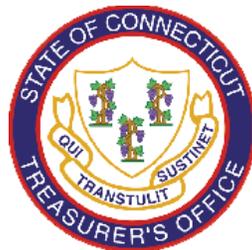


STATE OF CONNECTICUT OFFICE OF THE TREASURER

2011



COMBINED INVESTMENT FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2011

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

STATE OF CONNECTICUT

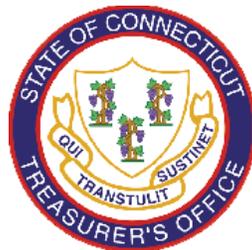
Office of the State Treasurer



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.

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COMBINED INVESTMENT FUNDS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR FISCAL YEAR ENDED JUNE 30, 2011

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**Introductory
Section**





DENISE L. NAPPIER
TREASURER

State of Connecticut
Office of the Treasurer

JONATHAN A. HARRIS
DEPUTY TREASURER

December 30, 2011

To the State of Connecticut
Combined Investment Funds
Fellow Beneficiaries

I am pleased to submit this Comprehensive Annual Financial Report for the State of Connecticut Combined Investment Funds (CIF) for the Fiscal Year ended June 30, 2011. During the Fiscal Year, CIF earned an average net return of 20.75%, the highest return achieved by CIF in twenty-three years. As a result of this extraordinary performance, the combined market value of CIF assets increased by \$3.3 billion, with \$4.5 billion from investment returns offset by \$1.2 billion in net benefit payments and fees, to end the Fiscal Year at \$25.2 billion.

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

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

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

The units of CIF are owned by six pension funds: Teachers' Retirement Fund; State Employees' Retirement Fund; Connecticut Municipal Employees' Retirement Fund; State Judges Retirement Fund; Probate Judges and Employees' Retirement Fund; and State's Attorney Retirement Fund. In addition, CIF is owned by eight trust funds: the Soldiers' Sailors' and Marines' Fund; Policemen and Firemen Survivors' Benefit Fund; Arts Endowment Fund; School Fund; Ida Eaton Cotton Fund; Hopemead State Park Fund; Andrew C. Clark Fund; and Agricultural College Fund.

Financial Information

The consolidated CIF assets at the close of Fiscal Year 2011 were \$25.2 billion based on fair value and CIF was in full compliance with the standards of the Governmental Accounting Standards Board. CIF assets are diversified by money manager and investment strategies. The three largest retirement plans, Teachers' Retirement Fund, State Employees' Retirement Fund and the Municipal Employees' Retirement Fund, representing 99% of CIF's retirement assets, posted net total returns (after all expenses) of 20.77%, 21.15% and 17.87%, respectively. Additional information on CIF can be found in the Notes to the Financial Statements.

The strong performance of the three largest retirement plans was achieved during a period of high volatility. The Federal Reserve held interest rates in a range of 0 and 0.25% for the fiscal year with the objective of stimulating economic growth in the U.S. However, U.S. unemployment remained at approximately 9% and consumers continued to de-leverage which negatively impacted consumption. Consumer stress heightened

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

LETTER FROM THE TREASURER

as oil traded above \$100 before falling toward the end of the fiscal year. Turmoil in the Euro Zone placed additional stress upon the capital markets in anticipation of a global economic slowdown. While economic weakness and uncertainty continued, investments rebounded from low levels of valuation and investor demand for risk assets increased. As a result, investments performed remarkably well during the Fiscal Year ended June 30, 2011. Both domestic and international markets generated strong returns with the S&P 500 Index reporting a return of 30.69% and the S&P/Citigroup Broad Market Index, Europe, Pacific and Asia Composite Index 50% Hedged reporting a return of 23.20% for the fiscal year. The fixed income markets also performed well as interest rates fell and credit spreads narrowed.

Internal Control Structure

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are (i) executed in accordance with management's general or specific authorization, and (ii) recorded as necessary to maintain accountability for assets and to permit preparation of financial statements consistent with generally accepted accounting principles. We believe the internal controls in effect during the fiscal year ended June 30, 2011, adequately safeguard CIF's assets and provide reasonable assurance regarding the safekeeping of assets and reliability of all financial records.

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 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 and be read in conjunction with the MD&A. The MD&A can be found in the Financial Section immediately following the report of the independent auditors.

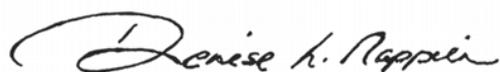
Awards

The Government Finance Officers Association of the United States and Canada awarded the Combined Investment Funds a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2010. 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 CIF investment activities. We hope this report will prove both informative and useful. Questions concerning any of the information contained 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



DENISE L. NAPPIER
TREASURER

State of Connecticut
Office of the Treasurer

JONATHAN A. HARRIS
DEPUTY TREASURER

December 30, 2011

To the State of Connecticut
Combined Investment Funds
Fellow Beneficiaries

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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "J.A. Harris", is written over a light gray background.

Jonathan A. Harris
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, 2010

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.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

Mission Statement

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

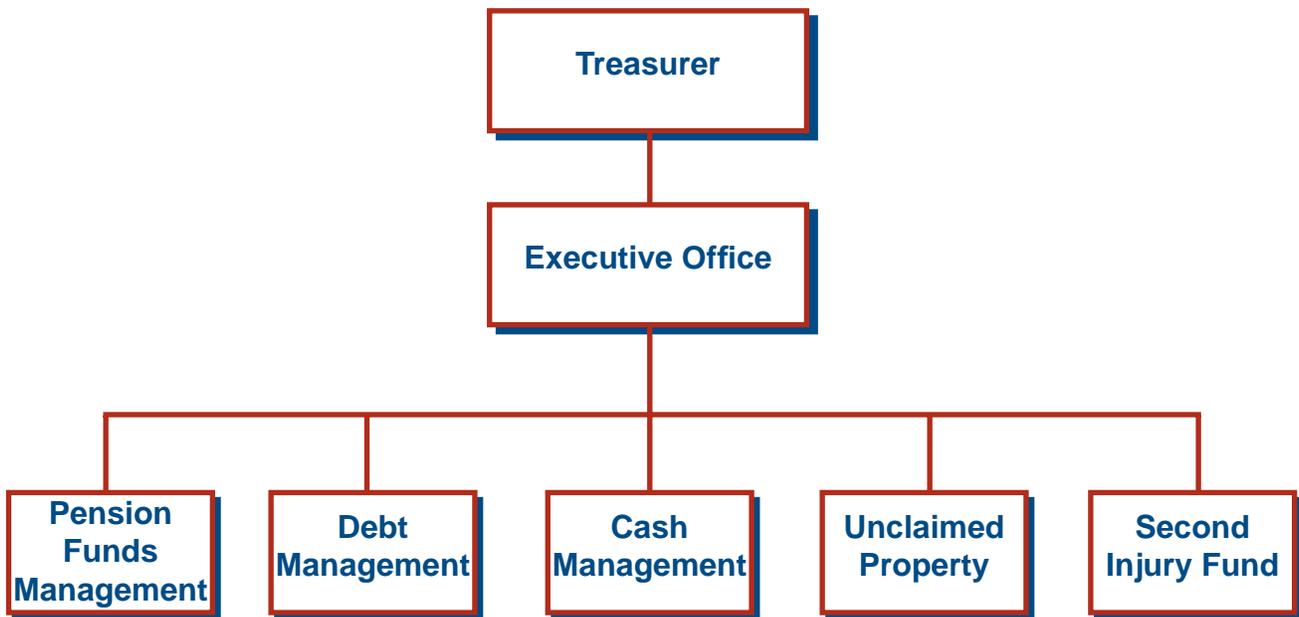
Statutory Responsibility

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

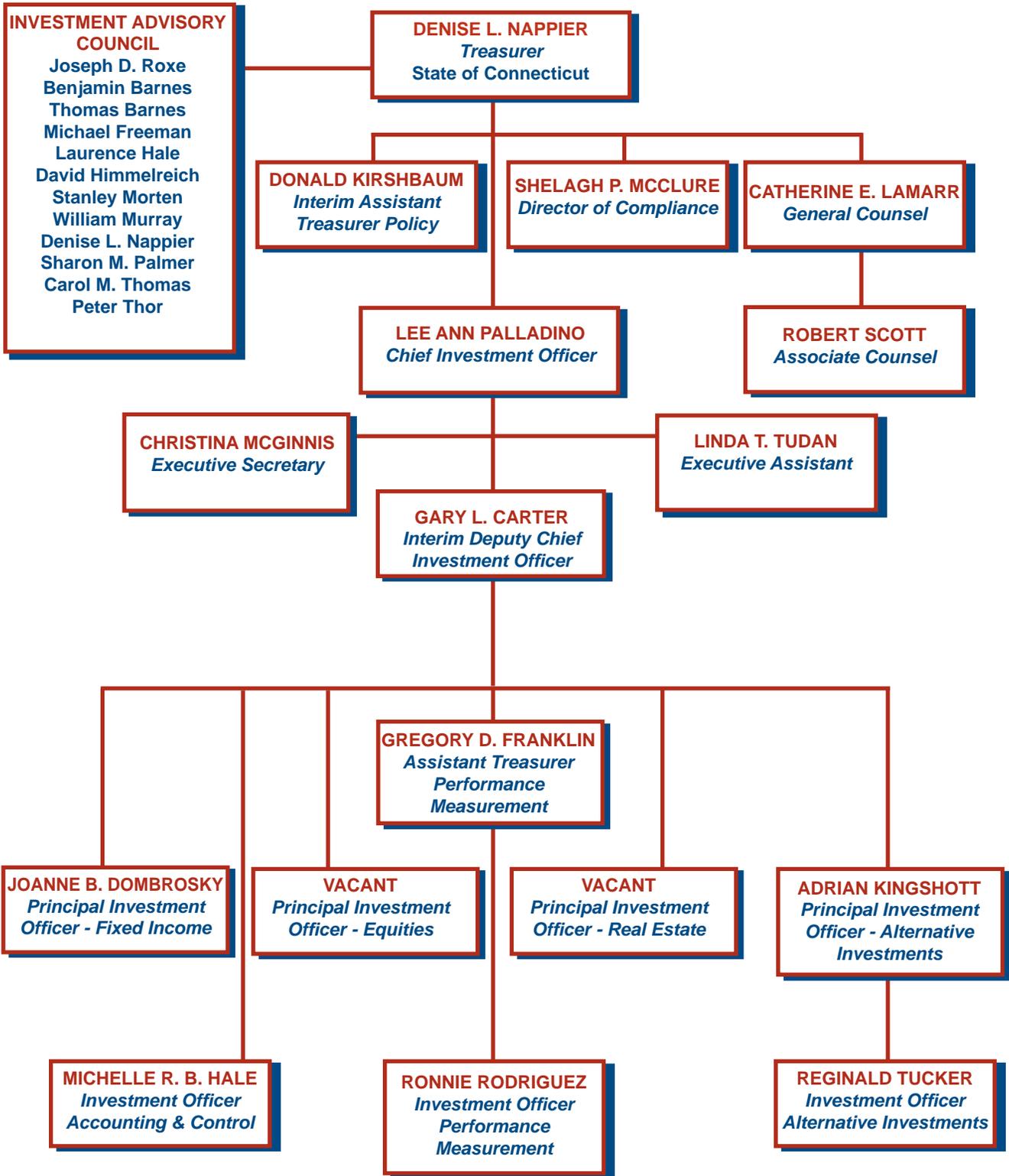
The Treasurer, as Chief Fiscal Officer for the State, oversees the prudent preservation and management of State funds, including the administration of a \$25.2 billion portfolio of pension assets and over \$4.8 billion in total State, local short-term, and other investments, and over \$1.6 billion of assets in the Connecticut Higher Education Trust. The Treasurer maintains an accurate account of all funds through sophisticated security measures and procedures.

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 November 9, 2011.

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. NAPIER (860) 702-3010

Deputy Treasurer, State of Connecticut
JONATHAN A. HARRIS (860) 702-3292

Chief of Staff
CHRISTINE SHAW (860) 702-3211

Chief Investment Officer
LEE ANN PALLADINO, CFA, CAIA (860) 702-3229

Interim Deputy Chief Investment Officer
GARY L. CARTER, CPA, CFA (860) 702-3005

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

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

Principal Investment Officer
ADRIAN KINGSHOTT (860) 702-3160

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

Investment Officer
RONNIE RODRIGUEZ (860) 702-3167

Investment Officer
REGINALD TUCKER (860) 702-3101

Director of Compliance
SHELAGH P. MCCLURE (860) 702-3280

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

Interim Assistant Treasurer - Policy
DONALD KIRSHBAUM (860) 702-3164

INVESTMENT ADVISORY COUNCIL

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

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

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

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

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

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

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

THOMAS BARNES, Branch Manager, Riverside Investment Services.

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

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

STANLEY MORTEN, Independent consultant, CitiGroup/Smith Barney.

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

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

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

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

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

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

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

LIST OF EXTERNAL ADVISORS

INVESTMENT CONSULTANTS

CRA RogersCasey - Darien, Connecticut
Franklin Park Associates - Conshohocken, Pennsylvania
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
Lazard Asset Management LLC - New York, New York
Payden & Rygel - Los Angeles, California
Pacific Investment Management Company - Newport Beach, California
State Street Global Advisors - Boston, Massachusetts

MUTUAL EQUITY FUND

Large Cap

State Street Global Advisors - Boston, Massachusetts
T. Rowe Price Associates - Baltimore, Maryland

Active Extension

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
Frontier Capital Management Company, LLC - Boston, Massachusetts

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

INFLATION LINKED BOND FUND

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

LIST OF EXTERNAL ADVISORS

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⁾

Aberdeen Asset Management, Inc. - Philadelphia, Pennsylvania
Emerging Markets Management - Arlington, Virginia
Grantham, Mayo, Van Otterloo & Co. - Boston, Massachusetts
Schroder Investment Management - New York, New York

REAL ESTATE FUND

AEW Capital Management, LP - Boston, Massachusetts
Alliance Bernstein Legacy - New York, New York
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
Colony Realty Partners II - Los Angeles, California
Cornerstone Real Estate Advisors - Hartford, Connecticut
Covenant Apartment Funds - Nashville, Tennessee
IL & FS India Realty Fund II, LLC - Ebene, Mauritius
Macfarlane Urban Real Estate Fund - San Francisco, California

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

LIST OF EXTERNAL ADVISORS

Marathon Legacy Securities PPI - New York, New York
Mullica Hill Plaza - Mullica Hill, New Jersey
North Scottsdale Corporate Center - Scottsdale, Arizona
Prime Property Fund - New York, New York
RLJ Urban Lodging Funds - 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
WLR Recovery Associates IV LLC - New York, New York

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
FS Equity Partners V - Los Angeles, California
FS Equity Partners VI - 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
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
TA XI - Boston, Massachusetts
Thayer Equity Investors IV – Washington D.C.
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
Grotech Partners V - Timonium, Maryland
Syndicated Communications Venture Partners V - Silver Spring, Maryland

LIST OF EXTERNAL ADVISORS

Mezzanine

Audax Mezzanine III Limited Partnership - New York, New York
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

CS/CT Cleantech Opportunities Fund - New York, New York
M² CT Emerging Private Equity - Chicago, Illinois
M² CT Horizon Legacy Fund - Wilmington, Delaware
Fairview Constitution II LP - Farmington, Connecticut
Fairview Constitution III LP - Farmington, Connecticut
Goldman Sachs Private Equity Fund - New York, New York
JP Morgan Nutmeg Opportunity Fund - New York, New York
Landmark Private Equity Fund VIII – Simsbury, Connecticut
Landmark Private Equity Fund XIV – 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

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

ALTERNATIVE INVESTMENT FUND

Energy Fund XV Limited Partnership - Washington D.C.
Prudence Crandall I Permal Limited Partnership - New York, New York
Prudence Crandall II Prisma Limited Partnership - New York, New York
Prudence Crandall III Rock Creek Limited Partnership - Washington D.C.
Prudence Crandall IV K2 Limited Partnership - Stamford, Connecticut

Financial

Section



STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL

210 CAPITOL AVENUE

HARTFORD, CONNECTICUT 06106-1559

JOHN C. GERAGOSIAN

ROBERT M. WARD

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of net assets of the Combined Investment Funds, as of June 30, 2011, and the related statements of changes in net assets for the fiscal years ended June 30, 2011, and 2010. 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, 2011, by correspondence with the custodians. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2011, 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, the Private Investment Fund and the Alternative Investment Fund are estimated by investment advisors in the absence of readily ascertainable market values, and reviewed and adjusted, when appropriate, by the State Treasurer. The fair value of most of the assets of the Real Estate Fund, the Private Investment Fund and the Alternative Investment Fund are presented at the cash adjusted fair values, which utilize the investment advisors' prior quarter or in some cases prior two month ending estimated values adjusted for cash flows of the Funds during the subsequent months that affect the value at the Funds' level. Adjustments are made for underlying investments that experienced significant changes in value during the quarter, if deemed appropriate. We have reviewed the investment advisors' values, the relevant cash flows and the procedures used by the State Treasurer in reviewing the estimated values and have read underlying documentation and, in the circumstances, we believe the procedures to be reasonable and the documentation appropriate. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Our audit was made for the purpose of forming an opinion on the financial statements 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, 2011. Other information contained within the Statistical Section and the Investment and Introductory Sections of this document has not been audited.



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts

December 20, 2011
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, 2011. 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 120-129. 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 2011 fiscal year were \$25.2 billion, an increase of \$3.3 billion from the previous year. The change in net assets resulted from net investment gains from operations of \$4.4 billion and \$1.1 billion of net cash outflows to the Connecticut Retirement Plans and Trust Funds. The net cash outflow of \$1.1 billion was comprised of distributions to the plans and trusts.

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

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

For the previous fiscal year, performance results achieved a return of 12.88%, net of all management fees and expenses, compared to a negative return of -17.37%, net of all expenses for the previous fiscal year. Returns were positive in the Funds investment classes except for the Real Estate Fund in fiscal year 2010 due to the U.S. economic recovery following two years of 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	2011	Increase (Decrease)	2010	Increase (Decrease)	2009
Investments at Fair Value	\$25,247,594,232	3,462,654,827	\$21,784,939,405	\$1,353,759,257	\$20,431,180,148
Cash, Receivables and Other	7,959,897,971	465,281,647	7,494,616,324	(4,025,732,123)	11,520,348,447
Total Assets	33,207,492,203	3,927,936,474	29,279,555,729	(2,671,972,866)	31,951,528,595
Liabilities	(8,023,827,517)	(613,862,150)	(7,409,965,367)	4,159,396,944	(11,569,362,311)
Net Assets	\$25,183,664,686	\$3,814,074,324	\$21,869,590,362	\$1,487,424,078	\$20,382,166,284

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

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

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.

The Statement of Net Assets on page 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Changes in Net Assets on pages and 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 of this report.

ECONOMIC CONDITIONS AND OUTLOOK

As fiscal year 2011 was ending, economic recovery in the U.S. was continuing at a moderate pace but uneven across sectors and too slowly from the perspective of millions of unemployed workers. Although the stock market realized double digit gains over the previous fiscal year with the S & P 500 ending the fiscal year at 1,321, 28% better than when the fiscal year began, and the percent of the U.S. labor force unemployed fell to 9.2 percent down from 9.5 percent at the end of fiscal year 2010, the economy is not as robust as it needs to be for sustained recovery. Consumer spending expanded moderately through calendar year 2010, only to decelerate in the first half of 2011. Consumer confidence continues to be confronted with increases in food and energy prices, declining home values, tightness in some credit markets, and continuing high unemployment. The housing sector, which typically plays an important role in economic recovery, continues to be depressed in the U.S. and is a major reason that the current recovery is less vigorous than it ought to be. Sharp declines in house prices in some areas have left many homeowners "underwater" on their mortgages, creating financial hardship for households and the rates of mortgage delinquency and default has resulted in stress for financial institutions as well. Although banking and financial conditions in the U.S. have improved since the 2008 and 2009 financial crisis, financial stress continues to drag on the recovery as concerns about European sovereign debt, the down-grade of the U.S. long-term credit rating by one of the major rating agencies, and the U.S. federal budget and debt pose ongoing risks to growth.

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

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, 2011**

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

ADDITIONS OPERATIONS	<u>TOTAL</u>
Investment Income	
Dividends	\$ 703,324,261
Interest	283,834,381
Other Income	6,613,165
Securities Lending	23,391,987
Total Income	<u>1,017,163,794</u>
Expenses	
Investment Advisory Fees	73,515,636
Custody and Transfer Agent Fees	2,075,473
Professional Fees	3,128,803
Security Lending Fees	3,226,234
Security Lending Rebates	3,858,275
Investment Expenses	3,820,407
Total Expenses	<u>89,624,828</u>
Net Investment Income	927,538,966
Net Realized Gain (Loss)	825,681,448
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	2,699,894,481
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>4,453,114,895</u>
Unit Transactions	
Purchase of Units by Participants	3,118,436,763
TOTAL ADDITIONS	<u>7,571,551,658</u>
DEDUCTIONS	
Administrative Expenses:	
Salary and Fringe Benefits	(4,130,621)
Distributions to Unit Owners:	
Income Distributed	(813,290,425)
Unit Transactions	
Redemption of Units by Participants	(3,440,056,288)
TOTAL DEDUCTIONS	<u>(4,257,477,334)</u>
Change in Net Assets Held in Trust for Participants	<u>3,314,074,324</u>
Net Assets- Beginning of Period	21,869,590,362
Net Assets- End of Period	<u>\$ 25,183,664,686</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, 2010**

ADDITIONS OPERATIONS	<u>TOTAL</u>
Investment Income	
Dividends	\$ 417,408,272
Interest	324,045,018
Other Income	5,608,105
Securities Lending	<u>23,426,229</u>
Total Income	<u>770,487,624</u>
Expenses	
Investment Advisory Fees	69,739,420
Custody and Transfer Agent Fees	2,019,838
Professional Fees	2,744,429
Security Lending Fees	3,303,483
Security Lending Rebates	4,383,689
Investment Expenses	<u>1,610,435</u>
Total Expenses	<u>83,801,294</u>
Net Investment Income	686,686,330
Net Realized Gain (Loss)	214,424,589
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	1,737,661,123
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>2,638,772,042</u>
Unit Transactions	
Purchase of Units by Participants	<u>3,647,050,210</u>
TOTAL ADDITIONS	6,285,822,252
DEDUCTIONS	
Administrative Expenses	
Salary and Fringe Benefits	(3,835,777)
Distributions to Unit Owners	
Income Distributed	(579,288,269)
Unit Transactions	
Redemption of Units by Participants	(4,215,274,128)
TOTAL DEDUCTIONS	<u>(4,798,398,174)</u>
Change in Net Assets Held in Trust for Participants	<u>1,487,424,078</u>
Net Assets- Beginning of Period	<u>20,382,166,284</u>
Net Assets- End of Period	<u>\$ 21,869,590,362</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, Alternative Investment Fund, Mutual Equity Fund, Core Fixed Income Fund, Inflation Linked Bond Fund, Emerging Market Debt Fund, High Yield Debt Fund, Developed Market International Stock Fund, Emerging Market International Stock Fund, Real Estate Fund, Commercial Mortgage Fund and the Private Investment Fund. The Funds were established to provide a means for investing pension and other trust fund assets entrusted to the Treasurer in a variety of investment classes. The units of the Funds are owned by these pension and trust funds. For financial reporting purposes of the State of Connecticut, the Funds are considered to be internal investment pools and are not reported in the State's combined financial statements. Instead, each fund type's investment in the fund is reported as "equity in combined investment funds" in the State's combined balance sheet.

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

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

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

A. NEW PRONOUNCEMENTS

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

B. SECURITY VALUATION

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

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

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

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

Liquidity Fund

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

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

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

Alternative Investment Fund

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

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 and maturities.

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

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

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

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

Inflation Linked Bond Fund

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

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

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

Emerging Market Debt Fund

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

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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 and maturities.

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

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

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

Developed Market International Stock Fund

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

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

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

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

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

Emerging Market International Stock Fund

The Emerging Market International Stock Fund at times may utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the Funds' currency exposure. Contracts to buy are used to acquire exposure

NOTES TO FINANCIAL STATEMENTS (Continued)

to foreign currencies, while contracts to sell are used to hedge the Funds' investments against currency fluctuations. Also, a contract to buy or sell can offset a previous contract. Losses may arise from changes in the value of the foreign currency or failure of the counterparties to perform under the contracts' terms.

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

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

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

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

Real Estate Fund

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

Commercial Mortgage Fund

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

Private Investment Fund

The Private Investment Fund is comprised of investments in various limited partnerships, limited liability companies and securities. The general partner or managing member is the investment advisor and is compensated on a fee basis for management services in addition to its participation in partnership profits and losses. These investments are carried at their cash adjusted fair values. The cash adjusted fair value utilizes the prior quarter fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Private Investment Fund, to estimate the current fair value. The Treasurer's staff reviews the prior quarter estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, the estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total Fund-level differences between the cash adjusted estimates

NOTES TO FINANCIAL STATEMENTS (Continued)

and the investment advisors' estimated values, adjustments of reported cash adjusted values are made to prevent overstatement. At June 30, 2011, the estimated investment values provided by the investment advisors, net of the adjustments noted above, exceeded cash adjusted fair values reported on the Statement of Net Assets by approximately \$29 million. Consistent with the cash adjusted fair value presentation this increase will be considered for the next quarter's adjustment. Securities traded on securities exchanges are valued at the last reported sales price on the last business day of the fiscal year.

C. INVESTMENT TRANSACTIONS AND RELATED INCOME

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

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

D. FOREIGN CURRENCY TRANSLATION

The value of investments, assets and liabilities denominated in currencies other than U.S. dollars are translated into U.S. dollars based upon appropriate fiscal year end foreign exchange rates. Purchases and sales of foreign investments and income and expenses are converted into U.S. dollars based on currency exchange rates prevailing on the respective dates of such transactions. The Funds do not isolate that portion of the results of operations arising from changes in the exchange rates from that portion arising from changes in the market prices of securities.

E. SHARE TRANSACTIONS AND PRICING

All unit prices are determined at the end of each month based on the net asset value of each fund divided by the number of units outstanding. Purchases and redemptions of units are based on the prior month end price and are generally processed on the first business day of the month. .

F. EXPENSES

Expenses of the funds, excluding certain management fees as discussed in more detail in note 1J, are recognized on the accrual basis and are deducted in calculating net investment income and net asset value on a monthly basis. Each of the funds bears its direct expenses, such as investment advisory fees, and, in addition, each of the funds is allocated a portion of the overhead expenses of the Pension Funds Management Division of the Office of the State Treasurer, which services the funds. These expenses include salary and fringe benefit costs and other administrative expenses. Certain of these costs are allocated among the Funds based on relative net asset values. Other costs are charged directly based on the specific duties of personnel.

G. DISTRIBUTIONS

Net investment income earned by the Combined Investment Funds is distributed monthly to the unit owners of the funds, generally in the following month.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

H. DERIVATIVE FINANCIAL INSTRUMENTS

GASB Statement Number 53 Accounting and Financial Reporting for Derivative Instruments, requires that the fair value of financial arrangements called derivatives or derivative instruments be reported in the financial statements. GASB defines a derivative instrument as a financial instrument or other contract with all of the following characteristics: a) It has one or more reference rates and (2) one or more notional amounts or payment provisions or both. b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors. c) Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

For the fiscal year ended June 30, 2011, the funds maintained positions in a variety of such securities that are all reported at fair value on the statement of net assets. The following is a listing of such securities:

Adjustable Rate Securities:

Fund	Fair Value	Cost
Liquidity	\$ 328,298,685	\$ 328,463,004
Core Fixed Income	218,064,640	214,880,579
Emerging Market Debt	53,198,399	48,913,966
High Yield Investment	20,308,063	18,816,983

Asset Backed Securities:

Fund	Fair Value	Cost
Liquidity	\$ 45,929,656	\$ 46,019,743
Core Fixed Income	61,192,651	60,368,689
Emerging Market Debt	608,380	69,937
High Yield Investment	2,308,667	2,100,725

Mortgage Backed Securities, Net of CMO's:

Fund	Fair Value	Cost
Liquidity	\$ 23,002,350	\$ 23,134,327
Core Fixed Income	35,000,176	34,730,638
High Yield Investment	7,749,985	7,840,454

CMO's:

Fund	Fair Value	Cost
Liquidity	\$ 3,264,088	\$ 3,291,680
Core Fixed Income	173,709,164	169,822,600

TBA's:

Fund	Fair Value	Cost
Liquidity	\$ 6,517,545	\$ 6,537,354
Core Fixed Income	236,405,138	237,786,810

Interest Only:

Fund	Fair Value	Cost
Core Fixed Income	\$ 1,209,630	\$ 3,089,418

Options:

Fund	Fair Value	Cost
Emerging Market Debt	\$ 608,373	\$ 776,564

The Emerging Market Debt Fund held futures with a notional cost of \$12,138,860 and an unrealized gain of \$30,983 reported in the Due From Brokers in the Statement of Net Assets. The Developed Market International Stock also held futures with a notional cost of \$44,497,680 and an unrealized gain of \$6,907,223 reported in the Due From Brokers and an unrealized loss of \$1,965,440 reported in the Due to Brokers in the Statement of Net Assets.

The Liquidity, Core Fixed Income, Inflation Linked, Emerging Market Debt, High Yield Debt, Developed Market International Stock and Emerging Market International Stock Funds were invested in foreign exchange contracts. The specific nature of these investments is discussed more fully in the foreign exchange contract note for each respective fund, where appropriate. These financial instruments are utilized for trading and other purposes. Those that are used for other than trading purposes are foreign exchange contracts, which can be used to facilitate trade settlements, and may serve as foreign currency hedges. The credit exposure resulting from such contracts is limited to the recorded fair value of the contracts on the Statement of Net Assets.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

The remaining such securities are utilized for trading purposes and are intended to enhance investment returns. All positions are reported at fair value and changes in fair value are reflected in income as they occur. The funds' credit exposure resulting from such investments is limited to the recorded fair value of the derivative financial instruments.

The Mutual Equity, Core Fixed Income, Emerging Market Debt, Developed International Stock, and the Emerging Market International Stock Funds also utilize derivatives indirectly through participation in mutual funds. These mutual funds may hold derivatives from time to time. Such derivatives may be used for hedging, investment and risk management purposes. These transactions subject the investor to credit and market risk.

I. COMBINATION/ELIMINATION ENTRY

The financial statements depict a full presentation of each of the Combined Investment Funds. However, one of these funds, the Liquidity Fund, is owned both directly by the pension plans and trust funds which have accounts in the Fund, and also indirectly because each of the other Combined Investment Funds has an account with the Liquidity Fund. As a result, elimination entries are presented for the purpose of netting out balances and transactions relating to the ownership of the Liquidity Fund by the other Combined Investment Funds. The combined presentation totals to the overall net assets owned by the pension plans and trust funds.

J. FEES AND REALIZED GAINS

Investment advisory fees incurred for certain investments in the Alternative Investment, Private Investment and Real Estate Funds are generally charged to the entity in which the Fund has been invested. In such cases, these amounts are either capitalized in the cost basis of the investment on a cash basis and become a component of unrealized gain (loss) or are netted against the corresponding income generated. Certain other fees are incurred directly by the Funds and are expensed. These expensed amounts are accrued and the expense is reflected as Investment Advisory Fees on the Statement of Operations. The appropriate treatment is determined depending on the terms of the investment agreement. Capitalized fees are not separately presented on the Statement of Operations. These fees are borne by the partners in their respective shares. The following is a listing of the Funds total fees for the fiscal year ended June 30, 2011:

Fund	Netted	Capitalized	Expensed	Total
Alternative Investment	\$ 1,136,864	\$ 666,725	\$ -	\$1,803,589
Private Investment	14,220,889	13,567,796	7,431,762	35,220,447
Real Estate	11,733,787	3,942,561	3,405,582	19,081,930

In addition, realized gains and losses are not reported at the level of the Fund's investment since these relate to realized gains and losses on the underlying securities held by the Funds' investment vehicles. The following is the Fund's share of such net realized gains and losses for the fiscal year ended June 30, 2011:

Fund	Net Realized Gain/(Loss)
Alternative Investment	\$ -
Private Investment	283,094,077
Real Estate	18,684,152

Periodically the Private Investment and Real Estate Funds may receive security distributions in lieu of cash. These securities are included as Common Stock and Real Estate Investment Trust, respectively on the Statement of Net Assets. When one of these individual securities is sold the realized gain or loss is presented on the Statement of Operations. The Private Investment Fund incurred realized gain of \$2,106,851 for such transactions for the fiscal year ended June 30, 2011.

The Mutual Equity, Core Fixed Income, Emerging Market International Stock and the Developed Market International Stock Funds include investments in a limited partnership and investments in mutual funds. Fees incurred from these investments are deducted from the operations of the fund and are not separately presented on the Statement of Operations. The following is a listing of the corresponding fees incurred for the fiscal year ended June 30, 2011:

Fund	Amount
Mutual Equity	\$ 4,123,629
Core Fixed Income	2,478
Emerging Market Debt	2,129,009
Emerging Market International Stock	639,867
Developed Market International Stock	59,655

NOTES TO FINANCIAL STATEMENTS (Continued)

Investment advisory fees for the Liquidity, Mutual Equity, Core Fixed Income, Inflation Linked Bond, Emerging Market Debt, High Yield Investment, Developed Market International Stock and the Emerging Market International Stock Funds, except those noted above are estimated monthly based on periodic reviews of asset values and performance results. Accordingly, the amounts listed as Investment Advisory Fees on the Statement of Operations represent estimates of annual management fee expenses.

K. RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation.

L. RELATED PARTY AND OTHER TRANSACTIONS

There were no related party transactions during the fiscal year. Additionally, there were no "soft dollar" transactions. Soft dollar transactions result from arrangements whereby firms doing business with organizations such as the Treasury arrange for third parties to provide other services in lieu of cash payment. These arrangements tend to obscure the true cost of operations and can result in potential overpayment for services. Such transactions have been prohibited by the Treasurer.

M. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: DEPOSITS, INVESTMENTS AND SECURITIES LENDING PROGRAM**Deposits:**

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

At June 30, 2011, the reported amount of Funds deposits were \$64,376,386 and the bank balance was \$64,376,386. Of the bank amount, \$64,376,386 was uncollateralized and uninsured. Through the Securities Lending Program \$3,343,760,661 was collateralized with securities held by the counterparty's trust department or agent but not in the State's name.

Investments:

Pursuant to the Connecticut General Statutes, the Treasurer is the principal fiduciary of the Funds, authorized to invest in a broad range of equity and fixed income securities, as well as real estate properties, mortgages and private equity. The Funds minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, in accordance with a comprehensive Investment Policy Statement (IPS), as developed by The Office of the Treasurer and the State's Investment Advisory Council (IAC), that provides policy guidelines for the Funds and includes an asset allocation plan. The asset allocation plan's main objective is to maximize investment returns over the long term at an acceptable level of risk. There have been no violations of these investment restrictions during the 2011 fiscal year.

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

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	\$1,516,058,143	21.28%
Aa	241,933,887	3.39
A	424,357,299	5.95
Baa	595,952,139	8.36
Ba	304,776,628	4.28
B	373,176,345	5.24
Caa	139,050,202	1.95
Ca	5,204,588	0.07
C	876,794	0.01
Mig	3,352,817	0.05
Prime 1	46,090,000	0.65
Government fixed income securities (not rated)	1,914,726,126	26.87
Not Rated	1,560,725,724	21.90
	\$7,126,280,692	100.00%

The investments in the Private Equity, Real Estate, Alternative Investment and Commercial Mortgage Funds generally utilize investment vehicles such as limited partnerships, common stocks, and trusts to comply with investment guidelines against direct ownership of such investment assets.

The investments of the Liquidity, Mutual Equity, Core Fixed Income, Inflation Linked Bond, Emerging Market Debt, High Yield Investment, Developed Market International Stock and the Emerging Market International Stock Funds have securities registered under the State Street Bank and Trust Co. nominee name Pondwave & Co. and held by a designated agency of the Pension Plans and Trust Funds of the State of Connecticut, or bearer and held by a designated agency of the Pension Plans and Trust Funds of the State of Connecticut.

Investments of cash collateral received under securities lending arrangements are registered in the master custodian's name and are invested in a fund maintained by the master custodian exclusively for the Funds. In circumstances where securities or letters of credit are received as collateral under securities lending arrangements, the collateral is held by the master custodian in a commingled pool in the master custodian's name, as trustee. When "tri-party" collateral is received, the collateral consists of cash, letters of credit or securities but is held in a commingled pool by a third party master custodian in the Funds' master custodian's name. The breakdown of Securities Lending is as follows:

Investment	Fair Value
Government Securities	\$ 40,228,697
Government Agency Securities	14,388,140
U.S. Corporate Stock	43,364,917
International Equity	96,291,466
Collateral Securities held by Investment Pools under Securities Lending Arrangements:	
Other	742,343,070
Corporate Debt	2,407,144,371
Total	\$3,343,760,661

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

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Cash Equivalents	\$942,957,157	\$742,526,363	\$2,222,040	\$ -	\$198,208,754
Asset Backed Securities	110,039,354	67,309	93,311,155	16,660,890	-
Government Securities	2,775,762,822	115,115,200	1,176,573,034	674,570,704	809,503,884
Government Agency Securities	992,775,441	9,864,988	35,374,029	57,610,451	889,925,973

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Mortgage Backed Securities	242,805,316	718,257	39,860,478	6,399,087	195,827,494
Corporate Debt	1,693,274,813	83,013,977	558,676,734	758,238,349	293,345,753
Convertible Debt	42,898,411	2,856,791	17,567,338	11,348,911	11,125,371
Mutual Fund	325,767,378	-	-	-	325,767,378
	<u>\$7,126,280,692</u>	<u>\$954,162,885</u>	<u>\$1,923,584,808</u>	<u>\$1,524,828,392</u>	<u>\$2,723,704,607</u>

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

Foreign Currency	Total	Fixed Income Securities						Equities			
		Cash Equiv	Cash Collateral	Government Securities	Mutual Funds	Corporate Debt	Convertible Securities	Asset Backed	Common Stock	Preferred Stock	Real Estate Investment Trust
Argentine Peso	\$3,594,413	\$273,267	\$-	\$3,321,146	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Australian Dollar	409,806,129	3,451,707	-	52,729,493	-	23,181,386	-	-	310,961,887	-	19,481,656
Brazilian Real	214,438,622	1,246,162	-	41,517,963	-	11,912,623	340,763	67,309	106,651,665	52,702,137	-
Canadian Dollar	120,666,682	1,450,008	-	502,530	-	-	-	-	118,667,658	-	46,486
Chilean Peso	8,733,494	30,789	-	1,820,635	-	-	-	-	6,882,070	-	-
Colombian Peso	17,459,894	-	-	9,267,073	-	6,729,355	-	1,463,466	-	-	-
Czech Koruna	16,549,259	87	-	-	-	-	-	-	16,549,172	-	-
Danish Krone	64,139,294	419,904	-	-	-	-	-	-	63,719,390	-	-
Egyptian Pound	11,720,958	963,087	-	143,629	-	-	-	-	10,614,242	-	-
Euro Currency	1,653,397,890	6,315,681	184,700	78,084,708	-	6,768,807	-	1,081,793	1,519,714,594	36,743,878	4,503,729
Ghana Cedi	842,858	-	-	842,858	-	-	-	-	-	-	-
Hong Kong Dollar	619,778,772	4,481,737	-	-	-	-	-	-	614,295,538	-	1,001,497
Hungarian Forint	51,178,563	2,151	-	5,852,922	-	-	-	-	45,323,490	-	-
Iceland Krona	2,082	2,082	-	-	-	-	-	-	-	-	-
Indian Rupee	3,385,032	-	-	3,385,032	-	-	-	-	-	-	-
Indonesian Rupiah	105,899,061	524,076	-	12,884,293	-	9,783,941	-	-	82,706,751	-	-
Israeli Shekel	10,274,259	60,732	-	278,123	-	-	-	-	9,935,404	-	-
Japanese Yen	989,239,887	7,252,207	-	495,206	-	-	-	-	977,249,579	-	4,242,895
Kazakhstan Tenge	551,276	-	-	-	-	551,276	-	-	-	-	-
Malaysian Ringgit	83,193,113	545,288	-	36,804,985	-	-	-	-	45,842,840	-	-
Mexican Peso	106,582,377	788,204	-	55,516,760	-	-	-	-	50,277,413	-	-
Moroccan Dirham	725,611	54,047	-	-	-	-	-	-	671,564	-	-
New Russian Ruble	4,628,412	13,363	-	2,441,222	-	1,812,235	-	-	361,592	-	-
New Taiwan Dollar	84,667,424	900,859	-	-	-	-	-	-	83,766,565	-	-
New Zealand Dollar	63,640,250	1,580,800	-	51,619,093	-	-	-	-	10,426,251	-	14,106
Norwegian Krone	56,827,850	232,569	-	16,990,991	-	-	-	-	39,604,290	-	-
Pakistan Rupee	169,388	169,388	-	-	-	-	-	-	-	-	-
Peruvian Nueve Sol	1,963,728	9,282	-	1,954,446	-	-	-	-	-	-	-
Philippine Peso	26,032,433	72,941	-	2,518,054	-	-	-	-	23,441,438	-	-
Polish Zloty	98,066,938	3,512,656	-	47,661,072	-	-	-	-	46,893,210	-	-
Pound Sterling	1,037,326,784	4,779,737	-	18,906,878	686,330	1,866,256	-	-	1,004,549,200	-	6,538,383
Singapore Dollar	85,701,636	737,057	-	-	-	-	-	-	82,020,688	-	2,943,891
South African Rand	135,186,794	3,336,568	-	30,733,997	-	950,298	-	-	100,165,931	-	-
South Korean Won	507,644,168	2,128,320	-	351,649	-	-	-	-	495,720,178	9,444,021	-
Sri Lanka Rupee	663,879	-	-	-	-	-	-	-	663,879	-	-
Swedish Krona	113,665,156	676,000	-	-	-	-	-	-	112,989,156	-	-
Swiss Franc	353,870,066	1,899,419	-	-	-	-	-	-	351,970,647	-	-
Thailand Baht	111,073,744	480,672	-	8,779,385	-	-	-	-	101,813,687	-	-
Turkish Lira	104,728,468	728,518	-	21,284,088	-	-	-	-	79,326,077	-	3,389,785
	<u>\$7,278,016,644</u>	<u>\$49,119,365</u>	<u>\$184,700</u>	<u>\$506,688,231</u>	<u>\$686,330</u>	<u>\$63,556,177</u>	<u>\$340,763</u>	<u>\$2,612,568</u>	<u>\$6,513,776,046</u>	<u>\$98,890,036</u>	<u>\$42,162,428</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 the Custodial Contract. The Funds' master custodian is authorized to lend available securities to authorized broker-dealers and banks subject to a form loan agreement.

