STATE OF CONNECTICUT

2009

ANNUAL REPORT OF THE
TREASURER
For the fiscal year ended June 30, 2009

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.

STATE OF CONNECTICUT

2009

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For the fiscal year ended June 30, 2009

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TREASURER'S OFFICE
QUI TRANSTULIT SUSTINET

State of Connecticut

Office of the Treasurer

DENISE L. NAPPIER
TREASURER

HOWARD G. RIFKIN
DEPUTY TREASURER

December 31, 2009

The Honorable M. Jodi Rell, Governor of Connecticut

The Honorable Members of the Connecticut General Assembly

The People of the State of Connecticut

In accordance with Section 3-37(a) of the Connecticut General Statutes, I enclose for your review the 2009 Annual Report of the Office of the Treasurer of the State of Connecticut, which covers the twelve month period ending June 30, 2009. The Annual Report includes quantitative data, explanatory comments and financial information regarding the Connecticut Retirement Plans and Trust Funds (CRPTF), the Short-Term Investment Fund (STIF), and the Connecticut Higher Education Trust (CHET) -- Connecticut's 529 College Savings Program. In addition, the operations of the divisions of Debt Management, Second Injury Fund and Unclaimed Property are also presented.

During 2009, the Office of the Treasurer achieved a number of substantive milestones that will benefit state residents and business, including the following highlights:

- The Short-Term Investment Fund (STIF) exceeded its primary benchmark by 19 basis points, thereby earning an additional $8.7 million in interest income for Connecticut's agencies, authorities, municipalities and their taxpayers during the fiscal year. Total assets under management grew to more than $4.5 billion, and STIF's reserves were bolstered by $4.6 million during the fiscal year. I am pleased to report that Standard & Poor's reaffirmed STIF's AAAm rating, the highest rating available.
- Unprecedented individual investor demand for Connecticut's general obligation bonds led to favorable costs of borrowing. In October of 2008, $400 million of bonds were sold to individual investors out of a $500 million bond offering – nearly doubling the previous record set in June 2000. As a result, the cost of borrowing of approximately 4.9% resulted in savings to taxpayers of nearly $20 million in debt service costs. As interest rates continued at historically low levels in 2009, a total of $631.5 million in refunding bonds yielded savings of $39 million in debt service costs. All told, since January 1999, debt refunding and defeasances have produced $596 million in debt service savings.
- Second Injury Fund assessment rates, which are used to determine the amount that Connecticut employers will pay to support the Fund, were reduced for insured employers to 2.75% for regular policies and to 2.2% for assigned risk policies and were reduced to 3.84% for self-insured employers. The rate reductions will result in estimated savings of $3.6 million to Connecticut businesses for 2010, which represents the eleventh consecutive year without a rate increase -- a feat unprecedented in the history of the Second Injury Fund. Since 1999, overall rates paid by insured employers have dropped by 72.5%, and rates paid by self-insured employers have declined by 73.5%. Total savings to Connecticut businesses from reduced rates and lower payments since 1999 is expected to reach $482 million.
- Efforts to prevent losses due to the malfeasance of others and, whenever possible, to recover lost assets by closely monitoring and participating in class action settlements resulted in the recovery of $8.5 million in 2009 and a total of $29.3 million since 2000.

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

- At the close of Fiscal Year 2009, the Connecticut Higher Education Trust (CHET) had over $1.05 billion in assets under management representing 86,559 accounts, which reflects an increase of 9% or 7,023 accounts from 2008. This compares with just over 4,000 accounts and $18 million in assets in 1999.
- The Community Bank and Credit Union Initiative, launched in 2006, supports Connecticut-based banks and credit unions with assets of less than $500 million through investments in certificates of deposit. Eleven banks and one credit union participate in the initiative, and the State now invests $245 million with these institutions.
- The Unclaimed Property Division of the Treasury returned $32.4 million to roughly 14,500 rightful owners in 2009, which represents the largest dollar amount ever returned.

The 2009 fiscal year also presented a number of challenges, most notably the unprecedented downturn in the global economy. While the value of the CRPTF's assets declined, the funds performed respectably on a relative basis: a -17.37% return compared favorably to the loss sustained in the S&P 500 of approximately 26.5%, which marks the most difficult year in the history of the CRPTF. The three principal retirement plans representing 99% of the CRPTF – Teachers', State Employees' and Municipal Employees' – posted performance results that were on par with or exceeded their customized benchmarks. In addition, according to data compiled by independent consultant Wilshire, the CRPTF outperformed 65% of other public pension plans with more than $1 billion in assets for the fiscal year ending June 30, 2009, and outperformed 72% for the five-year period ended June 30, 2009.

Fueled by signs that the worst of the global recession may be behind us, the equity markets began to rebound in March and continued their strong rally in the third quarter of 2009. Global fiscal and monetary stimulus of historic proportions, combined with low interest rates and better-than-expected corporate earnings reports, drove up demand for stocks and high yield corporate bonds. The S&P 500 rose 14.98% by the end of September 30, 2009 from June 30th, while the CRPTF rose 11.5%.

The CRPTF continued to play an important role in shaping and advancing its proxy voting agenda, and speaking out on a range of public policy initiatives and regulatory developments aimed at addressing the financial woes that continued to plague our U.S. economy. Promoting responsible corporate behavior was an important element of our engagement with companies on how to rebuild and restore the U.S. economy to a point of sustainable growth. For the Connecticut pension funds, executive compensation topped the list of our shareholder activities. Record-breaking results were achieved with several portfolio companies, just as calls mounted from the general public, regulatory agencies, and Congress to curb excessive pay that insulates corporate leaders from downside risk.

Throughout this past year's extraordinary market turbulence, the Investment Advisory Council (IAC) continued to work with me, along with the Treasury's Pension Funds Management Division, to oversee CRPTF's assets. I am grateful to the members of the IAC, the leadership of Chairman Joseph D. Roxe, as well as former IAC Chairman James T. Larkin, for their insight, financial acumen and dedication to serving the best interests of the 160,000 participants and beneficiaries of the CRPTF and the taxpayers and citizens of our State.

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

Sincerely,

Denise L. Nappier

Denise L. Nappier
Treasurer

Mission Statement

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

Duties of the Treasury

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

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

State revenue is received into the Treasury each year which covers the State's disbursements. The Treasurer is also responsible for prudently investing the more than $20.4 billion in State pension and trust fund assets, $4.6 billion in total State, local short-term, and other investments, $0.3 billion in the extended investment portfolio, and over $1.0 billion of assets in the Connecticut Higher Education Trust. The Treasurer maintains an accurate account of all funds through sophisticated security measures and procedures.

Boards, Committees, and Commissions

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

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

Additional information on responsibilities of each is provided on Supplemental pages S-55 and S-56.

Office of the State Treasurer Organization

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

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

The Pension Funds Management Division, under the direction of the Chief Investment Officer, manages the State's six pension funds and eight state trust funds with a combined market value portfolio in excess of $20.4 billion; ranging in investment diversity from domestic and international stocks to fixed income, real estate and private investment equity. Beneficiaries and participants include approximately 160,000 teachers, state and municipal employees, as well as trust funds that support academic programs, grants, and initiatives throughout the state. The Teachers' Retirement Fund is the Treasury's largest pension fund under management containing $11.4 billion, followed by the State Employees' Retirement Fund containing $7.3 billion and the Municipal Employees' Retirement Fund with $1.3 billion. The Pension Funds Management Division also serves as staff to the Investment Advisory Council.

The Cash Management Division, under the direction of an Assistant Treasurer, has responsibility for cash accounting and reporting, cash positioning and forecasting, bank reconciliation, bank administration, check processing and short-term investments. Over 3 million banking transactions are accounted for and reconciled annually. The division maintains accountability over the state's internal and external cash flows through the Treasury's 20 bank accounts annually. The Division prudently and productively manages clients' cash, including 1,022 accounts within the Short-Term investment Fund for the State, State agencies and authorities, and municipal and local government entities.

The Debt Management Division, under the direction of an Assistant Treasurer, administers the state's bond and debt financing program, including the sale of state bonds. Monitoring the bond markets, financing structures and economic trends that affect interest rates are critical requirements for favorable bond issuances. The Division oversees the issuance of bonds to finance state capital projects, refinances outstanding debt when appropriate, manages debt service payments and cash flow borrowing, provides information and data to private credit rating agencies, and administers the Clean Water and Drinking Water loan programs. As of June 30, $17.9 billion of state debt was outstanding.

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

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

2009 Annual Report Year at a Glance

COMBINED INVESTMENT FUNDS, JUNE 30

Market Value of Assets Under Management	$ 20,431,180,148
Net Assets Under Management	$ 20,382,166,284
Total Investment Returns for the Fiscal Year	$ (4,532,166,918)
Total Management Fees for the Fiscal Year	$ 84,565,275
Total Number of Advisors	148
Increase in Total Advisors from Prior Year	24
One-Year Total Return	-17.37% (1)
Five-Year Compounded Annual Total Return	2.44%
Ten-Year Compounded Annual Total Return	3.11%

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

CONNECTICUT HIGHER EDUCATION TRUST, JUNE 30

Number of Participant Accounts		86,559
Net Assets	$	1,049,917,156

DEBT MANAGEMENT, JUNE 30

Total Debt Outstanding	$	17,886,038,772
General Obligation Debt included above	$	12,806,694,057
Total New Debt Issued During the Fiscal Year	$	3,266,320,000
General Obligation Debt Issued included above	$	1,790,460,000
Total Debt Retired and Defeased During the Fiscal Year	$	1,817,844,554
General Obligation Debt Retired and Defeased included above	$	901,765,915
Total Debt Service Paid on Outstanding Debt During the Fiscal Year	$	2,144,101,527
General Obligation Debt Service Paid included above	$	1,503,988,708

CASH MANAGEMENT, JUNE 30

Total Cash Inflows During the Fiscal Year	$	91,372,991,044
Total Cash Outflows During the Fiscal Year	$	91,480,345,909
Number of State Bank Accounts at June 30, 2009		363

SHORT-TERM INVESTMENT FUND, JUNE 30

Total Net Assets of the Fund	$	4,548,524,991
One-Year Total Return		1.49%
Five-Year Compounded Annual Total Return		3.56%
Ten-Year Compounded Annual Total Return		3.52%
Weighted Average Maturity		9 days
Number of Participant Accounts		1,022

SHORT-TERM PLUS INVESTMENT FUND, JUNE 30

Total Net Assets of the Fund	$	88,886,784
Weighted Average Maturity		109 days
Number of Participant Accounts		1

SECOND INJURY FUND, JUNE 30

Number of Claims Settled During the Fiscal Year		183
Total Cost of Claims Settled and Paid	$	9,890,162
Second Injury Fund Estimated Unfunded Liability (expressed as reserves)	$	437,700,000
Number of Claims Outstanding		2,410

UNCLAIMED PROPERTY, JUNE 30

Dollar Value of Gross Unclaimed Property Receipts	$	69,496,494
Dollar Value of Claims Paid	$	32,341,525
Number of Property Claims Paid		14,481

Division Overview

STATE OF CONNECTICUT

QUI TRANSTULIT SUSTINET

TREASURER'S OFFICE

State of Connecticut
Investment Advisory Council
Hartford

JOSEPH D. ROXE
CHAIRMAN

December 10, 2009

The Honorable M. Jodi Rell
Governor
State of Connecticut
Executive Chambers
Hartford, Connecticut

Dear Governor Rell:

As Chairman of the Investment Advisory Council ("IAC"), I am pleased to present this report on the performance of the State of Connecticut Retirement Plans and Trust Funds ("CRPTF" or "the Funds") and the activities of the IAC for the fiscal year ending June 30, 2009.

The fiscal year 2009 was among the most difficult years in the history of the CRPTF due to the unprecedented declines in the global capital markets, resulting in a loss in the value of the CRPTF of 17.37%. The three largest plans in the CRPTF provide pension fund benefits to more than 160,000 state and municipal workers and retirees. These plans represent the State Employees' Retirement Fund ("SERF"), the Teachers' Retirement Fund ("TERF") and the Municipal Employees' Retirement Fund ("MERF"). Each plan posted performance results that were on par with or exceeded their customized benchmarks. Specifically, SERF, TERF and MERF, which represent 99% of the CRPTF, posted net total returns (after all expenses) of - 18.25%, -17.14% and -14.90%, respectively. TERF and MERF outperformed their benchmarks by .48% and .36% respectively, and SERF was virtually flat to its benchmark. The outperformance of these plans, relative to each customized benchmark, was mainly attributable to asset allocation. In particular, during these uncertain markets, the CRPTF entered the fiscal year with an allocation to cash of nearly 10 percent. This defensive posture helped to insulate the portfolio during the market disruptions in the fall of 2008, and provided scarce liquidity to support ongoing investment opportunities as the market rebounded during the last quarter of the fiscal year. The IAC continued its practice of reviewing fund performance at each meeting, discussing individual manager changes, when necessary, and conducted a more extensive review of fund and manager performance on a quarterly basis.

During this past fiscal year, working in concert with the IAC, Treasurer Nappier challenged the soundness of the asset allocation of the CRPTF, resulting in a review of the asset class assumptions. These assumptions are the basis for the asset allocations of the three major plans, are outlined in the Investment Policy Statement ("IPS"), and adhered to through the management of each plan and trust. While the markets were extremely volatile, the consensus was that the assumptions were valid given the long-term horizon of the CRPTF. Throughout the year, the Treasurer presented for the IAC's review compliance reports on Corporate Governance, MacBride Principles and Connecticut's statute regarding investments in Sudan.

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

INVESTMENT ADVISORY COUNCIL

Despite the volatile environment, fiscal year 2009 was a productive year for the CRPTF, and, the IAC focused on several important policy initiatives. The IPS was modified to accommodate the investment parameters for the Alternative Investment Fund ("AIF"). With these revisions, the CRPTF is positioned to take advantage of new markets, evolving strategies, and increasing global diversification. All told, investment in the AIF should enhance the portfolio return and reduce risk.

Over the course of the fiscal year, the IAC reviewed and rendered advice on a number of competitive investment provider searches and candidates as recommended by the Treasurer. This included a search for a private investment fund consultant to assist with the management of the CRPTF's Private Investment Fund. The IAC reviewed the Treasurer's recommendation to reappoint the current consultant to continue to serve as an extension of the Office of the Treasurer's in-house staff. The IAC also offered feedback on commitments to real estate and private equity partnerships. With regard to competitive search processes in the public markets, the IAC supported the hiring of four Mutual Equity Fund money managers, two Developed Markets International Stock Fund money managers, two Emerging Markets International Stock Fund money managers and five Liquidity Fund money managers. Two additional competitive searches were reviewed by the IAC for Mutual Equity Fund money managers which will be hired in fiscal year 2010. Finally, the IAC supported the hiring of six transition managers to allow for more efficient execution of transitioning assets from one asset manager to another.

During Fiscal Year 2009, Stanley Morten of Fairfield, Connecticut was appointed by Senator John McKinney, Senate Minority Leader, to a term ending in June 2011. Also, during the fiscal year, James T. Larkin, of Greenwich, Connecticut, a public member of the IAC appointed by Governor Rell, who served as Chairman of the IAC, retired in March of 2009.

The IAC's Personnel Subcommittee, headed by David Roth, worked alongside the Treasurer and the executive search consultant in vetting candidates and reviewing industry compensation survey data for a new Chief Investment Officer ("CIO"). Consistent with its statutory requirement to consent to the Treasurer's recommended appointment and salary range of a CIO, the IAC participated with the Treasurer in the CIO search process during the fiscal year and subsequently approved the hiring of M. Timothy Corbett as CIO, who began his assignment in August 2009.

I am very pleased to have been appointed to the IAC by you in April of this year and to have served as Chairman of the IAC for the final three months of fiscal year 2009. I look forward to serving alongside fellow council members whose dedication to the IAC's mission demonstrates an unwavering commitment to those whom we represent. It is with this sense of duty and solemn pledge to maintain our commitment to all the current and future pension beneficiaries and the taxpayers of the State of Connecticut that I submit this summary on behalf of the IAC.

Sincerely,

Joseph D. Roxe, Chairman
Investment Advisory Council

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

INVESTMENT ADVISORY COUNCIL

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

Pursuant to C.G.S. Sec.3-13b, the IAC annually reviews the Investment Policy (IPS) Statement recommended by the Treasurer which includes an outline of the standards governing investment of 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. Subsequently in May 2008, the IAC approved the Treasurer's adopted asset allocation modifications for various plans to increase the allocations to the Liquidity Fund and subsequently in February 2009, the IAC approved the Treasurer's adopted revision to set forth guidelines for the Connecticut Retirement Plans and Trust Funds' ("CRPTF") new Alternative Investment Fund ("AIF")

All plan and trust fund investments by the State Treasurer shall be reviewed by the Investment Advisory Council along with all information regarding such investments provided to the IAC which the Treasurer deems relevant to the council's review and such other information as may be requested by the council. The IAC shall also review the report provided by the Treasurer at each regularly scheduled meeting of the IAC as to the status of 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 2009 include:

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

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.

JAMES T. LARKIN, Chairman, as appointed by the Governor. President, Global Strategy Advisors. (Served until March 12, 2009.)

STANLEY MORTEN, Independent consultant, CitiGroup/Smith Barney.

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

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

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

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

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

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

Division Overview

Introduction

As principal fiduciary of six state pension funds and eight trust funds, (known collectively as the "Connecticut Retirement Plans and Trust Funds" or "CRPTF"), the Treasurer is responsible for managing $20.4 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 $19.8 billion to $20.4 billion, or 3.0%. The Teachers' Retirement Fund ("TERF"), with $11.4 billion of assets under management at June 30, 2009, is the largest participating fund. The State Employees' Retirement Fund ("SERF") and the Municipal Employees' Retirement Fund ("MERF") have $7.3 billion and $1.3 billion of assets, respectively. During the fiscal year ended June 30, 2009, total investment return (comprised of interest income, dividends, securities lending income, and net realized loss and unrealized capital losses, net of Fund operating expenses) was negative $4.5 billion. (See figure 1-2.)

CRPTF's total investment in securities at fair value as of June 30, 2009 is illustrated below:

COMBINED INVESTMENT FUNDS

Investment Summary at June 30, 2009

	Fair Value [1]	% of Total Fund Fair Value
Liquidity Fund ("LF")[2]	$950,605,428	4.65%
Mutual Equity Fund ("MEF")	5,588,272,211	27.35%
Developed Market International Stock Fund ("DMISF")	4,464,491,006	21.85%
Emerging Market International Stock Fund ("EMISF")	1,141,401,975	5.59%
Real Estate Fund ("REF")	770,955,194	3.77%
Core Fixed Income Fund ("CFIF")	3,215,718,047	15.74%
Inflation Linked Bond Fund ("ILBF")	829,543,021	4.06%
Emerging Market Debt Fund ("EMDF")	1,125,226,197	5.51%
High Yield Debt Fund ("HYDF")	718,563,903	3.52%
Commercial Mortgage Fund ("CMF")	5,135,144	0.02%
Private Investment Fund ("PIF")	1,621,268,022	7.94%
Total Fund	$20,431,180,148	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, 2009, 148 external money and investment managers were employed by the Treasury to invest the pension and trust assets, an increase of 24 managers from June 30, 2008. (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, 2009, 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 54.7%. Equities have an established record of maximizing investment returns over the long term. Fixed income and alternative investments were also included to enhance portfolio returns during highly inflationary or deflationary environments and to mitigate the effects of volatility in the stock market.

Asset Classes

To realize the asset allocations set forth in the 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 76% of the portfolio invested in large-cap stocks, 20% in small/mid-cap stocks, and 4% in all-cap.

Management of the MEF entails pure indexing, enhanced indexing, active management, and opportunistic strategies executed by external money managers. 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. Given the efficiency of the domestic equity market, approximately 87% of the portfolio adheres to indexing, enhanced indexing, or risk controlled strategies. The balance of the portfolio is activity managed, mainly in the "small- and mid-cap" sections of the equity markets, to allow the CRPTF the opportunity to achieve enhanced returns. Small- and mid-cap securities are issued by companies that are 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 and provide flexibility for each plan and trust fund to pursue 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, core developed markets and opportunistic strategies. Mandates for active growth/value and small cap developed market strategies represent roughly 24% and 13% 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 Barclay's US Aggregate Index.

The ILBF consists of managed fixed income portfolios containing domestic and foreign government-issued bonds. These bonds offer protection against inflation and contribute to overall diversification. Treasury Inflation Protected Securities (TIPS) pay semi-annual interest according to the bonds' coupon; the principal of the bonds are adjusted for inflation as measured by the Consumer Price Index ("CPI"). The Performance Benchmark for ILBF is the Barclay's 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 included 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 designed 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 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. The Treasurer, in consultation with the IAC, will 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. The guidelines of the securities lending collateral investment pool require a high level of creditworthiness and consist of short duration assets.

State Street Bank and Trust Company, the current master custodian for the Funds, is responsible for marketing the program, lending the securities, and obtaining adequate collateral. For the fiscal year ended June 30, 2009, securities with a market value of approximately $3.3 billion had been loaned against collateral of approximately $3.3 billion. Income generated by securities lending totaled $35.7 million for the fiscal year.

The Year in Review

Total Fund Performance

During the fiscal year, the value of CRPTF's portfolio declined to $20.4 billion from $25.9 billion as of June 30, 2008. The portfolio posted a net outflow of funds from operations of $4.5 billion (net investment income of $0.7 billion, realized losses of $2.8 billion and unrealized depreciation of approximately $2.4 billion) and a net cash outflow of $1.0 billion. The net cash outflow of $1.0 billion was comprised of pension payments to beneficiaries of $1.5 billion that were offset by net contributions from unit holders of $0.5 billion.

For the fiscal year ended June 30, 2009, the CRPTF posted a negative return of -17.37% [(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 market rate of return.

(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% Barclay's US Aggregate Index; 4% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 6% Barclay's US TIPS Index; 6% One Month Libor Index; and 10% S&P 500 Index.

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% Barclay's US Aggregate Index; 4% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 6% Barclay's US TIPS Index; 4% One Month Libor Index; 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% Barclay's US Aggregate Index; 5% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 10% Barclay's US TIPS Index; 3% One Month Libor Index; and 10% S&P 500 Index.

Domestic Equity Performance

From the beginning of the fiscal year until March 2009, US Equity markets fell in concert with the rest of the world due to a synchronized global recession, weak company balance sheets and a lack of economic growth. As a result, the broad US market experienced a significant re-pricing of risk as consumers and companies delivered during this period. By late March, signs of economic healing were apparent and the equity markets staged a significant rebound through the end of the fiscal year. However, the upward trend in the market was not enough to erase the losses in market value observed during the first half of the fiscal year and as a result, the MEF generated a negative return of -28.36%, net of fees and operating expenses, which underperformed the Russell 3000 Index return of -26.56% by 180 basis points.

International Equity Performance

Like the US, the developed international markets were affected by the same global recessionary environment and they fell in unison with, and posted losses similar to, the US. In particular, the DMISF posted a loss of -27.98%, net of fees and operating expenses, which underperformed its benchmark index return of -26.79% by 119 basis points.

Initially, the emerging markets were not as impaired by the global crisis because they were not exposed to the same economic and leverage factors that led to the credit crisis in the developed markets. The emerging countries had strong balance of payments, particularly those countries that exported oil. However, given the spillover from the economic weakness of the developed world and the higher level of risk and illiquidity associated with emerging countries, the emerging markets declined significantly. Conversely, when the upward market reversal began in March 2009, the emerging markets posted some of the highest returns. The EMISF generated a return of -30.90%, net of fees and operating expenses, which underperformed its benchmark index return of -26.84% by 406 basis points.

Fixed Income Performance

The credit markets continued to experience major shocks during fiscal 2009 due to the continuation of the liquidity crisis and deteriorating global economic conditions. The collapse of Lehman Brothers created panic on Wall Street that necessitated Government intervention, which included insuring money market investments, placing the Federal National Mortgage Association and the Federal Home Loan Bank into conservatorship, bailing out large financial institutions, and creating a multitude of support programs to deal with the toxic assets that had been crafted by Wall Street. Foreign governments also instituted fiscal and monetary stimulus during this period. Amidst this turmoil, investors fled to the relative safety of U.S. Treasuries, compelling credit spreads to widen to historic levels. The Fed funds rate hovered near zero and U.S. Treasuries very briefly turned negative. Confidence returned in the second half of the fiscal year, as investors believed that Government support programs successfully averted a financial markets' disaster and consumers were seeing signs of economic improvement. Risk appetite returned as investors were eager for return, although concerns about the housing market, unemployment and future inflation remained.

For the fiscal year 2009 the CFIF generated a total return of 2.84%, net of fees and operating expenses, underperforming the benchmark return of 6.05% by 321 basis points. The underperformance was attributable to the fact that core holdings were underweight U.S. Treasury notes and overweight credit sensitive securities. The credit concerns hit the below investment grade market particularly hard and the HYDF posted a return of -4.59% net of fees and operating expenses, underperforming the benchmark return of -3.26% by 133 basis points. The ILBF, supported by falling US Treasury rates, generated a total return of -.20% net of fees and operating expenses, outperforming the benchmark return of -1.11% by 91 basis points. The EMDF generated a total return of -3.62%, net of fees and operating expenses, underperforming the benchmark return of 2.24% by 586 basis points. Finally, the LF generated a return of 1.54%, outperforming the one month LIBOR benchmark of 1.35%, by 19 basis points.

Real Estate and Private Equity Performance

For the fiscal period ending June 30, 2009, the REF generated a total return of -28.66%; net of fees, which under performed the un-levered National Council of Real Estate Investment Fiduciaries Index (NCREIF) of -14.68% by 13.98%. The underperformance was caused by the falling real estate market values, the fact that the REF portfolio uses leverage, and the addition of several new funds that are still in the early stages and have not generated pro-forma returns. The REF decreased its portfolio from $1.0 billion to $769.7 million primarily due to a decline in market values and distributions. The strategy for the REF is to invest in core real estate holdings, value add and opportunistic funds. Allocated to the lower risk strategy of core real estate is 47%, and these funds have a maximum leverage requirement of only 30%. The remaining 53% of the portfolio is invested in value add and opportunistic strategies and allow for a higher amount of leverage, typically 60% - 75% loan to value. The REF also has outstanding commitments of approximately $400 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 3.8% of the CRPTF assets

For the fiscal year ended June 30, 2009, the Private Investment Fund ("PIF") generated a one year -16.36% compounded annual rate of return. This compares favorable to its public market benchmark, the S&P 500, which fell -26.22% over the same period. The recessionary economic environment combined with illiquid and volatile capital markets have posed considerable challenges to private equity funds and their portfolio companies. Transaction activity in the industry has slowed considerably. U.S. buyout investments dropped 54% through the first half of 2009 compared to the first half of 2008. U.S. ventures activity is on pace to be the lowest amount since 1997. Fundraising in 2009 is on track to be the slowest year since 2004. Global buyout fundraising dropped 71% and global venture fundraising was down 65% through the first half of 2009 compared to the first half of 2008.

2009 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 modification established policy parameters for the Alternative Investment Fund ("AIF"), which set guidelines for the implementation of the AIF. The main objective of the AIF is to give the CRPTF the flexibility to consider evolving and market-driven strategies.

New mandates were funded during the year for the public market funds of MEF (enhanced index and active extension mandates), DMISF (small cap equity) and the LF. During 2009, the LF was expanded to include longer dated liquidity strategies, invested over a five year horizon to enhance return, yet ensured access to liquid funds to meet short-term cash needs. Three investment commitments totaling $125 million were awarded to REF investment managers and eight investment commitments were made to the PIF investment managers totaling $604 million.

Following a competitive search and due diligence process, the Treasurer hired a private investment consultant, Franklin Park, to assist the Treasurer and the Chief Investment Officer in the implementation of the strategic goals and objectives of the PIF.

The Connecticut Horizon Fund ("CHF"), funded in August 2005, is a $561.3 million fund-of-funds public market program and a $156 million private equity allocation 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. In fiscal year 2009, public market managers totalled 41 CHF submanagers; 36 were emerging firms, 19 were minority-owned (up from 18 in fiscal year 2008), 10 are women-owned (up from 9 in 2008), 6 are Connecticut-based firms, and 1 is an emerging strategy firm. There are 5 private equity submanagers, including 3 minority-owned, 1 woman-owned, and one Connecticut-based.

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 28% of the firms with which the division did business; these firms earned fees of over $32 million, representing 42% of all fees paid by the division. In both actual dollars and as a percentage of all fees paid by the division, this was the highest level ever. Since 1999, the number of minority-owned, women-owned, Connecticut-based and emerging firms has more than doubled, the annual fees paid to such firms have increased 3 times and the assets under management have nearly tripled.

A permanent Chief Investment Officer ("CIO") was hired for the CRPTF in August 2009. The Acting Chief Investment Officer was named to the newly created position of Deputy 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.

The Treasurer's activities in 2009 were against a backdrop of an international financial crisis that severely impacted the global economy and all companies in which the CRPTF invests. During the 2009 fiscal year, Treasurer Nappier provided formal policy comments to regulatory agencies on issues that have a significant impact on institutional investors. The Treasurer wrote to the U.S. Treasury when the Troubled Asset Relief Program (TARP) executive pay rules were first issued urging the government to take a stronger stance on curbing pay and holding directors accountable. In a letter to the U.S. congressional leadership and to the Chair of the SEC, the Treasurer joined with other investors to convey a set of principles for regulatory reform. These principles enumerated key protections that investors are seeking in reform measurers as well as supported the role of a strong SEC as the preeminent agency for investor protection. The Treasurer has and continues to provide the SEC with comments on proposed rules affecting credit rating agencies, election of corporate directors, shareholder rights and executive pay rules. The issues surrounding the fiscal crisis were evidenced on the CRPTF shareholder front as well.

In fiscal year 2009, the CRPTF filed shareholder resolutions at 25 companies, including three of the top financial institutions (Citigroup, AIG and Goldman Sachs) whose financial stability was of major concern to the federal government in its consideration of systemic risk. 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 2009, the Treasurer addressed executive compensation on a number of fronts including advocating an annual advisory vote on executive compensation at all companies (say on pay), calling for independence of compensation consultants, working with several portfolio companies to adopt policies related to severance payments, addressing internal pay equity, and requesting policies requiring equity compensation be held until retirement.

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

As part of its corporate governance practices, the Treasurer's office is charged with enforcing the state law relating to religious non-discrimination practices in the workplace in Northern Ireland. 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 2009 includes Virgin Media and TJX.

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. In fiscal year 2009, CRPTF divested from two additional companies, Petronas Capital Ltd.and Wartsila Oyj. At the time, CRPTF had holdings valued at slightly more than $2 million in the companies.

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

- China Petroleum and Chemical Corp.
- Bharat Heavy Electricals Ltd. (BHEL)
- Nam Fatt Corp.
- Oil and Natural Gas Corp. (ONGC)
- PECD Group
- PetroChina Co. Ltd.
- Petronas Capital Ltd.
- Sudan Telecom (Sudatel).
- Wartsila Oyj

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

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 best vendors and products to meet the needs of the Office. Careful contract negotiation, coupled with implementation of best practice contract language, lends clarity to the obligations of the Office of the Treasurer and of the vendors of the Office. The Office maintains contact with other similar governmental offices and shares ideas for enhancement of contract language, frequently offering advice to counterparts in other states.

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

The US Treasury and the Securities and Exchange Commission have proposed a number of structural regulatory and rule changes that are designed to rebuild and enhance financial supervision of our nation's financial industry. The Office of the Treasurer has carefully reviewed the proposals and, where appropriate, supported or offered comment on the proposed language. As an institutional investor, the Office believes stronger federal regulation of financial institutions is likely to result in increased compliance and reduced risk.

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 $8,543,047.63 million from class action settlements in this fiscal year, including substantial recovery from the infamous Enron ($4,755,103.48), Tyco ($998,032.12) and AIG ($498,921.15) frauds. We continue to closely monitor opportunities to recover lost assets through participation in class action litigation.

The Office of the Treasurer, as the Trustee for the CRPTF, served as Lead Plaintiff in two national class action lawsuits, which allege corporate misconduct and malfeasance of certain corporate insiders by Redback Networks and Amgen.

The 9th Circuit Court of Appeals has considered and dismissed the appeal in Redback Networks. The basis of the dismissal is largely grounded in a recent Supreme Court decision in Stoneridge, which significantly raised the plaintiffs' burden of proof in class action litigation.

The court in Amgen is considering the class certification motion. We entered the discovery phase of the case in the fall of 2009.

Corporate Governance Related Litigation

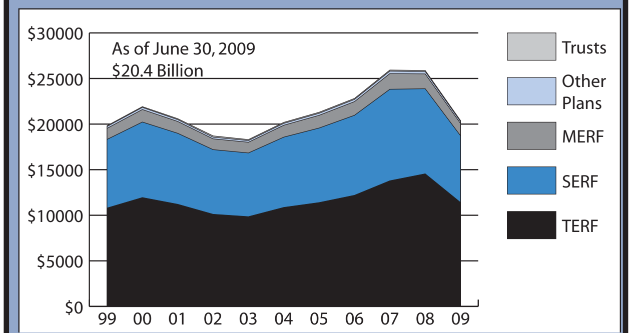
Litigation has not been required for corporate governance matters in the past fiscal year. The Office of the Treasurer prefers to focus on engagement of companies with these issues. Litigation is an effective tool, but used judiciously.

Other Litigation

The matter involving Keystone Venture V L.P. (the "Partnership") is awaiting final distribution of the partnership's assets. Although such final distribution was anticipated to have occurred in December 2008, counsel and the liquidating trustee are in agreement that such distribution should wait until the conclusion of a certain action initiated by the Securities and Exchange Commission against the Managing Partners and Michael Liberty. Expected to have been resolved in the fall of 2008, the matter has yet to be concluded. The limited partners have requested that any disgorged assets obtained by these federal agencies be turned over to the investors. Upon conclusion of the SEC's case against Mr. Liberty and the Managing Partners, the remaining assets will be distributed..

Figure 1-1

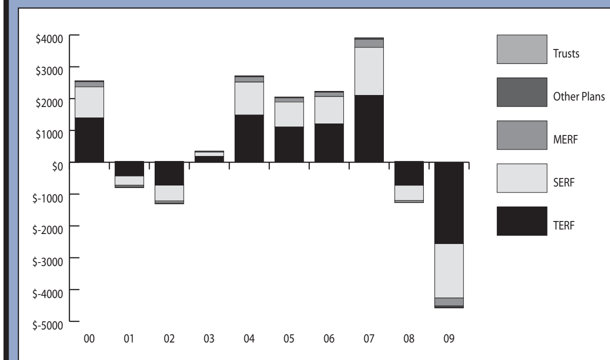
PENSION AND TRUST FUNDS
Growth in Assets ($ in millions)



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

Figure 1-2

PENSION AND TRUST FUNDS
Investment Returns ($ in millions)



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

Figure 1-3

PENSION AND TRUST FUNDS ASSET ALLOCATION
Actual vs. Policy at June 30, 2009

	TERF				SERF				MERF			
	Actual	Target Policy	Lower Range	Upper Range	Actual	Target Policy	Lower Range	Upper Range	Actual	Target Policy	Lower Range	Upper Range
U.S. EQUITY												
Mutual Equity Fund (MEF)	27.7%	25.0%	17.0%	35.0%	28.4%	26.0%	17.0%	35.0%	21.3%	20.0%	12.0%	27.0%
INTERNATIONAL EQUITY												
Developed Market Intl Fund (DMISF)	22.3%	20.0%	13.0%	27.0%	22.0%	20.0%	13.0%	27.0%	16.6%	16.0%	8.0%	21.0%
Emerging Market Intl Fund (EMISF)	5.7%	9.0%	6.0%	12.0%	5.7%	9.0%	6.0%	12.0%	5.6%	8.0%	6.0%	10.0%
REAL ESTATE												
Real Estate Fund (REF)	3.8%	5.0%	4.0%	7.0%	3.8%	5.0%	4.0%	7.0%	3.8%	7.0%	5.0%	9.0%
FIXED INCOME												
Core Fixed Income Fund (CFIF)	14.5%	13.0%	9.0%	20.0%	15.1%	13.0%	9.0%	20.0%	21.9%	19.0%	14.0%	26.0%
Inflation Linked Bond Fund (ILBF)	3.6%	6.0%	4.0%	8.0%	4.0%	6.0%	4.0%	8.0%	8.6%	10.0%	7.0%	13.0%
Emerging Market Debt Fund (EMDF)	5.5%	4.0%	3.0%	5.0%	5.6%	4.0%	3.0%	5.0%	5.5%	5.0%	3.0%	7.0%
High Yield Investment Fund (HYIF)	3.6%	2.0%	1.0%	3.0%	3.6%	2.0%	1.0%	3.0%	3.5%	2.0%	1.0%	3.0%
Liquidity Fund (LF)	5.3%	6.0%	4.0%	10.0%	3.8%	4.0%	2.0%	7.0%	5.2%	3.0%	1.0%	6.0%
Commercial Mortgage Fund (CMF)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PRIVATE EQUITY												
Private Investment Fund (PIF)	8.0%	10.0%	8.0%	14.0%	8.0%	11.0%	8.0%	14.0%	8.0%	10.0%	7.0%	13.0%
TOTAL	**100.0%**	**100.0%**			**100.0%**	**100.0%**			**100.0%**	**100.0%**		

Figure 1-4

PENSION AND TRUST FUNDS
Asset Class Diversification

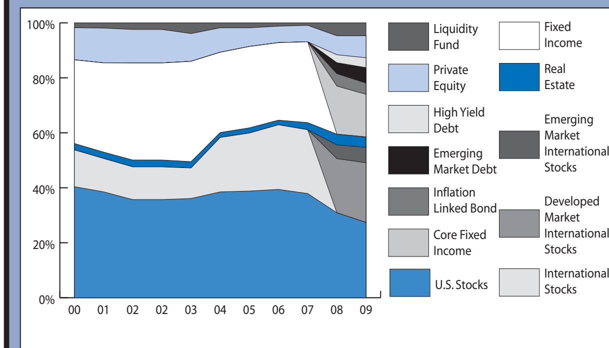


Figure 1-5

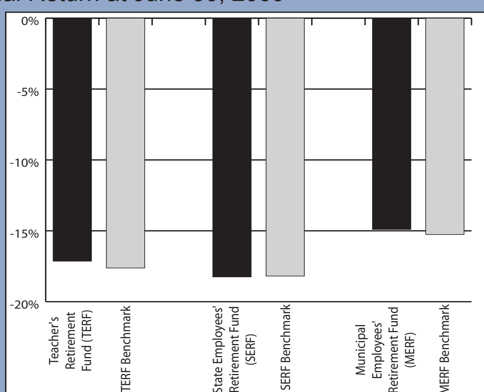
PENSION AND TRUST FUNDS
Advisor Breakdown

Fund	June 30, 2009	June 30, 2008
MEF	10	7
DMISF[1]	14	12
EMISF	2	2
PIF	66	62
CFIF	6	6
ILBF	2	2
EMDF	5	4
HYDF	4	4
CMF	1	1
REF	34	23
LF	4	1
Total[2]	148	124

(1) Does not include the Currency Overlay Manager.
(2) Actual total advisors was 139 and 115, respectively when factoring in advisors across multiple funds.

Figure 1-6

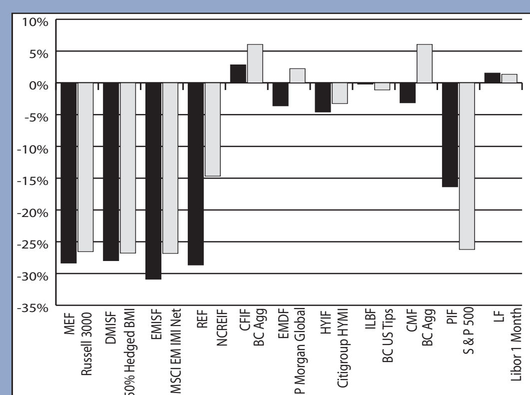
PENSION AND TRUST FUNDS
Annual Return at June 30, 2009 [1]



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

Figure 1-7

PENSION AND TRUST FUNDS
Annual Returns vs. Benchmarks



Combined Investment Funds Total Return Analysis (%)

	Fiscal Years Ending June 30,					Annualized		
	2009	2008	2007	2006	2005	3 Years	5 Years	10 Years
(Investment performance is calculated using a time-weighted rate of return based on the market rate of return.)								
PLANS								
Teacher's Retirement Fund (TERF)	(17.14)	(4.77)	17.47	10.74	10.49	(2.50)	2.55	3.12
TERF Benchmark	(17.62)	(6.80)	18.00	10.01	10.02	(3.41)	1.75	1.81
State Employees' Retirement Fund (SERF)	(18.25)	(4.83)	17.37	10.57	10.44	(2.99)	2.20	2.91
SERF Benchmark	(18.19)	(6.97)	18.00	10.01	10.02	(3.69)	1.58	1.72
Municipal Employees' Retirement Fund (MERF)	(14.90)	(4.11)	16.96	9.87	10.10	(1.54)	2.92	3.27
MERF Benchmark	(15.26)	(5.59)	18.00	10.01	10.02	(2.24)	2.49	2.18
COMBINED INVESTMENT FUNDS								
U.S. Stocks								
Mutual Equity Fund	(28.36)	(12.99)	18.24	10.29	8.06	(9.67)	(2.56)	(1.01)
Russell 3000 Index	(26.56)	(12.69)	20.07	9.56	8.06	(8.35)	(1.84)	(1.46)
International Stocks								
Developed Markets International Stock Fund	(27.98)	(14.60)	26.36	23.91	14.97	(8.06)	2.06	N/A
S&P/Citigroup EPAC BMI 50% Hedged	(26.79)	(16.05)	27.07	27.37	15.34	(7.91)	2.79	N/A
Emerging Markets International Stock Fund	(30.90)	0.19	42.27	35.85	39.92	(0.50)	13.36	9.35
MSCI Emerging Market Investable Market Index	(26.84)	3.49	44.99	35.47	34.38	3.16	14.85	8.77
Equity Commercial Real Estate								
(1) Real Estate Fund	(28.66)	6.04	14.21	6.87	27.56	(4.76)	3.33	4.35
Russell 3000 Index	(26.56)	(12.69)	20.07	9.56	8.06	(8.35)	(1.84)	(1.46)
Russell NCREIF (1 Qtr. Lag)	(14.68)	13.58	16.59	20.19	15.55	4.15	9.43	9.36
U.S. Fixed Income								
Core Fixed Income Fund	2.84	5.65	5.84	(0.39)	7.32	4.77	4.22	5.73
BC Aggregate Bond Index	6.05	7.13	6.12	(0.81)	6.80	6.43	5.01	5.98
Emerging Market Debt	(3.62)	5.59	14.84	11.07	N/A	5.33	N/A	N/A
JP Morgan EMBI Global	2.24	5.10	11.12	4.62	20.20	6.09	8.47	N/A
High Yield Debt	(4.59)	(1.88)	12.01	4.49	11.17	1.59	4.03	4.69
Citigroup High Yield Market Index	(3.26)	(2.29)	11.63	4.14	10.38	1.81	3.94	4.61
Inflation Linked Bonds	(0.20)	16.81	3.45	(1.70)	N/A	6.44	N/A	N/A
BC US Tips	(1.11)	15.09	3.99	(1.64)	9.33	5.77	4.94	7.24
Commercial Mortgage Fund	(3.14)	12.05	8.17	9.51	6.76	5.50	6.54	8.03
BC Aggregate Bond Index	6.05	7.13	6.12	(0.81)	6.80	6.43	5.01	5.98
Alternative Assets								
(1) Private Investment Fund	(16.36)	13.66	19.56	11.46	8.94	4.36	6.66	6.32
S & P 500	(26.22)	(13.12)	20.59	8.63	6.32	(8.22)	(2.24)	(2.22)
State Street Private Equity Index (1 Qtr. Lag)	(29.34)	13.54	29.75	27.89	17.15	1.34	9.29	8.47
Liquidity Fund								
(2) Liquidity Fund	1.54	4.59	5.61	4.51	2.36	3.90	3.71	3.69
Libor 1 Month Index	1.35	4.10	5.37	4.51	2.48	3.59	3.55	3.45

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

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

2009 liquidity fund

Fund Facts at June 30, 2009

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

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

Benchmark: One Month Libor Index

Date of Inception: November 1, 2007

Total Net Assets: $2,171,228,766

Number of Advisors: 4 external

Management Fees: $571,942

Operating Expenses: $205,929

Expense Ratio: 0.04%

Description of the Fund

The Liquidity Fund was re-structured into three tiers during fiscal 2008 for the purpose of enhancing investment returns and better matching cash outflows. Implementation commenced in fiscal 2009 with the selection and hiring of additional managers. The first tier continues with the existing external manager who was directed to shift away from the ongoing enhanced cash strategy and to invest solely in money market instruments. Risk was reduced for tier one and re-allocated to tiers two and three of the Fund. The strategy for the second tier allows for the assumption of incremental credit risk and an extension of maturities, to better match expected benefit cash outflows and to generate additional interest income. The third tier adds global exposure and further maturity extension, providing diversification and enhanced expected return. 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, especially in down markets.

During fiscal 2009, five new managers were selected to invest the funds allocated to the second and third tiers of the Fund. Three of these managers were funded in the last quarter of the fiscal year.

Portfolio Characteristics

The preservation of the fund's capital, a high degree of liquidity and a strong focus on credit fundamentals represent the core of the investment philosophy for the LF. The LF investments include Treasury securities, Government Agency paper, commercial paper, certificates of deposit, asset-backed securities, mortgage backed securities, domestic and foreign corporate bonds, and sovereign debt. Preferred stock and convertible bonds are not permitted, nor are derivative securities, with the exception of currency spot or forward contracts. At June 30, 2009, the weighted average maturity of the LF was 36 days and the average quality rating was AA-2.

Market Review

During fiscal 2009 the credit markets experienced major shocks and the U.S. fell into recession. Among the major events of the year was the Government's placement of the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Bank ("Freddie Mac") into conservatorship, the government bailout of insurance giant AIG and the bankruptcy filings of two U.S. automobile manufacturers. The demise of Lehman Brothers in September proved to be a turning point in the crisis and triggered fear in the financial markets. Several money market funds that held unsecured Lehman paper "broke the buck" when their net asset value traded below $1.00, a rare historic occurrence. This created investor panic that could have developed into a run on the "shadow" banking system if the U.S. Treasury had not intervened with a temporary insurance program guaranteeing investors' principal in money market funds. Uncertain about the amount of redemptions to expect, money funds curtailed purchases of commercial paper in favor of Treasury bills. This in turn caused a dramatic rise in commercial paper yields while Treasury yields fell close to zero. Libor rates spiked due to massive solvency concerns within the interbank funding market. Thus, the TED spread, which is the difference between the three month Libor and three month Treasury bill rate, widened, indicating expected default risk was rising. Historically, this spread had averaged between 10 and 50 basis points, but climbed to record high of 461 basis points in early October.

There was a rapid decline in all measures of economic activity in the fiscal second quarter, consumer confidence declined, unemployment rose and the housing market remained frozen despite low mortgage rates and falling home prices. The average 30 year mortgage hit a 37 year record low in December, falling to 5.1%. The Federal Reserve lowered the Fed Funds Rate three times during the quarter from 2% to an historic 0 -.25% range. Yields fell across the curve. The U.S Treasury, the Federal Reserve and the FDIC worked together to enhance the flow of capital to the credit markets and stimulate the economy. By the third quarter of the fiscal year, Treasury yields started to inch upwards and risk markets began to rally. Improving economic data and the reemergence of risk appetite boosted interest rates further in the fourth quarter, although short-term government yields remained low due to the Federal Reserve's zero interest rate policy. Although still historically wide to both T-Bills and Fed Funds, Libor levels were normalizing at a rapid rate towards the end of the fiscal year. The fear witnessed earlier in the interbank funding market had abated as a result of the stimulus programs enacted by the world's central banks.

Performance Summary

For the fiscal year ended June 30, 2009, the Liquidity Fund generated a net return of 1.54%, of all expenses, outperforming the one month LIBOR benchmark of 1.35%, by 19 basis points.

As of June 30, 2009, the fund's compounded annualized total returns for the trailing three, five and ten year periods were 3.90%, 3.71% and 3.69%, respectively, net of all expenses. These returns exceeded those of the fund's benchmark for the time periods listed by 31, 16 and 24 basis points, respectively. The cumulate returns of the Liquidity Fund for the three, five and ten year periods were 12.16%, 20.00% and 43.63%, respectively. (See Figure 2-9.)

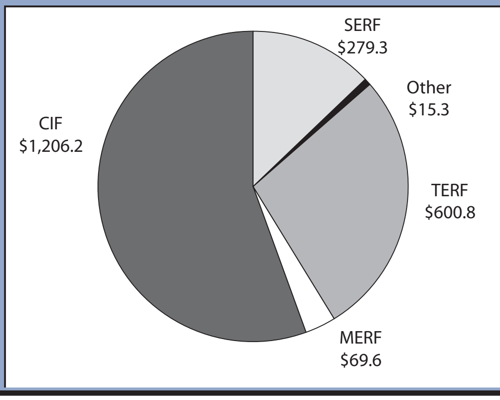
Risk Profile

By maintaining a short average maturity and investing in high credit quality securities, the Liquidity Fund has a low risk of credit default and is less exposed to interest rate risk. The tradeoff for this lower risk is lower expected returns when compared to longer dated and lower quality securities. Given its short average maturity the fund has negligible liquidity risk, reinvestment risk or inflation risk. Counter party risk is carefully managed by dealing only with reputable, very high quality firms.

Figure 2-2 quantifies the risk characteristics of the Liquidity Fund. The statistics indicate that the LF historically has not experienced volatility of its returns and that its relative out performance is attributable to its tactical deviations from the benchmark.

Figure 2-1

LIQUIDITY FUND
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 2-2

LIQUIDITY FUND[1]
Risk Profile at June 30, 2009

Relative Volatility	1.02
Standard Deviation	0.49
R2	0.56
Beta	0.75
Alpha	0.16

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

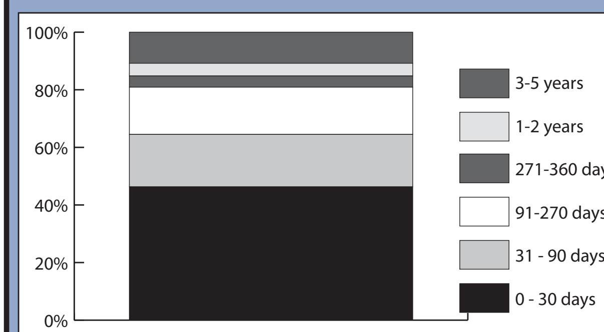
Figure 2-3

LIQUIDITY FUND
Quarterly Weighted Average Maturity

Quarter End	LF
6/30/2009	36 days
3/31/2009	32 days
12/31/2008	38 days
9/30/2008	31 days
6/30/2008	39 days
3/31/2008	45 days
12/31/2007	49 days
9/30/2007	61 days
6/30/2007	86 days

Figure 2-4

LIQUIDITY FUND
Security Maturity[1] Analysis at June 30, 2009



(1) Or Interest Rate Reset Period.

Figure 2-5

LIQUIDITY FUND
Distribution by Yield [1] at June 30,2009

Yield	
0.00%-0.50%	60.10%
0.51%-1.00%	30.40%
1.01%-1.50%	4.50%
1.51%-2.00%	5.00%
TOTAL	100.0%

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

Figure 2-6

LIQUIDITY FUND
Distribution by Security Type at June 30, 2009

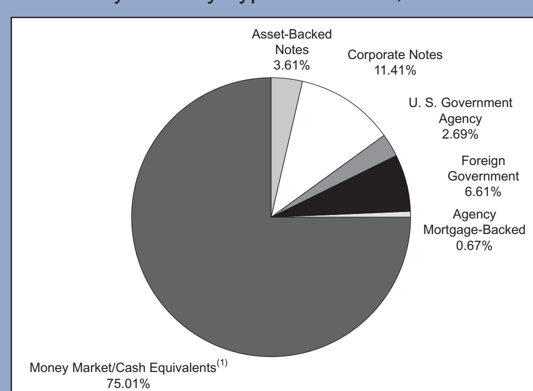


Figure 2-7

LIQUIDITY FUND
Comprehensive Profile

Date	Number of Issues	Yield(1)	Average Maturity	Average Quality
2009	162	1.54%	36 days	AA-2
2008	71	4.59%	39 days	A-1+/AA+
2007	97	5.61%	87 days	A-1+/AA+
2006	69	4.54%	54 days	A-1+/AA+
2005	100	2.38%	44 days	A-1+/AA+
2004	92	1.30%	48 days	A-1+/AA+
2003	109	1.80%	48 days	A-1+/AA+
2002	104	3.03%	51 days	A-1+/AA+
2001	90	6.35%	65 days	A-1+/AA+
2000	109	5.96%	81 days	A-1+/AA+

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

Figure 2-8

LIQUIDITY FUND
Quarterly Yield(1) Analysis

Quarter End	LF	1-Month Libor
6/30/2009	0.41%	0.31%
3/31/2009	0.71%	0.50%
12/31/2008	1.50%	0.44%
9/30/2008	2.54%	3.93%
6/30/2008	2.74%	2.46%

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

Figure 2-9

LIQUIDITY FUND
Periods ending June 30, 2009

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
LF	1.54	3.90	3.71	3.69
Libor 1 Month Index	1.35	3.59	3.55	3.45
CPI-Urban	-1.42	2.07	2.60	2.64
Cumulative Total Return (%)				
LF	1.54	12.16	20.00	43.63
Libor 1 Month Index	1.35	11.17	19.06	40.44
CPI-Urban	-1.42	6.33	13.72	29.82

Figure 2-10

LIQUIDITY FUND
Annual Total Return

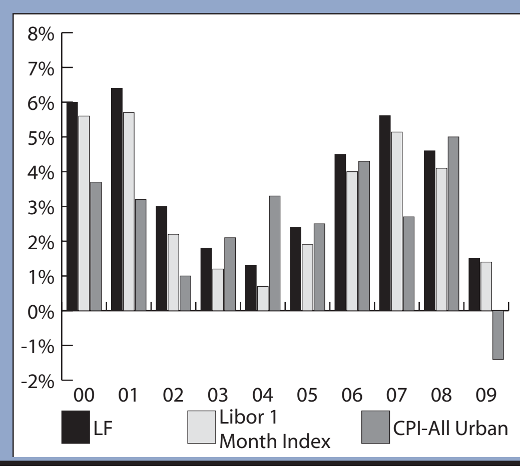


Figure 2-11

LIQUIDITY FUND
Investment Advisors at June 30, 2009

Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	$1,847,800,075	85.10%
Payden & Rygel	74,943,652	3.45%
Ambassador Capital Management	74,904,991	3.45%
Colchester Global Investors Ltd.	173,580,048	8.00%
TOTAL LF	**$2,171,228,766**	**100.00%**

Figure 2-12

LIQUIDITY FUND
Ten Largest Holdings* at June 30, 2009

Security Name	Maturity Date	Market Value	%
Barclays Cap Tri Party A	07/01/09	$149,037,000	6.89%
Salomon Bros Tri Party C	07/01/09	120,000,000	5.55%
Deutsche Tri Party C	07/01/09	115,000,000	5.32%
Goldman Sacs Tri Party C	07/01/09	100,000,000	4.63%
JPM Chase Tri Party C	07/01/09	70,000,000	3.24%
HSBC Tri Party C	07/01/09	65,000,000	3.01%
BNP Tri Party C	07/01/09	60,000,000	2.77%
ING (US) Funding LLC	08/31/09	59,964,417	2.77%
Banco Bilbao Vizcaya	10/29/09	50,088,036	2.32%
UBS Warburg Tri Party C	07/01/09	50,000,000	2.31%
Top Ten		**839,089,453**	**38.81%**

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

2009 mutual equity fund

Fund Facts at June 30, 2009

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: $5,590,350,880

Number of Advisors: 10 external

Management Fees: $7,729,408

Operating Expenses: $1,671,529

Expense Ratio: 0.14%

Description of the Fund

The Mutual Equity Fund (MEF) is an externally managed fund investing in primarily 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 eleven externally managed equity portfolios structured to approximate the composition of the Russell 3000 Index. The eleven portfolios were managed by ten advisors grouped into five style categories. By style, investments at year end were diversified as 57.3% in large capitalization, 4.2% in all capitalization, 19.8% in small to mid-capitalization, 9.4% in newly hired active extension, and 0.3% in fund cash equivalents and other net assets. The remaining 9.0% was newly raised cash for year-end fund rebalancing to take place on July 1st.

Portfolio Characteristics

At fiscal year-end, (aside from liquidated holdings for redemption rebalancing as described above) MEF was 99.7% invested in stocks, reflecting the Fund's policy that it be fully invested. The largest industry weightings at June 30, 2009 were information technology (18.3%), followed by health care (13.1%) and financials (13.0%). (See figure 3-3.)

The MEF's ten largest holdings, aggregating to 12.18% of Fund investments, included a variety of blue chip companies and broadly diversified with the largest holding of 2.54% in Exxon Mobil. (See figure 3-9.)

Market Review

The fiscal year began with the continuation of contagion from the sub-prime debacle spilling into equity markets. By the late fall, the financial markets had been shaken to their core as widespread bankruptcy risks within the financial sector led to a depression-era response to liquidity, outlook and governmental support. 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. By late March, the markets hit their apparent trough and thereafter staged a significant rebound as a perceived leading indicator of the recession ending. Although markets continue to fear inflation risks from massive, government stimulus policies, the Federal Reserve continues to intervene as although the recession may have ended, the economy has clearly not found solid footing as shown by continued weak employment statistics.

Performance Summary

For the fiscal year ended June 30, 2009, the Mutual Equity Fund (MEF) posted a negative return of -28.36%, net of fees and operating expenses, which underperformed the Russell 3000 Index return of -26.56% by 180 basis points. Asset allocation, with a modest over-allocation to large cap and an under-allocation to small cap, was a contributor to underperformance over the fiscal year; however, the largest contributor to broad annual underperformance was negative manager contribution primarily from the quantitative strategies. During this same period, MEF's net assets fell from $7.999 billion to $5.590 billion, a decrease of $2.409 billion. Of this net total change, a decrease of $2.412 billion was due to net realized and unrealized losses and -$142 million in net cash outflows to participating pension plans and trusts. Offsetting this amount is an inflow of $145 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 -9.67%, -2.56%, and -1.01% 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 132 and 72 basis points, respectively, and outperformed for the ten-year period by 45 basis points.

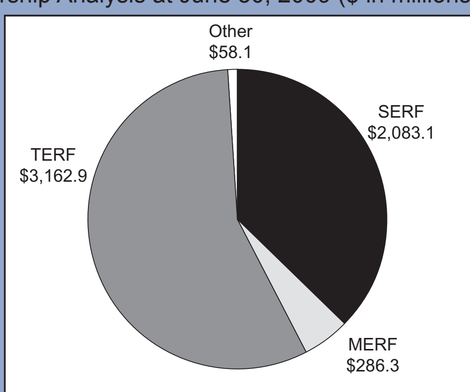
The MEF's cumulative total returns for the three, five, and ten year periods ending June 30, 2009, were -26.30%, -12.16%, and -9.67%, respectively.

Risk Profile

Based on returns over the last five years, the Fund has exhibited a similar degree of risk as that of its benchmark, the Russell 3000 Index. With a relative volatility of 1.01, the MEF's returns have almost equal volatility to those of the Index and reflect a strong degree of correlation, as shown by the fund's beta of 1.01. MEF's annual excess return during the five year period, or return relative to that achieved by the benchmark, was a negative 0.72%. (See figure 3-2.)

Figure 3-1

MUTUAL EQUITY FUND
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 3-2

MUTUAL EQUITY FUND [(1)]
Risk Profile at June 30, 2009

Relative Volatility	1.01
Standard Deviation	16.28
R2	1.00
Beta	1.01
Alpha	-0.72

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

Figure 3-3

MUTUAL EQUITY FUND
Fiscal 2009 Industrial Sector vs. Index (%)
Based on Investments in Securities, at Value [1]

At 6/30/2009:	MEF		Russel 3000	
	% of Net Assets	Annual Return	%of Net Assets	Annual Return
Energy	9.2	-45.5	10.9	-43.8
Materials	3.7	-44.5	3.9	-42.4
Industrials	9.8	-36.0	10.9	-33.9
Consumer Discretionary	11.0	-17.8	11.0	-18.5
Consumer Staples	8.4	-10.3	9.3	-9.2
Health Care	13.1	-13.0	13.6	-10.9
Financials	13.0	-35.3	14.7	-35.1
Information Technology	18.3	-21.1	18.0	-17.9
Telecommunication Services	2.9	-20.5	3.3	-22.2
Utilities	3.4	-30.8	4.4	-27.6
Commingled Fund	7.2	-41.4	0.0	-
	100.0		100.0	

(1) Excludes the Liquidity Fund.

Figure 3-4

MUTUAL EQUITY FUND
Periods ending June 30, 2009

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
MEF	-28.36	-9.67	-2.56	-1.01
Russell 3000	-26.56	-8.35	-1.84	-1.46
Cumulative Total Return (%)				
MEF	-28.36	-26.30	-12.16	-9.67
Russell 3000	-26.56	-23.01	-8.86	-13.64

Figure 3-5

MUTUAL EQUITY FUND
Annual Total Return

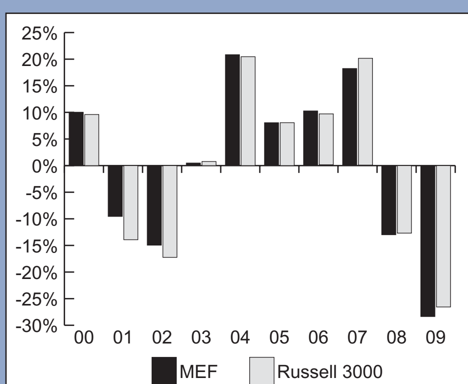


Figure 3-6

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

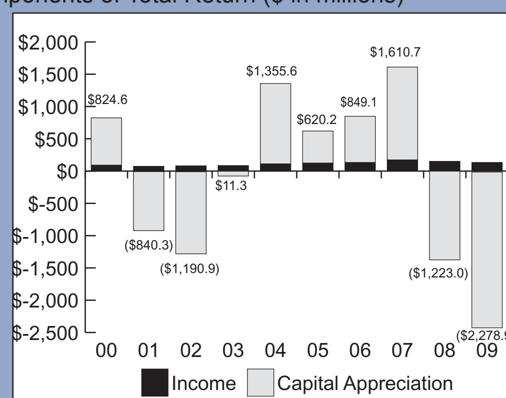


Figure 3-7

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

	2009		2008		2007		2006		2005	
	MEF	**Russell**	**MEF**	**Russell**	**MEF**	**Russell**	**MEF**	**Russell**	**MEF**	**Russell**
# of Issues	1,954	3,000	2,206	3,000	2,175	3,000	2,033	3,000	1,719	3,000
Cap ($ Bil)	$52.8	$58.7	$69.6	$72.2	$81.1	$81.5	$67.9	$69.3	$69.0	$70.7
P/E	20.5	19.8	18.5	18.1	17.6	18.8	17.0	18.2	19.1	20.5
Div Yield	1.98%	2.19%	1.90%	2.10%	1.60%	1.70%	1.70%	1.80%	1.60%	1.70%
ROE	18.4%	20.2%	19.0%	20.2%	19.5%	20.0%	19.3%	19.1%	17.4%	17.3%
P/B	2.9x	3.0x	3.6x	3.8x	3.6x	4.0x	3.5x	3.6x	3.6x	3.8x
Cash & Equiv.	9.7%	0.0%	0.8%	0.0%	0.7%	0.0%	1.0%	0.0%	3.1%	0.0%

Figure 3-8

MUTUAL EQUITY FUND
Investment Advisors at June 30, 2009

Investment Advisor	Net Asset Value	% of Fund
Large Cap	**$3,203,277,940**	**57.30%**
BGI Barclays	876,945,062	15.69%
T. Rowe Price	665,121,460	11.90%
State Street Global Advisors	1,661,211,418	29.71%
Active Extension	**526,441,693**	**9.42%**
AXA Rosenberg	170,028,931	3.04%
Pyramis	179,955,027	3.22%
Numeric	176,457,735	3.16%
All Cap	**235,274,550**	**4.20%**
Capital Prospects	118,171,804	2.11%
FIS Group, Inc.	117,102,746	2.09%
Small/Mid Cap Enhanced	**623,922,348**	**11.16%**
AXA Rosenberg	623,922,348	11.16%
Small/Mid Cap Active	**485,062,848**	**8.68%**
TCW	377,249,419	6.75%
Bivium	107,813,429	1.93%
Other (1)	**516,371,501**	**9.24%**
TOTAL MEF	**$5,590,350,880**	**100.00%**

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

Figure 3-9

MUTUAL EQUITY FUND
Ten Largest Holdings* at June 30, 2009

Security Name	Sector	Market Value	%
Exxon Mobil Corp	Energy	$141,665,274	2.54%
Microsoft	Technology	77,909,954	1.39%
AT&T Inc	Telecomm Svcs	62,186,890	1.11%
JP Morgan Chase & Co	Financials	60,967,771	1.09%
Proctor & Gamble Co	Consumer Staples	60,606,951	1.08%
Chevron Corp	Energy	59,536,225	1.07%
Johnson & Johnson	Health Care	57,435,024	1.03%
Apple Inc	Information Tech	57,019,144	1.02%
Intl Business Machines	Information Tech	54,719,213	0.98%
Google Inc	Information Tech	48,554,099	0.87%
Top Ten		**$680,600,545**	**12.18%**

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

2009 core fixed income fund

Fund Facts at June 30, 2009

Investment Strategy/Goals: To provide a long-term real rate of return above the inflation rate and provide a stream of income to meet the cash flow needs of the pension and trust funds, employing multiple external money managers to invest in a range of fixed income securities.

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: Barclays Capital U. S. Aggregate*

Date of Inception: November 1, 2007

Total Net Assets: $3,159,903,811

Number of Advisors: 6 external

Management Fees: $4,595,441

Operating Expenses: $652,804

Expense Ratio: 0.14%

Description of the Fund

The Core Fixed Income Fund (CFIF) is an externally managed fund investing primarily in domestic fixed income securities with the goal of achieving a long-term rate of return above the designated benchmark that is a proxy for this market. The CFIF generates interest income used for benefit payments to the retirement plans and trusts. Diversification of the assets across the spectrum of fixed income classes and among multiple money managers is expected to reduce the volatility of investment returns under various economic scenarios. Fixed income securities include both fixed and variable rate coupon bonds that are issued by U.S. federal and state governments, domestic corporations and municipalities, as well as securitized assets such as mortgage-backed and asset-backed securities.

At June 30, 2009, the CFIF was managed by one passive and five active money managers, representing 31% and 69% of the Fund, respectively. The active strategies included one fund of fund manager for the Connecticut Horizon Fund.

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 Barclays Capital U.S. Aggregate, which is widely considered to be a proxy for the performance of the overall U.S. bond market.

Portfolio Characteristics

CFIF continues to be well diversified across the spectrum of available fixed income securities. The Fund was invested in U.S. government (16%), agency (39%), corporate (22%), mortgage-backed (13%) and asset-backed (3%) securities. The remaining 7% was invested in cash and other instruments. For the purpose of enhancing value, each CFIF active manager is given some discretion to deviate from the Barclays Capital Aggregate* in the management of its funds. This active investment management can result in weighting differences between CFIF and the Barclays Capital Aggregate in terms of sectors, quality ratings and maturities. The Fund's average quality rating was AA-1, as judged by Moody's Investor Services, the same as the Barclays Aggregate rating. The CFIF under weighted U.S. Treasury and agency securities and over weighted corporate bonds, mortgage-backed securities and asset backed securities versus the Barclays Capital Aggregate. (See Figure 4-4.)

Market Review

Fiscal 2009 was a year replete with historic events. Lehman Brothers filed for bankruptcy, the Government became the conservator of the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Bank ("Freddie Mac"), broker-dealers converted to banks, the U.S. Government rescued financial institutions that were "too big to fail" and two of the three U.S. automobile manufacturers filed for bankruptcy. Negative economic news and financial market performance caused a collapse in consumer confidence, and continued de-leveraging exacerbated both market illiquidity and price declines in both securities and housing. Extraordinary fiscal and monetary support measures were implemented around the globe to stave off a global financial collapse. Investor risk appetite disappeared in the first half of the fiscal year, resulting in U.S. Treasuries outperforming all other fixed income securities. By the end of the fiscal year, the U.S. Treasury yield curve had shifted downward from June 2008, especially on the short end of the curve where the one year yield had declined 185 basis points. Investment grade corporate spreads that had been in the 200-300 range in June 2008, peaked in the fiscal third quarter with financials reaching about 900 basis points over Treasuries. Government support programs provided needed liquidity and bolstered investor confidence, contributing to tightening spreads in credit and securitized debt by fiscal year end.

Performance Summary

The CFIF's value as of June 30, 2009 was $3.2 billion, a 30% decline from $4.5 billion one year earlier. Of this $1.3 billion decline, $1.4 billion was due to net cash outflows from participating Pension and Trust Funds, $112 million from net realized and unrealized losses, and $178 million from net investment income.

For the fiscal year ended June 30, 2009 the Core Fixed Income Fund generated a total return of 2.84%, net of fees and operating expenses, underperforming the benchmark return of 6.05% by 321 basis points. The under performance for the fiscal year was primarily attributable to overweighting mortgage-backed securities, which traded at severely depressed prices during the credit crisis, and issues in the financial sector. The under weighting of U.S. Treasuries also adversely affected performance.

For the trailing three, five and ten-year periods, CFIF's compounded annual total returns were 4.77%, 4.22% and 5.73% respectively, net of all expenses. The adverse results of fiscal 2009 negatively impacted longer term performance. The cumulative total returns for the three, five, and ten-year periods ending June 30, 2009, were 14.99%, 22.93% and 74.66%, 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 credit default risk, interest rate risk, liquidity risk, inflation risk, reinvestment risk and counter party risk.

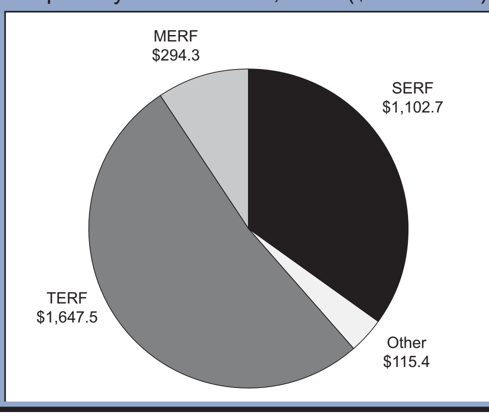
External rating agencies assign credit ratings to individual securities reflecting their view of the underlying firm's credit worthiness or in the case of securitized debt, the underlying assets. U.S. Treasury bonds, which carry the highest rating of AAA, are backed by the full faith and credit of the U.S. Government and therefore have no credit risk. The overall quality of the Core Fixed Income Fund is very high quality at AA-1. Sixty seven percent of the Fund is rated AAA the same average quality of the AAA Barclays Capital Aggregate. (See Figure 4-5.)

Interest rate risk relates to the fact that the price of a fixed income security moves inversely to the movement of interest rates. Thus, if there is a rise in interest rates the market value of bonds will decline. In such a scenario, a bond's price will fall to the point where the interest paid on the bond will become equal to the market rate of interest. Conversely, when interest rates decline, the market value of bonds will increase. In a normal market environment the yield curve will be positively sloping. This means that investors will be offered higher rates of interest to invest in securities with longer maturities to compensate for the additional risk of waiting longer to be repaid. CFIF monitors its exposure to interest rate risk by tracking the duration of its portfolio. Duration is the weighted average term to maturity of a bond's cash flows and is a valuable tool in assessing an asset's price sensitivity to interest rate movements. While often viewed as an indicator of risk, duration can, if managed effectively, contribute significantly to total Fund returns. At June 30, 2009, the Fund's duration of 4.6 years was slightly above the Barclays Capital Aggregate Index of 4.2 years. (See figure 4-3.)

Liquidity risk refers to the potential situation of a security having no buyers. An asset could become illiquid when extreme uncertainty exists about its value, due either to company-specific concerns or more widespread market fears. During fiscal 2009 sectors of the market, such as non-agency residential mortgage-backed securities, experienced periods of illiquidity. In normal times, public securities trade freely in the market with minimal differences between the bid and ask prices.

Figure 4-1

CORE FIXED INCOME FUND
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 4-2

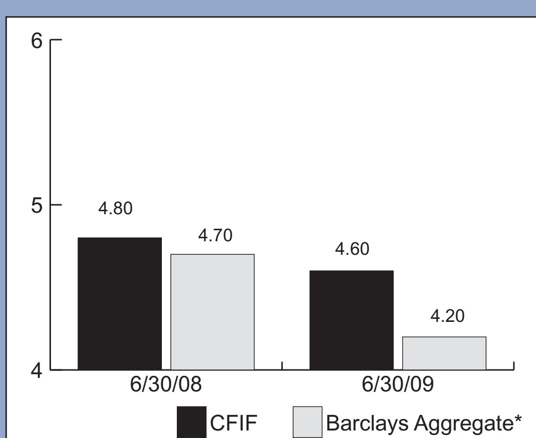
CORE FIXED INCOME FUND (1)
Risk Profile at June 30, 2009

Relative Volatility	1.08
Standard Deviation	3.93
R2	0.84
Beta	0.99
Alpha	-0.79

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

Figure 4-3

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



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

Figure 4-4

CORE FIXED INCOME FUND
Distribution by Sector at June 30, 2009
Based on Investments in Securities, at Value

	CFIF	Barclays Aggregate	Variance
Treasury	16.0%	26.3%	-10.3%
Agency	38.6%	48.2%	-9.6%
Corporate	22.5%	17.4%	5.1%
Mortgage-Backed	12.5%	3.5%	9.0%
Asset-Backed	3.5%	0.5%	3.0%
Other[1]	6.9%	4.1%	2.8%
TOTAL	**100.0%**	**100.0%**	

(1) Other category includes cash and other assets.

Figure 4-5

CORE FIXED INCOME FUND
Distribution by Quality Rating at June 30, 2009
Based on Investments in Securities, at Value

Aaa	66.7%
AA-1	0.8%
AA-2 to A-1	6.2%
A-2 to BAA-1	10.7%
Less than BAA-1	10.7%
Not Rated1	4.9%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 4-6

CORE FIXED INCOME FUND
Distribution by Coupon at June 30, 2009
Based on Investments in Securities, at Value

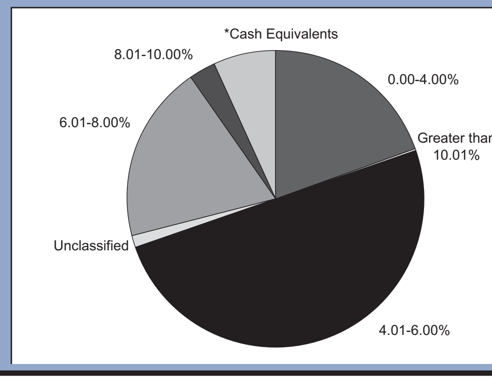


Figure 4-7

CORE FIXED INCOME FUND
Duration Distribution at June 30, 2009
Based on Investments in Securities, at Value

0-3 Years	37.3%
3-5 Years	22.6%
5-7 Years	15.3%
7-10 Years	9.0%
10+ Years	7.6%
Unknown(1)	1.4%
Cash(2)	6.8%
Total	100.0%

(1) Represents securities for which the duration could not be calculated by the custodian.
(2) Represents monies invested in the Cash Equivalents at the end of quarter.

Figure 4-8

CORE FIXED INCOME FUND
Periods ending June 30, 2009

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
CFIF	2.84	4.77	4.22	5.73
BC Aggregate*	6.05	6.43	5.01	5.98
Cumulative Total Return (%)				
CFIF	2.84	14.99	22.93	74.66
BC Aggregate*	6.05	20.56	27.72	78.71

Figure 4-9

CORE FIXED INCOME FUND
Annual Total Return

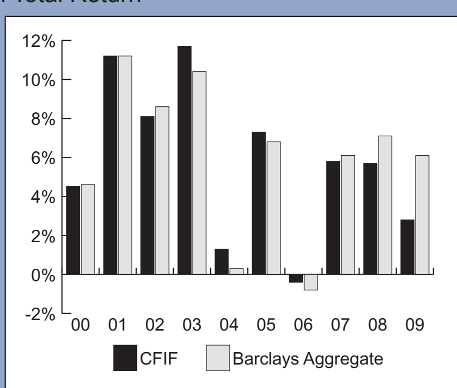


Figure 4-10

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

	2009		2008	
	CFIF	BC AGG*	CFIF	LBAI*
Number of Issues	3,421	8,454	4,123	9,457
Average Coupon	4.90%	5.00%	5.10%	5.40%
Yield Maturity	5.70%	4.00%	6.10%	5.10%
Average Maturity	6.70	5.90	6.80	6.00
Modified Duration	4.60	4.20	4.80	4.70
Average Quality	AA-1	AAA	AA-1	AAA
*Cash	6.8%	0.0%	5.8%	0.0%

** Note: Beginning weights.*

Figure 4-11

CORE FIXED INCOME FUND
Investment Advisors at June 30, 2009

Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	$990,876,021	31.36%
BlackRock Financial Mgmnt., Inc.	617,414,705	19.54%
Wellington	494,928,788	15.66%
Western Asset Management Co.	465,006,091	14.71%
Phoenix	295,314,474	9.35%
Progress	123,743,564	3.92%
Other [1]	172,620,169	5.46%
TOTAL CFIF	**$3,159,903,812**	**100.00%**

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

Figure 4-12

CORE FIXED INCOME FUND
Ten Largest Holdings[1] at June 30, 2009

Security Name	Maturity	Market Value	%
FNMA TBA Fam	12/01/2099	$43,355,291	1.35%
WI Treasury N/B	06/30/2014	31,970,840	0.99%
U.S. Treasury Notes	02/15/2019	26,854,791	0.83%
U.S. Treasury Bonds	11/15/2022	24,070,963	0.75%
FHLMC TBA Gold	12/01/2099	23,386,329	0.73%
FHLMC TBA Gold	12/01/2099	21,604,008	0.67%
FNMA Pool 745275	02/01/2036	20,230,269	0.63%
U.S. Treasury Notes	05/31/2014	20,133,997	0.63%
U.S. Treasury Bonds	02/15/2015	20,056,723	0.62%
FNMA Pool 888876	12/01/2037	19,931,262	0.62%
Top Ten		**$251,594,473**	**7.82%**

(1) A complete list of portfolio holdings is available from the Office of the Treasurer.

Figure 4-13

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

	6/30/09	3/31/09	12/31/08	9/30/08	6/30/08
CORE FIXED INCOME	**7.90**	**8.10**	**7.70**	**5.70**	**5.15**
Barclays Aggregate*	4.80	5.00	5.10	5.30	5.32
Citigroup 3 Month T-Bill	0.19	0.21	0.11	0.92	1.86
Barclays Capital Treasury*	3.47	3.54	3.71	4.22	4.41
Barclays Capital Agency*	3.59	3.76	4.10	4.46	4.57
Barclays Capital Mortgage*	5.20	5.27	5.35	5.50	5.52
Barclays Capital Corporate*	6.20	6.79	6.64	6.78	6.23
Barclays Capital Asset Backed*	5.36	5.98	6.40	5.96	5.71

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

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

2009 inflation linked bond fund

Fund Facts at June 30, 2009

Investment Strategy/Goals: To invest primarily in inflation-linked securities in the domestic U.S. market with a goal of achieving 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: Barclays Capital U.S. Treasury Inflation Protection Securities ("BC TIPS") Index.

Date of Inception: November 1, 2007

Total Net Assets: $837,242,686

Number of Advisors: 2 external

Management Fees: $944,154

Operating Expenses: $193,746

Expense Ratio: 0.11%

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. An inflation-linked bond pays a fixed real coupon on an inflation-adjusted principal amount. Therefore, while the rate of the coupon payment is locked the actual dollars of interest earned will vary according to the change in principal. The ultimate amount of interest paid over the life of the bond will depend on the change in inflation.

At June 30, 2009, the Fund had two investment advisors.

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. Over 98% of the Fund was invested in U.S. Treasury securities and the balance of 1.6% was held in cash on June 30, 2009. (See figure 5-3.) The Fund's average quality rating was AAA, as judged by Moody's Investor Services, matching the quality rating of the benchmark. The Fund's average coupon at June 30, 2009 was 2.22% versus 2.28% for the benchmark. The average maturity of Fund and its benchmark were 9.23 years and 9.19 years, respectively. (See figure 5-9.)

Market Review

As of June 30 2009, the one year total return of the Barclays Capital U. S. TIPS index was negative 1.11%. In the first half of fiscal 2009 the Treasury Inflation Protected Securities ("TIPS") market collapsed as commodity prices tumbled and investors sought to quickly deleverage. Crude oil prices peaked in July 2008 at around $145/barrel. However, by the end of December oil fell below $50/barrel. The five year TIPS' breakeven rate, which is the difference between nominal U.S. Treasury bonds and the TIPS rate, declined from about 2.5% in early June 2008, to a negative 80 basis points by November 2008. In a rare occurrence, real yields, particularly in the front end of the yield curve, were rising sharply while nominal yields were falling. This decoupling of TIPS from nominal Treasuries was largely driven by three forces: (1) reduced expectations of real growth in the U.S. economy; (2) increased expectations of easing by the Federal Reserve; and (3) increased short-term demand amid a credit crisis. One year total return plummeted from a positive 4.88% on June 30, 2008 to a negative 2.35% by December 30, 2008.

The rapid and massive response by the Federal Reserve and the Treasury to the financial crisis successfully stabilized the financial system in early 2009. Commodity prices bottomed in February and March 2009. Crude oil traded as low as $33/barrel in March but recovered to $75/barrel by June. With markets stabilizing, prices recovering and the monetization of record amounts of Government debt, investors became concerned about the possibility of future inflation. This expectation of inflation drove TIPS prices higher. At June 30, 2009 the five year breakeven rate had turned positive reaching 1.20%, but was still sharply lower than the level that prevailed in June 2008. Offsetting these inflationary concerns were worries about rising unemployment, falling wages and a rising savings rate, all of which could create a deflationary environment.

Performance Summary

The ILBF's value as of June 30, 2009 was $837.2 million, a decrease of $ 335.5 million from the prior fiscal year. Of this total, $326.2 million was due to net cash outflows from participating Pension and Trust Funds and $18.1 million of net investment income, minus $27.4 million from net realized and unrealized gains and losses.

For the fiscal year ended June 30, 2009 the ILBF generated a negative total return of .20%, net of fees and operating expenses, outperforming the benchmark return of -1.11% by 91 basis points. For the trailing three year period, ILBF's compounded annual total return was 6.44%, net of fees and operating expenses. The three year return outperformed the benchmark by 67 basis points. (See Figure 5-7.)

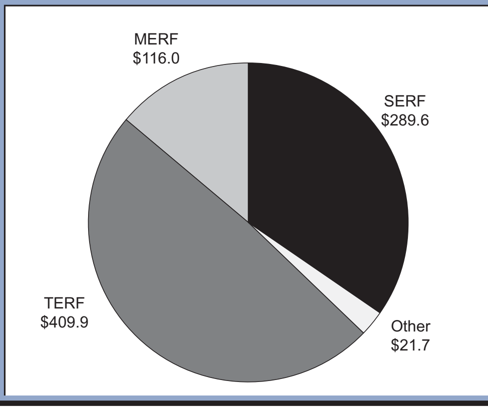
Risk Profile

The Inflation Linked Bond Fund is comprised primarily of U.S. Government securities and thus has very minimal credit risk. The ILBF has average quality of AAA. (See Figure 5-9.) As with all fixed income investments, returns in the ILBF are extremely sensitive to changes in market interest rates. In general, the longer the time to maturity of a fixed income investment the greater the level of potential risk due to interest rate changes. 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, 2009, the Fund's duration of 7.94 years was slightly longer the benchmark duration of 7.77 years. While often viewed as an indicator of risk, duration can, if managed effectively, contribute significantly to total Fund returns. (See Figure 5-9.)

The ILBF is also sensitive to changes in inflation as measured by the Consumer Price Index. In an environment of high or rising inflation, TIPS tend to outperform nominal Treasuries; conversely, in an environment where inflation is low or declining, TIPS tend to under perform traditional fixed income investments.

Figure 5-1

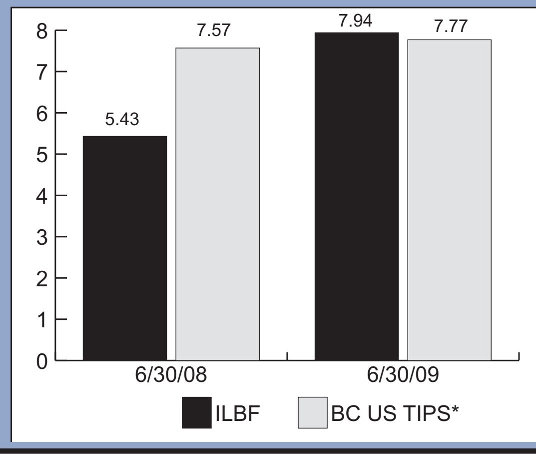
INFLATION LINKED BOND FUND
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 5-2

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



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

Figure 5-3

INFLATION LINKED BOND FUND
Distribution by Sector at June 30, 2009
Based on Investments in Securities, at Value

	ILBF	BC US TIPS*	Variance
Treasury	98.4%	100.0%	-1.6%
Agency	0.0%	0.0%	0.0%
Corporate	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
Other1	1.6%	0.0%	1.6%
TOTAL	**100.0%**	**100.0%**	

(1) Other category includes cash and other assets.

Figure 5-4

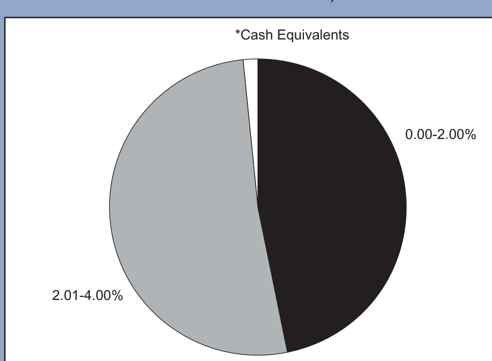
INFLATION LINKED BOND FUND
Distribution by Quality Rating at June 30, 2009
Based on Investments in Securities, at Value

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

(1) Represents securities for which ratings are unavailable.

