

STATE OF CONNECTICUT OFFICE OF THE TREASURER

2008



COMBINED INVESTMENT FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2008

STATE OF CONNECTICUT

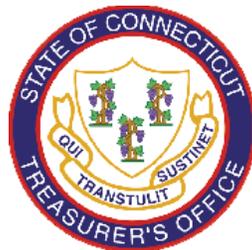
Office of the State Treasurer



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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For the fiscal year ended June 30, 2008

Prepared by: State of Connecticut
Office of the Treasurer
55 Elm Street
Hartford, CT 06106-1773

STATE OF CONNECTICUT

Office of the State Treasurer



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 FOR FISCAL YEAR ENDED JUNE 30, 2008

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Introductory Section





State of Connecticut
Office of the Treasurer

DENISE L. NAPPIER
TREASURER

HOWARD G. RIFKIN
DEPUTY TREASURER

December 31, 2008

Comprehensive Annual Financial Report (CAFR)
for the State of Connecticut's Combined Investment Funds (CIF) for the fiscal year ended June 30, 2008

Responsibility for both the accuracy of the data and the completeness and fairness of this report rests with management. All disclosures necessary and required to enable fellow beneficiaries and the financial community to gain an understanding of CIF's financial activities have been included.

We believe the enclosed financial statements and data are presently fairly in all material respects and are reported in a manner designed to present the financial position and results of CIF's operations accurately.

The CIF were established pursuant to Connecticut General Statutes Section 3-31b to provide a means for investing pension and other trust fund assets entrusted to the Treasurer in a variety of investment classes. The Funds are separate, legally-defined open-end portfolios consisting of: the Liquidity Fund, the Mutual Equity Fund, the Core Fixed Income Fund, the Emerging Market Debt Fund, the High Yield Debt Fund, the Inflation Linked Bond Fund, the Developed Markets International Stock Fund, the Emerging Markets International Stock Fund, the Real Estate Fund, the Commercial Mortgage Fund, the Alternative Investment Fund and the Private Investment Fund.

The units of the Funds are owned by six pension funds, which include: the Teachers' Retirement Fund; State Employees' Retirement Fund; Connecticut Municipal Employees' Retirement Fund; State Judges' Retirement Fund; Probate Court Retirement Fund; and State's Attorney Retirement Fund. In addition, there are eight trust funds which include: the Soldiers', Sailors' & Marines' Fund; Police and Fireman' Survivors' Benefit Fund; Connecticut Arts Endowment Fund; School Fund; Ida Eaton Cotton Fund; Hopemead Fund; Andrew C. Clark Fund; and the Agricultural College Fund.

To meet CIF's obligations for investing pension plans and other trust funds, CIF's assets are diversified over a number of investments, and a host of different investment strategies are employed to control risk. In the past year, the three largest retirement plans, State Teachers' Retirement Fund, State Employees' Retirement Fund and the Municipal Employees' Retirement Fund, representing 99% of the State's retirement assets, posted net total returns (after all expenses) of -4.77%, -4.83% and -4.11%, respectively, outperforming the three funds' customized benchmarks, of -6.89%, -7.06% and -5.98%, respectively.

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. We believe the internal controls in effect during the fiscal year ended June 30, 2008, adequately safeguard CIF's assets and provide reasonable assurance regarding the proper recording of financial transactions.

LETTER FROM THE TREASURER

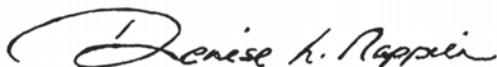
The State of Connecticut's independent Auditors of Public Accounts conducted an annual audit of this Comprehensive Annual Financial Report in accordance with generally accepted auditing standards. The auditors' report on the basic financial statements is included in the Financial Section of this report.

The Government Accounting Standards Board requires that CIF provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the Financial Section immediately following the report of the independent auditors.

The Government Finance Officers Association of the United States and Canada awarded the Fund a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2007. The Certificate is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

This Comprehensive Annual Financial Report is designed to provide a general overview of the CIF for all those with an interest in the Funds' investment activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, 55 Elm Street, Hartford, Connecticut 06106-1773, or by telephone to (860) 702-3000. Copies of the Report will also be available on the Internet at www.state.ct.us/ott.

Sincerely,



Denise L. Nappier
Treasurer
State of Connecticut



State of Connecticut
Office of the Treasurer

DENISE L. NAPIER
TREASURER

HOWARD G. RIFKIN
DEPUTY TREASURER

December 31, 2008

To the State of Connecticut
Combined Investment Funds
Fellow Beneficiaries

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 Combined Investment Funds Comprehensive Annual Financial Report make evident the State of Connecticut Office of the Treasurer support of the safe custody and conscientious stewardship of the State's property and money held by the State.

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,

A handwritten signature in black ink, appearing to read "H. Rifkin", with a long horizontal flourish extending to the right.

Howard G. Rifkin
Deputy Treasurer

55 ELM STREET, HARTFORD, CONNECTICUT 06106-1773, TELEPHONE: (860) 702-3000

AN EQUAL OPPORTUNITY EMPLOYER

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Connecticut State Treasurer's Combined Investment Funds

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

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.

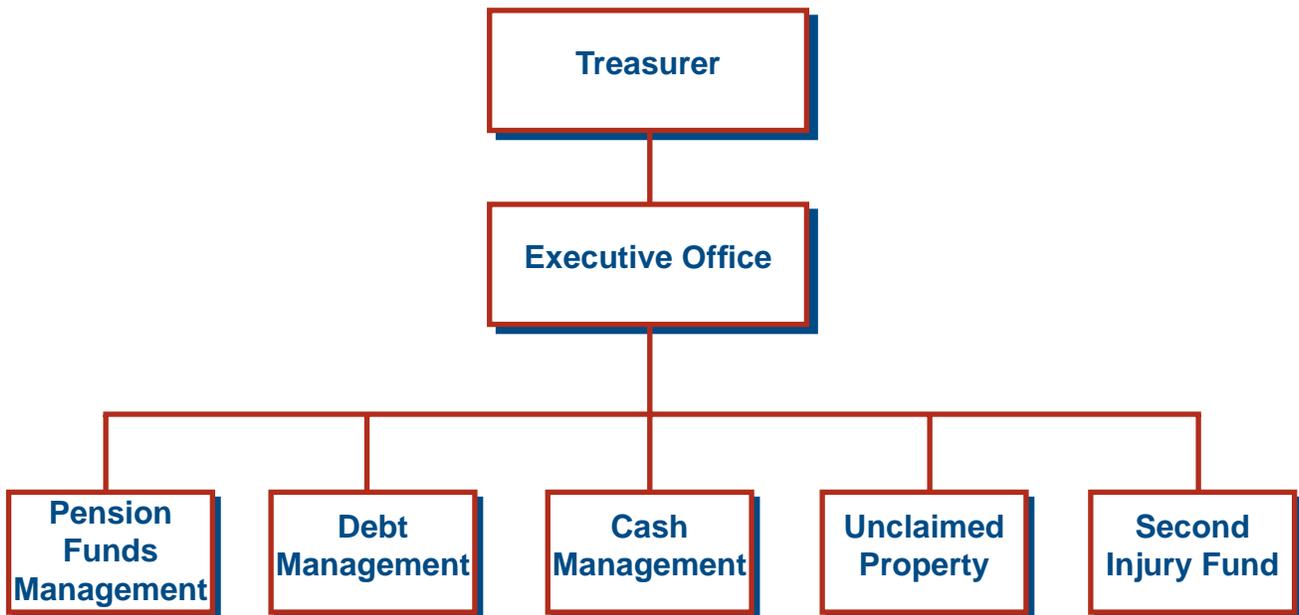
Statutory Responsibility

The Office of the Treasurer was established following the adoption of the fundamental orders of Connecticut in 1638. The Treasurer shall receive all funds belonging to the State and disburse the same only as may be directed by law, as described in Article Fourth, Section 22 of the Connecticut Constitution and in Title 3 of the Connecticut General Statutes.

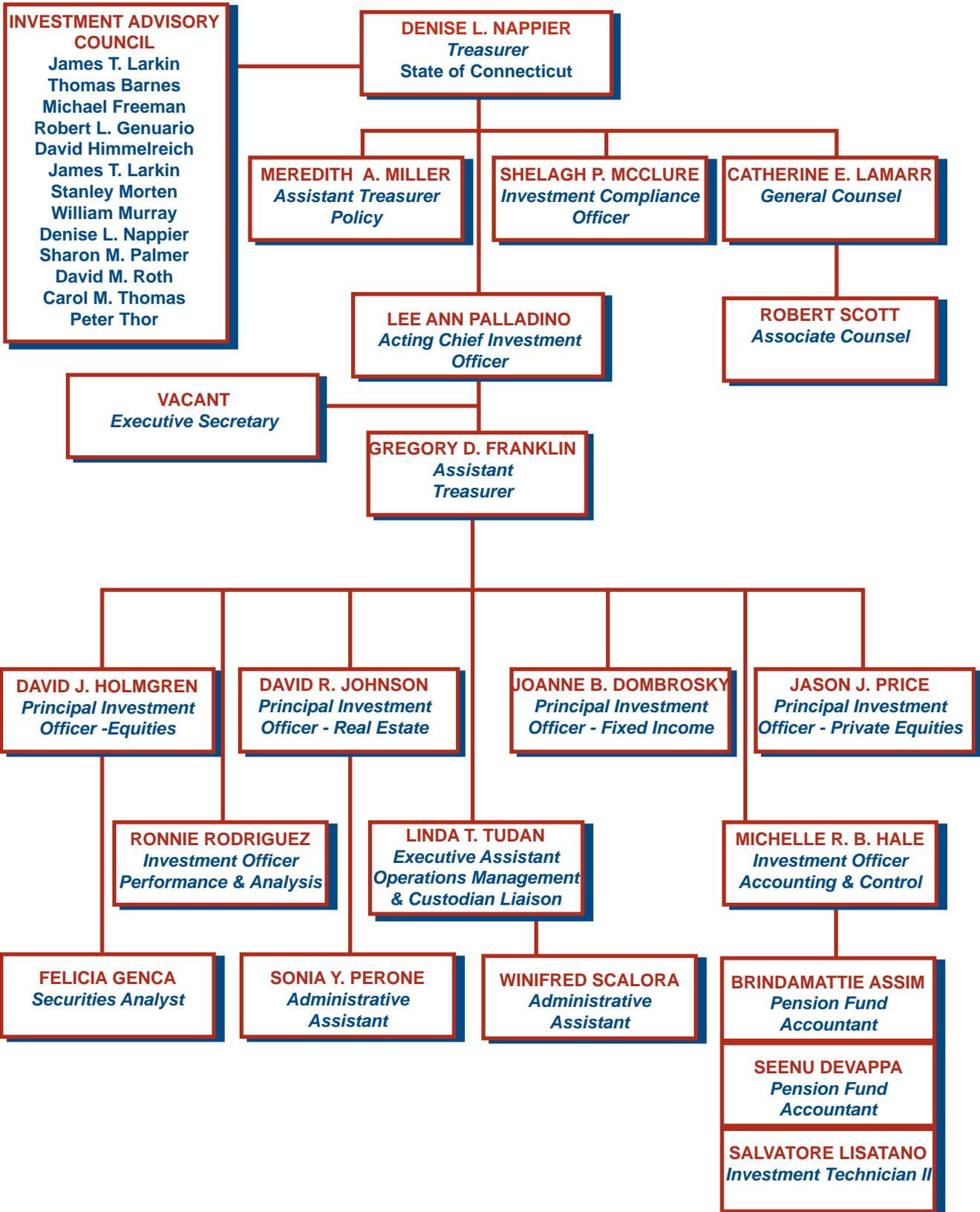
The Treasurer, as Chief Fiscal Officer for the State, oversees the prudent preservation and management of State funds, including the administration of a \$25.9 billion portfolio of pension assets and over \$5.0 billion in State and local short-term investments.

Public Service

The Office of the Treasurer includes an Executive Office as well as five distinct divisions, each with specific responsibilities: Pension Funds Management, Cash Management, Debt Management, Unclaimed Property, and the Second Injury Fund.



COMBINED INVESTMENT FUNDS ADMINISTRATION



Effective October 15, 2008.

LIST OF PRINCIPAL OFFICIALS

COMBINED INVESTMENT FUNDS

**55 Elm Street, 6th Floor
Hartford, CT. 06106-2773
Telephone: (860) 702-3155
Facsimile: (860) 702-3042
World Wide Web: www.state.ct.us/ott**

**Treasurer, State of Connecticut
DENISE L. NAPPIER (860) 702-3010**

**Deputy Treasurer, State of Connecticut
HOWARD G. RIFKIN (860) 702-3292**

**General Counsel
CATHERINE E. LAMARR (860) 702-3018**

**Assistant Treasurer - Policy
MEREDITH A. MILLER (860) 702-3294**

**Acting Chief Investment Officer
LEE ANN PALLADINO (860) 702-3229**

**Assistant Treasurer
GREGORY D. FRANKLIN, CFA (860) 702-3162**

**Principal Investment Officer
JOANNE B. DOMBROSKY (860) 702-3066**

**Principal Investment Officer
DAVID J. HOLMGREN (860) 702-3047**

**Principal Investment Officer
DAVID R. JOHNSON (860) 702-3160**

**Principal Investment Officer
JASON J. PRICE (860)702-3247**

**Investment Officer
MICHELLE R. B. HALE, CPA (860) 702-3275**

**Investment Officer
RONNIE RODRIGUEZ (860) 702-3167**

**Investment Compliance Officer
SHELAGH P. MCCLURE (860) 702-3280**

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).

As enacted in Public Act 00-43, the IAC annually reviews the Investment Policy (IPS) Statement recommended by the Treasurer which includes an outline of the standards governing investment of the plan and trust funds 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 and 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.

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 the plan and trust funds 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 2008 include:

JAMES T. LARKIN, Chairman, as appointed by the Governor. President, Global Strategy Advisors.

THOMAS BARNES, Branch Manager, Riverside Investment Services.

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

ROBERT L. GENUARIO, Secretary, State Office of Policy and Management (Ex-officio member).

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

GEORGE H. MASON, Retired Business Educator. (Served until November 2007.)

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.

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.

LIST OF EXTERNAL ADVISORS

INVESTMENT CONSULTANTS

CRA RogersCasey - Darien, Connecticut
Franklin Park Associates - Conshohocken, Pennsylvania
Independent Fiduciary Services - Washington, District of Columbia
Korn & Ferry International - Los Angeles, California
Mercer Investment Consulting - New York, New York
Pension Consulting Alliance - Portland, Oregon

MASTER CUSTODIAN

State Street Bank and Trust Co. - Boston, Massachusetts

AUDITORS

Auditors of Public Accounts - Hartford, Connecticut

INVESTMENT ADVISORS

LIQUIDITY FUND

State Street Global Advisors - Boston, Massachusetts

MUTUAL EQUITY FUND

Large Cap

BGI Barclays Global Investors, N.A. - San Francisco, California
State Street Global Advisors - Boston, Massachusetts

All Cap

Capital Prospects, LLC - Stamford, Connecticut
FIS Group, Inc. - Philadelphia, Pennsylvania

Small/Mid Cap Passive Enhance

AXA Rosenberg Investment Management - Orinda, California

Small/Mid Cap Active

Bivium Capital Partners - San Francisco, California
TCW Cowen Asset Management - New York, New York

CORE FIXED INCOME FUND

Passive

State Street Global Advisors - Boston, Massachusetts

Active

BlackRock Financial Management, Inc. - New York, New York
Phoenix Investment Counsel - Hartford, Connecticut
Progress Investment Management Company - San Francisco, California
Wellington - Boston, Massachusetts
Western Asset Management - Pasadena, California

INFLATION LINKED BOND FUND

Brown Brothers Harriman - New York, New York
Hartford Investment Management Company - Hartford, Connecticut

EMERGING MARKET DEBT FUND

Ashmore Emerging Markets Debt Fund - London, England
Pyramis - Boston, Massachusetts
Stone Harbor Investment Partners - New York, New York
UBS Global Asset Management - Chicago, Illinois

LIST OF EXTERNAL ADVISORS

HIGH YIELD INCOME FUND

Loomis Sayles & Co., Inc. - Boston, Massachusetts
Oaktree Capital Management, L.L.C. - Los Angeles, California
Stone Harbor Investment Partners - New York, New York
Shenkman Capital Management - Stamford, Connecticut

DEVELOPED MARKET INTERNATIONAL STOCK FUND ⁽¹⁾

Index

State Street Global Advisors - Boston, Massachusetts

Core

Acadian Asset Management - Boston, Massachusetts
AQR Capital Management - Greenwich, Connecticut
Artio Global Management - New York, New York
Invesco Global Asset Management - Denver, Colorado
Progress Investment Management Company - San Francisco, California

Active - Growth

Clay Finlay, Inc. - New York, New York
MFS Institutional Advisors, Inc. - Boston, Massachusetts

Active - Value

Grantham, Mayo, Van Otterloo & Co. - Boston, Massachusetts

Small Cap

Schroder Investment Management - New York, New York

Risk Controlled

BlackRock Investment Management - New York, New York
Pyramis Global Advisors Trust - Boston, Massachusetts

EMERGING MARKET INTERNATIONAL STOCK FUND ⁽¹⁾

Emerging Markets Management - Arlington, Virginia
Grantham, Mayo, Van Otterloo & Co. - Boston, Massachusetts

REAL ESTATE FUND

AEW Capital Management - Boston, Massachusetts
Apollo Real Estate Investment Fund - New York, New York
Blackstone Real Estate Advisors - New York, New York
Canyon Johnson Urban Funds - Beverly Hills, California
Capri Capital Advisors - Chicago, Illinois
Cigna Realty Investors - Hartford, Connecticut
Cornerstone Real Estate Advisors - Hartford, Connecticut
Covenant Apartment Fund - Nashville, Tennessee
Macfarlane Urban Real Estate Fund - San Francisco, California
Mullica Hill Plaza - Mullica Hill, New Jersey
New Boston Fund - Boston, Massachusetts
North Scottsdale Corporate Center - Scottsdale, Arizona
Prime Property Fund - New York, New York
RLJ Urban Lodging Fund - Bethesda, Maryland
Rockwood Capital - Greenwich, Connecticut
Starwood Global Opportunity Fund - Greenwich, Connecticut
Urban Strategy America Fund - Boston, Massachusetts
Walton Street Real Estate Fund II - Chicago, Illinois
Westport Senior Living Fund - Palm Beach Gardens, Florida

(1) Not included in the listing are currency overlay managers: The Bank of New York and Bridgewater Associates, Inc.

LIST OF EXTERNAL ADVISORS

COMMERCIAL MORTGAGE FUND

AEW Capital Management, LP - Boston, Massachusetts

PRIVATE INVESTMENT FUND

Corporate Buyouts

AIG Healthcare Partners LP - New York, New York
AIG Altaris Health Partners II LP - New York, New York
Blackstone Capital Partners III - New York, New York
Boston Ventures VII - Boston, Massachusetts
Charterhouse Equity Partners IV - New York, New York
Courthouse Square Capital Partners II - New York, New York
DLJ Merchant Banking Fund II- New York, New York
Ethos Private Equity Fund V - Jersey, Channel Islands
Forstmann Little Equity Fund VI- New York, New York
FS Equity Partners V - Los Angeles, California
Green Equity Investors III – Los Angeles, California
Hicks Muse Tate & Furst Equity Fund III - Dallas, Texas
ICV Capital Partners II LLC - New York, New York
Kelso Investment Associates VI - New York, New York
KKR 1996 Fund - New York, New York
KKR 2006 Fund - New York, New York
KKR Millenium Fund - New York, New York
Nogales Investors Fund II - Los Angeles, California
RFE Investment Partners - New Canaan, Connecticut
RFE Investment Partners VII - New Canaan, Connecticut
SCP Private Equity Partners - Wayne, Pennsylvania
Thayer Equity Investors IV – Washington D.C.
Thomas H. Lee Equity Fund IV - Boston, Massachusetts
Thomas H. Lee Equity Fund VI - Boston, Massachusetts
Veritas Capital Fund- New York, New York
Wellspring Capital Partners II - New York, New York
Wellspring Capital Partners III - New York, New York
Welsh, Carson, Anderson & Stowe VIII – New York, New York
Welsh, Carson, Anderson & Stowe X – New York, New York
Vista Equity Partners Fund III - San Francisco, California

Venture Capital

Connecticut Futures Fund - Westport, Connecticut
Conning Capital Partners V - Hartford, Connecticut
Crescendo III – Minneapolis, Minnesota
Crescendo World Fund – Minneapolis, Minnesota
Grotech Partners V - Timonium, Maryland
Shawmut Equity Partners - Boston, Massachusetts
Syndicated Communications Venture Partners V - Silver Spring, Maryland

Mezzanine

GarMark Partners – Stamford, Connecticut
GarMark Partners II LP – Stamford, Connecticut
SW Pelham Fund - Hartford, Connecticut
SW Pelham Fund II LP - Hartford, Connecticut

International

AIG Global Emerging Markets Fund - New York, New York
Carlyle Asia Partners– Washington D.C.
Carlyle Europe Partners– Washington D.C.
Compass European Partners – New York, New York
Gilbert Global Equity Partners - Tacoma, Washington

LIST OF EXTERNAL ADVISORS

Fund of Funds

CS/CT Cleantech Opportunities Fund - New York, New York
CT Emerging Private Equity - ???
Fairview Constitution II LP - Farmington, Connecticut
Fairview Constitution III LP - Farmington, Connecticut
Goldman Sachs Private Equity Fund - New York, New York
Landmark Private Equity Fund VIII – Simsbury, Connecticut
Lexington Capital Partners II - New York, New York
Parish Capital I LLP - Chapel Hill, North Carolina
Parish Capital Buyout Fund II - Chapel Hill, North Carolina
The Constitution Liquidating Fund - Farmington, Connecticut

Special Situations

Forstmann Little MBO VII - New York, New York
Greenwich Street Capital Partners II – New York, New York
KPS Special Situations Fund - New York, New York
Pegasus Partners IV - Cos Cob, Connecticut
Welsh, Carson, Anderson & Stowe Capital Partners III - New York, New York
WLR Recovery Fund IV - New York, New York

Financial

Section



STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL
210 CAPITOL AVENUE

HARTFORD, CONNECTICUT 06106-1559

KEVIN P. JOHNSTON

ROBERT G. JAEKLE

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of net assets of the Combined Investment Funds as of June 30, 2008, and the related statements of changes in net assets for the fiscal years ended June 30, 2008, and 2007. These financial statements are the responsibility of the management of the State Treasury. Our responsibility is to express an opinion on these 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 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, 2008, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Combined Investment Funds as of June 30, 2008, and the results of their operations and changes in net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1B, 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 and the Private 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 and the Private Investment Fund are presented at the cash adjusted fair values, which utilize the investment advisors' March 31, 2008, quarter ending estimated values adjusted for cash flows of the Funds during the subsequent quarter 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 of the Combined Investment Funds 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 Investment Section of this document, 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.

This opinion is being issued for inclusion in an annual report for the State Treasurer's Combined Investment Funds for the fiscal year ended June 30, 2008. Other information contained within the Statistical Section and the Investment and Introductory Sections of this document has not been audited.



Kevin P. Johnston
Auditor of Public Accounts



Robert G. Jaekle
Auditor of Public Accounts

December 31, 2008
State Capitol
Hartford, Connecticut

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents Management's Discussion and Analysis (MD&A) of the Comprehensive Annual Financial Report (CAFR) of the State of Connecticut's Office of the Treasurer Combined Investment Funds (CIF) financial position and performance for the fiscal year ended June 30, 2008. It is presented as a narrative overview and analysis. Management of the State of Connecticut's Office of the Treasurer encourage readers to review it in conjunction with the transmittal letter included in the Introductory Section at the front of this report and the financial statements in the Financial Section that follow.

The Combined Investment Funds serve as an investment vehicle for the six State pension plans and eight trust funds collectively known as the Connecticut Retirement Plans and Trust Funds representing the pension funds of the State teachers, State and municipal employees, as well as non-retirement trust funds that support academic programs, grants and initiatives throughout the State and are managed for the sole benefit of the participants. CIF investments range in investment diversity from domestic and international stocks to fixed income, real estate and private investment equity. Investments of the pension plans and trust funds are combined in a commingled investment pool as authorized by state statute. Each pension plan and trust fund owns an equity position in the CIF and receives proportionate investment income from the CIF in accordance with each respective ownership percentage. Each pension plan and trust fund's allocated share of each type of investment in the CIF is shown in the Schedule of Investment Activity of each respective pension plan and trust fund on pages 114-123. Investment gains or losses are also reported in the Statement of Investment Activity of each pensions plan and trust. The Market Value per share is therefore approximately the same for each of the pension plans and trust funds investments in the CIF.

The CIF financial statements reported by the Treasurer's Office for which the Treasurer has fiduciary responsibility for the investment thereof begin on page 20 and provide detailed information about individual funds.

FINANCIAL HIGHLIGHTS **Condensed Financial Information**

Combined Investment Funds

Net Assets and Changes in Net Assets

Net Assets -The net assets of the Combined Investment Funds at the close of the fiscal year were \$25.9 billion, a slight decrease of \$0.056 billion from the previous year. The minor change in net assets resulted from net investment losses from operations of \$1.258 billion partly offset by net cash inflows of \$1.201 billion consisting of a \$2.0 billion contribution into the teacher's pension plan raised in the capital markets to reduce a portion of the unfunded liability less payments to beneficiaries of the Connecticut Retirement Plans and Trust Funds.

The net assets under management in the Combined Investment Funds at the close of the 2007 fiscal year were \$25.9 billion, an increase of \$3.1 billion from the prior year. The change in net assets resulted from a net increase in net assets from operations of \$3.9 billion partly offset by cash outflows of \$0.8 billion to make payments to beneficiaries of the Connecticut Retirement Plans and Trust Funds.

Operating Income – Unfavorable performance results achieved a negative return of -4.71%, net of all management fees and expenses, compared to a return of 17.34%, net of all expenses for the previous fiscal year. Returns were mixed in the Funds' investment classes in fiscal year 2008 due to continuing market volatility related to credit market tightening around the world.

For the previous fiscal year, favorable performance results achieved a positive return of 17.34%, net of all management fees and expenses, compared to a return of 10.55%, net of all expenses in fiscal year 2006. Returns were positive in all of the Funds' investment classes in fiscal year 2007 despite higher market volatility resulting from increasing oil prices and rising interest rates.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Assets held in trust for Participants

A summary of the net assets held in trust for participants is presented below.

Condensed Statement of Net Assets Fiscal Year Ended June 30,

Assets	2008	Increase (Decrease)	2007	Increase (Decrease)	2006
Investments at Fair Value	\$26,129,160,510	\$(645,368,748)	\$26,774,529,258	\$3,291,631,216	\$23,482,898,042
Cash, Receivables and Other	15,884,647,720	1,444,193,146	14,440,454,574	(1,705,448,726)	16,145,903,300
Total Assets	42,013,808,230	798,824,398	41,214,983,832	1,586,182,490	39,628,801,342
Liabilities	(16,141,985,552)	(855,292,653)	(15,286,692,899)	1,525,335,471	(16,812,028,370)
Net Assets	\$25,871,822,678	\$(56,468,255)	\$25,928,290,933	\$3,111,517,961	\$22,816,772,972

Condensed Statement of Changes in Net Assets Fiscal Year Ended June 30,

Additions	2008	Increase (Decrease)	2007	Increase (Decrease)	2006
Dividends	\$650,095,570	\$91,149,144	\$558,946,426	\$33,380,675	\$525,565,751
Interest	460,027,262	64,016,826	396,010,436	45,223,955	350,786,481
Securities Lending & Other Income	162,456,676	(14,202,368)	176,659,044	52,045,982	124,613,062
Total Investment Income	1,272,579,508	140,963,602	1,131,615,906	130,650,612	1,000,965,294
Total Investment Expenses	201,848,886	10,439,471	212,288,357	(34,279,589)	178,008,768
Net Investment Income	1,070,730,622	151,403,073	919,327,549	96,371,023	822,956,526
Net Realized Gain/(Loss)	675,633,299	(848,473,673)	1,524,106,972	638,075,498	886,031,474
Net Change in Unrealized Gains on Investments	(3,004,321,867)	(4,476,635,495)	1,472,313,628	951,883,498	520,430,130
Net Increase in Net Assets resulting from operations	(1,257,957,946)	(5,173,706,095)	3,915,748,149	1,686,330,019	2,229,418,130
Purchase of Units by Participants	8,184,525,954	4,540,776,161	3,643,749,793	1,813,917,880	1,829,831,913
Total Additions	6,926,568,008	(632,929,934)	7,559,497,942	3,500,247,899	4,059,250,043
Deductions					
Administrative Expense	3,238,591	(51,758)	3,186,833	(227,947)	2,958,886
Distribution of Income to Unit Owners	972,406,121	(60,496,238)	911,909,883	(109,376,336)	802,533,547
Redemption of Units by Participants	6,007,391,551	(2,474,508,282)	3,532,883,269	(1,796,749,027)	1,736,134,242
Total Deductions	6,983,036,263	(2,535,056,278)	4,447,979,985	(1,906,353,311)	2,541,626,675
Change in Net Assets	(56,468,255)	(3,167,986,212)	3,111,517,957	1,593,894,589	1,517,623,368
Beginning Net Assets	25,928,290,933	3,111,517,957	22,816,772,976	1,517,623,374	21,299,149,602
Ending Net Assets	\$25,871,822,678	\$(56,468,255)	\$25,928,290,933	\$3,111,517,961	\$22,816,772,972

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OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the Office of the Treasurer's Combined Investment Funds basic financial statements, which are comprised of: 1) Statement of Net Assets, 2) Statement of Changes in Net Assets and 3) Notes to the Financial Statements.

The Statement of Net Assets and the Statement of Changes in Net Assets are two financial statements that report information about the Combined Investment Funds. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Net Assets (page 20) presents all of the Combined Investment Funds assets and liabilities, with the difference between the two reported as "net assets". Over time, increases and decreases in net assets measure whether the Combined Investment Funds financial position is improving or deteriorating.

The Statement of Changes in Net Assets (page 21 and 22) presents information showing how the Combined Investment Funds net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e. g. security lending rebates and dividend and interest income).

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Combined Investment Funds financial statements. The notes can be found on pages 23-37 of this report.

ECONOMIC CONDITIONS AND OUTLOOK

As Fiscal Year 2008 began, fallout from the sub-prime lending problems began to have broad and deep impacts on the financial markets. By the end of the fiscal year, the Federal Open Market Committee (FOMC) had cut the Fed Funds target rate seven times totaling 325 basis points from 5.25 percent to 2.00 percent by April 30, 2008 to combat what had become a widespread credit market disruption.

During Fiscal Year 2009, economic problems have widened and deepened. Equity markets have fallen precipitously, with the S&P down approximately 36 percent from July 1, 2008 to December 1, 2008. Labor markets have experienced higher unemployment, up 1.2 percentage points, to 6.7 percent in November since July 1, and non-farm payrolls have lost 1,450,000 jobs during that period. The economy as a whole has contracted, with growth for the first and second quarters expected to hit -0.5 percent and -3.0 percent, respectively. Throughout this period the Fed's FOMC has continued to lower interest rates, with the Fed Funds target rate cut to 1.00 percent on October 29, 2008.

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**STATEMENT OF NET ASSETS
JUNE 30, 2008**

	<u>TOTAL</u>
ASSETS	
Investments in Securities, at Fair Value	
Liquidity Fund	\$ -
Cash Equivalents	1,287,506,422
Asset Backed Securities	267,217,555
Government Securities	2,596,353,075
Government Agency Securities	1,646,888,387
Mortgage Backed Securities	956,382,565
Corporate Debt	2,108,880,302
Convertible Securities	28,276,823
Common Stock	13,809,214,069
Preferred Stock	105,944,737
Real Estate Investment Trust	102,405,949
Mutual Fund	573,353,349
Limited Liability Corporation	4,242,400
Trusts	5,863,982
Limited Partnerships	2,636,630,895
Annuities	-
Total Investments in Securities, at Fair Value	<u>26,129,160,510</u>
Cash	29,839,798
Receivables	
Foreign Exchange Contracts	11,930,637,702
Interest Receivable	84,202,672
Dividends Receivable	20,108,037
Due from Brokers	776,558,171
Foreign Taxes	7,766,190
Securities Lending Receivable	2,881,610
Reserve for Doubtful Receivables	(5,744,015)
Total Receivables	<u>12,816,410,367</u>
Invested Securities Lending Collateral	3,032,387,380
Prepaid Expenses	<u>6,010,175</u>
Total Assets	<u>42,013,808,230</u>
LIABILITIES	
Payables	
Foreign Exchange Contracts	11,930,616,048
Due to Brokers	1,102,498,868
Income Distribution	2,370,766
Other Payable	50,641,881
Total Payables	<u>13,086,127,563</u>
Securities Lending Collateral	3,032,387,380
Accrued Expenses	<u>23,470,609</u>
Total Liabilities	<u>16,141,985,552</u>
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	<u>\$ 25,871,822,678</u>

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

ADDITIONS	TOTAL
OPERATIONS	
Investment Income	
Dividends	\$ 650,095,570
Interest	460,027,262
Other Income	11,401,789
Securities Lending	151,054,887
Total Income	<u>1,272,579,508</u>
Expenses	
Investment Advisory Fees	75,046,853
Custody and Transfer Agent Fees	163,496
Professional Fees	2,625,411
Security Lending Fees	5,436,096
Security Lending Rebates	117,248,674
Investment Expenses	1,328,356
Total Expenses	<u>201,848,886</u>
Net Investment Income	1,070,730,622
Net Realized Gain (Loss)	675,633,299
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>(3,004,321,867)</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,257,957,946)
Unit Transactions	
Purchase of Units by Participants	8,184,525,954
TOTAL ADDITIONS	<u>6,926,568,008</u>
DEDUCTIONS	
Interfund Transfer	-
Administrative Expenses:	
Salary and Fringe Benefits	(3,238,591)
Distributions to Unit Owners:	
Income Distributed	(972,406,121)
Unit Transactions	
Redemption of Units by Participants	<u>(6,007,391,551)</u>
TOTAL DEDUCTIONS	(6,983,036,263)
Change in Net Assets	<u>(56,468,255)</u>
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	
Net Assets- Beginning of Period	<u>25,928,290,933</u>
Net Assets- End of Period	<u>\$25,871,822,678</u>

The accompanying notes are an integral part of these financial statements

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

ADDITIONS OPERATIONS	<u>TOTAL</u>
Investment Income	
Dividends	\$ 558,946,426
Interest	396,010,436
Other Income	6,960,432
Securities Lending	169,698,612
Total Income	<u>1,131,615,906</u>
Investment Expenses	
Investment Advisory Fees	50,980,419
Custody and Transfer Agent Fees	117,898
Professional Fees	2,172,365
Security Lending Fees	2,477,375
Security Lending Rebates	156,259,586
Investment Expenses	280,714
Total Investment Expenses	<u>212,288,357</u>
Net Investment Income	919,327,549
Net Realized Gain (Loss)	1,524,106,972
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>1,472,313,628</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	3,915,748,149
Unit Transactions	
Purchase of Units by Participants	3,643,749,793
TOTAL ADDITIONS	<u>7,559,497,942</u>
DEDUCTIONS	
Administrative Expenses:	
Salary and Fringe Benefits	(3,186,833)
Distributions to Unit Owners:	
Income Distributed	(911,909,883)
Unit Transactions	
Redemption of Units by Participants	<u>(3,532,883,269)</u>
TOTAL DEDUCTIONS	<u>(4,447,979,985)</u>
CHANGE IN NET ASSETS	<u>3,111,517,957</u>
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	
Net Assets- Beginning of Period	22,816,772,976
Net Assets- End of Period	<u>\$ 25,928,290,933</u>

The accompanying notes are an integral part of these financial statements

NOTES TO 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 (formerly Cash Reserve Account), Mutual Equity Fund, Real Estate Fund, Commercial Mortgage Fund and the Private Investment Fund. On November 1, 2007 the Mutual Fixed Income Fund was split into four new funds titled Core Fixed Income Fund, Inflation Linked Bond Fund, Emerging Market Debt Fund and the High Yield Debt Fund. Also on November 1, 2007 the International Stock Fund was split into two new funds titled Developed Market International Stock Fund and Emerging Market International Stock 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

While the Combined Investment Funds follow pronouncements under the Governmental Accounting Standards Board, the Real Estate and Private Investment Funds contain investments where the General Partners must follow pronouncements under the Financial Accounting Standards Board. The Financial Accounting Standards Board issued Statement No. 157, Fair Value Measurements, requires investment managers to value non-publicly traded assets at current fair value, taking into consideration the financial performance of the issuer, cash flow analysis, recent sales prices, market comparable transactions, a new round of financing, a change in economic conditions, and other pertinent information. Fair value is determined using the best information available for a hypothetical transaction at the measurement date, not using forced sale or fire sale pricing. Adoption of this statement is required for fiscal years beginning after November 15, 2007.

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. The Treasurer's staff reviews the valuations for all investments in these alternative asset classes (Commercial Mortgage, Real Estate, and Private 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

Investments are valued at amortized cost, which approximates fair value. Repurchase Agreements held are collateralized at 102 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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 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, 2008, the Fund held MBSs of \$883,692,473 and ABSs of \$39,948,474.

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, 2008 the Fund's holdings had a fair value of \$641,086 and a cost of \$25.7 million. 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.

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.

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.

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 invests in Mortgage Backed Securities (MBSs), which are included in the Statement of Net Assets. These are bonds issued by a special purpose trust that collects payments on an underlying col-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

lateral 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, 2008, the Fund held MBSs of \$44,479,164.

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

High Yield 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.

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 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, 2008, the Fund held MBSs of \$10,744,713 and ABSs of \$21,827,991.

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.

Developed Market International Stock Fund

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.

Emerging Market International Stock Fund

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.

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

values, adjustments to the reported cash adjusted fair values are made to prevent overstatement. At June 30, 2008, 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 \$4.7 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, 2008, 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 \$16 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. Corporate bonds and certain over-the-counter stocks are valued at the mean of bid and asked prices as furnished by broker-dealers.

Fair values of the underlying investments are generally represented by cost unless there has been an additional arms-length indication of value, such as a public offering or a new investment by a third party.

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, 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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 are recognized on the accrual basis and are deducted in calculating net investment income and net asset value on a monthly basis. Fees and expenses of the Real Estate Fund are generally recognized when paid, by netting them against dividends received. 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 Technical Bulletin No. 2003-1 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 underlying (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, 2008, the funds maintained positions in a variety of such securities that are all reported at fair value on the statement of net assets. The Liquidity Fund held adjustable rate and asset-backed securities. The Core Fixed Income Fund, Emerging Market Debt Fund and the High Yield Debt Fund held CMOs, including IOs, and other asset backed securities, indexed Treasury securities and option contracts. The Developed Market International Stock, Emerging Market International Stock Fund, Core Fixed Income Fund and Emerging Market Debt Fund were invested in foreign exchange contracts and the Commercial Mortgage Fund held CMOs and CMO residuals. The specific nature of these investments is discussed more fully in the accounting policy 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

The Core Fixed Income Fixed Income Fund, Emerging Market Debt Fund, Developed International Stock Fund and the Emerging Market International Stock Fund 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 the Private Investment Fund 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 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. These amounts are expensed and are 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 Fund's total fees for the fiscal year ended June 30, 2008:

	Netted	Capitalized	Expensed	Total
Private Investment Fund	\$17,780,702	\$12,448,330	\$9,359,774	\$ 39,588,806

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 Fund's share of such net realized gains and losses for the fiscal year ended June 30, 2008 totaled \$240,907,012 and was recorded as dividends on the Statement of Changes in Net Assets.

The Private Investment Fund recorded write downs in various underlying holdings. The amounts of such write downs properly reflect that impaired investments are realized in the year losses become apparent. Approximately \$ 116,310,471 was recorded as realized loss on the Statement of Changes in Net Assets.

Private Investment Fund	\$ 240,907,012
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Periodically the Private Investment Fund may receive stock distributions in lieu of cash. These securities are included as common stock 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. Realized loss for such transactions for the fiscal year ended June 30, 2008 were \$3,921,494.

The Mutual Equity Fund includes an investment in a mutual fund. There were no fees for the 2008 fiscal year.

The Mutual Fixed Income Fund included an investment in a mutual fund. Fees incurred are deducted from the operations of the fund and are not separately presented on the Statement of Operations. The corresponding fees incurred for the fiscal year ended June 30, 2008 totaled \$906,211.

The Core Fixed Income Fund includes an investment in a mutual fund. Fees incurred are deducted from the operations of the fund and are not separately presented on the Statement of Operations. The corresponding fees incurred for the fiscal year ended June 30, 2008 totaled \$142,461.

The Emerging Market Debt Fund includes an investment in a mutual fund. Fees incurred are deducted from the operations of the fund and are not separately presented on the Statement of Operations. The corresponding fees incurred for the fiscal year ended June 30, 2008 totaled \$1,669,962.

The International Stock Fund included an investment in a mutual fund. Fees incurred are deducted from the operations of the fund and are not separately presented on the Statement of Operations. The corresponding fees incurred for the fiscal year ended June 30, 2008 totaled \$513,207.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

The Emerging Market International Stock Fund includes an investment in a mutual fund. Fees incurred are deducted from the operations of the fund and are not separately presented on the Statement of Operations. The corresponding fees incurred for the fiscal year ended June 30, 2008 totaled \$896,967.

The Developed Market International Stock Fund includes an investment in a mutual fund. There were no fees for the fiscal year ended June 30, 2008.

Investment advisory fees incurred for certain investments in the Real Estate Fund 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 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. These amounts are expensed and are 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 Fund's total fees for the fiscal year ended June 30, 2008:

	Netted	Capitalized	Expensed	Total
Real Estate Fund	\$ 6,623,846	\$ 2,936,068	\$ 3,453,459	\$ 13,013,373

Investment advisory fees for the Liquidity, Mutual Equity, Core Fixed Income Fund, Inflation Linked Bond Fund, Emerging Market Debt Fund, and the High Yield Investment Fund (except as noted above) and Developed Market International Stock Fund and the Emerging Market International Stock Fund 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

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

At June 30, 2008, the reported amount of Funds deposits were \$29,839,798 and the bank balance was \$29,839,798. Of the bank amount, \$29,839,798 was uncollateralized and uninsured. Through the Securities Lending Program \$3,330,803,040 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 2008 fiscal year.

The Funds concentration of credit risk, is 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.

The following table provides average credit quality and exposure levels information on the credit ratings associated with Funds investments in debt securities.

	Fair Value	Cash Equivalents	Asset Backed Securities	Government Securities	Government Agency Securities	Mortgage Backed Securities	Corporate Debt	Convertible Debt	Mutual Fund
Aaa	\$ 4,329,454,330	\$ -	\$232,479,066	\$1,997,087,497	\$1,286,117,519	\$622,580,157	\$191,190,091	\$ -	\$ -
Aa	527,787,882	-	513,462	30,757,006	-	11,888,346	484,431,813	197,255	-
A	374,099,071	-	2,625,023	73,526,547	-	2,733,509	294,528,089	685,903	-
Baa	535,481,219	-	4,137,350	82,828,152	-	55,721,166	391,730,971	1,063,580	-
Ba	266,007,204	-	-	97,275,860	-	10,828,937	157,902,407	-	-
B	457,426,828	-	-	82,813,013	-	5,291,213	368,702,914	619,688	-
Caa	107,771,569	-	-	-	-	4,246,007	98,975,256	4,550,306	-
Ca	5,236,896	-	-	3,243,996	-	-	1,992,900	-	-
C	1,081,759	-	-	-	-	1,081,759	-	-	-
Prime 1	642,881,311	642,881,311	-	-	-	-	-	-	-
Not Rated	2,031,326,171	644,625,111	27,462,654	228,821,004	360,770,868	242,011,471	119,425,861	21,160,091	387,049,111
Total	\$ 9,278,554,240	\$1,287,506,422	\$267,217,555	\$ 2,596,353,075	\$1,646,888,387	\$956,382,565	\$2,108,880,302	\$28,276,823	\$387,049,111

The investments in the Private Equity Fund, Real Estate Fund and Commercial Mortgage Fund generally utilize investment vehicles such as annuity contracts, common stocks, limited partnerships 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 Debt, Developed Market International Stock and the Emerging Market International Stock Funds were 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:

<u>Investment</u>	<u>Fair Value</u>
Government Securities	\$18,309,272
Government Agency Securities	11,613,724
U.S. Corporate Stock	60,148,769
International Equity	238,987,951
International Fixed	3,563,200
Collateral Securities held by Investment Pools under Securities Lending Arrangements:	
Other	612,944,260

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Corporate Debt	<u>2,385,235,864</u>
Total	<u>\$3,330,803,040</u>

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 Lehman Brothers 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 Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Cash Equivalents	\$1,287,506,422	\$1,248,429,177	\$ 25,118,661	\$ -	\$ 13,958,584
Asset Backed Securities	267,217,555	884,531	213,714,500	52,618,524	-
Government Securities	2,596,353,075	332,630,431	569,493,490	453,363,024	1,240,866,130
Government Agency Securities	1,646,888,387	529,245	19,300,356	47,829,730	1,579,229,056
Mortgage Backed Securities	956,382,565	5,640,215	23,498,639	47,136,109	880,107,602
Corporate Debt	2,108,880,302	179,949,596	721,379,847	766,587,953	440,962,906
Convertible Debt	28,276,823	2,224,167	18,599,263	2,675,400	4,777,993
Mutual Fund	387,049,111	-	-	-	387,049,111
	<u>\$ 9,278,554,240</u>	<u>\$ 1,770,287,362</u>	<u>\$1,591,104,756</u>	<u>\$1,370,210,740</u>	<u>\$4,546,951,382</u>

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.

Foreign Currency	Total	Cash	Fixed Income Securities				Equities		
			Government Securities	Mutual Funds	Corporate Debt	Convertible Securities	Common Stock	Preferred Stock	Real Estate Investment Trust
Argentine Peso	\$734,900	\$130,417	\$437,963	\$ -	\$ -	\$ -	\$166,520	\$ -	\$ -
Australian Dollar	245,789,791	1,402,910	-	-	910,285	-	243,466,274	-	10,322
Brazilian Real	136,047,903	305,072	34,297,600	-	5,903,168	-	38,429,003	57,113,060	-
Canadian Dollar	52,801,145	1,763,291	-	-	130,452	-	50,907,402	-	-
Chilean Peso	1,356,692	19,088	-	-	-	-	1,337,604	-	-
Colombian Peso	7,367,943	-	5,871,672	-	1,496,271	-	-	-	-
Czech Koruna	21,996,991	1,744	6,083,697	-	-	-	15,911,550	-	-
Danish Krone	61,586,957	268,442	-	-	203,278	-	61,115,237	-	-
Egyptian Pound	23,361,870	5,789,566	12,051,383	-	-	-	5,520,921	-	-
Euro Currency	1,788,381,159	456,533	46,801,275	19,941,298	3,101,152	-	1,688,489,785	29,591,116	-
Hong Kong Dollar	202,701,391	611,764	-	58,357	-	-	199,754,748	-	2,276,522
Hungarian Forint	35,204,649	6,919	9,943,629	-	-	-	25,254,101	-	-
Iceland Krona	83,923	204	-	-	-	-	83,719	-	-
Indian Rupee	4,315,525	-	-	-	4,315,525	-	-	-	-
Indonesian Rupiah	26,689,350	94,370	6,139,178	-	3,512,668	-	16,943,134	-	-
Israeli Shekel	10,827,238	7,789	-	-	-	-	10,819,449	-	-
Japanese Yen	1,049,339,483	5,964,759	9,146,347	5,719,425	-	1,286,762	1,025,344,222	-	1,877,968
Kazakhstan Tenge	772,242	-	-	-	772,242	-	-	-	-
Malaysian Ringgit	63,189,741	408,963	23,891,228	-	9,566,947	-	29,207,081	115,522	-
Mexican Peso	47,473,107	875,505	29,258,399	-	-	-	17,339,203	-	-
Moroccan Dirham	1,210,546	(23,604)	-	-	-	-	1,234,150	-	-
New Russian Rubel	4,522,303	19,461	-	-	4,502,842	-	-	-	-
New Taiwan Dollar	66,465,386	5,788	-	-	-	-	66,459,598	-	-
New Turkish Lira	52,953,852	82,925	13,263,320	-	1,843,451	-	37,764,156	-	-
New Zealand Dollar	7,658,249	632,567	-	-	2,142,629	-	4,883,053	-	-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Norwegian Krone	43,797,875	289,690	-	-	-	-	43,508,185	-	-
Pakistan Rupee	9,634,255	18,276	-	-	-	-	9,615,979	-	-
Peruvian Nouveau Sol	1,017,023	94	238,415	-	705,980	-	72,534	-	-
Philippine Peso	6,571,277	10,365	-	-	-	-	6,560,912	-	-
Polish Zloty	43,538,418	81,374	20,244,668	-	-	-	23,212,376	-	-
Pound Sterling	908,081,638	4,531,113	14,785,810	-	11,692,915	-	874,355,424	-	2,716,376
Singapore Dollar	89,017,486	126,323	5,897,619	-	8,822,369	-	69,319,528	-	4,851,647
South African Rand	71,545,007	825,023	6,090,973	-	2,384,952	-	62,244,059	-	-
South Korean Won	317,075,141	163,741	-	-	-	-	306,830,384	10,081,016	-
Swedish Krona	74,969,246	179,961	-	-	-	-	74,789,285	-	-
Swiss Franc	367,204,461	3,033,282	-	-	-	-	364,171,179	-	-
Thailand Baht	52,221,720	221,498	2,795,630	-	1,022,172	-	48,182,420	-	-
Uruguayan Peso	709,135	-	709,135	-	-	-	-	-	-
Yuan Renminbi	303,354	(34,333)	-	-	-	-	337,687	-	-
	<u>\$5,898,518,372</u>	<u>\$28,270,880</u>	<u>\$247,947,941</u>	<u>\$25,719,080</u>	<u>\$63,029,298</u>	<u>\$1,286,762</u>	<u>\$5,423,630,862</u>	<u>\$96,900,714</u>	<u>\$11,732,835</u>

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. The Funds' master custodian is authorized to lend available securities to authorized broker-dealers and banks subject to a formal loan agreement.

During the period ended June 30, 2008, the master custodian lent, at the direction of the Funds, securities and received cash (in both U.S. and foreign currency), U.S. government securities, sovereign debt rated A or better, convertible bonds, and irrevocable bank letters of credit as collateral. 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: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was located in the United States or sovereign debt issued by foreign governments, 102% of the market value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States, 105% of the market value of the loaned securities.

The Funds did not impose any restrictions during the fiscal year on the amount of the loans that the master custodian made on its behalf and the master custodian indemnified the Funds by agreeing to purchase replacement securities, or return the cash collateral thereof 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. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers of the master custodian. During the fiscal year, the Funds and the borrowers maintained the right to terminate all securities lending transactions on demand. 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, 2008, the Funds had no credit risk exposure to borrowers. The value of collateral held and the market value of securities on loan for the Funds as of June 30, 2008 were \$3,380,751,668 and \$ 3,276,218,029 respectively.

