	-	10,000,000	-	150,000,000	3.800	5.000	05/01/2012	05/01/2026	-	7,259,385
06/01/2006	188,000,000	-	11,750,000	-	176,250,000	3.700	5.000	06/01/2012	06/01/2026	-	8,985,250
11/09/2006	295,000,000	-	-	-	295,000,000	4.000	5.000	11/01/2012	11/01/2026	-	14,096,500
11/09/2006	307,005,000	-	-	-	307,005,000	4.000	5.000	12/15/2015	12/15/2022	-	14,895,375
12/14/2006	305,000,000	-	50,000,000	-	255,000,000	3.500	5.000	12/01/2011	12/01/2021	-	12,971,006
05/10/2007	167,240,000	-	11,005,000	-	156,235,000	4.000	5.000	05/01/2012	05/01/2027	-	7,341,525
05/10/2007	173,030,000	-	25,000	-	173,005,000	4.000	5.000	05/01/2012	05/01/2022	-	8,473,900
06/14/2007	202,510,000	-	10,745,000	-	191,765,000	3.750	5.000	06/01/2012	06/01/2027	-	9,357,378
12/19/2007	148,000,000	-	43,945,000	-	104,055,000	3.500	5.000	03/15/2012	03/15/2015	-	7,324,625
12/19/2007	26,000,000	-	10,000,000	-	16,000,000	4.240	4.290	12/01/2011	12/01/2012	-	878,900
12/19/2007	270,000,000	-	15,000,000	-	255,000,000	3.500	5.000	12/01/2011	12/01/2027	-	11,668,450
04/30/2008	25,000,000	-	12,500,000	-	12,500,000	3.500	3.500	05/01/2012	05/01/2012	-	382,456
06/26/2008	360,000,000	-	20,000,000	-	340,000,000	3.000	5.000	04/15/2012	04/15/2028	-	15,639,466
06/26/2008	350,100,000	-	19,450,000	-	330,650,000	3.000	5.000	04/15/2012	04/15/2028	-	16,750,960
11/06/2008	475,000,000	-	23,170,000	-	451,830,000	3.900	5.750	11/01/2011	11/01/2028	-	22,732,471
02/26/2009	385,000,000	-	19,000,000	-	366,000,000	2.250	5.000	02/15/2012	02/15/2029	-	16,877,515
03/26/2009	44,295,000	-	8,545,000	-	35,750,000	2.000	5.000	03/01/2012	03/01/2018	-	1,444,550
03/26/2009	142,250,000	-	10,580,000	-	131,670,000	2.000	5.000	03/01/2012	03/01/2023	-	5,732,650
03/26/2009	72,000,000	-	8,000,000	-	64,000,000	3.590	5.460	03/01/2012	03/01/2019	-	3,591,200
12/03/2009	165,750,000	-	-	-	165,750,000	5.000	5.000	01/01/2012	01/01/2014	-	8,287,500
12/23/2009	450,000,000	-	-	-	450,000,000	4.950	5.632	12/01/2020	12/01/2029	-	24,355,000
04/28/2010	184,250,000	-	-	-	184,250,000	4.407	5.257	04/01/2019	04/01/2026	-	8,211,204
04/28/2010	105,000,000	-	-	-	105,000,000	2.500	5.000	04/01/2015	04/01/2018	-	3,983,686
06/23/2010	200,000,000	-	56,250,000	-	143,750,000	2.000	5.000	12/01/2014	12/01/2018	-	6,398,305
06/23/2010	258,235,000	-	-	-	258,235,000	2.000	5.000	12/01/2012	12/01/2021	-	11,529,649

SCHEDULE OF DEBT OUTSTANDING (1) - BUDGETARY BASIS (Continued)

JUNE 30, 2011

Issue Date	Outstanding June 30, 2010	FY 2011 Issued	FY 2011 Retired	FY 2011 Refunded or Defeased	Outstanding June 30, 2011	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2011 (2)	Interest Paid During FY 2011 (3)
10/19/2010	-	47,035,000	500,000	-	46,535,000	2.000	5.000	10/01/2014	10/01/2022	-	917,393
10/19/2010	-	203,400,000	-	-	203,400,000	5.295	5.295	10/01/2029	10/01/2029	-	4,846,514
10/19/2010	-	22,205,000	-	-	22,205,000	5.305	5.305	10/01/2030	10/01/2030	-	530,089
10/19/2010	-	294,395,000	-	-	294,395,000	5.090	5.090	10/01/2025	10/01/2030	-	6,743,118
05/19/2011	-	337,620,000	-	-	337,620,000	2.580	3.510	05/15/2012	05/15/2018	-	89,029
05/19/2011	-	15,465,000	-	-	15,465,000	1.000	1.000	05/18/2012	05/18/2012	-	-
05/31/2011	-	162,870,000	-	-	162,870,000	2.300	5.000	05/15/2019	05/15/2023	-	-
05/31/2011	-	89,045,000	-	-	89,045,000	0.380	2.120	05/15/2012	05/15/2015	-	-
05/31/2011	-	75,000,000	-	-	75,000,000	2.400	2.850	05/15/2016	05/15/2019	-	-
SUBTOTAL	**$10,159,003,817**	**$ 1,247,035,000**	**$927,702,265**	**$ 47,985,000**	**$10,430,351,552**					**$ 69,052,770**	**$531,538,831**
BOND TYPE: GENERAL OBLIGATION - BOND ANTICIPATION NOTES											
04/29/2009	$ 228,160,000	$ -	$228,160,000	$ -	$ -				06/01/2011	$ -	$ 8,945,100
04/28/2010	353,085,000	-	353,085,000	-	-				05/19/2011	-	7,473,633
SUBTOTAL	**$ 581,245,000**	**$ -**	**$581,245,000**	**$ -**	**$ -**					**$ -**	**$16,418,733**
BODY TYPE: GENERAL OBLIGATION TEACHERS' RETIREMENT FUND BONDS (5)											
04/30/2008	$2,089,675,000	$ -	$ -	$ -	$2,089,675,000	4.200	5.850	03/15/2014	03/15/2032	$ -	$120,857,076
04/30/2008	176,313,271	-	-	-	176,313,271	5.404	6.270	03/15/2014	03/15/2025	37,618,792	-
04/30/2008	10,590,000	-	-	-	10,590,000	5.000	5.000	03/15/2028	03/15/2028	-	529,500
SUBTOTAL	**$2,276,578,271**	**$ -**	**$ -**	**$ -**	**$2,276,578,271**					**$37,618,792**	**$121,386,576**
BOND TYPE: ECONOMIC RECOVERY NOTES											
12/03/2009	$ 915,795,000	$ -	$ -	$ -	$ 915,795,000	2.000	5.000	01/01/2012	01/01/2016	$ -	$40,567,963
SUBTOTAL	**$ 915,795,000**	**$ -**	**$ -**	**$ -**	**$ 915,795,000**					**$ -**	**$40,567,963**
BOND TYPE: GENERAL OBLIGATION - REVENUE SUPPORTED											
03/15/1993	$ 1,060,000	$ -	$ 530,000	$ -	$ 530,000	5.500	5.500	03/15/2012	03/15/2012	$ -	$ 58,300
SUBTOTAL	**$ 1,060,000**	**$ -**	**$ 530,000**	**$ -**	**$ 530,000**					**$ -**	**$ 58,300**
BOND TYPE: SPECIAL TAX OBLIGATION											
12/19/1990	$ 22,200,000	$ -	$22,200,000	$ -	$ -				12/01/2010	$ -	$ 672,950
09/15/1991	77,655,000	-	25,655,000	-	52,000,000	6.500	6.500	10/01/2011	10/01/2012	-	4,213,788
09/01/1992	64,010,000	-	20,045,000	-	43,965,000	6.125	6.125	09/01/2011	09/01/2012	-	3,306,734
04/15/1998	137,035,000	-	23,450,000	-	113,585,000	5.500	5.500	10/01/2011	10/01/2013	-	6,892,050
09/15/1998	51,650,000	-	11,895,000	-	39,755,000	5.500	5.500	11/01/2011	11/01/2013	-	2,513,638
07/15/2000	10,440,000	-	10,440,000	-	-				09/01/2010	-	274,050
09/15/2001	39,205,000	-	8,165,000	22,515,000	8,525,000	4.100	5.000	10/01/2011	10/01/2011	-	1,055,155
09/15/2001	217,600,000	-	47,160,000	-	170,440,000	5.375	5.375	10/01/2011	10/01/2015	-	10,428,575
05/01/2002	55,145,000	-	4,655,000	38,375,000	12,115,000	4.200	4.400	07/01/2011	07/01/2013	-	1,564,782
11/01/2002	127,945,000	-	9,160,000	78,345,000	40,440,000	3.400	5.000	12/01/2011	12/01/2022	-	2,039,259
07/01/2003	12,900,000	-	12,900,000	-	-				09/01/2010	-	247,750
11/15/2003	155,945,000	-	8,190,000	-	147,755,000	3.300	5.000	01/01/2012	01/01/2024	-	7,452,964