Figure 5-5

INFLATION LINKED BOND FUND
Distribution by Coupon at June 30, 2009
Based on Investments in Securities, at Value



**Note: Beginning weights*

Figure 5-6

INFLATION LINKED BOND FUND
Duration Distribution at June 30, 2009
Based on Investments in Securities, at Value

0-3 Years	22.0%
3-5 Years	36.7%
5-7 Years	5.8%
7-10 Years	27.8%
10+ Years	6.1%
Unknown(1)	0.0%
Cash(2)	1.6%
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 5-7

INFLATION LINKED BOND FUND
Periods ending June 30, 2009

	1 YR	3 YRS
Compounded, Annual Total Return (%)		
ILBF	-0.20	6.44
BC U.S. TIPS*	-1.11	5.77
Cumulative Total Return (%)		
ILBF	-0.20	20.60
BC U.S. TIPS*	-1.11	18.34

Figure 5-8

INFLATION LINKED BOND FUND
Annual Total Return

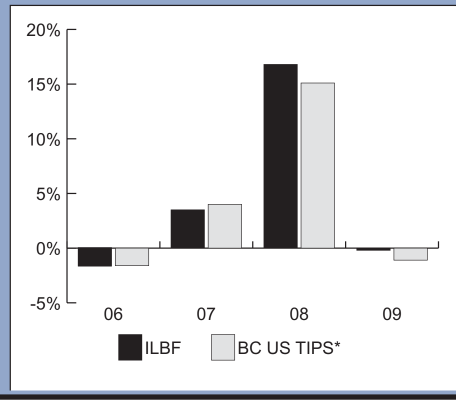


Figure 5-9

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

	2009 ILBF	2009 BC US TIPS	2008 ILBF	2008 BC US TIPS*
Number of Issues	26	27	25	25
Average Coupon	2.22%	2.28%	2.24%	2.33%
Average Maturity	9.23	9.19	9.29	9.20
Modified Duration	7.94	7.77	5.43	7.57
Average Quality	AAA	AAA	AAA	AAA
Cash (1)	1.6%	0.0%	5.2%	0.0%

(1) Beginning Weights

Figure 5-10

INFLATION LINKED BOND FUND
Investment Advisors at June 30, 2009

Investment Advisor	Net Asset Value	% of Fund
Brown Brothers Harriman	$429,747,358	51.33%
Hartford Investment Mgmt Co.	406,744,761	48.58%
Other (1)	**750,567**	**0.09%**
TOTAL ILBF	**$837,242,686**	**100.00%**

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

Figure 5-11

INFLATION LINKED BOND FUND
Ten Largest Holdings (1) at June 30, 2009

Security Name	Maturity	Market Value	%
U.S. Treasury Notes	07/15/12	93,441,490	11.26%
U.S. Treasury Notes	07/15/14	84,803,367	10.22%
U.S. Treasury Bonds	01/15/27	77,833,766	9.38%
U.S. Treasury Bonds	01/15/25	62,179,510	7.50%
U.S. Treasury Bonds	01/15/26	49,552,339	5.97%
U.S. Treasury Notes	01/15/15	42,531,204	5.13%
U.S. Treasury Notes	07/15/15	41,047,378	4.95%
U.S. Treasury Notes	01/15/16	40,510,702	4.88%
U.S. Treasury Bonds	01/15/28	39,858,321	4.81%
U.S. Treasury Notes	07/15/16	39,040,935	4.71%
Top Ten		570,799,012	68.81%

(1) A complete list of portfolio holdings is available from the Office of the Treasurer.

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

2009 emerging market debt fund

Fund Facts at June 30, 2009

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 Index.

Date of Inception: November 1, 2007

Total Net Assets: $1,131,838,563

Number of Advisors: 5 external

Management Fees: $3,241,988

Operating Expenses: $275,019

Expense Ratio: 0.32%

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 countries have historically had lower correlations to U.S. markets and also provide desirable risk diversification for the portfolio. Emerging markets tend to have higher economic growth rates than developed countries. The EMDF 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 U.S. 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, 2009, the Fund had five money managers.

Portfolio Characteristics

The Emerging Market Debt Fund is a diversified portfolio with an overall yield to maturity of 14.48%. This compares favorably to the benchmark yield to maturity of 7.77%. (See Figure 6-11.) The Fund is diversified across geographic regions with the highest weighting in Latin American countries at almost 40%, with Asia having the next highest concentration at almost 31%. The EMDF under weighted Europe, Latin America and the Middle East compared to the index. The largest regional over weight was Asia. (See Figure 6-3.) The average quality of EMDF is Ba1, the same quality as the benchmark. (See Figure 6-11.) Figure 6-4 portrays the distribution by quality ratings for the Fund. Over 60% of the emerging market debt instruments are unrated as they originate outside of the United States. The duration of the fund is 5.93 years and is shorter than the index duration of 6.37 years. (See Figure 6-2.) The distribution of the duration ranges for the Fund is depicted in Figure 6-6.

Market Review

The total returns from investing in emerging market debt (EMD) for the one year period ending on June 30, 2009 were modestly positive. The JP Morgan index that proxies US dollar- denominated sovereign bonds generated a return of 2.24% while the JP Morgan index that proxies local currency denominated sovereign bonds returned 0.8%. These annual returns do not reflect the actual volatility experienced during the year – two tumultuous time periods that almost cancelled each other out. The first sub-period lasted four months and was characterized by illiquidity and sharply negative price returns that were driven by the collapse of Lehman Brothers and the ensuing global credit crisis. During this period, US dollar-denominated sovereign bonds suffered a loss of about 20%, while local currency sovereign bonds fell by about 13%. Lower quality or less liquid emerging markets bonds were hit disproportionately hard. Emerging market currencies also depreciated as a global “flight to quality” led to the strengthening of the US dollar. In aggregate, many emerging debt markets hit significant lows towards the end of October 2008.

The second sub-period lasted eight months from end of October 2008 through June 30, 2009 and was characterized by the recovery of many of the price declines that took place during the prior months. During those eight months, US dollar-denominated sovereign bonds rallied by almost 30%, while local currency denominated sovereign bonds rallied by 16%. There were several factors that contributed to this strong rally and they include: (1) global policy moves to stimulate fiscal and monetary policy world-wide; (2) the perception of generally strong credit fundamentals among many emerging countries; and (3) the role of the International Monetary Fund to support the few emerging countries that were encountering significant difficulty. Overall, the large rallies over the final eight months of the fiscal year were able to slightly overcome the sharply negative returns of the first four months. The best returns in both US dollar bonds and local currency bonds came from the Middle East and Asia, regions least negatively impacted by the global credit crisis. The Latin America region had the worst performance of the U.S. dollar-denominated emerging markets, while the worst local currency returns came from the European region. This poor relative performance can be attributed to the high beta nature of Latin American bonds, while in local markets the severe economic crisis in Eastern Europe had a devastating impact on currencies in that region.

Performance Summary

The EMDF's value as of June 30, 2009 was $1.1 billion, an increase of $84.5 million. Of this total, $126.5 million was due to net cash inflows from participating Pension and Trust Funds and $97.4 million was generated from net investment income. Net realized and unrealized losses deducted $139.4 million.

For the fiscal year ended June 30, 2009 the Emerging Market Debt Fund generated a negative return of 3.62% net of fees and operating expenses, underperforming the benchmark return of 2.24%. For the trailing three year period, EMDF's compounded annual total return was 5.33%, net of fees. The three year return under performed the benchmark by 76 basis points. The cumulative total return for the three year period ending June 30, 2009 was 16.87%. (See Figure 6-7.)

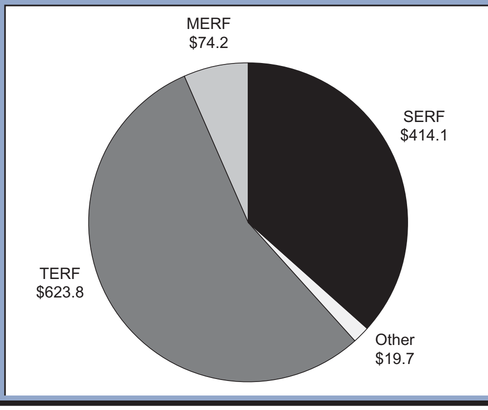
Risk Profile

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. 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, 2009, the Fund's duration of 5.93 years was less than the J.P. Morgan EMBI Global Index of 6.37 years.

Figure 6-1

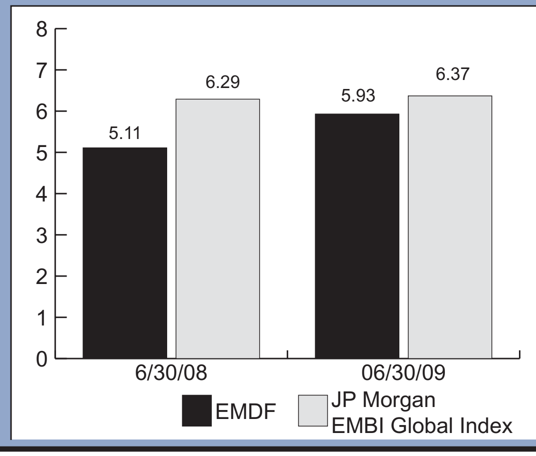
EMERGING MARKET DEBT FUND
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 6-2

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



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

Figure 6-3

EMERGING MARKET DEBT FUND
Distribution by Region at June 30, 2009

	EMDF	JP Morgan EMBI	Variance
Asia	30.9%	18.8%	12.1%
Africa	3.9%	2.7%	1.2%
Europe	14.6%	26.7%	-12.1%
Latin America	39.7%	48.2%	-8.5%
Middle East	0.5%	3.6%	-3.1%
United States	10.4%	0.0%	10.4%
TOTAL	**100.0%**	**100.0%**	

Figure 6-4

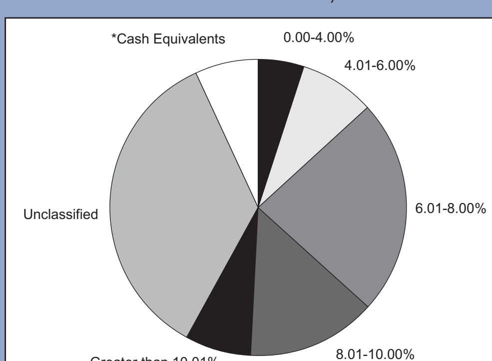
EMERGING MARKET DEBT FUND
Distribution by Quality Rating at June 30, 2009
Based on Investments in Securities, at Value

Aaa	1.8%
AA-1	0.0%
AA-2 to A-1	0.5%
A-2 to BAA-1	9.2%
Less than BAA-1	27.6%
Not Rated[1]	60.9%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 6-5

EMERGING MARKET DEBT FUND
Distribution by Coupon at June 30, 2009
Based on Investments in Securities, at Value



** Note: Beginning weights.*

Figure 6-6

EMERGING MARKET DEBT FUND
Duration Distribution at June 30, 2009
Based on Investments in Securities, at Value

0-3 Years	11.2%
3-5 Years	12.1%
5-7 Years	16.3%
7-10 Years	12.0%
10+ Years	5.8%
Unknown(1)	35.7%
Cash(2)	6.9%
Total	100.0%

(1) Represents securities for which the duration could not be calculated by the custodian.
(2) Represents monies invested in the Cash Equivalents at end of quarter.

Figure 6-7

EMERGING MARKET DEBT FUND
Periods ending June 30, 2009

	1 YR	3 YRS
Compounded, Annual Total Return (%)		
EMDF	-3.62	5.33
JP Morgan EMBI Global Index	2.24	6.09
Cumulative Total Return (%)		
EMDF	-3.62	16.87
JP Morgan EMBI Global Index	2.24	19.41

Figure 6-8

EMERGING MARKET DEBT FUND
Annual Total Return

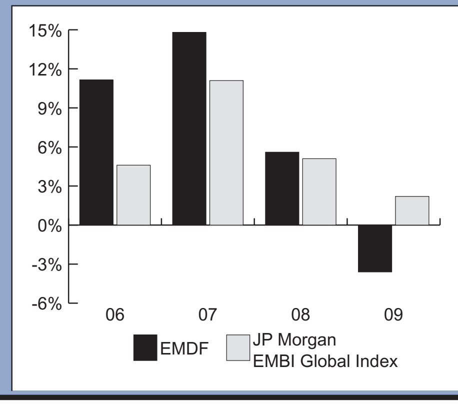


Figure 6-9

EMERGING MARKET DEBT FUND
Investment Advisors at June 30, 2009

Investment Advisor	Net Asset Value	% of Fund
Ashmore	$309,739,862	27.37%
Stone Harbor Investment Partners	235,466,735	20.80%
ING Investment Management	174,266,665	15.40%
Pyramis	188,637,172	16.67%
UBS Global Asset Management	219,399,905	19.38%
Other (1)	4,328,224	0.38%
TOTAL EMDF	**$1,131,838,563**	**100.00%**

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

Figure 6-10

EMERGING MARKET DEBT FUND
Ten Largest Holdings* at June 30, 2009

Security Name	Maturity	Market Value	%
Russian Federation	03/31/30	38,612,090	3.43%
Argentina (Rep)	03/28/11	18,281,498	1.62%
Venezuela Republic Notes REG S	04/20/11	14,496,440	1.29%
Indonesia Republic BD REG S	01/17/38	11,109,280	0.99%
Argentina (Rep)	10/03/15	10,705,288	0.95%
Nota Do Tesouro NA	01/01/17	10,352,067	0.92%
Iraq Republic of	01/15/28	9,804,240	0.87%
Colombia (Rep)	09/18/37	9,204,500	0.82%
Republic of Indonesia	03/04/19	8,837,500	0.79%
Brazil Fererative Rep	08/17/40	8,544,498	0.76%
Top Ten		139,947,401	12.44%

* *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,

	2009 EMDF	2009 EMBI	2008 EMDF	2008 EMBI
Number of Issues	391	203	302	196
Yield to Maturity	14.48%	7.77%	8.15%	7.62%
Average Maturity	10.98%	12.30%		
Modified Duration	5.93	6.37	5.11	6.29
Average Quality	Ba1	Ba1	Ba1	Ba1
*Cash	6.9%	0.0%	2.7%	0.0%

* *Note: Beginning weights.*

2009 high yield debt fund

Fund Facts at June 30, 2009

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: $733,165,943

Number of Advisors: 4 external

Management Fees: $2,321,899

Operating Expenses: $118,005

Expense Ratio: 0.33%

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. This asset class pays a higher interest rate than investment grade credit to compensate the investor for higher default risk. Combining top-down macro analysis with fundamental bottom-up security selection, the Fund managers identify distressed corporations that have upside potential. Higher interest income and security price appreciation are the drivers of investment return.

At June 30, 2009, the Fund had four money managers. (See Figure 7-11.)

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 appropriately diversified across a range of corporate high yield securities, predominantly in the U. S. The Fund investments are spread across the quality spectrum of below investment grade securities, with an overall emphasis on the higher quality segments. (See Figure 7-5.) The Fund's average quality rating was B-1, matching the average quality of the benchmark. (See Figure 7-10.)

Market Review

Risk aversion marked the first half of the fiscal year as high yield investors reacted to deteriorating economic conditions, bank write-downs, the tight lending environment, and the distressed pricing and illiquidity caused by the forced selling of securities by hedge funds. A year end rally helped but could not erase the damage of the prior six months. Investors regained their appetite for risk taking advantage of the historically wide spreads high yield bonds offered over Treasuries. However, after a brief time, investors retrenched, worried about the impact of deflationary pressures on their investments in automakers, financial firms, and energy companies. In March, investors reversed course again as their confidence was bolstered by the support of the Government and Federal Reserve. For the first time in fiscal 2009, the lower-rated quality segments of the high yield market outperformed higher quality segments by a wide margin. The fourth quarter was the strongest on record with the high yield index returning over 21%, despite the bankruptcy filings of Chrysler and GM and default rates at historic levels. The active new issue market provided $53 billion in funding; much of it to refinance the debt of companies that previously had been expected to default.

Performance Summary

The HYDF's value as of June 30, 2009 was $733 million, a decrease of $26.0 million since June 2008. Of this total, $0.2 million was the result of net cash inflows to participating Pension and Trust Funds, $67.9 million came from net investment income and $94.1 million was the result of net realized and unrealized losses.

For the fiscal year ended June 30, 2009 the HYDF lost 4.59%, net of fees and operating expenses, under performing the benchmark return of negative 3.26%. (See Figure 7-8.) The under performance for the fiscal year was primarily attributable to the Fund's under weighting of the very lowest quality segments, which significantly outperformed, and credit selection.

For the trailing three, five and ten-year periods, HYDF's compounded annual total returns were 1.59%, 4.03% and 4.69% respectively, net of fees, and slightly behind the benchmark returns of 1.81%, 3.94% and 4.61% for the same periods. The cumulative total returns for the three, five, and ten-year periods ending June 30, 2009, were 4.86%, 21.81% and 58.22%, respectively. (See Figure 7-8.)

Risk Profile

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

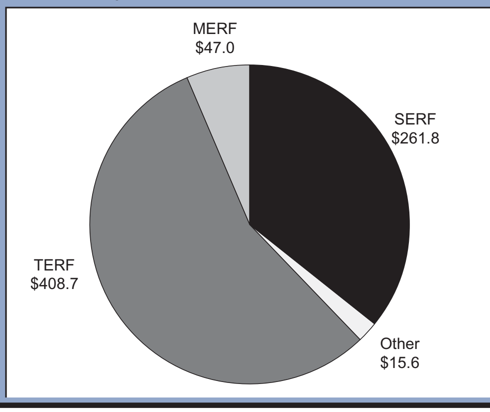
Below investment grade securities pay a higher rate of interest than investment grade securities to compensate for additional credit risk. Public rating agencies assign quality ratings to securities issued by governments and corporations to distinguish gradations of credit risk. By design, the HYDF investments are concentrated in the higher end of the quality rating spectrum for below investment grade securities.

Interest rate risk relates to the fact that the price of a fixed income security moves inversely to the movement of interest rates. Thus, if there is a rise in interest rates the market value of bonds will decline. In such a scenario, a bond's price will fall to the point where the interest paid on the bond will become equal to the market rate of interest. Conversely, when interest rates decline, the market value of bonds will increase. In a normal market environment the yield curve will be positively sloping. This means that investors will be offered higher rates of interest to invest in securities with longer maturities to compensate for the additional risk of waiting longer to be repaid. HYDF monitors its exposure to interest rate risk by tracking the duration of its portfolio. Duration is the weighted average term to maturity of a bond's cash flows and is a valuable tool in assessing an asset's price sensitivity to interest rate movements. While often viewed as an indicator of risk, duration can, if managed effectively, contribute significantly to total Fund returns. At June 30, 2009, the Fund's duration of 4.7 years compared to the Citigroup High Yield Market Index of 4.2 years. (See figure 7-3.)

Liquidity risk refers to the potential situation of a security effectively having no buyers. An asset could become illiquid when extreme uncertainty exists about its value, due either to company-specific concerns or more widespread market fears. This situation occurred in the high yield market for a time during fiscal 2009. In normal times, public securities trade freely in the market with minimal differences between the bid and ask prices.

Figure 7-1

HIGH YIELD DEBT FUND
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 7-2

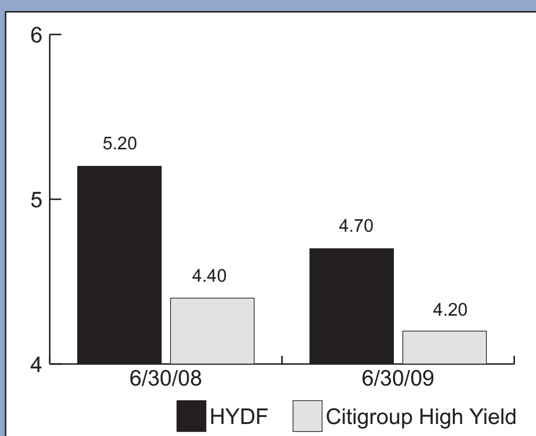
HIGH YIELD DEBT FUND (1)
Risk Profile at June 30, 2009

Relative Volatility	0.84
Standard Deviation	10.88
R2	0.91
Beta	0.80
Alpha	0.09

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

Figure 7-3

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



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

Figure 7-4

HIGH YIELD DEBT FUND
Distribution by Sector at June 30, 2009
Based on Investments in Securities, at Value

	HYDF	Citigroup	Variance
Treasury	0.0%	0.0%	0.0%
Agency	0.0%	0.0%	0.0%
Corporate	89.8%	100.0%	-10.2%
Mortgage-Backed	0.0%	0.0%	0.0%
Asset-Backed	0.0%	0.0%	0.0%
Other[1]	10.2%	0.0%	10.2%
TOTAL	100.0%	100.0%	

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

Figure 7-5

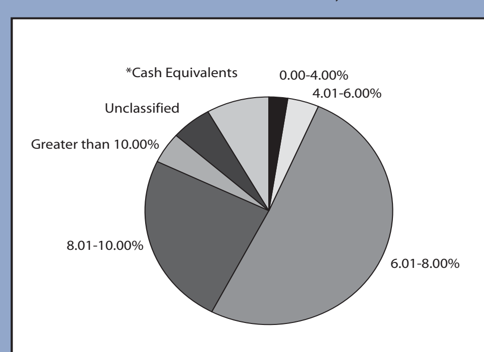
HIGH YIELD DEBT FUND
Distribution by Quality Rating at June 30, 2009
Based on Investments in Securities, at Value

AA-2 to A-1	0.2%
A-2 to BAA-1	2.9%
Less than BAA-1	77.2%
Not Rated[1]	19.7%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 7-6

HIGH YIELD DEBT FUND
Distribution by Coupon at June 30, 2009
Based on Investments in Securities, at Value



** Note: Beginnings weights.*

Figure 7-7

HIGH YIELD DEBT FUND
Duration Distribution at June 30, 2009
Based on Investments in Securities, at Value

0-3 Years	15.5%
3-5 Years	42.1%
5-7 Years	19.7%
7-10 Years	10.7%
10+ Years	0.5%
Unknown(1)	3.3%
Cash(2)	8.2%
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
Periods ending June 30, 2009

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
HYDF	-4.59	1.59	4.03	4.69
Citigroup High Yield Market Index	-3.26	1.81	3.94	4.61
Cumulative Total Return (%)				
HYDF	-4.59	4.86	21.81	58.22
Citigroup High Yield Market Index	-3.26	5.52	21.29	56.96

Figure 7-9

HIGH YIELD DEBT FUND
Annual Total Return

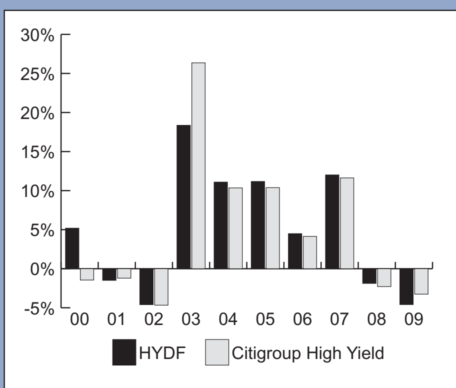


Figure 7-10

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

	2009		2008	
	HYDF	Citigroup	HYDF	Citigroup
Number of Issues	605	1,222	569	1,258
Average Coupon	7.90%	8.10%	7.60%	8.10%
Yield Maturity	11.90%	12.20%	9.90%	10.90%
Average Maturity	7.8	6.5	8.40	6.90
Modified Duration	4.7	4.2	5.20	4.40
Average Quality	B-1	B-1	B-1	B-1
Cash	8.2%	0.0%	8.4%	0.0%

**Note: Beginning Weights*

Figure 7-11

HIGH YIELD DEBT FUND
Investment Advisors at June 30, 2009

Investment Advisor	Net Asset Value	% of Fund
Loomis Sayles & Co., Inc.	244,769,526	33.39%
Stone Harbor Investment Partners	129,258,362	17.63%
Shenkman Capital Management	205,677,099	28.05%
Oaktree Capital Management, L.L.C.	122,222,208	16.67%
Other (1)	31,238,748	4.26%
TOTAL HYDF	**733,165,943**	**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, 2009

Security Name	Maturity	Market Value	%
Dynegy Hldgs Inc	05/01/16	6,305,400	0.88%
Toys R Us	10/15/18	5,959,525	0.83%
Georgia Pacific Corp	11/15/29	5,743,550	0.80%
Vertex Pharmaceuticals Inc	Com Stock	5,316,953	0.74%
AES Corp	03/01/11	5,111,409	0.71%
Qwest Capital Funding	07/15/28	5,018,400	0.70%
Elan Fin PLC	11/15/11	4,934,875	0.68%
Mosiac Global Holdings	01/15/28	4,902,500	0.68%
Citibank NA	07/02/10	4,815,093	0.67%
AES Corp	10/15/17	4,654,650	0.65%
Top Ten		52,762,355	7.34%

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

2009 developed markets international stock fund

Fund Facts at June 30, 2009

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

Number of Advisors: 14 external

Operating Expenses: $1,167,871

Total Net Assets: $4,415,899,301

Management Fees: $18,200,409

Expense Ratio: 0.41%

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.

During Fiscal 2009, an investment manager search was conducted to add capacity in the small cap sub-asset class resulting in the hiring of two additional advisers. At the end of fiscal year 2009, the Fund had fourteen external advisors, selected on the basis of expected future performance and investment style. (See figure 8-6.) Based on the Fund's holdings, as of June 30, 2009, approximately 30.6% of the portfolio was actively managed in core, 24.2% in active growth/value, 13.4% in small cap, 14.3% was actively managed within risk controlled, 13.9% in passively managed and -1.7% was managed by one advisor for currency management (negative weight at period end reflecting the value associated to a partial hedge of the foreign currency exposure). Additionally, approximately 2.1% was managed through a diversified core allocation to the international component of the Connecticut Horizon Fund (CHF) and the remaining 3.2% was held in cash equivalents.

Portfolio Characteristics

At fiscal year-end, DMISF was 96.8% invested in developed market international securities reflecting the Fund's policy to be fully invested. Investments in Japan were the largest exposure of Fund representing 21.5%. The United Kingdom accounted for 16.8% of investments followed by France at 10.3%. These geographic concentrations differed from those of the benchmark index, reflecting the Fund's allocation to active management strategies. (See figure 8-5.)

The DMISF was well diversified by market, sector and capitalization. At year-end, the Fund's largest investment, which was in consumer stable leader Nestle's, comprised only 1.6% of investment securities. This broad stock diversification is additionally represented by the ten holdings in the aggregate only accounted for 11% of the Fund's investments at June 30, 2009. (See figure 8-7.)

Market Review

International equity markets all posted decidedly negative returns for the one year period ended June 30, 2009, even after the dramatic rally staged since the mid-March trough. Throughout the turbulent year, the international equity markets traded on volatile perceptions of the economic conditions. Whereas the first half focused on recession scenarios triggered by the spread of credit crisis, the second half ended on the perceived global recovery supported by massive, coordinated governmental supports. With the focus centered on economic indicators stemming from the over-leverage, off balance-sheet financials, it is with little surprise in hindsight that the Financial Sector performed so chaotically. Similarly the Energy Sector, whose earnings are tied closely tied to GDP direction, saw Oil fall by over $100 per barrel to the $30's before ending the fiscal year near $70. As a result, oil exporter Norway ended the fiscal year down a sizable 56%. Regionally, Europe declined 37% versus the Pacific down 26%, the Pacific region was supported by the improvements in Chinese GDP which contributed to Hong Kong (down only 18%) being amongst the best performing international markets.

Performance Summary

For the fiscal year ended June 30, 2009, the Developed Markets International Stock Fund (DMISF) generated a return of -27.98%, net of fees and operating expenses, which underperformed its benchmark index return of -26.79% by 119 basis points. The negative performance versus the index was attributable to broad manager negative excess returns as well as a modest negative asset allocation influence from the underweight to small cap which existed before the 2nd quarter additional hires were funded.

DMISF's market value fell from $5,108.3 million on June 30, 2008 to $4,415.9 million, a resulting decrease of $692.4 million. Of this net total change, a decrease of $1,449.9 million was due to net realized and unrealized losses and $637.8 million in net cash inflows from participating pension plans and trusts. Offsetting this amount is an inflow of $119.7 million in net investment income..

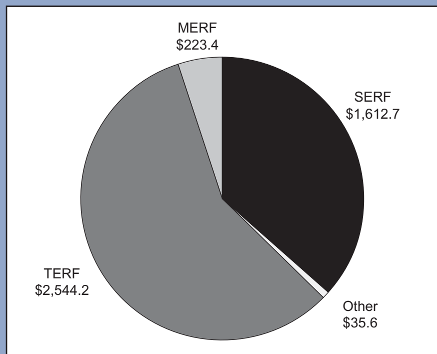
The Fund returned -8.06% for the three year period underperforming the benchmark returns of -7.91% by a modest 15 basis points for the three year period. For the past five years, the Fund rose 2.06% annualized versus a gain of 2.79% for its benchmark, an annualize underperformance of 73 basis points. The cumulative returns for the Fund are illustrated in Figure 8-3 below.

Risk Profile

Given DMISF's investment policies and objectives, the Fund is exposed to several risks. These include, but are not limited to, political and economic risk, currency exchange risk, market risk, and individual company 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. The Fund's relative volatility to its benchmark over the five-year period ending June 30, 2009 has been 0.98%, while its high R2 of 0.99 demonstrates a relatively strong overall correlation. In the aggregate, DMISF's annualized excess return over the five-year period, or return in excess of that earned by the benchmark, was -0.73%. (See Figure 8-2.)

Figure 8-1

DEVELOPED MARKETS INTERNATIONAL STOCK
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 8-2

DEVELOPED MARKETS INTERNATIONAL STOCK (1)
Risk Profile at June 30, 2009

Relative Volatility	0.98
Standard Deviation	17.42
R2	0.99
Beta	0.98
Alpha	-0.73

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

Figure 8-3

DEVELOPED MARKETS INTERNATIONAL STOCK
Periods ending June 30, 2009

	1 YR	3 YRS	5YRS
Compounded, Annual Total Return (%)			
DMISF	-27.98	-8.06	2.06
S&P/Citigroup BMI			
EPAC 50% Hedged	-26.79	-7.91	2.79
Cumulative Total Return (%)			
DMISF	-27.98	-22.28	10.71
S&P/Citigroup BMI			
EPAC 50% Hedged	-26.79	-21.90	14.74

Figure 8-4

DEVELOPED MARKETS INTERNATIONAL STOCK
Annual Total Return

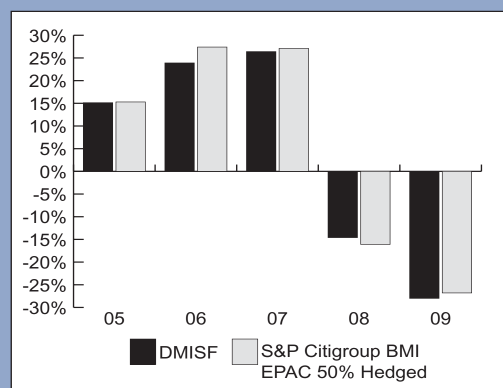


Figure 8-5

DEVELOPED MARKETS INTERNATIONAL STOCK
Diversification by Benchmark Country with Return (%) at June 30, 2009 [1]

	DMISF % of Net Assets 6/30/09	Benchmark % of Net Assets 6/30/09	Variance
Australia	5.0	6.9	-1.9
Austria	0.6	0.4	0.2
Belgium	0.7	1.0	-0.3
Denmark	0.7	1.0	-0.3
Finland	0.9	1.3	-0.4
France	10.3	9.1	1.2
Germany	6.8	7.1	-0.3
Greece	0.5	0.6	-0.1
Hong Kong	2.5	2.7	-0.2
Ireland	0.3	0.6	-0.3
Italy	3.0	3.4	-0.4
Japan	21.5	23.1	-1.6
Korea	2.7	3.8	-1.1
Luxembourg	0.0	0.4	-0.4
Netherlands	3.2	2.3	0.9
New Zealand	0.2	0.1	0.1
Norway	0.6	0.9	-0.3
Portugal	0.3	0.4	-0.1
Singapore	1.7	1.5	0.2
Spain	2.9	4.4	-1.5
Sweden	1.7	2.4	-0.7
Switzerland	7.6	7.6	0.0
United Kingdom	16.8	19.0	-2.2
Other	9.5	0.0	9.5
Total	**100.0**	**100.0**	

Figure 8-6

DEVELOPED MARKETS INTERNATIONAL STOCK
Investment Advisors at June 30, 2009

Investment Advisor	Net Asset Value	% of Fund
Index	**$614,667,675**	**13.92%**
State Street Global Advisors	614,667,675	13.92%
Core	**1,443,364,393**	**32.69%**
Invesco Global	212,301,932	4.81%
AQR Capital	469,400,815	10.63%
Acadian Asset	242,270,332	5.49%
Artio Global	424,920,000	9.62%
Progress	94,471,314	2.14%
Active-Growth	**525,309,842**	**11.90%**
MFS Institutional Advisors, Inc.	525,309,842	11.90%
Active-Value	**541,500,230**	**12.26%**
Grantham, Mayo, Van Otterloo	541,500,230	12.26%
Small Cap	**592,192,658**	**13.41%**
Schroder Investment	225,561,517	5.11%
Dimensional Fund Advisors	186,734,007	4.23%
William Blair & Company	179,897,134	4.07%
Risk Controlled	**630,758,417**	**14.28%**
BlackRock	318,370,859	7.21%
Pyramis	312,387,558	7.07%
Other [1]	**68,106,086**	**1.54%**
TOTAL DMISF	**$4,415,899,301**	**100.00%**

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

Figure 8-7

DEVELOPED MARKETS INTERNATIONAL STOCK
Ten Largest Holdings* at June 30, 2009

Security Name	Country	Market Value	%
Nestle SA CHFO.10 REGD	Switzerland	$ 71,589,362	1.60%
Total SA Eur 2.5 Post Division	France	57,344,287	1.28%
Roche Holdings AG Genusscheine NPV	Switzerland	54,512,579	1.22%
Glaxosmithkline ORD GBP 0.25	United Kingdom	50,223,002	1.13%
HSBC Holdings ORD USD 0.50 UK REG	United Kingdom	47,550,716	1.07%
Novartis AG CHF 0.50 REGD	Switzerland	47,341,330	1.06%
Sanofi Aventis EUR2	France	45,035,844	1.01%
Astrazeneca ORD USD 0.25	United Kingdom	41,833,377	0.94%
Banco Santander SA EURO .50 REGD	Spain	38,529,137	0.86%
Vodafone Group ORD USD 0.11428571	United Kingdom	35,805,862	0.80%
Top Ten		**$489,765,496**	**10.97%**

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

emerging markets international stock fund

Fund Facts at June 30, 2009

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

Performance Objective: An annual total return of 200 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: $1,147,326,002

Number of Advisors: 2 external

Management Fees: $6,970,008

Operating Expenses: $285, 743

Expense Ratio: 0.59%

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.

During the fiscal year, the Fund held investments through two external money managers and as well as conducted a competitive search to add additional manager capacity. By the close of the fiscal year, a third manager had been selected with investment to occur in the new year (July 2009).The Fund's managers are selected on the basis of expected future performance, tracking error and investment style.

Portfolio Characteristics

At fiscal year-end, EMISF was 98.6% invested in international securities with the balance in cash equivalents. Investments in China were the largest percentage of Fund assets totaling 13.6% of the Fund, however this represents a substantial underweight to the benchmark's 19.4% exposure; partially reflecting the Connecticut State Treasurer's determination, in accordance with state statutes, to prohibit direct investments in certain Chinese firms with Sudan-related operations. The portfolio also held 13.5% in Korea as well as 12.2% in Taiwan; the three markets together showing the strength behind Emerging Asia. Within the Latin American markets, the portfolio held 12.9% in Brazil where the Fund continues to hold a sizable position in Petrobras (Petróleo Brasileiro S.A.). 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 the top ten holdings accounting for 15.9% of the Fund's investments at June 30, 2009 (See figure 9-8.). The EMISF's largest holdings included a variety of "blue chip" companies located throughout Latin America, Eastern Europe, and the Far East. The Fund's largest investment, comprising 2.85% of investment securities was China Mobile.

Market Review

During the fiscal year ended June 30, 2009, the emerging markets experienced unprecedented volatility as first half posted an absolute collapse of confidence followed by a euphoric rise during the second half. All told the annual drop in emerging market equity values of 27% was exactly on par with its developed markets equivalent, largely explained by the uniform difficulties faced globally by investors (namely de-leveraging, de-risking and tighter credits). Within emerging economies however, China experienced the most dramatic resurgence spurred by massive fiscal stimulus financed by their government's massive foreign exchange balance. Given EMISF's structurally underweight (due to policy parameters mentioned above) of the Chinese market, EMISF trailed during the fiscal period, however, going forward the Fund is well positioned to benefit from the region's rebound in industrial production, business confidence and export sales.

Performance Summary

For the fiscal year ended June 30, 2009, the Emerging Markets International Stock Fund (EMISF) generated a return of -30.90%, net of fees and operating expenses, which underperformed its benchmark index return of -26.84% by 406 basis points.

The EMISF's value as of June 30, 2009 was $1,147.3 million while it began June 30, 2008 at $1,303.7 million, resulting in a decrease during the year of $156.4 million. Of this total, $183.3 million was due to net cash inflows from participating Pension and Trust Funds and $365.2 million from net realized and unrealized losses and $25.5 million of net investment income.

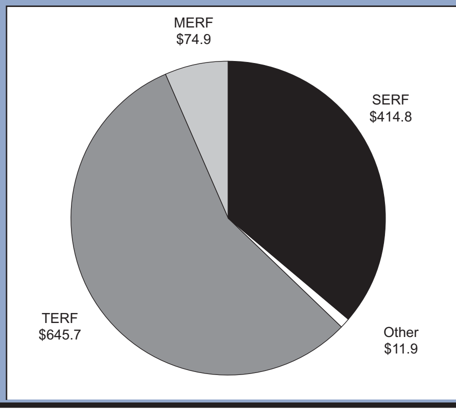
The Fund returned -0.50%, 13.36% and 9.35% for the three, five and ten year periods which underperformed the benchmark returns of 3.16% by 366 basis points for the three year period as well as underperformed the benchmark returns of 14.85% by 149 basis points for the five year period. The ten year period, the fund outperformed the benchmark returns of 8.77% by 58 basis points. The cumulative returns for the Fund for the three, five and ten years were -1.51%, 87.22% and 144.37% 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, 2009 has been 0.97%, while its high R2 of 0.99 demonstrates a relatively strong overall correlation. In the aggregate, EMISF's annualized excess return over the five-year period, or return in excess of that earned by the benchmark, was -1.49%. (See Figure 9-2.)

Figure 9-1

EMERGING MARKETS INTERNATIONAL STOCK
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 9-2

EMERGING MARKETS INTERNATIONAL STOCK
Risk Profile at June 30, 2009

Relative Volatility	0.97
Standard Deviation	27.10
R2	0.99
Beta	0.96
Alpha	-1.49

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

Figure 9-3

EMERGING MARKETS INTERNATIONAL STOCK
Fiscal 2009 Economic Sector vs. Index (%)

	EM ISF	MSCI Index	Variance
Energy	12.9	13.7	-0.8
Materials	8.1	13.7	-5.6
Industrials	6.8	9.9	-3.1
Consumer Discretionary	6.5	5.3	1.2
Consumer Staples	3.8	4.0	-0.2
Health Care	1.9	2.4	-0.5
Financials	20.8	22.9	-2.1
Information Technology	11.7	11.5	0.2
Telecommunication Services	10.1	10.0	0.1
Utilities	2.0	3.5	-1.5
Commingled Fund	14.0	0.0	14.0
Preferred Stock	0.0	0.1	-0.1
Private Placement	0.0	0.0	0.0
Other	1.4	3.0	-1.6
	100.0	100.0	

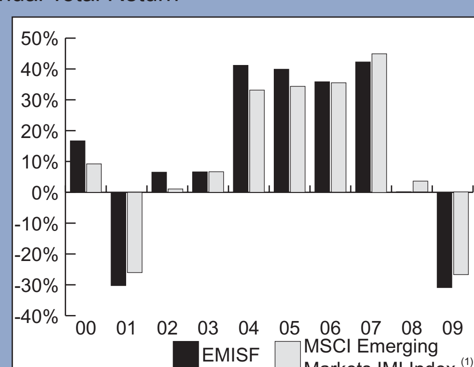
Figure 9-4

EMERGING MARKETS INTERNATIONAL STOCK
Periods ending June 30, 2009

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
EMISF	-30.90	-0.50	13.36	9.35
MSCI Emerging Markets IMI Index	-26.84	3.16	14.85	8.77
Cumulative Total Return (%)				
EMISF	-30.90	-1.51	87.22	144.37
MSCI Emerging Markets IMI Index	-26.84	9.78	99.85	131.77

Figure 9-5

EMERGING MARKETS INTERNATIONAL STOCK
Annual Total Return



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

Figure 9-6

EMERGING MARKETS INTERNATIONAL STOCK
Diversification by Benchmark Country with Return (%) at June 30, 2009 (1)

	EMISF		EMISF Benchmark	
	% of Net Assets 6/30/09	Total Return	% of Net Assets 6/30/09	Total Return
Argentina	0.1	-67.7	0.1	-63.4
Brazil	12.9	-39.7	14.6	-38.3
Chile	0.3	8.7	1.5	1.3
China	13.6	2.9	19.4	-8.3
Columbia	0.4	2.8	0.6	3.5
Czech Republic	0.5	-44.6	0.5	-43.4
Egypt	0.6	-32.4	0.6	-40.2
Hungary	0.0	-69.0	0.5	-47.9
India	2.7	-9.6	7.5	-5.0
Indonesia	1.7	-34.6	1.6	-23.7
Israel	1.8	-20.9	2.9	-18.6
Jordan	0.0	0.0	0.1	-44.6
Kazakhstan	0.1	-10.5	0.0	0.0
Korea	13.5	-33.6	12.3	-30.6
Malaysia	1.8	-16.1	2.9	-11.4
Mexico	2.0	-43.7	4.4	-33.7
Morocco	0.1	-21.6	0.4	-25.6
Pakistan	0.0	-63.2	0.1	0.0
Peru	0.2	-39.9	0.5	-34.3
Philippines	0.7	-12.6	0.4	0.7
Poland	1.4	-54.6	1.1	-51.9
Russia	7.4	-61.5	6.0	-61.2
South Africa	5.1	-20.2	7.5	-11.9
Taiwan	12.2	-17.8	11.7	-23.0
Thailand	3.2	-22.5	1.4	-17.5
Turkey	3.8	-12.0	1.4	-15.1
Venezuela	0.0	0.0	0.0	0.0
Other Countries	13.9	0.0	0.0	0.0
Total	**100.0**		**100.0**	

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

Figure 9-7

EMERGING MARKETS INTERNATIONAL STOCK
Investment Advisors at June 30, 2009

Investment Advisor	Net Asset Value	% of Fund
Grantham, Mayo, Van Otterloo	577,041,117	50.29%
Emerging Markets Management	568,947,775	49.59%
Other (1)	1,337,110	0.12%
TOTAL EMISF	1,147,326,002	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, 2009

Security Name	Country	Market Value	%
China Mobile Ltd. HKD 0.10	Hong Kong	32,501,684	2.85%
Petroleo Brasileiro SA Sponsored ADR	Brazil	30,444,670	2.67%
Samsung Electronic KRW 5000	Republic of Korea	25,391,012	2.23%
ITAU Unibanco Holding SA Global Depository Receipt	Brazil	16,559,193	1.45%
Vale SA Depository Receipts	Brazil	13,515,168	1.18%
Gazprom ADR Rep 4 Ord Rub5	Russian Federation	13,488,525	1.18%
Taiwan Semicon Man TWD10	Taiwan	12,777,603	1.12%
TEVA Pharmaceutical Inds Ltd ADR	Israel	12,561,964	1.10%
KT + G Corporation KRW5000	Republic of Korea	11,896,743	1.04%
IND & Com BK China H CNY1	China	11,895,007	1.04%
Top Ten		**181,031,569**	**15.86%**

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

2009 real estate fund

Fund Facts at June 30, 2009

Investment Strategy/Goals: To provide diversification to the overall CRPTF investment program; preserve investment capital and generate attractive risk-adjusted rates of return. The REF also provides current income and serves as 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) with a one quarter lag.

Date of Inception: July 1, 1982

Total Net Assets: $769,655,556

Number of Advisors: 34 external

Management Fees (1): $3,567,394

Operating Expenses: $1,036,490

Expense Ratio: 0.52%

Capitalized and Netted Fees: $9,827,997

(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, 2009, the portfolio consisted of 34 externally managed portfolios/investments with 0.6% invested in real estate trusts, 96.1% invested in limited partnerships or limited liability companies and 3.3% invested in cash. The Fund's ten largest holdings aggregated to 55.95% of the fund. (See figure 10-12.)

As currently structured, 3.3% of the REF is invested in cash, 16.9% apartment, 13.4% hotel, 11.1% retail, 26.7% office, 9.3% industrial and 19.3% in other real estate including mixed use, land, resorts, senior housing and condominiums. (See figure 10-7.)

The portfolio is reasonably well diversified geographically with 28.7% in the West, 23.4% in the South, 31.8% in the East and 7.8% in the Midwest. The balance of 5.0% is invested internationally with 3.3% invested in cash. (See figure 10-6.)

Performance Summary

For the fiscal year ending June 30, 2009, the REF generated a total return of -28.66%, net of fees, which under performed the National Council of Real Estate Investment Fiduciaries Index (NCREIF) of -14.68% by 1,398 basis points. Most of the underperformance was due to early recognition of valuation declines resulting from the national credit crisis and the REF's 47.6% leverage which compounds the valuation declines in a down market versus the unleveraged index.

During the fiscal year, the value of REF decreased from $1,002.3 million to $769.6 million, due primarily to $86 million of new purchases offset by $298.4 net unrealized losses, $19.9 million of distributions and $.4 million in salaries.

For the trailing three, five and ten year periods, REF's compounded annual returns were (4.76%), 3.33%, and 4.35%, respectively, net of all expenses (see figure 10-8). The REF returns underperformed the benchmark in the three, five and ten year periods by 891 basis points, 610 basis points and 501 basis points, respectively. Most of the long-term underperformance is due to a legacy portfolio (1998 commitments) that has underperformed. The short-term underperformance is due to 47% portfolio leverage versus an unlevered index.

During fiscal year 2009, CRPTF committed $125 million to three separate limited partnerships. Two of the funds, Blackstone Real Estate Partners Europe III ($50 million) and Starwood Global Opportunity Fund VIII, LP ($50 million) intend to take advantage of the distressed international markets. Neither fund has made any significant investments, since the General Partners believe pricing for real estate has not yet reached bottom. The third fund, Covenant Apartment Fund VI, LP ($25 million) is an apartment turnaround specialist. The CRPTF holds investments in prior funds raised by all three managers.

Market Review

The United States economy is in the midst of a credit contraction and pace of commercial property sales has contracted by more than 75% since that time. 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 expected to aid in the recovery process. Over the course of FY 2009, the REF has suffered by market value declines due to the current environment. However, market trends have been improving since December 2008.

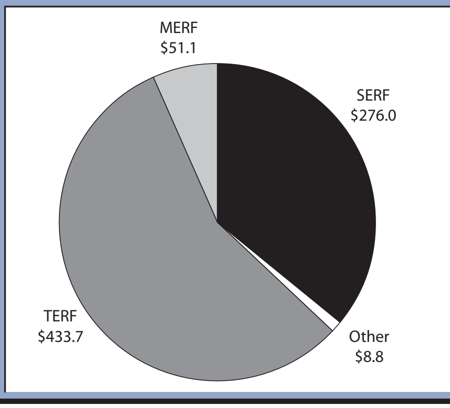
Risk Profile

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 .01, signifying almost no correlation between Fund returns and those of the benchmark. Its beta of 0.06 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 6.10 over the five-year time period. Work continues on rebuilding the portfolio to more closely align the Fund with the benchmark.

Figure 10-1

REAL ESTATE FUND
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 10-2

REAL ESTATE FUND
Risk Profile at June 30, 2009

Relative Volatility	1.64
Standard Deviation	10.48
R2	0.01
Beta	0.06
Alpha	-6.10

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

Figure 10-3

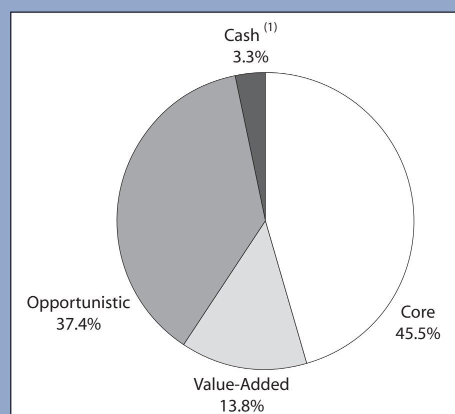
REAL ESTATE FUND
Investments Analysis [1]

At	No. of REF Investments	REF Book Value	REF Market Value
6/30/2009	34	996,474,812	745,643,849
6/30/2008	31	920,921,272	968,885,960
6/30/2007	23	485,341,324	531,570,750
6/30/2006	12	259,551,191	330,169,779
6/30/2005	11	304,926,401	394,855,227
6/30/2004	10	324,142,113	344,673,596
6/30/2003	10	393,641,512	420,132,363
6/30/2002	10	413,693,249	467,819,628
6/30/2001	10	403,106,638	471,662,581
6/30/2000	11	434,881,420	478,966,334

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

Figure 10-4

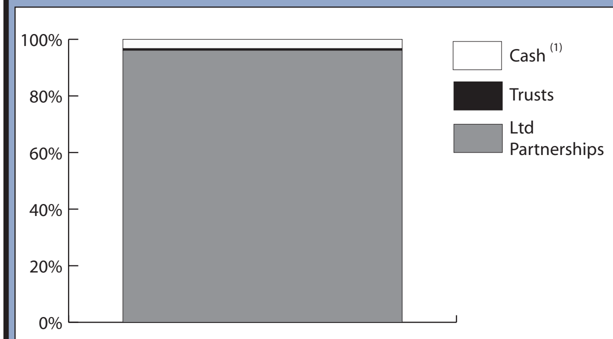
REAL ESTATE FUND
Distribution by Investment Type at June 30, 2009
Based on Investments in Securities, at Value



(1) Liquidity Fund and other monetary assets.

Figure 10-5

REAL ESTATE FUND
Distribution by Investment Type at June 30, 2009
Based on Investments in Securities, at Value



(1) Liquidity Fund.

Figure 10-6

REAL ESTATE FUND
Distribution by Geographic Location at June 30, 2009
Based on Investments in Securities, at Value

	REF	NCREIF	Variance
East	31.8%	33.3%	-1.5%
Midwest	7.8%	10.1%	-2.3%
South	23.4%	21.0%	2.4%
West	28.7%	35.6%	-6.9%
Global	5.0%	0.0%	5.0%
Cash	3.3%	0.0%	3.3%
	100.0%	100.0%	

Figure 10-7

REAL ESTATE FUND
Diversification by Property Type at June 30, 2009
Based on Investments in Securities, at Value

	REF	NCREIF	Variance
Apartment	16.9%	24.1%	-7.2%
Industrial	9.3%	15.6%	-6.3%
Office	26.7%	37.1%	-10.4%
Retail	11.1%	21.4%	-10.3%
Hotel	13.4%	1.8%	11.6%
Cash and Other Assets[(1)]	22.6%	0.0%	22.6%
	100.0%	100.0%	

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

Figure 10-8

REAL ESTATE FUND
Periods ending June 30, 2009

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
REF	-28.66	-4.76	3.33	4.35
NCREIF Property	-14.68	4.15	9.43	9.36
Cumulative Total Return (%)				
REF	-28.66	-13.60	17.78	53.02
NCREIF Property	-14.68	12.98	56.90	144.70

Figure 10-9

REAL ESTATE FUND
Annual Total Return

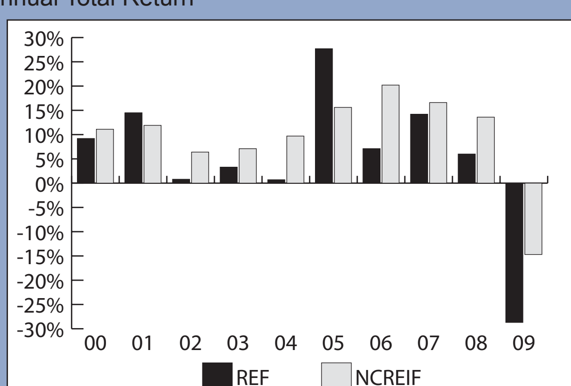


Figure 10-10

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

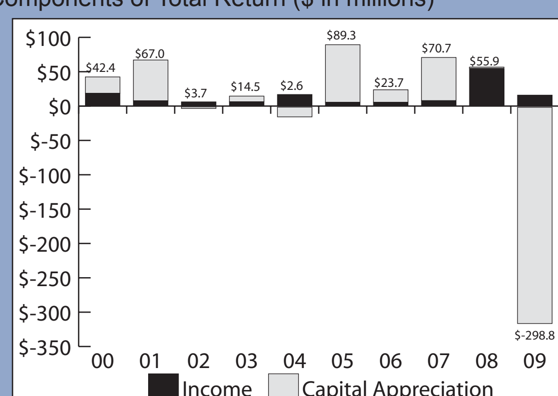


Figure 10-11

REAL ESTATE FUND
Funds at June 30, 2009

Fund	Net Asset Value	% of Fund
1800 E. St. Andrew Place	$21,619,932	2.81%
1155 Perimeter Center West	30,890,631	4.01%
AEW Partners III	10,375,290	1.35%
AEW 221 Trust	4,656,226	0.61%
AEW Union Station Ltd LP	107,552	0.01%
AEW Core	37,992	0.00%
Apollo Real Estate	14,543,878	1.89%
Blackstone Real Estate VI LP	25,695,899	3.34%
Blackstone Real Estate Partner Europe III LP	39,006	0.01%
Canyon Johnson Urban Fund II	32,870,563	4.27%
Canyon Johnson Urban Fund III	(1,363,858)	-0.18%
Capri Select Income II LLC	15,987,090	2.08%
Colony Realty Partners II LP	32,453,426	4.22%
Cornerstone Patriot	57,207,750	7.43%
Covenant Apartment Fund V LP	24,053,625	3.12%
Covenant Apartment Fund VI	7,547,828	0.98%
The Glen at Lafayette Hill	27,177,228	3.53%
IL & FS India Realty Fund II	18,958,134	2.46%
Macfarlane Urban Real Estate Fund II LP	35,888,408	4.66%
Mullica Hill Plaza	8,252,932	1.07%
North Scottsdale Corporate Center	43,238,347	5.62%
Prime Property Fund	78,810,000	10.24%
Rio Hill Shopping Center	40,071,498	5.21%
RLJ RE Fund III LP	1,380,190	0.18%
RLJ Urban Lodging Fund II	42,263,083	5.49%
Rocky Creek Apartments	23,785,905	3.09%
Rockwood Capital Fund V	13,736,500	1.78%
Rockwood Capital VI Limited Partnership	11,906,620	1.55%
Rockwood Capital VII Limited Partnership	16,235,306	2.11%
Starwood Opportunity Fund VII	33,192,050	4.31%
Starwood Opportunity Fund VIII	(4,003,176)	-0.52%
Urban Strategy America Fund LP	10,200,449	1.33%
Walton Street Real Estate	32,827,534	4.27%
Westport Senior Living	35,000,014	4.55%
Other (1)	24,011,704	3.12%
TOTAL REF	$769,655,556	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, 2009

Property Name	Type	Market Value	%
Prime Property Fund	Various	$78,810,000	10.22%
Cornerstone Patriot	Various	57,207,750	7.42%
North Scottsdale Corp Center	Office	43,238,347	5.61%
RLJ Urban Lodging Fund II	Hotel	42,263,083	5.48%
Rio Hill Shopping Center	Retail	40,071,498	5.20%
Macfarlane Urban RE Fund II LP	Various	35,888,408	4.65%
Westport Senior Living	Senior Living	35,000,014	4.54%
Starwood Opportunity Fund VII	Various	33,192,050	4.31%
Canyon Johnson Urban Fund II	Various	32,870,563	4.26%
Walton Street Real Estate	Various	32,827,534	4.26%
Top Ten		**$431,369,247**	**55.95%**

* *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 2009(1) (in Excess of $3 Million)

Partnership Name	Commitment Amount	Investment Type	Inv. Date
Blackstone Real Estate Partners III	$50 million	Opportunistic	November 3, 2008
Starwood Opportunity Fund VIII	$50 million	Opportunistic	February 11, 2009
Covenant Apartment Fund VI	$25 million	Value-Added	December 22, 2008
Total	$125 million		

(1) These represent new Real Estate Partnerships that were invested in by the Fund during fiscal year 2009.

2009
commercial mortgage fund

Fund Facts at June 30, 2009

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 BC Aggregate Bond Index after expenses.

Benchmark: BC Aggregate Bond Index

Date of Inception: November 2, 1987

Total Net Assets: $5,137,232

Number of Advisors: 1 external

Management Fees: $73,500

Operating Expenses: $18,463

Expense Ratio: 1.53%

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 BC Aggregate Bond 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 $1.15 million during the fiscal year. Debt service coverage is abundant at 3.33 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, 2009, the CMF generated a return of -3.14%, net of management fees and operating expenses, under performing the BC Index (BCI) of 6.05% by 919 basis points. The CMF's unfavorable performance is attributable to an unrealized valuation adjustment.

During the fiscal year, CMF assets declined from $6.911 million to $5.137 million. This reduction was due to distributions of $0.508 million, redemptions of $1.091 million, net loss from operations of $0.155 million and $0.02 million in salaries.

For the trailing three, five, and ten-year periods, CMF's total compounded annual portfolio return was 5.5%, 6.54% and 8.03%, respectively, net of all expenses. The Fund's results over the three year period under-preformed the benchmark by 93 basis points. For the five and 10 year periods the fund's results exceeded the benchmark by 153 basis points and 205 basis points, respectively.

At June 30, 2009, the Fund consisted of one commercial mortgage loan in the amount of $4,725,852 and five residential mortgage pools with a combined value of $243,695 and cash of $165,597 at fair value. The CMF continues to be inactive regarding new loans and is being managed to maximize the total return of its remaining holdings.

Market Review

In the fiscal year ending June 30, 2009, the U.S. economy continued to contract. Optimism for future economic growth has recently been tempered by continued disruption in the credit markets, weak consumer demand, and uncertainty in the labor market.

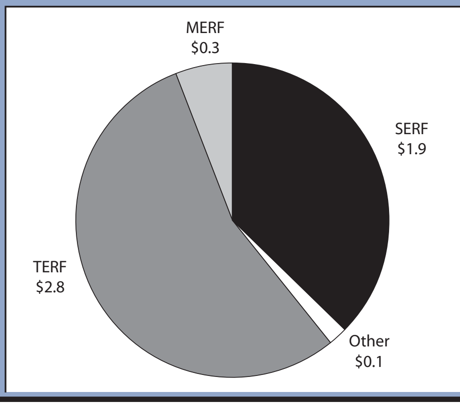
Risk Profile

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

Based on returns over the last five years, the Fund's risk profile is similar to that of the BC Aggregate Bond Index. With a relative volatility of 1.82, its returns are more volatile than the index. The Fund's beta of .48 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, 2009 was 1.53.

Figure 11-1

COMMERCIAL MORTGAGE FUND
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 11-2

COMMERCIAL MORTGAGE FUND (1)
Risk Profile at June 30, 2009

Relative Volatility	1.82
Standard Deviation	6.61
R2	0.07
Beta	0.48
Alpha	1.53

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

Figure 11-3

COMMERCIAL MORTGAGE FUND
Quarterly Current (1) Yield Analysis

	CMF	BC Aggregate
6/30/2009	8.14%	4.80%
3/31/2009	8.39%	5.00%
12/31/2008	8.61%	5.10%
9/30/2008	8.65%	5.30%
6/30/2008	8.60%	5.32%

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

Figure 11-4

COMMERCIAL MORTGAGE FUND
Distribution by Property Type at June 30, 2009
Based on Investments in Securities, at Value

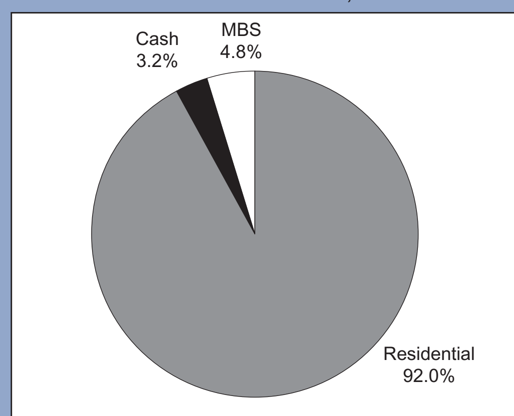


Figure 11-5

COMMERCIAL MORTGAGE FUND
Distribution by Location at June 30, 2009
Based on Investments in Securities, at Value

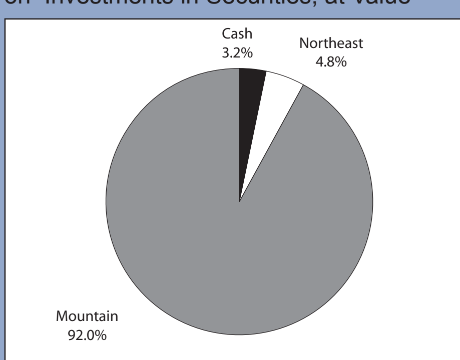


Figure 11-6

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

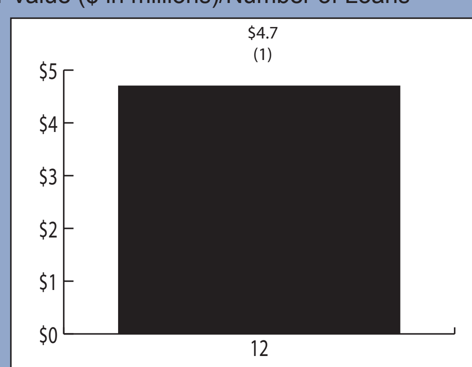


Figure 11-7

COMMERCIAL MORTGAGE FUND
Periods ending June 30, 2009

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
CMF	-3.14	5.50	6.54	8.03
BC Aggregate	6.05	6.43	5.01	5.98
Cumulative Total Return (%)				
CMF	-3.14	17.41	37.27	116.53
BC Aggregate	6.05	20.56	27.72	78.71

Figure 11-8

COMMERCIAL MORTGAGE FUND
Annual Total Return

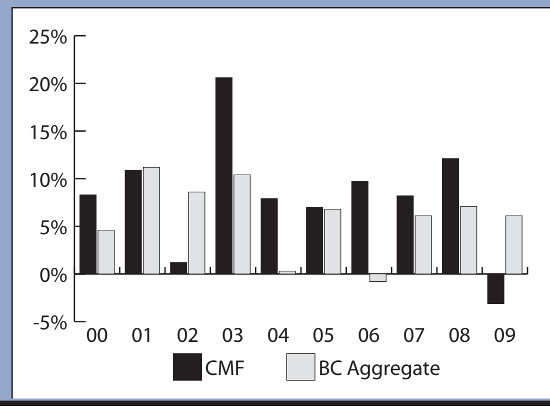


Figure 11-9

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

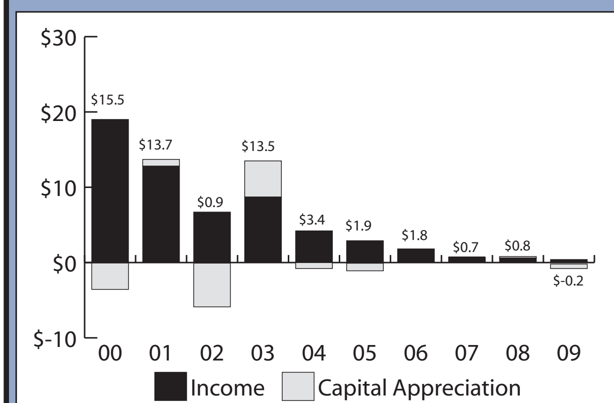


Figure 11-10

COMMERCIAL MORTGAGE FUND
Investment Advisors at June 30, 2009

Investment Advisor	**Net Asset Value**	**% of Fund**
AEW Capital Management	$4,726,136	92.00%
Other (1)	411,096	8.00%
TOTAL CMF	**$5,137,232**	**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, 2009

Property Name	Property Type	Market Value	%
SASCO	Other	$ 4,725,852	92.03%
Yankee Mac G 11.125%	Residential	104,812	2.04%
Yankee Mac E 11.056%	Residential	89,854	1.75%
Yankee Mac F 12.981%	Residential	42,979	0.84%
Yankee Mac A 13.075%	Residential	6,051	0.12%
Top Five		**$ 4,969,548**	**96.78%**

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

2009 private investment fund

Fund Facts at June 30, 2009

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: $1,626,592,008

Number of Partnerships: 66 external

Expensed Management Fees (1): $7,862,719

Operating Expenses: $1,293,003

Expense Ratio: 0.54%

Capitalized and Netted Fees: $28,527,774

(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, 2009, the PIF had 66 funds with aggregate capital commitments in the amount of $5.9 billion of which approximately 69 percent, or $4.1 billion has been "drawn down" for investment purposes while the balance of approximately $1.8 billion or 31 percent is committed but not yet drawn. (See Figure 12-6.)

Market Review

The recessionary economic environment combined with illiquid and volatile capital markets continue to pose considerable challenges to private equity firms and their portfolio companies. While high yield new issuance in the U.S. rose during the first half of 2009, most of this activity involved corporate acquirers and debt refinancings. Global M&A volume for August reached approximately $93 billion, according to Thomson Reuters, including approximately $7.2 billion of buyout activity. While this marked a drop from $13.2 billion in July volume, private equity's percentage of all M&A activity only declined from 8.4% to 7.7%. Given limited buyout activity, trends in purchase price and leverage are less meaningful; anecdotally, both have trended down considerably from 2007 and 2008 levels.

While depressed M&A markets have translated to fewer exits in private equity portfolios, the rally in the public stock market should have a positive impact on private equity valuations, as valuations of unrealized private equity investments are tied to publicly traded comparables. Upward trending valuations may help boost performance and partially offset recession-related softness in underlying company performance.

IPO markets began to rebound in the second quarter of 2009, although activity remained well below 2008 levels. According to Ernst & Young, in the second quarter of 2009, 76 IPOs were completed worldwide compared with 52 in the first quarter; deal value was up to $9.9 billion from just $1.4 billion. Comparatively, 269 IPOs raised $38.2 billion in capital during the second quarter of 2008.

For fundraising, 2009 is on track to be the worst year since 2004. Through the first half of 2009, private equity fundraising dropped approximately 64% from the first half of 2008. According to Dow Jones Private Equity Analyst, $54.9 billion was raised through June 2009 compared to $152.7 billion raised during the first six months of 2008. However, there are signs that fundraising may have bottomed, as the stock market has posted solid gains year to date, which should help to increase limited partners' appetite for private equity.

Performance Summary

For the fiscal year ended June 30, 2009, the Private Investment Fund ("PIF") generated a one year -16.36% 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 854 basis points over its stated objective. From a TWR perspective, the PIF has also outperformed the State Street Private Equity Index time-weighted benchmark of -29.34% by 1,298 basis points. The outperformance 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. Since its inception in 1987, the PIF generated a 7.4% Internal Rate of Return. 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, 2009, the PIF has generated 580 basis points in excess of the PME.

During fiscal 2009, the Private Investment Fund added approximately $604 million of new commitments to eight private equity fund managers (See Figure 12-10).

During fiscal year 2009, PIF's assets decreased from $1.794.7 billion to $1.626.6 billion, a decrease of $168.1 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 2009 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.

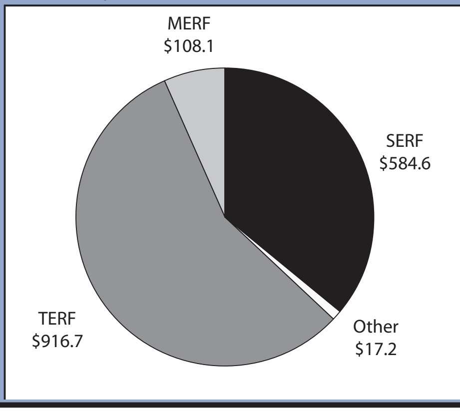
Risk Profile

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 0.63 with a correlation 0.03 for the most recent fiscal year. The Fund has returned an annual alpha, or return relative to that predicted by its benchmark, of negative -2.63. (See Figure 12-2.)

Figure 12-1

PRIVATE INVESTMENT FUND
Ownership Analysis at June 30, 2009 ($ in millions)



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

Figure 12-2

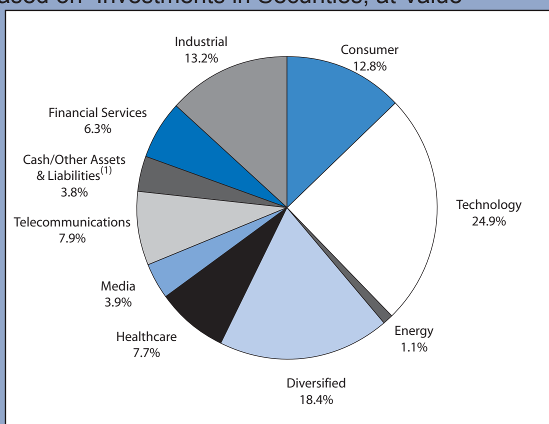
PRIVATE INVESTMENT FUND [(1)]
Risk Profile at June 30, 2009

Relative Volatility	0.63
Standard Deviation	8.70
R2	0.03
Beta	0.09
Alpha	-2.63

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

Figure 12-3

PRIVATE INVESTMENT FUND
Distribution by Industry at June 30, 2009
Based on Investments in Securities, at Value



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

Figure 12-4

PRIVATE INVESTMENT FUND
Distribution by Geographic Location at June 30, 2009
Based on Investments in Securities, at Value

Region	%
Northeast (Excludes Connecticut)	18.30%
International	13.50%
West Coast	15.40%
Cash/Other Assets & Liabilities [(1)]	3.80%
Southeast	14.60%
Mid-Atlantic	8.60%
MidWest	10.70%
Southwest	10.10%
Connecticut	3.50%
Northwest	1.50%
TOTAL	100.00%

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

Figure 12-5

PRIVATE INVESTMENT FUND
Periods ending June 30, 2009

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
PIF	-16.36	4.36	6.66	6.32
S & P 500	-26.22	-8.22	-2.24	-2.22
State Street Private Equity Index (1 Qtr. Lag)	-29.34	1.34	9.29	8.47
Cumulative Total Return (%)				
PIF	-16.36	13.67	38.03	84.63
S & P 500	-26.22	-22.70	-10.71	-20.13
State Street Private Equity Index (1 Qtr. Lag)	-29.34	4.09	55.94	125.48

Figure 12-6

PRIVATE INVESTMENT FUND
Distributed by Committed and Invested Capital
As of June 30, 2009 ($ in millions)

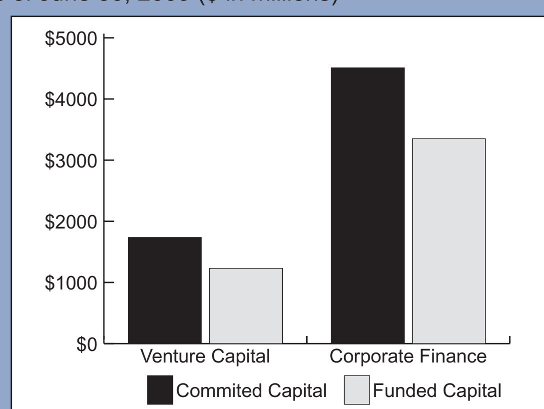


Figure 12-7

PRIVATE INVESTMENT FUND
Annual Total Return

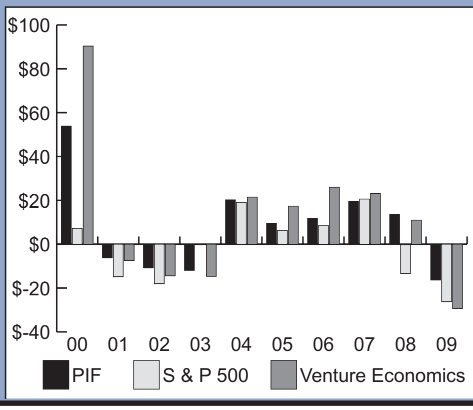


Figure 12-8

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

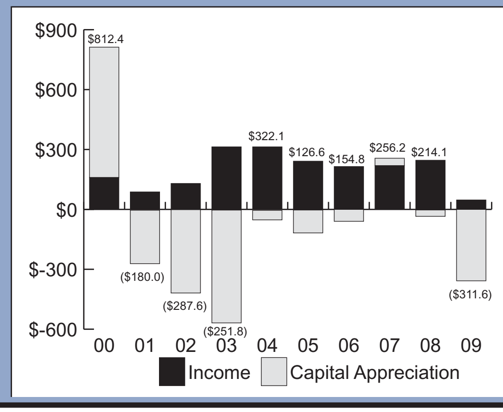


Figure 12-9

PRIVATE INVESTMENT FUND
Ten Largest Holdings* at June 30, 2009

Partnership Name	Partnership Type	Market Value	%
The Constitution Liquidating Fund	Fund of Funds	$190,345,974	11.74%
Fairview Constitution II LP	Fund of Funds	98,716,882	6.09%
Welsh Carson Anderson & Stowe X LP	Buyout	71,295,168	4.40%
Carlyle Asia Partners	International	70,971,886	4.38%
Parish Capital Buyout Fund II	Fund of Funds	69,171,696	4.27%
Charterhouse Equity Partners IV	Buyout	67,436,092	4.15%
KKR 2006 Fund	Buyout	65,614,893	4.05%
KKR Millennium Fund	Buyout	63,198,561	3.90%
FS Equity Partners V	Buyout	55,765,372	3.44%
Pegasus Partners IV	Special Situations	52,213,681	3.22%
Top Ten		**$804,730,205**	**49.64%**

* *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 2009(1) (in Excess of $3 Million)

Partnership Name	Commitment Amount	Partnership Type	Inv. Date
Candover 2008	$54 million	International	December 18, 2008
Nutmeg Opportunities Fund L.P.	110 million	Fund of Funds	December 23, 2008
FS Equity VI	75 million	Buyout	June 30, 2009
TA XI	75 million	Buyout	June 30, 2009
Leeds V	40 million	Buyout	April 16, 2009
Levine Leichtman IV	75 million	Special Situation	July 16, 2008
WCAS XI	100 million	Buyout	July 28, 2008
Yucaipa II	75 million	Buyout	July 21, 2008
Total:	$604 million		

(1) These represent new Private Equity Partnerships that were invested in by the Fund during fiscal year 2009.

Figure 12-11

PRIVATE INVESTMENT FUND
Investment Advisors at June 30, 2009

Investment Advisor	Net Asset Value	% of Fund
Buyout	**$719,188,475**	**44.23%**
KKR Millennium Fund	63,198,561	3.89%
Yucaipa American Alliance Fund II LP	25,787,214	1.59%
Hicks, Muse Tate & Furst Equity Fund III	16,033,215	0.99%
Thomas H. Lee Equity Fund IV	270,336	0.02%
Thomas H. Lee Equity Fund VI	44,475,487	2.73%
Welsh Carson Anderson & Stowe VIII	14,898,348	0.92%
Wellspring Capital Partners III	47,290,776	2.91%
SCP Private Equity Partners	2,929,017	0.18%
Charterhouse Equity Partners IV	67,436,092	4.15%
Forstmann Little Equity Fund VI	881,312	0.05%
DLJ Merchant Banking Fund II	16,108,371	0.99%
KKR 1996 Fund	4,529,910	0.28%
FS Equity Partners V	55,765,372	3.43%
Blackstone Capital Partners III	6,035,389	0.37%
Thayer Equity Investors IV	9,524,124	0.59%
Kelso Investment Associates VI	2,818,283	0.17%
Green Equity Investors III	1,985,350	0.12%
Wellspring Capital Partners II	2,159,196	0.13%
Candover 2008 Fund	4,506,171	0.28%
Leeds Equity Partners V LP	3,388,262	0.21%
Welsh Carson Anderson & Stowe XI	-412,234	-0.03%
AIG Healthcare Partners LP	28,120,263	1.73%
AIG Altaris Health Partners II	6,253,054	0.38%
Welsh Carson Anderson & Stowe X LP	71,295,168	4.38%
Court Square Capital Partners II	29,235,275	1.80%
Ethos Private Equity Fund V	17,366,771	1.07%
Boston Ventures VII	34,947,513	2.15%
KKR 2006 Fund	65,614,893	4.03%
Nogales Investors Fund II	7,146,941	0.44%
ICV Partners II LP	17,751,534	1.09%
Vista Equity Partners Fund III	25,838,091	1.59%
RFE Investments Partners	6,073,409	0.37%
RFE Investment Partners VII	19,937,011	1.23%
Venture Capital	**37,073,831**	**2.28%**
Conning Capital Partners V	2,461,519	0.15%
Crescendo World Fund	15,893,343	0.98%
Grotech Partners V	6,865,948	0.42%
Shawmut Equity Partners	324,033	0.02%
Crescendo III	1,169,689	0.07%
Syndicated Communications	10,359,299	0.64%
Mezzanine	**38,777,416**	**2.39%**
SW Pelham Fund	3,055,860	0.19%
GarMark Partners	794,673	0.05%
GarMark Partners II LP	26,458,613	1.63%
SW Pelham Fund II	8,468,270	0.52%
International	**151,054,247**	**9.28%**
Compass Partners European Equity Fund	15,755,868	0.97%
Gilbert Global Equity Partners	38,595,554	2.37%
Carlyle Europe Partners	13,976,684	0.86%
AIG Global Emerging Markets Fund	11,754,255	0.72%
Carlyle Asia Partners	70,971,886	4.36%
Fund of Funds	**479,751,905**	**29.49%**
Aldus Connecticut EMF LP	6,806,356	0.42%
The Constitution Liquidating Fund	190,345,974	11.70%
Landmark Private Equity Fund VIII	26,540,398	1.63%
CS/CT Cleantech Opp Fund	10,002,173	0.61%
CT Emerging Pvt Equity	5,409,930	0.33%
Fairview Constitution III	22,533,352	1.39%
Goldman Sachs Private Equity Partners Connecticut	9,752,842	0.60%
Lexington Capital Partners II	4,225,411	0.26%
Parish Capital I LP	36,246,891	2.23%
Parish Capital Buyout Fund II	69,171,696	4.25%
Fairview Constitution II LP	98,716,882	6.07%
Special Situations	**140,896,852**	**8.66%**
Welsh Carson Anderson & Stowe Capital Partners III	18,635,881	1.15%
Levine Leichtman Capital Partners IV LP	7,486,625	0.46%
Greenwich Street Capital Partners II	3,003,742	0.18%
Pegasus Partners IV	52,213,681	3.21%
Forstmann Little MBO VII	100,104	0.01%
WLR Recovery Fund IV	46,733,364	2.87%
KPS Special Situations Fund II	12,723,455	0.78%
Other (1)	**59,849,282**	**3.67%**
TOTAL PIF	**1,626,592,008**	**100.00%**

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

debt management division

Division Overview

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

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

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

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

The active public financing programs for the State include:

	Amount Outstanding June 30, 2009
GENERAL OBLIGATION BONDS	$12,806,694,057

General Obligation bonds are paid out of the revenues of the State General Fund and are supported by the full faith and credit of the State of Connecticut. General Obligation bonds are issued for construction of State buildings, grants and loans for housing, local school construction, economic development, community care facilities, State parks, and open space.

Public Act 07-186 authorized the issuance of bonds sufficient to fund a $2 billion deposit into the Teachers' Retirement Fund. On April 30, 2008, the State issued $2,276,578,271 of Taxable General Obligation - Teacher Retirement Fund bonds ($2,276,578,271).

GENERAL FUND APPROPRIATION DEBT	$964,674,715

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

The University of Connecticut pays UCONN 2000 bonds from a debt service commitment appropriated from the State General Fund originally established under P.A. 95-230 and extended in 2002; up to $2.3 billion of Debt Service Commitment bonds will be issued under a 20-year $2.6 billion capital program to rebuild and refurbish the University of Connecticut ($844,944,715).

Connecticut Health and Educational Facilities Authority special obligation bonds for a childcare facilities program were assumed by the State, and the State has committed to pay interest and principal on these bonds by appropriation from the State's General Fund ($69,600,000).

Other appropriation debt includes CDA Tax Incremental Financing and CDA lease revenue financing for a State facility, ($33,610,000) and a Certificate of Participation issue for the Connecticut Juvenile Training School Energy Center Project ($16,520,000).

SPECIAL TAX OBLIGATION BONDS $2,817,015,000

Transportation-related bonds are paid out of revenues pledged in the State Transportation Fund. Special Tax Obligation bonds are issued for the State's portion of highway and bridge construction, maintenance and capital needs of mass transit systems, State piers, and general aviation airports. The bonds are secured by transportation-related taxes and revenues, and additional security for the bonds is provided by a debt service reserve fund that totaled $418.7 million on June 30, 2009.

CLEAN WATER FUND REVENUE BONDS $885,200,000

The Clean Water Fund and the Drinking Water Fund constitute the State's revolving fund programs. Revenue bonds provide below-market-rate loans to Connecticut municipalities for the planning, design, and construction of wastewater treatment projects and to Connecticut municipalities and private water companies for drinking water quality improvement projects. The bonds are secured by loan repayments from Connecticut municipalities and private borrowers, general revenues of the program, and restricted revolving fund assets of $125.5 million as of June 30, 2009. The revolving fund includes State G.O. bonds and Federal Capitalization Grants. An interest rate subsidy is provided to borrowers from earnings on the revolving fund and from State G.O. subsidy bonds. The State also provides grants and some loans for the program through its general obligation bond program.

CAPITAL CITY ECONOMIC DEVELOPMENT BOND $105,115,000

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

BRADLEY INTERNATIONAL AIRPORT REVENUE BONDS $198,930,000

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

BRADLEY PARKING GARAGE REVENUE BONDS $44,655,000

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

CHFA SPECIAL NEEDS HOUSING BONDS $63,755,000

The Connecticut Housing Finance Authority (CHFA) Bonds were issued to provide funding of the new supportive housing program. The State is required to make all debt service payments on the bonds pursuant to a contract assistance agreement between CHFA, the Treasurer, and OPM.

Total debt outstanding at June 30, 2009	$ 17,886,038,772

In FY 2009, the Debt Management Division managed the sale of $2.63 billion in new money bonds issued to fund State programs and capital projects, $74.2 million in refunding bonds for the General Obligation program; $512.7 million in refunding bonds for the Special Tax Obligation Bond program and $44.5 million in refunding bonds for the Clean Water Fund Revenue Bond program for a total of $631.5 million in refunding bonds. The following table summarizes the bonds issued during the last fiscal year:

Bond Type	Par Amount	True Interest Cost (1)	Average Life (Years)	Issue Date
NEW MONEY ISSUES:				
GENERAL OBLIGATION (GO)				
2008 Series C	$500,000,000	4.87%	10.59	11/06/2008
2009 Series A	400,000,000	3.96%	11.80	02/26/2009
2009 Series B	155,000,000	3.35%	6.54	03/26/2009
2009 Series A Taxable	80,000,000	5.29%	5.43	03/26/2009
2009 A Bond Anticipation Notes	353,085,000	0.62%	0.98	04/29/2009
2009 B Bond Anticipation Notes	228,160,000	1.28%	2.09	04/29/2009
CLEAN WATER FUND				
2008 Clean Water Fund Series A	196,195,000	3.39%	4.35	08/06/2008
2009 Clean Water Fund Series A	199,440,000	3.93%	11.27	06/25/2009
UCONN 2000				
2009 Series A	144,855,000	3.99%	10.30	04/16/2009
SPECIAL TAX OBLIGATION (STO)				
2008 Series A	300,000,000	4.76%	11.96	12/10/2008

Bond Type	Par Amount	True Interest Cost (1)	Average Life (Years)	Issue Date
CHFA SPECIAL NEEDS HOUSING				
2009 Series 10 & 11 Special Obligation Bonds	38,710,000	4.04%	11.91	05/19/2009
CHEFA				
Childcare Facilities, Series G	16,875,000	6.33%	19.53	10/23/2008
CCEDA				
2008 Series D	22,500,000	5.69%	16.30	12/16/2008
2009 Subtotal New Money Issues	**$2,634,820,000**			
REFUNDING BONDS:				
GO Refunding Bonds 2009 Series C	74,215,000	2.96%	4.08	03/26/2009
STO Refunding Bonds 2008 Series 1	97,690,000	3.56%	7.24	10/01/2008
STO Refunding Bonds 2009 Series 1	415,035,000	3.36%	7.80	01/29/2009
Clean Water Fund Refunding 2009 Series B	44,560,000	1.93%	2.92	06/25/2009
Subtotal Refunding Issues	**$631,500,000**			
TOTAL	**$3,266,320,000**			

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

The Year in Review

Highlights of the Debt Management Division's accomplishments and important initiatives in fiscal year 2009 include:

- New Money Bonds - During fiscal year 2009, the Debt Management Division issued $2.1 billion of new money bonds and $581.2 million of bond anticipation notes to fund local school construction, State grants and economic development initiatives, Clean Water Fund loans and grants, improvements at State universities, and transportation infrastructure projects.

- Refunding Bonds – To take advantage of refunding savings and to restructure debt, the Division issued $74.2 million of General Obligation refunding bonds and $44.5 million of Clean Water Fund refunding bonds. In addition, the Division issued $512.7 million of Special Tax Obligation refunding bonds in two stages. Since January 1999, debt refundings and defeasances have produced $596 million in debt service savings.

- New Federal Stimulus Bill – The Division closely monitored the receipt of federal stimulus funds for clean water, transportation, airport and other capital improvements and worked with other State agencies to implement the funds into existing bonding programs and projects. A bond working group was developed, including financial and legal advisors, to help implement cost effective new bonding options available to the State and its municipalities under the new federal stimulus law. The working group presented a detailed analysis of the options to the Connecticut Recovery Working Group and other state agencies in June.

