

STATE OF CONNECTICUT OFFICE OF THE TREASURER

2009



COMBINED INVESTMENT FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2009

STATE OF CONNECTICUT

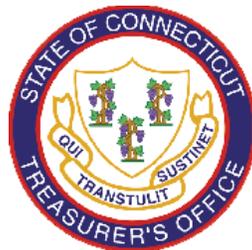
Office of the State Treasurer



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 OFFICE OF THE TREASURER

2009



COMBINED INVESTMENT FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2009

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

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.

COMBINED INVESTMENT FUNDS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR FISCAL YEAR ENDED JUNE 30, 2009

Table of Contents

INTRODUCTORY SECTION

Letter from the Treasurer	3
Management’s Report.....	5
Certificate of Achievement for Excellence in Financial Reporting.....	6
The Connecticut State Treasury	7
Pension Funds Management Administration	8
List of Principal Officials.....	9
Investment Advisory Council	10
List of External Advisors.....	11

FINANCIAL SECTION

Report of Auditors of Public Accounts.....	15
Management’s Discussion and Analysis.....	17

BASIC FINANCIAL STATEMENTS

Statement of Net Assets	20
Statements of Changes in Net Assets	21
Notes to Financial Statements	23

INVESTMENT SECTION

Pension Funds Management Division	39
Division Overview	39
The Year in Review	43
Total Fund Performance	43
2009 Management Initiatives.....	45
Proxy Voting and Corporate Governance.....	46
Asset Recovery and Loss Prevention.....	47
Liquidity Fund	52
Mutual Equity Fund	56
Core Fixed Income Fund	60
Inflation Linked Bond Fund	65
Emerging Market Debt Fund.....	69
High Yield Debt Fund	73
Developed Market International Stock Fund.....	77
Emerging Market International Stock Fund.....	81
Real Estate Fund	85
Commercial Mortgage Fund	90
Private Investment Fund	94

TABLE OF CONTENTS

Schedule of Investment Advisors and Fees in Excess of \$5,000	100
Combined Investment Funds Schedule of Brokerage Commissions	104
Schedule of Net Assets	108
Schedules of Changes in Net Assets	110
Combined Investment Funds Schedule of Investment Activity by Pension Plan	114
Combined Investment Funds Schedule of Investment Activity by Trust	118
Combined Investment Funds Total Net Asset Value by Pension Plans and Trusts.....	124
Combined Investment Funds List of Investment Advisors and Net Assets Under Management	125
Schedule of Consulting Services in Excess of \$5,000.....	129
Combined Investment Funds Top Ten Holdings.....	130
Combined Investment Funds Glossary of Investment Terms.....	133
Understanding Investment Performance	137

STATISTICAL SECTION

Overview	139
Combined Investment Funds Financial Highlights	140
Pension and Trust Funds Balances in Combined Investment Funds	142
Combined Investment Funds Investment Summary	143
Condensed Financial Schedules	146

Introductory Section





State of Connecticut
Office of the Treasurer

DENISE L. NAPPIER
TREASURER

HOWARD G. RIFKIN
DEPUTY TREASURER

December 31, 2009

To the State of Connecticut
Combined Investment Funds
Fellow Beneficiaries

I am pleased to submit this Comprehensive Annual Financial Report (CAFR) for the State of Connecticut Combined Investment Funds (CIF) for the fiscal year ended June 30, 2009. The 2009 fiscal year presented a number of challenges, most notably the unprecedented downturn in the global economy. While the value of the Connecticut Retirement Plans and Trust Funds (CRPTF) assets declined, the funds performed respectably on a relative basis as noted under Financial Information below.

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

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

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

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

Financial Information

To meet CIF's obligations for investing pension plans and other trust funds, CIF's assets are diversified over a number of investments, and a host of different investment strategies are employed to control risk. In the past year, the three largest retirement plans, State Teachers' Retirement Fund, State Employees' Retirement Fund and the Municipal Employees' Retirement Fund, representing 99% of the State's retirement assets, posted net total returns (after all expenses) of -17.14%, -18.25% and -14.90%, respectively, compared to the three funds' customized benchmarks, of -17.62%, -18.19% and -15.26%, respectively. While the value of the Connecticut Retirement Plans and Trust Funds assets declined, the funds overall

LETTER FROM THE TREASURER

performance of -17.37% 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. However, 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.

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. We believe the internal controls in effect during the fiscal year ended June 30, 2009, adequately safeguard CIF's assets and provide reasonable assurance regarding the proper recording of financial transactions.

Independent Audit

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

Management Discussion and Analysis

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

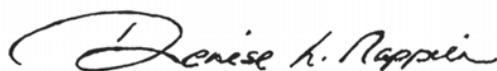
Awards

The Government Finance Officers Association of the United States and Canada awarded the Fund a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2008. The Certificate is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

Requests for Information

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

Sincerely,



Denise L. Nappier
Treasurer
State of Connecticut



State of Connecticut
Office of the Treasurer

DENISE L. NAPIER
TREASURER

HOWARD G. RIFKIN
DEPUTY TREASURER

December 31, 2009

To the State of Connecticut
Combined Investment Funds
Fellow Beneficiaries

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

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

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

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

Sincerely,

Howard G. Rifkin
Deputy Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Connecticut State Treasurer's Combined Investment Funds

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



President

Executive Director

Mission Statement

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

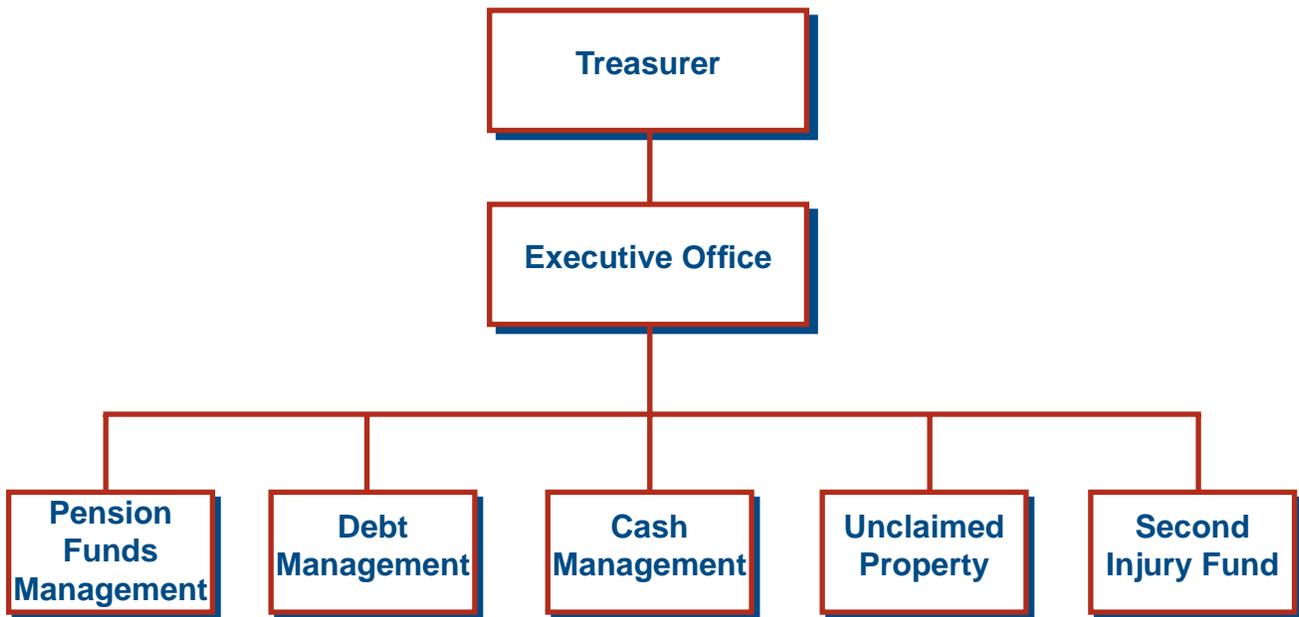
Statutory Responsibility

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

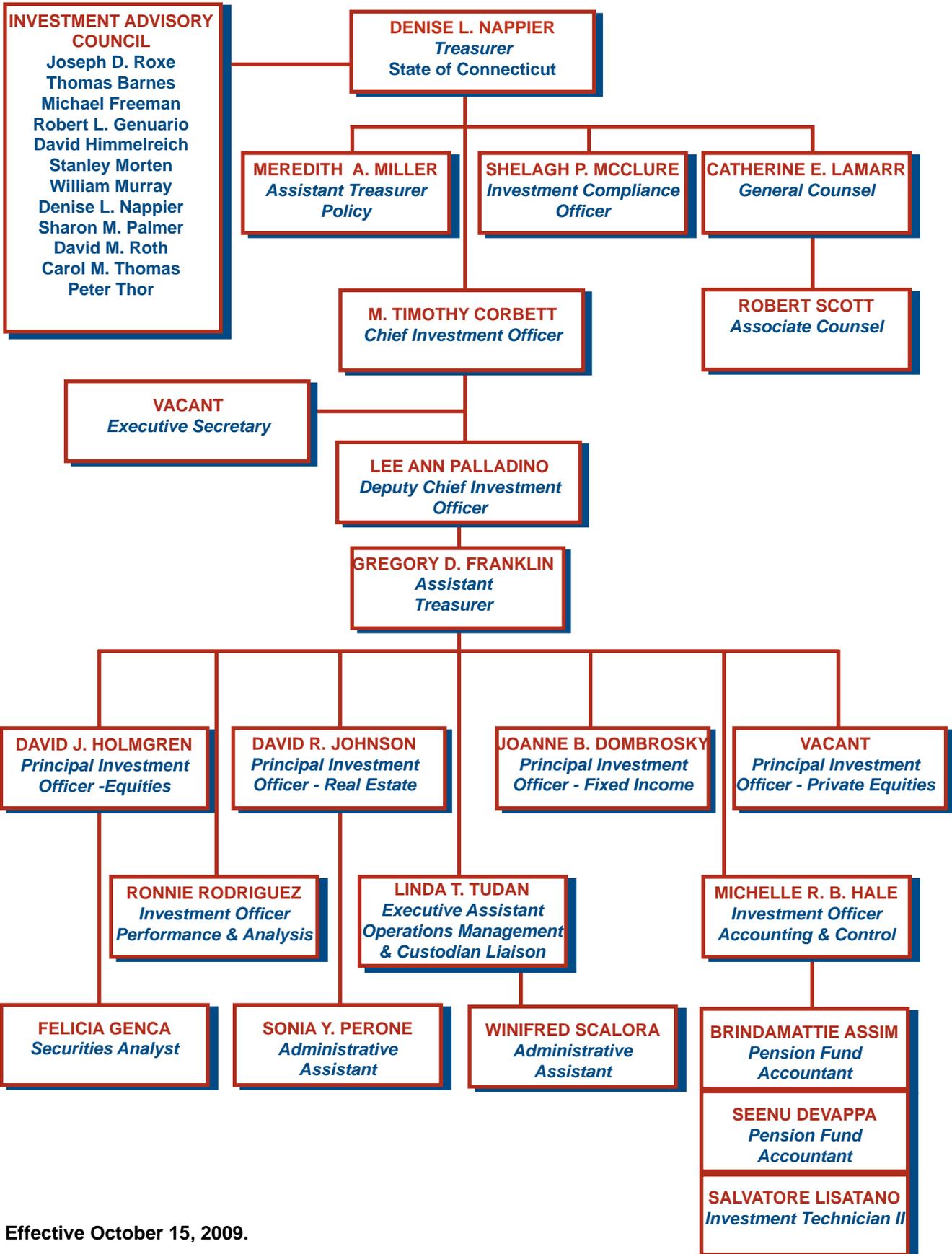
The Treasurer, as Chief Fiscal Officer for the State, oversees the prudent preservation and management of State funds, including the administration of a \$20.4 billion portfolio of pension assets and over \$4.6 billion in State and local short-term investments.

Public Service

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



COMBINED INVESTMENT FUNDS ADMINISTRATION



Effective October 15, 2009.

LIST OF PRINCIPAL OFFICIALS

COMBINED INVESTMENT FUNDS

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

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

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

Chief Investment Officer
M. TMOYH CORBETT (860)702-3005

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

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

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

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

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

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

Investment Officer
RONNIE RODRIGUEZ (860) 702-3167

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

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

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

INVESTMENT ADVISORY COUNCIL

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

As enacted in Public Act 00-43, the IAC annually reviews the Investment Policy (IPS) Statement recommended by the Treasurer which includes an outline of the standards governing investment of the plan and trust funds by the Treasurer. The IPS includes, with respect to each plan and trust fund, (A) investment objectives; (B) asset allocation policy and risk tolerance; (C) asset class definitions, including specific types of permissible investments within each asset class and any specific limitations or other considerations governing the investment of any funds; (D) investment and money manager guidelines; (E) investment performance evaluation guidelines; (F) guidelines for the selection and termination of providers of investment related services who shall include, but not be limited to, external investment and money managers, investment consultants, custodians, broker-dealers, legal counsel, and similar investment industry professionals; and (G) proxy voting guidelines. The Treasurer shall thereafter adopt the IPS, including any such changes recommended by the IAC the Treasurer deems appropriate, with the approval of a majority of the members appointed to the IAC. The current IPS was adopted by the Treasurer and approved by the IAC in October 2007, 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. NAPIER, Treasurer, State of Connecticut (Ex-officio member) and council secretary.

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

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

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

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

LIST OF EXTERNAL ADVISORS

INVESTMENT CONSULTANTS

CRA RogersCasey - Darien, Connecticut
Franklin Park Associates - Conshohocken, Pennsylvania
Independent Fiduciary Services - Washington, District of Columbia
Korn & Ferry International - Los Angeles, California
Mercer Investment Consulting - New York, New York
New England Pension Consultants - Cambridge, Massachusetts
The Townsend Group - Cleveland, Ohio

MASTER CUSTODIAN

State Street Bank and Trust Co. - Boston, Massachusetts

AUDITORS

Auditors of Public Accounts - Hartford, Connecticut

INVESTMENT ADVISORS

LIQUIDITY FUND

Ambassador Capital Management - Detroit, Michigan
Colchester Global Investors Ltd. - London, England
Payden & Rygel - Los Angeles, California
State Street Global Advisors - Boston, Massachusetts

MUTUAL EQUITY FUND

Large Cap

BGI Barclays Global Investors, N.A. - San Francisco, California
State Street Global Advisors - Boston, Massachusetts
T. Rowe Price Associates - Baltimore, Maryland

Active Extension

AXA Rosenberg Investment Management - Orinda, California
Numeric Investors LLC - Boston, Massachusetts
Pyramis Global Advisors - Boston, Massachusetts

All Cap

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

Small/Mid Cap Passive Enhance

AXA Rosenberg Investment Management - Orinda, California

Small/Mid Cap Active

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

CORE FIXED INCOME FUND

Passive

State Street Global Advisors - Boston, Massachusetts

Active

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

LIST OF EXTERNAL ADVISORS

INFLATION LINKED BOND FUND

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

EMERGING MARKET DEBT FUND

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

HIGH YIELD INCOME FUND

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

DEVELOPED MARKET INTERNATIONAL STOCK FUND ⁽¹⁾

Index

State Street Global Advisors - Boston, Massachusetts

Core

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

Active - Growth

MFS Institutional Advisors, Inc. - Boston, Massachusetts

Active - Value

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

Small Cap

Dimensional Fund Advisors - Austin, Texas
Schroder Investment Management - New York, New York
William Blair & Company - Chicago, Illinois

Risk Controlled

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

EMERGING MARKET INTERNATIONAL STOCK FUND ⁽¹⁾

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

REAL ESTATE FUND

AEW Capital Management, LP - Boston, Massachusetts
Apollo Real Estate Investment Fund - New York, New York
Blackstone Real Estate Advisors - New York, New York
Canyon Johnson Urban Funds - Beverly Hills, California
Capri Capital Advisors - Chicago, Illinois
Cornerstone Real Estate Advisors - Hartford, Connecticut
Covenant Apartment Fund - Nashville, Tennessee
IL & FS India Realty Fund II, LLC - Ebene, Mauritius
Macfarlane Urban Real Estate Fund - San Francisco, California
Mullica Hill Plaza - Mullica Hill, New Jersey

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

LIST OF EXTERNAL ADVISORS

New Boston Fund - Boston, Massachusetts
North Scottsdale Corporate Center - Scottsdale, Arizona
Prime Property Fund - New York, New York
RLJ Urban Lodging Fund - Bethesda, Maryland
Rockwood Capital - Greenwich, Connecticut
Starwood Global Opportunity Fund - Greenwich, Connecticut
Urban Strategy America Fund - Boston, Massachusetts
Walton Street Real Estate Fund II- Chicago, Illinois
Westport Senior Living Fund – Palm Beach Gardens, Florida

COMMERCIAL MORTGAGE FUND

AEW Capital Management, LP - Boston, Massachusetts

PRIVATE INVESTMENT FUND

Corporate Buyouts

AIG Healthcare Partners LP - New York, New York
AIG Altaris Health Partners II LP - New York, New York
Blackstone Capital Partners III - New York, New York
Boston Ventures VII - Boston, Massachusetts
Candover 2008 Fund - St Peter Port, Channel Islands
Charterhouse Equity Partners IV - New York, New York
Courthouse Square Capital Partners II - New York, New York
DLJ Merchant Banking Fund II- New York, New York
Ethos Private Equity Fund V - Jersey, Channel Islands
Forstmann Little Equity Fund VI- New York, New York
FS Equity Partners V - Los Angeles, California
Green Equity Investors III – Los Angeles, California
Hicks Muse Tate & Furst Equity Fund III - Dallas, Texas
ICV Capital Partners II LLC - New York, New York
Kelso Investment Associates VI - New York, New York
KKR 1996 Fund - New York, New York
KKR 2006 Fund - New York, New York
KKR Millenium Fund - New York, New York
Leeds Equity Partners V LP - New York, New York
Nogales Investors Fund II - Los Angeles, California
RFE Investment Partners - New Canaan, Connecticut
RFE Investment Partners VII - New Canaan, Connecticut
SCP Private Equity Partners - Wayne, Pennsylvania
Thayer Equity Investors IV – Washington D.C.
Thomas H. Lee Equity Fund IV - Boston, Massachusetts
Thomas H. Lee Equity Fund VI - Boston, Massachusetts
Wellspring Capital Partners II - New York, New York
Wellspring Capital Partners III - New York, New York
Welsh, Carson, Anderson & Stowe VIII – New York, New York
Welsh, Carson, Anderson & Stowe X – New York, New York
Welsh, Carson, Anderson & Stowe XI – New York, New York
Vista Equity Partners Fund III - San Francisco, California
Yucaipa American Alliance Fund II LP - Los Angeles, California

Venture Capital

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

LIST OF EXTERNAL ADVISORS

Mezzanine

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

International

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

Fund of Funds

Aldus Connecticut EMF LP - Wilmington, Delaware
CS/CT Cleantech Opportunities Fund - New York, New York
M² CT Emerging Private Equity - Chicago, Illinois
Fairview Constitution II LP - Farmington, Connecticut
Fairview Constitution III LP - Farmington, Connecticut
Goldman Sachs Private Equity Fund - New York, New York
Landmark Private Equity Fund VIII – Simsbury, Connecticut
Lexington Capital Partners II - New York, New York
Parish Capital I LLP - Chapel Hill, North Carolina
Parish Capital Buyout Fund II - Chapel Hill, North Carolina
The Constitution Liquidating Fund - Farmington, Connecticut

Special Situations

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

Financial

Section



STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL
210 CAPITOL AVENUE

HARTFORD, CONNECTICUT 06106-1559

KEVIN P. JOHNSTON

ROBERT G. JAEKLE

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of net assets of the Combined Investment Funds as of June 30, 2009, and the related statements of changes in net assets for the fiscal years ended June 30, 2009, and 2008. These financial statements are the responsibility of the management of the State Treasury. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

Our procedures included confirmation of securities owned as of June 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Combined Investment Funds as of June 30, 2009, and the results of their operations and changes in net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1B, the State Treasurer's policy is to present investments at fair value. The fair value of most of the assets of the Real Estate Fund, the Commercial Mortgage Fund and the Private Investment Fund are estimated by investment advisors in the absence of readily ascertainable market values, and reviewed and adjusted, when appropriate, by the State Treasurer. The fair value of most of the assets of the Real Estate Fund and the Private Investment Fund are presented at the cash adjusted fair values, which utilize the investment advisors' March 31, 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 of the Combined Investment Funds taken as a whole. The Combined Investment Funds Schedule of Net Assets by Investment Fund, Schedules of Changes in Net Assets by Investment Fund, Total Net Asset Value by Pension Plans and Trust Funds and the Schedules of Investment Activity by Pension Plan and by Trust, contained within the Investment Section of this document, are presented for purposes of additional analysis and are not a required part of the financial statements of the Combined Investment Funds. Such information has been subjected to the auditing procedures applied in the audit of the financial statements of the Combined Investment Funds and, in our opinion, is fairly presented in all material respects in relation to the financial statements of the Combined Investment Funds taken as a whole. The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the Management's Discussion and Analysis and express no opinion on it.

This opinion is being issued for inclusion in an annual report for the State Treasurer's Combined Investment Funds for the fiscal year ended June 30, 2009. Other information contained within the Statistical Section and the Investment and Introductory Sections of this document has not been audited.



Kevin P. Johnston
Auditor of Public Accounts



Robert G. Jaekle
Auditor of Public Accounts

December 31, 2009
State Capitol
Hartford, Connecticut

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents Management's Discussion and Analysis (MD&A) of the Comprehensive Annual Financial Report (CAFR) of the State of Connecticut's Office of the Treasurer Combined Investment Funds (CIF) financial position and performance for the fiscal year ended June 30, 2009. It is presented as a narrative overview and analysis. Management of the State of Connecticut's Office of the Treasurer encourage readers to review it in conjunction with the transmittal letter included in the Introductory Section at the front of this report and the financial statements in the Financial Section that follow.

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

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

FINANCIAL HIGHLIGHTS **Condensed Financial Information**

Combined Investment Funds

Net Assets and Changes in Net Assets

Net Assets - The net assets of the Combined Investment Funds at the close of the fiscal year were \$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. As is the case with any pension fund, \$0.7 billion of the total investment income was used, coupled with contributions of participants and plan sponsors, to make payments to beneficiaries of the Connecticut Retirement Plans and Trust Funds.

The net assets under management in the Combined Investment Funds at the close of the 2008 fiscal year were \$25.9 billion, a slight decrease of \$0.056 billion from the prior year. The minor change in net assets resulted from net investment losses from operations of \$1.258 billion partly offset by net cash inflows of \$1.201 billion consisting of a \$2.0 billion contribution into the teacher's pension plan raised in the capital markets to reduce a portion of the unfunded liability less payments to beneficiaries of the Connecticut Retirement Plans and Trust Funds.

Operating Income – Unfavorable performance results achieved a negative return of -17.37%, net of all management fees and expenses, compared to a negative 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.

For the previous fiscal year, unfavorable performance results achieved a negative return of -4.71%, net of all management fees and expenses, compared to a return of 17.34%, net of all expenses in fiscal year 2007. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Assets held in trust for Participants

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

Condensed Statement of Net Assets Fiscal Year Ended June 30,

Assets	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

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

Additions	2009	Increase (Decrease)	2008	Increase (Decrease)	2007
Dividends	\$399,860,020	\$(254,235,550)	\$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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The Statement of Net Assets and the Statement of Changes in Net Assets are two financial statements that report information about the Combined Investment Funds. These statements include all assets and liabilities using the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

As Fiscal Year 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 U.S. percent of the 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 Connecticut percent of the 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

	<u>TOTAL</u>
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	<u>20,431,180,148</u>
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	<u>8,118,321,455</u>
Invested Securities Lending Collateral	3,375,460,252
Prepaid Expenses	9,666,843
Total Assets	<u><u>31,951,528,595</u></u>
 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	<u>8,179,150,170</u>
Securities Lending Collateral	3,375,460,252
Accrued Expenses	14,751,889
Total Liabilities	<u><u>11,569,362,311</u></u>
 NET ASSETS HELD IN TRUST FOR PARTICIPANTS	 <u><u>\$ 20,382,166,284</u></u>

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

ADDITIONS	<u>TOTAL</u>
OPERATIONS	
Investment Income	
Dividends	\$ 399,860,020
Interest	358,920,317
Other Income	8,701,607
Securities Lending	66,185,755
Total Income	<u>833,667,699</u>
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	<u>89,872,957</u>
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	<u>(2,333,600,964)</u>
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	<u>2,067,115,754</u>
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	<u>(6,845,737,682)</u>
TOTAL DEDUCTIONS	(7,556,772,148)
Change in Net Assets Held in Trust for Participants	<u>(5,489,656,394)</u>
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	
Net Assets- Beginning of Period	25,871,822,678
Net Assets- End of Period	<u>\$ 20,382,166,284</u>

The accompanying notes are an integral part of these financial statements

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

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

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Combined Investment Funds (the "Funds") are separate legally defined funds, which have been created by the Treasurer of the State of Connecticut (the "Treasurer") under the authority of the Connecticut General Statutes (CGS) Section 3-31b. The Funds are open-end, unitized portfolios consisting of the Liquidity Fund, 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.