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING (1) - BUDGETARY BASIS (Continued)
JUNE 30, 2011

Issue Date	Outstanding June 30, 2010	FY 2011 Issued	FY 2011 Retired	FY 2011 Refunded or Defeased	Outstanding June 30, 2011	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2011 (2)	Interest Paid During FY 2011 (3)
11/15/2004	166,805,000	-	7,690,000	-	159,115,000	3.500	5.000	07/01/2011	07/01/2024	-	8,048,229
11/15/2004	89,460,000	-	5,845,000	-	83,615,000	3.125	5.250	07/01/2011	07/01/2019	-	4,212,838
12/15/2005	218,380,000	-	9,170,000	-	209,210,000	4.500	5.000	07/01/2011	07/01/2025	-	10,387,275
10/25/2007	233,675,000	-	8,680,000	-	224,995,000	3.750	5.000	08/01/2011	08/01/2027	-	10,681,533
10/01/2008	97,690,000	-	-	-	97,690,000	3.000	5.000	02/01/2012	02/01/2022	-	3,812,050
12/10/2008	290,540,000	-	9,750,000	-	280,790,000	3.000	5.000	11/01/2011	11/01/2028	-	13,754,431
01/29/2009	412,430,000	-	2,790,000	-	409,640,000	2.000	5.000	02/01/2012	02/01/2022	-	18,616,100
11/10/2009	195,970,000	-	15,275,000	-	180,695,000	3.000	5.000	12/01/2011	12/01/2029	-	7,303,286
11/10/2009	49,775,000	-	8,215,000	-	41,560,000	2.000	5.000	12/01/2011	12/01/2014	-	1,491,238
11/10/2009	304,030,000	-	-	-	304,030,000	4.855	5.740	12/01/2020	12/01/2029	-	16,663,351
11/10/2010	-	199,570,000	-	-	199,570,000	2.000	5.000	11/01/2011	11/01/2019	-	4,479,796
11/10/2010	-	400,430,000	-	-	400,430,000	4.126	5.459	11/01/2020	11/01/2030	-	9,822,138
11/10/2010	-	137,675,000	-	-	137,675,000	2.000	5.000	11/01/2012	11/01/2022	-	2,466,675
SUBTOTAL	**$3,030,485,000**	**$ 737,675,000**	**$271,330,000**	**$139,235,000**	**$3,357,595,000**					**$ -**	**$152,400,633**
BOND TYPE: BRADLEY INTERNATIONAL AIRPORT											
03/01/2001	$ 166,280,000	$ -	$ 4,835,000	$161,445,000	$ -					$ -	$ 4,268,785
03/01/2001	17,030,000	-	320,000	-	16,710,000	4.250	4.300	10/01/2011	10/01/2012	-	721,155
07/08/2004	5,475,000	-	5,475,000	-	-	0.000	0.000	10/01/2010	10/01/2010	-	136,875
03/31/2011	-	91,430,000	-	-	91,430,000	4.393	4.393	10/01/2011	10/01/2031	-	-
03/31/2011	-	60,950,000	-	-	60,950,000	4.463	4.463	10/01/2011	10/01/2031	-	-
SUBTOTAL	**$ 188,785,000**	**$ 152,380,000**	**$10,630,000**	**$161,445,000**	**$ 169,090,000**					**$ -**	**$ 5,126,815**
BOND TYPE: CLEAN WATER FUND											
07/01/2003	$ 96,530,000	$ -	$ 4,745,000	$34,415,000	$ 57,370,000	2.550	5.000	10/01/2011	10/01/2025	$ -	$ 3,440,262
07/01/2003	81,705,000	-	6,255,000	-	75,450,000	5.000	5.000	10/01/2011	10/01/2015	-	3,846,778
07/27/2006	136,235,000	-	9,195,000	-	127,040,000	3.800	5.000	07/01/2011	07/01/2027	-	5,871,258
07/27/2006	8,365,000	-	7,395,000	-	970,000	3.800	3.900	07/01/2011	07/01/2012	-	214,825
08/06/2008	149,820,000	-	23,875,000	-	125,945,000	3.000	5.000	02/01/2012	02/01/2018	-	6,640,775
06/25/2009	196,645,000	-	2,895,000	-	193,750,000	2.250	5.000	06/01/2012	06/01/2027	-	8,800,375
06/25/2009	36,815,000	-	9,150,000	-	27,665,000	2.250	5.000	06/01/2012	06/01/2015	-	1,328,063
07/30/2009	115,835,000	-	7,855,000	-	107,980,000	2.000	5.000	10/01/2011	10/01/2022	-	4,722,788
03/24/2011	-	182,935,000	-	-	182,935,000	1.000	5.000	01/01/2012	01/01/2028	-	-
SUBTOTAL	**$ 821,950,000**	**$ 182,935,000**	**$71,365,000**	**$34,415,000**	**$ 899,105,000**					**$ -**	**$34,865,123**
BOND TYPE: UCONN 2000 (6)											
02/21/1996	$ 2,122,441	$ -	$ 2,122,441	$ -	$ -				02/01/2011	$ -	$ 2,382,559
03/15/2001	4,960,000	-	4,960,000	-	-				04/01/2011	-	198,400
04/01/2002	10,000,000	-	5,000,000	-	5,000,000	4.300	4.300	04/01/2012	04/01/2012	-	438,200
03/01/2003	25,595,000	-	5,000,000	-	20,595,000	3.350	5.250	02/15/2012	02/15/2023	-	1,089,303
01/15/2004	59,445,000	-	4,895,000	-	54,550,000	3.000	5.000	01/15/2012	01/15/2024	-	2,441,285
01/15/2004	191,840,000	-	17,760,000	-	174,080,000	3.900	5.000	01/15/2012	01/15/2020	-	9,587,105
03/16/2005	71,970,000	-	6,540,000	-	65,430,000	3.625	5.000	02/15/2012	02/15/2025	-	3,212,821