- Cash Flow Borrowing Plan and Implementation – As State revenues began to fall off sharply during the fiscal year, the Division worked closely with the Cash Management Division to develop a cash borrowing program. After approval by the Governor, as required by statute, the implementation of the plan included the completion of a bank request for proposals and the negotiation and establishment of a $580 million revolving credit facility with a group of four banks.

- Transportation Bonding - The Division completed the issuance of $300 million of Special Tax Obligation bonds for transportation infrastructure improvements and completed a large complex refunding of certain insured variable rate STO bonds which were negatively impacted by credit downgrades of a major bond insurance firm. The Division also consulted with OPM, DOT and the Legislature on budget and bonding matters impacting the Special Transportation Fund as well as the Bradley bonding program, including reviewing potential refunding options and planned expansions.

- Clean Water Fund and Municipal Issues - The Division completed two bond issues during the year, providing over $400 million in critically needed project funding for the State's water infrastructure. A new amendment to the interagency Memorandum of Agreement updated the agencies' roles in managing the program specifically with regard to the State's new accounting system. The Division continued to work with the City of Waterbury and OPM staff regarding the City's proposed issuance of $330 million of pension obligation bonds including the update of a detailed response to the City and recommendations as required by statute.
- Quasi-Public Agencies – The Division continued to coordinate with the State's quasi-public and other agencies including consulting with the Capital City Economic Development Authority on the issuance of bonds to complete the Hartford Convention Center Project, with the Connecticut Housing Finance Authority on the issuance of bonds for the supportive housing program, with the Connecticut Health and Education Facility Authority on potential solutions for their clients regarding credit market access, and with the Connecticut Student Loan Foundation on a variety of financial issues related, in part, to changes in the federal student loan program.
- Higher Education Bonding - The Division issued the first general obligation bonds under the new Connecticut State University System 2020 long-term improvement plan. In addition, work continued with the University of Connecticut on a variety of finance issues including equipment and other leases and financing options for the UCONN Health Center.
- Industry Matters - The Division continually monitored developments in the municipal credit markets impacting bond insurers, rating agencies, investment banks, and other financial institutions. The Division led the preparation of comments on municipal finance industry matters including comments on financial and rating agency reform proposals and proposed changes to the platform and content of municipal disclosure.
- Work continued on strengthening Division administration including new systems and contracting with professionals:
  - ♦ The Clean Water Fund program continued with the phased installation of its new loan and grant project management accounting system.
  - ♦ The Division moved forward with the full integration of the new BuyCtBonds website in the process of issuing bonds for all programs.
  - ♦ Recommendations were developed and approved for the extension of the accounting and financial advisor contracts. The Division negotiated a three-year extension with no fee increases with all of the vendors, then implemented the contract extension and approval process.

2009 Division Performance

The last fiscal year proved to be one of the most challenging on record. In the first half of the fiscal year, the Division was required to navigate the State's debt issuances through highly volatile and nearly frozen credit markets following the near collapse of several major financial institutions. In the second half of the fiscal year, the Division moved quickly to implement strategies to address the State's deteriorating cash position as well as options for financing growing budget deficits resulting from the nationwide recession.

With the State's fiscal challenges, the Division's participation in the drafting of legislation and in the formulation of budget options, including options for deficit financing and securitizations, was critical.

Major investment banks and other financial participants experienced repeated credit downgrades related to continued financial losses in the subprime mortgage markets causing dislocation in the municipal credit markets. The Division continued to focus on positioning the State's debt portfolio to respond to changes and evaluating options for restructuring certain forms of variable rate debt for savings as well as strategies for structuring new bond issues. The State's relatively conservative debt portfolio of mostly fixed rate bonds minimized the impact of the market dislocations on the State's cost of debt.

The Division communicated throughout the year with the credit rating agencies and the investment community to provide updates regarding the State budget and the economy as well the composition of the State's debt portfolio and the State's exposure to the credit market deterioration.

Figure 13-1

DEBT MANAGEMENT

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

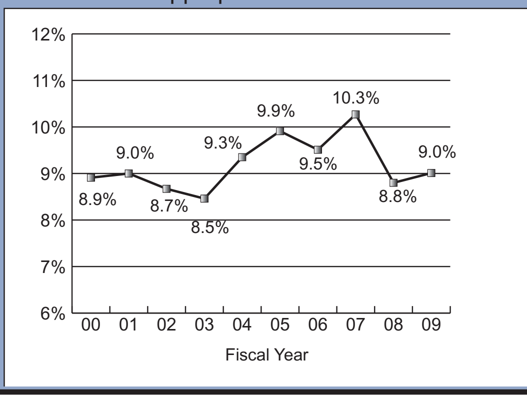


Figure 13-2

DEBT MANAGEMENT

Total Debt Outstanding ($ in millions) at June 30, 2009

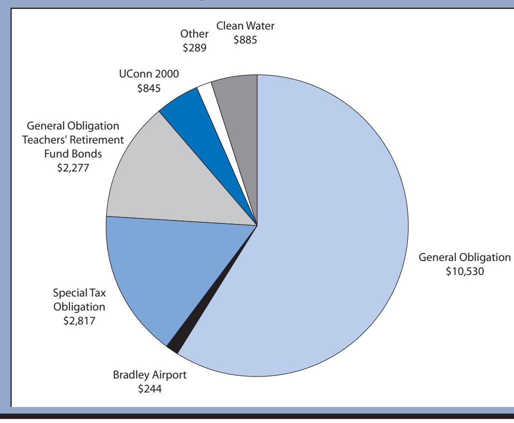
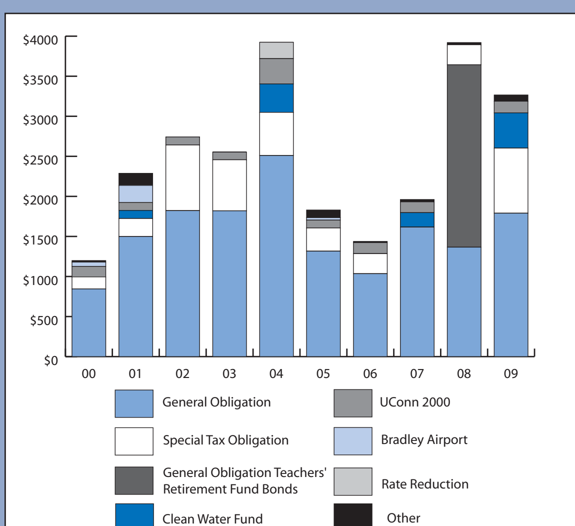


Figure 13-3

DEBT MANAGEMENT

Bond Issuance ($ in millions) fiscal years 2000 - 2009



Division Overview

The Cash Management Division is responsible for managing the state's cash movements, banking relationships and short-term investments. The Cash Management Division is responsible for:

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

Under the administration of an Assistant Treasurer, the 21 employees of the Division are organized into four Treasury units.

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

The Cash Control unit, on a daily basis, forecasts available cash, funds disbursement accounts, concentrates cash from depository banks, sweeps available cash into short-term investment vehicles to maximize investment balances, and executes electronic transfers. The unit also prepares annual cash flow projections for various State and bond rating agencies and the primary retirement funds, and monitors actual cash receipts and disbursements. During fiscal year 2009, the unit controlled movement of $26.9 billion to and from state bank accounts and investment vehicles.

The Short-Term Investments unit invests STIF assets, monitors custodian activity, and prepares quarterly and annual performance reports on the Fund. During fiscal year 2009, the unit invested an average of $4.6 billion in short-term money market instruments. As of June 30, 2009, the unit administered 1,022 active STIF accounts for 63 state agencies and authorities and 266 municipalities and local entities. In addition, the unit manages the Grant Express program that enables municipalities to deposit certain grant payments directly into their STIF accounts, and the Debt Express and Clean Water Fund Express programs that allow towns to make debt payments automatically from their STIF accounts. The unit makes longer-term investments for balances that are expected to be available on a more stable basis in our STIF Plus and Extended Investment Portfolio programs, and, pursuant to CGS 3-24k, the Community Bank and Credit Union Initiative, in which we support Connecticut-based banks and credit unions with assets not exceeding $500 million through the investment in institutions' certificates of deposit.

The Client Services unit works with state agencies to speed the deposit of funds and identify mechanisms to reduce banking costs. The unit also reviews state agencies' requests to open new bank accounts, maintains records of the state's bank accounts held by individual banks, reviews bank invoices and compensation, and manages the division's procurement efforts for new bank services. The Client Services unit also manages the insurance collateral program in conjunction with the Department of Insurance, which requires companies writing insurance policies in the state to deposit securities and funds totaling a fixed percentage of the policies' value. At June 30, 2009, approximately $347 million in securities was pledged to the program.

The Year in Review

Highlights of the Division's accomplishments and important initiatives in fiscal year 2009 include:

- Worked with the Labor Department to develop and issue a request for proposals for expanded banking services, including the issuance of debit cards for unemployment beneficiaries;
- Provided support to state agencies to access Internet-based systems provided by the banks for account balance inquiry, stop payments, electronic funds transfers, and check status queries.
- Continued to work with state agencies, the Comptroller's Office and the Office of Information Technology in testing upgrades to the Core-CT statewide financial management system;
- Continued work with the Comptroller's Office to improve agency processes for recording payroll and workers' compensation recoveries;
- Expanded with the Comptroller's Office a system for making electronic payments to municipalities and vendors, which totaled $5.7 billion during the year, up 7 percent from a year ago;
- Worked with the Office of Policy and Management and state agencies to allow the netting of credit card fees;
- Held our fourteenth annual meeting of STIF investors in concert with our third Public Finance Outlook conference attended by over 160 state, local governments, and private finance professionals;
- Expanded usage of STIF Express, our Internet-based account management system to include 250 customers;
- Continued to increase participation in and payments flowing through the Clean Water Fund Express, in which participating towns have Clean Water Program payments deducted from their STIF accounts by the program trustee, and Debt Service Express, in which participating towns have debt service payments deducted from their STIF accounts by their bond paying agent, programs;
- Tested a multi-level business continuity and disaster recovery system for cash control;
- Assisted with improved lockbox technology to allow the provision of digitized images of deposited checks to speed processing of license applications and faster resolution of questioned items;
- Worked with state agencies to develop the ability to collect fees via electronic checks or credit card payments over Internet-based systems;
- Added lockbox services for a department to speed the processing of payments;
- Assisted two state universities with new banking services to make electronic payments;
- Worked with Teachers Retirement Board to restructure its banking relationship regarding its health benefits Third Party Administrator, update banking services, and change account management procedures;
- Worked with the Office of the State Comptroller's payroll division to allow state employees to split their direct deposit between two bank accounts; and
- Worked with the University of Connecticut to implement depositing of checks through the internet via remote deposit, allowing for faster depositing and reduction of banking costs.

2009 Division Performance

As a result of these initiatives, the Cash Management Division successfully realized many achievements throughout the 2009 fiscal year including:

- Total annual return of 1.49 percent in STIF. This exceeded its primary benchmark by 19 basis points, resulting in $8.7 million in additional interest income for Connecticut governments and their taxpayers, while adding $4.6 million to its reserves. Over the past ten years STIF has earned an additional $148 million, while adding $27.2 million to its reserves during this period. (For a detailed discussion of STIF performance, including the transfer of $24 million from the reserve to cover the reduction in value of one security, please see the STIF Performance discussion which follows.);
- STIF's Comprehensive Annual Financial Report (CAFR) was awarded the Certificate of Achievement for Excellence in Financial Reporting for 2008 by the Government Finance Officers Association (GFOA);
- STIF's credit rating of AAAm – the highest available — was maintained and affirmed by Standard & Poor's (S&P), the leading rating agency of money market funds and local government investment pools;
- The addition of 16 local government STIF accounts with $5 million of assets;
- Approximately $80.5 million was invested with financial institutions under the Connecticut Community Bank and Credit Union Initiative at an average awarded annualized interest rate of 1.47 percent;
- STIF Plus and the Extended Investment Portfolio, longer term investment portfolios managed by Treasury, earned 3.07 percent and 2.39 percent respectively, thereby adding $6.5 million in incremental state income;
- Aggressively managed bank account balances to maximize investment balances, thereby increasing investment income by approximately $300,000;
- The identification and recapture of $909,000 in annualized bank overcharges; and
- Expansion of Grant Express program, in which certain state grants are deposited directly into municipal STIF accounts. Since the inception of this program, $17.5 billion has been deposited into municipal STIF accounts, thereby accelerating the availability of municipal funds.

2009 short-term investment fund

Fund Facts at June 30, 2009

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

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

Benchmarks: iMoneyNet's First Tier Institutional-only Rated Money Fund Report Averages™ – Index (MFR Index), Federal Reserve Three-Month CD, Federal Reserve Three-Month T-Bill.

Date of Inception: 1972

Total Net Assets: $4.5 billion

Internally Managed

External Management Fees: None

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

Description of the Fund

The Treasurer's Short-Term Investment Fund ("STIF" or the "Fund") is an AAAm rated investment pool of high-quality, short-term money market instruments managed by the Treasurer's Cash Management Division. Created in 1972, it serves as an investment vehicle for the operating cash of the State Treasury, State agencies and authorities, municipalities, and other political subdivisions of the State. (See figure 15-1.) STIF's objective is to provide as high a level of current income as is consistent with, first, the safety of principal and, second, the provision of liquidity to meet participants' daily cash flow requirements. During the 2009 fiscal year, STIF's portfolio averaged $4.6 billion.

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

STIF pays interest monthly based on the daily earnings of the Fund less Fund expenses and an allocation to the Fund's Designated Surplus Reserve. The daily reserve allocations equal one-tenth of one percent of the Fund's daily balances divided by the number of days in the year, until the reserve totals one percent of the Fund's daily balance. The reserve on June 30, 2009, totaled $33.7 million.

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

STIF's yields are also compared to the average Federal Reserve three-month T-Bill rate and the Federal Reserve three-month CD rate. The former benchmark is used to measure STIF's effectiveness in achieving yields in excess of a "risk-free" investment. The latter is shown for the benefit of STIF investors, many of whom invest in bank certificates of deposit. In viewing these benchmarks, it is important to keep in mind that yields of the CD index will exceed those of the T-Bill index due to a CD's slightly higher risk profile and comparatively lower liquidity. Additionally, it is important to note that the 90-day benchmarks exceed STIF's shorter average maturity. In order to maintain its AAAm rating, the STIF cannot exceed a 60-day weighted average maturity (WAM) limit. Furthermore, these benchmarks are "unmanaged" and are not affected by management fees or operating expenses. (See figure 15-3.)

Among the Fund's several achievements during the 2009 fiscal year was the reaffirmation and continuation of its AAAm rating by Standard & Poor's. In S&P's view, "a fund rated 'AAAm' has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market and/or liquidity risks."

Portfolio Characteristics

Fiscal year 2009 saw a continuation of the cautious strategy taken in response to the highly unsettled financial markets. STIF's more conservative investment practices included increasing liquidity, reducing the average portfolio maturity, adding to its holdings of securities guaranteed or insured by the U.S. government and federal agencies, and significantly restricting investments in corporate securities.

Accordingly, at year-end STIF held 89 percent of fund assets in overnight investments or investments that are available on a same-day basis. During the fiscal year, the Fund's weighted average maturity fell from 19 to nine days. Fully 78 percent of STIF's assets were invested in securities issued, insured or guaranteed by the U.S. government or federal agencies or in money market funds comprised of such securities. By July 6, 2009, all of our commercial paper, asset-backed commercial paper and Citigroup-sponsored structured investment vehicles (SIVs) had matured with full payment of principal and interest.

The Fund ended the year with a 96 percent concentration in investments with short-term ratings of A-1+ or long-term ratings of AAA (the highest ratings of Standard & Poor's). Ninety-five percent of the Fund was invested in securities with maturities, or interest rate reset dates for adjustable rate securities, of less than 30 days, versus 78 percent at the previous year-end. The Fund's three largest security weightings included U.S. Government (FDIC) guaranteed or insured bank securities (64.9 percent), deposit instruments (19.3 percent), and federal agency securities (9.6 percent). (See figure 15-5.)

Market Review

The 2009 fiscal year witnessed a series of dramatic and serious blows to the financial markets and the U.S. economy fell into a deep recession. What started in the summer of 2007 with the sub-prime mortgage induced credit crunch, and led to the near collapse and ultimate acquisition of Bear Stearns in March 2008, turned into a steep nose dive in September 2008 with Fannie Mae and Freddie Mac being placed into conservatorship by the federal government that upgraded an implied guarantee of their debt to an effective guarantee. The following week, Lehman Brothers filed for bankruptcy, a commercial money market mutual fund "broke the buck," and AIG was bailed out by the U.S. government, creating panic throughout the entire financial system. Additional shocks included Merrill Lynch's purchase by Bank of America, Morgan Stanley and Goldman Sachs becoming banks to qualify for federal assistance, Washington Mutual failing and being taken over by JPMorgan Chase, Wells Fargo purchasing Wachovia, and the federal rescues of Citigroup and Bank of America. Credit markets nearly froze with LIBOR (London Inter-Bank Offering Rate) rates spiking, and the TED spread, the difference between what banks pay to borrow and what the federal government pays to borrow, rising to 464 basis points (historically the spread averages between 10 and 50 basis points) in October 2008. Equity markets fell precipitously, with the S&P 500 dropping 38 percent from July 1, 2008 to March 2009. Later in the spring of 2009 both Chrysler and General Motors declared bankruptcy.

The fiscal year began with the Federal Reserve's target federal funds interest rate holding steady at 2.00 percent. By calendar year-end, the range had been slashed to 0 - .25 percent, where it still stands. In addition, the U.S. Congress, Federal Reserve, FDIC, SEC, and U.S. Treasury took a wide range of actions to calm markets, improve liquidity, increase lending and borrowing, and stabilize financial institutions. Governments and central banks in other countries took similar actions.

Despite the failure of over 100 U.S. banks since January 2009, and continuing high levels of unemployment, financial markets have begun to stabilize. The TED spread fell to 42 basis points by the end of the fiscal year and down to the 20 – 25 basis points range in November 2009. The S&P 500 has regained over 50 percent of its drop through November 2009.

Performance Summary

For the one-year period ending June 30, 2009, STIF reported an annual total return of 1.49 percent, net of operating expenses and $4.6 million in allocations to Fund reserves. Annual total return measures the total investment income a participant would earn with monthly compounding at the Fund's monthly net earned rate during the year. This figure exceeded that achieved by its benchmark, the MFR Index, which equaled 1.30 percent, by 19 basis points. In addition, STIF performance handily exceeded that of three-month T-Bills, which yielded 0.54 percent and was competitive compared to three-month CDs, which yielded 1.89 percent. While the STIF underperformed the 90-day CD benchmark, it is important to note that STIF offers complete same-day liquidity to its investors, whereas investments in 90-day CDs restrict access to cash for a three month period. STIF's relative performance was also directly affected by the fund's more cautious investment strategy for most of the fiscal year that, while prudent under difficult market conditions, resulted in reductions in STIF's yield.

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

Over the long-term, STIF has performed exceptionally well. For the trailing three-, five-, seven-, and ten-year periods, STIF's compounded annual total return was 3.70 percent, 3.56 percent, 2.94 percent, and 3.52 percent, net of operating expenses and contributions to reserves, exceeding returns of each of its benchmarks for all time periods. Viewed on a dollar-for-dollar basis, had one invested $10 million in STIF ten years ago, that investment would have been worth $14.1 million at June 30, 2009, versus $13.7 million for a hypothetical investment in the MFR Index. (See figure 15-6.) During the past 10 years, STIF has earned $147.8 million above its benchmark while adding $27.2 million to its reserves.

As reported in last year's annual report, our portfolio was not immune to the challenges presented by the wide credit market disruptions. One security, Cheyne Finance, was restructured in July 2008 and converted into unrated Gryphon Funding notes, giving STIF a pro rata share, along with other senior creditors, of ownership of the portfolio of securities that was underlying the Cheyne notes. Effective June 2008, we transferred $24 million from STIF's reserves to cover the reduction in value of the Cheyne (Gryphon) position without (a) affecting STIF's $1.00 per share net asset value or (b) any loss of principal to any investor. The reserves are being rebuilt daily at the annual rate of 10 basis points until they reach one percent of total assets. As of November 1, 2009, our reserves totaled $35.3 million, or 0.8 percent of fund assets.

Risk Profile

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

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

Figure 15-1

SHORT-TERM INVESTMENT FUND
Ownership Analysis at June 30, 2009 ($ in millions)

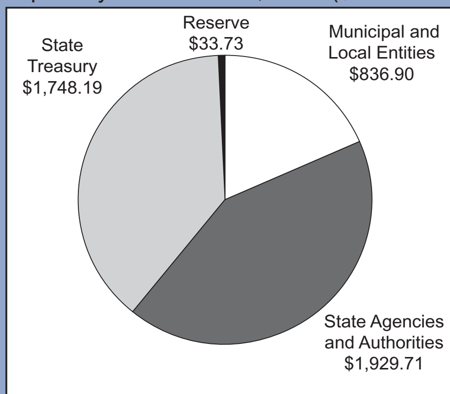


Figure 15-2

SHORT-TERM INVESTMENT FUND
Maturity Analysis

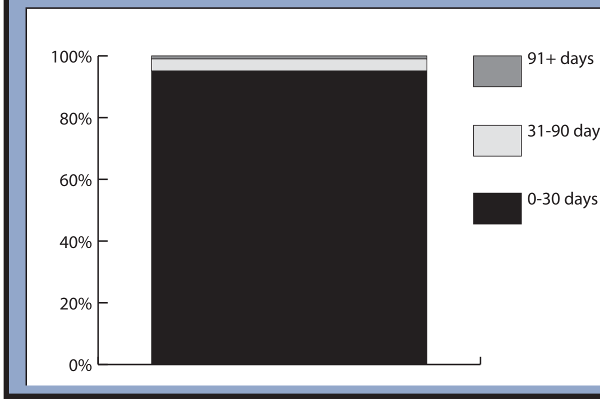


Figure 15-3

SHORT-TERM INVESTMENT FUND
Quarterly Yield vs. Benchmark

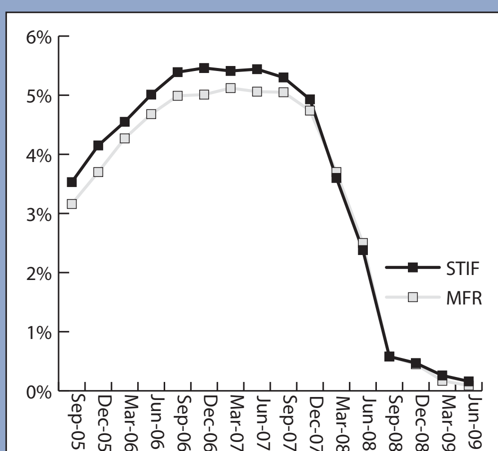


Figure 15-4

SHORT-TERM INVESTMENT FUND
Distribution by Quality Rating at June 30, 2009
Based on Investments in Securities, at Value

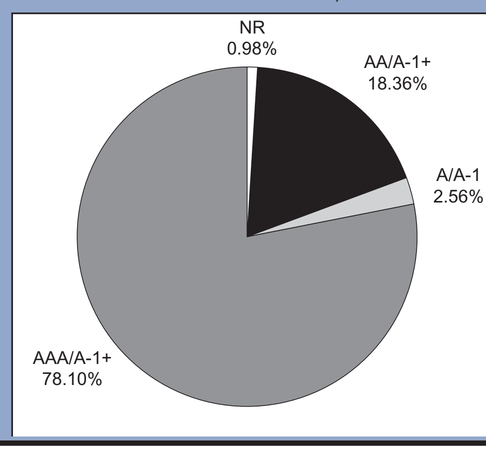


Figure 15-5

SHORT-TERM INVESTMENT FUND
Distribution by Security Type at June 30, 2009

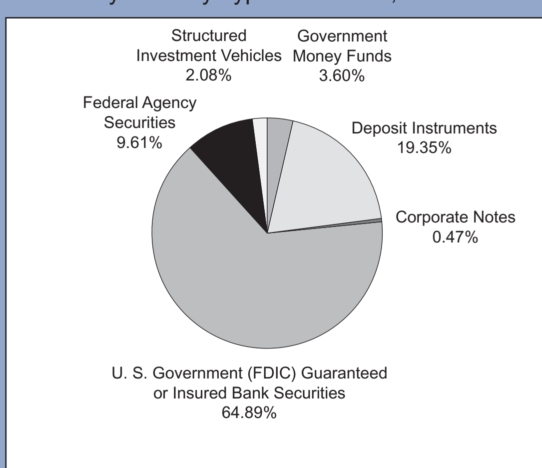


Figure 15-6

SHORT-TERM INVESTMENT FUND
Period ending June 30, 2009

	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Compounded Annual Total Return (%)					
STIF	1.49	3.70	3.56	2.94	3.52
MFR Index*	1.30	3.49	3.28	2.61	3.18
Fed. Three-Month T-Bill	0.54	2.74	2.90	2.39	2.92
Fed. Three-Month CD	1.89	3.77	3.65	2.97	3.46
Cumulative Total Return (%)					
STIF	1.49	11.54	19.12	22.48	41.37
MFR Index*	1.30	10.84	17.49	19.79	36.71
Fed. Three-Month T-Bill	0.54	8.45	15.37	17.99	33.31
Fed. Three-Month CD	1.89	11.74	19.66	22.71	40.54

**Represents iMoneyNet's First Tier Institutional-only Rated Money Fund Report Averages™- (MFR) Index.*

Division Overview

The primary mission of the Division is to locate rightful owners or heirs of unclaimed property in accordance with state law and return those assets. Another core responsibility is to ensure that holders of unclaimed property comply with their statutory obligation to report abandoned property to the state. All Division goals support the principal mission of unclaimed property as a consumer protection service, safeguarding the financial assets of Connecticut citizens until such time as they may claim their property.

In fiscal year 2009 the Unclaimed Property Division collected $69.5 million. Unclaimed financial assets are received from banks, insurance companies and businesses that are required to relinquish this property to the State Treasurer following a loss of contact with the owner of record, generally three years.

Under the administration of an Assistant Deputy Treasurer, the 24 employees of the Division are organized into three units consisting of Holder Reporting, Claims Processing and Field Examination/Auditing.

Holder reporting records all property received for the current year reporting cycle and maintains all holder data for property which has not been claimed in previous reporting years.

Claims reunite rightful owners with their unclaimed property held in the State Treasurer's custody. Claims staff responds to inquiries, research claims, download claim forms for owner filing, and complete the claims and approval process. All property types are returned through Claims/Securities Processing, including stocks and mutual funds.

Field Examination and Auditing is responsible for general ledger examinations of the records of banks, insurance companies, hospitals, universities, and other business entities to determine whether all unclaimed property has been reported. Auditing works closely with two contract vendors who deliver abandoned property held by companies in other states belonging to Connecticut residents.

The Year in Review

During fiscal year 2009, the Unclaimed Property Division returned $32.4 million to rightful owners, an accomplishment representing the largest dollar amount returned by the Division, while the Division received $69.5 million in unclaimed property receipts voluntarily reported by holders.

2009 Division Performance

- The Division returned $32.4 million to rightful owners who filed just under 14,500 claims.
- The Division returned 305,124.3681 shares to rightful owners at an estimated value of $8.5 million.
- The Division received $69.5 million in unclaimed property receipts voluntarily reported by holders.
- The Division maintains a website with $396.3 million in escheated property for 872,796 rightful owners
- Connecticut General Statute section 3-69a (a) (2), requires the Unclaimed Property Division to deposit a portion of its receipts into the Citizen's Election Fund and the balance into the General Fund. For fiscal year 2009, the division deposited $17,940,100 million into the Citizens' Election Fund.

UNCLAIMED PROPERTY DIVISION

Figure 16-1

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

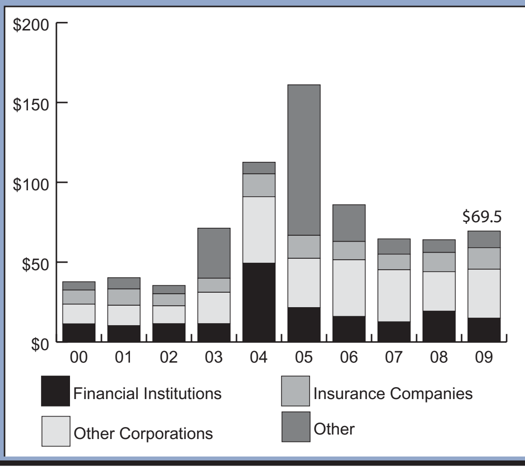


Figure 16-2

UNCLAIMED PROPERTY FUND
Claims Paid ($ in millions)

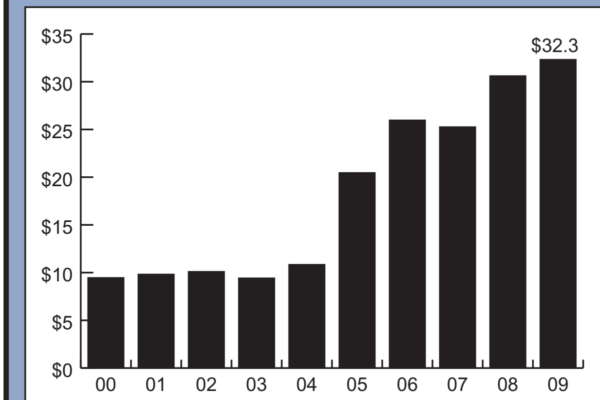


Figure 16-3

UNCLAIMED PROPERTY FUND
Number of Claims Paid

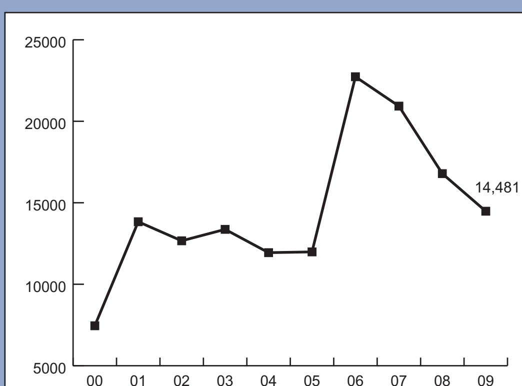
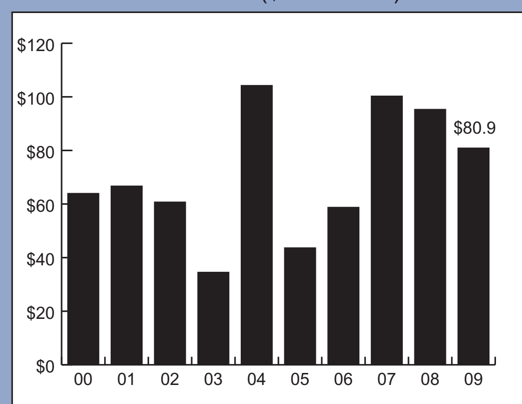


Figure 16-4

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



DIVISION OVERVIEW

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

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

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

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

History

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

The Fund experienced minimal growth during its first 30 years. However in the two decades preceding the 1995 Reform Act, the Fund experienced annual claim growth in excess of 20% for the period 1970 to 1995. While there were many explanations for the rapid acceleration of the Fund's liabilities during this period, (i.e., higher benefit levels, medical inflation, etc.) the primary reasons for its exponential growth can be attributed to the impact of a 1974 Connecticut Supreme Court decision in the Jacques case. In summary, cases could be transferred to the Fund based on a pre-existing "condition" as well as a prior injury, regardless of whether the condition was manifest or not. Thus the Jacques case opened the door for a myriad of latent conditions such as arthritis, disc disease and compromised cardiac function.

After 50 years, the Fund had become the largest disburser of workers' compensation benefits in the State and over time, its annual benefit payout increased seven fold, peaking at $120 million in fiscal year 1994. An actuarial analysis projected the Fund's future liability at $6.2 billion as of June 30, 1994. Its operations, which are financed by assessments on Connecticut employers, reached a dollar value high of $146.5 million in 1995. In response the Connecticut General Assembly closed the Fund to new "second injury" claims sustained on or after July 1, 1995.

Legislative Reforms

The Workers' Compensation Reform Act of 1993 was responsible for significantly reducing Connecticut employers' cost of business. However, legislation that had the greatest impact on the Fund was enacted in 1995, 1996 and 2005. Highlights are listed below:

Public Act 95-277

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

Public Act 96-242

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

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

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

Assessments

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

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

There were 4 assessments made in FY09 on insured employers of $29.6 million. Self insured employers were assessed 4 times during FY09 at $6.9 million, bringing the total assessment on all Connecticut employers to $36.5 million for FY09.

Assessment rates, which are used to determine how much Connecticut businesses will pay to the Fund, have either been reduced or maintained over the last eleven years. The implementation of management reforms and stricter oversight allowed Treasurer Nappier to reduce rates charged to Connecticut businesses for assessments paid to the Treasury's Second Injury Fund. For FY09, rates for insured employers is 3% and for self-insured employers, the assessment rate is 4.7%.

The Year in Review

Fiscal Year 2009 Highlights

The Second Injury Funds' major achievements during the past year have continued the implementation of Treasurer Nappier's management reforms. Highlights for fiscal year 2009 include:

- Provided $38.4 million in indemnity, medical and settlement payments to injured workers. The number of injured workers receiving bi-weekly benefits is now 349 compared to 365 a year ago.

- Reduced rates to Connecticut businesses in fiscal year 2009. For insurers, the assessment rate is 3%, while the rate for self-insured employers is 4.7%. This is the eleventh consecutive year the rates have either been reduced or kept at the previous year's level.

SECOND INJURY FUND

- Achieved a total of 183 settlements at a cost of $9.9 million. Through June 30, 2009, the Fund has paid 12 injured workers receiving bi-weekly benefits settlements at a cost of $2.8 million with an estimated future net savings of $13.9 million
- A total savings of $1.5 million in medical costs was realized using the services and Preferred Provider Organization Networks offered by our contracted medical vendors. The Fund worked in conjunction with the nurse consultant to review all bills for causal relation, contract compliance and duplicate payments.
- Efficiences were implemented within the accounting unit by combining the cash receipts journal with the monthly and yearly cash receipts reconciliation. In addition, a separate CORE-CT report was created for reporting reimbursements and settlements which eliminated many hours of manual data entry. The total savings in personnel time from these changes is five hours per week.
- Continued to implement the General Assembly's 1996 mandate to reduce the financial impact of the Fund on Connecticut's businesses:
  - ♦ As of June 30, 2009 the Fund's open claim inventory was 2,410, including 590 "second injury' claims. The 590 open second injury claims represents a reduction of 49 open claims, (7.7%) from last year's total of 639. (See figure 17-1)
  - ♦ Reserves (estimated unfunded liability) for all open claims were $437.7 million, a reduction of $6.1 million (1.38%) from a year ago. Reserves for open "second injury" claims are $262.1 million, a reduction of $8.6 million, (3.2%) from last year. (See figure 17-2)
- Worked with the Second Injury Fund Advisory Board to help the Fund carry out its mission.

Figure 17-1

SECOND INJURY FUND
Open Claims by Statute as of 06/30/2009

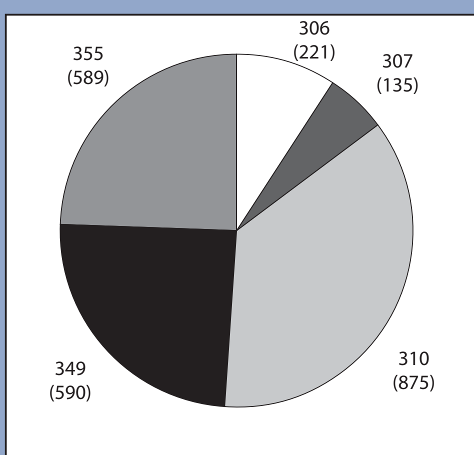
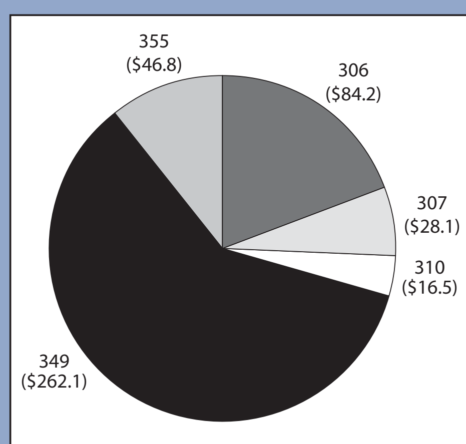


Figure 17-2

SECOND INJURY FUND
Value of Reserves by Statute as of 6/30/2009
($ in millions)



Description of the Trust

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

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

The state income tax deduction for CHET, which became effective on July 1, 2006, provides Connecticut taxpayers with the ability to deduct program contributions of up to $5,000 for single filers or $10,000 for joint filers per year from their Connecticut adjusted gross income. CHET contributions made after January 1, 2006 were eligible for this deduction. In addition, the passage of the federal 2006 Pension Protection Act made federal tax benefits permanent and settled the uncertainty regarding long term 529 plan federal tax benefits which had been set to expire on December 31, 2010.

TIAA-CREF Tuition Financing, Inc. ("TFI"), a wholly-owned subsidiary of Teachers Insurance and Annuity Association of America ("TIAA"), and the Treasurer of the State of Connecticut have entered into a Management Agreement under which TFI serves as Program Manager. In 2005, that Management Agreement was extended to March 2010. The Program is operated in a manner such that it is exempt from registration as an investment company under the Investment Company Act of 1940.

An individual participating in the Program establishes an Account in the name of a Beneficiary. Contributions may be allocated among eight investment options: the Managed Allocation Option, the Aggressive Managed Allocation Option, the High Equity Option, the 100% Equity Index Option, the 100% Equity Index Option, the Social Choice Option, the 100% Fixed Income Option, the Money Market Option and the Principal Plus Interest Option. These options provide Connecticut families the opportunity to save for future college expenses, with the flexibility to choose investment vehicles which meet their particular risk tolerance and financial need.

The program's core Managed Allocation Option offers an age based investment approach, utilizing a total of six individual age bands, structured as groups of beneficiaries born within the same three-year period. As the age band group approaches college age, each Fund's assets are moved from more aggressive to more conservative investments in accordance with the Trust's investment policy. The Managed Allocation Age Band Funds are comprised of underlying investments in up to six TIAA-CREF institutional mutual funds, which as of June 30, 2009 consisted of an institutional domestic equity index fund, an international equity index fund, a bond fund, an inflation linked bond fund, a real estate securities fund and a money market fund.

The Aggressive managed Allocation Option introduced in November 2007 also invests in the same underlying Funds as the Managed Allocation Option, However, the contributions to this Investment Option are more heavily invested in equities and real estate than in the Managed Allocation Option in all age bands.

The High Equity Option invests in a combination of TIAA-CREF institutional equity mutual funds, and bond funds. As of June 30, 2009, the High Equity Option was comprised of the following underlying equity and fixed income funds: Institutional S&P 500 Index, Small Cap Equity, Mid Cap Value, Mid Cap Growth, International Equity Index, Inflation Linked Bond and Bond Funds.

The 100% Equity Index Option invests among a combination of equity index mutual funds to provide the opportunity for long-term capital growth while avoiding the uncertainty associated with actively managed portfolios. As of June 30, 2009, the 100% Equity Index Option was comprised of the following underlying TIAA-CREF institutional mutual funds: Institutional Equity Index and Institutional International Equity Index.

The Social Choice Option introduced in November 2007 invests in the TIAA-CREF Institutional Social Choice Equity Fund, which invests primarily in equity securities of companies that meet certain social criteria, such as product safety, corporate citizenship, human rights and environmental performance.

The 100% Fixed Income option seeks to provide preservation of capital along with a moderate rate of return through a diversified mix of fixed –income investments. As of June 30, 2009, the 100% Fixed Income Option was comprised of the following underlying TIAA-CREF institutional mutual funds: Institutional Bond Fund and Institutional Inflation Linked Bond Fund.

The Money Market Option introduced in February 2008 seeks to provide high current income consistent with preserving capital. This investment Option invests in the TIAA-CREF Institutional Money Market Fund.

The Principal Plus Interest Option provides a more conservative and stable offering designed for investors who for a variety of reasons and investment timelines tolerate very limited risk. The assets in the Principal Plus Interest Options are allocated to a funding agreement issued by TIAA-CREF Life Insurance Company, a subsidiary of TIAA, which offers a guarantee to the Trust of principal and an annual rate of return. The rate of return was set to 3.55% from July 1, 2008 to June 30, 2009.

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

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

The Year in Review

CHET continued its aggressive push to educate, build awareness and grow new accounts by promoting CHET as the official state-sponsored 529 college plan for Connecticut families of all demographic and socio-economic groups. During fiscal year 2009, the number of new accounts grew from 79,536 (June 2008) to 86,559 (June 2009), with 89.2% of those accounts coming from state residents. At the end of June 2009, program equity of account holders was $1.049 billion. That compares with just over 4,000 accounts and $18 million in assets when the Treasurer took office in 1999.

As a low-cost, direct-sold 529 college saving plan, CHET's annual fees are among the lowest in the county. These annualized fees consist of underlying mutual fund expenses and program manager fees, plus a 0.01% state oversight fee. As of June 30, 2009, total fees were 0.65% of average daily net assets for all investment options, except for the Principal Plus Interest option which has a total 0.01% fee. There are no additional charges or penalties imposed by or payable to the Program in connection with opening or maintaining accounts under any of the Investment Options.

In fiscal year 2008, a new 100% Equity Index Fund, a 100% Fixed Income fund, an Aggressive Managed Allocation Option, and Social Choice Option were introduced. CHET now offers customers 8 (eight) different investment options. At the end of the 2008 fiscal year, the Managed Allocation Option remained the most actively utilized investment option in the CHET program capturing 57% of total program assets, while 16% of assets were invested in the High Equity, 15% in the Principal Plus Interest Option, 4% in the 100% Equity Index Option, 3% in the Aggressive Managed Allocation Option and 3% combined in the 100% Fixed Income, Money Market and Social Choice Equity Options.

The U.S. Treasury Department and the IRS announced that for 2009 only, 529 plan account owners will be allowed to change Investment Options two times per year (rather than one time) giving account owners additional flexibility to reallocate investments to different investment options up to two times during 2009.

In 2009, the American Recovery and Reinvestment Act of 2009, or “Stimulus Bill” expanded the definition of qualified higher education expenses to include computer technology and equipment for section 529 college savings accounts in 2009 and 2010. This includes internet access and software, but excludes non-educational software for sports, games or hobbies.

The State Treasurer’s Office works closely with TFI to strengthen public awareness and increase understanding of CHET. Each year an annual marketing plan is developed outlining strategies and tactics that build awareness of and educates all Connecticut families about the benefits and affordability of saving for college early via CHET. In 2008, CHET utilized a series of integrated direct marketing campaigns (direct mail, e-mail and online advertising), community events, promotions, radio, television, print ads as well as public and media relations. CHET spreads this important message to prospective account owners across the state, to all socio-economic groups. Existing account owners are reminded of the importance of making regular contributions in order to meet their college saving’s objectives. CHET also schedules educational seminars and webinars; and, distributes CHET information to schools, libraries, financial influencers and top employers.

Major marketing milestones in 2008/2009 include the introduction of a new CHET logo, two new statewide promotions, new award winning television series, new online communication tool (webcast), initiatives targeting emerging markets (grandparents and young adults pursuing continuing education), as well as low- to moderate-income families.

As the 529 savings industry matures, competition between state sponsored programs has continued to intensify. On a national level, many advisor-sold 529 plans have been offering increased flexibility and choice of investment options similar to those traditionally offered in retirement plans, which may provide commissions to broker-dealers at the expense of 529 plan participants. While many of the indirect advisor plans have actively marketed services to predominantly upper-income individuals with limited outreach to other market segments, CHET has continued to grow as a low-cost, directly-sold product Connecticut-focused with outreach and access to all socio-economic groups, as well as an expanded array of competitive options to address consumer interests.

As Trustee for the Connecticut Higher Education Trust, the Treasurer in 2009 requested sealed proposals from qualified financial services companies to serve as program manager for Connecticut’s college savings program. The current contract with TIAA-CREF expires March 13, 2010.

CHET Advisory Committee

There is a statutorily established CHET Advisory Committee, which meets annually. The Committee met on December 5, 2008.

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

CONNECTICUT HIGHER EDUCATION TRUST

The statutory members of the CHET Advisory Committee as of the December 8, 2008 annual meeting are:

DENISE L. NAPPIER, State Treasurer

ROBERT L. GENUARIO, Secretary Office of Policy and Management, Designee: John Mengacci

MICHAEL MEOTTI, Commissioner, Department of Higher Education, Designee: Mary Johnson

SEN. THOMAS GAFFEY, Senate Chair, Education Committee, Designee: Robert Lockert

REP ANDREW M. FLEISCHMANN, House Chair, Education Committee

SEN. KEVIN WITKOS, Senate Ranking Member, Education Committee, Designee: Gregg Cogswell

REP. DEBRALEE HOVEY, House Ranking Member, Education Committee

SEN. EILEEN M. DAILY, Senate Chair, Finance, Revenue and Bonding Committee, Designee: Chatam Pordner

REP. CAMERON STAPLES, House Chair, Finance, Revenue and Bonding Committee, Designee: Rep. Andres Ayala

SEN. ANDREW RORABACK, Senate Ranking Member, Finance, Revenue and Bonding Committee, Designee: Jamie Makus

REP. VINCENT CANDELORA, House Ranking Member, Finance, Revenue and Bonding Committee, Designee: Dave Williams

MARGARET WOLF, Director of Financial Aid, Capitol Community College

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

WILLIAM LUCAS, Vice President Finance, Fairfield University, Designee: Ray Bordeau

JULIE SAVINO, Dean of Student Financial Assistance, Sacred Heart University, Designee: Silvie Hangan

Financial Statements

STATE OF CONNECTICUT

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TREASURER'S OFFICE

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS
STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

KEVIN P. JOHNSTON

ROBERT G. JAEKLE

CERTIFICATION BY AUDITORS OF PUBLIC ACCOUNTS AND STATE COMPTROLLER

We have audited the accompanying statement of net assets of the Combined Investment Funds, as of June 30, 2009, and the related statements of changes in net assets for the fiscal years ended June 30, 2009 and 2008. We have audited the accompanying statement of net assets of the Short-Term Investment Fund, including the list of investments as of June 30, 2009, and the related statements of changes in net assets for the fiscal years ended June 30, 2009 and 2008. We have audited the accompanying statement of net assets of the Short-Term Plus Investment Fund, including the list of investments as of June 30, 2009, and the related statement of changes in net assets for the fiscal year ended June 30, 2009. We have audited the statements of condition of the other Non-Civil List Trust Funds as of June 30, 2009, together with the related statements of revenue and expenditures, and statements of changes in fund balance and the statements of cash flows for the other Non-Civil List Trust Funds, for the fiscal year ended June 30, 2009. We have also audited the statement of net assets of the Second Injury Fund, together with the related statements of revenues, expenses and changes in fund net assets and the statements of cash flows for the Second Injury Fund, for the fiscal years ended June 30, 2009 and 2008. We have also examined the schedules of Civil List Funds investments, as of June 30, 2009, the Civil List Funds cash receipts and disbursements for the fiscal year ended June 30, 2009, and debt outstanding, as of June 30, 2009, and changes in debt outstanding during the fiscal year ended June 30, 2009. These financial statements and schedules are the responsibility of the management of the State Treasury. Our responsibility is to express an opinion on the financial statements and schedules based on our audit.

We did not audit the accompanying financial statements of the Tax Exempt Proceeds Fund, Inc. or the Connecticut Higher Education Trust. These financial statements were audited by other auditors whose reports thereon have been included with the accompanying financial statements. We did not audit the accompanying Schedules of Rates of Return for the Short-Term Investment Fund, which were examined by other auditors whose reports thereon have been included with the accompanying financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2009, by correspondence with the custodians. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the notes to the financial schedules, the State Treasury has prepared the schedules of Civil List Funds investments, as of June 30, 2009, the Civil List Funds cash receipts and disbursements for the fiscal year ended June 30, 2009 and debt outstanding, as of June 30, 2009, and changes in debt outstanding during the fiscal year ended June 30, 2009, using accounting practices prescribed by the State Comptroller which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial schedules of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the schedules referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the cash and investments of the Civil List Funds as of June 30, 2009, the Civil List Funds cash receipts and disbursements for the fiscal year ended June 30, 2009, the balance of bonds outstanding as of June 30, 2009, and bonds issued, retired and refunded, and bond interest payments made during the year ended on that date.

In our opinion, the schedules referred to above present fairly, in all material respects the cash and investments of the Civil List Funds as of June 30, 2009, the Civil List Funds cash receipts and disbursements for the fiscal year ended June 30, 2009, the balance of bonds outstanding as of June 30, 2009, and bonds issued, retired and refunded, and bond interest payments made during the year ended on that date, all in accordance with the modified cash basis of accounting, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Combined Investment Funds, the Short-Term Investment Fund, the Short-Term Plus Investment Fund, the Second Injury Fund and other Non-Civil List Trust Funds as of June 30, 2009, and the results of their operations and changes in net assets for the year then ended, and the changes in fund balance for the other Non-Civil List Trust Funds and cash flows for the Second Injury Fund and the other Non-Civil List Trust Funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1B to the financial statements of the Combined Investment Funds, the State Treasurer's policy is to present investments at fair value. The fair value of most of the assets of the Real Estate Fund, the Commercial Mortgage Fund 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, 2009, 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 taken as a whole. The Combined Investment Funds Schedule of Net Assets by Investment Fund, Schedules of Changes in Net Assets by Investment Fund, Total Net Asset Value by Pension Plans and Trust Funds and the Schedules of Investment Activity by Pension Plan and by Trust, contained within the supplemental information section, are presented for purposes of additional analysis and are not a required part of the financial statements of the Combined Investment Funds. Such information has been subjected to the auditing procedures applied in the audit of the financial statements of the Combined Investment Funds and, in our opinion, is fairly presented in all material respects in relation to the financial statements of the Combined Investment Funds taken as a whole. The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the Management's Discussion and Analysis and express no opinion on it. The introduction section, supplemental information section and the statutory appendix have not been audited except as specifically noted in this auditors' opinion.

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

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

Kevin P. Johnston

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts

Nancy Wyman

Nancy Wyman
State Comptroller

December 31, 2009
State Capitol

The following Management's Discussion and Analysis (MD&A) provides an overview of the Annual Report of the Office of the Treasurer's financial performance for the fiscal year ended June 30, 2009. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements, notes to financial statements and on Compliance Under C.G.S. Section 2-90 Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards included in the "Financial Statements" section, and the other information included in the "Supplemental Information" section of this report.

FINANCIAL STATEMENTS PRESENTED IN THIS REPORT

The Treasurer is the chief fiscal officer of the State of Connecticut, overseeing a wide variety of activities regarding the prudent conservation and management of State funds. These include the asset investment administration of a $20.4 billion portfolio for six State pension and eight State trust funds, a short-term investment fund approximating $4.5 billion, a short-term plus investment fund approximating $88.9 million and the Connecticut Higher Education Trust, a qualified state tuition program designed to promote and enhance affordability and accessibility of higher education to State residents, containing $1.0 billion as of June 30, 2009.

The organizational structure of the Treasury comprises an Executive Office which coordinates all financial reporting, administration and support functions within the Treasury, oversees administration of the Connecticut Higher Education Trust, and five divisions including: Pension Funds Management responsible for managing the assets of over 160,000 teachers, state, and municipal employees as well as trust funds financing academic programs, grants, and initiatives throughout the state; Debt Management, the public finance department for the State, responsible for issuing and managing the State's debt including issuing bonds to finance State capital projects and managing debt service payments and cash flow borrowing, administering the Clean Water Fund and Tax Exempt Proceeds Fund and maintaining the State's rating agency relationships; Cash Management, responsible for all the State's cash inflows and outflows and managing the State's cash transactions, banking relationships and short-term investments; Unclaimed Property responsible for returning unclaimed property to rightful owners or heirs; and the Second Injury Fund, responsible for managing the largest workers' compensation claim operation in Connecticut, serving injured workers whose claims are paid by the Fund.

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

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

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

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

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

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

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

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

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

Special Obligation Rate Reduction Bonds: The Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, and Statement of Cash Flows are financial statements that report information about the Special Obligation Rate Reduction Bonds.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Special Obligation Rate Reduction Bonds financial statements.

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

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

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

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

FINANCIAL HIGHLIGHTS OF FISCAL YEAR 2009

At June 30, 2009, the Combined Investment Funds reported investment balances of $20.4 billion. The Short-Term Investment Fund reported a fund balance of $4.5 billion. These two funds account for 99% of the investments in the fiduciary funds managed by the Office of the Treasurer.

The Connecticut Retirement Plans and Trust Funds fiscal 2009 performance produced a negative net return (after all expenses) of -17.37%. Pension and Trust assets were $25.9 billion at June 30, 2008 and were $20.4 billion at June 30, 2009 as a result of 2009 negative funds performance.

The Short Term Investment Fund achieved an annual return of 1.49%, exceeding its benchmark by 19 basis points, resulting in $8.7 million in additional interest income for the state, state agencies and municipalities and their taxpayers. At the end of the 2009 fiscal year, the Short Term Investment Fund had more than $4.5 billion in assets under management.

The Short Term Plus Investment Fund, at the end of the 2009 fiscal year, had $88.9 million in assets under management and an annual return of 3.07%.

The Treasury issued $631 million of refunding of various bonds providing future debt service savings of $39 million.

The Connecticut Higher Education Trust Investments held 86,559 accounts with total assets of $1.049 billion at the end of the 2009 fiscal year compared to 79,536 accounts and $1.076 billion in assets in the prior fiscal year.

The Office of the Treasurer recovered $8.5 million in the fiscal year from class action lawsuits.

CONDENSED FINANCIAL INFORMATION

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

Net Assets and Changes in Net Assets

Net Assets - The net assets of the Combined Investment Funds at the close of the 2009 fiscal year were $20.4 billion, a decrease of $5.5 billion from the previous year. The change in net assets resulted from net investment losses from operations of $4.5 billion and $1.0 billion of net cash outflows to the Connecticut Retirement Plans and Trust Funds. The net cash outflow of $1.0 billion was comprised of pension payments to beneficiaries of $1.5 billion that were offset by net contributions from unit holders of $0.5 billion.

The net assets of the Combined Investment Funds at the close of the 2008 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 mostly offset by net cash inflows to the Connecticut Retirement Plans and Trust Funds of $1.205 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. However, as is the case with any pension fund, a portion of the total investment income of $0.8 billion was used, coupled with contributions of participants and the plan sponsors, to make payments to beneficiaries of the Connecticut Retirement Plans and Trust Funds.

Operating Income – Unfavorable performance results achieved a negative return of -17.37%, net of all management fees and expenses, resulting in a decrease in net assets from operations in the 2009 fiscal year, compared to a return of -4.71%, net of all expenses for the previous fiscal year. Returns were negative in the Funds investment classes in fiscal year 2009 due to continuing market volatility related to credit market tightening around the world.

Unfavorable performance results achieved a negative return of -4.71%, net of all management fees and expenses, resulting in a minor decrease in net assets from operations in the 2008 fiscal year, 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.

Table 1 - Net Assets

Assets	2009	Increase (Decrease)	2008	Increase (Decrease)	2007
Investments at Fair Value	$20,431,180,148	$(5,697,980,362)	$26,129,160,510	$(645,368,748)	$26,774,529,258
Cash, Receivables and Other	11,520,348,447	(4,364,299,273)	15,884,647,720	1,444,193,146	14,440,454,574
Total Assets	31,951,528,595	(10,062,279,635)	42,013,808,230	798,824,398	41,214,983,832
Liabilities	(11,569,362,311)	4,572,623,241	(16,141,985,552)	(855,292,653)	(15,286,692,899)
Net Assets	$20,382,166,284	$(5,489,656,394)	$25,871,822,678	$(56,468,255)	$25,928,290,933

Table 2 - Changes in Net Assets

Additions	2009	Increase (Decrease)	2008	Increase (Decrease)	2007
Dividends	$399,860,020	$(250,235,550)	$650,095,570	$91,149,144	$558,946,426
Interest	358,920,317	(101,106,945)	460,027,262	64,016,826	396,010,436
Securities Lending & Other Income	74,887,362	(87,569,314)	162,456,676	(14,202,368)	176,659,044
Total Investment Income	833,667,699	(438,911,809)	1,272,579,508	140,963,602	1,131,615,906
Total Investment Expenses	89,872,957	111,975,929	201,848,886	10,439,471	212,288,357
Net Investment Income	743,794,742	(326,935,880)	1,070,730,622	151,403,073	919,327,549
Net Realized Gain/(Loss)	(2,942,360,696)	(3,617,993,995)	675,633,299	(848,473,673)	1,524,106,972
Net Change in Unrealized Gains on Investments	(2,333,600,964)	670,720,903	(3,004,321,867)	(4,476,635,495)	1,472,313,628
Net Increase (Decrease) in Net Assets resulting from operations	(4,532,166,918)	(3,274,208,972)	(1,257,957,946)	(5,173,706,095)	3,915,748,149
Purchase of Units by Participants	6,599,282,672	(1,585,243,282)	8,184,525,954	4,540,776,161	3,643,749,793
Total Additions	2,067,115,754	(4,859,452,254)	6,926,568,008	(632,929,934)	7,559,497,942
Deductions					
Administrative Expense	3,393,293	(154,702)	3,238,591	(51,758)	3,186,833
Distribution of Income to Unit Owners	707,641,173	264,764,948	972,406,121	(60,496,238)	911,909,883
Redemption of Units by Participants	6,845,737,682	(838,346,131)	6,007,391,551	(2,474,508,282)	3,532,883,269
Total Deductions	7,556,772,148	(573,735,885)	6,983,036,263	(2,535,056,278)	4,447,979,985
Change in Net Assets	(5,489,656,394)	(5,433,188,139)	(56,468,255)	(3,167,986,212)	3,111,517,957
Beginning Net Assets	25,871,822,678	(56,468,255)	25,928,290,933	3,111,517,957	22,816,772,976
Ending Net Assets	$20,382,166,284	$(5,489,656,394)	$25,871,822,678	$(56,468,255)	$25,928,290,933

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

Net Assets and Changes in Net Assets

Net Assets - The net assets under management in the Short-Term Investment Fund at the close of the 2009 fiscal year were $4.5 billion, a decrease of $0.5 billion from the previous year. The principal reasons for the decrease was an overall decrease of $0.67 billion in State Treasury and Municipal and Local entities offset partly by an increase in State Agencies and Authorities STIF investments of $0.17 billion.

The net assets under management in the Short-Term Investment Fund at the close of the 2008 fiscal year were $5.0 billion, an increase of $0.050 billion from the previous year. The principal reasons for the increase was an overall increase of $0.227 billion in State Treasury and State Agencies and Authorities funds partly offset by decreases in Municipal and Local entities STIF investments of $0.155 billion and $0.024 billion from the designated surplus reserve.

Operating Income - General financial market conditions produced an annual total return of 1.49%, net of operating expenses and allocations to Fund reserves in fiscal 2009, compared to an annual total return of 4.13%, net of operating expenses and allocations to Fund reserves in the previous fiscal year. The annual total return exceeded that achieved by its benchmark, which equaled 1.30%, by 19 basis points, resulting in $8.7 million in additional interest income for Connecticut governments and their taxpayers while also adding $4.6 million to its reserves.

General financial market conditions produced an annual total return of 4.13%, net of operating expenses and allocations to Fund reserves in fiscal 2008, compared to an annual total return of 5.54%, net of operating expenses and allocations to Fund reserves in the previous fiscal year. The annual total return exceeded that achieved by its benchmark, which equaled 4.07%, by 6 basis points, resulting in $3.0 million in additional interest income for Connecticut governments and their taxpayers.

Table 3 - Net Assets

Assets	2009	Increase (Decrease)	2008	Increase (Decrease)	2007
Investments in Securities, at Amortized Cost	$4,546,733,336	$(501,562,084)	$5,048,295,420	$32,342,982	$5,015,952,438
Receivables and Other	3,941,223	(11,257,209)	15,198,432	4,683,436	10,514,996
Total Assets	4,550,674,559	(512,819,293)	5,063,493,852	37,026,418	5,026,467,434
Liabilities	(2,149,568)	6,822,629	(8,972,197)	13,399,480	(22,371,677)
Net Assets	$4,548,524,991	$(505,996,664)	$5,054,521,655	$50,425,898	$5,004,095,757

Table 4 - Changes in Net Assets

Assets	2009	Increase (Decrease)	2008	Increase (Decrease)	2007
Net Interest Income	$74,939,173	$(133,233,331)	$208,172,504	$(78,999,837)	$287,172,341
Net Realized Gains	606,703	563,207	43,496	(194,231)	237,727
Net Decrease in Fair Value of Investments	-	24,000,000	(24,000,000)	(24,000,000)	-
Total Increase from Operations	75,545,876	(108,670,124)	184,216,000	(103,194,068)	287,410,068
Purchase of Units by Participants	15,586,406,101	1,130,764,398	14,455,641,703	745,295,241	13,710,346,462
Total Additions	15,661,951,977	1,022,094,274	14,639,857,703	642,101,173	13,997,756,530
Deductions					
Distribution of Income to Participants	69,698,998	(135,485,806)	205,184,804	(77,159,946)	282,344,750
Redemption of Units by Participants	16,096,987,314	1,713,898,098	14,383,089,216	242,826,417	14,140,262,799
Operating Expenses	1,262,329	104,544	1,157,785	(61,991)	1,219,776
Total Deductions	16,167,948,641	1,578,516,836	14,589,431,805	165,604,480	14,423,827,325
Change in Net Assets	(505,996,664)	(556,422,562)	50,425,898	476,496,693	(426,070,795)
Total net assets – beginning	5,054,521,655	50,425,898	5,004,095,757	(426,070,795)	5,430,166,552
Total net assets - ending	$4,548,524,991	$(505,996,664)	$5,054,521,655	$50,425,898	$5,004,095,757

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

Net Assets

Net Assets - The net assets under management in the Short-Term Plus Investment Fund at the close of the 2009 fiscal year were $88.9 million, lower than the prior year due to redemption of investments.

Net Assets - The net assets under management in the Short-Term Plus Investment Fund at the close of the 2008 fiscal year were $310.0 million, slightly higher than the prior year due to interest income.

Assets	2009	Increase (Decrease)	2008	Increase (Decrease)	2007
Investments in Securities, at Fair Value	$88,854,263	$(220,699,371)	$309,553,634	$6,457,951	$303,095,683
Receivables and Other	183,800	(1,361,490)	1,545,290	(688,867)	2,234,157
Total Assets	89,038,063	(222,060,861)	311,098,924	5,769,084	305,329,840
Liabilities	(151,279)	633,611	(784,890)	568,008	(1,352,898)
Net Assets	$88,886,784	$(221,427,250)	$310,314,034	$6,337,092	$303,976,942

Table 6 - Changes in Net Assets

Additions	2009	Increase (Decrease)	2008	Increase (Decrease)	2007
Net Interest Income	$6,914,932	$(7,098,244)	$14,013,176	$5,206,357	$8,806,819
Net Realized Gains	(5,426)	(39,828)	34,402	24,551	9,851
Total Investment Income	6,909,506	(7,138,072)	14,047,5785,	230,908	8,816,670
Purchase of Units by Participants	7,466,913	(7,087,588)	14,554,501	(293,576,730)	308,131,231
Total Additions	14,376,419	(14,225,660)	28,602,079	(288,345,822)	316,947,901
Deductions					
Distribution of Income to Participants	6,833,302	7,153,190	13,986,492	(5,197,545)	8,788,947
Redemption of Units by Participants	226,300,000	(221,300,000)	5,000,000	(1,000,000)	4,000,000
Operating Expenses	76,204	(15,118)	61,086	(33,363)	27,723
Net Change in Unrealized Loss	2,594,163	623,246	3,217,409	(3,063,120)	154,289
Total Deductions	235,803,669	(213,538,682)	22,264,987	(9,294,028)	12,970,959
Change in Net Assets	(221,427,250)	(227,764,342)	6,337,092	(297,639,850)	303,976,942
Total net assets – beginning	310,314,034	6,337,092	303,976,942	303,976,942	-
Total net assets - ending	$88,886,784	$(221,427,250)	$310,314,034	$6,337,092	$303,976,942

Connecticut Higher Education Trust

Net Assets and Changes in Net Assets

Net Assets – Net Assets of the Connecticut Higher Education Trust at the close of the current fiscal year were $1.049 billion, a decrease of $27 million from the previous year.

Net assets of the Connecticut Higher Education Trust at the close of the 2008 fiscal year were $1.076 billion, an increase of $122 million from the previous year.

Changes in Net Assets – The change in net assets of the Connecticut Higher Education Trust decreased by $27 million in fiscal year 2009 from $127 of net realized and unrealized losses on investments including net investment income partly offset by $100 million of contributions to active accounts, net of redemptions.

The change in net assets of the Connecticut Higher Education Trust increased by $122 million in fiscal year 2008 from $158 million in contributions to active accounts, net of redemptions partly offset by $36 million of net realized and unrealized losses on investments including net investment income.

Table 7 - Net Assets

Assets	2009	Increase (Decrease)	2008	Increase (Decrease)	2007
Investments, at Value	$1,049,532,340	$(26,881,784)	$1,076,414,124	$123,219,468	$953,194,656
Cash, Receivables and Other	1,097,358	(1,171,469)	2,268,827	(204,726)	2,473,553
Total Assets	1,050,629,698	(28,053,253)	1,078,682,951	123,014,742	955,668,209
Liabilities	(1,361,592)	646,887	(2,008,479)	(1,131,672)	(876,807)
Net Assets	$1,049,268,106	$(27,406,366)	$1,076,674,472	$121,883,070	$954,791,402

Table 8 - Changes in Net Assets

Additions	2009	Increase (Decrease)	2008	Increase (Decrease)	2007
Net investment income	$27,252,247	$(3,781,223)	$31,033,470	$6,594,680	$24,438,790
Net realized gain on investments	(36,263,328)	(47,510,934)	11,247,606	2,877,100	8,370,506
Net change in unrealized appreciation (depreciation)	(118,620,003)	(39,961,743)	(78,658,260)	(133,718,645)	55,060,385
Net Increase (Decrease) in Net Assets Resulting From Operations	(127,631,084)	(91,253,900)	(36,377,184)	(124,246,865)	87,869,681
From account owner transactions	100,224,718	(58,035,536)	158,260,254	(4,317,226)	162,577,480
Change in Net Assets	(27,406,366)	(149,289,436)	121,883,070	(128,564,091)	250,447,161
Total net assets – beginning	1,076,674,472	121,883,070	954,791,402	250,447,161	704,344,241
Total net assets - ending	$1,049,268,106	$(27,406,366)	$1,076,674,472	$121,883,070	$954,791,402

Second Injury Fund

Net Assets - The net assets of the Second Injury Fund (SIF) at the close of fiscal year 2009 were $52.3 million, a decrease of $7.9 million from the previous year net asset balance of $60.2 million.

The net assets of the Fund at the close of previous fiscal year were $60.2 million, an increase of $2.4 million from the 2007 fiscal year net asset balance of $57.8 million.

Operating Income – The $7.9 million decrease in net assets resulted mainly from lower net operating income of $8.7 million less than the previous year due to reductions in the assessment rates to insured employers by 0.5% to 3.0% and to self insured employers by 2.0% to 4.7%.

The $2.4 million positive change in net assets in 2008 resulted from net non-operating interest income of $2.4 million. Net operating income was $12.9 million less than the previous year due to reductions in the assessment rates to insured employers by 0.5% to 3.5% and to self insured employers by 1.7% to 6.7%.

Special Obligation Rate Reduction Bonds

Net Deficit - The net assets of the Special Obligation Rate Reduction Bonds presented at the close of the calendar year December 31, 2008 was $12 million, versus a $90 million deficit the prior year. After all appropriate expenses were paid, the remaining funds in the amount of $11.5 million were distributed to the respective utility companies on March 5, 2009.

The Special Obligation Rate Reduction Bonds were issued in 2004 pursuant to Connecticut General Statutes to sustain for two years the funding of energy conservation and load management and renewable energy investment programs by providing money to the State's General Fund. The repayment of the bonds including principal, interest and all fees and expenses are payable from a State RRB charge on the electric bills of the State's two electric utilities.

The net deficit of the Special Obligation Rate Reduction Bonds presented at the close of the calendar year December 31, 2007 was $90 million, a decrease of $29 million from the prior year.

Changes in Net Assets – The total decrease in the net deficit of the Special Obligation Rate Reduction Bonds in calendar years 2008 and 2007 were the result of net income generated from the utilities revenues.

Tax Exempt Proceeds Fund

Net Assets - The net assets of the Tax Exempt Proceeds Fund at the close of the fiscal year were $132 million, a decrease of $42 million from the previous year.

The net assets of the Tax Exempt Proceeds Fund at the close of the 2008 fiscal year were $174 million, a decrease of $15 million from the previous year.

Changes in Net Assets – The total decrease in net assets of the Tax Exempt Proceeds Fund in fiscal years 2009 and 2008 was the result of a net decrease of fund investments.

REQUIRED SUPPLEMENTARY INFORMATION

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

DEBT ADMINISTRATION

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

At June 30, 2009, the State had $17.9 billion in bonds and notes outstanding versus $16.4 billion at June 30, 2008, an increase of $1.5 billion. Outstanding debt at June 30, 2009 was issued to fund local school construction projects, state grants and economic development initiatives, Clean Water Fund loans, improvements to state universities and transportation projects.

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

Outstanding Debt as of June 30,

Bond Type	2009	Increase (Decrease)	2008	Increase (Decrease)	2007
General obligation –					
Tax supported	$9,947,280,325	$308,702,800	$9,638,577,525	$308,425,362	$9,330,152,163
Bond Anticipation Notes	581,245,000	581,245,000	0	0	0
Teachers Retirement Fund	2,276,578,271	0	2,276,578,271	2,276,578,271	
Revenue supported	1,590,461	(530,430)	2,120,891	(1,250,233)	3,371,124
Transportation	0	(723,286)	723,286	(604,127)	1,327,413
Special Tax Obligation	2,817,015,000	27,670,000	2,789,345,000	(25,789,000)	2,815,134,000
Bradley International Airport	198,930,000	(9,605,000)	208,535,000	(9,410,000)	217,945,000
Clean Water Fund	885,200,000	390,580,000	494,620,000	(155,720,000)	650,340,000
UCONN 2000	844,944,715	81,531,360	763,413,355	(59,718,792)	823,132,147
CDA Increment Financing	30,075,000	(2,430,000)	32,505,000	(2,320,000)	34,825,000
CDA Government					
Lease revenue	3,535,000	(580,000)	4,115,000	(545,000)	4,660,000
CHEFA Childcare					
Facilities program	69,600,000	15,895,000	53,705,000	(920,000)	54,625,000
Bradley Parking operations	44,655,000	(1,550,000)	46,205,000	(1,460,000)	47,665,000
CT Juvenile Training school	16,520,000	(420,000)	16,940,000	(405,000)	17,345,000
CHFA Special Needs Housing Bonds	63,755,000	37,840,000	25,915,000	25,915,000	0
Special Obligation Rate					
Reduction Bonds	0	0	0	(125,375,000)	125,375,000
CCEDA Bonds	105,115,000	20,850,000	84,265,000	(1,470,000)	85,735,000
Total	$17,886,038,772	$1,448,475,444	$16,437,563,328	$2,225,931,481	$14,211,631,847

During fiscal year 2009, the State issued $2.0 billion in new bonds and $0.6 billion of bond anticipation notes to fund state programs and issued refunding bonds totaling $0.6 billion to refinance amounts outstanding on previously issued bonds as interest rates continued at relatively low levels during the year. Since 1999, debt refunding and defeasances have produced $0.596 billion in debt savings to taxpayers.

Moody's Investors Service, Standard & Poor's Corporation, and Fitch Investors Service rate the State's general obligations Aa3, AA and AA respectively.

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

ECONOMIC CONDITIONS AND OUTLOOK

As Fiscal Year 2009 began, fallout from the sub-prime lending problems continued 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 from 2.00 percent set on April 30, 2008 to 0.00% – 0.25% on December 16, 2008 to combat what had become a widespread credit market disruption.

During Fiscal Year 2009, economic problems widened and deepened as household spending was constrained by ongoing job losses, lower housing wealth, and tight credit. Businesses cut back on fixed investment and implemented layoffs while bringing inventory stocks into better alignment with sales. Equity markets fell precipitously, with the S&P down approximately 47 percent from 1,280 on July 1, 2008 to March 5, 2009 then recovering to 682 on June 30, 2009, a 28 percent decrease for the full fiscal year. The percent of the U.S. labor force that is unemployed, not seasonally adjusted, was up 4.0 percentage points, to 9.7 percent in June 2009 for the fiscal year. The percent of the Connecticut labor force that is unemployed rose 2.4 percentage points to 8.1 percent in June 2009 for the fiscal year. Throughout this period the Fed's FOMC has continued to employ all available tools to promote economic recovery and to preserve price stability. While the FOMC expects that inflation will remain subdued for some time, at its June 2009 meeting the Committee maintained the target range for the federal funds rate at 0 to ¼ percent for an extended period in 2009. To provide support to mortgage lending and housing markets and to improve overall conditions in private credit markets, the Federal Reserve will purchase a total of up to $1.25 trillion of agency mortgage-backed securities and up to $200 billion of agency debt by the end of 2009 and buy up to $300 billion of Treasury securities by the autumn of 2009.

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

State of Connecticut

Office of the Treasurer

DENISE L. NAPPIER
TREASURER

HOWARD G. RIFKIN
DEPUTY TREASURER

December 31, 2009

To the Honorable
M. Jodi Rell, Governor of Connecticut
Denise L. Nappier, Treasurer of Connecticut
Members of the Connecticut General Assembly
And Citizens of the State of Connecticut

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

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

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

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

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

Sincerely,

Howard G. Rifkin
Deputy Treasurer

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

COMBINED INVESTMENT FUNDS

STATEMENT OF NET ASSETS
JUNE 30, 2009

	TOTAL
ASSETS	
Investments in Securities, at Fair Value	
Liquidity Fund	$ -
Cash Equivalents	1,466,778,139
Asset Backed Securities	122,298,455
Government Securities	2,531,237,652
Government Agency Securities	978,442,542
Mortgage Backed Securities	481,450,280
Corporate Debt	1,755,615,968
Convertible Securities	28,687,305
Common Stock	9,568,435,502
Preferred Stock	48,398,778
Real Estate Investment Trust	65,332,878
Mutual Fund	889,744,230
Limited Liability Corporation	3,328,884
Trusts	4,656,225
Limited Partnerships	2,486,773,310
Annuities	-
Total Investments in Securities, at Fair Value	20,431,180,148
Cash	16,899,897
Receivables	
Foreign Exchange Contracts	7,550,168,169
Interest Receivable	81,054,422
Dividends Receivable	18,075,460
Due from Brokers	458,355,300
Foreign Taxes	9,027,087
Securities Lending Receivable	2,693,349
Reserve for Doubtful Receivables	(1,052,332)
Total Receivables	8,118,321,455
Invested Securities Lending Collateral	3,375,460,252
Prepaid Expenses	9,666,843
Total Assets	31,951,528,595
LIABILITIES	
Payables	
Foreign Exchange Contracts	7,628,666,952
Due to Brokers	527,884,316
Income Distribution	607,671
Other Payable	21,991,231
Total Payables	8,179,150,170
Securities Lending Collateral	3,375,460,252
Accrued Expenses	14,751,889
Total Liabilities	11,569,362,311
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	$ 20,382,166,284

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

COMBINED INVESTMENT FUNDS

STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

		TOTAL
ADDITIONS		
OPERATIONS		
Investment Income		
Dividends	$	399,860,020
Interest		358,920,317
Other Income		8,701,607
Securities Lending		66,185,755
Total Income		833,667,699
Expenses		
Investment Advisory Fees		55,934,969
Custody and Transfer Agent Fees		1,748
Professional Fees		2,517,327
Security Lending Fees		6,251,980
Security Lending Rebates		24,212,508
Investment Expenses		954,425
Total Expenses		89,872,957
Net Investment Income		743,794,742
Net Realized Gain (Loss)		(2,942,360,696)
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency		(2,333,600,964)
Net Increase (Decrease) in Net Assets Resulting from Operations		(4,532,166,918)
Unit Transactions		
Purchase of Units by Participants		6,599,282,672
TOTAL ADDITIONS		2,067,115,754
DEDUCTIONS		
Administrative Expenses:		
Salary and Fringe Benefits		(3,393,293)
Distributions to Unit Owners:		
Income Distributed		(707,641,173)
Unit Transactions		
Redemption of Units by Participants		(6,845,737,682)
TOTAL DEDUCTIONS		(7,556,772,148)
Change in Net Assets Held in Trust for Participants		(5,489,656,394)
NET ASSETS HELD IN TRUST FOR PARTICIPANTS		
Net Assets- Beginning of Period		25,871,822,678
Net Assets- End of Period	$	20,382,166,284

The accompanying notes are an integral part of these financial statements

COMBINED INVESTMENT FUNDS

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

	TOTAL
ADDITIONS	
OPERATIONS	
Investment Income	
Dividends	$ 650,095,570
Interest	460,027,262
Other Income	11,401,789
Securities Lending	151,054,887
Total Income	1,272,579,508
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	201,848,886
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	(3,004,321,867)
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	6,926,568,008
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	(6,007,391,551)
TOTAL DEDUCTIONS	(6,983,036,263)
Change in Net Assets	(56,468,255)
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	
Net Assets- Beginning of Period	25,928,290,933
Net Assets- End of Period	$25,871,822,678

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, Mutual Equity Fund, Core Fixed Income Fund, Inflation Linked Bond Fund, Emerging Market Debt Fund, High Yield Fund, Developed Market International Stock Fund, Emerging Market International Stock Fund, Real Estate Fund, Commercial Mortgage Fund and the Private Investment Fund. The Funds were established to provide a means for investing pension and other trust fund assets entrusted to the Treasurer in a variety of investment classes. The units of the Funds are owned by these pension and trust funds. For financial reporting purposes of the State of Connecticut, the Funds are considered to be internal investment pools and are not reported in the State's combined financial statements. Instead, each fund type's investment in the fund is reported as "equity in combined investment funds" in the State's combined balance sheet.

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

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

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

A. NEW PRONOUNCEMENTS

In June 2008, GASB issued Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. The requirements of GASB 53 are effective for periods beginning after June 15, 2009. This Statement addresses the recognition measurement, and disclosure of information regarding derivatives instruments entered into by state and local governments. This Statement describes the methods of evaluating effectiveness such as consistent critical terms method and more quantitative methods such as synthetic instrument method, dollar-offset method, and regression analysis method. A key provision of the Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, are reported at fair value.

Management has not yet determined the impact that the new GASB pronouncements will have on the State's financial statements.

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.

<u>Liquidity Fund</u>

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

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, 2009, the Fund held MBSs of $458,477,586 and ABSs of $34,174,187.

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, 2009 the Fund's holdings had a fair value of $764,032 and a cost of $12.7 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 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, 2009, the Fund held MBSs of $993,734.

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, 2009, the Fund held MBSs of $7,142,193 and ABSs of $24,566,324.

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 values, adjustments to the reported cash adjusted fair values are made to prevent overstatement. At June 30, 2009, the estimated investment values provided by the investment advisors, net of the adjustments noted above, was lower than cash adjusted fair values reported on the Statement of Net Assets by approximately $56 million. Consistent with the cash adjusted fair value presentation this decrease 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, 2009, 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 $32 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.

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, 2009, 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 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 underlying holdings of the Private Investment Fund and Real Estate Fund held currency exchange contracts and swaps. 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.

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 (on a cash basis) 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 accrued and 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, 2009:

	Netted	Capitalized	Expensed	Total
Private Investment Fund	$14,457,358	$14,070,416	$7,862,719	$36,390,493

In addition, realized gains and losses are not reported at the level of the Fund's investment since these relate to realized gains and losses on the underlying securities held by the Funds' investment vehicles. The following is the Fund's share of such net realized gains and losses for the fiscal year ended June 30, 2009:

Private Investment Fund	$44,697,082

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, 2009 were $2,745,436.

The Mutual Equity 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, 2009 totaled $32,323

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, 2009 totaled $41,372.

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, 2009 totaled $2,313,309.

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, 2009 totaled $928,667.

The Developed Market International Stock Fund includes an investment in a mutual fund. There were no fees for the fiscal year ended June 30, 2009.

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, 2009:

	Netted	Capitalized	Expensed	Total
Real Estate Fund	$ 6,306,198	$ 3,521,799	$ 3,567,394	$ 13,395,391

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 PROGRAM

Deposits:

The Funds minimize custodial credit risk by maintaining certain restrictions set forth in the Investment Policy Statement. Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution’s failure the Funds would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. The Funds utilize a Liquidity Account that is a cash management pool investing primarily in highly liquid money market securities such as commercial paper, certificates of deposit, bank notes and other cash equivalents, asset backed securities, and floating rate corporate bonds. Deposits shall consist of cash instruments generally maturing in less than one year and having a quality rating, by at least one widely recognized rating agency, of A-1 or P-1 and earn interest at a rate equal to or better than the International Business Communications (“IBC”) First Tier Institutions-Only Rated Money Fund Report Index.

At June 30, 2009, the reported amount of Funds deposits were $16,899,897 and the bank balance was $16,899,897. Of the bank amount, $16,899,897 was uncollateralized and uninsured. Through the Securities Lending Program $3,312,531,350 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 2009 fiscal year.

The Funds concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. There are no restrictions in the amount that can be invested in Government Securities and Government Agency Securities. However, there can be no more than 5% of the total portfolio market value invested in other securities.

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

	Fair Value	Percentage of Fair Value
Aaa	$3,035,620,915	39.50%
Aa	225,537,077	2.94
A	560,820,891	7.30
Baa	516,518,250	6.72
Ba	409,307,498	5.33
B	337,959,118	4.40
Caa	151,163,822	1.97
Ca	21,335,665	0.28
C	1,686,812	0.02
Prime 1	510,556,190	6.64
Government fixed income securities (not rated)	337,981,773	4.40
Not Rated	1,574,956,056	20.50
	$7,683,444,067	100.00%

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 Investment, 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:

Investment	Fair Value
Government Securities	$ 1,365,855
Government Agency Securities	527,967
U.S. Corporate Stock	8,428,829
International Equity	560,246
Collateral Securities held by Investment Pools under Securities Lending Arrangements:	
Other	940,294,050
Corporate Debt	2,361,354,403
Total	$3,312,531,350

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 Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
Cash Equivalents	$1,466,778,139	$1,439,199,853	$ -	$ -	$ 27,578,286
Asset Backed Securities	122,298,455	5,810,213	100,989,221	15,499,021	-
Government Securities	2,531,237,652	208,994,506	788,252,551	762,585,283	771,405,312
Government Agency Securities	978,442,542	1,418,727	40,940,844	66,235,051	869,847,920

NOTES TO FINANCIAL STATEMENTS (Continued)

Mortgage Backed Securities	481,450,280	814,922	18,513,862	18,911,430	443,210,065
Corporate Debt	1,755,615,968	229,633,919	607,786,495	623,224,770	294,970,784
Convertible Debt	28,687,305	579,980	13,962,707	4,586,262	9,558,356
Mutual Fund	318,933,726	-	-	-	318,933,726
	$7,683,444,067	$1,886,452,120	$1,570,445,681	$1,491,041,817	$2,735,504,449

Exposure to foreign currency risk results from investments in foreign currency-denominated equity or fixed income securities. As a means of limiting its exposure, the CRPTF utilizes a strategic hedge ratio of 50% for the developed market portion of the International Stock Fund. This strategic hedge ratio represents the neutral stance or desired long-term exposure to currency for the ISF. To implement this policy, currency specialists actively manage the currency portfolio as an overlay strategy to the equity investment managers. These specialists may manage the portfolio passively or actively depending on opportunities in the market place. While managers within the fixed income portion of the portfolio are allowed to invest in non-U.S. dollar denominated securities, managers are required to limit that investment to a portion of their respective portfolios. The following table provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

			Fixed Income Securities					Equities		
Foreign Currency	Total	Cash	Government Securities	Mutual Funds	Corporate Debt	Convertible Securities	Mortgage Backed	Common Stock	Preferred Stock	Real Estate Investment Trust
Argentine Peso	$ 27,232	$ 27,232	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Australian Dollar	245,216,763	1,230,305	16,318,297	-	10,761,101	-	-	216,605,654	-	301,406
Brazilian Real	106,436,132	547,647	26,188,218	-	5,238,969	-	-	38,336,345	36,124,953	-
Canadian Dollar	74,164,298	304,421	-	-	-	-	-	73,859,877	-	-
Chilean Peso	1,973,116	1,191	-	-	996,111	-	-	975,814	-	-
Colombian Peso	8,388,153	-	7,201,613	-	1,186,540	-	-	-	-	-
Czech Koruna	12,242,558	415,801	-	-	-	-	-	11,826,757	-	-
Danish Krone	28,655,725	462,566	-	-	-	-	-	28,193,159	-	-
Egyptian Pound	7,873,589	16,223	957,025	-	-	-	-	6,900,341	-	-
Euro Currency	1,378,708,706	4,767,122	57,611,942	-	4,043,564	-	-	1,304,610,228	7,453,657	222,193
Hong Kong Dollar	315,551,519	1,183,383	-	-	-	-	-	313,412,372	-	955,764
Hungarian Forint	16,696,654	5,348	16,606,783	-	84,523	-	-	-	-	-
Iceland Krona	1,867	1,867	-	-	-	-	-	-	-	-
Indonesian Rupiah	31,307,460	191,857	8,232,402	-	5,061,437	-	-	17,821,764	-	-
Israeli Shekel	6,998,296	189,955	-	-	-	-	-	6,808,341	-	-
Japanese Yen	959,443,028	2,694,209	-	12,266,178	-	622,510	-	941,241,018	-	2,619,113
Kazakhstan Tenge	424,118	-	-	-	424,118	-	-	-	-	-
Malaysian Ringgit	40,324,071	126,609	10,697,960	-	8,563,300	-	-	20,936,202	-	-
Mexican Peso	46,819,097	1,298,587	36,314,078	-	561,856	-	-	8,644,576	-	-
Moroccan Dirham	1,547,169	77,128	-	-	-	-	-	1,470,041	-	-
New Russian Rubel	3,232,792	70,255	-	-	2,168,803	-	993,734	-	-	-
New Taiwan Dollar	69,883,650	723,258	-	-	-	-	-	69,160,392	-	-
New Zealand Dollar	41,035,626	171,954	31,778,331	-	-	-	-	9,076,139	-	9,202
Norwegian Krone	26,911,734	168,815	-	-	-	-	-	26,742,919	-	-
Pakistan Rupee	178,810	178,810	-	-	-	-	-	-	-	-
Peruvian Nouveau Sol	900,299	168	895,046	-	-	-	-	5,085	-	-
Philippine Peso	7,560,203	68,139	-	-	-	-	-	7,492,064	-	-
Polish Zloty	47,060,803	50,695	30,992,702	-	-	-	-	16,017,406	-	-
Pound Sterling	759,346,872	1,602,368	7,223,870	-	9,270,633	-	-	737,343,627	-	3,906,374
Singapore Dollar	75,620,466	2,591,014	-	-	-	-	-	68,956,029	-	4,073,423
South African Rand	82,667,657	1,516,850	23,256,097	-	1,585,286	-	-	56,309,424	-	-
South Korean Won	272,919,890	239,657	772,403	-	-	-	-	269,672,088	2,235,742	-
Swedish Krona	74,153,477	757,070	-	-	-	-	-	73,396,407	-	-
Swiss Franc	332,481,221	1,951,733	7,900,346	-	-	-	-	322,629,142	-	-
Thailand Baht	46,846,911	115,968	9,366,802	-	201,229	-	-	37,162,912	-	-
Turkish Lira	58,159,335	70,842	13,203,006	-	-	-	-	44,885,487	-	-
	$5,181,759,297	$23,819,047	$305,516,921	$12,266,178	$50,147,470	$622,510	$993,734	$4,730,491,610	$45,814,352	$12,087,475

Securities Lending:

Certain of the Funds engage in securities lending transactions to provide incremental returns to the Funds. The Funds are permitted to enter into securities lending transactions pursuant to Section 3-13d of the Connecticut General Statutes and Amendment NO.2 of the Custodial Contract. The Funds' master custodian is authorized to lend available securities to authorized broker-dealers and banks subject to a form loan agreement.