During the period ended June 30, 2011, the master custodian lent certain securities of the Client and received cash or other collateral as indicated on the Securities Lending Authorization Agreement. The master custodian did not have

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

the ability to pledge or sell collateral securities delivered therefore absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 100% of the market value of the loaned securities.

Pursuant to the Securities Lending Authorization Agreement, the master custodian has an obligation to indemnify the Client in the event any borrower failed to return the loaned securities or pay distributions thereon. There were no such failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year that resulted in a declaration or notice of Default of the Borrower. During the fiscal year, the Client and the borrowers maintained the right to terminate all securities lending transactions upon notice. The cash collateral received on each loan was invested in an individual account known as the State of Connecticut Collateral Investment Trust. On June 30, 2011, the Client had no credit risk exposure to borrowers. The fair value of collateral held for the Funds as of June 30, 2011 was \$3,156,098,291 as cash and \$201,954,109 as non-cash. The fair value of securities on loan for the Funds as of June 30, 2011 was \$ 3,091,067,086 as cash and \$194,273,220 as non-cash.

Under ordinary circumstances, the average effective duration of the security lending operations will be managed such that it will not exceed 120 days, or fall below 1 day. Under such ordinary circumstances, the net duration, as defined by the duration of assets less the duration of liabilities, will not exceed 45 days. In the event that the average effective duration does exceed 120 days, or the net duration does exceed 45 days for any 3-day period, the Trustee shall, (i) notify the Funds within 5 business days and (ii) take appropriate action as is reasonable to return an average effective duration below 120 days or a net duration below 45 days. The average effective duration is calculated using the weighted average effective duration of holdings. The average effective duration of the security lending program at June 30, 2011 was 34.22 days.

The average effective duration is managed to be within 45 days due to the inability to monitor the weighted average duration of liabilities. The weighted average duration of liabilities is assumed to remain at 1 day.

The fair value of collateral held and the fair value of securities on loan are as follows for the Funds as of June 30, 2011:

Fund	Fair Value of Collateral	Fair Value of Securities Lent
Mutual Equity	\$ 1,222,290,357	\$ 1,206,918,113
Core Fixed Income	589,687,614	577,444,541
Inflation Linked Bond	566,334,706	555,257,941
Emerging Market Debt	72,154,397	71,392,623
High Yield Investment	164,278,168	161,965,299
Developed Market International Stock	500,061,026	480,408,371
Emerging Market International Stock	238,506,992	231,953,418
Total	\$3,353,313,260	\$3,285,340,306

Investments made using the cash collateral received from security loans were included in the Statement of Net Assets. The fair value of these amounts is as follows:

Fund	Cash Equivalents	Corporate Debt	Total Investments
Mutual Equity	\$265,649,179	\$861,402,165	\$1,127,051,344
Core Fixed Income	143,527,466	465,406,558	608,934,024
Inflation Linked Bond	160,160,964	519,342,846	679,503,810
Emerging Market Debt	12,477,814	40,460,942	52,938,756
High Yield Investment	39,941,655	129,516,033	169,457,688
Developed Market International Stock	82,159,552	266,413,077	348,572,629
Emerging Market International Stock	38,426,440	124,602,750	163,029,190
Total	\$ 742,343,070	\$ 2,407,144,371	\$ 3,149,487,441

These amounts are invested in a pool which is maintained solely on behalf of the Funds, but whose investments are held in the master custodian's name. The above total amounts were included on the Statement of Net Assets in "Invested Securities Lending Collateral".

NOTE 3: PURCHASES AND SALES OF INVESTMENT SECURITIES

For the period ended June 30, 2011, the aggregate cost of purchases and proceeds from sales of investment securities were as follows:

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Fund	Purchases	Sales
Alternative Investment	\$ 916,385,693	\$ 404,599,315
Mutual Fixed Income	6,185,841,582	6,392,503,443
Core Fixed Income	9,586,588,998	9,155,952,666
Inflation Linked Bond	3,126,690,757	3,138,867,428
Emerging Market Debt	1,739,323,285	1,858,365,452
High Yield Investment	974,633,132	974,602,516
Developed Market International Stock	4,393,821,328	4,563,586,321
Emerging Market International Stock	2,299,768,396	2,273,759,347
Real Estate	719,217,477	543,747,765
Commercial Mortgage	4,900,743	6,219,671
Private Investment	1,679,492,693	1,632,142,595

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

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

At June 30, 2011, the gross appreciation of investment securities and foreign currency in which there was an excess of fair value over cost, the gross depreciation of investment securities and foreign currency in which there was an excess of cost over fair value and the resulting net appreciation (depreciation) by fund were as follows:

Fund	Gross Appreciation	Gross Depreciation	Net Appreciation (Depreciation)
Liquidity	\$22,01,547	\$3,493,613	\$18,517,934
Alternative Investment	7,134,187	-	7,134,187
Mutual Equity	1,614,751,333	307,495,661	1,307,255,672
Core Fixed Income	115,143,484	25,595,530	89,547,954
Inflation Linked Bond	39,253,978	-	39,253,978
Emerging Market Debt	138,179,950	8,527,224	129,652,726
High Yield Investment	45,370,911	20,604,768	24,766,143
Developed Market International Stock	950,803,186	244,222,644	706,580,542
Emerging Market International Stock	567,053,946	52,148,906	514,905,040
Real Estate	62,939,191	316,287,309	(253,348,118)
Commercial Mortgage	48,514	218	48,296
Private Investment	424,595,164	104,585,883	320,009,281

NOTE 5: FOREIGN EXCHANGE CONTRACTS

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

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

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

At June 30, 2011, the Funds had recorded unrealized gains (losses) from open forward currency contracts as follows:

Liquidity Fund:			
Local Currency Name	Value	Unrealized Gain/(Loss)	
Contracts to Buy:			
Argentine Peso	\$ 6,295,182	\$ 35,060	
Brazilian Real	7,322,149	292,756	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Chilean Peso	10,050,457	161,843
Colombian Peso	4,470,000	82,879
Czech Koruna	-	122,362
Euro Currency	32,466,033	611,208
Ghana Cedi	13,209,453	123,151
Indian Rupee	22,434,813	271,455
Indonesian Rupiah	2,495,450	(4,660)
Israeli Shekel	7,609,875	21,053
Japanese Yen	22,056,788	445,851
Kazakhstan Tenge	9,317,684	(17,060)
Kenyan Shilling	1,810,418	6,148
Malaysian Ringgit	13,065,700	41,310
Mexican Peso	9,275,375	(22,586)
New Romanian Leu	-	85,380
New Russian Ruble	2,530,000	31,807
New Zealand Dollar	3,025,924	41,976
Nigerian Naira	5,147,000	115,008
Norwegian Krone	812,523	1,575
Philippine Peso	5,083,000	4,191
Polish Zloty	-	(133,034)
Pound Sterling	16,223,496	(174,984)
Serbian Dinar	-	145,089
Singapore Dollar	33,961,143	796,764
South African Rand	2,268,903	12,608
South Korean Won	9,996,532	217,203
Swedish Krona	14,730,169	63,400
Thailand Baht	10,233,131	(179,338)
Turkish Lira	6,020,479	76,336
Uganda Shilling	8,507,847	(530,065)
Ukraine Hryvna	12,058,426	208,279
Uruguayan Peso	9,025,444	122,801
Yuan Renminbi	9,417,605	141,285
Zambian Kwacha	4,531,260	(9,948)
	\$ 315,452,259	\$ 3,207,103

Contracts to Sell:

Australian Dollar	\$ 65,194,831	\$ (3,300,555)
Brazilian Real	4,553,000	(177,512)
Czech Koruna	1,362,670	(3,146)
Euro Currency	161,285,164	(2,843,405)
Ghana Cedi	677,211	(1,285)
Indian Rupee	6,112,670	(109,413)
Japanese Yen	13,583,945	(134,561)
Malaysian Ringgit	1,801,105	3,877
Mexican Peso	12,200,025	(117,508)
New Zealand Dollar	51,053,750	(5,092,914)
Norwegian Krone	16,596,993	(509,835)
Polish Zloty	26,313,628	(696,323)
Serbian Dinar	1,081,884	20,666
Singapore Dollar	539,498	(3,026)
South African Rand	2,066,212	(35,199)
Swedish Krona	4,840,941	(37,071)
Yuan Renminbi	4,387,000	(71,147)
	<u>373,650,527</u>	<u>(13,108,357)</u>
Total	\$ 689,102,786	\$ (9,901,254)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 689,102,786	\$ 689,102,786	\$ -
Unrealized Gain/Loss	3,207,103	(13,108,357)	(9,901,254)
Net	\$ 692,309,889	\$ 702,211,143	\$ (9,901,254)

Core Fixed Income Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	\$ 6,679,102	\$ 154,940
Euro Currency	441,155	(9,369)
Pound Sterling	1,201,300	4,364
	<u>\$ 8,321,557</u>	<u>149,935</u>

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Contracts to Sell:

Australian Dollar	\$	15,408,001	\$	(393,573)
Euro Currency		1,849,790		13,974
Pound Sterling		2,481,838		18,897
		<u>19,739,629</u>		<u>(360,702)</u>
Total	\$	<u>28,061,186</u>	\$	<u>(210,767)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 28,061,186	\$ 28,061,186	\$ -
Unrealized Gain/Loss	149,935	(360,702)	(210,767)
Net	<u>\$ 28,211,121</u>	<u>\$ 28,421,888</u>	<u>\$ (210,767)</u>

Inflation Linked Bond Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Sell:		
Pound Sterling	\$ 19,119,643	\$ 250,060
	<u>19,119,643</u>	<u>250,060</u>
Total	<u>\$ 19,119,643</u>	<u>\$ 250,060</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 19,119,643	\$ 19,119,643	\$ -
Unrealized Gain/Loss	-	250,060	250,060
Net	<u>\$ 19,119,643</u>	<u>\$ 18,869,583</u>	<u>\$ 250,060</u>

Emerging Market Debt Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Argentine Peso	\$ 1,061,597	\$ 3,108
Brazilian Real	9,632,284	468,847
Chilean Peso	7,211,378	17,382
Colombian Peso	2,450,170	153,567
Czech Koruna	1,061,138	4,132
Euro Currency	11,448,836	54,573
Hungarian Forint	2,200,091	55,331
Indian Rupee	14,290,041	179,166
Indonesian Rupiah	6,570,314	143,475
Israeli Shekel	14,263,670	115,508
Malaysian Ringgit	12,559,797	85,150
Mexican Peso	3,748,106	3,472
New Russian Ruble	14,965,669	204,670
New Taiwan Dollar	1,195,015	7,254
Peruvian Nouveau Sol	1,367,840	15,959
Philippine Peso	2,576,453	(8,755)
Polish Zloty	3,748,033	62,844
Singapore Dollar	3,550,756	98,712
South African Rand	1,400,292	11,174
South Korean Won	1,677,539	14,838
Thailand Baht	2,781,149	(28,323)
Turkish Lira	7,109,944	(142,762)
Yuan Renminbi	31,942,476	318,551
	<u>\$ 158,812,588</u>	<u>\$ 1,837,873</u>

Contracts to Sell:

Argentine Peso	\$ 986,850	\$ (2,841)
Brazilian Real	22,093,399	(418,810)
Chilean Peso	5,129,518	(13,975)
Colombian Peso	5,719,695	(95,721)
Czech Koruna	1,788,422	(14,231)
Euro Currency	26,200,157	(249,633)
Hungarian Forint	532,798	(8,615)
Indonesian Rupiah	7,626,723	(19,215)
Israeli Shekel	13,818,118	(89,216)
Malaysian Ringgit	6,172,179	(50,618)
Mexican Peso	3,379,993	(28,331)
New Russian Ruble	6,398,456	(50,874)
New Taiwan Dollar	5,252,589	(157)
Peruvian Nouveau Sol	2,414,833	(28,855)
Philippine Peso	1,478,976	(6,267)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Polish Zloty	2,680,609	(54,301)
Pound Sterling	628,191	5,345
South African Rand	11,488,823	(78,957)
South Korean Won	2,396,665	(36,925)
Thailand Baht	1,288,802	(703)
Turkish Lira	4,598,249	200,061
Yuan Renminbi	20,892,380	(45,733)
	<u>152,966,425</u>	<u>(1,088,572)</u>
Total	\$ 311,779,013	\$ 749,301

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 311,779,013	\$ 311,779,013	\$ -
Unrealized Gain/Loss	1,837,873	(1,088,572)	749,301
Net	<u>\$ 313,616,886</u>	<u>\$ 312,867,585</u>	<u>\$ 749,301</u>

Developed Market International Stock Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	\$ 253,488,582	\$ 11,409,622
Brazilian Real	151,433	(431)
Danish Krone	21,165,106	(240,048)
Euro Currency	200,278,089	(1,318,688)
Hong Kong Dollar	16,425,537	(2,708)
Israeli Shekel	16,390,485	558,697
Japanese Yen	110,807,203	(22,787)
New Zealand Dollar	53,448,032	1,464,165
Norwegian Krone	104,615,042	2,033,619
Pound Sterling	64,184,683	(1,582,155)
Singapore Dollar	43,028,524	791,047
South Korean Won	10,355,148	126,487
Swedish Krona	146,139,036	(1,796,414)
Swiss Franc	64,548,301	2,506,506
	<u>\$ 1,105,025,201</u>	<u>\$ 13,926,912</u>

Contracts to Sell:

Australian Dollar	\$ 98,930,652	\$ (3,372,228)
Brazilian Real	82,829	(464)
Canadian Dollar	409,516	300
Danish Krone	56,440,470	(1,123,103)
Euro Currency	829,034,681	(25,721,551)
Hong Kong Dollar	137,889,846	58,057
Israeli Shekel	1,329,492	(10,086)
Japanese Yen	563,105,218	(14,078,702)
New Zealand Dollar	6,687,545	(609,129)
Norwegian Krone	86,457,706	(2,459,705)
Pound Sterling	442,107,766	69,049
Singapore Dollar	67,601,579	(1,402,586)
South Korean Won	49,216,713	(1,568,809)
Swedish Krona	103,962,482	(141,571)
Swiss Franc	180,506,818	(11,952,249)
	<u>2,623,763,313</u>	<u>(62,312,777)</u>
Grand total	<u>\$ 3,728,788,514</u>	<u>\$ (48,385,865)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 3,728,788,514	\$ 3,728,788,514	\$ -
Unrealized Gain/Loss	13,926,912	(62,312,777)	(48,385,865)
Net	<u>\$ 3,742,715,426</u>	<u>\$ 3,791,101,291</u>	<u>\$ (48,385,865)</u>

Emerging Market International Stock Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Brazilian Real	\$ 344,909	\$ 1,269
Czech Koruna	101	-
Hong Kong Dollar	57,379	10
Hungarian Forint	292,702	3,862
Indonesian Rupiah	139,332	317

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Malaysian Ringgit	583,719	3,018
Mexican Peso	102	-
Polish Zloty	126,739	1,424
South African Rand	20,253	285
Thailand Baht	29,892	(24)
Turkish Lira	102	-
	<u>\$ 1,595,230</u>	<u>\$ 10,161</u>

Contracts to Sell:

Hong Kong Dollar	\$ 1,560,548	\$ (295)
Hungarian Forint	199,727	(339)
Malaysian Ringgit	2,201,287	(12,617)
South African Rand	666,661	(6,793)
Thailand Baht	45,148	(68)
Turkish Lira	623,656	-
	<u>5,297,027</u>	<u>(20,112)</u>
Total	<u>\$ 6,892,257</u>	<u>\$ (9,951)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 6,892,257	\$ 6,892,257	\$ -
Unrealized Gain/Loss	10,161	(20,112)	(9,951)
Net	<u>\$ 6,902,418</u>	<u>\$ 6,912,369</u>	<u>\$ (9,951)</u>

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

NOTE 6: COMMITMENTS

In accordance with the terms of the individual investment agreements, the Private Investment Fund and the Real Estate Fund have outstanding commitments to make additional investments. These commitments will be fulfilled as suitable investment opportunities become available. Unfunded commitments at June 30, 2011, were as follows:

Fund	Total Commitment	Cumulative Amounts Funded	Unfunded Commitment
Real Estate	\$ 1,969,192,028	\$ 1,620,315,426	\$ 348,876,602
Private Investment	5,490,334,096	4,102,410,117	1,387,923,979
Alternative Investment	460,000,000	403,900,000	56,100,000

Certain Private Investment Funds allow the General Partner to recycle distributions without a reduction in unfunded commitments and accordingly have no impact upon the above amounts. Capital recycling is a tool frequently used by investment managers to fully invest the committed capital of a fund in portfolio investments. Since fees and expenses are a component of a fund's total capital commitments, capital recycling generally allows fund managers to: (i) mitigate the impact of fees and expenses and (ii) increase the possibility that limited partner capital is invested in portfolio companies. Recycling provisions allow managers to recall capital distributions if certain criteria are met. The use of recycling provisions varies by manager but generally limits capital recycling to a range between 0% and 20% of total commitments. As a result the actual commitment could be as much as 120% of the stated commitment amount.

NOTE 7: CONTINGENCY

There was no pending or threatened litigation against the Connecticut Retirement Plans and Trust Funds ("CRPTF") during the fiscal year ended June 30, 2011.

The CRPTF continues to work with other investors and investment partners to recover assets lost due to the malfeasance of others. The Limited Partners of an investment in the Private Investment Fund ("PIF"), await final distribution of a small reserve established when the limited partnership was dissolved. The majority of the proceeds from the aggregate \$6.8 million settlement were distributed. A liquidating trustee was appointed in 2007 to dissolve

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

the partnership and wind up its business activities. The remaining reserve was scheduled to be distributed, on a pro rata basis, in December 2008. The liquidating trustee is waiting for the conclusion of a related SEC action.

Additionally, another limited partnership in the PIF invested \$15 million in a portfolio company that reported double digit revenue growth. In 2005, the General Partner initiated a sales process expecting to realize significant gain. Lack of cooperation from management challenged the sale process, resulting in legal action from the partnership and other investors in the portfolio company to force a sale. This process uncovered serious financial irregularities in the portfolio company, resulting in the removal and criminal investigation of the CEO and other senior managers. The portfolio company is currently in bankruptcy. In July 2008, the Bankruptcy Court approved the portfolio company's plan of liquidation. A liquidation trustee was appointed to oversee further liquidation efforts, including investigation and pursuit of potential litigation claims. The liquidation trustee has filed law suits or arbitration proceedings against certain parties, including the bank that issued the credit facility, the investment bank, an equipment manufacturer, accounting firms, and a law firm, among others. In January 2009, the liquidation trustee entered into a settlement agreement with the General Partner, exchanging mutual releases for the GP, the fund and its investors. Additionally, the settlement agreement provides for a sharing of recovery from further prosecution of the matter, including any settlement reached with the insurance carrier. Recoveries are anticipated to be quite modest, if at all. In 2009, the bank has filed a motion under seal which, if granted, may permit the bank to reduce any liability to the liquidation trustee by the proportionate amount that it can attribute to either the minority shareholders (including the fund).

NOTE 9: COST BASIS OF INVESTMENTS

The aggregate cost values of investments in the Funds are as follows at June 30, 2011:

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND
Investments in Securities, at Cost					
Cash Reserve Fund	\$ -	\$ 107,973,555	\$ 40,056,051	\$ 289,360,613	\$ 43,753,588
Cash Equivalents	942,141,445	-	-	-	-
Asset Backed Securities	46,019,743	-	-	60,368,689	-
Government Securities	368,180,016	-	-	722,188,974	1,032,140,605
Government Agency Securities	38,834,601	-	-	919,385,781	-
Mortgage Backed Securities	26,426,008	-	-	204,553,239	-
Corporate Debt	140,525,005	-	-	714,102,167	-
Convertible Securities	-	-	-	-	-
Common Stock	-	-	4,118,711,285	-	-
Preferred Stock	-	-	-	-	-
Real Estate Investment Trust	-	-	73,479,075	-	-
Mutual Fund	-	-	838,671,218	1,618,250	-
Limited Liability Corporation	-	-	-	-	-
Trusts	-	-	-	-	-
Limited Partnerships	-	403,900,000	256,748,850	-	-
Partnerships	-	-	-	-	-
Annuities	-	-	-	-	-
Total Investments in Securities, at cost	\$ 1,562,126,818	\$ 511,873,555	\$ 5,327,666,479	\$ 2,911,577,713	\$ 1,075,894,193

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8: SUBSEQUENT EVENT

The CRPTF has performed an evaluation of subsequent events through December 20, 2011, the date the basic financial statements were available to be issued. No material events were identified.

EMERGING MARKET DEBT FUND	HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND
\$ 45,466,173	\$ 22,053,401	\$ 96,487,104	\$ 43,135,658	\$ 39,936,447	\$ 234,883	\$ 76,307,905
336,564	757,434	29,107	-	-	-	-
69,938	2,100,725	-	-	-	-	-
521,575,959	6,562,931	-	-	-	-	-
-	-	-	-	-	-	-
-	7,840,455	-	-	-	79,553	-
194,051,525	588,723,550	-	-	-	-	-
-	36,905,741	267,101	-	-	-	-
433,972	12,069,501	4,511,549,769	1,772,311,320	-	2,023,627	5,311,780
-	8,582,142	28,969,962	44,410,336	-	-	-
-	-	35,592,345	3,543,325	65,349,648	-	-
250,230,473	-	11,781,165	250,944,877	-	-	-
-	-	-	-	-	-	1,823,598,834
-	-	-	-	8,193,224	-	-
-	-	-	-	1,237,072,054	-	4,452,180
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$1,012,164,604	\$ 685,595,880	\$ 4,684,676,553	\$ 2,114,345,516	\$ 1,350,551,373	\$ 2,338,063	\$ 1,909,670,699



Investment

Section



2011 pension fund management division

Division Overview

Introduction

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

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

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

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

INVESTMENT SUMMARY AT JUNE 30, 2011		
	Fair Value ⁽¹⁾	% of Total Fund Fair Value
Liquidity Fund (“LF”) ⁽²⁾	\$ 775,433,903	3.07%
Mutual Equity Fund (“MEF”)	6,634,922,151	26.28%
Developed Market International Stock Fund (“DMISF”)	5,391,257,095	21.35%
Emerging Market International Stock Fund (“EMISF”)	2,629,250,556	10.41%
Real Estate Fund (“REF”)	1,097,203,255	4.35%
Core Fixed Income Fund (“CFIF”)	3,001,125,667	11.89%
Inflation Linked Bond Fund (“ILBF”)	1,115,148,171	4.42%
Emerging Market Debt Fund (“EMDF”)	1,141,817,330	4.52%
High Yield Debt Fund (“HYDF”)	710,362,023	2.81%
Commercial Mortgage Fund (“CMF”)	2,386,359	0.01%
Alternative Investment Fund	519,007,742	2.06%
Private Investment Fund (“PIF”)	2,229,679,980	8.83%
Total Fund	\$25,247,594,232	100.00%

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

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

Fund Management

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

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

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

Investment Policy

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

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

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

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

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

Asset Classes

To realize the asset allocations set forth in the IPS for each plan and trust, the Treasurer administers the Combined Investment Fund as a series of mutual funds in which the various retirement plans and trusts may invest through the purchase of ownership interests. The asset mix for each of the 14 plans and trusts is established by the Treasurer, with approval of the independent IAC, based on (1) capital market theory, (2) financial and fiduciary requirements, and (3) liquidity needs. However there are instances in which the asset mix for a trust is set by the

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

trust's governing document. A broad array of asset classes is considered for inclusion in a potential asset allocation structure. Each asset class has its own distinct characteristics, as well as expectations for long-term return and risk behavior.

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

Domestic Equity

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

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

International Equity

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

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

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

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

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

Fixed Income Investments

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

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

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

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

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

Liquidity Fund

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

Real Estate and Private Equity

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

Private Investment Fund (PIF) investments generally are made in externally managed limited partnerships or through separate accounts that focus on private stock investments, which include both venture capital and corporate finance investment strategies. Venture capital typically involves equity capital invested in young or development stage companies, and may include start-up, early, mid or late-stage companies. Corporate finance typically involves equity and debt capital invested in growth, mature or distressed stage

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companies, often through the financing of acquisitions, spin-offs, mergers or changes in capitalization. The benchmark for PIF is the Standard & Poor's 500 Index ("S&P 500") with the objective of exceeding the S&P 500 by 500 basis points.

Alternative Investments

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

Securities Lending

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

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

The Year in Review

Total Fund Performance

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

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

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

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

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

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

Domestic Equity Performance

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

International Equity Performance

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

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

Fixed Income Performance

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

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

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

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

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

Real Estate and Private Equity Performance

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

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

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

2011 Management Initiatives

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

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

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

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

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

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

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

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

Proxy Voting and Corporate Governance

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

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

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

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

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

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

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

Asset Recovery and Loss Prevention

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

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

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

Class Action Securities Litigation

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

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

Corporate Governance Related Litigation

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

Other Litigation

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 1-1

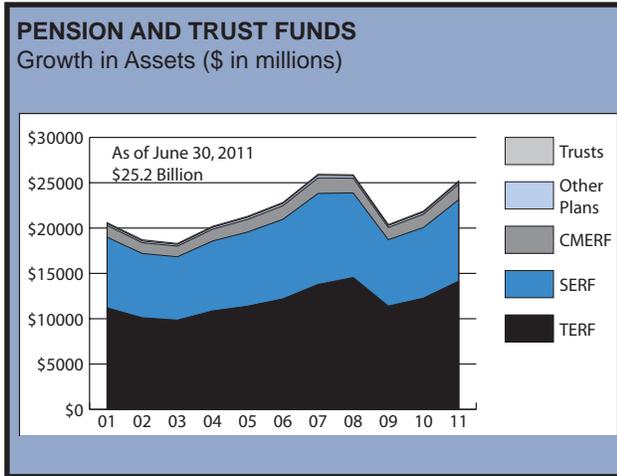
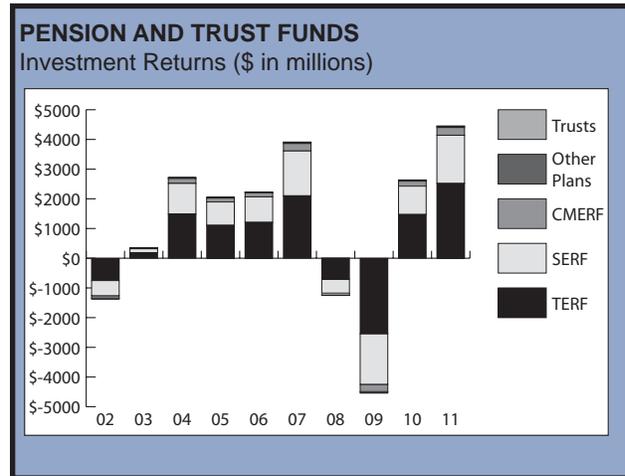


Figure 1-2



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

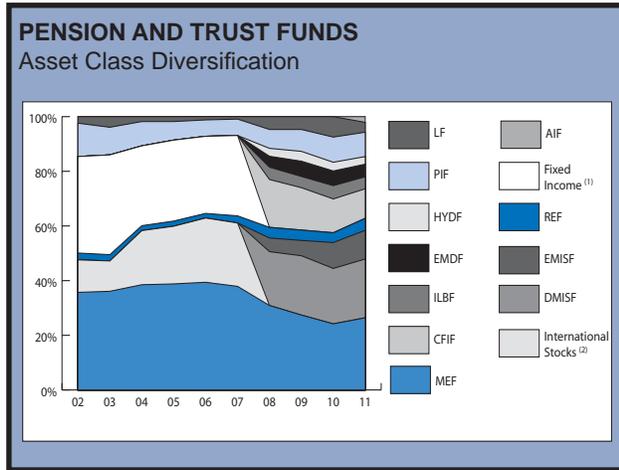
TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 1-3

PENSION AND TRUST FUNDS ASSET ALLOCATION												
Actual vs. Policy at June 30, 2011												
	TERF				SERF				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)	26.5%	24.0%	17.0%	35.0%	27.4%	25.0%	17.0%	35.0%	22.0%	19.0%	12.0%	27.0%
INTERNATIONAL EQUITY												
Developed Market Intl Stock Fund (DMISF)	21.9%	19.0%	13.0%	27.0%	21.9%	19.0%	13.0%	27.0%	17.7%	15.0%	8.0%	21.0%
Emerging Market Intl Stock Fund (EMISF)	10.6%	9.0%	6.0%	12.0%	10.6%	9.0%	6.0%	12.0%	9.7%	8.0%	6.0%	10.0%
REAL ESTATE												
Real Estate Fund (REF)	4.3%	5.0%	4.0%	7.0%	4.3%	5.0%	4.0%	7.0%	4.7%	7.0%	5.0%	9.0%
FIXED INCOME												
Core Fixed Income Fund (CFIF)	10.1%	13.0%	9.0%	20.0%	10.3%	13.0%	9.0%	20.0%	15.0%	19.0%	14.0%	26.0%
Inflation Linked Bond Fund (ILBF)	4.1%	6.0%	4.0%	8.0%	4.1%	6.0%	4.0%	8.0%	8.4%	10.0%	7.0%	13.0%
Emerging Market Debt Fund (EMDF)	4.5%	4.0%	3.0%	5.0%	4.5%	4.0%	3.0%	5.0%	5.7%	5.0%	3.0%	7.0%
High Yield Debt Fund (HYDF)	2.8%	2.0%	1.0%	3.0%	2.8%	2.0%	1.0%	3.0%	2.8%	2.0%	1.0%	3.0%
Liquidity Fund (LF)	4.2%	6.0%	4.0%	10.0%	3.1%	4.0%	2.0%	7.0%	3.2%	3.0%	1.0%	6.0%
Commercial Mortgage Fund (CMF)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PRIVATE EQUITY												
Private Investment Fund (PIF)	8.9%	10.0%	8.0%	14.0%	8.9%	11.0%	8.0%	14.0%	8.8%	10.0%	7.0%	13.0%
ALTERNATIVE INVESTMENT												
Alternative Investment Fund (AIF)	2.1%	2.0%	0.0%	10.0%	2.1%	2.0%	0.0%	10.0%	2.0%	2.0%	0.0%	10.0%
TOTAL	100.0%	100.0%			100.0%	100.0%			100.0%	100.0%		

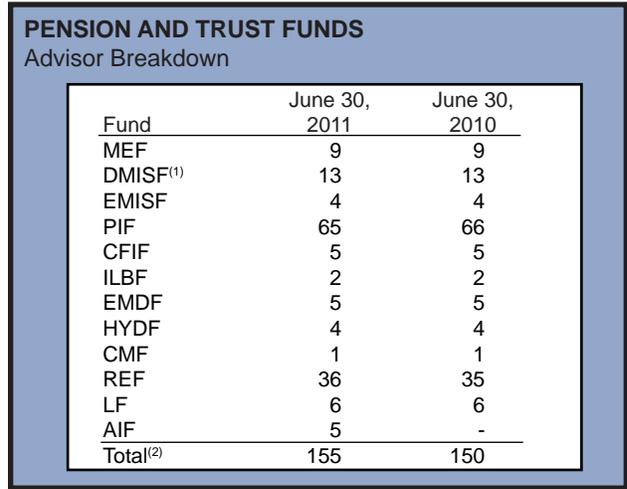
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 1-4



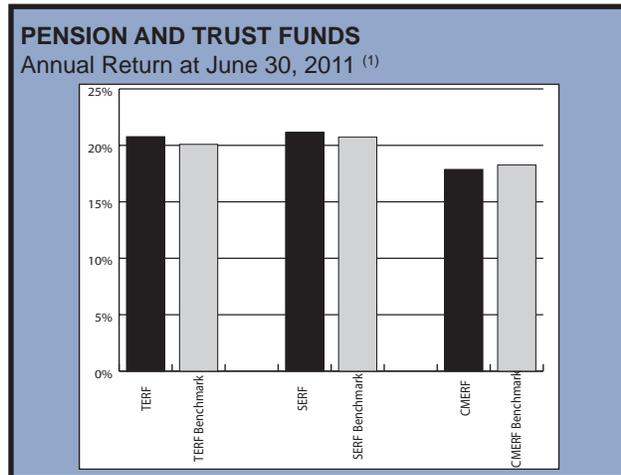
- (1) Prior to November 1, 2007 CFIF, ILBF, EMDF and HYDF were included in a Combined Investment Fund titled Mutual Fixed Income Fund.
- (2) Prior to November 1, 2007 DMISF and EMISF were included in a Combined Investment Fund titled International Stock Fund.

Figure 1-5



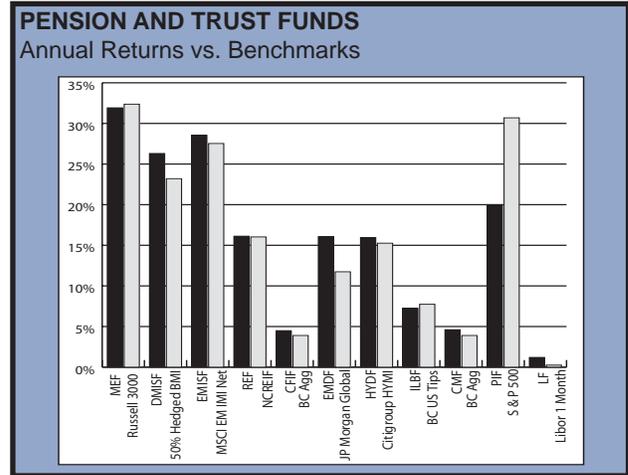
- (1) Does not include the Currency Overlay Manager.
- (2) Actual total advisors was 144 and 142, respectively when factoring in advisors across multiple funds. Private Investment Fund partnerships with a \$0 market value are not included.

Figure 1-6



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

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

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

2011 liquidity fund

Fund Facts at June 30, 2011

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

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

Benchmark: One Month LIBOR Index

Date of Inception: November 1, 2007

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

Number of Advisors: 6 external

Management Fees: \$3,744,527

Operating Expenses: \$754,304

Expense Ratio: .23%

Description of the Fund

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

Portfolio Characteristics

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

Market Review

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

Performance Summary

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

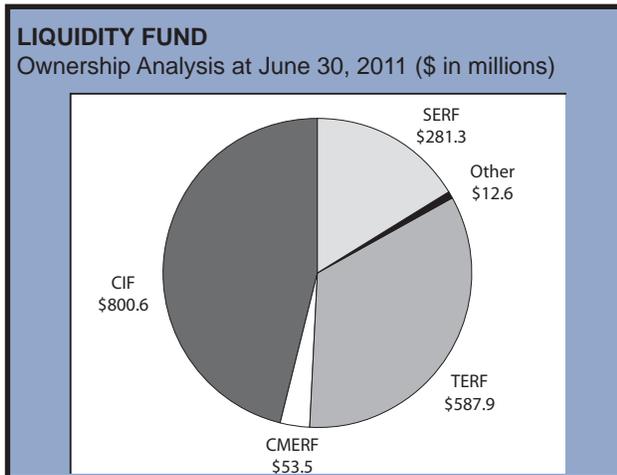
1 returned .29%, having the lowest credit and interest rate risk of the three tiers. Annual return contributions for Tiers 2 and 3 were .98% and 6.51%, respectively.