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, 2008 was 42.91 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, 2008:

Fund	Fair Value of Collateral	Fair Value of Securities Lent
Mutual Equity	\$1,074,602,747	\$1,043,926,417
Core Fixed Income	766,974,580	758,701,169

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Inflation Linked Bond	599,784,593	594,348,264
Emerging Market Debt	25,557,613	24,673,809
High Yield Debt	94,697,615	93,340,325
Developed Market International Stock	657,311,516	628,854,473
Emerging Market International Stock	136,395,632	132,373,572
Total	\$ 3,355,324,296	\$ 3,276,218,029

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	\$206,562,686	\$803,826,315	\$1,010,389,001
Core Fixed Income	150,692,571	586,411,110	737,103,681
Inflation Linked Bond	121,721,758	473,672,928	595,394,686
Emerging Market Debt	4,309,409	16,769,805	21,079,214
High Yield Debt	19,306,126	75,128,635	94,434,761
Developed Market International Stock	86,498,155	336,602,390	423,100,545
Emerging Market International Stock	23,853,555	92,824,681	116,678,236
Total	\$612,944,260	\$2,385,235,864	\$2,998,180,124

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, 2008, the aggregate cost of purchases and proceeds from sales of investment securities (excluding all U.S. Government securities and short-term securities) were as follows:

Fund	Purchases	Sales
Mutual Equity	\$5,192,302,421	\$5,614,366,437
Mutual Fixed Income	9,749,072,957	9,107,668,895
Core Fixed Income	16,066,806,376	17,423,905,361
Inflation Linked Bond	1,575,469,886	766,464,045
Emerging Market Debt	732,710,745	370,676,866
High Yield Debt	403,059,294	228,719,786
International Stock	1,248,955,266	1,387,459,677
Developed Market International Stock	3,571,460,573	2,411,762,562
Emerging Market International Stock	691,183,956	639,713,605
Real Estate	464,745,777	29,165,828
Commercial Mortgage	-	1,038,186
Private Investment Fund	499,236,299	8,024,943

The above amounts include the effect of cost adjustments processed during the year.

NOTE 4: UNREALIZED APPRECIATION AND DEPRECIATION ON INVESTMENTS

At June 30, 2008, the gross appreciation of investment securities in which there was an excess of fair value over cost, the gross depreciation of investment securities 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)
Mutual Equity	\$1,543,653,894	\$1,090,019,837	\$453,634,057
Core Fixed Income	46,584,929	174,969,013	(128,384,084)
Inflation Linked Bond	9,748,611	176,630	9,571,981
Emerging Market Debt	63,567,383	29,613,854	33,953,529
High Yield Debt	27,307,005	66,329,447	(39,022,442)
Developed Market International Stock	607,222,800	408,722,764	198,500,036
Emerging Market International Stock	289,074,761	104,455,057	184,619,704
Real Estate	116,732,145	68,767,457	47,964,688
Commercial Mortgage	650,445	-	650,445
Private Investment Fund	176,194,444	196,831,186	(20,636,742)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5: FOREIGN EXCHANGE CONTRACTS

From time to time the International Stock Funds, Fixed Income Funds, and the Private Investment Fund 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, 2008, the Funds had recorded unrealized gains (losses) from open forward currency contracts as follows:

CORE Fixed Income Fund:

Foreign Currency	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Euro Currency	\$ 35,826,213	\$ -
New Zealand Dollar	72,847	-
Pound Sterling	2,133,478	-
	<u>38,032,538</u>	<u>-</u>
Contracts to Sell:		
Euro Currency	79,525,860	-
New Zealand Dollar	3,860,569	-
Pound Sterling	17,188,128	-
	<u>100,574,557</u>	<u>-</u>
Total	\$ 138,607,095	\$ -

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 138,607,095	\$ 138,607,095	\$ -
Unrealized Gain/Loss	-	-	-
Net	<u>\$ 138,607,095</u>	<u>\$ 138,607,095</u>	<u>\$ -</u>

Emerging Market Debt Fund:

Foreign Currency	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Argentine Peso	\$ 6,063,288	\$ 161,842
Brazilian Real	3,524,229	193,930
Colombian Peso	2,560,417	(271,168)
Czech Koruna	3,427,432	190,543
Euro Currency	3,259,888	63,075
Indian Rupee	5,847,953	(96,914)
Malaysian Ringgit	2,696,078	(2,240)
Mexican Peso	6,312,340	81,957
New Russian Ruble	2,412,076	15,634
Peruvian Nouveau Sol	744,084	(41,183)
Slovakian Loruna	7,873,661	278,636
South African Rand	583,000	5,240
Thailand Baht	4,139,137	(165,108)
Yuan Renminbi	5,700,000	63,983
	<u>55,143,583</u>	<u>478,227</u>
Contracts to Sell:		
Argentine Peso	1,068,964	(770)
Brazilian Real	9,203,092	(383,371)
Euro Currency	5,498,799	(405,890)
Indian Rupee	4,606,965	6,134
Indonesian Rupiah	1,335,411	(27,365)
Kazakhstan Tenge	813,953	(47,378)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Malaysian Ringgit	35,837	(5)
New Turkish Lira	10,140,346	(388,151)
South African Rand	3,390,103	(101,501)
Thailand Baht	2,872,812	14,186
	<u>38,966,282</u>	<u>(1,334,111)</u>
Total	\$ 94,109,865	\$ (855,884)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 94,109,865	\$ 94,109,865	\$ -
Unrealized Gain/Loss	478,227	(1,334,111)	(855,884)
Net	<u>\$ 94,588,092</u>	<u>\$ 95,443,976</u>	<u>\$ (855,884)</u>

Developed Market International Stock Fund:

Foreign Currency	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	\$ 124,787,580	\$ 3,908,915
Canadian Dollar	9,308,606	23,437
Danish Krone	32,179,015	(33,478)
Euro Currency	2,038,994,511	7,742,720
Hong Kong Dollar	90,026,504	(4,874)
Japanese Yen	1,579,339,503	(14,291,165)
Mexican Peso	28,105	(38)
Norwegian Krone	63,101,183	615,830
Pound Sterling	944,394,439	4,572,694
Singapore Dollar	91,919,101	382,635
South African Rand	61,525	838
South Korean Won	43,970,238	(325,454)
Swedish Krona	102,488,238	(375,155)
Swiss Franc	461,540,639	3,510,145
	<u>5,582,139,187</u>	<u>5,727,050</u>

Contracts to Sell:

Australian Dollar	126,420,165	(3,104,781)
Danish Krone	57,972,925	(371,859)
Euro Currency	2,203,111,517	(20,355,927)
Hong Kong Dollar	163,498,505	246,706
Indonesian Rupiah	89,861	(61)
Japanese Yen	1,732,340,658	37,228,961
Malaysian Ringgit	23,989	(4)
Mexican Peso	182,844	22
New Zealand Dollar	336,787	-
Norwegian Krone	45,683,570	(218,169)
Pound Sterling	832,338,481	(13,319,621)
Singapore Dollar	114,723,079	(859,006)
South African Rand	65,809	(407)
South Korean Won	89,529,753	1,701,177
Swedish Krona	100,038,546	(488,205)
Swiss Franc	638,845,657	(5,310,467)
	<u>6,105,202,146</u>	<u>(4,851,641)</u>

Total **\$ 11,687,341,333** **\$ 875,409**

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 11,687,341,333	\$ 11,687,341,333	\$ -
Unrealized Gain/Loss	5,727,050	(4,851,641)	875,409
Net	<u>\$ 11,693,068,383</u>	<u>\$ 11,692,192,974</u>	<u>\$ 875,409</u>

Emerging Market International Stock Fund:

Foreign Currency	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Brazilian Real	\$ 645,543	\$ 2,273
Hong Kong Dollar	36,901	(3)
Hungarian Forint	2,095	22
Indonesian Rupiah	96,705	(105)
Malaysian Ringgit	102,093	(16)
South African Rand	436,976	6,522
Thailand Baht	85,671	234
	<u>1,405,984</u>	<u>8,927</u>

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Contracts to Sell:		
Brazilian Real	175,319	(1,532)
Pound Sterling	24,894	(13)
Hong Kong Dollar	234,823	(47)
Hungarian Forint	952,271	(3,869)
Indonesian Rupiah	859,752	(346)
Israeli Shekel	53,371	(130)
Malaysian Ringgit	444,627	(60)
Thailand Baht	214,164	(801)
	<u>2,959,221</u>	<u>(6,798)</u>
Total	\$ 4,365,205	\$ 2,129

Financial Statement Amounts:			
	Receivable	Payable	Net
FX Value	\$ 4,365,205	\$ 4,365,205	\$ -
Unrealized Gain/Loss	8,927	(6,798)	2,129
Net	<u>\$ 4,374,132</u>	<u>\$ 4,372,003</u>	<u>\$ 2,129</u>

The net unrealized gain has been included in the Statement of Operations as a component of Net Change in Unrealized Gain (Loss) on Investments.

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, 2008, were as follows:

Fund	Total Commitment	Cumulative Amounts Funded	Unfunded Commitment
Real Estate	\$1,574,303,364	\$1,196,533,046	\$377,770,318
Private Investment	5,415,258,384	3,974,196,484	1,441,061,900

NOTE 9: COST BASIS OF INVESTMENTS

The aggregate cost values of investments in the Funds are as follows at June 30, 2008:

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Investments in Securities, at Cost					
Liquidity Fund	\$ -	\$ 66,568,000	\$ 558,806,863	\$ 56,307,042	\$ 47,970,651
Cash Equivalents	1,273,429,177	-	-	-	850,980
Asset Backed Securities	205,441,090	-	40,344,792	-	-
Government Securities	283,999,399	-	680,969,790	1,095,715,283	503,185,194
Government Agency Securities	39,363,506	-	1,607,770,861	-	-
Mortgage Backed Securities	17,177,495	-	987,869,997	-	44,912,762
Corporate Debt	343,079,139	-	1,048,956,632	950,722	126,320,395
Convertible Securities	-	-	-	-	-
Common Stock	-	7,383,716,790	-	-	-
Preferred Stock	-	6,940	6,048,470	-	-
Real Estate Investment Trust	-	110,330,410	-	-	-
Mutual Fund	-	2,751,610	48,917,509	-	283,102,454
Limited Liability Corporation	-	-	-	-	-
Trusts	-	-	-	-	-
Limited Partnerships	-	-	-	-	-
Partnerships	-	-	-	-	-
Annuities	-	-	-	-	-
Total Investments in Securities, at cost	\$2,162,489,806	\$7,563,373,750	\$4,979,684,914	\$1,152,973,047	\$1,006,342,436

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2008.

The CRPTF is, however, working with investment partners to recover assets lost due to the malfeasance of others. Related to an action against the former general partner of a limited partnership in the Private Investment Fund, members of the advisory committee of the limited partnership entered into a settlement agreement with the partnership's former law firm, having allegedly participated in the actions that lead to losses. The CRPTF led an effort to seek additional compensation for failure to furnish adequate information during the settlement negotiations. 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 is scheduled to be distributed, on a pro rata basis, in December 2008.

Additionally, another limited partnership in the Private Investment Fund 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. There is outstanding legal action against the bank that issued the credit facility. The portfolio company is currently in bankruptcy. In July 2008, the Bankruptcy Court approved the portfolio company's plan of liquidation. A liquidating trustee has been appointed to oversee further liquidation efforts, including investigation and pursuit of potential litigation claims. The CRPTF continues to work with the General Partner to recover as much of the lost assets as possible.

NOTE 8: SUBSEQUENT EVENTS

Investments in the Commercial Mortgage Fund are based on the fair value of the underlying commercial loan portfolio held. On August 25, 2008 the audited financial statement for one of the commercial mortgage loans resulted in a reduction of approximately \$328,000 of value as compared to CRPTF's reported fair value for the same investment. This amount represents approximately 5% of the individual investment and 4.74% of the Commercial Mortgage Fund. No adjustment has been made to these financial statements.

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND
\$ 17,772,269	\$ 94,716,111	\$ 34,731,058	\$ 33,357,856	\$ 150,190	\$ 111,287,936
-	13,090,461	-	-	-	-
22,046,624	-	-	-	-	-
17,158,109	-	-	-	-	-
-	-	-	-	-	-
8,891,752	-	-	-	288,719	-
673,734,720	1,032,317	-	-	-	-
33,806,165	647,514	-	-	-	-
8,766,563	4,686,771,144	880,266,465	-	5,816,742	578,818
1,684,089	29,230,693	35,250,766	-	-	-
299,200	13,035,565	-	-	-	-
-	40,802,108	161,068,895	-	-	-
-	-	-	-	-	4,557,619
-	-	-	8,225,225	-	-
-	-	-	912,696,047	-	1,693,351,622
-	-	-	-	-	-
-	-	-	-	-	-
\$784,159,491	\$4,879,325,913	\$1,111,317,184	\$954,279,128	\$6,255,651	\$1,809,775,995



Investment

Section



2008 pension fund management division

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 \$25.9 billion of net assets of retirement plans for approximately 160,000 teachers, state and municipal employees, 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 properly safeguarding pension assets in order to ensure the retirement security of the beneficiaries. Funding of the pension benefit liability is dependent on investment returns, state contributions and the contribution requirements of eligible retirement plan participants.

As shown in Figure 1-1, over the last ten years pension and trust assets have grown from \$18.4 billion to \$25.9 billion, or 40.8%. The Teachers’ Retirement Fund (“TERF”), with \$14.5 billion of assets under management at June 30, 2008, is the largest participating fund. Of the \$14.5 billion of the TERF assets, \$2 billion were received during the past fiscal year from proceeds of a pension obligation bond, which was part of a long-term plan to improve the financial health of the TERF. The State Employees’ Retirement Fund (“SERF”) and the Municipal Employees’ Retirement Fund (“MERF”) have \$9.3 billion and \$1.6 billion of assets, respectively. During the fiscal year ended June 30, 2008, total investment return (comprised of interest income, dividends, securities lending income, and net realized gain and unrealized capital losses, net of Fund operating expenses) was negative \$1.3 billion. (See figure 1-2.)

CRPTF’s total investment in securities at fair value as of June 30, 2008 is illustrated below:

COMBINED INVESTMENT FUNDS		
Investment Summary at June 30, 2008		
	Fair Value ⁽¹⁾	% of Total Fund Fair Value
Liquidity Fund (“LF”)(2)	\$1,140,821,830	4.37%
Mutual Equity Fund (“MEF”)	8,017,007,807	30.68%
Developed Market International Stock Fund (“DMISF”)	5,077,825,949	19.43%
Emerging Market International Stock Fund (“EMISF”)	1,295,936,888	4.96%
Real Estate Fund (“REF”)	1,002,243,816	3.84%
Core Fixed Income Fund (“CFIF”)	4,851,300,830	18.57%
Inflation Linked Bond Fund (“ILBF”)	1,162,545,028	4.45%
Emerging Market Debt Fund (“EMDF”)	1,040,295,964	3.98%
High Yield Debt Fund (“HYDF”)	745,137,049	2.85%
Commercial Mortgage Fund (“CMF”)	6,906,096	0.02%
Private Investment Fund (“PIF”)	1,789,139,253	6.85%
Total Fund	\$26,129,160,510	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 invest each Fund. The money and investment managers are selected based on asset class expertise, investment performance and style and are expected to comply with the parameters, guidelines, and restrictions set forth in the Investment Policy Statement. As of June 30, 2008, 125 external money and investment managers were employed by the Treasury to invest the pension and trust assets, an increase of 19 managers from June 30, 2007. (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 maximizing 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, and the Treasurer adopted, the Investment Policy Statement ("IPS") including the asset allocation plan, which governs CRPTF investments. The asset allocation plan is customized for each plan and trust and each plan's main objective is to maximize 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, 2008, multiple asset classes were included in the IPS, including Domestic Equity, International Equity, Fixed Income, Real Estate, Private Investments and Alternative Investments.

At fiscal year-end, domestic and international equities comprised the largest percent of the total CRPTF, at 55.7%. Equities have an established record of maximizing investment returns over the long term. Fixed income and alternative investments were also included to allow the ability 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 Connecticut Retirement Plans and Trust Funds' (CRPTF) Investment Policy Statement, the Treasurer administers the Combined Investment Funds as a series of mutual funds in which the CRPTF 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. 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. These investments are made using 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. The Fund measures its performance against the Russell 3000 Index. As currently structured, the MEF replicates the approximate capitalization of the U. S. equity market as a whole with 74% of the portfolio invested in large-cap stocks, 22% in small/mid-cap stocks, and 4% in all-cap.

Management of the MEF entails pure indexing, enhanced indexing, and active management strategies executed by external money managers. Enhanced indexing involves identifying, through market analysis and research, those securities in the index which are most likely to under-perform, and discarding them from the portfolio. This is achieved while maintaining industry weightings consistent with the overall index. The goal of enhanced indexing is to generate a return slightly in excess of the selected index. Indexing is a particularly appropriate strategy for the "large-cap" segment of the equity markets, which is defined as the securities of the largest capitalized public companies, typically comprising the major market indices. Approximately 87% of the entire domestic equity portfolio adheres to indexing, enhanced indexing, or risk controlled strategies.

Within the "small- and mid-cap" sections of the equity markets, active management continues to allow the CRPTF the opportunity to achieve enhanced returns. Small- and mid-cap securities are issued by companies that are much smaller and not as closely monitored, researched or analyzed as the larger capitalization companies. Consequently, the small-cap segment of the U.S. equity market is less efficient. Certain active money managers are therefore more likely to outperform the markets over the long term, while earning an acceptable level of return per unit of risk.

International Equity

The international equities are divided into two funds: the Developed Markets International Stock Fund ("DMISF") and the Emerging Markets International Stock Fund ("EMISF"). The DMISF and the EMISF are separate asset classes in order to provide flexibility for each plan and trust fund to develop its individual allocation to each stock fund. DMISF and EMISF assets are allocated across foreign markets so that there is diversification by market, capitalization and style, comprising a mix which is structured to replicate the characteristics of the comparable developed and emerging non-U.S. stock market indices.

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

The EMISF invests primarily in the common stocks of non-U.S. corporations, defined as the countries included in the Morgan Stanley Capital International (MSCI) Emerging Markets Free Index ("EMF Index"). The Performance Benchmark for EMISF is the MSCI Emerging Markets Investable Index (IMI) with net dividends reinvested. These investments are made using external money managers.

The DMISF is comprised of passive indexing, risk controlled, and core developed markets strategies, all of which entail benchmark sensitive investment management approaches. Mandates for active growth/value and small cap developed market strategies represent roughly 33% and 6% 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

The 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 fund serves to reduce volatility of the 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 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. The Performance Benchmark for CFIF is the Lehman Brothers 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 Performance Benchmark for ILBF is the Lehman Brothers US TIPS Index.

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

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

Liquidity Fund

The Liquidity Fund ("LF") is a new asset class that was established in accordance with the IPS adoption in October, 2007. The objective of the LF is to provide the ability to generate cash, as needed for benefit payments, through the sale of readily marketable securities. 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.

Real Estate and Private Equity

The Real Estate Fund ("REF") is the vehicle by which the CRPTF makes investments 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, 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 types: core investments; value added (investments involving efforts to increase property value through repositioning, development and redevelopment); opportunistic (investments that represent niche opportunities, market inefficiencies, or special purpose markets); and publicly traded (primarily Real Estate Investment Trusts and Real Estate Operating Companies). Leverage within the REF is limited to 60%. These investments also adhere to the Responsible Contractor Policy. The Performance Benchmark for REF is the NCREIF Property Index.

The 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, whether 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 Performance Benchmark for PIF is the S&P 500 plus 500 basis points Index.

Alternative Investments

The Alternative Investment Fund ("AIF") was established as a new asset class in accordance with the IPS adoption in October 2007. The purpose of the AIF is to invest CRPTF assets in investment strategies which offer the potential to enhance return characteristics 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. As currently detailed in the IPS, the development of the AIF continues to evolve over time. The Treasurer, in consultation with the IAC, will further develop the description of the security investment and strategy types that will make up the Fund, performance objectives, investment guidelines and the approach to hire investment management firm(s) to oversee the implementation of the strategies articulated for the Fund.

Securities Lending

The Treasury maintains a securities lending program for the CIF designed to enhance investment 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. During fiscal year 2008, the guidelines of the securities lending program were revised to increase the creditworthiness of the cash collateral securities and shorten the duration of the collateral investment pool.

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. For the fiscal year ended June 30, 2008, securities with a market value of approximately \$3.3 billion had been loaned against collateral of approximately \$3.4 billion. Income generated by securities lending totaled \$28.4 million for the fiscal year.

The Year in Review

Total Fund Performance

During the fiscal year, the value of CRPTF's portfolio remained steady at \$25.9 billion. The portfolio remained flat as a net outflow of funds from operations of \$1.3 billion (net investment income of \$1.1 billion, realized gains of \$.6 billion and unrealized depreciation of approximately \$3.0 billion) was offset by net cash inflow of \$1.2 billion. The net cash inflow of \$1.2 billion was comprised of pension payments to beneficiaries of \$7 billion that were offset by net contributions from unit holders of \$8.2 billion. Net contributions included a \$2 billion pension obligation bond proceed for the Teachers' Employees Retirement Fund ("TERF").

For the fiscal year ended June 30, 2008, the CRPTF posted a negative return of -4.71% ⁽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 the State Employees' Retirement Fund (SERF), TERF, and the Municipal Employees' Retirement Fund (MERF). The returns of TERF, SERF and MERF 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 on industry standards.

(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.

TERF's benchmark is comprised of 30% Russell 3000 Index; 20% S&P/Citigroup EPAC Broad Market 50% Hedged index; 9% MSCI Emerging Market Investable Market Index; 13% Lehman Brothers Aggregate Index; 4% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 6% Lehman US TIPS Index; 6% One Month Libor Index; and 10% S&P 500 Index.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SERF's benchmark is comprised of 31% Russell 3000 Index; 20% S&P/Citigroup EPAC Broad Market 50% Hedged index; 9% MSCI Emerging Market Investable Market Index; 13% Lehman Brothers Aggregate Index; 4% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 6% Lehman US TIPS Index; 4% One Month Libor Index; and 11% S&P 500 Index.

MERF's benchmark is comprised of 27% Russell 3000 Index; 16% S&P/Citigroup EPAC Broad Market 50% Hedged index; 8% MSCI Emerging Market Investable Market Index; 19% Lehman Brothers Aggregate Index; 5% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 10% Lehman US TIPS Index; 3% One Month Libor Index; and 10% S&P 500 Index.

Domestic Equity Performance

During the fiscal year, the MEF generated a negative return of -12.99%, net of fees and operating expenses, which underperformed the Russell 3000 Index return of -12.69% by 30 basis points. The U.S. economy grew approximately 2.1% during the fiscal year, despite an environment of spiraling energy costs, a weak housing market and a faltering labor market that hindered consumer spending. During the first quarter of fiscal year 2008, the Federal Reserve weighed the outlook for economic weakness against increasing price inflation. In an effort to stimulate economic activity, the Federal Reserve cut interest rates 100 basis points by December 2007. As a result of lower interest rates, equity markets increased in value and peaked in October 2007. However, slower economic growth, the write down of debt at financial institutions, and the outlook for reduced corporate earnings caused the domestic equity markets to decline throughout the balance of the fiscal year. Mixed equity market performance during the first quarter of calendar year 2008 gave way to significant market declines by June 2008, culminating in the worst second-half fiscal year performance in 25 years.

International Equity Performance

The DMISF posted a loss of -14.60%, net of fees and operating expenses, which outperformed its benchmark index return of -16.05% by 145 basis points. Global financials were the weakest performers as the mortgage and credit crisis spread, battering shares of banks and capital markets firms that were exposed to sub-prime mortgages. Consumer discretionary stocks also performed poorly, as fears of a slowing global economy, coupled with high energy prices and declining consumer spending, hurt shares of automakers, retailers, and media companies.

At the beginning of the fiscal year, emerging markets continued to generate substantial growth, particularly in countries fueled by exports tied to energy and raw materials, but the fabric of their economic infrastructure began to fade by the end of the fiscal year. The EMISF generated a return of 0.19%, net of fees and operating expenses, which underperformed its benchmark index return of 3.49% by 330 basis points.

Fixed Income Performance

The credit crisis, which unofficially began during the summer of 2007, began to widen its reach from sub prime-related securities to all credit-related sectors within the global fixed income markets. A flight to quality ensued and US Treasury notes and inflation-linked US TIPS increased in value. During fiscal year 2008, credit spreads widened and peaked in March 2008 leading up to the takeover of Bear Stearns by JP Morgan, a deal brokered by the Federal Reserve. To support liquidity and confidence in the marketplace, the Federal Reserve augmented traditional monetary policy with new liquidity facilities. As credit conditions deteriorated, housing prices continued their decent and the consumers tightened their purse strings, the Federal Open Market Committee (FOMC) cut the federal funds rate by an additional 200 bps during the first quarter of calendar year 2008. During fiscal year 2008, the FOMC cut the federal funds rate by a total of 325 bps. Fixed income securities in general benefited from falling interest rates, but that was partially offset by widening credit spreads.

For the fiscal year 2008 the CFIF generated a total return of 5.65%, net of fees and operating expenses, underperforming the benchmark return of 7.13% by 148 basis points. The underperformance was attributable to the fact that core holdings were underweight U.S. Treasury notes and overweight mortgage-related securities. The credit concerns hit the below investment grade market particularly hard and the HYDF posted a negative return of 1.88% net of fees and operating expenses, outperforming the benchmark return of negative 2.29% by 41 basis points. The ILBF, supported by both falling US Treasury rates and rising inflation, generated a total return of 16.81% net of fees and operating expenses, outperforming the benchmark return

of 15.09% by 172 basis points. The strong growth dynamics of the emerging market during fiscal year 2008 caused the EMDF to generate a total return of 5.59%, net of fees and operating expenses, outperforming the benchmark return of 5.10% by 49 basis points. Finally, the LF generated a return of 4.59%, outperforming the one month LIBOR benchmark of 4.10%, by 49 basis points.

Real Estate and Private Equity Performance

For the fiscal period ending June 30, 2008, the REF generated a total return of 6.04%; net of fees, which under performed the National Council of Real Estate Investment Fiduciaries Index (NCREIF) of 13.58% by 754 basis points. The underperformance was caused by the poor performance of one real estate deal and the addition of several new funds that are still in the early stages and have not generated pro-forma returns. The REF grew its portfolio from \$685 million to \$1.002 billion in accordance with the asset allocation guidelines of approximately 5% of total CRPTF assets. The rapid growth of the REF has occurred despite the credit crisis which began in the summer of 2007. To protect the portfolio, 45% of the fund is invested in core portfolios that have a maximum leverage requirement of only 30%. Core real estate funds can withstand downward pressure on valuations without creating a serious refinancing issue. The remaining 55% of the portfolio is invested in leveraged real estate funds (60% - 75% loan to value) which are being managed with the intent of extending the refinance date wherever possible. The REF also has outstanding commitments of approximately \$500 million which are being held in reserve by various investment managers to take advantage of distressed sales that are expected to occur over the next 24 months. At fiscal year-end the REF represented 3.9% of the CRPTF assets

For the fiscal year ended June 30, 2008, the Private Investment Fund ("PIF") generated a one year 13.7% compounded annual rate of return. The severe correction in the global economy has led to a contraction in overall deal activity as private equity managers found it more difficult to access the debt financing necessary to execute leveraged buyout transaction. For both small and large deals, leverage multiples for 2008 transactions have been approximately one turn of EBITDA lower than 2007. However, despite the correction in the global financial markets, private equity fundraising for the last two quarters of the fiscal year 2008 was on par with 2007, but it is anticipated to slow as we approach fiscal year 2009.

2008 Management Initiatives

During the fiscal year the Office of the Treasurer adopted the revisions of the IPS which were presented to and, approved by, the IAC. The major changes to the IPS included incorporation of new asset allocation targets and the inclusion of two new asset classes: the Liquidity Fund and the Alternative Investment Fund. The new asset allocation targets will decrease the CRPTF's exposure to domestic equity and fixed income markets, while simultaneously increasing exposure to international equity markets to diversify risks and enhance return. The Liquidity Fund will allow the CRPTF to become more strategic in its investment of cash. One of the main objectives for establishing an alternative investment fund is to give the CRPTF the flexibility to consider evolving and market-driven strategies. Alternative strategies have continued to become an increasingly important part of a successful and well diversified investment program. Overall the implementation of the asset allocation target ranges and new asset classes will allow the CRPTF to increase return, maintain a prudent risk exposure, and continue to work toward reducing the gap of the unfunded position of certain plans.

Given the changes to the various CRPTF asset allocation policy targets, asset class structure reviews and money manager searches were initiated and completed during the past fiscal year. New mandates were funded during the year for the public market funds of EMDF and the HYDF. Seven investment commitments totaling \$475 million were awarded to REF investment managers in concert with the pacing plan designed to bring REF assets toward the CRPTF policy target of about 5%. REF now represents 3.7% of CRPTF assets. Eight investment commitments were also made to the PIF totaling \$450 million.

Following a competitive search and due diligence process, the Treasurer hired four consultants to assist the Treasurer and the Chief Investment Officer in the implementation of the strategic goals and objectives of the CRPTF. These consultants will assist in overseeing the various asset classes of the combined investment funds. A traditional consultant, Mercer, will assist with public markets oversight and general consulting;

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

The Townsend Group will assist with real estate investments; New England Pension Consultants will assist with the implementation and development of the new alternative investment class; and a special project consultant, RogersCasey, was hired to assist with the implementation of the new Liquidity Fund asset class and other investment-related assignments.

The Connecticut Horizon Fund ("CHF"), funded in August 2005, is a \$693.9 million fund-of-funds program created to give access to the Treasury'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. During fiscal year 2008, the CRPTF entered phase II of the CHF program by making commitments to private equity fund-of-fund managers in the amount of \$150 million. In fiscal year 2008, there were 42 CHF sub-managers; 37 were emerging firms, 18 were minority-owned (up from 14 in fiscal year 2007), 9 are women-owned (up from 8 in 2007), 8 are Connecticut-based firms, and 1 is an emerging strategy firm.

For the third straight year, the CRPTF continued to expand the diversity of firms with which PFM does business. Overall, minority-owned, women-owned, Connecticut-based and emerging firms, 33 in all, comprised 32% of the firms with which the division did business; these firms earned over \$29.5 million, representing 32% of all fees paid by the division. In actual dollars, this was the highest level ever, although as a percentage of all fees paid by PFM, 2008 trailed the record setting pace of 2007, when fees paid by the division to such firms represented 39% of all fees paid. Since 1999, the number of minority-owned, women-owned, Connecticut-based and emerging firms has more than doubled, the fees paid to such firms have increased 2.5 times and the assets under management have tripled.

The Chief Investment Officer ("CIO") left the organization on May 31, 2007. An Acting Chief Investment Officer was named while a search continues for hiring a permanent CIO.

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 2008, the CRPTF filed shareholder resolutions at 18 companies, including Ford Motor Company, Abercrombie & Fitch, and Caterpillar Inc. The CRPTF also engaged with 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 May 2008, the Treasurer led a coalition of 21 institutional investors representing \$1.4 trillion in assets under management in petitioning the SEC to require companies to disclose in the proxy statement whether the compensation consultant engaged by the board is independent of management, and any ownership interest the consultant has in the parent consulting firm. The petition is currently on the SEC docket, and the issues raised by the coalition are expected to advance next year.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

In addition to these letters the CRPTF filed 4 shareholder resolutions relating to the independence of and fees paid to executive compensation consultants; ultimately each company agreed to exceed SEC reporting requirements relating to independence and fees paid to compensation consultants, as disclosed in annual proxy statements.

The CRPTF also engaged with companies on "Say on Pay," which is the ability for shareholders to vote on the executive pay package detailed in the annual proxy statement on an advisory basis; the vote would allow shareholders to give feedback to the board of directors on pay issues. In fiscal year 2008, the Treasurer's office continued to participate in a working group it helped to establish that allowed institutional investors and corporate secretaries to dialogue directly on Say on Pay. The office also presented at two roundtables on the issue, joined investors in writing board compensation committee chairs, and has engaged directly with board compensation committees of several companies. As a result of collective shareholder action, a small but increasing number of companies have agreed to implement Say on Pay. In furtherance of this effort, the CRPTF filed 5 resolutions this year on the issue which went to a shareholder vote with positive results.

In the area of climate change, the Office continued to take a leading role in the Investor Network on Climate Risk (INCR) by focusing on an implementation strategy for an action plan adopted at the Third Investor Summit on Climate Risk, held at the United Nations in February 2008. In March 2007, the Treasurer's office also has joined a coalition of investors to call on the federal government to enact measures to stimulate investment in clean technology through the realignment of current energy and transportation policy. In May 2008 the office joined other coalition members in calling on Congress to pass legislation curbing carbon emissions.

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. During the fiscal year, two companies agreed to implement the MacBride Principles, which are a corporate code of conduct for companies doing business in Northern Ireland and consist of nine fair employment and affirmative action principles. The list of adopting companies in fiscal year 2008 includes Hilton Hotels and Regis Corporation.

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. In May 2007, the Treasurer announced that she was divesting CRPTF's holdings in China Petroleum and Chemical Corp., and prohibiting investment in 5 other companies operating in Sudan, Bharat Heavy Electricals Ltd., Nam Fatt Corp., Oil and Natural Gas Corp., PECD Group and Sudan Telecom. The Treasurer's action followed unsuccessful attempts to engage the companies over their operations in Sudan. At the time of the Treasurer's announcement, CRPTF's investment in China Petroleum and Chemical Corp. was valued at approximately \$11 million. Treasury staff continues to monitor and communicate with companies doing business in Sudan, but in fiscal year 2008, no additional companies were subject to divestment or prohibition on investment by the Treasurer.

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

While market risk will always be a component of any investment program, Treasurer Nappier's Legal and Compliance Units work to manage such 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 very 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 continues to consider making application to serve as lead plaintiff in class action litigation and encourages other institutional investor lead plaintiffs to aggressively negotiate reasonable legal fees. 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 \$ 4,053,322.59 million from class action settlements in this fiscal year and closely monitors opportunities to recover lost assets through participation in class action litigation.

The Office of the Treasurer, as the Trustee for the CRPTF, served as Lead Plaintiff in three national class action lawsuits, which allege corporate misconduct and malfeasance of certain corporate insiders by JDS Uniphase, Redback Networks and Amgen. The JDS Uniphase case has been vigorously prosecuted. The trial of the case against JDS Uniphase commenced on the 23rd of October 2007 in federal district court in Oakland, CA. On the 27th of November 2007, following nineteen days of testimony and fewer than two days of deliberation, a nine person jury issued a verdict in favor of the Defendants on all counts. The Amgen matter is in the discovery phase of litigation. The appeal in Redback Networks is being considered by the 9th Circuit Court of Appeals.

Corporate Governance Related Litigation

The Office of the Treasurer serves as co-Lead Plaintiff in derivative and class action matters adverse the UnitedHealth Group. The Plaintiffs in these matters allege that the corporation and certain officers unlawfully back-dated stock options, causing damage to the company and its shareholders. On the 6th of December 2007, the Special Litigation Committee entered into a settlement agreement returning \$923 million to the company from the individuals who were engaged in the backdating scheme.

Other Litigation

The matter involving Keystone Venture V LP (the "Partnership") is in its final stages. The limited partners have appointed a liquidating trustee. The trustee has taken all steps necessary to file a certificate of cancellation, which is required under Pennsylvania law. The Securities and Exchange Commission has initiated an action against the Managing Partners and Michael Liberty. Two of the Managing Partners have each deposited \$50,000 with the court, pending the outcome of the SEC's action. The limited partners have been informed by counsel that the SEC's action should be concluded by the fall of 2008. The limited partners have requested that any disgorged assets obtained by these federal agencies be turned over to the investors. Final distribution of assets is scheduled for December 2008.

Sudan Restricted Company List (Pursuant to Conn. Gen. Stat. §3-21e)

During 2006, 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. Under the new law, the Treasurer has the authority to engage those companies and potentially divest holdings in those companies if their business is contributing to the government's perpetuation of genocide in Sudan.

In May 2007, the Treasurer announced that she was divesting the CRPTF's holdings in China Petroleum and Chemical Corp., and prohibiting investment in 5 other companies operating in Sudan, Bharat Heavy Electricals Ltd., Nam Fatt Corp., Oil and Natural Gas Corp., PECD Group and Sudan Telecom. The Treasurer's action followed unsuccessful attempts to engage the companies over their operations in Sudan. At the time of the Treasurer's announcement, CRPTF's investment in China Petroleum and Chemical Corp. was valued at approximately \$11 million.

During fiscal year 2008, engagement was pursued with a number of companies doing business in Sudan, but no additional companies were added to CRPTF's prohibited list.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Pursuant to Conn. Gen. Stat. §3-21e, the Office of the Treasurer prohibits direct investment in the following companies:

China Petroleum and Chemical Corp.¹

Bharat Heavy Electricals Ltd. (BHEL)

Nam Fatt Corp.

Oil and Natural Gas Corp. (ONGC)

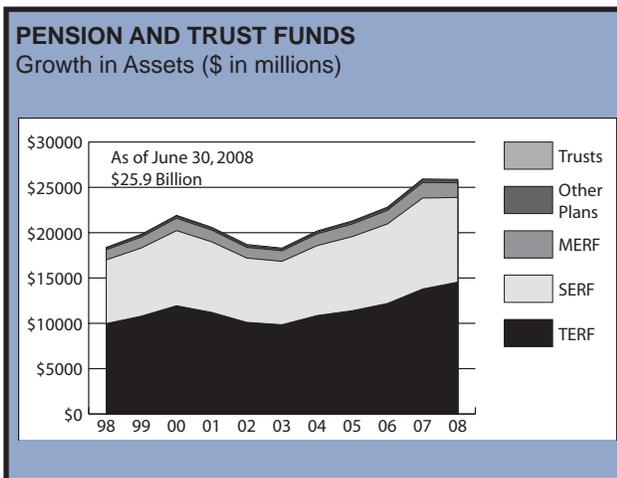
PECD Group

PetroChina Co. Ltd.

Sudan Telecom (Sudatel).

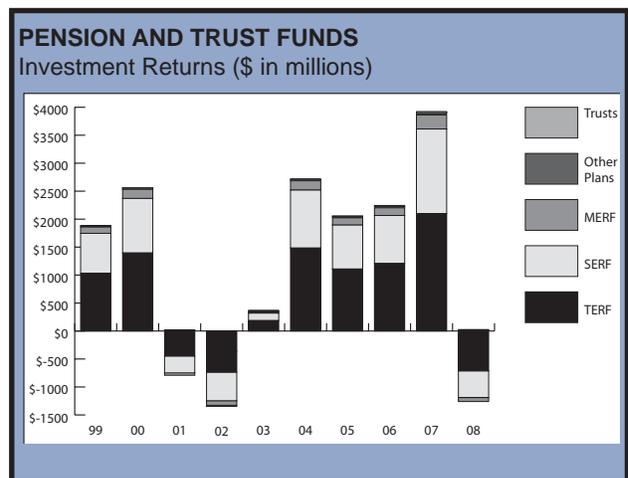
¹ Shares in China Petroleum and Chemical were divested by CRPTF. CRPTF had no holdings in the other companies.

Figure 1-1



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

Figure 1-2



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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 1-3

	TERF				SERF				MERF			
	Actual	Target	Lower	Upper	Actual	Target	Lower	Upper	Actual	Target	Lower	Upper
		Policy	Range	Range		Policy	Range	Range		Policy	Range	Range
U.S. EQUITY												
Mutual Equity Fund (MEF)	31.1%	25.0%	17.0%	35.0%	31.9%	26.0%	17.0%	35.0%	25.2%	20.0%	12.0%	27.0%
INTERNATIONAL EQUITY												
Developed Market Intl Fund (DMISF)	19.9%	20.0%	13.0%	27.0%	20.5%	20.0%	13.0%	27.0%	15.8%	16.0%	8.0%	21.0%
Emerging Market Intl Fund (EMISF)	4.8%	9.0%	6.0%	12.0%	5.4%	9.0%	6.0%	12.0%	5.3%	8.0%	6.0%	10.0%
REAL ESTATE												
Real Estate Fund (REF)	3.7%	5.0%	4.0%	7.0%	4.1%	5.0%	4.0%	7.0%	4.1%	7.0%	5.0%	9.0%
FIXED INCOME												
Core Fixed Income Fund (CFIF)	17.5%	13.0%	9.0%	20.0%	16.0%	13.0%	9.0%	20.0%	22.7%	19.0%	14.0%	26.0%
Inflation Linked Bond Fund (ILBF)	4.2%	6.0%	4.0%	8.0%	4.3%	6.0%	4.0%	8.0%	8.3%	10.0%	7.0%	13.0%
Emerging Market Debt Fund (EMDF)	3.9%	4.0%	3.0%	5.0%	4.0%	4.0%	3.0%	5.0%	5.0%	5.0%	3.0%	7.0%
High Yield Debt Fund (HYDF)	2.7%	2.0%	1.0%	3.0%	3.2%	2.0%	1.0%	3.0%	3.2%	2.0%	1.0%	3.0%
Liquidity Fund (LF)	5.4%	6.0%	4.0%	10.0%	3.5%	4.0%	2.0%	7.0%	3.3%	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)	6.8%	10.0%	8.0%	14.0%	7.1%	11.0%	8.0%	14.0%	7.1%	10.0%	7.0%	13.0%
TOTAL	100.0%	100.0%			100.0%	100.0%			100.0%	100.0%		

Figure 1-4

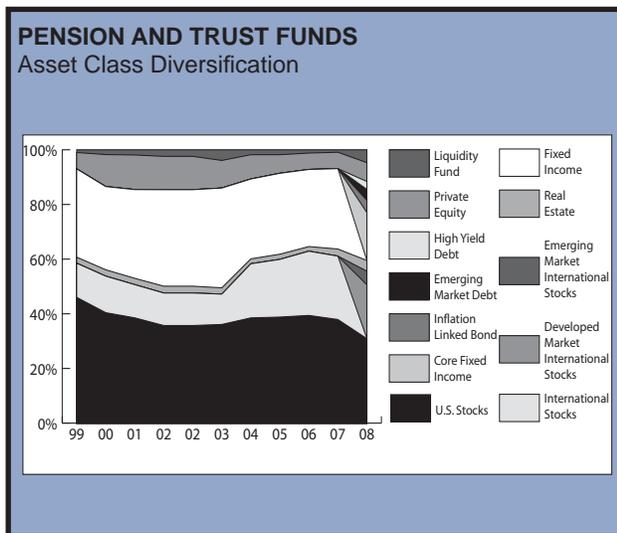


Figure 1-5

Fund	June 30, 2008	June 30, 2007
MEF	7	7
ISF ⁽¹⁾	-	14
DMISF ⁽¹⁾	12	-
EMISF	2	-
PIF	62	53
MFIF	-	12
CFIF	6	-
ILBF	2	-
EMDF	4	-
HYDF	4	-
CMF	1	1
REF	23	18
LF	1	1
Total⁽²⁾	124	106

- (1) Does not include the two Currency Overlay Managers.
- (2) Actual total advisors were 115 and 100, respectively when factoring in advisors across multiple funds.

Figure 1-6

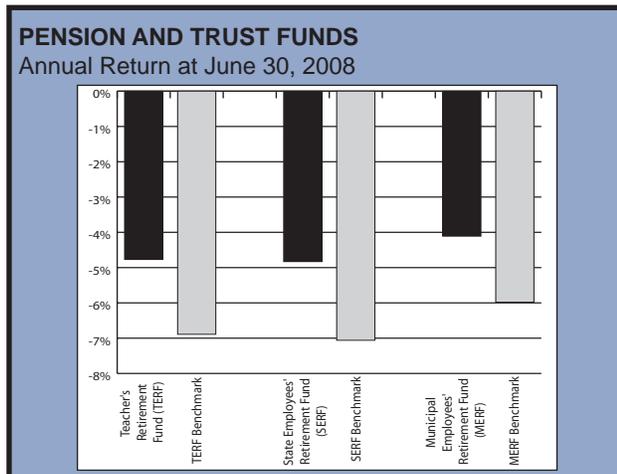
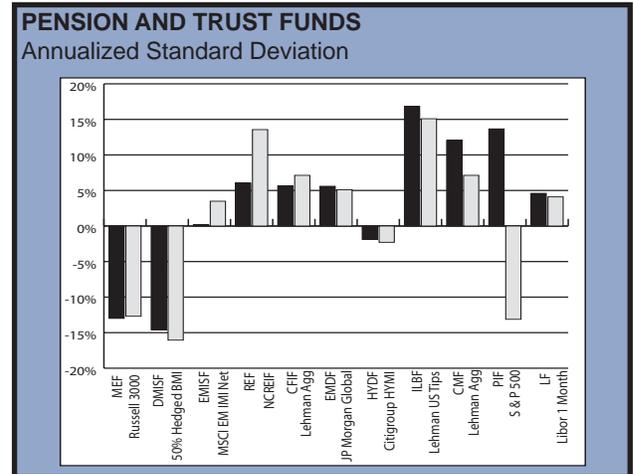


Figure 1-7



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Combined Investment Funds Total Return Analysis (%)

	Fiscal Years Ending June 30,					Annualized		
	2008	2007	2006	2005	2004	3 Years	5 Years	10 Years
<i>(Investment performance is calculated using a time-weighted rate of return.)</i>								
PLANS								
Teacher's Retirement Fund (TERF)	(4.77)%	17.47%	10.74%	10.49%	15.34%	7.40%	9.56%	6.13 %
TERF Benchmark	(6.80)	18.00	10.01	10.02	16.27	6.52	9.11	5.19
State Employees' Retirement Fund (SERF)	(4.83)	17.37	10.57	10.44	15.06	7.29	9.43	6.06
SERF Benchmark	(6.97)	18.00	10.01	10.02	16.27	6.46	9.07	5.17
Municipal Employees' Retirement Fund (MERF)	(4.11)	16.96	9.87	10.10	14.28	7.21	9.17	5.97
MERF Benchmark	(5.59)	18.00	10.01	10.02	16.27	6.87	9.32	5.30
COMBINED INVESTMENT FUNDS								
<u>U.S. Stocks</u>								
Mutual Equity Fund	(12.99)	18.24	10.29	8.06	20.86	4.30	8.18	4.18
Russell 3000 Index	(12.69)	20.07	9.56	8.06	20.46	4.73	8.38	3.51
<u>International Stocks</u>								
Developed Market International Stock Fund	(14.60)	26.36	23.91	14.97	N/A	10.17	N/A	N/A
S&P/Citigroup EPAC BMI 50% Hedged	(16.05)	27.07	27.37	15.34	28.91	10.76	15.10	N/A
Emerging Market International Stock Fund	0.19	42.27	35.85	39.92	41.18	24.64	30.78	16.64
MSCI Emerging Market Investable Market Index	3.49	44.99	35.47	34.38	33.14	26.68	29.47	N/A
<u>Equity Commercial Real Estate</u>								
Real Estate Fund	6.04	14.21	6.87	27.56	0.53	8.98	10.66	8.93
NCREIF (1 Qtr. Lag)	13.58	16.59	20.19	15.55	9.71	16.75	15.07	12.63
<u>U.S. Fixed Income</u>								
Core Fixed Income Fund	5.65	5.84	(0.39)	7.32	1.26	3.66	3.89	5.72
Lehman Aggregate Bond Index	7.13	6.12	(0.81)	6.80	0.32	4.09	3.86	5.68
Emerging Market Debt Fund	5.59	14.84	11.07	N/A	N/A	10.44	N/A	N/A
JP Morgan EMBI Global	5.10	11.12	4.62	20.20	4.67	6.91	8.98	N/A
High Yield Debt Fund	(1.88)	12.01	4.49	11.17	11.09	4.72	7.24	5.48
Citigroup High Yield Market Index	(2.29)	11.63	4.14	10.38	10.35	4.34	6.71	4.99
Inflation Linked Bond Fund	16.81	3.45	(1.70)	N/A	N/A	5.91	N/A	N/A
Lehman US Tips	15.09	3.99	(1.64)	9.33	3.86	5.59	5.98	7.79
Commercial Mortgage Fund	12.05	8.17	9.51	6.76	7.83	9.90	8.85	9.02
Lehman Aggregate Bond Index	7.13	6.12	(0.81)	6.80	0.32	4.09	3.86	5.68
<u>Alternative Assets</u>								
Private Investment Fund ⁽¹⁾	13.66	19.56	11.46	8.94	18.70	14.84	14.39	8.13
S & P 500	(13.12)	20.59	8.63	6.32	19.11	4.41	7.58	2.88
Venture Economics All Private Equity (1 Qtr. Lag)	10.98	22.89	25.98	17.48	22.80	19.77	19.91	13.48
<u>Liquidity Fund</u>								
Liquidity Fund ⁽²⁾	4.59	5.61	4.51	2.36	1.28	4.90	3.66	4.08
Libor 1 Month Index	4.10	5.37	4.51	2.48	1.14	4.66	3.51	3.87

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

2008 liquidity fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: To provide a liquid source of funds to meet the cash flow needs of the pension and trust funds enabling the other Investment Funds to remain fully invested.

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

Benchmark: One Month Libor Index

Date of Inception: November 1, 2007

Total Net Assets: \$2,161,652,395

Number of Advisors: 1 external

Management Fees: \$373,544

Operating Expenses: \$221,671

Expense Ratio: 0.03%

Description of the Fund

The Liquidity Fund (LF), formerly known as the Cash Reserve Account, was renamed to reflect the change in its structure. The LF investments are segmented into different maturities to better match expected cash outflows and are more broadly diversified to generate returns in excess of money market instruments. Moving into slightly longer duration assets and by diversifying into global investments, the overall expected returns of the LF are enhanced.

The LF contains high quality money market securities such as U.S. Treasuries and Government Agencies along with Commercial Paper, Certificates of Deposit, Corporate Bonds, Asset Backed Securities (ABS), Mortgage Backed Securities, Sovereign Foreign debt and global investments. The LF is segmented into three tiers, reflecting securities differences in maturity and quality. No maturity exceeds 5 years, and credit quality is maintained at high levels. This structure enables the CRPTF to strategically manage cash to meet the outflow requirements of the plans and trusts while maximizing potential returns and avoiding forced securities sales in other investment funds.

Portfolio Characteristics

The preservation of the fund's capital, a high degree of liquidity and a strong focus on credit fundamentals will remain at the core of the investment philosophy for the LF. During fiscal year 2008, the LF had one money manager and the portfolio was managed as an enhanced cash strategy whereby the fund maintains a relatively short weighted average maturity through the purchase of fixed-rate money market instruments and high quality floating-rate corporate bonds and ABS securities. The overall maturity of these instruments was extended in the latter part of 2007 and early stages of 2008. Although the spreads appeared to be very attractive when compared to historical spread levels, spreads only widened further in the latter part of the fiscal year. Due to decreased liquidity in the market and wide TED spreads [i.e., the difference between the interest rates on inter-bank loans and short-term U.S. government debt ("T-bills")], focus shifted to maintaining an adequate amount of liquidity. Thus, the weighted average maturity for the portfolio was reduced from 80 plus days early in the period to the mid 30s later in the fiscal year. When term exposure was added, it was typically done in 30-90 day paper that was yielding 40-80 basis points over the target Fed Funds level. During the fiscal year, LF guidelines were reviewed and modified as needed, given the new structure of the LF and the market conditions.

Market Review

Both the economy and financial markets underwent extreme change during this past fiscal year. At the end of June 2007, the Federal Open Market Committee (FOMC) elected to keep the target Fed Funds rate at 5.25%, expecting the economy to continue its modest expansion, despite the slowing housing sector. By mid August, however, it became very clear that fallout from the sub-prime lending problems would be more severe than initially believed. On August 17th, the Fed cut the discount rate to 5.75% from 6.25% due to

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

the disruptions in the inter-bank lending market that surfaced in early August. By the end of the fiscal year, The Fed had used both the traditional tools of monetary policy and non-traditional tools, in the form of many different lending and liquidity facilities, to combat what had become a widespread credit market disruption. The FOMC cut the Fed Funds target rate seven different times totaling 325 basis points during the fiscal year. The rate cut in January 2008 was an inter-meeting move of 75 basis points, signaling just how fragile things had become by that point. Banks across the globe were dealing with massive asset write downs from sub-prime asset backed securities, collateralized loan obligations, leveraged loans and other assets both on and off their balance sheets. The lack of lending between banks became apparent in the behavior of LIBOR (London Inter Bank Offering Rate). Beginning in early August, the spread between three month Treasury Bills and three month LIBOR levels shot to over 240 basis points from about 40 basis points in late July. This Treasury vs. Eurodollar (TED) spread averaged approximately 122 basis points during the fiscal year compared to an average of 37 basis points during the prior fiscal year. All risk premiums followed this pattern as equity prices fell and credit spreads widened dramatically regardless of the tenor or credit rating.