Liquidity Fund

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Mutual Equity Fund

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

Core Fixed Income Fund

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

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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:

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

	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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

	Fair Value	Percentage of Fair Value
Aaa	\$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
	<u>\$7,683,444,067</u>	<u>100.00%</u>

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	<u>2,361,354,403</u>
Total	<u>\$3,312,531,350</u>

The following table provides information about the interest rate risks associated with the Funds investments. Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity tend to be more sensitive to changes in interest rates and therefore, more volatile than those with shorter maturities. Investment Managers that manage the CRPTF portfolio are given full discretion to manage their portion of CRPTF assets within their respective guidelines and constraints. The guidelines and constraints require each manager to maintain a diversified portfolio at all times. In addition, each core manager is required to maintain a target duration that is similar to its respective benchmark which is typically the Lehman Brothers Aggregate – an intermediate duration index.

The investments include certain short-term cash equivalents, various long term items, and restricted assets by maturity in years.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Cash Equivalents	\$1,466,778,139	\$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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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
	<u>\$7,683,444,067</u>	<u>\$1,886,452,120</u>	<u>\$1,570,445,681</u>	<u>\$1,491,041,817</u>	<u>\$2,735,504,449</u>

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

Foreign Currency	Fixed Income Securities						Equities			
	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	-	-
	<u>\$5,181,759,297</u>	<u>\$23,819,047</u>	<u>\$305,516,921</u>	<u>\$12,266,178</u>	<u>\$50,147,470</u>	<u>\$622,510</u>	<u>\$993,734</u>	<u>\$4,730,491,610</u>	<u>\$45,814,352</u>	<u>\$12,087,475</u>

Securities Lending:

Certain of the Funds engage in securities lending transactions to provide incremental returns to the Funds. The Funds are permitted to enter into securities lending transactions pursuant to Section 3-13d of the Connecticut General Statutes 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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	<u>\$3,316,558,807</u>	<u>\$3,281,097,937</u>

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	<u>\$940,294,050</u>	<u>\$2,361,354,403</u>	<u>\$3,301,648,453</u>

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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:		
<u>Foreign Currency</u>	<u>Value</u>	<u>Unrealized Gain/(Loss)</u>
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)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Swedish Krona	7,010,253	(279,011)
	<u>69,704,292</u>	<u>(838,883)</u>
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)
	<u>152,394,914</u>	<u>763,405</u>
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	<u>\$ 221,260,323</u>	<u>\$ 221,335,801</u>	<u>\$ (75,478)</u>

CORE Fixed Income Fund:

Foreign Currency	Value	Unrealized Gain/(Loss)
------------------	-------	------------------------

Contracts to Buy:

EURO Currency	\$ 21,795,302	\$ 40,010
	<u>21,795,302</u>	<u>40,010</u>

Contracts to Sell:

EURO Currency	25,710,708	(203,547)
Pound Sterling	6,596,433	(114,858)
	<u>32,307,141</u>	<u>(318,405)</u>

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	<u>\$ 54,142,453</u>	<u>\$ 54,420,848</u>	<u>\$ (278,395)</u>

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)
	<u>50,006,082</u>	<u>(167,597)</u>

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)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Turkish Lira	2,688,433	(13,494)
Yuan Renminbi	6,138,045	(9,973)
	<u>68,186,762</u>	<u>(602,781)</u>
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
	<u>\$ 2,955,712,657</u>	<u>\$ 4,388,172</u>

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)
	<u>4,407,794,993</u>	<u>(81,729,633)</u>
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)
	<u>5,349,395</u>	<u>(73,631)</u>

Contracts to Sell:

Brazilian Real	780,085	(388)
----------------	---------	-------

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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)
	<u>4,828,883</u>	<u>(34,918)</u>
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	<u>\$ 10,104,647</u>	<u>\$ 10,213,196</u>	<u>\$ (108,549)</u>

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

NOTE 6: COMMITMENTS

In accordance with the terms of the individual investment agreements, the Private Investment Fund and the Real Estate Fund have outstanding commitments to make additional investments. These commitments will be fulfilled as suitable investment opportunities become available. Unfunded commitments at June 30, 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7: CONTINGENCY

There was no pending or threatened litigation against the Connecticut Retirement Plans and Trust Funds ("CRPTF") during the fiscal year ended June 30, 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



Investment

Section



2009 pension fund management division

Division Overview

Introduction

As principal fiduciary of six state pension funds and eight trust funds, (known collectively as the “Connecticut Retirement Plans and Trust Funds” or “CRPTF”), the Treasurer is responsible for managing \$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 aug-

mented 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 underperformed 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 favorably 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 sub-managers; 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 measures 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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..

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 1-1

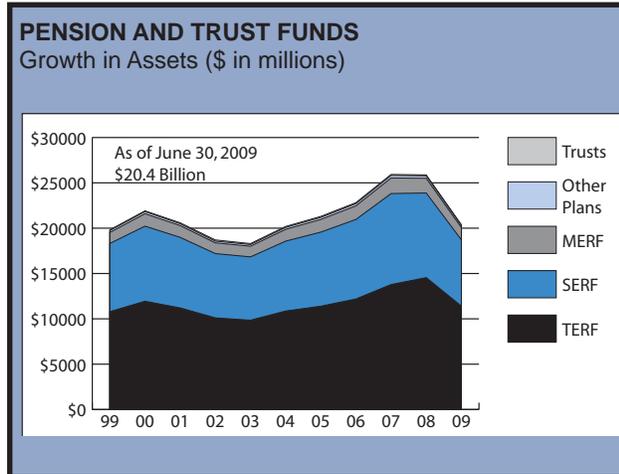
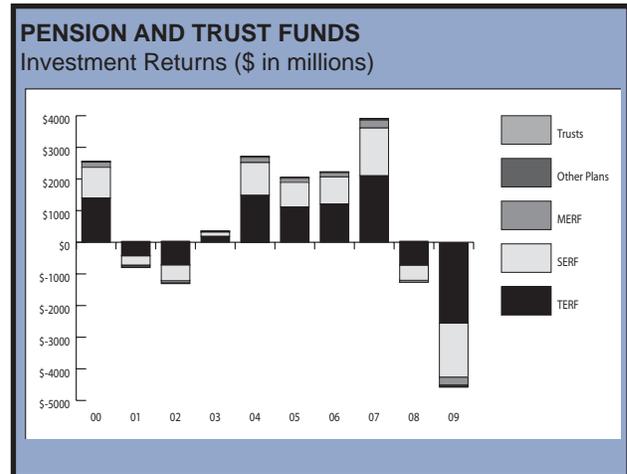


Figure 1-2



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

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%		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 1-4

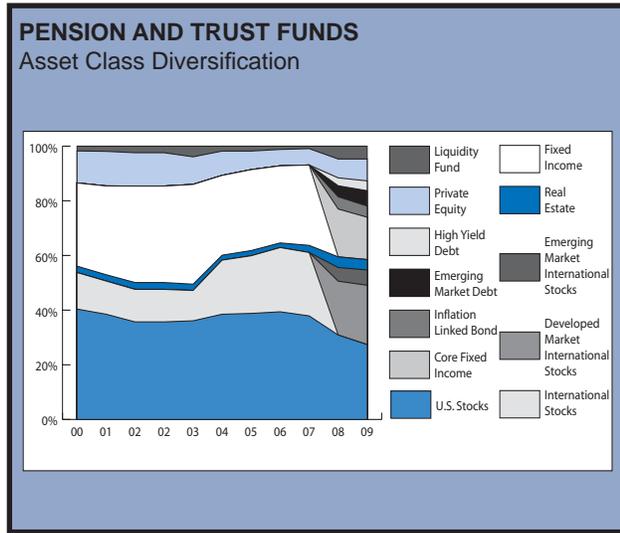
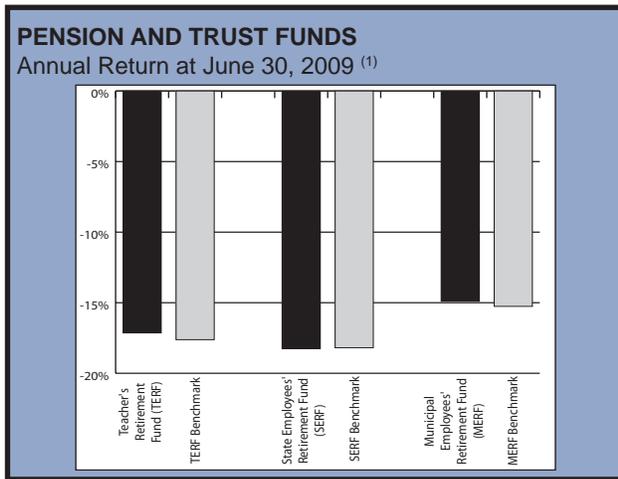


Figure 1-5

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

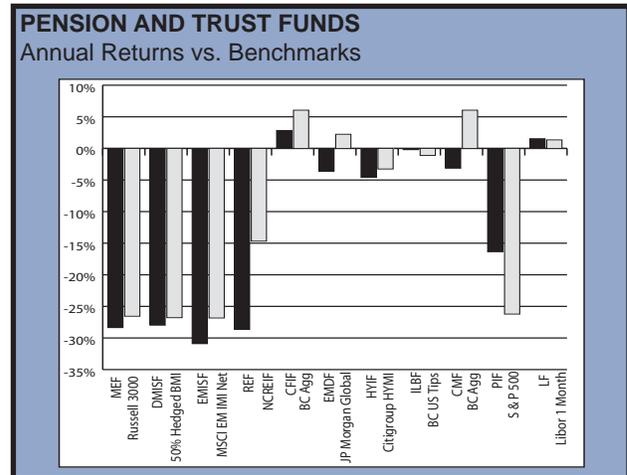
- (1) Does not include the Currency Overlay Manager.
- (2) Actual total advisors was 139 and 115, respectively when factoring in advisors across multiple funds.

Figure 1-6



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

Figure 1-7



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Combined Investment Funds Total Return Analysis (%)

	Fiscal Years Ending June 30,					Annualized		
	2009	2008	2007	2006	2005	3 Years	5 Years	10 Years
<i>(Investment performance is calculated using a time-weighted rate of return based on the market rate of return.)</i>								
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>U.S. Stocks</u>								
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)
<u>International Stocks</u>								
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
<u>Equity Commercial Real Estate</u>								
⁽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>U.S. Fixed Income</u>								
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
<u>Alternative Assets</u>								
⁽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
<u>Liquidity Fund</u>								
⁽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.)

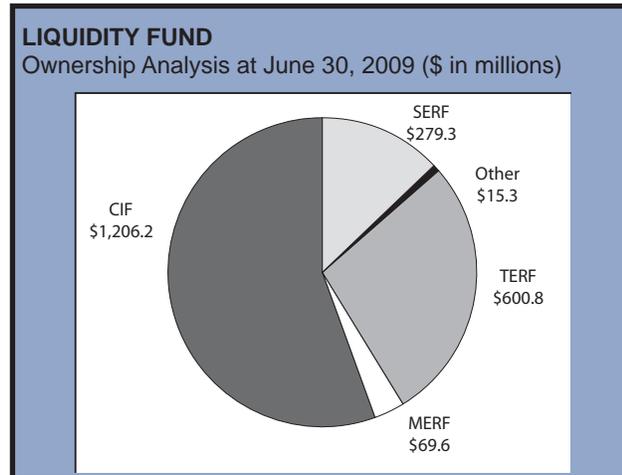
Risk Profile

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.

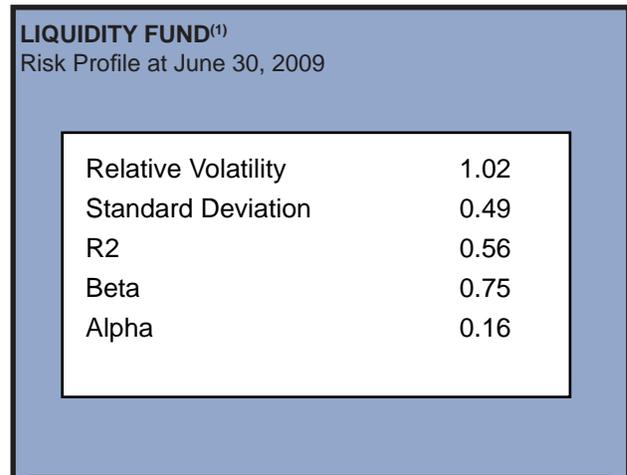
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 2-1



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

Figure 2-2



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

Figure 2-3

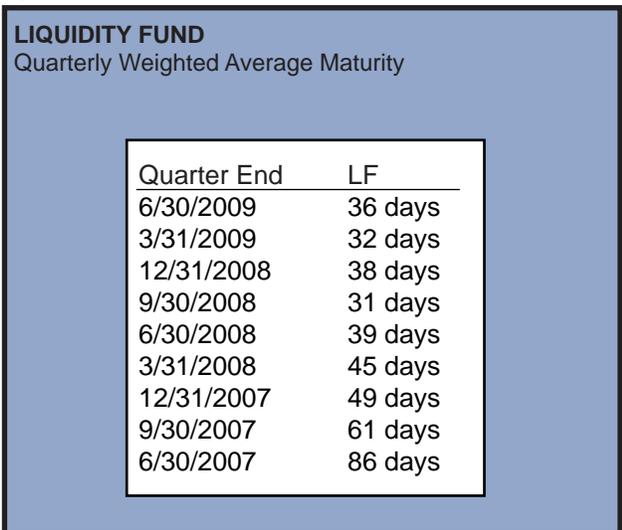
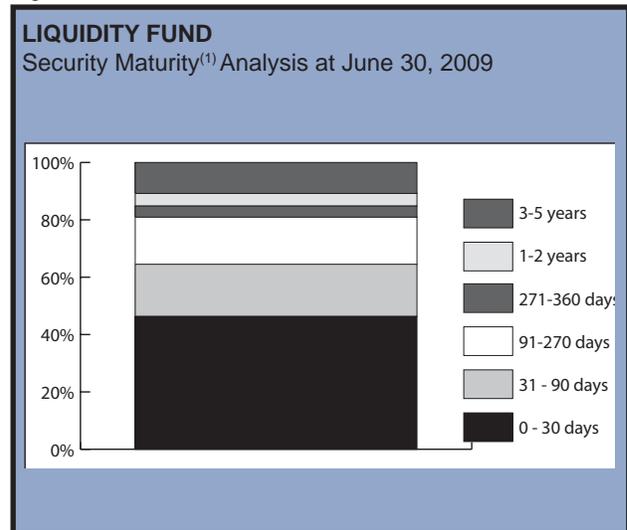
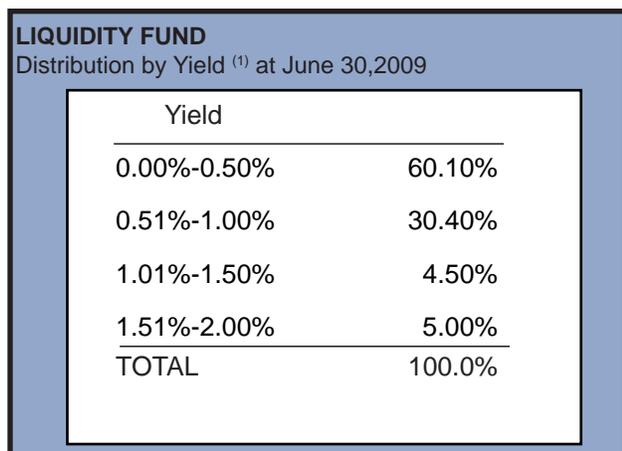


Figure 2-4



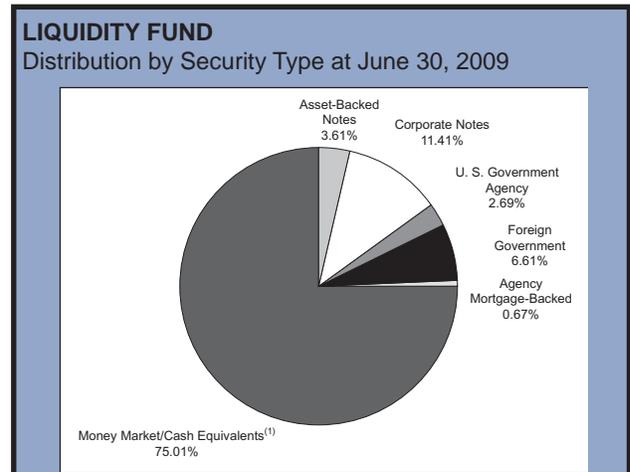
(1) Or Interest Rate Reset Period.

Figure 2-5



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

Figure 2-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

	1 YR	3 YRS	5 YRS	10 YRS
LIQUIDITY FUND Periods ending June 30, 2009				
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

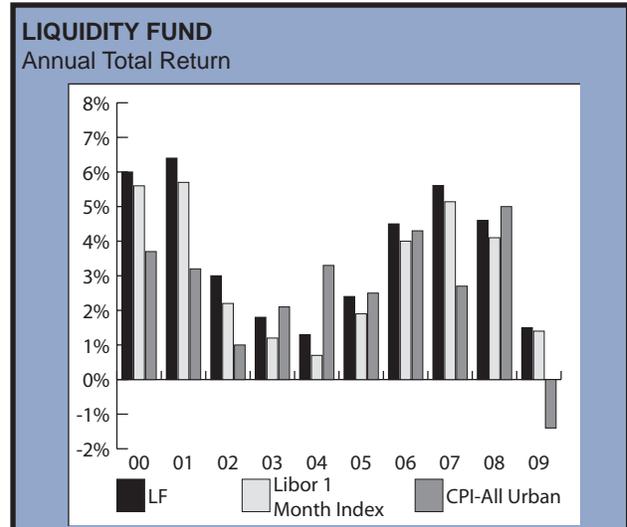


Figure 2-11

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.

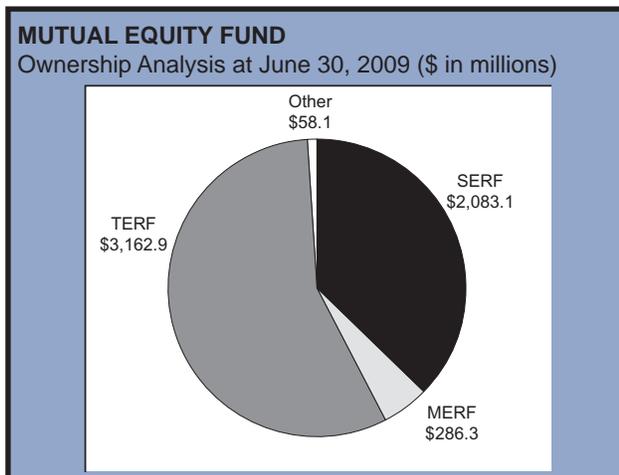
While volatility in investment returns is expected in the short-term, the Fund's long-term performance remains the most important comparative measure. As Figure 3-4 illustrates, MEF has generated annualized total returns, net of fees, of -9.67%, -2.56%, and -1.01% over the last three, five, and ten-year 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

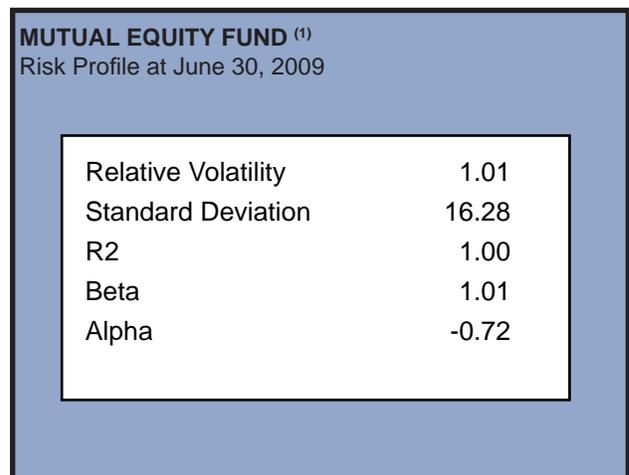
Based on returns over the last five years, the Fund has exhibited a similar degree of risk as that of its benchmark, the Russell 3000 Index. With a relative volatility of 1.01, the MEF's returns have almost equal volatility to those of the Index and reflect a strong degree of correlation, as shown by 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



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

Figure 3-2



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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 3-3

MUTUAL EQUITY FUND				
Fiscal 2009 Industrial Sector vs. Index (%)				
Based on Investments in Securities, at Value ⁽¹⁾				
At 6/30/2009:	MEF		Russell 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

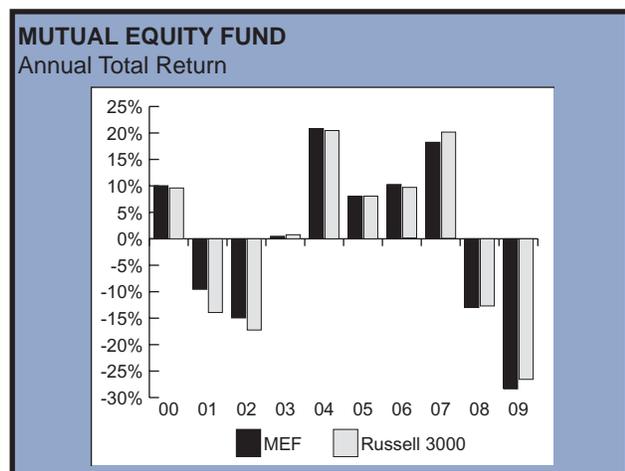


Figure 3-6

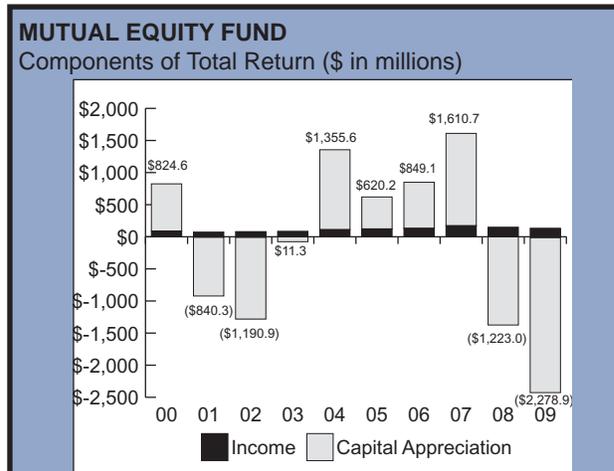


Figure 3-7

MUTUAL EQUITY FUND										
Comprehensive Profile for the Fiscal Years ending June 30,										
	2009		2008		2007		2006		2005	
	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%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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.