SCHEDULE OF DEBT OUTSTANDING (1) - BUDGETARY BASIS (Continued)
JUNE 30, 2011

Issue Date	Outstanding June 30, 2010	FY 2011 Issued	FY 2011 Retired	Refunded or Defeased	Outstanding June 30, 2011	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2011 (2)	Interest Paid During FY 2011(3)
03/15/2006	61,710,000	-	3,860,000	-	57,850,000	3.550	5.000	02/15/2012	02/15/2026	-	2,753,754
03/15/2006	59,555,000	-	-	-	59,555,000	4.750	5.000	02/15/2013	02/15/2020	-	2,970,888
04/12/2007	73,545,000	-	5,270,000	-	68,275,000	3.600	5.000	04/01/2012	04/01/2027	-	3,027,925
04/12/2007	46,030,000	-	-	-	46,030,000	5.000	5.000	04/01/2016	04/01/2022	-	2,301,500
04/16/2009	137,510,000	-	7,345,000	-	130,165,000	3.000	5.000	02/15/2012	02/15/2029	-	5,867,949
05/25/2010	97,115,000	-	4,855,000	-	92,260,000	3.000	5.000	02/15/2012	02/15/2030	-	3,083,326
05/25/2010	36,095,000	-	5,575,000	-	30,520,000	2.000	5.000	02/15/2012	02/15/2021	-	992,821
SUBTOTAL	**$ 877,492,441**	**$ -**	**$73,182,441**	**$ -**	**$ 804,310,000**					**$ -**	**$40,347,835**
BOND TYPE: CDA INCREMENT FINANCING (7)											
10/05/2004	$ 6,885,000	$ -	$ 350,000	$ -	$ 6,535,000	3.000	5.000	10/15/2011	10/15/2024	$ -	$ 274,989
10/05/2004	4,145,000	-	640,000	-	3,505,000	3.000	3.500	12/15/2011	12/15/2015	-	124,344
10/05/2004	8,370,000	-	1,025,000	-	7,345,000	5.000	5.125	05/01/2012	05/01/2017	-	423,413
12/20/2006	8,150,000	-	605,000	-	7,545,000	3.750	4.000	12/15/2011	12/15/2020	-	307,366
SUBTOTAL	**$ 27,550,000**	**$ -**	**$ 2,620,000**	**$ -**	**$ 24,930,000**					**$ -**	**$ 1,130,111**
BOND TYPE: CDA GOVERNMENTAL LEASE REVENUE (8)											
12/15/1994	$ 2,915,000	$ -	$ 660,000	$ -	$ 2,255,000	6.600	6.600	06/15/2012	06/15/2014	$ -	$ 192,390
SUBTOTAL	**$ 2,915,000**	**$ -**	**$ 660,000**	**$ -**	**$ 2,255,000**					**$ -**	**$ 192,390**
BOND TYPE: CHEFA CHILDCARE FACILITIES PROGRAM (9)											
04/15/1998	$ 4,750,000	$ -	$ 130,000	$ -	$ 4,620,000	6.750	6.750	07/01/2011	07/01/2028	$ -	$ 316,238
11/01/1998	6,690,000	-	220,000	-	6,470,000	4.500	5.000	07/01/2011	07/01/2028	-	323,590
09/01/1999	14,440,000	-	530,000	-	13,910,000	5.100	5.625	07/01/2011	07/01/2029	-	781,829
08/01/2000	3,340,000	-	90,000	-	3,250,000	5.000	5.500	07/01/2011	07/01/2030	-	179,080
04/01/2001	3,330,000	-	90,000	-	3,240,000	4.375	5.000	07/01/2011	07/01/2031	-	161,721
12/20/2006	18,815,000	-	365,000	-	18,450,000	4.000	5.000	07/01/2011	07/01/2036	-	908,897
10/23/2008	16,875,000	-	240,000	-	16,635,000	4.000	6.000	07/01/2011	07/01/2038	-	987,488
SUBTOTAL	**$ 68,240,000**	**$ -**	**$ 1,665,000**	**$ -**	**$ 66,575,000**					**$ -**	**$ 3,658,842**
BOND TYPE: JUVENILE TRAINING SCHOOL (10)											
02/15/2001	$ 16,080,000	$ -	$ 455,000	$ -	$ 15,625,000	4.250	5.250	12/15/2011	12/15/2030	$ -	$ 780,619
SUBTOTAL	**$ 16,080,000**	**$ -**	**$ 455,000**	**$ -**	**$ 15,625,000**					**$ -**	**$ 780,619**
BOND TYPE: BRADLEY INTERNATIONAL PARKING OPERATIONS											
03/15/2000	$ 43,005,000	$ -	$ 1,755,000	$ -	$ 41,250,000	6.375	6.600	07/01/2011	07/01/2024	$ -	$ 2,752,508
SUBTOTAL	**$ 43,005,000**	**$ -**	**$ 1,755,000**	**$ -**	**$ 41,250,000**					**$ -**	**$ 2,752,508**
BOND TYPE: CHFA SPECIAL NEEDS HOUSING BONDS (11)											
09/13/2007	$ 24,135,000	$ -	$ 950,000	$ -	$ 23,185,000	4.500	5.000	06/15/2012	06/15/2027	$ -	$ 1,161,288
05/19/2009	36,550,000	-	330,000	-	36,220,000	2.375	5.000	06/15/2012	06/15/2029	-	1,472,275
05/19/2009	1,090,000	-	1,090,000	-	-				06/15/2011	-	25,058

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING [1] - BUDGETARY BASIS (Continued)
JUNE 30, 2011

		FY 2011									
Issue Date	Outstanding June 30, 2010	Issued	Retired	Refunded or Defeased	Outstanding June 30, 2011	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2011 [2]	Interest Paid During FY 2011 [3]
10/19/2010	-	15,685,000	-	-	15,685,000	4.000	5.000	06/15/2014	06/15/2031	-	456,398
10/19/2010	-	2,100,000	470,000	-	1,630,000	1.180	1.980	06/15/2012	06/15/2014	-	18,198
SUBTOTAL	**$ 61,775,000**	**$ 17,785,000**	**$ 2,840,000**	**$ -**	**$ 76,720,000**					**$ -**	**$ 3,133,217**
BOND TYPE: CCEDA BONDS [12]											
07/21/2004	$ 9,445,000	$ -	$ 1,365,000	$ -	$ 8,080,000	3.500	5.000	06/15/2012	06/15/2016	$ -	$ 375,335
07/21/2004	57,470,000	-	-	-	57,470,000	3.960	3.960	06/15/2017	06/15/2034	-	2,215,761
08/04/2005	13,750,000	-	665,000	-	13,085,000	5.000	5.000	06/15/2012	06/15/2029	-	687,500
12/16/2008	22,015,000	-	495,000	-	21,520,000	3.500	5.750	06/15/2012	06/15/2034	-	1,151,513
SUBTOTAL	**$102,680,000**	**$ -**	**$ 2,525,000**	**$ -**	**$ 100,155,000**					**$ -**	**$ 4,430,108**
BOND TYPE: CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM [13]											
10/19/2010	$ -	$ 30,000,000	$ 835,000	$ -	$ 29,165,000	1.180	5.350	06/15/2012	06/15/2030	$ -	$ 814,640
SUBTOTAL	**$ -**	**$ 30,000,000**	**$ 835,000**	**$ -**	**$ 29,165,000**					**$ -**	**$ 814,640**
TOTAL	**$19,174,639,529**	**$ 2,367,810,000**	**$1,949,339,706**	**$383,080,000**	**$19,210,029,823**					**$106,671,562**	**$959,603,244**

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING [1] - BUDGETARY BASIS (Continued)
JUNE 30, 2011

(1) Includes all outstanding debt issued by the State of Connecticut as of June 30, 2011.

(2) Includes interest accreted on Capital Appreciation Bonds (CABs) only. Interest on CABs accretes over the life of the bond and is paid at maturity. This amount is not included in the column shown as outstanding June 30, 2011.

(3) Includes interest rate swap payments and variable rate bond fees.

(4) Debt outstanding at June 30, 2011 includes $8,645,000.00 in Certificates of Participation for the Middletown Courthouse, which is not debt of the State. However, the State is obligated to pay a base rent under a lease for the courthouse, subject to the annual appropriation of funds or the availability of other funds. The base rent is appropriated as debt service. The Certificates of Participation are included on the Treasurer's Debt Management System for control purposes.

(5) The Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund $2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.

(6) UConn 2000 Bonds were authorized in three stages, in a total amount of $2.8 billion over a 22 year period to be paid by the University of Connecticut from a State Debt Service commitment. As each series is issued, the debt service is appropriated from the State General Fund.

(7) The Connecticut Development Authority (CDA) has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund.

(8) The Connecticut Development Authority (CDA) issued its lease revenue bonds for the New Britain Government Center. The State is obligated to pay base rent subject to the annual appropriation of funds. These payments are budgeted in the Treasurer's debt service budget as lease payments.

(9) On July 1, 1999, the Treasurer's Office assumed the responsibility for the Connecticut Health and Educational Facilities Authority (CHEFA) Childcare debt service appropriation per Public Act 97-259.

(10) A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.

(11) The Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Step Initiative. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and OPM.

(12) The Capital City Economic Development Authority (CCEDA) Bonds were issued to provide funding for Adriaen's Landing Development project in Hartford. The bonds, issued in a combination of fixed and variable rate securities, have a final maturity of 2034. The State is required to make all debt service payments on the bonds up to a maximum annual amount of $9 million pursuant to a contract assistance agreement between CCEDA, the Treasurer, and OPM. CCEDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

(13) The Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and the Office of Policy and Management.

NOTE 1: In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appear in the budget enacted by the General Assembly. The Budget Act enacted for the 2011 Fiscal Year is presented on a comprehensive basis of accounting principles. In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of this schedule.

NOTE 2: GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the budgetary basis presentation.

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING [1]