Inflation was a concern of both the Fed and investors during the period as a commodity price spike fueled a rise in headline inflation numbers. Fed rhetoric was quite hawkish despite the monetary easing that had just recently been completed. Headline CPI ranged between 2.0% and 5.0%, on an annualized basis, during the fiscal period, whereas core CPI fluctuated in a much tighter range between 2.1% and 2.5%. Gross Domestic Product (GDP) growth was negatively impacted by the housing sector throughout the fiscal year. Quarterly growth figures for the period were as robust as 4.8% in the third quarter 2007 and as low as -.2% in the following quarter, fourth quarter 2007. The economy avoided recession early in 2008 as first calendar year quarter GDP printed at .9%. The second quarter rebounded to 2.8% but this was largely due to the fiscal stimulus of tax rebates that were spent during this quarter. The average monthly non-farm payroll loss during the fiscal year was 8,000. Payroll growth was positive in every month from July 2007 to December 2007. However, from January 2008 through June 2008, payrolls averaged a loss of 77,000 per month. The unemployment rate climbed steadily from 4.7% early in the fiscal year to a high of 5.5% by June 2008.

The markets became extremely disjointed beginning in the summer of 2007. The sub-prime induced credit crunch caused unprecedented turmoil in the money markets. Asset backed commercial paper (ABCP) backed by sub-prime asset backed securities virtually stopped trading, with only the strongest programs with liquidity lines from large banks surviving. Structured Investment Vehicles, which borrowed money in the commercial paper or medium term note markets to fund the purchase of longer term securities on a leveraged basis ran into major problems as the ABCP market seized. Many of these programs breached triggers and defaulted. Others would have defaulted if not supported by the sponsoring banks. What began as a sub-prime problem ultimately infected virtually all areas of the fixed income markets as bond insurers were downgraded and banks came under pressure to raise capital as their bad loans and asset write-downs mounted. In March, Bear Stearns was rescued by JPMorgan Chase in a deal put together by, and partially supported through the Federal Reserve. Bear Stearns was ultimately judged "too complex to fail" as regulators feared what would happen to Bear's counterparties on derivative trades if it were allowed to fail. After the Bear Stearns bailout, the Fed put facilities in place for broker/dealers to access funding through collateralized swaps and loans with the Fed. During the latter part of the fiscal year, investor attention focused on the weakening state of the two giant government-sponsored mortgage companies, Fannie Mae and Freddie Mac. Increasing losses and decreasing capital levels caused investors to sell the stock and push spreads on the companies' debt significantly wider. Pressure was also mounting on many U.S. banks and brokerages as losses continued to mount on both real estate-based assets and securities holdings.

Performance Summary

For the fiscal year ended June 30, 2008, the Liquidity Fund generated a return of 4.59%, outperforming the one month LIBOR benchmark of 4.10%, by 49 basis points.

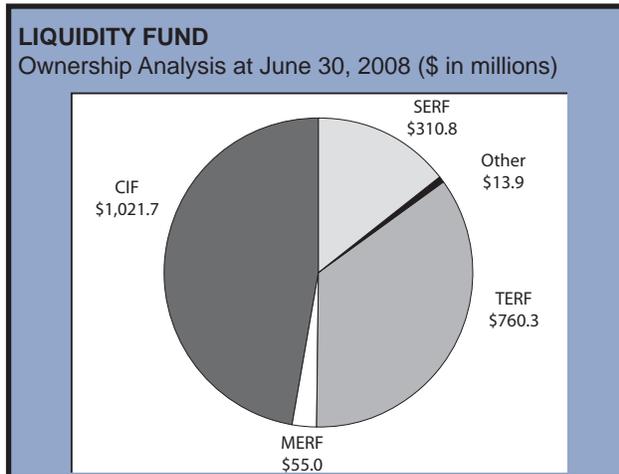
As of June 30, 2008, the fund's compounded annualized total returns for the trailing three, five and ten year periods were 4.90%, 3.67% and 4.08, respectively, net of all expenses. These returns exceeded those of the fund's benchmark for the time periods listed by 24, 15 and 21 basis points, respectively.

Risk Profile

Due to the short-term nature of LF, it is generally considered to be low-risk. Consequently, returns that are realized by LF may be significantly lower than those realized by funds with fixed income investments maturing over a longer time horizon. Similarly, the investments' short time horizon, along with the quality of the issuing entities, mitigates traditional concerns over interest rate and default risks.

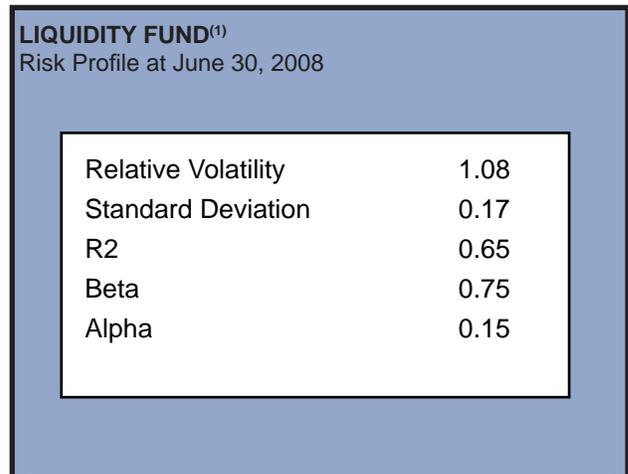
Based on returns over the last five years, the Fund exhibited a similar degree of risk relative to the one month LIBOR, as evidenced by its relative volatility of 1.08. The standard deviation of the Fund of 0.17 suggests comparatively low overall volatility, while its beta of 0.75 indicates a high overall correlation to returns achieved by the Index. In the aggregate, LF achieved a positive alpha, or return in excess of that predicted by returns of its benchmark of 0.15.

Figure 2-1



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

Figure 2-2



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

Figure 2-3

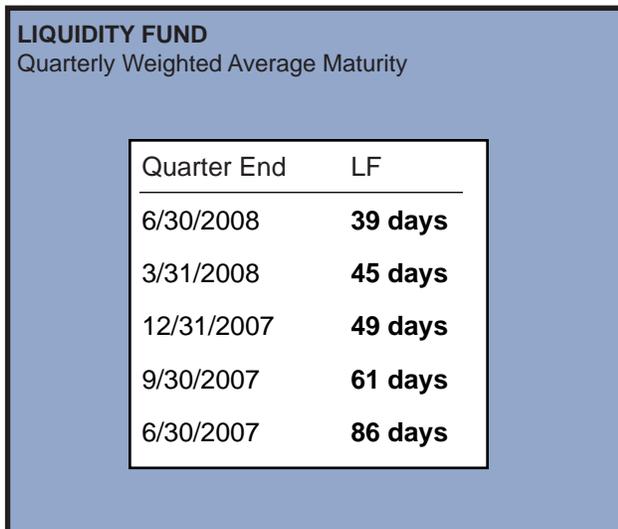
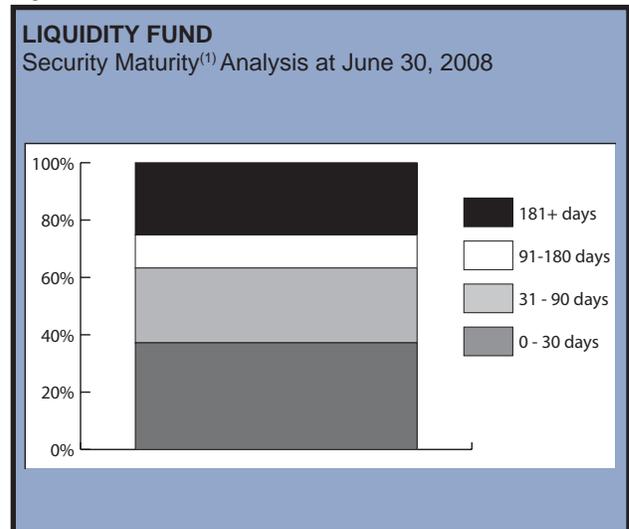


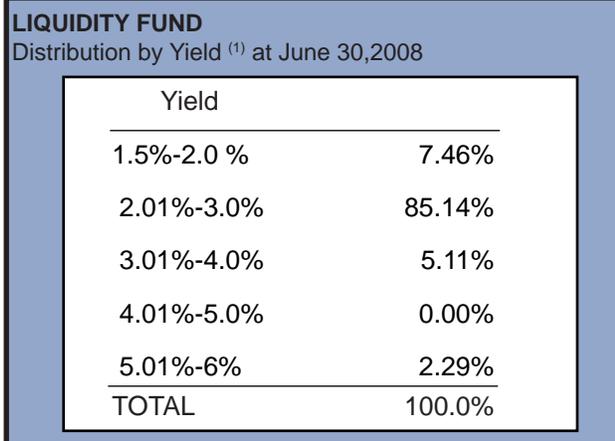
Figure 2-4



(1) Or Interest Rate Reset Period.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 2-5



(1) Represents yield to reset if floating and yield to maturity if fixed.

Figure 2-6

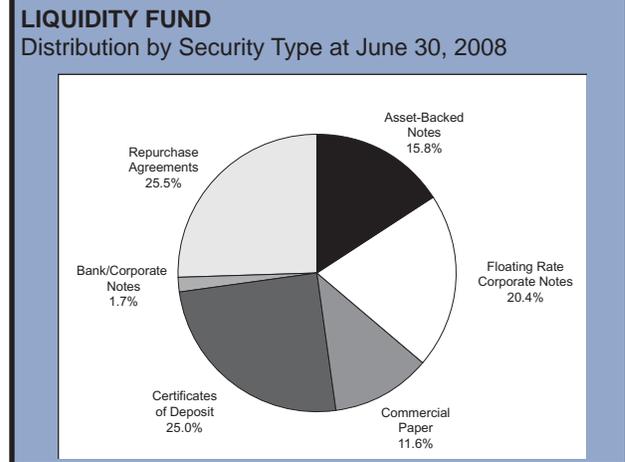
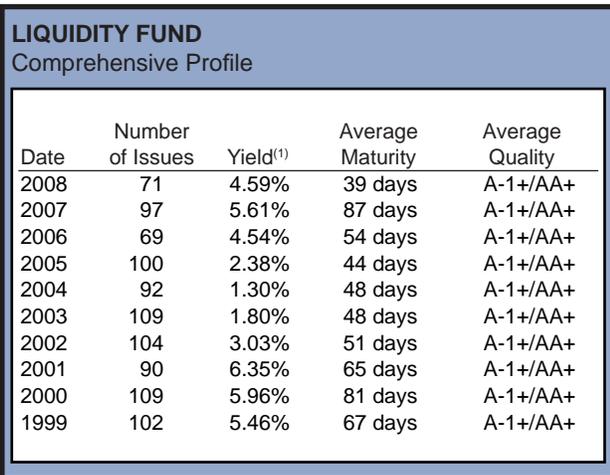
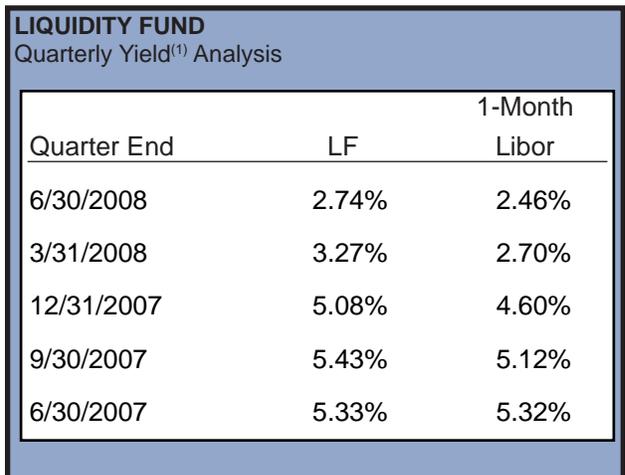


Figure 2-7



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

Figure 2-8



(1) An annualized historical yield based on the preceding month's level of income earned by the Fund.

Figure 2-9

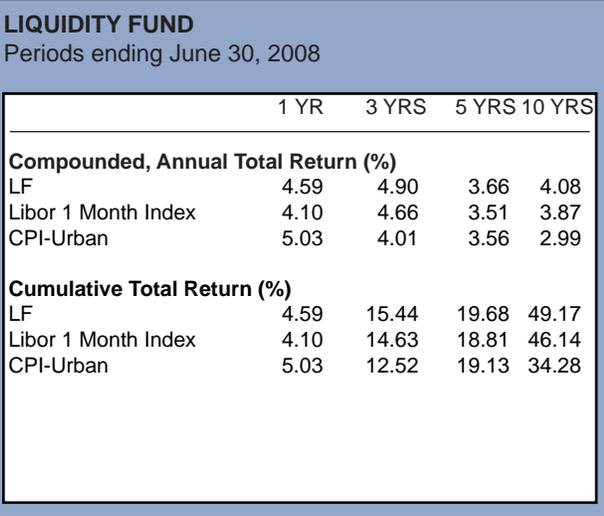
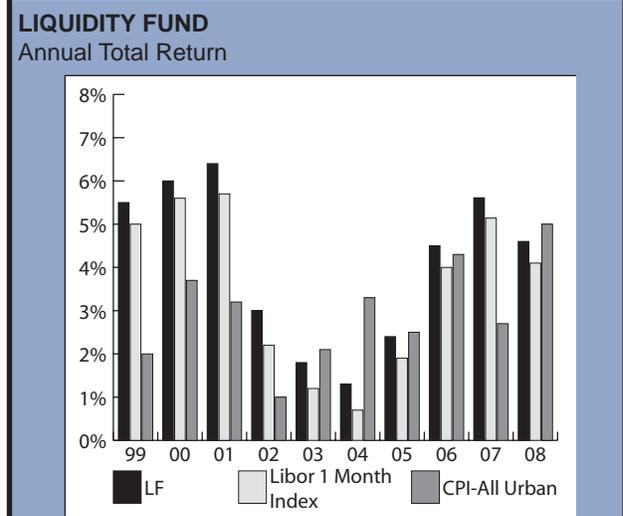


Figure 2-10



2008 mutual equity fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: To participate in the growth of the U. S. economy through the ownership of domestic equity securities.

Performance Objective: An annual total return that is 65 to 135 basis points greater than that of the Russell 3000 after expenses.

Benchmark: Russell 3000 Index

Date of Inception: July 1, 1972

Total Net Assets: \$7,999,461,775

Number of Advisors: 7 external

Management Fees: \$21,876,645

Operating Expenses: \$1,715,877

Expense Ratio: 0.26%

Turnover: 55.7%

Description of the Fund

The Mutual Equity Fund (MEF) is an externally managed fund investing in domestic equity securities. MEF serves as an investment vehicle for the Pension and Trust Funds with the goal of earning risk adjusted returns while participating in the growth of the U.S. economy.

At the close of the fiscal year, MEF consisted of seven externally managed equity portfolios structured to approximate the composition of the Russell 3000 Index. The seven portfolios were grouped into four Investment Advisor categories totaling 8.0 billion of investments. The investments in each category consisted of 74.3% in large capitalization, 4.1% in all capitalization, 21.5% in small to mid-capitalization and the balance of .1% in cash equivalents and other net assets.

Portfolio Characteristics

At fiscal year-end, MEF was 99.3% invested in domestic stocks, reflecting the Fund's policy that it be fully invested. The largest industry weightings at June 30, 2008 were information technology (16.4%), followed by financials (16.3%) and industrials (12.8%). (See figure 3-3.)

The MEF's ten largest holdings, aggregating to 15.2% of Fund investments, included a variety of blue chip companies. (See figure 3-9.)

Market Review

The fiscal year began with contagion from the sub-prime debacle spilling into equity markets. MEF suffered as equities observed a significant re-pricing of risk and a corresponding draw-back in liquidity. The broad market experienced a significant amount of delevering as investors moved quickly to take risk off the table in this environment. In early 2008, markets were focused on inflation risks from skyrocketing commodities prices as well as continued recessionary worries and declining home values. The Federal Reserve intervened on the back of deteriorating liquidity and solvency conditions. Mixed equity market performance during 1Q08 gave way to significant market declines by June 2008, culminating in the worst first-half performance in 25 years.

Performance Summary

For the fiscal year ended June 30, 2008, the Mutual Equity Fund (MEF) posted a negative return of -12.99%, net of fees and operating expenses, which underperformed the Russell 3000 Index return of -12.69% by 30 basis points. Asset allocation, with an overallocation to large cap and an underallocation to small cap, was the main contributor to underperformance over the fiscal year. During this same period,

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

MEF's net assets fell from \$9.818 billion to \$7.999 billion, a decrease of \$1.819 billion. Of this net total change, a decrease of \$1.372 billion was due to net realized and unrealized losses and -\$598 million in net cash outflows to participating pension plans and trusts. Offsetting this amount is an inflow of \$151 million in net investment income.

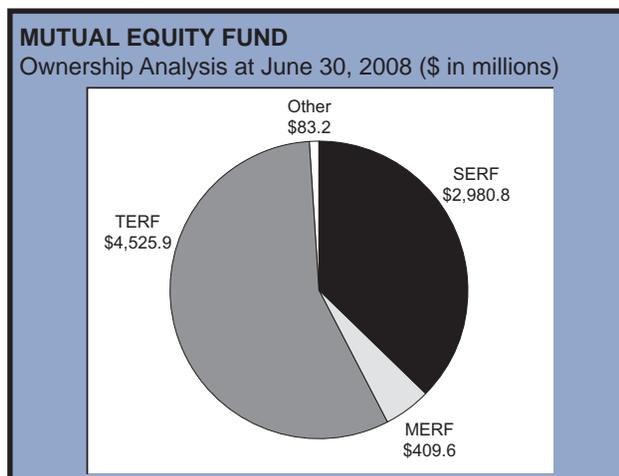
While volatility in investment returns is expected in the short-term, the Fund's long-term performance remains the most important comparative measure. As Figure 3-4 illustrates, MEF has generated annualized total returns, net of fees, of 4.30%, 8.18%, and 4.18% over the last three, five, and ten-year periods, respectively. The Fund returns underperformed the Russell 3000 for the three and five-year periods by 43 and 20 basis points, respectively, and outperformed for the ten-year period by 67 basis points.

The MEF's cumulative total returns for the three, five, and ten year periods ending June 30, 2008, were 13.46%, 48.18%, and 50.56%, respectively.

Risk Profile

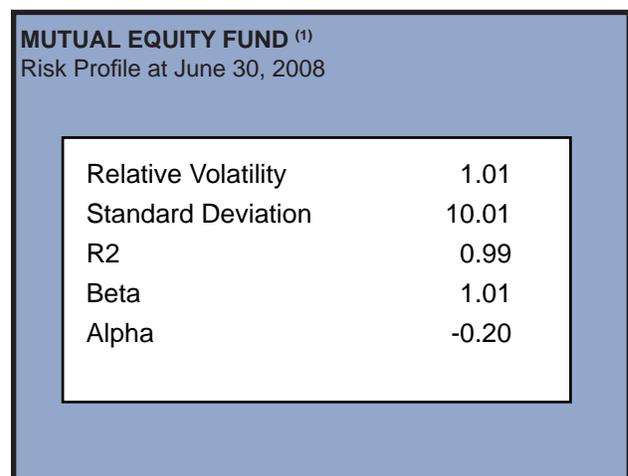
Based on returns over the last five years, the Fund has exhibited a similar degree of risk as that of its benchmark, the Russell 3000 Index. With a relative volatility of 1.01, the MEF's returns have almost equal volatility to those of the Index and reflect a strong degree of correlation, 0.99, to those of the Index. MEF's annual excess return during the five year period, or return relative to that achieved by the benchmark, was a negative 0.20%. (See figure 3-2.)

Figure 3-1



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

Figure 3-2



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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 3-3

MUTUAL EQUITY FUND				
Fiscal 2008 Industrial Sector vs. Index (%)				
Based on Investments in Securities, at Value ⁽¹⁾				
At 6/30/2008:	MEF		Russel 3000	
	% of Net Assets	Annual Return	% of Net Assets	Annual Return
Energy	12.0	24.7	12.0	26.1
Materials	4.7	13.8	4.4	15.2
Industrials	12.8	-11.1	13.3	-12.1
Consumer Discretionary	9.9	-24.1	10.5	-25.6
Consumer Staples	8.7	-4.0	8.6	-2.5
Health Care	11.9	-11.5	11.4	-11.0
Financials	16.3	-40.9	17.2	-38.8
Information Technology	16.4	-11.4	15.2	-8.3
Telecommunication Services	3.4	-20.8	3.3	-20.8
Utilities	3.9	4.1	4.1	6.1
	100.0		100.0	

(1) Excludes the Liquidity Fund.

Figure 3-4

MUTUAL EQUITY FUND				
Periods ending June 30, 2008				
	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
MEF	-12.99	4.30	8.18	4.18
Russell 3000	-12.69	4.73	8.38	3.51
Cumulative Total Return (%)				
MEF	-12.99	13.46	48.18	50.56
Russell 3000	-12.69	14.86	49.50	41.24

Figure 3-5

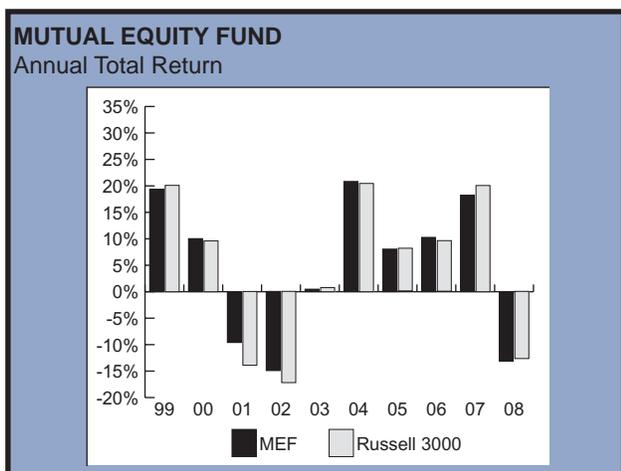


Figure 3-6

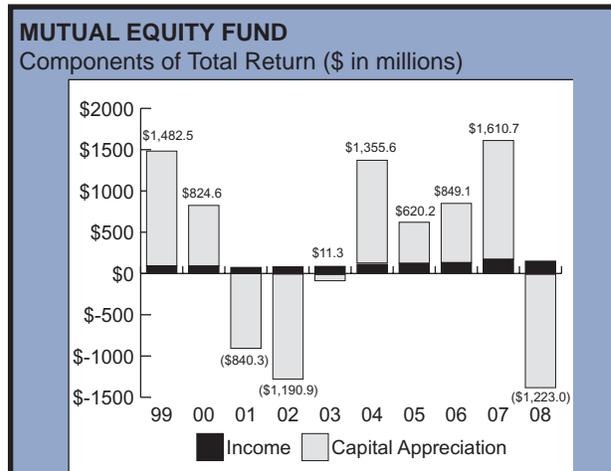


Figure 3-7

MUTUAL EQUITY FUND										
Comprehensive Profile for the Fiscal Years ending June 30,										
	2008		2007		2006		2005		2004	
	MEF	Russell								
# of Issues	2,206	3,000	2,175	3,000	2,033	3,000	1,719	3,000	2,114	3,000
Cap (\$ Bil)	\$69.6	\$72.2	\$81.1	\$81.5	\$67.9	\$69.3	\$69.0	\$70.7	\$70.0	\$74.6
P/E	18.5	18.1	17.6	18.8	17.0	18.2	19.1	20.5	22.0	22.5
Div Yield	1.90%	2.10%	1.60%	1.70%	1.70%	1.80%	1.60%	1.70%	1.50%	1.60%
ROE	19.0%	20.2%	19.5%	20.0%	19.3%	19.1%	17.4%	17.3%	16.7%	16.7%
P/B	3.6x	3.8x	3.6x	4.0x	3.5x	3.6x	3.6x	3.8x	3.9x	4.0x
Cash & Equiv.	0.8%	0.0%	0.7%	0.0%	1.0%	0.0%	3.1%	0.0%	0.8%	0.0%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 3-8

MUTUAL EQUITY FUND		
Investment Advisors at June 30, 2008		
Investment Advisor	Net Asset Value	% of Fund
Large Cap	\$5,942,231,994	74.28%
BGI Barclays Global Investors, N.A.	3,098,026,385	38.73%
State Street Global Advisors	2,844,205,609	35.55%
All Cap	325,506,700	4.07%
Capital Prospects	161,577,785	2.02%
FIS Group, Inc.	163,928,915	2.05%
Small/Mid Cap	1,720,622,163	21.51%
AXA Rosenberg Investment Management	1,031,638,560	12.90%
TCW Cowen Asset Management	541,934,716	6.77%
Bivium	147,048,887	1.84%
Other ⁽¹⁾	11,100,918	0.14%
TOTAL MEF	\$7,999,461,775	100.00%

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

Figure 3-9

MUTUAL EQUITY FUND			
Ten Largest Holdings* at June 30, 2008			
Security Name	Sector	Market Value	%
Exxon Mobil Corp	Energy	\$280,031,753	3.49%
Microsoft	Technology	136,646,186	1.70%
AT&T Inc	Telecomm	120,833,093	1.51%
Proctor & Gamble Co	Consmr Staples	117,841,267	1.47%
General Electric	Industrials	117,633,986	1.47%
ConocoPhillips	Energy	101,298,121	1.26%
Wal Mart Stores Inc	Consmr Discrtnry	93,683,321	1.17%
Chevron Corp	Energy	88,195,069	1.10%
Intel Corp	Info Technology	83,281,998	1.04%
Apple Inc	Info Technology	81,091,694	1.01%
Top Ten		1,220,536,488	15.22%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

2008

core fixed income fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: To invest in a range of fixed income securities, thereby providing diversification to the retirement funds' overall performance in different economic environments.

Performance Objective: To achieve a net return that exceeds its benchmark by 37 to 125 basis points per annum, over rolling three to five year periods.

Benchmark: Lehman Brothers U. S. Aggregate

Date of Inception: November 1, 2007

Total Net Assets: \$4,537,061,465

Number of Advisors: 6 external

Management Fees: \$3,995,812

Operating Expenses: \$533,965

Expense Ratio: 0.09%

Turnover: N/A

Description of the Fund

The Core Fixed Income Fund (CFIF) is an externally managed fund investing primarily in domestic fixed income securities. The Fund serves as an investment tool for the Pension and Trust Funds with the goal of reducing volatility in returns under various economic scenarios as well as providing a source of interest income to help offset the outflow of retirement benefit payments. Fixed income securities represent fixed and variable rate coupon bonds issued by U.S. federal and state governments, domestic corporations and municipalities.

At June 30, 2008, six money managers managed investments in the Fund. The Fund's investments were allocated to five money managers investing approximately 87% of the portfolio in core strategies and one money manager actively investing 3% of the portfolio in the Connecticut Horizon Fund strategy. The remaining amount, approximately 10%, was invested in cash equivalents earmarked for rebalancing activity (approximately 9.5% was to be withdrawn from the Fund on July 1, 2008) and operating expenses. (See figure 4-10.)

The CFIF's long term objective has been to achieve an annual return, net of management fees and operating expenses, of between 37.5 and 125 basis points in excess of the Lehman Brothers Aggregate (LB Aggregate), which is widely considered to parallel the performance of the U.S. bond market.

Portfolio Characteristics

CFIF continues to be well diversified across the spectrum of available fixed income securities. The Fund maintained a concentration in government, agency, corporate, mortgage-backed and asset-backed securities of 15.0%, 40.3%, 19.0%, 15.0% and 3.4% respectively. The remaining 7.3% was invested in cash and other instruments. (See figure 4-4.) Sector concentrations differed from those comprising the LB Aggregate, reflecting the collective allocations of the Fund's active investment advisors. The Fund's average quality rating was AA-1, as judged by Moody's Investor Services, versus the LB Aggregate rating of AAA. This resulted from an under weighting of the CFIF to Treasury and Agency securities and an over weighting to Mortgage-Backed and Asset-Backed securities versus the LB Aggregate. (See figure 4-5.)

Market Review

During fiscal year 2008 there was a flight to quality as investors lost their appetite for risk. This, along with a slowing economy, caused a downward move in Treasury yields. The yield curve steepened by 119 basis points as investors moved to the short end of the yield curve for safety and the Federal Reserve aggressively contracted. Mortgage-backed securities (MBS) underperformed U.S. Treasuries by 158 basis points due to

increased interest rate volatility and a lack of market liquidity, which led to forced selling of even higher quality assets. In this environment, liquidity premiums added to elevated risk aversion and pushed valuations of MBS materially lower. Recession concerns and technical factors caused commercial and mortgage-backed securities (CMBS) to post negative returns of 9.07%. Asset-backed securities, collateralized debt obligations and structured investment vehicles similarly succumbed to the credit crisis. Corporate bonds endured ratings downgrades, disappointing earnings and write downs of subprime mortgage-related investments, resulting in a negative return of 8.65% for the fiscal year.

Performance Summary

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.

The CFIF's transfer value on November 1, 2007 was \$5.823 billion. The CFIF's value as of June 30, 2008 was \$4.537 billion resulting in a decrease of \$1.286 billion. Of this total, \$1.412 billion was due to net cash outflows from participating Pension and Trust Funds and \$69 million from net realized and unrealized losses, less \$195 million of net investment income.

For the fiscal year ended June 30, 2008 the Core Fixed Income Fund generated a total return of 5.65%, net of fees and operating expenses, underperforming the benchmark return of 7.13% by 148 basis points. This return reflects the four months of the former Mutual Fixed Income Fund sub-component entitled "Core" and the remaining eight months of the fiscal year as the new Core Fixed Income Fund (CFIF). The under performance for the fiscal year was primarily attributable to poor sector selection, such as an overweighting to mortgage-backed securities and underweighting U. S. Treasury securities.

For the trailing three, five and ten-year periods, CFIF's compounded annual total returns were 3.66%, 3.89% and 5.72% respectively, net of fees. The three year return was behind the benchmark by 43 basis points, but the five and ten years' returns were above the benchmark by three and four basis points, respectively. The cumulative total returns for the three, five, and ten-year periods ending June 30, 2008, were 11.38%, 21.05% and 74.42%, respectively. (See figure 4-8.)

Risk Profile

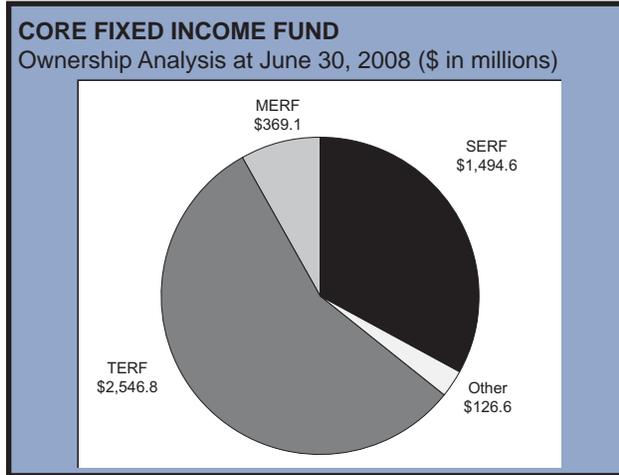
Given CFIF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, purchasing power risk, credit default risk, reinvestment risk and market risk.

Credit quality ratings are a measure of risk and the Core Fixed Income Fund has very high ratings.

In fixed income investing, returns are extremely sensitive to changes in market interest rates. In general, the longer the time to maturity of a fixed income investment (and the resultant increase in time during which interest rates may change), the greater the level of risk assumed. To measure the degree of CFIF's price sensitivity to changes in market interest rates, the Fund's duration, or the weighted average time period over which cash flows are received by the investor, is monitored. At June 30, 2008, the Fund's duration of 4.80 years was slightly above the LB Aggregate Index of 4.70 years. While often viewed as an indicator of risk, duration can, if managed effectively, contribute significantly to total Fund returns. (See figure 4-3.)

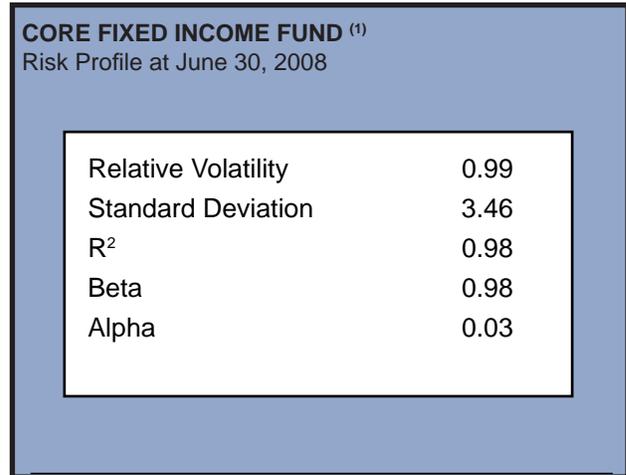
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-1



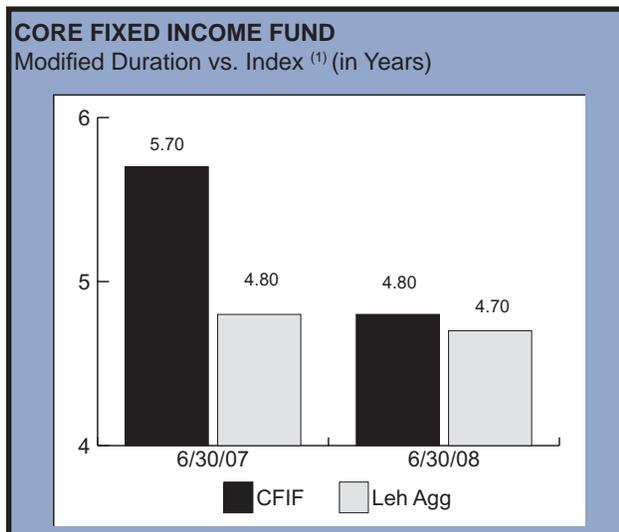
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
MERF - Connecticut Municipal Employees' Retirement Fund

Figure 4-2



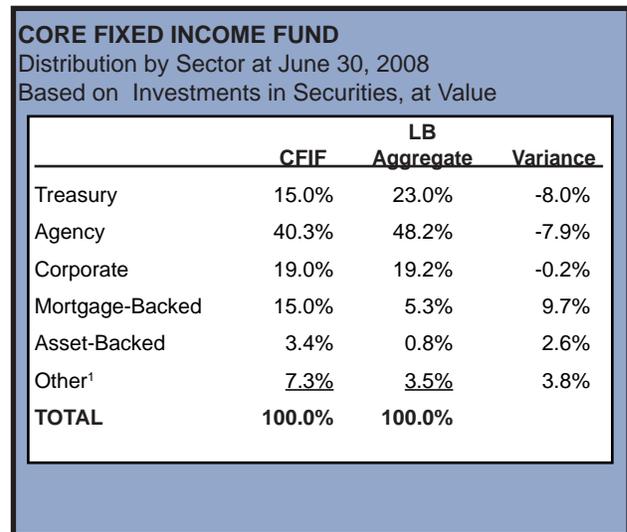
(1) Based upon returns over the last five years.

Figure 4-3



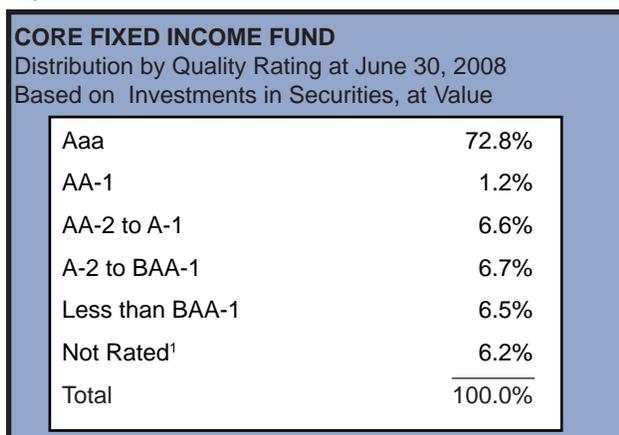
(1) Computed without the effect of Cash and other Net Assets.

Figure 4-4



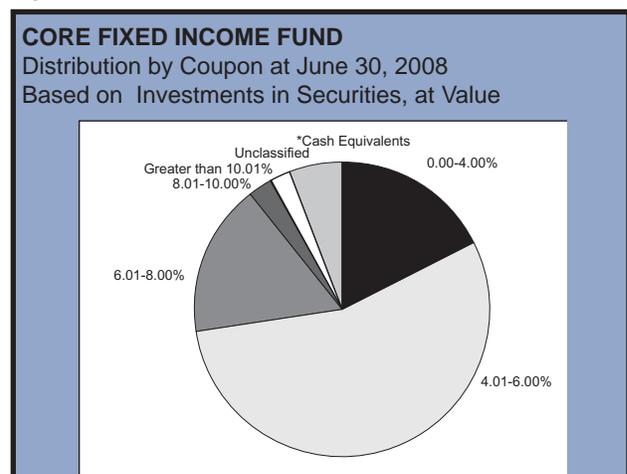
(1) Other category includes cash and other assets.

Figure 4-5



(1) Represents securities for which ratings are unavailable.

Figure 4-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-7

CORE FIXED INCOME FUND	
Duration Distribution at June 30, 2008	
Based on Investments in Securities, at Value	
0-3 Years	27.0%
3-5 Years	32.2%
5-7 Years	19.0%
7-10 Years	7.3%
10+ Years	6.6%
Unknown ⁽¹⁾	2.1%
Cash ⁽²⁾	<u>5.8%</u>
Total	100.0%

Figure 4-8

CORE FIXED INCOME FUND		1 YR	3 YRS	5 YRS	10 YRS
Periods ending June 30, 2008					
Compounded, Annual Total Return (%)					
CFIF		5.65	3.66	3.89	5.72
LB Aggregate		7.13	4.09	3.86	5.68
Cumulative Total Return (%)					
CFIF		5.65	11.38	21.05	74.42
LB Aggregate		7.13	12.77	20.82	73.82

Figure 4-9

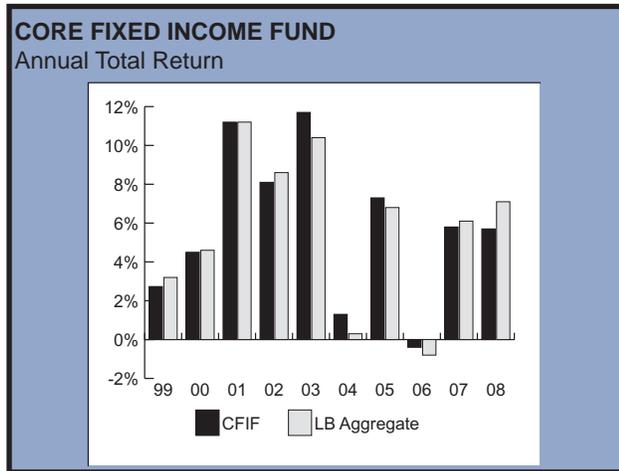


Figure 4-10

CORE FIXED INCOME FUND		
Investment Advisors at June 30, 2008		
Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	\$1,136,204,216	25.04%
BlackRock Financial Mgmt, Inc.	901,731,858	19.87%
Wellington	680,596,862	15.00%
Western Asset Management Co.	812,000,056	17.90%
Phoenix	412,435,485	9.09%
Progress	139,566,604	3.08%
Other⁽¹⁾	454,526,384	10.02%
TOTAL CFIF	\$4,537,061,465	100.00%

(1) Other represents cash equivalents, other net assets and terminated advisor balances.

Figure 4-11

CORE FIXED INCOME FUND			
Ten Largest Holdings* at June 30, 2008			
Security Name	Maturity	Market Value	%
FNMA TBA	12/01/99	\$123,527,318	2.54%
FNMA TBA	12/01/99	109,905,896	2.27%
FNMA Pool 735989	02/01/35	48,506,358	1.00%
FNMA Pool 888877	10/01/22	35,570,564	0.73%
US Treasury Notes	02/15/18	33,631,116	0.69%
US Treasury Notes	05/15/18	33,098,356	0.68%
GNMA I TBA	12/01/99	23,243,813	0.48%
Germany (FED REP)	01/04/17	26,653,253	0.55%
US Treasury Bonds	04/15/28	26,016,173	0.54%
FNMA Pool 888877	12/01/37	24,054,563	0.50%
Top Ten		484,207,410	9.98%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

Figure 4-12

CORE FIXED INCOME FUND		
Comprehensive Profile		
for the Fiscal Year ending June 30,		
	2008	
	CFIF	LABI
Number of Issues	4,123	9,457
Average Coupon	5.10%	5.40%
Yield Maturity	6.10%	5.10%
Average Maturity	6.80	6.00
Modified Duration	4.80	4.70
Average Quality	AA-1	AAA
*Cash	5.8%	0.0%

* Note: Beginning weights.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-13

CORE FIXED INCOME FUND					
Quarterly Current Yield ⁽¹⁾ vs. Indices (%)					
	6/30/08	3/31/08	12/31/07	9/30/07	6/30/07
CORE FIXED INCOME	5.15	5.09	5.16	4.69	4.60
Leh Agg	5.32	5.24	5.33	5.40	5.45
Citigroup 3 Month T-Bill	1.86	1.37	3.39	3.89	4.80
Lehman Treasury	4.41	4.37	4.62	4.80	4.93
Lehman Agency	4.57	4.65	4.92	5.06	5.18
Lehman Mortgage	5.52	5.43	5.49	5.54	5.58
Lehman Corporate	6.23	6.10	5.99	6.01	6.01
Lehman Asset Backed	5.71	5.67	5.48	5.35	5.24

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

2008 inflation linked bond fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: To invest primarily in inflation-linked securities in the domestic U.S. market with a goal to achieve a long-term real rate of return above the inflation rate.

Performance Objective: To achieve a net return that exceeds its benchmark by 20 to 40 basis points per annum, over rolling three to five year periods.

Benchmark: Lehman Brothers U.S. Treasury Inflation Protection Securities Index.

Date of Inception: November 1, 2007

Total Net Assets: \$1,172,785,411

Number of Advisors: 2 external

Management Fees: \$359,428

Operating Expenses: \$28,318

Expense Ratio: 0.05%

Turnover: N/A

Description of the Fund

The Inflation Linked Bond Fund (ILBF) is an externally managed fund investing primarily in inflation-linked securities in the domestic U.S. market. The goal of the Fund is to achieve a long-term rate of return above the inflation rate and provide a source of interest income to help offset the outflow of retirement benefit payments. The inclusion of inflation-linked bonds should provide protection against rampant inflation and is a source of diversification to other classes within the CRPTF during different economic environments. 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, 2008, the Fund had two investment advisors. (See figure 5-10.)

The ILBF's long term objective has been to achieve an annual return, net of management fees and operating expenses, of between 20 and 40 basis points in excess of the Fund's benchmark.

Portfolio Characteristics

The ILBF is diversified across the spectrum of available inflation-linked securities. The Fund maintained a 91.2 % concentration in Treasury securities, with a small exposure of 3.3 % to foreign inflation-linked securities. Corporate bonds accounted for 0.3 % and the balance of 5.2 % was invested in other instruments and cash. (See figure 5-3.) The Fund's average quality rating was AAA, as judged by Moody's Investor Services, matching that of the benchmark. The Fund's average coupon at June 30, 2008 was 2.24 % versus 2.33 % for the benchmark. The Fund's average maturity and its benchmark were 9.29 years and 9.20 years, respectively. (See figure 5-9.)

Market Review

The Lehman Brothers U.S. Treasury Inflation Protected Securities (TIPS) Index posted a total return of 15.09% for the year ended June 30, 2008, the best return of any Lehman U.S. bond index. This performance was driven by falling interest rates and increased inflation pressures. Inflation was measured by the dramatic 5% rise in the Consumer Price Index, the result of a doubling of crude oil prices and retail gasoline prices jumping nearly 40% to \$4.12 per gallon. The demand for TIPS resulted from the flight to safety into all Treasury-related debt as the financial crisis deepened over the year. The real yield on the 10 year maturity TIPS fell from 2.62% in June 2007 to 1.43% by June 2008, while the ten year breakeven rate increased to 2.54% from 2.28%. (The breakeven rate is the difference between the yield on a 10 year nominal Treasury and the yield on the 10 year TIPS and is a measure of the markets' expected 10 year inflation rate.)

Performance Summary

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 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.

The ILBF's transfer value on November 1, 2008 was \$277 million. The ILBF's value as of June 30, 2008 was \$1.173 billion resulting in an increase of \$896 million. Of this total, \$857 million was due to net cash inflows from participating Pension and Trust Funds and \$32 million of net investment income, plus \$7 million from net realized and unrealized gains.

For the fiscal year ended June 30, 2008 the ILBF generated a total return of 16.81% net of fees and operating expenses, outperforming the benchmark return of 15.09% by 172 basis points. This return reflects the four months of the former Mutual Fixed Income Fund sub-component entitled "Inflation Linked Bonds" and the remaining eight months of the fiscal year as the new ILBF. For the trailing three year period, ILBF's compounded annual total return was 5.91%, net of fees. The three year return outperformed the benchmark by 32 basis points. The cumulative total return for the three year period ending June 30, 2008, was 18.80%. (See figure 5-7.)

Risk Profile

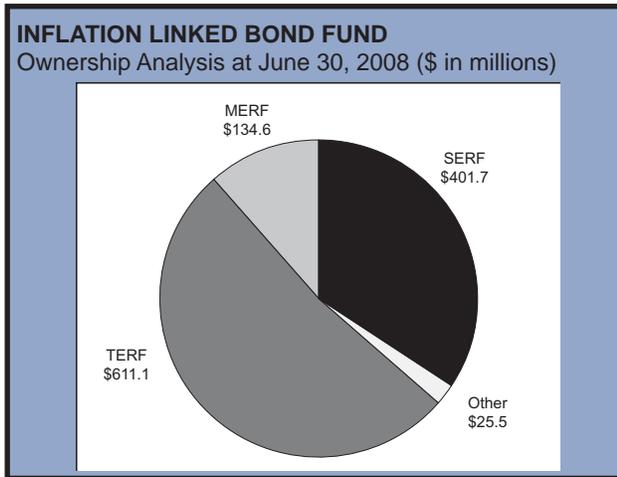
In fixed income investing, returns are extremely sensitive to changes in market interest rates. In general, the longer the time to maturity of a fixed income investment (and the resultant increase in time during which interest rates may change), the greater the level of risk assumed. To measure the degree of ILBF's price sensitivity to changes in market interest rates, the Fund's duration, or the weighted average time period over which cash flows are received by the investor, is monitored. At June 30, 2008, the Fund's duration of 5.43 years was below the benchmark of 7.57 years. While often viewed as an indicator of risk, duration can, if managed effectively, contribute significantly to total Fund returns. (See figure 5-2.)

The ILBF is also sensitive to changes in inflation as measured by the CPI. Period of increasing inflation will result in higher return.

Credit quality ratings are a measure of risk and the ILBF has average quality of AAA. (See figure 5-9.) Other types of risk include market risk and default risk.

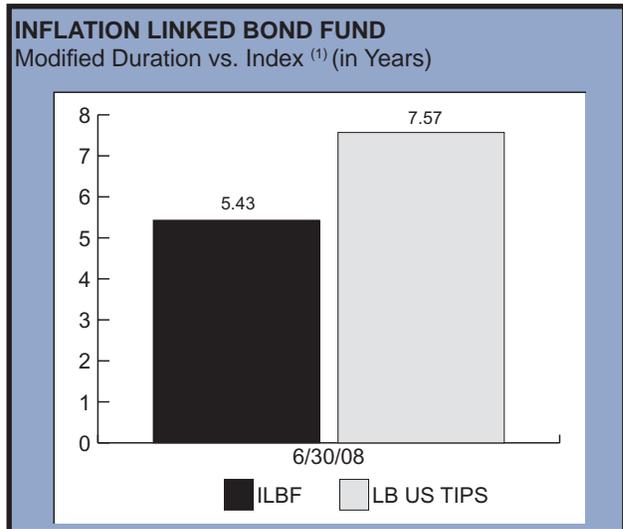
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-1



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

Figure 5-2



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

Figure 5-3

INFLATION LINKED BOND FUND
Distribution by Sector at June 30, 2008
Based on Investments in Securities, at Value

	ILBF	LABI	Variance
Treasury	91.2%	100.0%	-8.8%
Agency	0.0%	0.0%	0.0%
Corporate	0.3%	0.0%	0.3%
Foreign	3.3%	0.0%	3.3%
Other ¹	<u>5.2%</u>	<u>0.0%</u>	5.2%
TOTAL	100.0%	100.0%	

(1) Other category includes cash and other assets.

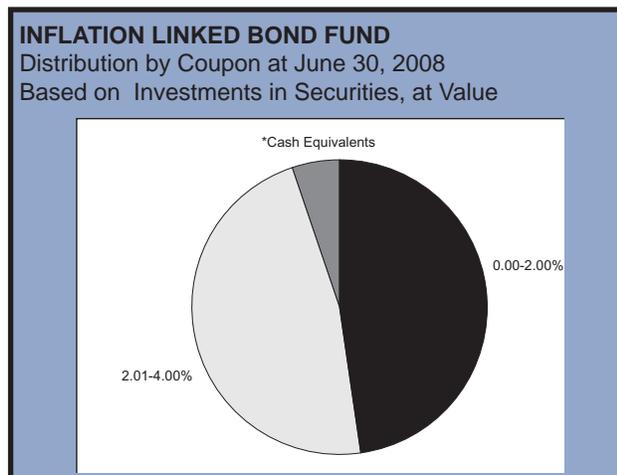
Figure 5-4

INFLATION LINKED BOND FUND
Distribution by Quality Rating at June 30, 2008
Based on Investments in Securities, at Value

Aaa	99.7%
AA-1	0.0%
AA-2 to A-1	0.3%
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



*Note: Beginning weights

Figure 5-6

INFLATION LINKED BOND FUND
Duration Distribution at June 30, 2008
Based on Investments in Securities, at Value

0-3 Years	11.1%
3-5 Years	46.2%
5-7 Years	5.1%
7-10 Years	12.5%
10+ Years	19.9%
Unknown ⁽¹⁾	0.0%
Cash ⁽²⁾	<u>5.2%</u>
Total	100.0%

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

(2) Represents monies invested in cash equivalents at beginning of quarter.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-7

INFLATION LINKED BOND FUND			
Periods ending June 30, 2008			
	1 YR	3 YRS	
Compounded, Annual Total Return (%)			
ILBF	16.81	5.91	
LB U.S. Tips	15.09	5.59	
Cumulative Total Return (%)			
ILBF	16.81	18.80	
LB U.S. Tips	15.09	17.72	

Figure 5-8

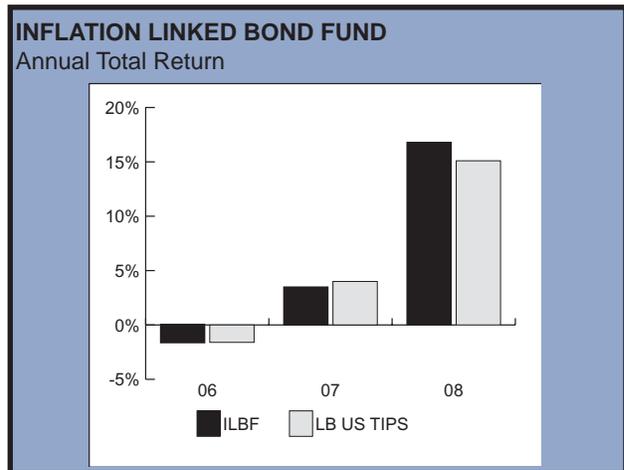


Figure 5-9

INFLATION LINKED BOND FUND			
Comprehensive Profile for the Fiscal Year ending June 30,			
	2008		
	ILBF	LB US TIPS	
Number of Issues	25	25	
Average Coupon	2.24%	2.33%	
Average Maturity	9.29	9.20	
Modified Duration	5.43	7.57	
Average Quality	AAA	AAA	
*Cash	5.2%	0.0%	

*Note: Beginning Weights

Figure 5-10

INFLATION LINKED BOND FUND			
Investment Advisors at June 30, 2008			
Investment Advisor	Net Asset Value	% of Fund	
Brown Brothers Harriman	\$597,394,601	50.94%	
Hartford Investment Mgmt Co.	574,899,771	49.02%	
Other ⁽¹⁾	491,039	0.04%	
TOTAL ILBF	\$1,172,785,411	100.00%	

(1) Other represents cash equivalents, other net assets and terminated advisor balances.