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

Risk Profile

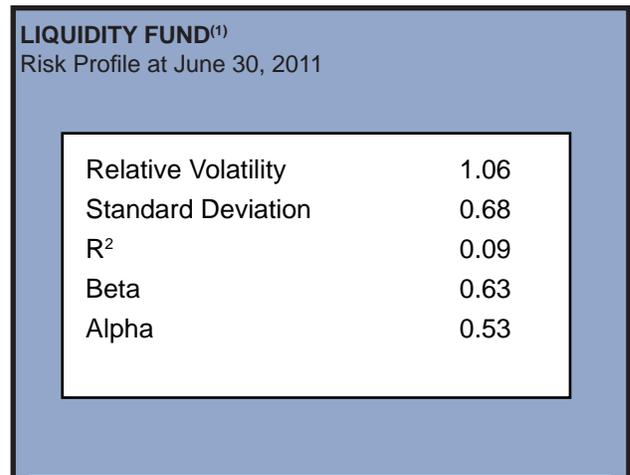
By maintaining a short average maturity the Fund has relatively low interest rate risk and by investing in high quality securities, the Liquidity Fund has a lower risk of credit default. The Fund does assume currency risk though its investments in global sovereign bonds and emerging market currencies.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

Figure 2-1



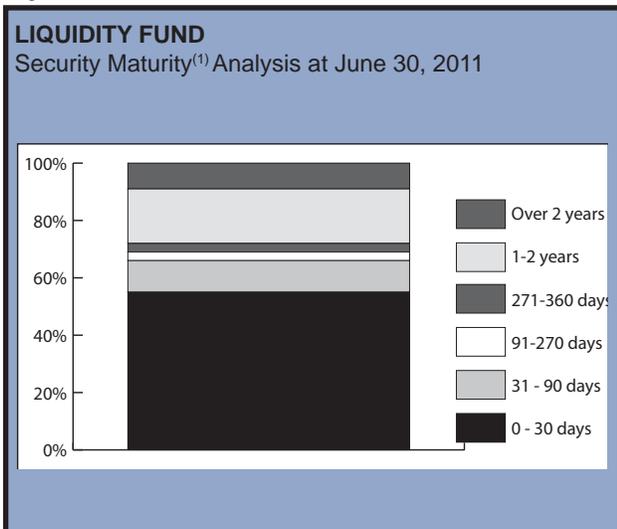
TERF - Teachers' Retirement Fund
 SERF - State Employees' Retirement Fund
 CMERF - Connecticut Municipal Employees' Retirement Fund
 CIF - Combined Investment Funds

Figure 2-2



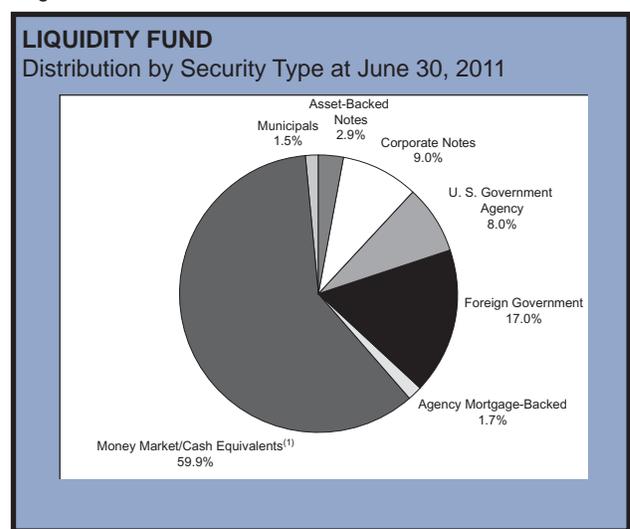
(1) Based upon returns over the last five years.

Figure 2-3



(1) Or Interest Rate Reset Period.

Figure 2-4



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 2-5

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

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

Figure 2-6

LIQUIDITY FUND Periods ending June 30, 2011				
	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
LF	1.20	1.24	2.77	2.68
Libor 1 Month Index	0.25	0.62	2.24	2.31
CPI-Urban	3.56	1.04	2.16	2.41
Cumulative Total Return (%)				
LF	1.20	3.76	14.61	30.24
Libor 1 Month Index	0.25	1.87	11.74	25.62
CPI-Urban	3.56	3.16	11.28	26.84

Figure 2-7

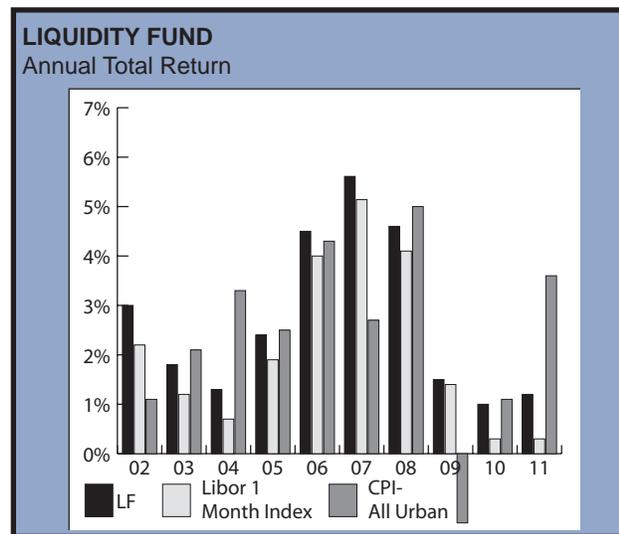


Figure 2-9

LIQUIDITY FUND Investment Advisors at June 30, 2011		
Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	\$748,368,894	43.11%
Payden & Rygel	130,709,153	7.53%
PIMCO	184,811,003	10.65%
Ambassador Capital Management	174,529,169	10.05%
Lazard	253,085,162	14.58%
Colchester Global Investors Ltd.	244,448,375	14.08%
Total LF	1,735,951,756	100.00%

Figure 2-8

LIQUIDITY FUND Investment Advisor Tiers at June 30, 2011		
Investments	Net Asset Value	% of Fund
Tier I	\$748,368,894	43.11%
Tier II	490,049,324	28.23%
Tier III	497,533,538	28.66%
Total LF	1,735,951,756	100.00%

Figure 2-10

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

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

2011 alternative investment fund

Fund Facts at June 30, 2011

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

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

Benchmark: T-Bills

Date of Inception: February 1, 2011

Total Net Assets: \$518,865,606

Number of Partnerships: 5 external

Expensed Management Fees: \$ 0

Operating Expenses: \$709,689

Expense Ratio: 0.14%

Capitalized and Netted Fees: \$1,803,589

Description of the Fund

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

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

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

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

Portfolio Characteristics

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

Absolute Return Strategies ("ARS")

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

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

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

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

Real Asset Strategies

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

Market Review

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

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

Performance Summary

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

Risk Profile

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

2011 mutual equity fund

Fund Facts at June 30, 2011

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

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

Benchmark: Russell 3000 Index

Date of Inception: July 1, 1972

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

Number of Advisors: 9 external

Management Fees: \$10,311,111

Operating Expenses: \$2,180,352

Expense Ratio: 0.21%

Description of the Fund

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

Portfolio Characteristics

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

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

Market Review

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

Performance Summary

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

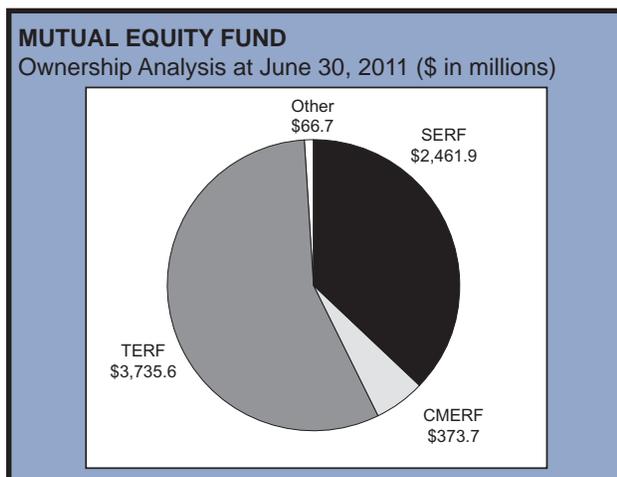
While volatility in investment returns is expected in the short-term, the Fund's long-term performance remains the most important comparative measure. As Figure 3-4 illustrates, the MEF has generated annualized total returns, net of fees, of 2.52%, 2.08%, and 3.16% over the last three, five, and ten-year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

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

Risk Profile

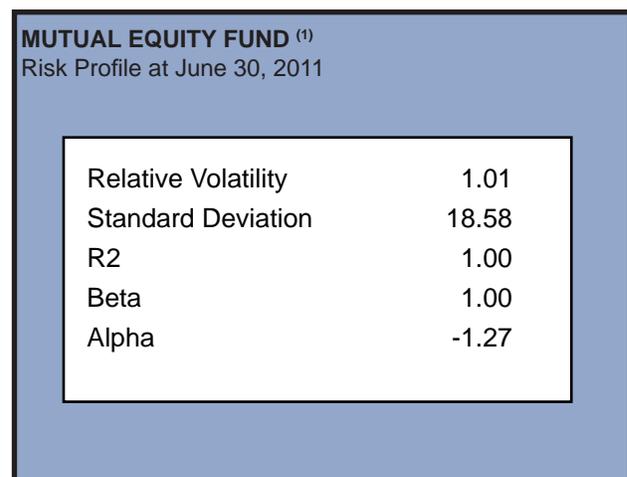
Based on returns over the last five years, the Fund has exhibited a similar degree of risk as that of its benchmark, the Russell 3000 Index. With a relative volatility of 1.01, the MEF's returns have almost equal volatility to those of the Index and reflect a strong degree of correlation, as shown by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

Figure 3-1



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

Figure 3-2



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

Figure 3-3

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

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

(1) Excludes the Liquidity Fund.

Figure 3-4

MUTUAL EQUITY FUND
Periods ending June 30, 2011

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 3-5

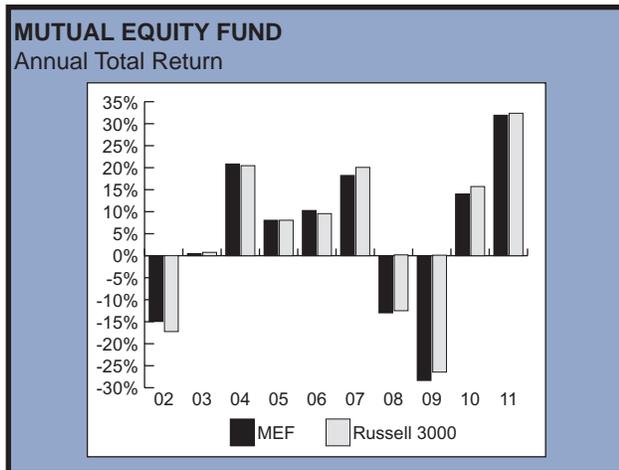


Figure 3-6

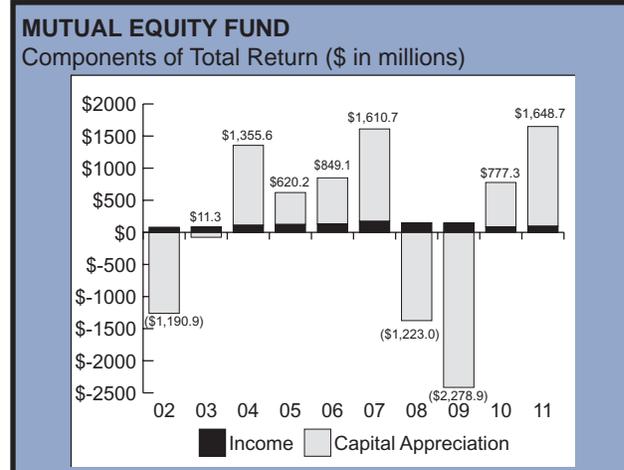


Figure 3-7

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

	2011		2010		2009		2008		2007	
	MEF	Russell								
# of Issues	1,665	3,000	1,914	3,000	1,954	3,000	2,206	3,000	2,175	3,000
Cap (\$ Bil)	\$81.5	\$73.2	\$57.2	\$59.0	\$52.8	\$58.7	\$69.6	\$72.2	\$81.1	\$81.5
P/E	19.4	20.2	16.3	17.5	20.5	19.8	18.5	18.1	17.6	18.8
Div Yield	1.80%	1.80%	1.90%	2.00%	1.98%	2.19%	1.90%	2.10%	1.60%	1.70%
ROE	18.7%	18.2%	15.9%	15.8%	18.4%	20.2%	19.0%	20.2%	19.5%	20.0%
P/B	3.5	3.5	2.7	2.9	2.9x	3.0x	3.6x	3.8x	3.6x	4.0x
Cash & Equiv.	0.6%	0.0%	0.9%	0.0%	9.7%	0.0%	0.8%	0.0%	0.7%	0.0%

Source: Monthly Bundle-Equity Portfolio Characteristics under Russell 3000

Figure 3-8

MUTUAL EQUITY FUND
Investment Advisors at June 30, 2011

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

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

Figure 3-9

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

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 3-8

MUTUAL EQUITY FUND		
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2011

core fixed income fund

Fund Facts at June 30, 2011

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

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

Benchmark: Barclays Capital U. S. Aggregate

Date of Inception: November 1, 2007

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

Number of Advisors: 5 external

Management Fees: \$3,625,463

Operating Expenses: \$718,401

Expense Ratio: 0.16%

Description of the Fund

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

Portfolio Characteristics

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

Market Review

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

Performance Summary

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

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

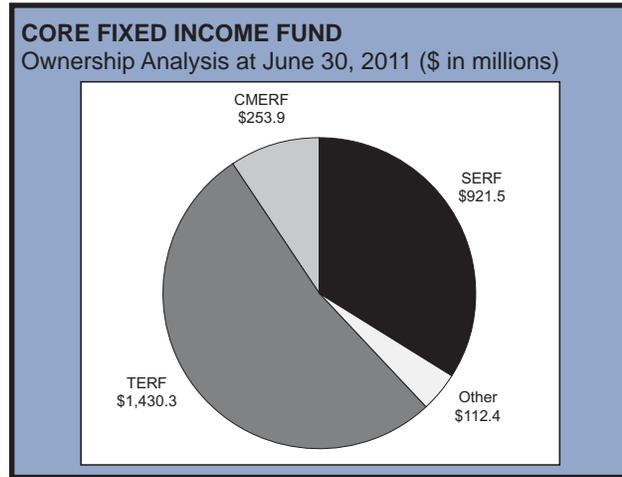
Risk Profile

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

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

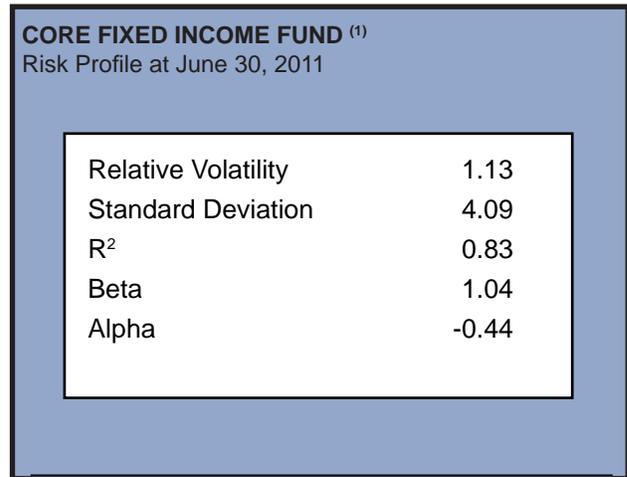
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-1



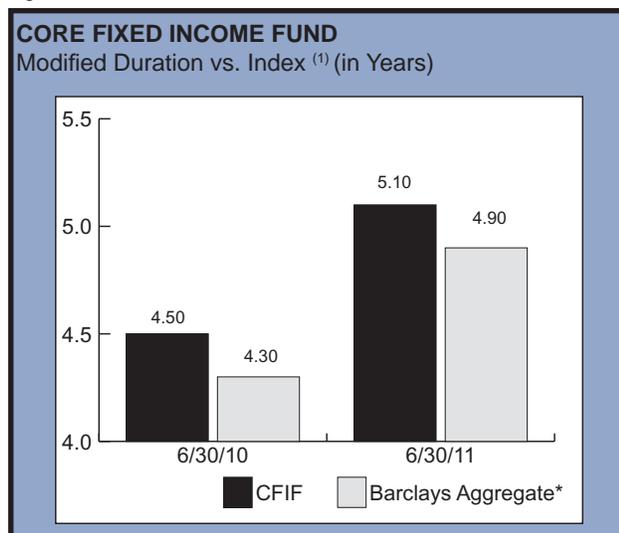
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 4-2



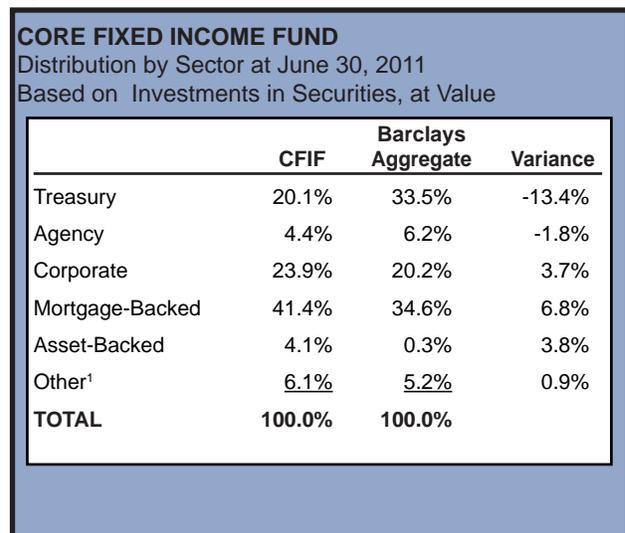
(1) Based upon returns over the last five years.

Figure 4-3



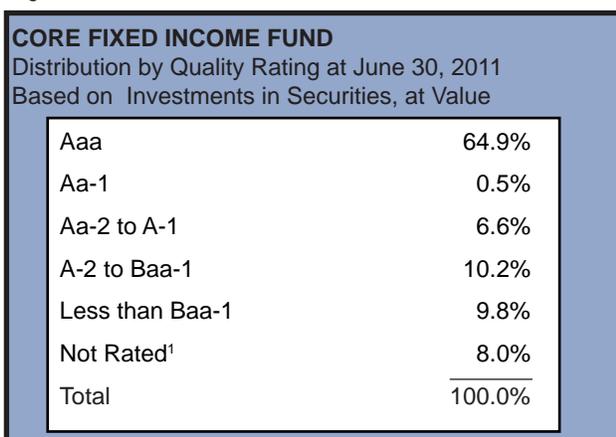
(1) Computed without the effect of Cash and other Net Assets.

Figure 4-4



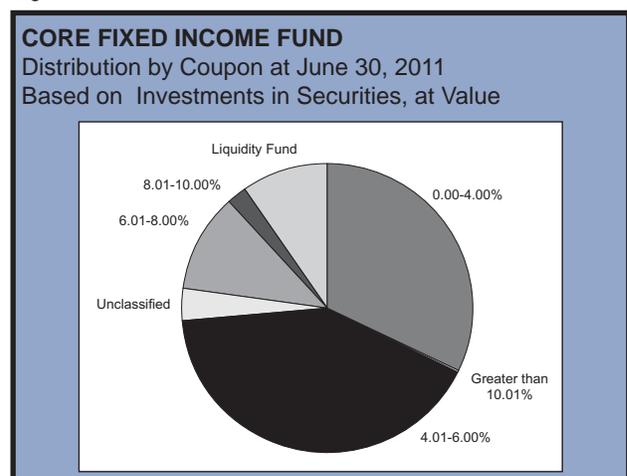
(1) Other category includes Liquidity Fund and other assets.

Figure 4-5



(1) Represents securities for which ratings are unavailable.

Figure 4-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-7

CORE FIXED INCOME FUND	
Duration Distribution at June 30, 2011 Based on Investments in Securities, at Value	
0-3 Years	23.1%
3-5 Years	28.4%
5-7 Years	20.8%
7-10 Years	6.8%
10+ Years	7.8%
Unknown ⁽¹⁾	3.5%
Liquidity Fund ⁽²⁾	9.6%
Total	100.0%

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

Figure 4-8

CORE FIXED INCOME FUND	1 YR	3 YRS	5 YRS	10 YRS
Periods ending June 30, 2011				
Compounded, Annual Total Return (%)				
CFIF	4.49	6.31	6.08	5.80
BC Aggregate	3.90	6.46	6.52	5.74
Cumulative Total Return (%)				
CFIF	4.49	20.15	34.34	75.69
BC Aggregate	3.90	20.65	37.16	74.82

Figure 4-9

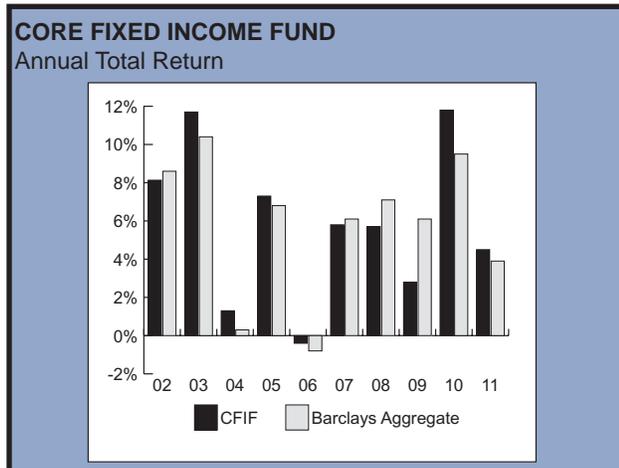


Figure 4-10

CORE FIXED INCOME FUND		
Investment Advisors at June 30, 2011		
Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	\$1,034,932,957	38.08%
BlackRock Financial Mgmt, Inc.	670,848,445	24.68%
Wellington	533,857,499	19.64%
Phoenix	328,279,063	12.08%
Progress	138,600,374	5.10%
Other ⁽¹⁾	11,550,908	0.42%
TOTAL CFIF	\$2,718,069,246	100.00%

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

Figure 4-11

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

* Note: Beginning weights.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-12

CORE FIXED INCOME FUND			
Ten Largest Holdings ⁽¹⁾ at June 30, 2011			
Security Name	Maturity	Market Value	%
FNMA TBA JUL 30 yr Single Fam 4%	12/1/2041	\$ 57,320,000	1.91%
Government Natl Mtg Assn 4%	12/1/2041	38,604,561	1.29%
FHLMC Gold TBA 30 yr TBA 4%	12/1/2041	29,372,364	0.98%
US TREASURY N/B 4.5%	2/15/2041	24,581,181	0.82%
FNMA TBA 30YR Single Family JU 3.5%	12/1/2041	24,288,750	0.81%
WI Treasury Sec 0.5%	5/31/2013	22,853,972	0.76%
FHLMC TBA JUL 30 Gold Single 5%	12/1/2041	18,460,356	0.61%
GNMA II TBA JUL 30 4.5%	12/1/2041	17,679,312	0.59%
FNMA TBA JUL 30 Single Fam 4.5%	12/1/2041	16,345,574	0.54%
WI Treasury Sec 1.75%	5/31/2016	15,318,860	0.51%
Top Ten		\$ 264,824,930	8.82%

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

Figure 4-13

CORE FIXED INCOME FUND					
Quarterly Current Yield ⁽¹⁾ vs. Indices (%)					
	6/30/11	3/31/11	12/31/10	9/30/10	6/30/10
CORE FIXED INCOME	4.04	4.12	4.12	4.10	4.53
Barclays Aggregate	4.02	4.08	4.10	4.08	4.18
Citigroup 3 Month T-Bill	0.02	0.09	0.13	0.16	0.17
Barclays Treasury	2.71	2.78	2.77	2.74	2.90
Barclays Agency	2.79	2.78	2.82	2.91	3.05
Barclays Mortgage	4.56	4.66	4.72	4.77	4.80
Barclays Corporate	5.17	5.28	5.31	5.22	5.48
Barclays Asset Backed	3.77	3.95	4.14	4.18	4.38

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

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

2011 inflation linked bond fund

Fund Facts at June 30, 2011

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

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

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

Date of Inception: November 1, 2007

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

Number of Advisors: 2 external

Management Fees: \$976,317

Operating Expenses: \$308,526

Expense Ratio: 0.12%

Description of the Fund

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

Portfolio Characteristics

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

Market Review

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

Performance Summary

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

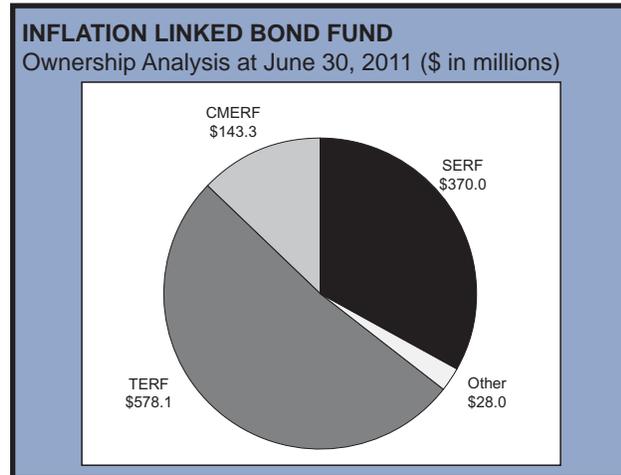
For the fiscal year ended June 30, 2011, the ILBF generated a total return of 7.23%, net of fees and operating expenses, underperforming the benchmark return of 7.74% by 51 basis points. For the trailing three year period, ILBF's compounded annualized total return was 5.42%, net of fees and operating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

Risk Profile

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

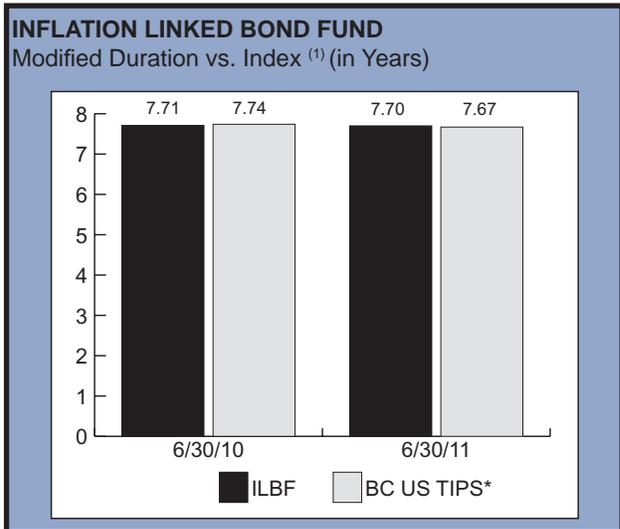
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-1



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

Figure 5-2



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

Figure 5-3

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

	ILBF	BC US TIPS*	Variance
Treasury	96.1%	100.0%	-3.9%
Agency	0.0%	0.0%	0.0%
Corporate	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
Liquidity Fund ¹	<u>3.9%</u>	<u>0.0%</u>	3.9%
TOTAL	100.0%	100.0%	

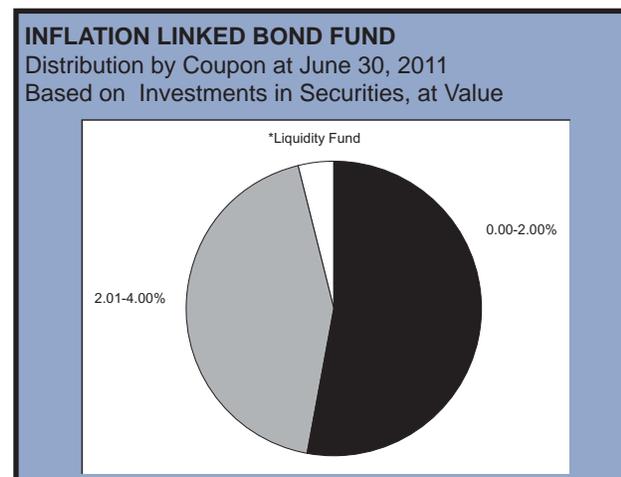
Figure 5-4

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

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

(1) Represents securities for which ratings are unavailable.

Figure 5-5



*Note: Ending weights

Figure 5-6

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

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-7

	1 YR	3 YRS	5YRS
INFLATION LINKED BOND FUND			
Periods ending June 30, 2011			
Compounded, Annual Total Return (%)			
ILBF	7.23	5.42	7.20
LB U.S. Tips	7.74	5.28	6.91
Cumulative Total Return (%)			
ILBF	7.23	17.16	41.58
LB U.S. Tips	7.74	16.68	39.64

Figure 5-8

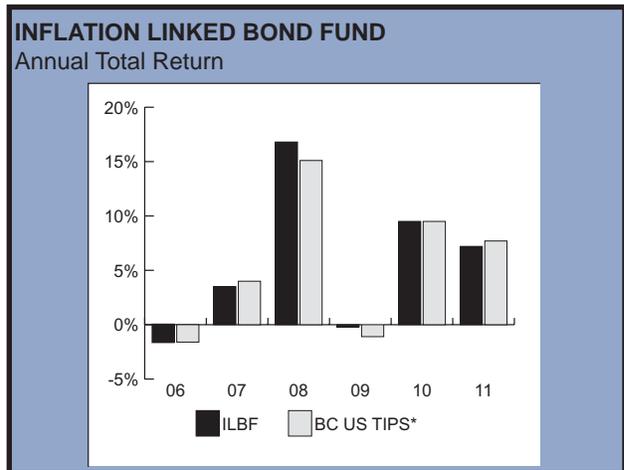


Figure 5-9

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

Figure 5-10

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

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

(1) Ending Weights

Figure 5-11

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

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

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

2011 emerging market debt fund

Fund Facts at June 30, 2011

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

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

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

Date of Inception: November 1, 2007

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

Number of Advisors: 5 external

Management Fees: \$4,462,954

Operating Expenses: \$446,625

Expense Ratio: 0.42%

Description of the Fund

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

Portfolio Characteristics

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

Market Review

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

Performance Summary

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

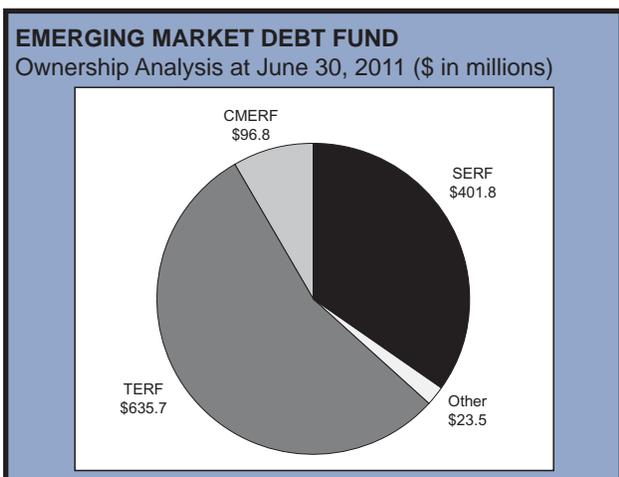
For the fiscal year ended June 30, 2011 the Emerging Market Debt Fund outperformed its benchmark by 432 basis points. The Fund generated a return of 16.06%, net of fees and operating expenses compared the benchmark return of 11.74%. For the trailing three-year and five-year periods, EMDF's compounded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

Risk Profile

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

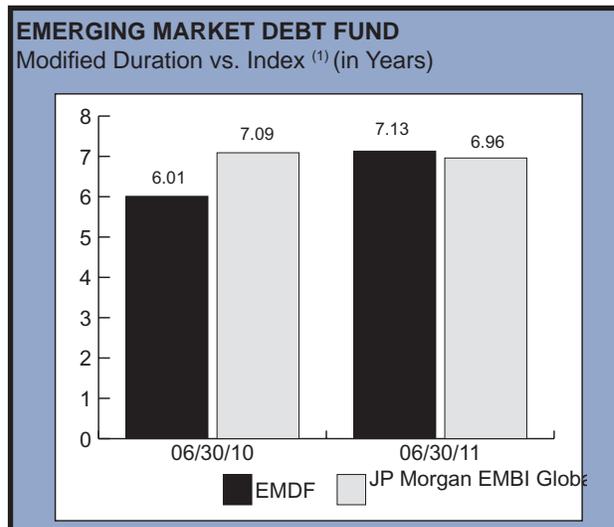
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 6-1



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - 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, 2011

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

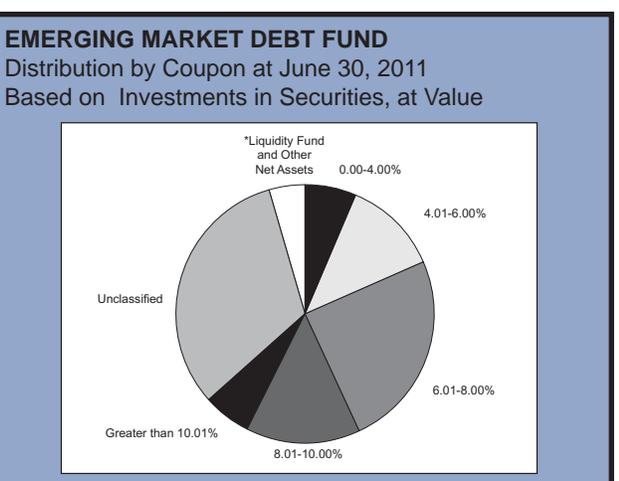
Figure 6-4

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

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

(1) Represents securities for which ratings are unavailable.

Figure 6-5



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

Figure 6-6

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

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 6-7

	1 YR	3 YRS	5 YRS
EMERGING MARKET DEBT FUND			
Periods ending June 30, 2011			
Compounded, Annual Total Return (%)			
EMDF	16.06	11.23	10.78
JP Morgan EMBI Global Index	11.74	10.44	9.59
Cumulative Total Return (%)			
EMDF	16.06	37.60	66.86
JP Morgan EMBI Global Index	11.74	34.69	58.09

Figure 6-8

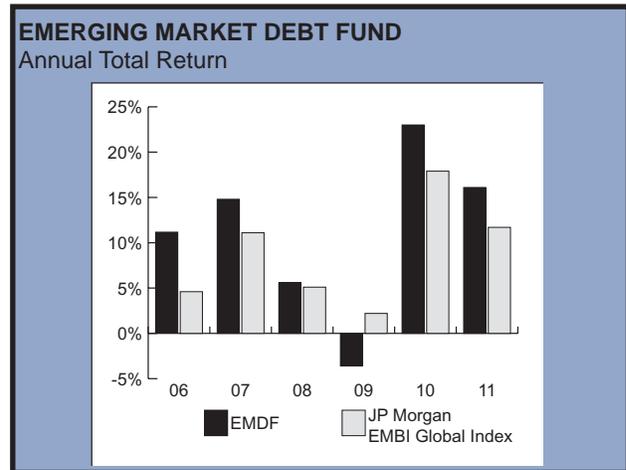


Figure 6-9

Investment Advisor	Net Asset Value	% of Fund
EMERGING MARKET DEBT FUND		
Investment Advisors at June 30, 2011		
Ashmore	\$327,567,335	28.29%
Stone Harbor Investment Partners	289,371,354	24.99%
ING Investment Management	221,115,482	19.10%
Pyramis	152,907,758	13.21%
UBS Global Asset Management	167,231,170	14.44%
Other ⁽¹⁾	(379,149)	-0.03%
TOTAL EMDF	\$1,157,813,950	100.00%

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

Figure 6-10

Security Name	Maturity	Market Value	%
EMERGING MARKET DEBT FUND			
Ten Largest Holdings* at June 30, 2011			
Russian Federation	03/31/30	\$23,216,436	2.03%
Nota Tesouro Nacional	01/01/21	10,914,872	0.96%
Republic of Colombia	09/18/37	10,812,060	0.95%
Petroleos de Venezuela	10/28/14	9,792,574	0.86%
Republic of Iraq	01/15/28	9,618,872	0.84%
South Africa (Republic)	12/21/26	9,310,808	0.81%
Republic of Indonesia	03/04/19	8,798,288	0.77%
Republic of Argentina	12/31/33	8,643,106	0.76%
Nota Do Tesouro Nacional	05/15/45	7,624,227	0.67%
Republic of Indonesia	01/17/38	7,482,380	0.65%
Top Ten		\$106,213,623	9.30%

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

Figure 6-11

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

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

2011

high yield debt fund

Fund Facts at June 30, 2011

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

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

Benchmark: Citigroup High Yield Market Index

Date of Inception: November 1, 2007

Total Net Assets: \$717,576,730

Number of Advisors: 4 external

Management Fees: \$2,511,539

Operating Expenses: \$210,242

Expense Ratio: 0.39%

Description of the Fund

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

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

Portfolio Characteristics

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

Market Review

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

Performance Summary

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

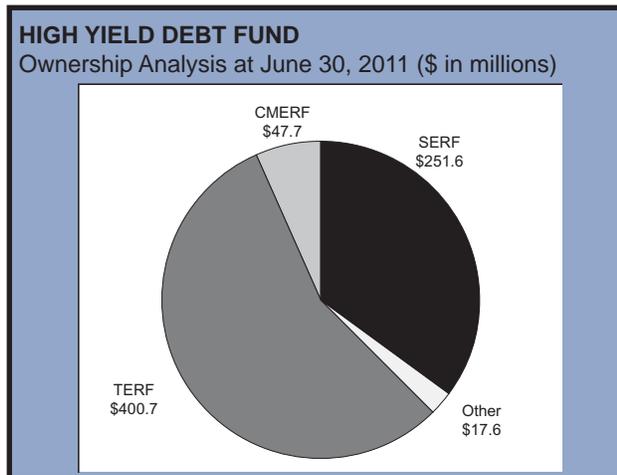
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

Risk Profile

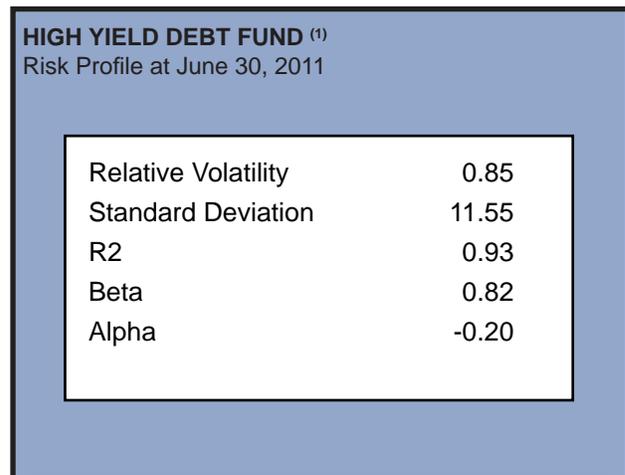
Given the HYDF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to credit default risk, interest rate risk, liquidity risk, reinvestment risk and inflation risk. In addition, the Fund is occasionally exposed to political, economic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

Figure 7-1



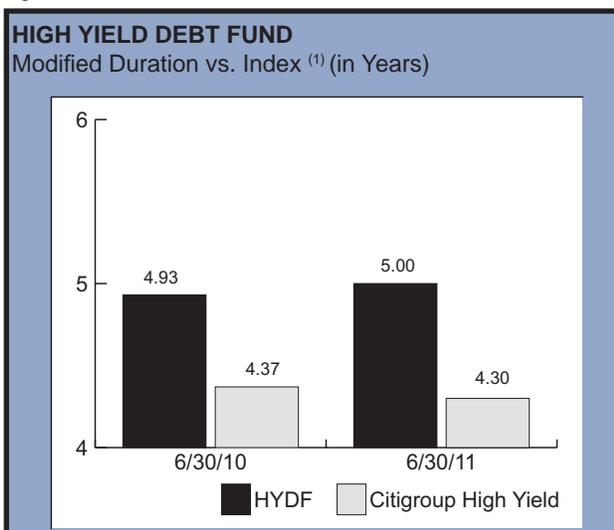
TERF - Teachers' Retirement Fund
 SERF - State Employees Retirement Fund
 CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 7-2



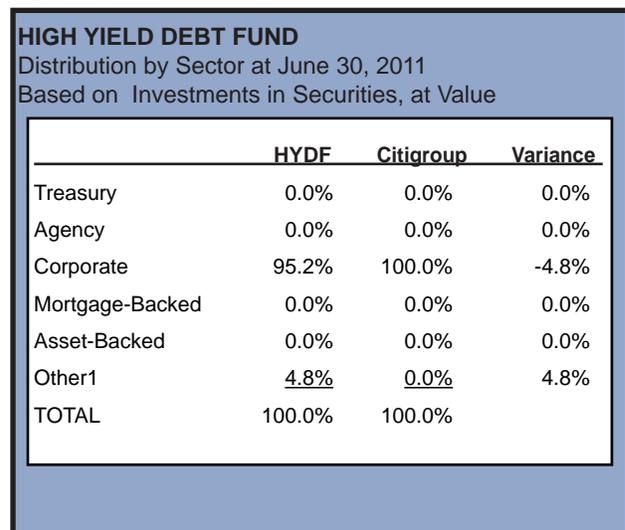
(1) Based upon returns over the last five years.

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, Liquidity Fund and other assets.