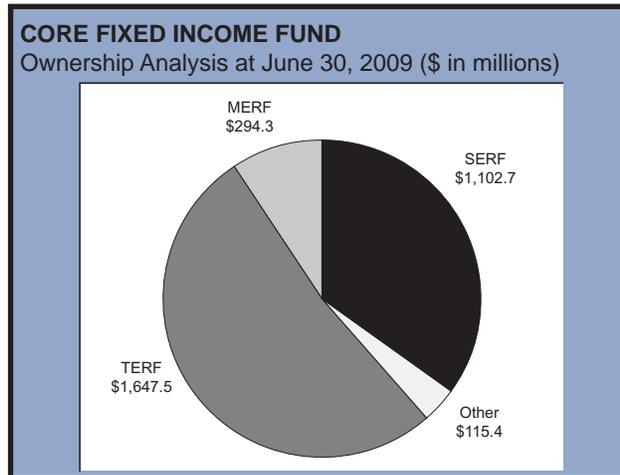
External rating agencies assign credit ratings to individual securities reflecting their view of the underlying firm's credit worthiness or in the case of securitized debt, the underlying assets. U.S. Treasury bonds, which carry the highest rating of AAA, are backed by the full faith and credit of the 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.)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

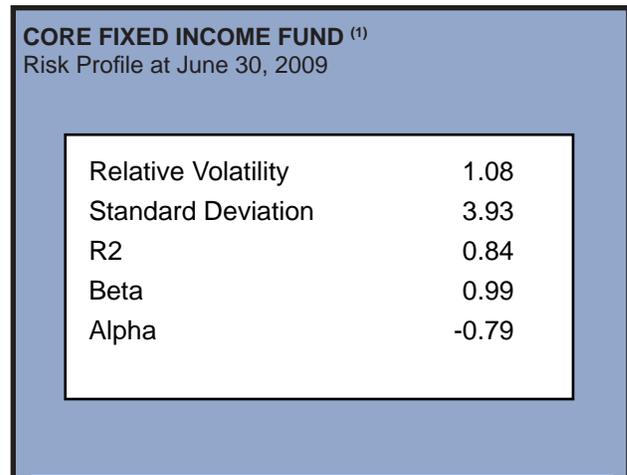
Liquidity risk refers to the potential situation of a security having no buyers. An asset could become illiquid when extreme uncertainty exists about its value, due either to company-specific concerns or more widespread market fears. During fiscal 2009 sectors of the market, such as non-agency residential 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



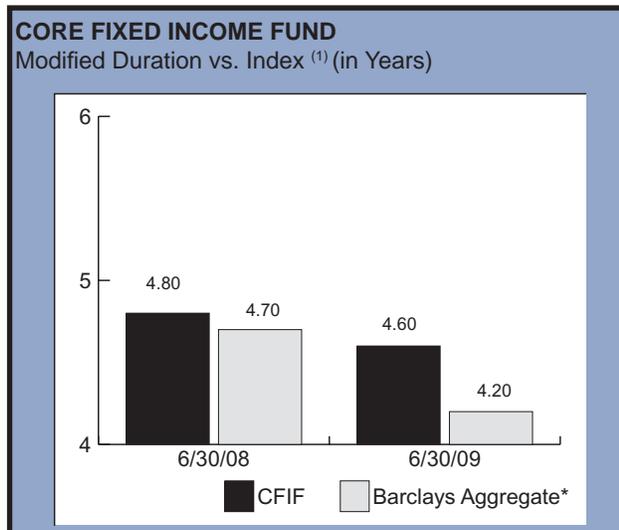
TERF - Teachers' Retirement Fund
 SERF - State Employees' Retirement Fund
 MERF - Connecticut Municipal Employees' Retirement Fund

Figure 4-2



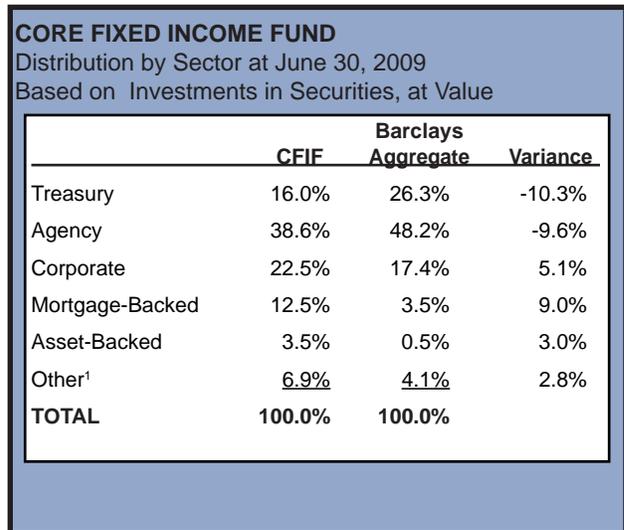
(1) Based upon returns over the last five years.

Figure 4-3



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

Figure 4-4



(1) Other category includes cash and other assets.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 Rated ¹	4.9%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 4-6

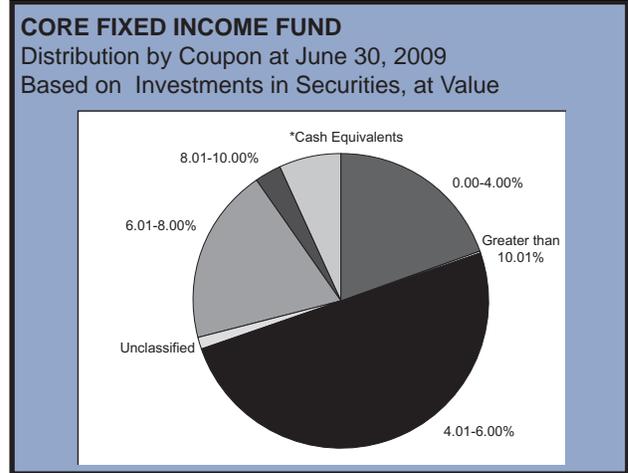


Figure 4-7

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

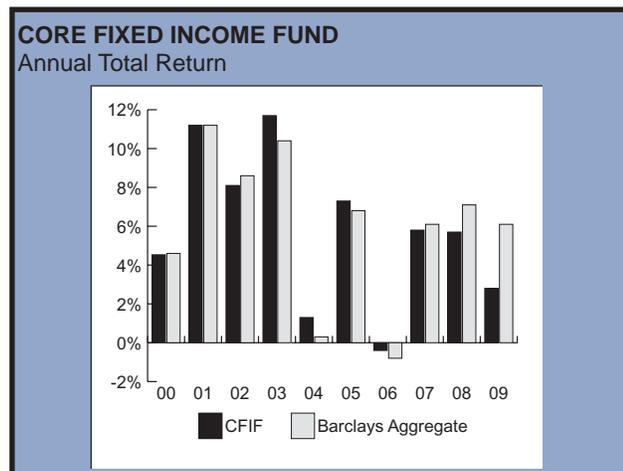


Figure 4-10

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 Mgmt., 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 indices were formerly known as the Lehman Brothers indices.

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.)

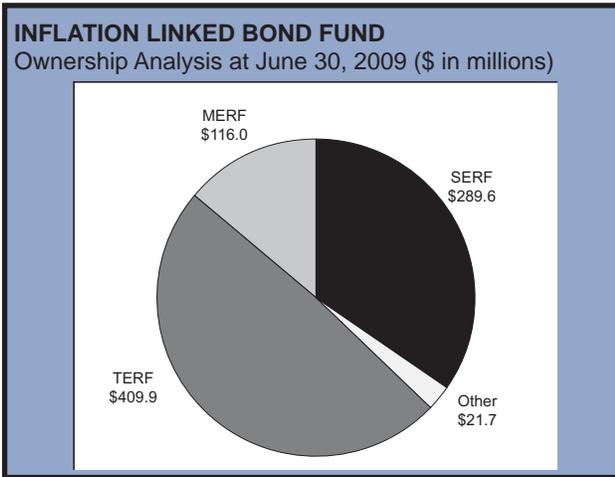
Risk Profile

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.

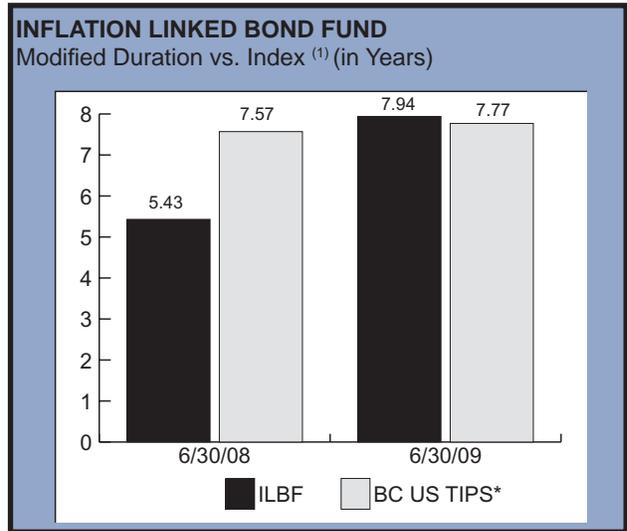
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-1



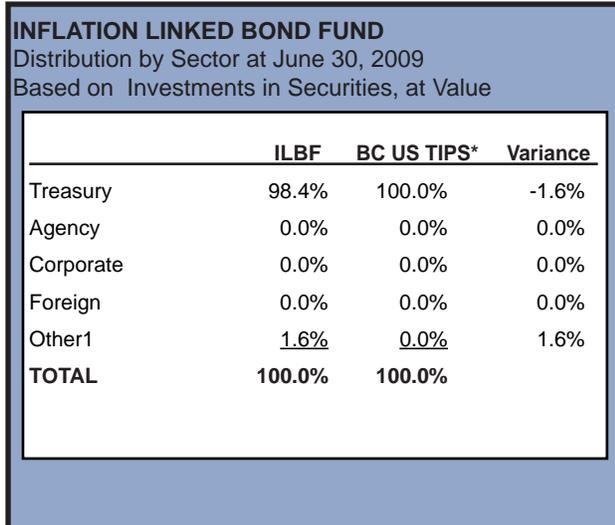
TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
MERF - Connecticut Municipal Employees' Retirement Fund

Figure 5-2



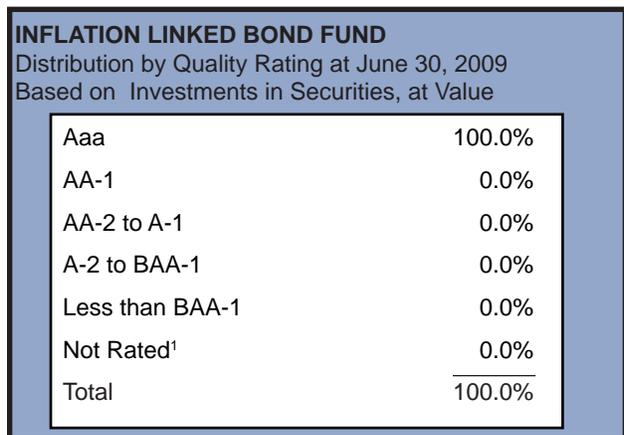
(1) Computed without the effect of Cash and other Net Assets.

Figure 5-3



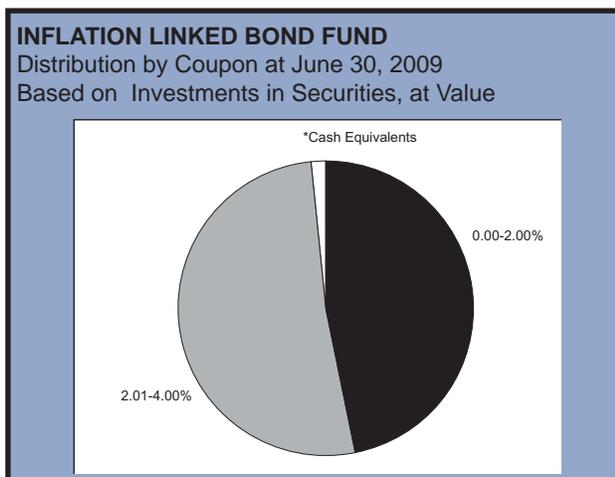
(1) Other category includes cash and other assets.

Figure 5-4



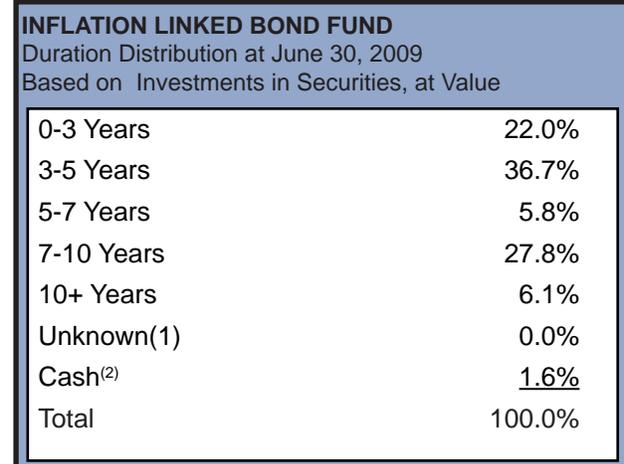
(1) Represents securities for which ratings are unavailable.

Figure 5-5



*Note: Beginning weights

Figure 5-6



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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 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

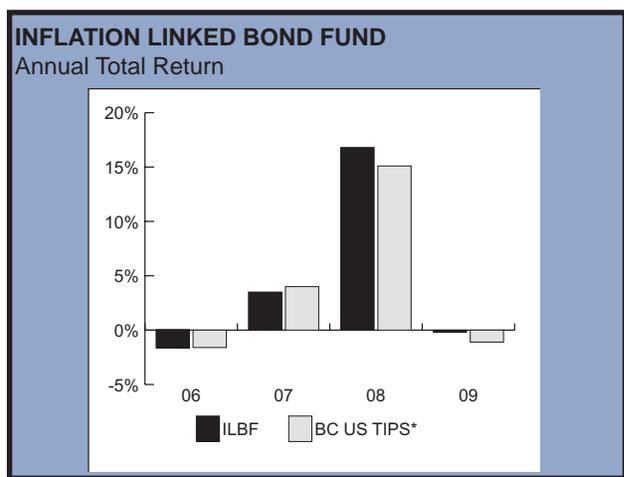


Figure 5-9

INFLATION LINKED BOND FUND				
Comprehensive Profile for the Fiscal Year ending June 30,				
	2009		2008	
	ILBF	BC US TIPS	ILBF	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%

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) Beginning Weights

(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.)

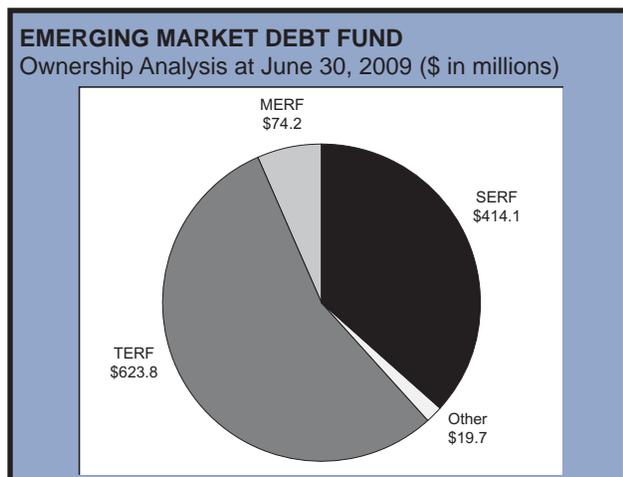
Risk Profile

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.

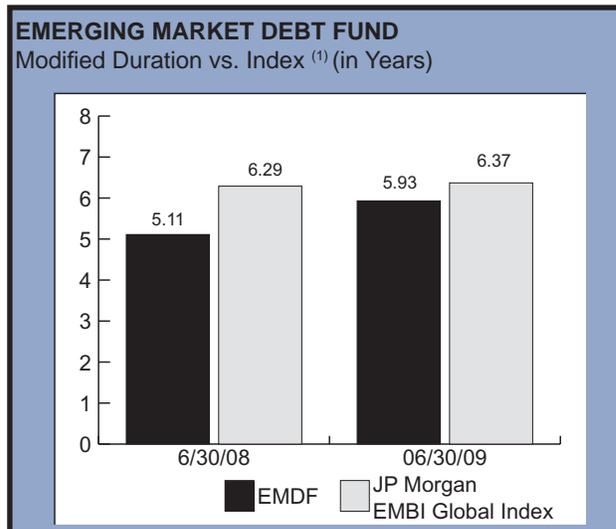
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 6-1



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

Figure 6-2



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

Figure 6-3

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%	

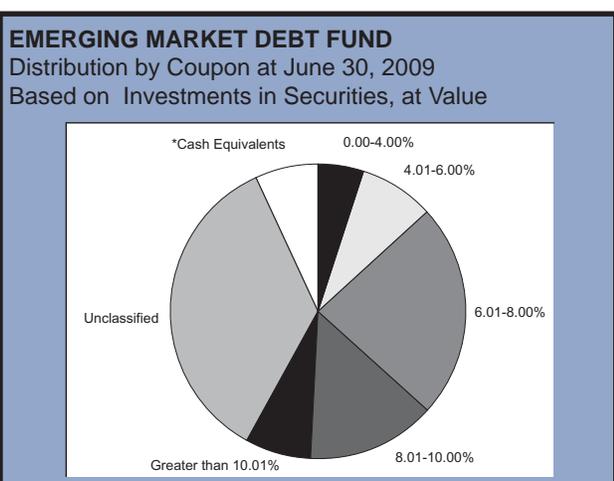
Figure 6-4

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



* 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

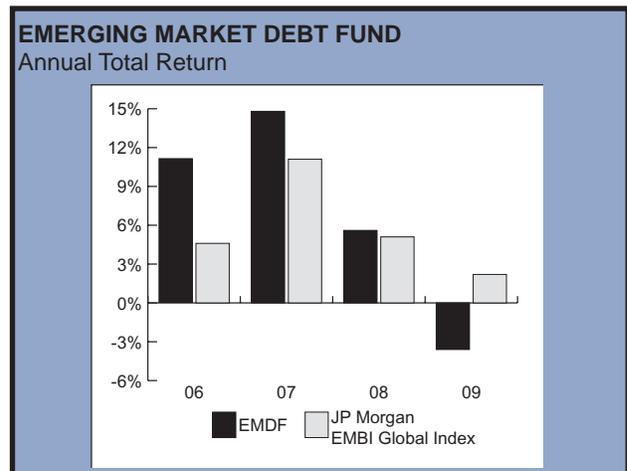


Figure 6-9

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⁾	<u>4,328,224</u>	<u>0.38%</u>	
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		2008	
	EMDF	EMBI	EMDF	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.

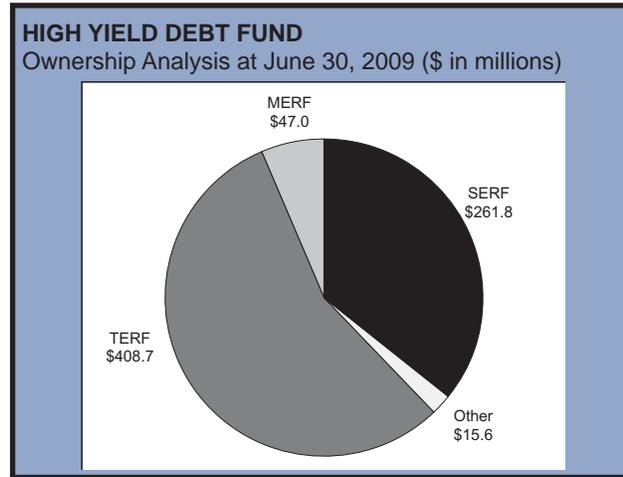
Below investment grade securities pay a higher rate of interest than investment grade securities to compensate for additional credit risk. Public rating agencies assign quality ratings to securities issued by governments and corporations to distinguish gradations of credit risk. By design, the HYDF investments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

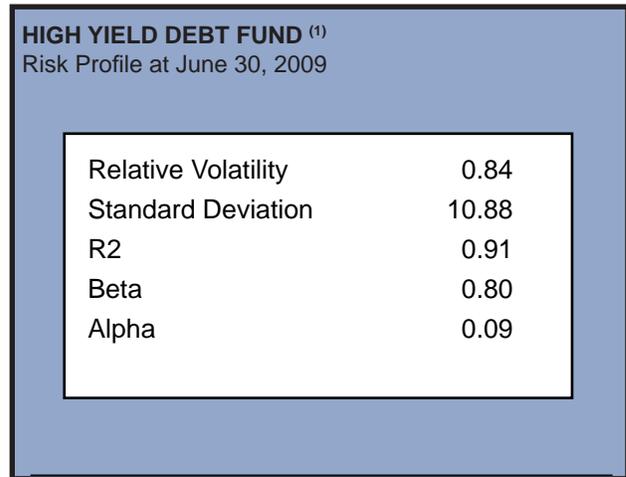
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-1



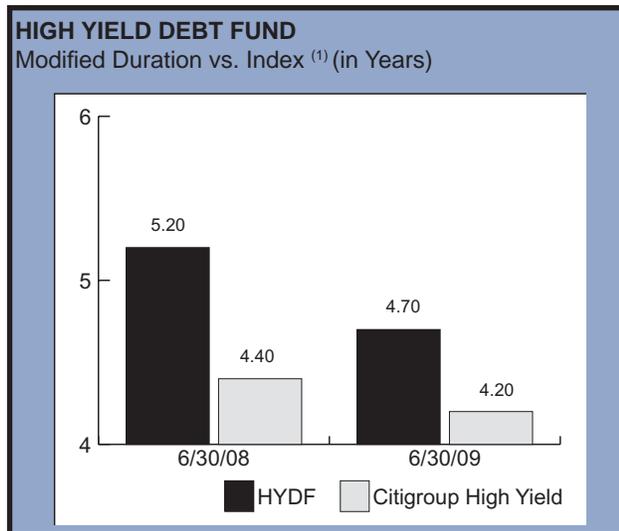
TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
MERF - Connecticut Municipal Employees' Retirement Fund

Figure 7-2



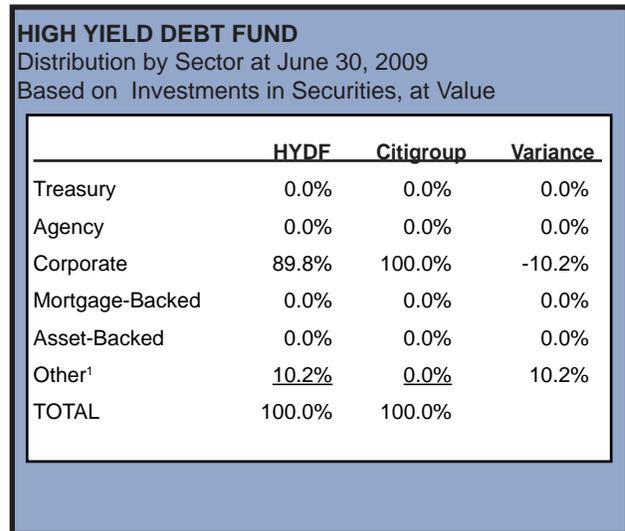
(1) Based upon returns over the last five years.

Figure 7-3



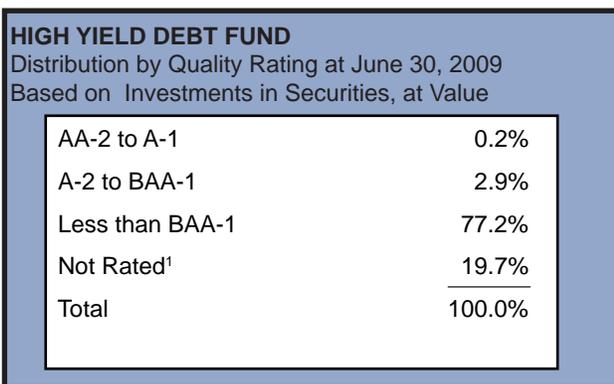
(1) Computed without the effect of Cash and other Net Assets.

Figure 7-4



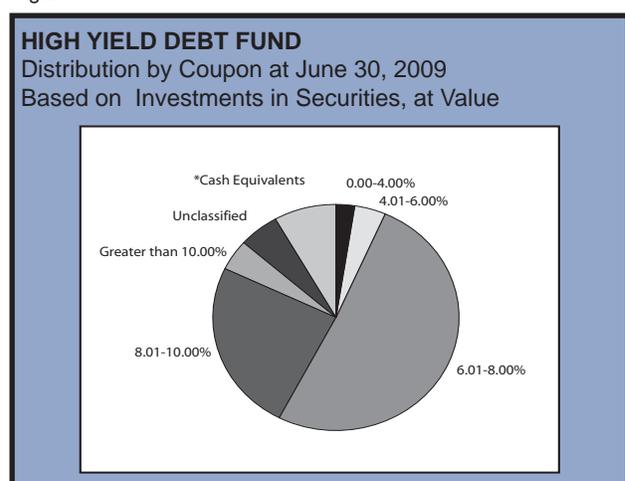
(1) Other category includes non fixed-income securities such as common and preferred stock and convertible securities, cash and other assets.