During the period ended June 30, 2009, the master custodian lent certain securities and received cash or other collateral as indicated on the Securities Lending Authorization Agreement. The master custodian did not have the ability to pledge or sell collateral securities delivered therefore absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 100% of the market value of the loaned securities.

Pursuant to the Securities Lending Authorization Agreement, the master custodian has an obligation to indemnify the Funds in the event any borrower failed to return the loaned securities or pay distributions thereon. There were no such failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year that resulted in a declaration and notice of Default of the Borrower (other than the default by Lehman Brothers Inc. which occurred in September, 2008, and the fund was made whole in connection with this process). During the fiscal year, the Funds and the borrowers maintained the right to terminate all securities lending transactions upon notice. The cash collateral received on each loan was invested in an individual account known as the State of Connecticut Collateral Investment Trust. On June 30, 2009, 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, 2009 were $3,386,841,471 and $ 3,281,097,937 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, 2009 was 41.03 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, 2009:

Fund	Fair Value of Collateral	Fair Value of Securities Lent
Mutual Equity	$1,118,724,801	$1,103,357,259
Core Fixed Income	606,530,320	607,519,019
Inflation Linked Bond	678,390,546	682,596,709
Emerging Market Debt	26,483,999	26,424,809
High Yield Investment	158,479,044	158,891,731
Developed Market International Stock	619,983,971	597,275,832
Emerging Market International Stock	107,966,126	105,032,578
Total	$3,316,558,807	$3,281,097,937

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	$315,753,197	$ 792,948,974	$1,108,702,171
Core Fixed Income	172,003,335	431,950,869	603,954,204
Inflation Linked Bond	192,996,163	484,670,025	677,666,188
Emerging Market Debt	7,534,466	18,921,255	26,455,721
High Yield Investment	45,085,899	13,223,927	158,309,826
Developed Market International Stock	176,205,574	442,503,925	618,709,499
Emerging Market International Stock	30,715,416	77,135,428	107,850,844
Total	$940,294,050	$2,361,354,403	$3,301,648,453

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, 2009, the aggregate cost of purchases and proceeds from sales of investment securities including transactions from the Liquidity Fund were as follows:

Fund	Purchases	Sales
Mutual Equity	$7,861,623,613	$7,877,901,182

Core Fixed Income	15,909,963,186	17,106,561,861
Inflation Linked Bond	3,031,674,774	3,323,544,248
Emerging Market Debt	1,685,153,262	1,483,494,951
High Yield Investment	749,239,259	691,677,475
Developed Market International Stock	8,238,169,081	7,281,320,348
Emerging Market International Stock	1,494,498,945	683,802,534
Real Estate	280,955,108	197,507,387
Commercial Mortgage	13,343,120	14,468,773
Private Investment Fund	898,622,507	707,720,428

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

NOTE 4: UNREALIZED APPRECIATION AND DEPRECIATION ON INVESTMENTS AND FOREIGN EXCHANGE CONTRACTS

At June 30, 2009, the gross appreciation of investment securities and foreign currency in which there was an excess of fair value over cost, the gross depreciation of investment securities and foreign currency in which there was an excess of cost over fair value and the resulting net appreciation (depreciation) by fund were as follows:

Fund	Gross Appreciation	Gross Depreciation	Net Appreciation (Depreciation)
Mutual Equity	$611,693,409	$1,043,203,752	$(431,510,343)
Core Fixed Income	80,509,906	265,417,202	(184,907,296)
Inflation Linked Bond	16,852,355	1,235,985	15,616,370
Emerging Market Debt	56,994,598	84,781,097	(27,786,499)
High Yield Investment	20,863,205	104,055,026	(83,191,821)
Developed Market International Stock	289,737,599	672,916,419	(383,178,820)
Emerging Market International Stock	143,169,757	112,679,558	30,490,199
Real Estate	38,743,143	289,593,479	(250,850,336)
Commercial Mortgage	50,240	15	50,225
Private Investment Fund	154,294,635	352,152,179	(197,857,544)

NOTE 5: FOREIGN EXCHANGE CONTRACTS

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

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

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

At June 30, 2009, the Funds had recorded unrealized gains (losses) from open forward currency contracts as follows:

Liquidity Fund:

Foreign Currency	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	$ 5,299,190	$ (7,277)
EURO Currency	17,402,040	(151,088)
Japanese Yen	15,505,742	(16,318)
Mexican Peso	1,705,517	3,659
Norwegian Krone	6,959,231	(237,849)
Pound Sterling	10,528,105	27,137
South Korean Won	5,294,214	(178,136)

Swedish Krona		7,010,253		(279,011)
		69,704,292		**(838,883)**
Contracts to Sell:				
Australian Dollar		34,471,442		221,942
EURO Currency		54,376,965		730,711
Mexican Peso		11,770,780		(138,581)
New Zealand Dollar		30,646,252		186,869
Polish Zloty		11,950,561		83,666
South African Rand		6,217,149		(292,032)
South Korean Won		1,717,460		13,151
Swedish Krona		1,244,305		(42,321)
		152,394,914		**763,405**
Total	**$**	**222,099,206**	**$**	**(75,478)**

Financial Statement Amounts:

		Receivable		Payable		Net
FX Value	$	222,099,206	$	222,099,206	$	-
Unrealized Gain/Loss		(838,883)		763,405		(75,478)
Net	$	221,260,323	$	221,335,801	$	(75,478)

CORE Fixed Income Fund:

Foreign Currency		Value		Unrealized Gain/(Loss)
Contracts to Buy:				
EURO Currency	$	21,795,302	$	40,010
		21,795,302		40,010
Contracts to Sell:				
EURO Currency		25,710,708		(203,547)
Pound Sterling		6,596,433		(114,858)
		32,307,141		(318,405)
Total	$	54,102,443	$	(278,395)

Financial Statement Amounts:

		Receivable		Payable		Net
FX Value	$	54,102,443	$	54,102,443	$	-
Unrealized Gain/Loss		40,010		(318,405)		(278,395)
Net	$	54,142,453	$	54,420,848	$	(278,395)

Emerging Market Debt Fund:

Foreign Currency		Value		Unrealized Gain/(Loss)
Contracts to Buy:				
Chilean Peso	$	497,240	$	32,791
Colombian Peso		1,048,618		(35,377)
Czech Koruna		742,678		72,571
EURO Currency		-		23,445
Hungarian Forint		-		70,952
Indian Rupee		8,777,288		(114,076)
Indonesian Rupiah		4,298,112		(15,986)
Malaysian Ringgit		3,044,927		(35,735)
Mexican Peso		5,284,233		(27,489)
Peruvian Nouveau Sol		1,179,874		(2,119)
Polish Zloty		2,551,338		13,243
Turkish Lira		6,943,527		75,839
Yuan Renminbi		15,638,247		(225,656)
		50,006,082		(167,597)
Contracts to Sell:				
Brazilian Real		7,336,247		(96,306)
Chilean Peso		262,259		(8,822)
Colombian Peso		461,681		1,116
Czech Koruna		4,664,825		(163,286)
EURO Currency		9,299,655		86,698
Hungarian Forint		5,216,756		(218,201)
Indonesian Rupiah		74,229		(164)
Malaysian Ringgit		6,113,412		38,251
Mexican Peso		2,461,262		(48,909)
Peruvian Nouveau Sol		240,040		896
Polish Zloty		2,558,315		(100,093)
South African Rand		6,349,116		(216,945)
South Korean Won		4,130,698		99,130
Swiss Franc		8,580,245		59,219
Thailand Baht		1,611,544		(11,898)

Turkish Lira	2,688,433	(13,494)
Yuan Renminbi	6,138,045	(9,973)
	68,186,762	(602,781)
Total	$ 118,192,844	$ (770,378)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	$ 118,192,844	$ 118,192,844	$ -
Unrealized Gain/Loss	(167,597)	(602,781)	(770,378)
Net	$ 118,025,247	$ 118,795,625	$ (770,378)

Developed Market International Stock Fund:

Foreign Currency	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	$ 350,484,606	$ 8,056,854
Brazilian Real	1,434,401	(10,747)
Canadian Dollar	262,610	(1,232)
Danish Krone	17,221,719	250,896
EURO Currency	905,069,925	517,234
Hong Kong Dollar	77,590,814	3,552
Japanese Yen	648,685,483	(7,410,361)
New Zealand Dollar	44,550,670	1,296,601
Norwegian Krone	30,551,851	(206,168)
Pound Sterling	414,740,251	513,929
Singapore Dollar	87,692,281	872,288
South Korean Won	34,192,303	148,170
Swedish Krona	30,717,780	26,841
Swiss Franc	312,517,963	330,315
	$ 2,955,712,657	$ 4,388,172
Contracts to Sell:		
Australian Dollar	$ 240,893,091	$ (8,130,930)
Brazilian Real	437,606	2,988
Canadian Dollar	249,053	1,169
Danish Krone	22,690,524	(713,221)
EURO Currency	1,574,052,375	(22,558,189)
Hong Kong Dollar	141,851,833	21,673
Japanese Yen	1,038,947,652	(2,267,669)
Malaysian Ringgit	16,040	(39)
New Zealand Dollar	32,347,713	(1,320,289)
Norwegian Krone	40,076,077	(698,505)
Pound Sterling	668,437,003	(35,632,731)
Singapore Dollar	120,174,971	(2,161,755)
South Korean Won	65,267,303	(1,703,852)
Swedish Krona	55,336,111	(791,362)
Swiss Franc	407,017,641	(5,776,921)
	4,407,794,993	(81,729,633)
Total	$ 7,363,507,650	$ (77,341,461)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	$ 7,363,507,650	$ 7,363,507,650	$ -
Unrealized Gain/Loss	4,388,172	(81,729,633)	(77,341,461)
Net	$ 7,367,895,822	$ 7,445,237,283	$(77,341,461)

Emerging Market International Stock Fund:

Foreign Currency	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Brazilian Real	$ 4,935,695	$ (81,347)
Israeli Shekel	2,104	(5)
Malaysian Ringgit	40,642	278
Philippine Peso	17,681	(6)
Polish Zloty	4,228	(22)
South African Rand	236,842	7,688
Thailand Baht	82,529	(122)
Turkish Lira	29,674	(95)
	5,349,395	(73,631)
Contracts to Sell:		
Brazilian Real	780,085	(388)

Egyptian Pound	310	(1)
Hong Kong Dollar	2,005,328	(39)
Indonesian Rupiah	117,005	(258)
Malaysian Ringgit	98,910	(467)
Philippine Peso	126,739	(615)
South African Rand	1,416,458	(32,726)
Thailand Baht	107,209	220
Turkish Lira	176,839	(644)
	4,828,883	(34,918)
Total	$ 10,178,278	$ (108,549)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	$ 10,178,278	$ 10,178,278	$ -
Unrealized Gain/Loss	(73,631)	(34,918)	(108,549)
Net	$ 10,104,647	$ 10,213,196	$ (108,549)

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, 2009, were as follows:

Fund	Total Commitment	Cumulative Amounts Funded	Unfunded Commitment
Real Estate	$1,674,303,364	$1,270,689,066	$403,614,298
Private Investment	$5,891,428,014	$4,124,748,824	$1,766,679,190

NOTE 8: COST BASIS OF INVESTMENTS

The aggregate cost values of investments in the Funds are as follows at June 30, 2009:

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Investments in Securities, at Cost					
Liquidity Fund	$ -	$ 544,759,483	$ 221,531,617	$ 13,471,899	$ 77,332,795
Cash Equivalents	1,454,199,853	-	-	-	-
Asset Backed Securities	63,562,302	-	33,595,379	-	1,208,519
Government Securities	362,017,882	-	724,777,816	800,454,752	621,011,968
Government Agency Securities	14,688,136	-	930,599,217	-	-
Mortgage Backed Securities	14,592,121	-	622,169,144	-	915,284
Corporate Debt	254,710,102	-	851,408,637	-	142,216,321
Convertible Securities	-	-	-	-	-
Common Stock	-	4,923,069,517	-	-	-
Preferred Stock	-	-	6,153,733	-	-
Real Estate Investment Trust	-	76,143,629	-	-	-
Mutual Fund	-	312,466,738	10,389,800	-	310,327,809
Limited Liability Corporation	-	-	-	-	-
Trusts	-	-	-	-	-
Limited Partnerships	-	163,343,187	-	-	-
Partnerships	-	-	-	-	-
Annuities	-	-	-	-	-
Total Investments in Securities, at cost	$2,163,770,396	$6,019,782,554	$3,400,625,343	$813,926,651	$1,153,012,696

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, 2009.

The CRPTF continues to 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 ("PIF"), 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 related action has been initiated by the Philadelphia office of the Securities and Exchange Commission. The SEC has assured the partnership that assets recovered in its action will be turned over to the partnership for distribution to the limited partners. A liquidating trustee was appointed in 2007 to dissolve the partnership and wind up its business activities. The remaining reserve was scheduled to be distributed, on a pro rata basis, in December 2008. The liquidating trustee is waiting for the conclusion of the related SEC action. The SEC has not furnished the liquidating trustee or the limited partners with information concerning its anticipated schedule for completion of its action.

Additionally, another limited partnership in the PIF invested $15 million in a portfolio company that reported double digit revenue growth. In 2005, the General Partner initiated a sales process expecting to realize significant gain. Lack of cooperation from management challenged the sale process, resulting in legal action from the partnership and other investors in the portfolio company to force a sale. This process uncovered serious financial irregularities in the portfolio company, resulting in the removal and criminal investigation of the CEO and other senior managers. 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 was appointed to oversee further liquidation efforts, including investigation and pursuit of potential litigation claims. In January of 2009, the liquidating trustee entered into a settlement agreement with the General Partner, exchanging mutual releases for the GP, the fund and its investors. Additionally, the settlement agreement provides for a sharing of recovery from further prosecution of the matter, including any settlement reached with the insurance carrier. Recoveries are anticipated to be quite modest, if at all. Finally, the United States Attorney in Pittsburgh has obtained indictments against four (4) company insiders.

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND
$ 56,081,838	$ 203,563,951	$ 16,111,085	$ 25,330,718	$ 165,547	$ 53,208,676
-	11,392,780	-	-	-	-
24,927,095	-	-	-	-	-
10,889,935	-	-	-	-	-
-	-	-	-	-	-
8,994,939	-	-	-	243,696	-
659,934,664	258,751	-	-	-	-
28,856,559	451,061	-	-	-	-
9,443,039	4,548,352,998	878,860,681	-	4,675,676	8,580,096
2,328,455	14,108,018	28,276,833	-	-	-
299,200	16,158,041	-	-	-	-
-	53,384,226	187,663,177	-	-	-
-	-	-	-	-	4,557,619
-	-	-	8,193,225	-	-
-	-	-	988,281,587	-	1,752,779,175
-	-	-	-	-	-
-	-	-	-	-	-
$801,755,724	$4,847,669,826	$1,110,911,776	$1,021,805,530	$5,084,919	$1,819,125,566

COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS

	MUTUAL EQUITY					MUTUAL FIXED INCOME				
FISCAL YEAR ENDED JUNE 30,	**2009**	**2008**	**2007**	**2006**	**2005**	**2009**	**2008**	**2007**	**2006**	**2005**
PER SHARE DATA										
Net Asset Value- Beginning of Period	$927.68	$1,085.16	$933.70	$858.25	$807.00	$-	$114.53	$112.04	$116.37	$113.15
INTRAFUND TRANSFER IN (OUT)	-	-	-	-	-	-	(116.90)	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	16.89	16.87	18.04	13.66	12.76	-	2.00	6.23	5.92	5.50
Net Gains or (Losses) on Securities										
(Both Realized and Unrealized)	(279.76)	(156.38)	151.06	74.43	51.57	-	2.08	1.53	(4.98)	3.09
Total from Investment Operations	(262.87)	(139.51)	169.10	88.09	64.33	-	4.08	7.76	0.94	8.59
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(16.51)	(17.97)	(17.64)	(12.64)	(13.08)	-	(1.71)	(5.27)	(5.27)	(5.37)
Net Asset Value - End of Period	$648.30	$927.68	$1,085.16	$933.70	$858.25	$0.00	$0.00	$114.53	$112.04	$116.37
TOTAL RETURN	**-28.68%**	**-12.99%**	**18.24%**	**10.27%**	**8.06%**	**0.00%**	**0.00%**	**6.92%**	**0.77%**	**7.70%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$5,590	$7,999	$9,818	$8,982	$8,275	$-	$-	$7,594	$6,419	$6,280
Ratio of Expenses to Average Net Assets										
(excl. sec. lending fees & rebates)	0.14%	0.26%	0.12%	0.32%	0.30%	-	-	0.13%	0.13%	0.11%
Ratio of Expenses to Average Net Assets	0.30%	0.80%	0.75%	0.66%	0.44%	-	-	1.01%	0.90%	0.53%
Ratio of Net Investment Income (Loss)										
to Average Net Assets	2.14%	1.68%	1.83%	1.53%	1.53%	-	-	5.19%	5.19%	4.70%

	CORE FIXED INCOME					INFLATION LINKED BOND				
FISCAL YEAR ENDED JUNE 30,	**2009**	**2008**	**2007**	**2006**	**2005**	**2009**	**2008**	**2007**	**2006**	**2005**
PER SHARE DATA										
Net Asset Value- Beginning of Period	$113.86	$-	$-	$-	$-	$131.19	$-	$-	$-	$-
INTRAFUND TRANSFER IN (OUT)	$-	115.45	-	-	-	$-	$120.07	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	5.30	4.09	-	-	-	2.21	10.41	-	-	-
Net Gains or (Losses) on Securities										
(Both Realized and Unrealized)	(2.44)	(1.44)	-	-	-	(2.11)	2.15	-	-	-
Total from Investment Operations	2.86	2.65	-	-	-	0.10	12.56	-	-	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(6.16)	(4.24)	-	-	-	(3.21)	(1.44)	-	-	-
Net Asset Value - End of Period	$110.56	$113.86	$-	$-	$-	$128.08	$131.19	$-	$-	$-
TOTAL RETURN	**2.84%**	**5.65%**	**0.00%**	**0.00%**	**0.00%**	**-0.20%**	**16.81%**	**0.00%**	**0.00%**	**0.00%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$3,160	$4,537	$-	$-	$-	$837	$1,173	$-	$-	$-
Ratio of Expenses to Average Net Assets										
(excl. sec. lending fees & rebates)	0.14%	0.20%	-	-	-	0.11%	0.07%	-	-	-
Ratio of Expenses to Average Net Assets	031%	1.30%	-	-	-	0.76%	0.55%	-	-	-
Ratio of Net Investment Income (Loss)										
to Average Net Assets	4.62%	8.62%	-	-	-	1.79%	5.45%	-	-	-

	EMERGING MARKET DEBT					HIGH YIELD DEBT				
FISCAL YEAR ENDED JUNE 30,	**2009**	**2008**	**2007**	**2006**	**2005**	**2009**	**2008**	**2007**	**2006**	**2005**
PER SHARE DATA										
Net Asset Value- Beginning of Period	$118.78	$-	$-	$-	$-	$112.63	$-	$-	$-	$-
INTRAFUND TRANSFER IN (OUT)	$-	$121.80	-	-	-	$-	$119.44	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	10.90	4.34	-	-	-	9.72	5.41	-	-	-
Net Gains or (Losses) on Securities										
(Both Realized and Unrealized)	(15.89)	(5.90)	-	-	-	(15.60)	(7.68)	-	-	-
Total from Investment Operations	(4.99)	(1.56)	-	-	-	(5.88)	(2.27)	-	-	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(5.11)	(1.46)	-	-	-	(8.27)	(4.54)	-	-	-
Net Asset Value - End of Period	$108.68	$118.78	$-	$-	$-	$98.48	$112.63	$-	$-	$-
TOTAL RETURN	**-3.62%**	**5.59%**	**0.00%**	**0.00%**	**0.00%**	**-4.59%**	**-1.88%**	**0.00%**	**0.00%**	**0.00%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$1,132	$1,047	$-	$-	$-	$733	$759	$-	$-	$-
Ratio of Expenses to Average Net Assets										
(excl. sec. lending fees & rebates)	0.32%	0.32%	-	-	-	0.32%	0.45%	-	-	-
Ratio of Expenses to Average Net Assets	0.35%	0.40%	-	-	-	0.48%	1.03%	-	-	-
Ratio of Net Investment Income (Loss)										
to Average Net Assets	8.93%	5.16%	-	-	-	9.08%	9.37%	-	-	-

Source: Amounts were derived from custodial records.

COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS

	INTERNATIONAL STOCK					DEVELOPED MARKET INTERNATIONAL				
FISCAL YEAR ENDED JUNE 30,	**2009**	**2008**	**2007**	**2006**	**2005**	**2009**	**2008**	**2007**	**2006**	**2005**
PER SHARE DATA										
Net Asset Value- Beginning of Period	$-	$442.47	$347.57	$282.09	$241.09	$384.58	$-	$-	$-	$-
INTRAFUND TRANSFER IN (OUT)	-	(473.81)	-	-	-	-	478.96	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	-	2.41	9.09	7.91	5.73	8.45	9.49	-	-	-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	-	31.53	92.81	64.29	40.22	(114.67)	(97.18)	-	-	-
Total from Investment Operations	-	33.94	101.90	72.20	45.95	(106.22)	(87.69)	-	-	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	-	(2.60)	(7.00)	(6.72)	(4.95)	(7.67)	(6.69)	-	-	-
Net Asset Value - End of Period	$-	$0.00	$442.47	$347.57	$282.09	$270.69	$384.58	$-	$-	$-
TOTAL RETURN	**0.00%**	**0.00%**	**29.65%**	**25.69%**	**19.23%**	**-27.98%**	**-14.60%**	**0.00%**	**0.00%**	**0.00%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$-	$-	$6,021	$5,357	$4,489	$4,416	$5,108	$-	$-	$-
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	-	-	0.52%	0.53%	0.60%	0.41%	0.54%	-	-	-
Ratio of Expenses to Average Net Assets	-	-	1.19%	1.19%	0.92%	0.49%	0.96%	-	-	-
Ratio of Net Investment Income (Loss) to Average Net Assets	-	-	2.42%	2.51%	2.25%	2.51%	3.92%	-	-	-

	EMERGING MARKET INTERNATIONAL STOCK					REAL ESTATE				
FISCAL YEAR ENDED JUNE 30,	**2009**	**2008**	**2007**	**2006**	**2005**	**2009**	**2008**	**2007**	**2006**	**2005**
PER SHARE DATA										
Net Asset Value- Beginning of Period	$389.39	$-	$-	$-	$-	$55.48	$55.10	$56.53	$62.31	$52.76
INTRAFUND TRANSFER IN (OUT)	-	474.35	-	-	-	-	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	6.72	18.06	-	-	-	0.86	3.41	0.81	0.86	0.82
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(126.78)	(100.62)	-	-	-	(16.51)	0.13	6.98	2.84	12.83
Total from Investment Operations	(120.06)	(82.56)	-	-	-	(15.65)	3.54	7.79	3.70	13.65
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.40)	(2.40)	-	-	-	(1.07)	(3.16)	(9.22)	(9.48)	(4.10)
Net Asset Value - End of Period	$264.93	$389.39	$-	$-	$-	$38.76	$55.48	$55.10	$56.53	$62.31
TOTAL RETURN	**-30.90%**	**0.19%**	**0.00%**	**0.00%**	**0.00%**	**-28.66%**	**6.04%**	**14.21%**	**7.09%**	**27.74%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$1,147	$1,304	$-	$-	$-	$770	$1,002	$686	$399	$400
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.59%	0.99%	-	-	-	0.52%	0.48%	0.25%	0.41%	0.39%
Ratio of Expenses to Average Net Assets	0.67%	1.38%	-	-	-	0.52%	0.48%	na	na	na
Ratio of Net Investment Income (Loss) to Average Net Assets	2.08%	9.28%	-	-	-	1.80%	6.42%	1.45%	1.39%	1.43%

	COMMERCIAL MORTGAGE					PRIVATE INVESTMENT				
FISCAL YEAR ENDED JUNE 30,	**2009**	**2008**	**2007**	**2006**	**2005**	**2009**	**2008**	**2007**	**2006**	**2005**
PER SHARE DATA										
Net Asset Value- Beginning of Period	$55.58	$54.86	$59.31	$58.76	$62.75	$54.85	$56.43	$55.35	$57.45	$65.23
INTRAFUND TRANSFER IN (OUT)	-	-	-	-	-	-	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	3.71	4.25	4.18	5.41	6.13	1.83	8.15	8.47	8.69	8.09
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(5.39)	1.26	(0.88)	(0.10)	(2.99)	(9.99)	(0.92)	1.29	(2.45)	(2.96)
Total from Investment Operations	(1.68)	5.51	3.30	5.31	3.14	(8.16)	7.23	9.76	6.24	5.13
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.42)	(4.79)	(7.75)	(4.76)	(7.13)	(2.26)	(8.81)	(8.68)	(8.34)	(12.91)
Net Asset Value - End of Period	$49.48	$55.58	$54.86	$59.31	$58.76	$44.43	$54.85	$56.43	$55.35	$57.45
TOTAL RETURN	**-3.14%**	**12.05%**	**8.17%**	**9.69%**	**6.95%**	**-16.36%**	**13.66%**	**19.56%**	**11.74%**	**9.58%**
RATIOS										
Net Assets - End of Period ($000,000 Omitted)	$5	$7	$8	$18	$20	$1,627	$1,795	$1,564	$1,360	$1,441
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	1.53%	1.16%	0.82%	1.03%	0.94%	0.54%	0.66%	0.36%	0.43%	0.36%
Ratio of Expenses to Average Net Assets	1.53%	1.16%	na	na	na	0.54%	0.66%	na	na	na
Ratio of Net Investment Income (Loss) to Average Net Assets	7.09%	7.77%	5.65%	9.23%	10.19%	2.76%	14.65%	14.97%	15.32%	12.87%

Source: Amounts were derived from custodial records.

SHORT-TERM INVESTMENT FUND

STATEMENT OF NET ASSETS
JUNE 30, 2009

	June 30, 2009
ASSETS	
Investment in Securities, at Amortized Cost (Note 7)	$ 4,546,733,336
Accrued Interest and Other Receivables	3,870,393
Prepaid Assets	70,830
Total Assets	4,550,674,559
LIABILITIES	
Distribution Payable	1,846,640
Interest Payable	302,928
Total Liabilities	2,149,568
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	$ 4,548,524,991

See accompanying Notes to the Financial Statements.

SHORT-TERM INVESTMENT FUND

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

	2009	2008
ADDITIONS		
Operations		
Interest Income	$ 74,939,173	$ 208,172,504
Net Investment Income	74,939,173	208,172,504
Net Realized Gains	606,703	43,496
Net Decrease in Fair Value of Investments	-	(24,000,000)
Net Increase Resulting from Operations	75,545,876	184,216,000
Share Transactions at Net Asset Value of $1.00 per Share		
Purchase of Units	15,586,406,101	14,455,641,703
TOTAL ADDITIONS	15,661,951,977	14,639,857,703
DEDUCTIONS		
Distribution to Participants (Notes 2 & 6)		
Distributions to Participants*	(69,698,998)	(205,184,804)
Total Distributions Paid and Payable	(69,698,998)	(205,184,804)
Share Transactions at Net Asset Value of $1.00 per Share		
Redemption of Units	(16,096,987,314)	(14,383,089,216)
Operations		
Operating Expenses	(1,262,329)	(1,157,785)
TOTAL DEDUCTIONS	(16,167,948,641)	(14,589,431,805)
CHANGE IN NET ASSETS	(505,996,664)	50,425,898
Net Assets Held in Trust for Participants		
Beginning of Year	5,054,521,655	5,004,095,757
End of Year	$ 4,548,524,991	$ 5,054,521,655

See accompanying Notes to the Financial Statements.

* Net of designated reserve transfer contributions and expenses.

NOTE 1: INTRODUCTION AND BASIS OF PRESENTATION

The Short-Term Investment Fund ("STIF" or the "Fund") is a money market investment pool managed by the Treasurer of the State of Connecticut. Section 3-27 of the Connecticut General Statutes (CGS) created STIF. Pursuant to CGS 3-27a - 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the Fund. Securities in which the State Treasurer is authorized to invest monies of STIF include United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, saving accounts, bankers' acceptances, repurchase agreements, and asset-backed securities. STIF is authorized to issue an unlimited number of units.

For State of Connecticut financial reporting purposes, STIF is considered to be a mixed investment pool – a pool having external and internal portions. The internal portion (i.e., the portion that belongs to investors that are part of the State's financial reporting entity) is not displayed in the State's basic financial statements. Instead, each fund type's investment in STIF is reported as "cash equivalents" in the statement of net assets. The external portion (i.e., the portion that belongs to investors which are not part of the State's financial reporting entity) is recorded in an investment trust fund in the basic financial statements.

The Fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use amortized cost to report net assets.

Related Party Transactions.

STIF had no related party transactions during the fiscal year with the State of Connecticut and its component units including leasing arrangements, the performance of administrative services and the execution of securities transactions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity.

The Fund is a Fiduciary Investment Trust Fund. A fiduciary fund is used to account for governmental activities that are similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The generally accepted accounting principles ("GAAP") used for fiduciary funds are generally those applicable to similar businesses in the private sector. The Fund uses the accrual basis of accounting.

Security Valuation of Financial Instruments.

The assets of the Fund are carried at amortized cost (which approximates fair value) except for Cheyne (Gryphon) which is reflected at amortized cost adjusted for reserve transfer (see Note 7and the List of Investments). All premiums and discounts on securities are amortized or accreted on a straight line basis.

Security Transactions.

Purchases and sales of investments are recorded on a trade date basis. Gains and losses on investments are realized at the time of the sales and are calculated on the basis of an identified block or blocks of securities having an identified amortized cost. Bond cost is determined by identified lot.

Interest Income.

Interest income, which includes amortization of premiums and accretion of discounts, is accrued as earned.

Expenses.

Operating and interest expenses of STIF are accrued as incurred.

Fiscal Year.

The fiscal year of STIF ends on June 30.

Distributions to Investors.

Distributions to investors are earned on units outstanding from date of purchase to date of redemption. Income is calculated daily based upon the actual earnings of the Fund net of administrative expenses and, if applicable, an allocation to the Designated Surplus Reserve. Distributions are paid monthly within two business days of the end of the month, and are based upon actual number of days in a year. Shares are sold and redeemed at a constant $1.00 net asset value per share, which is consistent with the per share net asset value of the Fund, excluding the Designated Surplus Reserve.

Designated Surplus Reserve.

While STIF is managed prudently to protect against losses from credit and market changes, the Fund is not insured or guaranteed by any government. Therefore, the maintenance of capital cannot be fully assured. In order to provide some protection to the shareholders of STIF from potential credit and market risks, the Treasurer has designated that a portion of each day's net earnings be transferred to the Designated Surplus Reserve (Reserve). Such amounts are restricted in nature and are not available for current distribution to shareholders. The amount transferred daily to the Designated Surplus Reserve is equal to 0.1 percent of end of day investment balance divided by the actual number of days in the year until the reserve account is equal to or greater than 1.0 percent of the daily investment balance. During FY 2009, transfers into the reserve account were made when the reserve account exceeded 1.0 percent pending the transfer (effective June 30, 2008) from the account to cover the Cheyne (Gryphon) valuation adjustment. If net losses significant to the aggregate portfolio are realized, the Treasurer is authorized to transfer funds from the Reserve to Participants with Units Outstanding.

As of June 30, 2009, the balance in the Designated Surplus Reserve was $33,728,334 which reflects $4.6 million in contributions during the year.

Estimates.

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities in the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: DEPOSIT AND INVESTMENT DISCLOSURES

A formal investment policy (as adopted August 21, 1996, revised June 16, 2008 and April 17, 2009) specifies policies and guidelines that provide for the systematic management of STIF and prudent and productive investment of funds. STIF's investment practice is to invest all cash balances; as such, there was no uninvested cash at June 30, 2009. All securities of STIF are registered under the State Street Bank nominee name, Pond, Tide & Co., for the State of Connecticut nominee name, Conn. STIF & Co., and held by a designated agent of the State.

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the STIF's deposits may not be recovered. The STIF follows policy parameters that limit deposits in any one entity to a maximum of ten percent of total assets at the time of purchase. Further, the certificates of deposits must be issued from commercial banks whose short-term debt is rated at least A-1 by Standard and Poor's and F-1 by Fitch and whose long-term debt is rated at least A- and its issuer rating is at least "C".

Certificates of Deposit in banks are insured up to $250,000 (through December 31,2013), any amount above this limit is considered uninsured. Additionally, state banking regulation requires all Connecticut public depositories to segregate collateral against public deposits in an amount equal to ten percent of the outstanding deposit. As of fiscal year-end, certificates of deposit in the Short-Term Investment Fund totaled $880 million. Of that amount, $797 million was exposed to custodial credit risk representing the portion that was uninsured and uncollateralized. Each of the CD's had daily put options that would allow STIF to redeem the investments on a same-day basis.

Under the Federal Deposit Insurance Corporation (FDIC) rule for its Transaction Account Guarantee Program, the FDIC provides unlimited deposit insurance coverage for non-interest bearing transaction accounts, including

Negotiable Order of Withdrawal (NOW) accounts that pay no more that 0.50 percent interest. As of fiscal year-end, the Short-Term Investment Fund had $2.9 billion invested in FDIC-insured NOW accounts.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in the general level of interest rates will adversely affect the fair value of an investment. The STIF's policy for managing interest rate is to limit investments to a very short weighted average maturity, not to exceed 90-days, and to comply with Standard and Poor's requirement that the weighted average maturity not exceed 60 days. The weighted-average maturity is calculated daily, and reported to Standard and Poor's weekly to ensure compliance. As of June 30, 2009 the weighted average maturity of the STIF was 9 days. The breakdown of the STIF's maturity profile is outlined below.

		Investment Maturity in Years	
Investments	**Amortized Cost**	**Less than One**	**One - Five**
Deposit Instruments:			
Fixed	$880,000,000	$880,000,000	$ -
Floating Rate Notes			
Corporate Notes	21,588,570	21,588,570	-
Structured Investment Vehicles	94,445,140	94,445,140	-
Federal Agency Securities			
Fixed	50,000,000	50,000,000	-
Floaters	386,896,284	50,843,632	336,052,652
US Government Guaranteed	2,950,000,000	2,950,000,000	-
Government Money Market Funds	163,803,342	163,803,342	-
Total	$4,546,733,336	$4,210,680,684	$336,052,652

Additionally, STIF is allowed by policy to invest in floating-rate debt securities. Further investment in floating-rate securities with maturities greater than two years is limited to no more than 20 percent of the overall portfolio. For purposes of the weighted average maturity calculation and classification in the chart above, variable-rate securities are calculated using their interest rate reset dates. Because these securities re-set frequently to prevailing market rates, interest rate risk is substantially reduced. As of fiscal year-end, the STIF portfolio held $503 million in variable rate securities.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The STIF manages its credit risk by investment only in debt securities that fall within the highest short-term or long-term rating categories by nationally recognized rating organizations.

Investments	Amortized Cost	AAA/A-1+	AA/A-1+	A/A-1	N/R
Deposit Instruments:					
Fixed	$880,000,000	$-	$830,000,000	$50,000,000	$-
Floating Rate Notes					
Corporate Notes	21,588,570	-	4,999,806	16,588,764	-
Structured Investment Vehicles	94,445,140	-	-	49,999,837	44,445,303
Federal Agency Securities					
Fixed	50,000,000	50,000,000	-	-	-
Floaters	386,896,284	386,896,284	-	-	-
US Government Guaranteed/Insured	2,950,000,000	2,950,000,000	-	-	-
Government Money Market Funds	163,803,342	163,803,342	-	-	-
Total	$4,546,733,336	$3,550,699,626	$834,999,806	$116,588,601	$44,445,303

Concentration of Credit Risk

The Short-Term Investment Fund limits the amount it may invest in any one issuer to an amount not to exceed 10 percent at the time of purchase other than overnight or two-business-day repurchase agreements and U.S. government and agency securities. As of June 30, 2009, the table below lists issuers with concentrations of greater than 5 percent. The three instances in which concentrations on June 30, 2009 exceeded 10 percent resulted from a decline in the overall portfolio size. At the time of purchase, the securities were at or below 10 percent. The investments were in U.S. Government (FDIC) insured securities.

NOTES TO FINANCIAL STATEMENTS (Continued)

Issuer	Fair Value	Percent of Total Portfolio
BB & T Bank	$500,000,000	11.0
Fifth Third Bank	500,000,000	11.0
US Bank	500,000,000	11.0
Sovereign Bank	450,000,000	9.9
JP Morgan Chase Bank	415,000,000	9.1
TD Bank	415,000,000	9.1
Citibank	400,026,075	8.8
Webster Bank	400,000,000	8.8

NOTE 4: CUSTODIAN

State Street Bank was appointed as custodian for STIF effective February 1, 1996. STIF pays a percentage of the fixed annual rate of $110,000 for the Short-Term Investment Unit. This percentage is calculated annually by determining the STIF fund size relative to that of the total Short-Term Investment Unit.

NOTE 5: ADMINISTRATION

STIF is managed and administered by employees of the State of Connecticut Treasury. Salaries and fringe benefit costs as well as operating expenses are charged directly to the Fund.

NOTE 6: DISTRIBUTIONS TO INVESTORS

The components of the distributions to investors are as follows for the income earned during the twelve months ended:

Distributions:	2009	2008
July	$9,552,900	$23,237,650
August	10,885,593	26,051,672
September	10,020,904	24,381,386
October	8,382,261	23,109,275
November	6,870,533	19,591,395
December	5,624,806	15,941,753
January	4,289,444	16,365,735
February	3,477,010	14,164,444
March	3,477,312	12,867,724
April	2,679,262	10,148,379
May	2,592,339	10,362,416
June (Payable at June 30)	1,846,634	8,962,975
Total Distribution Paid & Payable	**$69,698,998**	**$205,184,804**

NOTE 7: INVESTMENTS IN SECURITIES

The following is a summary of investments in securities, at amortized cost and fair value as of June 30, 2009:

Investment	Amortized Cost	Fair Value
Deposit Instruments	$880,000,000	$880,000,000
Corporate Notes and SIVs	116,033,710	107,118,554
Federal Agency Securities	436,896,284	437,346,078
Government Money Market Funds	163,803,342	163,803,342
US Government Guaranteed/Insured	2,950,000,000	2,950,026,075
TOTAL	**$4,546,733,336**	**$4,538,294,049**

The Gryphon Funding pass-through note was received as a result of the Cheyne Finance restructuring in July 2008, and consists of the securities that were underlying the Cheyne notes. Since the restructuring, the Gryphon note has made monthly principal and interest payments. Due to uncertain market conditions, and because the Gryphon note represents a continuation of the Cheyne notes, we determined that continuation of the previous accounting treatment of applying all cash distributions to amortized cost maximizes recovery of value and, in our view, best protects the fund. During the fiscal year, cash payments totaled $12.9 million, consisting of $11.3 million in principal and $1.6 million in interest. The interest payments are not included in Investment Income or in Distributions to Participants, but recorded against the amortized cost of this investment until such time as the relative principal and interest amounts, and their ultimate effect on the Fund, are known. As discussed in the fiscal year 2008 report, on December 5, 2008, $24 million was transferred from the reserves to cover a reduction in value effective June 30, 2008. Amortized cost reflects cash distributions of $31.6 million since April 2008 and the reserve transfer. The June 30, 2009, estimated fair value was provided by the Gryphon custodian and, we believe, understates the ultimate total recovery value. We consider the difference between the Amortized Cost ($44.4 million) and Fair Market Value ($35.5 million) as of June 30, 2009 to be temporary. Indeed, subsequent to the end of the fiscal year, cash distributions have totaled $3.1 million as of November 2009, bringing STIF's exposure to $41.3 million, and as of October 30, 2009, the custodian valued the Gryphon note at $40.7 million.

Repurchase agreements are agreements to purchase securities from an entity for a specified amount of cash and to resell the securities to the entity at an agreed upon price and time. They are used to enhance returns with minimal risk on overnight cash deposits of the Fund. Such transactions are only entered into with primary government securities dealers who report directly to the Federal Reserve Bank of New York and commercial banks that meet certain quality standards. All repurchase agreements are collateralized at between 100 percent and 102 percent of the securities' value. As of fiscal year end, STIF did not hold any repurchase agreements.

In an effort to improve disclosures associated with derivative contracts, the Government Accounting Standards Board (GASB) issued GASB Technical Bulletin No. 2003-1 (TB2003-1), Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets, effective for the periods ending after June 15, 2003. TB 2003-1 clarifies guidance on derivative disclosures that are not reported at fair value on the statement of net assets and defines a derivative instrument as a financial instrument or other contract with all three of the following characteristics: a) it has (1) one or more underlyings (a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates or other variable) and (2) one or more notional amounts (a number of currency units, shares, bushels, pounds, or other units specified in the contract) b) it requires no initial investment or smaller than would be required for other types of contracts c) its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

For the fiscal year ended June 30, 2009, the Short-Term Investment Fund held adjustable-rate corporate notes and U.S. government agency securities whose interest rates vary directly with short-term money market indices and are reset either daily, monthly or quarterly. Such securities allow the Fund to earn higher interest rates as market rates increase, thereby increasing fund yields and protecting against the erosion of market values from rising interest rates. These adjustable rate securities have similar exposures to credit and legal risks as fixed-rate securities from the same issuers.

NOTE 8: CREDIT RATING OF THE FUND

Throughout the year ended June 30, 2009, STIF was rated AAAm, its highest rating, by Standard and Poor's Corporation ("S&P"). In November 2008, following a review of the portfolio and STIF's investment policies, management and procedures, S&P reaffirmed STIF's AAAm rating and has continued to maintain this high rating throughout the current fiscal year. In order to maintain an AAAm rating, STIF adheres to the following guidelines:

- Weekly portfolio and market value calculations;
- Maintenance of credit quality standards for portfolio securities with at least 50% of such securities rated A-1+ or invested in overnight repurchase agreements with dealers or banks rated A-1;
- Ensuring adequate portfolio diversification standards with, at the time of purchase, no more than 5% of the portfolio invested in an individual security and no more than 10% invested in an individual issuer, excluding one and two day repurchase agreements and U.S. government agency securities; and
- A limit on the overall portfolio weighted average maturity (currently no more than 60 days).

It is the Treasurer's intention to take any and all such actions as are needed from time to time to maintain the AAAm rating.

NOTE 9: SUBSEQUENT EVENTS

Since the restructuring of the Cheyne Finance notes into Gryphon Funding notes effective July 23, 2008, the notes have made monthly principal and interest payments. Subsequent to the fiscal year ending June 30, 2009, cash distributions from the Gryphon notes have totaled $3.1 million as of November 6, 2009, bringing STIF's exposure to $41.3 million.

The June 30, 2009, estimated fair value ($35.5 million) was provided by the Gryphon custodian and, we believe, understates the ultimate total recovery value. As of October 30, 2009, the custodian valued the Gryphon note at $40.7 million.

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2009

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost	Fair Value	Asset ID	Quality Rating
FEDERAL AGENCY SECURITIES (9.61% OF TOTAL INVESTMENTS)						
$ 25,000,000	FFC 0.36, 3/12/10	0.58	$ 24,932,479	$ 24,960,400	31331YXY1	AAA
1,000,000	FFC 0.36, 9/24/09	0.49	998,504	999,692	31331YZD5	AAA
25,000,000	FFC 0.47, 6/17/10	0.65	24,912,649	24,958,900	31331YX62	AAA
5,000,000	FFC 1.45, 1/24/11	0.49	5,039,305	5,038,715	31331GFV6	AAA
25,000,000	FANNIE MAE 0.97, 8/5/10	0.46	24,998,154	25,042,250	31398AVE9	AAA
25,000,000	FANNIE MAE 1.03, 7/13/10	0.44	24,994,334	25,020,925	31398AUW0	AAA
25,000,000	FANNIE MAE 1.03, 7/13/10	0.44	24,991,065	25,020,925	31398AUW0	AAA
50,000,000	FHLB 0.22, 7/1/09	0.22	50,000,000	50,000,000	313385HP4	AAA
25,000,000	FHLB 1.02, 7/27/10	0.45	24,995,054	25,035,625	3133XSXF0	AAA
3,000,000	FHLB 1.08, 1/14/11	0.48	3,004,631	3,004,374	3133XSVP0	AAA
25,000,000	FREDDIE MAC 0.58, 9/24/10	0.44	24,993,852	25,040,675	3128X8TD4	AAA
25,000,000	FREDDIE MAC 0.64, 8/24/10	0.42	25,000,000	25,056,625	3128X8MB5	AAA
25,000,000	FREDDIE MAC 0.70, 3/9/11	0.50	25,023,599	25,079,325	3128X8RC8	AAA
15,000,000	FREDDIE MAC 0.89, 2/1/11	0.61	15,005,531	14,971,755	3128X8D41	AAA
25,000,000	FREDDIE MAC 0.93, 5/4/11	0.43	25,035,040	25,050,700	3128X8B92	AAA
1,270,000	FREDDIE MAC 0.93, 5/4/11	0.43	1,271,319	1,272,576	3128X8B92	AAA
1,400,000	FREDDIE MAC 1.09, 1/28/11	0.49	1,404,752	1,404,365	3128X8HJ4	AAA
25,000,000	FREDDIE MAC 1.10, 1/14/11	0.48	24,975,109	25,048,175	3128X8FR8	AAA
25,000,000	FREDDIE MAC 1.21, 4/7/11	0.50	24,991,164	25,068,250	3128X8VE9	AAA
50,000,000	FREDDIE MAC 1.27, 4/1/11	0.50	50,190,753	50,142,950	3128X8UJ9	AAA
10,100,000	FREDDIE MAC 1.27, 4/1/11	0.50	10,138,989	10,128,876	3128X8UJ9	AAA
$ 436,770,000			$ 436,896,284	$ 437,346,078		
DEPOSIT INSTRUMENTS (19.35% OF TOTAL INVESTMENTS)[1]						
$ 50,000,000	TDBANKNORTH 3.30, 8/4/09	3.30	$ 50,000,000	$ 50,000,000	89189A004	A-1+
100,000,000	TDBANKNORTH 1.32, 6/14/10	1.32	100,000,000	100,000,000	89189A004	A-1+
225,000,000	TDBANKNORTH 0.91, 6/24/10	0.91	225,000,000	225,000,000	89189A004	A-1+
40,000,000	TDBANKNORTH 0.91, 6/24/10	0.91	40,000,000	40,000,000	89189A004	A-1+
50,000,000	SOCIETE GENERALE 0.60, 8/5/09	0.60	50,000,000	50,000,000	8336P2TY4	A-1
215,000,000	JP MORGAN 0.48, 8/13/09	0.48	215,000,000	215,000,000	43499K004	A-1+
200,000,000	JP MORGAN 0.75, 4/27/10	0.75	200,000,000	200,000,000	914HAT004	A-1+
$ 880,000,000			$ 880,000,000	$ 880,000,000		
STRUCTURED INVESTMENT VEHICLES (2.08% OF TOTAL INVESTMENTS)						
$ 50,000,000	BETA FINANCE 1.15, 7/6/09	1.45	$ 49,999,837	$ 50,000,000	08658AQB4	A+[5]
84,099,830	GRYPHON 0.00,	0.00	44,445,303	35,532,178	40052TAA7	NR[2] [4]
$ 134,099,830			$ 94,445,140	$ 85,532,178		
CORPORATE NOTES (0.47% OF TOTAL INVESTMENTS)						
$ 11,590,000	GOLDMAN SACHS 1.43, 7/23/09	1.44	$ 11,591,790	$ 11,592,121	38141EJQ3	A [5]
5,000,000	BANK AMERICA 1.13, 11/6/09	1.42	4,996,974	4,990,980	060505CT9	A [5]
5,000,000	WELLS FARGO 0.73, 9/15/09	0.50	4,999,806	5,003,275	949746JD4	A-1+
$ 21,590,000			$ 21,588,570	$ 21,586,376		
GOVERNMENT MONEY MARKET FUNDS (3.60% OF TOTAL INVESTMENTS)						
$ 163,803,342	GS GOVT FUND 0.25, 7/1/09	0.25	$ 163,803,342	$ 163,803,342	03799C003	AAA
$ 163,803,342			$ 163,803,342	$ 163,803,342		
U. S. GOVERNMENT (FDIC) GUARANTEED OR INSURED BANK SECURITIES (64.89% OF TOTAL INVESTMENTS)						
$ 100,000,000	BANK OF AMERICA (NOW) 0.45, 12/31/09	0.45	$ 100,000,000	$ 100,000,000	060199007	AAA[3]
100,000,000	BANK OF AMERICA (NOW) 0.45, 12/31/09	0.45	100,000,000	100,000,000	060199007	AAA[3]
200,000,000	BB&T (NOW) 0.45, 12/31/09	0.45	200,000,000	200,000,000	997LAG003	AAA[3]
200,000,000	BB&T (NOW) 0.45, 12/31/09	0.45	200,000,000	200,000,000	997LAG003	AAA[3]
100,000,000	BB&T (NOW) 0.45, 12/31/09	0.45	100,000,000	100,000,000	997LAG003	AAA[3]
200,000,000	CITIBANK (NOW) 0.50, 12/31/09	0.50	200,000,000	200,000,000	172926008	AAA[3]
125,000,000	CITIBANK (NOW) 0.50, 12/31/09	0.50	125,000,000	125,000,000	172926008	AAA[3]
50,000,000	CITIBANK (NOW) 0.50, 12/31/09	0.50	50,000,000	50,000,000	172926008	AAA[3]
25,000,000	CITIGROUP FDIC 0.60, 6/3/11	0.42	25,000,000	25,026,075	17313YAD3	AAA
200,000,000	FIFTH THIRD (NOW) 0.45, 12/31/09	0.45	200,000,000	200,000,000	31677R008	AAA[3]
200,000,000	FIFTH THIRD (NOW) 0.45, 12/31/09	0.45	200,000,000	200,000,000	31677R008	AAA[3]
100,000,000	FIFTH THIRD (NOW) 0.45, 12/31/09	0.45	100,000,000	100,000,000	31677R008	AAA[3]
200,000,000	SOVEREIGN BANK (NOW) 0.50, 12/31/09	0.50	200,000,000	200,000,000	845905009	AAA[3]

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2009 (Continued)

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost	Fair Value	Asset ID	Quality Rating
100,000,000	SOVEREIGN BANK (NOW) 0.50, 12/31/09	0.50	100,000,000	100,000,000	845905009	AAA(3)
50,000,000	SOVEREIGN BANK (NOW) 0.50, 12/31/09	0.50	50,000,000	50,000,000	845905009	AAA(3)
50,000,000	SOVEREIGN BANK (NOW) 0.50, 12/31/09	0.50	50,000,000	50,000,000	845905009	AAA(3)
50,000,000	SOVEREIGN BANK (NOW) 0.50, 12/31/09	0.50	50,000,000	50,000,000	845905009	AAA(3)
200,000,000	US BANK (NOW) 0.49, 12/31/09	0.49	200,000,000	200,000,000	90299S000	AAA(3)
200,000,000	US BANK (NOW) 0.49, 12/31/09	0.49	200,000,000	200,000,000	90299S000	AAA(3)
100,000,000	US BANK (NOW) 0.49, 12/31/09	0.49	100,000,000	100,000,000	90299S000	AAA(3)
150,000,000	WEBSTER BANK (NOW) 0.45, 12/31/09	0.45	150,000,000	150,000,000	947991006	AAA(3)
100,000,000	WEBSTER BANK (NOW) 0.45, 12/31/09	0.45	100,000,000	100,000,000	947991006	AAA(3)
85,000,000	WEBSTER BANK (NOW) 0.45, 12/31/09	0.45	85,000,000	85,000,000	947991006	AAA(3)
65,000,000	WEBSTER BANK (NOW) 0.45, 12/31/09	0.45	65,000,000	65,000,000	947991006	AAA(3)
$ 2,950,000,000			$ 2,950,000,000	$ 2,950,026,075		
$4,586,263,172	**TOTAL INVESTMENT IN SECURITIES**		**$ 4,546,733,336**	**$ 4,538,294,049**		

(1) Deposit instruments have daily put option.

(2) The Gryphon note was received as a result of the Cheyne Finance restructuring in July 2008. Amortized cost reflects cash distributions of $31.6 million since April 2008 and the reserve transfer. The June 30, 2009, estimated fair value ($35.5 million) was provided by the Gryphon custodian and, we believe, understates the ultimate total recovery value. As of October 30, 2009, the custodian valued the Gryphon note at $40.7 million.

(3) Negotiable Order of Withdrawal (NOW) deposits are fully insured by FDIC under the Transaction Account Guarantee Program and have daily availability.

(4) The security's credit rating, while in compliance with investment guidelines at time of purchase, was below guidelines as of June 30, 2009.

(5) The security's credit rating, while in compliance with investment guidelines at time of purchase, was below guidelines as of June 30, 2009. The security matured on schedule with full payment of principal and interest.

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REPORT OF INDEPENDENT ACCOUNTANTS

Treasurer of the State of Connecticut
Hartford, Connecticut

We have examined the Office of the Treasurer Short-Term Investment Fund's (the Fund) (1) compliance with all the composite construction requirements of the Global Investment Performance Standards (GIPS® standards) on a firm-wide basis for each of the years ended July 1, 2001 through June 30, 2009 and (2) design of its processes and procedures to calculate and present performance results in compliance with the GIPS standards as of June 30, 2009. We have also examined the Fund's Composite Performance Presentation (the Schedule of Annual Rates of Return and Schedule of Quarterly Rates of Return) for each of the one year periods ended from June 30, 2002 through June 30, 2009. The Fund's management is responsible for compliance with the GIPS® standards and the design of its processes and procedures and for the Performance Presentation for its Short - Term Investment Fund. Our responsibility is to express an opinion based on our examination. The year from July 1, 2000 to June 30, 2001 was examined by other independent auditors whose report, dated September 24, 2001, expressed an unqualified opinion thereon.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with the above-mentioned requirements; evaluating the design of the Company's processes and procedures referred to above; examining, on a test basis, evidence supporting the accompanying composite performance presentation; and performing the procedures for a verification and a performance examination set forth by the GIPS® standards and such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Office of the Treasurer Short-Term Investment fund has, in all material respects:

- Complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis for each of the one year periods ended June 30, 2002 through June 30, 2009; and

- Designed its processes and procedures to calculate and present performance results in compliance with the GIPS® standards as of June 30, 2009.

Also, in our opinion, the accompanying Short - Term Investment Fund Composite Performance Presentation for each of the years from July 1, 2001 through June 30, 2009, is presented, in all materials respects, in conformity with the GIPS® standards.

UHY LLP

Hartford, Connecticut
October 27, 2009

SHORT-TERM INVESTMENT FUND

SCHEDULE OF ANNUAL RATES OF RETURN

	Year Ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
STIF Total Rate of Return (%)	1.49	4.13	5.54	4.38	2.32	1.16	1.64	2.61	6.11	6.01
First Tier Institutional-only Rated Money Fund Report Averages™ (MFR) Index (%)(1)	1.30	4.07	5.14	4.01	1.91	0.75	1.20	2.22	5.74	5.58
Total Assets in STIF, End of Period ($ - Millions)	4,548	5,054	5,004	5,430	4,314	3,829	3,280	3,546	4,565	3,701
Percent of State Assets in Fund	81	**83**	80	84	84	81	69	67	71	71
Number of Participant Accounts in Composite, End of Year(2)										
State Treasury	47	39	47	58	84	124	115	112	55	55
Municipal and Local Entities	608	637	578	542	548	556	551	544	496	433
State Agencies and Authorities	367	418	406	406	446	474	440	428	346	312
Total	1,022	1,094	1,031	1,066	1,078	1,154	1,106	1,084	897	800

(1) Represents iMoneyNet's First Tier Institutional-only Rated Money Fund Report Averages™- (MFR) Index. These Index rates have been taken from published sources and have not been examined by UHY LLP (formerly Scillia Dowling & Natarelli LLC) or Deloitte & Touche LLP.

(2) As of 2006 and going forward, inactive accounts were closed and only active accounts were included in the total number of participant accounts.

See Notes to Schedules of Rates of Return.

SHORT-TERM INVESTMENT FUND

SCHEDULE OF QUARTERLY RATES OF RETURN

FISCAL YEAR	Rate of Return(%)	Institutional-only Rated Money Fund Report Avereages ™ (MFR) Index(%)[1]
2009		
Sep-08	0.58	0.58
Dec-08	0.47	0.45
Mar-09	0.26	0.17
Jun-09	0.16	0.09
YEAR	**1.49**	**1.30**
2008		
Sep-07	1.34	1.27
Dec-07	1.24	1.19
Mar-08	0.90	0.92
Jun-08	0.59	0.62
YEAR	**4.13**	**4.07**
2007		
Sep-06	1.36	1.26
Dec-06	1.38	1.26
Mar-07	1.33	1.26
Jun-07	1.36	1.26
YEAR	**5.54**	**5.14**
2006		
Sep-05	0.89	0.80
Dec-05	1.05	0.93
Mar-06	1.12	1.05
Jun-06	1.25	1.17
YEAR	**4.38**	**4.01**
2005		
Sep-04	0.38	0.29
Dec-04	0.53	0.41
Mar-05	0.64	0.54
Jun-05	0.77	0.67
YEAR	**2.32**	**1.91**

FISCAL YEAR	Rate of Return(%)	Institutional-only Rated Money Fund Report Avereages ™ (MFR) Index(%)[1]
2004		
Sep-03	0.28	0.19
Dec-03	0.30	0.19
Mar-04	0.29	0.19
Jun-04	0.29	0.18
YEAR	**1.16**	**0.75**
2003		
Sep-02	0.48	0.38
Dec-02	0.45	0.32
Mar-03	0.36	0.26
Jun-03	0.35	0.24
YEAR	**1.64**	**1.20**
2002		
Sep-01	0.95	0.85
Dec-01	0.66	0.55
Mar-02	0.48	0.41
Jun-02	0.49	0.39
YEAR	**2.61**	**2.22**
2001		
Sep-00	1.69	1.58
Dec-00	1.70	1.58
Mar-01	1.45	1.39
Jun-01	1.14	1.06
YEAR	**6.11**	**5.74**
2000		
Sep-99	1.33	1.23
Dec-99	1.46	1.33
Mar-00	1.48	1.40
Jun-00	1.60	1.51
YEAR	**6.01**	**5.58**

(1) Represents iMoneyNet's First Tier Institutional-only Rated Money Fund Report Averages™- (MFR) Index. These Index rates have been taken from published sources and have not been examined by UHY LLP (formerly Scillia Dowling & Natarelli LLC) or Deloitte & Touche LLP.

See the accompanying Notes to the Schedules of Rates of Return.

NOTES TO SCHEDULES OF RATES OF RETURN
FOR THE 10 YEAR INVESTMENT PERIOD JULY 1, 1999 THROUGH JUNE 30, 2009

NOTE 1: ORGANIZATION

The Connecticut State Treasury Short-Term Investment Fund ("STIF" or the "Fund") was created by Sec. 3-27 of the Connecticut General Statutes as an investment vehicle restricted for use by the State, State agencies and authorities, State municipalities and other political subdivisions of the State. STIF is a fully discretionary money market investment pool managed by the Connecticut State Treasury ("Treasury") as a single composite. STIF's objective is to provide as high a level of current income as is consistent with safety of principal and liquidity to meet participants' daily cash flow requirements. During the 2009 fiscal year, STIF's portfolio averaged $4.6 billion.

NOTE 2: PERFORMANCE RESULTS

STIF has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS) for the period July 1, 2000 through June 30, 2009. The performance presentation for the period July 1, 2000 through June 30, 2009 has been subject to a verification in accordance with GIPS standards by an independent public accounting firm whose report is included herein. For the purposes of compliance with GIPS standards for the Short-Term Investment Fund, the Treasury has defined the "Firm" as the funds under the control of the State Treasurer, State agencies and State authorities for which the Treasurer has direct investment management responsibility within the Short-Term Investment Fund.

Results are net of all operating expenses and designated surplus reserves. As STIF is managed by employees of the Treasury, no advisory fees are paid.

NOTE 3: CALCULATION OF RATES OF RETURN

STIF uses a time-weighted linked rate of return formula to calculate rates of return. This method is in accordance with the acceptable methods set forth by the Global Investment Performance Standards (GIPS). Other methods may produce different results and the results for individual participants and different periods may vary. The current rates of return may not be indicative of future rates of return.

The time-weighted linked rate of return formula used by STIF is as follows: Monthly returns are calculated by taking the sum of daily income earned on an accrual basis, after deduction for all operating expenses and a transfer to the Designated Surplus Reserve, divided by the average daily participant balance for the month.

The rates of return presented herein are those earned by the Fund during the periods presented as described above.

NOTE 4: DESIGNATED SURPLUS RESERVE

In order to provide some protection to the shareholders of STIF from potential credit and market risks, the Treasurer has designated that a portion of each day's net earnings be transferred to the Designated Surplus Reserve (Reserve). Such amounts are restricted in nature and are not available for current distribution to shareholders. Beginning December 1, 1996, the amount transferred daily to the Designated Surplus Reserve is equal to 0.1 percent of end of day investment balance divided by the actual number of days in the year. During FY 2009, transfers into the reserve account were made when the reserve account exceeded 1.0 percent pending the transfer (effective June 30, 2008) from the account to cover the Cheyne (Gryphon) valuation adjustment. As of June 30, 2009, the balance in the Designated Surplus Reserve was $33,728,334 which reflects $4.6 million in contributions during the year. If net losses significant to the aggregate portfolio are realized, the Treasurer is authorized to transfer funds from the Reserve to Participant Units Outstanding.

NOTES TO SCHEDULES OF RATES OF RETURN (Continued)
FOR THE 10 YEAR INVESTMENT PERIOD JULY 1, 1999 THROUGH JUNE 30, 2009

NOTE 5: ADDITIONAL DISCLOSURES

These results solely reflect the performance of STIF. The Fund's principal investment officer was hired in February 2005, and has been responsible for the managment of the Fund since that time. The previous principal investment officer had been the portfolio manager since 1983.

Benchmark information presented in the Schedules of Rates of Return was obtained from published sources which are believed to be reliable. Such information is supplemental and is not covered by the independent accountants' report.

STIF does not make significant use of leverage. The only leverage employed by the Fund is the occasional use of reverse repurchase agreements. These agreements, which are limited by policy to no more than 5 percent of total Fund assets, are used only to meet temporary liquidity requirements of the Fund.

The Fund has accounted for all security purchases and sales on a trade date basis. Because the Fund purchases short term investments whose market values do not fluctuate significantly and since all investments are accounted for on an amortized cost basis, the difference between the trade and settlement date basis has no significant impact on the performance reported herein.

SHORT-TERM PLUS INVESTMENT FUND

STATEMENT OF NET ASSETS
JUNE 30, 2009

		June 30, 2009
ASSETS		
Investment in Securities, at Fair Value (Note 7)	$	88,854,263
Accrued Interest and Other Receivables		183,800
Prepaid Assets		-
Total Assets	$	89,038,063
LIABILITIES		
Distribution Payable		151,279
Interest Payable		-
Total Liabilities	$	151,279
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	$	88,886,784

See accompanying Notes to the Financial Statements.

SHORT-TERM PLUS INVESTMENT FUND

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

	2009	2008
ADDITIONS		
Operations		
Interest Income	$ 6,914,932	$ 14,013,176
Net Investment Income	6,914,932	14,013,176
Net Realized Gains (Losses)	(5,426)	34,402
Net Increase Resulting from Operations	6,909,506	14,047,578
Share Transactions at Net Asset Value		
Purchase of Units	7,466,913	14,554,501
TOTAL ADDITIONS	14,376,419	28,602,079
DEDUCTIONS		
Distribution to Participants (Notes 2 & 6)		
Distributions to Participants	(6,833,302)	(13,986,492)
Total Distributions Paid and Payable	(6,833,302)	(13,986,492)
Share Transactions at Net Asset Value		
Redemption of Units	(226,300,000)	(5,000,000)
Operations		
Operating Expenses	(76,204)	(61,086)
Net Change in Unrealized Gain/(Loss) on Investments	(2,594,163)	(3,217,409)
TOTAL DEDUCTIONS	(235,803,669)	(22,264,987)
CHANGE IN NET ASSETS	(221,427,250)	6,337,092
Net Assets held in Trust for Participants		
Beginning of Year	310,314,034	303,976,942
End of Year	$ 88,886,784	$ 310,314,034

See accompanying Notes to the Financial Statements.

NOTE 1: INTRODUCTION AND BASIS OF PRESENTATION

The Medium-Term Investment Fund ("STIF Plus" or the "Fund") is a money market and short-term bond investment pool managed by the Treasurer of the State of Connecticut. Section 3-28a of the Connecticut General Statutes (CGS) created STIF Plus. Pursuant to CGS 3-28a, the State, municipal entities, and political subdivisions of the State are eligible to invest in the Fund. The State Treasurer is authorized to invest monies of STIF Plus in United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, saving accounts, bankers' acceptances, repurchase agreements, asset-backed securities and investment fund comprised of authorized securities. STIF Plus is authorized to issue an unlimited number of units.

For State of Connecticut financial reporting purposes, STIF Plus is considered to be a mixed investment pool – a pool having external and internal portions. The internal portion (i.e., the portion that belongs to investors that are part of the State's financial reporting entity) is not displayed in the State's basic financial statements. Instead, each fund type's investment in STIF Plus is reported as "cash equivalents" in the statement of net assets. The external portion (i.e., the portion that belongs to investors which are not part of the State's financial reporting entity) is recorded in an investment trust fund in the basic financial statements.

Related Party Transactions.

STIF Plus had no related party transactions during the fiscal year with the State of Connecticut and its component units including leasing arrangements, the performance of administrative services and the execution of securities transactions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity.

The Fund is a Fiduciary Investment Trust Fund. A fiduciary fund is used to account for governmental activities that are similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The generally accepted accounting principles ("GAAP") used for fiduciary funds are generally those applicable to similar businesses in the private sector. The Fund uses the accrual basis of accounting.

Security Valuation of Financial Instruments.

The assets of the STIF Plus are carried at fair value which is the current market value. All premiums and discounts on securities are amortized or accreted on a straight line basis.

Security Transactions.

Purchases and sales of investments are recorded on a trade date basis. Gains and losses on investments are realized at the time of the sales and are calculated on the basis of an identified block or blocks of securities having an identified amortized cost. Bond cost is determined by identified lot.

Interest Income.

Interest income, which includes amortization of premiums and accretion of discounts, is accrued as earned.

Expenses.

Operating and interest expenses of STIF Plus are accrued as incurred.

Fiscal Year.

The fiscal year of STIF Plus ends on June 30.

Distributions to Investors.

Distributions to investors are earned on units outstanding from date of purchase to date of redemption. Income is calculated daily based upon the actual earnings of STIF Plus net of administrative expenses. Distributions are paid monthly within two business days of the end of the month, and are based upon actual number of days in a year. Shares are sold and redeemed at the current market value per share, which is consistent with the per share net asset value of the Fund.

Estimates.

The preparation of the financial statements in conformity with (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities in the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: DEPOSIT AND INVESTMENT DISCLOSURES

STIF Plus's investment practice is to invest all cash balances; as such, there was no uninvested cash at June 30, 2009. All securities of STIF Plus are registered under the State Street Bank nominee name, Pond, Tide & Co., for the State of Connecticut nominee name, Conn. STIF & Co., and held by a designated agent of the State.

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the STIF Plus's deposits may not be recovered. The STIF Plus follows policy parameters that limit deposits in any one entity to a maximum of five percent of total assets at the time of purchase. Further, the certificates of deposits must be issued from commercial banks whose short-term debt is rated at least A-1 by Standard and Poor's and F-1 by Fitch and whose long-term debt is rated at least AA- or which carry an unconditional letter of guarantee from such a bank that meets the short-term debt rating requirements.

Certificates of Deposit in banks are insured up to $250,000, any amount above this limit is considered uninsured. Additionally, state banking regulation requires all Connecticut public depositories to segregate collateral against public deposits in an amount equal to ten percent of the outstanding deposit. As of fiscal year-end, STIF Plus Investment Fund did not hold any certificates of deposit investments.

Interest Rate Risk – Investments

Interest rate risk that changes in the general level of interest rates will adversely affect the market value of an investment. STIF Plus's policy for managing interest rate risk is to perform, on a quarterly basis, an interest rate sensitivity analysis on the duration and the market value of the portfolio to determine the potential effect of a 200 basis point movement in interest rates. As of June 30, 2009 the weighted average maturity of the STIF Plus was 109 days. The breakdown of the STIF Plus's maturity profile is outlined below.

		Investment Maturity in Years	
Investments	**Fair Value**	**Less than One**	**One - Five**
Federal Agency Securities	$5,070,945	$5,070,945	$-
Corporate Notes	73,018,909	30,540,448	42,478,461
Asset-Backed Securities			
Fixed	3,443,651	-	3,443,651
Floaters	6,835,166	-	6,835,166
Repurchase Agreements	485,000	485,000	-
Money Market Funds	592	592	-
Total	$88,854,263	$36,096,985	$52,757,278

Additionally, STIF Plus is allowed by policy to invest in floating-rate debt securities. For purposes of the weighted average maturity calculation and classification in the chart above, variable-rate securities are calculated using their interest rate reset dates. Because these securities re-set frequently to prevailing market rates, interest rate risk is substantially reduced. As of fiscal year-end, the STIF Plus portfolio held $79.9 million in variable rate securities.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The STIF Plus manages its credit risk by investment only in debt securities that fall within the highest short-term or long-term rating categories by nationally recognized rating organizations.

SHORT-TERM PLUS INVESTMENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Investment Type	Fair Value	A-1+	AAA	AA+	AA-	A	D
Federal Agency Securities	5,070,945	-	5,070,945	-	-	-	
Corporate Notes	73,018,909	-	-	14,533,760	14,801,135	43,684,014	-
Asset Backed Securities							
Fixed	3,443,651	-	3,443,651	-	-	-	
Floaters	6,835,166	-	6,277,380	-	-	-	557,787
Repurchase Agreements*	485,000	485,000	-	-	-	-	
LMCS	592	592	-	-	-		
Total	$88,854,263	$485,592	$14,791,975	$14,533,760	$14,801,135	$43,684,014	$557,787

* Repurchase Agreements by rating of underlying collateral

Concentration of Credit Risk

STIF Plus limits the amount it may invest in any single corporate entity to an amount not to exceed 5 percent or in any single federal agency to an amount not to exceed 15 percent at the time of purchase. As of June 30, 2009, the table below lists issuers with concentrations of greater than 5 percent of the total portfolio.

Issuer	Fair Value	Percent of Total Portfolio
Wells Fargo	$14,801,135	16.7
GE Capital Corp	14,533,760	16.4
Citigroup	11,554,966	13.0
Goldman Sachs	9,575,060	10.8
Merrill Lynch	8,901,460	10.0
Bank of America	8,783,908	9.9
FHLMC	5,070,945	5.7
HSBC	4,868,620	5.5

These concentrations result from the reduced size of the portfolio from $310 million to $89 million during the year. The concentrations were consistent with investment guidelines at the time of purchase.

NOTE 4: CUSTODIAN

State Street Bank was appointed as custodian for STIF Plus effective October 2, 2006. STIF Plus pays a percentage of the fixed annual rate of $110,000 for the Short-Term Investment Unit. This percentage is calculated annually by determining the STIF Plus fund size relative to that of the total Short-Term Investment Unit.

NOTE 5: ADMINISTRATION

STIF Plus is managed and administered by employees of the State of Connecticut Treasury. Salaries and fringe benefit costs as well as operating expenses are charged directly to the Fund.

NOTE 6: DISTRIBUTIONS TO INVESTORS

The components of the distributions to investors are as follows for the income earned during the twelve months ended:

Distributions:	2009	2008
July	$809,903	$1,397,470
August	807,954	1,382,084
September	780,532	1,349,097
October	809,359	1,380,943
November	795,451	1,335,168
December	722,082	1,326,311
January	588,206	1,260,615
February	446,123	1,033,549
March	384,349	991,961
April	295,490	887,972
May	242,574	856,432
June (Payable at June 30)	151,279	784,890
Total Distribution Paid & Payable	$6,833,302	$13,986,492

NOTE 7: INVESTMENTS IN SECURITIES

The following is a summary of investments in securities, at amortized cost and market value as of June 30, 2009:

Investment	Amortized Cost	Fair Value
Asset-Backed Securities	$13,542,337	$10,278,817
Corporate Notes	75,792,378	73,018,909
Money Market Funds	592	592
Repurchase Agreements	485,000	485,000
Federal Agency Securities	4,999,817	5,070,945
TOTAL	$94,820,124	$88,854,263

In an effort to improve disclosures associated with derivative contracts, the Government Accounting Standards Board (GASB) issued GASB Technical Bulletin No. 2003-1 (TB2003-1), Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets, effective for the periods ending after June 15, 2003. TB 2003-1 clarifies guidance on derivative disclosures that are not reported at fair value on the statement of net assets and defines a derivative instrument as a financial instrument or other contract with all three of the following characteristics: a) it has (1) one or more underlyings (a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates or other variable) and (2) one or more notional amounts (a number of currency units, shares, bushels, pounds, or other units specified in the contract) b) it requires no initial investment or smaller than would be required for other types of contracts c) its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

For the fiscal year ended June 30, 2009, the Short-Term Plus Investment Fund held adjustable-rate corporate notes, asset-backed securities, and federal agency securities whose interest rates vary directly with short-term money market indices and are reset daily, monthly, quarterly or semi-annually. Such securities allow the Fund to earn higher interest rates as market rates increase, thereby increasing fund yields and protecting against the erosion of market values from rising interest rates. These adjustable rate securities have similar exposures to credit and legal risks as fixed-rate securities from the same issuers.

NOTE 8: SUBSEQUENT EVENTS

As of July 24, 2009, Standard & Poor's lowered the credit rating on the $1.9 million Indymac INDB Mortgage Loan Trust Asset Backed Security to CCC from AAA.

As of July 24, 2009, Standard & Poor's lowered the credit rating on the $0.8 million Nomura Asset Acceptance Corporation Asset Backed Security to CCC from B.

As of August 4, 2009, Standard & Poor's lowered the credit rating on the $2.3 million Citigroup Mortgage Loan Trust Inc. Asset Backed Security to B- from AAA.

As of August 19, 2009, Standard & Poor's lowered the credit rating on the $1.3 million GSAA Home Equity Trust Asset Backed Security to BBB from AAA.

SHORT-TERM PLUS INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2009

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost	Fair Value	Asset ID	Quality Rating
ASSET-BACKED SECURITIES (11.57% of total investments)						
$ 1,201,311	ARSI 2004-W10 A2 0.70, 10/25/34	1.75	$ 1,201,310	$ 481,680	040104LM1	AAA
1,488,563	BAYV 2006-C 1A1 6.035, 11/28/36	6.74	1,488,563	1,333,211	07325DAB0	AAA
2,303,920	CITI MORT LOAN TR - 2007 AMC2 0.39, 1/25/37	0.39	2,303,920	1,666,775	17311XAA3	AAA
2,298,884	GRANM 2007 - 12A1 0.38, 12/20/54	0.38	2,298,884	1,570,622	38741YDF3	AAA
1,271,300	GSAA 05-15 2A1 0.40, 1/25/36	0.48	1,271,300	1,063,269	362341D63	AAA
1,880,722	INDB 2006-1 A1 0.38, 7/25/36	0.48	1,880,722	1,495,034	45661JAA1	AAA
788,831	NAA 2006-AF2 1A1 0.41, 8/25/36	0.58	788,830	557,787	65536VAA5	B (1)
2,308,761	RAMC 2005-2 AF3 4.49, 8/25/35	4.91	2,308,809	2,110,439	75970NAK3	AAA
$ 13,542,292			$ 13,542,337	$ 10,278,817		
FEDERAL AGENCY SECURITIES (5.71% of total investments)						
$ 5,000,000	FHLMC 10/23/10 3.00, 4/23/10	2.96%	$ 4,999,818	$ 5,070,945	3128X7FG4	AAA
$ 5,000,000			$ 4,999,818	$ 5,070,945		
CORPORATE NOTES (82.18% of total investments)						
$ 3,800,000	BANK OF AMERICA 0.81, 9/18/09	0.81	$ 3,799,449	$ 3,792,928	06050MDY0	A (1)
5,000,000	BANK OF AMERICA 1.12, 11/6/09	1.12	4,999,031	4,990,980	060505CT9	A (1)
7,000,000	CITIGROUP 0.94, 5/18/11	0.99	7,003,551	6,617,436	172967DL2	A (1)
5,000,000	CITIGROUP 1.14, 11/2/09	1.15	5,001,319	4,937,530	17307EBJ1	A (1)
5,000,000	GE CAPITAL CORP 0.66, 3/12/10	0.67	4,996,271	4,953,375	36962G2H6	AA+
5,000,000	GE CAPITAL CORP 1.16, 10/18/10	1.24	5,000,874	4,669,950	36962GY32	AA+
5,000,000	GE CAPITAL CORP 1.22, 10/6/10	1.24	5,000,278	4,910,435	36962GY24	AA+
5,000,000	GOLDMAN SACHS 1.18, 2/6/12	1.24	5,002,315	4,774,490	38141GEW0	A (1)
5,000,000	GOLDMAN SACHS 1.56, 10/7/11	1.62	5,024,778	4,800,570	38141EJV2	A (1)
5,000,000	HSBC 1.20, 5/10/10	1.23	4,991,905	4,868,620	40429JAG2	A (1)
10,000,000	MERRILL LYNCH 0.86, 6/5/12	0.97	10,001,277	8,901,460	59018YE72	A (1)
2,000,000	WELLS FARGO 0.67, 3/23/10	0.67	1,997,841	1,993,740	949746NF4	AA-
5,000,000	WELLS FARGO 0.73, 9/15/09	0.73	4,999,806	5,003,275	949746JD4	AA-
5,000,000	WELLS FARGO 1.24, 1/12/11	1.27	4,990,339	4,884,217	949746NC1	AA-
3,000,000	WELLS FARGO 1.24, 1/12/11	1.27	2,983,346	2,919,903	949746NC1	AA-
$ 75,800,000			$ 75,792,378	$ 73,018,909		
MONEY MARKET FUNDS (0.00% of total investments)						
$ 592	LMCS 0.25, 7/1/09	0.25	$ 592	$ 592		A1+
$ 592			$ 592	$ 592		
REPURCHASE AGREEMENTS (0.54% of total investments)						
$ 485,000	BANK OF AMERICA 0.05, 7/1/09	0.05	$ 485,000	$ 485,000	N/A	A1+
$ 485,000			$ 485,000	$ 485,000		
$ 94,827,884	**TOTAL INVESTMENT IN SECURITIES**		**$ 94,820,124**	**$ 88,854,263**		

(1) The security's credit rating, while in compliance with investment guidelines at time of purchase, was below guidelines as of June 30, 2009.

SCHEDULE OF CASH AND INVESTMENTS, BALANCES AND ACTIVITY (at Fair Value)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Teachers' Retirement	State Employees' Retirement	Municipal Employees' Retirement	Probate Court Retirement	Judges' Retirement	State's Attorneys' Retirement	Soldiers Sailors & Marines Fund	Arts Endowment Fund	Police & Firemen's Survivor's Fund
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Income Receivable	371,647	189,306	38,220	2,638	3,653	66	355	608	642
Interest in Investment Funds	11,396,681,762	7,320,843,712	1,345,095,513	66,305,544	148,167,802	863,547	56,721,852	15,662,131	17,815,350
Total Cash and Investments	$11,397,053,409	$7,321,033,018	$1,345,133,733	$66,308,182	$148,171,455	$863,613	$56,722,207	$15,662,739	$17,815,992
Schedule of Activity:									
Cash and Investments at July 1, 2008	$14,543,235,305	$9,330,365,023	$1,627,743,613	$81,455,974	$177,250,147	$898,104	$60,840,432	$16,287,536	$20,603,233
Shares Purchased (Excluding Liquidity Fund)	953,843,992	429,503,000	73,886,000	3,397,800	8,372,900	11,500	-	-	112,800
Shares Redeemed (Excluding Liquidity Reserve Fund)	(1,006,047,448)	(446,302,296)	(78,817,143)	(4,943,744)	(5,599,468)	-	-	-	(865)
Net Purchase and Redemptions of Liquidity Reserve Fund	(158,844,905)	(31,201,495)	14,698,282	1,126,070	(141,533)	52,828	7,456	48,417	288,482
Net Investment Income	393,748,965	252,399,209	48,867,140	2,388,126	5,374,400	38,027	3,108,936	852,200	770,415
Realized Gain (Loss) from Sale of Investments	24,937,167	12,284,308	1,448,666	104,123	64,144	-	(288)	-	(419)
Change in Unrealized Gain/(Loss) on Investment Funds	(2,958,832,005)	(1,973,178,423)	(293,757,092)	(14,827,521)	(31,765,374)	(98,780)	(4,124,494)	(671,692)	(3,186,114)
Increase (Decrease) in Receivables - Net (1)	(1,238,697)	(437,099)	(68,593)	(4,520)	(9,361)	(39)	(899)	(1,522)	(1,125)
Distributions	(393,748,965)	(252,399,209)	(48,867,140)	(2,388,126)	(5,374,400)	(38,027)	(3,108,936)	(852,200)	(770,415)
Cash and Investments at June 30, 2009	$11,397,053,409	$7,321,033,018	$1,345,133,733	$66,308,182	$148,171,455	$863,613	$56,722,207	$15,662,739	$17,815,992

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

(1) Reflects timing differences in the recognition of income by the Plans.

NON-CIVIL LIST TRUST FUNDS

FINANCIAL STATEMENTS
JUNE 30, 2009

	SCHOOL FUND	AGRICUL-TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND	MISC. AGENCY TRUST FUNDS
STATEMENT OF CONDITION, at Market						
ASSETS						
Cash & Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$36,848
Interest & Dividends Receivable	242	26	88	42	138	-
Investments in Combined Investment Funds, at Fair Value	8,407,330	558,729	1,899,409	893,919	2,249,684	-
Total Assets	$8,407,572	$558,755	$1,899,497	$893,961	$2,249,822	$36,848
LIABILITIES & FUND BALANCE						
Due to Other Funds	$ 133,270	$ 26,569	$ 90,359	$ 42,521	$ -	$ -
Fund Balance	8,274,302	532,186	1,809,138	851,440	2,249,822	36,848
Total Liabilities & Fund Balance	$8,407,572	$558,755	$1,899,497	$893,961	$2,249,822	$36,848

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

STATEMENT OF REVENUE AND EXPENDITURES

	SCHOOL FUND	AGRICUL-TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND
REVENUE					
Net Investment Income	$416,101	$26,568	$90,359	$42,523	$105,305
Realized Gain on Investments	-	-	-	-	-
Change in Unrealized Gain (Loss) on Investments	(973,716)	(64,059)	(218,145)	(102,270)	(239,397)
Increase (Decrease) in Cash Reserve Fund Income Receivables - (1)	(675)	(69)	(229)	(111)	(158)
Total Revenue	$(558,290)	$(37,560)	$(128,015)	$(59,858)	$(134,250)
EXPENDITURES	-	-	-	-	-
Excess of Revenue over Expenditures	$(558,290)	$(37,560)	$(128,015)	$(59,858)	$(134,250)

(1) Reflects timing differences in the recognition of income by the Plans and Trusts.