Figure 5-11

INFLATION LINKED BOND FUND			
Ten Largest Holdings* at June 30, 2008			
Security Name	Maturity	Market Value	%
US Treasury Notes	07/15/13	167,195,259	14.39%
US Treasury Bonds	01/15/25	134,959,190	11.61%
US Treasury Bonds	01/15/27	100,083,262	8.61%
US Treasury Notes	01/15/16	84,656,795	7.28%
US Treasury Notes	04/15/11	80,209,715	6.90%
US Treasury Notes	07/15/15	71,034,347	6.11%
US Treasury Bonds	01/15/26	63,062,971	5.42%
US Treasury Notes	01/15/11	55,732,646	4.79%
US Treasury Notes	07/15/16	53,917,654	4.64%
US Treasury Notes	07/15/14	48,021,130	4.13%
Top Ten		858,872,969	73.88%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

2008 emerging market debt fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: To invest primarily in debt securities of select foreign emerging markets with a goal of portfolio diversification and enhanced risk-adjusted returns.

Performance Objective: To achieve a net return that exceeds its benchmark by 100 to 200 basis points per annum, over rolling three to five year periods.

Benchmark: J.P. Morgan Emerging Market Bond Index (EMBI) Global Diversified and the J.P. Morgan Government Bond Index (GBI) - Emerging Markets.

Date of Inception: November 1, 2007

Total Net Assets: \$1,047,334,629

Number of Advisors: 4 external

Management Fees: \$1,445,788

Operating Expenses: \$205,741

Expense Ratio: 0.19%

Turnover: n/a

Description of the Fund

The Emerging Market Debt Fund (EMDF) is an externally managed fund investing primarily in debt securities of select foreign emerging markets with a goal of achieving a long-term real rate of return above the inflation rate. The economies and financial markets of emerging markets have historically had lower correlation to U.S. markets and provide desirable risk diversification for the portfolio. Emerging markets tend to have higher economic growth rates than developed countries. The money managers have different investment approaches and generate returns from both country and currency selection. Securities can be dollar denominated or in the local currency of the country, with the latter sometimes hedged back to the dollar. Sovereign loans, Brady bonds and Eurobonds, along with quasi-sovereigns, multinational companies and local corporate debt are examples of securities held in this fund.

At June 30, 2008, the Fund had four money managers.

Portfolio Characteristics

The Emerging Market Debt Fund is a diversified portfolio of over 300 securities with an overall yield to maturity of 8.15%. This compares favorably to the benchmark which has 196 issues and a yield to maturity of 7.62%. (See figure 6-11.) The sector distribution of the Fund is depicted in figure 6-1 below. The average quality of EMDF is Ba1, the same quality as the benchmark. Figure 6-4 portrays the distribution by quality ratings. More than half of the emerging market debt instruments are unrated as they originate outside of the United States. The duration of the fund is 5.11 years with investments staggered across the maturity spectrum. This is shorter than the index duration of 6.29 years. (See figure 6-2.) Compared to the benchmark, EMDF is more diversified, has a higher yield and a shorter duration.

At year end, EMDF was slightly overweight the index in Africa, Europe and the United States and was underweight in Asia, Latin America and the Middle East. (See figure 6-3.)

Market Review

Through the first half of the fiscal year, the economic conditions of emerging markets was positive, characterized by growth in the major economies of Latin America, Eastern Europe and Asia. Despite slightly increasing volatility in these markets and the liquidity crisis due to U.S. subprime mortgage markets, it appeared that improvements in economic fundamentals would help spare major emerging markets from a repeat of the dramatic spread widening that occurred in the 1990s. However, by the end of the third fiscal quarter, it was clear that emerging economic fundamentals had begun deteriorating. While local markets

had returned roughly 18% over a trailing 12 month period, it was primarily due to currency appreciation versus the U.S. dollar. Despite growing inflation and a more difficult refinancing environment in emerging debt markets, local markets remained attractive in those countries with account balance surpluses.

Performance Summary

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 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.

The EMDF's transfer value on November 1, 2007 was \$727 million. The EMDF's value as of June 30, 2008 was \$1.047 billion, an increase of \$320 million. Of this total, \$361 million was due to net cash inflows from participating Pension and Trust Funds in connection with a rebalance to new asset allocation targets for the CRPTF and \$27 million of net investment income, less \$37 million from net realized and unrealized losses, \$21 million in redemptions and \$9 million in distributed income.

For the fiscal year ended June 30, 2008 the Emerging Market Debt Fund generated a total return of 5.59% net of fees and operating expenses, outperforming the benchmark return of 5.10% by 49 basis points. This return reflects the four months of the former Mutual Fixed Income Fund sub-component entitled "Emerging Market Debt" and the remaining eight months of the fiscal year as the new EMDF. The out performance for the fiscal year was primarily attributable to diversification and shorter duration.

For the trailing three year period, EMDF's compounded annual total return was 10.44%, net of fees. The three year return outperformed the benchmark by 353 basis points. The cumulative total return for the three year period ending June 30, 2008 was 34.70%.

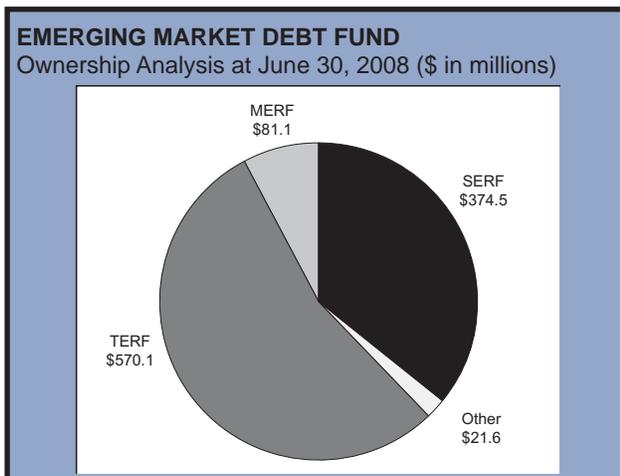
Risk Profile

Given EMDF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to market risk, currency risk, purchasing power risk, default risk, and reinvestment risk. In addition, the Fund is potentially exposed to geopolitical risk.

Credit quality ratings, both published and generated by the managers, are one measure of risk for the Fund. Like the index, EMDF has an overall quality rating of Ba1. Another measure of risk that is monitored is the duration of the fund. This relates to the fact that in a normal yield curve environment, an investor will be paid more to hold longer dated securities to compensate for the additional risk of default and reinvestment risk. Duration measures the timeframe that is needed for a bond to generate internal cash flows that will cover the cost of the bond. The longer it takes, i.e. the higher the duration, the greater the price volatility and risk of the bond. At June 30, 2008, the Fund's duration of 5.11 years was below the J.P. Morgan EMBI Global Index of 6.29 years.

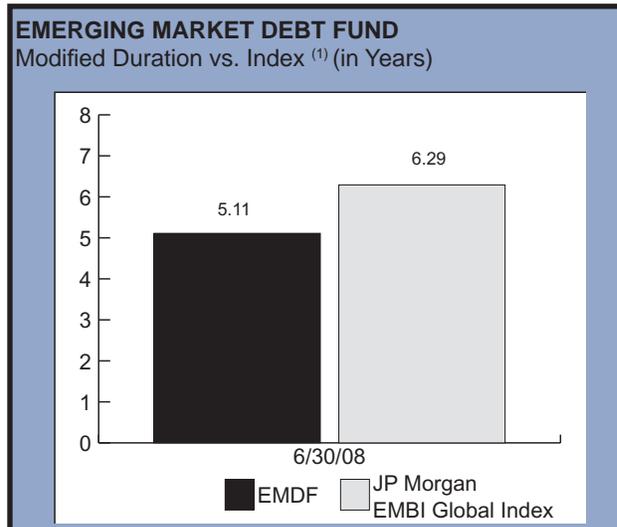
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 6-1



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

Figure 6-2



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

Figure 6-3

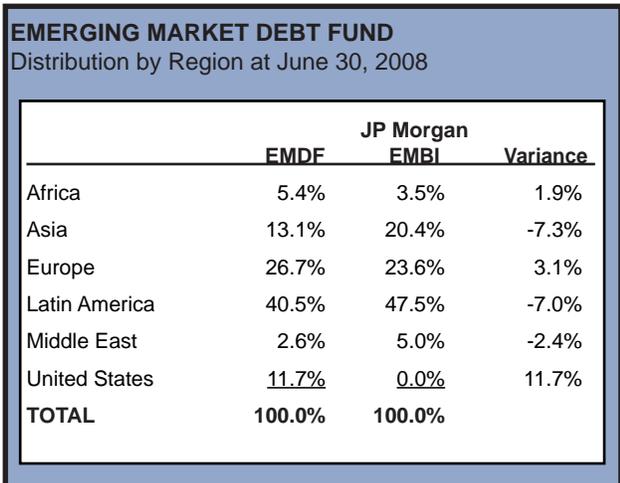
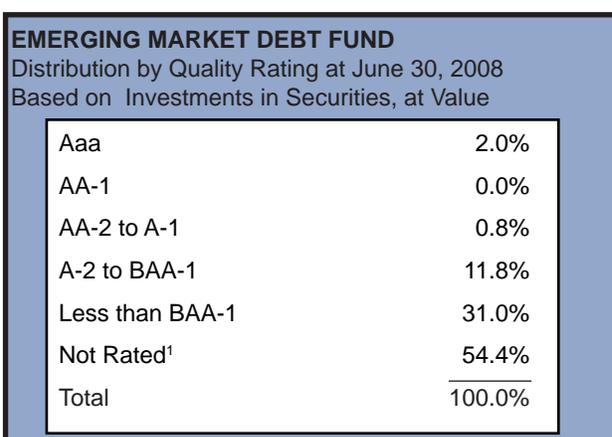
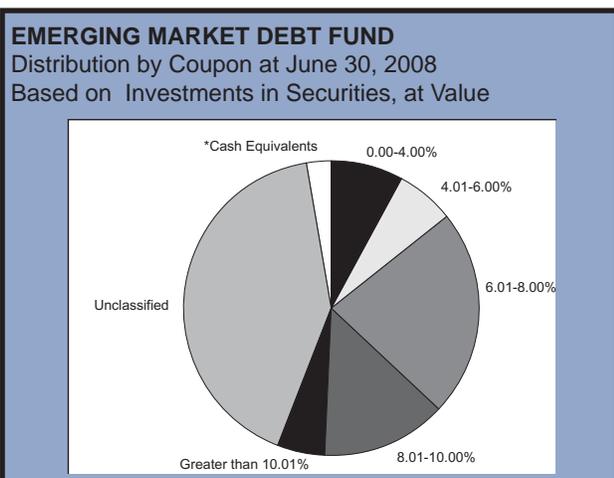


Figure 6-4



(1) Represents securities for which ratings are unavailable.

Figure 6-5



* Note: Beginning weights.

Figure 6-6



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

(2) Represents monies invested in cash equivalents at beginning of quarter.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 6-7

	1 YR	3 YRS
EMERGING MARKET DEBT FUND		
Periods ending June 30, 2008		
Compounded, Annual Total Return (%)		
EMDF	5.59	10.44
J.P.Morgan EMBI Global Index	5.10	6.91
Cumulative Total Return (%)		
EMDF	5.59	34.70
J.P.Morgan EMBI Global Index	5.10	22.20

Figure 6-8

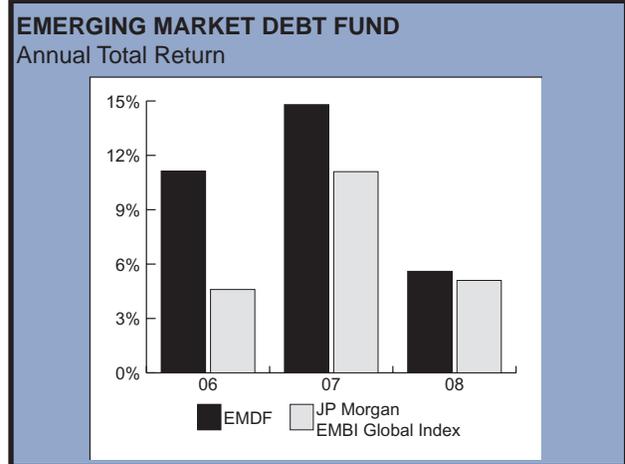


Figure 6-9

Investment Advisor	Net Asset Value	% of Fund
EMERGING MARKET DEBT FUND		
Investment Advisors at June 30, 2008		
Ashmore	\$339,221,905	32.40%
Stone Harbor Investment Partners	251,588,628	24.02%
Pyramis	207,519,605	19.81%
UBS Global Asset Management	243,964,412	23.29%
Other (1)	5,040,079	0.48%
TOTAL EMDF	\$1,047,334,629	100.00%

(1) Other represents cash equivalents, other net assets and terminated advisor balances.

Figure 6-10

Security Name	Maturity	Market Value	%
EMERGING MARKET DEBT FUND			
Ten Largest Holdings* at June 30, 2008			
Russian Federation	03/31/30	25,460,622	2.45%
Argentina (Rep)	03/28/11	17,856,750	1.72%
Argentina	08/03/12	14,598,630	1.40%
Malaysia	04/13/10	12,102,373	1.16%
Argentina (Rep)	09/12/13	11,738,089	1.13%
Russian Federation	06/24/28	10,259,789	0.99%
Turkey (Rep)	04/03/18	10,226,244	0.98%
Nota Do Tesouro NA	01/01/17	9,885,535	0.95%
Colombia (Rep)	09/18/37	9,688,551	0.93%
Malaysian Gvrmnt	06/15/12	9,574,244	0.92%
Top Ten		131,390,827	12.63%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

Figure 6-11

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

	2008	
	EMDF	EMBI
Number of Issues	302	196
Yield to Maturity	8.15%	7.62%
Modified Duration	5.11	6.29
Average Quality	Ba1	Ba1
*Cash	2.7%	0.0%

* Note: Beginning weights.

2008

high yield debt fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: To invest primarily in domestic below investment grade debt securities with a goal to achieve a long-term real rate of return above the inflation rate, employing a range of manager style techniques to capture excess return.

Performance Objective: To achieve a net return that exceeds its benchmark by 150 to 300 basis points per annum, over rolling three to five year periods.

Benchmark: Citigroup High Yield Market Index

Date of Inception: November 1, 2007

Total Net Assets: \$759,214,393

Number of Advisors: 4 external

Management Fees: \$1,629,335

Operating Expenses: \$67,774

Expense Ratio: 0.24%

Turnover: N/A

Description of the Fund

The High Yield Debt Fund (HYDF) is an externally managed fund investing primarily in below investment grade debt securities with a goal of achieving a long-term real rate of return above the inflation rate. The Fund managers have differing investment styles to capture excess return. In addition to higher yield from these securities, there is upside return potential. Credits receiving ratings upgrades can realize an increase in their market value or the underlying company might pre-pay the debt at a premium. The inclusion of a high yield class will provide a source of diversification to other asset classes within the CRPTF given different economic environments.

At June 30, 2008, the Fund had four money managers. The Fund's investments were allocated to Loomis Sayles & Co., Inc. 43%, Shenkman Capital Management 20%, Stone Harbor Investment Partners 19%, and Oaktree Capital Management, LLC 18%.

The HYDF's long term objective has been to achieve an annual return, net of management fees and operating expenses, of between 150 and 300 basis points in excess of the Citigroup High Yield Market Index.

Portfolio Characteristics

HYDF continues to be well diversified across the spectrum of available high yield securities with a concentration in corporate securities. The allocation to the corporate sector was approximately 89% with the balance in other high yield securities and cash equivalents. The Fund's average quality rating was B-1, as was the benchmark. (See figures 7-4 and 7-10.)

Market Review

Investment and commercial banks' lax credit standards and flawed risk controls, as well as ratings agencies' missteps in properly assessing risk, caused a five-year credit boom to come crashing down on Wall Street. After reaching record tight levels with respect to risk premiums in early June 2007, the high yield market underwent a significant correction in the June-July 2007 time period. This correction was a result of the macro concerns about the subprime mortgage market and the potential contagion effect of a U.S. housing recession on the overall economy. For the first time in over 20 years, the high yield market started calendar year 2008 with three consecutive monthly declines. For most of the reporting period, the high yield market performed poorly. However, in April 2008 a propensity for riskier assets returned, driving the high yield market to its largest one month gain in over five years. The high yield bank loan market, which recorded two of its worst months ever in January and February, rebounded in April with its largest gain on record. The credit crisis

battered the bank loan market more severely than the high yield bond market. Higher rated, senior secured loans underperformed lower rated, unsecured and subordinated high yield debt. This inverted performance was due in part to the enormous overhang of unsold bridge financings of mega-leveraged buyouts, as well as the demise of collateralized loan obligations, which accounted for 60% of all loan purchases over the past two years. This technical weakness in the high yield loan market was also a key contributor to the spread widening and weak performance in the high yield bond market during the reporting period. Risk premiums (i.e., yield spreads) ended the period significantly wider (711 bps) than the historically tight levels of only one year ago (316 bps). This increase in spreads was not accompanied by an increase in defaults, as the default rate was well below historical averages at 1.98% as of June 30, 2008.

Performance Summary

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 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.

The HYDF's transfer value on November 1, 2007 was \$648 million. The HYDF's value as of June 30, 2008 was \$759 million resulting in an increase of \$111 million. Of this total, \$126 million was due to net cash inflows from participating Pension and Trust Funds in connection with a rebalance to new asset allocation targets for the CRPTF and \$36 million of net investment income, less \$51 million from net realized and unrealized losses.

For the fiscal year ended June 30, 2008 the HYDF generated a total return of negative 1.88%, net of fees and operating expenses, outperforming the benchmark return of negative 2.29% by 41 basis points. This return reflects the four months of the former Mutual Fixed Income Fund sub-component entitled "High Yield" and the remaining eight months of the fiscal year as the new HYDF. The out performance for the fiscal year was primarily attributable to credit selection and timing.

For the trailing three, five and ten-year periods, HYDF's compounded annual total returns were 4.72%, 7.24% and 5.48% respectively, net of fees. These returns outperformed the benchmark by 38, 53, and 49 basis points respectively. The cumulative total returns for the three, five, and ten-year periods ending June 30, 2008, were 14.84%, 41.84% and 70.49%, respectively.

Risk Profile

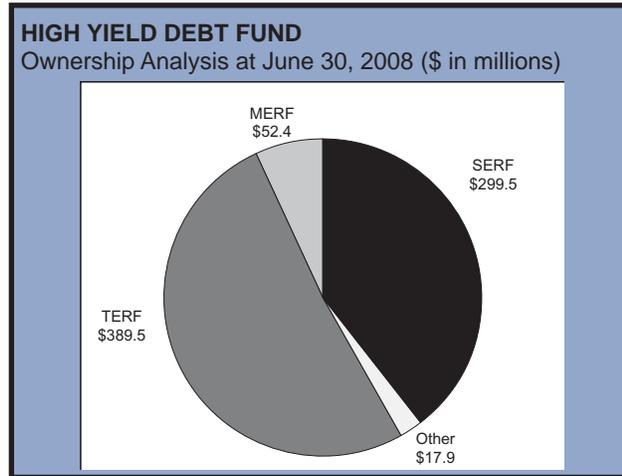
Given the HYDF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, credit default risk, purchasing power risk, reinvestment risk, interest rate risk and market risk. In addition, the Fund is occasionally exposed to political, economic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

Credit quality ratings are one measure of risk. The HYDF selectively assumes credit risk for higher potential return. Like other fixed income investments, the price of high yield securities is sensitive to changes in market interest rates.

To measure the degree of HYDF's price sensitivity to changes in market interest rates, the Fund's duration, or the weighted average time period over which cash flows are received by the investor, is monitored. At June 30, 2008, the Fund's duration of 5.20 years compared to the Citigroup High Yield Market Index of 4.40 years. While often viewed as an indicator of risk, duration can, if managed effectively, contribute significantly to total Fund returns. (See figure 7-3)

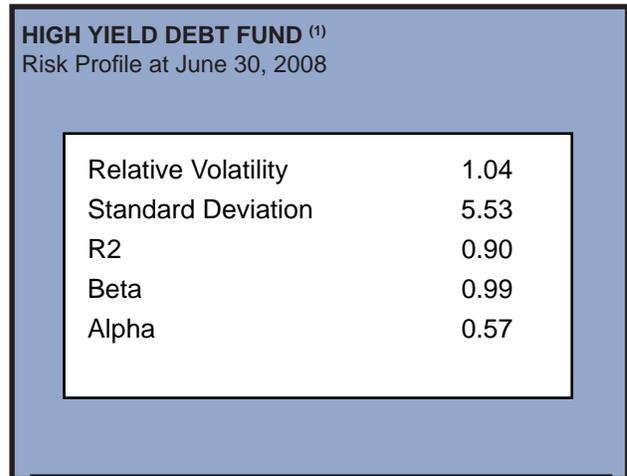
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-1



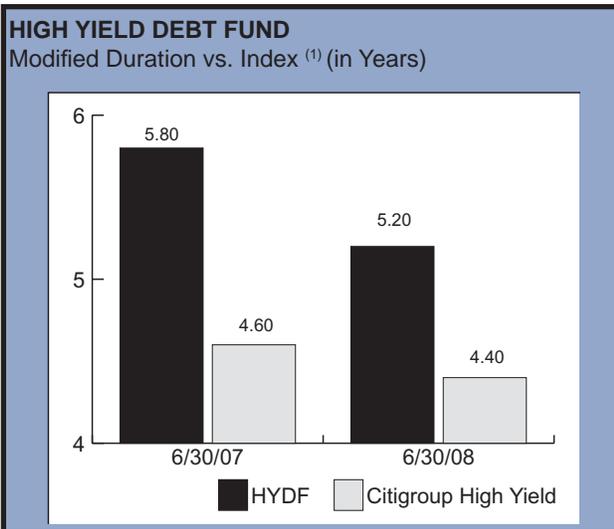
TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
MERF - Connecticut Municipal Employees' Retirement Fund

Figure 7-2



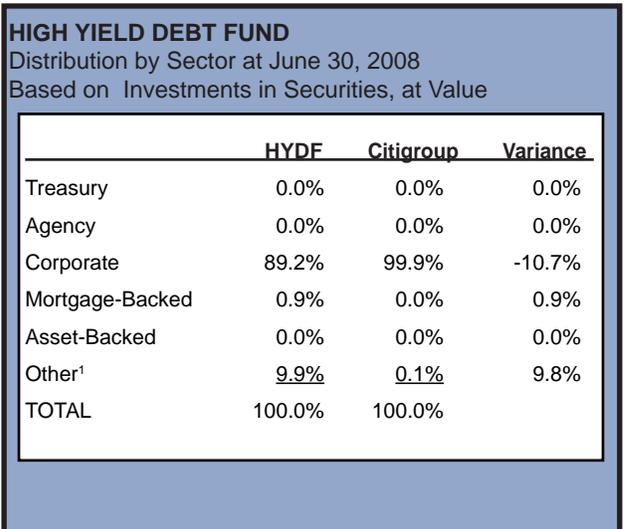
(1) Based upon returns over the last five years.

Figure 7-3



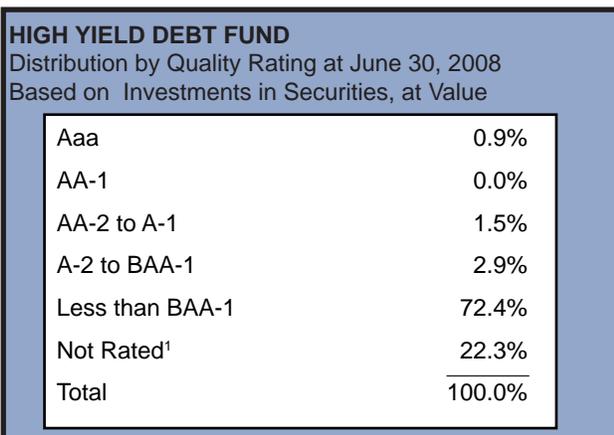
(1) Computed without the effect of Cash and other Net Assets.

Figure 7-4



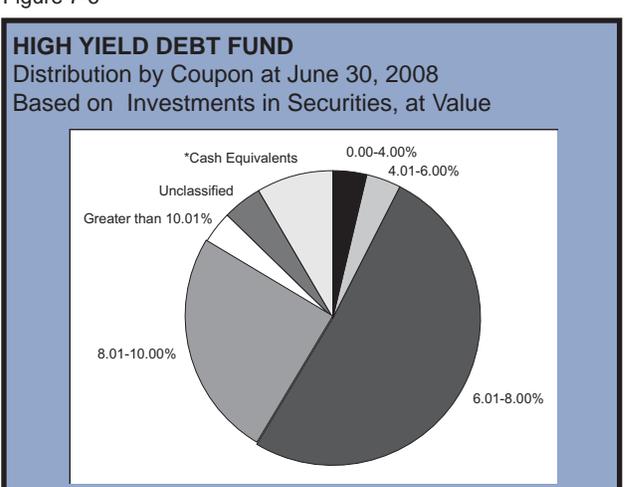
(1) Other category includes non fixed-income securities such as common and preferred stock and convertible securities, cash and other assets.

Figure 7-5



(1) Represents securities for which ratings are unavailable.

Figure 7-6



* Note: Beginnings weights.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-7

HIGH YIELD DEBT FUND	
Duration Distribution at June 30, 2008	
Based on Investments in Securities, at Value	
0-3 Years	16.3%
3-5 Years	33.2%
5-7 Years	24.0%
7-10 Years	12.0%
10+ Years	2.0%
Unknown ⁽¹⁾	4.1%
Cash ⁽²⁾	<u>8.4%</u>
Total	100.0%

- (1) Represents securities for which the duration could not be calculated by the custodian.
 (2) Represents monies invested in cash equivalents at beginning of quarter.

Figure 7-8

HIGH YIELD DEBT FUND		1 YR	3 YRS	5 YRS	10 YRS
Periods ending June 30, 2008					
Compounded, Annual Total Return (%)					
HYDF	-1.88	4.72	7.24	5.48	
Citigroup High Yield Index	-2.29	4.34	6.71	4.99	
Cumulative Total Return (%)					
HYDF	-1.88	14.84	41.84	70.49	
Citigroup High Yield Index	-2.29	13.59	38.36	62.73	

Figure 7-9

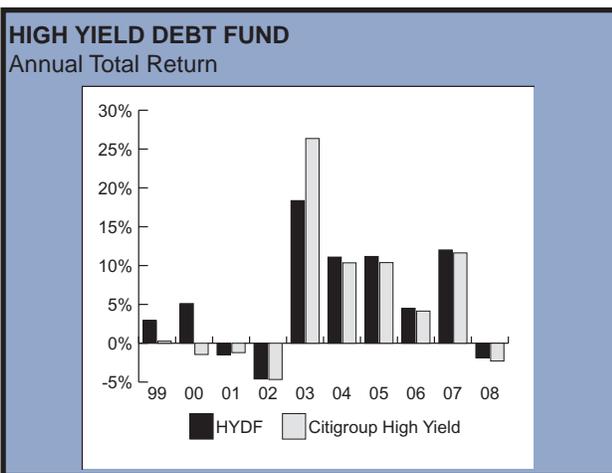


Figure 7-10

HIGH YIELD DEBT FUND	
Comprehensive Profile for the Fiscal Year ending June 30,	
2008	
	<u>HYDF</u> <u>Citigroup</u>
Number of Issues	569 1,258
Average Coupon	7.60% 8.10%
Yield Maturity	9.90% 10.90%
Average Maturity	8.40 6.90
Modified Duration	5.20 4.40
Average Quality	B-1 B-1
Cash	8.4% 0.0%

*Note: Beginning Weights

Figure 7-11

HIGH YIELD DEBT FUND		
Investment Advisors at June 30, 2008		
Investment Advisor	Net Asset Value	% of Fund
Loomis Sayles & Co., Inc.	\$324,437,858	42.74%
Stone Harbor Investment Partners	145,334,608	19.14%
Shenkman Capital Management	151,471,173	19.95%
Oaktree Capital Management, LLC	136,392,195	17.96%
Other ⁽¹⁾	1,578,559	0.21%
TOTAL HYDF	\$759,214,393	100.00%

- (1) Other represents cash equivalents, other net assets and terminated advisor balances.

Figure 7-12

HIGH YIELD DEBT FUND			
Ten Largest Holdings* at June 30, 2008			
Security Name	Maturity	Market Value	%
Mexico			
(Untd Mexican States)	12/20/12	13,898,928	1.87%
ASIF Global Fin XXVII	02/26/09	8,822,369	1.18%
Dynegy Hldgs Inc	05/01/16	8,671,800	1.16%
Georgia Pacific Corp	11/15/29	6,459,200	0.87%
AES Corp	03/01/11	6,370,964	0.86%
Toys R Us	10/15/18	6,167,900	0.83%
Vertex Pharm. Inc	Com Stock	5,916,659	0.79%
US West Cap Fdg Inc	07/15/28	5,904,000	0.79%
IMC Global Inc	01/15/28	5,903,450	0.79%
Citibank NA	07/02/10	5,903,168	0.79%
Top Ten		74,018,438	9.93%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

2008 developed market international stock fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: To participate in the growth of the international economy through the ownership of foreign equity securities in developed international countries.

Performance Objective: An annual total return 100 to 250 basis points greater than the Benchmark after expenses.

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

Date of Inception: November 1, 2007

Total Net Assets: \$5,108,281,295

Number of Advisors: 12 external

Management Fees: \$13,227,084

Operating Expenses: \$691,044

Expense Ratio: 0.27%

Turnover: N/A

Description of the Fund

The Developed Markets International Stock Fund is an externally managed fund, which invests in developed international equity securities. The investment in this asset class has the goal of participating in the growth of the international economy. It is used to reduce short-term volatility in the Pension and Trust Funds returns by providing an additional layer of asset diversification.

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 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 stocks to allow for greater flexibility in managing risk and return in the various CRPTF.

At the end of fiscal year 2008, the Fund had thirteen external advisors, selected on the basis of expected future performance and investment style. (See figure 8-5.) Based on the Fund's holdings, as of June 30, 2008, approximately 29.2% of the portfolio was actively managed in core, 33.2% in active growth/value, 5.8% in small cap, 17.8% was actively managed within risk controlled and 13.2% was allocated to one advisor for passive management against the Citigroup Europe, Pacific, Asia Composite Primary Market Index (Citigroup EPAC PMI) and 0.8% in other. Additionally, approximately 2% was managed through a diversified core allocation to the international component of the Connecticut Horizon Fund (CHF) within the core category.

Portfolio Characteristics

At fiscal year-end, DMISF was 93.9% invested in developed market international securities. Investments in Japan were the largest exposure of Fund representing 20.6%. The United Kingdom accounted for 18.0% of investments followed by France at 9.5%. These geographic concentrations differed from those of the benchmark index, reflecting the Fund's allocation to active management strategies. (See figure 8-4.)

The DMISF was well diversified at year-end, holding more than 1,683 securities in the portfolio. The DMISF's ten largest holdings included a variety of companies located throughout Europe and the Far East. The Fund's largest investment, comprising 1.98% of investment securities, was France's Total. In the aggregate, these ten holdings accounted for 12.66% of the Fund's investments at June 30, 2008. (See figure 8-6.)

Market Review

International equity markets all posted negative returns for the one year period ended June 30, 2008. Financials were the weakest performers as the mortgage and credit crisis spread globally, battering shares of firms that were exposed to sub-prime mortgages. Consumer Discretionary stocks also performed poorly as fears of a slowing global economy coupled with high energy prices and declining consumer spending and advertising hurt shares of automakers, retailers, and media companies. Materials stocks were the strongest performers over the period, reflecting the sharp rise in metals and agricultural chemical prices. DMISF diversification from active management benefited this sector driven environment as value add was broadly achieved by DMISF's active investment managers.

Performance Summary

For the fiscal year ended June 30, 2008, the Developed Markets International Stock Fund (DMISF) generated a return of -14.60%, net of fees and operating expenses, which outperformed its benchmark index return of -16.05% by 145 basis points. The positive performance versus the index was attributable to broad individual manager outperformance across the fund.

The DMISF's transfer value on November 1, 2007 was \$4.814 billion. The DMISF's value as of June 30, 2008 was \$5.108 billion resulting in an increase of \$0.294 billion. Of this total, \$1.219 billion was due to net cash inflows from participating Pension and Trust Funds and -\$1.025 billion from net realized and unrealized losses less \$100 million of net investment income.

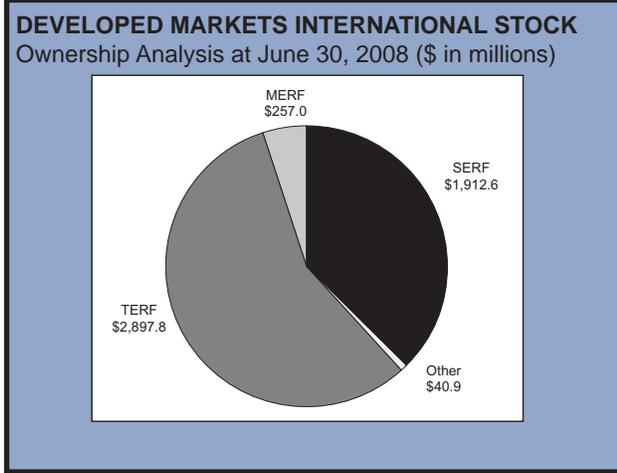
The Fund returned 10.17% for the three year period underperforming the benchmark returns of 10.76% by 59 basis points for the three year period. The cumulative return for the Fund for the three year period was 33.72% as illustrated in Figure 8-2 below.

Risk Profile

Given DMISF'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 credit risk. A currency hedging strategy is employed. As stated in the Investment Policy Statement, a 50% hedge ratio would provide an acceptable reduction in the portfolio's currency risk profile over time.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 8-1



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

Figure 8-2

DEVELOPED MARKETS INTERNATIONAL STOCK
Periods ending June 30, 2008

	1 YR	3 YRS
Compounded, Annual Total Return (%)		
DMISF	-14.60	10.17
S&P/Citigroup BMI		
EPAC 50% Hedged	-16.05	10.76
Cumulative Total Return (%)		
DMISF	-14.60	33.72
S&P/Citigroup BMI		
EPAC 50% Hedged	-16.05	35.88

Figure 8-3

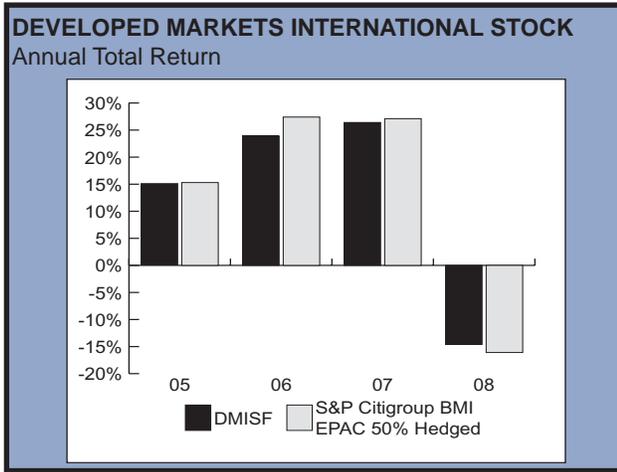


Figure 8-4

DEVELOPED MARKETS INTERNATIONAL STOCK
Diversification by Benchmark Country with Return (%)
at June 30, 2008 ⁽¹⁾

	DMISF % of Net Assets 6/30/08	Benchmark % of Net Assets 6/30/08	Variance
Australia	4.8	6.6	-1.8
Austria	1.1	0.7	0.4
Belgium	0.7	1.1	-0.3
Denmark	1.2	1.2	0.1
Finland	1.7	1.4	0.2
France	9.5	9.3	0.2
Germany	8.4	8.1	0.3
Greece	0.6	0.7	-0.1
Hong Kong	1.5	2.2	-0.7
Ireland	0.7	0.6	0.1
Italy	3.7	3.9	-0.2
Japan	20.6	21.3	-0.7
Korea	2.9	3.5	-0.6
Luxembourg	0.8	0.7	0.1
Netherlands	3.3	2.5	0.8
New Zealand	0.1	0.1	0.0
Norway	0.8	1.2	-0.4
Portugal	0.2	0.4	-0.2
Singapore	1.5	1.3	0.1
Spain	3.2	4.3	-1.1
Sweden	1.5	2.3	-0.8
Switzerland	7.1	6.2	0.9
United Kingdom	18.0	20.4	-2.4
Other	6.1	0.0	6.1
Total	100.0	100.0	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 8-5

DEVELOPED MARKETS INTERNATIONAL STOCK		
Investment Advisors at June 30, 2008		
Investment Advisor	Net Asset Value	% of Fund
Index	\$676,477,517	13.24%
State Street Global Advisors	676,477,517	13.24%
Core	1,489,162,231	29.16%
Invesco Global Asset Mgmt.	242,875,937	4.75%
AQR Capital Management	315,027,056	6.17%
Acadian Asset Management	448,810,059	8.80%
Artio Global	400,678,731	7.84%
Progress	81,770,448	1.60%
Active-Growth	979,615,304	19.17%
Clay Finlay, Inc.	495,661,097	9.70%
MFS Institutional Advisors, Inc.	483,954,207	9.47%
Active-Value	718,225,463	14.06%
Grantham, Mayo, Van Otterloo	718,225,463	14.06%
Small Cap	296,949,032	5.81%
Schroder Investment Mgmt.	296,949,032	5.81%
Risk Controlled	908,832,405	17.80%
BlackRock	448,765,440	8.79%
Pyramis	460,066,965	9.01%
Other ⁽¹⁾	39,019,343	0.76%
SUBTOTAL DMISF	\$5,108,281,295	100.00%

(1) Other represents cash equivalents, other net assets and terminated advisor balances, as well as, currency overlay balances for the DMISF.

Figure 8-6

DEVELOPED MARKETS INTERNATIONAL STOCK			
Ten Largest Holdings* at June 30, 2008			
Security Name	Country	Market Value	%
Total SA Eur 2.5			
Post Division	France	100,486,378	1.98%
Nestle SA CHFO.10 REGD	Switzerland	80,049,035	1.58%
Vodafone Group ORD			
USD 0.11428571	United Kingdom	66,851,881	1.32%
E on AG NPV	Germany	66,175,133	1.30%
ENI Eur 1	Italy	64,815,289	1.28%
Glaxosmithkline ORD			
GBP 0.25	United Kingdom	58,140,542	1.14%
Roche Holdings AG			
Genusscheine NPV	Switzerland	56,044,131	1.10%
Novartis AG			
CHF 0.50 REGD	Switzerland	51,555,450	1.02%
BG Group ORD			
GBP 0.10	United Kingdom	51,393,329	1.01%
Royal Dutch Shell A			
SHS Eur 0.7	United Kingdom	47,110,261	0.93%
Top Ten		642,621,429	12.66%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

2008 emerging markets international stock fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: To participate in the growth of the emerging markets economy through the ownership of emerging markets equity securities in emerging international countries.

Performance Objective: An annual total return of 100 to 250 basis points greater than the MSCI Emerging Markets IMI (with net dividends) Index benchmark after expenses.

Benchmark: MSCI Emerging Markets IMI (Investable Market Index) Index

Date of Inception: November 1, 2007

Total Net Assets: \$1,303,759,098

Number of Advisors: 2 external

Management Fees: \$5,610,307

Operating Expenses: \$857,449

Expense Ratio: 0.50%

Turnover: N/A

Description of the Fund

The Emerging Market International Stock Fund (EMISF) is an externally managed fund, which invests in emerging market equity securities, with the goal of participating in the growth of emerging market economies. It is used to reduce short-term volatility in the overall asset allocation plans of the various plans and trusts by providing an additional layer of asset diversification.

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 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 stocks to allow for greater flexibility in managing risk and return in the various CRPTF.

At the end of fiscal year 2008, the Fund had two external money managers, selected on the basis of expected future performance and investment style. One employs a fundamental discipline while the other utilizes a structured quantitative approach.

Portfolio Characteristics

At fiscal year-end, EMISF was 96.9% invested in international securities with the balance in cash. Investments in Brazil were the largest percentage of Fund assets, 14.9% followed by Korea at 14.8%. These geographic concentrations differed from those comprising the index, reflecting the Fund's allocation to active management strategies. (See figure 9-6.)

The EMISF was well diversified at year-end, with holdings of 431 securities in the portfolio. The EMISF's ten largest holdings included a variety of companies located throughout Latin America, Eastern Europe, and the Far East. The Fund's largest investment, comprising 3.50% of investment securities, was Petroleo Brasileiro. In the aggregate, the top ten holdings accounted for 21.21% of the Fund's investments at June 30, 2008. (See figure 9-8.)

Market Review

During the fiscal year ended June 30, 2008, emerging markets saw a substantial rise leading up to October 2007, followed by a decline through fiscal year end. The euphoria in the run up to late October was characterized by an explosion in global liquidity, universal deployment of free market policies, an upward

trend in global trade, sharp growth in China, and skyrocketing demand and prices for commodities and energy. From late October 2007, the Chinese market began to correct from its highs soon followed by the Indian market's collapse in the first quarter of calendar year 2008 as the "American Financial Crisis" effect became broadly evident. Thereafter, energy and commodity rich markets followed prices lower in the second quarter of the calendar year. Given EMISF's structurally underweight (due to policy parameters) of the Chinese market, EMISF trailed during the fiscal period, however regain during the first quarter of calendar year 2008 relative to benchmark during the correction.

Performance Summary

For the fiscal year ended June 30, 2008, the Emerging Markets International Stock Fund (EMISF) generated a return of 0.19%, net of fees and operating expenses, which underperformed its benchmark index return of 3.49% by 330 basis points.

The EMISF's transfer value on November 1, 2007 was \$1.588 billion. The EMISF's value as of June 30, 2008 was \$1.304 billion resulting in a decrease of \$0.284 billion. Of this total, \$8 million was due to net cash outflows from participating Pension and Trust Funds and -\$337 million from net realized and unrealized losses less \$60.5 million of net investment income.

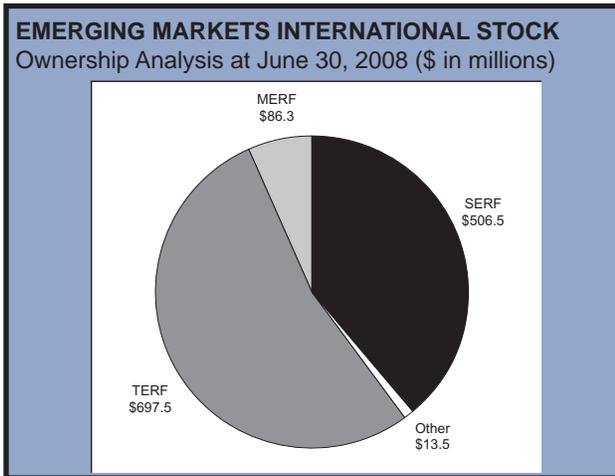
The Fund returned 24.64%, 30.78% and 16.64% for the three, five and ten year periods which underperformed the benchmark returns of 26.68% by 204 basis points for the three year period and outperformed the benchmark returns of 29.47% by 131 basis points for the five year period. The cumulative returns for the Fund for the three and five years were 93.63% and 282.57% respectively as illustrated in Figure 9-4 below.

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 credit risk. Based on returns over the last five years, the Fund's risk profile is similar to that of the benchmark. The Fund's relative volatility to its benchmark over the five-year period ending June 30, 2008 has been 0.97%, while its high R2 of 0.98 demonstrates a relatively strong overall correlation. In the aggregate, ISF's annualized excess return over the five-year period, or return in excess of that predicted by the benchmark, was 2.60%. (See Figure 9-2.)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 9-1



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

Figure 9-2



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

Figure 9-3

EMERGING MARKETS INTERNATIONAL STOCK
Fiscal 2008 Economic Sector vs. Index (%)

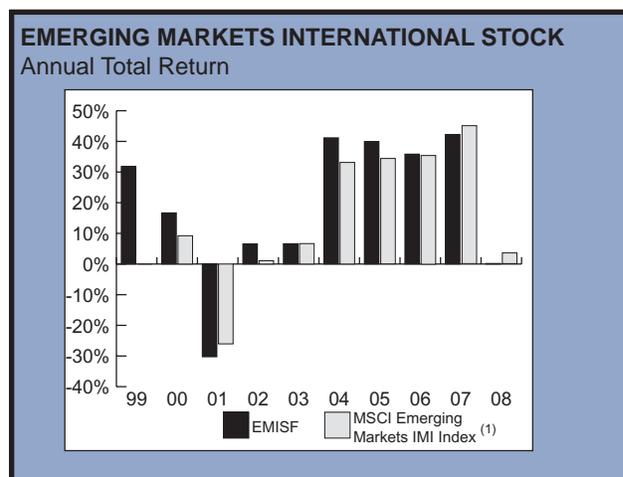
	EM ISF	MSCI Index	Variance
Energy	12.4	15.1	-2.7
Materials	11.6	16.9	-5.3
Industrials	13.6	12.2	1.4
Consumer Discretionary	5.6	5.1	0.5
Consumer Staples	3.7	3.6	0.1
Health Care	1.3	1.8	-0.5
Financials	16.6	20.2	-3.6
Information Technology	10.6	10.5	0.1
Telecommunication Services	9.9	11.3	-1.4
Utilities	2.0	3.0	-1.0
Commingled Fund	12.6	0.0	12.6
Preferred Stock	0.0	0.3	-0.3
Private Placement	0.1	0.0	0.1
	100.0	100.0	

Figure 9-4

EMERGING MARKETS INTERNATIONAL STOCK
Periods ending June 30, 2008

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
EMISF	0.19	24.64	30.78	16.64
MSCI Emerging Markets				
IMI Index	3.49	26.68	29.47	N/A
Cumulative Total Return (%)				
EMISF	0.19	93.63	282.57	366.10
MSCI Emerging Markets				
IMI Index	3.49	103.29	263.79	N/A

Figure 9-5



(1) Benchmark first full year of performance was 2000.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 9-6

EMERGING MARKETS INTERNATIONAL STOCK

Diversification by Benchmark Country with Return (%) at June 30, 2008 ⁽¹⁾

	EMISF		EMISF Benchmark	
	% of		% of	
	Net Assets 6/30/08	Total Return	Net Assets 6/30/08	Total Return
Argentina	0.3	37.1	0.6	35.4
Brazil	14.9	19.9	14.4	18.4
Chile	0.2	-17.1	1.4	-11.9
China	6.8	-5.3	13.9	-3.5
Columbia	0.2	-3.0	0.4	3.9
Czech Republic	0.3	10.6	0.8	11.9
Egypt	0.2	-5.8	0.8	-10.3
Hungary	1.1	3.0	0.7	3.3
India	2.7	-11.3	7.0	-19.7
Indonesia	1.8	0.8	1.7	-4.8
Israel	1.3	14.7	2.3	11.7
Jordan	0.0	0.0	0.1	17.4
Kazakhstan	0.1	-6.5	0.0	0.0
Korea	14.8	-4.9	13.8	-7.6
Malaysia	4.0	-11.8	2.5	-9.1
Mexico	3.0	-6.1	5.2	-4.5
Morocco	0.0	0.0	0.4	-2.6
Pakistan	0.3	-28.4	0.2	-26.6
Peru	0.2	-4.0	0.7	2.4
Philippines	0.9	-32.5	0.5	-24.9
Poland	0.5	-3.5	1.8	-8.4
Russia	9.2	11.3	10.0	10.8
South Africa	4.8	2.7	6.3	4.5
Taiwan	13.7	-8.6	11.7	-10.6
Thailand	4.3	-12.9	1.6	-11.9
Turkey	2.3	-0.7	1.2	-1.5
Venezuela	0.0	0.0	0.0	0.0
Other Countries	12.1		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, 2008

Investment Advisor	Net Asset Value	% of Fund
Grantham, Mayo, Van Otterloo	\$693,054,190	53.16%
Emerging Markets Management	609,293,017	46.73%
Other ⁽¹⁾	1,411,891	0.11%
SUBTOTAL EMISF	\$1,303,759,098	100.00%

(1) Other represents cash equivalents, other net 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, 2008

Security Name	Country	Market Value	%
Petroleo Brasileiro Sa			
Petro Sponsored ADR	Brazil	45,201,637	3.50%
Gazprom O A O			
Sponsored ADR	Russian Federation	34,884,100	2.69%
Companhia Vale Do Rio			
Doce Spons ADR			
REPSTG 250 PFD SHS Brazil		31,767,187	2.45%
Samsung Electronic			
KRW 5000	Republic of Korea	29,330,577	2.26%
EMSAF Mauritius			
Reref from 132197	United States	27,887,293	2.15%
Gazprom ADR Rep 4			
Ord Rub5	Russian Federation	27,666,000	2.13%
China Mobile Ltd. HKD 0.10	Hong Kong	26,255,623	2.03%
Petroleo Brasileiro Sa			
Sponsored ADR	Brazil	18,197,644	1.40%
CNOOC Ltd. HKD 0.02	Hong Kong	17,016,273	1.31%
KT + G Corporation			
KRW5000	Republic of Korea	16,703,236	1.29%
Top Ten		274,909,570	21.21%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

2008 real estate fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: (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.

Performance Objective: An annual total return which is equal to or greater than CRPTF's actuarially determined assumed rate of return (currently 8.5%) and competitive with that of other asset classes in which CRPTF invests, on a risk adjusted basis.

Benchmark: National Council of Real Estate Investment Fiduciaries Index (NCREIF) 1quarter lag.

Date of Inception: July 1, 1982

Total Net Assets: \$1,002,321,007

Number of Advisors: 23 external

Management Fees ⁽¹⁾: \$3,453,459

Operating Expenses: \$580,590

Expense Ratio: 0.58%

Capitalized and Netted Fees: \$9,559,914

(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) is an externally managed fund that invests in real estate, real estate related investments and mortgages. These investments are restricted by policy to the purchase of shares in group annuities, limited partnerships, group trusts, corporations, and other indirect ownership structures managed by professional commercial real estate investment firms.

REF is benchmarked against the NCREIF index. 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 CRPTF's actuarially determined assumed rate of return (currently 8.5%) and competitive with that of other asset classes in which CRPTF invests, on a risk adjusted basis.

Portfolio Characteristics

At June 30, 2008, the portfolio consisted of 23 externally managed portfolios/investments, with .6% invested in real estate trusts, 96.1% invested in limited partnerships and 3.3% invested in cash. The Fund's ten largest holdings aggregated to 56.58% of the fund. (See figure 10-12.)