JUNE 30, 2011

CORE Fund No.	Legacy Fund No.	Name	Inception to Date Amount Authorized	Inception to Date Amount Issued	Principal Outstanding June 30, 2011	Interest Accreted Through Fiscal Year 2011[2]	Outstanding Incl. Accreted Interest June 30, 2011
BOND TYPE: GENERAL OBLIGATION-TAX SUPPORTED							
12033	1501	ECONOMIC DEVELOPMENT FUND	$162,430,000	$114,430,000	$5,000,000	$ -	$5,000,000
12034	1502	ECONOMIC DEVELOPMENT ASSISTANCE	716,800,000	684,862,441	132,643,148	-	132,643,148
12050	1870	LOCAL CAPITAL IMPROVEMENT FUND	645,000,000	610,000,000	149,665,000	-	149,665,000
12051	1872	CAPITAL EQUIPMENT PURCHASE FUND	382,640,000	321,213,428	34,200,000	-	34,200,000
12052	1873	GRANTS TO LOCAL GOVTS. & OTHERS	2,074,412,738	1,376,732,272	104,104,429	14,534,929	118,639,358
12053	1874	ECONOMIC DEVELOPMENT & OTHER GRANTS	104,193,324	101,193,948	3,819,672	10,035,415	13,855,087
12055	1879	HOUSING HOMELESS PERSONS	7,511,280	7,095,696	920,000	-	920,000
12059	1971	HARTFORD REDEVELOPMENT	491,880,000	475,810,000	87,385,000	-	87,385,000
12063	1800	HOUSING BONDS	556,977,506	515,170,235	13,245,000	-	13,245,000
12066	2066	DECD - Housing Trust Fund	110,000,000	70,000,000	50,000,000	-	50,000,000
13009	3089	SCHOOL CONSTRUCTION	1,822,039,500	1,810,839,500	20,341,944	17,728,761	38,070,705
13010	3090	MAGNET SCHOOLS	6,632,930,770	6,315,029,694	4,465,500,000	-	4,465,500,000
13015	3783	AGRICULTURAL LAND PRESERVATION	130,250,000	114,498,716	31,000,000	-	31,000,000
13019	3795	GRANTS FOR URBAN ACTION	1,159,487,544	1,041,148,354	221,466,852	-	221,466,852
17001	3001	GENERAL STATE PURPOSES	305,022,094	295,134,149	76,649,250	-	76,649,250
17011	3011	GENERAL STATE PURPOSES	580,740,570	533,545,494	203,147,102	-	203,147,102
17021	3021	GENERAL STATE PURPOSES	449,673,502	439,134,446	314,548,119	-	314,548,119
17041	3041	GENERAL STATE PURPOSES	251,081,385	220,897,976	195,878,854	-	195,878,854
17051		GENERAL STATE PURPOSES	182,191,116	172,500,000	153,444,374	-	153,444,374
17061		GENERAL STATE PURPOSES	170,963,560	118,080,291	110,410,000	-	110,410,000
17071		GENERAL STATE PURPOSES	368,578,850	191,163,777	95,157,650	-	95,157,650
17081		GENERAL STATE PURPOSES	242,495,361	55,000,000	55,000,000	-	55,000,000
17091		GENERAL STATE PURPOSES	11,600,000	11,600,000	11,600,000	-	11,600,000
17101		GENERAL STATE PURPOSES	25,066,316	4,710,000	4,710,000	-	4,710,000
17861	3861	CAPITAL IMPROVEMENTS	119,859,926	119,463,359	8,278,388	-	8,278,388
17871	3871	CAPITAL IMPROVEMENTS	521,848,335	509,853,706	1,820,000	-	1,820,000
17891	3891	GENERAL STATE PURPOSES	416,558,089	413,978,686	3,405,000	-	3,405,000
17901	3901	GENERAL STATE PURPOSES	533,894,091	528,220,942	3,172,339	7,061,799	10,234,138
17911	3911	GENERAL STATE PURPOSES	145,616,930	142,314,892	3,592,041	5,855,736	9,447,777
17921	3921	GENERAL STATE PURPOSES	322,135,563	320,382,563	8,670,000	-	8,670,000
17931	3931	GENERAL STATE PURPOSES	628,254,036	615,735,971	7,691,552	13,836,130	21,527,682
17951	3951	GSP/UCONN BABBIDGE LIBRARY & PLAZA DECK	206,589,811	205,950,003	9,118,532	-	9,118,532
17961	3961	GENERAL STATE PURPOSES	262,574,910	259,071,813	49,726,981	-	49,726,981
17971	3971	GENERAL STATE PURPOSES	195,280,711	188,557,040	4,324,321	-	4,324,321
17981	3981	GENERAL STATE PURPOSES	208,069,445	206,844,656	103,315,000	-	103,315,000
17991	3991	GENERAL STATE PURPOSES	296,959,989	246,123,848	7,096,429	-	7,096,429
21014	6864	CLEAN WATER FUND	969,032,510	769,348,884	249,299,576	-	249,299,576
21016	6866	CLEAN WATER FUND-LONG ISLAND SOUNC ACC.	71,993,466	64,102,782	9,925,000	-	9,925,000
	5999	G. O. BOND ANTICIPATION NOTES ROLLOVER FUND[3]	-	934,330,000	581,245,000	-	581,245,000
	9986	G. O. REFUNDING BONDS OCTOBER 1993[4]	-	259,125,000	22,440,000	-	22,440,000
	9972	MIDDLETOWN COURT HOUSE 1998 REFUNDING[4][5]	-	34,375,000	8,645,000	-	8,645,000

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING [(1)] (Continued)

JUNE 30, 2011

CORE Fund No.	Legacy Fund No.	Name	Inception to Date Amount Authorized	Inception to Date Amount Issued	Principal Outstanding June 30, 2011	Interest Accreted Through Fiscal Year 2011[(2)]	Outstanding Incl. Accreted Interest June 30, 2011
	9970	G. O. REFUNDING BONDS 2001 SERIES C[(4)]	-	504,575,000	255,800,000	-	255,800,000
	9966	G. O. REFUNDING BONDS 2001 SERIES E AND F[(4)]	-	432,835,000	178,515,000	-	178,515,000
	9965	G. O. REFUNDING BONDS SERIES 2002 C[(4)]	-	155,500,000	34,470,000	-	34,470,000
	9964	G. O. REFUNDING BONDS SERIES 2002 E[(4)]	-	256,375,000	200,580,000	-	200,580,000
	9956	G. O. REFUNDING BONDS SERIES 2004 B[(4)]	-	1,030,375,000	870,820,000	-	870,820,000
	9952	G. O. REFUNDING BONDS SERIES 2005 B[(4)]	-	335,550,000	331,480,000	-	331,480,000
	9951	G. O. REFUNDING BONDS SERIES 2006 E[(4)]	-	308,400,000	307,005,000	-	307,005,000
	9950	G. O. REFUNDING BONDS SERIES 2007 B[(4)]	-	173,300,000	173,005,000	-	173,005,000
	9949	G. O. REFUNDING BONDS SERIES 2007 E[(4)]	-	181,085,000	104,055,000	-	104,055,000
	9948	G. O. TAXABLE REFUNDING BONDS SERIES 2008 C[(4)]	-	50,000,000	12,500,000	-	12,500,000
	9945	G. O. REFUNDING BONDS SERIES 2009 C[(4)]	-	74,215,000	35,750,000	-	35,750,000
	9943	G. O. REFUNDING BONDS SERIES 2010 C[(4)]	-	258,235,000	258,235,000	-	258,235,000
	9942	G. O. REFUNDING BONDS SERIES 2011 D[(4)]	-	47,035,000	46,535,000	-	46,535,000
SUBTOTAL			**$22,482,633,228**	**$25,225,049,562**	**$10,430,351,552**	**$69,052,770**	**$10,499,404,322**
BOND TYPE: GENERAL OBLIGATION TEACHERS' RETIREMENT FUND BONDS [(6)]							
31006	3106	TEACHERS'S RETIEREMENT FUND G. O. BONDS TAXABLE SERIES 2008	$2,276,578,271	$2,276,578,271	$2,276,578,271	$37,618,792	$2,314,197,063
SUBTOTAL			**$2,276,578,271**	**$2,276,578,271**	**$2,276,578,271**	**$37,618,792**	**$2,314,197,063**
BOND TYPE: ECONOMIC RECOVERY NOTES							
	2030	ECONOMIC RECOVERY NOTES	$2,257,523,504	$2,198,440,000	$915,795,000	$ -	$915,795,000
SUBTOTAL			**$2,257,523,504**	**$2,198,440,000**	**$915,795,000**	**$ -**	**$915,795,000**
BOND TYPE: GENERAL OBLIGATION - REVENUE SUPPORTED							
13042	3876	UNIV.& STATE UNIVERSITY FACILITIES	$104,363,266	$104,192,153	$530,000	$ -	$530,000
SUBTOTAL			**$104,363,266**	**$104,192,153**	**$530,000**	**$ -**	**$530,000**
BOND TYPE: SPECIAL TAX OBLIGATION							
13033	3842	INFRASTRUCTURE IMPROVEMENT	$9,891,577,104	$7,296,650,752	$2,303,390,000	$ -	$2,303,390,000
14005	9975	STO 1998 SERIES A REFUNDING BONDS[(4)]	-	197,500,000	113,585,000	-	113,585,000
14005	9967	STO 2001 SERIES B REFUNDING BONDS[(4)]	-	533,335,000	170,440,000	-	170,440,000
14005	9953	STO 2004 SERIES B REFUNDING BONDS[(4)]	-	89,725,000	83,615,000	-	83,615,000
14005	9947	STO 2008 SERIES 1 REFUNDING BONDS[(4)]	-	97,690,000	97,690,000	-	97,690,000
14005	9946	STO 2009 SERIES 1 REFUNDING BONDS[(4)]	-	415,035,000	409,640,000	-	409,640,000
14005	9944	STO 2009 SERIES C REFUNDING BONDS[(4)]	-	526,060,000	179,235,000	-	179,235,000
SUBTOTAL			**$9,891,577,104**	**$9,155,995,752**	**$3,357,595,000**	**$ -**	**$3,357,595,000**