Figure 7-5



(1) Represents securities for which ratings are unavailable.

Figure 7-6



* Note: Beginnings weights.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-7

HIGH YIELD DEBT FUND	
Duration Distribution at June 30, 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⁾	<u>8.2%</u>
Total	100.0%

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

Figure 7-8

	1 YR	3 YRS	5 YRS	10 YRS
HIGH YIELD DEBT FUND				
Periods ending June 30, 2009				
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

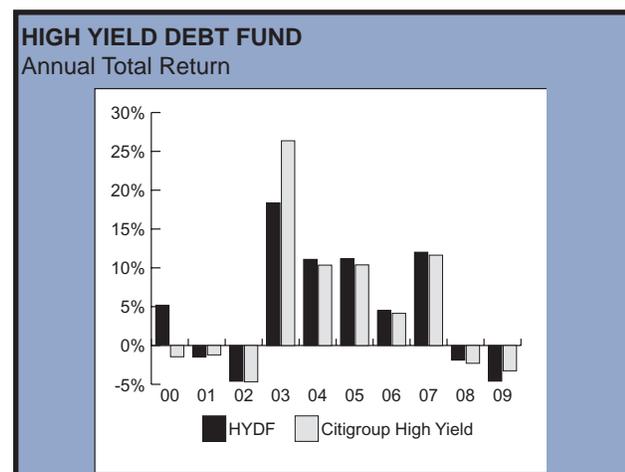


Figure 7-11

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 7-10

	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 7-12

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%
Mosaic 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 market 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

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

Number of Advisors: 14 external

Management Fees: \$18,200,409

Operating Expenses: \$1,167,871

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 advisers, 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..

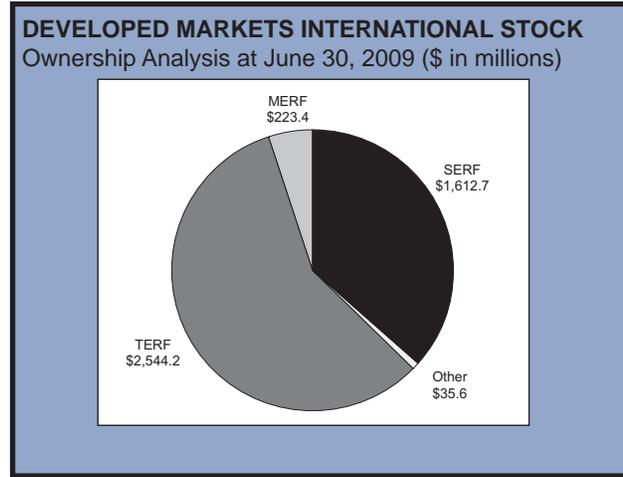
The Fund returned -8.06% for the three year period underperforming the benchmark returns of -7.91% by a modest 15 basis points for the three year period. For the past five years, the Fund rose 2.06% annualized versus a gain of 2.79% for its benchmark, an annualize underperformance of 73 basis points.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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 8-1



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

Figure 8-2



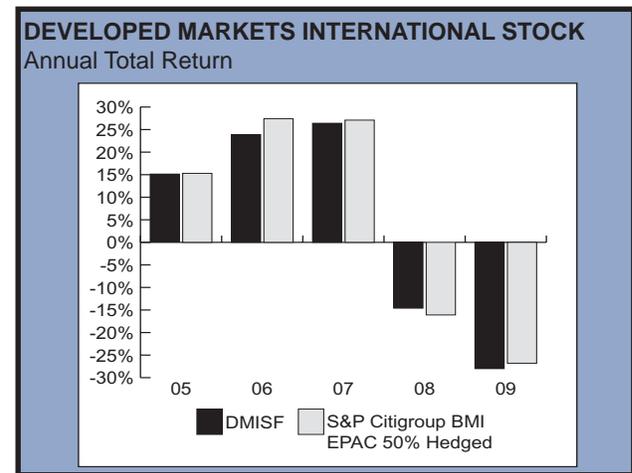
(1) Based upon returns over the last five years.

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



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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.

2009 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.

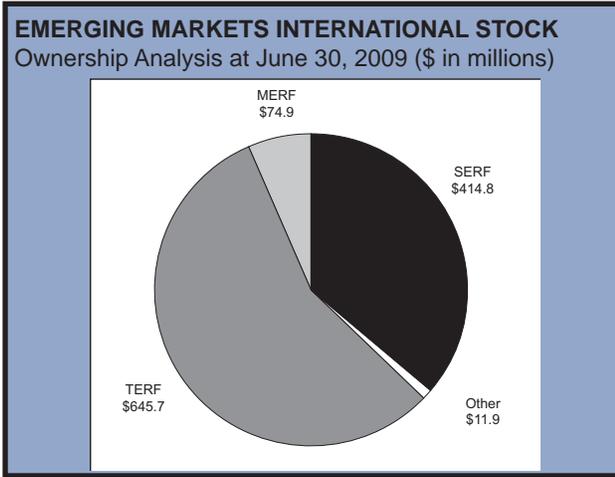
The Fund returned -0.50%, 13.36% and 9.35% for the three, five and ten year periods which underperformed the benchmark returns of 3.16% by 366 basis points for the three year period as well as underperformed the benchmark returns of 14.85% by 149 basis points for the five year period. The ten year period, 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.)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 9-1



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

Figure 9-2



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

Figure 9-3

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

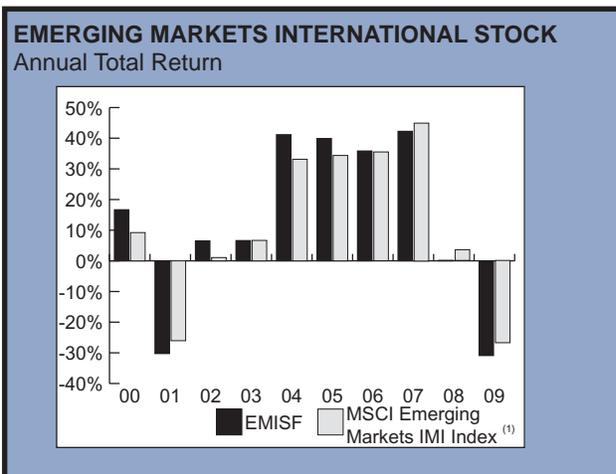
	EM ISF	MSCI Index	Variance
Energy	12.9	13.7	-0.8
Materials	8.1	13.7	-5.6
Industrials	6.8	9.9	-3.1
Consumer Discretionary	6.5	5.3	1.2
Consumer Staples	3.8	4.0	-0.2
Health Care	1.9	2.4	-0.5
Financials	20.8	22.9	-2.1
Information Technology	11.7	11.5	0.2
Telecommunication Services	10.1	10.0	0.1
Utilities	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



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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 9-6

EMERGING MARKETS INTERNATIONAL STOCK

Diversification by Benchmark Country with Return (%) at June 30, 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	<u>13.9</u>	0.0	<u>0.0</u>	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⁾	<u>1,337,110</u>	<u>0.12%</u>
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.

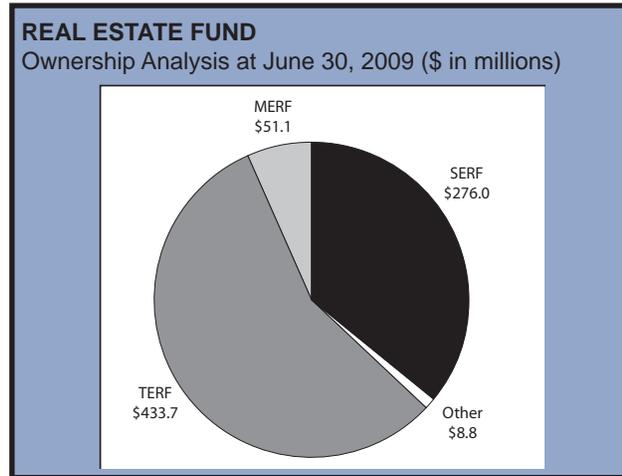
Risk Profile

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.

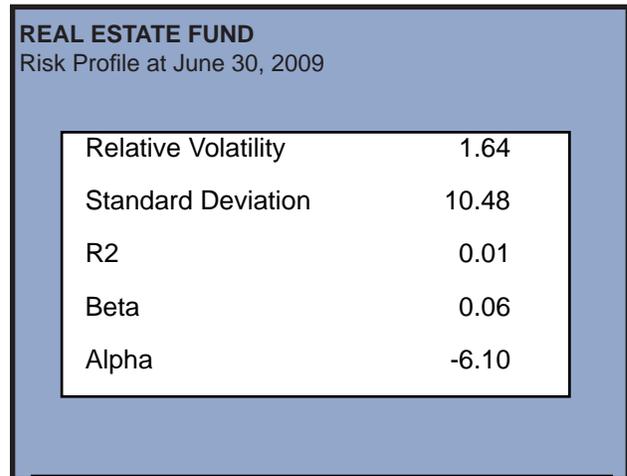
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-1



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

Figure 10-2



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

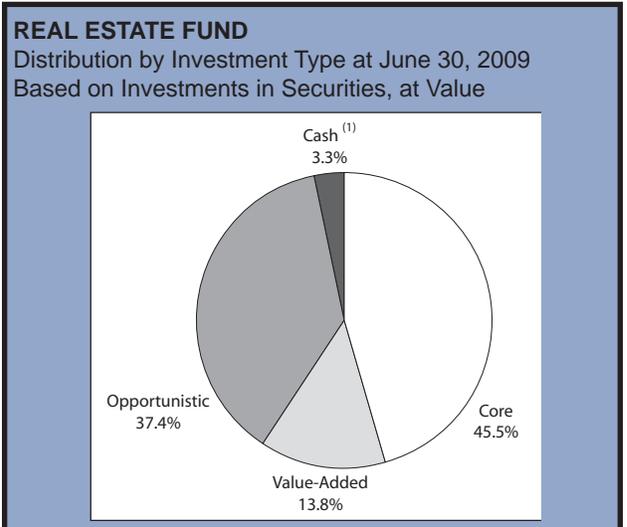
Figure 10-3

REAL ESTATE FUND
Investments Analysis ⁽¹⁾

At	No. of REF Investments	REF Book Value	REF Market Value
6/30/2009	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.

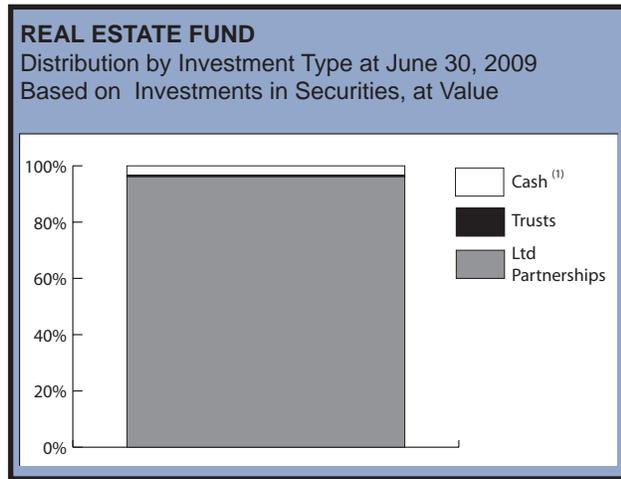
Figure 10-4



(1) Liquidity Fund and other monetary assets.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-5



(1) Liquidity Fund.

Figure 10-6

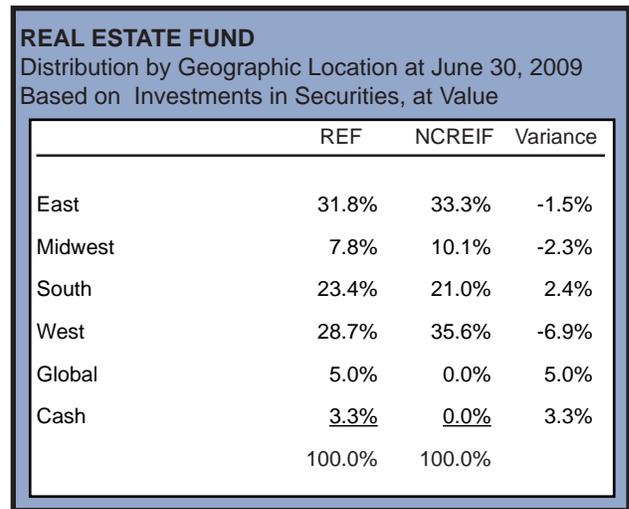
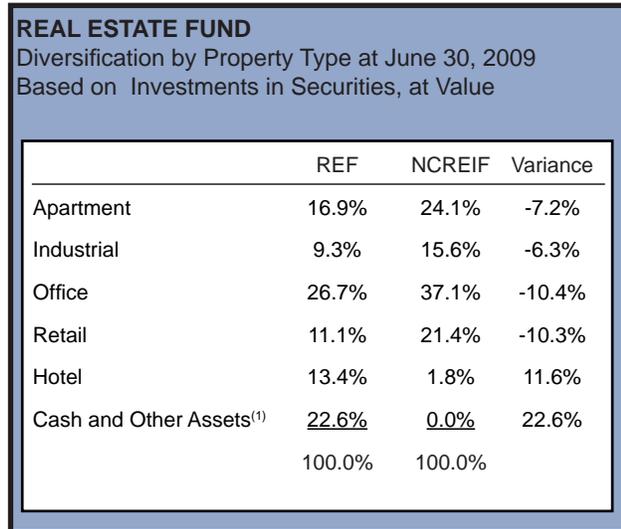


Figure 10-7



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

Figure 10-8

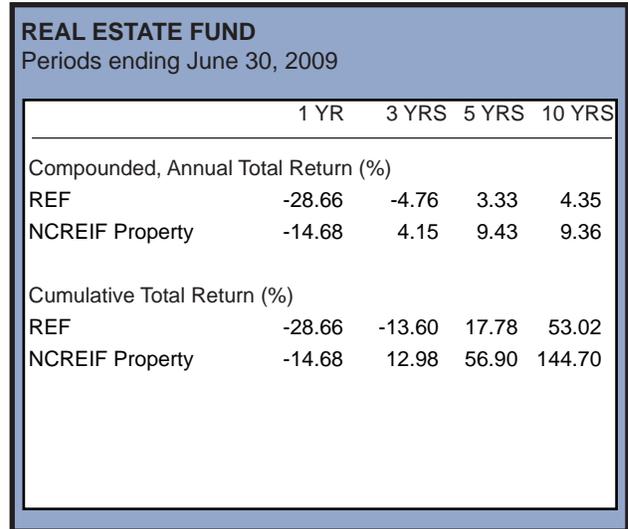


Figure 10-9

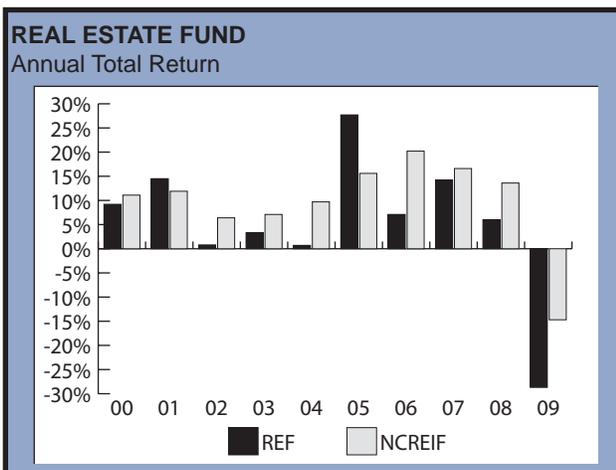
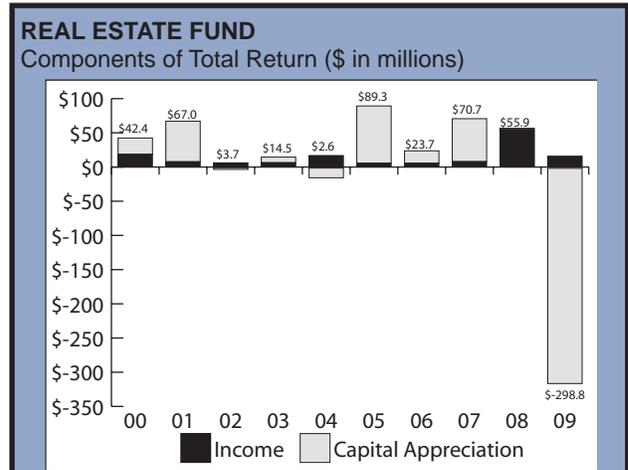


Figure 10-10



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-11

REAL ESTATE FUND		
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 10-13

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	<u>\$25 million</u>	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.

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.

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-performed 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.

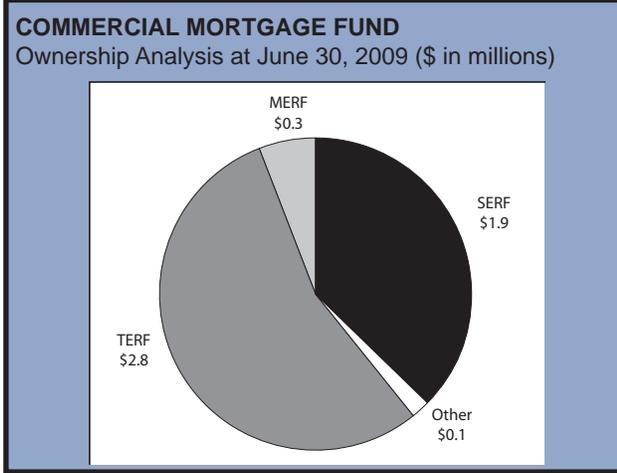
Risk Profile

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.

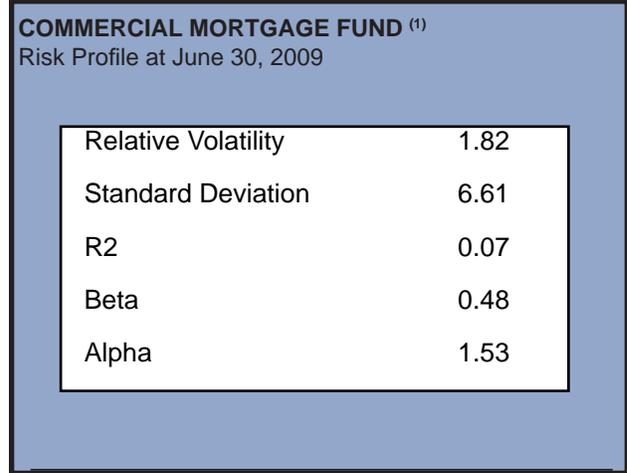
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 11-1



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

Figure 11-2



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

Figure 11-3

COMMERCIAL MORTGAGE FUND
Quarterly Current ⁽¹⁾ Yield Analysis

	CMF	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

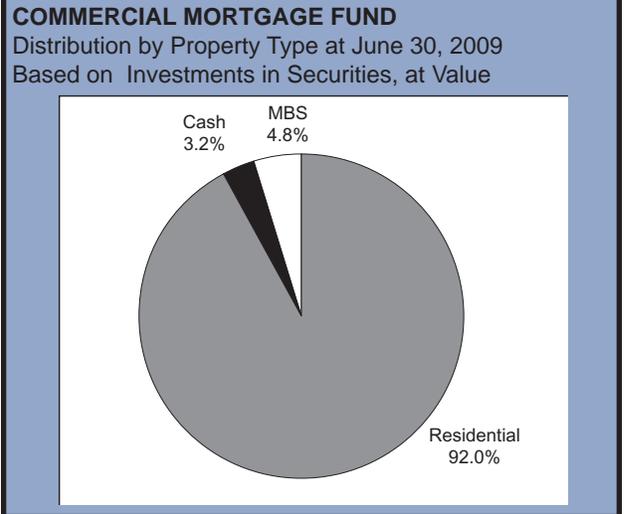


Figure 11-5

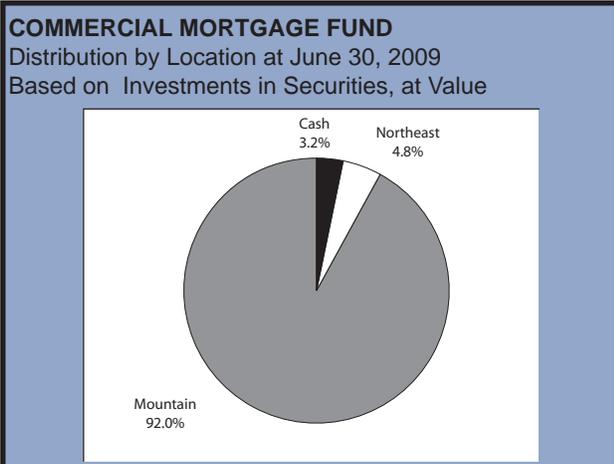
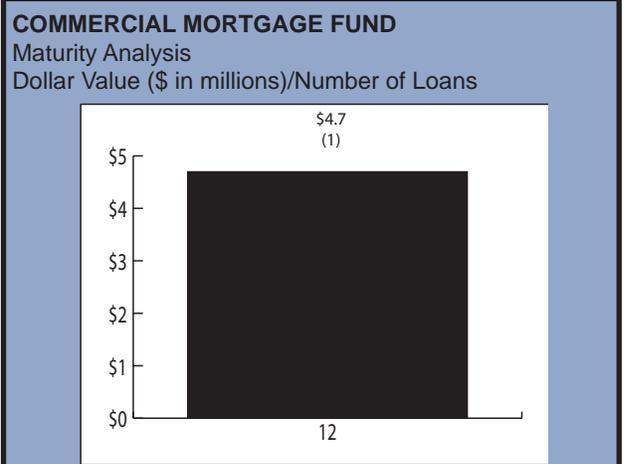


Figure 11-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 11-7

	1 YR	3 YRS	5 YRS	10 YRS
COMMERCIAL MORTGAGE FUND Periods ending June 30, 2009				
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

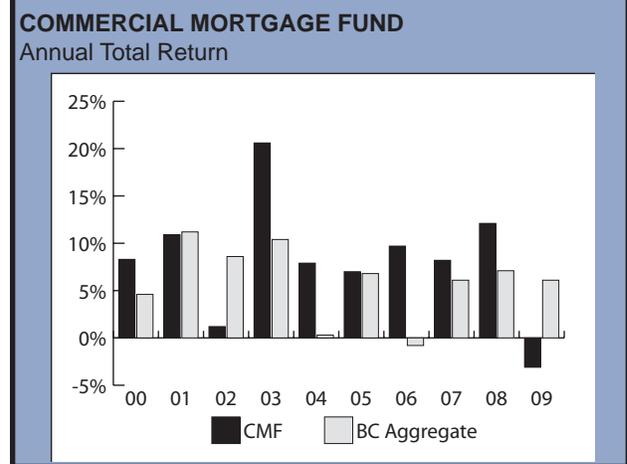


Figure 11-9

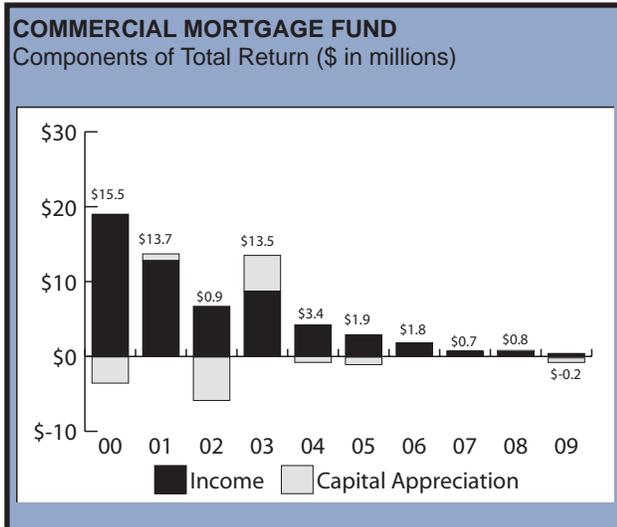


Figure 11-10

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%

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.

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

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.