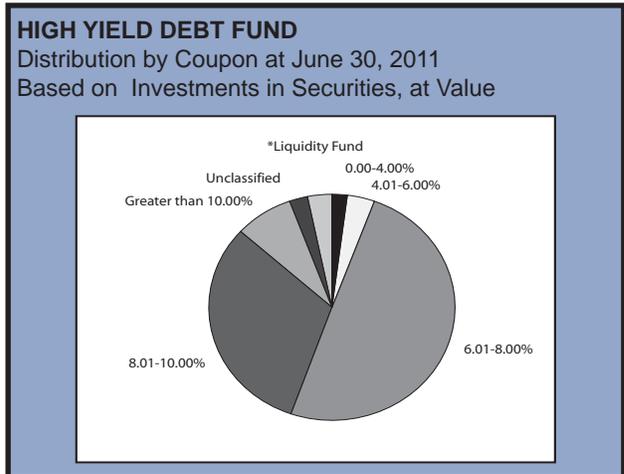
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-5

HIGH YIELD DEBT FUND	
Distribution by Quality Rating at June 30, 2011 Based on Investments in Securities, at Value	
Aa-2 to A-1	0.3%
A-2 to Baa-1	0.9%
Less than Baa-1	96.3%
Not Rated ¹	2.5%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 7-6



* Note: Ending weights.

Figure 7-7

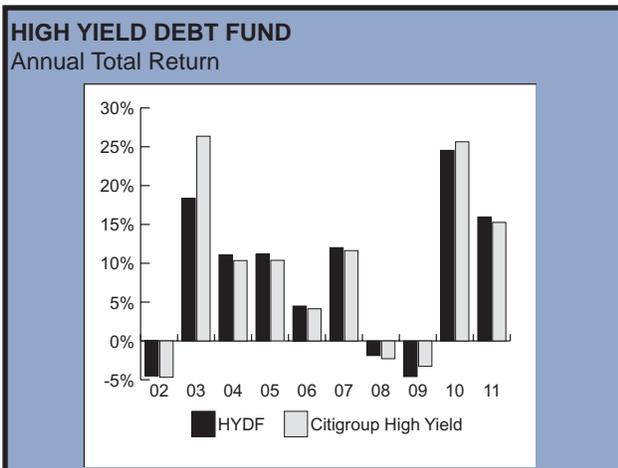
HIGH YIELD DEBT FUND	
Duration Distribution at June 30, 2011 Based on Investments in Securities, at Value	
0-3 Years	18.1%
3-5 Years	28.8%
5-7 Years	35.9%
7-10 Years	9.2%
10+ Years	2.3%
Unknown ⁽¹⁾	2.5%
Liquidity Fund ⁽²⁾	3.2%
Total	100.0%

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

Figure 7-8

HIGH YIELD DEBT FUND	1 YR	3 YRS	5 YRS	10 YRS
Periods ending June 30, 2011				
Compounded, Annual Total Return (%)				
HYDF	15.96	11.27	8.65	8.24
Citigroup High Yield Market Index	15.26	11.89	8.85	8.85
Cumulative Total Return (%)				
HYDF	15.96	37.78	51.42	120.65
Citigroup High Yield Market Index	15.26	40.09	52.81	133.49

Figure 7-9



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-10

HIGH YIELD DEBT FUND						
Comprehensive Profile for the Fiscal Year ending June 30,						
	<u>2011</u>		<u>2010</u>		<u>2009</u>	
	<u>HYDF</u>	<u>Citigroup</u>	<u>HYDF</u>	<u>Citigroup</u>	<u>HYDF</u>	<u>Citigroup</u>
Number of Issues	659	1,540	679	1,394	605	1,222
Average Coupon	7.90%	8.30%	8.10%	8.34%	7.90%	8.10%
Yield Maturity	13.60%	7.50%	9.11%	8.95%	11.90%	12.20%
Average Maturity	6.90	5.60	6.86	5.71	7.8	6.5
Modified Duration	5.00	4.30	4.93	4.37	4.7	4.2
Average Quality	B-2	B-2	B-2	B-2	B-1	B-1
Liquidity Fund	3.2%	0.0%	4.0%	0.0%	8.2%	0.0%

*Note: Ending Weights

Figure 7-11

HIGH YIELD DEBT FUND		
Investment Advisors at June 30, 2011		
<u>Investment Advisor</u>	<u>Net Asset Value</u>	<u>% of Fund</u>
Loomis Sayles & Co., Inc.	\$228,508,388	31.85%
Stone Harbor Investment Partners	100,540,205	14.01%
Shenkman Capital Management	239,821,174	33.42%
Oaktree Capital Management, L.L.C.	144,593,300	20.15%
Other (1)	4,113,663	0.57%
TOTAL HYDF	\$717,576,730	100.00%

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

Figure 7-12

HIGH YIELD DEBT FUND			
Ten Largest Holdings* at June 30, 2011			
<u>Security Name</u>	<u>Maturity</u>	<u>Market Value</u>	<u>%</u>
Vertex Pharma- ceuticals Inc	Common Stock	\$ 7,756,128	1.09%
Qwest Capital Funding	07/15/28	7,047,900	0.99%
Borden Inc	02/15/23	5,942,563	0.84%
Toys R Us Inc	10/15/18	5,900,344	0.83%
European Bk Recon + Dev	09/10/12	5,784,253	0.81%
Tenet Healthcare Corp	11/15/31	5,556,925	0.78%
Mex Bonos Desarr Fix Rt	12/15/16	4,932,666	0.70%
AES Corp	10/15/17	4,817,700	0.68%
Algoma Acquisition Corp	06/15/15	4,682,550	0.66%
Albertsons Inc	08/01/29	4,476,775	0.63%
Top Ten		\$56,897,804	8.01%

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

2011

developed market international stock fund

Fund Facts at June 30, 2011

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

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

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

Date of Inception: November 1, 2007

Total Net Assets: \$5,408,701,858

Number of Advisors: 14 external

Management Fees: \$23,227,562

Operating Expenses: \$2,005,953

Expense Ratio: 0.51%

Description of the Fund

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

Portfolio Characteristics

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

Market Review

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

Performance Summary

DMISF's market value grew from \$4.434 billion on June 30, 2010 to \$5.408 billion by fiscal year end 2011, an increase of \$974 million. Net realized and unrealized gains of \$1.038 billion along with \$130 mil-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

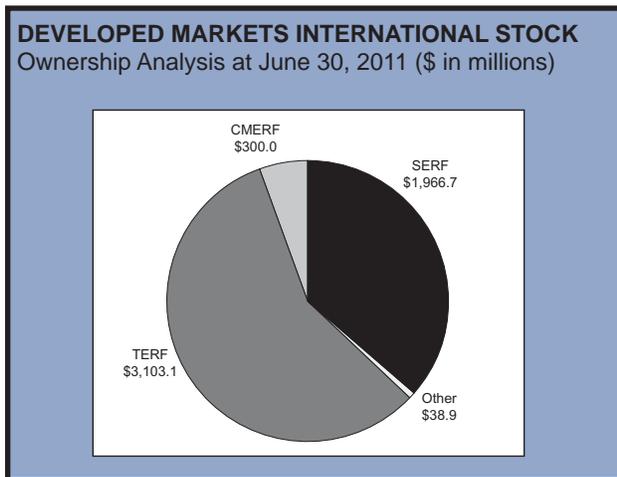
lion of net investment income were offset by cash withdrawals of \$194 million by participating retirement plans and trust funds.

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

Risk Profile

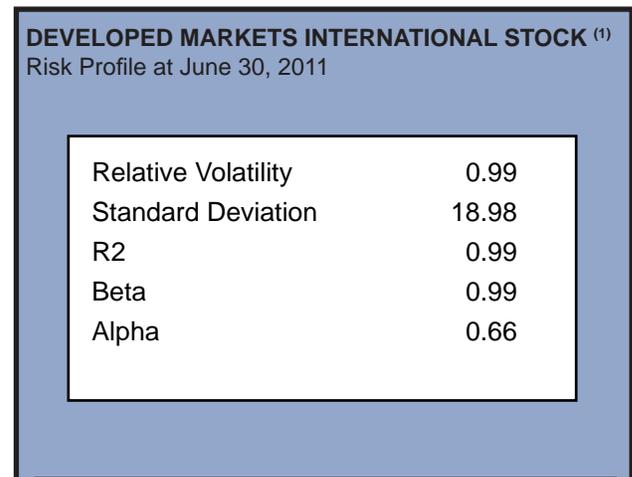
Given DMISF's investment policies and objectives, the Fund is exposed to several risks. These include, but are not limited to, political and economic risk, currency exchange risk, market risk, and individual company risk. A 50% currency hedging strategy is employed to reduce the portfolio's currency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

Figure 8-1



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

Figure 8-2



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

Figure 8-3

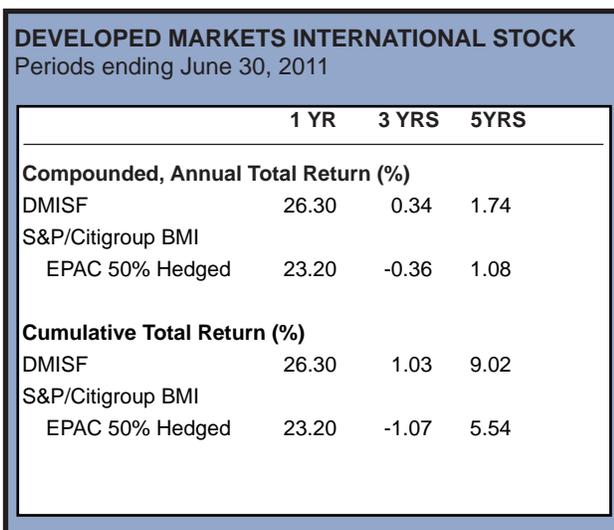
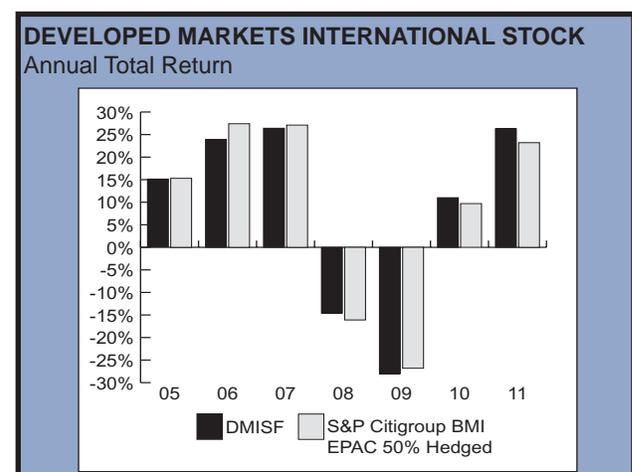


Figure 8-4



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 8-5

DEVELOPED MARKETS INTERNATIONAL STOCK Diversification by Benchmark Country with Return (%) at June 30, 2011 ⁽¹⁾			
	DMISF % of Net Assets 6/30/11	Benchmark % of Net Assets 6/30/11	Variance
Australia	4.2	8.2	-4.0
Austria	0.5	0.4	0.1
Belgium	0.4	1.0	-0.6
Denmark	0.8	1.1	-0.3
Finland	0.6	1.0	-0.4
France	6.0	9.1	-3.1
Germany	5.4	7.9	-2.5
Greece	0.2	0.3	-0.1
Hong Kong	5.3	3.4	1.9
Ireland	0.6	0.4	0.2
Italy	1.9	2.9	-1.0
Japan	12.2	19.3	-7.1
Korea	6.7	5.5	1.2
Luxembourg	0.3	0.3	0.0
Netherlands	2.2	2.5	-0.3
New Zealand	0.2	0.2	0.0
Norway	0.5	1.0	-0.5
Portugal	0.1	0.3	-0.2
Singapore	1.2	1.7	-0.5
Spain	1.7	3.2	-1.5
Sweden	1.4	3.2	-1.8
Switzerland	4.5	7.4	-2.9
United Kingdom	12.9	19.7	-6.8
Other	<u>30.2</u>	<u>0.0</u>	30.2
Total	100.0	100.0	

Figure 8-6

DEVELOPED MARKETS INTERNATIONAL STOCK Investment Advisors at June 30, 2011		
Investment Advisor	Net Asset Value	% of Fund
Index	618,965,748	11.44%
State Street Global Advisors	618,965,748	11.44%
Core	1,849,620,814	34.19%
Invesco Global Asset Mgmt.	225,720,371	4.17%
AQR Capital Management	709,699,814	13.12%
Acadian Asset Management	239,312,412	4.42%
Artio Global	552,012,604	10.21%
Progress	122,875,613	2.27%
Active-Growth	666,633,801	12.33%
MFS Institutional Advisors, Inc.	666,633,801	12.33%
Active-Value	616,109,382	11.39%
Grantham, Mayo, Van Otterloo	616,109,382	11.39%
Small Cap	859,932,581	15.90%
Schroder Investment Mgmt.	295,978,786	5.47%
Dimensional Fund Advisors	265,344,305	4.91%
William Blair & Company	298,609,490	5.52%
Risk Controlled	825,113,367	15.26%
BlackRock	401,410,912	7.42%
Pyramis	423,702,455	7.84%
Other ⁽¹⁾	-27,673,835	-0.51%
TOTAL DMISF	5,408,701,858	100.00%

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

Figure 8-7

DEVELOPED MARKETS INTERNATIONAL STOCK Ten Largest Holdings* at June 30, 2011			
Security Name	Country	Market Value	%
Nestle SA CHFO.10 REGD	Switzerland	\$ 72,564,515	1.35%
Royal Dutch Shell PLC A Shares Eur .07	United Kingdom	63,995,556	1.19%
Total SA Eur 2.5 Post Division	France	58,086,644	1.08%
Sanofi Aventis EUR 2.0	France	55,274,981	1.02%
HSBC Holdings ORD USD 0.50 UK REG	United Kingdom	51,537,166	0.95%
Rio Tinto PLC	United Kingdom	42,375,625	0.79%
Vodafone Group ORD USD 0.11428571	United Kingdom	42,360,079	0.79%
Samsung Electronics Co Ltd KRW5000	Republic of Korea	40,646,643	0.75%
ING Groep NV Euro .24	Netherlands	39,759,642	0.74%
Astrazeneca ORD USD 0.25	United Kingdom	39,468,204	0.73%
Top Ten		\$506,069,055	9.39%

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

2011 emerging markets international stock fund

Fund Facts at June 30, 2011

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

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

Benchmark: MSCI Emerging Markets Free Index("EMF")

Date of Inception: November 1, 2007

Total Net Assets: \$2,637,999,206

Number of Advisors: 4 external

Management Fees: \$16,214,103

Operating Expenses: \$3,731,575

Expense Ratio: 0.85%

Description of the Fund

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

Portfolio Characteristics

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

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

Market Review

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

tumbled in the wake of a political revolt which ousted its president, Hosni Mubarak, and triggered a wave of uprisings in the Middle East and Northern Africa regions. At the sector level, consumer discretionary and staples, materials, industrials and energy were the strongest performers. As a group, utility stocks generated the lowest returns.

Performance Summary

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

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

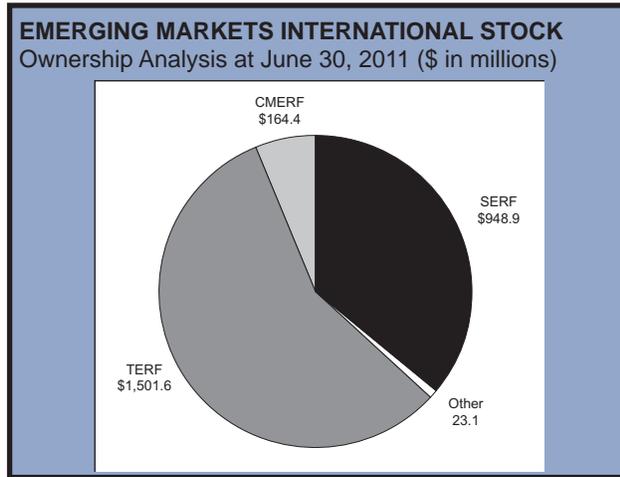
The Fund returned 3.61% and 9.66% for the three and five year periods, underperforming by 153 basis points and 211 basis points respectively. Over the ten year period, the fund outperformed the benchmark by 68 basis points. The cumulative returns for the Fund for the three, five and ten year periods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

Risk Profile

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 9-1



TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - 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 2011 Economic Sector vs. Index (%)

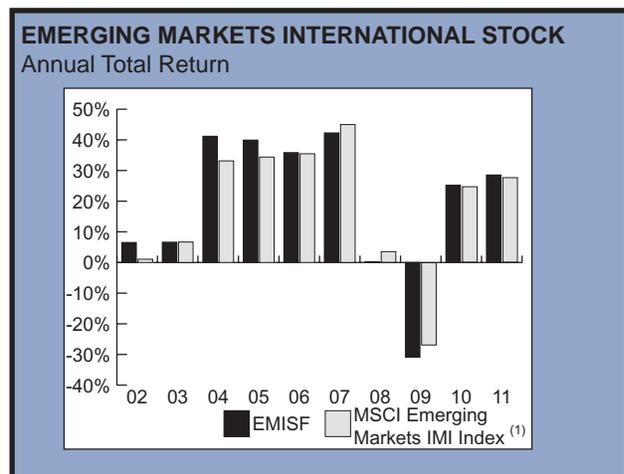
	EM ISF	MSCI Index	Variance
Energy	12.4	13.1	-0.7
Materials	10.7	14.4	-3.7
Industrials	6.2	9.4	-3.2
Consumer Discretionary	7.5	9.8	-2.3
Consumer Staples	4.2	4.7	-0.5
Health Care	1.0	1.1	-0.1
Financials	25.0	24.1	0.9
Information Technology	8.9	10.3	-1.4
Telecommunication Services	6.6	7.6	-1.0
Utilities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

Figure 9-4

EMERGING MARKETS INTERNATIONAL STOCK
Periods ending June 30, 2011

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

Figure 9-5



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 9-6

	EMISF		EMISF Benchmark	
	% of		% of	
	Net Assets 6/30/11	Total Return	Net Assets 6/30/11	Total Return
Argentina	0.1	68.6	0.2	64.2
Brazil	14.7	28.1	15.5	23.8
Chile	0.8	42.8	1.7	40.1
China	7.1	10.7	17.3	12.5
Columbia	0.1	57.1	0.8	33.2
Czech Republic	0.6	41.0	0.4	38.8
Egypt	0.5	-6.2	0.3	-12.0
Hungary	1.7	34.3	0.4	40.8
India	1.7	10.3	7.3	8.0
Indonesia	2.9	29.3	2.6	31.7
Israel	0.6	-40.1	0.0	0.0
Jordan	0.0	0.0	0.0	0.0
Kazakhstan	0.1	18.5	0.0	0.0
Korea	13.0	39.7	14.7	43.1
Malaysia	1.8	33.6	3.1	35.3
Mexico	3.9	29.5	4.4	30.1
Morocco	0.0	25.1	0.2	16.9
Pakistan	0.0	-0.5	0.1	27.8
Peru	0.1	-13.8	0.5	7.2
Philippines	0.9	38.3	0.6	24.1
Poland	1.7	62.3	1.7	57.0
Russia	7.0	46.1	6.8	45.0
South Africa	3.7	44.2	7.3	36.5
Taiwan	6.5	30.5	11.0	35.9
Thailand	3.8	41.1	1.7	43.0
Turkey	3.0	17.4	1.4	10.3
Venezuela	0.0	0.0	0.0	0.0
Other Countries	<u>23.7</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, 2011		
Investment Advisor	Net Asset Value	% of Fund
Grantham, Mayo, Van Otterloo	754,435,835	28.60%
Emerging Markets Management	707,713,117	26.83%
Aberdeen Asset Management	649,192,062	24.61%
Schroders Investment Mgt	519,626,634	19.70%
Other ⁽¹⁾	<u>7,031,558</u>	<u>0.26%</u>
TOTAL EMISF	2,637,999,206	100.00%

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

Figure 9-8

EMERGING MARKETS INTERNATIONAL STOCK			
Ten Largest Holdings* at June 30, 2011			
Security Name	Country	Market Value	%
Vale SA Depository Receipts	Brazil	74,489,956	2.83%
Samsung Electronic KRW 5000	Republic of Korea	61,686,375	2.35%
China Mobile Ltd. HKD 0.10	Hong Kong	56,053,831	2.13%
CNOOC Ltd HKD 0.02	Hong Kong	54,821,320	2.09%
Petroleo Brasileiro SA Sponsored ADR	Brazil	53,660,394	2.04%
Gazprom ADR OAO	Russian Federation	53,224,651	2.02%
Lukoil OAO ADR Rub 0.025	Russian Federation	44,400,079	1.69%
Astra International TBK IDR 500.0	Indonesia	39,987,849	1.52%
Ind + Comm Bk of China CNY 1.0	China	37,544,927	1.43%
Taiwan Semiconductor SP ADR	Taiwan	36,730,862	1.40%
Top Ten		\$512,600,244	19.50%

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

2011 real estate fund

Fund Facts at June 30, 2011

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

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

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

Date of Inception: July 1, 1982

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

Number of Partnerships: 36 external

Management Fees ⁽¹⁾: \$3,405,582

Operating Expenses: \$440,766

Expense Ratio: 0.41%

Capitalized and Netted Fees: \$15,676,348

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

Description of the Fund

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

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

Portfolio Characteristics

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

Investment Strategies

Core

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

Value-Add

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

Opportunistic

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

Public REITs

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

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

Performance Summary

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

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

Market Review

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

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

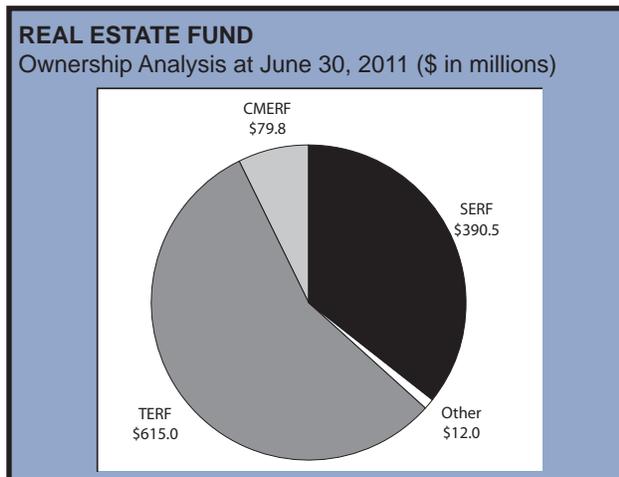
Risk Profile

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

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

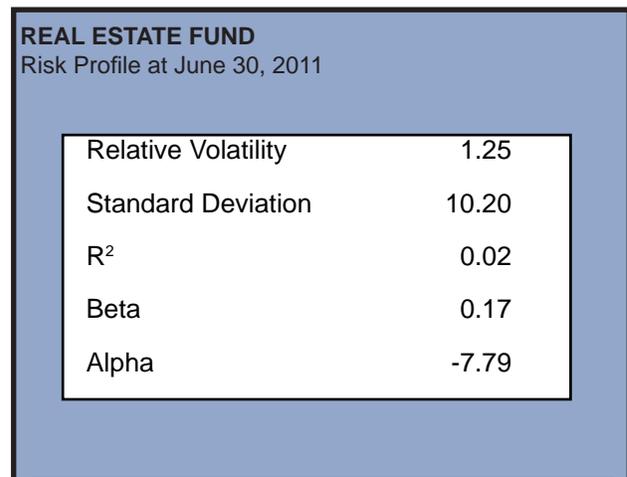
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-1



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

Figure 10-2



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

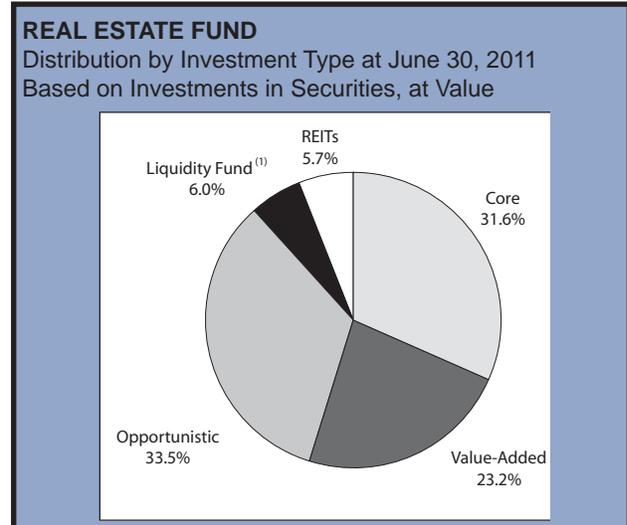
Figure 10-3

REAL ESTATE FUND
Investments Analysis ⁽¹⁾

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

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

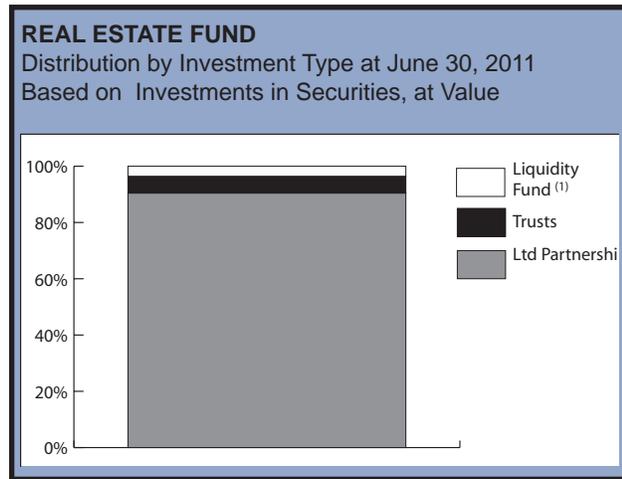
Figure 10-4



(1) Includes Liquidity Fund and other assets.

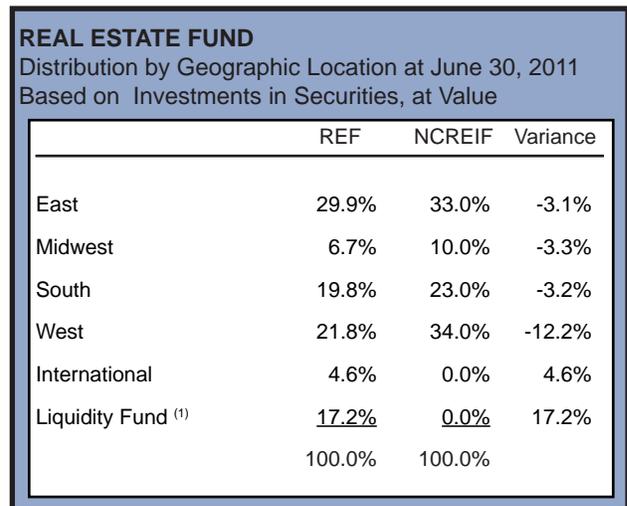
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-5



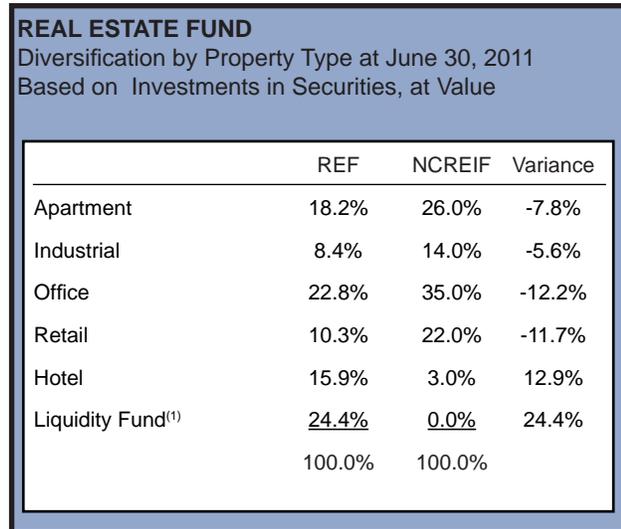
(1) Includes Liquidity Fund and other assets.

Figure 10-6



(1) Includes Liquidity Fund and other assets.

Figure 10-7



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

Figure 10-8

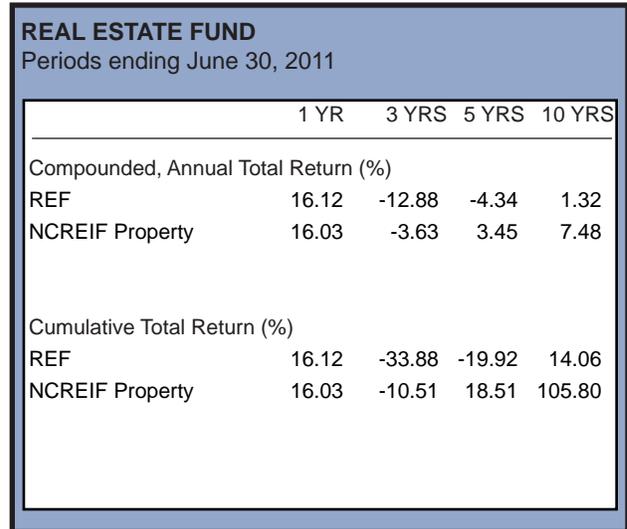


Figure 10-9

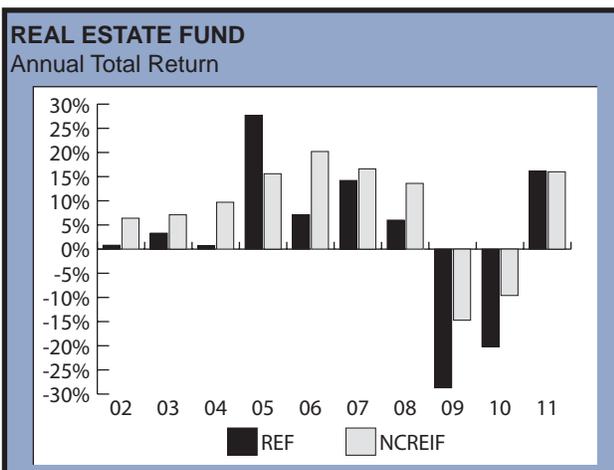
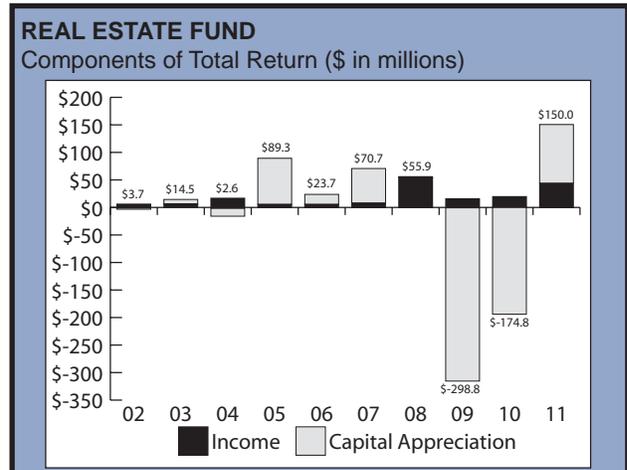


Figure 10-10



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-11

REAL ESTATE FUND		
Funds at June 30, 2011		
Fund	Net Asset Value	% of Fund
1800 E. St. Andrew Place	\$17,718,587	1.61%
1155 Perimeter Center West	26,978,805	2.46%
AEW Partners III	6,184,858	0.56%
AEW 221 Trust	2,137,623	0.19%
AEW Core	44,928	0.00%
Alliance Bernstein Legacy	52,936,515	4.82%
Apollo Real Estate	11,611,733	1.06%
Blackstone Real Estate VI LP	102,645,074	9.35%
Blackstone Real Estate Spec Sit II LP	26,523,834	2.42%
Blackstone Real Estate Partner Europe III LP	6,707,543	0.61%
Canyon Johnson Urban Fund II	27,267,184	2.49%
Canyon Johnson Urban Fund III	12,658,348	1.15%
Capri Select Income II LLC	6,424,830	0.59%
Colony Realty Partners II LP	24,181,610	2.20%
Cornerstone Patriot	49,996,200	4.56%
Covenant Apartment Fund V LP	25,731,250	2.35%
Covenant Apartment Fund VI	22,313,540	2.03%
The Glen at Lafayette Hill	13,347,468	1.22%
IL & FS India Realty Fund II	32,128,701	2.93%
Macfarlane Urban Real Estate Fund II LP	31,642,385	2.88%
Marathon Legacy Securities PPI	61,544,800	5.61%
Mullica Hill Plaza	8,537,811	0.78%
North Scottsdale Corporate Center	41,966,361	3.82%
Prime Property Fund	123,937,350	11.30%
Rio Hill Shopping Center	39,361,216	3.59%
Lone Star Real Estate Part II LP	3,612,780	0.33%
RLJ Lodging Trust	63,062,410	5.75%
Rocky Creek Apartments	13,206,195	1.20%
Rockwood Capital Fund V	9,164,238	0.84%
Rockwood Capital VI Limited Partnership	10,059,141	0.92%
Rockwood Capital VII Limited Partnership	16,908,700	1.54%
Starwood Opportunity Fund VII	34,859,600	3.18%
Starwood Opportunity Fund VIII	39,137,274	3.57%
Urban Strategy America Fund LP	29,322,595	2.67%
Walton Street Real Estate	16,680,034	1.52%
WLR IV PPIP Co Invest LP	46,672,057	4.25%
Other ⁽¹⁾	40,053,701	3.65%
TOTAL REF	1,097,267,279	100.00%

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

Figure 10-12

REAL ESTATE FUND			
Ten Largest Holdings* at June 30, 2011			
Property Name	Type	Market Value	%
Prime Property Fund	Core	\$123,937,350	11.30%
Blackstone Real Estate VI LP	Opportunistic	102,645,074	9.35%
RLJ Lodging Trust	Opportunistic	63,062,410	5.75%
Marathon Legacy Securities PPI	Value-Added	61,544,800	5.61%
Alliance Bernstein Legacy	Value-Added	52,936,515	4.82%
Cornerstone Patriot	Core	49,996,200	4.56%
WLR IV PPIP Co Invest LP	Opportunistic	46,672,057	4.25%
North Scottsdale Corp Center	Core	41,966,361	3.82%
Rio Hill Shopping Center	Core	39,361,216	3.59%
Starwood Opportunity Fund VIII	Opportunistic	39,137,274	3.57%
Top Ten		\$621,259,257	56.62%

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

Figure 10-13

REAL ESTATE FUND		
New Investments Made in Fiscal Year 2011 (in Excess of \$3 Million)		
Partnership Name	Commitment Amount	Investment Type
Blackstone Special Situations Fund II L.P.	\$75 million	Public-Private Investment Fund
Lone Star Real Estate Fund II L.P.	\$75 million	Public-Private Investment Fund
Total	\$150 million	

2011 commercial mortgage fund

Fund Facts at June 30, 2011

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

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

Benchmark: Barclays Aggregate Bond Index (“BCI”)

Date of Inception: November 2, 1987

Total Net Assets: \$2,390,274

Number of Advisors: 1 external

Management Fees: \$25,000

Operating Expenses: \$5,178

Expense Ratio: 0.97%

Description of the Fund

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

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

Portfolio Characteristics

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

Performance Summary

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

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

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

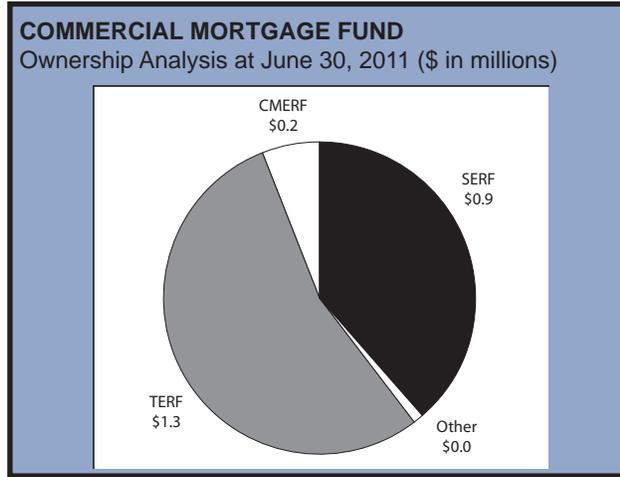
Risk Profile

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

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

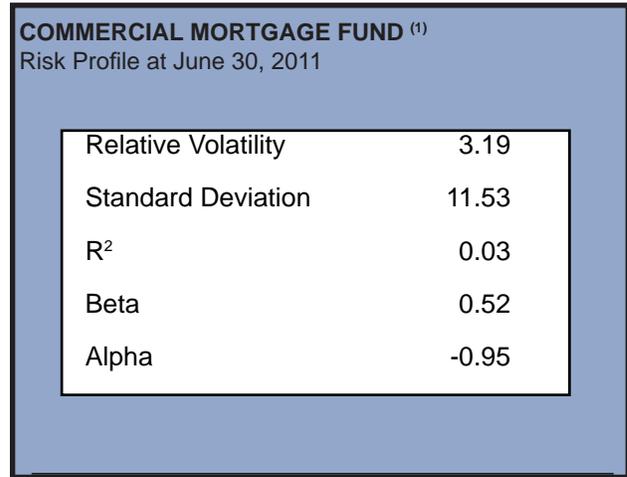
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 11-1



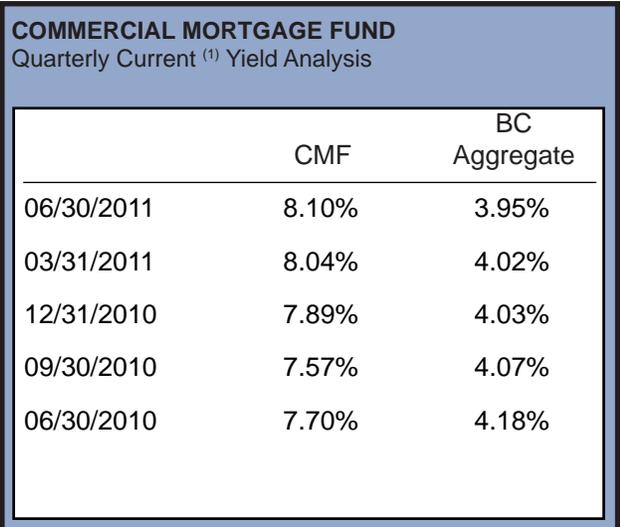
TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 11-2



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

Figure 11-3



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

Figure 11-4

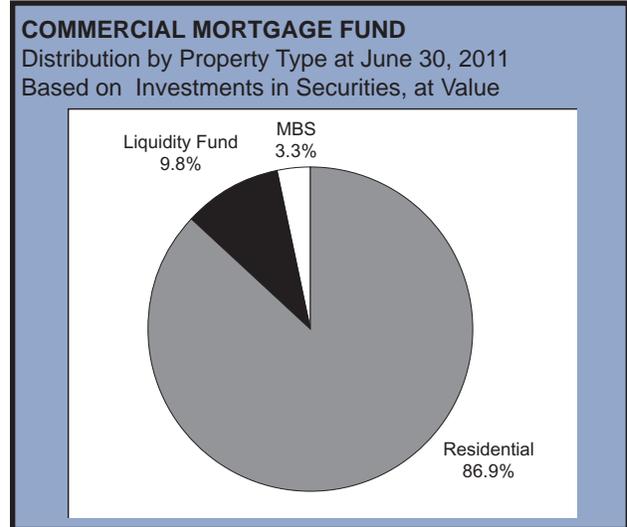


Figure 11-5

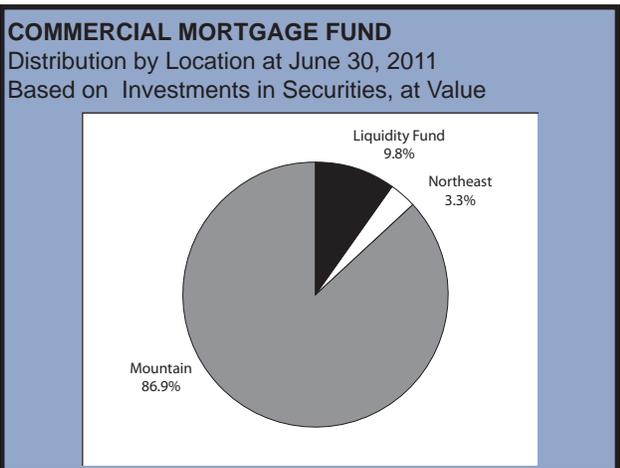
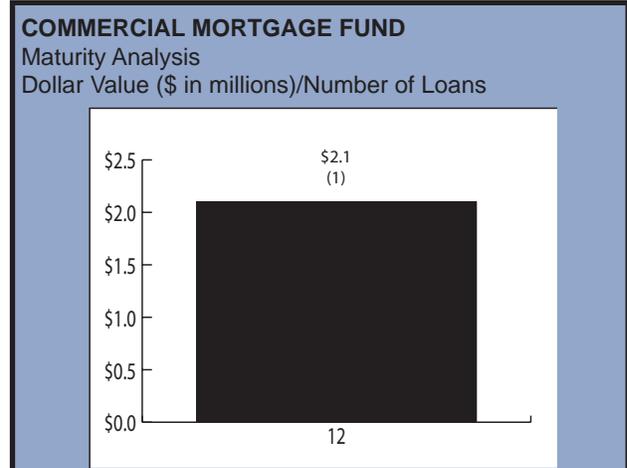


Figure 11-6



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, 2011				
Compounded, Annual Total Return (%)				
CMF	4.61	2.65	5.57	7.26
BC Aggregate	3.90	6.46	6.52	5.74
Cumulative Total Return (%)				
CMF	4.61	8.17	31.11	101.52
BC Aggregate	3.90	20.65	37.16	74.82

Figure 11-8

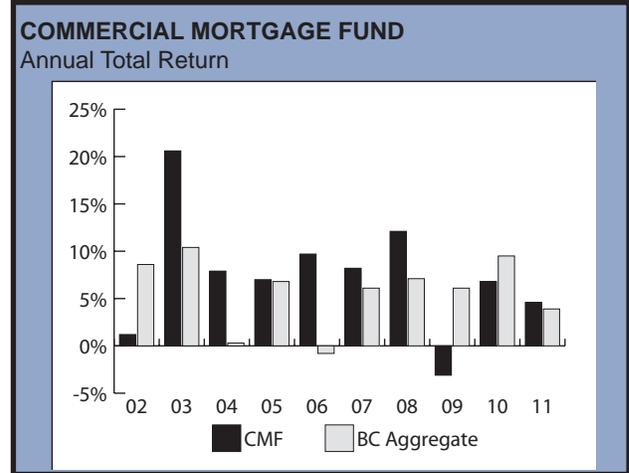


Figure 11-9

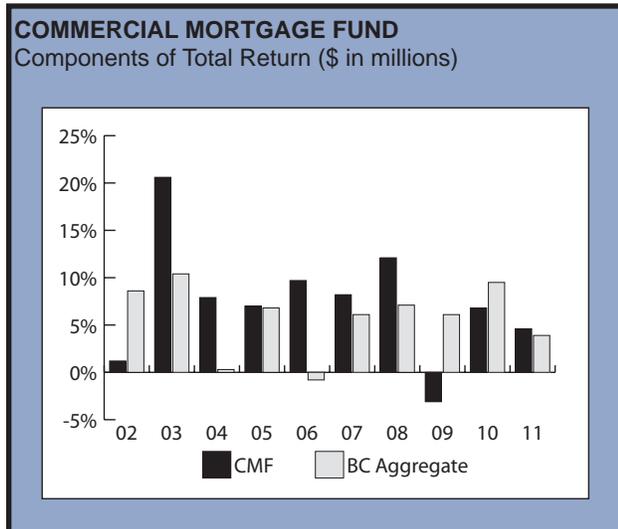


Figure 11-10

COMMERCIAL MORTGAGE FUND
Investment Advisors at June 30, 2011

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

Figure 11-11

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

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

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

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

2011 private investment fund

Fund Facts at June 30, 2011

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

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

Benchmark: S&P 500

Date of Inception: July 1, 1987

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

Number of Partnerships: 65 external

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

Operating Expenses: \$1,920,312

Expense Ratio: 0.44%

Capitalized and Netted Fees: \$27,788,685

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

Description of the Fund

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

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

Portfolio Characteristics

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

Corporate Finance

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

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

Venture Capital

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

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

Market Review

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

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

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

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

Performance Summary

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

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

The institutional standard for measuring private equity performance is the Internal Rate of Return (“IRR”), rather than the TWR. IRR is a dollar-weighted annualized return that considers both cash flows and time. Since its inception in 1987, PIF has generated an 8.51% IRR. A tool commonly used by institutional inves-

tors to benchmark IRR performance is the public market equivalent ("PME"). The PME essentially converts a public equity index TWR into an IRR. From inception through June 30, 2011, PIF has generated 551 basis points in excess of its S&P 500 PME.