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING [1] (Continued)

JUNE 30, 2011

CORE Fund No.	Legacy Fund No.	Name	Inception to Date Amount Authorized	Inception to Date Amount Issued	Principal Outstanding June 30, 2011	Interest Accreted Through Fiscal Year 2011[2]	Outstanding Incl. Accreted Interest June 30, 2011
BOND TYPE: BRADLEY INTERNATIONAL AIRPORT							
	9954	BRADLEY AIRPORT GENERAL REVENUE REFUNDING BONDS[4]	$ -	$183,020,000	$152,380,000	$ -	$152,380,000
	9969	BRADLEY AIRPORT REVENUE REFUNDING SERIES 2001 B[4]	-	19,180,000	16,710,000	-	16,710,000
SUBTOTAL			**$ -**	**$202,200,000**	**$169,090,000**	**$ -**	**$169,090,000**
BOND TYPE: CLEAN WATER FUND							
21015	6865	CLEAN WATER FUND - FED. ACCT.	$1,865,731,375	$1,515,901,103	$646,880,850	$ -	$646,880,850
21018	6868	DWF FEDERAL REVOLVING	87,668,625	75,753,897	40,159,150	-	40,159,150
	9983	CLEAN WATER REFUNDING[4]	-	476,070,000	212,065,000	-	212,065,000
SUBTOTAL			**$1,953,400,000**	**$2,067,725,000**	**$899,105,000**	**$ -**	**$899,105,000**
BOND TYPE: UCONN 2000 [7]							
13045	3952	UCONN 2000	$1,557,862,147	$1,419,062,147	$494,125,000	$ -	$494,125,000
	9958	UCONN 2000 REFUNDING BONDS[4]	-	360,095,000	310,185,000	-	310,185,000
SUBTOTAL			**$1,557,862,147**	**$1,779,157,147**	**$804,310,000**	**$ -**	**$804,310,000**
BOND TYPE: CDA INCREMENT FINANCING [8]							
88004	8004	CABELA'S INC. - TAX INCREMENTAL FINANCING	$9,950,000	$9,825,000	$7,545,000	$ -	$7,545,000
	9955	CDA REFUNDING BONDS SERIES A, B AND C[4]	-	22,435,000	17,385,000	-	17,385,000
SUBTOTAL			**$9,950,000**	**$32,260,000**	**$24,930,000**	**$ -**	**$24,930,000**
BOND TYPE: CDA GOVERNMENTAL LEASE REVENUE [9]							
88500	8500	NEW BRITAIN GOVERNMENT CENTER	$9,275,000	$9,275,000	$2,255,000	$ -	$2,255,000
SUBTOTAL			**$9,275,000**	**$9,275,000**	**$2,255,000**	**$ -**	**$2,255,000**
BOND TYPE: CHEFA CHILDCARE FACILITIES PROGRAM [10]							
77800	7800	CHEFA CHILDCARE - NOW	$ -	$5,375,000	$4,620,000	$ -	$4,620,000
77802	7802	CHILDCARE POOL 1 SERIES A	-	10,175,000	6,470,000	-	6,470,000
77804	7804	CHEFA CHILDCARE - SERIES C	-	18,690,000	13,910,000	-	13,910,000
77805	7805	CHEFA CHILDCARE - SERIES D	-	3,940,000	3,250,000	-	3,250,000
77806	7806	CHEFA CHILDCARE - SERIES E	-	3,865,000	3,240,000	-	3,240,000
77807	7807	CHEFA CHILDCARE - SERIES F	-	19,165,000	18,450,000	-	18,450,000
77808	7808	CHEFA CHILDCARE - SERIES G	-	16,875,000	16,635,000	-	16,635,000
SUBTOTAL			**$ -**	**$78,085,000**	**$66,575,000**	**$ -**	**$66,575,000**

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING [1] (Continued)

JUNE 30, 2011

CORE Fund No.	Legacy Fund No.	Name	Inception to Date Amount Authorized	Inception to Date Amount Issued	Principal Outstanding June 30, 2011	Interest Accreted Through Fiscal Year 2011[2]	Outstanding Incl. Accreted Interest June 30, 2011
BOND TYPE: JUVENILE TRAINING SCHOOL [11]							
88800	8800	CT JUVENILE TRAINING SCHOOL ENERGY CENTER	$ -	$19,165,000	$15,625,000	$ -	$15,625,000
SUBTOTAL			**$ -**	**$19,165,000**	**$15,625,000**	**$ -**	**$15,625,000**
BOND TYPE: BRADLEY INTERNATIONAL PARKING OPERATIONS [12]							
21008	6299	BRADLEY INTERNATIONAL PARKING OPERATIONS	$55,000,000	$53,800,000	$41,250,000	$ -	$41,250,000
SUBTOTAL			**$55,000,000**	**$53,800,000**	**$41,250,000**	**$ -**	**$41,250,000**
BOND TYPE: CHFA SPECIAL NEEDS HOUSING BONDS [13]							
12060	7500	CHFA SUPPORTIVE HOUSING BONDS	$85,000,000	$83,540,000	$76,720,000	$ -	$76,720,000
SUBTOTAL			**$85,000,000**	**$83,540,000**	**$76,720,000**	**$ -**	**$76,720,000**
BOND TYPE: CCEDA BONDS [14]							
12060	7300	CCEDA	$ -	$110,000,000	$100,155,000	$ -	$100,155,000
SUBTOTAL			**$ -**	**$110,000,000**	**$100,155,000**	**$ -**	**$100,155,000**
BOND TYPE: CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM [15]							
12067	7700	CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM	$50,000,000	$30,000,000	$29,165,000	$ -	$29,165,000
SUBTOTAL			**$50,000,000**	**$30,000,000**	**$29,165,000**	**$ -**	**$29,165,000**
GRAND TOTAL			**$40,733,162,519**	**$43,425,462,884**	**$19,210,029,823**	**$106,671,562**	**$19,316,701,385**

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING (1) (Continued)

JUNE 30, 2011

(1) Includes all outstanding debt issued by the State of Connecticut as of June 30, 2011. All debt except refunding issues is authorized by the General Assembly and the State Bond Commission prior to issuance. Total amount issued includes refunding issues for which no additional authorization is required.

(2) Includes interest accreted on Capital Appreciation Bonds (CABs) only. Interest on CABs accretes over the life of the bond and is paid at maturity. This amount is not included in the column shown as outstanding June 30, 2011.

(3) On April 28, 2009, the State issued $581,245,000 Bond Anticipation Notes (BANs) Series A and Series B. On April 28, 2010, $353,085,000 Bond Anticipation Notes (BANs) were issued to pay down the 2009 Series A BANs maturing on April 28, 2010. No new authorization was required. The 2009 B and 2010 A BANs were refunded with General Obligation Bonds on May 31, 2011.

(4) Refunding issues. Proceeds used to refund other bonds reducing overall debt service expense.

(5) Debt outstanding at June 30, 2011 includes $8,645,000.00 in Certificates of Participation for the Middletown Courthouse which is not debt of the State. However, the State is obligated to pay a base rent under a lease for the Courthouse, subject to the annual appropriation of funds or the availability of other funds; therefore, the base rent is appropriated as debt service.

The Certificates of Participation are included in the Treasurer's Debt Management System for control purposes.

(6) The General Obligation Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund $2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.

(7) UConn 2000 Bonds were authorized in three stages in a total amount of $2.8 billion over a 22 year period to be paid by the University of Connecticut from a State Debt Service commitment. As each series is issued, the debt service is validly appropriated from the State General Fund.

(8) The Connecticut Development Authority (CDA) has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund.

(9) The Connecticut Development Authority (CDA) has issued its lease revenue bonds for the New Britain Government Center. The State is obligated to pay base rent subject to the annual appropriation of funds. These payments are budgeted in the Treasurer's debt service budget as lease payments.

(10) On July 1, 1999, the Treasurer's Office assumed the responsibility for the Connecticut Health and Educational Facilities Authority (CHEFA) Childcare debt service appropriation per Public Act 97-259.

(11) A lease-purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.

(12) Includes Bradley International Airport Special Obligation Parking Revenue Bonds, 2000 Series A $41,250,000.

(13) The Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Step initiative. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and OPM.

(14) The Capital City Economic Development Authority (CCEDA) Bonds were issued to provide funding for the Adriaen's Landing development project in Hartford. The bonds, issued in a combination of fixed and variable rate securities, have a final maturity of 2034. The State is required to make all debt service payments on the bonds up to a maximum annual amount of $9 million, pursuant to a contract assistance agreement between CCEDA, the Treasurer, and OPM. CCEDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

(15) The Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and the Office of Policy and Management.