As currently structured, 22.6% of the REF is invested in cash and other property types, 16.9% apartment, 13.4% hotel, 11.1% retail, 26.7% office and 9.3% industrial. (See figure 10-7.)

The portfolio is reasonably well diversified geographically with 31.2% in the West, 29.2% in the South, 25.4% in the East and 7.9% in the Midwest. 3.0% is invested internationally and the balance of 3.3% is invested in cash. (See figure 10-6.)

Performance Summary

For the fiscal year ending June 30, 2008, the REF generated a total return of 6.04%, net of fees, which under performed the National Council of Real Estate Investment Fiduciaries Index (NCREIF) of 13.58% by 754 basis points. Most of the under-performance is the result of a Senior Housing fund in Florida which also lowered the returns for fiscal 2007. This fund is scheduled for liquidation in 2009.

During the fiscal year, the value of REF increased from \$685.7 million to \$1,002.3 million, due primarily to the \$56.3 million generated from operations and net gains, and \$320 million of new purchases offset by \$50.3 million of distributions, \$9.0 million of redemptions and \$0.4 million in salaries.

For the trailing three, five and ten year periods, REF's compounded annual returns were 8.98%, 10.66%, and 8.93%, respectively, net of all expenses (see figure 10-8). The REF returns underperformed the benchmark in the three, five and ten year periods by 777 basis points, 441 basis points and 370 basis points, respectively. The Florida senior housing fund is the primary drag on all of these reporting periods. As mentioned earlier, the necessary steps are being taken to ensure a timely liquidation of the remaining assets in this fund. CRPTF continues to restructure the REF with a heavy emphasis on the core property types including office, retail, apartment, industrial and hotel.

During fiscal year 2008, CRPTF committed \$475 million to seven separate limited partnerships. A commitment of \$100 million was made to Morgan Stanley Prime Property Fund and \$75 million to Cornerstone Patriot Fund. Both of these funds were low risk core real estate accounts with expected net returns of 8% per annum.

A commitment of \$50 million was made to Colony Realty Partners II, LP a moderate risk real estate fund with a focus on apartment, industrial and office properties. The fund is projecting a 10% - 13% net return.

Offsetting the low risk strategies were commitments of \$100 million to Blackstone Real Estate Partners VI, LP which has a strategy of converting public real estate companies to private enterprises; a \$50 million commitment to RLJ Real Estate Fund III, LP, a fund focused on the purchase of limited service hotels in the United States; a \$50 million commitment to Canyon-Johnson Urban Fund III, LP, a fund focused on development and redevelopment of mixed use urban properties; and a \$50 million commitment to IL&FS India Realty Fund II, LLC, a fund focused on the development of for sale housing, office and industrial properties in India. All of these funds have projected net returns in the 15% - 20% range.

Market Review

The United States economy is in the midst of a credit contraction which started in the summer of 2007. The pace of commercial property sales has contracted by more than 75% from the previous year. The lack of credit and any significant sales volume has put downward pressure on commercial property valuations. Expectations are that valuations will continue the downward trend until the credit crisis is fully resolved and confidence is once again restored to the marketplace. In the meantime, the fund managers are focused on leasing and rehabilitation strategies to weather the downturn. The economic crisis put a halt to numerous new construction projects so the supply demand ratio for most property types is still strong. While increased valuations are not likely in this environment, the huge losses that have been recognized in the sub-prime mortgage market are not forecast as well.

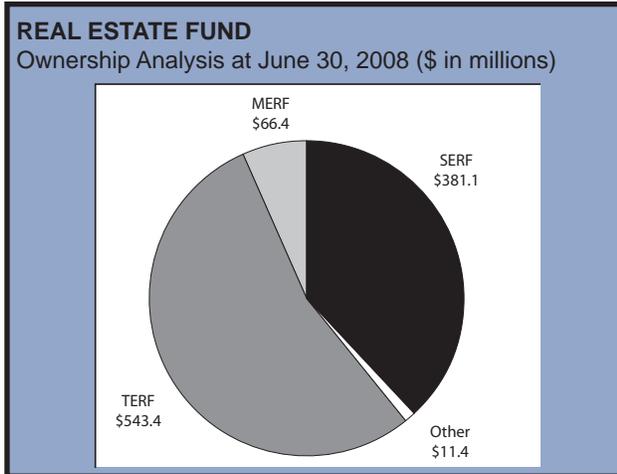
Risk Profile

Given REF's investment policy and objectives, the Fund is exposed to several forms of risk. These include risks attendant to alternative investments, such as management, operations, market, and liquidity risk, but also include geographic, financing, and construction risks specific to real estate investments.

As shown below, based on returns over the last five years, the Fund has exhibited substantially more volatility than its benchmark. The Fund's statistics are consistent with its extraordinarily low R2 of .18, signifying almost no correlation between Fund returns and those of the benchmark. Its beta of 0.13 indicates little sensitivity to overall fluctuations in the benchmark. In the aggregate, the Fund's monthly alpha, or return relative to that achieved by the benchmark, was negative 4.51 over the five-year time period. As mentioned earlier, a major restructuring of the Fund is in process to more closely align the Fund with the benchmark. (See figure 10-2.)

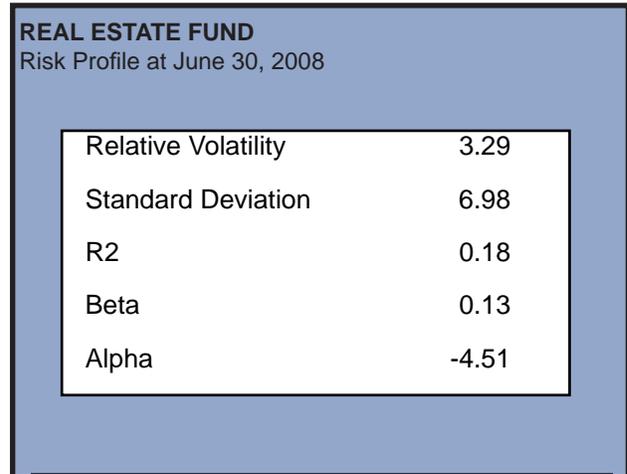
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-1



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

Figure 10-2



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

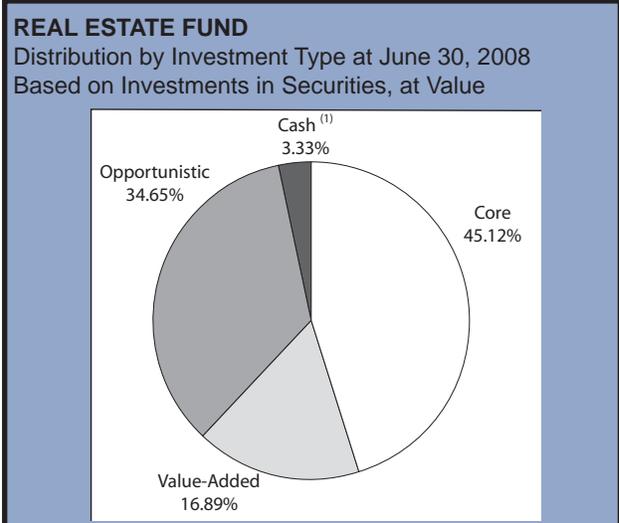
Figure 10-3

REAL ESTATE FUND
Investments Analysis ⁽¹⁾

At	No. of REF Investments	REF Book Value	REF Market Value
6/30/2008	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
6/30/2001	10	403,106,638	471,662,581
6/30/2000	11	434,881,420	478,966,334
6/30/1999	14	395,221,763	380,769,286

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

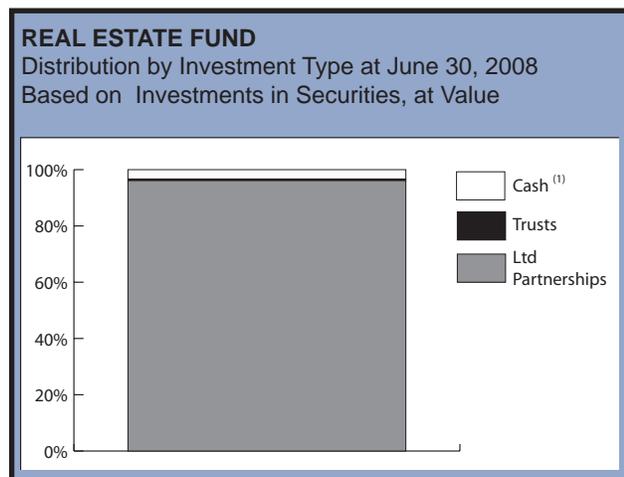
Figure 10-4



(1) Liquidity Fund and other monetary assets.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-5



(1) Liquidity Fund.

Figure 10-6

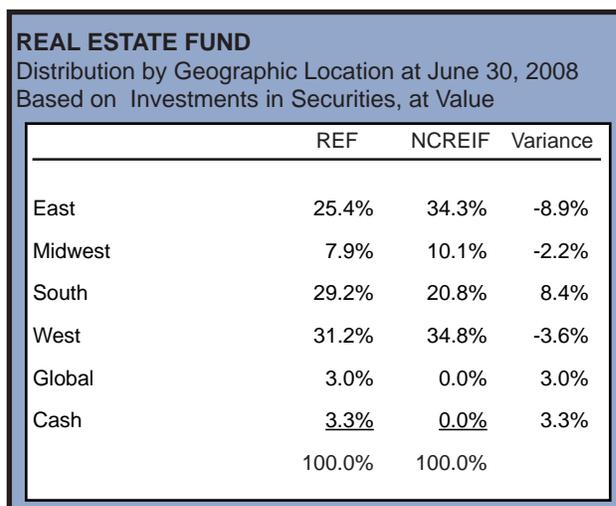
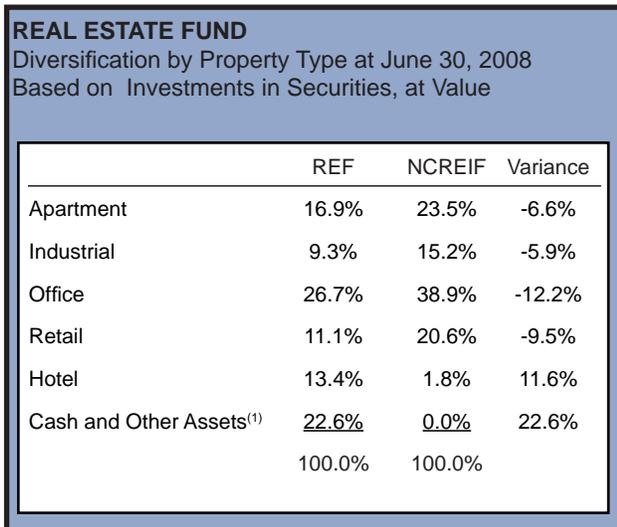


Figure 10-7



(1) Includes senior living, real estate mixed use, land and cash.

Figure 10-8

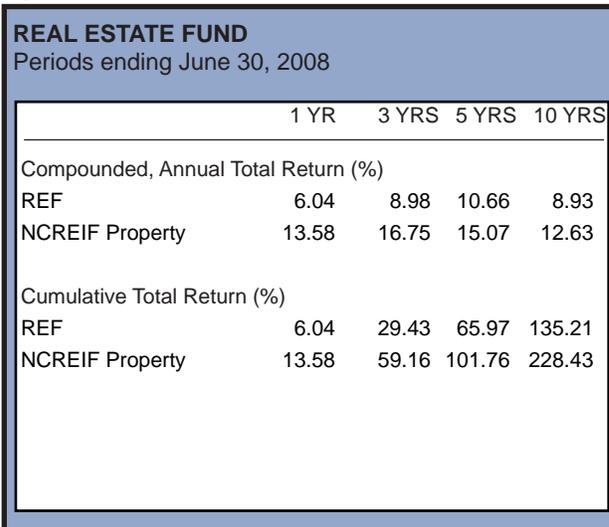


Figure 10-9

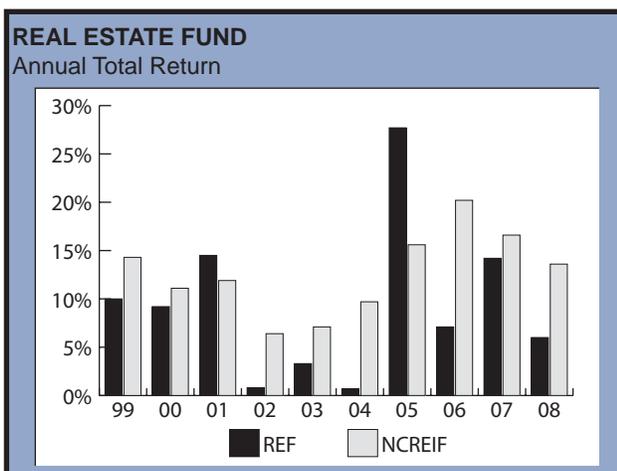
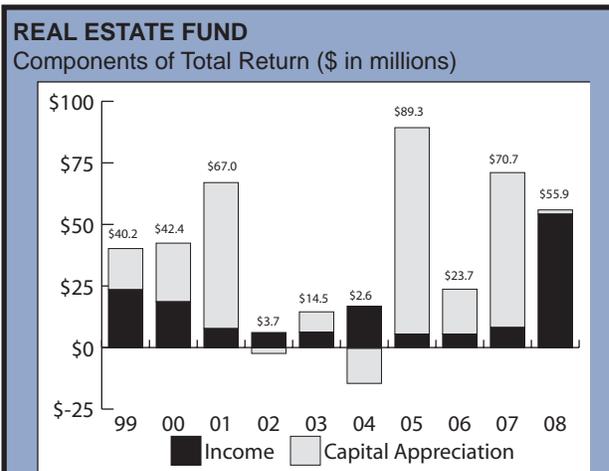


Figure 10-10



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-11

REAL ESTATE FUND		
Investment Advisors at June 30, 2008		
Investment Advisor	Net Asset Value	% of Fund
AEW Capital Management	\$16,416,491	1.64%
AEW Core	180,271,447	17.99%
Apollo Real Estate	45,554,672	4.54%
Blackstone Real Estate VI LP	46,776,883	4.67%
Canyon Johnson Urban Fund II	26,856,469	2.68%
Capri Select Income II LLC	29,946,510	2.99%
Colony Realty Partners II LP	47,654,787	4.75%
Cornerstone Patriot	73,366,650	7.32%
Covenant Apartment Fund V LP	23,293,573	2.32%
Macfarlane Urban Real Estate Fund II LP	26,786,193	2.67%
Mullica Hill Plaza	10,076,518	1.01%
New Boston Fund	5,863,982	0.59%
North Scottsdale Corporate Center	52,535,316	5.24%
Prime Property Fund	102,463,500	10.22%
RLJ Urban Lodging Fund	171,379	0.02%
RLJ Urban Lodging Fund II	39,204,093	3.91%
Rockwood Capital Fund V	27,133,745	2.71%
Rockwood Capital VI Limited Partnership	17,376,816	1.73%
Rockwood Capital VII Limited Partnership	33,318,904	3.32%
Starwood Opportunity Fund VII	53,857,300	5.37%
Urban Strategy America Fund LP	15,385,904	1.54%
Walton Street Real Estate	41,901,440	4.18%
Westport Senior Living	52,673,389	5.26%
Other ⁽¹⁾	33,435,046	3.33%
SUBTOTAL REF	\$1,002,321,007	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, 2008			
Property Name	Type	Market	
		Value	%
Prime Property Fund	Various	\$102,463,500	10.22%
Cornerstone Patriot	Various	73,366,650	7.32%
Starwood Opportunity Fund VII	Various	53,857,300	5.37%
Westport Senior Living Inv FD	Sr Living	52,673,389	5.26%
North Scottsdale Corp Center	Office	52,535,316	5.24%
Colony Realty Partners II LP	Various	47,654,787	4.75%
Rio Hill Shopping Center	Retail	47,616,541	4.75%
Blackstone Real Estate VI LP	Various	46,776,883	4.67%
Apollo Real Est Invest Fd III	Various	45,554,672	4.55%
1155 Perimeter Center West	Office	44,620,096	4.45%
Top Ten		\$567,119,134	56.58%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

Figure 10-13

REAL ESTATE FUND			
New Investments Made in Fiscal Year 2008 ⁽¹⁾ (in Excess of \$3 Million)			
Partnership Name	Commitment Amount	Investment Type	Inv. Date
Morgan Stanley Prime	\$100 million	Core	July 25, 2007
Colony Realty II	\$50 million	Value-Added	August 30, 2007
RLJ III	\$50 million	Opportunistic	August 28, 2007
Blackstone VI	\$100 million	Opportunistic	August 9, 2007
Cornerstone Patriot	\$75 million	Core	December 31, 2007
Canyon Johnson III	\$50 million	Opportunistic	February 19, 2008
IL&S	\$50 million	Opportunistic	March 6, 2008
Total	\$475 million		

(1) These represent new Real Estate Partnerships that were invested in by the Fund during fiscal year 2008.

2008 commercial mortgage fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: To achieve yields in excess of those available on domestic fixed income securities by investing in mortgages on income producing property or in commercial mortgage backed securities (CMBS).

Performance Objective: An annual total return which is one percentage point greater than that of the Lehman Aggregate Index after expenses.

Benchmark: Lehman Aggregate Index

Date of Inception: November 2, 1987

Total Net Assets: \$6,911,105

Number of Advisors: 1 external

Management Fees: \$73,500

Operating Expenses: \$11,572

Expense Ratio: 1.23%

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 risk.

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.

The CMF's performance objective is an annual total return, net of management fees and operating expenses, which exceeds that of Lehman Aggregate Index by 100 basis points.

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 a maturity of September 2012. The loan amortized by approximately \$0.8 million during the fiscal year. Debt service coverage is abundant at 2.97 times.

The portfolio is healthy from a credit risk standpoint. CMF had no delinquent or non-performing loans at fiscal year end. None of the Fund's investments are scheduled to mature in the next 12 months.

Performance Summary

For the fiscal year ended June 30, 2008, the CMF generated a return of 12.05%, net of management fees and operating expenses, out performing the Lehman Aggregate Bond Index (LABI) of 7.13% by 492 basis points. The CMF's favorable performance is attributable to its yield advantage versus the benchmark.

During the fiscal year, CMF assets declined from \$7.767 million to \$6.911 million. This reduction was due to distributions of \$0.643 million and redemptions of \$1.027 million offset by net income from operations of \$0.824 million and \$0.01 million in salaries.

For the trailing three, five, and ten-year periods, CMF's total compounded annual portfolio return was 9.9%, 8.85% and 9.02%, respectively, net of all expenses. The Fund's results over the three, five and ten-year periods exceeded the benchmark by 581 basis points, 499 basis points and 334 basis points, respectively.

At June 30, 2008, the Fund consisted of one commercial mortgage loan in the amount of \$6,467,187 and five residential mortgage pools with a combined value of \$288,719. The CMF also had \$150,190 of cash. The CMF continues to be inactive regarding new loans and is being managed to maximize the total return of its remaining holdings.

Market Review

In the fiscal year ending June 30, 2008, the U.S. economy continued to expand at a very slow pace. Optimism for further economic growth has recently been tempered by disruptions in the debt markets, particularly sub-prime residential mortgages.

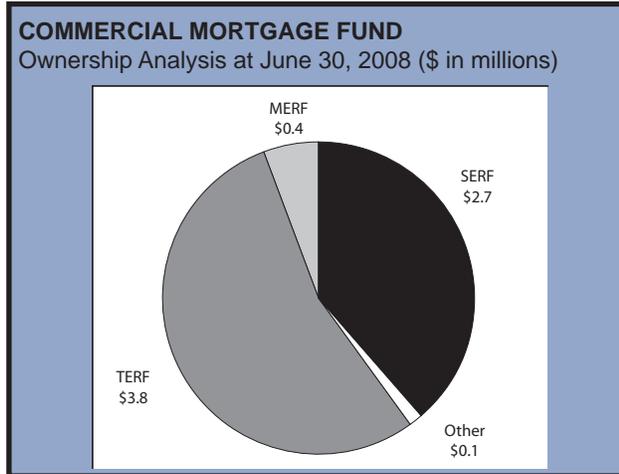
Risk Profile

Given CMF's investment policies and objectives, it 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 Lehman Aggregate Index. With a relative volatility of 1.36, its returns are slightly more volatile than the index; however, its returns show modest correlation to those achieved by the benchmark. The Fund's beta of -.02 signifies a limited amount of sensitivity to movements in the 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, 2007 was 4.99.

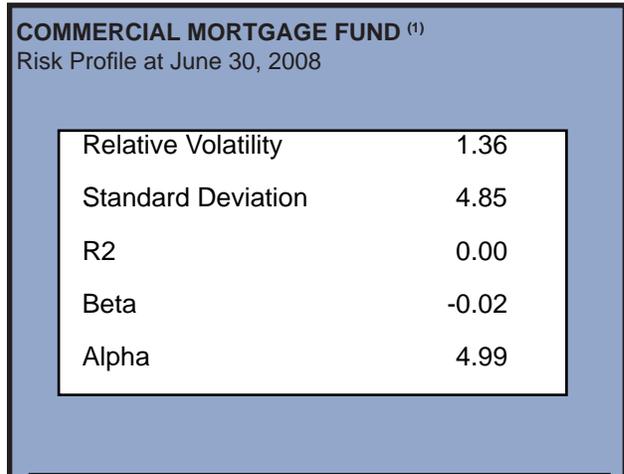
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 11-1



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

Figure 11-2



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

Figure 11-3

COMMERCIAL MORTGAGE FUND
Quarterly Current ⁽¹⁾ Yield Analysis

	CMF	LB Aggregate
6/30/2008	8.60%	5.32%
3/31/2008	8.68%	5.24%
12/31/2007	8.32%	5.33%
9/30/2007	8.52%	5.40%
6/30/2007	8.98%	5.45%

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

Figure 11-4

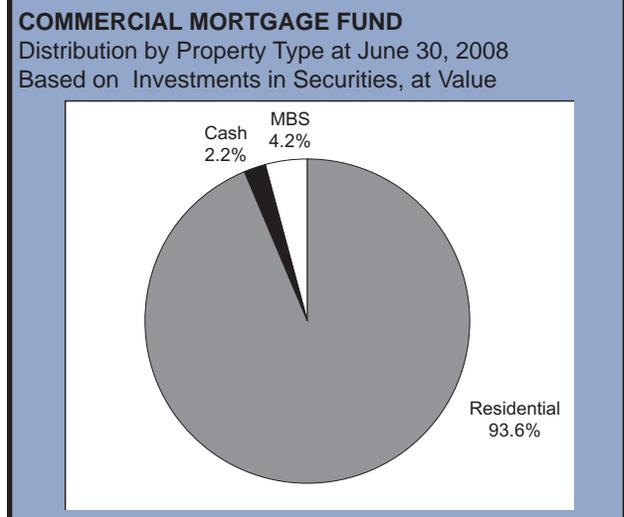


Figure 11-5

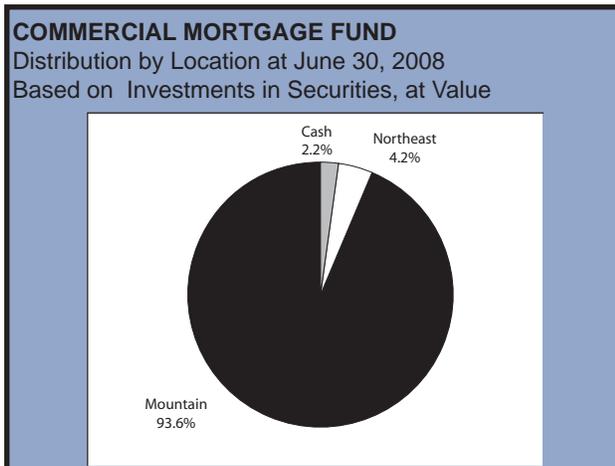
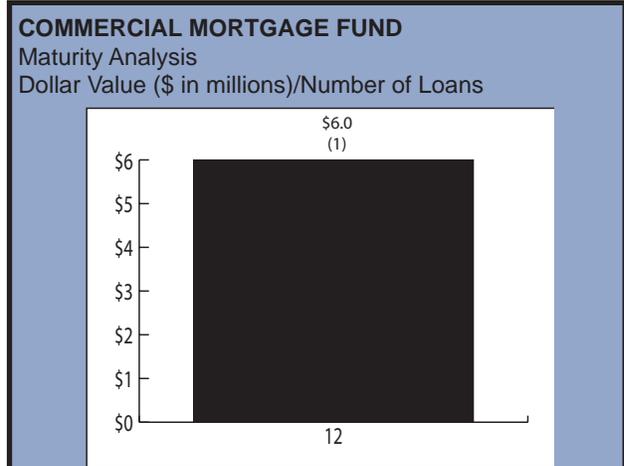


Figure 11-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 11-7

	1 YR	3 YRS	5 YRS	10 YRS
COMMERCIAL MORTGAGE FUND				
Periods ending June 30, 2008				
Compounded, Annual Total Return (%)				
CMF	12.05	9.90	8.85	9.02
Lehman Agg	7.13	4.09	3.86	5.68
Cumulative Total Return (%)				
CMF	12.05	32.74	52.82	137.11
Lehman Agg	7.13	12.77	20.82	73.82

Figure 11-8

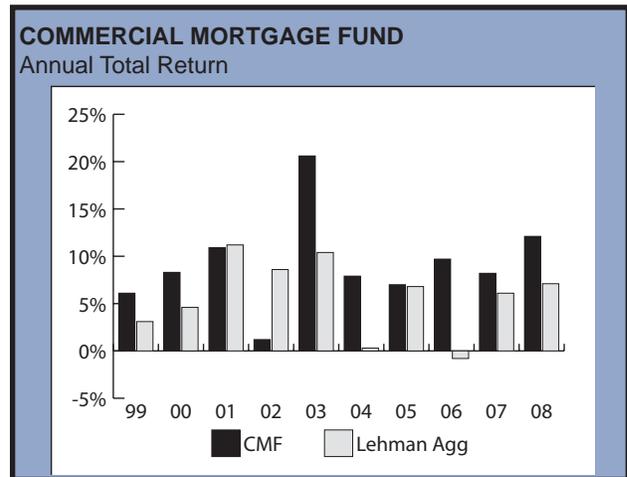


Figure 11-9

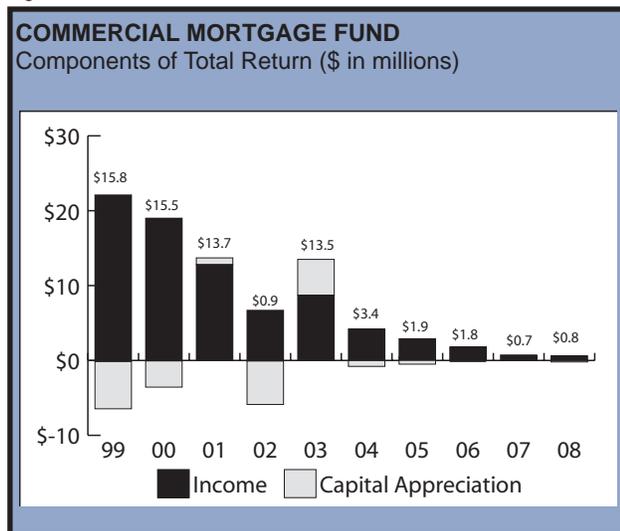


Figure 11-10

COMMERCIAL MORTGAGE FUND		
Investment Advisors at June 30, 2008		
Investment Advisor	Net Asset Value	% of Fund
AEW Capital Management	\$6,467,187	93.58%
Other ⁽¹⁾	443,918	6.42%
SUBTOTAL CMF	6,911,105	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, 2008			
Property Name	Property Type	Market Value	%
SASCO	Other	\$6,467,188	93.65%
Yankee Mac G 11.125%	Residential	114,079	1.65%
Yankee Mac E 11.056%	Residential	111,349	1.61%
Yankee Mac F 12.981%	Residential	53,819	0.78%
Yankee Mac A 13.075%	Residential	9,472	0.14%
Top Five		\$6,755,907	97.83%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

2008 private investment fund

Fund Facts at June 30, 2008

Investment Strategy/Goals: A long-term asset allocation with the goal of earning returns in excess 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: \$1,794,708,081

Number of Partnerships: 62 external

Expensed Management Fees ⁽¹⁾: \$9,359,774

Operating Expenses: \$1,740,276

Expense Ratio: 0.36%

Capitalized and Netted Fees: \$30,229,032

(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 among two specific areas: venture capital and corporate finance. Further corporate finance encompasses several underlying corporate finance related 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, net of management fees and Division operating expenses over a rolling ten-year period, the Standard & Poor's 500 Index by 500 basis points.

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 a multiple of selected private equity partnerships that invest in underlying companies. Private equity investments include two general areas of strategic focus:

Corporate Finance

Buyout focused investments can be 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 can be 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 Situations focused investments can be defined as investments in a variety of securities (Debt, Preferred Equity, Common Equity) in portfolio companies at a variety of stages of development (Seed, Early Stage, Later Stage).

International Private Equity focused investments can be defined as investments in private equity or equity-like securities in companies located outside the continental United States. International Private Equity investments often

offer more attractive return/risk characteristics 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 the 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, 2008, the PIF had aggregate capital commitments in the amount of \$5.8 billion to 70 funds of which approximately 74 percent, or \$4.3 billion has been "drawn down" for investment purposes while the balance of approximately \$1.5 billion or 26 percent is committed but uninvested. (See Figure 12-6.)

Market Review

The current credit crisis has led to a contraction in overall deal activity as private equity managers found it more difficult to access the debt financing necessary to perfect leveraged buyout transaction. This market phenomenon has also affected merger and acquisition activity in the U.S., slowing it significantly thus far in 2008. The dollar value of U.S. mergers and acquisitions is on pace in 2008 to be more than 50% below 2007. Deal pacing will likely only start to recover during 2009 with an improvement in sentiment. Despite a correction in the global financial markets, private equity fundraising has continued to be strong in the first quarter of 2008. Approximately \$78 billion has been raised for U.S. buyout funds in the first quarter, versus \$246 billion in the full year 2007. Approximately \$15 billion has been raised for European buyout funds in the first quarter, versus \$65 billion in 2007. Fundraising activity in Asia was strong in the first quarter, and is on pace to exceed 2007 levels. U.S. and European venture fundraising is on pace with 2007.

Performance Summary

For the fiscal year ended June 30, 2008, the Private Investment Fund ("PIF") generated a one year 13.7% compounded annual rate of return which is also known as a Time Weighted Return ("TWR"). While short-term performance is assessed, the Fund has a long-term perspective in evaluating performance, in that it measures the returns over a 10-year time period against the ten year return of the S&P 500 plus 500 basis points – the benchmark used to measure the performance of the Private Investment Fund ("PIF") partnership holdings. This long-term perspective reflects the illiquid nature of the Fund's holdings and the time it takes them to progress through specific developmental periods. And second while the PIF has exceeded its benchmark over a ten year period by generating a return of over 525 basis points over its stated objective. From a TWR perspective, the PIF has also outperformed the Venture Economics All Private Equity time-weighted benchmark of 10.98%. The out performance is impressive given that the PIF is undergoing the "J-curve" effect of new fund investments made over the last three fiscal years after a period of inactivity.

The institutional standard for measuring private equity performance is the Internal Rate of Return ("IRR"), which is a dollar-weighted return that considers both cash flows and time. For the fiscal year ended June 30, 2008, the PIF generated an 8.13% Internal Rate of Return since its inception in 1987. Another performance measure which is used by major institutional investors is a customized dollar-weighted public U.S. equity market equivalent ("PME"). The PME serves as a proxy for the return the investor would have received had it invested in public equities versus private equity. From inception through June 30, 2008, the PIF has generated 590 basis points in excess of the PME.

During fiscal 2008, the Private Investment Fund added \$450 million of new commitments to eight private equity fund managers (See Figure 12-10). Two of those managers are minority-owned; in aggregate these managers accounted for \$105 million of fiscal 2008's total commitments.

During fiscal year 2008, PIF's assets increased from \$1.563 billion to \$1.795 billion, an increase of \$232 million to participating pension plans and trusts. In reporting values for PIF, private market valuations are often imprecise. Accordingly, the PIF investment managers typically adopt a valuation policy, carrying the

investments at cost unless and until there is substantive evidence to change valuations. This year the PIF investment manager's adopted mark to market accounting standards stipulated by FASB 157, which will impact underlying portfolio company valuations going forward. For the FY 2008 the majority of downward changes in value can be attributed to mark to markets based on the macro economic weakness of publicly traded comparables as opposed to portfolio company underperformance versus plan. These determinations are made on an on-going basis independently by the General Partner.

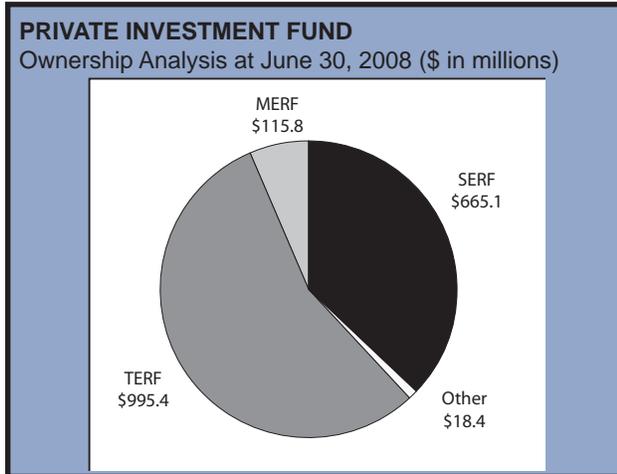
Risk Profile

Given PIF's investment policy and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, 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 the Private Investment Fund 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. PIF's volatility relative to its benchmark is 1.02 with a correlation .49 for the most recent fiscal year. The Fund has returned an annual alpha, or return relative to that predicted by its benchmark, of negative -5.52. (See Figure 12-2.)

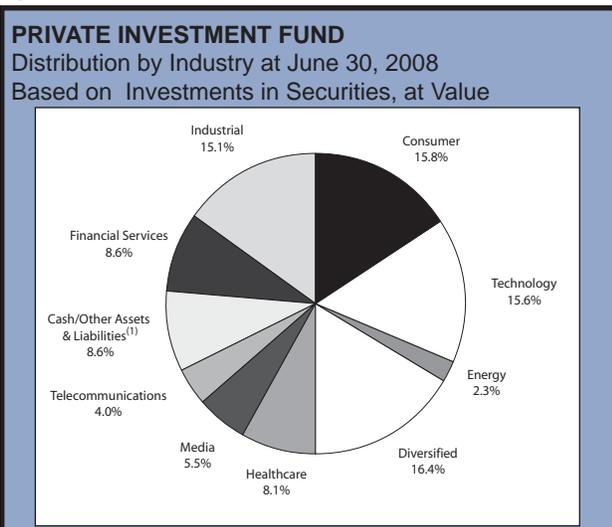
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 12-1



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

Figure 12-3



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

Figure 12-5

PRIVATE INVESTMENT FUND
Periods ending June 30, 2008

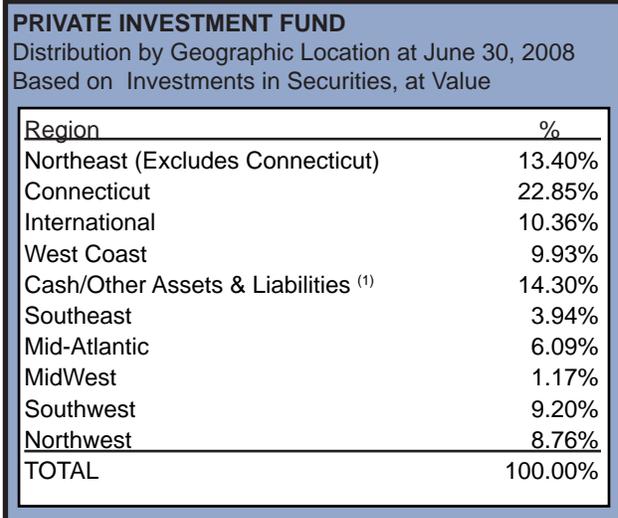
	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
PIF	13.66	14.84	14.39	8.13
S & P 500	-13.12	4.41	7.59	2.88
Venture Economics				
All Private Equity	10.98	19.77	19.91	13.48
Cumulative Total Return (%)				
PIF	13.66	51.47	95.87	118.47
S & P 500	-13.12	13.81	44.13	32.87
Venture Economics				
All Private Equity	10.98	71.82	147.87	254.07

Figure 12-2



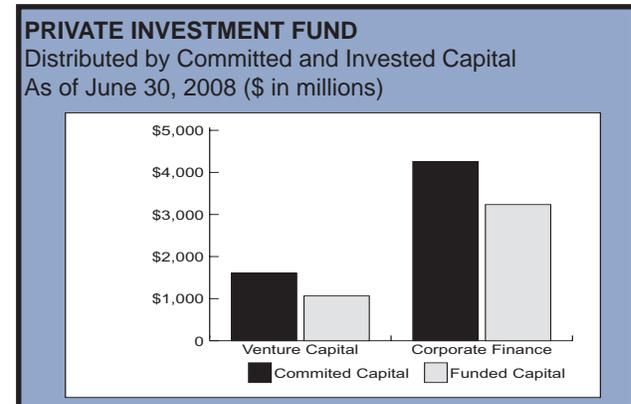
(1) Based upon returns over the last five years.

Figure 12-4



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

Figure 12-6



(1) Includes Committed Capital for Buyout of 2,909.3 mill.(68.3%), FOF of 565.0 mill.(13.3%), Mezzanine of 320.3 mill.(7.5%), Special Situations of 390.0 mill.(9.2%) and Venture Capital of 75.0 mill.(1.7%). In addition Funded Capital is included for Buyout of 2,351.7 mill.(72.7%), for FOF of 289.1 mill.(8.9%), for Mezzanine of 273.4 mill.(8.5%), for Special Situations of 261.6 mill.(8.1%) and for Venture Capital of 59.9 mill.(1.8%).

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 12-7

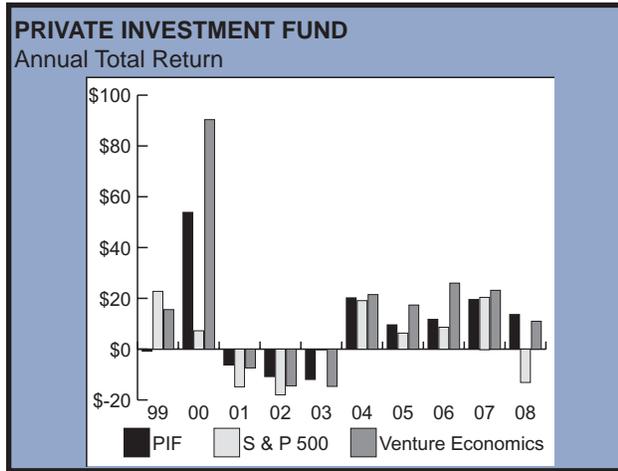


Figure 12-8

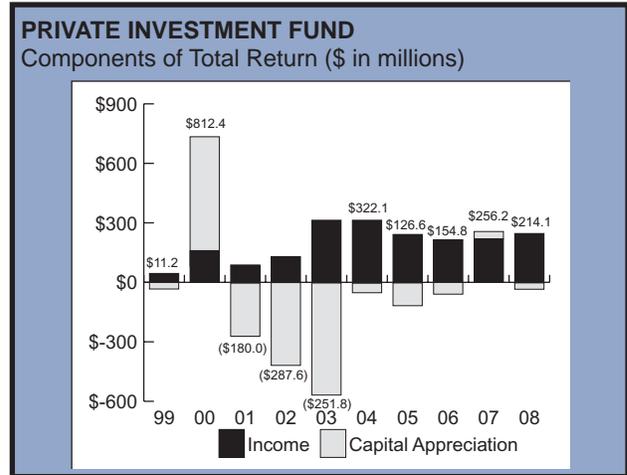


Figure 12-9

PRIVATE INVESTMENT FUND
Ten Largest Holdings* at June 30, 2008

Partnership Name	Partnership Type	Market Value	%
Constitution Liquidating Fund	Fund of Funds	\$239,521,429	13.37%
KKR Millennium Fund	Buyout	97,425,807	5.45%
KKR 2006 Fund	Buyout	85,612,671	4.79%
Welsh Carson Anderson & Stowe X LP	Buyout	82,228,660	4.60%
Parish Capital Buyout Fund II	Fund of Funds	81,098,839	4.53%
Fairview Constitution II LP	Fund of Funds	79,940,110	4.47%
Carlyle Asia Partners LP	International	68,421,669	3.82%
Charterhouse Equity Partners IV	Buyout	65,577,209	3.67%
FS Equity Partners V	Buyout	55,276,872	3.09%
Gilbert Global Equity Partners	International	54,569,439	3.05%
Top Ten		\$909,672,705	50.84%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

Figure 12-10

PRIVATE INVESTMENT FUND
New Investments Made in Fiscal Year 2008⁽¹⁾ (in Excess of \$3 Million)

Partnership Name	Commitment Amount	Partnership Type	Inv. Date
CS Cleantech	\$25 million	Fund of Funds	July 24, 2007
Pegasus IV	\$75 million	Mezzanine	August 20, 2007
AIG Altaris II	\$40 million	Buyout	October 19, 2007
WL Ross IV	\$100 million	Buyout	October 29, 2007
Muller Monroe CT Horizon	\$55 million	Fund of Funds	November 28, 2007
RFE VII	\$40 million ⁽²⁾	Buyout	February 27, 2008
Vista III	\$50 million	Buyout	April 25, 2008
Aldus CT Horizon	\$65 million	Fund of Funds	June 30, 2008
Total:	\$450 million		

(1) These represent new Private Equity Partnerships that were invested in by the Fund during fiscal year 2008.

(2) Includes a total of \$10.3 million of increased capital commitments on August 11 and September 8, 2008.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 12-11

PRIVATE INVESTMENT FUND					
Investment Advisors at June 30, 2008					
Investment Advisor	Net Asset Value	% of Fund	Investment Advisor	Net Asset Value	% of Fund
Buyout	\$774,928,521	43.16%	Mezzanine	56,445,553	3.15%
KKR Millennium Fund	97,425,807	5.43%	SW Pelham Fund	4,325,539	0.24%
Hicks, Muse Tate & Furst Equity Fund III	29,105,687	1.62%	GarMark Partners	3,203,066	0.18%
Thomas H. Lee Equity Fund IV	1,587,206	0.09%	GarMark Partners II LP	39,448,830	2.20%
Thomas H. Lee Equity Fund VI	50,337,273	2.80%	SW Pelham Fund II	9,468,118	0.53%
Welsh Carson Anderson & Stowe VIII	21,141,054	1.18%	International	200,111,979	11.15%
Wellspring Capital Partners III	50,994,408	2.84%	Compass Partners European Equity Fund	27,770,476	1.55%
SCP Private Equity Partners	23,332,055	1.30%	Gilbert Global Equity Partners	54,569,439	3.04%
Charterhouse Equity Partners IV	65,577,209	3.65%	Carlyle Europe Partners	25,373,929	1.41%
Forstmann Little Equity Fund VI	4,187,397	0.23%	AIG Global Emerging Markets Fund	23,976,467	1.34%
DLJ Merchant Banking Fund II	17,202,542	0.96%	Carlyle Asia Partners	68,421,668	3.81%
KKR 1996 Fund	8,914,467	0.50%	Fund of Funds	500,384,675	27.88%
FS Equity Partners V	55,276,872	3.08%	The Constitution Liquidating Fund	239,521,431	13.35%
Blackstone Capital Partners III	8,431,850	0.47%	Landmark Private Equity Fund VIII	32,106,470	1.79%
Thayer Equity Investors IV	16,061,418	0.89%	CS/CT Cleantech Opp Fund	3,547,871	0.20%
Kelso Investment Associates VI	4,463,788	0.25%	CT Emerging Pvt Equity	1,922,546	0.11%
Green Equity Investors III	4,370,681	0.24%	Fairview Constitution III	8,672,250	0.48%
Wellspring Capital Partners II	2,214,255	0.12%	Goldman Sachs Private Equity Partners Connecticut	13,307,244	0.74%
Veritas Capital Fund	84,650	0.00%	Lexington Capital Partners II	6,466,889	0.36%
AIG Healthcare Partners LP	29,353,580	1.64%	Parish Capital I LP	33,801,027	1.88%
AIG Altaris Health Partners II	4,593,667	0.26%	Parish Capital Buyout Fund II	81,098,837	4.52%
Welsh Carson Anderson & Stowe X LP	82,228,660	4.58%	Fairview Constitution II LP	79,940,110	4.45%
Court Square Capital Partners II	24,176,785	1.35%	Special Situations	103,546,939	5.76%
Ethos Private Equity Fund V	27,922,900	1.56%	Welsh Carson Anderson & Stowe Capital Partners III	23,875,251	1.33%
Boston Ventures VII	20,153,787	1.12%	Greenwich Street Capital Partners II	5,943,256	0.33%
KKR 2006 Fund	85,612,671	4.77%	Pegasus Partners IV	29,290,130	1.63%
Nogales Investors Fund II	233,476	0.01%	Forstmann Little MBO VII	2,372,516	0.13%
ICV Partners II LP	6,887,275	0.38%	WLR Recovery Fund IV	28,264,848	1.57%
Vista Equity Partners Fund III	20,921,186	1.17%	KPS Special Situations Fund II	13,800,938	0.77%
RFE Investments Partners	5,286,475	0.29%	Other ⁽¹⁾	117,609,317	6.58%
RFE Investment Partners VII	6,849,440	0.38%	TOTAL PIF	\$1,794,708,081	100.00%
Venture Capital	41,681,097	2.32%			
Conning Capital Partners V	4,022,660	0.22%			
Crescendo World Fund	15,329,212	0.85%			
Grotech Partners V	9,255,197	0.52%			
Shawmut Equity Partners	5,698,233	0.32%			
Crescendo III	2,028,146	0.11%			
Syndicated Communications	5,247,439	0.29%			
Connecticut Futures Fund	100,210	0.01%			

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ADVISORS AND FEES IN EXCESS OF \$5,000⁽¹⁾
FOR PERIODS ENDED JUNE 30

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2008	2007	2006	2005	2004
INVESTMENT ADVISORY SERVICES						
Equity Advisory Services						
AXA Rosenberg Institutional Equity Mgmt	Equity Advisor	795,699	3,258,030	3,496,797	507,722	398,339
Barclay's Global Investors	Equity Advisor	3,091,096	19,330,302	17,556,658	3,332,554	12,202,021
Bivium Capital Partners, LLC	Equity Advisor	1,629,037	1,264,146	761,024	-	-
Brown Capital Management	Equity Advisor	-	163,926	211,591	354,120	310,488
Capital Prospects LLC	Equity Advisor	1,064,352	747,721	361,850	-	-
FIS Group Inc.	Equity Advisor	941,430	754,413	407,648	-	-
State Street Global Advisors	Equity Advisor	247,748	237,897	216,988	274,667	224,895
Thomas Weisel Partners (ValueQuest)	Equity Advisor	-	-	-	-	192,152
Travelers Investment Management	Equity Advisor	-	-	306,075	421,843	451,208
Trust Company of the West (Cowen)	Equity Advisor	1,343,817	1,178,375	1,011,678	2,078,780	713,510
Total Equity Advisor Compensation		\$9,113,179	\$26,934,810	\$24,330,309	\$6,969,686	\$14,492,613
Fixed Income Investment Advisory Services						
Blackrock Financial Management	Fixed Income Advisor	392,489	1,498,458	1,519,240	1,525,126	1,551,082
Bridgewater Associates	Fixed Income Advisor	165,115	568,577	-	-	-
Brown Brothers Harriman & Co.	Fixed Income Advisor	47,021	186,107	154,386	-	-
Goodwin Capital Advisors (Phoenix)	Fixed Income Advisor	169,499	555,070	544,902	550,966	555,554
Hartford Investment Management Co.	Fixed Income Advisor	33,974	103,466	85,799	-	-
Loomis Sayles & Co., Inc.	Fixed Income Advisor	204,110	763,360	523,406	504,850	442,948
Oaktree Capital Management	Fixed Income Advisor	282,324	716,556	445,258	563,305	436,777
Progress Investment Management	Fixed Income Advisor	134,134	529,293	340,907	-	-
State Street Global Advisors	Fixed Income Advisor	89,263	318,064	309,376	526,875	558,591
W. R. Huff Asset Management	Fixed Income Advisor	-	1,360,812	319,873	2,216,156	1,930,812
Wellington Asset Management	Fixed Income Advisor	246,808	978,643	1,007,301	1,026,168	1,044,851
Western Asset Management	Fixed Income Advisor	349,720	1,229,034	1,235,635	1,207,359	1,439,163
Total Fixed Income Advisor Compensation		\$2,114,457	\$8,807,440	\$6,486,083	\$8,120,805	\$7,959,778
Core Fixed Income Investment Advisory Services						
Blackrock Financial Management	Core Income Advisor	1,217,479	-	-	-	-
Goodwin Capital Advisors (Phoenix)	Core Income Advisor	567,745	-	-	-	-
Progress Investment Management	Core Income Advisor	561,890	-	-	-	-
State Street Global Advisors	Core Income Advisor	267,092	-	-	-	-
Wellington Asset Management	Core Income Advisor	734,363	-	-	-	-
Western Asset Management	Core Income Advisor	1,146,230	-	-	-	-
Total Fixed Income Advisor Compensation		\$4,494,799	\$-	\$-	\$-	\$-
Inflation Linked Bond Investment Advisory Services						
Brown Brothers Harriman & Co.	Inflation Income Advisor	143,593	-	-	-	-
Hartford Investment Management Co.	Inflation Income Advisor	124,559	-	-	-	-
Total Fixed Income Advisor Compensation		\$268,152	\$-	\$-	\$-	\$-
Emerging Market Debt Investment Advisory Services						
Bridgewater Associates	Emerging Market Advisor	161,018	-	-	-	-
Pyramis Global Advisors	Emerging Market Advisor	356,836	-	-	-	-
Stone Harbor Investment Partners	Emerging Market Advisor	399,164	-	-	-	-
UBS Global Asset Management Co.	Emerging Market Advisor	432,348	-	-	-	-
Total Fixed Income Advisor Compensation		\$1,349,366	\$-	\$-	\$-	\$-
High Yield Debt Investment Advisory Services						
Loomis Sayles & Co., Inc.	High Yield Income Advisor	565,179	-	-	-	-
Oaktree Capital Management	High Yield Income Advisor	695,140	-	-	-	-
Shenkman Capital Management	High Yield Income Advisor	148,105	-	-	-	-
Stone Harbor Investment Partners	High Yield Income Advisor	216,775	-	-	-	-
Total Fixed Income Advisor Compensation		\$1,625,199	\$-	\$-	\$-	\$-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF INVESTMENT ADVISORS AND FEES IN EXCESS OF \$5,000⁽¹⁾
FOR PERIODS ENDED JUNE 30 (Continued)**