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

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

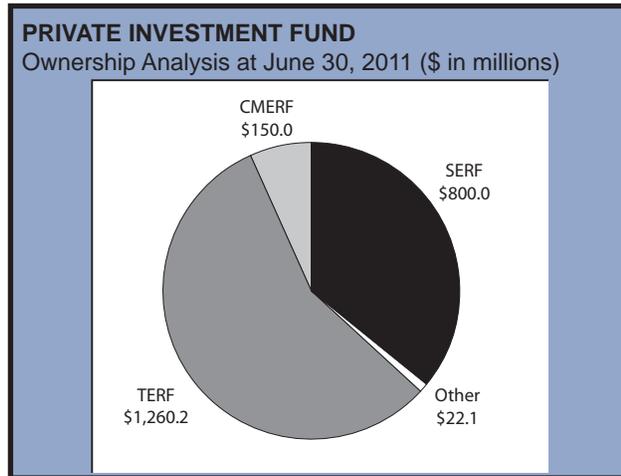
Risk Profile

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

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

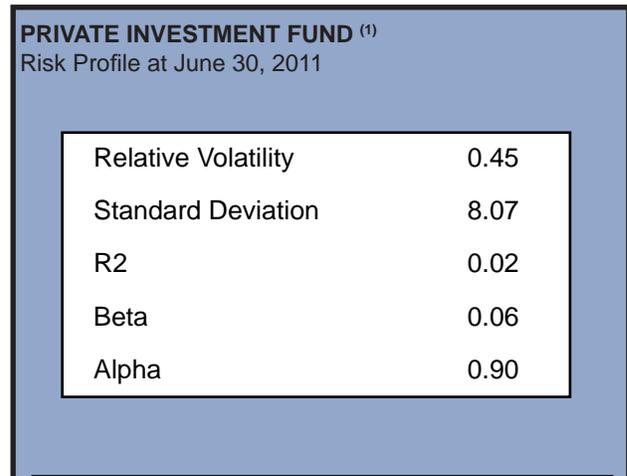
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 12-1



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

Figure 12-2



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

Figure 12-3

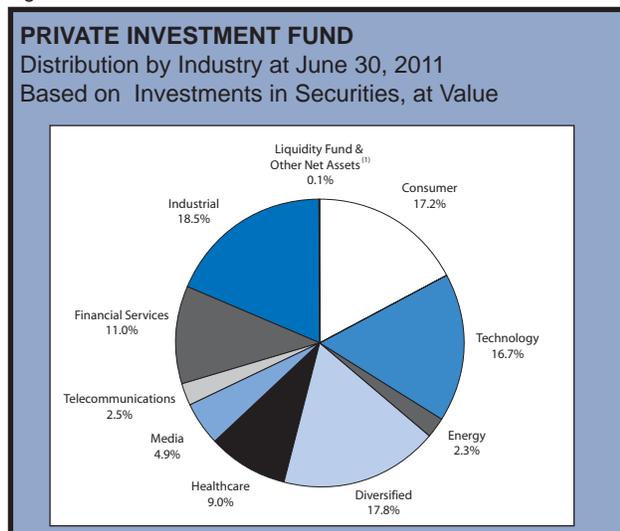
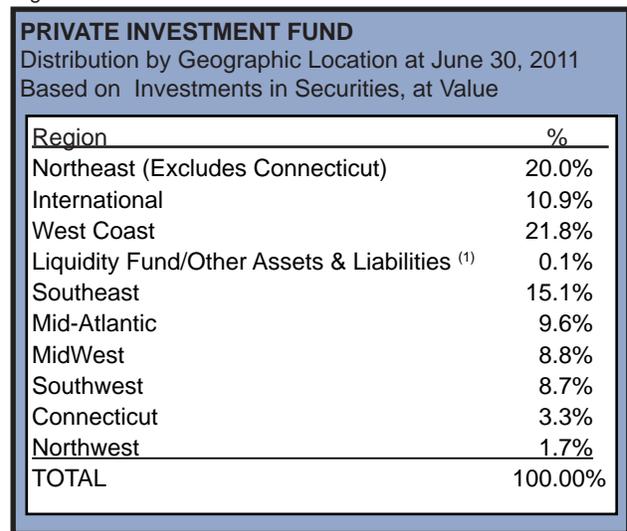


Figure 12-4



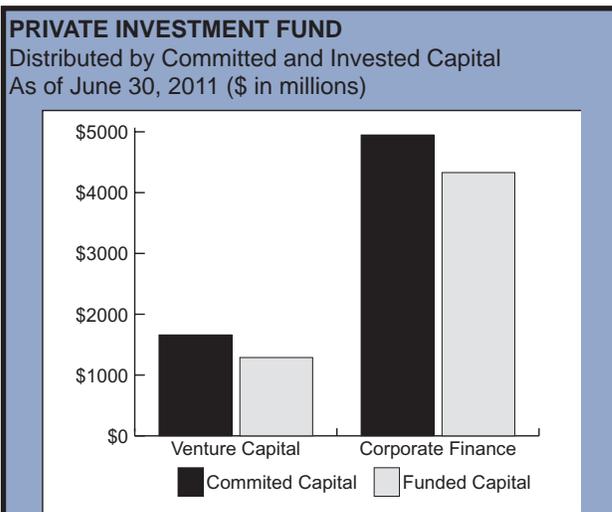
(1) Includes the Liquidity Fund and other assets at the partnership level..

Figure 12-5

PRIVATE INVESTMENT FUND
Periods ending June 30, 2011

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

Figure 12-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 12-7

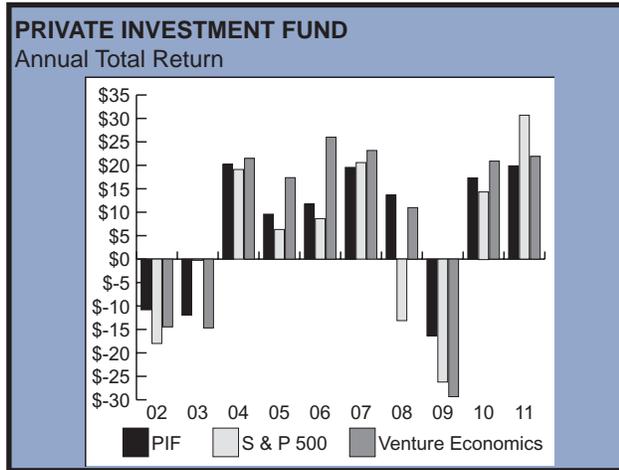


Figure 12-8

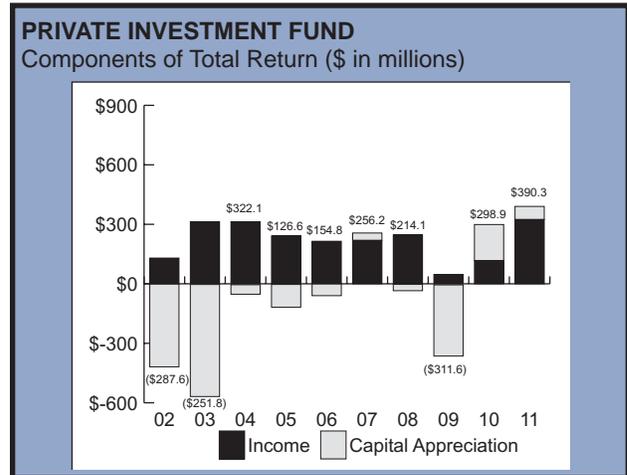


Figure 12-9

PRIVATE INVESTMENT FUND Ten Largest Holdings* at June 30, 2011			
Partnership Name	Partnership Type	Market Value	%
Pegasus Partners IV	Special Situations	\$161,583,508	7.25%
Fairview Constitution II LP	Fund of Funds	147,371,586	6.61%
Constitution Liquidating Fund	Fund of Funds	133,519,602	5.99%
Fairview Constitution III LP	Fund of Funds	122,781,747	5.51%
Parish Capital Buyout Fund II	Fund of Funds	121,798,328	5.46%
KKR 2006 Fund	Buyout	96,902,601	4.35%
Welsh Carson Anderson & Stowe X LP	Buyout	87,370,525	3.92%
KKR Millenium	Buyout	85,974,801	3.85%
Court Square Capital II	Buyout	79,567,617	3.57%
Thomas H. Lee Fund VI	Buyout	71,443,658	3.20%
Top Ten		\$1,108,313,973	49.71%

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

Figure 12-10

PRIVATE INVESTMENT FUND New Commitments Made in Fiscal Year 2011 ⁽¹⁾			
Partnership Name	Commitment Amount	Partnership Type	Inv. Date
Wellspring V	\$75 million	Buyout	October 29, 2010

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 12-11

PRIVATE INVESTMENT FUND

Investment Advisors at June 30, 2011

Investment Advisor	Net Asset Value	% of Fund	Investment Advisor	Net Asset Value	% of Fund
Buyout	\$999,457,630	44.77%	Mezzanine	53,246,070	2.39%
KKR Millennium Fund	85,974,801	3.85%	SW Pelham Fund	3,482,490	0.16%
Yucaipa American Alliance Fund II LP	65,529,535	2.93%	Audax Mezzanine III Limited Partnership	3,966,725	0.18%
Hicks, Muse Tate & Furst Equity Fund III	24,671,237	1.10%	GarMark Partners	519,327	0.02%
Thomas H. Lee Equity Fund VI	71,443,658	3.20%	GarMark Partners II LP	39,729,499	1.78%
Welsh Carson Anderson & Stowe VIII	7,044,582	0.32%	SW Pelham Fund II	5,548,029	0.25%
Wellspring Capital Partners III	12,258,245	0.55%	International	112,398,113	5.04%
SCP Private Equity Partners	419,674	0.02%	Compass Partners European Equity Fund	17,228,646	0.77%
TA XI, L.P.	14,231,282	0.64%	Gilbert Global Equity Partners	37,240,785	1.67%
Charterhouse Equity Partners IV	62,402,655	2.80%	Carlyle Europe Partners	(39,545)	0.00%
DLJ Merchant Banking Fund II	3,712,098	0.17%	AIG Global Emerging Markets Fund	10,179,928	0.46%
KKR 1996 Fund	2,245,265	0.10%	Carlyle Asia Partners	47,788,299	2.14%
FS Equity Partners V	52,106,243	2.33%	Fund of Funds	668,142,401	29.93%
FS Equity Partners VI	23,809,200	1.07%	The Constitution Liquidating Fund	133,519,602	5.98%
Blackstone Capital Partners III	8,320,013	0.37%	Landmark Private Equity Fund VIII	25,621,504	1.15%
Thayer Equity Investors IV	1,991,131	0.09%	CS/CT Cleantech Opp Fund	15,724,580	0.70%
Green Equity Investors III	2,327,999	0.10%	CT Emerging Pvt Equity	17,093,202	0.77%
Wellspring Capital Partners II	2,142,723	0.10%	Fairview Constitution III	122,781,747	5.50%
Candover 2008 Fund	8,467,011	0.38%	Goldman Sachs Private Equity Partners CT	6,084,690	0.27%
Leeds Equity Partners V LP	10,388,157	0.47%	Lexington Capital Partners II	2,800,161	0.13%
Welsh Carson Anderson & Stowe XI	34,321,268	1.54%	Parish Capital I LP	39,753,296	1.78%
AIG Healthcare Partners LP	20,952,199	0.94%	Parish Capital Buyout Fund II	121,798,328	5.46%
AIG Altaris Health Partners II	11,815,392	0.53%	Fairview Constitution II LP	147,371,586	6.60%
Welsh Carson Anderson & Stowe X LP	87,370,525	3.91%	Connecticut Horizon Legacy	5,396,604	0.24%
Court Square Capital Partners II	79,567,617	3.56%	Landmark Equity Partners XIV LP	20,716,133	0.93%
Ethos Private Equity Fund V	32,616,110	1.46%	JP Morgan Nutmeg I	9,480,968	0.42%
Boston Ventures VII	51,094,882	2.29%	Special Situations	299,206,486	13.40%
KKR 2006 Fund	96,902,601	4.34%	Welsh Carson Anderson & Stowe		
Nogales Investors Fund II	12,137,058	0.54%	Capital Partners III	12,545,428	0.56%
ICV Partners II LP	34,104,500	1.53%	Levine Leichtman Capital Partners IV LP	33,873,345	1.52%
Vista Equity Partners Fund III	48,736,119	2.18%	Greenwich Street Capital Partners II	1,554,180	0.07%
RFE Investments Partners	1,477,601	0.07%	Pegasus Partners IV	161,583,508	7.24%
RFE Investment Partners VII	28,876,249	1.29%	WLR Recovery Fund IV	61,768,314	2.76%
Venture Capital	20,359,448	0.91%	KPS Special Situations Fund II	27,881,711	1.25%
Conning Capital Partners V	519,986	0.02%	Other ⁽¹⁾	79,538,148	3.56%
Grotech Partners V	2,647,214	0.12%			
Crescendo III	2,025,342	0.09%			
Syndicated Communications	15,166,906	0.68%			
			SUBTOTAL PIF	\$2,232,348,296	100.00%

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

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:				
		2011	2010	2009	2008	2007
INVESTMENT ADVISORY SERVICES						
Equity Advisory Services						
AXA Rosenberg Institutional Equity Mgmt	Equity Advisor	279,285	817,894	12,728,108	795,699	3,258,030
Barclay's Global Investors	Equity Advisor	222,037	1,279,650	3,170,678	3,091,096	19,330,302
Bivium Capital Partners, LLC	Equity Advisor	1,653,052	1,302,624	1,493,573	1,629,037	1,264,146
Brown Capital Management	Equity Advisor	-	-	-	-	163,926
Capital Prospects LLC	Equity Advisor	986,297	832,638	967,215	1,064,352	747,721
FIS Group Inc.	Equity Advisor	909,156	779,667	890,947	941,430	754,413
Frontier Capital Management Co., LLC	Equity Advisor	363,922	-	-	-	-
State Street Global Advisors	Equity Advisor	162,753	134,862	194,106	247,748	237,897
Travelers Investment Management	Equity Advisor	-	-	-	-	-
T. Rowe Price Associates	Equity Advisor	2,397,474	2,052,593	406,114	-	-
Trust Company of the West (Cowen)	Equity Advisor	-	809,009	996,397	1,343,817	1,178,375
Total Equity Advisor Compensation		\$6,973,976	\$8,008,937	\$20,847,138	\$9,113,179	\$26,934,810
Fixed Income Investment Advisory Services						
Blackrock Financial Management	Fixed Income Advisor	-	-	-	392,489	1,498,458
Bridgewater Associates	Fixed Income Advisor	-	-	-	165,115	568,577
Brown Brothers Harriman & Co.	Fixed Income Advisor	-	-	-	47,021	186,107
Goodwin Capital Advisors (Phoenix)	Fixed Income Advisor	-	-	-	169,499	555,070
Hartford Investment Management Co.	Fixed Income Advisor	-	-	-	33,974	103,466
Loomis Sayles & Co., Inc.	Fixed Income Advisor	-	-	-	204,110	763,360
Oaktree Capital Management	Fixed Income Advisor	-	-	-	282,324	716,556
Progress Investment Management	Fixed Income Advisor	-	-	-	134,134	529,293
State Street Global Advisors	Fixed Income Advisor	-	-	-	89,263	318,064
W. R. Huff Asset Management	Fixed Income Advisor	-	-	-	-	1,360,812
Wellington Asset Management	Fixed Income Advisor	-	-	-	246,808	978,643
Western Asset Management	Fixed Income Advisor	-	-	-	349,720	1,229,034
Total Fixed Income Advisor Compensation		\$-	\$-	\$-	\$2,114,457	\$8,807,440
Core Fixed Income Investment Advisory Services						
Blackrock Financial Management	Core Income Advisor	1,082,785	1,055,013	1,281,605	1,217,479	-
Blackrock Investment(Transition) Management	Core Income Advisor	218,818	-	-	-	-
Goodwin Capital Advisors (Phoenix)	Core Income Advisor	561,182	534,754	624,559	567,745	-
Progress Investment Management	Core Income Advisor	856,501	823,293	898,894	561,890	-
State Street Global Advisors	Core Income Advisor	254,916	250,696	277,369	267,092	-
Wellington Asset Management	Core Income Advisor	783,754	449,376	771,263	734,363	-
Western Asset Management	Core Income Advisor	-	425,920	1,131,334	1,146,230	-
Total Fixed Income Advisor Compensation		\$3,757,956	\$3,539,052	\$4,985,024	\$4,494,799	\$-
Inflation Linked Bond Investment Advisory Services						
Brown Brothers Harriman & Co.	Inflation Income Advisor	544,320	973,728	-	143,593	-
Hartford Investment Management Co.	Inflation Income Advisor	425,952	399,253	443,712	124,559	-
Total Fixed Income Advisor Compensation		\$970,272	\$1,372,981	\$443,712	\$268,152	\$-
Emerging Market Debt Investment Advisory Services						
Bridgewater Associates	Emerging Market Advisor	-	-	-	161,018	-
ING Investment Management Co.	Emerging Market Advisor	1,144,741	598,270	-	-	-
Pyramis Global Advisors	Emerging Market Advisor	1,014,829	978,290	931,896	356,836	-
Stone Harbor Investment Partners	Emerging Market Advisor	1,244,074	1,102,088	1,065,029	399,164	-
UBS Global Asset Management Co.	Emerging Market Advisor	1,164,501	1,229,146	1,249,932	432,348	-
Total Fixed Income Advisor Compensation		\$4,568,145	\$3,907,794	\$3,246,857	\$1,349,366	\$-
High Yield Debt Investment Advisory Services						
Loomis Sayles & Co., Inc.	High Yield Income Advisor	451,485	511,590	582,544	565,179	-
Oaktree Capital Management	High Yield Income Advisor	692,218	613,714	612,726	695,140	-
Shenkman Capital Management	High Yield Income Advisor	903,707	826,854	605,877	148,105	-

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:				
		2011	2010	2009	2008	2007
Stone Harbor Investment Partners	High Yield Income Advisor	446,607	526,281	592,866	216,775	-
Total Fixed Income Advisor Compensation		\$2,494,017	\$2,478,439	\$2,394,013	\$1,625,199	\$-
Liquidity Fund Advisory Services						
Ambassador Capital Management	Liquidity Fund Advisor	149,891	107,885	-	-	-
Colchester Global Investors	Liquidity Fund Advisor	453,695	373,734	-	-	-
Lazard Asset Management	Liquidity Fund Advisor	2,102,854	987,397	-	-	-
Pacific Investment Management	Liquidity Fund Advisor	351,078	263,309	-	-	-
Payden & Rygel	Liquidity Fund Advisor	150,388	118,006	-	-	-
State Street Global Advisors	Liquidity Fund Advisor	264,981	314,126	459,099	376,487	273,564
Total Liquidity Fund Advisor Compensation		\$3,472,887	\$2,164,457	\$459,099	\$376,487	\$273,564
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
Bridgewater Associates	Intrntl Equity Advisor	-	-	-	770,700	3,159,711
Clay Finlay Inc.	Intrntl Equity Advisor	-	-	-	295,382	1,231,976
Emerging Markets Management LLC	Intrntl Equity Advisor	-	-	-	882,918	3,404,431
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	-	-	-	1,900,375	6,746,594
Invesco Global Asset Management	Intrntl Equity Advisor	-	-	-	277,644	1,935,871
Julius Baer Asset Management	Intrntl Equity Advisor	-	-	-	287,012	315,222
Merrill Lynch Investment Managers	Intrntl Equity Advisor	-	-	-	-	1,223,614
MFS Institutional Advisors	Intrntl Equity Advisor	-	-	-	345,384	1,064,812
Morgan Stanely Asset Management	Intrntl Equity Advisor	-	-	-	-	1,321,446
Progress Investment Management	Intrntl Equity Advisor	-	-	-	133,380	467,163
Pyramis Invtmnt Global Adv Trust (Fidelity)	Intrntl Equity Advisor	-	-	-	308,411	1,274,755
Schroder Investment Management	Intrntl Equity Advisor	-	-	-	484,771	1,709,124
State Street Global Advisors	Intrntl Equity Advisor	-	-	-	107,789	485,705
Total International Equity Advisor Compensation		\$-	\$-	\$-	\$7,260,158	\$27,998,934
Developed Market International Equity Investment Advisory Services						
Acadian Asset Management	Intrntl Equity Advisor	1,084,538	1,145,707	1,708,983	1,259,086	-
AQR Capital Management, LLC	Intrntl Equity Advisor	2,938,960	2,501,900	1,885,640	1,397,341	-
Artio Global Asset Management	Intrntl Equity Advisor	2,198,991	1,981,372	1,742,580	-	-
Blackrock Financial Management (Merrill Lynch)	Intrntl Equity Advisor	661,189	824,192	964,902	899,869	-
Bridgewater Associates	Intrntl Equity Advisor	-	-	-	521,600	-
Clay Finlay Inc.	Intrntl Equity Advisor	-	-	1,416,044	883,935	-
Dimensional Fund Advisors	Intrntl Equity Advisor	1,593,995	1,349,548	-	-	-
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	2,779,799	2,770,547	3,189,715	2,706,318	-
Invesco Global Asset Management	Intrntl Equity Advisor	692,071	522,925	738,126	748,211	-
Julius Baer Asset Management	Intrntl Equity Advisor	-	-	-	1,007,647	-
MFS Institutional Advisors	Intrntl Equity Advisor	1,990,305	1,841,425	1,554,152	1,078,968	-
Pareto Partners (Bank of New York)	Intrntl Equity Advisor	2,452,593	2,379,251	2,193,806	1,848,626	-
Progress Investment Management	Intrntl Equity Advisor	748,782	625,136	498,924	448,836	-
Pyramis Invtmnt Global Adv Trust (Fidelity)	Intrntl Equity Advisor	1,595,583	847,138	1,321,148	933,148	-
Schroder Investment Management	Intrntl Equity Advisor	1,475,062	1,314,860	1,480,826	1,501,099	-
State Street Global Advisors	Intrntl Equity Advisor	439,594	412,631	388,527	302,429	-
William Blair & Comapny	Intrntl Equity Advisor	2,032,604	1,594,531	-	-	-
Total International Equity Advisor Compensation		\$22,684,066	\$20,111,163	\$19,083,373	\$15,537,113	\$-
Emerging Market International Equity Investment Advisory Services						
Aberdeen Asset Management	Intrntl Equity Advisor	3,380,056	1,953,646	-	-	-
Emerging Markets Management LLC	Intrntl Equity Advisor	4,106,071	3,355,933	3,344,579	2,952,146	-
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	4,935,690	4,359,800	4,302,557	3,901,398	-
Schroder Investment Management	Intrntl Equity Advisor	3,034,520	441,983	-	-	-
Total International Equity Advisor Compensation		\$15,456,337	\$10,111,362	\$7,647,136	\$6,853,544	\$-

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:				
		2011	2010	2009	2008	2007
Alternative Investment Advisory Services ⁽²⁾						
TCW-EIG Alternative Investment	Alternative Inv Advisor	666,725	-	-	-	-
Total Commercial Mortgage Advisor Compensation		\$ 666,725	\$-	\$-	\$-	\$-
Real Estate Investment Advisory Services ⁽²⁾						
AEW Capital Management, L.P.	Real Estate Advisor	1,132,993	865,688	1,353,600	1,145,997	407,045
AEW Partners III, LP	Real Estate Advisor	-	-	261,146	82,925	205,033
Apollo Real Estate Investment Fund III	Real Estate Advisor	29,749	-	-	224,129	314,799
Blackstone Real Estate Partners VI	Real Estate Advisor	1,499,801	1,484,438	1,500,000	1,708,333	-
Blackstone Real Estate Partners Europe III	Real Estate Advisor	750,000	750,000	572,917	-	-
Canyon Johnson Urban Fund II, LP	Real Estate Advisor	-	571,243	771,875	937,500	937,500
Canyon Johnson Urban Fund III, LP	Real Estate Advisor	1,437,500	913,043	-	-	-
Colony Realty Partners II, LP	Real Estate Advisor	-	-	-	714,285	-
MacFarlane Urban Real Estate	Real Estate Advisor	1,849,589	2,250,000	1,412,579	592,856	-
RLJ Urban Lodging Fund, LP	Real Estate Advisor	-	-	-	139,753	312,500
RLJ Urban Lodging Fund II, LP	Real Estate Advisor	-	-	-	468,750	722,603
RLJ Urban Lodging Fund III, LP	Real Estate Advisor	426,176	781,250	1,076,199	-	-
Rockwood Capital Partners V	Real Estate Advisor	100,000	-	-	-	-
Rockwood Capital Partners VII	Real Estate Advisor	171,250	171,250	-	-	381,075
Urban Strategy America Fund	Real Estate Advisor	-	30,603	-	-	251,546
Westport Senior Living Fund	Real Estate Advisor	-	-	-	-	-
Total Real Estate Advisor Compensation		\$7,397,058	\$7,817,515	\$6,948,316	\$6,014,528	\$3,532,101
Commercial Mortgage Investment Advisory Services ⁽²⁾						
AEW Capital Management, L.P.	Comm Mortgage Advisor	25,000	37,125	73,500	73,500	100,083
Total Commercial Mortgage Advisor Compensation		\$25,000	\$37,125	\$73,500	\$73,500	\$100,083
Private Investment Advisory Services ⁽²⁾						
AIG Altaris Health Partners, LP	Private Inv Advisor	582,712	504,218	323,621	753,103	761,202
AIG Altaris Healthcare Partners II, LP	Private Inv Advisor	494,565	1,033,732	713,206	600,548	-
AIG Global Emerging Mkts Fund LP	Private Inv Advisor	279,708	67,953	385,337	242,944	658,764
Aldus/CT Emerging Manager	Private Inv Advisor	1,050,000	-	650,000	-	-
Audax Mezzanine Fund III, LP	Private Inv Advisor	527,283	-	-	-	-
Blackstone Capital Partners III LP	Private Inv Advisor	-	10,089	47,872	29,555	52,275
Boston Venture Capital Partners VII, LP	Private Inv Advisor	750,000	1,489,320	647,015	551,900	1,178,501
Carlyle Asia Partners LP	Private Inv Advisor	-	303,371	318,454	341,317	120,806
Carlyle European Partners LP	Private Inv Advisor	-	266,426	158,379	295,071	165,746
Charterhouse Equity Partners IV, LP	Private Inv Advisor	-	524,818	1,240,180	1,266,277	1,263,500
Conning & Co	Private Inv Advisor	-	-	74,176	39,671	-
Constitution Liquidating Fund LP (Crossroads)	Private Inv Advisor	354,945	400,000	444,368	671,841	838,736
Courthouse Square Capital Partners	Private Inv Advisor	904,094	1,289,728	1,253,282	-	1,255,539
CS/CT Cleantech Opportunities Fund	Private Inv Advisor	180,208	181,893	183,480	176,070	-
CT Horizon Legacy Fund, LP	Private Inv Advisor	50,000	-	-	-	-
DLJ Merchant Banking Fund II LP	Private Inv Advisor	-	166,752	73,659	84,787	330,288
Ethos Capital Fund V, LP	Private Inv Advisor	1,292,704	839,611	411,692	646,943	1,307,329
Fairview Constitution II, LP	Private Inv Advisor	1,300,000	1,300,000	1,300,000	1,600,000	1,600,000
Fairview Constitution III, LP	Private Inv Advisor	2,400,000	2,400,000	2,400,000	2,426,519	-
Forstmann Little & Company	Private Inv Advisor	-	-	115,155	142,141	182,868
FS Equity Partners V LP	Private Inv Advisor	198,323	94,055	475,145	1,101,934	895,172
FS Equity Partners VI LP	Private Inv Advisor	286,657	1,603,591	-	-	-
Garmark Partners LP	Private Inv Advisor	-	-	9,925	83,239	57,487
Garmark Partners, II LP	Private Inv Advisor	719,617	929,689	571,623	426,718	735,085
Gilbert Global Equity Partners LP	Private Inv Advisor	-	-	-	117,030	222,718
Goldman Sachs Private Equity Fund LP	Private Inv Advisor	411,767	-	-	151,189	358,382
Green Equity III LP	Private Inv Advisor	-	29,747	50,025	44,098	90,314
Greenwich Street Capital Partners II LP	Private Inv Advisor	-	9,511	34,495	239,525	354,628

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:				
		2011	2010	2009	2008	2007
ICV Associates II LP	Private Inv Advisor	628,189	667,546	655,725	706,702	356,364
KKR 1996 Fund LP	Private Inv Advisor	-	-	33,880	12,349	10,433
KKR Millenium Fund LP	Private Inv Advisor	80,291	67,797	-	1,549,415	-
KKR 2006 Fund LP	Private Inv Advisor	1,348,975	1,089,981	1,553,700	-	-
KPS Special Situations Fund II LP	Private Inv Advisor	-	-	7,429	164,600	-
Leeds Equity Associates V LP	Private Inv Advisor	466,100	616,274	711,110	-	-
Levine Leichtman Capital Partners IV, LP	Private Inv Advisor	897,095	-	-	-	-
LLCP Partners IV LP	Private Inv Advisor	-	1,227,249	1,733,219	-	-
Muller & Monroe Asset Management	Private Inv Advisor	-	1,013,699	550,000	327,740	-
Nogales Investors II, LP	Private Inv Advisor	145,585	449,947	753,308	802,527	668,203
Nutmeg Opportunities Fund, LP	Private Inv Advisor	103,945	-	-	-	-
Parish Capital I, LP	Private Inv Advisor	-	-	-	123,181	322,441
Parish Capital II, LP	Private Inv Advisor	-	-	-	13,889	1,260,562
Pegasus Investors IV, LP	Private Inv Advisor	1,009,618	1,246,983	796,345	2,744,224	-
REF Associates VII, LP	Private Inv Advisor	531,021	201,644	-	93,213	-
Snycom Partners V, LP	Private Inv Advisor	586,345	579,099	607,136	390,546	386,655
SW Pelham Fund II, LP	Private Inv Advisor	189,585	223,425	295,500	263,401	288,569
SW Pelham Fund, LP	Private Inv Advisor	-	-	-	-	207,936
Thayer Equity Investors IV LP	Private Inv Advisor	165,897	195,955	234,511	243,425	137,579
Thomas H. Lee Advisors IV LP	Private Inv Advisor	-	-	-	96,816	121,716
Thomas H. Lee Equity Fund VI LP	Private Inv Advisor	521,870	1,030,058	592,155	1,374,287	-
Vista Equity Partners III, LP	Private Inv Advisor	570,546	688,224	558,093	877,027	-
Wellspring Capital Partners III LP	Private Inv Advisor	227,752	353,904	93,045	-	-
WLR Recovery Associates IV, LP	Private Inv Advisor	733,935	-	-	-	-
Yucaipa American Alliance Fund LP	Private Inv Advisor	968,697	693,750	1,469,767	-	-
Total Private Investment Advisor Compensation		\$20,958,029	\$23,887,560	\$22,526,012	\$21,815,762	\$16,189,798
TOTAL COMPENSATION TO INVESTMENT ADVISORS		\$89,424,468	\$83,436,385	\$88,654,180	\$76,896,244	\$83,836,730
CUSTODY SERVICES						
State Street Bank & Trust	Custody of Assets	2,222,533	-	80,000	113,000	114,500
TOTAL CUSTODY SERVICES COMPENSATION		\$2,222,533	\$-	\$80,000	\$113,000	\$114,500