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
SCHEDULE OF INVESTMENTS (1) (2)
FISCAL YEAR ENDED JUNE 30, 2011
PRESENTED UNDER BUDGETARY BASIS OF ACCOUNTING (4) (5)

Legal No.	Type	GAAP No.	Type	Fund Name	STIF Investments 6/30/11	Tax Exempt Proceeds Fund Investments 6/30/11	Investments with Treasurer as Trustee Short-Term 6/30/11	Investments with Treasurer as Trustee Long-Term 6/30/11	Investments with Others as Trustee Short-Term 6/30/11	Investments with Others as Trustee Long-Term 6/30/11	Total
GENERAL FUND[3]											
11000	Gen. Fund	1100	Gen.Fund	General Fund	$156,860,445.63		$278,227,991.73 [15]				$435,088,437.36
SUBTOTAL GENERAL FUND					**$156,860,445.63**	**$-**	**$278,227,991.73**	**$-**	**$-**	**$-**	**$435,088,437.36**
SPECIAL REVENUE FUNDS											
12001	Spec.Rev.	1201	Spec.Rev.	Transportation	$54,059,259.70						$54,059,259.70
12005	Spec.Rev.	1215	Spec.Rev.	Probate Court Administration	5,709,133.22						5,709,133.22
12010	Spec.Rev.	1209	Spec.Rev.	Soldiers, Sailors and Marines	31.81						31.81
12012	Spec.Rev.	1215	Spec.Rev.	Municipal Emp. Retirement Administration	955,141.62						955,141.62
12013	Spec.Rev.	1208	Spec.Rev.	Regional Market Operation	962,909.56						962,909.56
12016	Spec.Rev.	1213	Spec.Rev.	Recreation & Natural Heritage Trust Fund		$1,873,240.20					1,873,240.20
12018	Spec.Rev.	2107	Enterprise	University Health Center Operating Fund	67,411.30						67,411.30
12021	Spec.Rev.	1215	Spec.Rev.	Grants - Tax Exempt Proceeds		4,086,642.70					4,086,642.70
12023	Spec.Rev.	2107	Enterprise	Univ. Health Center Research Foundation	40,204,738.65						40,204,738.65
12032	Spec.Rev.	1210	Spec.Rev.	Employment Security - Special Admin.	90,017.78						90,017.78
12035	Spec.Rev.	1212	Spec.Rev.	Economic Assistance Revolving Fund		4,446,145.96					4,446,145.96
12038	Spec. Rev.	1212	Spec. Rev.	Individual Development Acct Reserve Fund				$438,127.51			438,127.51
12047	Spec.Rev.	1212	Spec.Rev.	Child Care Facilities	224,132.18						224,132.18
12052	Spec.Rev.	1212	Spec.Rev.	Grants to Local Governments and Others	59,759,209.85						59,759,209.85
12053	Spec.Rev.	1213	Spec.Rev.	Economic Development and Other Grants	759,824.61						759,824.61
12060	Spec Rev.	1211	Spec.Rev.	Federal And Other Restricted Accounts	828,865.45	289,391.53					1,118,256.98
12062	Spec Rev.	1211	Spec.Rev.	Transportation Grants & Restricted Accts	57,919.84						57,919.84
12065	Spec.Rev.	1214	Spec.Rev.	Housing Assist. Bond Fund - Tax Exempt	4,662,019.53						4,662,019.53
12066	Spec.Rev.	1214	Spec.Rev.	Housing Trust Fund	25,011,878.56						25,011,878.56
SUBTOTAL SPECIAL REVENUE FUNDS					**$193,352,493.66**	**$10,695,420.39**	**$-**	**$438,127.51**	**$-**	**$-**	**$204,486,041.56**
CAPITAL PROJECTS FUNDS											
13010	Cap. Proj.	1212	Spec.Rev.	School Construction - Magnet Schools	$171,613,626.17						$171,613,626.17
13015	Cap. Proj.	1212	Spec.Rev.	Agricultural Land Preservation	21,470,370.18						21,470,370.18
13019	Cap. Proj.	1212	Spec.Rev.	Community Conservation & Development	47,519,926.40						47,519,926.40
13033	Cap. Proj.	1302	Cap.Proj.	Infrastructure Improvement Fund	425,480,442.99						425,480,442.99
13042	Cap. Proj.	1301	Cap.Proj.	University and State University Facilities	1,480,553.67						1,480,553.67
13048	Cap. Proj.	1301	Cap.Proj.	CSUS 2020	59,728,139.59						59,728,139.59
17001	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	4,455,818.56						4,455,818.56
17011	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	10,727,398.40						10,727,398.40
17021	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	26,925,892.06						26,925,892.06
17041	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	23,155,015.17						23,155,015.17
17051	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	7,538,730.70						7,538,730.70
17061	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	46,806,726.24						46,806,726.24
17071	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	33,916,210.07						33,916,210.07
17081	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	27,651,300.15						27,651,300.15
17091	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	27,783.99						27,783.99
17101	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	2,920,470.61						2,920,470.61
17831	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	3,038,248.86						3,038,248.86
17851	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	2,624,166.60						2,624,166.60
17861	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	8,091,318.37						8,091,318.37
17871	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	65,889.18						65,889.18
17891	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	1,166,704.51						1,166,704.51
17901	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	969,704.27						969,704.27
17911	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	27,146.78						27,146.78
17921	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	1,552,309.86						1,552,309.86
17951	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	2,292,545.99						2,292,545.99

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
SCHEDULE OF INVESTMENTS (1) (2)
FISCAL YEAR ENDED JUNE 30, 2011
PRESENTED UNDER BUDGETARY BASIS OF ACCOUNTING (4) (5)

Legal No.	Legal Type	GAAP No.	GAAP Type	Fund Name	STIF Investments 6/30/11	Tax Exempt Proceeds Fund Investments 6/30/11	Investments with Treasurer as Trustee Short-Term 6/30/11	Investments with Treasurer as Trustee Long-Term 6/30/11	Investments with Others as Trustee Short-Term 6/30/11	Investments with Others as Trustee Long-Term 6/30/11	Total
17961	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	2,011,647.34						2,011,647.34
17971	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	327,154.84						327,154.84
17991	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	2,233,680.36						2,233,680.36
SUBTOTAL CAPITAL PROJECTS FUNDS					**$935,818,921.91**	**$-**	**$-**	**$-**	**$-**	**$-**	**$935,818,921.91**
DEBT SERVICE FUNDS											
14001	Debt Service	2106	Enterprise	University Bond Liquidation	$1,898,195.20						$1,898,195.20
14002	Debt Service	2109	Enterprise	State University Dormitory	20,399,750.73						20,399,750.73
14005	Debt Service	1401	Debt Service	Transportation Fund Reserve	708,645,368.12 (6)						708,645,368.12
SUBTOTAL DEBT SERVICE FUNDS					**$730,943,314.05**	**$-**	**$-**	**$-**	**$-**	**$-**	**$730,943,314.05**
ENTERPRISE FUNDS											
21005	Enterprise	1215	Spec.Rev.	Auto Emissions Inspection	$1,382,509.45						$1,382,509.45
21008	Enterprise	2110	Enterprise	Bradley International Parking Operations	12,977,568.21 (7)						12,977,568.21
21009	Enterprise	2101	Enterprise	Bradley International Airport Operations	118,639,060.36 (8)				13,257,960.01 (8)		131,897,020.37
21010	Enterprise	1212	Spec.Rev.	Local Bridge Revolving Fund - Bond Financed		$1,196,533.21					1,196,533.21
21011	Enterprise	1212	Spec.Rev.	Local Bridge Revolving Fund - Revenue Financed	342,159.62						342,159.62
21014	Enterprise	1213	Spec.Rev.	Clean Water Fund - State	36,821,106.86 (9)				960,000.00 (9)	5,395,000.00 (9)	43,176,106.86
21015	Enterprise	2105	Non.-Exp.	Clean Water Fund - Federal	337,814,480.77 (11)				16,286,024.78 (10)	303,870,779.03 (10)	657,971,284.58
21016	Enterprise	1213	Spec.Rev.	Clean Water Fund - Long Island Sound	871,770.06						871,770.06
21018	Enterprise	2111	Spec.Rev.	Drinking Water Fund - Federal Revolving Loan	81,255,277.16 (11)				1,134,230.73 (10)	26,136,294.62 (10)	108,525,802.51
21020	Enterprise	1216	Spec.Rev.	Rate Reduction Bond Operations	10,421.74 (12)				11,328.84 (12)		21,750.58
SUBTOTAL ENTERPRISE FUNDS					**$590,114,354.23**	**$1,196,533.21**	**$-**	**$-**	**$31,649,544.36**	**$335,402,073.65**	**$958,362,505.45**
FIDUCIARY FUNDS											
31001	Pension	3103	Pension	State Employees' Retirement Fund			$280,699,722.87	$8,699,929,261.66 (13)			$8,980,628,984.53
31002	Pension	3105	Pension	State Attorneys' Retirement Fund			235,361.67	876,786.60 (13)			1,112,148.27
31003	Pension	3105	Pension	General Assembly Retirement Fund	$15,680.41						15,680.41
31004	Pension	3106	Pension	Judges & Comp Commissioners' Retrmnt Fund			3,896,118.04	154,990,257.22 (13)			158,886,375.26
31005	Pension	3105	Pension	Public Defenders Retirement Fund	233,119.82						233,119.82
31006	Pension	3104	Pension	Teachers' Retirement Fund			586,684,850.91	13,556,634,739.11 (13)			14,143,319,590.02
31008	Pension	3107	Pension	Municipal Employees' Retirement - Fund B			53,310,572.77	1,644,626,872.08 (13)			1,697,937,444.85
31009	Other Em. Benefits	3102	Agency	Policemen & Firemen Survivors' Benefit Fund			1,193,705.79	20,665,816.30 (13)			21,859,522.09
31010	Pension	3108	Pension	Probate Judges and Employees Retirement Fund			4,735,892.66	77,052,528.50 (13)			81,788,421.16
35010	Fiduciary	1502	Permanent	Connecticut Arts Endowment Fund			974,391.57	16,168,686.58 (13)			17,143,078.15
35011	Fiduciary	1501	Non.-Exp.	Soldiers, Sailors and Marines Trust Fund			657,473.29	63,842,281.08 (13)			64,499,754.37
35014	Fiduciary	2103	Exp.Trust	Unemployment Compensation Fund					$337,798,730.44 (14)		337,798,730.44
35015	Fiduciary	2107	Enterprise	John Dempsey Hospital Malpractice Trust Fund	2,664,657.70						2,664,657.70
SUBTOTAL FIDUCIARY FUNDS					**$2,913,457.93**	**$-**	**$932,388,089.57**	**$24,234,787,229.13**	**$337,798,730.44**	**$-**	**$25,507,887,507.07**
TOTAL CIVIL LIST FUNDS					**$2,610,002,987.41**	**$11,891,953.60**	**$1,210,616,081.30**	**$24,235,225,356.64**	**$369,448,274.80**	**$335,402,073.65**	**$28,772,586,727.40**