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

STATEMENT OF CHANGES IN FUND BALANCE

	SCHOOL FUND	AGRICUL-TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND	MISC. AGENCY TRUST FUNDS
Fund Balance at July 1, 2008	$9,248,700	$596,314	$2,027,513	$953,820	$2,384,072	$7,401,316
Excess of Revenue over Expenditures	(558,290)	(37,560)	(128,015)	(59,858)	(134,250)	-
Net Cash Transactions	-	-	-	-	-	(7,437,979)
Transfer from Other Funds	-	-	-	-	-	73,511
Transfer to Other Funds	(431,867)	(25,764)	(87,446)	(41,420)	-	-
Increase in Due to Other Funds	15,759	(804)	(2,914)	(1,102)		-
Fund Balance at June 30, 2009	$8,274,302	$532,186	$1,809,138	$851,440	$2,249,822	$36,848

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

NON-CIVIL LIST TRUST FUNDS

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	SCHOOL FUND	AGRICUL-TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND
Cash Flows from Operating Activities:					
Excess of Revenues over Expenditures	$(558,290)	$(37,560)	$(128,015)	$(59,858)	$(134,250)
Realized Gain on Investments	-	-	-	-	-
Change in Unrealized (Gain) Loss on Investments	973,716	64,059	218,145	102,270	239,397
(Increase) Decrease in Cash Reserve Fund Income Receivables	675	69	229	111	158
Net Cash Provided by Operations	$416,101	$26,568	$90,359	$42,523	$105,305
Cash Flows from Non Capital Financing Activities:					
Operating Transfers - Out to Other Funds	(431,867)	(25,764)	(87,446)	(41,420)	.
Operating Transfers - In from Other Funds	-	-	-	-	-
Net Cash Used for Non-Capital Financing Actvities	(431,867)	(25,764)	(87,446)	(41,420)	-
Cash Flows from Investing Activities:					
Net Purchase and Redemptions of Cash Reserve Fund	15,766	(804)	(2,913)	(1,103)	(105,305)
Purchase of Investments	-	-	-	-	-
Proceeds from Sale of Investment	-	-	-	-	-
Net Cash Provided by (Used for) Investing Activities	15,766	(804)	(2,913)	(1,103)	(105,305)
Net Increase (Decrease) In Cash	-	-	-	-	-
Cash June 30, 2008	-	-	-	-	-
Cash June 30, 2009	$ -	$ -	$ -	$ -	$ -

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

NON-CIVIL LIST TRUST FUNDS

STATEMENT OF CONDITION, AT COST
JUNE 30, 2009

	SCHOOL FUND	AGRICUL-TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND	MISC. AGENCY TRUST FUNDS
ASSETS						
Cash & Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$36,848
Interest & Dividends Receivable	242	26	88	42	138	-
Investments in Combined Investment Funds	7,053,819	468,823	1,584,231	766,462	1,954,438	-
Total Assets	$7,054,061	$468,849	$1,584,319	$766,504	$1,954,576	$36,848
LIABILITIES						
Due to Other Funds	$ 133,270	$ 26,569	$ 90,359	$ 42,521	$ -	$ -
Fund Balance	6,920,791	442,280	1,493,960	723,983	1,954,576	36,848
Total Liabilities & Fund Balance	$7,054,061	$468,849	$1,584,319	$766,504	$1,954,576	$36,848

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Civil List and Non-Civil list trust funds (the “trust funds”) are entrusted to the Treasurer for investment purposes. Civil List trust funds are mandated by the State Legislature and are administered by the Office of the State Comptroller. Accordingly, the presentation of the Civil List funds in the Treasurer’s Annual Report (see Civil List trust funds cash and investments schedules in the Supplemental Information section of these document) is intended to present only the cash and investments under the Treasurer’s care and does not depict a full financial statement presentation. The Non-Civil List Trust funds are not administered by the Office of the Comptroller. Accordingly, the financial statements presented for the Non-Civil List funds are designed to provide a full set of financial statements for the trusts’ investment assets and provide the necessary detail for the respective Boards that administer these trust funds

Significant account policies of the trust funds are as follows:

Basis of Presentation: The foregoing Non-Civil List trust fund financial statements represent the financial position, results of operations and cash flows of the investment trust assets of the funds in accordance with generally accepted accounting principles. These financial statements present all of the financial statements of the Non-Civil List funds except for the Second Injury Fund which, due to the unique nature of its operation, is presented separately in this Annual Report. The financial statements do not include a Statement of Revenue and Expenditures for the Miscellaneous Agency and Trust Funds because agency funds do not report operations. These statements were prepared on the fair value basis. A Statement of Condition on a cost basis is also presented for informational purposes.

Valuation of Combined Investment Fund Shares: All unit prices are determined at the end of each month based on the fair value of the applicable investment fund.

Expenses: The Non-Civil List trust funds are not charged with any expenses for administration of the trust funds. Investment expenses of the Combined Investment Funds are deducted in calculating net investment income.

Distribution of Net Investment Income: Net investment income earned by the Combined Investment Funds is generally distributed in the following month. Net investment income is comprised of dividends and interest less investment expense.

Purchases and Redemptions of Units: Purchases and redemptions of units are generally processed on the first day of the month based on the prior month end price. Purchases represent cash that has been allocated to a particular investment fund in accordance with directions from the Treasurer’s office. Redemptions represent the return of principal back to the plan. In the case of certain funds, a portion of the redemption can also include a distribution of income.

NOTE 2. STATEMENT OF CASH FLOWS

A statement of cash flows is presented for the non-expendable Non-Civil List trust funds. This presentation is in accordance with Governmental Accounting Standards Board (GASB) Statement No. 9. No such statement of cash flows is presented for the Miscellaneous Agency and Trust Funds as none is required.

NOTE 3. MISCELLANEOUS AGENCY AND TRUST FUND TRANSFERS

These transactions comprise principal and income transfers to trustees as well as transfers and expenditure payments made on their behalf. Certain of these transfers are made to the General Fund and other Civil List funds as well as various state agencies.

SECOND INJURY FUND

STATEMENT OF NET ASSETS
JUNE 30, 2009 and 2008

	June 30, 2009	June 30, 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 57,251,127	$ 61,566,044
Receivables, net of allowance for uncollectible accounts - $11,558,823 and $10,536,266 respectively	8,149,741	10,339,793
Other Assets	16,748	46,136
TOTAL CURRENT ASSETS	65,417,616	71,951,973
NONCURRENT ASSETS:		
Capital assets:		
Computers	33,093	33,093
Office equipment	18,982	18,982
Less accumulated depreciation	(46,829)	(44,513)
TOTAL NONCURRENT ASSETS	5,246	7,562
TOTAL ASSETS	65,422,862	71,959,535
LIABILITIES		
CURRENT LIABILITIES:		
Claims and benefits payable	7,623,846	7,018,965
Settlement payable	2,599,426	2,372,237
Accounts payable and other accrued liabilities	1,352,591	945,480
Compensated absences	359,387	332,740
TOTAL CURRENT LIABILITIES	11,935,250	10,669,422
NONCURRENT LIABILITIES:		
Accounts payable and accrued liabilities	1,030,500	966,500
Compensated absences	128,659	114,971
TOTAL NONCURRENT LIABILITIES	1,159,159	1,081,471
TOTAL LIABILITIES	13,094,409	11,750,893
NET ASSETS		
Unrestricted Net Assets	52,328,453	60,208,642
TOTAL NET ASSETS	$ 52,328,453	$ 60,208,642

See accompanying Notes to the Financial Statements.

SECOND INJURY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

OPERATING REVENUES	**2009**	**2008**
Assessment Revenues	$36,465,941	$44,247,168
Fund Recoveries	485,263	491,598
Other Income	35,191	311,163
TOTAL OPERATING REVENUES	36,986,395	45,049,929
OPERATING EXPENSES		
Injured Worker Benefits:		
Settlements	10,117,350	9,975,232
Indemnity Claims Benefits	21,269,642	21,289,614
Medical Claims Benefits	6,964,852	6,274,824
Total Injured Worker Benefits	38,351,844	37,539,670
Administrative Expenses	7,391,435	7,481,287
TOTAL OPERATING EXPENSES	45,743,279	45,020,957
OPERATING INCOME (LOSS)	(8,756,884)	28,972
NON-OPERATING INCOME		
Interest Income	876,695	2,376,640
Change in Net Assets	(7,880,189)	2,405,612
NET ASSETS - Beginning of Year	60,208,642	57,803,030
NET ASSETS - End of Year	$52,328,453	$60,208,642

See accompanying Notes to the Financial Statements.

SECOND INJURY FUND

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
SOURCE:		
Assessment revenues	$ 38,950,161	$ 46,994,449
Fund recoveries	501,985	474,875
Other income	35,191	311,163
Other assets	9,437	(531)
Depreciation	2,316	3,683
	39,499,090	47,783,639
USE:		
Injured worker benefits	(37,455,772)	(37,986,152)
Administrative expenses	(7,254,880)	(7,390,981)
	(44,710,652)	(45,377,133)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(5,211,562)	2,406,506
CASH FLOWS FROM INVESTING ACTIVITIES		
SOURCE:		
Interest Income	896,645	2,395,280
NET CASH PROVIDED BY INVESTING ACTIVITIES	896,645	2,395,280
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,314,917)	4,801,786
Cash and cash equivalents, Beginning of Year	61,566,044	56,764,258
CASH AND CASH EQUIVALENTS, End of Year	$ 57,251,127	$ 61,566,044
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	$ (8,756,884)	$ 28,972
Adjustments to reconcile operating income to net cash:		
Provided by operating activities:-		
Depreciation expense	2,316	3,683
Decrease (increase) in assets:		
Decrease in receivables, net	2,190,052	3,231,273
Decrease (increase) in other assets	9,437	(531)
Increase (decrease) in liabilities		
Increase (decrease) in accounts payable & accrued expenses	1,303,183	(907,520)
Increase (decrease) in compensated absences	40,334	50,629
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (5,211,562)	$ 2,406,506

See accompanying Notes to the Financial Statements.

SECOND INJURY FUND

NOTES TO FINANCIAL STATEMENTS

NOTE 1: INTRODUCTION AND BASIS OF PRESENTATION

The Second Injury Fund ("SIF" or the "Fund") is an extension of the Workers' Compensation Act managed by the Treasurer of the State of Connecticut and operates under Chapter 568, of the Connecticut General Statutes (C.G.S.). Prior to July 1, 1995, the Fund provided relief to employers where a worker, who already had a preexisting injury or medical condition, was hurt on the job and that second injury was made "materially and substantially" worse by the preexisting injury or medical condition.

In 1995 the Connecticut General Assembly closed the Fund to new "second injury" claims sustained on or after July 1, 1995. However, the Fund will continue to be liable for payment of claims which involve an uninsured or bankrupt employer and, on a pro rata basis, be liable for reimbursement claims to employers of any worker who had more than one employer at the time of the injury.

In addition, the Fund will continue to be liable for and make payments with respect to:

- • Widow and dependent death benefits
- • Reimbursement for cost of living adjustments on certain claims
- •Second injury claims transferred to the Fund prior to July 1999 with a date of injury prior to July 1, 1995.

For State of Connecticut financial reporting purposes, SIF is reported as an Enterprise Fund. (See Note 2)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The accompanying financial statements of SIF have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB).

The Fund utilizes the enterprise fund form of reporting. The reporting focuses on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. The full accrual form of accounting is employed, and revenues are recognized when earned, and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. GASB No. 34 has defined an enterprise fund as a governmental unit in which the pricing policies of the activity establish fees and charges designed to recover its costs.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the Fund are the monies assessed to Connecticut employers for their share of the Fund's expenses for managing workers' compensation claims assigned to the Fund by statute.

Cash and Cash Equivalents

Cash consists of funds in bank checking accounts and deposits held by the State General Fund in the Treasury Business Office account. Cash equivalents include investments in the State of Connecticut Short-Term Investment Fund (STIF). Custodial Credit Risk for Cash and Cash Equivalents is the risk that in the event of a bank failure, the SIF deposits may not be returned to them. STIF Investment Policy ensures strong asset diversification by security type and issuer, comprised of high quality, very liquid securities with a relatively short average maturity. SIF has 99.5% of its cash invested in STIF which is rated AAAm by Standard & Poor's Corporation ("S&P"). Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value.

Receivables, Net of Allowance for Uncollectible Accounts

The receivables balance is composed of assessment receivables and other receivables.

Assessment receivables are recorded inclusive of interest due and result from amounts billed in accordance with C.G.S. 31-354 Assessments: SIF's primary source of revenue is from the levying of assessments against self-insured and insured Connecticut employers. Insurance carriers who insure Connecticut employers are responsible to collect the assessments from employers and submit the revenue to SIF. (see Note 3)

NOTES TO FINANCIAL STATEMENTS (Continued)

Other receivables are recorded inclusive of interest due and result from amounts billed in accordance with either statute C.G.S. 31-301 or C.G.S.355.

C.G.S. 31-301, Appeal Cases, provides for the payment of indemnity (lost wages) and medical benefits to an injured worker while their claims are under appeal. Upon a decision in the appeal, the injured worker (in cases of denial of compensation), or insurer (in cases of award of compensation), must reimburse the SIF for monies expended during the appeal process. This statute was repealed with passage of P.A. 95-277 for appeals filed on injuries occurring after July 1, 1995. During fiscal years 2009 and 2008, there were no benefits paid for appeals cases.

C.G.S. 31-355, Non Compliance, mandates that SIF pay indemnity and medical benefits for injured workers whose employers fail to or are unable to pay the compensation. The most common examples of these cases involve employers who did not carry worker's compensation insurance or are bankrupt.

Appeal Cases and Non Compliance transactions are recorded as injured worker benefits when paid by the Fund. Concurrently, the Fund seeks recovery of the amounts paid from the party statutorily responsible and a receivable is established. The receivable is offset by a credit to Allowance for Uncollectible Accounts. Recoveries are recorded as revenue when cash is received.

The Fund records other receivables for penalties and citations and certain other payments made under other statutes where the Fund has a right to seek reimbursement. The receivable is offset by a credit to Allowance for Uncollectible Accounts. Recoveries are recorded as revenue when cash is received. Revenue is recorded for these receivables when cash is received.

The allowance for uncollectible account represents those amounts estimated to be uncollectible as of the balance sheet date. The Fund fully reserves for the other receivable balances. (see Note 4)

Capital Assets

The category of capital assets consists of computers and office equipment. The Fund is recording these capital assets at cost with a useful life of 5 years on a straight-line method. In the year of acquisition of the capital asset, the Fund has elected to take a half a year depreciation expense.

Claims Benefits Payable

This category of liability includes indemnity and medical benefits to injured workers as claims and widow and dependent death benefits that will not be submitted to the Fund well as reimbursements to insurance companies and self-insured employers for widow claims and dependent death benefits in addition to concurrent employment cases incurred as at the balance sheet date. The long-term portion of claims benefits payable represents an estimate of the amount of liability of as June 30, 2009 and June 30, 2008 of the concurrent employment until a year or more for reimbursement. (see Note 5)

Settlements Payable

Settlements are negotiated agreements for resolving the Fund's future exposure on injured worker claims. An accrual is made for all settlements committed as of the balance sheet date. (see Note 5)

Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities represent administrative expenses of the Fund outstanding as of June 30, 2009 and June 30, 2008 as well as assessments owed to Connecticut Workers' Compensation and other Connecticut employers. (see Note 5)

Compensated Absences

Vacation and sick policy is as follows: Employees hired on or before June 30, 1977 can accumulate up to a maximum of 120 vacation days. Employees hired after that date can accumulate up to a maximum of 60 days. Upon termination or death, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, or after ten years of service upon death, for an amount equal to one-fourth of his/her accrued sick leave up to a maximum payment equivalent of sixty days. (see Note 5)

NOTE 3: ASSESSMENTS

The assessment method for carriers paying on behalf of insured employers is on an actual premium basis. The premium surcharge, which is paid by insured employers through their worker's compensation insurance carrier within 45 days of the close of a quarter, is the premium surcharge rate multiplied by the employer's "SIF's surcharge base" premium on all policies with an effective date for that quarter. "SIF's surcharge base" means direct written premium on policies prior to application of any deductible policy premium credits. The premium surcharge is set yearly based on the Fund's budgetary needs prior to the start of the fiscal year. The annual insured employers' assessment rate for the fiscal year ending June 30, 2009 was 3.0% and for the fiscal year ending June 30, 2008 was 3.5%.

The method of assessment for self-insured employers is a quarterly billing based on the previous calendar year's paid losses. The annual assessment rate for self-insured employers for the fiscal year ending June 30, 2009 was 4.7% and for the fiscal year ending June 30, 2008 was 6.7%.

NOTE 4: RECEIVABLES

The following is an analysis of the changes in the Fund receivable balances:

As of June 30, 2009:

	Beginning Balance	Additions	Cash Receipts	Write-Offs	Ending Balance	Amount Due Within One Year	Allowance for Uncollectible
Assessments	$11,875,202	$58,553,463	$60,715,263	$0	$9,713,402	$8,149,741	$1,563,661
Non-Compliance 355	8,282,425	3,746,239	220,581	2,390,016	9,418,067	0	9,418,067
Other Receivables	718,432	320,596	313,780	148,153	577,095	0	577,095
Total Receivables	$20,876,059	$62,620,298	$61,249,624	$2,538,169	$19,708,564	$8,149,741	$11,558,823

As of June 30, 2008:

	Beginning Balance	Additions	Cash Receipts	Write-Offs	Ending Balance	Amount Due Within One Year	Allowance for Uncollectible
Assessments	$16,797,894	$63,872,059	$68,794,751	$0	$11,875,202	$10,323,070	$1,552,132
Non-Compliance 355	8,277,130	3,294,699	350,561	2,938,843	8,282,425	0	8,282,425
Other Receivables	950,286	235,106	340,788	126,172	718,432	16,723	701,709
Total Receivables	$26,025,310	$67,401,864	$69,486,100	$3,065,015	$20,876,059	$10,339,793	$10,536,266

NOTE 5: LIABILITES AND COMPENSATED ABSENCES

The following is an analysis of the changes in the Fund liabilities and compensated absence balances:

As of June 30, 2009:

	Beginning Balance	Additions	Cash Disbursements	Ending Balance	Amount Due Within One Year
Claims and Benefits Payable	$7,985,465	$28,298,493	$27,629,612	$8,654,346	$7,623,846
Settlements Payable	2,372,237	10,117,350	9,890,161	2,599,426	2,599,426
Accounts Payable & Accrued Expenses	945,480	8,077,376	7,670,265	1,352,591	1,352,591
Compensated Absences	447,711	40,335	0	488,046	359,387
Total Liabilities & Compensated Absences	$11,750,893	$46,533,554	$45,190,038	$13,094,409	$11,935,250

As of June 30, 2008:

	Beginning Balance	Additions	Cash Disbursements	Ending Balance	Amount Due Within One Year
Claims and Benefits Payable	$8,293,319	$27,575,239	$27,883,093	$7,985,465	$7,018,965
Settlements Payable	2,510,865	9,975,232	10,113,860	2,372,237	2,372,237
Accounts Payable & Accrued Expenses	1,406,519	7,433,576	7,894,615	945,480	945,480
Compensated Absences	397,081	50,630	0	447,711	332,740
Total Liabilities & Compensated Absences	$12,607,784	$45,034,677	$45,891,568	$11,750,893	$10,669,422

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6: SETTLEMENTS

Negotiations were at various stages of completion for settlements valued and accrued at June 30, 2009 were $2.6 million and at June 30, 2008 were $2.4 million.

NOTE 7: SUBSEQUENT EVENTS

Effective July 1, 2009, the assessment rates for insured employers decreased from 3% to 2.75% on voluntary policies and on assigned risk policies, the assessment rates have decreased from 2.4% to 2.2%. The assessment rate for self-insured employers decreased from 4.7% to 3.84%.

CONNECTICUT HIGHER EDUCATION TRUST

STATEMENTS OF ASSETS AND LIABILITIES

	June 30, 2009	June 30, 2008
ASSETS		
Investments, at value (cost: $1,184,176,733 and $1,092,438,514)	$ 1,049,532,340	$1,076,414,124
Cash	58,274	1,085,149
Receivable from securities transactions	397,934	166,150
Receivable from Program units sold	641,150	1,017,528
TOTAL ASSETS	1,050,629,698	1,078,682,951
LIABILITIES		
Accrued program management fee	313,721	679,083
Accrued state trustee fee	7,334	16,146
Due to custodian	5,055	-
Payable for securities transactions	396,300	1,034,758
Payable for Program units repurchased	639,182	278,492
TOTAL LIABILITIES	1,361,592	2,008,479
NET ASSETS	$1,049,268,106	$1,076,674,472

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30,

	2009	2008
INVESTMENT INCOME		
Interest	$4,632,715	$4,116,420
Dividends	26,255,410	30,795,523
TOTAL INCOME	30,888,125	34,911,943
EXPENSES		
Program management fees	3,550,511	3,787,136
State trustee fees	85,367	91,337
TOTAL EXPENSES	3,635,878	3,878,473
NET INVESTMENT INCOME	27,252,247	31,033,470
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments in underlying fund shares	(36,287,390)	1,161,237
Realized gain distributions from underlying funds	24,062	10,086,369
Net change in unrealized appreciation (depreciation) on investments in underlying shares	(118,620,003)	(78,658,260)
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	(154,883,331)	(67,410,654)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$(127,631,084)	$(36,377,184)

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30,

	2009	**2008**
OPERATIONS		
Net Investment income	$27,252,247	$31,033,470
Net realized gain (loss) on total investments	(36,263,328)	11,247,606
Net change in unrealized appreciation (depreciation) on investments	(118,620,003)	(78,658,260)
NET INCREASE (DECREASE) FROM OPERATIONS	(127,631,084)	(36,377,184)
ACCOUNT OWNER TRANSACTIONS		
Subscriptions	415,250,132	230,364,461
Exchanges, net	-	(222,527)
Redemptions	(315,025,414)	(71,881,680)
NET INCREASE (DECREASE) FROM ACCOUNT OWNER TRANSACTIONS	100,224,718	158,260,254
NET INCREASE (DECREASE) IN NET ASSETS	(27,406,366)	121,883,070
NET ASSETS:		
Beginning of year	1,076,674,472	954,791,402
End of year	$1,049,268,106	$1,076,674,472

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—ORGANIZATION

The Connecticut Higher Education Trust Program (the "Program") was formed on July 1, 1997 by Connecticut law, to help people save for the costs of education after high school. The Program is administered by the Treasurer of the State of Connecticut, as trustee (the "Trustee") of the Connecticut Higher Education Trust (the "Trust"). The Trustee has the authority to enter into contracts for program management services, adopt regulations for the administration of the Program and establish investment policies for the Program. TIAA-CREF Tuition Financing, Inc. ("TFI"), a wholly-owned subsidiary of Teachers Insurance and Annuity Association of America ("TIAA"), and the Trustee have entered into a Management Agreement under which TFI serves as Program Manager. The Trust is designed to be a qualified tuition program under Section 529 of the Internal Revenue Code which was established pursuant to the Connecticut Statutes. Investment options and allocations, as approved by the Trustees, are described in the current Disclosure Booklet for the Program.

The assets in the Principal Plus Interest Option are allocated to a funding agreement issued by TIAA-CREF Life Insurance Company ("TIAA-CREF Life"), a subsidiary of TIAA. The Funding Agreement guarantees to the Trust a return of principal plus a minimum rate of interest (between 1% and 3%) and provides the opportunity for additional interest as declared periodically by TIAA-CREF Life.

Teachers Advisors, Inc. ("Advisors"), an affiliate of TFI, is registered with the Securities and Exchange Commission ("Commission") as an investment adviser and provides investment advisory services to the TIAA-CREF Funds. Teachers Personal Investors Services, Inc. ("TPIS"), an affiliate of TFI, and TIAA-CREF Individual & Institutional Services, LLC ("Services"), also an affiliate of TFI, both of which are registered with the Commission as broker-dealers and are members of the Financial Industry Regulatory Authority, provide the telephone counseling, marketing and information services required of TFI as Program Manager.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which may require the use of estimates made by management and the evaluation of subsequent events through September 10, 2009. Actual results may differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Program.

Accounting for Investments: Securities transactions are accounted for as of the date the securities are purchased or sold ("trade date"). Interest income is recorded as earned. Dividend income and capital gain distributions from the TIAA-CREF Funds are recorded on the ex-dividend date. Realized gains and losses are based upon the specific identification method.

Federal and State Income Tax: No provision for income taxes has been made. The Program is designed to constitute a qualified tuition program under Section 529 of the Internal Revenue Code, which exempts earnings on qualified withdrawals from federal income tax and does not have any unrelated business income subject to tax. Earnings on qualified withdrawals are exempt from Connecticut income tax.

Units: The beneficial interests for each participant in the Investment Options are represented by Program units. Subscriptions and redemptions are recorded upon receipt of participant's instructions in good order, based on the next determined net asset value per unit ("Unit Value"). Unit values for each Investment Option are determined at the close of business of the New York Stock Exchange. There are no distributions of net investment gains or net investment income to the Investment Options participants or beneficiaries.

Valuation of Investments: U.S. GAAP establishes a hierarchy that prioritizes market inputs to valuation methods. The three levels of inputs are:

- • Level 1 – quoted prices in active markets for identical securities
- • Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)
- • Level 3 – significant unobservable inputs (including the Program's own assumptions in determining the fair value of investments)
-

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A description of the valuation techniques applied to the Program's major categories of assets and liabilities measured at fair value follows:

Investments in Registered Investment Companies: These investments are valued at their net asset value on the valuation date. Net asset value of underlying funds is calculated as of the close of business of the New York Stock Exchange. These investments are categorized in Level 1 of the fair value hierarchy.

TIAA-CREF Life Funding Agreement: The value is stated at the principal contributed and earnings credited less any withdrawals to date which in the good faith judgment of the Program Manager approximates fair value. The Funding Agreement is categorized in Level 3 of the fair value hierarchy.

The following is a summary of the inputs used to value the Program investments as of June 30, 2009:

	Level 1	Level 2	Level 3	Total
Managed Allocation Option	$ 620,581,891	$ -	$ -	$ 620,581,891
Aggressive Managed Allocation Option	30,323,822	-	-	3 0,323,822
High Equity Option	171,428,586	-	-	171,428,586
100% Equity Index Option	41,157,004	-	-	41,157,004
100% Fixed Income Option	19,082,657	-	-	19,082,657
Social Choice Option	1,178,785	-	-	1,178,785
Money Market Option	10,856,385	-	-	10,856,385
Principal Plus Interest Option	-	-	154,483,968	154,483,968
Administrative Account	439,242	-	-	439,242
Total	$ 895,048,372	$ -	$ 1 54,483,968	$ 1,049,532,340

Following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining value:

	Investments in Securities
Balance as of 06/30/08	$ 115,809,935
Accrued Discounts/Premiums	-
Realized Gain/Loss	-
Change in Unrealized Appreciation/Depreciation	-
Net Purchases/Sales	38,674,033
Net Transfers in and/or out of Level 3	-
Balance as of 06/30/09	$ 154,483,968

NOTE 3—MANAGEMENT AGREEMENTS

For its services as Program Manager with respect to the Managed Allocation Option, the Aggressive Managed Allocation Option, the 100% Equity Index Option, the 100% Fixed Income Option, the Social Choice Option, the Money Market Option and the High Equity Option, TFI, and related entities, are paid (i) an annual aggregate management fee of 0.315% to 0.56% of the average daily net assets of the Trust, so invested, plus (ii) the specific investment management fees for the underlying investments in the TIAA-CREF Funds, plus (iii) state fee (described below) the total of which shall not exceed 0.65% of the average daily net assets of the Trust invested in such investment options. The state trustee fee is not charged on assets invested in the Principal Interest Option however, an expense fee is paid to TFI by TIAA-CREF Life Insurance Company for distribution, administrative and other reasonable expenses.

The Trustee collects a State Trustee Fee of 0.01% of the average daily net assets of the Trust annually to pay for expenses related to the oversight of the Trust. The Trustee is authorized to withdraw a State Fee of up to 0.02% of the average daily net assets of the Trust.

Total program fees earned by TFI and related entities for the year ended June 30, 2009 were $5,453,427, which includes $3,550,511 due directly from the Program and $1,902,916 due on Program investments in the TIAA-CREF Funds. The total state fees were $85,367. The fees charged to each portfolio are disclosed in the Statement of Operations.

NOTE 4—INVESTMENTS

As of June 30, 2009, net unrealized depreciation of portfolio investments was $134,644,393, consisting of gross unrealized depreciation of $134,644,393.

Purchases and sales of non-government portfolio securities for the year ended June 30, 2009 were $234,599,405 and $145,321,925, respectively.

An Account owner has an investment in an Investment Option and not a direct investment in any underlying mutual fund or other investment vehicle.

As of June 30, 2009, the Program's investments consist of the following:

TIAA-CREF Funds (Institutional Class):	SHARES	COST	VALUE
Inflation Linked Bond Fund	9,935,755	$ 102,294,844	$ 101,742,133
Equity Index Fund	33,441,805	280,161,825	229,076,364
International Equity Index Fund	6,540,568	112,963,615	85,943,067
Bond Fund	27,526,100	274,422,581	272,233,128
Real Estate Securities Fund	3,220,202	33,668,360	17,839,918
Money Market Fund	81,855,967	81,855,967	81,855,967
Mid-Cap Growth Fund	671,751	10,504,195	7,946,809
Mid-Cap Value Fund	680,809	11,437,264	7,856,540
S&P 500 Index Fund	7,641,951	106,310,699	79,705,550
Small-Cap Equity Fund	999,012	14,233,763	9,230,869
Social Choice Equity Fund	154,089	1,400,410	1,178,785
TIAA-CREF Fund (Retail Class):			
Money Market Fund*	439,242	439,242	439,242
TIAA-CREF Life Insurance Company:			
Funding Agreement		154,483,968	154,483,968
		$ 1,184,176,733	$ 1,049,532,340

* Represents the assets of the administrative account.

REPORT OF INDEPENDENT AUDITORS

To the Trustee of The Connecticut Higher Education Trust Program and Account Owners:

In our opinion, the accompanying statement of assets and liabilities and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of nineteen portfolios constituting the Connecticut Higher Education Trust Program (hereafter referred to as the "Program") at June 30, 2009, the results of each of their operations, the changes in each of their net assets and each of their financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of TIAA-CREF Tuition Financing, Inc (hereafter referred to as the "Program Manager"). Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the Program Manager, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
New York, New York
September 10, 2009

STATE OF CONNECTICUT SPECIAL OBLIGATION RATE REDUCTION BONDS

STATEMENT OF NET ASSETS
FOR THE YEARS ENDED DECEMBER 31,

	2008	2007
ASSETS		
Current assets:		
Cash and cash equivalents	$ 11,989,868	$ 3,673,176
Receivables	-	2,483,116
Total Current Assets	11,989,868	6,156,292
Noncurrent assets:		
Trustee cash and cash equivalents	-	20,534,500
Total noncurrent assets	-	20,534,500
Total Assets	**$ 11,989,868**	**$ 26,690,792**
LIABILITIES		
Current liabilities:		
Special obligation bonds payable - current portion	$ -	$ 29,830,000
Accounts payable and accrued liabilities	-	150,000
Interest payable	-	-
Total current liabilities	-	29,980,000
Noncurrent liabilities:		
Special obligation bonds payable	-	81,160,000
Premium on special obligation bonds, net of amortization	-	6,133,097
Total Noncurrent liabilities	-	87,293,097
Total Liabilities	**$ -**	**$ 117,273,097**
NET ASSETS		
Restricted for Debt Service	-	24,207,676
Unrestricted Assets (Deficit)	11,989,868	(114,789,980)
Total Net Assets (Deficit)	**$ 11,989,868**	**$ (90,582,304)**

See accompanying Notes to the Financial Statements.

STATE OF CONNECTICUT SPECIAL OBLIGATION RATE REDUCTION BONDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31,

	2008	2007
Operating Revenues		
Utilities Revenues	$ 17,725,057	$ 31,832,395
Operating Expenses		
Administrative Expenses	230,095	304,869
Operating Income	17,494,963	31,527,526
Non-Operating Revenues (Expenses)		
Interest Income	594,085	1,676,697
Cash Defeasance Cost	(516,875)	1,752,314
Interest Expense	-	(6,436,300)
Costs of Issuance	-	-
Total Non-Operating Revenues (Expenses)	77,210	(3,007,289)
Net Income before special and extraordinary items	17,572,173	28,520,237
Special and Extraordinary Items		
Bonds Issued	-	-
Deferred Revenue	-	-
Capital Contribution	85,000,000	-
Total Special and Extraordinary Items	85,000,000	-
Change in Net Assets	102,572,173	28,520,237
Net Assets, beginning	(90,582,304)	(119,102,541)
Net Assets, ending	$ 11,989,868	$ (90,582,304)

See accompanying Notes to the Financial Statements.

STATE OF CONNECTICUT SPECIAL OBLIGATION RATE REDUCTION BONDS

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2008	2007
Cash Flows from Operating Activities		
Source:		
Collection revenues	$ 17,725,058	$ 31,773,380
Trustee cash	-	-
	17,725,058	31,773,380
Use:		
Administrative expenses	(230,095)	(304,869)
Net cash provided by operating activities	17,494,963	31,468,511
Cash Flows from Noncapital Financing Activities		
Special Obligation Bonds	-	28,450,000
Interest expense on Bonds	-	6,436,300
Cash Defeasance of Special Obligation Bonds	11,990,000	-
Cash Defeasance Expense	516,875	-
Asset Contribution to Cash Defeasance	(16,734,519)	-
Capital Contribution to Cash Defeasance from General Fund	(85,000,000)	-
Net cash used from noncapital financing activities	9,772,356	34,886,300
Cash Flows from Investing Activities		
Interest income	(594,085)	(1,676,697)
Net Cash used by investing activities	(594,085)	(1,676,697)
Net Increase (Decrease) in cash and cash equivalents	8,316,692	(1,741,092)
Cash and cash equivalents, December 31, 2007	3,673,176	5,414,268
Cash and cash equivalents, December 31, 2008	$ 11,989,868	$ 3,673,176

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

	2008	2007
Operating Income	$ 17,494,963	$ 31,527,526
Adjustments to reconcile operating income to net cash:		
Decrease (increase) in assets:		
Decrease in trustee cash	-	-
Increase in receivables	-	(59,015)
Increase (decrease) in liabilities	-	-
Increase in accounts payable & accrued expenses	-	-
Net Cash provided by Operating Activities	$ 17,494,963	$ 31,468,511

See accompanying Notes to the Financial Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: INTRODUCTION AND BASIS OF PRESENTATION

The Rate Reduction Bond Fund ("The Fund") was established in 2004 to account for the trustee-held assets, receipts, and expenses associated with State of Connecticut Special Obligation Rate Reduction Bonds. The Special Obligation Rate Reduction Bonds were issued in 2004 to sustain for two years the funding of energy conservation and load management and renewable energy investment programs by providing money to the State's General Fund.

The bonds were issued pursuant to Connecticut General Statues Section 16-245e through 16-245k, 16-245m and 16-245n, as amended. The statutes authorize the Connecticut Department of Public Utility Control to issue a financing order authorizing a nonbypassable State RRB charge on the electric bills of the State's two investor-owned electric utilities: The Connecticut Light and Power Company (CL&P) and The United Illuminating Company (UI). The charge is calculated, billed, and collected by the two utilities pursuant to servicing agreements with the State. Collections from the State RRB charge are remitted to the bond trustee in an aggregate amount sufficient to cover principal, interest, and other fees associated with the bonds.

The State of Connecticut, acting through the Office of the Treasurer, was authorized to issue the bonds. Repayment of the bonds including principal and interest, servicing fees, trustee fees, rating agency fees, legal and accounting fees and other related fees and expenses are payable solely from the State RRB charge. The State RRB charge is to be used exclusively for this purpose until the bonds have matured on June 30, 2011. Neither the full faith and credit nor the taxing power of the State is pledged to the bonds.

A cash defeasance of the bonds was done on June 5, 2008. Therefore there is $0 of outstanding principal and interest remaining. State RRB revenue recognized during calendar year 2008 is $17,725,057.

For State of Connecticut financial reporting purposes, the RRB Fund is reported as an Enterprise Fund. (See Notes 2 and 4.)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The accompanying financial statements of the Fund have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB).

In June 1999, Government Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. The Fund implemented GASB No. 34 effective July 1, 2004. GASB No. 34, Paragraph 67, requires the Fund to utilize the enterprise fund form of reporting. The reporting focuses on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. The full accrual form of accounting is employed, and revenues are recognized when earned, and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. GASB No. 34 has defined an enterprise fund as a governmental unit in which the activity is financed with debt that is secured solely by a pledge of the revenues from fees and charges of an activity. In addition, if the long-term debt is to be serviced by the Fund, then it is accounted for by the Fund.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the Fund are the monies assessed against each customer and applied equally to each company's retail customers of the same class. Companies are defined as CL&P and UI, who service the Transition Property and collect the State RRB charge.

Receivables

The receivables balance is composed of collection receivables.

Trustee Cash and Cash Equivalents

Trustee cash and cash equivalents consist of funds in various accounts held by U.S. Bank National Association as required by the Indenture of Trust dated June 23, 2004, covering the 2004 Series A Special Obligation Rate Reduction Bonds. These accounts include a Collection Account, Bond Account, Reserve Account, Rebate Account, and Cost of Issuance Account.

Bond Premiums

The premium on the revenue bonds is being amortized over the term of the bonds on a straight-line basis, which yields results equivalent to the interest method. The initial amount of premium received on the Special Obligation Rate Reduction Bonds was $12,266,194.80. As of December 31, 2008 and 2007, the amount of premium remaining is $0.00 and $6,133,097.40 respectively.

NOTE 3: SPECIAL ASSESSMENT REVENUE BONDS

The Special Obligation Rate Reduction Bonds were issued to sustain for two years the funding of energy conservation and load management and renewable energy investment programs by providing money to the State's General Fund. The bonds are payable entirely from the State RRB charge, and the State of Connecticut has no contingent obligation either directly or indirectly for the payment of such bonds.

Public Act No. 07-1 of the June 2007 Special Session, Sections 21 and 134 authorized the use of 2007 fiscal year General Fund surplus in the amount of $85,000,000 to be used for the purpose of defeasing or purchasing some or all of the 2004 Series A Special Obligation Rate Reduction Bonds maturing after December 30,2007.

On April 30,2008, the DPUC issued its Decision in Docket No. 03-09-08RE01 approving the defeasance of the Bonds and the application of unexpended funds by the Trustee. The State defeased the outstanding Bonds on June 5, 2008 with the $85,000,000 of surplus funds authorized and moneys held in the Collection Account and Reserve Account.

A summary of the beginning and ending balances of the bonds is presented below:

Balance at 12/31/2007	Increases	Decreases	Balance at 12/31/2008	Amount due within one year
$110,990,000	$0.00	$110,990,000	$0.00	$0.00

Balance at 12/31/2006	Increases	Decreases	Balance at 12/31/2007	Amount due within one year
$139,440,000	$0.00	$28,450,000	$110,990,000	$29,830,000

Bonds were issued on June 23, 2004, for $205,345,000. The outstanding maturities of the remaining 2004 bond issue mature on June 30 and December 30 of each year through 2011 and bear fixed interest rates ranging from 2.50% to 5.00%. For Fiscal Year ended December 31, 2007 $28,450,000.00 bonds matured. On June 5, 2008 the remianing bonds outstanding of $110,990,000 were defeased. At December 31, 2007 amounts needed to pay principal and the respective interest rates payable on the remaining 2004 bond issue amounts were as follows:

	2007	
Maturity	Principal	Interest Rate
6/30/08	11,745,000	5.00%
6/30/08	3,000,000	3.00%
12/30/08	15,085,000	5.00%
6/30/09	12,460,000	5.00%

6/30/09	3,000,000	3.50%
12/30/09	15,825,000	5.00%
6/30/10	14,985,000	5.00%
6/30/10	1,235,000	3.50%
12/30/10	16,620,000	5.00%
6/30/11	14,020,000	5.00%
6/30/11	3,015,000	4.00%
	110,990,000	

The Trustee for these bonds is U.S. Bank, National Association, successor in interest to Wachovia Bank N.A., who holds the accounts as required by the Bond Indenture. Collections are wire transferred to the Trustee daily by CL&P and UI in accordance with the servicing agreements.

At December 31, 2008 and 2007 the Trustee Accounts included the following:

	2008	2007
Reserve Account	$40,606	$20,599,773
Collection Account	11,567,523	3,607,904
Rebate Account	381,739	-
Total Trustee Accounts	$11,989,868	$24,207,677

NOTE 4: PREMIUM ON SPECIAL ASSESSMENT REVENUE BONDS

Due to the cash defeasnace of the bonds on June 5, 2008, there is no longer any premuim to be amortized. However, the original schedule of the premium received on the 2004 Series A Special Obligation Rate Reduction Bonds was to be amortized over the term of the bonds as shown in the table below.

	Semi-Annual Premium	Bond Premium Balance
09/23/2004		$12,266,194.80
12/30/2004	$876,156.77	11,390,038.03
06/30/2005	876,156.77	10,513,881.26
12/30/2005	876,156.77	9,637,724.49
06/30/2006	876,156.77	8,761,567.71
12/30/2006	876,156.77	7,885,410.94
06/30/2007	876,156.77	7,009,254.17
12/30/2007	876,156.77	6,133,097.40
06/30/2008	876,156.77	5,256,940.63
12/30/2008	876,156.77	4,380,783.86
06/30/2009	876,156.77	3,504,627.09
12/30/2009	876,156.77	2,628,470.31
06/30/2010	876,156.77	1,752,313.54
12/30/2010	876,156.77	876,156.77
06/30/2011	876,156.77	0.00

NOTE 5: CASH DEPOSITS - CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of a bank failure, the Fund deposits may not be returned to it. The Fund deposits cash in various accounts held by U.S. Bank N.A, as successor to Wachovia Bank National Association, as required by the Indenture of Trust dated June 23, 2004, covering the 2004 Series A Special Obligation Rate Reduction Bonds. Deposits in banks are insured up to $100,000; any amount above this limit is considered uninsured. Additionally, state banking law requires all financial institutions that accept State of Connecticut deposits to segregate collateral against these deposits in an amount equal to ten percent of the outstanding deposit. As of December 31 2008 and 2007, $0 and $0 respectively of the Fund balance was exposed to custodial credit risk representing the portion that was uninsured and collateral held by the pledging bank not in the name of the State of Connecticut.

NOTE 6: INVESTMENTS

As of December 31, 2008, the Fund's investments consisted of the following:

	Investment Maturities (In Years)			
	Fair Value	Less Than 1	1 to 5	6 to 10
Securities				
Short-Term Investment Fund	$11,553,568	$11,553,568	$0	$0

As of December 31, 2007, the Fund's investments consisted of the following:

	Investment Maturities (In Years)			
	Fair Value	Less Than 1	1 to 5	6 to 10
Securities				
Short-Term Investment Fund	$10,720,080	$10,720,080	$0	$0
Guaranteed investment contract	13,000,000		0	13,000,000
	$23,720,080	$10,720,080	$0	$13,000,000

Restricted investments held by the Trustee in the collection account and the debt service reserve accounts are invested pursuant to the Indenture.

Interest Rate Risk

The Fund's investment policies are delineated in Section 509 of the Indenture of Trust dated June 23, 2004.

Credit Risk

The Fund's investments in securities were rated by Standard and Poor's as of December 31, 2008 as follows:

Securities	Fair Value	AAA
Short-Term Investment Fund	$11,553,568	$11,553,568

Concentrations of Credit Risk

The Fund places no limit on the amount of investment in any one issuer. The Fund's investment policies are delineated in Section 509 of the Indenture of Trust dated June 23, 2004. In addition, in accordance with Connecticut General Statutes, allowable investments include: 1) obligations, securities, and investments set forth in subsection (f) of Section 3-20 of the Connecticut General Statutes and 2) participation certificates in the State's Short-Term Investment Fund created under Section 3-27a of the Connecticut General Statutes.

NOTE 7: SUBSEQUENT EVENTS

Following defeasance the Servicers continue to deposit funds representling collected billed RRB Charges into the Collection Account for a period not expected to exceed three months. After all appropriate expenses have been paid the remaining funds shall be distributed, as directed by the issurer, to the REI fund at 25% and to the C&LM Fund established by the Servicers at 75%. Remaining funds in the amount of $11,458,130 were distributed to the respective utility companies on March 5,2009.

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 State of Connecticut Special Obligation Rate Reduction Bonds as of December 31, 2008 and 2007, and the related Statements of Revenues, Expenses, and Changes in Net Assets, and Cash Flows for the years then ended. 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.

Except as discussed in the following paragraph, 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the State Rate Reduction Bond charge is calculated, billed, and collected by two investor-owned electric utilities pursuant to servicing agreements with the State. We did not audit the electric utilities' compliance with the servicing agreements, which were examined by other auditors.

The financial statements present only the Statement of Net Assets of the State of Connecticut Special Obligation Rate Reduction Bonds as of December 31, 2008 and 2007 and the Statements of Revenues, Expenses, and Changes in Net Assets, and Cash Flows for the years then ended, and are not intended to present fairly the financial position and the results of operations of the Enterprise Funds of the State of Connecticut, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State of Connecticut Special Obligation Rate Reduction Bonds as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements of the State of Connecticut Special Obligation Rate Reduction Bonds 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.

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts

August 14, 2009
State Capitol
Hartford, Connecticut

TAX EXEMPT PROCEEDS FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2009

ASSETS		
Investments in securities, at amortized cost (Note 1)	$	135,826,187
Accrued interest receivable		267,986
Total assets		136,094,173
LIABILITIES		
Payable for securities purchased		2,039,680
Payable to affiliates (Note 2)		40,724
Due to custodian		1,836,031
Dividends payable		118
Total liabilities		3,916,553
Net assets	$	132,177,620
SOURCE OF NET ASSETS		
Net capital paid in on shares of capital stock (Note 4)	$	132,177,620
Accumulated net realized gain(losses)		-0-
Net assets	$	132,177,620
Net asset value, per share (applicable to 132,179,623 shares outstanding) (Note 4)	$	1.00

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

SCHEDULE OF INVESTMENTS
JUNE 30, 2009

Face Amount		Maturity Date	Interest Rate	Value (Note 1)	Ratings (a) Moody's	Standard & Poor's
Tax Exempt Commercial Paper (2.46%)						
$ 3,250,000	Harris County, TX – Series C	07/16/09	0.23%	$ 3,250,000	P-1	A-1+
3,250,000	**Total Tax Exempt Commercial Paper**			**3,250,000**		
Tax Exempt General Obligation Notes & Bonds (12.04%)						
$ 2,000,000	Board of Education of Davis School District, Davis County, UT TAN – Series 2009	06/30/10	0.50%	$ 2,039,680	MIG-1	
3,000,000	Commonwealth of Puerto Rico TRAN – Series 2009A-4 LOC KBC Bank N.V.	07/30/09	2.39	3,002,003	MIG-1	SP-1
2,000,000	Mequon -Thiensville School District, WI TRAN	09/04/09	1.80	2,005,948	MIG-1	
3,520,000	Town of Natick, MA BAN	06/30/10	0.60	3,560,123		SP-1+
5,312,610	Town of Hull, MA BAN (High School and Jacobs School)	07/09/09	1.78	5,313,433		SP-1+
15,832,610	**Total Tax Exempt General Obligation Notes & Bonds**			**15,921,187**		
Variable Rate Demand Instruments (b) (88.26%)						
$ 2,600,000	California Statewide Communities Development Authority RB (Rady Children's Hospital – San Diego) – Series 2008B LOC Bank of the West	08/15/47	0.30%	$ 2,600,000	VMIG-1	A-1+
3,000,000	City of Cohasset, MN RB (Minnesota Power & Light Company Project) – Series 1997A LOC LaSalle National Bank N.A.	06/01/20	0.40	3,000,000		A-1+
1,400,000	City of Newport, KY Kentucky League of Cities Funding Trust Lease Program RB – Series 2002 LOC US Bank, N. A.	04/01/32	0.30	1,400,000	VMIG-1	
3,000,000	City of Stockton, CA Health Facility RB (Dameron Hospital Association) 2002 – Series A LOC Citibank, N.A.	12/01/32	0.25	3,000,000	VMIG-1	
3,000,000	City of Valdez, AK Marine Terminal Revenue Refunding Bonds (BP Pipelines (Alaska) Inc. Project) – Series 2003A	06/01/37	0.25	3,000,000	VMIG-1	A-1+
3,000,000	Colorado Health Facilities Authority HRB (Boulder Community Hospital Project) – Series 2000 LOC JPMorgan Chase Bank, N.A.	10/01/30	0.37	3,000,000	VMIG-1	A-1+
5,000,000	Columbus, OH Regional Airport Authority Capital Funding RB (Oasbo Expanded Asset Pooled Financing Program) – Series 2006 LOC U.S. Bank N.A.	12/01/36	0.32	5,000,000	VMIG-1	

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

SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2009

Face Amount		Maturity Date	Interest Rate	Value (Note 1)	Ratings (a) Moody's	Standard & Poor's
Variable Rate Demand Instruments (b) (Continued)						
$ 1,100,000	Commonwealth of Puerto Rico Public Improvement Refunding Bonds – Series 2007A-8 LOC Wachovia Bank, N.A.	07/01/34	0.07%	$ 1,100,000	VMIG-1	A-1+
1,860,000	Connecticut State Development Authority RB (Pierce Memorial Baptist Home, Inc. Project 1999 Refunding Series) LOC LaSalle National Bank N.A.	10/01/28	0.18	1,860,000		A-1+
4,000,000	Cornerstar Metropolitan District, City of Aurora, CO – Series 2007 LOC Compass Bank	12/01/37	0.35	4,000,000		A-1
1,000,000	Dormitory Authority of the State of New York State Cornell University RB Series 2008B	07/01/37	0.30	1,000,000	VMIG-1	A-1+
4,500,000	Dormitory Authority of the State of New York State Blythedale Childrens HRB Series 2009 LOC TD Bank, N.A.	12/01/36	0.18	4,500,000	VMIG-1	
2,000,000	Florida Housing Finance Corporation Multifamily Housing Revenue Refunding Bonds (Charleston Landing Apartments) 2001 Series I-A Guaranteed by Federal Home Loan Mortgage Corporation	07/01/31	0.32	2,000,000		A-1+
2,250,000	Florida Housing Finance Corporation Multifamily Housing Revenue Refunding Bonds (Island Club Apartments) 2001 Series J-A Guaranteed by Federal Home Loan Mortgage Corporation	07/01/31	0.32	2,250,000		A-1+
1,625,000	HEFA of the State of Missouri RB Educational Facilities RB (Ranken Technical College) – Series 2007 LOC Northern Trust Company	11/15/31	0.33	1,625,000		A-1+
3,400,000	Illinois Development Finance Authority RB (Glenwood School For Boys) – Series 1998 LOC Harris Trust & Savings Bank	02/01/33	0.33	3,400,000		A-1+
2,975,000	Illinois Finance Authority RB, Series 2004 (Riverside Health System) LOC JPMorgan Chase Bank, N.A.	11/15/29	0.32	2,975,000	VMIG-1	A-1+
2,800,000	Iowa Higher Education Loan Authority Private College Facility RB (University of Dubuque Project) – Series 2007 LOC Northern Trust Company	04/01/35	0.30	2,800,000		A-1+

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

SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2009

Face Amount		Maturity Date	Interest Rate	Value (Note 1)	Ratings (a) Moody's	Standard & Poor's
Variable Rate Demand Instruments (b) (Continued)						
$ 1,000,000	Irvine Ranch Water District, Orange County, CA Waterworks Bonds Election 1988 Series A for Improvement District No. 182 LOC Landesbank Hessen Thuringen Girozentrale	11/15/13	0.17%	$ 1,000,000		A-1+
800,000	Lincoln County, WY PCRB (Exxon Corporation) – Series 1985	08/01/15	0.13	800,000		A-1+
2,000,000	Marion County, FL IDA Multifamily Housing Revenue Refunding Bonds (Chambrel at Pinecastle Project) – Series 2002 Guaranteed by Federal National Mortgage Association	11/15/32	0.32	2,000,000		A-1+
6,000,000	Maryland Health and Higher Educational Facilities Authority RB (University of Maryland Medical System Issue) – Series 2007A LOC Wachovia Bank, N.A.	07/01/34	0.25	6,000,000	VMIG-1	A-1+
4,000,000	M-S-R Public Power Agency, CA San Juan Project Subordinate Lien RB Series 2008M LOC Dexia CLF	07/01/22	0.18	4,000,000		A-1
2,000,000	Nassau County, NY Industrial Development Agency Civic Facility Refunding and Improvement RB 1999 Cold Spring Harbor Laboratory Project	01/01/34	0.15	2,000,000		A-1+
735,000	New Canaan, CT Housing Authority RB (The Village at Waveny Care Center Project) – Series 2002 LOC Bank of America, N.A.	01/01/22	0.15	735,000		A-1+
2,000,000	New Jersey Health Care Facilities Financing Authority RB (Saint Barnabas Health Care System Issue) – Series 2001A LOC JP Morgan Chase Bank, N.A.	07/01/31	0.10	2,000,000	VMIG-1	A-1+
1,200,000	New Ulm, MN Hospital Refunding RB (Health Central Systems Project) – Series 1985 LOC Wells Fargo Bank, N.A.	08/01/14	0.25	1,200,000		A-1+
2,300,000	New York City, NY GO Fiscal 1993 Sub-Series E-5 LOC JPMorgan Chase Bank, N.A.	08/01/17	0.18	2,300,000	VMIG-1	A-1+
2,505,000	New York City, NY GO Fiscal 2004 Sub-Series H-2 LOC Bank of New York Mellon	03/01/34	0.13	2,505,000	VMIG-1	A-1+
5,000,000	New York City, NY TFA Recovery Bond – Fiscal 2003 Sub – Series 2A	11/01/22	0.18	5,000,000	VMIG-1	A-1+
1,955,000	North Carolina Capital Facilities Finance Agency Capital Facilities RB (The Mental Health Association in North Carolina, Inc. Project) – Series 2007 LOC Branch Banking & Trust Company	02/01/27	0.29	1,955,000	P-1	A-1+

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

SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2009

Variable Rate Demand Instruments (b) (Continued)

Face Amount		Maturity Date	Interest Rate	Value (Note 1)	Ratings (a) Moody's	Ratings (a) Standard & Poor's
$ 3,700,000	Palm Beach County, FL Educational Facilities Authority RB (Lynn University Project) – Series 2001 LOC Bank of America, N.A.	11/01/21	0.32%	$ 3,700,000	P-1	A-1+
3,600,000	Redevelopment Agency of the City of Pittsburg, CA Los Medanos Community Development Project Subordinate Tax Allocation Bonds 2004 Series A LOC State Street Bank and Trust/ California State Teachers Retirement System	09/01/35	0.40	3,600,000		A-1+
8,000,000	State of California Department of Water Resources Power Supply RB – Series 2002B-2 LOC BNP Paribas	05/01/22	0.25	8,000,000	VMIG-1	A-1+
3,600,000	State of California Department of Water Resources Power Supply RB – Series 2008I LOC Allied Irish Bank PLC	05/01/22	0.18	3,600,000	VMIG-1	A-1+
4,200,000	State of California Kindergarten-University Public Education Facilities Bonds – Series 2004A-1 LOC Citibank/California State Teachers Retirement System	05/01/34	0.30	4,200,000	VMIG-1	A-1+
2,000,000	State of California Kindergarten-University Public Education Facilities Bonds – Series 2004A-3 LOC Citibank/California State Teachers Retirement System	05/01/34	0.35	2,000,000	VMIG-1	A-1+
150,000	State of Connecticut HEFA RB (Charlotte Hungerford Hospital Issue) – Series 1998C LOC Bank of America, N.A.	07/01/13	0.25	150,000	VMIG-1	
300,000	State of Connecticut HEFA RB Mulberry Gardens Issue, Series E LOC Bank of America, N.A.	07/01/36	0.25	300,000		A-1+
1,000,000	State of Connecticut HEFA RB (Yale-New Haven Hospital Issue) – Series K-2 LOC JPMorgan Chase Bank, N.A.	07/01/25	0.17	1,000,000	VMIG-1	A-1+
1,500,000	State of Connecticut HEFA RB (Yale University Issue) – Series V-1	07/01/36	0.15	1,500,000	VMIG-1	A-1+
700,000	State of Connecticut HEFA RB (Yale University Issue) – Series Y-3	07/01/35	0.15	700,000	VMIG-1	A-1+
1,000,000	St. Lucie County, FL Pollution Control Revenue Refunding Bonds (Florida Power & Light Company Project) – Series 2000	09/01/28	0.22	1,000,000	VMIG-1	A-1
2,900,000	Turlock Irrigation District, CA COP (Capital Improvements and Refunding Project) 2001 Series A LOC Societe Generale	01/01/31	0.15	2,900,000		A-1+

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

SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2009

Face Amount		Maturity Date	Interest Rate	Value (Note 1)	Ratings (a) Moody's	Ratings (a) Standard & Poor's
Variable Rate Demand Instruments (b) (Continued)						
$ 4,000,000	Uinta County, WY Pollution Control Revenue Refunding Bonds (Chevron U.S.A. Inc Project) – Series 1993	08/15/20	0.15%	$ 4,000,000	P-1	
116,655,000	**Total Variable Rate Demand Instruments**			**116,655,000**		
	Total Investments (102.76%) (Amortized cost $135,826,187†)			**135,826,187**		
	Liabilities in excess of cash and other assets (-2.76%)			**(3,648,567)**		
	Net Assets (100.00%)			**$ 132,177,620**		

† Aggregate cost for federal income taxes is identical. All securities are valued at amortized cost, and as a result, there is no unrealized appreciation or depreciation.

FOOTNOTES:

(a) Unless the securities are assigned their own ratings, the ratings are those of the bank whose letter of credit guarantees the issue. All letters of credit are irrevocable and direct pay covering both principal and interest. In addition, certain issuers may have either a line of credit, a liquidity facility, a standby purchase agreement or some other financing mechanism to ensure the remarketing of the securities. This is not a guarantee and does not serve to insure or collateralize the issue. Ratings have not been audited by Sanville & Company..

(b) Securities payable on demand at par including accrued interest (usually with one or seven days notice) and where indicated re unconditionally secured as to principal and interest by a bank letter of credit. The interest rates are adjustable and are based on bank prime rates or other interest rate adjustment indices. The rate shown is the rate in effect at the date of this statement.

KEY:

BAN	= Bond Anticipation Note		LOC	=	Letter of Credit
COP	= Certificate of Participation		PCRB	=	Pollution Control Revenue Bond
GO	= General Obligation		RB	=	Revenue Bond
HEFA	= Health and Educational Facilities Authority		TFA	=	Transitional Finance Authority
HRB	= Hospital Revenue Bond		TRAN	=	Tax and Revenue Anticipation Note
IDA	= Industrial Development Authority				

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

BREAKDOWN OF PORTFOLIO HOLDINGS BY MATURITY
JUNE 30, 2009

Securities Maturing in	Value	% of Portfolio
Less than 31 days	$128,220,436	94.40%
31 through 60	-0-	0.00
61 through 90	2,005,948	1.48
91 through 120	-0-	0.00
121 through 180	-0-	0.00
Over 180 days	5,599,803	4.12
Total	**$135,826,187**	**100.00%**

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

BREAKDOWN OF PORTFOLIO HOLDINGS BY STATE
JUNE 30, 2009

States	Value	% of Portfolio
Alaska	$3,000,000	2.21%
California	34,900,000	25.70
Colorado	7,000,000	5.16
Connecticut	6,245,000	4.60
Florida	10,950,000	8.06
Illinois	6,375,000	4.69
Iowa	2,800,000	2.06
Kentucky	1,400,000	1.03
Maryland	6,000,000	4.42
Massachusetts	8,873,556	6.53
Minnesota	4,200,000	3.09
Missouri	1,625,000	1.20
New Jersey	2,000,000	1.47
New York	17,305,000	12.74
North Carolina	1,955,000	1.44
Ohio	5,000,000	3.68
Puerto Rico	4,102,003	3.02
Texas	3,250,000	2.39
Utah	2,039,680	1.50
Wisconsin	2,005,948	1.48
Wyoming	4,800,000	3.53
Total	$135,826,187	100.00%

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

TAX EXEMPT PROCEEDS FUND, INC.

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED
JUNE 30, 2009

INVESTMENT INCOME	
Income:	
Interest income	$ 1,914,505
Expenses (Note 2)	
Investment management fee	(496,097)
Net investment income	1,418,408
REALIZED GAIN ON INVESTMENTS	
Net realized gain (loss) on investments	-0-
Increase in net assets resulting from operations	$ 1,418,408

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

TAX EXEMPT PROCEEDS FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2009 and 2008

	2009	2008
INCREASE (DECREASE) IN NET ASSETS		
Operations:		
Net investment income	$ 1,418,408	$ 3,995,920
Net realized gain on investments	-0-	292
Increase in net assets from operations	1,418,408	3,996,212
Dividends to shareholders from net investment income*	(1,418,408)	(3,995,920)
Capital share transactions (Note 4)	(42,253,118)	(14,649,716)
Total increase (decrease)	(42,253,118)	(14,649,424)
Net assets:		
Beginning of year	174,430,738	189,080,162
End of year	$ 132,177,620	$ 174,430,738
Undistributed net investment income	-0-	-0-

* Designated as exempt-interest dividends for federal income tax purposes.

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Accounting Policies

Tax Exempt Proceeds Fund, Inc. ("Fund") is a no-load, diversified, open-end management investment company registered under the Investment Company Act of 1940 (the "1940" Act"). The Fund is a short term, tax exempt money market fund whose objective is to seek as high a level of current interest income exempt from federal income taxes as is believed to be consistent with the preservation of capital, maintenance of liquidity and stability of principal. The Fund's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America for investment companies as follows:

a) Valuation of Securities -

Investments are valued at amortized cost. Under this valuation method, a portfolio instrument is valued at Investments are recorded on the basis of amortized cost, which approximates value, as permitted by Rule 2a-7 under the 1940 Act. Under this method, a portfolio instrument is valued at cost and any discount or premium is amortized on a constant basis to the maturity of the instrument. The maturity of variable rate demand instruments is deemed to be the longer of the period required before the Fund is entitled to receive payment of the principal amount or the period remaining until the next interest rate adjustment.

b) Securities Transactions and Investment Income -

Securities transactions are recorded on a trade date basis. Interest income, adjusted for accretion of discount and amortization of premium, is recorded on the accrual basis from settlement date. Realized gains and losses on sales are computed on the basis of specific identification of the securities sold.

c) Federal Income Taxes -

It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its tax exempt and taxable (if any) income to its shareholders. Therefore, no provision for federal income tax is required in the financial statements.

Consistent with Financial Accounting Standards Board ("FASB") Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109 (''FIN 48'') management evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are recorded as a component of income tax expense in the current period with a corresponding adjustment to a liability for uncertain tax positions. The Fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the statement of operations.

d) Dividends and Distributions -

Dividends from net investment income (excluding capital gains and losses, if any, and amortization of market discount) are declared daily and paid monthly. Net realized capital gains, if any, are distributed at least annually and in no event later than 60 days after the end of the Fund's fiscal year.

e) Accounting Estimates -

TThe preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

f) Representations and Indemnifications -

In the normal course of business the Fund enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

g) Risks -

The effect on performance from investing in securities issued or guaranteed by companies in the banking and financial services industries will depend to a greater extent on the overall condition of those industries. Financial services companies are highly dependent on the supply of short-term financing. The value of securities of issuers in the banking and financial services industry can be sensitive to changes in government regulation and interest rates and to economic downturns in the United States and abroad.

The value of, payment of interest on, repayment of principal for and the ability to sell a municipal security may be affected by constitutional amendments, legislative enactments, executive orders, administrative regulations, voter initiatives and the economics of the regions in which the issuers are located.

Since many municipal securities are issued to finance similar projects, especially those relating to education, housing, health care, transportation and utilities, conditions in those sectors can affect the overall municipal securities market and a Portfolio's investment in municipal securities.

There is some risk that a portion or all of the interest received from certain tax-free municipal securities could become taxable as a result of determinations by the Internal Revenue Service.

In a low interest rate environment, such as the environment that existed at June 30, 2009, Reich & Tang Asset Management LLC ("the "Manager") have historically waived their fees to maintain a minimum non-negative yield for the Fund. The Manager is under no contractual obligation to continue such waiver in the future. For the year ended June 30, 2009 the Manager did not have to waive fees to maintain a non-negative yield.

2. Investment Management Fees and Other Transactions with Affiliates

Under the Investment Management Contract, the Fund pays an investment management fee to the Manager at the annual rate of 0.40 of 1% per annum of the Fund's average daily net assets up to $250 million; 0.35 of 1% per annum of the average daily net assets between $250 million and $500 million; and 0.30 of 1% per annum of the average daily net assets over $500 million. The Management Contract also provides that the Manager will bear the cost of all other expenses of the Fund. Therefore, the fee payable under the Management Contract will be the only expense of the Fund. At June 30, 2009, the Fund owed $40,724 to the Manager for these services, which is included in Payable to Affiliates on the Statement of Assets and Liabilities.

Pursuant to a Distribution Plan adopted under Securities and Exchange Commission Rule 12b-1, the Fund and the Manager have entered into a Distribution Agreement. The Fund's Board of Directors has adopted the plan in case certain expenses of the Fund are deemed to constitute indirect payments by the Fund for distribution expenses.

Directors of the Fund not affiliated with the Manager receive from the Fund (fee is paid by the Manager from its management fee) an annual retainer of $1,250 and a fee of $450 for each Board of Directors meeting attended and are reimbursed for all out-of-pocket expenses relating to attendance at such meeting.

As of June 30, 2009, no Directors, Officers or affiliated entities had investments in the Fund.

3. Security Transactions with Affiliated Funds

The Fund is permitted to purchase or sell securities from or to certain other Reich & Tang Funds under specified conditions outlined in procedures adopted by the Board of Directors of the Fund. The procedures have been designed to ensure that any purchase or sale of securities of the Fund from or to another fund or portfolio that is or could be considered an affiliate by virtue of having a common investment advisor (or affiliated investment advisors), common Directors and/or common Officers complies with Rule 17a-7 of the 1940 Act. Further, as defined under the procedures, each transaction is effected at the current market price. For the year ended June 30, 2009, the Fund engaged in purchases and sales with affiliates, none of which resulted in any gains or losses, which amounted to:

Purchases	$191,535,000
Sales	136,830,000
Gains/(Losses)	-0-

4. Capital Stock

At June 30, 2009, 20,000,000,000 shares of $.001 par value stock were authorized. Transactions in capital stock, all at $1.00 per share, were as follows:

	Year Ended June 30, 2009		Year Ended June 30, 2008	
	Net Assets	**Shares**	**Net Assets**	**Shares**
Sold	$ 881,690,681	881,690,681	$ 894,366,235	894,366,235
Issued on reinvestment of dividends	1,419,718	1,419,718	3,981,305	3,981,305
Redeemed	(925,366,589)	(925,366,589)	(912,997,256)	(912,997,256)
Additional paid-in-capital*	3,072	-0-	-0-	-0-
Net increase (decrease)	$ (42,253,118)	(42,256,190)	$ (14,649,716)	(14,649,716)

* During the year ended June 30, 2009, Reich & Tang Services, Inc. (“TA”), allocated amounts to the Fund related to aged items below $50 or for which shareholder data was unavailable.

5. Tax Information

The tax character of distributions paid during the years ended June 30, 2009 and 2008 were as follows:

	2009	2008
Tax-exempt income	$ 1,418,408	$ 3,995,920

At June 30, 2009, the Fund had $118 of tax-exempt distributable earnings.

As of and during the year ended June 30, 2009, the Fund did not have a liability for any uncertain tax positions, and did not incur any interest or penalties. Each of the tax years in the four year period ended June 30, 2009 remains subject to examination by the Internal Revenue Service and state tax authorities. Management’s determination regarding FIN 48 may be subject to review and adjustment at a later date based on factors, including, but not limited to an ongoing analysis of tax laws, regulations, and interpretations thereof.

6. Fair Value Measurement

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (“FAS 157”) on July 1, 2008. FAS 157 defines fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. FAS 157 establishes a framework for measuring fair value and three level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund’s own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. A Fund investment in its entirety is assigned a level based upon the inputs which are significant to the overall valuation.Various inputs may be used to determine the value of the Fund’s investments. These inputs are summarized in three broad levels:

Level 1 – quoted prices in active markets for identical securities.

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Fund’s own assumptions used to determine the fair value of investments).

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Money market securities may be valued using amortized cost, in accordance with the 1940 Act. Generally, amortized cost approximates the current fair value of a security, but as the value is not obtained from a quoted price in an active market, such securities are reflected as a Level 2.

The following table summarizes the inputs used to value the Fund’s investments as of June 30, 2009:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	$ -0-	$ -0-	$ -0-
Debt securities issued by the U.S. Treasury and other U.S. government corporation and agencies	-0-	-0-	-0-
Debt securities issued by states of the United States and political subdivisions of the states	-0-	135,826,187	-0-
Debt securities issued by foreign government	-0-	-0-	-0-
Corporate debt securities	-0-	-0-	-0-
Mortgage-backed securities	-0-	-0-	-0-
Other debt securities	-0-	-0-	-0-
Total	-0-	135,826,187	-0-

For the year ended June 30, 2009, there was no Level 1 or 3 investments.

The Fund adopted Financial Accounting Standards Board Standard No. 157-4 – Determining Fair Value When the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions that are Not Orderly on June 15, 2009.

At adoption the Fund evaluated the level and activity for the assets and liabilities of the Fund to ascertain that the fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions.

Management of the Fund does not believe that any adjustments were necessary to the financial statements at adoption.

7. Temporary Guarantee Program for Money Market Funds

While the Fund has maintained its $1.00 share price, there can be no assurance that the Fund will be able to continue to do so. On October 2, 2008, the Board of Trustees of the Fund approved the participation by the Fund in the U.S. Treasury Department's Temporary Guarantee Program for Money Market Funds through December 18, 2008 (the "Program"). Under the Program, if the Fund's market value per share drops below $0.995 on any day while the Program is in effect, shareholders of record on that date who also held shares in the Fund on September 19, 2008 may be eligible to receive a payment from the Treasury upon liquidation of the Fund, provided the Fund is liquidated soon after the day on which the Fund's market value per share drops below $0.995. The Program required the Fund to pay the U.S. Department of Treasury a fee equal to 0.01% multiplied by the number of shares outstanding as of September 19, 2008, which were 146,479,013. This expense is paid by the Manager through the investment management fee.

On December 4, 2008, the Board of Trustees of the Fund approved the extension of the Fund's participation in the Program. The extension provided coverage through April 30, 2009. The extension of the Program required the Fund to pay the U.S. Department of Treasury a fee equal to 0.015% multiplied by the number of shares outstanding as of September 19, 2008. This expense is paid by the Manager through the investment management fee.

On April 6, 2009, the Board of Trustees of the Fund approved a second extension of the Fund's participation in the Program. The extension provides coverage through September 18, 2009. The extension of the Program requires the Fund to pay the U.S. Department of Treasury a fee equal to 0.015% multiplied by the number of shares outstanding as of September 19, 2008. This expense is paid by the Manager through the investment management fee.

8. Subsequent Events

In accordance with the adoption of SFAS No. 165, "subsequent events", and in preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure through July 30, 2009, the date the financial statements were available to be issued.

9. Financial Highlights

	Years Ended June 30,				
	2009	2008	2007	2006	2005
Per Share Operating Performance:					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	$1.00	$1.00	$1.00	$1.00	$1.00
Income from investment operations:					
Net investment income	0.011	0.026	0.032	0.025	0.014
Less distributions from:					
Dividends from net investment income	(0.011)	(0.026)	(0.032)	(0.025)	(0.014)
Net asset value, end of year	$1.00	$1.00	$1.00	$1.00	$1.00
Total Return	1.10%	2.68%	3.27%	2.57%	1.36%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$132,178	$174,431	$189,080	$155,258	$150,784
Ratios to average net assets:					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	1.14%	2.67%	3.23%	2.55%	1.34%

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Tax Exempt Proceeds Fund, Inc.

We have audited the accompanying statement of assets and liabilities of Tax Exempt Proceeds Fund, Inc. (the "Fund") including the schedule of investments, as of June 30, 2009 and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2009 by correspondence with the Fund's custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Tax Exempt Proceeds Fund, Inc. as of June 30, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Sanville & Company

Sanville & Company

New York, New York
July 30, 2009

Supplemental Information

STATE OF CONNECTICUT

QUI TRANSTULIT SUSTINET

TREASURER'S OFFICE

COMBINED INVESTMENT FUNDS
TOTAL NET ASSET VALUE BY PENSION PLANS AND TRUST FUNDS
JUNE 30, 2009

Retirement Funds	Net Asset Value
Teachers' Retirement Fund	$11,396,681,762
State Employees' Retirement Fund	7,320,843,712
Municipal Employees' Retirement Fund	1,345,095,513
State Judges' Retirement Fund	148,167,802
The Probate Court Retirement Fund	66,305,544
State's Attorneys Retirement Fund	863,547
Non-retirement Trust Funds	
Soldiers' Sailors' & Marines' Fund	56,721,852
Police & Firemans' Survivors' Benefit Fund	17,815,350
Connecticut Arts Endowment Fund	15,662,131
School Fund	8,407,330
Ida Eaton Cotton Fund	1,899,409
Hopemead Fund	2,249,684
Andrew Clark Fund	893,919
Agricultural College Fund	558,729
TOTAL	$20,382,166,284

COMBINED INVESTMENT FUNDS

SCHEDULE OF NET ASSETS BY INVESTMENT FUND
JUNE 30, 2009

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
ASSETS					
Investments in Securities , at Fair Value					
Liquidity Fund	$ -	$544,995,885	$221,484,653	$13,474,275	$77,290,782
Cash Equivalents	1,454,199,853	-	-	-	1,208,519
Asset Backed Securities	63,557,944	-	34,174,187	-	-
Government Securities	360,839,698	-	743,333,703	816,068,746	599,490,061
Government Agency Securities	14,596,561	-	963,845,981	-	-
Mortgage Backed Securities	14,593,072	-	458,477,586	-	993,734
Corporate Debt	254,463,798	-	784,798,522	-	136,503,239
Convertible Securities	-	-	-	-	-
Common Stock	-	4,455,127,620	-	-	-
Preferred Stock	-	-	409,551	-	-
Real Estate Investment Trust	-	53,177,004	-	-	-
Mutual Fund	-	352,599,858	9,193,864	-	309,739,862
Limited Liability Corporation	-	-	-	-	-
Trusts	-	-	-	-	-
Limited Partnerships	-	182,371,844	-	-	-
Annuities	-	-	-	-	-
Total Investments in Securities, at Fair Value	2,162,250,926	5,588,272,211	3,215,718,047	829,543,021	1,125,226,197
Cash	989,164	-	-	3,322	1,931,270
Receivables					
Foreign Exchange Contracts	221,260,323	-	54,142,453	-	118,025,247
Interest Receivable	3,496,096	165,750	27,216,695	7,543,540	15,710,067
Dividends Receivable	-	5,489,420	-	-	-
Due from Brokers	5,691,992	28,082,651	369,781,572	4,985,280	7,004,983
Foreign Taxes	-	2,063	8,109	-	483,763
Securities Lending Receivable	-	1,053,221	281,215	297,419	11,343
Reserve for Doubtful Receivables	-	-	(213,635)	-	(136,987)
Total Receivables	230,448,411	34,793,105	451,216,409	12,826,239	141,098,416
Invested Securities Lending Collateral	-	1,133,488,367	617,456,231	692,816,125	27,047,165
Prepaid Expenses	-	-	-	-	-
Total Assets	2,393,688,501	6,756,553,683	4,284,390,687	1,535,188,707	1,295,303,048
LIABILITIES					
Payables					
Foreign Exchange Contracts	221,335,801	-	54,420,848	-	118,795,625
Due to Brokers	-	27,188,222	434,309,598	4,945,411	16,828,166
Income Distribution	1,083,842	-	-	-	-
Other Payable	-	4,105,387	17,239,399	-	-
Total Payables	222,419,643	31,293,609	505,969,845	4,945,411	135,623,791
Securities Lending Collateral	-	1,133,488,367	617,456,231	692,816,125	27,047,165
Accrued Expenses	40,092	1,420,827	1,060,800	184,485	793,529
Total Liabilities	222,459,735	1,166,202,803	1,124,486,876	697,946,021	163,464,485
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	$2,171,228,766	$5,590,350,880	$3,159,903,811	$837,242,686	$1,131,838,563
Units Outstanding	2,177,565,820	8,623,122	28,580,615	6,537,048	10,414,601
Net Asset Value and Redemption Price per Unit	$1.00	$648.30	$110.56	$128.08	$108.68

COMBINED INVESTMENT FUNDS

SCHEDULE OF NET ASSETS BY INVESTMENT FUND (Continued)
JUNE 30, 2009

HIGH YIELD-DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
$56,103,621	$203,543,891	$16,112,009	$25,311,345	$165,597	$53,163,440	$(1,211,645,498)	$ -
-	11,369,767	-	-	-	-	-	1,466,778,139
24,566,324	-	-	-	-	-	-	122,298,455
11,505,444	-	-	-	-	-	-	2,531,237,652
-	-	-	-	-	-	-	978,442,542
7,142,193	-	-	-	243,695	-	-	481,450,280
579,826,350	24,059	-	-	-	-	-	1,755,615,968
28,064,794	622,511	-	-	-	-	-	28,687,305
9,255,702	4,167,238,649	930,725,823	-	4,725,852	1,361,856	-	9,568,435,502
2,031,075	13,121,492	32,836,660	-	-	-	-	48,398,778
68,400	12,087,474	-	-	-	-	-	65,332,878
-	56,483,163	161,727,483	-	-	-	-	889,744,230
-	-	-	-	-	3,328,884	-	3,328,884
-	-	-	4,656,225	-	-	-	4,656,225
-	-	-	740,987,624	-	1,563,413,842	-	2,486,773,310
-	-	-	-	-	-	-	-
718,563,903	4,464,491,006	1,141,401,975	770,955,194	5,135,144	1,621,268,022	(1,211,645,498)	20,431,180,148
997,088	9,354,139	4,614,078	-	-	-	(989,164)	16,899,897
						-	
-	7,367,895,822	10,104,647	-	-	-	(221,260,323)	7,550,168,169
14,740,123	533,003	21,832	15,393	86	28,922	11,582,915	81,054,422
17,268	8,322,572	4,246,200	-	-	-	-	18,075,460
8,113,792	35,424,167	4,962,855	-	-	-	(5,691,992)	458,355,300
8,526	8,448,305	76,321	-	-	-	-	9,027,087
74,696	868,098	107,357	-	-	-	-	2,693,349
(130,046)	(565,138)	(6,526)	-	-	-	-	(1,052,332)
22,824,359	7,420,926,829	19,512,686	15,393	86	28,922	(215,369,400)	8,118,321,455
161,849,007	632,541,395	110,261,962	-	-	-	-	3,375,460,252
-	4,369,384	-	-	2,395	5,295,064	-	9,666,843
904,234,357	12,531,682,753	1,275,790,701	770,970,587	5,137,625	1,626,592,008	(1,428,004,062)	31,951,528,595
-	7,445,237,283	10,213,196	-	-	-	(221,335,801)	7,628,666,952
8,669,463	29,385,645	6,557,811	-	-	-	-	527,884,316
-	-	-	-	-	-	(476,171)	607,671
-	-	-	646,052	393	-	-	21,991,231
8,669,463	7,474,622,928	16,771,007	646,052	393	-	(221,811,972)	8,179,150,170
161,849,007	632,541,395	110,261,962	-	-	-	-	3,375,460,252
549,944	8,619,129	1,431,730	668,979	-	-	(17,626)	14,751,889
171,068,414	8,115,783,452	128,464,699	1,315,031	393	-	(221,829,598)	11,569,362,311
$733,165,943	$4,415,899,301	$1,147,326,002	$769,655,556	$5,137,232	$1,626,592,008	$(1,206,174,464)	$20,382,166,284
7,444,636	16,313,421	4,330,748	19,859,338	103,826	36,607,409		
$98.48	$270.69	$264.93	$38.76	$49.48	$44.43		

COMBINED INVESTMENT FUNDS

SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
ADDITIONS					
OPERATIONS					
Investment Income					
Dividends	$ -	$ 136,986,761	$ 2,416,239	$ -	$ 25,241,007
Interest	34,435,214	1,094,293	171,793,662	12,472,336	75,342,282
Other Income	-	4,740,295	3,584,612	15,149	-
Securities Lending	-	23,059,408	11,744,830	13,172,181	517,333
Total Income	34,435,214	165,880,757	189,539,343	25,659,666	101,100,622
Expenses					
Investment Advisory Fees	571,942	7,729,408	4,595,441	944,154	3,241,988
Custody and Transfer Agent Fees	1,000	500	-	-	-
Professional Fees	61,477	428,461	201,704	60,170	53,434
Security Lending Fees	-	2,111,513	980,091	1,258,955	40,097
Security Lending Rebates	-	8,729,527	5,529,129	5,290,231	261,329
Investment Expenses	-	200,046	47,959	-	108,409
Total Expenses	634,419	19,199,455	11,354,324	7,553,510	3,705,257
Net Investment Income	33,800,795	146,681,302	178,185,019	18,106,156	97,395,365
Net Realized Gain (Loss)	(118,002)	(1,527,195,580)	(55,634,344)	(33,431,634)	(77,667,777)
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	(1,571,310)	(885,144,418)	(56,799,550)	6,044,613	(61,696,680)
Net Increase (Decrease) in Net Assets Resulting from Operations	32,111,483	(2,265,658,696)	65,751,125	(9,280,865)	(41,969,092)
Unit Transactions					
Purchase of Units by Participants	4,262,166,388	-	-	-	177,000,000
TOTAL ADDITIONS	4,294,277,871	(2,265,658,696)	65,751,125	(9,280,865)	135,030,908
DEDUCTIONS					
Administrative Expenses:					
Salary and Fringe Benefits	(143,452)	(1,042,522)	(403,141)	(133,576)	(113,176)
Distributions to Unit Owners:					
Income Distributed	(33,539,341)	(142,409,677)	(206,684,638)	(26,128,284)	(45,615,798)
Unit Transactions					
Redemption of Units by Participants	(4,251,018,707)	-	(1,235,821,000)	(300,000,000)	(4,798,000)
TOTAL DEDUCTIONS	(4,284,701,500)	(143,452,199)	(1,442,908,779)	(326,261,860)	(50,526,974)
Change in Net Assets Held in Trust for Participants	9,576,371	(2,409,110,895)	(1,377,157,654)	(335,542,725)	84,503,934
Net Assets- Beginning of Period	2,161,652,395	7,999,461,775	4,537,061,465	1,172,785,411	1,047,334,629
Net Assets- End of Period	$2,171,228,766	$5,590,350,880	$3,159,903,811	$837,242,686	$1,131,838,563
Other Information:					
Units					
Purchased	4,262,166,388	-	-	-	1,650,096
Redeemed	(4,251,018,707)	-	(11,267,665)	(2,402,691)	(53,227)
Net Increase (Decrease)	11,147,681	-	(11,267,665)	(2,402,691)	1,596,869

COMBINED INVESTMENT FUNDS

SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

HIGH YIELD-DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
$ 231,436	$ 128,686,192	$ 30,737,495	$ 20,148,337	$ 516,781	$ 54,895,772	$ -	$ 399,860,020
68,921,759	1,232,239	420,912	406,674	2,371	1,461,987	(8,663,412)	358,920,317
26,516	330,691	-	-	-	4,344	-	8,701,607
2,182,786	12,948,255	2,560,962	-	-	-	-	66,185,755
71,362,497	143,197,377	33,719,369	20,555,011	519,152	56,362,103	(8,663,412)	833,667,699
2,321,899	18,200,409	6,970,008	3,567,394	73,500	7,862,719	(143,893)	55,934,969
-	500	-	-	-	-	(252)	1,748
38,092	242,176	56,665	468,049	364	922,202	(15,467)	2,517,327
189,237	1,393,473	278,614	-	-	-	-	6,251,980
955,409	2,763,059	683,824	-	-	-	-	24,212,508
990	298,821	87,404	210,782	14	-	-	954,425
3,505,627	22,898,438	8,076,515	4,246,225	73,878	8,784,921	(159,612)	89,872,957
67,856,870	120,298,939	25,642,854	16,308,786	445,274	47,577,182	(8,503,800)	743,794,742
(49,939,172)	(789,853,210)	(211,076,783)	(15,921,318)	(55)	(181,552,509)	29,688	(2,942,360,696)
(44,167,904)	(659,994,091)	(154,148,813)	(298,815,024)	(600,220)	(177,220,802)	513,235	(2,333,600,964)
(26,250,206)	(1,329,548,362)	(339,582,742)	(298,427,556)	(155,001)	(311,196,129)	(7,960,877)	(4,532,166,918)
58,000,000	746,427,991	200,000,000	86,000,000	-	201,700,000	867,988,293	6,599,282,672
31,749,794	(583,120,371)	(139,582,742)	(212,427,556)	(155,001)	(109,496,129)	860,027,416	2,067,115,754
(78,923)	(626,374)	(141,674)	(357,659)	(18,085)	(370,801)	36,090	(3,393,293)
(57,719,321)	(108,635,249)	(16,708,680)	(19,880,236)	(508,827)	(58,249,143)	8,438,021	(707,641,173)
-	-	-	-	(1,091,960)	-	(1,053,008,015)	(6,845,737,682)
(57,798,244)	(109,261,623)	(16,850,354)	(20,237,895)	(1,618,872)	(58,619,944)	(1,044,533,904)	(7,556,772,148)
(26,048,450)	(692,381,994)	(156,433,096)	(232,665,451)	(1,773,873)	(168,116,073)	(184,506,488)	(5,489,656,394)
759,214,393	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
$733,165,943	$4,415,899,301	$1,147,326,002	$769,655,556	$5,137,232	$1,626,592,008	$(1,206,174,464)	$20,382,166,284
704,073	3,030,577	982,505	1,793,138	-	3,887,834		
-	-	-	-	(20,527)	-		
704,073	3,030,577	982,505	1,793,138	(20,527)	3,887,834		