(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, 2011**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
ABEL NOSER CORPORATION	7,340.85	153,265.00	0.05	BROADCORTCAPITAL (THRU ML)	413.00	38,100.00	0.01
ABG SECURITIES AS (STOCKHOLM)	2,854.71	101,778.00	0.03	BROCHHOUSE COOPER	207.82	8,163.00	0.03
ABG SECURITIES LIMITED	13,207.27	717,566.00	0.02	BROCKHOUSE + COOPER INC MONTREAL	6,050.86	317,996.00	0.02
ABG SUNDAL COLLIER NORGE ASA	840.89	89,175.00	0.01	BRUNSWICKWARBURG NOMINEES	786.81	3,285,241.00	0.00
ABM AMRO HOARE GOVETT ASIA LTD, SEOUL	3,153.30	128,346.00	0.02	BTIG, LLC	5,208.30	155,974.00	0.03
ABN AMRO ASIA LIMITED	23,458.21	20,334,280.00	0.00	BUCKINGHAM RESEARCH GROUP INC	589.21	12,247.00	0.05
ABN AMRO BANK N. V. HONG KONG	16,901.54	5,129,743.00	0.00	CABRERA CAPITAL MARKETS	32,966.80	6,295,536.87	0.01
ABN AMRO BANK N.V. FORMELY KNO	573.71	7,077.00	0.08	CACEIS BANK DEUTSCHLAND GMBH	6,167.17	335,836.00	0.02
ABN AMRO BANK NV HONG KONG BRANCH	4,778.24	3,982,114.00	0.00	CADIZ STOCK BROKING	2,086.23	61,024.00	0.03
ABN AMRO INCORPORATED	4,623.56	153,310.00	0.03	CALYON SECURITIES	6,284.71	547,270.00	0.01
ACCESS SECURITIES INC	7,204.50	240,150.00	0.03	CANACCORDADAMS LIMITED	3,549.66	690,989.00	0.01
ACTINVER CASA DE BOLSA SA DE CV	4,138.76	488,600.00	0.01	CANACCORDGENUITY CORP.	8,168.26	431,674.00	0.02
ADAMS HARKNESS AND HILL INC	5,579.27	142,779.00	0.04	CANACCORDGENUITY INC	26,555.70	617,955.00	0.04
AGORA CORDE TITUL E VAL MOB	274.05	28,739.00	0.01	CANTOR CLEARING SERVICES	93.00	3,100.00	0.03
ALARIS TRADING PARTNERS	362.88	20,315.00	0.02	CANTOR FITZ EUR 2	11,178.54	978,241.00	0.01
ALBERT FRIED & COMPANY LLC	24.00	1,200.00	0.02	CANTOR FITZGERALD	45.53	10,100.00	0.00
ALLEN & COMPANY INCORPORATED	3,339.00	155,100.00	0.02	CANTOR FITZGERALD & CO / CASTLEOAK SEC	135.36	2,058,384.00	0.00
ALLEN & COMPANY LLC	3,228.00	107,600.00	0.03	CANTOR FITZGERALD (HONG KONG)	261.17	35,194.00	0.01
ALTIUM CAP	275.76	47,861.00	0.01	CANTOR FITZGERALD + CO.	45,679.57	28,672,560.79	0.00
ALTIUM CAPITAL LTD	277.07	72,394.00	0.00	CANTOR FITZGERALD AND CO	1,320.90	3,111,277.00	0.00
ALTRUSHARE SECURITIES LLC	3,078.45	102,615.00	0.03	CANTOR FITZGERALDINTERNATIONAL	2,252.36	28,907.00	0.08
AMERICAN PORTFOLIOS FINANIAL	310.93	7,335.00	0.04	CAPITAL INSTITUTIONAL SVCS INC EQUITIES	21,204.45	907,927.00	0.02
AMERICAN TECHNOLOGY RESEARCH INC	2,429.00	67,900.00	0.04	CARIS + COMPANY INC	3,069.84	61,721.00	0.05
AQUA SECURITIES LP	98.80	4,940.00	0.02	CARNEGIE	3,703.29	372,036.00	0.01
ARBUTHNOTSECURITIES LIMITED	854.28	28,478.00	0.03	CARNEGIE A S	2,475.60	109,020.00	0.02
ASIAN SECURITIES (PVT) LTD	4,567.36	207,700.00	0.02	CARNEGIE BK	3,061.73	18,639.00	0.16
ASSENT LLC	3.75	375.00	0.01	CARNEGIE SECURITIES FINLAND	5,560.67	128,893.00	0.04
ATA SECURITIES INC. (ISTANBUL)	9,591.89	893,303.00	0.01	CAZENOVE ASIA LTD	4,442.29	2,212,000.00	0.00
AUTREPAT-DIV RE	4,077.10	127,939.44	0.00	CELFIN CAPITAL SA CORREDORES DE BOLSA	3,356.88	7,569,244.00	0.00
AVONDALE PARTNERS LLC	4,607.97	224,401.00	0.04	CENTRAL DEPOSITORY(PTE)LTD	363.50	483,750.00	0.00
BAIRD ROBERT W. & COMPANY INCORPORATED	25,347.08	21,017,499.54	0.00	CENTRO INTERNATIONALE HANDELSBANK	5,198.25	42,671.00	0.12
BANCA IMISECURITIES CORP	4,138.58	120,053.00	0.03	CESKA SPORITELNA	2,933.49	20,910.00	0.14
BANCO BILBAO VIZCAYA ARGENTARI	2,979.12	291,677.00	0.01	CHARLES SCHWAB & CO INC	2,149.61	880,571.00	0.00
BANCO DE INVESTIMENTOS CREDIT	2,089.09	205,029.00	0.01	CHEUOR CREDIT AG CHEUVREUX SA	51.72	39,010.00	0.00
BANCO ITAU S.A.	3,027.21	150,011.00	0.02	CHICAGO ANALYTIC TRADING COMPANY	5,763.16	136,093.00	0.04
BANCO ITAU SA	71,401.09	3,743,909.00	0.02	CHINA INTRTNL CAP CORP HK SECS LTD	12,039.92	7,603,463.00	0.00
BANCO NACIONAL DE MEXICO S.A.	523.93	111,700.00	0.00	CIBC WORLD MARKETS CORP	2,184.55	3,330,188.69	0.00
BANCO PACTUAL S.A.	21,162.64	762,346.00	0.03	CIBC WORLD MKTS INC	5,493.54	4,439,992.00	0.00
BANCO SANTANDER BRASIL SA	4,026.08	18,365,086.00	0.00	CICC US SECURITIES, INC.	3,119.81	2,070,000.00	0.00
BANCO SANTANDER CENTRAL HISPANO	61,253.99	57,548,516.00	0.00	CITATION GROUP	1,578.03	52,601.00	0.03
BANCO SANTANDER DE NEGOCIOS	6,595.66	191,816,505.53	0.00	CITIBANK AS PRAHA	2,899.81	21,994.00	0.13
BANCO SANTANDER MEXICANO, S.A.	237.91	4,137,900.00	0.00	CITIBANK BUDAPEST RT	5,897.04	38,712.00	0.15
BANK AUSTRIA CREDITANSTALT AG	1,790.67	106,420.00	0.02	CITIBANK BUDAPEST RT(HUNGARY)	1,492.58	14,734.00	0.10
BANK AUSTRIA CREDITANSTALT HUNGARY	2,649.76	6,576.00	0.40	CITIBANK MEXICO	521.92	13,122,547.00	0.00
BANK HANDLOWY WARSAW POLAND	162.43	1,000.00	0.16	CITIBANK N.A.	8,286.20	8,495,327,288.96	0.00
BANK J.VONTOBEL UND CO. AG	8,774.36	78,553.00	0.11	CITIBANK N.A. ISTANBUL	19.74	94,617.61	0.00
BANK OF NEW YORK BRUSSELS	1,504.41	6,488,226.00	0.00	CITIBANK NA	574.15	13,109,310.00	0.00
BANKHAUS HERMANN LAMPE	137.91	1,701.00	0.08	CITIBANK NA SRI LANKA	6.92	300.00	0.02
BANQUE NATIONAL DE PARIS	214.18	270,260,400.00	0.00	CITIGROUPGLBL MARKET KOERA SECS LTD	23,451.76	278,004.00	0.08
BARCLAYS BANK PLC	8,395.42	8,610,172.00	0.00	CITIGROUPGLOBAL MARKETS ASIA LTD	15,664.52	4,513,752.00	0.00
BARCLAYS CAPITAL	159,078.24	90,640,154,158.40	0.00	CITIGROUPGLOBAL MARKETS AUSTRALIA PTY	10,721.18	2,717,318.00	0.00
BARCLAYS CAPITAL INC	53,118.10	818,221,647.52	0.00	CITIGROUPGLOBAL MARKETS INC	159,292.66	695,520,635.12	0.00
BARCLAYS CAPITAL INC./LE	48,856.99	7,456,234,295.37	0.00	CITIGROUPGLOBAL MARKETS INC SALOMON BRO	437.86	6,173,385,605.01	0.00
BARCLAYS CAPITAL LE	6,945.72	4,968,855.00	0.00	CITIGROUPGLOBAL MARKETS INC.	240,606.58	20,150,991,632.23	0.00
BARCLAYS CAPITAL SECURITES LIMITED	37,707.51	6,068,515.00	0.01	CITIGROUPGLOBAL MARKETS LIMITED	238,909.35	5,185,073,243.00	0.00
BARCLAYS CTVM S.A.	314.93	11,100.00	0.03	CITIGROUPGLOBAL MARKETS SINGAPORE SECUR	243.70	7,861,638.06	0.00
BARRINGTON RESEARCH ASSOCIATES INC.	1,871.07	66,835.00	0.03	CITIGROUPGLOBAL MARKETS UK EQUITY LTD	34,455.10	3,978,599.00	0.01
BEAL M R AND COMPANY	1,372.95	29,646.00	0.05	CLSA AUSTRALIA PTY LTD	687.81	37,300.00	0.02
BEAR STEARNS SECURITIES CORP	234.00	11,700.00	0.02	CLSA SECURITIES KOREA LTD.	6,924.08	47,684.00	0.15
BHF-BANK AKTIENGESSELLSCHAFT	1,206.81	27,810.00	0.04	CLSA SECURITIES MALAYSIA SDN BHD	1,672.20	1,345,834.00	0.00
BHIRUD ASSOCIATES, INC	19.64	500.00	0.04	CLSA SINGAPORE PTE LTD.	37,662.07	8,535,484.00	0.00
BLAYLOCK ROBERT VAN LLC	364.50	6,075.00	0.06	COLLINS STEWART	1,554.34	90,205.00	0.02
BLEY INVESTMENT GROUP	3,999.66	272,410.00	0.01	COLLINS STEWART + CO	3,251.69	107,554.00	0.03
BLOOMBERGTRADEBOOK LLC	3,491.52	92,963.00	0.04	COLLINS STEWART INC.	999.00	33,300.00	0.03
BMO CAPITAL MARKETS	19,399.39	740,958.00	0.03	COLLINS STEWART LLC	1,727.00	55,740.00	0.03
BNP EQUITIES FRANCE	1,046.05	36,211.00	0.03	COMMERCE INTL MERCHANT BANKERS	3,178.15	852,464.00	0.00
BNP PARIBAS	1,713.26	420,747.00	0.00	COMMERZBANK AG	1,724.93	77,405.00	0.02
BNP PARIBAS BROKERAGE SECURITIES INC	3,530.24	2,371,786.00	0.00	COMMONWEALTH BANK OF AUSTRALIA	11.97	2,251.00	0.01
BNP PARIBAS PEREGRINE SECS PT	443.00	653,150.00	0.00	COMPASS POINT RESEARCH + TRADING, LLC	1,453.51	53,200.00	0.03
BNP PARIBAS PEREGRINE SECURITIES	25,448.36	27,857,100.00	0.00	CONCORDE ERTEKPAPIR UGYNOKSEG RT	19.60	60.00	0.33
BNP PARIBAS SA	52,644.64	21,318,113.00	0.00	CORE PACIFIC SECURITIES INTL LIMITED	777.84	1,506,000.00	0.00
BNP PARIBAS SECURITIES (ASIA) LTD	4,697.12	37,578,115.00	0.00	CORPCAPITAL CORREDORES DE BOLSA SA	118.50	208,800.00	0.00
BNP PARIBAS SECURITIES SERVICES	1,137.42	239,680.00	0.00	COWEN ANDCOMPANY, LLC	23,257.98	1,004,505.00	0.02
BNY BROKERAGE	13,165.98	4,108,786.00	0.00	CRAIG - HALLUM	6,860.18	213,021.00	0.03
BNY CONVERGEX	3,194.35	91,267.00	0.04	CREDIT AGRICOLE INDOSUEZ	1,331.21	119,625.00	0.01
BNY CONVERGEX LJR	140,413.71	3,828,399.00	0.04	CREDIT AGRICOLE INDOSUEZ CHEUVREUX	61,288.61	2,015,189.00	0.03
BNY MELLON/TB CAPITAL PLC	68,565.62	9,674,870.00	0.01	CREDIT AGRICOLE SECURITIES (USA) INC	30,639.58	1,495,402.00	0.02
BOCI SECURITIES LIMITED	23,696.60	2,537,550.00	0.01	CREDIT LYONNAIS CAPITAL INDONESIA	749.84	412,500.00	0.00
BOCI SECURITIES LTD.	4,440.55	3,404,400.00	0.00	CREDIT LYONNAIS SECS	987.48	140,563.00	0.01
BOE SECURITIES INC	9,311.24	3,007,100.00	0.00	CREDIT LYONNAIS SECURITIES (USA) INC	64,147.13	14,015,244.00	0.00
BOE SECURITIES INC/BROADCORT CAP CORP	504.00	12,600.00	0.04	CREDIT LYONNAIS SECURITIES ASIA GUERNSEY	3,450.53	32,982,700.00	0.00
BOENNING + SCATTERGOOD INC	1,165.38	32,332.00	0.04	CREDIT LYONNAIS SECURITIES(ASIA)	40,733.81	19,670,120.00	0.00
BRADESCO S.A CTVM	4,116.70	141,050.00	0.03	CREDIT RESEARCH + TRADING LLC	500.00	12,500.00	0.04
BREAN MURRAY, CARRET & CO., LLC	5,511.40	192,184.00	0.05	CREDIT SUISSE	672.17	4,618,212,650.00	0.00
BREWING DOLPHIN BELL LAWRIE LIMITED	424.00	8,480.00	0.03	CREDIT SUISSE FIRST BOSTON	1,504.93	5,352,946,160.00	0.00
	522.68	140,000.00	0.00	CREDIT SUISSE FIRST BOSTON (EUROPE)	24,738.95	98,863,922.00	0.00

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
CREDIT SUISSE FIRST BOSTON SA CTVM	15,583.86	1,765,540.00	0.01	HEIGHT SECURITIES, LLC	776.90	23,540.00	0.03
CREDIT SUISSE SECURITIES (EUROPE) LTD	307,325.12	5,231,074,391.00	0.00	HELVEA	625.08	3,420.00	0.18
CREDIT SUISSE SECURITIES (USA) LLC	629,860.96	9,351,480,907.98	0.00	HELVIA	63.18	104.00	0.61
CS FIRST BOSTON (HONG KONG) LIMITED	77,250.03	72,233,170.00	0.00	HIBERNIA SOUTHCOAST CAPITAL INC	1,315.08	32,202.00	0.04
CS SECURITIES EUROPE LTD	124.62	2,222,038.00	0.00	HONGKONG + SHANGHAI BANKING	18,374.26	5,940,740.00	0.00
CSFB AUSTRALIA EQUITIES LTD	5,436.03	1,961,438.00	0.00	HONGKONG AND SHANGHAI BANKING CORP	26,372.90	8,811,900.00	0.00
CSI US INSTITUTIONAL DESK	759.30	18,606.00	0.04	HONGKONG AND SHANGHAI BKG CORP	327.96	21,600.00	0.02
D CARNEGIE AG	16,040.79	423,374.00	0.04	HOWARD WEIL DIVISION LEGG MASON	7,914.79	171,437.00	0.05
DAEWOO SECURITIES CO LTD	33,410.68	277,678.00	0.12	HSBC BANKBRASIL SA BANCO MULTIPLO	66.71	41,796.00	0.00
DAHLMAN ROSE + COMPANY LLC	799.50	25,450.00	0.03	HSBC BANKPLC	72,790.73	1,600,535,472.00	0.00
DAIWA SECURITIES (HK) LTD.	33,460.85	17,198,571.00	0.00	HSBC BROKERAGE (USA) INC.	12.81	427.00	0.03
DAIWA SECURITIES AMERICA INC	31,866.73	92,052,608.00	0.00	HSBC SECURITIES (USA) INC.	38,922.33	44,148,818,606.05	0.00
DANIEL STEWART AND COMPANY PLC	25.57	3,782.00	0.01	HSBC SECURITIES (USA), INC.	2,018.25	197,500.00	0.01
DANSKE BANK A.S.	11,543.14	123,991.00	0.09	HSBC SECURITIES AUSTRALIA LTD	298.37	21,200.00	0.01
DAVENPORT & CO. OF VIRGINIA, INC.	151.48	3,787.00	0.04	HUDSON SECURITIES INC	1,633.00	76,500.00	0.02
DAVIDSON D.A. + COMPANY INC.	1,027.50	33,200.00	0.03	HVB CAPITAL MARKETS, INC	1,344.82	261,253.00	0.01
DAVY STOCKBROKERS	2,931.93	250,398.00	0.01	HYUNDAI SECURITIES CO. LTD.	1,873.76	38,933.00	0.05
DBS VICKERS (HONG KONG) LIMITED	4,388.90	2,013,000.00	0.00	ICAP CORPORATES LLC	360.00	9,000.00	0.04
DBS VICKERS SECURITIES (SINGAPORE)	14,223.14	6,207,047.00	0.00	ICAP SECURITIES LTD	84.44	200,702,444.00	0.00
DEAGROAT+ CAMPBELL SDN BHD	11,622.69	2,931,022.00	0.00	IM TRUST S.A. CORREDORES DE BOLSA	1,523.78	83,183.00	0.02
DENIZ YATIRIM MENKUL DEGERLER A.S.	3,431.23	684,714.00	0.01	ING BANK EURASIA ZAO	1,717.95	327,098.00	0.01
DEUTSCHE BANK AG	507.37	2,753,100.00	0.00	ING BANK N V	26,671.18	95,321,428.00	0.00
DEUTSCHE BANK AG LONDON	180,273.01	6,421,439,468.72	0.00	ING BANK N V HUNGARY BRANCH	6,108.03	22,543.00	0.27
DEUTSCHE BANK ALEX BROWN	954.70	27,620.00	0.03	ING BANK NV EQUITY	349.07	6,300.00	0.06
DEUTSCHE BANK DE BARY AMSTERDAM	1,465.84	19,617.00	0.07	ING BARINGS CORP	1,296.00	2,402,400.00	0.00
DEUTSCHE BANK OOO	851.38	131,102.00	0.01	ING FINANCIAL MARKETS LLC	72,568.60	550,325,914.00	0.00
DEUTSCHE BANK SECURITIES	345.45	25,588.00	0.01	INSTINET	27,252.92	1,660,321.89	0.02
DEUTSCHE BANK SECURITIES INC	439,588.65	24,215,280,298.40	0.00	INSTINET AUSTRALIA CLEARING SRVC PTY LTD	1,160.74	1,245,201.00	0.00
DEUTSCHE MORGAN GRENFFEL SECS	9,480.44	894,320.00	0.01	INSTINET CANADA	338.17	11,350.00	0.03
DEUTSCHE SECURITIES ASIA LIMITED	101,988.10	18,451,171.00	0.01	INSTINET FRANCE S.A.	2.20	147.00	0.01
DEUTSCHE SECURITIES ASIA LTD	4,072.36	38,884.00	0.10	INSTINET LLC	5,176.40	619,813.00	0.01
DIRECT ACCESS PARTNERS LLC	5,316.66	253,904.00	0.02	INSTINET PACIFIC LIMITED	46,316.28	50,225,595.00	0.00
DIVINE CAPITAL MARKETS LLC	21,204.50	784,489.00	0.03	INSTINET SINGAPORE SERVICES PT	637.37	1,382,200.00	0.00
DNB NOR MARKETS CUSTODY DNB NORBANK ASA	4,868.44	115,397.00	0.04	INSTINET U.K. LTD	79,458.73	28,792,594.00	0.00
DONGWON SECURITIES	15,925.12	158,027.00	0.10	INVERLAT INTERNATIONAL	3,509.23	103,519.00	0.03
DOUGHERTYCOMPANY	3,487.28	89,936.00	0.04	INVESTEC HENDERSON CROSTHWAITE	5,889.76	759,719.00	0.01
DOWLING & PARTNERS	10,664.74	359,608.00	0.03	INVESTEC SECURITIES	6,510.78	278,219.00	0.02
DUNDAS UNLU SECURITIES INC.	13,812.41	2,560,033.00	0.01	INVESTMENT TECHNOLOGY GROUP INC.	58,442.26	4,824,802.00	0.01
DUPONT GILBERT SA	4,830.01	50,310.00	0.10	INVESTMENT TECHNOLOGY GROUP LTD	35,180.61	5,918,013.00	0.01
E. OHMAN JOB FONDKOMMISSION AB	1,101.02	22,329.00	0.05	INVESTMENT TECHNOLOGY GROUP LTD.	19.76	2,282.00	0.01
EFG ISTANBUL MENKUL DE ERLER ANONIM SIR	2,716.39	287,389.00	0.01	ISI GROUPINC	26,688.69	1,162,636.00	0.02
EMERGING GROWTH EQUITIES LTD	595.00	59,500.00	0.01	ISLAND TRADER SECURITIES INC	813.57	81,357.00	0.01
ERSTE BANK DER OESTERREICHISCHEN	10,594.79	151,158.00	0.07	ITG AUSTRALIA LTD.	5,380.68	4,197,586.00	0.00
ESN NORTHAMERICA, INC.	346.50	6,345.00	0.05	ITG CANADA	471.27	35,248.00	0.01
EUROMOBILIARE SIM S.P.A.	6,730.22	1,324,654.00	0.01	ITG INC	1,081.65	105,555.00	0.01
EUROZ SECURITIES LIMITED	99.52	9,500.00	0.01	ITG INC.	57.20	4,400.00	0.01
EVOLUTIONBEEESON GREGORY LIMITED	3,669.23	113,796.00	0.03	ITG SECURITIES (HK) LTD	29,603.36	21,585,367.00	0.00
EXANE S.A.	32,006.57	897,536.00	0.04	IVY SECURITIES, INC.	166.80	5,560.00	0.03
EXECUTION(HONG KONG) LIMITED	16,436.19	18,975,900.00	0.00	J AND E DAVY	7,166.64	928,574.00	0.01
EXECUTIONLIMITED	1,588.26	190,198.00	0.01	J B WERE AND SON	6,997.68	892,229.00	0.01
FATOR - DORIA ATHERINO S.A CV	140.33	6,000.00	0.02	J P MORGAN SECURITIES INC	111,642.26	8,042,073,323.36	0.00
FIDELITY CAPITAL MARKETS	9,299.84	570,269.00	0.02	J.P. MORGAN CLEARING CORP.	131,329.95	49,686,767.84	0.00
FIDENTIIS	245.71	13,300.00	0.02	J.P. MORGAN SECURITIES INC.	82,194.36	4,454,273.00	0.02
FIG PARTNERS LLC	1,769.06	66,941.00	0.03	J.P. MORGAN SECURITIES LIMITED	16,851.00	1,496,272.00	0.01
FINANCIALBROKERAGE GROUP (FBG)	16,745.54	2,453,647.00	0.01	J.P.MORGAN SECURITIES(FAR EAST)LTD SEOUL	18,349.91	169,351.00	0.11
FINANCIERA SAN PEDRO-PERU	2,417.00	75,900.00	0.03	JACKSON SECURITIES	8,946.58	498,914.00	0.02
FIRST ANALYSIS SECURITIES CORP	498.75	12,073.00	0.04	JANNEY MONTGOMERY, SCOTT INC	4,663.55	216,840.00	0.02
FIRST SOUTHWEST COMPANY	2,984.00	74,600.00	0.04	JB WERE AND SON (NZ) LTD	533.01	40,504.00	0.01
FOKUS BANK ASA	315.69	9,800.00	0.03	JEFFERIES+ COMPANY INC	378,254.39	89,352,945.40	0.00
FRIEDMAN BILLINGS + RAMSEY	14,019.71	547,991.00	0.03	JEFFERIESINTERNATIONAL LTD	13,169.07	1,460,822.00	0.01
G TRADE SERVICES LTD	465.32	113,959.00	0.00	JMP SECURITIES	8,307.31	198,410.00	0.04
GARDNER RICH & CO	6,302.21	174,450.00	0.04	JOH BERENBERG GOSSLER AND CO	12,624.36	170,861.00	0.07
GBM INTERNATIONAL INC.	3,895.00	505,400.00	0.01	JOHNSON RICE + CO	5,050.07	289,303.00	0.02
GILFORD SECURITIES	30.00	1,000.00	0.03	JONES & ASSOCIATES INC	75.02	4,651.00	0.02
GLOBAL EQUITIES	186.32	5,804.00	0.03	JONESTRADING INSTITUTIONAL SERVICES LLC	21,247.84	912,023.00	0.02
GLOBAL HUNTER SECURITIES LLC	236.60	6,760.00	0.04	JP MORGANBROKING HK LIMITED	12,788.49	3,332,600.00	0.00
GMP SECURITIES LTD.	1,140.88	38,663.00	0.03	JP MORGANSECURITIES AUSTRALIA LTD	3,405.76	943,286.00	0.00
GOLDMAN SACHS (ASIA) LLC	16,789.07	237,949.00	0.07	JP MORGANSECURITIES LIMITED	234,757.08	156,139,030,775.70	0.00
GOLDMAN SACHS (JAPAN) LTD.	284.43	10,500.00	0.03	JP MORGANSECURITIES SINGAPORE	5,838.07	5,648,760.00	0.00
GOLDMAN SACHS + CO	342,045.01	5,372,169,356.77	0.00	JPMORGAN CHASE BANK	5,557.87	7,870,328,695.42	0.00
GOLDMAN SACHS DO BRASIL BANCO MULTI AVEN	18,544.03	1,886,800.00	0.01	JPMORGAN CHASE BANK N.A. LONDON	18,255.21	758,969.00	0.02
GOLDMAN SACHS INTERNATIONAL	157,003.37	29,305,738.16	0.01	JPMORGAN SECURITIES INC	205.80	1,032,190,496.60	0.00
GOLDMAN SACHS(ASIA)L.L.C.	40,789.65	2,834,600.00	0.01	JPMORGAN SECURITIES(ASIA PACIFIC)LTD	80,243.00	43,929,708.00	0.00
GOODBODY STOCKBROKERS	3,429.21	188,017.00	0.02	KAS-ASSOCIATIE N.V.	12,246.19	322,766.00	0.04
GOODMORNING SHINHAN SECURITIES CO.	5,183.50	135,070.00	0.04	KBC BANK NV	355.89	6,538.00	0.05
GORDON HASKETT	38.00	1,900.00	0.02	KBC PEEL HUNT LTD	5,398.37	1,365,610.00	0.00
GREEN STREET ADVISORS	1,053.00	30,100.00	0.03	KEEFE BRUYETTE + WOODS INC	13,260.97	637,994.31	0.02
GREENTREEBROKERAGE SERVICES INC	2,143.01	86,328.00	0.02	KEEFE BRUYETTE AND WOOD LIMITED	8,857.56	1,696,304.00	0.01
GREENWICHPRIME	5,017.06	154,366.00	0.03	KEMPEN + CO N.V.	2,208.94	140,510.00	0.02
GREIG,MIDDLETON + CO	372.00	9,300.00	0.04	KEPLER EQUITIES FRANKFURT BRANCH	2,106.39	16,611.00	0.13
GUGGENHEIM CAPITAL MARKETS LLC	612.00	16,600.00	0.04	KEPLER EQUITIES PARIS	17,013.16	337,615.00	0.05
GUGGENHEIM CAPITAL, LLC	1,967.67	212,484.00	0.01	KEPLER EQUITIES ZURICH	1,197.63	39,729.00	0.03
GUZMAN + CO	35,617.22	4,332,361.00	0.01	KEYBANC CAPITAL MARKETS INC	10,175.02	11,415,223.93	0.00
H RIVKIN	1,117.03	572,000.00	0.00	KGI SECURITIES (HONG KONG) LIMITED	480.45	471,000.00	0.00
HEEVERS & CO. INC.	5,835.92	217,835.00	0.03	KIM ENG SECURITIES	11,673.70	5,137,060.00	0.00
HEFLIN + CO LLC	17,574.30	880,510.00	0.02	KIM ENG SECURITIES, P.T.	6,872.68	4,360,000.00	0.00

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
KING, CL & ASSOCIATES, INC	21,025.93	610,267.00	0.03	NOMURA FINANCIAL AND INVESTMEN	19,331.66	240,996.00	0.08
KINGSTON SECURITIES LTD	4,397.11	982,780.00	0.00	NOMURA INTERNATIONAL (HONG KONG) LTD	1,280.96	386,900.00	0.00
KNIGHT CLEARING SERVICES LLC	1,027.40	34,193.00	0.03	NOMURA INTERNATIONAL PLC	97,844.14	155,707,844.00	0.00
KNIGHT DIRECT LLC	3,107.56	282,608.00	0.01	NOMURA INTL (HK) LTD, SEOUL BR	841.98	12,861.00	0.07
KNIGHT EQUITY MARKETS L.P.	35,727.64	1,224,222.00	0.03	NOMURA SECS (REPO)	43.73	1,500.00	0.03
KNIGHT SECURITIES	11,625.38	674,032.00	0.02	NOMURA SECURITIES (HONG KONG) LTD	934.82	284,000.00	0.00
KNIGHT SECURITIES INTERNATIONAL	249.63	1,140,415.00	0.00	NOMURA SECURITIES INTERNATIONAL INC	144,829.13	69,529,004.81	0.00
KNIGHT SECURITIES L.P.	33,749.10	14,329,202.00	0.00	NOMURA SECURITIES INTL. INC.	83.92	12,638,700.00	0.00
LABRANCHEFINANCIAL SERVICES L	9,328.72	474,626.00	0.02	NOMURA SECURITIES SINGAPORE PTE LTD	47.78	28,000.00	0.00
LARRAIN VIAL	8,402.01	4,764,738.00	0.00	NORDEA BANK FINLAND PLC	104.59	3,365.00	0.03
LAZARD ASSET MANAGEMENT	1,126.45	59,477.00	0.02	NORDEA BANK NORGE ASA	10.88	500.00	0.02
LAZARD CAPITAL MARKETS LLC	3,214.32	128,558.00	0.03	NORTH SOUTH CAPITAL LLC	3,673.90	113,720.00	0.03
LEERINK SWANN AND COMPANY	5,980.27	159,774.00	0.04	NORTHERN TRUST BROKERAGE INSTITUTION	463,425.75	54,625,862.00	0.01
LEHMAN BROTHERS EMM	27.41	3,900.00	0.01	NORTHLANDSECURITIES INC.	1,704.00	61,700.00	0.03
LIBERUM CAPITAL LIMITED	249.07	5,057.00	0.05	NUMIS SECURITIES INC.	19,928.93	2,396,450.00	0.01
LIQUIDNETASIA LIMITED	5,614.80	4,453,073.00	0.00	NUMIS SECURITIES LIMITED	2,487.35	127,547.00	0.02
LIQUIDNETAUSTRALIA PTY LTD	1,926.89	556,318.00	0.00	NZB NEUE ZUERCHER BANK	8,218.33	63,847.00	0.13
LIQUIDNETCANADA CA	97.83	16,642.00	0.01	O NEIL, WILLIAM AND CO. INC/BCC CLRG	6,388.60	155,497.00	0.04
LIQUIDNETINC	21,914.83	928,843.00	0.02	OAK LAWN NATIONAL BANK	2.40	120.00	0.02
LONGBOW SECURITIES LLC	400.00	9,700.00	0.04	ODDO FINANCE	2,952.44	631,806.00	0.00
LOOP CAPITAL MARKETS	69,894.21	4,912,633.00	0.01	OIEN SECURITIES, INC	2,063.56	103,178.00	0.02
LOOP CAPITAL MKTS LLC	12,413.10	433,665.00	0.03	OLIVETRESECURITIES LIMITED	647.70	12,745.00	0.05
M M WARBURG	2,522.52	56,786.00	0.04	OPPENHEIMER + CO. INC.	17,779.14	5,103,639.18	0.00
M RAMSEY KING SECURITIES INC	10,602.71	386,035.00	0.03	ORIEL SECURITIES LTD	2,610.48	261,094.00	0.01
M RAMSEY KING SECURITIES, INC.	321.00	58,800.00	0.01	OTKRITIE BROKERAGE HOUSE JSC	803.32	9,353,141.00	0.00
MACQUARIEBANK LIMITED	48,755.75	6,661,041.00	0.01	PACIFIC AMERICAN SECURITIES, LLC	20,368.55	997,454.00	0.02
MACQUARIEBANK LIMITED, LONDON	4,468.14	155,472.00	0.03	PACIFIC CREST SECURITIES	7,103.00	168,825.00	0.04
MACQUARIECAPITAL (EUROPE) LTD	10,642.38	1,724,527.00	0.01	PANMURE GORDON AND CO LTD	1,036.45	107,020.00	0.01
MACQUARIEEQUITIES LIMITED (SYDNEY)	19,270.08	4,693,393.00	0.00	PAREL	1,741.89	17,679.00	0.10
MACQUARIEEQUITIES NEW YORK	11,391.55	1,620,937.00	0.01	PARIBAS SECURITIES INC	11,003.49	1,440,269.80	0.01
MACQUARIEEQUITIES NEW ZEALAND	1,009.29	170,000.00	0.01	PATERSONSECURITIES LTD	15.17	21,023.00	0.00
MACQUARIESEC NZ LTD	16.83	18,706.00	0.00	PCS DUNBAR SECURITIES	935.00	18,700.00	0.05
MACQUARIESECURITIES (SINGAPORE)	29,632.72	30,748,249.00	0.00	PENSERRA SECURITIES LLC	2,407.47	187,155.00	0.01
MACQUARIESECURITIES (USA) INC	3,469.88	471,649.00	0.01	PENSION FINANCIAL SERVICES	417.04	8,800.00	0.05
MACQUARIESECURITIES LIMITED	153,511.02	118,191,599.00	0.00	PENSION FINANCIAL INC.	389.88	28,204.00	0.01
MACQUARIESECURITIES LTD SEOUL	7,631.57	170,774.00	0.04	PENSION FINANCIAL SERVICES CANADA INC	3,793.59	107,132.00	0.04
MADISON WILLIAMS AND COMPANY	120.00	3,000.00	0.04	PENSION FINANCIAL SERVICES INC	13,491.13	690,119.00	0.02
MAINFIRSTBANK DE	2,302.46	35,650.00	0.06	PENSION FINANCIAL SERVICES, INC.	642.82	439,232.00	0.00
MAXIM GROUP	308.00	9,900.00	0.03	PERCIVAL FINANCIAL PARTNERS LTD.	3,686.40	92,160.00	0.04
MEDIOBANCA SPA	6,719.21	469,746.00	0.01	PERSHING LLC	125,761.70	250,176,385.00	0.00
MELLON BANK NA	31.01	1,200.00	0.03	PERSHING LLC I	373.56	50,000.00	0.01
MELVIN SECURITIES	1,537.29	98,443.00	0.02	PERSHING SECURITIES LIMITED	42,859.86	3,371,114.00	0.01
MERRILL LYNCH (SINGAPORE) PTE LTD	669.96	643,000.00	0.00	PERSHING/CLEARANCE.NY	151.58	32,622,305.21	0.00
MERRILL LYNCH AND CO INC	1,570.47	94,495.00	0.02	PETERCAM S.A.	1,000.30	23,031.00	0.04
MERRILL LYNCH EQUITIES (AUSTRALIA)	23.16	5,073.00	0.00	PICKERINGENERGY PARTNERS, INC	399.71	9,244.00	0.04
MERRILL LYNCH FAR EAST LTD	1,344.66	600,200.00	0.00	PIPELINE TRADING SYSTEMS LLC	1,586.50	263,798.00	0.01
MERRILL LYNCH INTERNATIONAL	319,428.26	19,117,067,374.00	0.00	PIPER JAFFRAY	24,719.38	2,498,075.00	0.01
MERRILL LYNCH INTERNATIONAL LIMITED	43.50	1,433,871.00	0.00	PRITCHARDCAPITAL PARTNERS LLC	15.00	300.00	0.05
MERRILL LYNCH PIERCE FENNER AND S	258,780.97	528,996,216.00	0.00	PT. MANDIRI SEKURITAS	2,490.69	788,500.00	0.00
MERRILL LYNCH PIERCE FENNER + SMITH INC	119,111.76	2,353,228,689.03	0.00	PULSE TRADING LLC	25,645.53	1,355,646.00	0.02
MERRILL LYNCH PROFESSIONAL CLEARING CORP	784.45	16,575.00	0.05	RABOBANK INTL	5,061.48	60,140.00	0.08
MERRILL LYNCH, PIERCE FENNER SMITH	98.80	2,470.00	0.04	RASHID HUSSAIN SECURITIES SDN	4,448.82	646,000.00	0.01
MERRIMAN CURHAN FORD + CO	867.39	20,371.00	0.04	RAYMOND JAMES + ASSOCIATES INC	3,714.64	21,227.00	0.17
MF GLOBALFXA SECURITIES LTD	2,681.35	173,500.00	0.02	RAYMOND JAMES AND ASSOCIATES INC	23,941.27	717,228.00	0.03
MF GLOBALUK LIMITED	4,138.81	113,719.00	0.04	RAYMOND JAMES TRUST COMPANY	10,549.63	1,433,452.92	0.01
MILLER TABAK + COMPANY, LLC	1,132.50	86,200.00	0.01	RBC CAPITAL MARKETS	23,011.02	349,278,821.46	0.00
MIRAE ASSET HONG KONG LIMITED	1,155.12	323,500.00	0.00	RBC DOMINION SECURITIES INC.	2,474.75	342,734.00	0.01
MIRAE ASSET SECURITIES CO LTD	3,608.67	61,832.00	0.06	RBS EQUITIES (AUSTRALIA) LIMITED	1,114.34	132,723.00	0.01
MISCHLER FINANCIAL GROUP, INC-EQUITIES	3,016.85	108,371.00	0.03	RBS SECURITIES INC	34,889.91	1,538,760.00	0.02
MITSUBISHI UFJ SECURITIES (USA)	7,848.30	372,844.00	0.02	REDBURN PARTNERS LLP	15,652.20	2,282,139.00	0.01
MITSUBISHI UFJ SECURITIES INT PLC	1,250.39	77,600.00	0.02	RENAISSANCE BROKER LIMITED	2,995.63	603,917.00	0.00
MIZUHO SEC ASIA LTD	2,880.48	265,721.00	0.01	RENAISSANCE CAPITAL GROUP	17,310.51	483,914.00	0.04
MIZUHO SECURITIES CO. LTD	21.92	17,200,500.00	0.00	RENAISSANCE CAPITAL LTD	97.53	1,507.00	0.06
MIZUHO SECURITIES USA INC	11,595.27	1,230,106.00	0.01	RENAISSANCE SECURITIES (CYPRUS) LIMITED	9,321.20	1,046,558.00	0.01
MOGAVERO LEE & CO., INC.	2,302.70	80,490.00	0.03	RENCAP SECURITIES INC	585.13	8,900.00	0.07
MONROSE SECURITIES EQUITIES	444.00	22,200.00	0.02	REYNDERS,GRAY + COMPANY,INC	136.00	3,400.00	0.04
MONUMENT SECURITIES LIMITED	138.75	3,815.00	0.04	RIDGE CLEARING & OUTSOURCING SOLUTIONS	1,363.32	4,434,875.00	0.00
MOORS & CABOT, INC.	24.08	1,204.00	0.02	RIDGE CLEARING AND OUTSOURCING SOLUTIONS	2,578.99	63,578,949.00	0.00
MORGAN KEEGAN & CO INC	6,899.34	4,196,511.00	0.00	ROBERTS +RYAN INVESTMENTS INC	9,069.86	437,338.00	0.02
MORGAN STANLEY	4,338.22	2,588,706.00	0.00	ROCHDALE SEC CORP.(CLS THRU 443)	12,822.10	560,630.00	0.02
MORGAN STANLEY & CO. INCORPORATED/RETAIL	7,075.35	216,351.00	0.03	ROSENBLATT SECURITIES LLC	3,013.88	150,694.00	0.02
MORGAN STANLEY AND CO INTERNATIONAL	16,676.49	790,324.00	0.02	ROTH CAPITAL PARTNERS LLC	2,986.50	62,595.00	0.05
MORGAN STANLEY AND CO. INTERNATIONAL	179,553.96	531,380,980.46	0.00	ROYAL BANK OF CANADA EUROPE LTD	1,432.41	8,624,928.00	0.00
MORGAN STANLEY CO INCORPORATED	708,448.52	3,094,338,025.89	0.00	ROYAL BANK OF SCOTLAND PLC	11,330.73	6,742,231,186.61	0.00
MORGAN STANLEY DEAN WITTER AUSTRALIA	364.60	129,923.00	0.00	ROYAL BK OF SCOTLAND LONDON	55.69	487.00	0.11
MORGAN STANLEY H.K. SECURITIES LTD	7,423.57	4,049,300.00	0.00	SAMSUNG SECURITIES CO LTD	18,551.80	692,914.00	0.03
MORGAN STANLEY SECURITIES LIMITED	5,870.12	995,364.00	0.01	SAMSUNG SECURITIES LIMITED-HOUSE A/C	587.66	143,250.00	0.00
MR BEAL & COMPANY	27,552.56	1,832,042.00	0.02	SAMUEL A RAMIREZ & COMPANY INC	5,487.77	1,465,092.00	0.00
NATEXIS BLEICHOEDER INC	4,973.66	62,542.00	0.08	SANDLER ONEILL + PART LP	2,541.50	78,507.00	0.03
NATIONAL BANK OF CANADA	579.13	18,452.00	0.03	SANFORD C. BERNSTEIN LTD	19,740.35	826,538.00	0.02
NATIONAL FINANCIAL SERVICES CORP.	14,129.35	20,392,241.31	0.00	SANFORD CBERNSTEIN CO LLC	34,912.12	2,294,024.00	0.02
NBC CLEARING SERVICES INCORPORATED	1,989.39	50,100.00	0.04	SANTANDERCENTRAL HISPANO BOLSA	1,303.49	289,886.00	0.00
NCB STOCKBROKERS LTD	9,765.91	724,639.00	0.01	SCARSDALEEQUITIES LLC	397.00	7,989.00	0.05
NEEDHAM + COMPANY	11,068.43	278,392.00	0.04	SCOTIA CAPITAL (USA) INC	2,285.48	35,122,784.19	0.00
NESBITT BURNS	15,132.80	212,177,449.00	0.00	SCOTIA CAPITAL MKTS	5,937.07	149,361.00	0.04
NOBLE INTERNATIONAL INVESTMENTS INC.	470.00	18,800.00	0.03	SCOTT & STRINGFELLOW, INC	3,530.04	350,580.00	0.01