CIVIL LIST FUNDS
SCHEDULE OF INVESTMENTS [1] [2] (Continued)
FISCAL YEAR ENDED JUNE 30, 2011

(1) Detailed information on the adjusted cash balances and total STIF balances within each individual fund can be obtained from the Comptroller's Annual Report.

(2) Short-term investments shown at cost which, due to their short-term nature, approximates market.

(3) Represents assets of the Common Cash Pool which is not a component of the General Fund. The Common Cash Pool is comprised of the inevitable balances of a number of individual funds and, for purposes of administration only, is shown as an investment of the General Fund. The General Fund is commonly in a net borrowing position from the resources of the other funds within the pool.

(4) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the budget act enacted by the General Assembly. The Budget Act enacted for the 2011 fiscal year is presented on a comprehensive basis of accounting other than general accepted accounting principals.

In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Civil List Funds Schedule of Investments

(5) GAAP accounting requires that investment balances be presented to include the accrued interest earned. This manner of presentation is not used for the budgetary basis presentation.

(6) Short-term investments consist of STIF Accounts held by US Bank as Trustee. Investments are held by US Bank as Trustee. For description of the program, see Debt Management Division.

(7) Short-term investments consist of STIF Accounts held by US Bank as Trustee. Long-term investments consist of GIC's. All investments are held by US Bank as Trustee. For description of the program, see Debt Management Division.

(8) Short-term investments consist of STIF Accounts Cash and GIC's held by US Bank as Trustee. Long-term investments consist of GICs. Investments held by US Bank as Trustee. For description of program, see Debt Management Division.

(9) Short-term and Long-term investments consist of State of Connecticut General Obligation bonds which are shown at par. Investments held by US Bank as Trustee. For description of program, see Debt Management Division.

(10) Both Short-term and Long-term investments consist of Money Market Funds, State of Connecticut General Obligation Bonds and GIC's. Both short and long-term investments held by US Bank as Trustee. For description of program, see Debt Management Division.

(11) STIF Investments consist of both Treasury directed and trustee directed accounts.

(12) STIF Investments consist of Trustee directed accounts. Short-term investments consist of Money Market Funds. All investments are held by US Bank as Trustee.

(13) Represents market value of shares held by various retirement plans in the Treasurer's Combined Investment Funds.

(14) Cash on deposit with Federal Government.

(15) Investments consist of Agency and CD portfolios with an average maturities of less than one year in accordance with C.G.S. 3-24k and 3-38a.

CASH MANAGEMENT DIVISION

SECURITIES HELD IN TRUST FOR POLICYHOLDERS
JUNE 30, 2011

Name of Insurance Company	Par Amount of Collateral	Market Value

The following securities are on deposit with the State Treasurer for the Insurance Department under Sec 38a-83:

ACE Life Insurance Company	$ 5,000,000.00	$ 5,410,814.00
Aetna Better Health, Inc.	500,000.00	529,065.00
Aetna Health Inc. (CT)	575,000.00	582,498.25
Aetna Health and Life Insurance Company	2,075,000.00	2,156,879.50
Aetna Insurance Company Of Connecticut	2,550,000.00	2,650,317.00
Aetna Life Insurance Company	1,500,000.00	1,719,737.40
Allianz Global Risks US Insurance Company	681,000.00	785,063.61
Alterra Reinsurance USA Inc.	3,025,000.00	3,136,631.75
American Centennial Insurance Company	50,000.00	64,687.69
American Equity Specialty Insurance Company	2,600,000.00	2,896,053.61
American Maturity Life Insurance Company	5,700,000.00	5,908,164.00
American Phoenix Life & Reassurance Company	5,650,000.00	6,264,364.50
American Security Insurance Company	35,000.00	38,018.75
AmeriChoice of Connecticut, Inc.	500,000.00	552,615.00
Anthem Health Plans, Inc.	500,000.00	524,690.00
Arbella Protection Insurance Company	50,000.00	63,125.00
Associated Indemnity Corporation	300,000.00	337,107.00
Athena Assurance Company	2,440,000.00	2,605,957.60
Automobile Insurance Company of Hartford (The)	4,050,000.00	4,391,191.00
AXIS Specialty Insurance Company	3,000,000.00	3,014,520.00
Beazley Insurance Company, Inc.	2,500,000.00	2,584,375.00
C.M. Life Insurance Company	1,600,000.00	1,680,368.00
California Insurance Company	2,650,000.00	2,761,582.80
Carolina Casualty Insurance Company	200,000.00	254,396.22
Charter Oak Fire Insurance Company (The)	4,525,000.00	4,875,260.25
CIGNA Healthcare of Connecticut, Inc.	525,000.00	606,863.25
CIGNA Health and Life Insurance Company	2,600,000.00	2,707,704.00
Connecticare, Inc.	500,000.00	552,615.00
Connecticut Attorneys Title Insurance Company	210,000.00	236,182.80
Connecticut General Life Insurance Company	1,710,000.00	1,819,580.20
Covenant Insurance Company	600,000.00	743,344.00
Electric Insurance Company	60,000.00	69,831.00
Employers' Fire Insurance Company	655,000.00	657,580.70
Executive Risk Specialty Insurance Company	3,110,000.00	3,509,188.00
Fairfield Insurance Company	2,510,000.00	2,540,011.40
Farmington Casualty Company	3,000,000.00	3,354,316.50
Finial Reinsurance Company	3,550,000.00	3,728,316.50
Fireman's Fund Insurance Company	9,959,000.00	11,452,303.71
First State Insurance Company	2,200,000.00	2,441,142.00
First Trenton Indemnity Company	100,000.00	139,961.00
Fitchburg Mutual Insurance Company	50,000.00	50,902.50
General Re Life Corporation	1,500,000.00	2,099,415.00
General Star Indemnity Company	2,975,000.00	3,328,288.25
Genesis Insurance Company	3,000,000.00	3,460,080.00
Genworth Mortgage Ins Corporation of North Carolina	60,000.00	66,313.80
Gulf Underwriters Insurance Company	3,000,000.00	3,396,591.29
Harleysville Worcester Insurance Company	9,065,000.00	9,521,030.20
Hartford Accident & Indemnity Company	3,500,000.00	3,677,905.00
Hartford Fire Insurance Company	3,300,000.00	3,536,676.00
Hartford Insurance Company of the Southeast	1,000,000.00	1,046,710.00
Hartford International Life Reassurance Corp.	5,645,000.00	5,966,875.45
Hartford Life Insurance Company	2,350,000.00	2,392,958.00
Hartford Life & Accident Insurance Company	1,915,000.00	2,021,132.10
Hartford Life & Annuity Insurance Company	2,860,000.00	3,055,544.10
Hartford Steam Boiler Inspection & Insurance Company	4,000,000.00	4,133,120.00
Hartford Steam Boiler Inspection & Ins Co of CT	3,100,000.00	3,203,168.00