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

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		

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Teachers' Retirement Fund					
Book Value at June 30, 2008	$760,323,737	$1,065,529,266	$2,379,420,486	$576,809,322	$536,861,402
Market Value at June 30, 2008	$760,323,737	$4,525,939,976	$2,546,826,421	$611,082,664	$570,072,301
Shares Purchased	2,454,064,614	-	-	-	106,000,000
Shares Redeemed	(2,612,909,519)	-	(819,130,000)	(182,000,000)	(4,321,520)
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(107,621)	-	24,841,743	1,501,302	(1,055,673)
Net Investment Income Earned	17,145,658	80,572,630	111,915,290	13,169,482	21,345,136
Net Investment Income Distributed	(17,145,658)	(80,572,630)	(111,915,290)	(13,169,482)	(21,345,136)
Changes in Market Value of Fund Shares	(543,626)	(1,363,028,010)	(105,017,548)	(20,682,585)	(46,917,811)
Market Value at June 30, 2009	$600,827,585	$3,162,911,966	$1,647,520,615	$409,901,381	$623,777,296
Book Value at June 30, 2009	601,371,211	1,065,529,266	1,585,132,229	396,310,624	637,484,209
Shares Outstanding	601,422,149	4,878,795	14,901,451	3,200,440	5,739,681
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68
State Employees' Retirement Fund					
Book Value at June 30, 2008	$310,813,243	$612,494,866	$1,392,757,295	$375,975,830	$347,209,800
Market Value at June 30, 2008	$310,813,243	$2,980,807,231	$1,494,557,290	$401,689,105	$374,543,558
Shares Purchased	1,078,820,860	-	-	-	71,000,000
Shares Redeemed	(1,110,022,355)	-	(345,465,000)	(100,000,000)	(418,100)
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(80,624)	-	10,952,692	1,657,724	(78,006)
Net Investment Income Earned	6,939,055	53,065,544	70,127,879	8,996,822	14,262,167
Net Investment Income Distributed	(6,939,055)	(53,065,544)	(70,127,879)	(8,996,822)	(14,262,167)
Changes in Market Value of Fund Shares	(246,625)	(897,697,382)	(57,336,892)	(13,760,503)	(30,901,591)
Market Value at June 30, 2009	$279,284,499	$2,083,109,849	$1,102,708,090	$289,586,326	$414,145,861
Book Value at June 30, 2009	279,531,124	612,494,866	1,058,244,987	277,633,554	417,713,694
Shares Outstanding	279,560,874	3,213,199	9,973,745	2,261,041	3,810,759
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68
Municipal Employees' Retirement Fund					
Book Value at June 30, 2008	$54,973,570	$82,332,337	$347,097,325	$129,378,429	$77,018,868
Market Value at June 30, 2008	$54,973,570	$409,592,974	$369,065,001	$134,555,777	$81,111,528
Shares Purchased	196,065,414	-	-	-	-
Shares Redeemed	(181,367,132)	-	(63,733,000)	(15,000,000)	(18,480)
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(2,887)	-	1,635,630	(153,788)	(4,705)
Net Investment Income Earned	1,326,819	7,291,741	17,911,679	3,333,992	3,008,829
Net Investment Income Distributed	(1,326,819)	(7,291,741)	(17,911,679)	(3,333,992)	(3,008,829)
Changes in Market Value of Fund Shares	(62,245)	(123,352,673)	(12,706,026)	(3,423,820)	(6,894,975)
Market Value at June 30, 2009	$69,606,721	$286,240,301	$294,261,605	$115,978,170	$74,193,368
Book Value at June 30, 2009	69,668,966	82,332,337	284,999,955	114,224,641	76,995,683
Shares Outstanding	69,675,602	441,526	2,661,530	905,538	682,690
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
$372,429,052	$1,700,365,775	$273,871,878	$576,600,986	$5,076,097	$1,404,284,372	$9,651,572,373
$389,496,306	$2,897,806,708	$697,464,876	$543,396,707	$3,769,677	$995,445,588	$14,541,624,961
57,000,000	461,457,391	131,125,000	68,034,700	-	130,226,900	3,407,908,606
-	-	-	-	(595,928)	-	(3,618,956,967)
-	-	-	-	-	-	-
-	-	-	-	(242,583)	-	24,937,167
34,337,736	62,102,645	9,145,971	10,954,324	277,875	32,782,218	393,748,965
(34,337,736)	(62,102,645)	(9,145,971)	(10,954,324)	(277,875)	(32,782,218)	(393,748,965)
(37,792,739)	(815,070,684)	(182,903,074)	(177,729,612)	(129,434)	(209,016,882)	(2,958,832,005)
$408,703,567	$2,544,193,415	$645,686,803	$433,701,795	$2,801,732	$916,655,606	$11,396,681,762
429,429,053	2,161,823,166	404,996,878	644,635,686	4,237,586	1,534,511,271	9,465,461,178
4,150,015	9,398,878	2,437,239	11,190,760	56,625	20,629,873	678,005,906
$98.48	$270.69	$264.93	$38.76	$49.48	$44.43	
$285,750,721	$1,025,736,219	$198,699,266	$404,955,047	$3,555,855	$956,302,899	$5,914,251,041
$299,453,135	$1,912,555,527	$506,507,095	$381,084,878	$2,654,863	$665,072,692	$9,329,738,617
-	240,118,200	54,350,000	11,480,000	-	52,554,800	1,508,323,860
-	-	-	-	(419,196)	-	(1,556,324,651)
-	-	-	-	-	-	-
-	-	-	-	(167,477)	-	12,284,308
23,810,843	40,171,650	6,290,591	7,398,609	195,177	21,140,872	252,399,209
(23,810,843)	(40,171,650)	(6,290,591)	(7,398,609)	(195,177)	(21,140,872)	(252,399,209)
(37,623,152)	(539,989,861)	(145,997,322)	(116,540,748)	(94,545)	(132,989,801)	(1,973,178,423)
$261,829,983	$1,612,683,866	$414,859,773	$276,024,130	$1,973,645	$584,637,691	$7,320,843,712
285,750,721	1,265,854,419	253,049,266	416,435,047	2,969,182	1,008,857,699	5,878,534,558
2,658,646	5,957,652	1,565,948	7,122,221	39,889	13,157,615	329,321,589
$98.48	$270.69	$264.93	$38.76	$49.48	$44.43	
$50,351,295	$112,949,690	$35,214,043	$70,047,874	$553,052	$161,859,722	$1,121,776,205
$52,382,409	$257,034,633	$86,324,413	$66,423,324	$415,858	$115,757,312	$1,627,636,799
1,000,000	38,653,400	12,420,000	5,485,000	-	16,327,600	269,951,414
-	-	-	-	(65,663)	-	(260,184,274)
-	-	-	-	-	-	-
-	-	-	-	(25,584)	-	1,448,666
4,341,597	5,487,439	1,099,244	1,302,910	30,572	3,732,318	48,867,140
(4,341,597)	(5,487,439)	(1,099,244)	(1,302,910)	(30,572)	(3,732,318)	(48,867,140)
(6,385,802)	(72,259,231)	(23,865,075)	(20,801,484)	(15,460)	(23,990,301)	(293,757,092)
$46,996,607	$223,428,802	$74,879,338	$51,106,840	$309,151	$108,094,611	$1,345,095,513
51,351,295	151,603,090	47,634,043	75,532,874	461,805	178,187,322	1,132,992,011
477,208	825,401	282,643	1,318,704	6,248	2,432,733	79,709,822
$98.48	$270.69	$264.93	$38.76	$49.48	$44.43	

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Probate Court Retirement Fund					
Book Value at June 30, 2008	$3,559,397	$4,025,351	$15,878,412	$6,564,542	$3,813,262
Market Value at June 30, 2008	$3,559,397	$20,656,702	$17,337,836	$6,848,156	$4,076,883
Shares Purchased	11,727,716	-	-	-	-
Shares Redeemed	(10,601,646)	-	(2,900,000)	(2,000,000)	(39,900)
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(254)	-	129,475	(14,333)	(9,409)
Net Investment Income Earned	71,538	367,740	854,175	148,271	149,749
Net Investment Income Distributed	(71,538)	(367,740)	(854,175)	(148,271)	(149,749)
Changes in Market Value of Fund Shares	(4,314)	(6,220,956)	(669,131)	(199,604)	(345,530)
Market Value at June 30, 2009	$4,680,899	$14,435,746	$13,898,180	$4,634,219	$3,682,044
Book Value at June 30, 2009	4,685,213	4,025,351	13,107,887	4,550,209	3,763,953
Shares Outstanding	4,685,527	22,267	125,706	36,183	33,880
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68
Judges' Retirement Fund					
Book Value at June 30, 2008	$6,740,854	$13,491,385	$37,429,238	$14,402,318	$8,433,783
Market Value at June 30, 2008	$6,740,854	$44,759,719	$39,242,729	$14,943,409	$8,811,598
Shares Purchased	16,941,993	-	-	-	-
Shares Redeemed	(17,083,525)	-	(4,593,000)	(1,000,000)	-
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(348)	-	79,622	(12,636)	-
Net Investment Income Earned	143,593	796,830	1,987,314	381,794	326,984
Net Investment Income Distributed	(143,593)	(796,830)	(1,987,314)	(381,794)	(326,984)
Changes in Market Value of Fund Shares	(5,801)	(13,479,799)	(1,218,099)	(367,530)	(749,131)
Market Value at June 30, 2009	$6,593,172	$31,279,920	$33,511,252	$13,563,243	$8,062,467
Book Value at June 30, 2009	6,598,973	13,491,385	32,915,860	13,389,682	8,433,783
Shares Outstanding	6,599,699	48,249	303,102	105,899	74,187
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68
State's Attorneys' Retirement Fund					
Book Value at June 30, 2008	$74,878	$37,049	$435,160	$17,299	$45,435
Market Value at June 30, 2008	$74,878	$202,491	$459,568	$21,236	$50,498
Shares Purchased	182,953	-	-	-	-
Shares Redeemed	(130,125)	-	-	-	-
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	-	-
Net Investment Income Earned	1,426	3,604	25,515	568	1,949
Net Investment Income Distributed	(1,426)	(3,604)	(25,515)	(568)	(1,949)
Changes in Market Value of Fund Shares	(116)	(60,982)	(13,309)	(504)	(4,292)
Market Value at June 30, 2009	$127,589	$141,509	$446,259	$20,732	$46,206
Book Value at June 30, 2009	127,706	37,049	435,160	17,299	45,435
Shares Outstanding	127,715	218	4,036	162	425
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
$2,471,379	$5,492,843	$1,689,710	$3,577,709	$32,800	$7,150,609	$54,256,014
$2,626,012	$12,902,036	$4,315,418	$3,331,601	$24,262	$5,770,515	$81,448,818
-	1,820,000	605,000	219,000	-	753,800	15,125,516
-	-	-	-	(3,844)	-	(15,545,390)
-	-	-	-	-	-	-
-	-	-	-	(1,356)	-	104,123
215,383	273,844	54,815	65,090	1,787	185,734	2,388,126
(215,383)	(273,844)	(54,815)	(65,090)	(1,787)	(185,734)	(2,388,126)
(329,931)	(3,635,430)	(1,198,113)	(1,033,375)	(893)	(1,190,245)	(14,827,521)
$2,296,081	$11,086,606	$3,722,305	$2,517,226	$18,169	$5,334,070	$66,305,544
2,471,379	7,312,843	2,294,710	3,796,709	27,599	7,904,409	53,940,262
23,315	40,957	14,050	64,952	367	120,046	5,167,251
$98.48	$270.69	$264.93	$38.76	$49.48	$44.43	
$5,543,161	$13,508,599	$4,001,959	$7,637,612	$54,345	$17,451,354	$128,694,608
$5,702,883	$27,982,391	$9,147,296	$7,203,317	$40,963	$12,661,974	$177,237,133
-	4,379,000	1,500,000	657,000	-	1,836,900	25,314,893
-	-	-	-	(6,468)	-	(22,682,993)
-	-	-	-	-	-	-
-	-	-	-	(2,494)	-	64,144
467,396	599,671	118,059	141,746	3,012	408,001	5,374,400
(467,396)	(599,671)	(118,059)	(141,746)	(3,012)	(408,001)	(5,374,400)
(716,511)	(7,854,779)	(2,469,513)	(2,273,824)	(1,544)	(2,628,844)	(31,765,374)
$4,986,372	$24,506,612	$8,177,783	$5,586,493	$30,457	$11,870,031	$148,167,802
5,543,161	17,887,599	5,501,959	8,294,612	45,383	19,288,254	131,390,652
50,632	90,533	30,868	144,148	615	267,142	7,715,075
$98.48	$270.69	$264.93	$38.76	$49.48	$44.43	
$53,177	$-	$-	$34,299	$-	$-	$697,297
$55,410	$-	$-	$33,918	$-	$-	$897,999
-	-	-	11,500	-	-	194,453
-	-	-	-	-	-	(130,125)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,249	-	-	716	-	-	38,027
(4,249)	-	-	(716)	-	-	(38,027)
(6,963)	-	-	(12,613)	-	-	(98,780)
$48,447	$-	$-	$32,805	$-	$-	$863,547
53,177	-	-	45,799	-	-	761,625
492	-	-	846	-	-	133,895
$98.48	$-	$-	$38.76	$-	$-	

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Soldiers' Sailors' & Marines' Fund					
Book Value at June 30, 2008	$599,580	$983,642	$37,929,520	$1,725,943	$4,533,494
Market Value at June 30, 2008	$599,580	$5,712,993	$41,526,546	$2,177,226	$5,177,797
Shares Purchased	3,715,973	-	-	-	-
Shares Redeemed	(3,708,516)	-	-	-	-
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(288)	-	-	-	-
Net Investment Income Earned	10,512	101,705	2,305,619	58,150	199,700
Net Investment Income Distributed	(10,512)	(101,705)	(2,305,619)	(58,150)	(199,700)
Changes in Market Value of Fund Shares	(299)	(1,720,520)	(1,202,600)	(51,638)	(440,197)
Market Value at June 30, 2009	$606,449	$3,992,473	$40,323,946	$2,125,588	$4,737,600
Book Value at June 30, 2009	606,749	983,642	37,929,520	1,725,943	4,533,494
Shares Outstanding	607,049	6,158	364,721	16,596	43,593
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68
Endowment for the Arts					
Book Value at June 30, 2008	$1,102,553	$-	$11,040,873	$502,392	$1,319,527
Market Value at June 30, 2008	$1,102,553	$-	$11,550,265	$605,564	$1,440,026
Shares Purchased	2,100,517	-	-	-	-
Shares Redeemed	(2,052,100)	-	-	-	-
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	-	-
Net Investment Income Earned	17,469	-	641,290	16,174	55,596
Net Investment Income Distributed	(17,469)	-	(641,290)	(16,174)	(55,596)
Changes in Market Value of Fund Shares	(1,021)	-	(334,495)	(14,360)	(122,427)
Market Value at June 30, 2009	$1,149,949	$-	$11,215,770	$591,204	$1,317,599
Book Value at June 30, 2009	1,150,970	-	11,040,873	502,392	1,319,527
Shares Outstanding	1,151,084	-	101,444	4,616	12,124
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68
Agricultural College Fund					
Book Value at June 30, 2008	$48,079	$25,364	$302,380	$13,760	$36,140
Market Value at June 30, 2008	$48,079	$150,503	$322,247	$16,895	$40,178
Shares Purchased	71,501	-	-	-	-
Shares Redeemed	(70,697)	-	-	-	-
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	-	-
Net Investment Income Earned	611	2,679	17,892	452	1,552
Net Investment Income Distributed	(611)	(2,679)	(17,892)	(452)	(1,552)
Changes in Market Value of Fund Shares	(44)	(45,327)	(9,332)	(400)	(3,415)
Market Value at June 30, 2009	$48,838	$105,176	$312,915	$16,495	$36,763
Book Value at June 30, 2009	48,883	25,364	302,380	13,760	36,140
Shares Outstanding	48,887	162	2,830	129	338
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
$5,301,306	$-	$-	$-	$-	$-	$51,073,485
$5,645,036	$-	$-	$-	$-	$-	$60,839,178
-	-	-	-	-	-	3,715,973
-	-	-	-	-	-	(3,708,516)
-	-	-	-	-	-	-
-	-	-	-	-	-	(287)
433,250	-	-	-	-	-	3,108,936
(433,250)	-	-	-	-	-	(3,108,936)
(709,240)	-	-	-	-	-	(4,124,494)
$4,935,796	$-	$-	$-	$-	$-	$56,721,852
5,301,306	-	-	-	-	-	51,080,654
50,119	-	-	-	-	-	1,088,236
$98.48	$-	$-	$-	$-	$-	
$1,545,250	$-	$-	$-	$-	$-	$15,510,595
$1,586,998	$-	$-	$-	$-	$-	$16,285,406
-	-	-	-	-	-	2,100,517
-	-	-	-	-	-	(2,052,100)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
121,671	-	-	-	-	-	852,200
(121,671)	-	-	-	-	-	(852,200)
(199,389)	-	-	-	-	-	(671,692)
$1,387,609	$-	$-	$-	$-	$-	$15,662,131
1,545,250	-	-	-	-	-	15,559,012
14,090	-	-	-	-	-	1,283,358
$98.48	$-	$-	$-	$-	$-	
$42,296	$-	$-	$-	$-	$-	$468,019
$44,083	$-	$-	$-	$-	$-	$621,985
-	-	-	-	-	-	71,501
-	-	-	-	-	-	(70,697)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,382	-	-	-	-	-	26,568
(3,382)	-	-	-	-	-	(26,568)
(5,541)	-	-	-	-	-	(64,059)
$38,542	$-	$-	$-	$-	$-	$558,729
42,296	-	-	-	-	-	468,823
391	-	-	-	-	-	52,737
$98.48	$-	$-	$-	$-	$-	

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Ida Eaton Cotton Fund					
Book Value at June 30, 2008	$161,359	$87,363	$1,021,247	$46,470	$122,060
Market Value at June 30, 2008	$161,359	$512,818	$1,096,522	$57,490	$136,717
Shares Purchased	241,199	-	-	-	-
Shares Redeemed	(238,286)	-	-	-	-
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	-	-
Net Investment Income Earned	2,047	9,130	60,881	1,537	5,277
Net Investment Income Distributed	(2,047)	(9,130)	(60,881)	(1,537)	(5,277)
Changes in Market Value of Fund Shares	(150)	(154,442)	(31,756)	(1,363)	(11,624)
Market Value at June 30, 2009	$164,122	$358,376	$1,064,766	$56,127	$125,093
Book Value at June 30, 2009	164,272	87,363	1,021,247	46,470	122,060
Shares Outstanding	164,285	553	9,631	438	1,151
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68
Andrew Clark Fund					
Book Value at June 30, 2008	$77,386	$41,101	$495,688	$22,555	$59,240
Market Value at June 30, 2008	$77,386	$239,906	$515,553	$27,030	$64,274
Shares Purchased	114,689	-	-	-	-
Shares Redeemed	(113,586)	-	-	-	-
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	-	-
Net Investment Income Earned	986	4,271	28,626	721	2,482
Net Investment Income Distributed	(986)	(4,271)	(28,626)	(721)	(2,482)
Changes in Market Value of Fund Shares	(73)	(72,250)	(14,930)	(642)	(5,462)
Market Value at June 30, 2009	$78,416	$167,656	$500,623	$26,388	$58,812
Book Value at June 30, 2009	78,489	41,101	495,688	22,555	59,240
Shares Outstanding	78,494	259	4,528	206	541
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68
School Fund					
Book Value at June 30, 2008	$477,341	$384,307	$4,757,413	$216,479	$568,594
Market Value at June 30, 2008	$477,341	$2,255,260	$5,072,121	$265,927	$632,390
Shares Purchased	857,465	-	-	-	-
Shares Redeemed	(873,231)	-	-	-	-
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	-	-
Net Investment Income Earned	9,617	40,149	281,614	7,102	24,405
Net Investment Income Distributed	(9,617)	(40,149)	(281,614)	(7,102)	(24,405)
Changes in Market Value of Fund Shares	(403)	(679,193)	(146,887)	(6,307)	(53,763)
Market Value at June 30, 2009	$461,172	$1,576,067	$4,925,234	$259,620	$578,627
Book Value at June 30, 2009	461,575	384,307	4,757,413	216,479	568,594
Shares Outstanding	461,630	2,431	44,548	2,027	5,324
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
$142,819	$-	$-	$-	$-	$-	$1,581,318
$149,735	$-	$-	$-	$-	$-	$2,114,641
-	-	-	-	-	-	241,199
-	-	-	-	-	-	(238,286)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,487	-	-	-	-	-	90,359
(11,487)	-	-	-	-	-	(90,359)
(18,810)	-	-	-	-	-	(218,145)
$130,925	$-	$-	$-	$-	$-	$1,899,409
142,819	-	-	-	-	-	1,584,231
1,329	-	-	-	-	-	177,387
$98.48	$-	$-	$-	$-	$-	
$69,389	$-	$-	$-	$-	$-	$765,359
$70,937	$-	$-	$-	$-	$-	$995,086
-	-	-	-	-	-	114,689
-	-	-	-	-	-	(113,586)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,437	-	-	-	-	-	42,523
(5,437)	-	-	-	-	-	(42,523)
(8,913)	-	-	-	-	-	(102,270)
$62,024	$-	$-	$-	$-	$-	$893,919
69,389	-	-	-	-	-	766,462
630	-	-	-	-	-	84,658
$98.48	$-	$-	$-	$-	$-	
$665,451	$-	$-	$-	$-	$-	$7,069,585
$693,773	$-	$-	$-	$-	$-	$9,396,812
-	-	-	-	-	-	857,465
-	-	-	-	-	-	(873,231)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53,214	-	-	-	-	-	416,101
(53,214)	-	-	-	-	-	(416,101)
(87,163)	-	-	-	-	-	(973,716)
$606,610	$-	$-	$-	$-	$-	$8,407,330
665,451	-	-	-	-	-	7,053,819
6,160	-	-	-	-	-	522,120
$98.48	$-	$-	$-	$-	$-	

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Hopemead Fund					
Book Value at June 30, 2008	$150,772	$94,338	$1,240,840	$54,187	$142,321
Market Value at June 30, 2008	$150,772	$549,679	$1,292,257	$65,178	$154,994
Shares Purchased	345,704	-	-	-	-
Shares Redeemed	(240,401)	-	-	-	-
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	-	-
Net Investment Income Earned	2,944	9,786	71,748	1,741	5,984
Net Investment Income Distributed	(2,944)	(9,786)	(71,748)	(1,741)	(5,984)
Changes in Market Value of Fund Shares	(239)	(165,538)	(37,424)	(1,546)	(13,178)
Market Value at June 30, 2009	$255,836	$384,141	$1,254,833	$63,632	$141,816
Book Value at June 30, 2009	256,075	94,338	1,240,840	54,187	142,321
Shares Outstanding	256,089	593	11,350	497	1,305
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68
Police & Fireman's Survivors' Benefit Fund					
Book Value at June 30, 2008	$881,670	$6,467,744	$8,140,446	$370,407	$972,808
Market Value at June 30, 2008	$881,670	$8,081,523	$8,197,109	$429,754	$1,021,887
Shares Purchased	1,872,984	-	-	-	-
Shares Redeemed	(1,584,502)	-	-	-	-
Returns of Capital	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(35)	-	-	-	-
Net Investment Income Earned	16,146	143,868	455,116	11,478	39,487
Net Investment Income Distributed	(16,146)	(143,868)	(455,116)	(11,478)	(39,487)
Changes in Market Value of Fund Shares	(1,063)	(2,433,823)	(237,386)	(10,191)	(86,876)
Market Value at June 30, 2009	$1,169,055	$5,647,700	$7,959,723	$419,563	$935,011
Book Value at June 30, 2009	1,170,118	6,467,744	8,140,446	370,407	972,808
Shares Outstanding	1,170,214	8,712	71,994	3,276	8,603
Market Value per Share	$1.00	$648.30	$110.56	$128.08	$108.68

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
$166,677	$-	$-	$-	$-	$-	$1,849,135
$170,898	$-	$-	$-	$-	$-	$2,383,778
-	-	-	-	-	-	345,704
-	-	-	-	-	-	(240,401)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,102	-	-	-	-	-	105,305
(13,102)	-	-	-	-	-	(105,305)
(21,472)	-	-	-	-	-	(239,397)
$149,426	$-	$-	$-	$-	$-	$2,249,684
166,677	-	-	-	-	-	1,954,438
1,517	-	-	-	-	-	271,350
$98.48	$-	$-	$-	$-	$-	
$1,140,668	$-	$-	$872,266	$7,599	$-	$18,853,608
$1,136,778	$-	$-	$847,262	$5,482	$-	$20,601,465
-	-	-	112,800	-	-	1,985,784
-	-	-	-	(865)	-	(1,585,367)
-	-	-	-	-	-	-
-	-	-	-	(384)	-	(419)
87,075	-	-	16,841	404	-	770,415
(87,075)	-	-	(16,841)	(404)	-	(770,415)
(142,824)	-	-	(273,795)	(156)	-	(3,186,114)
$993,954	$-	$-	$686,267	$4,077	$-	$17,815,350
1,140,668	-	-	985,066	6,350	-	19,253,607
10,093	-	-	17,708	82	-	1,290,681
$98.48	$-	$-	$38.76	$49.48	$-	

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
SUMMARY OF OPERATIONS (Dollars in Thousands)
FISCAL YEARS ENDING JUNE 30

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Investment Income (1)	$803,203	$1,171,356	$972,879	$889,710	$828,019	$946,643	$846,384	$741,812	$787,287	$1,002,774
Expenses (2)	62,802	82,403	56,738	69,712	64,509	49,131	48,428	60,570	67,282	50,552
Net Investment Income	740,401	1,088,953	916,141	819,998	763,510	897,512	797,956	681,242	720,005	952,222
Realized Gains/(Losses)	(2,815,892)	654,172	1,524,107	886,031	698,664	880,979	(566,640)	(449,961)	269,330	1,522,994
Change in Unrealized Gains/(Losses)	(2,460,069)	(3,004,322)	1,472,314	520,430	591,155	936,916	123,784	(1,563,253)	(1,776,378)	90,500
Total	$(4,535,560)	$(1,261,197)	$3,912,562	$2,226,459	$2,053,329	$2,715,407	$355,100	$(1,331,972)	$(787,043)	$2,565,716

(1) Securities lending income and expenses are shown net in the Investment Income line above for all periods presented.
(2) Expenses shown above include salary and fringe benefits.

Source: Amounts were dervied from custodial records.

COMBINED INVESTMENT FUNDS
PENSION AND TRUST FUNDS
BALANCES (1) IN COMBINED INVESTMENT FUNDS (Dollars in Thousands)
AT JUNE 30, 2009

Fund Name	Teachers' Retirement Fund		State Employees' Retirement Fund		Municipal Employees' Retirement Fund		Probate Court Retirement Fund		Judges Retirement Fund		State's Attorneys' Retirement Fund		Trust Funds	
LF (2)	$600,828	5.27%	$279,284	3.81%	$69,607	5.17%	$4,681	7.06%	$6,593	4.45%	$128	14.83%	$3,933	3.77%
MEF	3,162,912	27.75%	2,083,110	28.44%	286,240	21.28%	14,436	21.78%	31,280	21.11%	141	16.34%	12,232	11.74%
CFIF	1,647,521	14.46%	1,102,708	15.06%	294,262	21.88%	13,898	20.96%	33,511	22.62%	446	51.69%	67,558	64.83%
ILBF	409,901	3.60%	289,586	3.96%	115,978	8.62%	4,634	6.99%	13,563	9.15%	21	2.43%	3,560	3.42%
EMDF	623,777	5.47%	414,146	5.66%	74,193	5.52%	3,682	5.55%	8,062	5.44%	46	5.33%	7,932	7.61%
HYBD	408,704	3.59%	261,830	3.58%	46,997	3.49%	2,296	3.46%	4,986	3.37%	48	5.56%	8,305	7.97%
DMISF	2,544,193	22.32%	1,612,684	22.03%	223,429	16.61%	11,087	16.72%	24,506	16.54%	-	0.00%	-	0.00%
EMISF	645,687	5.67%	414,860	5.67%	74,879	5.57%	3,722	5.61%	8,178	5.52%	-	0.00%	-	0.00%
REF	433,702	3.81%	276,024	3.77%	51,107	3.80%	2,517	3.80%	5,587	3.77%	33	3.82%	686	0.66%
CMF	2,801	0.02%	1,974	0.03%	309	0.02%	18	0.03%	31	0.02%	-	0.00%	4	0.00%
PIF	916,656	8.04%	584,638	7.99%	108,094	8.04%	5,334	8.04%	11,870	8.01%	-	0.00%	-	0.00%
Total	$11,396,682	100.00%	$7,320,844	100.00%	$1,345,095	100.00%	$66,305	100.00%	$148,167	100.00%	$863	100.00%	$104,210	100.00%

(1) Based on Net Asset Value
(2) Formerly CRA

Source: Amounts were dervied from custodial records.

COMBINED INVESTMENT FUNDS
INVESTMENT SUMMARY AT JUNE 30, 2009 (1)

Liquidity Fund (2) / Mutual Equity Fund

	Liquidity Fund (2)				Mutual Equity Fund			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	$952,212,787	$950,605,428	4.65%	1.54%	$6,019,782,554	$5,588,272,211	27.35%	-28.36%
2008	1,140,821,830	1,140,821,830	4.36%	4.59%	7,563,373,750	8,017,007,807	30.68%	-12.99%
2007	236,297,695	236,297,695	0.88%	5.61%	7,628,304,018	9,810,773,724	36.64%	18.24%
2006	280,548,978	280,548,978	1.20%	4.51%	7,501,163,477	8,983,043,768	38.25%	10.29%
2005	395,948,288	395,948,288	1.84%	2.36%	6,991,797,244	8,284,992,409	38.40%	8.06%
2004	363,170,856	363,170,856	1.76%	1.28%	6,544,070,199	7,779,104,677	37.67%	20.86%
2003	710,832,993	710,832,993	3.75%	1.80%	6,047,280,312	6,603,061,918	34.77%	0.48%
2002	481,664,484	481,664,484	2.46%	3.03%	6,401,472,709	6,688,728,705	34.20%	-14.95%
2001	391,346,777	391,346,777	1.85%	6.35%	6,649,619,519	7,949,775,481	37.49%	-9.55%
2000	378,683,486	378,683,486	1.67%	5.96%	6,578,261,062	8,876,068,150	39.08%	10.03%

Mutual Fixed Income Fund (7) / Core Fixed Income Fund (7)

	Mutual Fixed Income Fund (7)				Core Fixed Income Fund (7)			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	$ -	$ -	-	0.00%	$3,400,625,343	$3,215,718,047	15.74%	2.84%
2008	-	-	-	0.00%	4,979,684,914	4,851,300,830	18.57%	5.65%
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%	-	-	-	-

Inflation Linked Bond Fund (7) / Emerging Market Debt Fund (7)

	Inflation Linked Bond Fund (7)				Emerging Market Debt Fund (7)			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	$813,926,651	$829,543,021	4.06%	-0.20%	$1,153,012,696	$1,125,226,197	5.51%	-3.62%
2008	1,152,973,047	1,162,545,028	4.45%	16.81%	1,006,342,436	1,040,295,964	3.98%	5.59%
2007	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-

COMBINED INVESTMENT FUNDS
INVESTMENT SUMMARY AT JUNE 30, 2009 (1) (Continued)

High Yield Debt Fund (7)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	$801,755,724	$718,563,903	3.52%	-4.59%
2008	784,159,491	745,137,049	2.85%	-1.88%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-
2001	-	-	-	-
2000	-	-	-	-

International Stock Fund (6)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	$ -	$ -	-	-
2008	$ -	$ -	-	-
2007	4,293,498,472	5,940,213,814	22.19%	29.65%
2006	4,145,802,552	5,392,666,574	22.96%	25.69%
2005	3,587,545,036	4,372,185,115	20.27%	19.23%
2004	3,407,481,400	3,995,868,265	19.35%	29.69%
2003	2,047,590,656	2,026,297,000	10.67%	-6.39%
2002	2,306,936,221	2,272,810,463	11.62%	-9.00%
2001	2,449,711,883	2,466,657,788	11.63%	-13.29%
2000	2,315,776,890	2,928,693,346	12.89%	20.13%

Developed Market International Stock Fund (6)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	$4,847,669,826	$4,464,491,006	21.85%	-27.98%
2008	4,879,325,913	5,077,825,949	19.43%	-14.60%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-
2001	-	-	-	-
2000	-	-	-	-

Emerging Market International Stock Fund (6)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	$1,110,911,776	$1,141,401,975	5.59%	-30.90%
2008	1,111,317,184	1,295,936,888	4.96%	0.19%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-
2001	-	-	-	-
2000	-	-	-	-

Real Estate Fund (4)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	$1,021,805,530	$770,955,194	3.77%	-28.66%
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%

Commercial Mortgage Fund (4)

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	$5,084,919	$5,135,144	0.02%	-3.14%
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%

COMBINED INVESTMENT FUNDS
INVESTMENT SUMMARY AT JUNE 30, 2009 (1) (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
2009	$1,819,125,566	$1,621,268,022	7.94%	-16.36%	$21,945,913,372	$20,431,180,148	100.00%	-17.37%
2008	1,809,775,995	1,789,139,253	6.85%	13.66%	25,388,309,339	26,129,160,510	100.00%	-4.71%
2007	1,657,888,536	1,556,795,484	5.81%	19.56%	23,066,365,615	26,774,529,258	100.00%	17.34%
2006	1,692,805,252	1,357,518,114	5.78%	11.46%	21,145,639,107	23,482,898,042	100.00%	10.55%
2005	2,046,726,560	1,437,979,798	6.67%	8.94%	19,918,781,069	21,573,264,617	100.00%	10.46%
2004	2,406,829,047	1,781,312,669	8.63%	18.70%	19,473,480,993	20,650,115,902	100.00%	15.23%
2003	2,413,582,348	1,842,900,019	9.70%	-11.94%	18,771,449,134	18,989,393,113	100.00%	2.49%
2002	2,315,048,277	2,276,642,374	11.64%	-10.81%	19,403,848,200	19,557,516,103	100.00%	-6.39%
2001	2,217,285,786	2,601,575,275	12.28%	-6.25%	19,571,276,798	21,204,840,744	100.00%	-3.68%
2000	1,879,100,932	2,561,042,272	11.28%	53.86%	19,248,259,423	22,711,717,228	100.00%	13.13%

(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, starting with 2008 returns are 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 Minicipal 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 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.

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2009

LIQUIDITY FUND

Security Name	Maturity Date	Investment Type/Industry Name	Market Value	%
Barclays Cap Tri Party A	7/1/2009	Short Terms/Cash Equivalent	$ 149,037,000	6.89%
Salomon Bros Tri Party C	7/1/2009	Short Terms/Cash Equivalent	120,000,000	5.55%
Deutsche Tri Party C	7/1/2009	Short Terms/Cash Equivalent	115,000,000	5.32%
Goldman Sacs Tri Party C	7/1/2009	Short Terms/Cash Equivalent	100,000,000	4.63%
JPM Chase Tri Party C	7/1/2009	Short Terms/Cash Equivalent	70,000,000	3.24%
HSBC Tri Party C	7/1/2009	Short Terms/Cash Equivalent	65,000,000	3.01%
BNP Tri Party C	7/1/2009	Short Terms/Cash Equivalent	60,000,000	2.77%
ING (US) Funding LLC	8/31/2009	Short Terms/Cash Equivalent	59,964,417	2.77%
Banco Bilbao Vizcaya	10/29/2009	Short Terms/Cash Equivalent	50,088,036	2.32%
UBS Warburg Tri Party C	7/1/2009	Short Terms/Cash Equivalent	**50,000,000**	**2.31%**
Top Ten			**839,089,453**	**38.81%**
Total Market Value			**$2,162,250,926**	

MUTUAL EQUITY FUND

Security Name	Industry Sector	Market Value	%
Exxon Mobil Corp	Energy	$ 141,665,274	2.54%
Microsoft	Technology	77,909,954	1.39%
AT&T Inc	Telecommunication Svcs	62,186,890	1.11%
JP Morgan Chase & Co	Financials	60,967,771	1.09%
Proctor & Gamble Co	Consumer Staples	60,606,951	1.08%
Chevron Corp	Energy	59,536,225	1.07%
Johnson & Johnson	Health Care	57,435,024	1.03%
Apple Inc	Information Technology	57,019,144	1.02%
International Business Machines	Information Technology	54,719,213	0.98%
Google Inc	Information Technology	48,554,099	0.87%
Top Ten		**$ 680,600,545**	**12.18%**
Total Market Value		**$5,588,272,211**	

CORE FIXED INCOME FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
FNMA TBA Jul 30 Single Fam	5.0%	12/01/2099	U.S. Govt Agency	$ 43,355,291	1.35%
WI Treasury N/B	2.625%	06/30/2014	U.S. Govt Agency	31,970,840	0.99%
U.S. Treasury Notes	2.75%	02/15/2019	U.S. Govt Agency	26,854,791	0.83%
U.S. Treasury Bonds	7.625%	11/15/2022	U.S. Govt Agency	24,070,963	0.75%
FHLMC TBA Jul 30 Gold Single	5.0%	12/01/2099	U.S. Govt Agency	23,386,329	0.73%
FHLMC TBA Jul 30 Gold Single	6.0%	12/01/2099	U.S. Govt Agency	21,604,008	0.67%
FNMA Pool 745275	5.0%	02/01/2036	U.S. Govt Agency	20,230,269	0.63%
U.S. Treasury Notes	2.25%	05/31/2014	U.S. Govt Agency	20,133,997	0.63%
U.S. Treasury Bonds	11.25%	02/15/2015	U.S. Govt Agency	20,056,723	0.62%
FNMA Pool 888876	5.50%	12/01/2037	U.S. Govt Agency	19,931,262	0.62%
Top Ten				**$ 251,594,473**	**7.82%**
Total Market Value				**$3,215,718,047**	

INFLATION LINKED BOND FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
U.S. Treasury Notes	3.00%	07/15/2012	U.S. Govt Agency	$ 93,441,490	11.26%
U.S. Treasury Notes	2.00%	07/15/2014	U.S. Govt Agency	84,803,367	10.22%
U.S. Treasury Bonds	2.375%	01/15/2027	U.S. Govt Agency	77,833,766	9.38%
U.S. Treasury Bonds	2.375%	01/15/2025	U.S. Govt Agency	62,179,510	7.50%
U.S. Treasury Bonds	2.00%	01/15/2026	U.S. Govt Agency	49,552,339	5.97%
U.S. Treasury Notes	1.625%	01/15/2015	U.S. Govt Agency	42,531,204	5.13%
U.S. Treasury Notes	1.875%	07/15/2015	U.S. Govt Agency	41,047,378	4.95%

COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2009 (Continued)

U.S. Treasury Notes	2.00%	01/15/2016	U.S. Govt Agency	40,510,702	4.88%
U.S. Treasury Bonds	1.75%	01/15/2028	U.S. Govt Agency	39,858,321	4.81%
U.S. Treasury Notes	2.50%	07/15/2016	U.S. Govt Agency	39,040,935	4.71%
Top Ten				**$ 570,799,012**	**68.81%**
Total Market Value				**$ 829,543,021**	

EMERGING MARKET DEBT FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
Russian Federation	7.50%	03/31/2030	Russian Federation	$ 38,612,090	3.43%
Argentina (Rep)	7.00%	03/28/2011	Argentina	18,281,498	1.62%
Venezuela Republic Notes REG S	2.101%	04/20/2011	Venezuela	14,496,440	1.29%
Indonesia Republic BD REG S	7.750%	01/17/2038	Indonesia	11,109,280	0.99%
Argentina (Rep)	7.00%	10/03/2015	Argentina	10,705,288	0.95%
Nota Do Tesouro NA	10.00%	01/01/2017	Brazil	10,352,067	0.92%
Iraq Republic of	5.80%	01/15/2028	Iraq	9,804,240	0.87%
Colombia (Rep)	7.375%	09/18/2037	Colombia	9,204,500	0.82%
Republic of Indonesia	11.625%	03/04/2019	Indonesia	8,837,500	0.79%
Brazil Fererative Rep	11.000%	08/17/2040	Brazil	8,544,498	0.76%
Top Ten				**$ 139,947,401**	**12.44%**
Total Market Value				**$1,125,226,197**	

HIGH YIELD DEBT FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
Dynegy Hldgs Inc	8.375%	05/01/2016	United States	$ 6,305,400	0.88%
Toys R Us	7.375%	10/15/2018	United States	5,959,525	0.83%
Georgia Pacific Corp	7.75%	11/15/2029	United States	5,743,550	0.80%
Vertex Pharmaceuticals Inc	Common Stock		United States	5,316,953	0.74%
AES Corp	8.375%	03/01/2011	United States	5,111,409	0.71%
Qwest Capital Funding	6.875%	07/15/2028	United States	5,018,400	0.70%
Elan Fin PLC	7.750%	11/15/2011	Ireland	4,934,875	0.68%
Mosiac Global Holdings	7.300%	01/15/2028	United States	4,902,500	0.68%
Citibank NA	15.00%	07/02/2010	United States	4,815,093	0.67%
AES Corp	8.000%	10/15/2017	United States	4,654,650	0.65%
Top Ten				**$ 52,762,355**	**7.34%**
Total Market Value				**$ 718,563,903**	

DEVELOPED MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
Nestle SA CHFO.10 REGD	Switzerland	$ 71,589,362	1.60%
Total SA Eur 2.5 Post Division	France	57,344,287	1.28%
Roche Holdings AG Genusscheine NPV	Switzerland	54,512,579	1.22%
Glaxosmithkline ORD GBP 0.25	United Kingdom	50,223,002	1.13%
HSBC Holdings ORD USD 0.50 UK REG	United Kingdom	47,550,716	1.07%
Novartis AG CHF 0.50 REGD	Switzerland	47,341,330	1.06%
Sanofi Aventis EUR2	France	45,035,844	1.01%
Astrazeneca ORD USD 0.25	United Kingdom	41,833,377	0.94%
Banco Santander SA EURO .50 REGD	Spain	38,529,137	0.86%
Vodafone Group ORD USD 0.11428571	United Kingdom	35,805,862	0.80%
Top Ten		**489,765,496**	**10.97%**
Total Market Value		**4,464,491,006**	

EMERGING MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
China Mobile Ltd. HKD 0.10	Hong Kong	$ 32,501,684	2.85%

COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2009 (Continued)

Petroleo Brasileiro SA Sponsored ADR	Brazil	30,444,670	2.67%
Samsung Electronic KRW 5000	Republic of Korea	25,391,012	2.23%
ITAU Unibanco Holding SA Global Depository Receipt	Brazil	16,559,193	1.45%
Vale SA Depository Receipts	Brazil	13,515,168	1.18%
Gazprom ADR Rep 4 Ord Rub5	Russian Federation	13,488,525	1.18%
Taiwan Semicon Man TWD10	Taiwan	12,777,603	1.12%
TEVA Pharmaceutical Inds Ltd ADR	Israel	12,561,964	1.10%
KT + G Corporation KRW5000	Republic of Korea	11,896,743	1.04%
IND & Com BK China H CNY 1	China	11,895,007	1.04%
Top Ten		**$ 181,031,569**	**15.86%**
Total Market Value		**$1,141,401,975**	

REAL ESTATE FUND

Property Name	Location	Property Type	Market Value	%
Prime Property Fund	Various	Various	$ 78,810,000	10.22%
Cornerstone Patriot	Various	Various	57,207,750	7.42%
North Scottsdale Corporate Center	Scottsdale, AZ	Office	43,238,347	5.61%
RLJ Urban Lodging Fund II	Various	Hotel	42,263,083	5.48%
Rio Hill Shopping Center	Virginia	Retail	40,071,498	5.20%
Macfarlane Urban Real Estate Fund II LP	Various	Various	35,888,408	4.65%
Westport Senior Living	Various	Senior Living	35,000,014	4.54%
Starwood Opportunity Fund VII	Various	Various	33,192,050	4.31%
Canyon Johnson Urban Fund II	Various	Various	32,870,563	4.26%
Walton Street Real Estate	Various	Various	32,827,534	4.26%
Top Ten			**$ 431,369,247**	**55.95%**
Total Market Value			**$ 770,955,194**	

COMMERCIAL MORTGAGE FUND

Property Name	Location	Property Type	Market Value	%
SASCO	Various	Other	$ 4,725,852	92.03%
Yankee Mac Series G 11.125%	Various	Residential	104,812	2.04%
Yankee Mac Series E 11.056%	Various	Residential	89,854	1.75%
Yankee Mac Series F 12.981%	Various	Residential	42,979	0.84%
Yankee Mac Series A 13.075%	Various	Residential	6,051	0.12%
Top Five			**$ 4,969,548**	**96.78%**
Total Market Value			**$ 5,135,144**	

PRIVATE INVESTMENT FUND

Partnership Name	Partnership Type	Market Value	%
Constitution Liquidating Fund	Fund of Funds	$ 190,345,974	11.74%
Fairview Constitution II LP	Fund of Funds	98,716,882	6.09%
Welsh Carson Anderson & Stowe X LP	Buyout	71,295,168	4.40%
Carlyle Asia Partners LP	International	70,971,886	4.38%
Parish Capital Buyout Fund II	Fund of Funds	69,171,696	4.27%
Charterhouse Equity Partners IV	Buyout	67,436,092	4.15%
KKR 2006 Fund	Buyout	65,614,893	4.05%
KKR Millennium Fund	Buyout	63,198,561	3.90%
FS Equity Partners V	Buyout	55,765,372	3.44%
Pegasus Partners IV	Special Situations	52,213,681	3.22%
Top Ten		**$ 804,730,205**	**49.64%**
Total Market Value		**$1,621,268,022**	

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

PENSION FUNDS MANAGEMENT DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 (1)
FISCAL YEAR ENDED JUNE 30, 2009

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2009	Status at June 30, 2009
INVESTMENT ADVISORY SERVICES				
Domestic Equity Investment Advisory Services				
AXA Rosenberg Institutional Equity Management	Equity Advisor	Mar-96	$12,728,108	Active
Barclay's Global Investors	Equity Advisor	Mar-96	3,170,678	Active
Bivium Capital Partners, LLC	Equity Advisor	Jul-05	1,493,573	Active
Capital Prospects LLC	Equity Advisor	Jul-05	967,215	Active
FIS Group Inc.	Equity Advisor	Jul-05	890,947	Active
State Street Global Advisors	Equity Advisor	Mar-96	194,106	Active
T. Rowe Price Associates	Equity Advisor	Sep-08	406,114	Active
TCW Asset Management	Equity Advisor	Mar-96	996,397	Active
Total Domestic Equity Advisor Compensation			**$20,847,138**	
Core Fixed Income Investment Advisory Services				
Blackrock Financial Management	Core Income Advisor	Mar-96	$1,281,605	Active
Goodwin Capital Advisors(Phoenix)	Core Income Advisor	Nov-97	624,559	Active
Progress Investment Management	Core Income Advisor	Jul-05	898,894	Active
State Street Global Advisors	Core Income Advisor	Mar-96	277,369	Active
Wellington Asset Management	Core Income Advisor	Nov-97	771,263	Active
Western Asset Management	Core Income Advisor	Nov-97	1,131,334	Active
Total Core Fixed Income Advisor Compensation			**$4,985,024**	
Inflation Linked Bond Investment Advisory Services				
Hartford Investment Management Co.	Inflation Income Advisor	May-05	$443,712	Active
Total Inflation Linked Bond Advisor Compensation			**$443,712**	
Emerging Market Debt Investment Advisory Services				
Pyramis Global Advisors	Emerging Market Income Advisor	Oct-07	$931,896	Active
Stone Harbor Investment Partners	Emerging Market Income Advisor	Oct-07	1,065,029	Active
UBS Global Asset Management Co	Emerging Market Income Advisor	Oct-07	1,249,932	Active
Total Emerging Market Debt Advisor Compensation			**$3,246,857**	
High Yield Debt Advisory Services				
Loomis Sayles & Co., Inc.	High Yield Income Advisor	Mar-96	$582,544	Active
Oaktree Capital Management	High Yield Income Advisor	Mar-96	612,726	Active
Shenkman Capital Management	High Yield Income Advisor	Dec-07	605,877	Active
Stone Harbor Investment Partners	High Yield Income Advisor	Oct-07	592,866	Active
Total High Yield Debt Advisor Compensation			**$2,394,013**	
Liquidity Fund Advisory Services				
State Street Global Advisors	Liquidity Fund Advisor	Mar-96	$459,099	Active
Total Liquidity Fund Advisor Compensation			**$459,099**	
Developed Market International Equity Investment Advisory Services				
Acadian Asset Management	International Equity Advisor	Sep-06	$1,708,983	Active
AQR Capital Management, LLC	International Equity Advisor	Sep-06	1,885,640	Active
Artio Global Asset Management	International Equity Advisor	Sep-06	1,742,580	Active
Blackrock(Merrill Lynch)	International Equity Advisor	Aug-03	964,902	Active
Clay Finlay,Inc.	International Equity Advisor	Aug-03	1,416,044	Active
Grantham, Mayo, Van Otterloo & Co	International Equity Advisor	Mar-96	3,189,715	Active
Invesco Global Asset Management	International Equity Advisor	Aug-03	738,126	Active
MFS Institutional Advisors	International Equity Advisor	Aug-03	1,554,152	Active
Pareto Partners\Bank of New York	International Equity Advisor	Feb-04	2,193,806	Active
Progress Investment Management	International Equity Advisor	Jul-05	498,924	Active
Pyramis Investment (Fidelity)	International Equity Advisor	Aug-03	1,321,148	Active
Schroder Investment Management	International Equity Advisor	Sep-06	1,480,826	Active
State Street Global Advisors	International Equity Advisor	Mar-96	388,527	Active
Total Developed Market International Equity Advisor Compensation			**$19,083,373**	

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 (1) (Continued)
FISCAL YEAR ENDED JUNE 30, 2009

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2009	Status at June 30, 2009
Emerging Market International Equity Investment Advisory Services				
Emerging Markets Management LLC	International Equity Advisor	Aug-03	$3,344,579	Active
Grantham, Mayo, Van Otterloo & Co	International Equity Advisor	Mar-96	4,302,557	Active
Total Emerging Market International Equity Advisor Compensation			**$7,647,136**	
Real Estate Investment Advisory Services (2)				
AEW Capital Management, LP(Core)	Real Estate Advisor	Aug-98	$1,353,600	Active
AEW Partners III, LP	Real Estate Advisor	Mar-98	261,146	Active
Blackstone Real Estate Partners VI	Real Estate Advisor	Aug-07	1,500,000	Active
Blackstone Real Estate Partners Europe III	Real Estate Advisor	Nov-08	572,917	Active
Canyon Johnson Urban Fund II, LP	Real Estate Advisor	May-05	771,875	Active
MacFarlane Urban Real Estate Fund II	Real Estate Advisor	Oct-08	1,412,579	Active
RLJ Urban Lodging Fund III, LP	Real Estate Advisor	Aug-07	1,076,199	Active
Total Real Estate Advisor Compensation			**$6,948,316**	
Commercial Mortgage Investment Advisory Services				
AEW Capital Management, LP	Commercial Mortgage Advisor	Aug-87	$73,500	Active
Total Commercial Mortgage Advisor Compensation			**$73,500**	
Private Investment Advisory Services (2)				
AIG Altaris Health Partners, LP	Private Investment Advisor	Sep-04	$323,621	Active
AIG Altaris Healthcare Partners II, LP	Private Investment Advisor	Oct-07	713,206	Active
AIG Global Emerging Markets Fund, LP	Private Investment Advisor	Dec-97	385,337	Active
Aldus\CT Emerging Manager Fund, LP	Private Investment Advisor	Jun-08	650,000	Active
Blackstone Capital Partners III, LP	Private Investment Advisor	Oct-97	47,872	Active
Boston Venture Capital Partners VII, LP	Private Investment Advisor	May-07	647,015	Active
Carlyle Asia Partners, LP	Private Investment Advisor	Dec-98	318,454	Active
Carlyle Europe Partners, LP	Private Investment Advisor	Dec-97	158,379	Active
Charterhouse Equity Partners IV, LP	Private Investment Advisor	Feb-05	1,240,180	Active
Conning Capital Partners V, LP	Private Investment Advisor	Dec-97	74,176	Active
Constitution Liquidating Fund, LP	Private Investment Advisor	Jul-87	444,368	Active
Court Square Capital Partners II, LP	Private Investment Advisor	Dec-06	1,253,282	Active
CS\CT Cleantech Opportunities Fund, LP	Private Investment Advisor	Jul-07	183,480	Active
DLJ Merchant Banking Fund II, LP	Private Investment Advisor	Nov-96	73,659	Active
Ethos Capital Fund V, LP	Private Investment Advisor	Aug-06	411,692	Active
Fairview Constitution II, LP	Private Investment Advisor	May-05	1,300,000	Active
Fairview Constitution III, LP	Private Investment Advisor	Jun-07	2,400,000	Active
Forstmann Little & Company VI & VII	Private Investment Advisor	Apr-97	115,155	Active
FS Equity Partners V, LP	Private Investment Advisor	Mar-04	475,145	Active
Garmark Partners, LP	Private Investment Advisor	Apr-98	9,925	Active
Garmark Partners, II LP	Private Investment Advisor	Jun-95	571,623	Active
Green Equity Partners, LP	Private Investment Advisor	Sep-98	50,025	Active
Greenwich Street Capital Partners II LP	Private Investment Advisor	Oct-98	34,495	Active
ICV Associates II LP	Private Investment Advisor	Oct-05	655,725	Active
KKR Associates 1996 Fund, LP	Private Investment Advisor	Dec-01	33,880	Active
KKR Associates 2006 Fund, LP	Private Investment Advisor	May-07	1,553,700	Active
KPS Investors II, LP	Private Investment Advisor	Dec-08	7,429	Active
Leeds Equity Associates V LP	Private Investment Advisor	Apr-09	711,110	Active
LLCP Partners IV LP	Private Investment Advisor	Jul-08	1,733,219	Active
Muller & Monroe Asset Management	Private Investment Advisor	Nov-07	550,000	Active
Nogales Investors II, LP	Private Investment Advisor	Oct-06	753,308	Active
Pegasus Investors IV, LP	Private Investment Advisor	Aug-07	796,345	Active
Syncom Partners V, LP	Private Investment Advisor	Apr-06	607,136	Active
SW Pelham Fund II, LP	Private Investment Advisor	Dec-02	295,500	Active
Thayer Equity Investors IV, LP	Private Investment Advisor	Nov-98	234,511	Active
Thomas H.Lee Equity Fund VI, LP	Private Investment Advisor	Jul-07	592,155	Active
Vista Equity Partners III, LP	Private Investment Advisor	Apr-08	558,093	Active

PENSION FUNDS MANAGEMENT DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 [1] (Continued)
FISCAL YEAR ENDED JUNE 30, 2009

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2009	Status at June 30, 2009
Wellspring Capital Partners III, LP	Private Investment Advisor	Apr-03	93,045	Active
Yucaipa American Alliance Fund, LP	Private Investment Advisor	Jul-08	1,469,767	Active
Total Private Equity Advisor Compensation			**$22,526,012**	
TOTAL COMPENSATION TO INVESTMENT ADVISORS			**$88,654,180**	
CUSTODY SERVICES				
State Street Bank & Trust	Custody of Fund Assets	Jan-96	$80,000	Active
TOTAL CUSTODY SERVICES COMPENSATION			**$80,000**	
CONSULTING SERVICES				
CRA Rogers Casey	Consultant -Pension Funds	Jan-01	$130,208	Active
Franklin Park Associates LLC	Consultant -Private Investment	Jul-04	995,521	Active
Independent Fiduciary Services	Consultant -Organizational Review	Jul-07	42,500	Active
Korn & Ferry International	Consultant -Exec Search	Jul-07	11,413	Active
Mercer Investment Consulting	Consultant -Pension Funds	Oct-07	500,000	Active
New England Pension Consultants(NEPC)	Consultant -Pension Funds	Jun-08	419,964	Active
The Townsend Group	Consultant -Pension Funds	Jun-08	271,527	Active
TOTAL CONSULTING SERVICES COMPENSATION			**$2,371,133**	
MISCELLANEOUS SERVICES				
Day Pitney	Legal Services	Jun-03	$147,692	Active
Edwards Angell Palmert & Dodge	Legal Services	Dec-07	98,571	Active
Groom Law Group	Legal Services	Feb-08	14,655	Active
Levy & Droney, PC	Legal Services	Jul-07	15,863	Active
Lewis & Munday PC	Legal Services	Jul-03	106,533	Active
McCarte & English	Legal Services	Sep-08	38,795	Active
Pepe & Hazard	Legal Services	Jul-03	29,045	Active
Reinhart Boerner Van Deuren	Legal Services	Dec-07	51,686	Active
A & A Office Systems.	Photocopier Lease	N/A	5,049	Active
CERES Incorporated	Membership Dues	N/A	10,000	Active
Institutional Limited Partners Association	Membership Dues	N/A	5,000	Active
Council of Institutional Investors	Membership Dues	N/A	30,000	Active
Corporate Governance Research Consulting	Corporate Governance Services	N/A	15,555	Active
Global Proxy Watch	Subscription	N/A	5,550	Active
Institutional Shareholder Services	Proxy Voting	Nov-99	101,094	Active
Interfaith Center on Corporate Responsibility	Subscription	N/A	7,000	Active
Investor Responsibility Support Services	Asset Recovery	Dec-02	16,667	Active
Resource Group Staffing	Temporary Services	N/A	74,775	Active
Suburban Stationers, Inc.	Office Supplies	N/A	6,562	Active
The Corporate Library	Subscription	N/A	25,000	Active
The Foundation for the Global Compact	Fee	N/A	20,000	Active
Waste News	Subscription	N/A	6,398	Active
West Group	Subscription	N/A	12,735	Active
TOTAL MISCELLANEOUS SERVICES COMPENSATION			**$844,225**	
GRAND TOTAL			**$91,949,538**	

(1) Expenses are presented on a cash basis.

(2) Alternative Investment Management fees for the Private Investment Fund and the Real Estate Fund include capitalized fees and expensed fees. Capitalized fees are part of the cost of the investment and become a component of unrealized gain(loss). Capitalized fees are disclosed in Note 1 of the Combined Investment Funds Financial Statements. Expensed fees which are not part of the cost of the investment are recorded in the Statement of Operations.

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGMENT
JUNE 30, 2009

Name of Fund	Investment Strategy		Net Assets Under Management	Percent of Fund Total
LIQUIDITY (LF)				
State Street Global Advisors	Active	$	1,847,800,075	85.10%
Payden & Rygel	Active		74,943,652	3.45%
Ambassador Capital Management	Active		74,904,991	3.45%
Colchester Global Investors Ltd.	Active		173,580,048	8.00%
SUBTOTAL LF		**$**	**2,171,228,766**	**100.00%**
MUTUAL EQUITY FUND (MEF)				
Large Cap		**$**	**3,203,277,940**	**57.30%**
BGI Barclays Global Investors, N.A.	Enhanced - Index		876,945,062	15.69%
T. Rowe Price Associates	Enhanced - Index		665,121,460	11.90%
State Street Global Advisors	Passive - Indexed		1,661,211,418	29.71%
Active Extension			**526,441,693**	**9.42%**
AXA Rosenberg Investment Management	Active		170,028,931	3.04%
Pyramis	Active		179,955,027	3.22%
Numeric	Active		176,457,735	3.16%
All Cap			**235,274,550**	**4.20%**
Capital Prospects	Active		118,171,804	2.11%
FIS Group, Inc.	Active		117,102,746	2.09%
Small/Mid Cap			**623,922,348**	**11.16%**
AXA Rosenberg Investment Management	Enhanced - Index		623,922,348	11.16%
Small/Mid Cap			**485,062,848**	**8.68%**
TCW Cowen Asset Management	Active		377,249,419	6.75%
Bivium	Active		107,813,429	1.93%
Other (1)			**516,371,501**	**9.24%**
SUBTOTAL MEF		**$**	**5,590,350,880**	**100.00%**
CORE FIXED INCOME FUND (CFIF)				
State Street Global Advisors	Passive	$	990,876,021	31.36%
BlackRock Financial Management, Inc.	Active		617,414,705	19.54%
Wellington	Active		494,928,788	15.66%
Western Asset Management Co.	Active		465,006,091	14.71%
Phoenix	Active		295,314,474	9.35%
Progress	Active		123,743,564	3.92%
Other (1)			**172,620,168**	**5.46%**
SUBTOTAL CFIF		**$**	**3,159,903,811**	**100.00%**
INFLATION LINKED BOND FUND (ILBF)				
Brown Brothers Harriman	Active	$	429,747,358	51.33%
Hartford Investment Mgmt Co.	Active		406,744,761	48.58%
Other (1)			**750,567**	**0.09%**
SUBTOTAL ILBF		**$**	**837,242,686**	**100.00%**
EMERGING MARKET DEBT FUND (EMDF)				
Ashmore	Active	$	309,739,862	27.37%
Stone Harbor Investment Partners	Active		235,466,735	20.80%
ING Investment Management	Active		174,266,665	15.40%
Pyramis	Active		188,637,172	16.67%
UBS Global Asset Management	Active		219,399,905	19.38%
Other (1)			**4,328,224**	**0.38%**
SUBTOTAL EMDF		**$**	**1,131,838,563**	**100.00%**
HIGH YIELD INCOME FUND (HYIF)				
Loomis Sayles & Co., Inc.	Active	$	244,769,526	33.39%
Stone Harbor Investment Partners	Active		129,258,362	17.63%
Shenkman Capital Management	Active		205,677,099	28.05%
Oaktree Capital Management, L.L.C.	Active		122,222,208	16.67%
Other (1)			**31,238,748**	**4.26%**
SUBTOTAL HYIF		**$**	**733,165,943**	**100.00%**

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGMENT (Continued)

JUNE 30, 2009

Name of Fund	Investment Strategy		Net Assets Under Management	Percent of Fund Total
DEVELOPED MARKET INTERNATIONAL STOCK FUND (DMISF)				
Index		**$**	**614,667,675**	**13.92%**
State Street Global Advisors	Index-Passive		614,667,675	13.92%
Core			**1,443,364,393**	**32.69%**
Invesco Global Asset Mgmt.	Active		212,301,932	4.81%
AQR Capital Management	Active		469,400,815	10.63%
Acadian Asset Management	Active		242,270,332	5.49%
Artio Global	Active		424,920,000	9.62%
Progress	Active		94,471,314	2.14%
Active-Growth			**525,309,842**	**11.90%**
MFS Institutional Advisors, Inc.	Active		525,309,842	11.90%
Active-Value			**541,500,230**	**12.26%**
Grantham, Mayo, Van Otterloo	Active		541,500,230	12.26%
Small Cap			**592,192,658**	**13.41%**
Schroder Investment Mgmt.	Active		225,561,517	5.11%
Dimensional Fund Advisors	Active		186,734,007	4.23%
William Blair & Company	Active		179,897,134	4.07%
Risk Controlled			**630,758,417**	**14.28%**
BlackRock	Active		318,370,859	7.21%
Pyramis	Active		312,387,558	7.07%
Other (1)			**68,106,086**	**1.54%**
SUBTOTAL DMISF		**$**	**4,415,899,301**	**100.00%**
EMERGING MARKET INTERNATIONAL STOCK FUND (EMISF)				
Grantham, Mayo, Van Otterloo	Active	$	577,041,117	50.29%
Emerging Markets Management	Active		568,947,775	49.59%
Other (1)			**1,337,110**	**0.12%**
SUBTOTAL EMISF		**$**	**1,147,326,002**	**100.00%**
REAL ESTATE FUND (REF)				
1800 E. St. Andrew Place	Active	$	21,619,932	2.81%
1155 Perimeter Center West	Active		30,890,631	4.01%
AEW Partners III	Active		10,375,290	1.35%
AEW 221 Trust	Active		4,656,226	0.61%
AEW Union Station Ltd LP	Active		107,552	0.01%
AEW Core	Active		37,992	0.00%
Apollo Real Estate	Active		14,543,878	1.89%
Blackstone Real Estate VI LP	Active		25,695,899	3.34%
Blackstone Real Estate Partner Europe III LP	Active		39,006	0.01%
Canyon Johnson Urban Fund II	Active		32,870,563	4.27%
Canyon Johnson Urban Fund III	Active		(1,363,858)	-0.18%
Capri Select Income II LLC	Active		15,987,090	2.08%
Colony Realty Partners II LP	Active		32,453,426	4.22%
Cornerstone Patriot	Active		57,207,750	7.43%
Covenant Apartment Fund V LP	Active		24,053,625	3.12%
Covenant Apartment Fund VI	Active		7,547,828	0.98%
The Glen at Lafayette Hill	Active		27,177,228	3.53%
IL & FS India Realty Fund II	Active		18,958,134	2.46%
Macfarlane Urban Real Estate Fund II LP	Active		35,888,408	4.66%
Mullica Hill Plaza	Active		8,252,932	1.07%
North Scottsdale Corporate Center	Active		43,238,347	5.62%
Prime Property Fund	Active		78,810,000	10.24%
Rio Hill Shopping Center	Active		40,071,498	5.21%
RLJ RE Fund III LP	Active		1,380,190	0.18%
RLJ Urban Lodging Fund II	Active		42,263,083	5.49%
Rocky Creek Apartments	Active		23,785,905	3.09%
Rockwood Capital Fund V	Active		13,736,500	1.78%
Rockwood Capital VI Limited Partnership	Active		11,906,620	1.55%
Rockwood Capital VII Limited Partnership	Active		16,235,306	2.11%
Starwood Opportunity Fund VII	Active		33,192,050	4.31%
Starwood Opportunity Fund VIII	Active		(4,003,176)	-0.52%

COMBINED INVESTMENT FUNDS
LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGMENT (Continued)
JUNE 30, 2009

Name of Fund	Investment Strategy		Net Assets Under Management	Percent of Fund Total
Urban Strategy America Fund LP	Active		10,200,449	1.33%
Walton Street Real Estate	Active		32,827,534	4.27%
Westport Senior Living	Active		35,000,014	4.55%
Other [3]	**Active**		**24,011,704**	**3.12%**
SUBTOTAL REF		**$**	**769,655,556**	**100.00%**
COMMERCIAL MORTGAGE FUND (CMF)				
AEW Capital Management	Active	$	4,726,136	92.00%
Other [2]			**411,096**	**8.00%**
SUBTOTAL CMF		**$**	**5,137,232**	**100.00%**
PRIVATE INVESTMENT FUND (PIF)				
Buyout		**$**	**719,188,475**	**44.23%**
KKR Millennium Fund	Active		63,198,561	3.89%
Yucaipa American Alliance Fund II LP	Active		25,787,214	1.59%
Hicks, Muse Tate & Furst Equity Fund III	Active		16,033,215	0.99%
Thomas H. Lee Equity Fund IV	Active		270,336	0.02%
Thomas H. Lee Equity Fund VI	Active		44,475,487	2.73%
Welsh Carson Anderson & Stowe VIII	Active		14,898,348	0.92%
Wellspring Capital Partners III	Active		47,290,776	2.91%
SCP Private Equity Partners	Active		2,929,017	0.18%
Charterhouse Equity Partners IV	Active		67,436,092	4.15%
Forstmann Little Equity Fund VI	Active		881,312	0.05%
DLJ Merchant Banking Fund II	Active		16,108,371	0.99%
KKR 1996 Fund	Active		4,529,910	0.28%
FS Equity Partners V	Active		55,765,372	3.43%
Blackstone Capital Partners III	Active		6,035,389	0.37%
Thayer Equity Investors IV	Active		9,524,124	0.59%
Kelso Investment Associates VI	Active		2,818,283	0.17%
Green Equity Investors III	Active		1,985,350	0.12%
Wellspring Capital Partners II	Active		2,159,196	0.13%
Candover 2008 Fund	Active		4,506,171	0.28%
Leeds Equity Partners V LP	Active		3,388,262	0.21%
Welsh Carson Anderson & Stowe XI	Active		-412,234	-0.03%
AIG Healthcare Partners LP	Active		28,120,263	1.73%
AIG Altaris Health Partners II	Active		6,253,054	0.38%
Welsh Carson Anderson & Stowe X LP	Active		71,295,168	4.38%
Court Square Capital Partners II	Active		29,235,275	1.80%
Ethos Private Equity Fund V	Active		17,366,771	1.07%
Boston Ventures VII	Active		34,947,513	2.15%
KKR 2006 Fund	Active		65,614,893	4.03%
Nogales Investors Fund II	Active		7,146,941	0.44%
ICV Partners II LP	Active		17,751,534	1.09%
Vista Equity Partners Fund III	Active		25,838,091	1.59%
RFE Investments Partners	Active		6,073,409	0.37%
RFE Investment Partners VII	Active		19,937,011	1.23%
Venture Capital			**37,073,831**	**2.28%**
Conning Capital Partners V	Active		2,461,519	0.15%
Crescendo World Fund	Active		15,893,343	0.98%
Grotech Partners V	Active		6,865,948	0.42%
Shawmut Equity Partners	Active		324,033	0.02%
Crescendo III	Active		1,169,689	0.07%
Syndicated Communications	Active		10,359,299	0.64%
Mezzanine			**38,777,416**	**2.39%**
SW Pelham Fund	Active		3,055,860	0.19%
GarMark Partners	Active		794,673	0.05%
GarMark Partners II LP	Active		26,458,613	1.63%
SW Pelham Fund II	Active		8,468,270	0.52%
International			**151,054,247**	**9.28%**
Compass Partners European Equity Fund	Active		15,755,868	0.97%

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGMENT (Continued)

JUNE 30, 2009

Name of Fund	Investment Strategy		Net Assets Under Management	Percent of Fund Total
Gilbert Global Equity Partners	Active		38,595,554	2.37%
Carlyle Europe Partners	Active		13,976,684	0.86%
AIG Global Emerging Markets Fund	Active		11,754,255	0.72%
Carlyle Asia Partners	Active		70,971,886	4.36%
Fund of Funds			**479,751,905**	**29.49%**
Aldus Connecticut EMF LP	Active		6,806,356	0.42%
The Constitution Liquidating Fund	Active		190,345,974	11.70%
Landmark Private Equity Fund VIII	Active		26,540,398	1.63%
CS/CT Cleantech Opp Fund	Active		10,002,173	0.61%
CT Emerging Pvt Equity	Active		5,409,930	0.33%
Fairview Constitution III	Active		22,533,352	1.39%
Goldman Sachs Private Equity Partners Connecticut	Active		9,752,842	0.60%
Lexington Capital Partners II	Active		4,225,411	0.26%
Parish Capital I LP	Active		36,246,891	2.23%
Parish Capital Buyout Fund II	Active		69,171,696	4.25%
Fairview Constitution II LP	Active		98,716,882	6.07%
Special Situations			**140,896,852**	**8.66%**
Welsh Carson Anderson & Stowe Capital Partners III	Active		18,635,881	1.15%
Levine Leichtman Capital Partners IV LP	Active		7,486,625	0.46%
Greenwich Street Capital Partners II	Active		3,003,742	0.18%
Pegasus Partners IV	Active		52,213,681	3.21%
Forstmann Little MBO VII	Active		100,104	0.01%
WLR Recovery Fund IV	Active		46,733,364	2.87%
KPS Special Situations Fund II	Active		12,723,455	0.78%
Other (3)			**59,849,282**	**3.67%**
SUBTOTAL PIF		**$**	**1,626,592,008**	**100.00%**
TOTAL		**$**	**21,588,340,748**	
Adjustments (4)			**(1,206,174,464)**	
GRAND TOTAL		**$**	**20,382,166,284**	

(1) Other represents cash equivalents, other net assets and terminated advisor balances, as well as, currency overlay balances for the DMISF.
(2) Other also includes residential mortgage-backed securities for the Commercial Mortgage Fund.
(3) Other represents moneys earmarked for distribution to participants, reinvestment, and expenses as well as terminated advisor balances.
(4) Represents Elimination Entry to the Financial Statements to account for investment of Combined Investment Funds in the Liquidity Fund.

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Broker Name	$ Commission	Shares/ Par Value	Avg Comm
508 SECURITIES LLC	337.75	6,755.00	0.05
ABEL NOSER CORPORATION	478.43	24,380.00	0.02
ABG SECURITIES	6,127.23	427,974.00	0.01
ABG SECURITIES AS (STOCKHOLM)	533.40	42,464.00	0.01
ABG SECURITIES INC	1,365.17	62,688.00	0.02
ABM AMRO HOARE GOVETT ASIA LTD, SEOUL	1,866.46	78,151.00	0.02
ABN AMRO ASIA LIMITED	3,486.87	2,042,200.00	0.00
ABN AMRO ASIA SECURITIES (SINGAPORE) PTE	384.79	209,000.00	0.00
ABN AMRO BANK N. V. HONG KONG	9,816.45	4,496,049.00	0.00
ABN AMRO BANK NV	45,759.61	4,099,363,723.00	0.00
ABN AMRO BANK NV HONG KONG BRANCH	2,497.77	4,037,700.00	0.00
ABN AMRO EQUITIES AUSTRALIA LTD.	703.70	57,729.00	0.01
ABN AMRO INCORPORATED	3,215.38	160,769.00	0.02
ABN AMRO SECURITIES (USA) INC	40,822.36	8,224,896,179.11	0.00
ABN AMRO SECURITIES LLC	119.00	5,950.00	0.02
ACCESS SECURITIES INC	9,589.02	319,634.00	0.03
ACCIONES Y VALORES DE MEXICO	8,349.50	1,623,968.00	0.01
ADAMS HARKNESS AND HILL INC	2,309.86	63,762.00	0.04
AGORA CORDE TITUL E VAL MOB	4,402.56	106,578.00	0.04
ALARIS TRADING PARTNERS	68.75	5,500.00	0.01
ALBERT FRIED & COMPANY LLC	376.00	18,800.00	0.02
ALLEN & COMPANY INCORPORATED	795.00	25,700.00	0.03
ALPHA FINANCE	403.27	7,158.00	0.06
ALTIUM CAPITAL LTD	242.75	7,804.00	0.03
AMB SECURITIES	34.19	552.00	0.06
AMERICAN TECHNOLOGY RESEARCH INC	216.00	5,400.00	0.04
APAX PARTNERS AND CO CORPORATE	82.16	6,900.00	0.01
AQUA SECURITIES LP	1.00	50.00	0.02
ARBUTHNOTSECURITIES LIMITED	2,286.21	67,250.00	0.03
AROS SECURITIES AB	34.20	600.00	0.06
ATA SECURITIES INC. (ISTANBUL)	15,800.39	2,643,436.00	0.01
ATR KIM ENG SECURITIES, INC	32.42	7,300.00	0.00
AUERBACH GRAYSON	879.78	69,582.00	0.01
AUTOMATEDTRADING DESK FINANCIAL SERVICE	241.78	24,178.00	0.01
AUTREPAT-DIV RE	3,365.39	500,358.43	0.01
AVONDALE PARTNERS LLC	5,643.33	168,691.00	0.03
BAIRD, ROBERT W., & COMPANY INCORPORATED	19,947.00	4,120,770.62	0.00
BANCA COMMERCIALE ITALIANA MILAN	942.17	30,933.00	0.03
BANCO BILBAO VIZCAYA ARGENTARI	8,134.68	368,641.00	0.02
BANCO ESPIRITO SANTO DE INVEST	195.18	8,900.00	0.02
BANCO ITAU SA	20,090.04	1,774,173.00	0.01
BANCO PORTUGUES DE INVESTIMENTO S.A.	1,116.11	139,100.00	0.01
BANCO SANTANDER CENTRAL HISPANO	102,928.71	163,350,471.00	0.00
BANCO SANTANDER DE NEGOCIOS	5,710.57	2,068,167.00	0.00
BANK AM BELLEVUE	2,936.83	52,527.00	0.06
BANK AUSTRIA CREDITANSTALT AG	7,299.96	328,325.00	0.02
BANK J.VONTOBEL UND CO. AG	488.63	9,045.00	0.05
BANK OF AMERICA SECURITIES LLC	32,159.35	1,481,218,507.48	0.00
BANK OF NEW YORK BRUSSELS	231.32	15,001,777,630.00	0.00
BANK SAL.OPPENHEIM JR. AND CIE.	1,102.45	19,933.00	0.06
BANQUE NATIONAL DE PARIS HONG KONG	3,801.53	9,160,125.00	0.00
BANQUE PARIBAS FRANKFURT	2,077.75	32,419.00	0.06
BARCLAYS CAPITAL INC	4.23	9,981,433,744.70	0.00
BARCLAYS CAPITAL INC./LE	2,074.00	881,850.00	0.00
BARCLAYS CAPITAL LE	42,727.77	6,525,194.00	0.01
BARNARD JACOBS MELLETS NY	17,146.39	2,379,104.00	0.01
BARRINGTON RESEARCH ASSOCIATES INC.	256.20	6,405.00	0.04
BAYPOINT TRADING LLC	5,130.31	330,248.00	0.02
BBVA SECURITIES	47.94	10,500.00	0.00
BEAR STEARNS	187.75	2,800.00	0.07
BEAR STEARNS + CO INC	2,525.63	93,456.00	0.03
BEAR STEARNS ASIA LTD	1,275.54	2,173,227.00	0.00
BEAR STEARNS SECURITIES CORP	13,191.34	9,065,020.56	0.00
BEAR STEARNS SECURITIES CORP.	1,790.91	229,837.00	0.01
BENCHMARKCO, INC	435.00	13,600.00	0.03
BERBOR BERENBERG BANK	83.29	2,500.00	0.03
BEREAN CAPITAL, INC. 2	1,645.90	59,850.00	0.03
BERENBERGBANK	177.82	2,400.00	0.07
BHF BANK	373.17	3,050.00	0.12
BHF-BANK	220.06	900.00	0.24
BHIRUD ASSOCIATES, INC	4,628.60	80,070.00	0.06
BLAYLOCK + CO INC	1,677.85	52,174.00	0.03
BLEY INVESTMENT GROUP	3,158.68	70,402.00	0.04
BLOOMBERG	1.21	83.00	0.01
BLOOMBERGTRADEBOOK	17.98	1,126.00	0.02
BLOOMBERGTRADEBOOK LLC	45,617.55	1,183,578.00	0.04
BMO CAPITAL MARKETS	12,513.00	373,695.00	0.03
BNP PARIBAS BROKERAGE SERVICES	148.92	67,660.00	0.00
BNP PARIBAS PEREGRINE SECS PT	2,123.88	3,108,200.00	0.00
BNP PARIBAS PEREGRINE SECURITIES	33,674.69	24,974,160.00	0.00
BNP PARIBAS SA	3,756.66	121,402.00	0.03
BNP PARIBAS SECURITIES SERVICES	14,529.36	512,763.00	0.03
BNY BROKERAGE	1,482.05	83,087.00	0.02
BNY BROKERAGE INC	163,615.56	7,447,799.00	0.02
BNY CONVERGEX	64,391.30	3,200,770.00	0.02
BNY CONVERGEX LJR	721.13	20,299.00	0.04
BOCI SECURITIES LTD.	1,853.54	596,500.00	0.00
BOE SECURITIES INC/BROADCORT CAP CORP	4,471.03	114,443.00	0.04
BOENNING + SCATTERGOOD INC	5,183.96	234,343.00	0.02
BRADESCO S.A CTVM	1,234.45	39,300.00	0.03
BRADESCO S/A CTVM	1,056.55	35,200.00	0.03
BREAN MURRAY	373.75	7,625.00	0.05
BREWIN DOLPHIN BELL LAWRIE LIMITED	322.38	15,578.00	0.02
BROADCORTCAPITAL (THRU ML)	2,333.47	59,753.00	0.04
BROCKHOUSE + COOPER INC MONTREAL	22,109.20	7,414,974.00	0.00
BROWN BROTHERS HARRIMAN + CO	867.10	28,090.00	0.03
BUCKINGHAM RESEARCH GROUP	11,249.68	295,156.00	0.04
BUCKINGHAM RESEARCH GROUP INC	22,702.62	644,754.00	0.04
CA IB INVESTMENTBANK AG	1,623.59	19,170.00	0.08
CABRERA CAPITAL MARKETS	32,389.48	6,770,299.00	0.00
CALYON (FORMERLY CREDIT AGRICOLE INDOUS)	2,653.32	41,812.00	0.06
CANACCORDADAMS INC.	24,544.06	579,077.00	0.04
CANACCORDCAPITAL (EUROPE) LTD	11.79	7,000.00	0.00
CANACCORDCAPITAL CORP	3,331.67	113,073.00	0.03
CANACCOROADAMS INC	302.35	6,409.00	0.05
CANADIAN IMPERIAL BANK OF COMMERCE	3,370.56	127,811.00	0.03
CANTOR CLEARING SERVICES	128.88	4,296.00	0.03
CANTOR FITZ EUR 2	3,520.32	623,560.00	0.01
CANTOR FITZGERALD	12.97	1,476,219.28	0.00
CANTOR FITZGERALD + CO.	166,267.90	38,384,429.00	0.00
CANTOR FITZGERALD AND CO	562.61	455,204.77	0.00
CANTOR FITZGERALD/EUROPE	59.64	2,930.00	0.02
CAPITAL INSTITUTIONAL SVCS INC EQUITIES	12,684.51	527,996.00	0.02
CARIS + COMPANY INC	1,982.77	44,342.00	0.04
CARLIN EQUITIES	563.46	28,173.00	0.02
CARNEGIE	1,601.06	36,888.00	0.04
CARNEGIE A S	3,553.95	217,034.00	0.02
CARNEGIE BK	3,024.55	69,275.00	0.04
CARNEGIE FONDKOMISSION	222.37	3,508.00	0.06
CARNEGIE SECURITIES FINLAND	865.39	165,150.00	0.01
CAZENOVE + CO	28,105.89	2,156,145.00	0.01
CAZENOVE + CO.	10,731.82	350,200.00	0.03
CAZENOVE ASIA LIMITED	1,207.44	867,300.00	0.00
CAZENOVE ASIA LTD	19,325.73	18,106,679.00	0.00
CEDEL BANK	253.56	11,200.00	0.02
CENTRAL DEPOSITORY COMPANY OF PAKISTAN	10,629.63	1,969,623.00	0.01
CENTRO INTERNATIONALE HANDELSBANK	234.60	4,970.00	0.05
CENTROSIM	693.90	111,952.00	0.01
CHEEVERS + CO	880.75	18,075.00	0.05
CHEUVREUXDE VIRIEU	38,034.38	758,600.00	0.05
CHINA INTRTNL CAP CORP HK SECS LTD	5,565.83	3,913,200.00	0.00
CIBC WORLD MKTS INC	1,312.46	836,407.00	0.00
CITATION GROUP	6,922.71	231,607.00	0.03
CITIBANK INTERNATIONAL PLC	28.03	1,745.00	0.02
CITIBANK N.A.	917.58	2,264,411,775.87	0.00
CITIGROUPGLBL MARKTET KOERA SECS LTD	1,621.71	90,698.00	0.02
CITIGROUPGLOBAL MARKETS ASIA LIMITED	39.59	4,727.00	0.01
CITIGROUPGLOBAL MARKETS AUSTRALIA PTY	4,579.44	1,044,427.00	0.00
CITIGROUPGLOBAL MARKETS INC	266,218.01	754,516,244.13	0.00
CITIGROUPGLOBAL MARKETS INC.	260,630.37	31,211,881,449.75	0.00
CITIGROUPGLOBAL MARKETS LIMITED	148,762.63	3,272,910,459.17	0.00
CITIGROUPGLOBAL MARKETS SINGAPORE SECUR	1,076.62	821,000.00	0.00
CITIGROUPGLOBAL MARKETS UK EQUITY LTD	37,088.50	5,877,302.00	0.01
CJSC DEPOSITORY CLEARING CO	135.35	2,767.00	0.05
CLSA SECURITIES KOREA LTD.	17,936.35	47,326.00	0.38
CLSA SECURITIES MALAYSIA SDN BHD	1,109.84	1,138,300.00	0.00
CLSA SINGAPORE PTE LTD.	20,459.32	6,773,605.00	0.00
COLLINS STEWART	2,126.64	268,000.00	0.01
COLLINS STEWART + CO	428.88	48,708.00	0.01
COMMERCE INTL MERCHANT BANKERS	4,423.04	1,445,597.00	0.00
COMMERZBANK AG	3,320.55	5,170,822.00	0.00
COWEN ANDCOMPANY, LLC	130,697.27	6,366,716.00	0.02
CRAIG - HALLUM	1,131.35	26,805.00	0.04
CREDIT AGRICLE INDOSUEZ	5,304.95	389,801.00	0.01
CREDIT AGRICOLE CHEUVREUX SA	53.85	11,160.00	0.00
CREDIT AGRICOLE INDOSUEZ CHEUVREUX	65,915.81	5,484,288.00	0.01
CREDIT LYONNAIS SECS	1,980.33	664,148.00	0.00
CREDIT LYONNAIS SECURITIES	14,271.83	1,000,030.00	0.01
CREDIT LYONNAIS SECURITIES (USA) INC	45,835.05	25,275,109.00	0.00
CREDIT LYONNAIS SECURITIES ASIA/GUERNSEY	165.90	1,861,500.00	0.00
CREDIT LYONNAIS SECURITIES(ASIA)	9,003.29	9,710,000.00	0.00
CREDIT SUISSE FIRST BOSTON	969.21	1,435,817,000.00	0.00
CREDIT SUISSE FIRST BOSTON (EUROPE)	11,131.98	175,119.00	0.06
CREDIT SUISSE FIRST BOSTON SA CTVM	3,956.58	187,100.00	0.02
CREDIT SUISSE SECURITIES (EUROPE) LTD	207,792.97	2,949,576,856.00	0.00
CREDIT SUISSE SECURITIES (USA) LLC	813,097.77	4,788,741,839.00	0.00
CREDIT SUISSE SECURITIES LTD	108.77	42,000.00	0.00
CREDIT USA	2,099.84	67,331.00	0.03
CS FIRST BOSTON (HONG KONG) LIMITED	10,776.16	(9,937,006.00)	(0.00)
CSFB AUSTRALIA EQUITIES LTD	8,208.39	1,079,849.00	0.01
CSFB EQUITIES 1 CABOT SQUARE	4,093.00	3,330,545.00	0.00
CSI US INSTITUTIONAL DESK	460.00	9,400.00	0.05