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2008	2007	2006	2005	2004
Liquidity Fund Advisory Services						
State Street Global Advisors	Liquidity Fund Advisor	376,487	273,564	277,189	377,018	343,500
Total Liquidity Fund Advisor Compensation		\$376,487	\$273,564	\$277,189	\$377,018	\$343,500
International Equity Investment Advisory Services						
Acadian Asset Management	Intrntl Equity Advisor	385,075	481,894	-	-	-
AQR Capital Management, LLC	Intrntl Equity Advisor	439,067	543,524	-	-	-
Bank of New York	Intrntl Equity Advisor	642,250	2,633,092	2,367,488	2,244,689	-
Bridgewater Associates	Intrntl Equity Advisor	770,700	3,159,711	2,840,985	2,700,635	-
Clay Finlay Inc.	Intrntl Equity Advisor	295,382	1,231,976	1,109,359	1,122,788	672,644
DSI International Management	Intrntl Equity Advisor	-	-	-	-	171,369
Emerging Markets Management LLC	Intrntl Equity Advisor	882,918	3,404,431	2,876,360	4,384,291	-
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	1,900,375	6,746,594	5,471,090	7,316,598	4,660,885
Invesco Global Asset Management	Intrntl Equity Advisor	277,644	1,935,871	1,788,745	1,442,317	792,995
Julius Baer Asset Management	Intrntl Equity Advisor	287,012	315,222	-	-	-
Merrill Lynch Investment Managers	Intrntl Equity Advisor	-	1,223,614	1,380,677	656,758	224,242
MFS Institutional Advisors	Intrntl Equity Advisor	345,384	1,064,812	844,424	758,685	429,571
Morgan Stanely Asset Management	Intrntl Equity Advisor	-	1,321,446	2,700,870	2,989,704	6,208,561
Pictet International Management	Intrntl Equity Advisor	-	-	-	-	1,033,413
Progress Investment Management	Intrntl Equity Advisor	133,380	467,163	245,073	-	-
Putnam Advisory Company LLC	Intrntl Equity Advisor	-	-	-	1,609,355	-
Pyramis Invtrmnt Global Adv Trust (Fidelity)	Intrntl Equity Advisor	308,411	1,274,755	1,106,184	1,005,966	596,400
Salomon Smith Barney Capital Mgmt	Intrntl Equity Advisor	-	-	-	28,554	27,331
Schroder Investment Management	Intrntl Equity Advisor	484,771	1,709,124	1,415,160	1,169,099	498,259
State Street Global Advisors	Intrntl Equity Advisor	107,789	485,705	420,498	578,814	377,112
Total International Equity Advisor Compensation		\$7,260,158	\$27,998,934	\$24,566,913	\$28,008,253	\$15,692,782
Developed Market International Equity Investment Advisory Services						
Acadian Asset Management	Intrntl Equity Advisor	1,259,086	-	-	-	-
AQR Capital Management, LLC	Intrntl Equity Advisor	1,397,341	-	-	-	-
Bank of New York	Intrntl Equity Advisor	1,848,626	-	-	-	-
Blackrock Financial Management (Merrill Lynch)	Intrntl Equity Advisor	899,869	-	-	-	-
Bridgewater Associates	Intrntl Equity Advisor	521,600	-	-	-	-
Clay Finlay Inc.	Intrntl Equity Advisor	883,935	-	-	-	-
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	2,706,318	-	-	-	-
Invesco Global Asset Management	Intrntl Equity Advisor	748,211	-	-	-	-
Julius Baer Asset Management	Intrntl Equity Advisor	1,007,647	-	-	-	-
MFS Institutional Advisors	Intrntl Equity Advisor	1,078,968	-	-	-	-
Progress Investment Management	Intrntl Equity Advisor	448,836	-	-	-	-
Pyramis Invtrmnt Global Adv Trust (Fidelity)	Intrntl Equity Advisor	933,148	-	-	-	-
Schroder Investment Management	Intrntl Equity Advisor	1,501,099	-	-	-	-
State Street Global Advisors	Intrntl Equity Advisor	302,429	-	-	-	-
Total International Equity Advisor Compensation		\$15,537,113	\$-	\$-	\$-	\$-
Emerging Market International Equity Investment Advisory Services						
Emerging Markets Management LLC	Intrntl Equity Advisor	2,952,146	-	-	-	-
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	3,901,398	-	-	-	-
Total International Equity Advisor Compensation		\$6,853,544	\$-	\$-	\$-	\$-
Real Estate Investment Advisory Services ⁽²⁾						
AEW Capital Management, L.P.	Real Estate Advisor	1,145,997	407,045	319,561	407,468	128,528
AEW Partners III, LP	Real Estate Advisor	82,925	205,033	255,775	528,241	687,887
Apollo Real Estate Investment Fund III	Real Estate Advisor	224,129	314,799	437,899	396,081	813,195
Blackstone Real Estate Associates	Real Estate Advisor	1,708,333	-	-	-	-
Canyon Johnson Urban Fund II, LP	Real Estate Advisor	937,500	937,500	921,875	368,947	-
Capri Select Income II LLC	Real Estate Advisor	-	-	177,143	-	-
CIGNA/TimeSquare Real Estate Investors	Real Estate Advisor	-	-	-	-	6,841

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ADVISORS AND FEES IN EXCESS OF \$5,000⁽¹⁾
FOR PERIODS ENDED JUNE 30 (Continued)

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2008	2007	2006	2005	2004
Colony Realty Partners II, LP	Real Estate Advisor	714,285	-	-	-	-
MacFarlane Urban Real Estate	Real Estate Advisor	592,856	-	-	-	-
RLJ Urban Lodging Fund II, LP	Real Estate Advisor	468,750	722,603	-	-	-
RLJ Urban Lodging Fund, LP	Real Estate Advisor	139,753	312,500	312,500	216,542	-
RMK Timberland Group (Wachovia)	Real Estate Advisor	-	-	112,065	155,971	126,874
Rockwood Capital Partners VII	Real Estate Advisor	-	381,075	-	-	-
Urban Strategy America Fund	Real Estate Advisor	-	251,546	-	-	-
Westport Senior Living Fund	Real Estate Advisor	-	-	789,347	1,518,199	1,800,000
Total Real Estate Advisor Compensation		\$6,014,528	\$3,532,101	\$3,326,165	\$3,591,499	\$3,563,325

Commercial Mortgage Investment Advisory Services⁽²⁾

AEW Capital Management, L.P.	Comm Mortgage Advisor	73,500	100,083	183,500	249,911	327,489
Total Commercial Mortgage Advisor Compensation		\$73,500	\$100,083	\$183,500	\$249,911	\$327,489

Private Investment Advisory Services⁽²⁾

AIG Altaris Health Partners, LP	Private Inv Advisor	753,103	761,202	764,402	1,983,602	-
AIG Altaris Healthcare Partners II, LP	Private Inv Advisor	600,548	-	-	-	-
AIG Global Emerging Mkts Fund LP	Private Inv Advisor	242,944	658,764	815,309	523,153	1,502,251
Blackstone Capital Partners III LP	Private Inv Advisor	29,555	52,275	27,471	31,811	-
Boston Venture Capital Partners VII, LP	Private Inv Advisor	551,900	1,178,501	-	-	-
Carlyle Asia Partners LP	Private Inv Advisor	341,317	120,806	252,787	692,812	500,000
Carlyle European Partners LP	Private Inv Advisor	295,071	165,746	300,610	975,548	1,400,977
Charterhouse Equity Partners IV, LP	Private Inv Advisor	1,266,277	1,263,500	1,055,527	2,462,032	-
Compass European Partners LP	Private Inv Advisor	-	-	-	891,750	1,125,000
Conning & Co	Private Inv Advisor	39,671	-	-	-	-
Constitution Liquidating Fund LP (Crossroads)	Private Inv Advisor	671,841	838,736	746,703	225,000	-
Courthouse Square Capital Partners	Private Inv Advisor	-	1,255,539	-	-	-
CS/CT Cleantech Opportunities Fund	Private Inv Advisor	176,070	-	-	-	-
DLJ Merchant Banking Fund II LP	Private Inv Advisor	84,787	330,288	83,355	10,991	395,351
Ethos Capital Fund V, LP	Private Inv Advisor	646,943	1,307,329	-	-	-
Fairview Constitution II, LP	Private Inv Advisor	1,600,000	1,600,000	800,000	967,955	-
Fairview Constitution III, LP	Private Inv Advisor	2,426,519	-	-	-	-
Forstmann Little & Company	Private Inv Advisor	142,141	182,868	186,838	297,324	481,605
FS Equity Partners V LP	Private Inv Advisor	1,101,934	895,172	562,500	802,678	1,291,089
Garmark Partners LP	Private Inv Advisor	83,239	57,487	1,008,239	302,879	402,430
Garmark Partners, II LP	Private Inv Advisor	426,718	735,085	88,608	-	-
Gilbert Global Equity Partners LP	Private Inv Advisor	117,030	222,718	-	449,952	2,250,000
Goldman Sachs Private Equity Fund LP	Private Inv Advisor	151,189	358,382	315,324	385,329	496,208
Green Equity III LP	Private Inv Advisor	44,098	90,314	-	81,831	180,504
Greenwich Street Capital Partners II LP	Private Inv Advisor	239,525	354,628	220,310	911,216	549,246
ICV Associates II LP	Private Inv Advisor	706,702	356,364	1,140,602	-	-
Kelso Investment Associates VI LP	Private Inv Advisor	-	-	-	-	465,856
KKR 1996 Fund LP	Private Inv Advisor	12,349	10,433	-	-	-
KKR Millenium Fund LP	Private Inv Advisor	1,549,415	-	126,005	219,643	1,128,044
KPS Special Situations Fund II LP	Private Inv Advisor	164,600	-	388,971	834,979	694,499
Muller & Monroe Asset Management	Private Inv Advisor	327,740	-	-	-	-
Nogales Investors II, LP	Private Inv Advisor	802,527	668,203	-	-	-
Parish Capital I, LP	Private Inv Advisor	123,181	322,441	470,791	722,396	-
Parish Capital II, LP	Private Inv Advisor	13,889	1,260,562	-	-	-
Pegasus Investors IV, LP	Private Inv Advisor	2,744,224	-	-	-	-
Pioneer Venture Associates LP	Private Inv Advisor	-	-	220,000	-	334,987
REF Associates VII, LP	Private Inv Advisor	93,213	-	-	-	-
SCP Private Equity Fund LP	Private Inv Advisor	-	-	-	-	460,495
Shawmut Capital Partners LP	Private Inv Advisor	-	-	-	656,250	622,882
Snycom Partners V, LP	Private Inv Advisor	390,546	386,655	-	-	-
SW Pelham Fund II, LP	Private Inv Advisor	263,401	288,569	-	-	-
SW Pelham Fund, LP	Private Inv Advisor	-	207,936	195,511	320,404	206,529

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF INVESTMENT ADVISORS AND FEES IN EXCESS OF \$5,000⁽¹⁾
FOR PERIODS ENDED JUNE 30 (Continued)**

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2008	2007	2006	2005	2004
Thayer Equity Investors IV LP	Private Inv Advisor	243,425	137,579	457,716	609,654	682,284
Thomas H. Lee Advisors IV LP	Private Inv Advisor	96,816	121,716	57,163	284,515	127,927
Thomas H. Lee Equity Fund VI LP	Private Inv Advisor	1,374,287	-	-	-	-
Triumph Partners III LP	Private Inv Advisor	-	-	-	-	1,005,993
Veritas Capital Fund LP	Private Inv Advisor	-	-	-	-	-
Vista Equity Partners III, LP	Private Inv Advisor	877,027	-	-	-	-
Washington & Congress (Triumph Partners III)	Private Inv Advisor	-	-	-	-	342,501
WCAS X LP	Private Inv Advisor	-	-	521,918	-	-
Wellspring Capital Partners III LP	Private Inv Advisor	-	-	1,496,936	1,200,595	1,191,570
Total Private Investment Advisor Compensation		\$21,815,762	\$16,189,798	\$12,303,596	\$16,844,299	\$17,838,228
TOTAL COMPENSATION TO INVESTMENT ADVISORS		\$76,896,244	\$83,836,730	\$71,473,755	\$64,161,471	\$60,217,715
CUSTODY SERVICES						
State Street Bank & Trust	Custody of Assets	113,000	114,500	1,046,595	1,722,997	1,644,976
TOTAL CUSTODY SERVICES COMPENSATION		\$113,000	\$114,500	\$1,046,595	\$1,722,997	\$1,644,976

(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. Not included in the above amounts are those amounts that are netted. Netted amounts include credits and fees paid out of cash on hand at the partnership level. Netted amounts are disclosed in Note 1 of the Combined Investment Funds Financial Statements.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
ABEL NOSER CORPORATION	228.04	11,402.00	0.02	CANACCORDADAMS INC.	21,135.30	471,111.00	0.05
ABG SECURITIES	18,900.01	543,412.00	0.04	CANTOR FITZ EUR 2	13,895.11	799,052.00	0.01
ABG SECURITIES INC	2,567.85	193,126.00	0.04	CANTOR FITZGERALD + CO.	145,526.76	127,120,258.00	0.00
ABG SUNDAL COLLIER NORGE ASA	844.74	74,711.00	0.01	CAPITAL INSTITUTIONAL SVCS INC EQUITIES	7,926.82	324,329.00	0.02
ABM AMRO HOARE GOVETT ASIA LTD. SEOUL	1,215.54	29,504.00	0.09	CARIS + COMPANY INC	804.90	19,258.00	0.04
ABN AMRO ASIA SECURITIES (SINGAPORE) PTE	8,390.84	1,768,000.00	0.00	CARNEGIE A S	674.37	32,700.00	0.02
ABN AMRO BANK N. V. HONG KONG	8,658.37	4,345,441.00	0.00	CARNEGIE BK	9,254.93	361,370.00	0.04
ABN AMRO BANK N.V., SINGAPORE	694.85	18,000.00	0.04	CARNEGIE FONDKOMMISSION	4,035.13	38,945.00	0.03
ABN AMRO BANK NV	50,533.22	10,053,126.00	0.00	CARNEGIE SECURITIES FINLAND	520.21	15,600.00	0.03
ABN AMRO BANK NV HONG KONG BRANCH	18,218.40	17,915,317.00	0.00	CAZENOVE + CO	13,287.84	1,342,504.00	0.01
ABN AMRO EQUITIES AUSTRALIA LTD.	3,011.18	302,126.00	0.02	CAZENOVE + CO.	25,955.16	1,764,410.00	0.00
ABN AMRO INC/CLEARANCE AC/NY	17.20	344.00	0.05	CAZENOVE ASIA LTD	41,224.11	19,963,178.00	0.03
ABN AMRO SECURITIES (USA) INC	72,724.71	551,625,481.00	0.00	CENTRAL DEPOSITORY COMPANY OF PAKISTAN	51,713.10	2,178,360.00	0.02
ABN AMRO SECURITIES LLC	24,866.13	793,736.00	0.03	CHAPDELAIN INSTITUTIONAL	5,535.30	110,686.00	0.05
ACCESS SECURITIES INC	7,039.80	234,660.00	0.03	CHEEVERS + CO	327.50	6,550.00	0.05
ACCIONES Y VALORES DE MEXICO	9,634.38	595,062.00	0.01	CHEUVREUXDE VIRIEU	10,683.73	94,120.00	0.11
AFFIN-JOBSECURITIES SDN BH	2,579.07	434,741.00	0.01	CHINA INTRNL CAP CORP HK SECS LTD	6,745.60	1,369,500.00	0.00
AGORA CORDE TITUL E VAL MOB	2,876.74	26,535.00	0.11	CIBC WORLD MARKETS CORP	31,489.84	8,407,054.00	0.00
ALAN SECURITIES INC	3,655.63	600,050.00	0.01	CIBC WORLD MKTS INC	1,234.74	31,316.00	0.04
ALFA CAPITAL	5,532.00	138,300.00	0.04	CITATION GROUP	1,122.70	33,070.00	0.05
ALFA CAPITAL MARKETS (USA), INC.	116.00	2,900.00	0.04	CITIBANK	435.55	7,068.00	0.06
ALPHA BROKERAGE AE	2,431.92	22,430.00	0.11	CITIBANK INTERNATIONAL PLC	507.96	4,538.00	0.11
ALPHA FINANCE	436.47	51,487.00	0.01	CITIBANK LIMITED	1,254.51	134,102.00	0.01
ARBUTHNOTSECURITIES LIMITED	15.51	838.00	0.02	CITIBANK N.A.	2,092.17	57,432,477.00	0.00
ARKEON FINANCE	501.40	4,700.00	0.11	CITIBANK NA LIMA	328.55	4,410.00	0.07
ASEAMBANKERS MALAYSIA BERHAD	1,775.59	450,649.00	0.00	CITIGROUPGLBL MKRTET KOERA SECS LTD	11,028.21	51,949.00	0.14
ATA SECURITIES INC. (ISTANBUL)	17,855.41	2,006,127.00	0.01	CITIGROUPGLOBAL MARKETS AUSTRALIA PTY	16,165.05	771,732.00	0.02
AUERBACH GRAYSON	149.98	13,772.00	0.01	CITIGROUPGLOBAL MARKETS INC	370,228.44	66,346,332.96	0.00
AUTOMATEDTRADING DESK FINANCIAL SERVICE	7.50	750.00	0.01	CITIGROUPGLOBAL MARKETS INC.	325,100.97	24,818,861,006.83	0.00
AUTREPAT DIV RE	10.97	1,170,388.62	0.00	CITIGROUPGLOBAL MARKETS LIMITED	307,189.32	106,835,850.46	0.01
AUTREPAT-DIV RE	1,726.11	448,985.99	0.00	CITIGROUPGLOBAL MARKETS UK EQUITY LTD	71,679.03	6,247,074.00	0.01
AVONDALE PARTNERS LLC	15,466.80	417,945.00	0.03	CJS SECURITIES	115.00	2,300.00	0.05
BAIRD, ROBERT W., & COMPANY INCORPORATED	22,356.36	7,353,000.18	0.00	CJSC DEPOSITORY CLEARING CO	277.86	5,270.00	0.05
BANC OF AMERICA SECURITIES LLC	154,451.10	2,291,404,600.97	0.00	CJSC URANIUS	387.15	4,900.00	0.08
BANC/AMERICA SECUR.LLC MONTGOMEY DIV	37,194.74	31,916,476.65	0.00	CLSA SECURITIES KOREA LTD.	5,341.48	19,488.00	0.19
BANCO BILBAO VIZCAYA ARGENTARI	10,913.47	555,700.00	0.04	CLSA SECURITIES MALAYSIA SDN BHD	14,782.66	3,267,186.00	0.00
BANCO ESPIRITO SANTO DE INVEST	335.30	34,800.00	0.01	COLLINS STEWART	3,060.81	250,000.00	0.01
BANCO ITAU SA	43,413.68	13,030,400.00	0.02	COLLINS STEWART + CO	3,559.90	91,140.00	0.02
BANCO PORTUGUES DE INVESTIMENTO S.A.	1,746.86	51,500.00	0.04	COMMERCE INTL MERCHANT BANKERS	24,003.12	4,556,036.00	0.01
BANCO SANTANDER CENTRAL HISPANO	54,868.61	6,110,094.00	0.02	COMMERZBANK AG	3,418.01	65,617.00	0.12
BANCO SANTANDER DE NEGOCIOS	6,329.22	878,275.00	0.01	COMMERZBANK CAPITAL MARKETS CORP	1,406.45	383.00	3.67
BANK AM BELLEVUE	3,857.31	17,263.00	0.22	COWEN + CO., LLC	2,756.62	40,839.00	0.07
BANK J.VONTOBEL UND CO. AG	712.81	8,531.00	0.08	COWEN ANDCOMPANY, LLC	116,745.56	4,418,258.00	0.03
BANK OF AMERICA SECURITIES LLC	29,378.64	904,684,642.36	0.00	CRAIG - HALLUM	1,909.05	41,820.00	0.05
BANK OF NEW YORK	225.69	4,095,000.00	0.00	CREDIT AGRICILE INDOSUEZ	2,291.84	125,400.00	0.01
BANK OF NEW YORK BRUSSELS	50.76	6,014.00	0.01	CREDIT AGRICOLE INDOSUEZ CHEUVREUX	36,908.48	926,845.00	0.04
BANK OF TOKYO MITSUBISHI,LTD., THE	128.96	98.00	1.32	CREDIT LYONNAIS SECS	5,134.67	552,042.00	0.01
BANK SAL.OPPENHEIM JR. AND CIE.	513.29	6,192.00	0.08	CREDIT LYONNAIS SECURITIES	34,931.52	1,611,089.00	0.02
BANQUE NATIONAL DE PARIS HONG KONG	20,003.58	42,422,570.00	0.00	CREDIT LYONNAIS SECURITIES (USA) INC	147,613.00	19,245,870.00	0.01
BANQUE PARIBAS FRANKFURT	824.08	5,770.00	0.25	CREDIT LYONNAIS SECURITIES ASIA/GUERNSEY	17,856.90	12,558,009.00	0.00
BARNARD JACOBS MELLETT	451.99	47,278.00	0.01	CREDIT LYONNAIS SECURITIES(ASIA)	8,322.94	2,875,200.00	0.02
BARNARD JACOBS MELLETS NY	20,921.32	1,161,275.00	0.02	CREDIT SUISSE FIRST BOSTON	706.51	23,459,380.00	0.00
BARRINGTON RESEARCH ASSOCIATES INC.	184.90	4,435.00	0.04	CREDIT SUISSE FIRST BOSTON (EUROPE)	16,854.94	28,069.00	0.74
BAYPOINT TRADING LLC	4,865.68	155,677.00	0.03	CREDIT SUISSE FIRST BOSTON SA CTVM	18,321.49	1,237,400.00	0.02
BBVA SECURITIES	1,238.69	28,999.00	0.04	CREDIT SUISSE SECURITIES (EUROPE) LTD	149,952.04	142,173,496.58	0.00
BEAR STEARNS	1,095.31	8,949,431.16	0.00	CREDIT SUISSE SECURITIES (USA) LLC	676,462.77	7,644,185,581.44	0.00
BEAR STEARNS + CO INC	49,744.91	1,102,893,946.58	0.00	CREDIT SUISSES FIRST BOSTON EMM	14.15	500,300.00	0.00
BEAR STEARNS ASIA LTD	403.26	13,455.00	0.03	CS FIRST BOSTON (HONG KONG) LIMITED	21,725.28	22,034,714.00	0.00
BEAR STEARNS EMM	276.54	3,500.00	0.08	CS SEC USA LLC	3.82	1,400.00	0.00
BEAR STEARNS INTERNATIONAL LIMITED	60.00	492,597.50	0.00	CSFB AUSTRALIA EQUITIES LTD	20,008.35	615,483.00	0.02
BEAR STEARNS SECURITIES CORP	201,815.82	763,868,499.39	0.00	CUSTOM EQUITY RESEARCH, INC.	11,245.67	408,931.00	0.03
BEAR STEARNS SECURITIES CORP.	5,757.22	204,290.00	0.02	D CARNEGIE AG	2,700.76	88,984.00	0.03
BEREAN CAPITAL, INC. 2	10,406.08	378,395.00	0.03	DAEWOO SECS CO LTD, SEOUL KOREA	975.33	11,230.00	0.09
BHIRUD ASSOCIATES, INC	1,735.10	31,430.00	0.05	DAEWOO SECURITIES CO LTD	22,322.92	141,838.00	0.17
BLEY INVESTMENT GROUP	1,972.30	39,446.00	0.05	DAISHIN SECURITIES CO. LTD.	10,576.50	29,574.00	0.36
BLOOMBERGTRADEBOOK LLC	22,148.72	553,682.00	0.04	DAIWA SECURITIES (HK) LTD.	3,684.32	250,900.00	0.01
BNP PARIBAS PEREGRINE SECS PT	7,637.34	2,679,130.00	0.00	DAIWA SECURITIES AMERICA INC	48,866.62	4,451,040.00	0.01
BNP PARIBAS PEREGRINE SECURITIES	47,842.08	19,331,790.00	0.00	DAVENPORT & CO. OF VIRGINIA, INC.	292.00	8,600.00	0.03
BNP PARIBAS SA	5,284.44	51,590.00	0.07	DAVIDSON D.A. + COMPANY INC.	1,784.80	42,376.00	0.05
BNP PARIBAS SECURITIES SERVICES	5,351.45	8,865,451.00	0.00	DAVIS, MENDEL AND REGENSTEIN	550.20	9,620.00	0.06
BNY BROKERAGE	1,463.40	56,530.00	0.02	DAVY (J+E)	22,029.68	387,950.00	0.05
BNY BROKERAGE INC	194,893.65	6,723,729.00	0.03	DBS VICKERS (HONG KONG) LIMITED	5,515.11	2,557,400.00	0.00
BNY CONVERGEX LJR	179.60	5,957.00	0.03	DBS VICKERS SECS PTE LTD	1,008.30	200,000.00	0.01
BOE SECURITIES INC/BROADCORT CAP CORP	4,754.24	118,856.00	0.04	DBS VICKERS SECURITIES (SINGAPORE)	2,334.13	790,000.00	0.00
BOENNING + SCATTERGOOD INC	1,187.60	32,880.00	0.04	DBS VICKERS SECURITIES SING	301.50	115,000.00	0.00
BREAN MURRAY	70.00	1,400.00	0.05	DEAGROATT+ CAMPBELL SDN BHD	33,523.11	7,063,166.00	0.00
BREWING DOLPHIN BELL LAWRIE LIMITED	633.36	101,359.00	0.01	DEN DANSKE BANK	902.16	17,900.00	0.05
BROADCORTCAPITAL (THRU ML)	32,378.03	858,382.00	0.04	DEN NORSKE BANK	1,664.89	6,328.00	0.26
BROCKHOUSE + COOPER INC MONTREAL	15,511.56	859,585.00	0.02	DENIZ YATIRIM MENKUL DEGERLER A.S.	326.83	66,210.00	0.00
BROWN BROTHERS HARRIMAN + CO	1,036.61	7,690.00	0.13	DEUTSCHE ALEX BROWN LONDON	949.68	200.00	4.75
B-TRADE SERVICES LLC	20,504.85	519,902.00	0.04	DEUTSCHE BANK	814.37	200,000.00	0.00
BUCKINGHAM RESEARCH GROUP	13,655.23	935,645.00	0.01	DEUTSCHE BANK AG LONDON	69,551.62	44,136,267,138.81	0.00
CA IB INVESTMENTBANK AG	742.08	5,369.00	0.13	DEUTSCHE BANK ALEX BROWN	776.85	16,537.00	0.05
CABRERA CAPITAL MARKETS	46,784.90	22,673,906.00	0.00	DEUTSCHE BANK SECURITIES INC	731,659.09	5,849,723,154.72	0.00
CAISSE DES DEPOTS ET CONSIGNAT	25,887.06	198,950.00	0.13	DEUTSCHE BOERSE CLEARING AG	522.59	6,671.00	0.08
CALYON SECURITIES (USA) INC	1,779.72	39,943.00	0.05	DEUTSCHE MORGAN GRENFELL SECS	6,061.41	149,583.00	0.03

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
DEUTSCHE SECURITIES ASIA LIMITED	21,203.29	7,357,443.00	0.00	ITG INC.	2,436.26	118,513.00	0.02
DEUTSCHE SECURITIES ASIA LTD	3,768.49	40,679.00	0.08	ITG POSIT	29.26	1,463.00	0.02
DIRECT TRADING INSTITUTIONAL INC	10,843.47	691,481.00	0.02	ITG SECURITIES (HK) LTD	10,399.34	2,467,878.00	0.00
DIVIDEND REINVEST	2,794.03	1,061,383.40	0.01	IVY SECURITIES, INC.	237.90	7,930.00	0.03
DIVINE CAPITAL MARKETS LLC	15,957.74	519,493.00	0.03	IXIS SECURITIES	2,037.67	46,157.00	0.04
DOMINICK + DOMINICK	1,967.50	39,350.00	0.05	J B WERE AND SON	7,239.79	1,890,668.00	0.00
DONALDSONLUFKIN + JENRETTE SEC CORP	1,692.25	51,780.00	0.03	J P MORGAN SECURITIES INC	452,576.26	7,357,151,769.27	0.00
DONGWON SECURITIES	19,826.48	251,108.00	0.14	J.P. MORGAN SECURITIES LIMITED	47,955.64	5,032,267.00	0.01
DOUGHERTY COMPANY	1,695.88	48,393.00	0.03	J.P.MORGAN SECURITIES(FAR EAST)LTD SEOUL	8,715.91	53,329.00	0.16
DRESDNER BANK AG NEW YORK	4,949.07	98,806.00	0.04	JEFFERIES+ COMPANY INC	172,296.01	10,239,615.00	0.02
DRESDNER KLEINWORT BENSON NORTH AMERICA	25,607.60	374,440.00	0.05	JEFFERIESINTERNATIONAL LTD	16,645.03	477,409.00	0.03
DRESDNER KLEINWORT SECURITIES LIMITED	182.03	2,814,050.00	0.00	JMP SECURITIES	1,750.70	40,175.00	0.05
DRESDNER KLEINWORTH WASSERSTEIN SEC LLC	26,389.45	3,923,824.00	0.01	JOH BERENBERG GOSSLER AND CO	11,112.52	75,992.00	0.09
DUNDAS UNLU SECURITIES INC.	6,960.35	543,577.00	0.01	JOHNSON RICE + CO	2,908.96	59,675.00	0.05
DUPONT GILBERT SA	897.26	18,272.00	0.03	JONESTRADING INSTITUTIONAL SERVICES LLC	113,802.27	4,265,692.00	0.03
EDEN GROUP PLC	338.59	19,400.00	0.02	JP MORGANSECS LTD	99.22	13,100.00	0.01
EDGETRADE, INC.	237.89	31,340.00	0.01	JP MORGANSECURITIES AUSTRALIA LTD	12,003.10	3,055,777.00	0.00
EDWARDS AG SONS INC	772.63	15,620.00	0.05	JP MORGANSECURITIES LIMITED	344,639.26	172,873,905,725.83	0.00
ENSKILDA SECURITIES AB	7,193.37	295,412.00	0.02	JP MORGANSECURITIES SINGAPORE	22,205.15	8,681,470.00	0.00
ERSTE BANK DER OESTERREICHISCHEN	4,742.49	34,470.00	0.09	JPMORG SEC(FAR EAST)LTD SEOUL	6,948.36	76,034.00	0.09
ESN NORTHAMERICA, INC.	3,169.11	20,674.00	0.25	JPMORGAN CHASE BANK	12,642.85	105,192,372.00	0.00
EUROCLEARBANK S.A	51.40	481.00	0.11	JPMORGAN CHASE BANK, N.A., LONDON	6,124.55	413,813.00	0.08
EUROMOBILIARE SIM S.P.A.	2,723.00	77,823.00	0.02	JPMORGAN CHASE BANK/CORRESPONDENT CLR SV	6,625.63	1,863,091.00	0.00
EVLI FONDKOMMISSION AB	45.28	6,203.00	0.01	JPMORGAN SECURITIES(ASIA PACIFIC)LTD	102,823.16	40,010,060.00	0.00
EVLI SECURITIES LTD	1,894.81	48,949.00	0.04	KAS-ASSOCIATIE N.V.	3,615.93	70,692.00	0.04
EXANE BNPPARIBAS	199.16	4,200.00	0.05	KAUPTHINGBANK SVERIGE AB STOCKHOLM	1,413.01	29,909.00	0.04
EXANE LIMITED	2,636.78	54,300.00	0.01	KBC BANK NV	7,057.70	26,653.00	0.48
EXANE S.A.	21,745.24	345,643.00	0.04	KBC FINANCIAL PRODUCTS UK LTD	4,701.52	140,706.00	0.03
EXECUTIONLIMITED	928.89	55,200.00	0.02	KBC PEEL HUNT LTD	204.16	5,888.00	0.03
EXECUTIONLTD	1,726.75	25,800.00	0.07	KEEFE BRUYETTE + WOODS INC	33,336.91	1,095,212.00	0.08
FIDELITY CAPITAL MARKETS	38,751.11	1,430,799.00	0.03	KEEFE BRUYETTE AND WOOD LIMITED	1,452.01	61,077.00	0.01
FIDENTIIS	65.53	500.00	0.13	KELLOGG PARTNERS	6,774.76	168,219.00	0.04
FIREFLY CAPITAL, INC.	46.50	4,650.00	0.01	KEMPEN + CO N.V.	4,627.37	108,005.00	0.06
FIRST ALBANY CAPITAL INC.	105.25	15,122,105.00	0.00	KEPLER EQUITIES	1,248.20	38,500.00	0.03
FIRST ANALYSIS SECURITIES CORP	165.40	3,835.00	0.04	KEPLER EQUITIES FRANKFURT BRANCH	2,987.66	21,956.00	0.16
FIRST CLEARING, LLC	455.20	16,376,380.00	0.00	KEPLER EQUITIES PARIS	11,436.71	104,762.00	0.09
FIRST SOUTHWEST COMPANY	3,469.50	77,100.00	0.05	KEPLER EQUITIES SUCURSAL EN ESPANA	464.29	14,720.00	0.03
FORTIS BANK (NEDERLAND) N.V.	137.09	1,842.00	0.10	KEPLER EQUITIES ZURICH	2,440.92	14,952.00	0.32
FOX PITT KELTON INC	16,162.00	422,604.00	0.03	KES SINARMAS SECURITIES PT	3,925.28	13,843,000.00	0.00
FOX PITT KELTON LTD	2,353.07	140,100.00	0.02	KEYBANC CAPITAL MARKETS INC	24,552.49	1,873,616.00	0.02
FOX-PITT KELTON LTD	6,020.67	29,151.00	0.21	KGI SECURITIES (HONG KONG) LIMITED	1,239.21	361,000.00	0.00
FRIEDMAN BILLINGS + RAMSEY	17,283.02	453,728.00	0.04	KIM ENG SECURITIES	43,085.02	9,216,190.00	0.01
FUTURETRADE SECURITIES, LLC	4,229.94	211,497.00	0.02	KING, CL, & ASSOCIATES, INC	7,855.64	170,518.00	0.04
G TRADE SERVICES LTD	173.06	3,185.00	0.05	KLEINWORTBENSON SECURITIES LIMITED	25,397.52	1,356,339.00	0.02
GARDNER RICH + CO	328.60	10,620.00	0.03	KNIGHT SECURITIES	155,064.14	5,621,646.00	0.03
GK GOH SECURITIES (HK) LTD.	17.59	1,000.00	0.02	KNIGHT SECURITIES INTL	39.93	400.00	0.10
GOLDMAN SACHS (ASIA) LLC	2,415.76	16,245.00	0.15	LABRANCHEFINANCIAL SERVICES L	72,757.87	2,645,722.00	0.03
GOLDMAN SACHS + CO	463,818.34	5,741,976,200.85	0.00	LAMBRIGHTFINANCIAL SECURITIES	7,463.71	418,088.00	0.03
GOLDMAN SACHS EXECUTION + CLEARING	98,712.40	10,607,836.00	0.01	LANDSBANKI	208.62	4,491.00	0.05
GOLDMAN SACHS INTERNATIONAL	71,558.12	4,329,207.00	0.01	LANDSBANKI SECURITIES UK LTD	502.82	36,448.00	0.02
GOODBODY STOCKBROKERS	2,681.13	106,700.00	0.01	LANDSBANKI SECURITIES(UK)LIMITED	52.06	3,552.00	0.01
GOODMORNING SHINHAN SECURITIES CO.	187.86	1,990.00	0.09	LARRAIN VIAL	3,909.56	1,335,936.00	0.00
GREENTREEBROKERAGE SERVICES INC	1,980.00	66,000.00	0.03	LAZARD ASSET MANAGEMENT	6,509.71	217,053.00	0.02
GUZMAN + CO	14,029.57	566,182.00	0.03	LAZARD CAPITAL MARKETS LLC	27,144.70	779,949.00	0.03
HARRIS NESBITT CORP	14,899.68	368,592.00	0.04	LEERINK SWANN AND COMPANY	11,652.25	271,603.00	0.04
HC ISTANBUL	7,033.47	885,380.00	0.01	LEHMAN BROS INTL EUROPE	1,079.09	8,795.00	0.12
HEDGING GRIFFO COR DE VAL S/A	2,283.84	28,591.00	0.08	LEHMAN BROTHERS	3,188.26	3,452,211.00	0.00
HEFLIN + CO LLC	84,810.38	3,120,274.00	0.03	LEHMAN BROTHERS EMM	230.55	1,259,000.00	0.00
HG ASIA	1,227.72	146,400.00	0.01	LEHMAN BROTHERS INC	356,402.83	6,097,157,019.28	0.00
HIBERNIA SOUTHCOAST CAPITAL INC	982.55	19,736.00	0.05	LEHMAN BROTHERS INTERNATIONAL (EUROPE)	308,972.29	31,652,457.00	0.01
HONGKONG AND SHANGHAI BANKING CORP	249.19	10,000.00	0.02	LEHMAN BROTHERS INTL (EUROPE) SEOUL BR	6,733.14	47,018.00	0.21
HOWARD WEIL DIVISION LEGG MASON	5,759.33	115,843.00	0.05	LEHMAN BROTHERS JAPAN INC, TOKYO	340.02	4,100.00	0.08
HSBC BANKPLC	13,871.92	425,404,400.00	0.00	LEHMAN BROTHERS SECS (ASIA)	16,613.94	4,020,059.00	0.00
HSBC BROKERAGE	62.40	1,248.00	0.05	LEK SECURITIES CORP	61.36	3,068.00	0.02
HSBC SECURITIES (USA), INC./STOCK LOAN	36,211.84	91,078,132.00	0.00	LIQUIDNETINC	165,448.74	7,778,484.00	0.03
HVB CAPITAL MARKETS, INC	8,717.47	71,343.00	0.04	LISBON BROKERS SOCIEDADE CORRETORA S.A.	137.15	15,949.00	0.01
HYUNDAI SECURITIES CO. LTD.	83,683.71	1,002,214.00	0.08	LOOP CAPITAL MKTS LLC	12,021.73	469,571.00	0.03
IMPERIAL CAPITAL LLC	23,964.57	889,391.00	0.03	LYNCH JONES AND RYAN INC	850.12	27,110.00	0.03
ING BANK N V	14,594.68	195,200,238.00	0.00	M M WARBURG	1,165.27	4,331.00	0.27
ING BARINGS CORP	40,336.04	8,548,601.00	0.00	M RAMSEY KING SECURITIES INC	6,900.00	172,500.00	0.04
INSTINET	380,218.29	12,881,031.00	0.03	MACQUARIE(MALAYSIA) SDN BHD	782.23	152,100.00	0.01
INSTINET FRANCE S.A.	9,305.14	242,902.00	0.04	MACQUARIEBANK LIMITED	2,541.32	271,500.00	0.01
INSTINET PACIFIC LIMITED	19,834.47	7,639,318.00	0.00	MACQUARIEEQUITIES LIMITED (SYDNEY)	50,253.39	3,112,027.00	0.02
INSTINET SINGAPORE SERVICES PT	266.20	68,084.00	0.00	MACQUARIEEQUITIES NEW YORK	312.00	10,400.00	0.03
INSTINET U.K. LTD	37,369.50	4,306,953.00	0.02	MACQUARIESECURITIES (JAPAN)LIMITED	66.98	700.00	0.10
INSTINET,LLC	5,440.76	278,238.00	0.02	MACQUARIESECURITIES (SINGAPORE)	3,983.93	1,814,820.00	0.00
INTERMOBILIARE SECURITIES SIM SPA	20,947.17	890,050.00	0.03	MACQUARIESECURITIES (USA) INC	542.76	18,869.00	0.04
INVERLAT INTERNATIONAL	2,296.14	180,300.00	0.01	MACQUARIESECURITIES LIMITED	40,616.57	25,412,120.00	0.00
INVESTEC SECURITIES	472.87	25,900.00	0.01	MACQUARIESECURITIES LTD SEOUL	3,767.01	5,971.00	0.70
INVESTMENT TECHNOLOGY GROUP INC.	117,251.97	6,780,540.00	0.02	MAGAVCEO LEE + CO	384.00	19,200.00	0.02
INVESTMENT TECHNOLOGY GROUP LTD	34,873.27	4,020,617.00	0.01	MAGNA SECURITIES CORP	53,875.96	1,787,966.00	0.03
INVESTORSBANK AND TRUST COMPANY	18,935.71	357,497.84	0.05	MAINFIRSTBANK DE	1,642.14	9,450.00	0.16
ISI GROUPINC	7,869.59	240,777.00	0.04	MAN FINANCIAL LIMITED	1,406.41	18,470.00	0.07
ITG AUSTRALIA LTD.	4,068.66	588,801.00	0.01	MEDIOBANCA SPA	2,358.15	74,355.00	0.03
ITG CANADA	180.30	10,100.00	0.02	MELLON TRUST OF NEW ENGLAND	3,416.53	51,350.00	0.07
ITG INC	1,363.45	159,209.00	0.01	MELVIN SECURITIES LLC	726.40	18,160.00	0.04

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
MERRILL LYNCH	2,189.37	142,329.00	0.02	RBC DOMINION SECURITIES INC.	2,075.73	3,602,468.00	0.00
MERRILL LYNCH CANADA INC	102.54	33,077,798.81	0.00	REDBURN PARTNERS LLP	15,668.18	253,825.00	0.03
MERRILL LYNCH EQUITIES (AUSTRALIA)	144.87	4,270.00	0.03	RENAISSANCE CAPITAL GROUP	14,122.78	361,622.00	0.03
MERRILL LYNCH INTERNATIONAL	181,376.56	342,362,951.00	0.00	RENAISSANCE CAPITAL LTD	28,317.67	398,304.00	0.11
MERRILL LYNCH PEIRCE FENNER AND S	189,893.36	2,461,807,059.60	0.00	REVERSE SPLIT NON CASH	434.62	96,788,604.50	0.00
MERRILL LYNCH PIERCE FENNER SMITH INC	791.34	21,974.00	0.03	REYNDERS,GRAY + COMPANY,INC	17,172.90	299,520.00	0.05
MERRILL LYNCH PROFESSIONAL CLEARING CORP	1,976.96	40,999.00	0.05	RIDGE CLEARING & OUTSOURCING SOLUTIONS,	6,814.10	2,387,470.00	0.00
MERRILL LYNCH,PIERCE,FENNER + SMITH, INC	427,860.15	5,004,507,571.17	0.00	RIDGE CLEARING + OUTSOURCING SOLUTIONS	14,384.68	1,300,395.00	0.01
MERRIMAN CURHAN FORD + CO	989.75	19,795.00	0.05	ROBERT VAN SECURITIES	1,456.04	50,501.00	0.03
MERRION CAPITAL GROUP	1,461.29	68,500.00	0.01	ROCHDALE SEC CORP.(CLS THRU 443)	33,329.22	1,666,461.00	0.02
MIDWEST RESEARCH SECURITIES	3,641.74	88,001.00	0.02	ROTH CAPITAL PARTNERS LLC	4,079.84	106,704.00	0.04
MILETUS TRADING LLC	5,948.68	448,598.00	0.01	ROYAL BANK OF SCOTLAND PLC	553.66	65,589.00	0.01
MILLER TABAK + CO LLC	1,402.00	140,200.00	0.01	SAMSUNG SECURITIES CO LTD	78,536.61	1,022,142.00	0.08
MISCHLER FINANCIAL GROUP, INC-EQUITIES	60,073.05	2,182,811.00	0.03	SAMUEL A RAMIREZ + COMPANY INC	2,771.83	110,793.00	0.03
MITSUBISHI UFJ SECURITIES INT PLC	9,348.99	397,081,800.00	0.01	SANTANDERINVESTMENT SECURITIES	18,338.61	1,018,011.00	0.01
MIZUHO SEC ASIA LTD	8,847.71	565,100.00	0.01	SANDGRAINSECURITIES INC	65.85	406,317.00	0.00
MIZUHO SECURITIES USA INC	4,160.94	11,970,106.00	0.00	SANFORD C. BERNSTEIN LTD	36,720.18	2,005,635.00	0.01
MKM PARTNERS	1,341.50	26,830.00	0.05	SANFORD CBERNSTEIN CO LLC	63,659.22	2,746,732.00	0.02
MONTROSE SECURITIES EQUITIES	27,181.20	952,777.00	0.13	SANTANDERINVESTMENT SECURITIES	89.83	10,608.00	0.01
MONUMENT DERIVATIVES LTD LDN	776.73	49,000.00	0.04	SANTANDERINVESTMENT SECURITIES INC	96.30	1,926.00	0.05
MORGAN KEEGAN & CO INC	6,343.45	16,607,338.06	0.00	SBC WARBURG LONDON	1,241.08	104,817.00	0.02
MORGAN STANLEY & CO. INCORPORATED/RETAIL	1,190.06	25,342.00	0.05	SCOTIA CAPITAL INC	875.18	21,200.00	0.04
MORGAN STANLEY AND CO INTERNATIONAL	501.54	5,600.00	0.09	SCOTT & STRINGFELLOW, INC	15,718.51	5,230,403.00	0.03
MORGAN STANLEY AND CO. INTERNATIONAL	45,446.32	298,003,910.00	0.01	SCREAMINGEAGLE TRADING INC	158,780.70	5,773,801.00	0.03
MORGAN STANLEY AND CO. INTERNATIONAL PLC	400.75	8,542.00	0.05	SG AMERICAS SECURITIES, LLC	3,523.21	68,900.00	0.05
MORGAN STANLEY ASIA LTD	16.42	985.00	0.02	SG SECURITIES HK	15,322.24	2,796,464.00	0.00
MORGAN STANLEY CO INCORPORATED	912,918.35	5,811,355,444.56	0.00	SHINYOUNGSECURITIES CO LTD	16,249.48	55,230.00	0.29
MORGAN STANLEY DEAN WITTER AUSTRALIA	3,667.20	387,887.00	0.01	SIDOTI + COMPANY LLC	9,159.46	188,503.00	0.05
MORGAN STANLEY SECURITIES LIMITED	14,940.14	936,600.00	0.01	SIMMONS +COMPANY INTERNATIONAL	207.00	5,359.00	0.03
MR BEAL &COMPANY	6,358.17	179,776.00	0.04	SINGER AND FRIEDLANDER LTD	1,647.29	276,262.00	0.01
MULTITRADE SECURITIES LLC	554.51	15,511.00	0.04	SIS SEGAIINTERSETTLE AG	237.63	2,640.00	0.09
NATEXIS BLEICHROEDER INC	699.00	4,214.00	0.17	SKANDINAVISKA ENSKILDA BANK	369.86	2,276.00	0.16
NATEXIS BLEICHROEDER INC NY	2,002.96	12,049.00	0.17	SKANDINAVISKA ENSKILDA BANKEN LONDON	4,682.04	195,140.00	0.02
NATIONAL FINANCIAL SERVICES CORP.	6,796.50	12,336,426.00	0.00	SNS BANK NETHERLAND	710.65	6,700.00	0.11
NATIONAL SECURITIES COMPANY SA	77.32	700.00	0.11	SOCIETE GENERALE BANK AND TRUST	1,254.64	11,805.00	0.09
NEEDHAM +COMPANY	13,991.04	289,480.00	0.05	SOCIETE GENERALE LONDON BRANCH	48,200.54	2,422,185.00	0.01
NEUBERGERAND BERMAN	1,522.20	50,740.00	0.03	SOLEIL SECURITIES	28,705.46	698,208.00	0.04
NEUE ZURCHER BANK	1,981.97	3,886.00	0.12	SOUTHWESTSECURITIES	1,025.86	22,279.00	0.05
NOBLE INTERNATIONAL INVESTMENTS INC.	422.30	16,610.00	0.03	STANDARD CHARTERED BANK	294.92	13,000.00	0.02
NOMURA INTERNATIONAL (HONG KONG) LTD	3,193.02	2,434,000.00	0.02	STANFORD GROUP COMPANY	259.80	5,196.00	0.05
NOMURA INTERNATIONAL PLC	20,319.81	1,681,366,631.00	0.00	STANLEY (CHARLES) + CO LIMITED	1,499.55	328,985.00	0.00
NOMURA SECURITIES CO., LTD.	152.41	4,700.00	0.03	STATE STREET BANK + TRUST CO LONDON	2,259.21	215,269.00	0.01
NOMURA SECURITIES INTERNATIONAL INC	87,676.19	7,567,744.00	0.01	STATE STREET BANK AND TRUST	30.48	9,754,490,434.12	0.00
NORDIC PARTNERS	687.04	11,271.00	0.04	STATE STREET BROKERAGE SERVICES	22,185.39	793,373.00	0.03
NUTMEG SECURITIES	39,987.73	1,116,775.00	0.03	STATE STREET GLOBAL MARKETS	22.54	1,800.00	0.01
NYFIX TRANSACTION SERVICES #2	6,809.11	692,358.00	0.01	STEPHENS,INC.	3,092.67	13,614,928.98	0.00
NZB NEUE ZUERCHER BANK	2,588.59	14,976.00	0.10	STERNE, AGEE & LEACH, INC.	2,163.50	143,270.00	0.05
NZB NEUE ZURCHER BANK	6,031.17	13,892.00	0.19	STIFEL NICOLAUS + CO INC	1,928.29	6,372,744.94	0.00
O NEIL, WILLIAM AND CO. INC/BCC CLRG	11,020.55	246,120.00	0.05	STUART FRANKEL + CO INC	13,541.10	598,489.00	0.02
ODDO FINANCE	16,145.66	156,169.00	0.08	STUDNESS RESEARCH	1,434.20	42,805.00	0.03
OIEN SECURITIES, INC	29,899.77	1,087,244.00	0.03	SUNKYONG SECURITIES LTD	9,945.66	56,980.00	0.17
OPPENHEIM, SAL.,JR UND CIE KOELN	8,401.23	200,975.00	0.08	SUNTRUST CAPITAL MARKETS, INC.	23,813.87	765,780.00	0.03
OPPENHEIMER & CO. INC.	12,715.41	706,140.68	0.04	SVENSKA HANDELSBANKEN	4,701.51	322,064.00	0.13
OPPENHEIMER + CO INC	52,466.44	1,854,285.00	0.03	SVENSKA HANDELSBANKEN LONDON BRANCH	9,595.01	264,368.00	0.04
P K SECURITIES AE	593.90	6,620.00	0.07	SWAP BROKER	6,157.58	38,370.00	0.16
PACIFIC AMERICAN SECURITIES, LLC	70,784.78	2,454,433.00	0.03	SWEDBANK	790.83	27,223.00	0.03
PACIFIC CREST SECURITIES	1,645.95	36,039.00	0.05	TEB YATIRIM MENKUL DEGERLER A.S.	2,837.90	93,868.00	0.03
PACIFIC GROWTH EQUITIES, LLC	412.45	8,980.00	0.05	TERA MENKUL DEGERLER A.S.	1,339.67	317,060.00	0.00
PANMURE GORDON AND CO LTD	4,033.99	192,238.00	0.03	THE BENCHMARK COMPANY, LLC	276.00	6,900.00	0.04
PARETO FONDOS	2,089.98	94,120.00	0.08	THEMIS TRADING LLC	10,857.82	542,891.00	0.02
PARIBAS SECURITIES INC	19,972.15	2,263,138.00	0.00	THINKEQUITY PARTNERS LLC	6,105.30	179,202.00	0.05
PCS DUNBAR SECURITIES	1,652.50	33,050.00	0.05	THOMAS WEISEL PARTNERS LLC	48,280.09	1,522,357.00	0.03
PENSION FINANCIAL SERVICES INC	22.00	550.00	0.04	TOKYO-MITSUBISHI SECURITIES (USA)	1,833.17	86,660.00	0.02
PENSION FINANCIAL SERVICES CANADA INC	5,072.82	114,725.00	0.05	TROIKA DIALOG USA, INC	40,573.28	6,795,540.00	0.03
PENSION FINANCIAL SERVICES INC	189.95	132,479.00	0.00	UBS	132.23	1,777,708.51	0.00
PERSHING DIVISION OF DONALDSON LUFKIN	2,683.34	3,152,575.00	0.00	UBS AG	219,156.81	50,854,966.00	0.00
PERSHING DLJ S L	139,972.40	36,352,944.00	0.00	UBS AG LONDON	197,822.56	414,007,168.00	0.00
PERSHING LLC	23,030.12	72,230,450.74	0.00	UBS AG/CUST LDN BRAN	213.40	4,268.00	0.05
PERSHING LLC 1ST REPUBLIC P.B. CNS	2,533.93	63,403.00	0.04	UBS FINANCIAL SERVICES INC	2,354.70	3,010,754.00	0.00
PERSHING LLC/1ST REPUBLIC/P.B. CNS	39,885.84	5,717,238.00	0.01	UBS SECS JAPAN LTD	170.32	257.00	0.66
PERSHING SECURITIES LIMITED	39,824.17	1,909,268.00	0.03	UBS SECURITIES ASIA LTD	164,438.18	26,601,165.00	0.01
PERSHING/CLEARANCE,NY	664.00	16,600.00	0.04	UBS SECURITIES CANADA INC	64.82	1,562.00	0.04
PETERCAM S.A.	7,122.02	61,730.00	0.12	UBS SECURITIES LLC	329,885.86	856,345,983.37	0.00
PETERS + COOK	158.03	10,535.00	0.02	UBS SECURITIES SINGAPORE PTE	15,292.69	13,190,470.00	0.00
PICKERING ENERGY PARTNERS, INC	1,216.26	25,989.00	0.05	UBS WARBURG (HONG KONG) LIMITED	1,587.50	150,000.00	0.00
PICTET AND CIE	3,553.35	1,740.00	2.04	UBS WARBURG (JAPAN) LTD	67.31	300.00	0.22
PIPELINE TRADING SYSTEMS LLC	29,447.18	1,511,867.00	0.02	UBS WARBURG AUSTRALIA EQUITIES	20.68	1,550.00	0.01
PIPER JAFFRAY	28,507.65	1,155,481.00	0.04	UBS WARBURG LLC	20,039.58	5,861,699.00	0.04
POLCARI /WEICKER DIV OF ICAP	7,828.00	195,700.00	0.04	UNITED FINANCIAL GROUP	24,154.94	784,700.00	0.03
PRITCHARDCAPITAL PARTNERS LLC	947.50	18,950.00	0.05	UNX INC.	3,049.60	152,480.00	0.02
PULSE TRADING LLC	60,719.59	3,029,830.00	0.02	UOB KAY HIAN (HONG KONG) LTD	24,284.79	8,951,000.00	0.00
RABOBANK INTL	3,402.43	15,000.00	0.23	UOB KAY HIAN PRIVATE LIMITED	4,416.34	730,708.00	0.01
RAYMOND JAMES AND ASSOCIATES INC	27,820.01	5,984,599.14	0.00	UPLINE INTERNATIONAL SA	541.31	5,170.00	0.10
RAYMOND JAMES TRUST COMPANY	2,478.38	111,175.00	0.05	VANDHAM SECURITIES CORP	4,701.00	117,525.00	0.04
RBC CAPITAL MARKETS	16,646.11	21,413,229.74	0.00	VONTOBEL SECURITIES	140.61	913.00	0.15
RBC DAIN RAUSCHER INC	16,914.64	1,688,627.00	0.01	WACHOVIA CAPITAL MARKETS, LLC	17,993.72	14,987,559.00	0.00