CASH MANAGEMENT DIVISION

SECURITIES HELD IN TRUST FOR POLICYHOLDERS (Continued)

JUNE 30, 2011

Name of Insurance Company	Par Amount of Collateral	Market Value
Hartford Underwriters Insurance Company	3,250,000.00	3,355,527.50
Health Net of Connecticut, Inc.	500,000.00	565,510.00
Homesite Insurance Company	2,500,000.00	2,512,100.00
IdeaLife Insurance Company	1,500,000.00	1,511,310.00
ING Life Insurance & Annuity Company	3,600,000.00	3,547,440.00
Insurance Company of the West	100,000.00	142,797.00
Integon National Insurance Company	75,000.00	86,460.75
Integon Preferred Insurance Company	75,000.00	77,205.75
Knights of Columbus	2,000,000.00	2,219,520.00
Liberty Mutual Insurance Company	50,000.00	52,896.50
Massachusetts Mutual Life Insurance Company	1,600,000.00	2,244,128.00
MEMBERS Life Insurance Company	350,000.00	441,875.00
MetLife Insurance Company of Connecticut	10,125,000.00	10,285,889.25
Middlesex Mutual Assurance Company	1,525,000.00	1,655,831.25
MML Bay State Life Insurance Company	1,500,000.00	1,575,345.00
Munich American Reassurance Company	40,000.00	44,209.20
National Liability & Fire Insurance Company	2,750,000.00	2,781,047.50
New England Insurance Company	2,945,000.00	3,308,933.45
New England Reinsurance Corporation	3,225,000.00	4,266,578.25
New London County Mutual Insurance Company	600,000.00	643,734.00
Northern Assurance Company of America	2,175,000.00	2,187,745.50
Northland Casualty Company	2,560,000.00	2,827,739.60
Northland Insurance Company	2,575,000.00	2,716,650.75
Nutmeg Insurance Company	3,000,000.00	3,164,350.00
Odyssey Reinsurance Company	5,000,000.00	5,403,050.00
OneBeacon America Insurance Company	6,195,000.00	6,218,974.65
Oxford Health Plans (CT), Inc.	500,000.00	552,615.00
Pacific Insurance Company, Limited	2,820,000.00	3,136,568.40
Patrons Mutual Insurance Company of Connecticut	120,000.00	125,901.60
PHL Variable Insurance Company	5,070,000.00	5,410,950.00
Phoenix Insurance Company (The)	4,635,000.00	5,098,744.80
Phoenix Life & Annuity Company	5,650,000.00	5,967,789.50
Prudential Annuities Life Assurance Corporation	1,500,000.00	1,580,505.00
Prudential Retirement Insurance & Annuity Company	5,015,000.00	5,567,023.65
PXRE Reinsurance Company	7,430,000.00	7,449,986.70
R.V.I. America Insurance Company	2,540,000.00	2,607,789.80
R.V.I. National Insurance Company	2,550,000.00	2,651,853.00
Safeco Surplus Lines Insurance Company	100,000.00	107,938.00
St. Paul Fire & Marine Insurance Company	3,250,000.00	3,599,635.00
St. Paul Guardian Insurance Company	2,600,000.00	2,676,466.00
St. Paul Medical Liability Insurance Company	2,540,000.00	2,680,314.00
St. Paul Mercury Insurance Company	2,550,000.00	2,875,456.50
Seneca Insurance Company, Inc.	260,000.00	268,101.60
Sentinel Insurance Company, Ltd.	3,405,000.00	3,759,791.65
Sequoia Insurance Company	125,000.00	129,877.50
Sparta Insurance Company	3,070,000.00	3,184,876.10
Sparta Specialty Insurance Company	2,500,000.00	2,558,600.00
Standard Fire Insurance Company (The)	4,000,000.00	4,324,880.00
Sun Life and Health Insurance Company (U.S.)	5,000,000.00	5,935,150.00
Swiss Re Life & Health America, Inc.	5,290,000.00	5,774,876.70
Thames Insurance Company, Inc.	200,000.00	214,578.00
T.H.E. Insurance Company	300,000.00	293,992.00
TIG Insurance Company	3,800,000.00	3,928,402.00
Torus National Insurance Company	100,000.00	104,055.00
Tower National Insurance Company	50,000.00	50,164.00
TravCo Insurance Company	4,875,000.00	5,390,136.00
Travelers Casualty & Surety Company	3,000,000.00	3,322,510.00
Travelers Casualty & Surety Company of America	3,180,000.00	3,399,930.80
Travelers Casualty Company of Connecticut	2,500,000.00	2,599,766.50
Travelers Casualty Insurance Company of America	3,400,000.00	4,758,674.00
Travelers Commercial Casualty Company	3,200,000.00	3,409,864.00

SECURITIES HELD IN TRUST FOR POLICYHOLDERS (Continued)

JUNE 30, 2011

Name of Insurance Company	Par Amount of Collateral	Market Value
Travelers Commercial Insurance Company	2,125,000.00	2,354,660.00
Travelers Excess & Surplus Lines Company	2,500,000.00	2,523,450.00
Travelers Home & Marine Insurance Company (The)	5,125,000.00	5,541,874.50
Travelers Indemnity Company (The)	6,630,000.00	7,228,835.60
Travelers Indemnity Company of America (The)	3,565,000.00	3,987,202.95
Travelers Indemnity Company of Connecticut (The)	3,000,000.00	3,201,553.50
Travelers Personal Insurance Company	5,500,000.00	6,967,749.20
Travelers Personal Security Insurance Company	4,100,000.00	4,371,391.00
Travelers Property Casualty Company of America	3,005,000.00	4,390,684.05
Travelers Property Casualty Insurance Company	2,050,000.00	2,294,937.50
Trenwick America Reinsurance Corporation	1,000,000.00	1,016,298.00
Truck Insurance Exchange	370,000.00	391,667.20
Trumbull Insurance Company	2,580,000.00	2,804,897.00
United Guaranty Residential Insurance Company of NC	50,000.00	49,949.00
UnitedHealthcare Insurance Company	1,510,000.00	1,599,543.00
United Illuminating Company	207,000.00	208,268.91
United States Fidelity and Guaranty Company	6,000,000.00	6,265,380.00
Vantis Life Insurance Company	2,075,000.00	2,259,193.50
Vision Service Plan Insurance Company	2,600,000.00	2,771,886.00
Wellcare of CT, Inc.	525,000.00	526,949.75
Western National Life Insurance Company	100,000.00	103,344.00
Zenith Insurance Company	1,111,000.00	1,110,311.18
TOTAL	**$ 343,533,000.00**	**$ 372,607,770.22**

CASH MANAGEMENT DIVISION

UNEMPLOYMENT COMPENSATION FUND

On Account with the Secretary of the Treasury of the United States as Trustee of the Unemployment Compensation Fund

The Act which established Unemployment Compensation provides that contributions from employers be collected by the Labor Commissioner as Administrator of the Act and be deposited with the State Treasurer. (Chapter 2, Public Act, Special Session 1936). These funds are then sent to the Secretary of the Treasury of the United States. The Administrator requests withdrawals as needed to pay benefits to employees.

BALANCE at JUNE 30, 2010		**$ 204,189,622.86**
Deposits	$ 788,696,000.00	
Combined Wage Transfers to Connecticut	6,512,393.53	
Extended Benefits	250,795,000.00	
Federal Employee & Ex-Servicemen Contributions	20,967,500.00	
Extended Unemployment Compensation 08	1,013,630,000.00	
Federal Additional Compensation	67,205,000.00	
Federal Unemployment Account	311,422,877.93	
Temporary Emergency Unemployment Compensation	(230,000.00)	2,458,998,771.46
TOTAL CASH AVAILABLE		**$ 2,663,188,394.32**
Reed Act Withdrawal for Administration	$ 2,858,662.05	
Federal Employee & Ex-Servicemen Withdrawals	20,967,500.00	
Withdrawals for Benefit Payments	2,301,470,152.69	
Extended Unemployment Compensation Repayment	91,544.07	
Federal Supplemental Benefits Repayment	1,805.07	2,325,389,663.88
BALANCE at JUNE 30, 2011		**$ 337,798,730.44**

Office of the State Treasurer

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