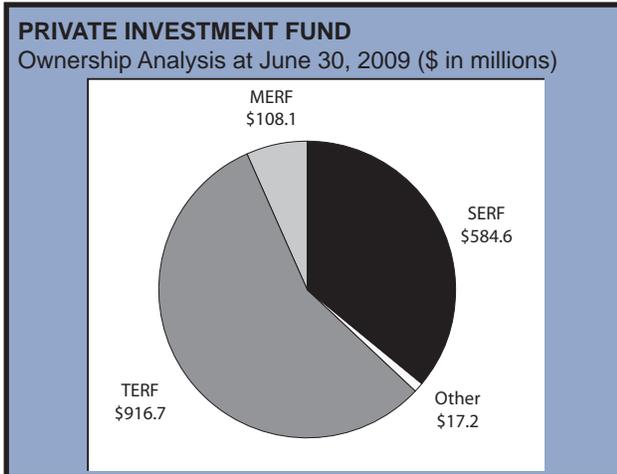
Risk Profile

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.)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 12-1



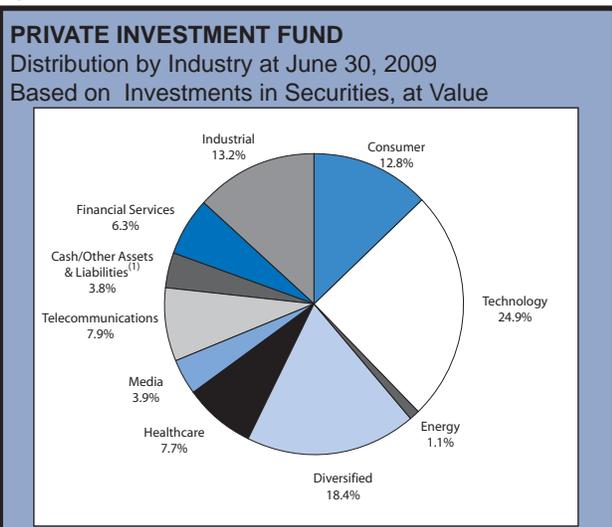
TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
MERF - Connecticut Municipal Employees' Retirement Fund

Figure 12-2



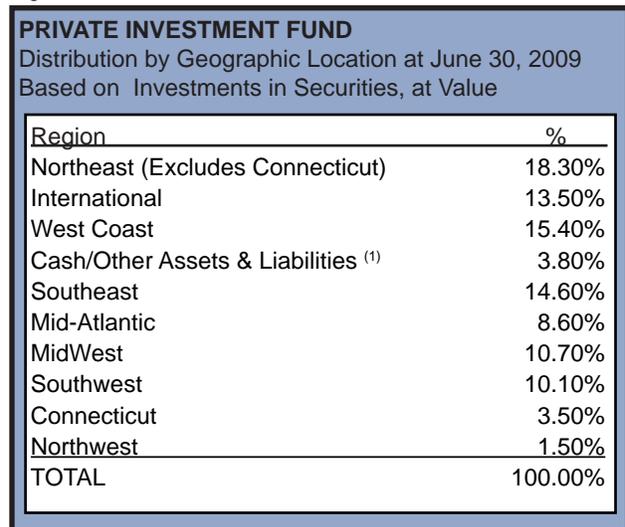
(1) Based upon quarterly returns over the last five years.

Figure 12-3



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

Figure 12-4



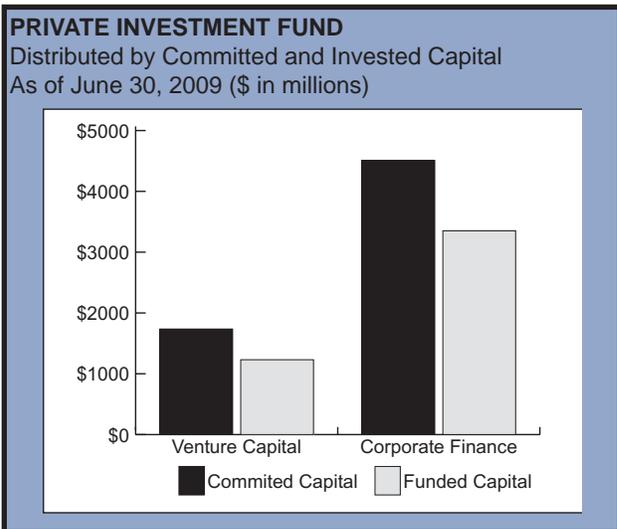
(1) Includes the Liquidity Fund and cash and other assets at the partnership level..

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



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 12-7

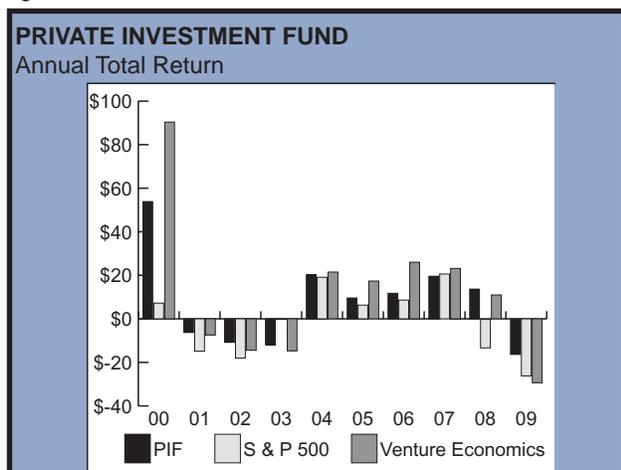


Figure 12-8

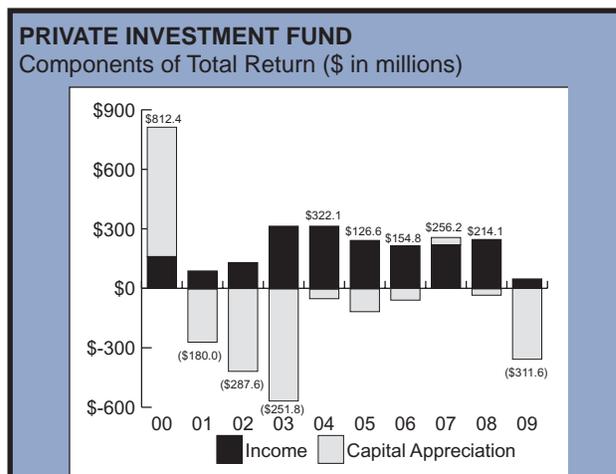


Figure 12-9

PRIVATE INVESTMENT FUND
Ten Largest Holdings* at June 30, 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	<u>75 million</u>	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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 12-11

PRIVATE INVESTMENT FUND

Investment Advisors at June 30, 2009

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

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

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

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2009	2008	2007	2006	2005
INVESTMENT ADVISORY SERVICES						
Equity Advisory Services						
AXA Rosenberg Institutional Equity Mgmt	Equity Advisor	12,728,108	795,699	3,258,030	3,496,797	507,722
Barclay's Global Investors	Equity Advisor	3,170,678	3,091,096	19,330,302	17,556,658	3,332,554
Bivium Capital Partners, LLC	Equity Advisor	1,493,573	1,629,037	1,264,146	761,024	-
Brown Capital Management	Equity Advisor	-	-	163,926	211,591	354,120
Capital Prospects LLC	Equity Advisor	967,215	1,064,352	747,721	361,850	-
FIS Group Inc.	Equity Advisor	890,947	941,430	754,413	407,648	-
State Street Global Advisors	Equity Advisor	194,106	247,748	237,897	216,988	274,667
Thomas Weisel Partners (ValueQuest)	Equity Advisor	-	-	-	-	-
Travelers Investment Management	Equity Advisor	-	-	-	306,075	421,843
T. Rowe Price Associates	Equity Advisor	406,114	-	-	-	-
Trust Company of the West (Cowen)	Equity Advisor	996,397	1,343,817	1,178,375	1,011,678	2,078,780
Total Equity Advisor Compensation		\$20,847,138	\$9,113,179	\$26,934,810	\$24,330,309	\$6,969,686
Fixed Income Investment Advisory Services						
Blackrock Financial Management	Fixed Income Advisor	-	392,489	1,498,458	1,519,240	1,525,126
Bridgewater Associates	Fixed Income Advisor	-	165,115	568,577	-	-
Brown Brothers Harriman & Co.	Fixed Income Advisor	-	47,021	186,107	154,386	-
Goodwin Capital Advisors (Phoenix)	Fixed Income Advisor	-	169,499	555,070	544,902	550,966
Hartford Investment Management Co.	Fixed Income Advisor	-	33,974	103,466	85,799	-
Loomis Sayles & Co., Inc.	Fixed Income Advisor	-	204,110	763,360	523,406	504,850
Oaktree Capital Management	Fixed Income Advisor	-	282,324	716,556	445,258	563,305
Progress Investment Management	Fixed Income Advisor	-	134,134	529,293	340,907	-
State Street Global Advisors	Fixed Income Advisor	-	89,263	318,064	309,376	526,875
W. R. Huff Asset Management	Fixed Income Advisor	-	-	1,360,812	319,873	2,216,156
Wellington Asset Management	Fixed Income Advisor	-	246,808	978,643	1,007,301	1,026,168
Western Asset Management	Fixed Income Advisor	-	349,720	1,229,034	1,235,635	1,207,359
Total Fixed Income Advisor Compensation		\$-	\$2,114,457	\$8,807,440	\$6,486,083	\$8,120,805
Core Fixed Income Investment Advisory Services						
Blackrock Financial Management	Core Income Advisor	1,281,605	1,217,479	-	-	-
Goodwin Capital Advisors (Phoenix)	Core Income Advisor	624,559	567,745	-	-	-
Progress Investment Management	Core Income Advisor	898,894	561,890	-	-	-
State Street Global Advisors	Core Income Advisor	277,369	267,092	-	-	-
Wellington Asset Management	Core Income Advisor	771,263	734,363	-	-	-
Western Asset Management	Core Income Advisor	1,131,334	1,146,230	-	-	-
Total Fixed Income Advisor Compensation		\$4,985,024	\$4,494,799	\$-	\$-	\$-
Inflation Linked Bond Investment Advisory Services						
Brown Brothers Harriman & Co.	Inflation Income Advisor	-	143,593	-	-	-
Hartford Investment Management Co.	Inflation Income Advisor	443,712	124,559	-	-	-
Total Fixed Income Advisor Compensation		\$443,712	\$268,152	\$-	\$-	\$-
Emerging Market Debt Investment Advisory Services						
Bridgewater Associates	Emerging Market Advisor	-	161,018	-	-	-
Pyramis Global Advisors	Emerging Market Advisor	931,896	356,836	-	-	-
Stone Harbor Investment Partners	Emerging Market Advisor	1,065,029	399,164	-	-	-
UBS Global Asset Management Co.	Emerging Market Advisor	1,249,932	432,348	-	-	-
Total Fixed Income Advisor Compensation		\$3,246,857	\$1,349,366	\$-	\$-	\$-
High Yield Debt Investment Advisory Services						
Loomis Sayles & Co., Inc.	High Yield Income Advisor	582,544	565,179	-	-	-
Oaktree Capital Management	High Yield Income Advisor	612,726	695,140	-	-	-
Shenkman Capital Management	High Yield Income Advisor	605,877	148,105	-	-	-
Stone Harbor Investment Partners	High Yield Income Advisor	592,866	216,775	-	-	-
Total Fixed Income Advisor Compensation		\$2,394,013	\$1,625,199	\$-	\$-	\$-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2009	2008	2007	2006	2005
Liquidity Fund Advisory Services						
State Street Global Advisors	Liquidity Fund Advisor	459,099	376,487	273,564	277,189	377,018
Total Liquidity Fund Advisor Compensation		\$459,099	\$376,487	\$273,564	\$277,189	\$377,018
International Equity Investment Advisory Services						
Acadian Asset Management	Intrntl Equity Advisor	-	385,075	481,894	-	-
AQR Capital Management, LLC	Intrntl Equity Advisor	-	439,067	543,524	-	-
Bank of New York	Intrntl Equity Advisor	-	642,250	2,633,092	2,367,488	2,244,689
Bridgewater Associates	Intrntl Equity Advisor	-	770,700	3,159,711	2,840,985	2,700,635
Clay Finlay Inc.	Intrntl Equity Advisor	-	295,382	1,231,976	1,109,359	1,122,788
Emerging Markets Management LLC	Intrntl Equity Advisor	-	882,918	3,404,431	2,876,360	4,384,291
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	-	1,900,375	6,746,594	5,471,090	7,316,598
Invesco Global Asset Management	Intrntl Equity Advisor	-	277,644	1,935,871	1,788,745	1,442,317
Julius Baer Asset Management	Intrntl Equity Advisor	-	287,012	315,222	-	-
Merrill Lynch Investment Managers	Intrntl Equity Advisor	-	-	1,223,614	1,380,677	656,758
MFS Institutional Advisors	Intrntl Equity Advisor	-	345,384	1,064,812	844,424	758,685
Morgan Stanely Asset Management	Intrntl Equity Advisor	-	-	1,321,446	2,700,870	2,989,704
Progress Investment Management	Intrntl Equity Advisor	-	133,380	467,163	245,073	-
Putnam Advisory Company LLC	Intrntl Equity Advisor	-	-	-	-	1,609,355
Pyramis Invmtnt Global Adv Trust (Fidelity)	Intrntl Equity Advisor	-	308,411	1,274,755	1,106,184	1,005,966
Salomon Smith Barney Capital Mgmt	Intrntl Equity Advisor	-	-	-	-	28,554
Schroder Investment Management	Intrntl Equity Advisor	-	484,771	1,709,124	1,415,160	1,169,099
State Street Global Advisors	Intrntl Equity Advisor	-	107,789	485,705	420,498	578,814
Total International Equity Advisor Compensation		\$-	\$7,260,158	\$27,998,934	\$24,566,913	\$28,008,253
Developed Market International Equity Investment Advisory Services						
Acadian Asset Management	Intrntl Equity Advisor	1,708,983	1,259,086	-	-	-
AQR Capital Management, LLC	Intrntl Equity Advisor	1,885,640	1,397,341	-	-	-
Artio Global Asset Management	Intrntl Equity Advisor	1,742,580	-	-	-	-
Blackrock Financial Management (Merrill Lynch)	Intrntl Equity Advisor	964,902	899,869	-	-	-
Bridgewater Associates	Intrntl Equity Advisor	-	521,600	-	-	-
Clay Finlay Inc.	Intrntl Equity Advisor	1,416,044	883,935	-	-	-
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	3,189,715	2,706,318	-	-	-
Invesco Global Asset Management	Intrntl Equity Advisor	738,126	748,211	-	-	-
Julius Baer Asset Management	Intrntl Equity Advisor	-	1,007,647	-	-	-
MFS Institutional Advisors	Intrntl Equity Advisor	1,554,152	1,078,968	-	-	-
Pareto Partners (Bank of New York)	Intrntl Equity Advisor	2,193,806	1,848,626	-	-	-
Progress Investment Management	Intrntl Equity Advisor	498,924	448,836	-	-	-
Pyramis Invmtnt Global Adv Trust (Fidelity)	Intrntl Equity Advisor	1,321,148	933,148	-	-	-
Schroder Investment Management	Intrntl Equity Advisor	1,480,826	1,501,099	-	-	-
State Street Global Advisors	Intrntl Equity Advisor	388,527	302,429	-	-	-
Total International Equity Advisor Compensation		\$19,083,373	\$15,537,113	\$-	\$-	\$-
Emerging Market International Equity Investment Advisory Services						
Emerging Markets Management LLC	Intrntl Equity Advisor	3,344,579	2,952,146	-	-	-
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	4,302,557	3,901,398	-	-	-
Total International Equity Advisor Compensation		\$7,647,136	\$6,853,544	\$-	\$-	\$-
Real Estate Investment Advisory Services ⁽²⁾						
AEW Capital Management, L.P.	Real Estate Advisor	1,353,600	1,145,997	407,045	319,561	407,468
AEW Partners III, LP	Real Estate Advisor	261,146	82,925	205,033	255,775	528,241
Apollo Real Estate Investment Fund III	Real Estate Advisor	-	224,129	314,799	437,899	396,081
Blackstone Real Estate Partners IV	Real Estate Advisor	1,500,000	1,708,333	-	-	-
Blackstone Real Estate Partners Europe III	Real Estate Advisor	572,917	-	-	-	-
Canyon Johnson Urban Fund II, LP	Real Estate Advisor	771,875	937,500	937,500	921,875	368,947
Capri Select Income II LLC	Real Estate Advisor	-	-	-	177,143	-
Colony Realty Partners II, LP	Real Estate Advisor	-	714,285	-	-	-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2009	2008	2007	2006	2005
MacFarlane Urban Real Estate	Real Estate Advisor	1,412,579	592,856	-	-	-
RLJ Urban Lodging Fund, LP	Real Estate Advisor	-	139,753	312,500	312,500	216,542
RLJ Urban Lodging Fund II, LP	Real Estate Advisor	-	468,750	722,603	-	-
RLJ Urban Lodging Fund III, LP	Real Estate Advisor	1,076,199	-	-	-	-
RMK Timberland Group (Wachovia)	Real Estate Advisor	-	-	-	112,065	155,971
Rockwood Capital Partners VII	Real Estate Advisor	-	-	381,075	-	-
Urban Strategy America Fund	Real Estate Advisor	-	-	251,546	-	-
Westport Senior Living Fund	Real Estate Advisor	-	-	-	789,347	1,518,199
Total Real Estate Advisor Compensation		\$6,948,316	\$6,014,528	\$3,532,101	\$3,326,165	\$3,591,499
Commercial Mortgage Investment Advisory Services⁽²⁾						
AEW Capital Management, L.P.	Comm Mortgage Advisor	73,500	73,500	100,083	183,500	249,911
Total Commercial Mortgage Advisor Compensation		\$73,500	\$73,500	\$100,083	\$183,500	\$249,911
Private Investment Advisory Services⁽²⁾						
AIG Altaris Health Partners, LP	Private Inv Advisor	323,621	753,103	761,202	764,402	1,983,602
AIG Altaris Healthcare Partners II, LP	Private Inv Advisor	713,206	600,548	-	-	-
AIG Global Emerging Mkts Fund LP	Private Inv Advisor	385,337	242,944	658,764	815,309	523,153
Aldus\CT Emerging Manager	Private Inv Advisor	650,000	-	-	-	-
Blackstone Capital Partners III LP	Private Inv Advisor	47,872	29,555	52,275	27,471	31,811
Boston Venture Capital Partners VII, LP	Private Inv Advisor	647,015	551,900	1,178,501	-	-
Carlyle Asia Partners LP	Private Inv Advisor	318,454	341,317	120,806	252,787	692,812
Carlyle European Partners LP	Private Inv Advisor	158,379	295,071	165,746	300,610	975,548
Charterhouse Equity Partners IV, LP	Private Inv Advisor	1,240,180	1,266,277	1,263,500	1,055,527	2,462,032
Compass European Partners LP	Private Inv Advisor	-	-	-	-	891,750
Conning & Co	Private Inv Advisor	74,176	39,671	-	-	-
Constitution Liquidating Fund LP (Crossroads)	Private Inv Advisor	444,368	671,841	838,736	746,703	225,000
Courthouse Square Capital Partners	Private Inv Advisor	1,253,282	-	1,255,539	-	-
CS/CT Cleantech Opportunities Fund	Private Inv Advisor	183,480	176,070	-	-	-
DLJ Merchant Banking Fund II LP	Private Inv Advisor	73,659	84,787	330,288	83,355	10,991
Ethos Capital Fund V, LP	Private Inv Advisor	411,692	646,943	1,307,329	-	-
Fairview Constitution II, LP	Private Inv Advisor	1,300,000	1,600,000	1,600,000	800,000	967,955
Fairview Constitution III, LP	Private Inv Advisor	2,400,000	2,426,519	-	-	-
Forstmann Little & Company	Private Inv Advisor	115,155	142,141	182,868	186,838	297,324
FS Equity Partners V LP	Private Inv Advisor	475,145	1,101,934	895,172	562,500	802,678
Garmark Partners LP	Private Inv Advisor	9,925	83,239	57,487	1,008,239	302,879
Garmark Partners, II LP	Private Inv Advisor	571,623	426,718	735,085	88,608	-
Gilbert Global Equity Partners LP	Private Inv Advisor	-	117,030	222,718	-	449,952
Goldman Sachs Private Equity Fund LP	Private Inv Advisor	-	151,189	358,382	315,324	385,329
Green Equity III LP	Private Inv Advisor	50,025	44,098	90,314	-	81,831
Greenwich Street Capital Partners II LP	Private Inv Advisor	34,495	239,525	354,628	220,310	911,216
ICV Associates II LP	Private Inv Advisor	655,725	706,702	356,364	1,140,602	-
KKR 1996 Fund LP	Private Inv Advisor	33,880	12,349	10,433	-	-
KKR Millenium Fund LP	Private Inv Advisor	-	1,549,415	-	126,005	219,643
KKR 2006 Fund LP	Private Inv Advisor	1,553,700	-	-	-	-
KPS Special Situations Fund II LP	Private Inv Advisor	7,429	164,600	-	388,971	834,979
Leeds Equity Associates V LP	Private Inv Advisor	711,110	-	-	-	-
LLCP Partners IV LP	Private Inv Advisor	1,733,219	-	-	-	-
Muller & Monroe Asset Management	Private Inv Advisor	550,000	327,740	-	-	-
Nogales Investors II, LP	Private Inv Advisor	753,308	802,527	668,203	-	-
Parish Capital I, LP	Private Inv Advisor	-	123,181	322,441	470,791	722,396
Parish Capital II, LP	Private Inv Advisor	-	13,889	1,260,562	-	-
Pegasus Investors IV, LP	Private Inv Advisor	796,345	2,744,224	-	-	-
Pioneer Venture Associates LP	Private Inv Advisor	-	-	-	220,000	-
REF Associates VII, LP	Private Inv Advisor	-	93,213	-	-	-
SCP Private Equity Fund LP	Private Inv Advisor	-	-	-	-	-
Shawmut Capital Partners LP	Private Inv Advisor	-	-	-	-	656,250

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2009	2008	2007	2006	2005
Snycom Partners V, LP	Private Inv Advisor	607,136	390,546	386,655	-	-
SW Pelham Fund II, LP	Private Inv Advisor	295,500	263,401	288,569	-	-
SW Pelham Fund, LP	Private Inv Advisor	-	-	207,936	195,511	320,404
Thayer Equity Investors IV LP	Private Inv Advisor	234,511	243,425	137,579	457,716	609,654
Thomas H. Lee Advisors IV LP	Private Inv Advisor	-	96,816	121,716	57,163	284,515
Thomas H. Lee Equity Fund VI LP	Private Inv Advisor	592,155	1,374,287	-	-	-
Vista Equity Partners III, LP	Private Inv Advisor	558,093	877,027	-	-	-
WCAS X LP	Private Inv Advisor	-	-	-	521,918	-
Wellspring Capital Partners III LP	Private Inv Advisor	93,045	-	-	1,496,936	1,200,595
Yucaipa American Alliance Fund LP	Private Inv Advisor	1,469,767	-	-	-	-
Total Private Investment Advisor Compensation		\$22,526,012	\$21,815,762	\$16,189,798	\$12,303,596	\$16,844,299
TOTAL COMPENSATION TO INVESTMENT ADVISORS		\$88,654,180	\$76,896,244	\$83,836,730	\$71,473,755	\$64,161,471
CUSTODY SERVICES						
State Street Bank & Trust	Custody of Assets	80,000	113,000	114,500	1,046,595	1,722,997
TOTAL CUSTODY SERVICES COMPENSATION		\$80,000	\$113,000	\$114,500	\$1,046,595	\$1,722,997

(1) Expenses are presented on a cash basis.