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
WARBURG DILLON READ SECURITIES LTD	4,192.38	27,146.00	0.17				
WAVE SECURITIES	42,503.91	5,667,064.00	0.01				
WEDBUSH MORGAN SECURITIES INC	11,281.45	271,167.00	0.04				
WEEDEN + CO.	101,197.16	4,595,692.00	0.02				
WELLS FARGO INVT LLC	204.00	3,400.00	0.06				
WESTDEUTSCHE LANDESBANK GIROZENTRALE	5,446.08	83,856.00	0.02				
WESTMINSTER RES ASOC/ BROADCORT CAPT CL	2,940.00	98,000.00	0.03				
WESTMINSTER RESEARCH ACCOCIATION	990.80	17,100.00	0.06				
WILLIAM BLAIR & COMPANY, L.L.C	22,950.83	669,143.89	0.03				
WILLIAMS CAPITAL GROUP LP (THE)	19,988.21	672,800.00	0.03				
WINTERFLOOD SECURITIES LTD	50.23	200,000.00	0.00				
WOOD AND COMPANY	248.86	51,323.00	0.00				
WOORI INVESTMENT SECURITIES	25,515.17	264,237.00	0.08				
WR HAMBRECHT + CO	3,069.63	64,321.00	0.05				
YAMNER & CO INC (CLS THRU 443)	2,522.96	236,682.00	0.01				
ZANNEX SECURITIES	2,047.46	81,203.00	0.03				
TOTAL	\$15,004,778.18						

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF NET ASSETS BY INVESTMENT FUND

JUNE 30, 2008

	LIQUIDITY FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND	HIGH YIELD DEBT FUND
ASSETS							
Investments in Securities , at Fair Value							
Liquidity Fund	\$ -	\$66,568,000	\$-	\$558,806,863	\$56,307,042	\$47,970,651	\$17,772,269
Cash Equivalents	1,273,429,177	-	-	-	-	850,980	-
Asset Backed Securities	205,441,090	-	-	39,948,474	-	-	21,827,991
Government Securities	283,999,399	-	-	702,672,332	1,105,271,320	484,613,477	19,796,547
Government Agency Securities	39,363,506	-	-	1,607,524,881	-	-	-
Mortgage Backed Securities	17,177,495	-	-	883,692,474	-	44,479,164	10,744,713
Corporate Debt	343,079,139	-	-	1,005,101,751	966,666	123,159,786	634,203,914
Convertible Securities	-	-	-	-	-	-	26,990,061
Common Stock	-	7,857,345,360	-	-	-	-	11,869,104
Preferred Stock	-	5,688	-	5,726,850	-	-	1,702,650
Real Estate Investment Trust	-	90,443,313	-	-	-	-	229,800
Mutual Fund	-	2,645,446	-	47,827,205	-	339,221,906	-
Limited Liability Corporation	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-
Limited Partnerships	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Total Investments in Securities, at Fair Value	2,162,489,806	8,017,007,807	-	4,851,300,830	1,162,545,028	1,040,295,964	745,137,049
Cash	-	47,328	-	-	803	5,261,264	1,502,410
Receivables							
Foreign Exchange Contracts	-	-	-	138,607,095	-	94,588,092	-
Interest Receivable	3,587,693	171,723	-	36,956,148	10,197,605	13,833,347	20,335,639
Dividends Receivable	-	8,407,368	-	-	-	-	17,268
Due from Brokers	-	20,465,520	-	667,057,285	-	2,953,673	3,591,652
Foreign Taxes	-	-	-	4,094	-	246,638	-
Securities Lending Receivable	-	944,096	-	408,959	244,073	16,594	66,405
Reserve for Doubtful Receivables	-	-	-	(40,000)	-	(255,989)	(5,184,226)
Total Receivables	3,587,693	29,988,707	-	842,993,581	10,441,678	111,382,355	18,826,738
Invested Securities Lending Collateral	-	1,021,916,871	-	745,513,547	602,187,747	21,319,714	95,512,200
Prepaid Expenses	-	-	-	-	-	723,010	-
Total Assets	2,166,077,499	9,068,960,713	-	6,439,807,958	1,775,175,256	1,178,982,307	860,978,397
LIABILITIES							
Payables							
Foreign Exchange Contracts	-	-	-	138,607,095	-	95,443,976	-
Due to Brokers	-	33,823,171	-	966,160,267	-	14,023,383	5,629,331
Income Distribution	4,286,159	-	-	-	-	-	-
Other Payable	-	-	-	50,641,881	-	-	-
Total Payables	4,286,159	33,823,171	-	1,155,409,243	-	109,467,359	5,629,331
Securities Lending Collateral	-	1,021,916,871	-	745,513,547	602,187,747	21,319,714	95,512,200
Accrued Expenses	138,945	13,758,896	-	1,823,703	202,098	860,605	622,473
Total Liabilities	4,425,104	1,069,498,938	-	1,902,746,493	602,389,845	131,647,678	101,764,004
NET ASSETS	\$2,161,652,395	\$7,999,461,775	\$-	\$4,537,061,465	\$1,172,785,411	\$1,047,334,629	\$759,214,393
Units Outstanding	2,161,652,395	8,623,122	-	39,848,281	8,939,739	8,817,731	6,740,562
Net Asset Value and Redemption Price per Unit	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78	\$112.63

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF NET ASSETS BY INVESTMENT FUND
JUNE 30, 2008**

INTER-NATIONAL STOCK FUND	DEVELOPED MARKET STOCK FUND	EMERGING MARKET STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
\$-	\$94,716,111	\$34,731,058	\$33,357,856	\$150,190	\$111,287,936	\$(1,021,667,976)	\$-
-	13,226,265	-	-	-	-	-	1,287,506,422
-	-	-	-	-	-	-	267,217,555
-	-	-	-	-	-	-	2,596,353,075
-	-	-	-	-	-	-	1,646,888,387
-	-	-	-	288,719	-	-	956,382,565
-	2,369,046	-	-	-	-	-	2,108,880,302
-	1,286,762	-	-	-	-	-	28,276,823
-	4,876,872,925	1,056,659,493	-	6,467,187	752,553	-	13,809,966,622
-	39,253,266	59,256,283	-	-	-	-	105,944,737
-	11,732,836	-	-	-	-	-	102,405,949
-	38,368,738	145,290,054	-	-	-	-	573,353,349
-	-	-	-	-	4,242,400	-	4,242,400
-	-	-	5,863,982	-	-	-	5,863,982
-	-	-	963,021,978	-	1,672,856,364	-	2,635,878,342
-	-	-	-	-	-	-	-
-	5,077,825,949	1,295,936,888	1,002,243,816	6,906,096	1,789,139,253	(1,021,667,976)	26,129,160,510
-	16,760,704	5,925,287	180,874	-	161,128	-	29,839,798
-	-	-	-	-	-	-	-
-	11,693,068,383	4,374,132	-	-	-	-	11,930,637,702
-	699,782	72,695	67,074	279	269,380	(1,988,693)	84,202,672
-	9,202,330	2,481,071	-	-	-	-	20,108,037
-	77,598,196	4,891,845	-	-	-	-	776,558,171
-	7,491,176	24,282	-	-	-	-	7,766,190
-	1,087,997	113,486	-	-	-	-	2,881,610
-	(236,240)	(27,560)	-	-	-	-	(5,744,015)
-	11,788,911,624	11,929,951	67,074	279	269,380	(1,988,693)	12,816,410,367
-	427,927,843	118,009,458	-	-	-	-	3,032,387,380
-	-	-	-	4,730	5,282,435	-	6,010,175
-	17,311,426,120	1,431,801,584	1,002,491,764	6,911,105	1,794,852,196	(1,023,656,669)	42,013,808,230
-	-	-	-	-	-	-	-
-	11,692,192,974	4,372,003	-	-	-	-	11,930,616,048
-	79,299,821	3,562,895	-	-	-	-	1,102,498,868
-	-	-	-	-	-	(1,915,393)	2,370,766
-	-	-	-	-	-	-	50,641,881
-	11,771,492,795	7,934,898	-	-	-	(1,915,393)	13,086,127,563
-	427,927,843	118,009,458	-	-	-	-	3,032,387,380
-	3,724,187	2,098,130	170,757	-	144,115	(73,300)	23,470,609
-	12,203,144,825	128,042,486	170,757	-	144,115	(1,988,693)	16,141,985,552
\$-	\$5,108,281,295	\$1,303,759,098	\$1,002,321,007	\$6,911,105	\$1,794,708,081	\$(1,021,667,976)	25,871,822,678
-	13,282,844	3,348,243	18,066,200	124,354	32,719,574	-	-
\$-	\$384.58	\$389.39	\$55.48	\$55.58	\$54.85	-	-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	LIQUIDITY FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND	HIGH YIELD DEBT FUND
ADDITIONS							
OPERATIONS							
Investment Income							
Dividends	\$-	\$155,932,438	\$155,880	\$751,338	\$-	\$-	\$155,598
Interest	83,449,126	4,060,413	125,662,527	192,693,726	31,383,160	28,479,486	36,487,618
Other Income	13,650	3,675,008	7,250,366	-	263	47,674	1,873
Securities Lending	-	57,646,580	23,351,879	31,734,275	3,787,566	560,806	2,821,668
Total Income	83,462,776	221,314,439	156,420,652	225,179,339	35,170,989	29,087,966	39,466,757
Expenses							
Investment Advisory Fees	373,544	21,876,645	3,381,768	3,995,812	359,428	1,445,788	1,629,335
Custody and Transfer Agent Fees	5	94,937	4,783	10,143	3,000	6,000	6,000
Professional Fees	89,863	450,484	62,666	193,792	9,867	25,717	24,125
Security Lending Fees	-	1,868,097	374,839	1,265,093	175,735	25,049	116,219
Security Lending Rebates	-	46,125,989	21,280,305	23,799,579	2,673,938	400,569	2,086,750
Investment Expenses	-	-	-	27,084	-	134,855	-
Total Expenses	463,412	70,416,152	25,104,361	29,291,503	3,221,968	2,037,978	3,862,429
Net Investment Income	82,999,364	150,898,287	131,316,291	195,887,836	31,949,021	27,049,988	35,604,328
Net Realized Gain (Loss)	352	356,153,342	14,198,205	34,380,273	937,503	(2,011,805)	(3,975,289)
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	-	(1,728,835,648)	122,490,444	(103,251,332)	5,655,627	(34,744,800)	(46,510,795)
Net Increase (Decrease) in Net Assets Resulting from Operations	82,999,716	(1,221,784,019)	268,004,940	127,016,777	38,542,151	(9,706,617)	(14,881,756)
Unit Transactions							
Purchase of Units by Participants	6,660,986,591	196,540,000	480,000	105,000	870,000,000	361,000,000	156,000,000
TOTAL ADDITIONS	6,743,986,307	(1,025,244,019)	268,484,940	127,121,777	908,542,151	351,293,383	141,118,244
DEDUCTIONS							
Interfund Transfer	-	-	(7,474,436,841)	5,822,621,368	276,866,775	726,669,727	648,278,611
Administrative Expenses: Salary and Fringe Benefits	(131,803)	(1,170,456)	(157,379)	(302,946)	(15,451)	(39,169)	(37,649)
Distributions to Unit Owners: Income Distributed	(82,867,914)	(159,548,835)	(111,927,597)	(202,851,734)	(4,417,064)	(9,089,312)	(29,842,433)
Unit Transactions Redemption of Units by Participants	(6,848,519,507)	(632,661,100)	(275,500,000)	(1,209,527,000)	(8,191,000)	(21,500,000)	(302,380)
TOTAL DEDUCTIONS	(6,931,519,224)	(793,380,391)	(7,862,021,817)	4,409,939,688	264,243,260	696,041,246	618,096,149
Change in Net Assets	(187,532,917)	(1,818,624,410)	(7,593,536,877)	4,537,061,465	1,172,785,411	1,047,334,629	759,214,393
Net Assets- Beginning of Period	2,349,185,312	9,818,086,185	7,593,536,877	-	-	-	-
Net Assets- End of Period	\$2,161,652,395	\$7,999,461,775	\$ -	\$4,537,061,465	\$1,172,785,411	\$1,047,334,629	\$759,214,393
Other Information:							
Units							
Purchased	6,660,986,591	200,791	4,191	50,256,210	9,007,065	9,003,725	6,743,260
Redeemed	(6,848,519,507)	(625,301)	(66,306,488)	(10,407,929)	(67,326)	(185,993)	(2,698)
Net Increase (Decrease)	(187,532,916)	(424,510)	(66,302,297)	39,848,281	8,939,739	8,817,732	6,740,562

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

INTER- NATIONAL STOCK FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
\$40,331,903	\$105,747,171	\$64,769,889	\$33,078,817	\$648,950	\$248,523,586	\$-	\$650,095,570
1,871,445	2,145,825	915,659	3,668,334	6,530	8,539,541	(59,336,128)	460,027,262
-	310,024	84,999	13,052	-	14,586	(9,706)	11,401,789
11,085,029	16,383,092	3,683,992	-	-	-	-	151,054,887
53,288,377	124,586,112	69,454,539	36,760,203	655,480	257,077,713	(59,345,834)	1,272,579,508
10,526,016	13,227,084	5,610,307	3,453,459	73,500	9,359,774	(265,607)	75,046,853
10,700	24,816	3,000	38	-	78	(4)	163,496
62,427	148,825	49,328	239,809	315	1,332,090	(63,897)	2,625,411
319,385	1,073,935	217,744	-	-	-	-	5,436,096
9,155,929	9,437,082	2,288,533	-	-	-	-	117,248,674
314,666	163,512	688,106	-	133	-	-	1,328,356
20,389,123	24,075,254	8,857,018	3,693,306	73,948	10,691,942	(329,508)	201,848,886
32,899,254	100,510,858	60,597,521	33,066,897	581,532	246,385,771	(59,016,326)	1,070,730,622
261,714,771	(32,544,601)	137,708,213	21,461,512	-	(112,388,927)	(250)	675,633,299
165,825,853	(992,760,192)	(474,625,202)	1,735,262	242,606	80,456,310	-	(3,004,321,867)
460,439,878	(924,793,935)	(276,319,468)	56,263,671	824,138	214,453,154	(59,016,576)	(1,257,957,946)
-	1,306,797,000	-	320,000,000	-	308,000,000	(1,995,382,637)	8,184,525,954
460,439,878	382,003,065	(276,319,468)	376,263,671	824,138	522,453,154	(2,054,399,213)	6,926,568,008
(6,402,271,524)	4,814,000,675	1,588,271,209	-	-	-	-	-
(246,575)	(353,891)	(117,015)	(340,743)	(11,124)	(408,108)	93,718	(3,238,591)
(35,272,357)	(70,571,554)	(8,048,328)	(50,291,033)	(642,620)	(265,958,200)	58,922,860	(972,406,121)
(43,400,000)	(16,797,000)	(27,300)	(9,000,000)	(1,026,770)	(25,000,000)	3,084,060,506	(6,007,391,551)
(6,481,190,456)	4,726,278,230	1,580,078,566	(59,631,776)	(1,680,514)	(291,366,308)	3,143,077,084	(6,983,036,263)
(6,020,750,578)	5,108,281,295	1,303,759,098	316,631,895	(856,376)	231,086,846	1,088,677,871	(56,468,255)
6,020,750,578	-	-	685,689,112	7,767,481	1,563,621,235	(2,110,345,847)	25,928,290,933
\$-	\$5,108,281,295	\$1,303,759,098	\$1,002,321,007	\$6,911,105	\$1,794,708,081	\$(1,021,667,976)	\$25,871,822,678
-	13,323,341	3,348,305	5,782,700	-	5,455,160		
(13,607,181)	(40,497)	(62)	(159,828)	(17,244)	(445,524)		
(13,607,181)	13,282,844	3,348,243	5,622,872	(17,244)	5,009,636		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	CASH RESERVE FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	INTER- NATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMI- NATION ENTRY	TOTAL
ADDITIONS									
OPERATIONS									
Investment Income									
Dividends	\$ -	\$167,617,448	\$9,711,547	\$157,348,975	\$5,081,555	\$828,462	\$218,358,439	\$ -	\$558,946,426
Interest	93,993,237	5,372,398	359,820,330	5,140,142	4,136,467	11,930	5,708,668	(78,172,736)	396,010,436
Other Income	38,256	6,088,093	818,212	43,993	2,510	-	1,185	(31,817)	6,960,432
Securities Lending	-	63,443,598	63,535,223	42,719,791	-	-	-	-	169,698,612
Total Income	94,031,493	242,521,537	433,885,312	205,252,901	9,220,532	840,392	224,068,292	(78,204,553)	1,131,615,906
Investment Expenses									
Investment Advisory Fees	324,772	9,473,490	8,473,079	28,520,098	721,844	100,083	3,637,161	(270,108)	50,980,419
Custody and Transfer Agent Fees	13	75,832	13,628	28,361	23	-	52	(11)	117,898
Professional Fees	26,687	267,963	138,146	145,366	346,978	150	1,269,270	(22,195)	2,172,365
Security Lending Fees	-	893,290	584,933	999,152	-	-	-	-	2,477,375
Security Lending Rebates	-	58,637,132	60,797,202	36,825,252	-	-	-	-	156,259,586
Investment Expenses	-	-	-	280,552	-	162	-	-	280,714
Total Investment Expenses	351,472	69,347,707	70,006,988	66,798,781	1,068,845	100,395	4,906,483	(292,314)	212,288,357
Net Investment Income	93,680,021	173,173,830	363,878,324	138,454,120	8,151,687	739,997	219,161,809	(77,912,239)	919,327,549
Net Realized Gain (Loss)	54,999	738,234,434	12,390,929	883,042,101	87,236,479	(1,028)	(196,805,200)	(45,742)	1,524,106,972
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	-	700,589,415	59,192,266	502,782,111	(24,389,164)	(55,086)	234,194,086	-	1,472,313,628
Net Increase (Decrease) in Net Assets Resulting from Operations	93,735,020	1,611,997,679	435,461,519	1,524,278,332	70,999,002	683,883	256,550,695	(77,957,981)	3,915,748,149
Unit Transactions									
Purchase of Units by Participants	4,070,399,456	6,000,000	1,357,306,700	12,500,000	448,200,000	-	211,760,000	(2,462,416,363)	3,643,749,793
TOTAL ADDITIONS	4,164,134,476	1,617,997,679	1,792,768,219	1,536,778,332	519,199,002	683,883	468,310,695	(2,540,374,344)	7,559,497,942
DEDUCTIONS									
Administrative Expenses:									
Salary and Fringe Benefits	(128,636)	(1,242,362)	(496,507)	(742,688)	(299,427)	(6,400)	(377,798)	106,985	(3,186,833)
Distributions to Unit Owners:									
Income Distributed	(93,606,384)	(168,092,984)	(306,916,375)	(106,026,251)	(89,653,877)	(1,360,013)	(224,104,995)	77,850,996	(911,909,883)
Unit Transactions:									
Redemption of Units by Participants	(3,104,807,076)	(612,942,000)	(311,000,000)	(766,534,000)	(142,300,000)	(9,753,740)	(40,200,000)	1,454,653,547	(3,532,883,269)
TOTAL DEDUCTIONS	(3,198,542,096)	(782,277,346)	(618,412,882)	(873,302,939)	(232,253,304)	(11,120,153)	(264,682,793)	1,532,611,528	(4,447,979,985)
CHANGE IN NET ASSETS	965,592,380	835,720,333	1,174,355,337	663,475,393	286,945,698	(10,436,270)	203,627,902	(1,007,762,816)	3,111,517,957
Net Assets- Beginning of Period	1,383,592,932	8,982,365,852	6,419,181,540	5,357,275,185	398,743,414	18,203,751	1,359,993,333	(1,102,583,031)	22,816,772,976
Net Assets- End of Period	\$2,349,185,312	\$9,818,086,185	\$7,593,536,877	\$6,020,750,578	\$685,689,112	\$7,767,481	\$1,563,621,235	\$(2,110,345,847)	\$25,928,290,933
Other Information:									
Units									
Purchased	4,070,399,456	5,606	11,721,432	33,620	7,838,493	-	3,869,129		
Redeemed	(3,104,807,076)	(578,157)	(2,711,158)	(1,839,829)	(2,448,467)	(165,349)	(729,073)		
Net Increase (Decrease)	965,592,380	(572,551)	9,010,274	(1,806,209)	5,390,026	(165,349)	3,140,056		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
TOTAL NET ASSET VALUE BY PENSION PLANS AND TRUST FUNDS
JUNE 30, 2008**

<u>Retirement Funds</u>	<u>Net Asset Value</u>
Teachers' Retirement Fund	\$14,541,624,961
State Employees' Retirement Fund	9,329,738,617
Municipal Employees' Retirement Fund	1,627,636,799
State Judges' Retirement Fund	177,237,133
The Probate Court Retirement Fund	81,448,818
State's Attorneys Retirement Fund	897,999
<u>Non-retirement Trust Funds</u>	
Soldiers' Sailors' & Marines' Fund	60,839,178
Police & Firemans' Survivors' Benefit Fund	20,601,465
Connecticut Arts Endowment Fund	16,285,406
School Fund	9,396,812
Ida Eaton Cotton Fund	2,114,641
Hopemead Fund	2,383,778
Andrew Clark Fund	995,086
Agricultural College Fund	621,985
TOTAL	<u><u>\$25,871,822,678</u></u>

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

	LIQUIDITY FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Teachers' Retirement Fund						
Book Value at June 30, 2007	\$161,020,573	\$895,841,672	\$3,676,457,985	\$-	\$-	\$-
Market Value at June 30, 2007	\$161,020,573	\$5,233,223,619	\$3,958,295,437	\$-	\$-	\$-
Shares Purchased	3,695,213,482	196,540,000	-	2,742,302,936	580,484,909	547,015,392
Shares Redeemed	(3,095,910,318)	(152,446,415)	(3,693,079,187)	(396,795,262)	(4,203,778)	(11,034,210)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	125,594,009	16,621,202	33,912,812	528,191	880,220
Net Investment Income Earned	15,224,885	85,670,095	58,012,700	106,795,648	2,270,661	4,715,049
Net Investment Income Distributed	(15,224,885)	(85,670,095)	(58,012,700)	(106,795,648)	(2,270,661)	(4,715,049)
Changes in Market Value of Fund Shares	-	(876,971,237)	(281,837,452)	167,405,935	34,273,342	33,210,899
Market Value at June 30, 2008	\$760,323,737	\$4,525,939,976	\$-	\$2,546,826,421	\$611,082,664	\$570,072,301
Book Value at June 30, 2008	760,323,737	1,065,529,266	-	2,379,420,486	576,809,322	536,861,402
Shares Outstanding	760,323,737	4,878,795	-	22,368,367	4,658,073	4,799,559
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78
State Employees' Retirement Fund						
Book Value at June 30, 2007	\$52,384,146	\$669,305,883	\$2,740,877,133	\$-	\$-	\$-
Market Value at June 30, 2007	\$52,384,146	\$3,810,234,732	\$2,958,537,927	\$-	\$-	\$-
Shares Purchased	805,126,397	-	-	2,104,065,282	378,788,775	354,980,704
Shares Redeemed	(546,697,300)	(299,702,652)	(2,746,271,182)	(778,695,229)	(3,225,399)	(8,466,132)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	242,891,635	5,394,049	67,387,242	412,454	695,228
Net Investment Income Earned	6,029,154	61,626,852	43,713,673	76,370,048	1,712,683	3,523,724
Net Investment Income Distributed	(6,029,154)	(61,626,852)	(43,713,673)	(76,370,048)	(1,712,683)	(3,523,724)
Changes in Market Value of Fund Shares	-	(772,616,484)	(217,660,794)	101,799,995	25,713,275	27,333,758
Market Value at June 30, 2008	\$310,813,243	\$2,980,807,231	\$-	\$1,494,557,290	\$401,689,105	\$374,543,558
Book Value at June 30, 2008	310,813,243	612,494,866	-	1,392,757,295	375,975,830	347,209,800
Shares Outstanding	310,813,243	3,213,199	-	13,126,456	3,061,938	3,153,361
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78
Municipal Employees' Retirement Fund						
Book Value at June 30, 2007	\$19,294,029	\$111,379,624	\$471,577,893	\$-	\$-	\$-
Market Value at June 30, 2007	\$19,294,029	\$648,161,836	\$504,377,242	\$-	\$-	\$-
Shares Purchased	133,503,566	-	-	370,751,172	129,878,659	78,400,780
Shares Redeemed	(97,824,025)	(153,831,718)	(471,577,893)	(25,763,619)	(568,338)	(1,491,792)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	124,784,431	-	2,109,772	68,108	109,880
Net Investment Income Earned	1,283,821	10,250,999	7,601,095	14,681,938	330,705	641,281
Net Investment Income Distributed	(1,283,821)	(10,250,999)	(7,601,095)	(14,681,938)	(330,705)	(641,281)
Changes in Market Value of Fund Shares	-	(209,521,575)	(32,799,349)	21,967,676	5,177,348	4,092,660
Market Value at June 30, 2008	\$54,973,570	\$409,592,974	\$-	\$369,065,001	\$134,555,777	\$81,111,528
Book Value at June 30, 2008	54,973,570	82,332,337	-	347,097,325	129,378,429	77,018,868
Shares Outstanding	54,973,570	441,526	-	3,241,438	1,025,672	682,895
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

HIGH YIELD DEBT FUND	INTER- NATIONAL STOCK FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$-	\$1,113,947,116	\$-	\$-	\$402,981,478	\$5,780,018	\$1,221,931,534	\$7,477,960,376
\$-	\$3,223,603,305	\$-	\$-	\$366,543,229	\$4,236,786	\$835,147,926	\$13,782,070,875
372,578,128	-	1,700,365,775	273,876,929	177,812,150	-	202,406,200	10,488,595,901
(155,129)	(1,130,865,704)	-	(14,561)	(4,000,000)	(560,055)	(14,000,000)	(8,503,064,619)
-	-	-	-	-	-	-	-
6,053	16,918,588	-	9,510	(192,642)	(143,866)	(6,053,362)	188,080,715
15,310,999	18,874,939	39,044,782	4,304,574	26,830,091	350,520	141,778,881	519,183,824
(15,310,999)	(18,874,939)	(39,044,782)	(4,304,574)	(26,830,091)	(350,520)	(141,778,881)	(519,183,824)
17,067,254	(2,109,656,189)	1,197,440,933	423,592,998	3,233,970	236,812	(22,055,176)	(1,414,057,911)
\$389,496,306	\$-	\$2,897,806,708	\$697,464,876	\$543,396,707	\$3,769,677	\$995,445,588	\$14,541,624,961
372,429,052	-	1,700,365,775	273,871,878	576,600,986	5,076,097	1,404,284,372	9,651,572,373
3,458,080	-	7,535,042	1,791,190	9,794,382	67,830	18,148,108	837,823,163
\$112.63	\$-	\$384.58	\$389.39	\$55.48	\$55.58	\$54.85	
\$-	\$807,724,080	\$-	\$-	\$292,171,622	\$4,048,961	\$883,701,047	\$5,450,212,872
\$-	\$2,339,668,987	\$-	\$-	\$265,967,011	\$2,983,838	\$607,918,916	\$10,037,695,557
285,865,101	-	1,025,736,219	198,702,926	116,790,100	-	87,472,300	5,357,527,804
(119,266)	(819,139,145)	-	(10,564)	(3,826,900)	(394,429)	(10,475,000)	(5,217,023,198)
-	-	-	-	-	-	-	-
4,886	11,415,065	-	6,904	(179,775)	(98,677)	(4,395,448)	323,533,563
11,766,985	13,704,775	26,820,221	3,125,801	19,487,059	246,859	103,492,264	371,620,098
(11,766,985)	(13,704,775)	(26,820,221)	(3,125,801)	(19,487,059)	(246,859)	(103,492,264)	(371,620,098)
13,702,414	(1,531,944,907)	886,819,308	307,807,829	2,334,442	164,131	(15,448,076)	(1,171,995,109)
\$299,453,135	\$-	\$1,912,555,527	\$506,507,095	\$381,084,878	\$2,654,863	\$665,072,692	\$9,329,738,617
285,750,721	-	1,025,736,219	198,699,266	404,955,047	3,555,855	956,302,899	5,914,251,041
2,658,646	-	4,973,136	1,300,783	6,868,813	47,770	12,125,033	361,342,378
\$112.63	\$-	\$384.58	\$389.39	\$55.48	\$55.58	\$54.85	
\$-	\$142,072,393	\$-	\$-	\$49,386,897	\$629,745	\$146,721,190	\$941,061,771
\$-	\$395,757,866	\$-	\$-	\$45,355,169	\$467,388	\$103,900,601	\$1,717,314,131
50,371,450	-	118,857,675	35,214,717	21,596,100	-	15,690,000	954,264,119
(20,863)	(142,072,393)	(14,500,000)	(1,872)	(900,000)	(61,782)	(400,000)	(909,014,295)
-	-	-	-	-	-	-	-
708	-	8,592,015	1,198	(35,123)	(14,911)	(151,468)	135,464,610
2,061,162	2,329,366	4,058,888	534,372	3,389,948	38,668	17,848,494	65,050,737
(2,061,162)	(2,329,366)	(4,058,888)	(534,372)	(3,389,948)	(38,668)	(17,848,494)	(65,050,737)
2,031,114	(253,685,473)	144,084,943	51,110,370	407,178	25,163	(3,281,821)	(270,391,766)
\$52,382,409	\$-	\$257,034,633	\$86,324,413	\$66,423,324	\$415,858	\$115,757,312	\$1,627,636,799
50,351,295	-	112,949,690	35,214,043	70,047,874	553,052	161,859,722	1,121,776,205
465,069	-	668,356	221,695	1,197,238	7,482	2,110,388	65,035,329
\$112.63	\$-	\$384.58	\$389.39	\$55.48	\$55.58	\$54.85	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

	LIQUIDITY FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Probate Court Retirement Fund						
Book Value at June 30, 2007	\$990,587	\$5,546,725	\$23,597,797	\$-	\$-	\$-
Market Value at June 30, 2007	\$990,587	\$33,295,812	\$25,918,509	\$-	\$-	\$-
Shares Purchased	7,860,989	-	-	18,197,481	6,588,451	3,879,312
Shares Redeemed	(5,292,179)	(8,307,378)	(23,646,333)	(2,587,207)	(27,896)	(73,221)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	6,786,004	48,536	268,138	3,987	7,171
Net Investment Income Earned	51,181	525,674	386,492	718,784	16,606	32,141
Net Investment Income Distributed	(51,181)	(525,674)	(386,492)	(718,784)	(16,606)	(32,141)
Changes in Market Value of Fund Shares	-	(11,117,736)	(2,320,712)	1,459,424	283,614	263,621
Market Value at June 30, 2008	\$3,559,397	\$20,656,702	\$-	\$17,337,846	\$6,848,156	\$4,076,883
Book Value at June 30, 2008	3,559,397	4,025,351	-	15,878,412	6,564,542	3,813,262
Shares Outstanding	3,559,397	22,267	-	152,275	52,201	34,323
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78
Judges' Retirement Fund						
Book Value at June 30, 2007	\$2,955,085	\$18,382,964	\$51,915,889	\$-	\$-	\$-
Market Value at June 30, 2007	\$2,955,085	\$71,341,461	\$54,751,867	\$-	\$-	\$-
Shares Purchased	16,002,494	-	-	40,815,901	14,458,167	8,588,070
Shares Redeemed	(12,216,725)	(17,272,759)	(51,915,889)	(3,517,072)	(62,568)	(164,231)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	12,381,180	-	130,409	6,719	9,944
Net Investment Income Earned	146,854	1,127,528	825,125	1,592,518	36,171	69,814
Net Investment Income Distributed	(146,854)	(1,127,528)	(825,125)	(1,592,518)	(36,171)	(69,814)
Changes in Market Value of Fund Shares	-	(21,690,163)	(2,835,978)	1,813,491	541,091	377,815
Market Value at June 30, 2008	\$6,740,854	\$44,759,719	\$-	\$39,242,729	\$14,943,409	\$8,811,598
Book Value at June 30, 2008	6,740,854	13,491,385	-	37,429,238	14,402,318	8,433,783
Shares Outstanding	6,740,854	48,249	-	344,663	113,908	74,187
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78
State's Attorneys' Retirement Fund						
Book Value at June 30, 2007	\$85,728	\$38,192	\$498,040	\$-	\$-	\$-
Market Value at June 30, 2007	\$85,728	\$244,169	\$533,752	\$-	\$-	\$-
Shares Purchased	160,352	-	-	446,556	17,826	46,892
Shares Redeemed	(171,202)	(7,093)	(498,040)	(12,635)	(600)	(1,576)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	5,950	-	1,239	73	119
Net Investment Income Earned	3,828	3,977	8,044	15,936	291	623
Net Investment Income Distributed	(3,828)	(3,977)	(8,044)	(15,936)	(291)	(623)
Changes in Market Value of Fund Shares	-	(40,535)	(35,712)	24,408	3,937	5,063
Market Value at June 30, 2008	\$74,878	\$202,491	\$-	\$459,568	\$21,236	\$50,498
Book Value at June 30, 2008	74,878	37,049	-	435,160	17,299	45,435
Shares Outstanding	74,878	218	-	4,036	162	425
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

COMBINED INVESTMENT FUNDS

**SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

HIGH YIELD DEBT FUND	INTER- NATIONAL STOCK FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$-	\$6,817,195	\$-	\$-	\$2,589,309	\$37,348	\$6,541,021	\$46,119,982
\$-	\$19,784,203	\$-	\$-	\$2,324,867	\$27,263	\$5,306,169	\$87,647,410
2,472,368	-	5,777,454	1,689,741	988,400	-	762,000	48,216,196
(1,046)	(6,817,195)	(721,000)	(90)	-	(3,602)	(125,000)	(47,602,147)
-	-	-	-	-	-	-	-
57	-	436,389	59	-	(946)	(27,412)	7,521,983
102,925	116,447	200,997	26,628	170,052	2,254	900,399	3,250,580
(102,925)	(116,447)	(200,997)	(26,628)	(170,052)	(2,254)	(900,399)	(3,250,580)
154,633	(12,967,008)	7,409,193	2,625,708	18,334	1,547	(145,242)	(14,334,624)
\$2,626,012	\$-	\$12,902,036	\$4,315,418	\$3,331,601	\$24,262	\$5,770,515	\$81,448,818
2,471,379	-	5,492,843	1,689,710	3,577,709	32,800	7,150,609	54,256,014
23,315	-	33,549	11,083	60,050	436	105,203	4,054,099
\$112.63	\$-	\$384.58	\$389.39	\$55.48	\$55.58	\$54.85	
\$-	\$16,146,082	\$-	\$-	\$5,455,448	\$61,882	\$15,781,854	\$110,699,204
\$-	\$41,936,217	\$-	\$-	\$4,969,261	\$46,039	\$11,347,623	\$187,347,553
5,545,380	-	14,214,038	4,002,042	2,459,000	-	1,669,500	107,754,592
(2,271)	(16,146,082)	(1,576,000)	(213)	(265,000)	(6,085)	-	(103,144,895)
-	-	-	-	-	-	-	-
52	-	870,561	130	(11,836)	(1,452)	-	13,385,707
224,870	246,830	446,666	56,953	368,676	3,809	1,938,162	7,083,976
(224,870)	(246,830)	(446,666)	(56,953)	(368,676)	(3,809)	(1,938,162)	(7,083,976)
159,722	(25,790,135)	14,473,792	5,145,337	51,892	2,461	(355,149)	(28,105,824)
\$5,702,883	\$-	\$27,982,391	\$9,147,296	\$7,203,317	\$40,963	\$12,661,974	\$177,237,133
5,543,161	-	13,508,599	4,001,959	7,637,612	54,345	17,451,354	128,694,608
50,632	-	72,761	23,492	129,835	737	230,842	7,830,160
\$112.63	\$-	\$384.58	\$389.39	\$55.48	\$55.58	\$54.85	
\$-	\$-	\$-	\$-	\$11,949	\$-	\$-	\$633,909
\$-	\$-	\$-	\$-	\$11,382	\$-	\$-	\$875,031
53,198	-	-	-	22,350	-	-	747,174
(22)	-	-	-	-	-	-	(691,168)
-	-	-	-	-	-	-	-
1	-	-	-	-	-	-	7,382
2,179	-	-	-	1,728	-	-	36,606
(2,179)	-	-	-	(1,728)	-	-	(36,606)
2,233	-	-	-	186	-	-	(40,420)
\$55,410	\$-	\$-	\$-	\$33,918	\$-	\$-	\$897,999
53,177	-	-	-	34,299	-	-	697,297
492	-	-	-	611	-	-	80,822
\$112.63	\$-	\$-	\$-	\$55.48	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

	LIQUIDITY FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Soldiers' Sailors' & Marines' Fund						
Book Value at June 30, 2007	\$60,550	\$1,084,594	\$49,170,734	\$-	\$-	\$-
Market Value at June 30, 2007	\$60,550	\$7,368,677	\$54,199,508	\$-	\$-	\$-
Shares Purchased	2,758,204	-	480,000	39,035,053	1,777,093	4,674,798
Shares Redeemed	(2,219,174)	(680,115)	(49,650,734)	(1,259,606)	(59,838)	(157,065)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	579,163	-	154,073	8,688	15,761
Net Investment Income Earned	14,082	112,192	824,034	1,586,098	29,653	63,403
Net Investment Income Distributed	(14,082)	(112,192)	(824,034)	(1,586,098)	(29,653)	(63,403)
Changes in Market Value of Fund Shares	-	(1,554,732)	(5,028,774)	3,597,026	451,283	644,303
Market Value at June 30, 2008	\$599,580	\$5,712,993	\$-	\$41,526,546	\$2,177,226	\$5,177,797
Book Value at June 30, 2008	599,580	983,642	-	37,929,520	1,725,943	4,533,494
Shares Outstanding	599,580	6,158	-	364,721	16,596	43,593
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78
Endowment for the Arts						
Book Value at June 30, 2007	\$934,085	\$-	\$14,472,429	\$-	\$-	\$-
Market Value at June 30, 2007	\$934,085	\$-	\$15,229,317	\$-	\$-	\$-
Shares Purchased	1,459,391	-	-	11,378,120	517,996	1,362,632
Shares Redeemed	(1,290,923)	-	(14,472,429)	(367,156)	(17,442)	(45,782)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	29,909	1,838	2,677
Net Investment Income Earned	36,873	-	229,510	448,601	8,356	17,824
Net Investment Income Distributed	(36,873)	-	(229,510)	(448,601)	(8,356)	(17,824)
Changes in Market Value of Fund Shares	-	-	(756,888)	509,392	103,172	120,499
Market Value at June 30, 2008	\$1,102,553	\$-	\$-	\$11,550,265	\$605,564	\$1,440,026
Book Value at June 30, 2008	1,102,553	-	-	11,040,873	502,392	1,319,527
Shares Outstanding	1,102,553	-	-	101,444	4,616	12,125
Market Value per Share	\$1.00	\$-	\$-	\$113.86	\$131.19	\$118.78
Agricultural College Fund						
Book Value at June 30, 2007	\$37,728	\$26,146	\$396,140	\$-	\$-	\$-
Market Value at June 30, 2007	\$37,728	\$181,478	\$424,654	\$-	\$-	\$-
Shares Purchased	55,853	-	-	311,442	14,179	37,298
Shares Redeemed	(45,502)	(5,272)	(396,140)	(10,050)	(477)	(1,253)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	4,490	-	988	58	95
Net Investment Income Earned	1,519	2,954	6,401	12,430	231	495
Net Investment Income Distributed	(1,519)	(2,954)	(6,401)	(12,430)	(231)	(495)
Changes in Market Value of Fund Shares	-	(30,193)	(28,514)	19,867	3,135	4,038
Market Value at June 30, 2008	\$48,079	\$150,503	\$-	\$322,247	\$16,895	\$40,178
Book Value at June 30, 2008	48,079	25,364	-	302,380	13,760	36,140
Shares Outstanding	48,079	162	-	2,830	129	338
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

HIGH YIELD DEBT FUND	INTER- NATIONAL STOCK FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$50,315,878
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$61,628,735
5,303,428	-	-	-	-	-	-	54,028,576
(2,248)	-	-	-	-	-	-	(54,028,780)
-	-	-	-	-	-	-	-
126	-	-	-	-	-	-	757,811
221,167	-	-	-	-	-	-	2,850,629
(221,167)	-	-	-	-	-	-	(2,850,629)
343,730	-	-	-	-	-	-	(1,547,164)
\$5,645,036	\$-	\$-	\$-	\$-	\$-	\$-	\$60,839,178
5,301,306	-	-	-	-	-	-	51,073,485
50,119	-	-	-	-	-	-	1,080,767
\$112.63	\$-	\$-	\$-	\$-	\$-	\$-	
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$15,406,514
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$16,163,402
1,545,868	-	-	-	-	-	-	16,264,007
(632)	-	-	-	-	-	-	(16,194,364)
-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	34,438
62,598	-	-	-	-	-	-	803,762
(62,598)	-	-	-	-	-	-	(803,762)
41,748	-	-	-	-	-	-	17,923
\$1,586,998	\$-	\$-	\$-	\$-	\$-	\$-	\$16,285,406
1,545,250	-	-	-	-	-	-	15,510,595
14,089	-	-	-	-	-	-	1,234,827
\$112.63	\$-	\$-	\$-	\$-	\$-	\$-	
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$460,014
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$643,860
42,314	-	-	-	-	-	-	461,086
(18)	-	-	-	-	-	-	(458,712)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,631
1,735	-	-	-	-	-	-	25,765
(1,735)	-	-	-	-	-	-	(25,765)
1,787	-	-	-	-	-	-	(29,880)
\$44,083	\$-	\$-	\$-	\$-	\$-	\$-	\$621,985
42,296	-	-	-	-	-	-	468,019
391	-	-	-	-	-	-	51,929
\$112.63	\$-	\$-	\$-	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

	LIQUIDITY FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Ida Eaton Cotton Fund						
Book Value at June 30, 2007	\$126,377	\$90,053	\$1,337,606	\$-	\$-	\$-
Market Value at June 30, 2007	\$126,377	\$618,342	\$1,444,658	\$-	\$-	\$-
Shares Purchased	187,720	-	-	1,051,616	47,875	125,941
Shares Redeemed	(152,738)	(17,963)	(1,337,606)	(33,934)	(1,612)	(4,231)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	15,273	-	3,565	207	350
Net Investment Income Earned	5,073	10,069	21,771	42,180	786	1,683
Net Investment Income Distributed	(5,073)	(10,069)	(21,771)	(42,180)	(786)	(1,683)
Changes in Market Value of Fund Shares	-	(102,834)	(107,052)	75,275	11,020	14,657
Market Value at June 30, 2008	\$161,359	\$512,818	\$-	\$1,096,522	\$57,490	\$136,717
Book Value at June 30, 2008	161,359	87,363	-	1,021,247	46,470	122,060
Shares Outstanding	161,359	553	-	9,631	438	1,151
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78
Andrew Clark Fund						
Book Value at June 30, 2007	\$60,540	\$42,368	\$649,867	\$-	\$-	\$-
Market Value at June 30, 2007	\$60,540	\$289,280	\$679,891	\$-	\$-	\$-
Shares Purchased	87,372	-	-	510,920	23,260	61,187
Shares Redeemed	(70,526)	(8,404)	(649,867)	(16,487)	(783)	(2,056)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	7,137	-	1,255	78	109
Net Investment Income Earned	2,421	4,713	10,246	20,067	374	796
Net Investment Income Distributed	(2,421)	(4,713)	(10,246)	(20,067)	(374)	(796)
Changes in Market Value of Fund Shares	-	(48,107)	(30,024)	19,865	4,475	5,034
Market Value at June 30, 2008	\$77,386	\$239,906	\$-	\$515,553	\$27,030	\$64,274
Book Value at June 30, 2008	77,386	41,101	-	495,688	22,555	59,240
Shares Outstanding	77,386	259	-	4,528	206	541
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78
School Fund						
Book Value at June 30, 2007	\$326,764	\$396,144	\$6,232,465	\$-	\$-	\$-
Market Value at June 30, 2007	\$326,764	\$2,719,363	\$6,683,886	\$-	\$-	\$-
Shares Purchased	1,531,559	-	-	4,899,920	223,072	586,809
Shares Redeemed	(1,380,982)	(78,997)	(6,232,465)	(158,114)	(7,511)	(19,716)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	67,160	-	15,607	918	1,501
Net Investment Income Earned	22,450	44,287	100,728	195,616	3,650	7,790
Net Investment Income Distributed	(22,450)	(44,287)	(100,728)	(195,616)	(3,650)	(7,790)
Changes in Market Value of Fund Shares	-	(452,266)	(451,421)	314,708	49,448	63,796
Market Value at June 30, 2008	\$477,341	\$2,255,260	\$-	\$5,072,121	\$265,927	\$632,390
Book Value at June 30, 2008	477,341	384,307	-	4,757,413	216,479	568,594
Shares Outstanding	477,341	2,431	-	44,548	2,027	5,324
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

HIGH YIELD DEBT FUND	INTER- NATIONAL STOCK FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1,554,036
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$2,189,377
142,876	-	-	-	-	-	-	1,556,028
(60)	-	-	-	-	-	-	(1,548,144)
-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	19,398
5,883	-	-	-	-	-	-	87,445
(5,883)	-	-	-	-	-	-	(87,445)
6,916	-	-	-	-	-	-	(102,018)
\$149,735	\$-	\$-	\$-	\$-	\$-	\$-	\$2,114,641
142,819	-	-	-	-	-	-	1,581,318
1,329	-	-	-	-	-	-	174,461
\$112.63	\$-	\$-	\$-	\$-	\$-	\$-	
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$752,775
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1,029,711
69,416	-	-	-	-	-	-	752,155
(28)	-	-	-	-	-	-	(748,151)
-	-	-	-	-	-	-	-
1	-	-	-	-	-	-	8,580
2,802	-	-	-	-	-	-	41,419
(2,802)	-	-	-	-	-	-	(41,419)
1,548	-	-	-	-	-	-	(47,209)
\$70,937	\$-	\$-	\$-	\$-	\$-	\$-	\$995,086
69,389	-	-	-	-	-	-	765,359
630	-	-	-	-	-	-	83,550
\$112.63	\$-	\$-	\$-	\$-	\$-	\$-	
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$6,955,373
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$9,730,013
665,718	-	-	-	-	-	-	7,907,078
(276)	-	-	-	-	-	-	(7,878,061)
-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	85,195
27,288	-	-	-	-	-	-	401,809
(27,288)	-	-	-	-	-	-	(401,809)
28,322	-	-	-	-	-	-	(447,413)
\$693,773	\$-	\$-	\$-	\$-	\$-	\$-	\$9,396,812
665,451	-	-	-	-	-	-	7,069,585
6,160	-	-	-	-	-	-	537,831
\$112.63	\$-	\$-	\$-	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

	LIQUIDITY FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Hopemead Fund						
Book Value at June 30, 2007	\$71,728	\$97,244	\$1,561,059	\$-	\$-	\$-
Market Value at June 30, 2007	\$71,728	\$662,796	\$1,639,275	\$-	\$-	\$-
Shares Purchased	229,878	-	-	1,277,293	55,873	146,980
Shares Redeemed	(150,834)	(19,255)	(1,561,059)	(39,603)	(1,881)	(4,938)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	16,349	-	3,150	195	279
Net Investment Income Earned	5,199	10,793	24,704	48,872	900	1,921
Net Investment Income Distributed	(5,199)	(10,793)	(24,704)	(48,872)	(900)	(1,921)
Changes in Market Value of Fund Shares	-	(110,211)	(78,216)	51,417	10,991	12,673
Market Value at June 30, 2008	\$150,772	\$549,679	\$-	\$1,292,257	\$65,178	\$154,994
Book Value at June 30, 2008	150,772	94,338	-	1,240,840	54,187	142,321
Shares Outstanding	150,772	593	-	11,350	497	1,305
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78
Police & Fireman's Survivors' Benefit Fund						
Book Value at June 30, 2007	\$491,546	\$6,666,976	\$10,683,231	\$-	\$-	\$-
Market Value at June 30, 2007	\$491,546	\$9,744,619	\$10,820,954	\$-	\$-	\$-
Shares Purchased	1,426,697	-	-	8,399,080	382,373	1,005,865
Shares Redeemed	(1,036,573)	(283,081)	(10,683,231)	(271,027)	(12,875)	(33,795)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	83,849	-	12,393	909	738
Net Investment Income Earned	23,165	158,702	163,074	322,998	5,997	12,768
Net Investment Income Distributed	(23,165)	(158,702)	(163,074)	(322,998)	(5,997)	(12,768)
Changes in Market Value of Fund Shares	-	(1,463,864)	(137,723)	56,663	59,347	49,079
Market Value at June 30, 2008	\$881,670	\$8,081,523	\$-	\$8,197,109	\$429,754	\$1,021,887
Book Value at June 30, 2008	881,670	6,467,744	-	8,140,446	370,407	972,808
Shares Outstanding	881,670	8,712	-	71,994	3,276	8,604
Market Value per Share	\$1.00	\$927.68	\$-	\$113.86	\$131.19	\$118.78