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Broker Name	$ Commission	Shares/ Par Value	Avg Comm
CUSTOM EQUITY RESEARCH DBA SUMMER ST RES	30,148.01	1,571,685.00	0.02
D CARNEGIE AG	3,357.27	181,244.00	0.02
DAEWOO SECURITIES CO LTD	18,375.58	406,707.00	0.05
DAHLMAN ROSE + COMPANY LLC	30.00	1,000.00	0.03
DAISHIN SECURITIES CO. LTD.	6,408.55	154,816.00	0.04
DAIWA SECURITIES (HK) LTD.	32.88	1,400.00	0.02
DAIWA SECURITIES AMERICA INC	31,883.16	1,597,860.00	0.02
DAVENPORT& CO. OF VIRGINIA, INC.	524.00	17,980.00	0.03
DAVIDSON D.A. + COMPANY INC.	12,987.00	333,100.00	0.04
DAVY (J+E)	5,450.46	603,117.00	0.01
DBS VICKERS (HONG KONG) LIMITED	1,153.73	1,204,000.00	0.00
DBS VICKERS SECURITIES (SINGAPORE)	1,448.66	688,000.00	0.00
DBS VICKERS SECURITIES SING	894.51	76,600.00	0.01
DEAGROATT+ CAMPBELL SDN BHD	21,532.18	9,912,169.00	0.00
DEN DANSKE BANK	305.11	973.00	0.31
DEN NORSKE BANK	3,886.85	92,566.00	0.04
DENIZ YATIRIM MENKUL DEGERLER A.S.	8,135.90	3,066,231.00	0.00
DEUTCHE BANK	62.89	2,670.00	0.02
DEUTSCHE BANK AG LONDON	72,560.42	7,005,302,167.99	0.00
DEUTSCHE BANK ALEX BROWN	425.00	8,500.00	0.05
DEUTSCHE BANK SECURITIES	1,637.65	824,788.00	0.00
DEUTSCHE BANK SECURITIES INC	1,098,882.87	4,130,215,631.52	0.00
DEUTSCHE MORGAN GRENFELL SECS	8,143.00	602,091.00	0.01
DEUTSCHE SECURITIES ASIA LIMITED	17,375.30	9,875,522.00	0.00
DIRECT TRADING INSTITUTIONAL INC	18,473.01	1,235,910.00	0.01
DIVINE CAPITAL MARKETS LLC	14,169.28	440,669.00	0.03
DNB NOR MARKETS CUSTODY DNB NORBANK ASA	2,976.23	137,765.00	0.02
DONALDSONLUFKIN + JENRETTE SEC CORP	510.00	17,000.00	0.03
DONALDSONLUFKIN JENRETTE EQUI.DIV	102.00	3,400.00	0.03
DONGWON SECURITIES	1,508.17	28,399.00	0.05
DOUGHERTYCOMPANY	2,780.65	123,061.00	0.02
DOWLING &PARTNERS	758.00	37,900.00	0.02
DRESDNER BANK AG NEW YORK	70.54	1,196.00	0.06
DRESDNER BANK AG, LONDON BRANCH	8,840.68	1,761,736.00	0.01
DRESDNER KLEINWORT BENSON NORTH AMERICA	3,552.02	123,200.00	0.03
DUNDAS UNLU SECURITIES INC.	6,529.70	262,165.00	0.02
DZ BANK AG	254.81	550.00	0.46
E.L.AND C. BAILLIEU LTD	125.38	71,142.00	0.00
ERSTE BANK DER OESTERREICHISCHEN	696.23	13,678.00	0.05
ESN NORTHAMERICA, INC.	3,889.50	110,426.00	0.04
EUROMOBILIARE SIM S.P.A.	10,086.90	1,958,642.00	0.01
EVLI SECURITIES LTD	8.02	808.00	0.01
EVOLUTIONBEESON GREGORY LIMITED	189.69	20,100.00	0.01
EXANE S.A.	30,343.27	808,038.00	0.04
EXECUTION(HONG KONG) LIMITED	17,979.09	15,669,590.00	0.00
EXECUTIONLIMITED	1,307.65	520,414.00	0.00
FATOR - DORIA ATHERINO S/A CV	186.24	10,500.00	0.02
FIDELITY CAPITAL MARKETS	43,390.20	2,067,159.00	0.02
FIDENTIIS	208.70	14,855.00	0.01
FIM SECURITIES LTD	23.30	1,297.00	0.02
FIRST ANALYSIS SECURITIES CORP	826.35	17,196.00	0.05
FIRST CLEARING, LLC	870.04	1,891,751.00	0.00
FIRST SOUTHWEST COMPANY	6,190.05	139,290.00	0.04
FIRSTRANDBANK LIMITED	2.36	277.00	0.01
FORSYTH BARR LTD	399.33	551,947.00	0.00
FORTIS BANK (NEDERLAND) N.V.	610.10	9,511.00	0.06
FOX PITT KELTON INC	7,502.60	177,055.00	0.04
FOX PITT KELTON LTD	3,610.28	836,413.00	0.00
FRASER MACKENZIE LIMITED	135.06	29,600.00	0.00
FRIEDMAN BILLINGS + RAMSEY	37,106.37	1,355,299.00	0.03
FUTURETRADE SECURITIES, LLC	163.74	8,187.00	0.02
G TRADE SERVICES LTD	218.54	412,000.00	0.00
GARBAN CORPORATES, INC	672.00	683,600.00	0.00
GARBAN EQUITIES LIMITED LONDON	872.74	366,000.00	0.00
GARDNER RICH + CO	2,435.56	86,252.00	0.03
GK GOH SECURITIES (HK) LTD.	236.91	39,500.00	0.01
GLOBAL EQUITIES	3,800.26	309,440.00	0.01
GOLDMAN SACHS (ASIA) LLC	2,128.05	13,426.00	0.16
GOLDMAN SACHS + CO	366,738.45	2,340,213,298.32	0.00
GOLDMAN SACHS AND CO BANK, ZURICH	24.92	2,560.00	0.01
GOLDMAN SACHS INTERNATIONAL	198,660.95	28,683,719.00	0.01
GOODBODY STOCKBROKERS	6,663.31	1,046,359.00	0.01
GREEN STREET ADVISORS	176.00	4,400.00	0.04
GREENTREEBROKERAGE SERVICES INC	3,805.49	122,696.00	0.03
GUZMAN + CO	13,776.80	637,892.00	0.02
HARRIS NESBITT CORP	8,726.52	317,626.00	0.03
HC ISTANBUL	12,663.13	3,730,654.00	0.00
HEEVERS &CO. INC.	504.25	11,375.00	0.04
HEFLIN + CO LLC	114,780.89	5,636,077.00	0.02
HIBERNIA SOUTHCOAST CAPITAL INC	3,225.80	66,294.00	0.05
HONGKONG AND SHANGHAI BANKING CORP	259.47	174,600.00	0.00
HOWARD WEIL DIVISION LEGG MASON	6,917.29	139,579.00	0.05
HSBC BANKBRASIL SA BANCO MULTIPLO	388.41	79,654.00	0.00
HSBC BANKPLC	43,132.28	1,639,318,371.00	0.00
HSBC JAMES CAPEL SEOUL	5,177.10	71,720.00	0.07
HSBC SECURITIES (USA) INC.	10,475.38	4,842,846,987.00	0.00
HSBC SECURITIES (USA), INC.	100.78	17,701,490.00	0.00
HSBC SECURITIES (USA), INC./STOCK LOAN	18,245.82	4,766,647,848.19	0.00
HVB CAPITAL MARKETS, INC	5,439.48	235,043.00	0.02
HYUNDAI SECURITIES CO. LTD.	28,102.61	1,317,602.00	0.02
ICAP CORPORATES LLC	3,916.00	122,300.00	0.03
ICAP SECURITIES LTD	1,661.72	3,803,265.00	0.00
ING BANK N V	9,237.96	530,025,963.00	0.00
ING BARINGS CORP	65,531.80	35,911,454.00	0.00
INSTINET	255,836.28	13,443,702.00	0.02
INSTINET AUSTRALIA CLEARING SRVC PTY LTD	448.57	58,492.00	0.01
INSTINET CANADA	19.53	1,044.00	0.02
INSTINET FRANCE S.A.	668.12	29,905.00	0.02
INSTINET PACIFIC LIMITED	50,079.61	42,717,701.00	0.00
INSTINET SINGAPORE SERVICES PT	426.36	191,000.00	0.00
INSTINET U.K. LTD	66,835.72	24,381,546.00	0.00
INSTINET,LLC	5,218.95	309,741.00	0.02
INTERMOBILIARE SECURITIES SIM SPA	3,345.04	521,000.00	0.01
INVERLAT INTERNATIONAL	753.43	175,400.00	0.00
INVESTEC BANK LTD	479.97	19,266.00	0.02
INVESTEC SECURITIES	4,433.11	430,327.00	0.01
INVESTMENT TECHNOLOGY GROUP INC.	133,164.62	12,532,594.00	0.01
INVESTMENT TECHNOLOGY GROUP LTD	62,046.02	11,840,035.00	0.01
INVESTORSBANK AND TRUST COMPANY	8,398.50	2,275,203.67	0.00
IS YATIRIM MENKUL DEGERLER AS	287.25	5,956.00	0.05
ISI GROUPINC	18,534.61	1,736,459.00	0.01
ISLANDSBANKI HF	20.25	8,717.00	0.00
ITG AUSTRALIA LTD.	4,334.47	2,980,115.00	0.00
ITG CANADA	1,177.67	75,400.00	0.02
ITG INC	460.99	232,573.00	0.00
ITG INC.	153.89	9,188.00	0.02
ITG SECURITIES (HK) LTD	19,289.39	9,215,112.00	0.00
IVY SECURITIES, INC.	60.00	2,000.00	0.03
IXIS SECURITIES	1,397.26	21,400.00	0.07
J AND E DAVY	1,209.90	28,058.00	0.04
J B WERE AND SON	4,075.35	3,243,483.00	0.00
J P MORGAN SECURITIES INC	336,735.07	14,606,540,274.81	0.00
J.P. MORGAN CLEARING CORP.	113,148.91	119,971,243.65	0.00
J.P. MORGAN SECURITIES LIMITED	8,466.32	518,375.00	0.02
J.P.MORGAN SECURITIES(FAR EAST)LTD SEOUL	9,418.62	84,559.00	0.11
JANNEY MONTGOMERY, SCOTT INC	12,790.08	334,852.00	0.04
JB WERE AND SON (NZ) LTD	3,866.93	627,448.00	0.01
JEFFERIES+ COMPANY INC	159,749.81	30,454,549.19	0.01
JEFFERIESINTERNATIONAL LTD	4,513.24	9,762,905.00	0.00
JMP SECURITIES	31,137.72	792,144.00	0.04
JOH BERENBERG GOSSLER AND CO	20,472.31	1,008,676.00	0.02
JOHNSON RICE + CO	5,536.25	136,652.00	0.04
JONESTRADING INSTITUTIONAL SERVICES LLC	121,314.22	6,180,382.00	0.02
JP MORGANSECURITIES	1,119.57	264,300.00	0.00
JP MORGANSECURITIES AUSTRALIA LTD	13,416.88	654,303.00	0.02
JP MORGANSECURITIES INC	186.86	30,748,302,878.12	0.00
JP MORGANSECURITIES LIMITED	314,966.84	247,474,043,867.04	0.00
JP MORGNASECURITIES SINGAPORE	1,591.50	79,379,100.00	0.00
JPMORGAN CHASE BANK	6,093.86	173,406,745.54	0.00
JPMORGAN CHASE BANK, N.A., LONDON	1,346.49	68,647.00	0.02
JPMORGAN CHASE BANK/CORRESPONDENT CLR SV	2,610.00	3,885,600.00	0.00
JPMORGAN SEC JAPAN LTD	1,266.28	433,284.00	0.00
JPMORGAN SECURITIES(ASIA PACIFIC)	165.54	39,223.00	0.00
JPMORGAN SECURITIES(ASIA PACIFIC)LTD	38,502.28	11,274,789.00	0.00
KAS-ASSOCIATIE N.V.	4,916.37	97,877.00	0.05
KAUPTHINGBANK SVERIGE AB STOCKHOLM	2,778.52	23,611.00	0.12
KBC BANK NV	1,339.09	6,735.00	0.20
KBC FINANCIAL PRODUCTS UK LTD	8,590.65	215,213.00	0.04
KBC PEEL HUNT LTD	1,241.84	570,047.00	0.00
KBC SECURITIES N.V. HUNGARIAN	3,593.53	33,186.00	0.11
KEEFE BRUYETTE + WOODS INC	75,281.68	3,940,027.00	0.02
KEEFE BRUYETTE AND WOOD LIMITED	4,005.97	1,091,290.00	0.00
KELLOGG PARTNERS	5,440.50	142,335.00	0.04
KEMPEN + CO N.V.	7,048.78	479,732.00	0.01
KEPLER EQUITIES	198.04	35,000.00	0.01
KEPLER EQUITIES FRANKFURT BRANCH	2,301.48	40,718.00	0.06
KEPLER EQUITIES PARIS	11,432.67	445,854.00	0.03
KEPLER EQUITIES SUCURSAL EN ESPANA	1,749.86	342,829.00	0.01
KEPLER EQUITIES ZURICH	11,440.40	586,481.00	0.02
KES SINARMAS SECURITIES PT	431.21	3,923,200.00	0.00
KEYBANC CAPITAL MARKETS INC	13,354.92	5,554,761.00	0.00
KIM ENG SECURITIES	13,283.20	23,434,110.00	0.00
KIM ENG SECURITIES (HK) LTD.	77.44	19,000.00	0.00
KING, CL,& ASSOCIATES, INC	14,613.95	376,900.00	0.04
KLEINWORTBENSON SECURITIES LIMITED	6,004.05	249,887.00	0.02
KNIGHT EQMKTS INTL LTD	107.26	11,654.00	0.01
KNIGHT SECURITIES	98,838.99	5,141,851.00	0.02
KNIGHT SECURITIES INTERNATIONAL	201.00	3,700.00	0.05
KNIGHT SECURITIES L.P.	231.35	1,200.00	0.19
KOREA SUCRITIES DEPOSITORY	237.89	1,100.00	0.22
LABRANCHEFINANCIAL SERVICES L	37,945.62	1,759,770.00	0.02
LADENBURGTHALMAN + CO	502.95	14,370.00	0.04

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Broker Name	$ Commission	Shares/ Par Value	Avg Comm
LANDESBANK BADEN WUERTTEMBERG	266.13	1,100.00	0.24
LANG SCHWARZ WERTPAPIERHANDELSBANK AG	449.08	2,019.00	0.22
LARRAIN VIAL	3,760.23	448,348.00	0.01
LAZARD ASSET MANAGEMENT	6,547.44	706,595.00	0.01
LAZARD CAPITAL MARKETS LLC	41,637.24	1,918,304.00	0.02
LEERINK SWANN AND COMPANY	12,330.01	297,763.00	0.04
LEHMAN BROTHERS INC	100,764.21	2,527,644,047.23	0.00
LEHMAN BROTHERS INTERNATIONAL (EUROPE)	48,488.65	17,557,591.00	0.00
LEHMAN BROTHERS INTL (EUROPE) SEOUL BR	367.00	137,098.00	0.00
LEHMAN BROTHERS SECS (ASIA)	5,665.65	3,445,040.00	0.00
LIGHTHOUSE FINANCIAL GROUP LLC	725.00	14,500.00	0.05
LIQUIDNETASIA LIMITED	273.31	185,700.00	0.00
LIQUIDNETAUSTRALIA PTY LTD	410.39	711,456.00	0.00
LIQUIDNETINC	109,726.01	4,608,553.00	0.02
LOOP CAPITAL MKTS LLC	26,275.45	1,043,933.00	0.03
LOURDES MAN	442.96	35,400.00	0.01
M M WARBURG	1,331.85	11,850.00	0.11
M RAMSEY KING SECURITIES INC	13,149.94	429,276.00	0.03
MACQUARIEBANK LIMITED	13,597.60	1,765,549.00	0.01
MACQUARIEBANK LIMITED, LONDON	440.54	5,321.00	0.08
MACQUARIECAPITAL (EUROPE) LTD	448.40	75,105.00	0.01
MACQUARIEEQUITIES LIMITED (SYDNEY)	62,222.58	8,112,605.00	0.01
MACQUARIESECURITIES (SINGAPORE)	6,317.27	14,775,674.00	0.00
MACQUARIESECURITIES LIMITED	62,105.61	87,224,124.00	0.00
MACQUARIESECURITIES LTD SEOUL	6,460.53	189,807.00	0.03
MAGAVCEO LEE + CO	134.00	6,700.00	0.02
MAGNA SECURITIES CORP	86,402.17	3,759,627.00	0.02
MAINFIRSTBANK DE	1,246.04	19,950.00	0.06
MAN FINANCIAL LIMITED	3,613.83	725,778.00	0.00
MAN FINANCIALS	191.17	3,905.00	0.05
MEDIOBANCA SPA	6,198.87	421,151.00	0.01
MELVIN SECURITIES LLC	1,331.17	34,256.00	0.04
MERRILL LYNCH	104.60	11,806,653.01	0.00
MERRILL LYNCH (SINGAPORE) PTE LTD	98.45	522,000.00	0.00
MERRILL LYNCH AND CO INC	145.43	17,000.00	0.01
MERRILL LYNCH FAR EAST LTD	231.39	122,200.00	0.00
MERRILL LYNCH INTERNATIONAL	176,874.18	9,038,890,348.00	0.00
MERRILL LYNCH JAPAN SECURITIES CO	2.93	300.00	0.01
MERRILL LYNCH PEIRCE FENNER AND S	266,546.00	179,192,174.37	0.00
MERRILL LYNCH PROFESSIONAL CLEARING CORP	4,106.30	95,118.00	0.04
MERRILL LYNCH, PIERCE FENNER SMITH	147.80	3,695.00	0.04
MERRILL LYNCH,PIERCE,FENNER + SMITH, INC	336,759.37	1,549,853,903.28	0.00
MERRIMAN CURHAN FORD + CO	1,053.70	22,260.00	0.05
MERRION CAPITAL GROUP	93.80	21,800.00	0.00
MIDWEST RESEARCH SECURITIES	18,735.53	991,867.00	0.02
MILLER TABAK + CO LLC	284.50	28,450.00	0.01
MISCHLER FINANCIAL GROUP, INC-EQUITIES	40,971.64	2,110,100.00	0.02
MITSUBISHI UFJ SECURITIES (USA)	1,400.20	24,380.00	0.06
MITSUBISHI UFJ SECURITIES INT PLC	1,000.79	620,243,300.00	0.00
MIZUHO SEC ASIA LTD	3,524.32	336,600.00	0.01
MIZUHO SECURITIES USA INC	17,290.76	5,194,677.00	0.00
MKM PARTNERS	1,591.00	40,182.00	0.04
ML PROFESSIONAL CLEARING CORP	280.00	7,000.00	0.04
MONTECITOADVISORS	75.08	1,877.00	0.04
MONTROSE SECURITIES EQUITIES	27,036.64	1,319,172.00	0.02
MONUMENT DERIVATIVES LTD LDN	264.06	2,400.00	0.11
MORGAN KEEGAN & CO INC	18,893.00	5,563,660.00	0.00
MORGAN STANLEY	498.54	869,984.20	0.00
MORGAN STANLEY & CO. INCORPORATED/RETAIL	5,515.90	14,137,950.00	0.00
MORGAN STANLEY AND CO INTERNATIONAL	7,606.49	70,010.00	0.11
MORGAN STANLEY AND CO. INTERNATIONAL	33,464.64	8,042,394.19	0.00
MORGAN STANLEY BANK AG	191.43	3,700.00	0.05
MORGAN STANLEY CO INCORPORATED	819,676.09	3,778,278,932.64	0.00
MORGAN STANLEY DEAN WITTER AUSTRALIA	662.29	311,342.00	0.00
MORGAN STANLEY SECURITIES LIMITED	6,985.19	1,241,319.00	0.01
MR BEAL &COMPANY	7,339.21	208,389.00	0.04
MULTITRADE SECURITIES LLC	818.41	21,551.00	0.04
NATEXIS BLEICHROEDER INC	9,806.53	177,330.00	0.06
NATIONAL FINANCIAL SERVICES CORP.	15,778.87	5,154,093.00	0.00
NATIXIS SECURITIES	49.34	600.00	0.08
NCB STOCKBROKERS LTD	1,338.53	64,557.00	0.02
NEEDHAM +COMPANY	34,215.54	1,176,430.00	0.03
NESBITT BURNS	3,223.49	104,411.00	0.03
NEUBERGERAND BERMAN	446.32	17,231.00	0.03
NEUE ZURCHER BANK	53.60	481.00	0.11
NKB INVESTMENTS LTD	76.94	2,252.00	0.03
NOBLE INTERNATIONAL INVESTMENTS INC.	2,239.62	111,981.00	0.02
NOMURA INTERNATIONAL (HONG KONG) LTD	3,384.16	3,760,811.00	0.00
NOMURA INTERNATIONAL PLC	51,616.39	186,227,584.00	0.00
NOMURA INTL (HK) LTD, SEOUL BR	134.56	700.00	0.19
NOMURA SECURITIES INTERNATIONAL INC	146,192.03	17,575,662.00	0.01
NORDEA BANK NORGE ASA	1,663.68	32,240.00	0.05
NORDEA BANK SWEDEN AB (PUBL)	162.24	3,040.00	0.05
NORDIC PARTNERS	1,136.42	43,459.00	0.03
NORTHLANDSECURITIES INC.	302.50	6,050.00	0.05
NOVA CAPITAL MARKETS LLC	52.75	1,055.00	0.05
NUMIS SECURITIES LIMITED	1,743.28	241,584.00	0.01
NUTMEG SECURITIES	84,613.01	3,018,512.00	0.03
NYFIX TRANSACTION SERVICES #2	9,465.55	1,117,540.00	0.01
NZB NEUE ZUERCHER BANK	4,977.49	82,016.00	0.06
NZB NEUE ZURCHER BANK	1,295.77	4,353.00	0.30
O NEIL, WILLIAM AND CO. INC/BCC CLRG	8,147.75	205,765.00	0.04
ODDO FINANCE	4,416.24	65,489.00	0.07
OIEN SECURITIES, INC	18,921.72	894,425.00	0.02
OPPENHEIM, SAL.,JR UND CIE KOELN	21,361.97	564,375.00	0.04
OPPENHEIMER & CO. INC.	52,044.00	8,987,523.00	0.01
OPPENHEIMER + CO INC	6,308.32	212,297.00	0.03
OPPENHEIMER + CO. INC.	9,104.42	444,973.00	0.02
OPSTOCK SECURITIES	19.96	748.00	0.03
PACIFIC AMERICAN SECURITIES, LLC	96,370.17	4,872,280.00	0.02
PACIFIC CREST SECURITIES	19,577.94	739,122.00	0.03
PACIFIC GROWTH EQUITIES, LLC	892.75	19,690.00	0.05
PANMURE GORDON AND CO LTD	1,815.53	435,810.00	0.00
PAREL	2,001.90	190,884.00	0.01
PARETO FONDS	1,000.73	42,375.00	0.02
PARIBAS	251.05	20,007.00	0.01
PARIBAS SECURITIES INC	24,273.28	4,844,997.00	0.01
PATERSONSSECURITIES LTD	246.74	8,634.00	0.03
PCS DUNBAR SECURITIES	2,224.50	44,490.00	0.05
PENSERRA SECURITIES LLC	122.56	12,256.00	0.01
PENSON FINANCIAL SERVICES CANADA INC	7,212.32	314,594.00	0.02
PENSON FINANCIAL SERVICES INC	322.55	9,651.00	0.03
PERCIVAL FINANCIAL PARTNERS LTD.	13,356.60	304,880.00	0.04
PERSHING DLJ S L	112,691.38	515,211,159.73	0.00
PERSHING LLC	11,907.01	77,075,957.63	0.00
PERSHING SECURITIES LIMITED	54,779.40	7,209,764.00	0.01
PERSHING SECURITIES LTD	174.27	11,833.00	0.01
PETERCAM S.A.	5,118.90	562,939.00	0.01
PICKERING ENERGY PARTNERS, INC	1,375.44	30,988.00	0.04
PICTET AND CIE	9,075.55	139,150.00	0.07
PIPELINE TRADING SYSTEMS LLC	12,248.53	721,348.00	0.02
PIPER JAFFRAY	25,529.84	1,319,233.77	0.02
PODESTA +CO	250.25	5,525.00	0.05
POLCARI /WEICKER DIV OF ICAP	11,138.00	318,400.00	0.03
PRITCHARDCAPITAL PARTNERS LLC	318.90	6,378.00	0.05
PULSE TRADING LLC	84,376.68	4,145,402.00	0.02
RABOBANK INTL	170.62	10,000.00	0.02
RAIFFEISEN ZENTRALBANK OESTERREICH AG	1,294.85	54,025.00	0.02
RAMIREZ +CO INC	640.00	16,000.00	0.04
RAYMOND JAMES + ASSOCIATES INC	1,787.80	20,352.00	0.09
RAYMOND JAMES AND ASSOCIATES INC	13,300.05	5,213,690.90	0.00
RAYMOND JAMES TRUST COMPANY	3,952.18	115,976.00	0.03
RBC CAPITAL MARKETS	56,312.64	78,435,692.49	0.00
RBC CAPITAL MARKETS CORPORATION	598.98	29,949.00	0.02
RBC DOMINION SECURITIES INC.	9,729.46	675,258.00	0.01
RBS EQUITIES (AUSTRALIA) LIMITED	587.35	20,362.00	0.03
REDBURN PARTNERS LLP	28,025.01	1,547,000.00	0.02
RENAISSANCE CAPITAL GROUP	2,265.00	75,500.00	0.03
RENAISSANCE CAPITAL LTD	45,422.52	2,608,761.00	0.02
REYNDERS,GRAY + COMPANY,INC	4,607.90	84,925.00	0.05
RIDGE CLEARING & OUTSOURCING SOLUTIONS,	4,333.60	316,680.00	0.01
RIDGE CLEARING + OUTSOURCING SOLUTIONS	9,894.74	10,337,300.80	0.00
RIDGE CLEARING AND OUTSOURCING SOLUTIONS	836.52	664,600.00	0.00
ROBERT VAN SECURITIES	4,347.01	139,260.00	0.03
ROBERTS +RYAN INVESTMENTS INC	12,049.19	567,241.00	0.02
ROCHDALE SEC CORP.(CLS THRU 443)	45,748.35	2,502,019.00	0.02
ROSENBLATT SECURITIES LLC	1,892.76	94,638.00	0.02
ROTH CAPITAL PARTNERS LLC	2,227.46	63,968.00	0.03
SAMSUNG SECURITIES CO LTD	33,452.42	1,818,805.00	0.02
SAMUEL A RAMIREZ & COMPANY INC	13,858.45	545,102.00	0.03
SANDERS MORRIS HARRIS	4,857.90	145,830.00	0.03
SANDERS MORRIS MUNDY	1,351.80	33,795.00	0.04
SANDGRAINSECURITIES INC	30.60	100,612.00	0.00
SANDLER ONEILL + PART LP	1,000.50	34,650.00	0.03
SANFORD C. BERNSTEIN LTD	93,546.44	7,150,052.00	0.01
SANFORD CBERNSTEIN CO LLC	82,156.62	5,042,651.00	0.02
SANTANDERCENTRAL HISPANO BOLSA	2,784.17	71,985,578.00	0.00
SANTANDERINVESTMENT SECURITIES INC	337.85	42,876,757.00	0.00
SCOTIA CAPITAL (USA) INC	765.57	18,263.00	0.04
SCOTIA CAPITAL MKTS	1,648.79	48,157.00	0.03
SCOTT & STRINGFELLOW, INC	15,253.54	4,293,261.75	0.00
SCREAMINGEAGLE TRADING INC	54,510.40	2,451,417.00	0.02
SECURITY CAPITAL BROKERAGE INC	226.35	5,806.00	0.04
SG AMERICAS SECURITIES, LLC	20,573.31	560,900.00	0.04
SG SECURITIES HK	26,208.68	4,208,812.00	0.01
SHAW STOCKBROKING LTD (SYDNEY)	294.08	511,872.00	0.00
SIDOTI + COMPANY LLC	10,922.85	266,914.00	0.04
SIMMONS +COMPANY INTERNATIONAL	455.00	11,700.00	0.04
SINGER AND FRIEDLANDER LTD	137.76	20,000.00	0.01
SIS SEGAINTERSETTLE AG	624.62	9,815.00	0.06
SKANDINAVISKA ENSKILDA BANK	1,289.32	47,729.00	0.03
SKANDINAVISKA ENSKILDA BANKEN LONDON	16,779.03	946,902.00	0.02

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Broker Name	$ Commission	Shares/ Par Value	Avg Comm
SNS BANK NETHERLAND	206.44	2,086.00	0.10
SOCIETE GENERALE	9,730.58	1,038,481.00	0.01
SOCIETE GENERALE BANK AND TRUST	1,663.16	27,410.00	0.06
SOCIETE GENERALE LONDON BRANCH	51,370.75	3,774,342.00	0.01
SOCIETE GENERALE MAROCAINE DE BANQUES	3,241.98	31,627.00	0.10
SOLEIL SECURITIES	18,148.59	478,601.00	0.04
SOUTHWESTSECURITIES	330.79	11,982,073.00	0.00
SPEAR, LEEDS & KELLOGG CAPITAL MARKETS	256.00	6,400.00	0.04
STANDARD BANK OF SOUTH AFRICA LTD	468.84	6,183,853.75	0.00
STANFORD GROUP COMPANY	39.35	787.00	0.05
STANLEY (CHARLES) + CO LIMITED	6.98	1,713.00	0.00
STATE STREET BANK + TRUST CO LONDON	253,144.22	39,728,209.00	0.01
STATE STREET BROKERAGE SERVICES	2,070.58	74,566.00	0.03
STATE STREET GLOBAL MARKETS	5,330.30	355,352.00	0.02
STATE STREET GLOBAL MARKETS, LLC	14,972.91	757,012.00	0.02
STEPHENS,INC.	12,645.80	15,001,523.44	0.00
STERNE, AGEE & LEACH, INC.	4,341.30	346,649.00	0.01
STIFEL NICOLAUS + CO INC	25,010.07	5,468,018.89	0.00
STUART FRANKEL + CO INC	20,954.73	1,097,882.00	0.02
STUDNESS RESEARCH	1,275.00	42,500.00	0.03
SUMMER STREET RESEARCH PARTNERS	18,456.36	934,110.00	0.02
SUNTRUST CAPITAL MARKETS, INC.	19,066.61	825,277.00	0.02
SVENSKA HANDELSBANKEN	6,199.26	381,265.00	0.02
SVENSKA HANDELSBANKEN LONDON BRANCH	4,455.92	435,610.00	0.01
SWAP BROKER	5,289.79	81,602.00	0.06
SWEDBANK	2,457.90	141,179.00	0.02
TD WATERHOUSE CDA	836.00	5,570,900.00	0.00
TERA MENKUL DEGERLER A.S.	192.52	27,260.00	0.01
THE BENCHMARK COMPANY, LLC	95.05	2,161.00	0.04
THEMIS TRADING LLC	8,887.56	485,777.00	0.02
THINKEQUITY PARTNERS LLC	4,185.74	96,772.00	0.04
THOMAS WEISEL PARTNERS LLC	71,954.62	3,816,314.00	0.02
TORONTO DOMINION BANK	373.99	22,496.00	0.02
TROIKA DIALOG USA, INC	6,264.07	421,828.00	0.01
UBS	5.64	27,566,694.23	0.00
UBS AG	244,796.50	77,416,879.00	0.00
UBS AG (SINGAPORE)	118.91	514,000.00	0.00
UBS AG LONDON	186,193.20	3,776,896,871.36	0.00
UBS AG/CUST LDN BRAN	58.34	760.00	0.08
UBS FINANCIAL SERVICES INC	400.00	1,440,000.00	0.00
UBS SECURITIES	57.92	148,000.00	0.00
UBS SECURITIES ASIA LTD	76,981.53	30,629,947.00	0.00
UBS SECURITIES CANADA INC	3,132.39	102,752.00	0.03
UBS SECURITIES LLC	162,001.95	162,582,743.44	0.00
UBS SECURITIES PTE.LTD., SEOUL	1,934.48	1,217.00	1.59
UBS SECURITIES SINGAPORE PTE	2,271.78	6,697,160.00	0.00
UBS WARBURG (HONG KONG) LIMITED	96.67	52,000.00	0.00
UBS WARBURG LLC	70,038.88	6,031,471.00	0.01
UNITED FINANCIAL GROUP	11,048.18	368,274.00	0.03
UNX INC.	9,060.73	494,008.00	0.02
UOB KAY HIAN PRIVATE LIMITED	74.72	12,400.00	0.01
UOB KAY HIAN SECURITIES	2,337.20	1,771,000.00	0.00
VANDHAM SECURITIES CORP	3,986.00	101,050.00	0.04
VICKERS BALLAS LTD	4,058.55	267,000.00	0.02
VTB BANK EUROPE PLC	989.81	52,000.00	0.02
WACHOVIA SECURITIES, LLC	293.45	26,111,738.00	0.00
WACHOVIACAPITAL MARKETS, LLC	24,927.04	10,490,221.00	0.00
WALL STREET ACCESS	236.00	205,900.00	0.00
WAVE SECURITIES	14,779.66	2,325,897.00	0.01
WDR WARBURG DILLON READ LLC	267,265.23	306,719,531.31	0.00
WEDBUSH MORGAN SECURITIES INC	33,296.00	2,568,166.00	0.01
WEEDEN + CO.	129,952.18	7,466,090.00	0.02
WELLS FARGO INVT LLC	131.50	2,630.00	0.05
WESTDEUTSCHE LANDESBANK GIROZENTRALE	430.54	16,611.00	0.03
WESTMINSTER RESEARCH ACCOCIATION	150.00	2,500.00	0.06
WESTMINSTER SECURITIES CORPORATION	114.00	3,800.00	0.03
WILLIAM BLAIR & COMPANY, L.L.C	16,997.37	391,929.00	0.04
WILLIAMS CAPITAL GROUP LP (THE)	21,596.31	1,133,378.00	0.02
WOOD AND COMPANY	632.41	63,672.00	0.01
WOORI INVESTMENT SECURITIES	5,964.24	60,700.00	0.10
YAMNER & CO INC (CLS THRU 443)	7,225.62	683,643.00	0.01
YUANTA CORE PACIFIC SECURITIES	1,648.36	317,000.00	0.01
ZANNEX SECURITIES	5,866.72	387,209.00	0.02
TOTAL	**$14,016,244.66**		

GLOSSARY OF INVESTMENT TERMS

Agency Securities – Securities, usually bonds, issued by U.S. Government agencies. These securities have high credit ratings but are not backed by the full faith and credit of the U.S. Government.

Alpha - A coefficient which measures risk-adjusted performance, factoring in the risk due to the specific security, rather than the overall market. A high value for alpha implies that the stock or mutual fund has performed better than would have been expected given its beta (volatility).

Asset - Anything owned that has economic value; any interest in property, tangible or intangible, that can be used for payment of debts.

Asset Backed Security- Bonds or notes collateralized by one or more types of assets including real property, mortgages, and receivables.

Banker's Acceptance (BA) - A high-quality, short-term negotiable discount note, drawn on and accepted by banks which are obligated to pay the face amount at maturity.

Basis Point (bp) - The smallest measure used in quoting yields or returns. One basis point is 0.01% of yield, 100 basis points equals 1%. For example, a yield that changed from 8.75% to 9.50% has increased by 75 basis points.

Benchmark - A standard unit used as the basis of comparison; a universal unit that is identified with sufficient detail so that other similar classifications can be compared as being above, below, or comparable to the benchmark.

Beta - A quantitative measure of the volatility of a given stock, mutual fund or portfolio relative to the overall market.

Book Value (BV) - The value of individual assets, calculated as actual cost minus accumulated depreciation. Book value may be more or less than current market value.

Capital Gain (Loss) - Also known as capital appreciation (depreciation), capital gain (loss) measures the increase (decrease) in value of an asset over time.

Certificates of Deposit (CDs) - A debt instrument issued by banks, usually paying interest, with maturities ranging from 3 months to six years.

Citigroup Broad Investment-Grade Bond Index (CBIG) - A market value-weighted index composed of over 4,000 individually priced securities with a quality rating of at least BBB. Each issue has a minimum maturity of one year with an outstanding par amount of at least $25 million.

Citigroup World Government Bond Index Non-U.S. (CWGBI) - An unhedged index measuring government issues of 12 major industrialized countries.

Coefficient of Determination (R^2) - A statistic which indicates the amount of variability in a dependent variable, such as Fund returns, which may be explained by an independent variable, such as market returns, in a regression model. The coefficient of determination is denoted R^2 and ranges from 0 to 1.0. If the statistic measures 0, the independent variable offers no explanation of the dependent variable. If the statistic measures 1.0, the independent variable fully explains the dependent variable.

Collateral – Assets pledged by a borrower to secure a loan or other credit, and subject to seizure in the event of default.

Collateralized Mortgage Obligation (CMO) – A mortgage-backed, investment-grade bond that separates mortgage pools into different maturity classes. CMO payment obligations are backed by mortgage-backed securities with a fixed maturity.

Commercial Paper - Short-term obligations with maturities ranging from 2 to 270 days. An unsecured obligation issued by a corporation or bank to finance its short-term credit needs.

Compounded Annual Total Return - Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized capital gains, including those attributable to currency fluctuations. In effect, compounded annual total return "smoothes" fluctuations in long-term investment returns to derive an implied year-to-year annual return.

Consumer Price Index (CPI) - A measure of change in the cost of a fixed basket of products and services as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Components of the CPI include housing costs, food, transportation, and electricity.

Cumulative Rate of Return - A measure of the total return earned for a particular time period. This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. For example, if a $100 investment grew to $120 in a two-year period, the cumulative rate of return would be 20%.

Current Yield - The relationship between the stated annual interest or dividend rate and the market price of a security. In calculating current yield, only income payments are considered; no consideration is given to capital gain/loss.

Derivative - Derivatives are generally defined as contracts whose value depend on, or derived from, the value of an underlying asset, reference rate, or index. For example, an option is a derivative instrument because its value derives from an underlying stock, stock index, or future.

Discount Rate - The interest rate that the Federal Reserve charges banks for loans, using government securities or eligible paper as collateral.

GLOSSARY OF INVESTMENT TERMS (Continued)

Diversification – A portfolio strategy designed to reduce exposure to risk by putting assets in several different securities or categories of investments.

Duration - A measure of the average time to receipt of all bond cash flows. Duration is used to determine the percentage change in price of a fixed income security for a given change in the security's yield to maturity. Duration is stated in terms of time periods, generally years. (See Modified and Macaulay duration).

Equity - The ownership interest possessed by shareholders in a corporation in the form of common stock or preferred stock.

ERISA (Employee Retirement Income Security Act) - The 1974 federal law which established legal guidelines for private pension plan administration and investment practices.

Expense Ratio – Operating costs (including management fees) expressed as a percentage of the fund's average net assets for a given time period.

Fair Value - The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds Rate - The interest rate that banks charge each other for the use of Federal Funds. This rate changes daily and is a sensitive indicator of general interest rate trends.

Federal Reserve Board – The 7- member Board of Governors that oversees Federal Reserve Banks, establishes monetary policy and monitors the economic health of the economy.

Fiduciary - A person, company, or association holding assets in trust for a beneficiary. The fiduciary is charged with the responsibility to invest the money prudently for the beneficiary's benefit.

Fitch Investor Services - A financial services rating agency.

Floating Rate Note - A fixed principal instrument which has a long or even indefinite life and whose yield is periodically reset relative to a reference index rate to reflect changes in short- or intermediate-term interest rates.

Gross Domestic Product - Total final value of goods and services produced in the United States over a particular period or time, usually one year. The GDP growth rate is the primary indicator of the health of the economy.

Hedge - An investment in assets which serves to reduce the risk of adverse price movements in a security, by taking an offsetting position in a related security, such as an option or short sale.

Index - A benchmark used in executing investment strategy which is viewed as an independent representation of market performance. Example: S&P 500 index.

Index Fund – A passively managed fund that tries to mirror the performance of a specific index, such as the S&P 500.

Inflation – The overall general upward price movement of goods and services in an economy, usually as measured by the Consumer Price Index and the Producer Price Index.

Investment Income - The equity dividends, bond interest, and/or cash interest paid on an investment.

J-Curve - An economic theory stating that a policy designed to have one effect will initially have the opposite effect. With regard to closed end commingled fund investments, this generally refers to the impact on returns of contributions made in the early portion of a fund's existence. Invested capital is used to pay fees and organizational costs as well as to make investments in non-income producing enterprises. Such uses negatively impact returns in early periods but are expected to generate increasing income and valuations in the late periods as the previously non-income producing entities start producing income and the relative size of fees and other costs diminish relative to the value of invested capital.

JP Morgan Emerging Markets Bond Index Plus (EMBI+) - An index which tracks total returns for traded external debt instruments in the emerging markets. The instruments include external-currency-denominated Brady bonds, loans and Eurobonds, as well as U.S. dollar local markets instruments. The EMBI+ expands upon Morgan's original Emerging Markets Bond Index, which was introduced in 1992 and covers only Brady bonds.

LB Aggregate Index - An index made up of Government, Corporate, Mortgage Backed, and Asset Backed securities, all rated investment grade. Returns are market value weighted inclusive of interest. Issues must have at least one year to maturity and an outstanding par value of at least $200 million.

Letter of Credit - An instrument or document issued by a bank, guaranteeing the payment of a customer's drafts up to a stated amount for a specified period. It substitutes the bank's credit for the buyer's and eliminates the seller's risk.

Liability - The claim on the assets of a company or individual - excluding ownership equity. An obligation that legally binds an individual or company to settle a debt.

Leverage - The use of borrowed funds to increase purchasing power and, ideally, to increase profitability of an investment transaction or business.

Macaulay Duration - The weighted-average term to maturity of a bond's cash flows. The weighting is based on the present value of each cash flow divided by price.

Market Value – A security's last reported sale price or its current bid and ask prices. The price as determined dynamically by buyers and sellers in an open market.

GLOSSARY OF INVESTMENT TERMS (Continued)

Master Custodian - An entity, usually a bank, used for safekeeping of securities and other assets. Responsible for other functions including accounting, performance measurement and securities lending.

Maturity Date - The date on which the principal amount of a bond or other debt instrument becomes payable or due.

Mezzanine Debt – Debt that incorporates equity –based options, such as warrants, with a lower – priority debt.

MFR Index (iMoneyNet's First Tier Institutional-only Rated Money Fund Report Averages™ Index) - An index which represents an average of the returns of institutional money market mutual funds that invest primarily in first-tier (securities rated A-1, P-1) taxable securities.

Modified Duration - A measure of the price sensitivity of a bond to interest rate movements. It is the primary basis for comparing the effect of interest rate changes on prices of fixed income securities.

Money Market Fund - An open-ended mutual fund that invests in commercial paper, bankers' acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities and pays money market rates of interest. The fund's net asset value remains a constant $1 per share - only the interest rate goes up or down.

Moody's (Moody's Investors Service) - A financial services rating agency.

MSCI-EAFE - Morgan Stanley Europe Australasia Far East foreign equity index. An arithmetic value weighted average of the performance of over 900 securities on the stock exchanges of 21 countries on three continents. The index is calculated on a total return basis, which includes reinvestment of dividends net of withholding taxes.

Net Asset Value (NAV) - The total assets (including any valuation gains or losses on investments or currencies) minus total liabilities divided by shares outstanding.

NCREIF (National Council of Real Estate Investment Fiduciaries) - An index consisting of investment-grade, non-agricultural, income-producing properties: apartments, hotels, offices, and warehouses. Its return includes appreciation, realized capital gains, and income. It is computed by adding the income return and capital appreciation return generated by the properties in the index, on a quarterly basis.

Par Value - The stated or face value of a stock or bond. It has little significance for common stocks, however, for bonds it specifies the payment amount at maturity.

Pension Fund - A fund set up by a corporation, labor union, governmental entity, or other organization to pay the pension benefits of retired workers.

Percentile - A description of the percentage of the total universe in which portfolio performance is ranked.

Price/Book (P/B) - A ratio showing the price of a stock divided by its book value. The P/B measures the multiple at which the market is capitalizing the net asset value per share of a company at any given time.

Price/Earnings (P/E) - A ratio showing the price of a stock divided by its earnings per share. The P/E measures the multiple at which the market is capitalizing the earnings per share of a company at any given time.

Present Value - The current value of a future cash flow or series of cash flows discounted at an appropriate interest rate or rates. For example, at a 12% interest rate, the receipt of one dollar a year from now has a present value of $0.89286.

Principal - Face value of an obligation, such as a bond or a loan, that must be repaid at maturity.

Prudent Person Rule - The standard adopted by some states to guide those fiduciaries with responsibility for investing money of others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investment.

Realized Gain (Loss) - A gain (loss) that has occurred financially. The difference between the principal amount received and the cost basis of an asset realized at sale.

Relative Volatility - The standard deviation of the Fund divided by the standard deviation of its selected benchmark. A relative volatility greater than 1.0 suggests comparatively more volatility in Fund returns than those of the benchmark.

Repurchase Agreements ("Repos") – A contract in which the seller of securities, such as Treasury Bills, agrees to buy them back at a specified time and price. Repos are widely used as a money market instrument.

Reverse Repurchase Agreements ("Reverse Repos") - A purchase of securities with an agreement to resell them at a higher price at a specific future date.

Return on Equity (ROE) - The net income for the accounting period after payment of preferred stock dividends and before payment of common stock dividends of a company divided by the common stock equity at the beginning of the accounting period.

Risk Adjusted Return - A modified (usually reduced) return which accounts for the cost of a specific investment exposure as well as the aggregate risk of such exposure.

Russell 3000 - An equity index comprised of the securities of the 3,000 largest public U.S. companies as determined by total market capitalization. This index represents approximately 98% of the U.S. equity market's capitalization.

GLOSSARY OF INVESTMENT TERMS (Continued)

Securities Lending - A carefully collateralized process of loaning portfolio positions to custodians, dealers, and short sellers who must make physical delivery of positions. Securities lending can reduce custody costs or enhance annual returns by a full percentage point or more in certain market environments.

Soft Dollars - The value of research or other services that brokerage houses and other service entities provide to a client "free of charge" in exchange for the client's brokerage.

S&P 500 (Standard & Poor's) – A basket of 500 stocks considered to be widely held. The performance of this index is thought to be representative of the stock market as a whole. The index selects its constituents based upon their market size, liquidity and sector. S&P 500 stocks are considered to be the leading large (to mid) cap corporations in a given sector.

S&P Credit Ratings Service - A financial services rating agency.

Standard Deviation - A statistical measure showing the deviation of an individual value in a probability distributed from the mean (average) of the distribution. The greater the degree of dispersion from the mean rate of return, the higher the standard deviation; therefore, the higher the risk.

Total Fund Benchmark - A hybrid benchmark customized to reflect the CRPTF's asset allocation and performance objectives. This benchmark is comprised of 36% Russell 3000 Index; 18% International Stock Fund benchmark; 29% Mutual Fixed Income benchmark; 5% Russell 3000 Index; 11% S&P 500 Index; and 1% MFR First Tier Rated Index. The International Stock Fund benchmark is comprised of 83% Citigroup Europe, Pacific, Asia Composite Broad Market Index (50% Hedged) and 17% MSCI Emerging Market Free Index. The Mutual Fixed Income benchmark consists of 73% Lehman Brothers U. S. Aggregate Index, 17% S&P/Citigroup High Yield Market Index, and 10% JPM Emerging Markets Bond Index.

Treasury Bill (T-Bill) - Short-term, highly liquid government securities issued at a discount from the face value and returning the face amount at maturity.

Treasury Bond or Note - Debt obligations of the Federal government that make semiannual coupon payments and are sold at or near par value in denominations of $1,000 or more.

Trust - A fiduciary relationship in which a person, called a trustee, holds title to property for the benefit of another person, called a beneficiary.

TUCS - Trust Universe Comparison Service. TUCS is based upon a pooling of quarterly trust accounting data from participating banks and other organizations that provide custody for trust assets.

Turnover - Security purchases or sales divided by the fiscal year's beginning and ending market values for a given portfolio.

Unrealized Gain (Loss) - A profit (loss) that has not been realized through the sale of a security. The gain (loss) is realized when a security or futures contract is actually sold or settled.

Variable Rate Note - Floating rate notes with a coupon rate adjusted at set intervals, such as daily, weekly, or monthly, based on different interest rate indices, such as LIBOR, Fed Funds, and Treasury Bills.

Volatility - A statistical measure of the tendency of a market price or yield to vary over time. Volatility is said to be high if the price, yield, or return typically changes dramatically in a short period of time.

Yield - The return on an investor's capital investment.

Yield Curve - A graph showing the term structure of interest rates by plotting the yields of all bonds of the same quality with maturities ranging from the shortest to the longest possible. The Y-axis represents the interest rate and the X-axis represents time, generally with a normal curve that is convex in shape.

Zero Coupon Bond - A bond paying no interest that sells at a discount and returns principal only at maturity.

UNDERSTANDING INVESTMENT PERFORMANCE

Introduction

This section discusses the Treasury's approach to measuring performance, including risk and return of the Connecticut Retirement Plans and Trust Funds (CRPTF).

Understanding Performance

To measure success in achieving the primary objective of the Asset Allocation Plan, the Fund's performance is evaluated in two principal areas: risk and return. The results of these reviews, coupled with information on portfolio characteristics, are used to monitor and improve the performance of the Fund's external investment 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 (Continued)

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 R^2. This calculation, which is used in conjunction with beta, allows one to evaluate how much of the volatility in Fund returns is explained by returns in the selected market benchmark. An R^2 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 "smoothes" fluctuations in long-term investment returns to derive an implied year-to-year annual return.

Cumulative Total Return - This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. While this calculation does not "smooth" year-to-year fluctuations in long-term returns to derive implied annual performance, cumulative total return allows one to see on an absolute basis the percentage increase in the total Fund's value over a specified time. Viewed graphically, cumulative total return shows one what a $10 million investment in the CRPTF a set number of years ago would be worth today.

DEBT MANAGEMENT DIVISION

CHANGES IN DEBT OUTSTANDING - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Bond Finance Type	Outstanding June 30, 2008	FY 2009 Issued	FY 2009 Retired	FY 2009 Refunded or Defeased	Outstanding June 30, 2009	FY 2009 [1] Interest Paid
General Obligation - Tax Supported[2]	$ 9,638,577,525	$1,209,215,000	$ 827,197,199	$ 73,315,000	$ 9,947,280,325	$ 568,556,344
General Obligation - Bond Anticipation Notes	-	581,245,000	-	-	581,245,000	-
General Obligation Teachers' Retirement Fund Bonds[3]	2,276,578,271	-	-	-	2,276,578,271	106,213,254
General Obligation - Revenue Supported	2,120,891	-	530,430	-	1,590,461	116,114
General Obligation - Transportation	723,286	-	723,286	-	-	652,081
Special Tax Obligation	2,789,345,000	812,725,000	278,770,000	506,285,000	2,817,015,000	143,449,137
Bradley International Airport	208,535,000	-	9,605,000	-	198,930,000	10,258,510
Clean Water Fund	494,620,000	440,195,000	49,615,000	-	885,200,000	25,432,933
UCONN 2000[4]	763,413,355	144,855,000	63,323,640	-	844,944,715	37,419,418
CDA Increment Financing[5]	32,505,000	-	2,430,000	-	30,075,000	1,337,606
CDA Governmental Lease Revenue[6]	4,115,000	-	580,000	-	3,535,000	271,300
CHEFA Childcare Facilities Program[7]	53,705,000	16,875,000	980,000	-	69,600,000	2,979,247
Juvenile Training School[8]	16,940,000	-	420,000	-	16,520,000	816,838
Bradley International Parking Operations	46,205,000	-	1,550,000	-	44,655,000	2,954,786
CHFA Special Needs Housing Bonds[9]	25,915,000	38,710,000	870,000	-	63,755,000	1,351,771
CCEDA Bonds[10]	84,265,000	22,500,000	1,650,000	-	105,115,000	4,047,634
TOTAL	**$16,437,563,328**	**$3,266,320,000**	**$1,238,244,554**	**$ 579,600,000**	**$ 17,886,038,772**	**$ 905,856,973**

(1) Includes interest rate swap payments and variable rate bond fees.

(2) Debt outstanding at June 30, 2009 includes $13,790,000.00 in Certificates of Participation for the Middletown Courthouse, which is not debt of the State. However, the State is obligated to pay a base rent under a lease for the courthouse, subject to the annual appropriation of funds or the availability of other funds. The base rent is appropriated as debt service. The Certificates of Participation are included on the Treasurer's Debt Management System for control purposes.

(3) The General Obligation Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund $2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.

(4) UConn 2000 Bonds were authorized in two stages in a total amount of $2.3 Billion over a 20 year period to be paid by the University of Connecticut from a State Debt Service commitment. As each series is issued, the debt service is appropriated from the State General Fund.

(5) The Connecticut Development Authority has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund.

(6) The Connecticut Development Authority has issued its lease revenue bonds for the New Britain Government Center. The State is obligated to pay base rent subject to the annual appropriation of funds. These payments are budgeted in the Treasurer's debt service budget as lease payments.

(7) On July 1, 1999, the Treasurer's Office assumed the responsibility for the CHEFA Childcare debt service appropriation per Public Act 97-259.

(8) A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.

(9) The Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Step Initiative. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and OPM.

(10) The Capital City Economic Development Authority (CCEDA) Bonds were issued to provide funding for the Adriaen's Landing development project in Hartford. The bonds, issued in a combination of fixed and variable rate securities, have a final maturity of 2034. The State is required to make all debt service payments on the bonds up to a maximum annual amount of $9 million pursuant to a contract assistance agreement between CCEDA, the Treasurer, and OPM. CCEDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

Note 1: In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appear in the budget enacted by the General Assembly. The Budget Act enacted for the 2009 fiscal year is presented on a comprehensive basis of accounting other than generally accepted accounting principles. In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of this schedule.

Note 2: GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the budgetary basis presentation.

For a detailed listing of debt outstanding for the fiscal year ended June 30, 2009, please see Statutory Appendix.

DEBT MANAGEMENT DIVISION

RETIREMENT SCHEDULE OF IN-SUBSTANCE DEFEASED DEBT OUTSTANDING (1) - BUDGETARY BASIS
JUNE 30, 2009

Date Escrow Established		Amount of Principal Outstanding	Last Payment Date on Refunded Debt		Market Value of Escrow	Investment Profile of Escrow Account
BOND TYPE: GENERAL OBLIGATION						
11/15/1999	$	914,184	06/01/2013	$	1,202,117	State & Local Government Series Bonds
11/20/2001		147,670,000	06/15/2010		152,005,697	State & Local Government Series Bonds
06/25/2002		35,235,000	06/15/2010		36,886,001	State & Local Government Series Bonds
09/05/2002		43,075,000	12/15/2010		44,551,669	FNMA/FHLMC
04/08/2004		736,370,000	11/15/2012		783,831,665	FNMA/FHLB
04/27/2005		274,045,000	11/15/2012		281,882,473	State & Local Government Series Bonds
11/09/2006		278,420,000	10/15/2013		289,174,609	State & Local Government Series Bonds
05/10/2007		170,140,000	10/15/2013		175,867,919	State & Local Government Series Bonds
SUBTOTAL	**$**	**1,685,869,184**		**$**	**1,765,402,150**	
BOND TYPE: SPECIAL TRANSPORTATION FUND						
01/23/2003	$	195,465,000	10/01/2011	$	202,675,575	State and Local Government Series Bonds
12/02/2004		64,365,000	12/01/2012		71,407,446	US Treasury Notes and Strips; Res Corps
SUBTOTAL	**$**	**259,830,000**		**$**	**274,083,021**	
BOND TYPE: CLEAN WATER FUND						
07/10/2003	$	140,555,000	10/01/2011	$	148,502,343	US Treasury Bonds, Notes & Strips
06/30/2008		31,940,000	10/01/2012		33,379,387	FNMA/FHLB/FHLMC/Cash
06/30/2008		52,920,000	07/15/2009		101,292,411	FNMA/US Treasury Bill
SUBTOTAL	**$**	**225,415,000**		**$**	**283,174,141**	
BOND TYPE: UCONN 2000						
01/29/2004	$	104,825,000	04/01/2012	$	107,994,603	State and Local Government Series Bonds
03/15/2006		27,750,000	04/01/2012		30,493,766	US Treasury Bonds, Notes & Strips
04/12/2007		46,695,000	02/15/2013		48,328,059	State and Local Government Series Bonds
SUBTOTAL	**$**	**179,270,000**		**$**	**186,816,428**	
BOND TYPE: RATE REDUCTION BONDS						
04/30/2008	$	65,700,000	06/30/2011	$	67,625,788	State & Local Government Series Bonds
SUBTOTAL	**$**	**65,700,000**		**$**	**67,625,788**	
BOND TYPE: SECOND INJURY FUND						
06/20/2002	$	28,465,000	1/1/2011	$	28,954,938	State & Local Government Series Bonds
06/25/2003		18,385,000	1/1/2011		19,308,978	State & Local Government Series Bonds
06/25/2004		8,290,000	1/1/2011		8,450,730	State & Local Government Series Bonds
06/24/2005		11,365,000	1/1/2011		11,526,601	State & Local Government Series Bonds
SUBTOTAL	**$**	**66,505,000**		**$**	**68,241,246**	
TOTAL		**$2,482,589,184**			**$2,645,342,774**	

(1) Represents bonds which have been refunded with proceeds of other bond issues and bonds which have been defeased using budget surplus. Although the State is still legally responsible for principal and interest payments on the refunded bonds, the refunded bonds are not carried as a liability of the State since they have been “in-substance” defeased. Investments adequate to meet all payments have been irrevocably deposited in escrow accounts with an independent agent for the sole purpose of satisfying principal and interest. The adequacy of each escrow account to meet debt service payments has been verified by an independent accounting firm.

Note 1: In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appear in the budget enacted by the General Assembly. The Budget enacted for the 2009 Fiscal Year is presented on a comprehensive basis of accounting other than generally accepted accounting principles. In order to be consistent with the Comptroller’s statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of this schedule.

Note 2: GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the budgetary basis presentation.

DEBT MANAGEMENT DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 (1)
FISCAL YEAR ENDED JUNE 30, 2009

Name of Firm	Description of Services	Aggregate Compensation Paid in FY 2009	Status as of 06/30/09
A.C. Advisory, Inc.	Financial Advisor	$ 139,369	Active
Acacia Financial Group, Inc.	Financial Advisor	61,055	Active
AMTEC	Arbitrage Calculation/Verification Agent Fees	5,900	Active
Banc of America Securities	Management Fees	50,000	Active
Bank of America	Liquidity Fees	79,972	Active
Barclay's Capital (fka Lehman Brothers)	Remarketing Fees	12,329	Active
Bayerische Landesbanke	Liquidity Fees	94,422	Active
Bloomberg	Subscription	22,500	Active
Carlin, Charron & Rosen, LLP	Auditor	63,660	Active
Citigroup Global Markets, Inc.	Management Fees	65,000	Active
DAS Central Printing & Reprographics	Postage	26,377	N/A
Day Pitney, LLP	Bond/Disclosure Counsel	681,160	Active
Dexia Public Finance Bank	Liquidity Fees	1,356,167	Active
Edwards Angell Palmer & Dodge LLP	Bond Counsel	417,678	Active
Finn Dixon & Herling LLP	Disclosure/Tax Counsel	77,812	Active
First Southwest Company	Financial Advisor	151,064	Active
Fitch Ratings	Rating Agency	442,500	N/A
Goldman Sachs	Remarketing/Management Fees	80,539	Active
Hardwick Law Firm, LLC	Bond Counsel	64,302	Active
Hawkins, Delafield & Wood, LLP	Arbitrage Calculation	34,490	Active
Hunton & Williams	Bond/Tax Counsel	107,765	Inactive
ImageMaster	Financial Printer	176,074	Active
IRS	Arbitrage Rebate Payments	7,928,188	N/A
JP Morgan Chase Securities	Remarketing/Management Fees	361,375	Active
Lamont Financial Services	Financial Advisor	259,950	Active
Landesbank Hessen-Thuringen	Liquidity Fees	119,829	Active
Law Offices of Joseph C Reid, PA	Bond Counsel	29,329	Active
Lehman Brothers Inc.	Remarketing Fees	214,891	Inactive
Levy & Droney, P.C	Bond Counsel	106,632	Inactive
Lewis & Munday	Bond Counsel	363,875	Active
M.R. Beal & Co.	Management Fee	165,000	Active
Merrill Lynch & Co.	Remarketing Fees	168,000	Active
Moody's Investors Service	Rating Agency	388,819	N/A
Morgan Stanley & Co, Inc.	Management Fees	75,000	Active
Nixon Peabody LLP	Bond Counsel	31,529	Inactive
Orrick, Herrington & Sutcliffe, LLP (BondLogistix)	Arbitrage Calculation Fees	72,200	Active
P.G. Corbin & Co.	Financial Advisor	178,843	Active
Public Resources Advisory Group	Financial Advisor	348,869	Active
Pullman & Comley, LLC	Bond Counsel	289,845	Active
Ramirez & Co.	Management Fee	75,000	Active
Robinson & Cole	Bond/Tax Counsel	385,210	Active
Seward and Monde	Auditor	43,000	Active
Shipman & Goodwin, LLP	Bond Counsel	109,205	Active
Siebert Brandford Shank & Co.	Management Fees	75,000	Active
Soeder & Associates	Tax/Disclosure Counsel	179,593	Active
Squire, Sanders & Dempsey	Bond Counsel	78,414	Active
Standard & Poor's Rating Service	Rating Agency	386,820	N/A
The Bank of New York Mellon	Administrative/Trustee Fees	6,950	Active
U. S. Bank	Administrative/Escrow/Trustee Fees	252,112	Active
Updike, Kelly & Spellacy	Bond Counsel	343,754	Active
WestLB Public Finance	Liquidity Fees	185,788	Inactive
Wilmington Trust Company	Auction Agent/Broker/Dealer Fees	314,698	Active
Total		**$ 17,747,853**	

(1) Expenses are presented on a cash basis. Debt Management expenses are comprised of payments to vendors made through the Treasury Business Office, fees netted at bond closings, and fees and expenses paid from Cost of Issuance accounts. Unless listed in the description, the amounts shown do not include bond issuance expenses paid on behalf of the State or sales charges which are distributed by agreement of the underwriters.

CASH MANAGEMENT DIVISION

ACTIVITY STATEMENT
FISCAL YEAR ENDED JUNE 30, 2009

Description	Total	
INFLOWS		
Receipts:		
Deposits	$ 25,502,026,431.76	(1)
Bad Checks	(9,379,218.78)	(2)
Treasury Initiated Transfers	2,046,490,241.35	(3)
Total Receipts	27,539,137,454.33	
TRANSFERS:	13,735,410,662.60	(4)
OTHER INFLOWS:		
Internal Bank Transfers	30,774,333,265.27	(5)
Interbank Transfers	19,324,109,662.16	(6)
Total Other Inflows	50,098,442,927.43	
TOTAL INFLOWS	$ 91,372,991,044.36	
OUTFLOWS		
DISBURSEMENTS:		
Vendor	$ 23,215,651,321.43	(7)
Payroll	3,954,830,099.65	(8)
Total Disbursements	27,170,481,421.08	
TRANSFERS:	14,211,421,560.91	(4)
OTHER OUTFLOWS:		
Internal Bank Transfers	30,774,333,265.27	(5)
Interbank Transfers	19,324,109,662.16	(6)
Total Other Outflows	50,098,442,927.43	
TOTAL OUTFLOWS	$ 91,480,345,909.42	

(1) Deposits - revenue received from taxes, licenses, lottery fees, federal grants and other sources.

(2) Bad Checks - checks issued with insufficient funds in the originator’s bank account.

(3) Treasury Initiated Transfers - To record debt service payments to the proper bank account and transfer of investment income to the proper fund.

(4) Transfers - income earned from short and long-term investments, transfers of cash from one fund to the other, investment activity, and Certificates of Deposit purchased and sold with Connecticut banks under the Treasurer’s Community Bank and Credit Union Initiative.

(5) Internal Bank Transfers - transfers of money from concentration accounts to zero balance accounts with the same depository institution to provide funds to cover authorized disbursements and invest excess cash.

(6) Interbank Transfers - transfers of state moneys between banks to invest excess cash or to cover authorized disbursements.

(7) Vendor - expenditures for goods and services provided to the State by vendors.

(8) Payroll - expenditures for the State’s personnel and retirement payrolls.

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (1)
FISCAL YEAR ENDED JUNE 30, 2009
PRESENTED UNDER BUDGETARY BASIS OF ACCOUNTING (3) (4)

Fund Name	Cash Balance July 1, 2008	FY 2009 Receipts	FY 2009 Disbursements	Transfers	Other Net Adjustments (2)	Adjusted Cash Balance June 30, 2009
TOTAL FUNDS	**$(207,519,796.15)**	**$27,539,137,454.33**	**$27,170,481,421.08**	**$(476,010,898.31)**	**$55,138,630.99**	**$(259,736,030.22)**

(1) Detailed information on activity within each individual fund (formerly provided in the Statutory Appendix) can be obtained from the Comptroller's Annual Report.

(2) Other Net Adjustments have been included to bring the Treasurer's cash balance presentation into conformance with the Comptroller's cash balance presentation.
These adjustments include the following:
- Cash held in agency checking accounts.
- Petty cash balance.

(3) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the Budget Act enacted by the General Assembly. The Budget Act enacted for the 2009 fiscal year is presented on a comprehensive basis of accounting other than general accepted accounting principals. In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Civil List Funds Summary Schedule of Cash Receipts and Disbursements.

(4) GAAP accounting requires that investment balances be presented to include the accrued interest earned. This manner of presentation is not used for the budgetary basis presentation.

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
SUMMARY SCHEDULE OF CASH AND INVESTMENTS [1]
FISCAL YEAR ENDED JUNE 30, 2009
PRESENTED UNDER BUDGETARY BASIS OF ACCOUNTING [2] [3]

Description		Total All Funds
General Investments		
Cash	$	(259,736,030.22)
STIF		2,569,560,455.20
TEPF		18,803,802.93
Investments with Treasurer as Trustee		
Short-Term		1,351,308,594.41
Long-Term		19,404,546,910.06
Investments with Others as Trustee		
Short-Term		461,154,005.49
Long-Term		322,391,133.75
Total	**$**	**23,868,028,871.62**
Reconcilation Between Treasurer & Comptroller [4]		
Office of the Comptroller		
Cash and STIF June 30, 2009 (Annual Statutory Report)	$	2,816,002,023.00
Agency Fiduciary Funds		(8,872,139.41)
Cash and invest with Trustee Fund #12040		(488.66)
Cash and invest with Trustee Fund #14005		572,022,089.52
Cash and invest with Trustee Fund #17831		0.01
Cash and invest with Trustee Fund #17991		0.10
Cash and invest with Trustee Fund #21008		8,209,330.55
Cash and invest with Trustee Fund #21009		124,372,135.21
Cash and invest with Trustee Fund #21015		122,209,987.26
Cash and invest with Trustee Fund #21018		46,836,384.05
Cash and invest with Trustee Fund #21020		22,640.61
Trust Funds market valuation adjustment		(865,139.92)
Total	**$**	**3,679,936,822.32**
Office of the Treasurer		
Cash	$	(259,736,030.22)
STIF		2,569,560,455.20
TEPF		18,803,802.93
STIF/Investment with Treasurer as Trustee		1,351,308,594.41
Total	**$**	**3,679,936,822.32**

(1) For a detailed listing of the Civil List Investments for the Fiscal Year Ending June 30, 2009, please see Statutory Appendix.

(2) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the budget act enacted by the General Assembly. The Budget Act enacted for the 2009 fiscal year is presented on a comprehensive basis of accounting other than general accepted accounting principals. In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Summary Schedule of Cash and Investments.

(3) GAAP accounting requires that investment balances be presented to include the accrued investment earnings. This manner of presentation is not used for the budgetary basis presentation.

(4) Reconciliation of Cash Equivalents Per Comptroller's Books to Cash and General Investments and Short-Term Investments Per Treasury Books.

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM [1]
FISCAL YEAR ENDED JUNE 30, 2009

Fund	Participant	Department	SID	Interest Earned During the Year
12004	**Insurance Fund**			
	INSURANCE FUND	DOI37500		$103,133.58
Total				103,133.58
12007	**Workers Compensation**			
	ADMINISTRATION FUND	WCC42000		312,248.13
Total				312,248.13
12014	**Criminal Injuries Compensation Fund**			
	VICTIM SERVICES	JUD95000		88,223.18
Total				88,223.18
12015	**Vending Facilities Operators Fringe Benefits**			
	VENDING FACILITY PROGRAM - FEDERAL INCOME	ESB65000		233.10
Total				233.10
12017	**University of Connecticut Operating Fund**			
	OPERATING FUND	UOC67000		2,967,005.79
Total				2,967,005.79
12018	**University Health Center Operating Fund**			
	OPERATING FUND	UHC72000		366,938.89
	STUDENT SCHOLARSHIPS AND LOANS	UHC72000	40014	66,377.13
Total				433,316.02
12019	**State University Operating Fund**			
	STATE UNIVERSITIES	CSU83000		2,604,809.85[2]
	CENTRAL CONNECTICUT STATE UNIVERSITY	CSU84000		26,341.29
	EASTERN CONNECTICUT STATE UNIVERSITY	CSU85500		36,778.98
Total				2,667,930.12
12020	**Regional Community/Technical Colleges Operating Fund (Tuition Account)**			
	BOARD FOR REGIONAL COMM-TECH COLLEGE	CCC78000		1,385,869.09
Total				1,385,869.09
12022	**University of Connecticut Research Foundation**			
	RESEARCH	UOC67000		407,682.33
Total				407,682.33
12027	**Conservation Fund**			
	MIGRATORY BIRD CONSERVATION	DEP43000	40206	4,496.80
Total				4,496.80
12031	**Employment Security - Administration**			
	PENALTY & INTEREST	DOL40000	40213	130,309.70
	TITLE XII EXCESS FUNDS	DOL40000	40214	17,134.12
Total				147,443.82
12037	**Tobacco Settlement Fund**			
	TOBACCO SETTLEMENT FUND	OPM20000		58,590.82
Total				58,590.82
12060	**GENERAL FUND**			
	RESEARCH IN PLANT SCIENCE	AES48000	30099	6,634.03
	ADMINISTRATION OF GRANTS	AES48000	30116	3,581.32
	BOARD FOR STATE ACADEMIC AWARD	BAA77000	35186	39,615.52
	CT DISTANCE LEARNING CONSORTIUM	BAA77000	35289	17,332.76
	OFFICE OF TOURISM	CAT45200	30207	781.10
	CONN STATE LIBRARY ACCOUNT	CSL66000	30082	1,438.89
	CT LIBRARY & MUSEUM FUND	CSL66000	30093	32,540.27
	HISTORIC DOCUMENTS PRESERVATION ACCOUNT	CSL66000	35150	18,864.42
	CHILDREN'S TRUST FUND	CTF94000	30219	7,629.51
	RICHARD A. FORESTER MEMORIAL FUND	DCF91000	30084	189.71
	GEARUP SCHOLARSHIP TRUST FUND	DHE66500	22133	31,619.53
	WEISMAN TEACHER SCHOLARSHIP FUND	DHE66500	30405	1,006.03
	FINANCIAL LITERACY INITIATIVES	DHE66500	30432	4,245.81

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM [1] (Continued)
FISCAL YEAR ENDED JUNE 30, 2009

Fund	Participant	Agency	SID	Interest Earned During the Year
	PRIVATE OCCUPATIONAL STUDENT PROTECTION FUND	DHE66500	35135	55,350.16
	CONNECTICUT FUTURES ACCOUNT	DHE66500	35151	40,618.49
	BOARD OF PAROLE'S ASSET FORFEITURE ACCOUNT	DOC88000	20127	629.11
	CORRECTIONAL MEMORIAL FUND	DOC88000	30015	396.59
	CORRECTION GENERAL WELFARE FUND	DOC88000	35137	45,182.15
	COOPERATIVE/COMMUNITY POLICING PROGRAM	DPS32000	20270	888.61
	FEDERAL ASSET FORFEITURE	DPS32000	20493	11,266.08
	ENHANCED 911 TELECOMMUNICATIONS FUND	DPS32000	35190	296,239.29
	BRAIN INJURY PREVENTION AND SERVICE ACCOUNT	DSS60000	35308	3,600.79
	NVRLF SEQUESTERED ACCOUNT	ECD46000	30459	10,911.46
	JOB INCENTIVE ACCOUNT	ECD46000	35146	7.04
	MRD ESCROW ACCT.	ECD46000	35170	674.11
	MRS ESCROW ACCT.	ECD46000	35173	132.25
	CITIZENS ELECTION FUND RESERVE ACCT	ELE13500	30422	1,323.30
	CITIZEN ELECTION FUND	ELE13500	35333	23,445.53
	CITIZEN ELECTION FUND GRANTS	ELE13500	35339	645,487.53
	LIONS CLUBS WORKSHOP FUND	ESB65000	30013	0.00
	FAUCHTSWANGER FUND	ESB65000	30030	123.89
	FRAUENHOFER FUND	ESB65000	30042	298.72
	MISCELLANEOUS GRANTS	ESB65000	30070	320.97
	SARA BROWN FUND	ESB65000	30092	3,532.37
	CHARLES PRECOURT MEMORIAL FUND	ESB65000	30104	59.14
	ANN COROTEAU MEMORIAL FUND	ESB65000	30113	78.38
	VENDING FACILITIES PROGRAM-STATE AND LOCAL INCOME	ESB65000	35149	22,950.95
	LAW LIBRARY-DONATED COPIER RECEIPTS	JUD95000	30238	3,467.21
	DERBY COURTHOUSE MAINTENANCE RESERVE	JUD95000	35188	22,301.68
	MERIDEN COURTHOUSE MAINTENANCE RESERVE	JUD95000	35195	27,269.20
	CRIMINAL VIOLENCE VICTIMS ESCROW ACCT.	JUD95000	35203	0.54
	CLIENT SECURITY FUND	JUD95000	35205	121,325.78
	MILFORD COURTHOUSE RESERVE ACCOUNT	JUD95000	35371	9,637.59
	DMHAS-COMMUNITY MENTAL HEALTH STRATEGIC INVESTMENT	MHA53000	35160	11,792.81
	DMHAS-COMMISSIONER'S OFFICE PRE-TRIAL ACCOUNT	MHA53000	35166	96,737.36
	DRUG ASSET FORFEITURE PROGRAM	MIL36000	35112	1,301.46
	EXXON OVERCHARGE	OPM20000	20488	1,088.69
	DIAMOND SHAMROCK OVERCHARGE	OPM20000	20490	107.78
	STRIPPER WELL OVERCHARGE	OPM20000	20492	24,208.82
	JUVENILE ACCOUNTABLIITY INCENTIVE BLOCK	OPM20000	21672	18,381.47
	JUSTICE ASSISTANCE GRANT	OPM20000	21921	97,422.78
	JUSTICE ASSISTANCE GRANT	OPM20000	26015	329.72
	JUSTICE ASSISTANCE GRANT	OPM20000	29002	3,486.74
	LOCAL EMERGENCY RELIEF ACCT.	OPM20000	35122	149.33
	INVESTMENT FUND	OTT14000	35101	150,689.11
	SECOND INJURY	OTT14000	35105	16,956.40
	SECOND INJURY STIPULATION & REIMBURSEMENT	OTT14000	35111	35,420.77
	WALLACE FOUNDATION GRANT	SDE64000	30256	1,223.52
	DIV. OF FINANCE AND INTERNAL OPERATIONS	SDE64000	35351	3,785.84
	FINANCIAL LITERACY UBS	SDE64000	35358	4,696.64
	FINANCIAL LITERACY MDI	SDE64000	35380	881.20
	HELP AMERICA VOTE	SOS12500	21465	126,326.62
Total				2,107,984.87
21009	**Bradley International Airport Operations**			
	BRADLEY ENTERPRISE FUND	DOT57000	40001	221,185.32
Total				221,185.32
21019	**Stadium Facility Enterprise Fund**			
	STADIUM ENTERPRISE FUND	OPM20000		14,721.47
Total				14,721.47
22001	**Correction Industries**			
	CORRECTIONAL COMMISSARY FUND	DOC88000	42304	65,331.61
Total				65,331.61

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM [(1)] (Continued)
FISCAL YEAR ENDED JUNE 30, 2009

Fund	Participant	Agency	SID	Interest Earned During the Year
31001	**State Employees' Retirement System**			
	STATE EMPLOYEES RETIREMENT FUND	OSC15000		133,911.93
Total				133,911.93
31006	**Teacher's Retirement System**			
	TEACHER'S RETIREMENT BOARD OPERATING FUND	TRB77500		138,035.02
	TEACHER'S RETIREMENT BOARD	TRB77500	42358	1,073,577.29
Total				1,211,612.31
31008	**Municipal Employees Retirement - Fund B**			
	MUNICIPAL EMPOLYEES RETIREMENT FUNS	OSC15000		15,629.11
Total				15,629.11
31011	**OPEB Fund**			
	OPEB FUND	OSC15000		527,272.69
Total				527,272.69
31012	**Teacher's Retirement Board OPEB**			
	TEACHER'S RETIREMENT BOARD OPEB	TRB77500		-215,518.19
Total				-215,518.19
35001	**Connecticut Health Club Guaranty Fund**			
	HEALTH CLUB GUARANTEE FUND	DCP39500		5,304.93
Total				5,304.93
35002	**Real Estate Guaranty**			
	REAL ESTATE GUARANTEE FUND	DCP39500		7,610.56
Total				7,610.56
35003	**Home Improvement Guaranty Fund**			
	HOME IMPROVEMENT GUARANTEE FUND	DCP39500		7,102.15
Total				7,102.15
35006	**New Home Construction Guaranty Fund**			
	NEW HOME CONSTRUCTION GUARANTY	DCP39500		5,050.65
Total				5,050.65
35007	**Tobacco and Health Trust Fund**			
	TOBACCO HEALTH TRUST FUND	OPM20000		377,745.87
Total				377,745.87
35008	**Biomedical Research Trust Fund**			
	BIOMEDICAL RESEARCH FUND	DPH48500		205,063.57
Total				205,063.57
35009	**Endowed Chair Investment Fund**			
	ENDOWED CHAIR INVESTMENT FUND	DHE66500		83,585.97
Total				83,585.97
35012	**Various Treasurer's Trust Funds**			
	IRWIN LEPOW TRUST FUND	CME49500	42354	420.68
	R. GRAEME SMITH	DPS32000	42353	100.42
	FITCH HOME FOR SOLDIERS	DVA21000	42352	200.16
	POSTHUMOUS FITCH	DVA21000	42356	397.11
	JOHN H. KING	JUD95000	42355	2,819.35
	WHITE FUND	JUD95000	42357	49.06
Total				3,986.78
Grand Total				$13,353,754.38

(1) Interest is earned at the monthly simple interest rate of the Treasurer's Short-Term Investment Fund. Interest is calculated on the average monthly balance of each fund or account, and credited to the fund or account on a quarterly basis.

(2) Interest is earned by the participant and allocated to the constituent units.

CASH MANAGEMENT DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 [1]
FISCAL YEAR ENDED JUNE 30, 2009

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2009	Status As of 6/30/09
Bank of America	Banking Services	Various	$ 3,891,336 [2]	Active
Webster Bank	Banking Services	Jun-98	306,830 [2]	Active
People's Bank	Banking Services	Mar-97	175,179 [2]	Active
Wachovia Bank National Assn	Banking Services	Feb-97	54,168 [2]	Active
US Bank National Assn	Bond Trustee & Paying Agent	Jul-06	56,827 [2]	Active
State Street Bank & Trust	STIF Custodian Fees	Jul-05	135,600	Active
Resource Group Staffing	Temporary Services	N/A	11,216	Terminated
McGraw-Hill Companies, Inc.	Subscription & Rating	N/A	36,500	Active
Bloomberg Financial LP	Subscription	N/A	32,625	Active
Moodys Investors Services	Subscription & Research	N/A	29,641	Active
RogersCasey, Inc.	Investment Consulting Services	Dec-07	18,750	Active
Fitch Information Inc.	Credit Research	N/A	12,025	Active
iMoney Net Inc.	Subscription	N/A	11,415	Active
UHY	AIMR Attestation Services	Sep-07	9,500	Active
TOTAL			**$ 4,781,612**	

(1) Expenses are presented on a cash basis.

(2) Includes compensation realized through bank balances and fees.

UNCLAIMED PROPERTY DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 (1)
FISCAL YEAR ENDED JUNE 30, 2009

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2009	Status As of 6/30/09
ACS Unclaimed Property Clearinghouse	Securities Services & Claims Processing	July-06	$ 1,112,382	Active
ACS Unclaimed Property Clearinghouse	Identification & Collection of Property	August-94	794,324	Active
A & A Office Systems, Inc.	Photocopier Lease	N/A	6,311	Active
Audit Services US LLC	Identification & Collection of Property	May-06	293,344	Active
Bloomberg Financial LP	Subscription	N/A	22,500	Active
JobPro Temporary Services, Inc.	Temporary Services	N/A	36,484	Active
Suburban Stationers Inc.	Office Supplies	N/A	14,304	Terminated
TOTAL			**$ 2,279,649**	

(1) **Expenses are presented on a cash basis.**

UNCLAIMED PROPERTY DIVISION

FIVE YEAR SELECTED FINANCIAL INFORMATION

	Fiscal Year Ended June 30,				
	2009	2008	2007	2006	2005
Receipts (Net of fees) (1) (4)	$ 69,496,494	$ 64,037,656	$ 64,567,697	$ 84,735,321	$158,660,774
Fees netted from proceeds	0	0	0	1,225,874	2,404,738
Gross Receipts	69,496,494	64,037,656	64,567,697	85,961,195	161,065,512
Claims Paid	32,341,525	30,626,832	25,280,243	25,990,877	20,476,540
Transfer to Citizens Election Fund (4)	17,940,100	17,300,000	16,000,000	17,000,000	0
Administrative Expenses:					
Salaries & Fringe benefits	3,646,721	3,396,050	3,896,514	3,154,315	2,735,640
Data processing & hardware	2,170,581	3,018,137	2,826,339	3,237,913	909,520
All Other	119,645	449,575	220,355	266,173	436,189
Fees netted from proceeds (1)	0	0	0	1,225,874	2,404,738
Total Disbursements	56,218,572	54,790,594	48,223,451	50,875,152	26,962,627
Excess of Receipts over Disbursements (2)	$ 13,277,922	$ 9,247,062	$ 16,344,246	$ 35,086,043	$134,102,885
Approximate Market Value of Securities at Fiscal Year End:					
Total Securities Inventory	$ 88,297,207	$ 95,399,474	$ 99,761,769	$ 59,295,118	$ 43,684,419
Securities liquidated	$ 1,142,461	$ 0	$ 0	$ 13,617,580	$ 88,884,226
Number of claims paid	14,481	16,787	20,930	22,732	11,985

(1) Fees include amounts for liquidation of securities, property recovered in out-of-state audits and appraisal and auction of safe deposit box contents. As of July 1, 2006, there is no netting of fees and amounts are now included in data processing and hardware costs under Administrative Expenses.

(2) Excess of receipts over disbursements is remitted to the General Fund, however, amounts collected remain liabilities of the State until returned to rightful owners.

(3) The amounts disclosed above as "receipts" and "claims paid" represent actual cash flows and do not include the value of the marketable securities received by the Unclaimed Property Division , nor the value of the securities returned to owners. However, the amounts disclosed above as fiscal year end market values of securities help provide a general indication of the relative net activity in such assets over time. Receipts net of fees, include the proceeds from securities liquidated in a given year.

(4) Per P.A. 05-5, October 25, 2005 special session, required Unclaimed Property Division to deposit certain funds into the Citizens' Election Fund and the balance is deposited into the General Fund.

Summary of Gross Receipts
Fiscal Year Ended June 30, 2009

Financial institutions	$14,897,260
Other corporations	30,693,256
Insurance companies	13,499,095
Govern agency/ public authorities	4,524,383
Dividends on securities held	1,789,613
Estates	93,846
Securities tendered	1,623,697
Securities sold	1,142,461
Sale of property lists, copying and other charges	3,200
Reciprocal exchange program with other states	1,142,003
Refunds	87,680
Total Gross Receipts	$69,496,494

EX-OFFICIO DUTIES OF THE STATE TREASURER
BOARDS, COMMITTEES AND COMMISSIONS

STATE BOND COMMISSION (§ 3-20(c) CGS)

As authorized by the General Assembly, all projects and grants funded from State bonds, as well as the issuance of the bonds, must be authorized by the State Bond Commission. The members of the Commission include the Governor, Treasurer, Comptroller, Attorney General, Secretary of the Office of Policy and Management (OPM), Commissioner of Public Works, and the Cochairpersons and the ranking minority members of the joint standing committee of the General Assembly having cogniznace of matters relating to finance, revenue and bonding.

INVESTMENT ADVISORY COUNCIL (§ 3-13b(a) CGS)

The Investment Advisory Council advises on investment policy and guidelines, and also reviews the assets and performance of the pension funds. Additionally, the Council advises the Treasurer with respect to the hiring of outside investment advisors and on the appointment of the Chief Investment Officer. The Investment Advisory Council consists of the Treasurer, the Secretary of OPM and ten appointees of the Governor and State Legislature.

BANKING COMMISSION (§ 36a-70(h)(1) CGS)

The Banking Commission approves all applications for the creation of state banks or trust companies. As part of this process, the Commission holds public hearings on applications prior to granting approval. The Commission members are the Treasurer, Comptroller and Banking Commissioner.

FINANCE ADVISORY COMMITTEE (§ 4-93 CGS)

The Finance Advisory Committee approves budget transfers recommended by the Governor and has other such powers over the State budget when the General Assembly is not in session. The Committee members are the Governor, Lieutenant Governor, Treasurer, Comptroller, two Senate members who are members of the Legislature’s Appropriations Committee and three House members who are members of the Legislature’s Appropriations Committee.

CONNECTICUT LOTTERY CORPORATION BOARD OF DIRECTORS (§ 12-802(b) CGS)

The Connecticut Lottery Corporation manages the State lottery and is responsible to introduce new lottery games and maximize the efficiency of operations in order to provide a greater return to the general fund. The thirteen member Board of Directors includes the Treasurer, the Secretary of OPM, as well as appointees by the Governor and State Legislature.