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
SEI FINANCIAL SER CO	1,575.20	39,380.00	0.04
SEI INVESTMENTS DISTRIBUTION CO	499.28	12,482.00	0.04
SG AMERICAS SECURITIES LLC	2,820.08	3,627,448.35	0.00
SG SECURITIES HK	12,593.51	20,215,259.00	0.00
SHENYIN WANGUO SECURITIES (HK) LTD	9,910.92	3,917,400.00	0.00
SIDOTI + COMPANY LLC	7,318.15	224,931.00	0.03
SIGNAL HILL CAPITAL GROUP LLC	1,719.00	50,700.00	0.03
SIMMONS +COMPANY INTERNATIONAL	333.00	10,000.00	0.03
SKANDINAVISKA ENSKILDA BANK	1,509.46	80,045.00	0.02
SKANDINAVISKA ENSKILDA BANKEN LONDON	8,725.75	340,504.00	0.03
SMITH BARNEY HARRIS UPHAM & CO INC	1,740.00	43,500.00	0.04
SOCIETE GENERALE LONDON BRANCH	51,869.82	5,459,047.00	0.01
SOCIETE GENERALE PARIS ZURICH BRA	8,663.27	76,454.00	0.11
SOCOPA SOCIEDADE CORRETORA PAULISTA CLEM	105.64	5,000.00	0.02
SOLEIL SECURITIES	598.00	14,950.00	0.04
SOUTHERN CROSS EQUITIES	1,608.94	1,006,918.00	0.00
SOUTHWESTSECURITIES	78.85	131,577.00	0.00
SPEAR, LEEDS AND KELLOGG	1,445.06	172,658.00	0.01
STANDARD CHARTERED BANK	3,331.24	38,740,683,400.00	0.00
STANDARD CHARTERED BANK (HONG KONG) LIMI	13,004.81	4,125,461.00	0.00
STANDARD CHARTERED BANK, LONDON	3,602.45	1,659,585,000.00	0.00
STANLEY (CHARLES) + CO LIMITED	181.76	39,381.00	0.00
STATE STREET BANK + TRUST CO LONDON	1,378.00	423,339.00	0.00
STATE STREET GLOBAL MARKETS, LLC	2,202.58	476,338.97	0.00
STEPHENS,INC.	5,880.80	12,076,198.23	0.00
STERNE AGEE & LEACH INC.	3,796.95	1,619,905.09	0.00
STIFEL NICOLAUS + CO INC	48,850.37	15,885,693.40	0.00
STUART FRANKEL + CO INC	3,617.83	156,976.00	0.02
STUDNESS RESEARCH	654.00	21,800.00	0.03
SUNGARD INSTITUTIONAL BROKERAGE INC	269.98	11,412.00	0.02
SUNTRUST CAPITAL MARKETS, INC.	16,396.99	444,085.00	0.04
SVENSKA HANDELSBANKEN	12,378.15	150,247,018.00	0.00
SVENSKA HANDELSBANKEN LONDON BRANCH	1,686.65	65,425.00	0.03
SWAP BROKER	2,646.59	19,804.00	0.13
SWEDBANK	5,404.91	203,952.00	0.03
TD WATERHOUSE CDA	4,003.01	247,141.00	0.02
TEB YATIRIM MENKUL DEGERLER A.S.	488.10	41,550.00	0.01
THE BENCHMARK COMPANY, LLC	1,400.64	43,678.00	0.03
THE ROYALBANK OF SCOTLAND N.V.UK EQUITI	34,013.64	2,005,235.00	0.02
THEMIS TRADING LLC	7,209.92	368,751.00	0.02
THINKEQUITY PARTNERS LLC	5,467.25	119,029.00	0.05
TKS SECURITIES PVT LTD	195.37	19,564.00	0.01
TONG YANGSECURITIES INC	7,198.21	95,968.00	0.08
TORONTO DOMINION BANK	4,511.09	9,332,665.00	0.00
TOURMALINE PARTNERS	4,716.95	172,888.00	0.03
TROIKA DIALOG USA, INC	44,483.50	2,310,088.00	0.02
UBS AG	262,213.33	176,414,858.40	0.00
UBS AG LONDON	74,159.84	479,381,799.00	0.00
UBS LIMITED UK	86.69	6,600.00	0.01
UBS SECURITIES ASIA LTD	156,512.19	173,433,086.00	0.00
UBS SECURITIES CANADA INC	1,765.31	148,884.00	0.01
UBS SECURITIES LLC	129,054.11	1,852,116,183.75	0.00
UBS SECURITIES PTE.LTD	934.96	111,000.00	0.01
UBS SECURITIES PTE.LTD., SEOUL	9,870.10	145,907.00	0.07
UBS SECURITIES SINGAPORE PTE	5,600.97	5,450,060.00	0.00
UBS WARBURG (HONG KONG) LIMITED	49,518.35	12,837,900.00	0.00
UBS WARBURG AUSTRALIA EQUITIES	456.49	152,085.00	0.00
UBS WARBURG LLC	34,235.46	3,057,999.00	0.01
UNICREDITBANK AG (HYPOVEREINSBANK)	6,784.30	1,771,730.00	0.00
UNICREDITBANK AG LONDON BRANCH	4,626.42	27,020.00	0.17
UNX INC.	174.48	8,724.00	0.02
UOB KAY HIAN (HONG KONG) LTD	1,414.65	246,000.00	0.01
UOB KAY HIAN PTE LIMITED	3,992.29	51,485.00	0.08
UOB KAY HIAN SECURITIES PT	1,073.69	1,560,000.00	0.00
URALSIB SECURITIES LIMITED	56.37	2,415.00	0.02
VANDHAM SECURITIES CORP	6,956.89	272,784.00	0.03
VTB BANK EUROPE PLC	7,393.19	37,854,833.00	0.00
W.J. BONFANTI INC	66.48	2,214.00	0.03
WEDBUSH MORGAN SECURITIES INC	8,182.93	2,922,931.83	0.00
WEDGE SECURITIES LLC	3,347.00	164,100.00	0.02
WEEDEN + CO.	54,514.19	3,577,981.00	0.02
WELLS FARGO INVT LLC	92.15	89,792.32	0.00
WELLS FARGO SECURITIES LLC	1,484.94	69,252,567.21	0.00
WELLS FARGO SECURITIES, LLC	12,158.89	14,752,071.00	0.00
WILLIAM BLAIR & COMPANY L.L.C	22,718.54	623,721.00	0.04
WILLIAMS CAPITAL GROUP LP (THE)	55,552.35	2,397,894.00	0.02
WINTERFLOOD SECURITIES LTD	303.29	82,800.00	0.00
WOOD AND COMPANY	1,273.28	31,123.00	0.04
WOORI INVESTMENT SECURITIES	19,661.72	151,607.00	0.13
WUNDERLICH SECURITIES INC.	184.45	705,130.75	0.00
YAMNER & CO INC (CLS THRU 443)	3,163.90	313,148.00	0.01
TOTAL	\$12,098,772.58		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
TOTAL NET ASSET VALUE BY PENSION PLANS AND TRUST FUNDS
JUNE 30, 2011**

<u>Retirement Funds</u>	<u>Net Asset Value</u>
Teachers' Retirement Fund	\$14,143,319,676
State Employees' Retirement Fund	8,980,628,985
Municipal Employees' Retirement Fund	1,697,937,448
State Judges' Retirement Fund	158,886,376
The Probate Court Retirement Fund	81,788,421
State's Attorneys Retirement Fund	1,112,149
<u>Non-retirement Trust Funds</u>	
Soldiers' Sailors' & Marines' Fund	64,499,755
Police & Firemans' Survivors' Benefit Fund	21,859,523
Connecticut Arts Endowment Fund	17,143,078
School Fund	9,820,820
Ida Eaton Cotton Fund	2,199,711
Hopemead Fund	2,786,971
Andrew Clark Fund	1,034,842
Agricultural College Fund	646,931
TOTAL	<u>\$25,183,664,686</u>

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF NET ASSETS BY INVESTMENT FUND

JUNE 30, 2011

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
ASSETS						
Investments in Securities , at Fair Value						
Liquidity Fund	\$ -	\$108,158,042	\$40,086,381	\$289,392,173	\$43,755,911	\$45,483,368
Cash Equivalents	942,141,445	-	-	-	-	168,373
Asset Backed Securities	45,929,656	-	-	61,192,651	-	608,380
Government Securities	383,858,621	-	-	745,038,255	1,071,392,260	568,126,372
Government Agency Securities	38,591,115	-	-	954,184,326	-	-
Mortgage Backed Securities	26,266,438	-	-	208,709,340	-	-
Corporate Debt	143,857,477	-	-	740,956,972	-	202,881,437
Convertible Securities	-	-	-	-	-	-
Common Stock	-	-	5,027,603,351	-	-	433,972
Preferred Stock	-	-	-	-	-	-
Real Estate Investment Trust	-	-	83,802,096	-	-	-
Mutual Fund	-	-	1,117,356,713	1,651,950	-	324,115,428
Limited Liability Corporation	-	-	-	-	-	-
Trusts	-	-	-	-	-	-
Limited Partnerships	-	410,849,700	366,073,610	-	-	-
Annuities	-	-	-	-	-	-
Total Investments in Securities, at Fair Value	1,580,644,752	519,007,742	6,634,922,151	3,001,125,667	1,115,148,171	1,141,817,330
Cash	10,291,179	-	-	2,577,026	-	5,459,590
Receivables						
Foreign Exchange Contracts	692,309,889	-	-	28,211,121	19,119,643	313,616,886
Interest Receivable	6,394,294	97,217	36,302	20,555,859	7,798,624	14,038,660
Dividends Receivable	-	-	6,077,665	-	-	-
Due from Brokers	170,405,313	-	11,460,551	292,560,018	31,434,174	3,069,235
Foreign Taxes	3,460	-	2,157	84,706	-	816,532
Securities Lending Receivable	-	-	541,949	146,678	123,185	20,461
Reserve for Doubtful Receivables	(2,299)	-	(567)	(1,157,080)	-	(734,234)
Total Receivables	869,110,657	97,217	18,118,057	340,401,302	58,475,626	330,827,540
Invested Securities Lending Collateral	-	-	1,203,185,426	535,076,032	567,186,383	71,732,704
Other Funds on Deposit	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Assets	2,460,046,588	519,104,959	7,856,225,634	3,879,180,027	1,740,810,180	1,549,837,164
LIABILITIES						
Payables						
Foreign Exchange Contracts	702,211,143	-	-	28,421,888	18,869,583	312,867,585
Due to Brokers	19,196,636	-	12,609,007	596,795,236	35,097,564	6,384,273
Income Distribution	1,595,428	-	-	-	-	-
Other Payable	-	-	16,937	-	-	-
Total Payables	723,003,207	-	12,625,944	625,217,124	53,967,147	319,251,858
Securities Lending Collateral	-	-	1,203,185,426	535,076,032	567,186,383	71,732,704
Accrued Expenses	1,091,625	239,353	2,552,915	817,625	229,459	1,038,652
Total Liabilities	724,094,832	239,353	1,218,364,285	1,161,110,781	621,382,989	392,023,214
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	\$1,735,951,756	\$518,865,606	\$6,637,861,349	\$2,718,069,246	\$1,119,427,191	\$1,157,813,950
Units Outstanding	1,721,856,669	511,447,990	7,048,386	22,971,423	7,733,564	7,983,799
Net Asset Value and Redemption Price per Unit	\$1.01	\$1.01	\$941.76	\$118.32	\$144.75	\$145.02

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF NET ASSETS BY INVESTMENT FUND
JUNE 30, 2011**

HIGH YIELD- DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
\$22,065,995	\$96,530,856	\$43,160,362	\$39,989,675	\$234,676	\$76,353,410	\$(805,210,849)	\$ -
647,339	-	-	-	-	-	-	942,957,157
2,308,667	-	-	-	-	-	-	110,039,354
7,347,314	-	-	-	-	-	-	2,775,762,822
-	-	-	-	-	-	-	992,775,441
7,749,985	-	-	-	79,553	-	-	242,805,316
605,578,927	-	-	-	-	-	-	1,693,274,813
42,557,648	340,763	-	-	-	-	-	42,898,411
13,039,864	5,204,432,130	2,200,438,752	-	2,072,130	516,423	-	12,448,536,622
9,066,284	39,280,341	59,609,696	-	-	-	-	107,956,321
-	38,772,641	3,389,785	63,062,410	-	-	-	189,026,932
-	11,900,364	322,651,961	-	-	-	-	1,777,676,416
-	-	-	-	-	4,168,064	-	4,168,064
-	-	-	2,137,623	-	-	-	2,137,623
-	-	-	992,013,547	-	2,148,642,083	-	3,917,578,940
-	-	-	-	-	-	-	-
710,362,023	5,391,257,095	2,629,250,556	1,097,203,255	2,386,359	2,229,679,980	(805,210,849)	25,247,594,232
173,311	47,913,125	8,253,334	-	-	-	(10,291,179)	64,376,386
-	3,742,715,426	6,902,418	-	-	-	(692,309,889)	4,110,565,494
13,679,419	1,500,540	83,809	48,522	195	71,650	154,956,223	219,261,314
17,748	10,339,072	9,718,046	290,443	-	-	-	26,442,974
2,024,312	16,530,811	15,113,938	-	-	-	(170,405,313)	372,193,039
20,819	9,581,701	176,369	-	-	-	(3,460)	10,682,284
57,862	517,394	117,488	-	-	-	-	1,525,017
(954,721)	(970,970)	(32,401)	-	-	-	2,299	(3,849,973)
14,845,439	3,780,213,974	32,079,667	338,965	195	71,650	(707,760,140)	4,736,820,149
164,525,216	406,670,401	207,722,129	-	-	-	-	3,156,098,291
-	-	-	-	-	-	-	-
-	-	-	-	3,720	2,599,425	-	2,603,145
889,905,989	9,626,054,595	2,877,305,686	1,097,542,220	2,390,274	2,232,351,055	(1,523,262,168)	33,207,492,203
-	3,791,101,291	6,912,369	-	-	-	(702,211,143)	4,158,172,716
7,164,075	13,409,214	20,329,653	-	-	-	(19,196,636)	691,789,022
-	-	-	-	-	-	(710,804)	884,624
-	-	-	-	-	2,759	-	19,696
7,164,075	3,804,510,505	27,242,022	-	-	2,759	(722,118,583)	4,850,866,058
164,525,216	406,670,401	207,722,129	-	-	-	-	3,156,098,291
639,968	6,171,831	4,342,329	274,941	-	-	(535,530)	16,863,168
172,329,259	4,217,352,737	239,306,480	274,941	-	2,759	(722,654,113)	8,023,827,517
\$717,576,730	\$5,408,701,858	\$2,637,999,206	\$1,097,267,279	\$2,390,274	\$2,232,348,296	\$(800,608,055)	\$25,183,664,686
5,836,191	14,745,999	6,335,052	32,538,662	51,360	43,773,087		
\$122.95	\$366.79	\$416.41	\$33.72	\$46.54	\$51.00		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
ADDITIONS						
OPERATIONS						
Investment Income						
Dividends	\$85	\$ -	\$99,360,942	\$52,225	\$ -	\$14,765,344
Interest	19,080,293	762,553	318,964	105,809,508	39,950,279	64,825,034
Other Income	-	1,377	2,862,212	1,087,479	-	-
Securities Lending	-	-	7,442,782	3,263,915	4,119,109	265,952
Total Income	19,080,378	763,930	109,984,900	110,213,127	44,069,388	79,856,330
Expenses						
Investment Advisory Fees	3,744,527	-	10,311,111	3,625,463	976,317	4,462,954
Custody and Transfer Agent Fees	298,397	23,774	561,007	215,301	88,436	92,830
Professional Fees	115,276	594,707	344,247	120,371	49,944	53,055
Security Lending Fees	-	-	1,141,704	373,806	415,790	37,822
Security Lending Rebates	-	-	387,648	1,198,421	1,917,208	45,978
Investment Expenses	33,633	-	58,375	26,560	8,622	130,371
Total Expenses	4,191,833	618,481	12,804,092	5,559,922	3,456,317	4,823,010
Net Investment Income	14,888,545	145,449	97,180,808	104,653,205	40,613,071	75,033,320
Net Realized Gain (Loss)	3,942,913	87,178	358,757,969	33,602,882	34,501,696	43,091,437
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	7,771,655	7,134,187	1,193,972,862	(17,506,891)	2,563,637	57,310,513
Net Increase (Decrease) in Net Assets Resulting from Operations	26,603,113	7,366,814	1,649,911,639	120,749,196	77,678,404	175,435,270
Unit Transactions						
Purchase of Units by Participants	3,365,582,563	511,590,000	28,100,000	6,102,461	-	10,015,000
TOTAL ADDITIONS	3,392,185,676	518,956,814	1,678,011,639	126,851,657	77,678,404	185,450,270
DEDUCTIONS						
Administrative Expenses:						
Salary and Fringe Benefits	(306,998)	(91,208)	(1,216,723)	(356,169)	(161,524)	(170,369)
Distributions to Unit Owners:						
Income Distributed	(14,581,547)	-	(93,025,263)	(109,872,451)	(20,979,189)	(33,328,319)
Unit Transactions						
Redemption of Units by Participants	(3,860,226,344)	-	(235,000,000)	-	-	(170,000,000)
TOTAL DEDUCTIONS	(3,875,114,889)	(91,208)	(329,241,986)	(110,228,620)	(21,140,713)	(203,498,688)
Change in Net Assets Held in Trust for Participants	(482,929,213)	518,865,606	1,348,769,653	16,623,037	56,537,691	(18,048,418)
Net Assets- Beginning of Period	2,218,880,969	-	5,289,091,696	2,701,446,209	1,062,889,500	1,175,862,368
Net Assets- End of Period	\$1,735,951,756	\$518,865,606	\$6,637,861,349	\$2,718,069,246	\$1,119,427,191	\$1,157,813,950
Other Information:						
Units						
Purchased	10,389,783,088	511,447,990	29,111	52,129	-	70,243
Redeemed	(10,882,701,821)	-	(256,199)	-	-	(1,237,247)
Net Increase (Decrease)	(492,918,733)	511,447,990	(227,088)	52,129	-	(1,167,004)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

HIGH YIELD- DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
\$393,827	\$145,335,008	\$63,623,474	\$46,855,412	\$262,668	\$332,675,331	\$(55)	\$703,324,261
60,897,412	3,172,239	4,384	629,146	421	716,740	(12,332,592)	283,834,381
1,911,764	750,333	-	-	-	-	-	6,613,165
897,906	6,090,903	1,311,420	-	-	-	-	23,391,987
64,100,909	155,348,483	64,939,278	47,484,558	263,089	333,392,071	(12,332,647)	1,017,163,794
2,511,539	23,227,562	16,214,103	3,405,582	25,000	7,431,762	(2,420,284)	73,515,636
58,756	450,091	222,776	81,613	252	175,110	(192,870)	2,075,473
31,385	241,148	120,200	353,238	138	1,179,603	(74,509)	3,128,803
130,883	926,629	199,600	-	-	-	-	3,226,234
121,478	111,269	76,273	-	-	-	-	3,858,275
6,827	548,007	3,007,155	5,915	46	16,635	(21,739)	3,820,407
2,860,868	25,504,706	19,840,107	3,846,348	25,436	8,803,110	(2,709,402)	89,624,828
61,240,041	129,843,777	45,099,171	43,638,210	237,653	324,588,961	(9,623,245)	927,538,966
16,068,369	220,932,922	239,706,016	(22,261,165)	218	(100,200,476)	(2,548,511)	825,681,448
27,614,751	817,304,989	310,600,873	128,887,153	(239)	166,493,192	(2,252,201)	2,699,894,481
104,923,161	1,168,081,688	595,406,060	150,264,198	237,632	390,881,677	(14,423,957)	4,453,114,895
-	183,500,000	100,000,000	209,117,400	-	157,830,000	(1,453,400,661)	3,118,436,763
104,923,161	1,351,581,688	695,406,060	359,381,598	237,632	548,711,677	(1,467,824,618)	7,571,551,658
(113,274)	(766,707)	(381,444)	(210,928)	(4,742)	(548,964)	198,429	(4,130,621)
(49,997,656)	(95,073,687)	(30,189,982)	(45,732,372)	(274,059)	(329,660,715)	9,424,815	(813,290,425)
(30,000,000)	(282,000,000)	(100,000,000)	-	(1,395,000)	-	1,238,565,056	(3,440,056,288)
(80,110,930)	(377,840,394)	(130,571,426)	(45,943,300)	(1,673,801)	(330,209,679)	1,248,188,300	(4,257,477,334)
24,812,231	973,741,294	564,834,634	313,438,298	(1,436,169)	218,501,998	(219,636,318)	3,314,074,324
692,764,499	4,434,960,564	2,073,164,572	783,828,981	3,826,443	2,013,846,298	(580,971,737)	21,869,590,362
\$717,576,730	\$5,408,701,858	\$2,637,999,206	\$1,097,267,279	\$2,390,274	\$2,232,348,296	\$(800,608,055)	\$25,183,664,686
-	534,310	251,264	6,754,652	-	3,195,501	-	-
(257,289)	(792,425)	(241,625)	-	(27,525)	-	-	-
(257,289)	(258,115)	9,639	6,754,652	(27,525)	3,195,501	-	-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	LIQUIDITY FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
ADDITIONS					
OPERATIONS					
Investment Income					
Dividends	\$ -	\$88,910,121	\$37,103	\$ -	\$7,100,299
Interest	18,673,154	955,780	124,264,831	33,200,382	84,874,231
Other Income	-	4,709,232	706,117	-	-
Securities Lending	-	6,397,444	3,562,763	4,199,924	197,765
Total Income	18,673,154	100,972,577	128,570,814	37,400,306	92,172,295
Expenses					
Investment Advisory Fees	2,892,287	10,744,251	3,499,757	901,014	4,544,477
Custody and Transfer Agent Fees	-	592,083	240,034	88,901	105,570
Professional Fees	92,550	385,394	151,501	47,887	59,984
Security Lending Fees	-	942,176	447,671	494,268	28,462
Security Lending Rebates	-	921,876	1,185,704	1,628,574	42,543
Investment Expenses	106,429	35,539	50,550	9,461	46,200
Total Expenses	3,091,266	13,621,319	5,575,217	3,170,105	4,827,236
Net Investment Income	15,581,888	87,351,258	122,995,597	34,230,201	87,345,059
Net Realized Gain (Loss)	1,398,777	146,422,841	(85,671,834)	28,198,333	54,206,617
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	2,448,634	544,793,180	292,061,850	21,323,807	101,685,851
Net Increase (Decrease) in Net Assets Resulting from Operations	19,429,299	778,567,279	329,385,613	83,752,341	243,237,527
Unit Transactions					
Purchase of Units by Participants	3,308,833,684	-	-	162,500,000	-
TOTAL ADDITIONS	3,328,262,983	778,567,279	329,385,613	246,252,341	243,237,527
DEDUCTIONS					
Administrative Expenses					
Salary and Fringe Benefits	(189,778)	(1,211,943)	(348,358)	(142,968)	(173,529)
Distributions to Unit Owners					
Income Distributed	(16,790,887)	(93,114,520)	(136,994,857)	(20,312,559)	(47,140,193)
Unit Transactions					
Redemption of Units by Participants	(3,263,630,115)	(985,500,000)	(650,500,000)	(150,000)	(151,900,000)
TOTAL DEDUCTIONS	(3,280,610,780)	(1,079,826,463)	(787,843,215)	(20,605,527)	(199,213,722)
Change in Net Assets Held in Trust for Participants	47,652,203	(301,259,184)	(458,457,602)	225,646,814	44,023,805
Net Assets- Beginning of Period	2,171,228,766	5,590,350,880	3,159,903,811	837,242,686	1,131,838,563
Net Assets- End of Period	\$2,218,880,969	\$5,289,091,696	\$2,701,446,209	\$1,062,889,500	\$1,175,862,368
Other Information:					
Units					
Purchased	12,644,875,668	-	-	1,197,687	-
Redeemed	(12,603,477,742)	(1,347,647)	(5,661,321)	(1,171)	(1,263,797)
Net Increase (Decrease)	41,397,926	(1,347,647)	(5,661,321)	1,196,516	(1,263,797)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

HIGH YIELD- DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
\$282,352	\$126,496,894	\$46,751,825	\$23,136,047	\$401,965	\$124,291,666	\$ -	\$417,408,272
65,514,621	1,899,449	733,623	561,298	741	1,544,075	(8,177,167)	324,045,018
19,119	159,831	13,806	-	-	-	-	5,608,105
846,690	6,768,954	1,452,689	-	-	-	-	23,426,229
66,662,782	135,325,128	48,951,943	23,697,345	402,706	125,835,741	(8,177,167)	770,487,624
2,544,771	22,085,148	12,333,677	3,100,126	37,125	8,323,349	(1,266,562)	69,739,420
67,120	473,622	210,474	67,787	445	173,802	-	2,019,838
39,049	269,350	98,187	470,006	262	1,170,788	(40,529)	2,744,429
125,269	1,041,161	224,476	-	-	-	-	3,303,483
144,344	344,222	116,426	-	-	-	-	4,383,689
9,828	302,349	1,064,587	12,918	89	19,091	(46,606)	1,610,435
2,930,381	24,515,852	14,047,827	3,650,837	37,921	9,687,030	(1,353,697)	83,801,294
63,732,401	110,809,276	34,904,116	20,046,508	364,785	116,148,711	(6,823,470)	686,686,330
22,294,432	110,381,007	169,221,914	(63,080,704)	419	(168,334,674)	(612,539)	214,424,589
80,344,795	302,435,776	173,923,657	(131,384,936)	(1,691)	351,373,634	(1,343,434)	1,737,661,123
166,371,628	523,626,059	378,049,687	(174,419,132)	363,513	299,187,671	(8,779,443)	2,638,772,042
-	-	575,000,000	202,788,350	-	180,455,000	(782,526,824)	3,647,050,210
166,371,628	523,626,059	953,049,687	28,369,218	363,513	479,642,671	(791,306,267)	6,285,822,252
(123,172)	(794,406)	(316,026)	(311,138)	(16,490)	(291,075)	83,106	(3,835,777)
(56,649,900)	(83,870,390)	(25,395,091)	(13,884,655)	(390,812)	(92,097,306)	7,352,901	(579,288,269)
(150,000,000)	(419,900,000)	(1,500,000)	-	(1,267,000)	-	1,409,072,987	(4,215,274,128)
(206,773,072)	(504,564,796)	(27,211,117)	(14,195,793)	(1,674,302)	(92,388,381)	1,416,508,994	(4,798,398,174)
(40,401,444)	19,061,263	925,838,570	14,173,425	(1,310,789)	387,254,290	625,202,727	1,487,424,078
733,165,943	4,415,899,301	1,147,326,002	769,655,556	5,137,232	1,626,592,008	(1,206,174,464)	20,382,166,284
\$692,764,499	\$4,434,960,564	\$2,073,164,572	\$783,828,981	\$3,826,443	\$2,013,846,298	\$(580,971,737)	\$21,869,590,362
-	-	1,998,863	5,924,671	-	3,970,176		
(1,351,154)	(1,309,307)	(4,199)	-	(24,940)	-		
(1,351,154)	(1,309,307)	1,994,664	5,924,671	(24,940)	3,970,176		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Teachers' Retirement Fund						
Book Value at June 30, 2010	\$981,610,504	\$ -	\$897,719,878	\$1,282,874,727	\$503,985,596	\$567,019,850
Market Value at June 30, 2010	\$980,289,773	\$ -	\$2,988,186,991	\$1,421,485,437	\$548,922,968	\$656,015,079
Shares Purchased	1,323,647,886	289,728,000	-	3,318,600	-	-
Shares Redeemed	(1,720,028,889)	-	(131,919,694)	-	-	(99,160,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,447,110	-	100,503,480	-	-	18,968,392
Net Investment Income Earned	5,223,161	-	52,535,693	57,816,408	10,834,574	18,507,523
Net Investment Income Distributed	(5,223,161)	-	(52,535,693)	(57,816,408)	(10,834,574)	(18,507,523)
Changes in Market Value of Fund Shares	2,539,426	4,115,167	778,789,656	5,536,884	29,198,565	59,834,076
Market Value at June 30, 2011	\$587,895,306	\$293,843,167	\$3,735,560,433	\$1,430,340,921	\$578,121,533	\$635,657,547
Book Value at June 30, 2011	\$586,676,611	\$289,728,000	\$866,303,664	\$1,286,193,327	\$503,985,596	\$486,828,242
Shares Outstanding	583,121,870	289,642,434	3,966,590	12,088,348	3,993,953	4,383,228
Market Value per Share	\$1.01	\$1.01	\$941.76	\$118.32	\$144.75	\$145.02
State Employees' Retirement Fund						
Book Value at June 30, 2010	\$492,796,001	\$ -	\$517,435,007	\$824,477,903	\$317,633,554	\$358,333,253
Market Value at June 30, 2010	\$492,276,828	\$ -	\$1,973,380,209	\$915,895,991	\$351,278,978	\$420,065,638
Shares Purchased	507,005,940	182,880,000	-	2,034,000	-	-
Shares Redeemed	(720,081,798)	-	(92,231,863)	-	-	(68,500,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	979,580	-	73,108,277	-	-	13,903,054
Net Investment Income Earned	2,494,007	-	34,683,562	37,250,697	6,933,505	11,782,573
Net Investment Income Distributed	(2,494,007)	-	(34,683,562)	(37,250,697)	(6,933,505)	(11,782,573)
Changes in Market Value of Fund Shares	1,106,175	2,604,111	507,666,506	3,566,426	18,685,376	36,376,362
Market Value at June 30, 2011	\$281,286,725	\$185,484,111	\$2,461,923,129	\$921,496,417	\$369,964,354	\$401,845,054
Book Value at June 30, 2011	280,699,723	182,880,000	498,311,421	826,511,903	317,633,554	303,736,307
Shares Outstanding	279,002,808	182,832,462	2,614,183	7,787,912	2,555,899	2,770,955
Market Value per Share	\$1.01	\$1.01	\$941.76	\$118.32	\$144.75	\$145.02
Municipal Employees' Retirement Fund						
Book Value at June 30, 2010	\$146,594,347	\$ -	\$69,478,634	\$229,221,269	\$125,724,641	\$68,622,077
Market Value at June 30, 2010	\$146,517,965	\$ -	\$270,867,470	\$252,311,195	\$136,099,259	\$78,184,020
Shares Purchased	58,460,774	34,066,000	28,000,000	560,400	-	10,000,000
Shares Redeemed	(152,230,799)	-	(4,326,374)	-	-	(1,500,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	486,251	-	3,440,236	-	-	260,242
Net Investment Income Earned	681,528	-	4,848,136	10,261,829	2,686,312	2,389,799
Net Investment Income Distributed	(681,528)	-	(4,848,136)	(10,261,829)	(2,686,312)	(2,389,799)
Changes in Market Value of Fund Shares	279,911	485,801	75,753,156	982,479	7,239,451	9,869,605
Market Value at June 30, 2011	\$53,514,102	\$34,551,801	\$373,734,488	\$253,854,074	\$143,338,710	\$96,813,867
Book Value at June 30, 2011	53,310,573	34,066,000	96,592,496	229,781,669	125,724,641	77,382,319
Shares Outstanding	53,079,592	34,057,854	396,848	2,145,416	990,256	667,588
Market Value per Share	\$1.01	\$1.01	\$941.76	\$118.32	\$144.75	\$145.02

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, 2011**

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$349,643,790	\$1,980,299,419	\$731,000,336	\$758,504,486	\$3,219,664	\$1,638,272,371	\$9,694,150,621
\$384,152,931	\$2,544,872,980	\$1,169,227,244	\$441,494,277	\$2,086,847	\$1,136,820,912	\$12,273,555,439
-	89,720,000	69,525,000	114,869,300	-	88,970,000	1,979,778,786
(14,000,000)	(148,341,892)	(56,331,000)	-	(763,739)	-	(2,170,545,214)
-	-	-	-	-	-	-
1,575,727	53,206,261	27,213,882	-	(364,169)	-	202,550,683
27,883,512	54,616,381	17,103,686	25,691,509	149,344	186,088,158	456,449,949
(27,883,512)	(54,616,381)	(17,103,686)	(25,691,509)	(149,344)	(186,088,158)	(456,449,949)
28,962,445	563,669,140	291,950,809	58,645,890	341,883	34,396,041	1,857,979,982
\$400,691,103	\$3,103,126,489	\$1,501,585,935	\$615,009,467	\$1,300,822	\$1,260,186,953	\$14,143,319,676
\$337,219,517	\$1,974,883,788	\$771,408,218	\$873,373,786	\$2,091,756	\$1,727,242,371	\$9,705,934,876
3,258,899	8,460,200	3,606,000	18,237,658	27,951	24,710,424	955,497,556
\$122.95	\$366.79	\$416.41	\$33.72	\$46.54	\$51.00	
\$233,656,259	\$1,169,665,991	\$465,897,266	\$490,985,447	\$2,255,951	\$1,073,107,799	\$5,946,244,431
\$247,155,788	\$1,627,168,905	\$754,812,609	\$282,553,780	\$1,470,065	\$723,548,511	\$7,789,607,302
-	76,220,000	25,000,000	70,740,000	-	54,850,000	918,729,940
(14,860,000)	(128,020,554)	(36,000,000)	-	(532,991)	-	(1,060,227,206)
-	-	-	-	-	-	-
1,162,330	49,256,234	17,950,956	-	(249,717)	-	156,110,714
17,587,186	34,655,608	10,926,988	16,335,134	105,407	118,152,726	290,907,393
(17,587,186)	(34,655,608)	(10,926,988)	(16,335,134)	(105,407)	(118,152,726)	(290,907,393)
18,166,398	342,035,723	187,172,368	37,191,024	233,738	21,604,028	1,176,408,235
\$251,624,516	\$1,966,660,308	\$948,935,933	\$390,484,804	\$921,095	\$800,002,539	\$8,980,628,985
219,958,589	1,167,121,671	472,848,222	561,725,447	1,473,243	1,127,957,799	5,960,857,879
2,046,511	5,361,799	2,278,833	11,579,543	19,792	15,686,880	514,537,578
\$122.95	\$366.79	\$416.41	\$33.72	\$46.54	\$51.00	
\$42,529,705	\$141,788,985	\$78,448,043	\$88,095,274	\$350,873	\$189,484,322	\$1,180,338,170
\$44,933,351	\$228,180,690	\$129,028,871	\$51,260,032	\$230,271	\$133,007,930	\$1,470,621,054
-	17,200,000	5,300,000	21,199,000	-	12,972,000	187,758,174
(900,000)	(1,000,412)	(5,019,000)	-	(85,026)	-	(165,061,611)
-	-	-	-	-	-	-
69,410	486,723	2,523,576	-	(39,026)	-	7,227,412
3,305,878	5,085,238	1,879,224	3,204,612	16,451	22,137,912	56,496,919
(3,305,878)	(5,085,238)	(1,879,224)	(3,204,612)	(16,451)	(22,137,912)	(56,496,919)
3,542,742	55,184,588	32,595,050	7,348,141	36,603	4,074,892	197,392,419
\$47,645,503	\$300,051,589	\$164,428,497	\$79,807,173	\$142,822	\$150,054,822	\$1,697,937,448
41,699,115	158,475,296	81,252,619	109,294,274	226,821	202,456,322	1,210,262,145
387,510	818,045	394,869	2,366,624	3,069	2,942,356	98,250,026
\$122.95	\$366.79	\$416.41	\$33.72	\$46.54	\$51.00	

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, 2011**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Probate Court Retirement Fund						
Book Value at June 30, 2010	\$6,646,273	\$ -	\$3,405,308	\$10,958,676	\$6,210,209	\$3,327,360
Market Value at June 30, 2010	\$6,645,942	\$ -	\$13,694,210	\$12,387,287	\$6,653,677	\$3,848,575
Shares Purchased	3,809,175	1,651,000	-	27,600	-	-
Shares Redeemed	(5,733,273)	-	(522,069)	-	-	(100,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	13,718	-	418,405	-	-	18,585
Net Investment Income Earned	32,993	-	240,923	503,808	131,331	116,067
Net Investment Income Distributed	(32,993)	-	(240,923)	(503,808)	(131,331)	(116,067)
Changes in Market Value of Fund Shares	18,469	23,559	3,609,502	48,236	353,926	469,983
Market Value at June 30, 2011	\$4,754,031	\$1,674,559	\$17,200,048	\$12,463,123	\$7,007,603	\$4,237,143
Book Value at June 30, 2011	4,735,893	1,651,000	3,301,644	10,986,276	6,210,209	3,245,945
Shares Outstanding	4,715,430	1,650,620	18,264	105,331	48,412	29,218
Market Value per Share	\$1.01	\$1.01	\$941.76	\$118.32	\$144.75	\$145.02
Judges' Retirement Fund						
Book Value at June 30, 2010	\$7,980,680	\$ -	\$11,188,223	\$24,754,692	\$14,909,682	\$7,357,771
Market Value at June 30, 2010	\$7,967,533	\$ -	\$29,088,106	\$26,868,026	\$16,093,634	\$8,316,628
Shares Purchased	14,913,113	3,265,000	-	59,400	-	-
Shares Redeemed	(18,996,901)	-	(6,000,000)	-	-	(740,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(774)	-	4,125,876	-	-	123,503
Net Investment Income Earned	44,491	-	469,895	1,092,752	317,655	245,195
Net Investment Income Distributed	(44,491)	-	(469,895)	(1,092,752)	(317,655)	(245,195)
Changes in Market Value of Fund Shares	18,569	46,968	4,155,969	104,617	856,060	899,402
Market Value at June 30, 2011	\$3,901,540	\$3,311,968	\$31,369,951	\$27,032,043	\$16,949,694	\$8,599,533
Book Value at June 30, 2011	3,896,118	3,265,000	9,314,099	24,814,092	14,909,682	6,741,274
Shares Outstanding	3,869,861	3,264,620	33,310	228,458	117,097	59,299
Market Value per Share	\$1.01	\$1.01	\$941.76	\$118.32	\$144.75	\$145.02
State's Attorneys' Retirement Fund						
Book Value at June 30, 2010	\$190,345	\$-	\$37,049	\$435,160	\$17,299	\$45,435
Market Value at June 30, 2010	\$190,453	\$-	\$158,685	\$475,750	\$22,248	\$54,633
Shares Purchased	55,081	-	-	-	-	-
Shares Redeemed	(10,082)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	18	-	-	-	-	-
Net Investment Income Earned	1,170	-	2,822	19,333	439	1,662
Net Investment Income Distributed	(1,170)	-	(2,822)	(19,333)	(439)	(1,662)
Changes in Market Value of Fund Shares	1,284	-	46,882	1,842	1,183	7,025
Market Value at June 30, 2011	\$236,754	\$-	\$205,567	\$477,592	\$23,431	\$61,658
Book Value at June 30, 2011	235,362	-	37,049	435,160	17,299	45,435
Shares Outstanding	234,831	-	218	4,036	162	425
Market Value per Share	\$1.01	\$-	\$941.76	\$118.32	\$144.75	\$145.02