(2) Alternative Investment Management fees for the Private Investment Fund and the Real Estate Fund include capitalized fees and expensed fees. Capitalized fees are part of the cost of the investment and become a component of unrealized gain (loss). Capitalized fees are disclosed in Note 1 of the Combined Investment Funds Financial Statements. Expensed fees which are not part of the cost of the investment are recorded in the Statement of Operations. Not included in the above amounts are those amounts that are netted. Netted amounts include credits and fees paid out of cash on hand at the partnership level. Netted amounts are disclosed in Note 1 of the Combined Investment Funds Financial Statements.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
508 SECURITIES LLC	337.75	6,755.00	0.05	BOCI SECURITIES LTD.	1,853.54	596,500.00	0.00
ABEL NOSER CORPORATION	478.43	24,380.00	0.02	BOE SECURITIES INC/BRODCORT CAP CORP	4,471.03	114,443.00	0.04
ABG SECURITIES	6,127.23	427,974.00	0.01	BOENNING + SCATTERGOOD INC	5,183.96	234,343.00	0.02
ABG SECURITIES AS (STOCKHOLM)	533.40	42,464.00	0.01	BRADESCO S.A CTVM	1,234.45	39,300.00	0.03
ABG SECURITIES INC	1,365.17	62,688.00	0.02	BRADESCO S/A CTVM	1,056.55	35,200.00	0.03
ABM AMRO HOARE GOVETT ASIA LTD, SEOUL	1,866.46	78,151.00	0.02	BREAN MURRAY	373.75	7,625.00	0.05
ABN AMRO ASIA LIMITED	3,486.87	2,042,200.00	0.00	BREWIN DOLPHIN BELL LAWRIE LIMITED	322.38	15,578.00	0.02
ABN AMRO ASIA SECURITIES (SINGAPORE) PTE	384.79	209,000.00	0.00	BROADCORTCAPITAL (THRU ML)	2,333.47	59,753.00	0.04
ABN AMRO BANK N. V. HONG KONG	9,816.45	4,496,049.00	0.00	BROCKHOUSE + COOPER INC MONTREAL	22,109.20	7,414,974.00	0.00
ABN AMRO BANK NV	45,759.61	4,099,363,723.00	0.00	BROWN BROTHERS HARRIMAN + CO	867.10	28,090.00	0.03
ABN AMRO BANK NV HONG KONG BRANCH	2,497.77	4,037,700.00	0.00	BUCKINGHAM RESEARCH GROUP	11,249.68	295,156.00	0.04
ABN AMRO EQUITIES AUSTRALIA LTD.	703.70	57,729.00	0.01	BUCKINGHAM RESEARCH GROUP INC	22,702.62	644,754.00	0.04
ABN AMRO INCORPORATED	3,215.38	160,769.00	0.02	CA IB INVESTMENTBANK AG	1,623.59	19,170.00	0.08
ABN AMRO SECURITIES (USA) INC	40,822.36	8,224,896,179.11	0.00	CABRERA CAPITAL MARKETS	32,389.48	6,770,299.00	0.00
ABN AMRO SECURITIES LLC	119.00	5,950.00	0.02	CALYON (FORMERLY CREDIT AGRICOLE INDOUS)	2,653.32	41,812.00	0.06
ACCESS SECURITIES INC	9,589.02	319,634.00	0.03	CANACCORDADAMS INC.	24,544.06	579,077.00	0.04
ACCIONES Y VALORES DE MEXICO	8,349.50	1,623,968.00	0.01	CANACCORDCAPITAL (EUROPE) LTD	11.79	7,000.00	0.00
ADAMS HARKNESS AND HILL INC	2,309.86	63,762.00	0.04	CANACCORDCAPITAL CORP	3,331.67	113,073.00	0.03
AGORA CORDE TITUL E VAL MOB	4,402.56	106,578.00	0.04	CANACCORDADAMS INC	302.35	6,409.00	0.05
ALARIS TRADING PARTNERS	68.75	5,500.00	0.01	CANADIAN IMPERIAL BANK OF COMMERCE	3,370.56	127,811.00	0.03
ALBERT FRIED & COMPANY LLC	376.00	18,800.00	0.02	CANTOR CLEARING SERVICES	128.88	4,296.00	0.03
ALLEN & COMPANY INCORPORATED	795.00	25,700.00	0.03	CANTOR FITZ EUR 2	3,520.32	623,560.00	0.01
ALPHA FINANCE	403.27	7,158.00	0.06	CANTOR FITZGERALD	12.97	1,476,219.28	0.00
ALTIUM CAPITAL LTD	242.75	7,804.00	0.03	CANTOR FITZGERALD + CO.	166,267.90	38,384,429.00	0.00
AMB SECURITIES	34.19	552.00	0.06	CANTOR FITZGERALD AND CO	562.61	455,204.77	0.00
AMERICAN TECHNOLOGY RESEARCH INC	216.00	5,400.00	0.04	CANTOR FITZGERALD/EUROPE	59.64	2,930.00	0.02
APAX PARTNERS AND CO CORPORATE	82.16	6,900.00	0.01	CAPITAL INSTITUTIONAL SVCS INC EQUITIES	12,684.51	527,996.00	0.02
AQUA SECURITIES LP	1.00	50.00	0.02	CARIS + COMPANY INC	1,982.77	44,342.00	0.04
ARBUTHNOTSECURITIES LIMITED	2,286.21	67,250.00	0.03	CARLIN EQUITIES	563.46	28,173.00	0.02
AROS SECURITIES AB	34.20	600.00	0.06	CARNEGIE	1,601.06	36,888.00	0.04
ATA SECURITIES INC. (ISTANBUL)	15,800.39	2,643,436.00	0.01	CARNEGIE A S	3,553.95	217,034.00	0.02
ATR KIM ENG SECURITIES, INC	32.42	7,300.00	0.00	CARNEGIE BK	3,024.55	69,275.00	0.04
AUERBACH GRAYSON	879.78	69,582.00	0.01	CARNEGIE FONDKOMMISSION	222.37	3,508.00	0.06
AUTOMATEDTRADING DESK FINANCIAL SERVICE	241.78	24,178.00	0.01	CARNEGIE SECURITIES FINLAND	865.39	165,150.00	0.01
AUTREPAT-DIV RE	3,365.39	500,358.43	0.01	CAZENOVE + CO	28,105.89	2,156,145.00	0.01
AVONDALE PARTNERS LLC	5,643.33	168,691.00	0.03	CAZENOVE + CO.	10,731.82	350,200.00	0.03
BAIRD, ROBERT W., & COMPANY INCORPORATED	19,947.00	4,120,770.62	0.00	CAZENOVE ASIA LIMITED	1,207.44	867,300.00	0.00
BANCA COMMERCIALE ITALIANA MILAN	942.17	30,933.00	0.03	CAZENOVE ASIA LTD	19,325.73	18,106,679.00	0.00
BANCO BILBAO VIZCAYA ARGENTARI	8,134.68	368,641.00	0.02	CEDEL BANK	253.56	11,200.00	0.02
BANCO ESPIRITO SANTO DE INVEST	195.18	8,900.00	0.02	CENTRAL DEPOSITORY COMPANY OF PAKISTAN	10,629.63	1,969,623.00	0.01
BANCO ITAU SA	20,090.04	1,774,173.00	0.01	CENTRO INTERNATIONALE HANDELSBANK	234.60	4,970.00	0.05
BANCO PORTUGUES DE INVESTIMENTO S.A.	1,116.11	139,100.00	0.01	CENTROSIM	693.90	111,952.00	0.01
BANCO SANTANDER CENTRAL HISPANO	102,928.71	163,350,471.00	0.00	CHEEVERS + CO	880.75	18,075.00	0.05
BANCO SANTANDER DE NEGOCIOS	5,710.57	2,068,167.00	0.00	CHEUVREUXDE VIRIEU	38,034.38	758,600.00	0.05
BANK AM BELLEVUE	2,936.83	52,527.00	0.06	CHINA INTRNL CAP CORP HK SECS LTD	5,565.83	3,913,200.00	0.00
BANK AUSTRIA CREDITANSTALT AG	7,299.96	328,325.00	0.02	CIBC WORLD MKTS INC	1,312.46	836,407.00	0.00
BANK J.VONTOBEL UND CO. AG	488.63	9,045.00	0.05	CITATION GROUP	6,922.71	231,607.00	0.03
BANK OF AMERICA SECURITIES LLC	32,159.35	1,481,218,507.48	0.00	CITIBANK INTERNATIONAL PLC	28.03	1,745.00	0.02
BANK OF NEW YORK BRUSSELS	231.32	15,001,777,630.00	0.00	CITIBANK N.A.	917.58	2,264,411,775.87	0.00
BANK SAL.OPPENHEIM JR. AND CIE.	1,102.45	19,933.00	0.06	CITIGROUPGLBL MARKTET KOERA SECS LTD	1,621.71	90,698.00	0.02
BANQUE NATIONAL DE PARIS HONG KONG	3,801.53	9,160,125.00	0.00	CITIGROUPGLOBAL MARKETS ASIA LIMITED	39.59	4,727.00	0.01
BANQUE PARIBAS FRANKFURT	2,077.75	32,419.00	0.06	CITIGROUPGLOBAL MARKETS AUSTRALIA PTY	4,579.44	1,044,427.00	0.00
BARCLAYS CAPITAL INC	4.23	9,981,433,744.70	0.00	CITIGROUPGLOBAL MARKETS INC	266,218.01	754,516,244.13	0.00
BARCLAYS CAPITAL INC./LE	2,074.00	881,850.00	0.00	CITIGROUPGLOBAL MARKETS INC.	260,630.37	31,211,881,449.75	0.00
BARCLAYS CAPITAL LE	42,727.77	6,525,194.00	0.01	CITIGROUPGLOBAL MARKETS LIMITED	148,762.63	3,272,910,459.17	0.00
BARNARD JACOBS MELLETS NY	17,146.39	2,379,104.00	0.01	CITIGROUPGLOBAL MARKETS SINGAPORE SECUR	1,076.62	821,000.00	0.00
BARRINGTON RESEARCH ASSOCIATES INC.	256.20	6,405.00	0.04	CITIGROUPGLOBAL MARKETS UK EQUITY LTD	37,088.50	5,877,302.00	0.01
BAYPOINT TRADING LLC	5,130.31	330,248.00	0.02	CJSC DEPOSITORY CLEARING CO	135.35	2,767.00	0.05
BBVA SECURITIES	47.94	10,500.00	0.00	CLSA SECURITIES KOREA LTD.	17,936.35	47,326.00	0.38
BEAR STEARNS	187.75	2,800.00	0.07	CLSA SECURITIES MALAYSIA SDN BHD	1,109.84	1,138,300.00	0.00
BEAR STEARNS + CO INC	2,525.63	93,456.00	0.03	CLSA SINGAPORE PTE LTD.	20,459.32	6,773,605.00	0.00
BEAR STEARNS ASIA LTD	1,275.54	2,173,227.00	0.00	COLLINS STEWART	2,126.64	268,000.00	0.01
BEAR STEARNS SECURITIES CORP	13,191.34	9,065,020.56	0.00	COLLINS STEWART + CO	428.88	48,708.00	0.01
BEAR STEARNS SECURITIES CORP.	1,790.91	229,837.00	0.01	COMMERCE INTL MERCHANT BANKERS	4,423.04	1,445,597.00	0.00
BENCHMARKCO, INC	435.00	13,600.00	0.03	COMMERZBANK AG	3,320.55	5,170,822.00	0.00
BERBOR BERENBERG BANK	83.29	2,500.00	0.03	COWEN ANDCOMPANY, LLC	130,697.27	6,366,716.00	0.02
BEREAN CAPITAL, INC. 2	1,645.90	59,850.00	0.03	CRAIG - HALLUM	1,131.35	26,805.00	0.04
BERENBERGBANK	177.82	2,400.00	0.07	CREDIT AGRICOLE INDOUEZ	5,304.95	389,801.00	0.01
BHF BANK	373.17	3,050.00	0.12	CREDIT AGRICOLE CHEUVREUX SA	53.85	11,160.00	0.00
BHF-BANK	220.06	900.00	0.24	CREDIT AGRICOLE INDOUEZ CHEUVREUX	65,915.81	5,484,288.00	0.01
BHIRUD ASSOCIATES, INC	4,628.60	80,070.00	0.06	CREDIT LYONNAIS SECS	1,980.33	664,148.00	0.00
BLAYLOCK + CO INC	1,677.85	52,174.00	0.03	CREDIT LYONNAIS SECURITIES	14,271.83	1,000,030.00	0.01
BLEY INVESTMENT GROUP	3,158.68	70,402.00	0.04	CREDIT LYONNAIS SECURITIES (USA) INC	45,835.05	25,275,109.00	0.00
BLOOMBERG	1.21	83.00	0.01	CREDIT LYONNAIS SECURITIES ASIA/GUERNSEY	165.90	1,861,500.00	0.00
BLOOMBERGTRADEBOOK	17.98	1,126.00	0.02	CREDIT LYONNAIS SECURITIES(ASIA)	9,003.29	9,710,000.00	0.00
BLOOMBERGTRADEBOOK LLC	45,617.55	1,183,578.00	0.04	CREDIT SUISSE FIRST BOSTON	969.21	1,435,817,000.00	0.00
BMO CAPITAL MARKETS	12,513.00	373,695.00	0.03	CREDIT SUISSE FIRST BOSTON (EUROPE)	11,131.98	175,119.00	0.06
BNP PARIBAS BROKERAGE SERVICES	148.92	67,660.00	0.00	CREDIT SUISSE FIRST BOSTON SA CTVM	3,956.58	187,100.00	0.02
BNP PARIBAS PEREGRINE SECS PT	2,123.88	3,108,200.00	0.00	CREDIT SUISSE SECURITIES (EUROPE) LTD	207,792.97	2,949,576,856.00	0.00
BNP PARIBAS PEREGRINE SECURITIES	33,674.69	24,974,160.00	0.00	CREDIT SUISSE SECURITIES (USA) LLC	813,097.77	4,788,741,839.00	0.00
BNP PARIBAS SA	3,756.66	121,402.00	0.03	CREDIT SUISSE SECURITIES LTD	108.77	42,000.00	0.00
BNP PARIBAS SECURITIES SERVICES	14,529.36	512,763.00	0.03	CREDIT USA	2,099.84	67,331.00	0.03
BNY BROKERAGE	1,482.05	83,087.00	0.02	CS FIRST BOSTON (HONG KONG) LIMITED	10,776.16	(9,937,006.00)	0.00
BNY BROKERAGE INC	163,615.56	7,447,799.00	0.02	CSFB AUSTRALIA EQUITIES LTD	8,208.39	1,079,849.00	0.01
BNY CONVERGEX	64,391.30	3,200,770.00	0.02	CSFB EQUITIES 1 CABOT SQUARE	4,093.00	3,330,545.00	0.00
BNY CONVERGEX LJR	721.13	20,299.00	0.04				

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
CSI US INSTITUTIONAL DESK	460.00	9,400.00	0.05	HSBC SECURITIES (USA) INC.	10,475.38	4,842,846,987.00	0.00
CUSTOM EQUITY RESEARCH DBA SUMMER ST RES	30,148.01	1,571,685.00	0.02	HSBC SECURITIES (USA), INC.	100.78	17,701,490.00	0.00
D CARNEGIE AG	3,357.27	181,244.00	0.02	HSBC SECURITIES (USA), INC./STOCK LOAN	18,245.82	4,766,647,848.19	0.00
DAEWOO SECURITIES CO LTD	18,375.58	406,707.00	0.05	HVB CAPITAL MARKETS, INC	5,439.48	235,043.00	0.02
DAHLMAN ROSE + COMPANY LLC	30.00	1,000.00	0.03	HYUNDAI SECURITIES CO. LTD.	28,102.61	1,317,602.00	0.02
DAISHIN SECURITIES CO. LTD.	6,408.55	154,816.00	0.04	ICAP CORPORATES LLC	3,916.00	122,300.00	0.03
DAIWA SECURITIES (HK) LTD.	32.88	1,400.00	0.02	ICAP SECURITIES LTD	1,661.72	3,803,265.00	0.00
DAIWA SECURITIES AMERICA INC	31,883.16	1,597,860.00	0.02	ING BANK N V	9,237.96	530,025,963.00	0.00
DAVENPORT & CO. OF VIRGINIA, INC.	524.00	17,980.00	0.03	ING BARINGS CORP	65,531.80	35,911,454.00	0.00
DAVIDSON D.A. + COMPANY INC.	12,987.00	333,100.00	0.04	INSTINET	255,836.28	13,443,702.00	0.02
DAVY (J+E)	5,450.46	603,117.00	0.01	INSTINET AUSTRALIA CLEARING SRVC PTY LTD	448.57	58,492.00	0.01
DBS VICKERS (HONG KONG) LIMITED	1,153.73	1,204,000.00	0.00	INSTINET CANADA	19.53	1,044.00	0.02
DBS VICKERS SECURITIES (SINGAPORE)	1,448.66	688,000.00	0.00	INSTINET FRANCE S.A.	668.12	29,905.00	0.02
DBS VICKERS SECURITIES SING	894.51	76,600.00	0.01	INSTINET PACIFIC LIMITED	50,079.61	42,717,701.00	0.00
DEAGROATT+ CAMPBELL SDN BHD	21,532.18	9,912,169.00	0.00	INSTINET SINGAPORE SERVICES PT	426.36	191,000.00	0.00
DEN DANSKE BANK	305.11	973.00	0.31	INSTINET U.K. LTD	66,835.72	24,381,546.00	0.00
DEN NORSEK BANK	3,886.85	92,566.00	0.04	INSTINET,LLC	5,218.95	309,741.00	0.02
DENIZ YATIRIM MENKUL DEGERLER A.S.	8,135.90	3,066,231.00	0.00	INTERMOBILIARE SECURITIES SIM SPA	3,345.04	521,000.00	0.01
DEUTSCHE BANK	62.89	2,670.00	0.02	INVERLAT INTERNATIONAL	753.43	175,400.00	0.00
DEUTSCHE BANK AG LONDON	72,560.42	7,005,302,167.99	0.00	INVESTEC BANK LTD	479.97	19,266.00	0.02
DEUTSCHE BANK ALEX BROWN	425.00	8,500.00	0.05	INVESTEC SECURITIES	4,433.11	430,327.00	0.01
DEUTSCHE BANK SECURITIES	1,637.65	824,788.00	0.00	INVESTMENT TECHNOLOGY GROUP INC.	133,164.62	12,532,594.00	0.01
DEUTSCHE BANK SECURITIES INC	1,098,882.87	4,130,215,631.52	0.00	INVESTMENT TECHNOLOGY GROUP LTD	62,046.02	11,840,035.00	0.01
DEUTSCHE MORGAN GRENPELL SECS	8,143.00	602,091.00	0.01	INVESTORSBANK AND TRUST COMPANY	8,398.50	2,275,203.67	0.00
DEUTSCHE SECURITIES ASIA LIMITED	17,375.30	9,875,522.00	0.00	IS YATIRIM MENKUL DEGERLER AS	287.25	5,956.00	0.05
DIRECT TRADING INSTITUTIONAL INC	18,473.01	1,235,910.00	0.01	ISI GROUPINC	18,534.61	1,736,459.00	0.01
DIVINE CAPITAL MARKETS LLC	14,169.28	440,669.00	0.03	ISLANDSBANKI HF	20.25	8,717.00	0.00
DNB NOR MARKETS CUSTODY DNB NORBANK ASA	2,976.23	137,765.00	0.02	ITG AUSTRALIA LTD.	4,334.47	2,980,115.00	0.00
DONALDSONLUFKIN + JENRETTE SEC CORP	510.00	17,000.00	0.03	ITG CANADA	1,177.67	75,400.00	0.02
DONALDSONLUFKIN JENRETTE EQUI.DIV	102.00	3,400.00	0.03	ITG INC	460.99	232,573.00	0.00
DONGWON SECURITIES	1,508.17	28,399.00	0.05	ITG INC.	153.89	9,188.00	0.02
DOUGHERTYCOMPANY	2,780.65	123,061.00	0.02	ITG SECURITIES (HK) LTD	19,289.39	9,215,112.00	0.00
DOWLING & PARTNERS	758.00	37,900.00	0.02	IVY SECURITIES, INC.	60.00	2,000.00	0.03
DRESDNER BANK AG NEW YORK	70.54	1,196.00	0.06	IXIS SECURITIES	1,397.26	21,400.00	0.07
DRESDNER BANK AG LONDON BRANCH	8,840.68	1,761,736.00	0.01	J AND E DAVY	1,209.90	28,058.00	0.04
DRESDNER KLEINWORT BENSON NORTH AMERICA	3,552.02	123,200.00	0.03	J B WERE AND SON	4,075.35	3,243,483.00	0.00
DUNDAS UNLU SECURITIES INC.	6,529.70	262,165.00	0.02	J P MORGAN SECURITIES INC	336,735.07	14,606,540,274.81	0.00
DZ BANK AG	254.81	550.00	0.46	J.P. MORGAN CLEARING CORP.	113,148.91	119,971,243.65	0.00
E.L.AND C. BAILLIEU LTD	125.38	71,142.00	0.00	J.P. MORGAN SECURITIES LIMITED	8,466.32	518,375.00	0.02
ERSTE BANK DER OESTERREICHISCHEN	696.23	13,678.00	0.05	J.P.MORGAN SECURITIES(FAR EAST)LTD SEOUL	9,418.62	84,559.00	0.11
ESN NORTHAMERICA, INC.	3,889.50	110,426.00	0.04	JANNEY MONTGOMERY, SCOTT INC	12,790.08	334,852.00	0.04
EUROMOBILIARE SIM S.P.A.	10,086.90	1,958,642.00	0.01	JB WERE AND SON (NZ) LTD	3,866.93	627,448.00	0.01
EVLI SECURITIES LTD	8.02	808.00	0.01	JEFFERIES+ COMPANY INC	159,749.81	30,454,549.19	0.01
EVOLUTIONBEESON GREGORY LIMITED	189.69	20,100.00	0.01	JEFFERIESINTERNATIONAL LTD	4,513.24	9,762,905.00	0.00
EXANE S.A.	30,343.27	808,038.00	0.04	JMP SECURITIES	31,137.72	792,144.00	0.04
EXECUTION(HONG KONG) LIMITED	17,979.09	15,669,590.00	0.00	JOH BERENBERG GOSSLER AND CO	20,472.31	1,008,676.00	0.02
EXECUTIONLIMITED	1,307.65	520,414.00	0.00	JOHNSON RICE + CO	5,536.25	136,652.00	0.04
FATOR - DORIA ATHERINO S/A CV	186.24	10,500.00	0.02	JONESTRADING INSTITUTIONAL SERVICES LLC	121,314.22	6,180,382.00	0.02
FIDELITY CAPITAL MARKETS	43,390.20	2,067,159.00	0.02	JP MORGANSECURITIES	1,119.57	264,300.00	0.00
FIDENTIIS	208.70	14,855.00	0.01	JP MORGANSECURITIES AUSTRALIA LTD	13,416.88	654,303.00	0.02
FIM SECURITIES LTD	23.30	1,297.00	0.02	JP MORGANSECURITIES INC	186.86	30,748,302,878.12	0.00
FIRST ANALYSIS SECURITIES CORP	826.35	17,196.00	0.05	JP MORGANSECURITIES LIMITED	314,966.84	247,474,043,867.04	0.00
FIRST CLEARING, LLC	870.04	1,891,751.00	0.00	JP MORGANSECURITIES SINGAPORE	1,591.50	79,379,100.00	0.00
FIRST SOUTHWEST COMPANY	6,190.05	139,290.00	0.04	JPMORGAN CHASE BANK	6,093.86	173,406,745.54	0.00
FIRSTSTRANDBANK LIMITED	2.36	277.00	0.01	JPMORGAN CHASE BANK, N.A., LONDON	1,346.49	68,647.00	0.02
FORSYTH BARR LTD	399.33	551,947.00	0.00	JPMORGAN CHASE BANK/CORRESPONDENT CLR SV	2,610.00	3,885,600.00	0.00
FORTIS BANK (NEDERLAND) N.V.	610.10	9,511.00	0.06	JPMORGAN SEC JAPAN LTD	1,266.28	433,284.00	0.00
FOX PITT KELTON INC	7,502.60	177,055.00	0.04	JPMORGAN SECURITIES(ASIA PACIFIC)	165.54	39,223.00	0.00
FOX PITT KELTON LTD	3,610.28	836,413.00	0.00	JPMORGAN SECURITIES(ASIA PACIFIC)LTD	38,502.28	11,274,789.00	0.00
FRASER MACKENZIE LIMITED	135.06	29,600.00	0.00	KAS-ASSOCIATIE N.V.	4,916.37	97,877.00	0.05
FRIEDMAN BILLINGS + RAMSEY	37,106.37	1,355,299.00	0.03	KAUPTHINGBANK SVERIGE AB STOCKHOLM	2,778.52	23,611.00	0.12
FUTURETRADE SECURITIES, LLC	163.74	8,187.00	0.02	KBC BANK NV	1,339.09	6,735.00	0.20
G TRADE SERVICES LTD	218.54	412,000.00	0.00	KBC FINANCIAL PRODUCTS UK LTD	8,590.65	215,213.00	0.04
GARBAN CORPORATES, INC	672.00	683,600.00	0.00	KBC PEEL HUNT LTD	1,241.84	570,047.00	0.00
GARBAN EQUITIES LIMITED LONDON	872.74	366,000.00	0.00	KBC SECURITIES N.V. HUNGARIAN	3,593.53	33,186.00	0.11
GARDNER RICH + CO	2,435.56	86,252.00	0.03	KEEFE BRUYETTE + WOODS INC	75,281.68	3,940,027.00	0.02
GK GOH SECURITIES (HK) LTD.	236.91	39,500.00	0.01	KEEFE BRUYETTE AND WOOD LIMITED	4,005.97	1,091,290.00	0.00
GLOBAL EQUITIES	3,800.26	309,440.00	0.01	KELLOGG PARTNERS	5,440.50	142,335.00	0.04
GOLDMAN SACHS (ASIA) LLC	2,128.05	13,426.00	0.16	KEMPEN + CO N.V.	7,048.78	479,732.00	0.01
GOLDMAN SACHS + CO	366,738.45	2,340,213,298.32	0.00	KEPLER EQUITIES	198.04	35,000.00	0.01
GOLDMAN SACHS AND CO BANK, ZURICH	24.92	2,560.00	0.01	KEPLER EQUITIES FRANKFURT BRANCH	2,301.48	40,718.00	0.06
GOLDMAN SACHS INTERNATIONAL	198,660.95	28,683,719.00	0.01	KEPLER EQUITIES PARIS	11,432.67	445,854.00	0.03
GOODBODY STOCKBROKERS	6,663.31	1,046,359.00	0.01	KEPLER EQUITIES SUCURSAL EN ESPANA	1,749.86	342,829.00	0.01
GREEN STREET ADVISORS	176.00	4,400.00	0.04	KEPLER EQUITIES ZURICH	11,440.40	586,481.00	0.02
GREENTREEBROKERAGE SERVICES INC	3,805.49	122,696.00	0.03	KES SINARMAS SECURITIES PT	431.21	3,923,200.00	0.00
GUZMAN + CO	13,776.80	637,892.00	0.02	KEYBANC CAPITAL MARKETS INC	13,354.92	5,554,761.00	0.00
HARRIS NESBITT CORP	8,726.52	317,626.00	0.03	KIM ENG SECURITIES	13,283.20	23,434,110.00	0.00
HC ISTANBUL	12,663.13	3,730,654.00	0.00	KIM ENG SECURITIES (HK) LTD.	77.44	19,000.00	0.00
HEEVERS & CO. INC.	504.25	11,375.00	0.04	KING, CL.& ASSOCIATES, INC	14,613.95	376,900.00	0.04
HEFLIN + CO LLC	114,780.89	5,636,077.00	0.02	KLEINWORTBENSON SECURITIES LIMITED	6,004.05	249,887.00	0.02
HIBERNIA SOUTHCOAST CAPITAL INC	3,225.80	66,294.00	0.05	KNIGHT EQMKT INTL LTD	107.26	11,654.00	0.01
HONGKONG AND SHANGHAI BANKING CORP	259.47	174,600.00	0.00	KNIGHT SECURITIES	98,838.99	5,141,851.00	0.02
HOWARD WEIL DIVISION LEGG MASON	6,917.29	139,579.00	0.05	KNIGHT SECURITIES INTERNATIONAL	201.00	3,700.00	0.05
HSBC BANKBRASIL SA BANCO MULTIPL0	388.41	79,654.00	0.00	KNIGHT SECURITIES L.P.	231.35	1,200.00	0.19
HSBC BANKPLC	43,132.28	1,639,318,371.00	0.00	KOREA SUCRITIES DEPOSITORY	237.89	1,100.00	0.22
HSBC JAMES CAPEL SEOUL	5,177.10	71,720.00	0.07	LABRANCHEFINANCIAL SERVICES L	37,945.62	1,759,770.00	0.02