CONNECTICUT HIGHER EDUCATION TRUST(CHET) ADVISORY COMMITTEE (§ 3-22e(a) CGS)

This committee advises the Treasurer on policies concerning CHET. The Connecticut Higher Education Trust allows families to make tax deferred investments for higher education costs. The Commissioner of Higher Education, the Secretary of OPM, the Cochairpersons and ranking members of the Legislature’s education committee, and finance, revenue and bonding committees, and four representatives of private higher education and the public serve with the Treasurer on this board.

COUNCIL OF FISCAL OFFICERS (By Charter)

The purpose of the Council of Fiscal Officers is to provide a forum for discussion and participation in the development of State financial policies, practices and systems. Membership is open to all State officials or employees, elected or appointed, classified or unclassified, serving in a fiscal management position. The Treasurer is one of four permanent members of the Executive Board.

THE STANDARDIZATION COMMITTEE (§ 4a-58(a) CGS)

The standardization committee approves or grants waivers to existing purchasing regulations when it is in the best interests of the State to do so. The members of this committee include the Treasurer, Comptroller, Commissioner of Administrative Services, and such administrative heads of State departments as are designated for that duty by the Governor.

EX-OFFICIO DUTIES OF THE STATE TREASURER (Continued)
BOARDS, COMMITTEES AND COMMISSIONS

INFORMATION AND TELECOMMUNICATION SYSTEMS (IT)
EXECUTIVE STEERING COMMITTEE (§ 4d-12(b) CGS)

The IT Executive Steering Committee directs the planning, development, implementation and maintenance of State information and telecommunication systems. The Committee consists of the Treasurer, Comptroller, Secretary of OPM, Commissioner of Administrative Services, and the Chief Information Officer.

CONNECTICUT DEVELOPMENT AUTHORITY (CDA) (§ 32-11a(c) CGS)

The Connecticut Development Authority administers programs that support the State's economic development efforts. CDA has two basic types of loan programs: direct loans and loan guarantees (of bank loans). The Board membership includes the Treasurer, Commissioner of Economic and Community Development, Secretary of OPM, four members appointed by the Governor, and four members appointed by legislative leaders.

CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA) (§ 8-244(a) CGS)

CHFA was created to increase the supply of, and encourage and assist in the purchase, development and construction of, housing for low and moderate-income families and persons throughout the State. It provides mortgages for single family homeowners at below market rates, mortgages for multi-family developers, and construction financing. The members of the board include the Treasurer, Commissioner of Economic and Community Development, Secretary of OPM, Banking Commissioner, seven members appointed by the Governor, and four members appointed by legislative leaders.

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY (CHEFA)
BOARD OF DIRECTORS (§ 10a-179(a) CGS)

CHEFA is a conduit bond issuer for hospitals, nursing homes, private universities, private secondary schools and day care facilities. The board members include the Treasurer, Secretary of OPM, and eight members appointed by the Governor.

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY (CHESLA)
BOARD OF DIRECTORS (§ 10a-224(a) CGS)

CHESLA finances supplemental student loans and issues bonds every two years. The Board consists of eight members including the Treasurer, Commissioner of Higher Education, Secretary of OPM, and five additional members appointed by the Governor.

STUDENT FINANCIAL AID INFORMATION COUNCIL (§ 10a-161b CGS)

The council develops procedures to improve student financial aid policy and increase resources, develops methods to improve financial aid awareness, especially amoung middle and high school students and their families, and coordinates financial aid delivery. The council is assisted in their responsibilities by the Department of Higher Education and the Connecticut Association of Professional Financial Aid Administrators. The Council consists of the Commissioners of Higher Education, the Treasurer, four members appointed by the Governor, and four members appointed by the legislative leadership.

CONNECTICUT STUDENT LOAN FOUNDATION (§10a-201)

The Student Loan Foundation is a non-profit corporation created to improve educational opportunity and promote repayment of loans. The corporation is governed by a board of directors consisting of fourteen members including the chairperson of the Board of Governors of Higher Education and the Commissioner of Higher Education; six public members appointed by the Governor; four members with knowledge of business or finance appointed by the legislature leadership; and the Treasurer.

EXECUTIVE OFFICE

TOTAL ADMINISTRATION EXPENDITURES
FISCAL YEARS ENDED JUNE 30,

Fiscal Years Ended June 30,

	2009	%	2008	%	2007	%	2006	%	2005	%
GENERAL FUND										
Personal Services	$3,602,754	3.80%	$3,513,197	4.11%	$3,607,677	3.89%	$3,485,301	4.10%	$3,089,871	4.30%
Other Expenses	239,594	0.25%	305,232	0.36%	285,592	0.31%	285,532	0.34%	314,630	0.44%
Capital Equipment	-	0.00%	100	0.00%	100	0.00%	100	0.00%	100	0.00%
TOTAL	**3,842,348**	**4.05%**	**3,818,529**	**4.47%**	**3,893,369**	**4.20%**	**3,770,933**	**4.44%**	**3,404,601**	**4.74%**
PENSION FUNDS										
Personal Services	$3,581,005	3.78%	$3,394,051	3.97%	$3,250,644	3.50%	$3,088,226	3.63%	$2,695,010	3.75%
Other Expenses	72,325,071	76.29%	62,672,093	73.29%	69,572,587	74.97%	62,116,512	73.11%	52,559,960	73.18%
Capital Equipment	7,388	0.01%	2,763	0.00%	28,007	0.03%	5,756	0.01%	7,369	0.01%
TOTAL	**75,913,464**	**80.07%**	**66,068,907**	**77.26%**	**72,851,238**	**78.50%**	**65,210,494**	**76.75%**	**55,262,339**	**76.94%**
SECOND INJURY FUND										
Personal Services	$6,523,771	6.88%	$6,031,570	7.05%	$6,535,640	7.04%	$6,690,597	7.87%	$6,736,792	9.38%
Other Expenses	672,593	0.71%	834,908	0.98%	712,690	0.77%	760,058	0.89%	730,468	1.02%
Capital Equipment	10,242	0.01%	27,048	0.03%	54,784	0.06%	4,881	0.01%	1,013	0.00%
TOTAL	**7,206,606**	**7.60%**	**6,893,526**	**8.06%**	**7,303,114**	**7.87%**	**7,455,536**	**8.78%**	**7,468,273**	**10.40%**
UNCLAIMED PROPERTY FUND										
Personal Services	3,646,721	3.85%	$3,396,090	3.97%	$3,896,514	4.20%	$3,154,315	3.71%	$2,734,640	3.81%
Other Expenses	2,282,854	2.41%	3,441,613	4.02%	3,017,579	3.25%	3,502,759	4.12%	1,339,188	1.86%
Capital Equipment	7,372	0.01%	26,059	0.03%	29,115	0.03%	1,328	0.00%	7,521	0.01%
TOTAL	**5,936,947**	**6.26%**	**6,863,762**	**8.03%**	**6,943,208**	**7.48%**	**6,658,402**	**7.84%**	**4,081,349**	**5.68%**
SHORT-TERM INVESTMENT FUND										
Personal Services	994,643	1.05%	$913,106	1.07%	$1,008,349	1.09%	$1,094,906	1.29%	$873,497	1.22%
Other Expenses	312,325	0.33%	365,873	0.43%	205,828	0.22%	236,446	0.28%	207,730	0.29%
Capital Equipment	1,733	0.00%	863	0.00%	8,291	0.01%	349	0.00%	1,643	0.00%
TOTAL	**1,308,701**	**1.38%**	**1,279,842**	**1.50%**	**1,222,468**	**1.32%**	**1,331,701**	**1.57%**	**1,082,870**	**1.51%**
Other Financing Sources (1)	**$595,201**	**0.63%**	**$587,610**	**0.69%**	**$589,270**	**0.63%**	**$533,321**	**0.63%**	**$526,732**	**0.73%**
TOTAL AGENCY	**$94,803,267**	**100.00%**	**$85,512,176**	**100.00%**	**$92,802,667**	**100.00%**	**$84,960,387**	**100.00%**	**$71,826,164**	**100.00%**

(1) Other Financing Sources include: Clean Water Fund; Special Transportation Fund; and the Capital Equipment Fund.

EXECUTIVE DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 [(1)]
FISCAL YEAR ENDED JUNE 30, 2009

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2009	Status As of 6/30/09
A & A Office Systems	Photocopier Lease	N/A	$ 10,414	Active
Centilla Corporation	Computer Hardware	N/A	7,107	Terminated
CERES, Inc.	Dues	N/A	10,000	Active
Corporate Governance Research Consulting, LLC	Corporate Governance Services	Mar-07	15,555	Active
Council of Institutional Investors	Dues	N/A	30,000	Active
Global Proxy Watch LLC	Subscription	N/A	5,550	Active
Interfaith Center on Corporate Responsibility	Subscription	N/A	7,000	Active
Investor Responsibility Support Services	Asset Recovery	Dec-02	22,917	Active
JP Morgan Chase Bank	Purchasing Card Expenditures	N/A	10,614	Active
Suburban Stationers Inc.	Office Supplies	N/A	11,371	Active
The Corporate Library	Subscription	N/A	25,000	Active
The Foundation for the Global Compact	Fees and Permits	N/A	20,000	Active
Reinhart Boerner Van Deuren, SC	Legal Services	Dec-07	17,767	Active
West Group	Subscription	N/A	25,470	Active
TOTAL			$ 218,765	

(1) Expenses are presented on a cash basis.

SECOND INJURY FUND

SCHEDULE OF EXPENSES IN EXCESS OF $5,000 (1)
FISCAL YEAR ENDED JUNE 30, 2009

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2009	Status As of 6/30/09
A & A Office Systems Inc.	Photocopier Lease	N/A	$ 8,520	Terminated
Aegis International Inc.	Surveillance Services	January-06	41,770	Active
Automatic Data Processing Inc.	Check Processing	June-06	17,664	Active
Coventry Healthcare Workers Compensation Inc.	Provider Bill Audit Services	February-06	280,773	Active
Iron Mountain Off-Site Data Protection	Records Management Services	N/A	9,349	Active
MCMC, LLC	IME/Case Mgmt./Job Placement	January-06	36,510	Active
Security Services of Connecticut Inc.	Surveillance Services	January-06	40,315	Active
Suburban Stationers Inc.	Office Supplies	N/A	14,383	Active
Centilla Corp	Computer Hardware	N/A	5,814	Terminated
TOTAL			**$ 455,098**	

(1) Expenses are presented on a cash basis. This schedule only includes services that were retained directly by the Fund and does not include medical services ordered by Workers Compensation Commissioners, claimants or their treating physicians.

Statutory Appendix

STATE OF CONNECTICUT
QUI TRANSTULIT SUSTINET
TREASURER'S OFFICE

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING [1] - BUDGETARY BASIS

JUNE 30, 2009

Issue Date	Outstanding June 30, 2008	FY 2009 Issued	FY 2009 Retired	FY 2009 Refunded or Defeased	Outstanding June 30, 2009	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2009 [2]	Interest Paid During FY 2009[3]
BOND TYPE: GENERAL OBLIGATION - TAX SUPPORTED											
12/22/88	$ 10,444,890	$ -	$10,444,890	$ -	$ -				12/01/08	$ -	$ 35,015,110
05/11/89	14,451,544	-	14,451,544	-	-				07/01/08	-	43,584,456
11/14/89	16,425,764	-	-	-	16,425,764	6.999	6.999	11/01/09	11/01/09	46,956,541	-
05/15/90	16,033,654	-	4,031,490	-	12,002,165	7.312	7.312	05/15/10	05/15/10	35,396,695	11,764,510
11/20/90	11,269,194	-	3,819,811	-	7,449,383	7.352	7.372	11/15/09	11/15/10	21,132,586	10,241,189
01/01/91	3,911,865	-	1,365,622	-	2,546,243	6.753	6.753	07/01/09	01/01/11	-	241,433
05/16/91	9,793,994	-	2,763,210	-	7,030,783	7.000	7.019	05/15/10	05/15/11	17,452,247	6,811,790
12/12/91	9,641,753	-	1,954,788	-	7,686,965	6.684	6.727	12/15/09	12/15/11	16,762,225	3,984,212
01/21/92	6,495,141	-	1,576,164	-	4,918,977	6.034	6.034	08/01/09	02/01/12	-	368,235
05/14/92	8,782,563	-	1,709,556	-	7,073,007	6.750	6.795	05/15/10	05/15/12	15,072,849	3,581,444
11/17/92	8,545,176	-	1,631,312	-	6,913,864	6.358	6.402	11/15/09	11/15/12	12,704,181	2,782,688
03/15/93	34,595,000	-	8,585,000	-	26,010,000	5.500	5.500	03/15/10	03/15/12	-	1,894,140
03/15/93	20,880,000	-	200,000	-	20,680,000	5.400	5.500	09/15/09	09/15/10	-	1,132,405
05/19/93	11,210,080	-	2,005,904	-	9,204,176	5.923	5.953	06/15/10	06/15/12	14,434,612	3,111,096
10/01/93	22,440,000	-	-	-	22,440,000	6.000	6.000	03/15/12	03/15/12	-	1,346,400
11/16/93	13,344,743	-	3,299,387	-	10,045,356	5.299	5.383	12/01/09	12/01/12	12,887,027	3,851,613
03/15/94	21,574,318	-	5,324,779	-	16,249,539	5.500	5.650	03/15/10	03/15/12	-	1,202,967
05/26/94	13,785,477	-	3,053,525	-	10,731,952	6.328	6.414	06/01/10	06/01/13	16,976,130	4,680,475
08/15/94	1,369,791	-	1,369,791	-					08/15/08	-	39,723
11/22/94	16,799,053	-	3,335,977	-	13,463,076	6.224	6.398	12/15/09	12/15/13	19,913,580	4,465,023
03/28/96	3,489,369	-	392,813	-	3,096,556	5.030	5.030	11/01/09	05/01/18	-	170,587
05/14/97	60,000,000	-	10,000,000	-	50,000,000	4.250	4.250	05/15/10	05/15/14	-	836,415
08/01/97	12,467,415	-	12,467,415	-	-				08/01/08	-	299,218
09/01/97	11,785,176	-	878,319	-	10,906,857	5.081	5.081	03/01/10	03/01/20	-	598,805
09/15/97	28,530,000	-	14,285,000	14,245,000	-					-	748,963
09/30/97	2,240,000	-	260,000	-	1,980,000	5.081	5.081	03/01/10	03/01/20	-	113,814
02/01/98	320,000	-	320,000	-	-				03/15/09	-	14,400
03/15/98	12,750,000	-	12,750,000	-	-				03/15/09	-	669,375
07/15/98	490,000	-	490,000	-	-				08/01/08	-	14,847
08/01/98 [4]	16,195,000	-	2,405,000	-	13,790,000	4.500	4.750	12/15/09	12/15/13	-	697,786
10/15/98	40,825,000	-	10,000,000	30,825,000	-					-	883,487
12/15/98	36,575,000	-	8,330,000	28,245,000	-					-	762,556
05/01/99	13,098,240	-	757,440	-	12,340,800	4.633	4.633	09/01/09	09/01/22	-	589,295
05/06/99	3,410,000	-	295,000	-	3,115,000	4.633	4.633	09/01/09	09/01/22	-	151,152
06/15/99	19,675,000	-	15,000,000	-	4,675,000	5.250	5.250	06/15/14	06/15/14	-	995,438
11/01/99	24,500,000	-	12,250,000	-	12,250,000	5.000	5.000	11/01/09	11/01/09	-	918,750
04/15/00	15,000,000	-	7,500,000	-	7,500,000	5.100	5.100	04/15/10	04/15/10	-	765,000
06/15/00	45,000,000	-	22,500,000	-	22,500,000	4.900	5.500	06/15/10	06/15/10	-	2,319,778
12/15/00	99,000,000	-	33,000,000	-	66,000,000	4.500	5.500	12/15/09	12/15/10	-	4,128,414
02/22/01	100,000,000	-	-	-	100,000,000	4.250	4.250	02/15/18	02/15/21	-	1,630,198
06/12/01	2,685,000	-	205,000	-	2,480,000	4.650	4.650	10/01/09	10/01/22	-	122,528

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING (1) - BUDGETARY BASIS (Continued)
JUNE 30, 2009

Issue Date	Outstanding June 30, 2008	FY 2009 Issued	FY 2009 Retired	Refunded or Defeased	Outstanding June 30, 2009	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2009 (2)	Interest Paid During FY 2009 (3)
06/12/01	8,198,324	-	468,463	-	7,729,861	4.652	4.652	10/01/09	10/01/22	-	370,474
06/15/01	423,245,000	-	50,050,000	-	373,195,000	4.400	5.500	12/15/09	12/15/16	-	21,471,715
06/15/01	60,000,000	-	20,000,000	-	40,000,000	4.125	4.250	06/15/10	06/15/11	-	2,648,238
06/15/01	20,000,000	-	-	-	20,000,000	4.330	4.330	06/15/12	06/15/12	-	866,000
11/15/01	90,165,000	-	9,000,000	-	81,165,000	3.700	5.000	11/15/09	11/15/21	-	3,970,449
11/15/01	240,225,000	-	41,360,000	-	198,865,000	3.600	5.125	11/15/09	11/15/19	-	11,110,494
11/15/01	10,815,000	-	10,815,000	-	-				11/15/08	-	270,375
12/15/01	87,000,000	-	22,000,000	-	65,000,000	4.000	5.000	12/15/09	12/15/11	-	3,518,805
04/15/02	77,110,000	-	14,250,000	-	62,860,000	4.000	5.375	04/15/10	04/15/15	-	3,652,043
06/15/02	69,495,000	-	11,200,000	-	58,295,000	3.850	4.900	06/15/10	06/15/21	-	2,876,593
06/15/02	64,345,000	-	13,270,000	-	51,075,000	5.000	5.500	12/15/09	12/15/18	-	2,982,100
08/15/02	159,960,000	-	20,835,000	-	139,125,000	3.250	5.375	11/15/09	11/15/22	-	6,827,104
08/15/02	224,250,000	-	-	-	224,250,000	3.500	5.500	11/15/09	11/15/15	-	12,000,700
11/01/02	123,125,000	-	11,840,000	-	111,285,000	3.300	5.000	10/15/09	10/15/22	-	5,419,215
04/15/03	157,785,000	-	15,000,000	-	142,785,000	3.200	5.000	04/15/10	04/15/23	-	7,340,718
04/15/03	35,800,000	-	-	-	35,800,000	5.750	5.750	04/30/10	04/30/13	-	1,016,544
05/01/03	137,780,000	-	10,475,000	-	127,305,000	3.000	5.250	05/01/10	05/01/23	-	6,251,073
08/20/03	89,015,000	-	27,435,000	-	61,580,000	5.000	5.000	08/01/09	08/01/10	-	3,764,875
10/01/03	129,895,000	-	10,000,000	-	119,895,000	2.500	5.000	08/15/09	08/15/23	-	5,141,476
11/13/03	82,525,000	-	-	-	82,525,000	2.625	5.250	10/15/09	10/15/23	-	3,523,513
12/18/03	75,275,000	-	32,140,000	-	43,135,000	5.000	5.000	03/15/10	03/15/11	-	3,603,050
03/01/04	240,000,000	-	15,000,000	-	225,000,000	2.500	5.000	03/01/10	03/01/24	-	10,936,395
04/08/04	982,295,000	-	8,710,000	-	973,585,000	2.500	5.000	12/01/09	06/01/20	-	48,170,444
05/04/04	235,000,000	-	30,000,000	-	205,000,000	3.000	5.000	04/01/10	04/01/24	-	11,452,231
12/22/04	235,000,000	-	15,000,000	-	220,000,000	2.650	5.000	12/01/09	12/01/24	-	10,622,425
03/16/05	280,000,000	-	-	-	280,000,000	5.000	5.000	03/01/16	03/01/23	-	12,743,213
04/27/05	275,860,000	-	-	-	275,860,000	4.375	5.250	06/01/17	06/01/21	-	14,409,938
04/27/05	15,620,000	-	-	-	15,620,000	3.990	3.990	06/01/16	06/01/16	-	623,238
04/27/05	20,000,000	-	-	-	20,000,000	5.070	5.070	06/01/17	06/01/17	-	1,014,000
04/27/05	20,000,000	-	-	-	20,000,000	5.200	5.200	06/01/20	06/01/20	-	1,040,000
06/01/05	267,750,000	-	15,750,000	-	252,000,000	4.000	5.000	06/01/10	06/01/25	-	11,875,500
06/01/05	42,000,000	-	6,000,000	-	36,000,000	4.200	4.450	06/01/10	06/01/15	-	1,815,000
11/15/05	270,000,000	-	15,000,000	-	255,000,000	4.000	5.000	11/15/09	11/15/25	-	12,472,500
03/09/06	261,000,000	-	14,500,000	-	246,500,000	3.400	5.000	12/15/09	12/15/25	-	10,945,783
05/01/06	180,000,000	-	10,000,000	-	170,000,000	3.600	5.000	05/01/10	05/01/26	-	8,050,595
06/01/06	211,500,000	-	11,750,000	-	199,750,000	3.550	5.000	06/01/10	06/01/26	-	10,073,900
11/09/06	300,000,000	-	5,000,000	-	295,000,000	4.000	5.000	11/01/12	11/01/26	-	14,196,500
11/09/06	307,005,000	-	-	-	307,005,000	4.000	5.000	12/15/15	12/15/22	-	14,895,375
12/14/06	342,000,000	-	15,000,000	-	327,000,000	3.500	5.000	12/01/09	12/01/21	-	15,087,669
12/14/06	18,000,000	-	10,000,000	-	8,000,000	4.800	4.800	12/01/09	12/01/09	-	627,000
05/10/07	189,130,000	-	10,930,000	-	178,200,000	4.000	5.000	05/01/10	05/01/27	-	8,217,125
05/10/07	173,075,000	-	20,000	-	173,055,000	4.000	5.000	05/01/10	05/01/22	-	8,475,700
06/14/07	224,120,000	-	10,820,000	-	213,300,000	3.750	5.000	06/01/10	06/01/27	-	10,178,498

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING [1] - BUDGETARY BASIS (Continued)
JUNE 30, 2009

Issue Date	Outstanding June 30, 2008	FY 2009 Issued	FY 2009 Retired	FY 2009 Refunded or Defeased	Outstanding June 30, 2009	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2009 [2]	Interest Paid During FY 2009[3]
12/19/07	178,385,000	-	-	-	178,385,000	3.500	5.000	03/15/10	03/15/15	-	8,748,250
12/19/07	46,000,000	-	10,000,000	-	36,000,000	3.850	4.290	12/01/09	12/01/12	-	1,658,900
12/19/07	300,000,000	-	15,000,000	-	285,000,000	3.500	5.000	12/01/09	12/01/27	-	12,830,950
04/30/08	50,000,000	-	12,500,000	-	37,500,000	3.500	3.500	05/01/10	05/01/12	-	1,493,961
06/26/08	400,000,000	-	20,000,000	-	380,000,000	3.000	5.000	04/15/10	04/15/28	-	13,474,397
06/26/08	389,000,000	-	19,450,000	-	369,550,000	3.000	5.000	04/15/10	04/15/28	-	14,507,367
11/06/08	-	500,000,000	-	-	500,000,000	3.500	5.750	11/01/09	11/01/28	-	11,758,376
02/26/09	-	400,000,000	-	-	400,000,000	2.000	5.000	02/15/10	02/15/29	-	-
03/26/09	-	74,215,000	1,620,000	-	72,595,000	2.000	5.000	03/01/10	03/01/18	-	5,850
03/26/09	-	155,000,000	-	-	155,000,000	2.000	5.000	03/01/10	03/01/23	-	-
03/26/09	-	80,000,000	-	-	80,000,000	2.500	5.460	03/01/10	03/01/19	-	-
SUB-TOTAL	**$ 9,638,577,525**	**$ 1,209,215,000**	**$827,197,199**	**$ 73,315,000**	**$ 9,947,280,326**					**$229,688,673**	**$568,556,344**
BOND TYPE: GENERAL OBLIGATION - BOND ANTICIPATION NOTES											
04/29/09	$ -	$ 228,160,000	$ -	$ -	$ 228,160,000	2.000	4.000	06/01/11	06/01/11	$ -	$ -
04/29/09	-	353,085,000	-	-	353,085,000	2.000	2.000	04/28/10	04/28/10	-	-
SUB-TOTAL	**$ -**	**$ 581,245,000**	**$ -**	**$ -**	**$ 581,245,000**					**$ -**	**$ -**
BODY TYPE: GENERAL OBLIGATION TEACHERS' RETIREMENT FUND BONDS [5]											
04/30/08	$2,089,675,000	$ -	$ -	$ -	$2,089,675,000	4.200	5.850	03/15/14	03/15/32	$ -	$105,749,942
04/30/08	176,313,271	-	-	-	176,313,271	5.404	6.270	03/15/14	03/15/25	13,020,544	-
04/30/08	10,590,000	-	-	-	10,590,000	5.000	5.000	03/15/28	03/15/28	-	463,312
SUB-TOTAL	**$2,276,578,271**	**$ -**	**$ -**	**$ -**	**$2,276,578,271**					**$13,020,544**	**$106,213,254**
BOND TYPE: GENERAL OBLIGATION - REVENUE SUPPORTED											
03/15/93	$ 2,120,000	$ -	$ 530,000	$ -	$ 1,590,000	5.500	5.500	03/15/10	03/15/12	$ -	$ 116,070
03/15/94	682	-	221	-	461	5.500	5.500	03/15/10	03/15/10	-	38
08/15/94	209	-	209	-	-				08/15/08	-	6
SUB-TOTAL	**$ 2,120,891**	**$ -**	**$ 530,430**	**$ -**	**$ 1,590,461**					**$ -**	**$ 116,114**
BOND TYPE: GENERAL OBLIGATION - TRANSPORTATION											
12/22/88	$ 190,701	$ -	$ 190,701	$ -	$ -				12/01/08	$ -	$ 639,299
08/01/97	532,585	-	532,585	-	-				08/01/08	-	12,782
SUB-TOTAL	**$ 723,286**	**$ -**	**$ 723,286**	**$ -**	**$ -**					**$ -**	**$ 652,081**
BOND TYPE: SPECIAL TAX OBLIGATION											
05/15/90	$ 43,985,000	$ -	$21,235,000	$ -	$ 22,750,000	7.125	7.125	06/01/10	06/01/10	$ -	$ 3,133,931
12/19/90	62,500,000	-	19,500,000	-	43,000,000	6.171	6.171	12/01/09	12/01/10	-	3,641,923
09/15/91	77,655,000	-	-	-	77,655,000	6.500	6.500	10/01/10	10/01/12	-	5,047,575
09/01/92	100,590,000	-	17,730,000	-	82,860,000	6.125	6.150	09/01/09	09/01/12	-	5,620,653
03/01/93	62,240,000	-	62,240,000	-	-				09/01/08	-	1,672,700
10/01/96	46,410,000	-	22,470,000	-	23,940,000	6.000	6.000	10/01/09	10/01/09	-	2,110,500
04/15/98	196,695,000	-	21,255,000	-	175,440,000	5.250	5.500	10/01/09	10/01/14	-	10,111,131

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING (1) - BUDGETARY BASIS (Continued)

JUNE 30, 2009

Issue Date	Outstanding June 30, 2008	FY 2009 Issued	FY 2009 Retired	FY 2009 Refunded or Defeased	Outstanding June 30, 2009	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2009 (2)	Interest Paid During FY 2009(3)
09/15/98	73,700,000	-	10,775,000	-	62,925,000	5.500	5.500	11/01/09	11/01/13	-	3,711,069
11/15/99	27,020,000	-	7,285,000	-	19,735,000	4.875	5.250	12/01/09	12/01/11	-	1,170,815
07/15/00	52,485,000	-	9,375,000	-	43,110,000	4.750	5.500	09/01/09	09/01/12	-	2,509,669
09/15/00	100,000,000	-	-	100,000,000	-					-	2,390,127
09/15/01	39,205,000	-	-	-	39,205,000	4.000	5.375	10/01/10	10/01/14	-	1,741,750
09/15/01	321,095,000	-	50,970,000	-	270,125,000	3.800	5.375	10/01/09	10/01/15	-	15,254,365
05/01/02	59,620,000	-	4,475,000	-	55,145,000	4.000	5.375	07/01/10	07/01/22	-	2,700,764
11/01/02	133,250,000	-	-	-	133,250,000	3.000	5.250	12/01/09	12/01/22	-	6,282,019
01/23/03	115,795,000	-	-	115,795,000	-					-	6,064,563
01/23/03	96,310,000	-	-	96,310,000	-					-	5,482,560
01/23/03	194,180,000	-	-	194,180,000	-					-	11,850,924
07/01/03	58,290,000	-	-	-	58,290,000	2.500	5.000	09/01/09	09/01/10	-	2,611,625
11/15/03	171,965,000	-	8,125,000	-	163,840,000	2.800	5.000	01/01/10	01/01/24	-	7,951,729
11/15/04	181,225,000	-	7,055,000	-	174,170,000	2.750	5.000	07/01/09	07/01/24	-	8,608,966
11/15/04	89,725,000	-	-	-	89,725,000	3.000	5.250	07/01/09	07/01/19	-	4,311,563
12/15/05	235,405,000	-	8,300,000	-	227,105,000	4.500	5.000	07/01/09	07/01/25	-	11,260,275
10/25/07	250,000,000	-	7,980,000	-	242,020,000	3.500	5.000	08/01/09	08/01/27	-	11,381,670
10/01/08	-	97,690,000	-	-	97,690,000	3.000	5.000	02/01/12	02/01/22	-	1,270,683
12/10/08	-	300,000,000	-	-	300,000,000	3.000	5.000	11/01/09	11/01/28	-	5,555,588
01/29/09	-	415,035,000	-	-	415,035,000	2.000	5.000	02/01/10	02/01/22	-	-
SUB-TOTAL	**$2,789,345,000**	**$ 812,725,000**	**$278,770,000**	**$506,285,000**	**$ 2,817,015,000**					**$ -**	**$143,449,137**
BOND TYPE: BRADLEY INTERNATIONAL AIRPORT											
03/01/01	$ 175,280,000	$ -	$ 4,400,000	$ -	$ 170,880,000	4.200	5.250	10/01/09	10/01/31	$ -	$ 8,853,730
03/01/01	17,630,000	-	295,000	-	17,335,000	4.100	4.300	10/01/09	10/01/12	-	746,280
07/08/04	15,625,000	-	4,910,000	-	10,715,000	5.000	5.000	10/01/09	10/01/10	-	658,500
SUB-TOTAL	**$ 208,535,000**	**$ -**	**$ 9,605,000**	**$ -**	**$ 198,930,000**					**$ -**	**$10,258,510**
BOND TYPE: CLEAN WATER FUND											
07/01/03	$ 105,900,000	$ -	$ 4,720,000	$ -	$ 101,180,000	2.050	5.000	10/01/09	10/01/25	$ -	$ 4,499,509
07/01/03	97,645,000	-	7,965,000	-	89,680,000	2.375	5.000	10/01/09	10/01/15	-	4,399,456
07/10/03	55,000,000	-	-	-	55,000,000	3.179	3.179	10/01/16	10/01/22	-	3,609,224
07/10/03	66,375,000	-	-	-	66,375,000	3.179	3.179	10/01/16	10/01/22	-	1,700,406
07/27/06	146,810,000	-	4,695,000	-	142,115,000	3.750	5.000	07/01/09	07/01/27	-	6,352,195
07/27/06	22,890,000	-	7,235,000	-	15,655,000	3.800	5.000	07/01/09	07/01/12	-	865,506
08/06/08	-	196,195,000	25,000,000	-	171,195,000	3.000	5.000	02/01/10	02/01/18	-	4,006,637
06/25/09	-	199,440,000	-	-	199,440,000	2.000	5.000	06/01/10	06/01/27	-	-
06/25/09	-	44,560,000	-	-	44,560,000	2.000	5.000	06/01/10	06/01/15	-	-
SUB-TOTAL	**$ 494,620,000**	**$ 440,195,000**	**$49,615,000**	**$ -**	**$ 885,200,000**					**$ -**	**$25,432,933**
BOND TYPE: UCONN 2000 (6)											
02/21/96	$ 4,369,715	$ -	$ -	$ -	$ 4,369,715	5.050	5.100	02/01/10	02/01/11	$ 4,164,646	$ -
04/24/97	3,553,640	-	3,553,640	-	-		-		04/01/09	-	3,081,360

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING [1] - BUDGETARY BASIS (Continued)

JUNE 30, 2009

Issue Date	Outstanding June 30, 2008	FY 2009 Issued	FY 2009 Retired	Refunded or Defeased	Outstanding June 30, 2009	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2009 [2]	Interest Paid During FY 2009 [3]
03/01/99	19,000,000	-	6,000,000	-	13,000,000	4.300	4.500	04/01/10	04/01/12	-	824,000
03/01/00	15,825,000	-	9,275,000	-	6,550,000	5.000	5.000	03/01/10	03/01/10	-	791,250
03/15/01	25,675,000	-	5,000,000	-	20,675,000	4.000	4.750	04/01/10	04/01/21	-	1,127,725
04/01/02	20,000,000	-	5,000,000	-	15,000,000	4.125	5.000	04/01/10	04/01/12	-	853,944
03/01/03	41,930,000	-	4,725,000	-	37,205,000	2.900	5.250	02/15/10	02/15/23	-	1,723,033
01/15/04	78,265,000	-	4,895,000	-	73,370,000	2.500	5.000	01/15/10	01/15/24	-	3,125,298
01/15/04	212,285,000	-	9,205,000	-	203,080,000	3.900	5.000	01/15/10	01/15/20	-	10,609,355
03/16/05	83,410,000	-	6,540,000	-	76,870,000	3.250	5.000	02/15/10	02/15/25	-	3,568,271
03/15/06	69,430,000	-	3,860,000	-	65,570,000	3.375	5.000	02/15/10	02/15/26	-	3,019,620
03/15/06	59,555,000	-	-	-	59,555,000	4.750	5.000	02/15/13	02/15/20	-	2,970,888
04/12/07	84,085,000	-	5,270,000	-	78,815,000	3.500	5.000	04/01/10	04/01/27	-	3,423,175
04/12/07	46,030,000	-	-	-	46,030,000	5.000	5.000	04/01/16	04/01/22	-	2,301,500
04/16/09	-	144,855,000	-	-	144,855,000	2.000	5.000	02/15/10	02/15/29	-	-
SUB-TOTAL	**$ 763,413,355**	**$ 144,855,000**	**$63,323,640**	**$ -**	**$ 844,944,715**					**$ 4,164,646**	**$37,419,419**
BOND TYPE: CDA INCREMENT FINANCING [7]											
12/01/95	$ 535,000	$ -	$ 535,000	$ -	$ -				12/15/08	$ -	$ 14,445
01/01/97	1,920,000	-	935,000	-	985,000	5.375	5.375	05/01/10	05/01/10	-	103,200
10/05/04	7,560,000	-	335,000	-	7,225,000	2.500	5.000	10/15/09	10/15/24	-	292,508
10/05/04	4,830,000	-	65,000	-	4,765,000	2.500	3.500	12/15/09	12/15/15	-	150,175
10/05/04	8,370,000	-	-	-	8,370,000	5.000	5.125	05/01/11	05/01/17	-	423,413
12/20/06	9,290,000	-	560,000	-	8,730,000	3.750	4.000	12/15/09	12/15/20	-	353,866
SUB-TOTAL	**$ 32,505,000**	**$ -**	**$ 2,430,000**	**$ -**	**$ 30,075,000**					**$ -**	**$ 1,337,607**
BOND TYPE: CDA GOVERNMENTAL LEASE REVENUE [8]											
12/15/94	$ 4,115,000	$ -	$ 580,000	$ -	$ 3,535,000	6.600	6.600	06/15/10	06/15/14	$ -	$ 271,300
SUB-TOTAL	**$ 4,115,000**	**$ -**	**$ 580,000**	**$ -**	**$ 3,535,000**					**$ -**	**$ 271,300**
BOND TYPE: CHEFA CHILDCARE FACILITIES PROGRAM [9]											
04/15/98	$ 4,985,000	$ -	$ 115,000	$ -	$ 4,870,000	6.750	6.750	07/01/09	07/01/28	$ -	$ 332,606
11/01/98	7,105,000	-	210,000	-	6,895,000	4.300	5.000	07/01/09	07/01/28	-	341,708
09/01/99	15,435,000	-	485,000	-	14,950,000	5.000	5.625	07/01/09	07/01/29	-	832,461
08/01/00	3,515,000	-	85,000	-	3,430,000	4.800	5.500	07/01/09	07/01/30	-	187,613
04/01/01	3,500,000	-	85,000	-	3,415,000	4.200	5.000	07/01/09	07/01/31	-	168,946
12/20/06	19,165,000	-	-	-	19,165,000	3.625	5.000	07/01/09	07/01/36	-	928,481
10/23/08	-	16,875,000	-	-	16,875,000	4.000	6.000	07/01/10	07/01/38	-	187,432
SUB-TOTAL	**$ 53,705,000**	**$ 16,875,000**	**$ 980,000**	**$ -**	**$ 69,600,000**					**$ -**	**$ 2,979,247**
BOND TYPE: JUVENILE TRAINING SCHOOL [10]											
02/15/01	$ 16,940,000	$ -	$ 420,000	$ -	$ 16,520,000	4.125	5.250	12/15/09	12/15/30	$ -	$ 816,838
SUB-TOTAL	**$ 16,940,000**	**$ -**	**$ 420,000**	**$ -**	**$ 16,520,000**					**$ -**	**$ 816,838**

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING [1] - BUDGETARY BASIS (Continued)
JUNE 30, 2009

Issue Date	Outstanding June 30, 2008	FY 2009 Issued	FY 2009 Retired	Refunded or Defeased	Outstanding June 30, 2009	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2009 [2]	Interest Paid During FY 2009 [3]
BOND TYPE: BRADLEY INTERNATIONAL PARKING OPERATIONS											
03/15/00	$ 46,205,000	$ -	$ 1,550,000	$ -	$ 44,655,000	6.125	6.600	07/01/09	07/01/24	$ -	$ 2,954,786
SUB-TOTAL	**$ 46,205,000**	**$ -**	**$ 1,550,000**	**$ -**	**$ 44,655,000**					**$ -**	**$ 2,954,786**
BOND TYPE: CHFA SPECIAL NEEDS HOUSING BONDS [11]											
09/13/07	$ 755,000	$ -	$ 755,000	$ -	$ -				06/15/09	$ -	$ 39,411
09/13/07	25,160,000	-	115,000	-	25,045,000	4.000	5.000	06/15/10	06/15/27	-	1,202,288
05/19/09	-	36,550,000	-	-	36,550,000	2.375	5.000	06/15/11	06/15/29	-	106,331
05/19/09	-	2,160,000	-	-	2,160,000	2.299	2.500	06/15/10	06/15/11	-	3,742
SUB-TOTAL	**$ 25,915,000**	**$ 38,710,000**	**$ 870,000**	**$ -**	**$ 63,755,000**					**$ -**	**$ 1,351,772**
BOND TYPE: CCEDA BONDS [12]											
07/21/04	$ 12,025,000	$ -	$ 1,265,000	$ -	$ 10,760,000	3.100	5.000	06/15/10	06/15/16	$ -	$ 466,700
07/21/04	57,470,000	-	-	-	57,470,000	3.960	3.960	06/15/17	06/15/34	-	2,261,436
08/04/05	14,770,000	-	385,000	-	14,385,000	5.000	5.000	06/15/10	06/15/29	-	738,500
12/16/08	-	22,500,000	-	-	22,500,000	3.500	5.750	06/15/10	06/15/34	-	580,998
SUB-TOTAL	**$ 84,265,000**	**$ 22,500,000**	**$ 1,650,000**	**$ -**	**$ 105,115,000**					**$ -**	**$ 4,047,634**
TOTAL	**$16,437,563,328**	**$ 3,266,320,000**	**$1,238,244,555**	**$579,600,000**	**$17,886,038,773**					**$246,873,863**	**$905,856,976**

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING (1) - BUDGETARY BASIS (Continued)
JUNE 30, 2009

(1) Includes all outstanding debt issued by the State of Connecticut as of June 30, 2009. All debt except refundings is authorized by the General Assembly and the State Bond Commission prior to issuance.

(2) Includes interest accreted on Capital Appreciaton Bonds (CABs) only. Interest on CABs accretes over the life of the bond and is paid at maturity. This amount is not included in the column shown as outstanding June 30, 2009.

(3) Includes interest rate swap payments and variable rate bond fees.

(4) Debt outstanding at June 30, 2009 includes $13,790,000.00 in Certificates of Participation for the Middletown Courthouse, which is not debt of the State. However, the State is obligated to pay a base rent under a lease for the courthouse, subject to the annual appropriation of funds or the availability of other funds. The base rent is appropriated as debt service. The Certificates of Participation are included on the Treasurer's Debt Management System for control purposes.

(5) The Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund $2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.

(6) UConn 2000 Bonds were authorized in two stages, in a total amount of $2.3 Billion over a 20 year period to be paid by the University of Connecticut from a State Debt Service commitment. As each series is issued, the debt service is appropriated from the State General Fund

(7) The Connecticut Development Authority has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund.

(8) The Connecticut Development Authority issued its lease revenue bonds for the New Britain Government Center. The State is obligated to pay base rent subject to the annual appropriation of funds. These payments are budgeted in the Treasurer's debt service budget as lease payments.

(9) On July 1, 1999, the Treasurer's Office assumed the responsibility for the CHEFA Childcare debt service appropriation per Public Act 97-259

(10) A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.

(11) The Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Step Initiative. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and OPM.

(12) The Capital City Economic Development Authority (CCEDA) Bonds were issued to provide funding for Adriaen's Landing Development project in Hartford. The bonds, issued in a combination of fixed and variable rate securities, have a final maturity of 2034. The State is required to make all debt service payments on the bonds up to a maximum annual amount of $9 million pursuant to a contract assistance agreement between CCEDA, the Treasurer, and OPM. CCEDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

NOTE 1: In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appear in the budget enacted by the General Assembly. The Budget Act enacted for the 2009 Fiscal Year is presented on a comprehensive basis of accounting principles. In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of this schedule.

NOTE 2: GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the budgetary basis presentation.

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING [1]

JUNE 30, 2009

CORE Fund No.	Legacy Fund No.	Name	Inception to Date Amount Authorized	Inception to Date Amount Issued	Principal Outstanding June 30, 2009	Interest Accreted Through Fiscal Year 2009[2]	Outstanding Incl. Accreted Interest June 30, 2009
BOND TYPE: GENERAL OBLIGATION-TAX SUPPORTED							
12034	1502	ECONOMIC DEVELOPMENT ASSISTANCE	$716,800,000	$616,562,441	$132,723,148	$ -	$132,723,148
12040	3775	CONGREGATE HOUSING FOR ELDERLY	21,000,000	21,000,000	6,880,783	17,080,334	23,961,117
12040	3804	ELDERLY HOUSING PROJECT	3,000,000	3,000,000	150,000	371,912	521,912
12050	1870	LOCAL CAPITAL IMPROVEMENT FUND	585,000,000	558,900,000	136,405,000	-	136,405,000
12051	1872	CAPITAL EQUIPMENT PURCHASE FUND	384,990,000	321,213,428	38,900,000	-	38,900,000
12052	1873	GRANTS TO LOCAL GOVTS. & OTHERS	2,155,449,509	1,356,732,272	436,882,579	19,913,580	456,796,159
12053	1874	ECONOMIC DEVELOPMENT & OTHER GRANTS	104,193,324	101,193,948	10,686,965	16,762,225	27,449,190
12055	1879	HOUSING HOMELESS PERSONS	8,100,000	7,095,696	1,670,020	-	1,670,020
12058	1961	SPECIAL CONTAMINATED PROP REM & INS FUND	6,000,000	3,000,000	1,000,000	-	1,000,000
12059	1971	HARTFORD REDEVELOPMENT	500,000,000	475,810,000	237,470,000	-	237,470,000
12063	1800	HOUSING BONDS	562,477,506	496,358,249	34,192,466	8,548,754	42,741,220
12066	2066	DECD - Housing Trust Fund	90,000,000	40,000,000	28,000,000	-	28,000,000
13007	3080	ELIMINATION OF WATER POLLUTION	398,000,000	397,965,862	3,995,173	11,782,535	15,777,708
13009	3089	SCHOOL CONSTRUCTION	1,799,239,500	1,799,239,500	55,355,436	19,411,122	74,766,558
13010	3090	MAGNET SCHOOLS	5,325,830,770	5,237,379,694	3,750,095,000	-	3,750,095,000
13015	3783	AGRICULTURAL LAND PRESERVATION	117,750,000	84,498,716	1,000,000	-	1,000,000
13019	3795	GRANTS FOR URBAN ACTION	1,172,487,544	1,034,848,354	414,383,844	23,614,160	437,998,004
13048	3048	CSUS 2020 FUND INFRASTRUCTURE PROGRAM	95,000,000	92,280,000	92,280,000	-	92,280,000
17001	3001	GENERAL STATE PURPOSE	302,534,389	290,134,149	133,963,889	-	133,963,889
17011	3011	GENERAL STATE PURPOSE	585,577,595	493,545,494	371,194,561	-	371,194,561
17021	3021	GENERAL STATE PURPOSE	449,960,490	439,134,446	413,839,989	-	413,839,989
17041	3041	G.S.P.	255,236,871	175,897,976	173,897,976	-	173,897,976
17051		G.S.P.	202,822,361	172,500,000	170,500,000	-	170,500,000
17061		G.S.P.	177,381,115	63,580,291	63,580,291	-	63,580,291
17071		G.S.P.	424,020,739	117,258,777	117,258,777	-	117,258,777
17861	3861	CAPITAL IMPROVEMENTS	119,859,926	111,363,359	564,114	-	564,114
17871	3871	CAPITAL IMPROVEMENTS	521,848,335	509,853,706	21,111,370	46,956,541	68,067,911
17891	3891	GSP	416,558,089	411,478,686	905,000	-	905,000
17901	3901	GSP	533,894,091	528,220,942	14,363,247	33,836,767	48,200,014
17911	3911	GSP	148,479,844	142,064,892	11,340,026	14,434,612	25,774,638
17921	3921	G.S.P.	322,135,563	320,382,563	57,859,022	-	57,859,022
17931	3931	G.S.P.	628,254,036	615,735,971	12,026,952	16,976,130	29,003,082
17951	3951	GSP/UCONN BABBIDGE LIBRARY & PLAZA DECK	207,907,527	205,950,003	15,717,806	-	15,717,806
17961	3961	GSP	265,384,447	255,671,813	68,907,533	-	68,907,533
17971	3971	G.S.P.	195,285,581	186,057,040	9,838,927	-	9,838,927
17981	3981	G.S.P.	208,069,445	206,844,656	113,927,687	-	113,927,687
17991	3991	G.S.P.	305,471,379	251,123,848	78,318,341	-	78,318,341
21004	6024	CONNECTICUT INNOVATIONS, INC.	114,800,500	114,300,319	10,000	-	10,000
21014	6864	CLEAN WATER FUND	889,036,534	660,253,884	201,114,404	-	201,114,404
21016	6866	CLEAN WATER FUND-LONG ISLAND SOUNC ACC.	71,993,466	64,102,782	13,600,000	-	13,600,000
	9945	GENERAL OBLIGATION 2009 SERIES C REFUNDING [3]	-	74,215,000	72,595,000	-	72,595,000

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING [1] (Continued)

JUNE 30, 2009

CORE Fund No.	Legacy Fund No.	Name	Inception to Date Amount Authorized	Inception to Date Amount Issued	Principal Outstanding June 30, 2009	Interest Accreted Through Fiscal Year 2009[2]	Outstanding Incl. Accreted Interest June 30, 2009
	9948	TAXABLE G.O. REFUNDING BONDS 2008 SERIES C [3]	-	50,000,000	37,500,000	-	37,500,000
	9949	G.O. REFUNDING BONDS 2007 SERIES E [3]	-	181,085,000	178,385,000	-	178,385,000
	9950	G.O. REFUNDING 2007 SERIES B [3]	-	173,300,000	173,055,000	-	173,055,000
	9951	G.O. REFUNDING 2006 SERIES E [3]	-	308,400,000	307,005,000	-	307,005,000
	9952	G.O. REFUNDING BONDS 2005 SERIES B [3]	-	335,550,000	331,480,000	-	331,480,000
	9956	G.O. REFUNDING BONDS 2004 SERIES B [3]	-	1,030,375,000	973,585,000	-	973,585,000
	9959	G.O. REFUNDING BONDS 2003 SERIES G [3]	-	165,995,000	43,135,000	-	43,135,000
	9960	G.O. REFUNDING BONDS 2003 SERIES D [3]	-	215,580,000	61,580,000	-	61,580,000
	9964	G.O. REFUNDING SERIES 2002 E [3]	-	256,375,000	224,250,000	-	224,250,000
	9965	GO REFUNDING 2002 SERIES C [3]	-	155,500,000	51,075,000	-	51,075,000
	9966	G.O. REFUNDING BONDS SERIES E AND F [3]	-	432,835,000	198,865,000	-	198,865,000
	9970	2001 SERIES C G.O. REFUNDING BONDS [3]	-	504,575,000	373,195,000	-	373,195,000
	9972	MIDDLETOWN COURT HOUSE REFUNDING [3] [4]	-	34,375,000	13,790,000	-	13,790,000
	9986	OCTOBER 1993 G.O. REFUNDING [3]	-	259,125,000	22,440,000	-	22,440,000
	9989	MARCH 1993B G.O. REFUNDING [3]	-	157,745,000	20,680,000	-	20,680,000
SUB-TOTAL			**$21,391,830,476**	**$23,317,563,757**	**$10,528,525,325**	**$229,688,673**	**$10,758,213,998**

BOND TYPE: GENERAL OBLIGATION TEACHERS' RETIREMENT FUND BONDS [5]

CORE Fund No.	Legacy Fund No.	Name	Amount Authorized	Amount Issued	Principal Outstanding June 30, 2009	Interest Accreted Through Fiscal Year 2009	Outstanding Incl. Accreted Interest June 30, 2009
31006	3106	TEACHER'S RETIREMENT FUND TAXABLE G.O. BONDS 2008	$2,276,578,271	$2,276,578,271	$2,276,578,271	$13,020,544	$2,289,598,815
SUB-TOTAL			**$2,276,578,271**	**$2,276,578,271**	**$2,276,578,271**	**$13,020,544**	**$2,289,598,815**

BOND TYPE: GENERAL OBLIGATION - REVENUE SUPPORTED

CORE Fund No.	Legacy Fund No.	Name	Amount Authorized	Amount Issued	Principal Outstanding June 30, 2009	Interest Accreted Through Fiscal Year 2009	Outstanding Incl. Accreted Interest June 30, 2009
13042	3876	UNIV.& STATE UNIVERSITY FACILITIES	$104,363,266	$104,192,153	$1,590,461	$ -	$1,590,461
SUB-TOTAL			**$104,363,266**	**$104,192,153**	**$1,590,461**	**$ -**	**$1,590,461**

BOND TYPE: SPECIAL TAX OBLIGATION

CORE Fund No.	Legacy Fund No.	Name	Amount Authorized	Amount Issued	Principal Outstanding June 30, 2009	Interest Accreted Through Fiscal Year 2009	Outstanding Incl. Accreted Interest June 30, 2009
13033	3842	INFRASTRUCTURE IMPROVEMENT	$8,870,752,104	$6,196,650,752	$1,686,770,000	$ -	$1,686,770,000
14005	9961	STO 2003 SERIES A REFUNDING [3]	-	338,610,000	58,290,000	-	58,290,000
14005	9946	STO 2009 SERIES 1 REFUNDING BONDS [3]	-	415,035,000	415,035,000	-	415,035,000
14005	9947	STO 2008 SERIES 1 REFUNDING BONDS [3]	-	97,690,000	97,690,000	-	97,690,000
14005	9953	STO 2004 B REFUNDING ISSUE [3]	-	89,725,000	89,725,000	-	89,725,000
14005	9967	STO REFUNDING 2001 SERIES B [3]	-	533,335,000	270,125,000	-	270,125,000
14005	9975	1998 A STO REFUNDING [3]	-	197,500,000	175,440,000	-	175,440,000
14005	9980	1996 C STO REFUNDING [3]	-	79,795,000	23,940,000	-	23,940,000
SUB-TOTAL			**$8,870,752,104**	**$7,948,340,752**	**$2,817,015,000**	**$ -**	**$2,817,015,000**

BOND TYPE: BRADLEY INTERNATIONAL AIRPORT

CORE Fund No.	Legacy Fund No.	Name	Amount Authorized	Amount Issued	Principal Outstanding June 30, 2009	Interest Accreted Through Fiscal Year 2009	Outstanding Incl. Accreted Interest June 30, 2009
21012	6310	BRADLEY REVENUE BONDS	$194,000,000	$194,000,000	$170,880,000	$ -	$170,880,000

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING [1] (Continued)

JUNE 30, 2009

CORE Fund No.	Legacy Fund No.	Name	Inception to Date Amount Authorized	Inception to Date Amount Issued	Principal Outstanding June 30, 2009	Interest Accreted Through Fiscal Year 2009[2]	Outstanding Incl. Accreted Interest June 30, 2009
	9954	BRADLEY AIRPORT GEN. REV. REFUNDING BONDS [3]	-	30,640,000	10,715,000	-	10,715,000
	9969	BRADLEY AIRPORT REVENUE REFUNDING 2001B [3]	-	19,180,000	17,335,000	-	17,335,000
SUB-TOTAL			**$194,000,000**	**$243,820,000**	**$198,930,000**	**$ -**	**$198,930,000**
BOND TYPE: CLEAN WATER FUND							
21015	6865	CLEAN WATER FUND - FED. ACCT.	$1,665,731,375	$1,349,430,253	$585,410,000	$ -	$585,410,000
21018	6868	DWF FEDERAL REVOLVING	87,668,625	59,289,747	28,520,000	-	28,520,000
	9983	CLEAN WATER REFUNDING [3]	-	315,675,000	271,270,000	-	271,270,000
SUB-TOTAL			**$1,753,400,000**	**$1,724,395,000**	**$885,200,000**	**$ -**	**$885,200,000**
BOND TYPE: UCONN 2000 [6]							
13045	3952	UCONN 2000	$1,426,947,147	$1,321,947,147	$536,279,715	$4,164,646	$540,444,361
	9958	UCONN 2000 REFUNDING BONDS [3]	-	324,000,000	308,665,000	-	308,665,000
SUB-TOTAL			**$1,426,947,147**	**$1,645,947,147**	**$844,944,715**	**$4,164,646**	**$849,109,361**
BOND TYPE: CDA INCREMENT FINANCING [7]							
88003	8003	LAKE COMPOUNCE-TIF	$18,000,000	$18,000,000	$985,000	$ -	$985,000
88004	8004	CABELA'S INC. - TIF	9,950,000	9,825,000	8,730,000	-	8,730,000
	9955	CDA REFUNDING BONDS SERIES A, B AND C [3]	-	22,435,000	20,360,000	-	20,360,000
SUB-TOTAL			**$27,950,000**	**$50,260,000**	**$30,075,000**	**$ -**	**$30,075,000**
BOND TYPE: CDA GOVERNMENTAL LEASE REVENUE [8]							
88500	8500	NEW BRITAIN GOV'T CENTER	$9,275,000	$9,275,000	$3,535,000	$ -	$3,535,000
SUB-TOTAL			**$9,275,000**	**$9,275,000**	**$3,535,000**	**$ -**	**$3,535,000**
BOND TYPE: CHEFA CHILDCARE FACILITIES PROGRAM [9]							
77800	7800	CHEFA CHILDCARE-NOW	$ -	$5,375,000	$4,870,000	$ -	$4,870,000
77802	7802	CHILDCARE POOL 1 SERIES A	-	10,175,000	6,895,000	-	6,895,000
77804	7804	CHEFA CHILDCARE-SERIES C	-	18,690,000	14,950,000	-	14,950,000
77805	7805	CHEFA CHILDCARE SERIES D	-	3,940,000	3,430,000	-	3,430,000
77806	7806	CHEFA CHILDCARE SERIES E	-	3,865,000	3,415,000	-	3,415,000
77807	7807	CHEFA CHILDCARE SERIES F	-	19,165,000	19,165,000	-	19,165,000
77808	7808	CHEFA CHILDCARE FACILITIES PROGRAM SERIES G	-	16,875,000	16,875,000	-	16,875,000
SUB-TOTAL			**$ -**	**$78,085,000**	**$69,600,000**	**$ -**	**$69,600,000**

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING [1] (Continued)
JUNE 30, 2009

CORE Fund No.	Legacy Fund No.	Name	Inception to Date Amount Authorized	Inception to Date Amount Issued	Principal Outstanding June 30, 2009	Interest Accreted Through Fiscal Year 2009[2]	Outstanding Incl. Accreted Interest June 30, 2009
BOND TYPE: JUVENILE TRAINING SCHOOL [10]							
88800	8800	CT JUVENILE TRAINING SCHOOL ENERGY CENTER	$ -	$19,165,000	$16,520,000	$ -	$16,520,000
SUB-TOTAL			**$ -**	**$19,165,000**	**$16,520,000**	**$ -**	**$16,520,000**
BOND TYPE: BRADLEY INTERNATIONAL PARKING OPERATIONS [11]							
21008	6299	BRADLEY INT'L PRK OPER.	$55,000,000	$53,800,000	$44,655,000	$ -	$44,655,000
SUB-TOTAL			**$55,000,000**	**$53,800,000**	**$44,655,000**	**$ -**	**$44,655,000**
BOND TYPE: CHFA SPECIAL NEEDS HOUSING BONDS [12]							
12060	7500	CHFA Supportive Housing Bonds	$65,755,000	$65,755,000	$63,755,000	$ -	$63,755,000
SUB-TOTAL			**$65,755,000**	**$65,755,000**	**$63,755,000**	**$ -**	**$63,755,000**
BOND TYPE: CCEDA BONDS [13]							
12060	7300	CCEDA	$ -	$110,000,000	$105,115,000	$ -	$105,115,000
SUB-TOTAL			**$ -**	**$110,000,000**	**$105,115,000**	**$ -**	**$105,115,000**
GRAND TOTAL			**$36,175,851,264**	**$37,647,177,080**	**$17,886,038,772**	**$246,873,863**	**$18,132,912,635**

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING [1] (Continued)
JUNE 30, 2009

(1) Includes all outstanding debt issued by the State of Connecticut as of June 30, 2009. All debt except refunding issues is authorized by the General Assembly and the State Bond Commission prior to issuance.

(2) Includes interest accreted on Capital Appreciation Bonds (CABs) only. Interest on CABs accretes over the life of the bond and is paid at maturity. This amount is not included in the column shown as outstanding June 30, 2009.

(3) Refunding issues. Proceeds used to refund other bonds reducing overall debt service expense.

(4) Debt outstanding at June 30, 2009 includes $13,790,000 in Certificates of Participation for the Middletown Courthouse which is not debt of the State. However, the State is obligated to pay a base rent under a lease for the Courthouse, subject to the annual appropriation of funds or the availability of other funds; therefore, the base rent is appropriated as debt service. The Certificates of Participation are included in the Treasurer's Debt Management System for control purposes.

(5) The General Obligation Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund $2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.

(6) UConn 2000 Bonds were authorized in two stages in a total amount of $2.3 Billion over a 20 year period to be paid by the University of Connecticut from a State Debt Service commitment. As each series is issued, the debt service is validly appropriated from the State General Fund.

(7) The Connecticut Development Authority has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund.

(8) The Connecticut Development Authority has issued its lease revenue bonds for the New Britain Government Center. The State is obligated to pay base rent subject to the annual appropriation of funds. These payments are budgeted in the Treasurer's debt service budget as lease payments.

(9) On July 1, 1999, the Treasurer's Office assumed the responsibility for the CHEFA Childcare debt service appropriation per Public Act 97-259.

(10) A lease-purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.

(11) Includes Bradley International Airport Special Obligation Parking Revenue Bonds, 2000 Series A $44,655,000.

(12) The Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Step Initiative. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and OPM.

(13) The Capital City Economic Development Authority (CCEDA) Bonds were issued to provide funding for the Adriaen's Landing development project in Hartford. The bonds, issued in a combination of fixed and variable rate securities, have a final maturity of 2034. The State is required to make all debt service payments on the bonds up to a maximum annual amount of $9 million pursuant to a contract assistance agreement between CCEDA, the Treasurer, and OPM. CCEDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

CIVIL LIST FUNDS
SCHEDULE OF INVESTMENTS (1) (2)
FISCAL YEAR ENDED JUNE 30, 2009
PRESENTED UNDER BUDGETARY BASIS OF ACCOUNTING (4) (5)

Legal No.	Type	GAAP No.	Type	Fund Name	STIF Investments 6/30/09	Tax Exempt Proceeds Fund Investments 6/30/09	Investments with Treasurer as Trustee Short-Term 6/30/09	Investments with Treasurer as Trustee Long-Term 6/30/09	Investments with Others as Trustee Short-Term 6/30/09	Investments with Others as Trustee Long-Term 6/30/09	Total
GENERAL FUND[3]											
11000	Gen. Fund	1100	Gen.Fund	General Fund	$666,298,083.63		$387,262,707.85 [16]				$1,053,560,791.48
SUBTOTAL GENERAL FUND					**$666,298,083.63**	**$ -**	**$387,262,707.85**	**$ -**	**$ -**	**$ -**	**$1,053,560,791.48**
SPECIAL REVENUE FUNDS											
12001	Spec.Rev.	1201	Spec.Rev.	Transportation	$34,271,209.55						$34,271,209.55
12005	Spec.Rev.	1215	Spec.Rev.	Probate Court Administration	4,652,904.17						4,652,904.17
12010	Spec.Rev.	1209	Spec.Rev.	Soldiers, Sailors and Marines	11,229.31						11,229.31
12012	Spec.Rev.	1215	Spec.Rev.	Municipal Employees Retirement Administration	949,748.34						949,748.34
12013	Spec.Rev.	1208	Spec.Rev.	Regional Market Operation	920,320.17						920,320.17
12016	Spec.Rev.	1213	Spec.Rev.	Recreation and Natural Heritage Trust Fund		$1,873,123.14					1,873,123.14
12018	Spec.Rev.	2107	Enterprise	University Health Center Operating Fund	92,141.60						92,141.60
12021	Spec.Rev.	1215	Spec.Rev.	Grants - Tax Exempt Proceeds		5,048,873.40					5,048,873.40
12023	Spec.Rev.	2107	Enterprise	Univ. Health Center Research Foundation	33,858,785.33						33,858,785.33
12032	Spec.Rev.	1210	Spec.Rev.	Employment Security - Special Administration	37,713.47						37,713.47
12035	Spec.Rev.	1212	Spec.Rev.	Economic Assistance Revolving Fund		4,445,755.73					4,445,755.73
12038	Spec. Rev.	1212	Spec. Rev.	Individual Development Acct Reserve Fund				$435,814.86			435,814.86
12047	Spec.Rev.	1212	Spec.Rev.	Child Care Facilities	224,132.18						224,132.18
12051	Spec.Rev.	1215	Spec.Rev.	Capital Equipment Purchase Fund	18,363,259.83						18,363,259.83
12052	Spec.Rev.	1212	Spec.Rev.	Grants to Local Governments and Others	163,151,916.52						163,151,916.52
12053	Spec.Rev.	1213	Spec.Rev.	Economic Development and Other Grants	759,824.61						759,824.61
12059	Spec.Rev.	1212	Spec.Rev.	Hartford Downtown Redevelopment	4,298,624.12						4,298,624.12
12060	Spec Rev.	1211	Spec.Rev.	Federal And Other Restricted Accounts	927,732.27	342,186.15					1,269,918.42
12062	Spec Rev.	1211	Spec.Rev.	Transportation Grants And Restricted Accounts	286,537.59						286,537.59
12065	Spec.Rev.	1214	Spec.Rev.	Housing Assistance Bond Fund - Tax Exempt	6,176,005.11						6,176,005.11
12066	Spec.Rev.	1214	Spec.Rev.	Housing Trust Fund	20,271,387.02						20,271,387.02
SUBTOTAL SPECIAL REVENUE FUNDS					**$289,253,471.19**	**$11,709,938.42**	**$ -**	**$435,814.86**	**$ -**	**$ -**	**$301,399,224.47**
CAPITAL PROJECTS FUNDS											
13004	Cap. Proj.	1303	Cap.Proj.	Nat'l Sys of Interstate & Defense Highways	$4,494,061.50						$4,494,061.50
13009	Cap. Proj.	1212	Spec.Rev.	School Construction	4,453,655.47						4,453,655.47
13019	Cap. Proj.	1212	Spec.Rev.	Community Conservation & Development	92,637,676.22						92,637,676.22
13021	Cap. Proj.	1301	Cap.Proj.	State University Facilities	13,498.82						13,498.82
13022	Cap. Proj.	1303	Cap.Proj.	Ramp Construction		$11,612.01					11,612.01
13033	Cap. Proj.	1302	Cap.Proj.	Infrastructure Improvement Fund	41,384,164.39						41,384,164.39
13036	Cap. Proj.	1301	Cap.Proj.	University and State University Facilities		468.00					468.00
13037	Cap. Proj.	1301	Cap.Proj.	University and State University Facilities	139,913.90						**139,913.90**
13042	Cap. Proj.	1301	Cap.Proj.	University and State University Facilities	1,533,248.22						1,533,248.22
13048	Cap. Proj.	1301	Cap.Proj.	CSUS 2020	91,167,751.77						91,167,751.77
17001	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	11,407,081.30						11,407,081.30
17011	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	23,493,157.02						23,493,157.02
17021	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	40,837,758.62						40,837,758.62
17041	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	22,407,117.02						22,407,117.02
17051	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	19,232,034.10						19,232,034.10
17061	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	22,651,373.53						22,651,373.53
17071	Cap. Proj.	1301	Cap.Proj.	Capital Improvements & Other Purposes	72,745,045.06						72,745,045.06
17086	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	46,393.41						46,393.41
17771	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	1,896,204.95						1,896,204.95
17801	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	2,627,878.29						2,627,878.29
17831	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	3,038,248.87						3,038,248.87
17841	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	2,275,617.33						2,275,617.33
17851	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	2,643,266.02						2,643,266.02

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
SCHEDULE OF INVESTMENTS [1] [2]
FISCAL YEAR ENDED JUNE 30, 2009
PRESENTED UNDER BUDGETARY BASIS OF ACCOUNTING [4] [5]

Legal No.	Type	GAAP No.	Type	Fund Name	STIF Investments 6/30/09	Tax Exempt Proceeds Fund Investments 6/30/09	Investments with Treasurer as Trustee Short-Term 6/30/09	Investments with Treasurer as Trustee Long-Term 6/30/09	Investments with Others as Trustee Short-Term 6/30/09	Investments with Others as Trustee Long-Term 6/30/09	Total
17871	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	211,976.83						211,976.83
17891	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	82,839.42						82,839.42
17901	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	975,877.27						975,877.27
17921	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	1,736,541.61						1,736,541.61
17951	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	2,945,753.41						2,945,753.41
17961	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	933,540.86						933,540.86
17991	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	3,794,001.03						3,794,001.03
SUBTOTAL CAPITAL PROJECTS FUNDS					**$471,805,676.24**	**$12,080.01**	**$ -**	**$ -**	**$ -**	**$ -**	**$471,817,756.25**
DEBT SERVICE FUNDS											
14001	Debt Service	2106	Enterprise	University Bond Liquidation	$4,341,958.99						$4,341,958.99
14002	Debt Service	2109	Enterprise	State University Dormitory	55,341,386.12						55,341,386.12
14005	Debt Service	1401	Debt Service	Transportation Fund Reserve	572,022,089.52 [6]				$107,362,300.62 [6]		679,384,390.14
SUBTOTAL DEBT SERVICE FUNDS					**$631,705,434.63**	**$ -**	**$ -**	**$ -**	**$107,362,300.62**	**$ -**	**$739,067,735.25**
ENTERPRISE FUNDS											
21005	Enterprise	1215	Spec.Rev.	Auto Emissions Inspection	$2,312,071.84						$2,312,071.84
21008	Enterprise	2110	Enterprise	Bradley International Parking Operations	8,209,330.55 [7]					$4,507,630.50 [7]	12,716,961.05
21009	Enterprise	2101	Enterprise	Bradley International Airport Operations	124,372,135.21 [8]				$15,000,000.00 [8]	13,257,960.01 [8]	152,630,095.22
21010	Enterprise	1212	Spec.Rev.	Local Bridge Revolving Fund - Bond Financed		$7,081,784.50					7,081,784.50
21011	Enterprise	1212	Spec.Rev.	Local Bridge Revolving Fund - Revenue Financed	904,278.44						904,278.44
21014	Enterprise	1213	Spec.Rev.	Clean Water Fund - State	3,762,820.99 [9]				1,510,000.00 [9]	7,820,000.00 [9]	13,092,820.99
21015	Enterprise	2105	Non.-Exp.	Clean Water Fund - Federal	295,688,340.15 [12]				80,197,814.18 [10]	270,721,487.68 [10]	646,607,642.01
21016	Enterprise	1213	Spec.Rev.	Clean Water Fund - Long Island Sound	866,847.47						866,847.47
21018	Enterprise	2111	Spec.Rev.	Drinking Water Fund - Federal Revolving Loan	52,435,467.12 [12]				13,073,548.59 [11]	26,084,055.56 [11]	91,593,071.27
21020	Enterprise	1216	Spec.Rev.	Rate Reduction Bond Operations	22,640.61 [13]				381,760.69 [13]		404,401.30
SUBTOTAL ENTERPRISE FUNDS					**$488,573,932.38**	**$7,081,784.50**	**$ -**	**$ -**	**$110,163,123.46**	**$322,391,133.75**	**$928,209,974.09**
FIDUCIARY FUNDS											
31001	Pension	3103	Pension	State Employees' Retirement Fund			$279,284,500.38	$7,041,559,221.40 [14]			$7,320,843,721.78
31002	Pension	3105	Pension	State Attorneys' Retirement Fund			127,589.02	735,958.14 [14]			863,547.16
31003	Pension	3105	Pension	General Assembly Retirement Fund	$18,962.45						$18,962.45
31004	Pension	3106	Pension	Judges & Comp. Commi. Retirement Fund			6,593,174.33	141,574,627.84 [14]			148,167,802.17
31005	Pension	3105	Pension	Public Defenders Retirement Fund	201,376.32						201,376.32
31006	Pension	3104	Pension	Teachers' Retirement Fund			600,827,583.33	10,795,853,938.96 [14]			11,396,681,522.29
31008	Pension	3107	Pension	Municipal Employees' Retirement - Fund B			69,606,720.69	1,275,488,793.10 [14]			1,345,095,513.79
31009	Other Em. Benefits	3102	Agency	Policemen & Firemen Survivors' Benefit Fund			1,169,056.67	16,646,295.35 [14]			17,815,352.02
31010	Pension	3108	Pension	Probate Judges & Employees Retirement Fund			4,680,894.99	61,624,647.34 [14]			66,305,542.33
35010	Fiduciary	1502	Permanent	Connecticut Arts Endowment Fund			1,149,918.49	14,512,209.56 [14]			15,662,128.05
35011	Fiduciary	1501	Non.-Exp.	Soldiers, Sailors & Marines Trust Fund			606,448.66	56,115,403.51 [14.]			56,721,852.17
35014	Fiduciary	2103	Exp.Trust	Unemployment Compensation Fund					$243,628,581.41 [15]		243,628,581.41
35015	Fiduciary	2107	Enterprise	John Dempsey Hospital Malpractice Trust Fund	21,703,518.36						21,703,518.36
SUBTOTAL FIDUCIARY FUNDS					**$21,923,857.13**	**$ -**	**$964,045,886.56**	**$19,404,111,095.20**	**$243,628,581.41**	**$ -**	**$20,633,709,420.30**
TOTAL CIVIL LIST FUNDS					**$2,569,560,455.20**	**$18,803,802.93**	**$1,351,308,594.41**	**$19,404,546,910.06**	**$461,154,005.49**	**$322,391,133.75**	**$24,127,764,901.84**

CIVIL LIST FUNDS

SCHEDULE OF INVESTMENTS [1] [2] (Continued)

FISCAL YEAR ENDED JUNE 30, 2009

(1) Detailed information on the adjusted cash balances and total STIF balances within each individual fund can be obtained from the Comptroller's Annual Report.

(2) Short-term investments shown at cost which, due to their short-term nature, approximates market.

(3) Represents assets of the Common Cash Pool which is not a component of the General Fund. The Common Cash Pool is comprised of the inevitable balances of a number of individual funds and, for purposes of administration only, is shown as an investment of the General Fund. The General Fund is commonly in a net borrowing position from the resources of the other funds within the pool.

(4) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the budget act enacted by the General Assembly. The Budget Act enacted for the 2009 fiscal year is presented on a comprehensive basis of accounting other than general accepted accounting principals. In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Civil List Funds Schedule of Investments.

(5) GAAP accounting requires that investment balances be presented to include the accrued interest earned. This manner of presentation is not used for the budgetary basis presentation.

(6) Short-term investments consist of STIF Accounts and GIC's held by US Bank as Trustee. Investments are held by US Bank as Trustee. For description of the program, see Debt Management Division.

(7) Short-term investments consist of STIF Accounts held by US Bank as Trustee. Long-term investments consist of GIC's. Investments are held by US Bank as Trustee. For description of the program, see Debt Management Division.

(8) Short-term investments consist of STIF Accounts and GIC's held by US Bank as Trustee. Long-term investments consist of GICs. Investments held by US Bank as Trustee. For description of program, see Debt Management Division.

(9) Short-term and Long-term investments consist of State of Connecticut General Obligation Bonds which are shown at par. Investments held by US Bank as Trustee. For description of program, see Debt Management Division.

(10) Both Short-term and Long-term Investments consist of Money Market Funds, State of Connecticut General Obligation Bonds and GIC's. Both short and long-term investments are held by US Bank as Trustee. For description of program, see Debt Management Division.

(11) Both Short-term and Long-term Investments consist of Money Market Funds and GIC's. All investments are held by US Bank as Trustee. For description of program, see Debt Management Division.

(12) STIF Investments consist of both Treasury directed and trustee directed accounts.

(13) STIF Investments consist of Trustee directed accounts. Short-term investments consist of Money Market Funds. All investments are held by US Bank as Trustee.

(14) Represents market value of shares held by various retirement plans in the Treasurer's Combined Investment Funds.

(15) Cash on deposit with Federal Government.

(16) Investments consist of Agency and CD portfolios with an average maturities of less than one year in accordance with C.G.S. 3-24k and 3-38a.

CASH MANAGEMENT DIVISION

SECURITIES HELD IN TRUST FOR POLICYHOLDERS
JUNE 30, 2009

The following securities are on deposit with the State Treasurer for the Insurance Department under Sec 38a-83:

Name of Insurance Company	Par Amount of Collateral	Market Value
Aetna Better Health Inc.	$ 500,000.00	$ 523,750.00
Aetna Health Inc. (CT)	525,000.00	545,590.50
Aetna Health and Life Insurance Company	2,075,000.00	2,147,640.75
Aetna Insurance Company Of Connecticut	2,550,000.00	2,636,266.50
Aetna Life Insurance Company	1,500,000.00	1,668,758.80
Allianz Global Risks US Insurance Company	681,000.00	752,879.55
American Centennial Insurance Company	50,000.00	63,732.46
American Equity Specialty Insurance Company	2,600,000.00	2,508,950.01
American Maturity Life Insurance Company	5,700,000.00	5,803,341.00
American Phoenix Life & Reassurance Company	5,650,000.00	5,952,477.50
American Security Insurance Company	35,000.00	37,452.80
AmeriChoice of Connecticut, Inc.	500,000.00	523,185.00
Anthem Health Plans, Inc.	500,000.00	539,490.00
Arbella Protection Insurance Company	50,000.00	62,668.00
Associated Indemnity Corporation	1,444,000.00	1,463,540.18
Automobile Insurance Company of Hartford,CT (The)	4,050,000.00	4,267,023.00
AXIS Specialty Insurance Company	2,800,000.00	2,985,948.00
Beazley Insurance Company, Inc.	2,500,000.00	2,558,000.00
C.M. Life Insurance Company	1,600,000.00	1,714,880.00
California Insurance Company	350,000.00	353,720.50
Carolina Casualty Insurance Company	200,000.00	220,574.87
Charter Oak Fire Insurance Company (The)	4,525,000.00	4,876,554.00
Chicago Title Insurance Company	100,000.00	107,688.00
CIGNA Healthcare of Connecticut, Inc.	525,000.00	604,537.50
Cologne Reinsurance Company Of America	3,505,000.00	3,758,025.95
Connecticare, Inc.	500,000.00	539,220.00
Connecticut Attorneys Title Insurance Company	110,000.00	120,153.00
Connecticut General Life Insurance Company	1,710,000.00	1,714,750.10
Covenant Insurance Company	600,000.00	732,743.00
Electric Insurance Company	60,000.00	68,287.80
Employers' Fire Insurance Company	655,000.00	778,871.12
Executive Risk Specialty Insurance Company	3,110,000.00	3,314,574.20
Fairfield Insurance Company	2,510,000.00	2,646,635.70
Farmington Casualty Company	3,000,000.00	3,365,427.00
Finial Reinsurance Company	3,550,000.00	3,632,051.00
Fireman's Fund Insurance Company	9,459,000.00	10,657,970.79
First State Insurance Company	2,200,000.00	2,346,432.00
Fitchburg Mutual Insurance Company	50,000.00	53,937.50
General Re Life Corporation	1,500,000.00	2,056,635.00
General Star Indemnity Company	2,975,000.00	3,032,561.00
Genesis Insurance Company	3,000,000.00	3,380,040.00
Genworth Mortgage Ins Corporation of North Carolina	60,000.00	64,706.40
Gulf Underwriters Insurance Company	3,000,000.00	2,871,962.74
Harbor Point Reinsurance U.S., Inc.	3,325,000.00	3,375,147.75
Harleysville Worcester Insurance Company	9,065,000.00	9,126,835.30
Hartford Accident & Indemnity Company	3,500,000.00	3,543,575.00
Hartford Fire Insurance Company	3,300,000.00	3,497,076.00
Hartford Insurance Company of the Southeast	200,000.00	190,736.00
Hartford International Life Reassurance Corp.	5,645,000.00	6,110,914.20
Hartford Life Insurance Company	2,350,000.00	2,530,104.00
Hartford Life & Accident Insurance Company	1,915,000.00	1,995,032.45
Hartford Life & Annuity Insurance Company	2,860,000.00	3,081,024.60
Hartford Steam Boiler Inspection & Insurance Company	4,000,000.00	3,941,240.00
Hartford Steam Boiler Inspection & Ins Co of CT	3,100,000.00	3,054,461.00
Hartford Underwriters Insurance Company	3,250,000.00	3,456,407.50
Health Net of Connecticut, Inc.	500,000.00	510,370.00

CASH MANAGEMENT DIVISION

SECURITIES HELD IN TRUST FOR POLICYHOLDERS (Continued)

JUNE 30, 2009

Name of Insurance Company	Par Amount of Collateral	Market Value
Homesite Insurance Company	2,500,000.00	2,535,750.00
IdeaLife Insurance Company	1,500,000.00	1,608,285.00
ING Life Insurance & Annuity Company	3,600,000.00	3,220,380.00
Insurance Company of the West	100,000.00	138,438.00
Integon National Insurance Company	75,000.00	82,916.25
Integon Preferred Insurance Company	75,000.00	81,797.25
Knights of Columbus	2,000,000.00	1,140,000.00
Liberty Mutual Insurance Company	50,000.00	52,879.00
Massachusetts Mutual Life Insurance Company	1,600,000.00	2,172,256.00
MEMBERS Life Insurance Company	350,000.00	438,676.00
MetLife Insurance Company of Connecticut	10,125,000.00	10,058,299.50
Middlesex Mutual Assurance Company	1,525,000.00	1,642,422.00
MML Bay State Life Insurance Company	1,500,000.00	1,607,700.00
Munich American Reassurance Company	40,000.00	43,137.60
National Liability & Fire Insurance Company	2,750,000.00	2,753,767.50
New England Insurance Company	2,945,000.00	3,170,269.20
New England Reinsurance Corporation	3,225,000.00	4,157,734.50
New London County Mutual Insurance Company	600,000.00	602,952.00
Northern Assurance Company of America	2,165,000.00	2,702,095.52
Nutmeg Insurance Company	3,000,000.00	3,319,490.00
Odyssey America Reinsurance Corporation	5,000,000.00	5,142,100.00
OneBeacon America Insurance Company	6,185,000.00	7,760,568.54
Oxford Health Plans (CT), Inc.	500,000.00	523,185.00
Pacific Insurance Company, Limited	2,820,000.00	2,930,603.60
Patrons Mutual Insurance Company of Connecticut	120,000.00	124,702.80
PHL Variable Insurance Company	5,070,000.00	5,238,806.70
Phoenix Insurance Company (The)	4,635,000.00	5,218,536.75
Phoenix Life & Annuity Company	5,650,000.00	5,955,350.00
Prudential Annuities Life Assurance Corporation	1,500,000.00	1,502,055.00
Prudential Retirement Insurance & Annuity Company	5,015,000.00	5,389,090.10
PXRE Reinsurance Company	7,430,000.00	7,516,188.00
Response Insurance Company	2,125,000.00	2,155,387.50
Response Worldwide Direct Auto Insurance Company	1,500,000.00	1,521,450.00
Response Worldwide Insurance Company	2,250,000.00	2,282,175.00
R.V.I. America Insurance Company	2,540,000.00	2,350,588.00
R.V.I. National Insurance Company	2,550,000.00	2,744,133.00
Safeco Surplus Lines Insurance Company	100,000.00	108,117.00
Seneca Insurance Company, Inc.	260,000.00	263,879.20
Senior Whole Health of Connecticut, Inc.	1,500,000.00	1,511,669.75
Sentinel Insurance Company, Ltd.	3,405,000.00	3,316,411.50
Sequoia Insurance Company	125,000.00	128,565.00
Sparta Insurance Company	3,070,000.00	3,146,406.90
Standard Fire Insurance Company (The)	4,000,000.00	4,326,240.00
Sun Life and Health Insurance Company (U.S.)	5,000,000.00	5,777,350.00
Swiss Re Life & Health America, Inc.	5,290,000.00	5,656,667.60
Thames Insurance Company, Inc.	200,000.00	200,984.00
T.H.E. Insurance Company	300,000.00	320,852.00
TIG Insurance Company	6,500,000.00	6,827,860.00
Tower National Insurance Company	50,000.00	51,037.00
TravCo Insurance Company	4,875,000.00	5,482,717.75
Travelers Casualty & Surety Company	3,000,000.00	3,202,620.00
Travelers Casualty & Surety Company of America	3,180,000.00	3,453,521.40
Travelers Casualty Company of Connecticut	2,500,000.00	2,612,698.75
Travelers Casualty Insurance Company of America	3,400,000.00	4,661,706.00
Travelers Commercial Casualty Company	3,200,000.00	3,370,760.00
Travelers Commercial Insurance Company	2,125,000.00	2,384,215.00
Travelers Excess & Surplus Lines Company	2,500,000.00	2,668,075.00
Travelers Home & Marine Insurance Company (The)	5,125,000.00	5,748,324.75
Travelers Indemnity Company (The)	6,630,000.00	7,135,944.60
Travelers Indemnity Company of America (The)	3,565,000.00	3,855,761.40
Travelers Indemnity Company of Connecticut (The)	3,000,000.00	3,160,856.25

SECURITIES HELD IN TRUST FOR POLICYHOLDERS (Continued)
JUNE 30, 2009

Name of Insurance Company		Par Amount of Collateral		Market Value
Travelers Personal Insurance Company		5,500,000.00		7,027,890.00
Travelers Personal Security Insurance Company		4,100,000.00		4,405,116.00
Travelers Property Casualty Company of America		3,001,000.00		3,055,362.79
Travelers Property Casualty Insurance Company		2,050,000.00		2,289,161.50
Trenwick America Reinsurance Corporation		6,275,000.00		6,302,600.50
Truck Insurance Exchange		370,000.00		398,885.90
Trumbull Insurance Company		2,580,000.00		2,743,747.40
United Guaranty Residential Insurance Company of NC		50,000.00		51,246.50
UnitedHealthcare Insurance Company		1,510,000.00		1,516,070.20
United Illuminating Company		242,000.00		244,325.62
VantisLife Insurance Company		1,050,000.00		1,089,492.50
Vision Service Plan Insurance Company		2,600,000.00		2,745,808.00
Warner Insurance Company		2,000,000.00		2,028,600.00
Wellcare of CT, Inc.		525,000.00		527,369.50
Western National Life Insurance Company		100,000.00		103,016.00
Zenith Insurance Company		1,111,000.00		1,126,797.98
TOTAL	**$**	**326,153,000.00**	**$**	**347,379,453.57**

UNEMPLOYMENT COMPENSATION FUND

On Account with the Secretary of the Treasury of the United States as Trustee of the Unemployment Compensation Fund

The Act which established Unemployment Compensation provides that contributions from employers be collected by the Labor Commissioner as Administrator of the Act and be deposited with the State Treasurer. (Chapter 2, Public Act, Special Session 1936). These funds are then sent to the Secretary of the Treasury of the United States. The Administrator requests withdrawals as needed to pay benefits to employees.

BALANCE at JUNE 30, 2008		**$ 610,917,543.57**
Deposits	$ 603,917,000.00	
Combined Wage Transfers to Connecticut	10,047,951.20	
Earnings	19,637,117.03	
Federal Employee & Ex-Servicemen Contributions	8,083,000.00	
Temporary Emergency Unemployment Compensation	(236,000.00)	
Extended Unemployment Compensation 08	417,962,000.00	
Federal Additional Compensation	57,160,000.00	
Reed Distribution	94,083,576.00	
Extended Benefits	40,000,000.00	$ 1,250,654,644.23
TOTAL CASH AVAILABLE		**$ 1,861,572,187.80**
Withdrawals for Benefit Payments	$ 1,587,650,000.00	
Reed Act Withdrawals	22,176,110.19	
Federal Employee & Ex-Servicemen Withdrawals	8,083,000.00	
Extended Benefits Repayment	405.20	
Extended Unemployment Compensation Repayment (EUC5)	34,000.00	
Federal Supplemental Benefits Repayment	91.00	1,617,943,606.39
BALANCE at JUNE 30, 2009		**$ 243,628,581.41**

Office of the State Treasurer

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