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

HIGH YIELD DEBT FUND	INTER- NATIONAL STOCK FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1,730,031
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$2,373,799
166,744	-	-	-	-	-	-	1,876,768
(68)	-	-	-	-	-	-	(1,777,638)
-	-	-	-	-	-	-	-
1	-	-	-	-	-	-	19,974
6,742	-	-	-	-	-	-	99,131
(6,742)	-	-	-	-	-	-	(99,131)
4,221	-	-	-	-	-	-	(109,125)
\$170,898	\$-	\$-	\$-	\$-	\$-	\$-	\$2,383,778
166,677	-	-	-	-	-	-	1,849,135
1,517	-	-	-	-	-	-	166,034
\$112.63	\$-	\$-	\$-	\$-	\$-	\$-	
\$-	\$-	\$-	\$-	\$548,582	\$8,656	\$-	\$18,398,991
\$-	\$-	\$-	\$-	\$518,195	\$6,165	\$-	\$21,581,479
1,141,125	-	-	-	331,900	-	-	12,687,040
(453)	-	-	-	(8,100)	(817)	-	(12,329,952)
-	-	-	-	-	-	-	-
(4)	-	-	-	(116)	(240)	-	97,529
45,098	-	-	-	43,479	510	-	775,791
(45,098)	-	-	-	(43,479)	(510)	-	(775,791)
(3,890)	-	-	-	5,383	374	-	(1,434,631)
\$1,136,778	\$-	\$-	\$-	\$847,262	\$5,482	\$-	\$20,601,465
1,140,668	-	-	-	872,266	7,599	-	18,853,608
10,093	-	-	-	15,271	99	-	999,719
\$112.63	\$-	\$-	\$-	\$55.48	\$55.58	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT
JUNE 30, 2008**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
LIQUIDITY (LF)			
State Street Global Advisors	Active	\$ 2,161,652,395	100.00%
SUBTOTAL LF		\$ 2,161,652,395	100.00%
MUTUAL EQUITY FUND (MEF)			
Large Cap		\$ 5,942,231,994	74.28%
BGI Barclays Global Investors, N.A.	Enhanced - Index	3,098,026,385	38.73%
State Street Global Advisors	Passive - Indexed	2,844,205,609	35.55%
All Cap		325,506,700	4.07%
Capital Prospects	Active	161,577,785	2.02%
FIS Group, Inc.	Active	163,928,915	2.05%
Small/Mid Cap		1,720,622,163	21.51%
AXA Rosenberg Investment Management	Enhanced - Index	1,031,638,560	12.90%
TCW Cowen Asset Management	Active	541,934,716	6.77%
Bivium	Active	147,048,887	1.84%
Other ⁽¹⁾		11,100,918	0.14%
SUBTOTAL MEF		\$ 7,999,461,775	100.00%
CORE FIXED INCOME FUND (CFIF)			
State Street Global Advisors	Passive	\$ 1,136,204,216	25.04%
BlackRock Financial Management, Inc.	Active	901,731,858	19.87%
Wellington	Active	680,596,862	15.00%
Western Asset Management Co.	Active	812,000,056	17.90%
Phoenix	Active	412,435,485	9.09%
Progress	Active	139,566,604	3.08%
Other ⁽¹⁾		454,526,384	10.02%
SUBTOTAL CFIF		\$ 4,537,061,465	100.00%
INFLATION LINKED BOND FUND (ILBF)			
Brown Brothers Harriman	Active	\$ 597,394,601	50.94%
Hartford Investment Mgmt Co.	Active	574,899,771	49.02%
Other ⁽¹⁾		491,039	0.04%
SUBTOTAL ILBF		\$ 1,172,785,411	100.00%
EMERGING MARKET DEBT FUND (EMDF)			
Ashmore	Active	\$ 339,221,905	32.40%
Stone Harbor Investment Partners	Active	251,588,628	24.02%
Pyramis	Active	207,519,605	19.81%
UBS Global Asset Management	Active	243,964,412	23.29%
Other ⁽¹⁾		5,040,079	0.48%
SUBTOTAL EMDF		\$ 1,047,334,629	100.00%
HIGH YIELD INCOME FUND (HYIF)			
Loomis Sayles & Co., Inc.	Active	\$ 324,437,858	42.74%
Stone Harbor Investment Partners	Active	145,334,608	19.14%
Shenkman Capital Management	Active	151,471,173	19.95%
Oaktree Capital Management, L.L.C.	Active	136,392,195	17.96%
Other ⁽¹⁾		1,578,559	0.21%
SUBTOTAL HYIF		\$ 759,214,393	100.00%
DEVELOPED MARKET INTERNATIONAL STOCK FUND (DMISF)			
Index		\$ 676,477,517	13.24%
State Street Global Advisors	Index-Passive	676,477,517	13.24%
Core		1,489,162,231	29.16%
Invesco Global Asset Mgmt.	Active	242,875,937	4.75%
AQR Capital Management	Active	315,027,056	6.17%
Acadian Asset Management	Active	448,810,059	8.80%
Artio Global	Active	400,678,731	7.84%
Progress	Active	81,770,448	1.60%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2008**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Active-Growth		979,615,304	19.17%
Clay Finlay, Inc.	Active	495,661,097	9.70%
MFS Institutional Advisors, Inc.	Active	483,954,207	9.47%
Active-Value		718,225,463	14.06%
Grantham, Mayo, Van Otterloo	Active	718,225,463	14.06%
Small Cap		296,949,032	5.81%
Schroder Investment Mgmt.	Active	296,949,032	5.81%
Risk Controlled		908,832,405	17.80%
BlackRock	Active	448,765,440	8.79%
Pyramis	Active	460,066,965	9.01%
Other ⁽¹⁾		39,019,343	0.76%
SUBTOTAL DMISF		\$ 5,108,281,295	100.00%
EMERGING MARKET INTERNATIONAL STOCK FUND (EMISF)			
Grantham, Mayo, Van Otterloo	Active	\$ 693,054,190	53.16%
Emerging Markets Management	Active	609,293,017	46.73%
Other ⁽¹⁾		1,411,891	0.11%
SUBTOTAL EMISF		\$ 1,303,759,098	100.00%
REAL ESTATE FUND (REF)			
AEW Capital Management	Active	\$ 16,416,491	1.64%
AEW Core	Active	180,271,447	17.99%
Apollo Real Estate	Active	45,554,672	4.54%
Blackstone Real Estate VI LP	Active	46,776,883	4.67%
Canyon Johnson Urban Fund II	Active	26,856,469	2.68%
Capri Select Income II LLC	Active	29,946,510	2.99%
Colony Realty Partners II LP	Active	47,654,787	4.75%
Cornerstone Patriot	Active	73,366,650	7.32%
Covenant Apartment Fund V LP	Active	23,293,573	2.32%
Macfarlane Urban Real Estate Fund II LP	Active	26,786,193	2.67%
Mullica Hill Plaza	Active	10,076,518	1.01%
New Boston Fund	Active	5,863,982	0.59%
North Scottsdale Corporate Center	Active	52,535,316	5.24%
Prime Property Fund	Active	102,463,500	10.22%
RLJ Urban Lodging Fund	Active	171,379	0.02%
RLJ Urban Lodging Fund II	Active	39,204,093	3.91%
Rockwood Capital Fund V	Active	27,133,745	2.71%
Rockwood Capital VI Limited Partnership	Active	17,376,816	1.73%
Rockwood Capital VII Limited Partnership	Active	33,318,904	3.32%
Starwood Opportunity Fund VII	Active	53,857,300	5.37%
Urban Strategy America Fund LP	Active	15,385,904	1.54%
Walton Street Real Estate	Active	41,901,440	4.18%
Westport Senior Living	Active	52,673,389	5.26%
Other ⁽³⁾	Active	33,435,046	3.33%
SUBTOTAL REF		\$ 1,002,321,007	100.00%
COMMERCIAL MORTGAGE FUND (CMF)			
AEW Capital Management	Active	\$ 6,467,187	93.58%
Other ⁽²⁾		443,918	6.42%
SUBTOTAL CMF		\$ 6,911,105	100.00%
PRIVATE INVESTMENT FUND (PIF)			
Buyout		\$ 774,928,521	43.16%
KKR Millennium Fund	Active	97,425,807	5.43%
Hicks, Muse Tate & Furst Equity Fund III	Active	29,105,687	1.62%
Thomas H. Lee Equity Fund IV	Active	1,587,206	0.09%
Thomas H. Lee Equity Fund VI	Active	50,337,273	2.80%
Welsh Carson Anderson & Stowe VIII	Active	21,141,054	1.18%
Wellspring Capital Partners III	Active	50,994,408	2.84%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2008**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
SCP Private Equity Partners	Active	23,332,055	1.30%
Charterhouse Equity Partners IV	Active	65,577,209	3.65%
Forstmann Little Equity Fund VI	Active	4,187,397	0.23%
DLJ Merchant Banking Fund II	Active	17,202,542	0.96%
KKR 1996 Fund	Active	8,914,467	0.50%
FS Equity Partners V	Active	55,276,872	3.08%
Blackstone Capital Partners III	Active	8,431,850	0.47%
Thayer Equity Investors IV	Active	16,061,418	0.89%
Kelso Investment Associates VI	Active	4,463,788	0.25%
Green Equity Investors III	Active	4,370,681	0.24%
Wellspring Capital Partners II	Active	2,214,255	0.12%
Veritas Capital Fund	Active	84,650	0.00%
AIG Healthcare Partners LP	Active	29,353,580	1.64%
AIG Altaris Health Partners II	Active	4,593,667	0.26%
Welsh Carson Anderson & Stowe X LP	Active	82,228,660	4.58%
Court Square Capital Partners II	Active	24,176,785	1.35%
Ethos Private Equity Fund V	Active	27,922,900	1.56%
Boston Ventures VII	Active	20,153,787	1.12%
KKR 2006 Fund	Active	85,612,671	4.77%
Nogales Investors Fund II	Active	233,476	0.01%
ICV Partners II LP	Active	6,887,275	0.38%
Vista Equity Partners Fund III	Active	20,921,186	1.17%
RFE Investments Partners	Active	5,286,475	0.29%
RFE Investment Partners VII	Active	6,849,440	0.38%
Venture Capital		41,681,097	2.32%
Conning Capital Partners V	Active	4,022,660	0.22%
Crescendo World Fund	Active	15,329,212	0.85%
Grotech Partners V	Active	9,255,197	0.52%
Shawmut Equity Partners	Active	5,698,233	0.32%
Crescendo III	Active	2,028,146	0.11%
Syndicated Communications	Active	5,247,439	0.29%
Connecticut Futures Fund	Active	100,210	0.01%
Mezzanine		56,445,553	3.15%
SW Pelham Fund	Active	4,325,539	0.24%
GarMark Partners	Active	3,203,066	0.18%
GarMark Partners II LP	Active	39,448,830	2.20%
SW Pelham Fund II	Active	9,468,118	0.53%
International		200,111,979	11.15%
Compass Partners European Equity Fund	Active	27,770,476	1.55%
Gilbert Global Equity Partners	Active	54,569,439	3.04%
Carlyle Europe Partners	Active	25,373,929	1.41%
AIG Global Emerging Markets Fund	Active	23,976,467	1.34%
Carlyle Asia Partners	Active	68,421,668	3.81%
Fund of Funds		500,384,675	27.88%
The Constitution Liquidating Fund	Active	239,521,431	13.35%
Landmark Private Equity Fund VIII	Active	32,106,470	1.79%
CS/CT Cleantech Opp Fund	Active	3,547,871	0.20%
CT Emerging Pvt Equity	Active	1,922,546	0.11%
Fairview Constitution III	Active	8,672,250	0.48%
Goldman Sachs Private Equity Partners Connecticut	Active	13,307,244	0.74%
Lexington Capital Partners II	Active	6,466,889	0.36%
Parish Capital I LP	Active	33,801,027	1.88%
Parish Capital Buyout Fund II	Active	81,098,837	4.52%
Fairview Constitution II LP	Active	79,940,110	4.45%
Special Situations		103,546,939	5.76%
Welsh Carson Anderson & Stowe Capital Partners III	Active	23,875,251	1.33%
Greenwich Street Capital Partners II	Active	5,943,256	0.33%
Pegasus Partners IV	Active	29,290,130	1.63%
Forstmann Little MBO VII	Active	2,372,516	0.13%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2008**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
WLR Recovery Fund IV	Active	28,264,848	1.57%
KPS Special Situations Fund II	Active	13,800,938	0.77%
Other ⁽³⁾		117,609,317	6.58%
SUBTOTAL PIF		\$ 1,794,708,081	100.00%
TOTAL		\$ 26,893,490,654	
Adjustments ⁽⁴⁾		(1,021,667,976)	
GRAND TOTAL		\$ 25,871,822,678	

- (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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS
SCHEDULE OF CONSULTING SERVICES IN EXCESS OF \$5,000⁽¹⁾ FOR PERIODS ENDED JUNE 30

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2008	2007	2006	2005	2004
CONSULTING SERVICES						
Alignment Capital Management	Private Equity Consultant	-	227,147	325,000	300,000	-
Callan Associates	Pension Funds Consultant	-	-	-	95,000	-
CRA RogersCasey Consulting Inc.	Pension Funds Consultant	555,055	401,495	519,885	547,890	480,663
Franklin Park Associates LLC	Private Equity Consultant	791,426	905,569	863,056	647,154	-
FTI Consulting, Inc.	Pension Funds Consultant	-	-	19,372	151,256	-
Greystone Capital Management	Pension Funds Consultant	-	-	-	7,040	16,280
Independent Fiduciary Service	Pension Funds Consultant	142,500	-	-	-	-
Invesco Private Capital (Sovereign)	Pension Funds Consultant	-	-	-	1,026,564	1,153,486
Korn Ferry International	Pension Funds Consultant	182,392	-	-	-	-
Mercer Investment Consulting	Pension Funds Consultant	250,000	-	-	-	-
Pension Consulting Alliance	Pension Funds Consultant	103,350	202,768	196,851	196,242	260,1368
TOTAL CONSULTING SERVICES COMPENSATION		\$2,024,723	\$1,736,979	\$1,924,164	\$2,971,146	\$1,910,565

(1) Expenses are presented on a cash basis.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2008*

MUTUAL EQUITY FUND

Security Name	Industry Sector	Market Value	%
Exxon Mobil Corp	Energy	\$ 280,031,753	3.49%
Microsoft	Technology	136,646,186	1.70%
AT&T Inc	Telecommunication Svcs	120,833,093	1.51%
Proctor & Gamble Co	Consumer Staples	117,841,267	1.47%
General Electric	Industrials	117,633,986	1.47%
ConocoPhillips	Energy	101,298,121	1.26%
Wal Mart Stores Inc	Consumer Discretionary	93,683,321	1.17%
Chevron Corp	Energy	88,195,069	1.10%
Intel Corp	Information Technology	83,281,998	1.04%
Apple Inc	Information Technology	81,091,694	1.01%
Top Ten		1,220,536,488	15.22%
Total Market Value		\$8,017,007,807	

CORE FIXED INCOME FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
FNMA TBA Aug 30 Single Fam	5.0%	12/01/2099	U.S. Govt Agency	\$ 123,527,318	2.54%
FNMA TBA Jul 30 Single Fam	5.0%	12/01/2099	U.S. Govt Agency	109,905,896	2.27%
FNMA Pool 735989	5.5%	02/01/2035	U.S. Govt Agency	48,506,358	1.00%
FNMA Pool 888877	0.99%	10/01/2022	U.S. Govt Agency	35,570,564	0.73%
U.S. Treasury Notes	3.5%	02/15/2018	U.S. Govt Agency	33,631,116	0.69%
U.S. Treasury Notes	3.875%	05/15/2018	U.S. Govt Agency	33,098,356	0.68%
GNMA I TBA Jul 30 Single Fam	5.5%	12/01/2099	U.S. Govt Agency	29,243,813	0.60%
Germany (FED REP)	3.75%	01/04/2017	Sovereign Debt	26,653,253	0.55%
U.S. Treasury Bonds	3.625%	04/15/2028	U.S. Govt Agency	26,016,173	0.54%
FNMA Pool 888877	0.99%	12/01/2037	U.S. Govt Agency	24,054,563	0.50%
Top Ten				\$ 490,207,410	10.10%
Total Market Value				\$4,851,300,830	

INFLATION LINKED BONDS

Security Name	Coupon	Maturity	Security Type	Market Value	%
U.S. Treasury Notes	1.875%	07/15/2013	U.S. Govt Agency	\$ 167,195,259	14.39%
U.S. Treasury Bonds	2.375%	01/15/2025	U.S. Govt Agency	134,959,190	11.61%
U.S. Treasury Bonds	2.375%	01/15/2027	U.S. Govt Agency	100,083,262	8.61%
U.S. Treasury Notes	2.00%	01/15/2016	U.S. Govt Agency	84,656,795	7.28%
U.S. Treasury Notes	2.375%	04/15/2011	U.S. Govt Agency	80,209,715	6.90%
U.S. Treasury Notes	1.875%	07/15/2015	U.S. Govt Agency	71,034,347	6.11%
U.S. Treasury Bonds	2.00%	01/15/2026	U.S. Govt Agency	63,062,971	5.42%
U.S. Treasury Notes	3.50%	01/15/2011	U.S. Govt Agency	55,732,646	4.79%
U.S. Treasury Notes	2.50%	07/15/2016	U.S. Govt Agency	53,917,654	4.64%
U.S. Treasury Notes	2.00%	07/15/2014	U.S. Govt Agency	48,021,130	4.13%
Top Ten				\$ 858,872,969	73.88%
Total Market Value				\$1,162,545,028	

EMERGING MARKET DEBT

Security Name	Coupon	Maturity	Security Type	Market Value	%
Russian Federation	7.50%	3/31/2030	Russian Federation	\$ 25,460,622	2.45%
Argentina (Rep)	7.00%	3/28/2011	Argentina	17,856,750	1.72%
Argentina	3.092%	8/3/2012	Argentina	14,598,630	1.40%
Malaysia	3.869%	4/13/2010	Malaysia	12,102,373	1.16%
Argentina (Rep)	7.00%	9/12/2013	Argentina	11,738,089	1.13%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2008* (Continued)

Russian Federation	12.75%	6/24/2028	Russian Federation	10,259,789	0.99%
Turkey (Rep)	6.75%	4/3/2018	Turkey	10,226,244	0.98%
Nota Do Tesouro NA	10.00%	1/1/2017	Brazil	9,885,535	0.95%
Colombia (Rep)	7.375%	9/18/2037	Colombia	9,688,551	0.93%
Malaysian Government	3.718%	6/15/2012	Malaysia	9,574,244	0.92%
Top Ten				131,390,827	12.63%
Total Market Value				\$1,040,295,964	

HIGH YIELD DEBT FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
Mexico (United Mexican States)	9.00%	12/20/2012	Mexico	\$ 13,898,928	1.87%
ASIF Global Financing XXVII	2.38%	02/26/2009	United States	8,822,369	1.18%
Dynegy Hldgs Inc	8.375%	05/1/2016	United States	8,671,800	1.16%
Georgia Pacific Corp	7.75%	11/15/2029	United States	6,459,200	0.87%
AES Corp	8.375%	03/1/2011	United States	6,370,964	0.86%
Toys R Us	7.375%	10/15/2018	United States	6,167,900	0.83%
Vertex Pharmaceuticals Inc	N/A	Common Stock	United States	5,916,659	0.79%
U S West Cap Fdg Inc	6.875%	07/15/2028	United States	5,904,000	0.79%
IMC Global Inc	7.30%	01/15/2028	United States	5,903,450	0.79%
Citibank NA	15.00%	07/2/2010	United States	5,903,168	0.79%
Top Ten				74,018,438	9.93%
Total Market Value				\$ 745,137,049	

DEVELOPED MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
Total SA Eur 2.5 Post Division	France	\$ 100,486,378	1.98%
Nestle SA CHFO.10 REGD	Switzerland	80,049,035	1.58%
Vodafone Group ORD USD 0.11428571	United Kingdom	66,851,881	1.32%
E on AG NPV	Germany	66,175,133	1.30%
ENI Eur 1	Italy	64,815,289	1.28%
Glaxosmithkline ORD GBP 0.25	United Kingdom	58,140,542	1.14%
Roche Holdings AG Genusscheine NPV	Switzerland	56,044,131	1.10%
Novartis AG CHF 0.50 REGD	Switzerland	51,555,450	1.02%
BG Group ORD GBP 0.10	United Kingdom	51,393,329	1.01%
Royal Dutch Shell A SHS Eur 0.7	United Kingdom	47,110,261	0.93%
Top Ten		642,621,429	12.66%
Total Market Value		\$5,077,825,949	

EMERGING MARKET FUND

Security Name	Country	Market Value	%
Petroleo Brasileiro Sa Petro Sponsored ADR	Brazil	\$ 45,201,637	3.50%
Gazprom O A O Sponsored ADR	Russian Federation	34,884,100	2.69%
Companhia Vale Do Rio Doce Spons ADR REPSTG 250 PFD SHS	Brazil	31,767,187	2.45%
Samsung Electronic KRW 5000	Republic of Korea	29,330,577	2.26%
EMSAF Mauritius Reref from 132197	United States	27,887,293	2.15%
Gazprom ADR Rep 4 Ord Rub5	Russian Federation	27,666,000	2.13%
China Mobile Ltd. HKD 0.10	Hong Kong	26,255,623	2.03%
Petroleo Brasileiro Sa Sponsored ADR	Brazil	18,197,644	1.40%
CNOOC Ltd. HKD 0.02	Hong Kong	17,016,273	1.31%
KT + G Corporation KRW5000	Republic of Korea	16,703,236	1.29%
Top Ten		274,909,570	21.21%
Total Market Value		\$ 1,295,936,888	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2008* (Continued)

REAL ESTATE FUND

Property Name	Location	Property Type	Market Value	%
Prime Property Fund	Various	Various	\$ 102,463,500	10.22%
Cornerstone Patriot	Various	Various	73,366,650	7.32%
Starwood Opportunity Fund VII	Various	Various	53,857,300	5.37%
Westport Senior Living Inv FD	Various	Senior Living	52,673,389	5.26%
North Scottsdale Corporate Center	Scottsdale, AZ	Office	52,535,316	5.24%
Colony Realty Partners II LP	Various	Various	47,654,787	4.75%
Rio Hill Shopping Center	Virginia	Retail	47,616,541	4.75%
Blackstone Real Estate VI LP	Various	Various	46,776,883	4.67%
Apollo Real Est Invest Fd III	Various	Various	45,554,672	4.55%
1155 Perimeter Center West	Atlanta	Office	44,620,096	4.45%
Top Ten			567,119,134	56.58%
Total Market Value			\$ 1,002,243,816	

COMMERCIAL MORTGAGE FUND

Property Name	Location	Property Type	Market Value	%
SASCO	Various	Other	\$ 6,467,188	93.65%
Yankee Mac Series G 11.125%	Various	Residential	114,079	1.65%
Yankee Mac Series E 11.056%	Various	Residential	111,349	1.61%
Yankee Mac Series F 12.981%	Various	Residential	53,819	0.78%
Yankee Mac Series A 13.075%	Various	Residential	9,472	0.14%
Top Five			6,755,907	97.83%
Total Market Value			\$ 6,906,096	

PRIVATE INVESTMENT FUND

Partnership Name	Partnership Type	Market Value	%
Constitution Liquidating Fund	Fund of Funds	\$ 239,521,429	13.37%
KKR Millennium Fund	Buyout	97,425,807	5.45%
KKR 2006 Fund	Buyout	85,612,671	4.79%
Welsh Carson Anderson & Stowe X LP	Buyout	82,228,660	4.60%
Parish Capital Buyout Fund II	Fund of Funds	81,098,839	4.53%
Fairview Constitution II LP	Fund of Funds	79,940,110	4.47%
Carlyle Asia Partners LP	International	68,421,669	3.82%
Charterhouse Equity Partners IV	Buyout	65,577,209	3.67%
FS Equity Partners V	Buyout	55,276,872	3.09%
Gilbert Global Equity Partners	International	54,569,439	3.05%
Top Ten		909,672,705	50.84%
Total Market Value		\$ 1,789,139,253	

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 AveragesTM 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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.

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 advisors.

To bring accountability and perspective to Fund performance and measurements of risk and return, The Connecticut Retirement Plans and Trust Funds are compared to those of similarly structured peer groups and indices. These 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. Each Fund's benchmark is selected on the basis of portfolio composition, investment style, and objectives.

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 average age of plan participants is relatively low and requires 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 broader 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 the 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: market risk, the risk of fluctuations in the overall market for securities; company risk, the risk of investing in any single company's stock or bonds; currency-exchange risk, 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 political risk, risk incurred through investing in foreign countries with volatile economies and political systems.

With respect to fixed income investments, investors also assume: reinvestment risk, the risk that cash flows received from a security will be reinvested at lower rates due to declining interest rates; credit or default risk, the risk that the issuer of a fixed income security may fail to make principal and interest payments on the security; interest rate risk, the risk that prices of fixed coupon bonds will decline in the event of rising market interest rates; and inflation or purchasing power risk, 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.

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 substantially discounted value.

UNDERSTANDING INVESTMENT PERFORMANCE

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. Standard deviation is one of the most widely accepted and descriptive risk measures used by investment professionals today. 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 R². 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 for maximum return with minimal 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 from 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 those attributable to currency fluctuations. In effect, compounded annual total return "smooths" 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.



Statistical

Section



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS
STATISTICAL SECTION

This part of the Combined Investment Fund's (CIF's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial schedules and other supplementary information say about the overall financial health of CIF. The schedules within this statistical section comply with the requirements of GASB 44.

Financial Trends

These schedules contain the ten-year trend information on the financial performance of CIF.

<u>Schedule</u>	<u>Page</u>
o Per share data	140
o Schedule of rates of return	140
o Schedule of financial ratios	140
o Schedule of balances in Combined Investment Funds	142

Revenue Capacity

Revenue capacity is not applicable to CIF.

Borrowing Capacity

Borrowing capacity is not applicable to CIF.

Demographic and Economic Information

These schedules show the breakdown between CIF funds, growth of the fund and rate of return information.

<u>Schedule</u>	<u>Page</u>
o Investment summary	143 - 145

Operating Information

The summary of operations schedule outlines the expenses, additions and deductions associated with the management of CIF.

<u>Schedule</u>	<u>Page</u>
o Schedule of Net Assets	146

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. CIF implemented Statement 34 in fiscal year 2005.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	MUTUAL EQUITY					MUTUAL FIXED INCOME				
	2008	2007	2006	2005	2004	2008	2007	2006	2005	2004
Net Asset Value- Beginning of Period	\$1,085.16	\$933.70	\$858.25	\$807.00	\$677.92	\$114.53	\$112.04	\$116.37	\$113.15	\$115.58
INTRAFUND TRANSFER IN (OUT)	-	-	-	-	-	(116.90)	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	16.87	18.04	13.66	12.76	11.50	2.00	6.23	5.92	5.50	6.95
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(156.38)	151.06	74.43	51.57	128.78	2.08	1.53	(4.98)	3.09	(3.89)
Total from Investment Operations	(139.51)	169.10	88.09	64.33	140.28	4.08	7.76	0.94	8.59	3.06
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(17.97)	(17.64)	(12.64)	(13.08)	(11.20)	(1.71)	(5.27)	(5.27)	(5.37)	(5.49)
Net Asset Value - End of Period	\$927.68	\$1,085.16	\$933.70	\$858.25	\$807.00	\$(0.00)	\$114.53	\$112.04	\$116.37	\$113.15
TOTAL RETURN	-12.99%	18.24%	10.27%	8.06%	20.84%	0.00%	6.92%	0.77%	7.70%	2.79%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$7,999	\$9,818	\$8,982	\$8,275	\$7,781	\$-	\$7,594	\$6,419	\$6,280	\$5,849
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.26%	0.12%	0.32%	0.30%	0.11%	-	0.13%	0.13%	0.11%	0.14%
Ratio of Expenses to Average Net Assets	0.80%	0.75%	0.66%	0.44%	0.16%	-	1.01%	0.90%	0.53%	0.28%
Ratio of Net Investment Income (Loss) to Average Net Assets	1.68%	1.83%	1.53%	1.53%	1.55%	-	5.19%	5.19%	4.70%	5.12%
FISCAL YEAR ENDED JUNE 30, PER SHARE DATA										
	CORE FIXED INCOME					INFLATION LINKED BOND				
	2008	2007	2006	2005	2004	2008	2007	2006	2005	2004
Net Asset Value- Beginning of Period	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
INTRAFUND TRANSFER IN (OUT)	115.45	-	-	-	-	\$120.07	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	4.09	-	-	-	-	10.41	-	-	-	-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(1.44)	-	-	-	-	2.15	-	-	-	-
Total from Investment Operations	2.65	-	-	-	-	12.56	-	-	-	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.24)	-	-	-	-	(1.44)	-	-	-	-
Net Asset Value - End of Period	\$113.86	\$-	\$-	\$-	\$-	\$131.19	\$-	\$-	\$-	\$-
TOTAL RETURN	5.65%	0.00%	0.00%	0.00%	0.00%	16.81%	0.00%	0.00%	0.00%	0.00%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$4,537	\$-	\$-	\$-	\$-	\$1,173	\$-	\$-	\$-	\$-
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.20%	-	-	-	-	0.07%	-	-	-	-
Ratio of Expenses to Average Net Assets	1.30%	-	-	-	-	0.55%	-	-	-	-
Ratio of Net Investment Income (Loss) to Average Net Assets	8.62%	-	-	-	-	5.45%	-	-	-	-
FISCAL YEAR ENDED JUNE 30, PER SHARE DATA										
	EMERGING MARKET DEBT					HIGH YIELD DEBT				
	2008	2007	2006	2005	2004	2008	2007	2006	2005	2004
Net Asset Value- Beginning of Period	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
INTRAFUND TRANSFER IN (OUT)	\$121.80	-	-	-	-	\$119.44	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	4.34	-	-	-	-	5.41	-	-	-	-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(5.90)	-	-	-	-	(7.68)	-	-	-	-
Total from Investment Operations	(1.56)	-	-	-	-	(2.27)	-	-	-	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(1.46)	-	-	-	-	(4.54)	-	-	-	-
Net Asset Value - End of Period	\$118.78	\$-	\$-	\$-	\$-	\$112.63	\$-	\$-	\$-	\$-
TOTAL RETURN	5.59%	0.00%	0.00%	0.00%	0.00%	-1.88%	0.00%	0.00%	0.00%	0.00%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$1,047	\$-	\$-	\$-	\$-	\$759	\$-	\$-	\$-	\$-
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.32%	-	-	-	-	0.45%	-	-	-	-
Ratio of Expenses to Average Net Assets	0.40%	-	-	-	-	1.03%	-	-	-	-
Ratio of Net Investment Income (Loss) to Average Net Assets	5.16%	-	-	-	-	9.37%	-	-	-	-

Source: Amounts were derived from custodial records.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	INTERNATIONAL STOCK					DEVELOPED MARKET INTERNATIONAL				
	2008	2007	2006	2005	2004	2008	2007	2006	2005	2004
Net Asset Value- Beginning of Period	\$442.47	\$347.57	\$282.09	\$241.09	\$188.61	\$-	\$-	\$-	\$-	\$-
INTRAFUND TRANSFER IN (OUT)	(473.81)	-	-	-	-	478.96	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	2.41	9.09	7.91	5.73	4.50	9.49	-	-	-	-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	31.53	92.81	64.29	40.22	51.38	(97.18)	-	-	-	-
Total from Investment Operations	33.94	101.90	72.20	45.95	55.88	(87.69)	-	-	-	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(2.60)	(7.00)	(6.72)	(4.95)	(3.40)	(6.69)	-	-	-	-
Net Asset Value - End of Period	\$0.00	\$442.47	\$347.57	\$282.09	\$241.09	\$384.58	\$-	\$-	\$-	\$-
TOTAL RETURN	0.00%	29.65%	25.69%	19.23%	29.69%	-14.60%	0.00%	0.00%	0.00%	0.00%

RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$-	\$6,021	\$5,357	\$4,489	\$4,003	\$5,108	\$-	\$-	\$-	\$-
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	-	0.52%	0.53%	0.60%	0.62%	0.54%	-	-	-	-
Ratio of Expenses to Average Net Assets	-	1.19%	1.19%	0.92%	0.76%	0.96%	-	-	-	-
Ratio of Net Investment Income (Loss) to Average Net Assets	-	2.42%	2.51%	2.25%	2.37%	3.92%	-	-	-	-

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	EMERGING MARKET INTERNATIONAL STOCK					REAL ESTATE				
	2008	2007	2006	2005	2004	2008	2007	2006	2005	2004
Net Asset Value- Beginning of Period	\$-	\$-	\$-	\$-	\$-	\$55.10	\$56.53	\$62.31	\$52.76	\$57.53
INTRAFUND TRANSFER IN (OUT)	474.35	-	-	-	-	-	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	18.06	-	-	-	-	3.41	0.81	0.86	0.82	2.22
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(100.62)	-	-	-	-	0.13	6.98	2.84	12.83	(1.94)
Total from Investment Operations	(82.56)	-	-	-	-	3.54	7.79	3.70	13.65	0.28
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(2.40)	-	-	-	-	(3.16)	(9.22)	(9.48)	(4.10)	(5.05)
Net Asset Value - End of Period	\$389.39	\$-	\$-	\$-	\$-	\$55.48	\$55.10	\$56.53	\$62.31	\$52.76
TOTAL RETURN	0.19%	0.00%	0.00%	0.00%	0.00%	6.04%	14.21%	7.09%	27.74%	0.67%

RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$1,304	\$-	\$-	\$-	\$-	\$1,002	\$686	\$399	\$400	\$369
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.99%	-	-	-	-	0.48%	0.25%	0.41%	0.39%	0.40%
Ratio of Expenses to Average Net Assets	1.38%	-	-	-	-	0.48%	na	na	na	na
Ratio of Net Investment Income (Loss) to Average Net Assets	9.28%	-	-	-	-	6.42%	1.45%	1.39%	1.43%	4.22%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	COMMERCIAL MORTGAGE					PRIVATE INVESTMENT				
	2008	2007	2006	2005	2004	2008	2007	2006	2005	2004
Net Asset Value- Beginning of Period	\$54.86	\$59.31	\$58.76	\$62.75	\$73.39	\$56.43	\$55.35	\$57.45	\$65.23	\$65.27
INTRAFUND TRANSFER IN (OUT)	-	-	-	-	-	-	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	4.25	4.18	5.41	6.13	6.63	8.15	8.47	8.69	8.09	12.98
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	1.26	(0.88)	(0.10)	(2.99)	(1.11)	(0.92)	1.29	(2.45)	(2.96)	(1.69)
Total from Investment Operations	5.51	3.30	5.31	3.14	5.52	7.23	9.76	6.24	5.13	11.29
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.79)	(7.75)	(4.76)	(7.13)	(16.16)	(8.81)	(8.68)	(8.34)	(12.91)	(11.33)
Net Asset Value - End of Period	\$55.58	\$54.86	\$59.31	\$58.76	\$62.75	\$54.85	\$56.43	\$55.35	\$57.45	\$65.23
TOTAL RETURN	12.05%	8.17%	9.69%	6.95%	7.87%	13.66%	19.56%	11.74%	9.58%	20.21%

IRATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$7	\$8	\$18	\$20	\$36	\$1,795	\$1,564	\$1,360	\$1,441	\$1,785
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	1.16%	0.82%	1.03%	0.94%	0.62%	0.66%	0.36%	0.43%	0.36%	0.65%
Ratio of Expenses to Average Net Assets	1.16%	na	na	na	na	0.66%	na	na	na	na
Ratio of Net Investment Income (Loss) to Average Net Assets	7.77%	5.65%	9.23%	10.19%	7.79%	14.65%	14.97%	15.32%	12.87%	20.36%

Source: Amounts were derived from custodial records.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

PENSION AND TRUST FUNDS
BALANCES IN COMBINED INVESTMENT FUNDS (Dollars in Thousands)

Pension Plans	2008															
	Total System	Assets	Percent of	LF	MEF	FIF	CFIF	ILBF	EMDF	HYDF	ISF	DMISF	EMISF	REF	CMF	PIF
Teachers' Retirement Fund	56.21%	\$14,541.6		\$760.3	\$4,525.9	\$0.0	\$2,546.8	\$611.1	\$570.1	\$389.5	\$0.0	\$2,897.8	\$697.5	\$543.4	\$3.8	\$995.4
State Employees' Retirement Fund	36.06%	9,329.7		310.8	2,980.8	0.0	1,494.6	401.7	374.5	299.5	0.0	1,912.5	506.5	381.1	2.6	665.1
Municipal Employees' Retirement Fund	6.29%	1,627.6		55.0	409.6	0.0	369.1	134.6	81.1	52.4	0.0	257.0	86.3	66.4	0.4	115.7
State Judges' Retirement Fund	0.68%	177.2		6.7	44.8	0.0	39.2	14.9	8.8	5.7	0.0	28.0	9.1	7.2	0.1	12.7
The Probate Court Retirement Fund	0.31%	81.4		3.6	20.7	0.0	17.3	6.8	4.1	2.6	0.0	12.9	4.3	3.3	0.0	5.8
State's Attorneys Retirement Fund	0.00%	0.9		0.1	0.2	0.0	0.5	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Trust Funds	0.44%	113.2		3.5	17.5	0.0	69.6	3.6	8.7	9.5	0.0	0.0	0.0	0.8	0.0	0.0
	100.00%	\$25,871.6		\$1,140.0	\$7,999.5	\$0.0	\$4,537.1	\$1,172.7	\$1,047.3	\$759.3	\$0.0	\$5,108.2	\$1,303.7	\$1,002.2	\$6.9	\$1,794.7

Pension Plans	1999															
	Total System	Assets	Percent of	LF	MEF	FIF	CFIF	ILBF	EMDF	HYDF	ISF	DMISF	EMISF	REF	CMF	PIF
Teachers' Retirement Fund	54.45%	\$10,792.9		\$104.5	\$5,026.5	\$3,310.2	\$0.0	\$0.0	\$0.0	\$1,348.0	\$0.0	\$0.0	\$0.0	\$233.4	\$129.2	\$641.1
State Employees' Retirement Fund	37.96%	7,524.3		51.9	3,454.4	2,359.0	0.0	0.0	0.0	951.8	0.0	0.0	0.0	164.9	91	451.3
Municipal Employees' Retirement Fund	6.12%	1,213.0		36.0	540.7	369.7	0.0	0.0	0.0	146.0	0.0	0.0	0.0	25.8	14.3	80.5
State Judges' Retirement Fund	0.63%	124.3		6.3	50.8	38.0	0.0	0.0	0.0	14.4	0.0	0.0	0.0	2.4	1.4	11.0
The Probate Court Retirement Fund	0.33%	65.0		1.1	29.8	20.4	0.0	0.0	0.0	9.1	0.0	0.0	0.0	1.5	0.8	2.3
State's Attorneys Retirement Fund	0.00%	0.9		0.2	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trust Funds	0.51%	100.6		6.7	21.3	72.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2	0.0
	100.00%	\$19,821.0		\$206.7	\$9,124.0	\$6,169.5	\$0.0	\$0.0	\$0.0	\$2,469.3	\$0.0	\$0.0	\$0.0	\$428.4	\$236.9	\$1,186.2

LF Liquidity Fund (formerly Cash Reserve Account)
 MEF Mutual Equity Fund
 FIF Fixed Income Fund
 CFIF Core Fixed Income Fund
 ILBF Inflation Linked Bond Fund
 EMDF Emerging Market Debt Fund
 HYDF High Yield Debt Fund
 ISF International Stock Fund
 DMISF Developed Market International Stock Fund
 EMISF Emerging Market International Stock Fund
 REF Real Estate Fund
 CMF Commercial Mortgage Fund
 PIF Private Investment Fund (formerly Venture Capital Fund)

Source: Amounts were derived from custodial records.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2008 ⁽¹⁾

Liquidity Fund ⁽²⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%
2001	391,346,777	391,346,777	1.85%	6.35%
2000	378,683,486	378,683,486	1.67%	5.96%
1999	227,101,012	227,101,012	1.11%	5.46%

Mutual Equity Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$7,563,373,750	\$8,017,007,807	30.68%	-12.99%	
7,628,304,018	9,810,773,724	36.64%	18.24%	
7,501,163,477	8,983,043,768	38.25%	10.29%	
6,991,797,244	8,284,992,409	38.40%	8.06%	
6,544,070,199	7,779,104,677	37.67%	20.86%	
6,047,280,312	6,603,061,918	34.77%	0.48%	
6,401,472,709	6,688,728,705	34.20%	-14.95%	
6,649,619,519	7,949,775,481	37.49%	-9.55%	
6,578,261,062	8,876,068,150	39.08%	10.03%	
6,321,181,834	9,137,539,233	44.77%	19.38%	

Mutual Fixed Income Fund ⁽⁷⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%
2001	7,363,064,249	7,218,746,648	34.04%	8.03%
2000	7,463,463,748	7,282,002,823	32.06%	5.77%
1999	6,943,741,512	6,762,463,935	33.13%	2.64%

Core Fixed Income Fund ⁽⁷⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$4,979,684,914	\$4,851,300,830	18.57%	5.65%	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	

Inflation Linked Bond Fund ⁽⁷⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2008	\$1,152,973,047	\$1,162,545,028	4.45%	16.81%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-
2001	-	-	-	-
2000	-	-	-	-
1999	-	-	-	-

Emerging Market Debt Fund ⁽⁷⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$1,006,342,436	\$1,040,295,964	3.98%	5.59%	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2008 (Continued)

High Yield Debt Fund ⁽⁷⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2008	\$784,159,491	\$745,137,049	2.85%	-1.88%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-
2001	-	-	-	-
2000	-	-	-	-
1999	-	-	-	-

International Stock Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$	-	\$ -	-	-
2008	4,293,498,472	5,940,213,814	22.19%	29.65%
2007	4,145,802,552	5,392,666,574	22.96%	25.69%
2006	3,587,545,036	4,372,185,115	20.27%	19.23%
2005	3,407,481,400	3,995,868,265	19.35%	29.69%
2004	2,047,590,656	2,026,297,000	10.67%	-6.39%
2003	2,306,936,221	2,272,810,463	11.62%	-9.00%
2002	2,449,711,883	2,466,657,788	11.63%	-13.29%
2001	2,315,776,890	2,928,693,346	12.89%	20.13%
2000	1,937,731,869	2,436,960,573	11.94%	6.77%
1999				

Developed Market International Stock Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2008	\$4,879,325,913	\$5,077,825,949	19.43%	-14.60%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-
2001	-	-	-	-
2000	-	-	-	-
1999	-	-	-	-

Emerging Market International Stock Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$1,111,317,184	\$1,295,936,888	4.96%	0.19%	
2008	-	-	-	-
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-
2001	-	-	-	-
2000	-	-	-	-
1999	-	-	-	-

Real Estate Fund ⁽⁴⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2008	\$954,279,128	\$1,002,243,816	3.84%	6.04%
2007	638,511,736	684,741,163	2.56%	14.21%
2006	327,772,520	398,391,108	1.70%	6.87%
2005	309,798,748	399,727,575	1.85%	27.56%
2004	348,015,445	368,546,928	1.78%	0.53%
2003	399,402,161	425,893,012	2.24%	3.30%
2002	417,067,553	471,193,932	2.41%	0.81%
2001	407,455,431	476,011,373	2.24%	14.45%
2000	464,709,616	510,010,943	2.25%	9.18%
1999	442,674,319	428,221,842	2.10%	9.96%

Commercial Mortgage Fund ⁽⁴⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2008	\$6,255,651	\$6,906,096	0.03%	12.05%
2007	7,355,621	7,763,461	0.03%	8.17%
2006	17,729,189	18,192,114	0.08%	9.51%
2005	19,796,542	20,267,798	0.09%	6.76%
2004	35,210,421	36,228,371	0.18%	7.83%
2003	69,871,489	71,990,878	0.38%	20.62%
2002	69,553,258	71,468,307	0.37%	1.19%
2001	92,793,153	100,727,402	0.47%	10.88%
2000	168,263,689	175,216,208	0.77%	8.26%
1999	231,513,066	235,232,350	1.15%	6.10%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2008 (Continued)

	Private Investment Fund ^{(3) (4)}				Total Fund			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
2008	\$1,809,775,995	\$1,789,139,253	6.85%	13.66%	\$25,388,309,339	\$26,129,160,510	10-	-4.71% ⁽⁵⁾
2007	1,657,888,536	1,556,795,484	5.81%	19.56%	23,066,365,615	26,774,529,258	10-	17.34%
2006	1,692,805,252	1,357,518,114	5.78%	11.46%	21,145,639,107	23,482,898,042	10-	10.55%
2005	2,046,726,560	1,437,979,798	6.67%	8.94%	19,918,781,069	21,573,264,617	10-	10.46%
2004	2,406,829,047	1,781,312,669	8.63%	18.70%	19,473,480,993	20,650,115,902	10-	15.23%
2003	2,413,582,348	1,842,900,019	9.70%	-11.94%	18,771,449,134	18,989,393,113	10-	2.49%
2002	2,315,048,277	2,276,642,374	11.64%	-10.81%	19,403,848,200	19,557,516,103	10-	-6.39%
2001	2,217,285,786	2,601,575,275	12.28%	-6.25%	19,571,276,798	21,204,840,744	10-	-3.68%
2000	1,879,100,932	2,561,042,272	11.28%	53.86%	19,248,259,423	22,711,717,228	10-	13.13%
1999	1,138,252,584	1,182,905,063	5.80%	-0.81%	17,242,196,196	20,410,424,008	10-	10.49%

- (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) In fiscal year 1999, the Venture Capital Fund was renamed as the Private Investment Fund.
- (4) Investment returns published for prior years were net of management fees, but were restated in 2008 net of all expenses.
- (5) 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 elsewhere due to different asset allocations of each fund.
- (6) 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.
- (7) 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 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 reallocation the mutual fi xed 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.

CONDENSED SCHEDULE OF ASSETS
FISCAL YEAR ENDED JUNE 30 (dollars in millions)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Assets										
Investments at Fair Value	\$26,129.2	\$26,774.5	\$23,482.9	\$21,573.3	\$20,650.1	\$18,989.4	\$19,557.5	\$21,207.0	\$22,711.7	\$20,410.4
Cash, Receivables and Other	15,884.6	14,440.5	16,145.9	12,212.7	10,456.4	4,253.9	3,855.0	4,161.7	3,825.8	3,575.5
Total Assets	42,013.8	41,215.0	39,628.8	33,786.0	31,106.5	23,243.3	23,412.5	25,368.7	26,537.5	23,985.9
Liabilities	16,142.0	15,286.7	16,812.0	12,486.9	10,917.2	4,942.9	4,706.3	4,775.5	4,623.3	4,165.0
Net Assets	\$25,871.8	\$25,928.3	\$22,816.8	\$21,299.1	\$20,189.3	\$18,300.4	\$18,706.2	\$20,593.2	\$21,914.2	\$19,820.9

CONDENSED SCHEDULE OF CHANGES IN NET ASSETS
FISCAL YEAR ENDED JUNE 30 (dollars in millions)

Fiscal Year Ended June 30,

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Additions										
Dividends	\$650.1	\$558.9	\$525.6	\$500.2	\$607.5	\$484.1	\$298.8	\$271.4	\$369.8	\$278.6
Interest	460.0	396.0	350.8	302.1	303.0	352.4	432.8	504.6	449.4	446.6
Securities Lending & Other Income	162.4	176.7	124.6	76.0	52.8	28.9	42.9	100.1	77.3	90.0
Total Investment Income	1,272.5	1,131.6	1,001.0	878.3	963.3	865.4	774.5	876.1	896.5	815.2
Total Investment Expenses	201.8	212.3	178.0	112.1	63.6	65.6	91.7	154.7	119.2	136.4
Net Investment Income	1,070.7	919.3	823.0	766.2	899.7	799.8	682.8	721.4	777.3	678.8
Net Realized Gain/(Loss)	675.7	1,524.1	886.0	698.7	881.0	(566.4)	(445.6)	269.3	1,527.2	673.8
Net Change in Unrealized Gains on Investments	(3,004.3)	1,472.3	520.4	591.2	936.9	123.8	(1,567.6)	(1,776.4)	262.5	530.3
Purchase of Units by Participants	8,184.5	3,643.8	1,829.8	1,632.3	2,889.5	1,299.5	1,117.5	1,348.1	2,436.7	2,007.7
Total Additions	6,926.6	7,559.5	4,059.2	3,688.4	5,607.1	1,656.7	(212.9)	562.4	5,003.7	3,890.6
Deductions										
Administrative Expense	(3.2)	(3.2)	(2.9)	(2.7)	(2.3)	(2.1)	(1.5)	(1.4)	(1.3)	(1.3)
Distributions to Unit Holders	(972.4)	(911.9)	(802.5)	(859.6)	(816.1)	(837.0)	(717.8)	(734.6)	(759.0)	(643.6)
Redemption of Units by Participants	(6,007.4)	(3,532.9)	(1,736.1)	(1,716.3)	(2,899.8)	(1,223.4)	(954.8)	(1,147.4)	(2,150.1)	(1,798.9)
Total Deductions	(6,983.0)	(4,448.0)	(2,541.5)	(2,578.6)	(3,718.2)	(2,062.5)	(1,674.1)	(1,883.4)	(2,910.4)	(2,443.8)
Net Change in Assets	(56.5)	3,111.5	1,517.7	1,109.8	1,888.9	(405.8)	(1,887.0)	(1,321.0)	2,093.3	1,446.8
Beginning Net Assets	25,928.3	22,816.8	21,299.1	20,189.3	18,300.4	18,706.2	20,593.2	21,914.2	19,820.9	18,374.1
Ending Net Assets	\$25,871.8	\$25,928.3	\$22,816.8	\$21,299.1	\$20,189.3	\$18,300.4	\$18,706.2	\$20,593.2	\$21,914.2	\$19,820.9

Office of the State Treasurer
LIST OF PRINCIPAL OFFICIALS AND PHONE NUMBERS

Denise L. Nappier
Treasurer, State of Connecticut
Tel: (860) 702-3001
Fax: (860) 702-3043

Howard G. Rifkin
Deputy Treasurer
Tel: (860) 702-3292
Fax: (860) 728-1290

Linda D. Hershman
Assistant Deputy Treasurer and Chief of Staff
Tel: (860) 702-3012
Fax: (860) 728-1290

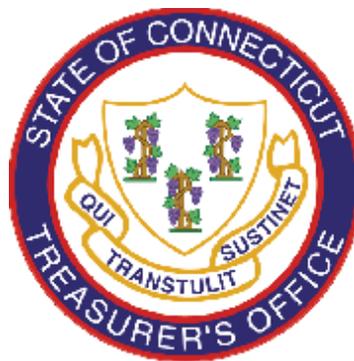
Maria M. Greenslade
Assistant Deputy Treasurer
Second Injury Fund and Unclaimed Property
Tel: (860) 702-3125
Fax: (860) 702-3021

Meredith A. Miller
Assistant Treasurer
Policy
Tel: (860) 702-3294
Fax: (860) 728-1290

Lee Ann Palladino
Acting Chief Investment Officer
Pension Funds Management
Tel: (860) 702-3162
Fax: (860) 702-3042

Sarah K. Sanders
Assistant Treasurer
Debt Management
Tel: (860) 702-3288
Fax: (860) 702-3034

Lawrence A. Wilson
Assistant Treasurer
Cash Management
Tel: (860) 702-3126
Fax: (860) 702-3041



CONNECTICUT STATE TREASURY

**55 Elm Street
Hartford, CT 06106-1773
Tel: (860) 702-3000
www.state.ct.us/ott**