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
LADENBURGTHALMAN + CO	502.95	14,370.00	0.04	NOVA CAPITAL MARKETS LLC	52.75	1,055.00	0.05
LANDESBANK BADEN WUERTTEMBERG	266.13	1,100.00	0.24	NUMIS SECURITIES LIMITED	1,743.28	241,584.00	0.01
LANG SCHWARZ WERTPAPIERHANDELSBANK AG	449.08	2,019.00	0.22	NUTMEG SECURITIES	84,613.01	3,018,512.00	0.03
LARRAIN VIAL	3,760.23	448,348.00	0.01	NYFIX TRANSACTION SERVICES #2	9,465.55	1,117,540.00	0.01
LAZARD ASSET MANAGEMENT	6,547.44	706,595.00	0.01	NZB NEUE ZUERCHER BANK	4,977.49	82,016.00	0.06
LAZARD CAPITAL MARKETS LLC	41,637.24	1,918,304.00	0.02	NZB NEUE ZUERCHER BANK	1,295.77	4,353.00	0.30
LEERINK SWANN AND COMPANY	12,330.01	297,763.00	0.04	O NEIL, WILLIAM AND CO. INC/BCC CLRG	8,147.75	205,765.00	0.04
LEHMAN BROTHERS INC	100,764.21	2,527,644,047.23	0.00	ODDO FINANCE	4,416.24	65,489.00	0.07
LEHMAN BROTHERS INTERNATIONAL (EUROPE)	48,488.65	17,557,591.00	0.00	OIEN SECURITIES, INC	18,921.72	894,425.00	0.02
LEHMAN BROTHERS INTL (EUROPE) SEOUL BR	367.00	137,098.00	0.00	OPPENHEIM, SAL.,JR UND CIE KOELN	21,361.97	564,375.00	0.04
LEHMAN BROTHERS SECS (ASIA)	5,665.65	3,445,040.00	0.00	OPPENHEIMER & CO. INC.	52,044.00	8,987,523.00	0.01
LIGHTHOUSE FINANCIAL GROUP LLC	725.00	14,500.00	0.05	OPPENHEIMER + CO INC	6,308.32	212,297.00	0.03
LIQUIDNETASIA LIMITED	273.31	185,700.00	0.00	OPPENHEIMER + CO. INC.	9,104.42	444,973.00	0.02
LIQUIDNETAUSTRALIA PTY LTD	410.39	711,456.00	0.00	OPSTOCK SECURITIES	19.96	748.00	0.03
LIQUIDNETINC	109,726.01	4,608,553.00	0.02	PACIFIC AMERICAN SECURITIES, LLC	96,370.17	4,872,280.00	0.02
LOOP CAPITAL MKTS LLC	26,275.45	1,043,933.00	0.03	PACIFIC CREST SECURITIES	19,577.94	739,122.00	0.03
LOURDES MAN	442.96	35,400.00	0.01	PACIFIC GROWTH EQUITIES, LLC	892.75	19,690.00	0.05
M M WARBURG	1,331.85	11,850.00	0.11	PANMURE GORDON AND CO LTD	1,815.53	435,810.00	0.00
M RAMSEY KING SECURITIES INC	13,149.94	429,276.00	0.03	PAEL	2,001.90	190,884.00	0.01
MACQUARIEBANK LIMITED	13,597.60	1,765,549.00	0.01	PARETO FONDS	1,000.73	42,375.00	0.02
MACQUARIEBANK LIMITED, LONDON	440.54	5,321.00	0.08	PARIBAS	251.05	20,007.00	0.01
MACQUARIECAPITAL (EUROPE) LTD	448.40	75,105.00	0.01	PARIBAS SECURITIES INC	24,273.28	4,844,997.00	0.01
MACQUARIEEQUITIES LIMITED (SYDNEY)	62,222.58	8,112,605.00	0.01	PATERSONSSECURITIES LTD	246.74	8,634.00	0.03
MACQUARIESECURITIES (SINGAPORE)	6,317.27	14,775,674.00	0.00	PCS DUNBAR SECURITIES	2,224.50	44,490.00	0.05
MACQUARIESECURITIES LIMITED	62,105.61	87,224,124.00	0.00	PENSERRA SECURITIES LLC	122.56	122.56	0.01
MACQUARIESECURITIES LTD SEOUL	6,460.53	189,807.00	0.03	PENSON FINANCIAL SERVICES CANADA INC	7,212.32	314,594.00	0.02
MAGAVCEO LEE + CO	134.00	6,700.00	0.02	PENSON FINANCIAL SERVICES INC	322.55	9,651.00	0.03
MAGNA SECURITIES CORP	86,402.17	3,759,627.00	0.02	PERCIVAL FINANCIAL PARTNERS LTD.	13,356.60	304,880.00	0.04
MAINFIRSTBANK DE	1,246.04	19,950.00	0.06	PERSHING DLJ S L	112,691.38	515,211,159.73	0.00
MAN FINANCIAL LIMITED	3,613.83	725,778.00	0.00	PERSHING LLC	11,907.01	77,075,957.63	0.00
MAN FINANCIALS	191.17	3,905.00	0.05	PERSHING SECURITIES LIMITED	54,779.40	7,209,764.00	0.01
MEDIOBANCA SPA	6,198.87	421,151.00	0.01	PERSHING SECURITIES LTD	174.27	11,833.00	0.01
MELVIN SECURITIES LLC	1,331.17	34,256.00	0.04	PETERCAM S.A.	5,118.90	562,939.00	0.01
MERRILL LYNCH	104.60	11,806,653.01	0.00	PICKERING ENERGY PARTNERS, INC	1,375.44	30,988.00	0.04
MERRILL LYNCH (SINGAPORE) PTE LTD	98.45	522,000.00	0.00	PICTET AND CIE	9,075.55	139,150.00	0.07
MERRILL LYNCH AND CO INC	145.43	17,000.00	0.01	PIPELINE TRADING SYSTEMS LLC	12,248.53	721,348.00	0.02
MERRILL LYNCH FAR EAST LTD	231.39	122,200.00	0.00	PIPER JAFFRAY	25,529.84	1,319,233.77	0.02
MERRILL LYNCH INTERNATIONAL	176,874.18	9,038,890,348.00	0.00	PODESTA +CO	250.25	5,525.00	0.05
MERRILL LYNCH JAPAN SECURITIES CO	2.93	300.00	0.01	POLCARI /WEICKER DIV OF ICAP	11,138.00	318,400.00	0.03
MERRILL LYNCH PEIRCE FENNER AND S	266,546.00	179,192,174.37	0.00	PRITCHARDCAPITAL PARTNERS LLC	318.90	6,378.00	0.05
MERRILL LYNCH PROFESSIONAL CLEARING CORP	4,106.30	95,118.00	0.04	PULSE TRADING LLC	84,376.68	4,145,402.00	0.02
MERRILL LYNCH, PIERCE FENNER SMITH	147.80	3,695.00	0.04	RABOBANK INTL	170.62	10,000.00	0.02
MERRILL LYNCH,PIERCE,FENNER + SMITH, INC	336,759.37	1,549,853,903.28	0.00	RAIFFEISEN ZENTRALBANK OESTERREICH AG	1,294.85	54,025.00	0.02
MERRIMAN CURHAN FORD + CO	1,053.70	22,260.00	0.05	RAMIREZ +CO INC	640.00	16,000.00	0.04
MERRION CAPITAL GROUP	93.80	21,800.00	0.00	RAYMOND JAMES + ASSOCIATES INC	1,787.80	20,352.00	0.09
MIDWEST RESEARCH SECURITIES	18,735.53	991,867.00	0.02	RAYMOND JAMES AND ASSOCIATES INC	13,300.05	5,213,690.90	0.00
MILLER TABAK + CO LLC	284.50	28,450.00	0.01	RAYMOND JAMES TRUST COMPANY	3,952.18	115,976.00	0.03
MISCHLER FINANCIAL GROUP, INC-EQUITIES	40,971.64	2,110,100.00	0.02	RBC CAPITAL MARKETS	56,312.64	78,435,692.49	0.00
MITSUBISHI UFJ SECURITIES (USA)	1,400.20	24,380.00	0.06	RBC CAPITAL MARKETS CORPORATION	598.98	29,949.00	0.02
MITSUBISHI UFJ SECURITIES INT PLC	1,000.79	620,243,300.00	0.00	RBC DOMINION SECURITIES INC.	9,729.46	675,258.00	0.01
MIZUHO SEC ASIA LTD	3,524.32	336,600.00	0.01	RBS EQUITIES (AUSTRALIA) LIMITED	587.35	20,362.00	0.03
MIZUHO SECURITIES USA INC	17,290.76	5,194,677.00	0.00	REDBURN PARTNERS LLP	28,025.01	1,547,000.00	0.02
MKM PARTNERS	1,591.00	40,182.00	0.04	RENAISSANCE CAPITAL GROUP	2,265.00	75,500.00	0.03
ML PROFESSIONAL CLEARING CORP	280.00	7,000.00	0.04	RENAISSANCE CAPITAL LTD	45,422.52	2,608,761.00	0.02
MONTECITOADVISORS	75.08	1,877.00	0.04	REYNOLDERS,GRAY + COMPANY,INC	4,607.90	84,925.00	0.05
MONTRSE SECURITIES EQUITIES	27,036.64	1,319,172.00	0.02	RIDGE CLEARING & OUTSOURCING SOLUTIONS,	4,333.60	316,680.00	0.01
MONUMENT DERIVATIVES LTD LDN	264.06	2,400.00	0.11	RIDGE CLEARING + OUTSOURCING SOLUTIONS	9,894.74	10,337,300.80	0.00
MORGAN KEEGAN & CO INC	18,893.00	5,563,660.00	0.00	RIDGE CLEARING AND OUTSOURCING SOLUTIONS	836.52	664,600.00	0.00
MORGAN STANLEY	498.54	869,984.20	0.00	ROBERT VAN SECURITIES	4,347.01	139,260.00	0.03
MORGAN STANLEY & CO. INCORPORATED/RETAIL	5,515.90	14,137,950.00	0.00	ROBERTS +RYAN INVESTMENTS INC	12,049.19	567,241.00	0.02
MORGAN STANLEY AND CO INTERNATIONAL	7,606.49	70,010.00	0.11	ROCHDALE SEC CORP.(CLS THRU 443)	45,748.35	2,502,019.00	0.02
MORGAN STANLEY AND CO. INTERNATIONAL	33,464.64	8,042,394.19	0.00	ROSENBLATT SECURITIES LLC	1,892.76	94,638.00	0.02
MORGAN STANLEY BANK AG	191.43	3,700.00	0.05	ROTH CAPITAL PARTNERS LLC	2,227.46	63,968.00	0.03
MORGAN STANLEY CO INCORPORATED	819,676.09	3,778,278,932.64	0.00	SAMSUNG SECURITIES CO LTD	33,452.42	1,818,805.00	0.02
MORGAN STANLEY DEAN WITTER AUSTRALIA	662.29	311,342.00	0.00	SAMUEL A RAMIREZ & COMPANY INC	13,858.45	545,102.00	0.03
MORGAN STANLEY SECURITIES LIMITED	6,985.19	1,241,319.00	0.01	SANDERS MORRIS HARRIS	4,857.90	145,830.00	0.03
MR BEAL &COMPANY	7,339.21	208,389.00	0.04	SANDERS MORRIS MUNDY	1,351.80	33,795.00	0.04
MULTITRADE SECURITIES LLC	818.41	21,551.00	0.04	SANDGRAINSECURITIES INC	30.60	100,612.00	0.00
NATEXIS BLEICHROEDER INC	9,806.53	177,330.00	0.06	SANDLER ONEILL + PART LP	1,000.50	34,650.00	0.03
NATIONAL FINANCIAL SERVICES CORP.	15,778.87	5,154,093.00	0.00	SANFORD C. BERNSTEIN LTD	93,546.44	7,150,052.00	0.01
NATIXIS SECURITIES	49.34	600.00	0.08	SANFORD CBERNSTEIN CO LLC	82,156.62	5,042,651.00	0.02
NCB STOCKBROKERS LTD	1,338.53	64,557.00	0.02	SANTANDERCENTRAL HISPANO BOLSA	2,784.17	71,985,578.00	0.00
NEEDHAM +COMPANY	34,215.54	1,176,430.00	0.03	SANTANDERINVESTMENT SECURITIES INC	337.85	42,876,757.00	0.00
NESBITT BURNS	3,223.49	104,411.00	0.03	SCOTIA CAPITAL (USA) INC	765.57	18,263.00	0.04
NEUBERGERAND BERMAN	446.32	17,231.00	0.03	SCOTIA CAPITAL MKTS	1,648.79	48,157.00	0.03
NEUE ZUERCHER BANK	53.60	481.00	0.11	SCOTT + STRINGFELLOW, INC	15,253.54	4,293,261.75	0.00
NKB INVESTMENTS LTD	76.94	2,252.00	0.03	SCREAMINGEAGLE TRADING INC	54,510.40	2,451,417.00	0.02
NOBLE INTERNATIONAL INVESTMENTS INC.	2,239.62	111,981.00	0.02	SECURITY CAPITAL BROKERAGE INC	226.35	5,806.00	0.04
NOMURA INTERNATIONAL (HONG KONG) LTD	3,384.16	3,760,811.00	0.00	SG AMERICAS SECURITIES, LLC	20,573.31	560,900.00	0.04
NOMURA INTERNATIONAL PLC	51,616.39	186,227,584.00	0.00	SG SECURITIES HK	26,208.68	4,208,812.00	0.01
NOMURA INTL (HK) LTD, SEOUL BR	134.56	700.00	0.19	SHAW STOCKBROKING LTD (SYDNEY)	294.08	511,872.00	0.00
NOMURA SECURITIES INTERNATIONAL INC	146,192.03	17,575,662.00	0.01	SIDOTI + COMPANY LLC	10,922.85	266,914.00	0.04
NORDEA BANK NORGE ASA	1,663.68	32,240.00	0.05	SIMMONS +COMPANY INTERNATIONAL	455.00	11,700.00	0.04
NORDEA BANK SWEDEN AB (PUBL)	162.24	3,040.00	0.05	SINGER AND FRIEDLANDER LTD	137.76	20,000.00	0.01
NORDIC PARTNERS	1,136.42	43,459.00	0.03	SIS SEGAINTERSETTLE AG	624.62	9,815.00	0.06
NORTHLANDSECURITIES INC.	302.50	6,050.00	0.05	SKANDINAVISKA ENSKILDA BANK	1,289.32	47,729.00	0.03

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
SKANDINAVISKA ENSKILDA BANKEN LONDON	16,779.03	946,902.00	0.02				
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				
WACHOVIA CAPITAL 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						

CONNECTICUT STATE TREASURER'S 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF NET ASSETS BY INVESTMENT FUND
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		

CONNECTICUT STATE TREASURER'S 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

CONNECTICUT STATE TREASURER'S 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	-	-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

COMBINED INVESTMENT FUNDS

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**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	\$-	\$-	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**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	\$-	\$-	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**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	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
TOTAL NET ASSET VALUE BY PENSION PLANS AND TRUST FUNDS
JUNE 30, 2009**

<u>Retirement Funds</u>	<u>Net Asset Value</u>
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
<u>Non-retirement Trust Funds</u>	
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	<u>\$20,382,166,284</u>

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT
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%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (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%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2009**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Starwood Opportunity Fund VIII	Active	(4,003,176)	-0.52%
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%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2009**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
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%
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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF CONSULTING SERVICES IN EXCESS OF \$5,000⁽¹⁾ FOR PERIODS ENDED JUNE 30

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2009	2008	2007	2006	2005
CONSULTING SERVICES						
Alignment Capital Management	Private Equity Consultant	-	-	227,147	325,000	300,000
Callan Associates	Pension Funds Consultant	-	-	-	-	95,000
CRA RogersCasey Consulting Inc.	Pension Funds Consultant	130,208	555,055	401,495	519,885	547,890
Franklin Park Associates LLC	Private Equity Consultant	995,521	791,426	905,569	863,056	647,154
FTI Consulting, Inc.	Pension Funds Consultant	-	-	-	19,372	151,256
Greystone Capital Management	Pension Funds Consultant	-	-	-	-	7,040
Independent Fiduciary Service	Pension Funds Consultant	42,500	142,500	-	-	-
Invesco Private Capital (Sovereign)	Pension Funds Consultant	-	-	-	-	1,026,564
Korn Ferry International	Pension Funds Consultant	11,413	182,392	-	-	-
Mercer Investment Consulting	Pension Funds Consultant	500,000	250,000	-	-	-
New England Pension Consultants	Pension Funds Consultatn	419,964	-	-	-	-
Pension Consulting Alliance	Pension Funds Consultant	-	103,350	202,768	196,851	196,242
The Townsend Group	Pension Funds Consultant	271,527	-	-	-	-
TOTAL CONSULTING SERVICES COMPENSATION		\$2,371,133	\$2,024,723	\$1,736,979	\$1,924,164	\$2,971,146

(1) Expenses are presented on a cash basis.

CONNECTICUT STATE TREASURER'S 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%
U.S. Treasury Notes	2.00%	01/15/2016	U.S. Govt Agency	40,510,702	4.88%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2009* (Continued)

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	%
Dyegy 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%
Mosiack 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%
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%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2009* (Continued)

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

- Master Custodian** - An entity, usually a bank, used for safekeeping of securities and other assets. Responsible for other functions including accounting, performance measurement and securities lending.
- Maturity Date** - The date on which the principal amount of a bond or other debt instrument becomes payable or due.
- Mezzanine Debt** – Debt that incorporates equity –based options, such as warrants, with a lower – priority debt.
- MFR Index (iMoneyNet's First Tier Institutional-only Rated Money Fund Report AveragesTM Index)** - An index which represents an average of the returns of institutional money market mutual funds that invest primarily in first-tier (securities rated A-1, P-1) taxable securities.
- Modified Duration** - A measure of the price sensitivity of a bond to interest rate movements. It is the primary basis for comparing the effect of interest rate changes on prices of fixed income securities.
- Money Market Fund** - An open-ended mutual fund that invests in commercial paper, bankers' acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities and pays money market rates of interest. The fund's net asset value remains a constant \$1 per share - only the interest rate goes up or down.
- Moody's (Moody's Investors Service)** - A financial services rating agency.
- MSCI-EAFE** - Morgan Stanley Europe Australasia Far East foreign equity index. An arithmetic value weighted average of the performance of over 900 securities on the stock exchanges of 21 countries on three continents. The index is calculated on a total return basis, which includes reinvestment of dividends net of withholding taxes.
- Net Asset Value (NAV)** - The total assets (including any valuation gains or losses on investments or currencies) minus total liabilities divided by shares outstanding.
- NCREIF (National Council of Real Estate Investment Fiduciaries)** - An index consisting of investment-grade, non-agricultural, income-producing properties: apartments, hotels, offices, and warehouses. Its return includes appreciation, realized capital gains, and income. It is computed by adding the income return and capital appreciation return generated by the properties in the index, on a quarterly basis.
- Par Value** - The stated or face value of a stock or bond. It has little significance for common stocks, however, for bonds it specifies the payment amount at maturity.
- Pension Fund** - A fund set up by a corporation, labor union, governmental entity, or other organization to pay the pension benefits of retired workers.
- Percentile** - A description of the percentage of the total universe in which portfolio performance is ranked.
- Price/Book (P/B)** - A ratio showing the price of a stock divided by its book value. The P/B measures the multiple at which the market is capitalizing the net asset value per share of a company at any given time.
- Price/Earnings (P/E)** - A ratio showing the price of a stock divided by its earnings per share. The P/E measures the multiple at which the market is capitalizing the earnings per share of a company at any given time.
- Present Value** - The current value of a future cash flow or series of cash flows discounted at an appropriate interest rate or rates. For example, at a 12% interest rate, the receipt of one dollar a year from now has a present value of \$0.89286.
- Principal** - Face value of an obligation, such as a bond or a loan, that must be repaid at maturity.
- Prudent Person Rule** - The standard adopted by some states to guide those fiduciaries with responsibility for investing money of others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investment.
- Realized Gain (Loss)** - A gain (loss) that has occurred financially. The difference between the principal amount received and the cost basis of an asset realized at sale.
- Relative Volatility** - The standard deviation of the Fund divided by the standard deviation of its selected benchmark. A relative volatility greater than 1.0 suggests comparatively more volatility in Fund returns than those of the benchmark.
- Repurchase Agreements ("Repos")** – A contract in which the seller of securities, such as Treasury Bills, agrees to buy them back at a specified time and price. Repos are widely used as a money market instrument.
- Reverse Repurchase Agreements ("Reverse Repos")** - A purchase of securities with an agreement to resell them at a higher price at a specific future date.
- Return on Equity (ROE)** - The net income for the accounting period after payment of preferred stock dividends and before payment of common stock dividends of a company divided by the common stock equity at the beginning of the accounting period.
- Risk Adjusted Return** - A modified (usually reduced) return which accounts for the cost of a specific investment exposure as well as the aggregate risk of such exposure.
- Russell 3000** - An equity index comprised of the securities of the 3,000 largest public U.S. companies as determined by total market capitalization. This index represents approximately 98% of the U.S. equity market's capitalization.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

- Securities Lending** - A carefully collateralized process of loaning portfolio positions to custodians, dealers, and short sellers who must make physical delivery of positions. Securities lending can reduce custody costs or enhance annual returns by a full percentage point or more in certain market environments.
- Soft Dollars** - The value of research or other services that brokerage houses and other service entities provide to a client "free of charge" in exchange for the client's brokerage.
- S&P 500 (Standard & Poor's)** - A basket of 500 stocks considered to be widely held. The performance of this index is thought to be representative of the stock market as a whole. The index selects its constituents based upon their market size, liquidity and sector. S&P 500 stocks are considered to be the leading large (to mid) cap corporations in a given sector.
- S&P Credit Ratings Service** - A financial services rating agency.
- Standard Deviation** - A statistical measure showing the deviation of an individual value in a probability distributed from the mean (average) of the distribution. The greater the degree of dispersion from the mean rate of return, the higher the standard deviation; therefore, the higher the risk.
- Total Fund Benchmark** - A hybrid benchmark customized to reflect the CRPTF's asset allocation and performance objectives. This benchmark is comprised of 36% Russell 3000 Index; 18% International Stock Fund benchmark; 29% Mutual Fixed Income benchmark; 5% Russell 3000 Index; 11% S&P 500 Index; and 1% MFR First Tier Rated Index. The International Stock Fund benchmark is comprised of 83% Citigroup Europe, Pacific, Asia Composite Broad Market Index (50% Hedged) and 17% MSCI Emerging Market Free Index. The Mutual Fixed Income benchmark consists of 73% Lehman Brothers U. S. Aggregate Index, 17% S&P/Citigroup High Yield Market Index, and 10% JPM Emerging Markets Bond Index.
- Treasury Bill (T-Bill)** - Short-term, highly liquid government securities issued at a discount from the face value and returning the face amount at maturity.
- Treasury Bond or Note** - Debt obligations of the Federal government that make semiannual coupon payments and are sold at or near par value in denominations of \$1,000 or more.
- Trust** - A fiduciary relationship in which a person, called a trustee, holds title to property for the benefit of another person, called a beneficiary.
- TUCS** - Trust Universe Comparison Service. TUCS is based upon a pooling of quarterly trust accounting data from participating banks and other organizations that provide custody for trust assets.
- Turnover** - Security purchases or sales divided by the fiscal year's beginning and ending market values for a given portfolio.
- Unrealized Gain (Loss)** - A profit (loss) that has not been realized through the sale of a security. The gain (loss) is realized when a security or futures contract is actually sold or settled.
- Variable Rate Note** - Floating rate notes with a coupon rate adjusted at set intervals, such as daily, weekly, or monthly, based on different interest rate indices, such as LIBOR, Fed Funds, and Treasury Bills.
- Volatility** - A statistical measure of the tendency of a market price or yield to vary over time. Volatility is said to be high if the price, yield, or return typically changes dramatically in a short period of time.
- Yield** - The return on an investor's capital investment.
- Yield Curve** - A graph showing the term structure of interest rates by plotting the yields of all bonds of the same quality with maturities ranging from the shortest to the longest possible. The Y-axis represents the interest rate and the X-axis represents time, generally with a normal curve that is convex in shape.
- Zero Coupon Bond** - A bond paying no interest that sells at a discount and returns principal only at maturity.

Introduction

This section discusses the Treasury's approach to measuring performance, including risk and return of the Connecticut Retirement Plans and Trust Funds (CRPTF).

Understanding Performance

To measure success in achieving the primary objective of the Asset Allocation Plan, the Fund's performance is evaluated in two principal areas: risk and return. The results of these reviews, coupled with information on portfolio characteristics, are used to monitor and improve the performance of the Fund's external investment advisors.

To bring accountability and perspective to Fund performance and measurements of risk and return, The Connecticut Retirement Plans and Trust Funds are compared to those of similarly structured peer groups and indices. These comparisons enable plan participants, the Treasurer and the Investment Advisory Council, to determine whether and by how much Fund returns exceeded or fell short of the benchmarks. Each Fund's benchmark is selected on the basis of portfolio composition, investment style, and objectives.

Comparative performance is reviewed over both the near-term and the long-term for two reasons. First, pension management is, by its very nature, a long-term process. While both young and old employees comprise the pool of plan beneficiaries, the average age of plan participants is relatively low and requires that plan assets be managed for the long term. Second, as experience has shown, results attained in the short term are not necessarily an indicator of results to be achieved over the long term. Performance must be viewed in a broader context.

Overall performance is measured by calculating monthly returns and linking them to provide one-, three-, five- and ten-year histories of overall investment performance. Short-term performance is measured by total return over one-month, quarter-end, and trailing one-year time periods. Risk is also measured over both short- and the long-term periods.

Risk

The measurement of risk is a critical component in investment management. It is the basis for both strategic decision-making and investment evaluation. As an investment tool, investors assume risk to enhance portfolio returns. These enhancements, viewed as returns in excess of those available on "risk-free" investments, such as Treasury Bills, vary in magnitude according to the degree of risk assumed. Many investors focus on the negative aspects of risk and in doing so forego substantial upside potential, which can significantly enhance long-term returns. Thus, while risk can never be completely eliminated from a portfolio, the prudent management of risk can maximize investment returns at acceptable levels of risk.

Risk can take several forms and include: market risk, the risk of fluctuations in the overall market for securities; company risk, the risk of investing in any single company's stock or bonds; currency-exchange risk, the risk that a foreign country's currency may appreciate or depreciate relative to the U.S. dollar, thus impacting the value of foreign investments; and political risk, risk incurred through investing in foreign countries with volatile economies and political systems.

With respect to fixed income investments, investors also assume: reinvestment risk, the risk that cash flows received from a security will be reinvested at lower rates due to declining interest rates; credit or default risk, the risk that the issuer of a fixed income security may fail to make principal and interest payments on the security; interest rate risk, the risk that prices of fixed coupon bonds will decline in the event of rising market interest rates; and inflation or purchasing power risk, the risk that the real value of a security and its cash flows may be reduced by inflation. The level of risk incurred in fixed income investing increases as the investment time horizon is lengthened. This is demonstrated by the comparatively higher yields available on "long bonds," or bonds maturing in 20 to 30 years, versus those available on short-term fixed income securities.

In the alternative investment category, risks are significantly greater than those of publicly traded investments. Assessment of progress is more tenuous and valuation judgments are more complex. The investor assumes not only management, product, market, and operations risk, similar to equity investing, but also assumes liquidity risk, the risk that one's investment cannot be immediately liquidated at other than substantially discounted value.

UNDERSTANDING INVESTMENT PERFORMANCE

Volatility

To measure the effects of risk on the portfolio, the volatility of returns is calculated over time. Volatility, viewed as deviation of returns from an average of these returns over time, is measured statistically by standard deviation. Standard deviation is one of the most widely accepted and descriptive risk measures used by investment professionals today. Funds with high standard deviations are considered riskier than those with low standard deviations.

To evaluate the significance of the Funds' standard deviation, each Fund's relative volatility, or the ratio of the Fund's standard deviation to that of the benchmark is calculated. A relative volatility greater than 1.0 indicates that the Fund is more volatile than the benchmark while a measure less than 1.0 indicates less volatility. A relative volatility of 1.0 signifies an equal degree of volatility between the Fund and the benchmark.

As an extension of standard deviation, each Fund's beta, or a measure of the relative price fluctuation of the Fund to its benchmark, is also calculated. The measurement of beta allows one to evaluate the sensitivity of Fund returns to given movements in the market and/or its benchmark. A beta greater than 1.0 compared to the selected market benchmark signifies greater price sensitivity while a beta less than 1.0 indicates less sensitivity.

To measure the degree of correlation between Fund returns and the benchmark, the Division calculates the coefficient of determination, or R². This calculation, which is used in conjunction with beta, allows one to evaluate how much of the volatility in Fund returns is explained by returns in the selected market benchmark. An R² of 1.0 indicates that Fund returns are perfectly explained by returns of the benchmark, while a value less than 1.0 indicates that the returns of the benchmark explain only a portion of the fund return.

Finally, to evaluate how well each of the above measures actually predicted returns of the Fund, a calculation is performed on the Fund's alpha. This calculation measures the absolute difference between the Fund's monthly return and that predicted by its beta. Used together, these measures provide a comprehensive view of a Fund's relative risk profile.

Return

The Pension and Trust Funds are managed for maximum return with minimal risk. Return, viewed in this context, includes realized and unrealized gains in the market value of a security, including those attributable to currency fluctuations, as well as income distributed from a security such as dividends and interest. Return is measured through two calculations: compounded annual total return and cumulative total return.

Compounded Annual Total Return - This return measure evaluates performance over the short and long-term. Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized and unrealized capital gains, including those attributable to currency fluctuations. In effect, compounded annual total return "smooths" fluctuations in long-term investment returns to derive an implied year-to-year annual return.

Cumulative Total Return - This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. While this calculation does not "smooth" year-to-year fluctuations in long-term returns to derive implied annual performance, cumulative total return allows one to see on an absolute basis the percentage increase in the total Fund's value over a specified time. Viewed graphically, cumulative total return shows one what a \$10 million investment in the CRPTF a set number of years ago would be worth today.

Statistical

Section



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS
STATISTICAL SECTION

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

Financial Trends

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

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

Revenue Capacity

Revenue capacity is not applicable to CIF.

Borrowing Capacity

Borrowing capacity is not applicable to CIF.

Demographic and Economic Information

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

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

Operating Information

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

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	MUTUAL EQUITY					MUTUAL FIXED INCOME				
	2009	2008	2007	2006	2005	2009	2008	2007	2006	2005
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%
FISCAL YEAR ENDED JUNE 30, PER SHARE DATA										
	CORE FIXED INCOME					INFLATION LINKED BOND				
	2009	2008	2007	2006	2005	2009	2008	2007	2006	2005
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%	-	-	-
FISCAL YEAR ENDED JUNE 30, PER SHARE DATA										
	EMERGING MARKET DEBT					HIGH YIELD DEBT				
	2009	2008	2007	2006	2005	2009	2008	2007	2006	2005
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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	INTERNATIONAL STOCK					DEVELOPED MARKET INTERNATIONAL				
	2009	2008	2007	2006	2005	2009	2008	2007	2006	2005
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%	-	-	-

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	EMERGING MARKET INTERNATIONAL STOCK					REAL ESTATE				
	2009	2008	2007	2006	2005	2009	2008	2007	2006	2005
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%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	COMMERCIAL MORTGAGE					PRIVATE INVESTMENT				
	2009	2008	2007	2006	2005	2009	2008	2007	2006	2005
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%

IRATIOS										
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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

Pension Plans	2009		Fund Name												
	Percent of		LF	MEF	FIF	CFIF	ILBF	EMDF	HYDF	ISF	DMISF	EMISF	REF	CMF	PIF
	Total System	Assets													
Teachers' Retirement Fund	55.91%	\$11,396.7	\$600.8	\$3,162.9	\$0.0	\$1,647.5	\$409.9	\$623.8	\$408.7	\$0.0	\$2,544.2	\$645.7	\$433.7	\$2.8	\$916.7
State Employees' Retirement Fund	35.92%	7,320.8	279.3	2,083.1	0.0	1,102.7	289.6	414.1	261.8	0.0	1,612.7	414.9	276.0	2.0	584.6
Municipal Employees' Retirement Fund	6.60%	1,345.1	69.6	286.2	0.0	294.3	116.0	74.2	47.0	0.0	223.4	74.9	51.1	0.3	108.1
State Judges' Retirement Fund	0.73%	148.2	6.6	31.3	0.0	33.5	13.6	8.0	5.0	0.0	24.5	8.2	5.6	0.0	11.9
The Probate Court Retirement Fund	0.33%	66.3	4.7	14.5	0.0	13.9	4.6	3.7	2.3	0.0	11.1	3.7	2.5	0.0	5.3
State's Attorneys Retirement Fund	0.00%	0.9	0.1	0.1	0.0	0.5	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Trust Funds	0.51%	104.2	3.9	12.2	0.0	67.6	3.6	7.9	8.3	0.0	0.0	0.0	0.7	0.0	0.0
	<u>100.00%</u>	<u>\$20,382.2</u>	<u>\$965.0</u>	<u>\$5,590.3</u>	<u>\$0.0</u>	<u>\$3,160.0</u>	<u>\$837.3</u>	<u>\$1,131.8</u>	<u>\$733.2</u>	<u>\$0.0</u>	<u>\$4,415.9</u>	<u>\$1,147.4</u>	<u>\$769.6</u>	<u>\$5.1</u>	<u>\$1,626.6</u>

Pension Plans	2000		Fund Name												
	Percent of		LF	MEF	FIF	CFIF	ILBF	EMDF	HYDF	ISF	DMISF	EMISF	REF	CMF	PIF
	Total System	Assets													
Teachers' Retirement Fund	54.49%	\$11,940.2	\$257.7	\$4,841.3	\$3,481.5	\$0.0	\$0.0	\$0.0	\$0.0	\$1,599.5	\$0.0	\$0.0	\$278.0	\$96.0	\$1,386.2
State Employees' Retirement Fund	37.81%	8,284.9	85.6	3,350.1	2,480.3	0.0	0.0	0.0	0.0	1,129.3	0.0	0.0	196.3	67.6	975.7
Municipal Employees' Retirement Fund	6.27%	1,373.2	29.1	554.3	401.2	0.0	0.0	0.0	0.0	173.2	0.0	0.0	30.7	10.6	174.1
State Judges' Retirement Fund	0.64%	141.2	3.4	55.3	37.8	0.0	0.0	0.0	0.0	17.1	0.0	0.0	2.8	1.0	23.8
The Probate Court Retirement Fund	0.32%	70.8	2.0	28.2	22.4	0.0	0.0	0.0	0.0	10.8	0.0	0.0	1.8	0.6	5.0
State's Attorneys Retirement Fund	0.00%	0.9	0.2	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trust Funds	0.47%	103.0	6.7	22.8	72.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1	0.0
	<u>100.00%</u>	<u>\$21,914.2</u>	<u>\$384.7</u>	<u>\$8,852.5</u>	<u>\$6,496.3</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$2,929.9</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$510.1</u>	<u>\$175.9</u>	<u>\$2,564.8</u>

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

Source: Amounts were derived from custodial records.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2009 ⁽¹⁾

Liquidity Fund ⁽²⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	\$952,212,787	\$950,605,428	4.65%	1.54%
2008	1,140,821,830	1,140,821,830	4.36%	4.59%
2007	236,297,695	236,297,695	0.88%	5.61%
2006	280,548,978	280,548,978	1.20%	4.51%
2005	395,948,288	395,948,288	1.84%	2.36%
2004	363,170,856	363,170,856	1.76%	1.28%
2003	710,832,993	710,832,993	3.75%	1.80%
2002	481,664,484	481,664,484	2.46%	3.03%
2001	391,346,777	391,346,777	1.85%	6.35%
2000	378,683,486	378,683,486	1.67%	5.96%

Mutual Equity Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$6,019,782,554	\$5,588,272,211	27.35%	-28.36%	
7,563,373,750	8,017,007,807	30.68%	-12.99%	
7,628,304,018	9,810,773,724	36.64%	18.24%	
7,501,163,477	8,983,043,768	38.25%	10.29%	
6,991,797,244	8,284,992,409	38.40%	8.06%	
6,544,070,199	7,779,104,677	37.67%	20.86%	
6,047,280,312	6,603,061,918	34.77%	0.48%	
6,401,472,709	6,688,728,705	34.20%	-14.95%	
6,649,619,519	7,949,775,481	37.49%	-9.55%	
6,578,261,062	8,876,068,150	39.08%	10.03%	

Mutual Fixed Income Fund ⁽⁷⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	\$ -	\$ -	-	0.00%
2008	-	-	-	0.00%
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%

Core Fixed Income Fund ⁽⁷⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$3,400,625,343	\$3,215,718,047	15.74%	2.84%	
4,979,684,914	4,851,300,830	18.57%	5.65%	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	

Inflation Linked Bond Fund ⁽⁷⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2009	\$813,926,651	\$829,543,021	4.06%	-0.20%
2008	1,152,973,047	1,162,545,028	4.45%	16.81%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-
2001	-	-	-	-
2000	-	-	-	-

Emerging Market Debt Fund ⁽⁷⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$1,153,012,696	\$1,125,226,197	5.51%	-3.62%	
1,006,342,436	1,040,295,964	3.98%	5.59%	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2009 (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
\$	-	\$ -	-	-
\$	-	\$ -	-	-
4,293,498,472	5,940,213,814	22.19%	29.65%	
4,145,802,552	5,392,666,574	22.96%	25.69%	
3,587,545,036	4,372,185,115	20.27%	19.23%	
3,407,481,400	3,995,868,265	19.35%	29.69%	
2,047,590,656	2,026,297,000	10.67%	-6.39%	
2,306,936,221	2,272,810,463	11.62%	-9.00%	
2,449,711,883	2,466,657,788	11.63%	-13.29%	
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
\$1,110,911,776	\$1,141,401,975	5.59%	-30.90%	
1,111,317,184	1,295,936,888	4.96%	0.19%	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	

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
\$5,084,919	\$5,135,144	0.02%	-3.14%	
6,255,651	6,906,096	0.03%	12.05%	
7,355,621	7,763,461	0.03%	8.17%	
17,729,189	18,192,114	0.08%	9.51%	
19,796,542	20,267,798	0.09%	6.76%	
35,210,421	36,228,371	0.18%	7.83%	
69,871,489	71,990,878	0.38%	20.62%	
69,553,258	71,468,307	0.37%	1.19%	
92,793,153	100,727,402	0.47%	10.88%	
168,263,689	175,216,208	0.77%	8.26%	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2009 (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 Municipal Employees) are separately presented elsewhere due to different asset allocations of each fund.
- (6) On November 1, 2007 the International Stock Fund (ISF) was reallocated into two sub portfolios of international equity securities. The reallocation was a result of the modifications to the Investment Policy Statement (IPS) as approved by the Investment Advisory Council (IAC) and adopted by the Treasurer in October 2007. The reallocation of assets, outlined in the IPS, was based on an asset liability study that identified the need to reallocate the international stock fund into two components: developed markets international stocks and emerging markets international stocks to allow for greater flexibility in managing risk and return in the various Connecticut Retirement Plans and Trust Funds.
- (7) On November 1, 2007 the Mutual Fixed Income Fund was reallocated into four sub portfolios of fixed income securities. The reallocation was a result of the modifications to the Investment Policy Statement (IPS) as approved by the Investment Advisory Council (IAC) and adopted by the 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Assets										
Investments at Fair Value	\$20,431.2	\$26,129.2	\$26,774.5	\$23,482.9	\$21,573.3	\$20,650.1	\$18,989.4	\$19,557.5	\$21,207.0	\$22,711.7
Cash, Receivables and Other	11,520.3	15,884.6	14,440.5	16,145.9	12,212.7	10,456.4	4,253.9	3,855.0	4,161.7	3,825.8
Total Assets	31,951.5	42,013.8	41,215.0	39,628.8	33,786.0	31,106.5	23,243.3	23,412.5	25,368.7	26,537.5
Liabilities	11,569.3	16,142.0	15,286.7	16,812.0	12,486.9	10,917.2	4,942.9	4,706.3	4,775.5	4,623.3
Net Assets	\$20,382.2	\$25,871.8	\$25,928.3	22,816.8	\$21,299.1	\$20,189.3	\$18,300.4	\$18,706.2	\$20,593.2	\$21,914.2

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

Fiscal Year Ended June 30,

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Additions										
Dividends	\$399.9	\$650.1	\$558.9	\$525.6	\$500.2	\$607.5	\$484.1	\$298.8	\$271.4	\$369.8
Interest	358.9	460.0	396.0	350.8	302.1	303.0	352.4	432.8	504.6	449.4
Securities Lending & Other Income	74.9	162.4	176.7	124.6	76.0	52.8	28.9	42.9	100.1	77.3
Total Investment Income	833.7	1,272.5	1,131.6	1,001.0	878.3	963.3	865.4	774.5	876.1	896.5
Total Investment Expenses	89.9	201.8	212.3	178.0	112.1	63.6	65.6	91.7	154.7	119.2
Net Investment Income	743.8	1,070.7	919.3	823.0	766.2	899.7	799.8	682.8	721.4	777.3
Net Realized Gain/(Loss)	(2,942.4)	675.7	1,524.1	886.0	698.7	881.0	(566.4)	(445.6)	269.3	1,527.2
Net Change in Unrealized Gains on Investments	(2,333.6)	(3,004.3)	1,472.3	520.4	591.2	936.9	123.8	(1,567.6)	(1,776.4)	262.5
Purchase of Units by Participants	6,599.3	8,184.5	3,643.8	1,829.8	1,632.3	2,889.5	1,299.5	1,117.5	1,348.1	2,436.7
Total Additions	2,067.1	6,926.6	7,559.5	4,059.2	3,688.4	5,607.1	1,656.7	(212.9)	562.4	5,003.7
Deductions										
Administrative Expense	(3.4)	(3.2)	(3.2)	(2.9)	(2.7)	(2.3)	(2.1)	(1.5)	(1.4)	(1.3)
Distributions to Unit Holders	(707.6)	(972.4)	(911.9)	(802.5)	(859.6)	(816.1)	(837.0)	(717.8)	(734.6)	(759.0)
Redemption of Units by Participants	(6,845.7)	(6,007.4)	(3,532.9)	(1,736.1)	(1,716.3)	(2,899.8)	(1,223.4)	(954.8)	(1,147.4)	(2,150.1)
Total Deductions	(7,556.7)	(6,983.0)	(4,448.0)	(2,541.5)	(2,578.6)	(3,718.2)	(2,062.5)	(1,674.1)	(1,883.4)	(2,910.4)
Net Change in Assets	(5,489.6)	(56.5)	3,111.5	1,517.7	1,109.8	1,888.9	(405.8)	(1,887.0)	(1,321.0)	2,093.3
Beginning Net Assets	25,871.8	25,928.3	22,816.8	21,299.1	20,189.3	18,300.4	18,706.2	20,593.2	21,914.2	19,820.9
Ending Net Assets	\$20,382.2	\$25,871.8	\$25,928.3	\$22,816.8	\$21,299.1	\$20,189.3	\$18,300.4	\$18,706.2	\$20,593.2	\$21,914.2

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

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

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

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

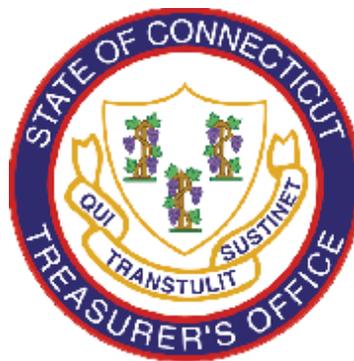
M. Timothy Corbett
Chief Investment Officer
Pension Funds Management
Tel: (860) 702-3005
Fax: (860) 702-3042

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

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

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

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



CONNECTICUT STATE TREASURY

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