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, 2011**

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$2,052,995	\$6,653,603	\$3,750,710	\$4,402,509	\$20,966	\$8,411,809	\$55,840,418
\$2,201,899	\$11,014,746	\$6,337,165	\$2,513,630	\$13,536	\$6,510,436	\$71,821,103
-	125,000	175,000	763,000	-	578,000	7,128,775
(50,000)	(519,120)	(300,000)	-	(4,898)	-	(7,229,360)
-	-	-	-	-	-	-
4,545	267,996	156,097	-	(2,360)	-	876,986
161,644	234,540	91,547	150,316	972	1,076,295	2,740,436
(161,644)	(234,540)	(91,547)	(150,316)	(972)	(1,076,295)	(2,740,436)
172,142	2,389,248	1,564,448	341,705	2,211	197,488	9,190,917
\$2,328,586	\$13,277,870	\$7,932,710	\$3,618,335	\$8,489	\$7,285,924	\$81,788,421
2,007,540	6,527,479	3,781,807	5,165,509	13,708	8,989,809	56,616,819
18,939	36,200	19,050	107,299	182	142,866	6,891,811
\$122.95	\$366.79	\$416.41	\$33.72	\$46.54	\$51.00	
\$4,504,115	\$15,857,602	\$8,519,959	\$9,336,412	\$34,481	\$19,927,654	\$124,371,271
\$4,677,332	\$23,723,243	\$13,758,683	\$5,300,672	\$22,683	\$13,958,509	\$149,775,049
-	235,000	-	1,330,000	-	460,000	20,262,513
(190,000)	(4,118,022)	(2,350,000)	-	(7,361)	-	(32,402,284)
-	-	-	-	-	-	-
11,604	1,915,600	1,197,568	-	(3,305)	-	7,370,072
338,326	481,920	188,537	308,319	1,662	2,205,624	5,694,376
(338,326)	(481,920)	(188,537)	(308,319)	(1,662)	(2,205,624)	(5,694,376)
359,157	3,829,781	2,509,880	698,060	3,014	399,549	13,881,026
\$4,858,093	\$25,585,602	\$15,116,131	\$7,328,732	\$15,031	\$14,818,058	\$158,886,376
4,325,719	13,890,180	7,367,527	10,666,412	23,815	20,387,654	119,601,572
39,512	69,755	36,301	217,328	323	290,560	8,226,424
\$122.95	\$366.79	\$416.41	\$33.72	\$46.54	\$51.00	
\$53,177	\$-	\$-	\$54,049	\$-	\$-	\$832,514
\$55,929	\$-	\$-	\$33,084	\$-	\$-	\$990,782
-	-	-	9,100	-	-	64,181
-	-	-	-	-	-	(10,082)
-	-	-	-	-	-	-
-	-	-	-	-	-	18
4,181	-	-	1,992	-	-	31,599
(4,181)	-	-	(1,992)	-	-	(31,599)
4,557	-	-	4,477	-	-	67,250
\$60,486	\$-	\$-	\$46,661	\$-	\$-	\$1,112,149
53,177	-	-	63,149	-	-	886,631
492	-	-	1,384	-	-	241,549
\$122.95	\$-	\$-	\$33.72	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST
FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Soldiers' Sailors' & Marines' Fund						
Book Value at June 30, 2010	\$653,033	\$-	\$983,642	\$37,929,520	\$1,725,943	\$4,533,494
Market Value at June 30, 2010	\$652,199	\$-	\$4,477,002	\$42,988,848	\$2,280,963	\$5,601,621
Shares Purchased	2,273,972	-	-	-	-	-
Shares Redeemed	(2,271,165)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,633	-	-	-	-	-
Net Investment Income Earned	4,107	-	79,614	1,746,806	45,021	170,492
Net Investment Income Distributed	(4,107)	-	(79,614)	(1,746,806)	(45,021)	(170,492)
Changes in Market Value of Fund Shares	1,807	-	1,322,703	166,372	121,330	720,250
Market Value at June 30, 2011	\$658,446	\$-	\$5,799,705	\$43,155,220	\$2,402,293	\$6,321,871
Book Value at June 30, 2011	657,473	-	983,642	37,929,520	1,725,943	4,533,494
Shares Outstanding	653,099	-	6,158	364,721	16,596	43,593
Market Value per Share	\$1.01	\$-	\$941.76	\$118.32	\$144.75	\$145.02
Endowment for the Arts						
Book Value at June 30, 2010	\$1,070,982	\$-	\$-	\$11,040,873	\$502,392	\$1,319,527
Market Value at June 30, 2010	\$1,071,142	\$-	\$-	\$11,956,991	\$634,417	\$1,557,898
Shares Purchased	681,552	-	-	2,461	-	-
Shares Redeemed	(780,669)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	2,526	-	-	-	-	-
Net Investment Income Earned	4,884	-	-	485,919	12,523	47,418
Net Investment Income Distributed	(4,884)	-	-	(485,919)	(12,523)	(47,418)
Changes in Market Value of Fund Shares	4,041	-	-	46,267	33,746	200,312
Market Value at June 30, 2011	\$978,592	\$-	\$-	\$12,005,719	\$668,163	\$1,758,210
Book Value at June 30, 2011	974,391	-	-	11,043,334	502,392	1,319,527
Shares Outstanding	970,647	-	-	101,465	4,616	12,124
Market Value per Share	\$1.01	\$-	\$-	\$118.32	\$144.75	\$145.02
Agricultural College Fund						
Book Value at June 30, 2010	\$45,748	\$-	\$25,364	\$302,380	\$13,760	\$36,140
Market Value at June 30, 2010	\$45,753	\$-	\$117,942	\$333,594	\$17,700	\$43,466
Shares Purchased	22,461	-	-	-	-	-
Shares Redeemed	(24,971)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	7	-	-	-	-	-
Net Investment Income Earned	256	-	2,097	13,557	349	1,322
Net Investment Income Distributed	(256)	-	(2,097)	(13,557)	(349)	(1,322)
Changes in Market Value of Fund Shares	192	-	34,844	1,292	942	5,589
Market Value at June 30, 2011	\$43,442	\$-	\$152,786	\$334,886	\$18,642	\$49,055
Book Value at June 30, 2011	43,245	-	25,364	302,380	13,760	36,140
Shares Outstanding	43,089	-	162	2,830	129	338
Market Value per Share	\$1.01	\$-	\$941.76	\$118.32	\$144.75	\$145.02

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$5,301,306	\$-	\$-	\$-	\$-	\$-	\$51,126,938
\$5,697,950	\$-	\$-	\$-	\$-	\$-	\$61,698,583
-	-	-	-	-	-	2,273,972
-	-	-	-	-	-	(2,271,165)
-	-	-	-	-	-	-
426,088	-	-	-	-	-	1,633
(426,088)	-	-	-	-	-	2,472,128
464,270	-	-	-	-	-	(2,472,128)
						2,796,732
\$6,162,220	\$-	\$-	\$-	\$-	\$-	\$64,499,755
5,301,306	-	-	-	-	-	51,131,378
50,119	-	-	-	-	-	1,134,287
\$122.95	\$-	\$-	\$-	\$-	\$-	
\$1,545,250	\$-	\$-	\$-	\$-	\$-	\$15,479,024
\$1,601,871	\$-	\$-	\$-	\$-	\$-	\$16,822,319
-	-	-	-	-	-	684,013
-	-	-	-	-	-	(780,669)
-	-	-	-	-	-	-
-	-	-	-	-	-	2,526
119,786	-	-	-	-	-	670,530
(119,786)	-	-	-	-	-	(670,530)
130,523	-	-	-	-	-	414,889
\$1,732,394	\$-	\$-	\$-	\$-	\$-	\$17,143,078
1,545,250	-	-	-	-	-	15,384,894
14,090	-	-	-	-	-	1,102,941
\$122.95	\$-	\$-	\$-	\$-	\$-	
\$42,296	\$-	\$-	\$-	\$-	\$-	\$465,688
\$44,495	\$-	\$-	\$-	\$-	\$-	\$602,950
-	-	-	-	-	-	22,461
-	-	-	-	-	-	(24,971)
-	-	-	-	-	-	-
-	-	-	-	-	-	7
3,327	-	-	-	-	-	20,908
(3,327)	-	-	-	-	-	(20,908)
3,625	-	-	-	-	-	46,484
\$48,120	\$-	\$-	\$-	\$-	\$-	\$646,931
42,296	-	-	-	-	-	463,185
391	-	-	-	-	-	46,940
\$122.95	\$-	\$-	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Ida Eaton Cotton Fund						
Book Value at June 30, 2010	\$153,607	\$-	\$87,363	\$1,021,247	\$46,470	\$122,060
Market Value at June 30, 2010	\$153,639	\$-	\$401,871	\$1,135,132	\$60,230	\$147,907
Shares Purchased	71,922	-	-	-	-	-
Shares Redeemed	(80,462)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	24	-	-	-	-	-
Net Investment Income Earned	858	-	7,146	46,126	1,188	4,502
Net Investment Income Distributed	(858)	-	(7,146)	(46,126)	(1,188)	(4,502)
Changes in Market Value of Fund Shares	649	-	118,730	4,395	3,203	19,017
Market Value at June 30, 2011	\$145,772	\$-	\$520,601	\$1,139,527	\$63,433	\$166,924
Book Value at June 30, 2011	145,091	-	87,363	1,021,247	46,470	122,060
Shares Outstanding	144,589	-	553	9,631	438	1,151
Market Value per Share	\$1.01	\$-	\$941.76	\$118.32	\$144.75	\$145.02
Andrew Clark Fund						
Book Value at June 30, 2010	\$73,509	\$-	\$41,101	\$495,688	\$22,555	\$59,240
Market Value at June 30, 2010	\$73,498	\$-	\$188,004	\$533,708	\$28,317	\$69,536
Shares Purchased	33,858	-	-	-	-	-
Shares Redeemed	(37,902)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	4	-	-	-	-	-
Net Investment Income Earned	409	-	3,346	21,687	559	2,115
Net Investment Income Distributed	(409)	-	(3,346)	(21,687)	(559)	(2,115)
Changes in Market Value of Fund Shares	326	-	55,544	2,065	1,507	8,942
Market Value at June 30, 2011	\$69,784	\$-	\$243,548	\$535,773	\$29,824	\$78,478
Book Value at June 30, 2011	69,469	-	41,101	495,688	22,555	59,240
Shares Outstanding	69,218	-	259	4,528	206	541
Market Value per Share	\$1.01	\$-	\$941.76	\$118.32	\$144.75	\$145.02
School Fund						
Book Value at June 30, 2010	\$447,888	\$-	\$384,307	\$4,757,413	\$216,479	\$568,594
Market Value at June 30, 2010	\$448,068	\$-	\$1,767,342	\$5,250,728	\$278,597	\$684,154
Shares Purchased	368,755	-	-	-	-	-
Shares Redeemed	(383,051)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,788	-	-	-	-	-
Net Investment Income Earned	2,907	-	31,428	213,359	5,499	20,824
Net Investment Income Distributed	(2,907)	-	(31,428)	(213,359)	(5,499)	(20,824)
Changes in Market Value of Fund Shares	1,845	-	522,150	20,322	14,819	87,967
Market Value at June 30, 2011	\$437,405	\$-	\$2,289,492	\$5,271,050	\$293,416	\$772,121
Book Value at June 30, 2011	435,380	-	384,307	4,757,413	216,479	568,594
Shares Outstanding	433,853	-	2,431	44,548	2,027	5,324
Market Value per Share	\$1.01	\$-	\$941.76	\$118.32	\$144.75	\$145.02

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$142,819	\$-	\$-	\$-	\$-	\$-	\$1,573,566
\$151,139	\$-	\$-	\$-	\$-	\$-	\$2,049,918
-	-	-	-	-	-	71,922
-	-	-	-	-	-	(80,462)
-	-	-	-	-	-	-
-	-	-	-	-	-	24
11,301	-	-	-	-	-	71,121
(11,301)	-	-	-	-	-	(71,121)
12,315	-	-	-	-	-	158,309
\$163,454	\$-	\$-	\$-	\$-	\$-	\$2,199,711
142,819	-	-	-	-	-	1,565,050
1,329	-	-	-	-	-	157,691
\$122.95	\$-	\$-	\$-	\$-	\$-	
\$69,389	\$-	\$-	\$-	\$-	\$-	\$761,482
\$71,601	\$-	\$-	\$-	\$-	\$-	\$964,664
-	-	-	-	-	-	33,858
-	-	-	-	-	-	(37,902)
-	-	-	-	-	-	-
-	-	-	-	-	-	4
5,355	-	-	-	-	-	33,471
(5,355)	-	-	-	-	-	(33,471)
5,834	-	-	-	-	-	74,218
\$77,435	\$-	\$-	\$-	\$-	\$-	\$1,034,842
69,389	-	-	-	-	-	757,442
630	-	-	-	-	-	75,381
\$122.95	\$-	\$-	\$-	\$-	\$-	
\$665,451	\$-	\$-	\$-	\$-	\$-	\$7,040,132
\$700,278	\$-	\$-	\$-	\$-	\$-	\$9,129,167
-	-	-	-	-	-	368,755
-	-	-	-	-	-	(383,051)
-	-	-	-	-	-	-
-	-	-	-	-	-	1,788
52,366	-	-	-	-	-	326,383
(52,366)	-	-	-	-	-	(326,383)
57,058	-	-	-	-	-	704,161
\$757,336	\$-	\$-	\$-	\$-	\$-	\$9,820,820
665,451	-	-	-	-	-	7,027,624
6,160	-	-	-	-	-	494,343
\$122.95	\$-	\$-	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Hopemead Fund						
Book Value at June 30, 2010	\$349,754	\$-	\$94,338	\$1,240,840	\$54,187	\$142,321
Market Value at June 30, 2010	\$350,082	\$-	\$430,759	\$1,337,760	\$68,284	\$167,681
Shares Purchased	229,058	-	100,000	100,000	-	15,000
Shares Redeemed	(359,332)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,522	-	-	-	-	-
Net Investment Income Earned	1,960	-	7,978	55,360	1,347	5,180
Net Investment Income Distributed	(1,960)	-	(7,978)	(55,360)	(1,347)	(5,180)
Changes in Market Value of Fund Shares	644	-	126,658	6,541	3,632	22,127
Market Value at June 30, 2011	\$221,974	\$-	\$657,417	\$1,444,301	\$71,916	\$204,808
Book Value at June 30, 2011	221,002	-	194,338	1,340,840	54,187	157,321
Shares Outstanding	220,171	-	698	12,206	497	1,412
Market Value per Share	\$1.01	\$-	\$941.76	\$118.32	\$144.75	\$145.02
Police & Fireman's Survivors' Benefit Fund						
Book Value at June 30, 2010	\$1,225,666	\$-	\$6,467,744	\$8,140,446	\$370,407	\$972,808
Market Value at June 30, 2010	\$1,226,357	\$-	\$6,333,105	\$8,485,762	\$450,228	\$1,105,532
Shares Purchased	608,355	-	-	-	-	-
Shares Redeemed	(641,994)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,679	-	-	-	-	-
Net Investment Income Earned	6,887	-	112,623	344,810	8,887	33,647
Net Investment Income Distributed	(6,887)	-	(112,623)	(344,810)	(8,887)	(33,647)
Changes in Market Value of Fund Shares	5,431	-	1,871,079	32,838	23,951	142,149
Market Value at June 30, 2011	\$1,199,828	\$-	\$8,204,184	\$8,518,600	\$474,179	\$1,247,681
Book Value at June 30, 2011	1,193,706	-	6,467,744	8,140,446	370,407	972,808
Shares Outstanding	1,190,086	-	8,712	71,994	3,276	8,603
Market Value per Share	\$1.01	\$-	\$941.76	\$118.32	\$144.75	\$145.02

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$166,677	\$-	\$-	\$-	\$-	\$-	\$2,048,117
\$172,501	\$-	\$-	\$-	\$-	\$-	\$2,527,067
-	-	-	-	-	-	444,058
-	-	-	-	-	-	(359,332)
-	-	-	-	-	-	-
-	-	-	-	-	-	1,522
12,901	-	-	-	-	-	84,726
(12,901)	-	-	-	-	-	(84,726)
14,054	-	-	-	-	-	173,656
\$186,555	\$-	\$-	\$-	\$-	\$-	\$2,786,971
166,677	-	-	-	-	-	2,134,365
1,517	-	-	-	-	-	236,502
\$122.95	\$-	\$-	\$-	\$-	\$-	
\$1,140,668	\$-	\$-	\$1,135,966	\$4,830	\$-	\$19,458,535
\$1,147,434	\$-	\$-	\$673,506	\$3,041	\$-	\$19,424,965
-	-	-	207,000	-	-	815,355
-	-	-	-	(986)	-	(642,980)
-	-	-	-	-	-	-
-	-	-	-	(510)	-	1,169
85,805	-	-	40,490	223	-	633,372
(85,805)	-	-	(40,490)	(223)	-	(633,372)
93,495	-	-	91,601	470	-	2,261,014
\$1,240,929	\$-	\$-	\$972,107	\$2,015	\$-	\$21,859,523
1,140,668	-	-	1,342,966	3,334	-	19,632,079
10,093	-	-	28,827	43	-	1,321,634
\$122.95	\$-	\$-	\$33.72	\$46.54	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT
JUNE 30, 2011**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
LIQUIDITY (LF)			
State Street Global Advisors	Active	\$ 748,368,894	43.11%
Payden & Rygel	Active	130,709,153	7.53%
PIMCO	Active	184,811,003	10.65%
Ambassador Capital Management	Active	174,529,169	10.05%
Lazard	Active	253,085,162	14.58%
Colchester Global Investors Ltd.	Active	244,448,375	14.08%
SUBTOTAL LF		\$ 1,735,951,756	100.00%
MUTUAL EQUITY FUND (MEF)			
Large Cap		\$ 4,349,689,055	65.53%
T. Rowe Price Associates	Enhanced - Index	949,008,871	14.30%
State Street Global Advisors	Passive - Indexed	3,400,680,184	51.23%
Active Extension		746,909,829	11.25%
Pyramis	Active	382,472,887	5.76%
Numeric	Active	364,436,942	5.49%
All Cap		354,143,230	5.33%
Capital Prospects	Active	180,524,387	2.72%
FIS Group, Inc.	Active	173,618,843	2.61%
Small/Mid Cap		494,466,341	7.45%
AXA Rosenberg Investment Management	Enhanced - Index	494,466,341	7.45%
Small/Mid Cap		440,465,635	6.64%
Frontier Capital Mgmt Co	Active	259,227,511	3.91%
Bivium	Active	181,238,124	2.73%
Other (1)		252,187,259	3.80%
SUBTOTAL MEF		\$ 6,637,861,349	100.00%
CORE FIXED INCOME FUND (CFIF)			
State Street Global Advisors	Passive	\$ 1,034,932,957	38.08%
BlackRock Financial Management, Inc.	Active	670,848,445	24.68%
Wellington	Active	533,857,499	19.64%
Phoenix	Active	328,279,063	12.08%
Progress	Active	138,600,374	5.10%
Other (1)		11,550,908	0.42%
SUBTOTAL CFIF		\$ 2,718,069,246	100.00%
INFLATION LINKED BOND FUND (ILBF)			
Brown Brothers Harriman	Active	\$ 631,810,431	56.44%
Hartford Investment Mgmt Co.	Active	487,011,471	43.51%
Other (1)		605,289	0.05%
SUBTOTAL ILBF		\$ 1,119,427,191	100.00%
EMERGING MARKET DEBT FUND (EMDF)			
Ashmore	Active	\$ 327,567,335	28.29%
Stone Harbor Investment Partners	Active	289,371,354	24.99%
ING Investment Management	Active	221,115,482	19.10%
Pyramis	Active	152,907,758	13.21%
UBS Global Asset Management	Active	167,231,170	14.44%
Other (1)		(379,149)	-0.03%
SUBTOTAL EMDF		\$ 1,157,813,950	100.00%
HIGH YIELD INCOME FUND (HYIF)			
Loomis Sayles & Co., Inc.	Active	\$ 228,508,388	31.85%
Stone Harbor Investment Partners	Active	100,540,205	14.01%
Shenkman Capital Management	Active	239,821,174	33.42%
Oaktree Capital Management, L.L.C.	Active	144,593,300	20.15%
Other (1)		4,113,663	0.57%
SUBTOTAL HYIF		\$ 717,576,730	100.00%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2011**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
DEVELOPED MARKET INTERNATIONAL STOCK FUND (DMISF)			
Index		\$ 618,965,748	11.44%
State Street Global Advisors	Index-Passive	618,965,748	11.44%
Core		1,849,620,814	34.19%
Invesco Global Asset Mgmt.	Active	225,720,371	4.17%
AQR Capital Management	Active	709,699,814	13.12%
Acadian Asset Management	Active	239,312,412	4.42%
Artio Global	Active	552,012,604	10.21%
Progress	Active	122,875,613	2.27%
Active-Growth		666,633,801	12.33%
MFS Institutional Advisors, Inc.	Active	666,633,801	12.33%
Active-Value		616,109,382	11.39%
Grantham, Mayo, Van Otterloo	Active	616,109,382	11.39%
Small Cap		859,932,581	15.90%
Schroder Investment Mgmt.	Active	295,978,786	5.47%
Dimensional Fund Advisors	Active	265,344,305	4.91%
William Blair & Company	Active	298,609,490	5.52%
Risk Controlled		825,113,367	15.26%
BlackRock	Active	401,410,912	7.42%
Pyramis	Active	423,702,455	7.84%
Other ⁽¹⁾		(27,673,835)	-0.51%
SUBTOTAL DMISF		\$ 5,408,701,858	100.00%
EMERGING MARKET INTERNATIONAL STOCK FUND (EMISF)			
Aberdeen Asset Management	Active	\$ 649,192,062	24.61%
Schroders Investment Mgt	Active	519,626,634	19.70%
Grantham, Mayo, Van Otterloo	Active	754,435,835	28.60%
Emerging Markets Management	Active	707,713,117	26.83%
Other ⁽¹⁾		7,031,558	0.26%
SUBTOTAL EMISF		\$ 2,637,999,206	100.00%
REAL ESTATE FUND (REF)			
1800 E. St. Andrew Place	Active	\$ 17,718,587	1.61%
1155 Perimeter Center West	Active	26,978,805	2.46%
AEW Partners III	Active	6,184,858	0.56%
AEW 221 Trust	Active	2,137,623	0.19%
AEW Core	Active	44,928	0.00%
Alliance Bernstein Legacy	Active	52,936,515	4.82%
Apollo Real Estate	Active	11,611,733	1.06%
Blackstone Real Estate VI LP	Active	102,645,074	9.35%
Blackstone Real Estate Spec Sit II LP	Active	26,523,834	2.42%
Blackstone Real Estate Partner Europe III LP	Active	6,707,543	0.61%
Canyon Johnson Urban Fund II	Active	27,267,184	2.49%
Canyon Johnson Urban Fund III	Active	12,658,348	1.15%
Capri Select Income II LLC	Active	6,424,830	0.59%
Colony Realty Partners II LP	Active	24,181,610	2.20%
Cornerstone Patriot	Active	49,996,200	4.56%
Covenant Apartment Fund V LP	Active	25,731,250	2.35%
Covenant Apartment Fund VI	Active	22,313,540	2.03%
The Glen at Lafayette Hill	Active	13,347,468	1.22%
IL & FS India Realty Fund II	Active	32,128,701	2.93%
Macfarlane Urban Real Estate Fund II LP	Active	31,642,385	2.88%
Marathon Legacy Securities PPI	Active	61,544,800	5.61%
Mullica Hill Plaza	Active	8,537,811	0.78%
North Scottsdale Corporate Center	Active	41,966,361	3.82%
Prime Property Fund	Active	123,937,350	11.30%
Rio Hill Shopping Center	Active	39,361,216	3.59%
Lone Star Real Estate Part II LP	Active	3,612,780	0.33%
RLJ Lodging Trust	Active	63,062,410	5.75%
Rocky Creek Apartments	Active	13,206,195	1.20%
Rockwood Capital Fund V	Active	9,164,238	0.84%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2011**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Rockwood Capital VI Limited Partnership	Active	10,059,141	0.92%
Rockwood Capital VII Limited Partnership	Active	16,908,700	1.54%
Starwood Opportunity Fund VII	Active	34,859,600	3.18%
Starwood Opportunity Fund VIII	Active	39,137,274	3.57%
Urban Strategy America Fund LP	Active	29,322,595	2.67%
Walton Street Real Estate	Active	16,680,034	1.52%
WLR IV PPIP Co Invest LP	Active	46,672,057	4.25%
Other ⁽³⁾	Active	40,053,701	3.65%
SUBTOTAL REF		\$ 1,097,267,279	100.00%
COMMERCIAL MORTGAGE FUND (CMF)			
AEW Capital Management	Active	\$ 2,072,818	86.72%
Other ⁽²⁾		317,456	13.28%
SUBTOTAL CMF		\$ 2,390,274	100.00%
PRIVATE INVESTMENT FUND (PIF)			
Buyout		\$ 999,457,630	44.77%
KKR Millennium Fund	Active	85,974,801	3.85%
Yucaipa American Alliance Fund II LP	Active	65,529,535	2.93%
Hicks, Muse Tate & Furst Equity Fund III	Active	24,671,237	1.10%
Thomas H. Lee Equity Fund VI	Active	71,443,658	3.20%
Welsh Carson Anderson & Stowe VIII	Active	7,044,582	0.32%
Wellspring Capital Partners III	Active	12,258,245	0.55%
SCP Private Equity Partners	Active	419,674	0.02%
TA XI, L.P.	Active	14,231,282	0.64%
Charterhouse Equity Partners IV	Active	62,402,655	2.80%
DLJ Merchant Banking Fund II	Active	3,712,098	0.17%
KKR 1996 Fund	Active	2,245,265	0.10%
FS Equity Partners V	Active	52,106,243	2.33%
FS Equity Partners VI	Active	23,809,200	1.07%
Blackstone Capital Partners III	Active	8,320,013	0.37%
Thayer Equity Investors IV	Active	1,991,131	0.09%
Green Equity Investors III	Active	2,327,999	0.10%
Wellspring Capital Partners II	Active	2,142,723	0.10%
Candover 2008 Fund	Active	8,467,011	0.38%
Leeds Equity Partners V LP	Active	10,388,157	0.47%
Welsh Carson Anderson & Stowe XI	Active	34,321,268	1.54%
AIG Healthcare Partners LP	Active	20,952,199	0.94%
AIG Altaris Health Partners II	Active	11,815,392	0.53%
Welsh Carson Anderson & Stowe X LP	Active	87,370,525	3.91%
Court Square Capital Partners II	Active	79,567,617	3.56%
Ethos Private Equity Fund V	Active	32,616,110	1.46%
Boston Ventures VII	Active	51,094,882	2.29%
KKR 2006 Fund	Active	96,902,601	4.34%
Nogales Investors Fund II	Active	12,137,058	0.54%
ICV Partners II LP	Active	34,104,500	1.53%
Vista Equity Partners Fund III	Active	48,736,119	2.18%
RFE Investments Partners	Active	1,477,601	0.07%
RFE Investment Partners VII	Active	28,876,249	1.29%
Venture Capital		20,359,448	0.91%
Conning Capital Partners V	Active	519,986	0.02%
Grotech Partners V	Active	2,647,214	0.12%
Crescendo III	Active	2,025,342	0.09%
Syndicated Communications	Active	15,166,906	0.68%
Mezzanine		53,246,070	2.39%
SW Pelham Fund	Active	3,482,490	0.16%
Audax Mezzanine III Limited Partnership	Active	3,966,725	0.18%
GarMark Partners	Active	519,327	0.02%
GarMark Partners II LP	Active	39,729,499	1.78%
SW Pelham Fund II	Active	5,548,029	0.25%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2011**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
International		112,398,113	5.04%
Compass Partners European Equity Fund	Active	17,228,646	0.77%
Gilbert Global Equity Partners	Active	37,240,785	1.67%
Carlyle Europe Partners	Active	(39,545)	0.00%
AIG Global Emerging Markets Fund	Active	10,179,928	0.46%
Carlyle Asia Partners	Active	47,788,299	2.14%
Fund of Funds		668,142,401	29.93%
The Constitution Liquidating Fund	Active	133,519,602	5.98%
Landmark Private Equity Fund VIII	Active	25,621,504	1.15%
CS/CT Cleantech Opp Fund	Active	15,724,580	0.70%
CT Emerging Pvt Equity	Active	17,093,202	0.77%
Fairview Constitution III	Active	122,781,747	5.50%
Goldman Sachs Private Equity Partners CT	Active	6,084,690	0.27%
Lexington Capital Partners II	Active	2,800,161	0.13%
Parish Capital I LP	Active	39,753,296	1.78%
Parish Capital Buyout Fund II	Active	121,798,328	5.46%
Fairview Constitution II LP	Active	147,371,586	6.60%
Connecticut Horizon Legacy	Active	5,396,604	0.24%
Landmark Equity Partners XIV LP	Active	20,716,133	0.93%
JP Morgan Nutmeg I	Active	9,480,968	0.42%
Special Situations		299,206,486	13.40%
Welsh Carson Anderson & Stowe Capital Partners III	Active	12,545,428	0.56%
Levine Leichtman Capital Partners IV LP	Active	33,873,345	1.52%
Greenwich Street Capital Partners II	Active	1,554,180	0.07%
Pegasus Partners IV	Active	161,583,508	7.24%
WLR Recovery Fund IV	Active	61,768,314	2.76%
KPS Special Situations Fund II	Active	27,881,711	1.25%
Other ⁽³⁾		79,538,148	3.56%
SUBTOTAL PIF		\$ 2,232,348,296	100.00%
ALTERNATIVE INVESTMENT FUND (AIF)			
Energy Fund XV Limited Partnership	Active	\$ 3,900,000	0.75%
Prudence Crandall I Permal Limited Partnership	Active	101,433,300	19.55%
Prudence Crandall II Prisma Limited Partnership	Active	102,948,400	19.84%
Prudence Crandall III Rock Creek Ltd. Partnership	Active	101,961,900	19.65%
Prudence Crandall IV K2 Limited Partnership	Active	100,606,100	19.39%
Other ⁽³⁾		108,015,906	20.82%
SUBTOTAL AIF		\$ 518,865,606	100.00%
TOTAL		\$ 25,984,272,741	
Adjustments ⁽⁴⁾		(800,608,055)	
GRAND TOTAL		\$ 25,183,664,686	

- (1) Other represents cash equivalents, other net assets and terminated advisor balances, as well as, currency overlay balances for the DMISF.
- (2) Other also includes residential mortgage-backed securities for the Commercial Mortgage Fund.
- (3) Other represents moneys earmarked for distribution to participants, reinvestment, and expenses as well as terminated advisor balances.
- (4) Represents Elimination Entry to the Financial Statements to account for investment of Combined Investment Funds in the Liquidity Fund.

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:				
		2011	2010	2009	2008	2007
CONSULTING SERVICES						
Alignment Capital Management	Private Equity Consultant	-	-	-	-	227,147
CRA RogersCasey Consulting Inc.	Pension Funds Consultant	240,225	160,599	130,208	555,055	401,495
Franklin Park Associates LLC	Private Equity Consultant	956,085	943,208	995,521	791,426	905,569
Independent Fiduciary Service	Pension Funds Consultant	-	-	42,500	142,500	-
Korn Ferry International	Pension Funds Consultant	-	-	11,413	182,392	-
Mercer Investment Consulting	Pension Funds Consultant	505,250	500,000	500,000	250,000	-
New England Pension Consultants	Pension Funds Consultatn	397,747	445,487	419,964	-	-
Pension Consulting Alliance	Pension Funds Consultant	-	-	-	103,350	202,768
The Townsend Group	Pension Funds Consultant	250,000	250,000	271,527	-	-
TOTAL CONSULTING SERVICES COMPENSATION		\$2,349,307	\$2,299,294	\$2,371,133	\$2,024,723	\$1,736,979

(1) Expenses are presented on a cash basis.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2011*

LIQUIDITY FUND

Security Name	Maturity Date	Market Value	%
Barclays Bank PLC	01/06/2012	\$40,000,000	2.53%
CMMNWLTH Bank of Australia	07/08/2011	39,998,367	2.53%
Credit Suisse NY	02/07/2012	35,000,000	2.21%
Royal Bank of Scotland PLC	09/09/2011	35,000,000	2.21%
ING Bank Amsterdam	09/01/2011	35,000,000	2.21%
DNB Norway Bank ASA	12/15/2011	35,000,000	2.21%
New Zealand Govt SR Unsecured	04/15/2015	30,202,126	1.92%
Lloyds Bk PLC NY BRN	08/29/2011	30,000,000	1.90%
WESTPAC Banking Corp	11/17/2011	30,000,000	1.90%
BNP Paribas NY BANCH	11/21/2011	30,000,000	1.90%
Top Ten		\$340,200,493	21.52%
Fair Value LF		\$1,580,644,752	

ALTERNATIVE INVESTMENT FUND

Security Name	Partnership Type	Market Value	%
Prudence Crandall II Prisma	Hedge Fund-of-Funds	\$102,948,400	19.84%
Prudence Crandall III Rock Creek	Hedge Fund-of-Funds	101,961,900	19.65%
Prudence Crandall I Permal	Hedge Fund-of-Funds	101,433,300	19.54%
Prudence Crandall IV K2	Hedge Fund-of-Funds	100,606,100	19.38%
Energy Fund XV LP	Hedge Fund-of-Funds	3,900,000	0.75%
Top Five		\$410,849,700	79.16%
FAIR VALUE AIF		\$519,007,742	

MUTUAL EQUITY FUND

Security Name	Industry Sector	Market Value	%
Exxon Mobil Corp	Energy	\$152,381,690	2.30%
Apple Inc	Information Technology	117,751,022	1.77%
Chevron Corp	Energy	80,649,802	1.22%
Microsoft	Technology	80,510,144	1.21%
International Business Machines	Information Technology	76,930,397	1.16%
AT&T Inc	Telecommunication Svcs	75,960,279	1.14%
General Electric Co	Industrials	74,495,887	1.12%
Proctor & Gamble Co	Consumer Staples	70,207,916	1.06%
Johnson & Johnson	Health Care	67,686,960	1.02%
JP Morgan Chase & Co	Financials	64,073,679	0.97%
Top Ten		\$860,647,776	12.97%
FAIR VALUE MEF		\$6,634,922,151	

CORE FIXED INCOME FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
FNMA TBA JUL 30 yr Single Fam 4%	4.000%	12/01/2041	U.S. Govt Agency	\$57,320,000	1.91%
Government Natl Mtg Assn 4%	4.000%	12/01/2041	U.S. Govt Agency	38,604,561	1.29%
FHLMC Gold TBA 30 yr TBA 4%	4.000%	12/01/2041	U.S. Govt Agency	29,372,364	0.98%
US Treasury N/B 4.5%	4.500%	02/15/2041	U.S. Govt Agency	24,581,181	0.82%
FNMA TBA 30YR Single Family JU 3.5%	3.500%	12/01/2041	U.S. Govt Agency	24,288,750	0.81%
WI Treasury Sec 0.5%	0.500%	05/31/2013	U.S. Govt Agency	22,853,972	0.76%
FHLMC TBA JUL 30 Gold Single 5%	5.000%	12/01/2041	U.S. Govt Agency	18,460,356	0.61%
GNMA II TBA JUL 30 4.5%	4.500%	12/01/2041	U.S. Govt Agency	17,679,312	0.59%
FNMA TBA JUL 30 Single Fam 4.5%	4.500%	12/01/2041	U.S. Govt Agency	16,345,574	0.54%
WI Treasury Sec 1.75%	1.750%	05/31/2016	U.S. Govt Agency	15,318,860	0.51%
Top Ten				\$264,824,930	8.82%
FAIR VALUE CFI				\$3,001,125,667	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2011* (Continued)

INFLATION LINKED BOND FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
U.S. Treasury Bonds	2.375%	01/15/2025	U.S. Govt Agency	\$132,043,343	11.84%
U.S. Treasury Notes	2.375%	01/15/2017	U.S. Govt Agency	118,676,805	10.64%
U.S. Treasury Notes	1.875%	07/15/2015	U.S. Govt Agency	88,020,690	7.89%
U.S. Treasury Notes	2.000%	01/15/2026	U.S. Govt Agency	77,221,770	6.93%
U.S. Treasury Notes	3.000%	07/15/2012	U.S. Govt Agency	64,019,673	5.74%
U.S. Treasury Notes	1.250%	07/15/2020	U.S. Govt Agency	54,887,745	4.92%
U.S. Treasury Notes	0.500%	04/15/2015	U.S. Govt Agency	47,469,617	4.26%
U.S. Treasury Notes	2.375%	01/15/2027	U.S. Govt Agency	46,535,328	4.17%
U.S. Treasury Bonds	2.125%	02/15/2041	U.S. Govt Agency	46,316,923	4.16%
U.S. Treasury Notes	1.625%	01/15/2015	U.S. Govt Agency	45,809,309	4.11%
Top Ten				\$721,001,203	64.66%

FAIR VALUE ILB

\$1,115,148,171

EMERGING MARKET DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
Russian Federation	7.500%	03/31/2030	\$23,216,436	2.03%
Nota Tesouro Nacional	10.000%	01/01/2021	10,914,872	0.96%
Republic of Colombia	7.375%	09/18/2037	10,812,060	0.95%
Petroleos de Venezuela	4.900%	10/28/2014	9,792,574	0.86%
Republic of Iraq	5.800%	01/15/2028	9,618,872	0.84%
South Africa (Republic)	10.500%	12/21/2026	9,310,808	0.81%
Republic of Indonesia	11.625%	03/04/2019	8,798,288	0.77%
Republic of Argentina	8.280%	12/31/2033	8,643,106	0.76%
Nota Do Tesouro Nacional	6.000%	05/15/2045	7,624,227	0.67%
Republic of Indonesia	7.750%	01/17/2038	7,482,380	0.65%
Top Ten			\$106,213,623	9.30%

FAIR VALUE EMD

\$1,141,817,330

HIGH YIELD DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
Vertex Pharmaceuticals Inc	Common Stock		\$7,756,128	1.09%
Qwest Capital Funding	6.875%	07/15/2028	7,047,900	0.99%
Borden Inc	7.875%	02/15/2023	5,942,563	0.84%
Toys R Us Inc	7.375%	10/15/2018	5,900,344	0.83%
European Bk Recon + Dev	9.250%	09/10/2012	5,784,253	0.81%
Tenet Healthcare Corp	6.875%	11/15/2031	5,556,925	0.78%
Mex Bonos Desarr Fix Rt	7.250%	12/15/2016	4,932,666	0.70%
AES Corp	8.000%	10/15/2017	4,817,700	0.68%
Algoma Acquisition Corp	9.875%	06/15/2015	4,682,550	0.66%
Albertsons Inc	7.450%	08/01/2029	4,476,775	0.63%
Top Ten			\$56,897,804	8.01%

FAIR VALUE HYI

\$710,362,023

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2011* (Continued)

DEVELOPED MARKET INTERNATIONAL STOCK FUND

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

FAIR VALUE DM ISF

\$5,391,257,095

EMERGING MARKET INTERNATIONAL STOCK FUND

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

FAIR VALUE EM ISF

\$2,629,250,556

REAL ESTATE FUND

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

FAIR VALUE REF

\$1,097,203,255

COMMERCIAL MORTGAGE FUND

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

FAIR VALUE CMF

\$2,386,359

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS**TOP TEN HOLDINGS BY FUND AT JUNE 30, 2011* (Continued)****PRIVATE INVESTMENT FUND**

Partnership Name	Partnership Type	Market Value	%
Pegasus Partners IV	Special Situations	\$161,583,508	7.25%
Fairview Constitution II LP	Fund of Funds	147,371,586	6.61%
Constitution Liquidating Fund	Fund of Funds	133,519,602	5.99%
Fairview Constitution III LP	Fund of Funds	122,781,747	5.51%
Parish Capital Buyout Fund II	Fund of Funds	121,798,328	5.46%
KKR 2006 Fund	Buyout	96,902,601	4.35%
Welsh Carson Anderson & Stowe X LP	Buyout	87,370,525	3.92%
KKR Millenium	Buyout	85,974,801	3.85%
Court Square Capital II	Buyout	79,567,617	3.57%
Thomas H. Lee Fund VI	Buyout	71,443,658	3.20%
Top Ten		\$1,108,313,973	49.71%
FAIR VALUE PIF		\$2,229,679,980	

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

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 managers.

To bring accountability and perspective to Fund performance and measurements of risk and return, CRPTF performance is compared to those of similarly structured peer groups and indices. In addition, the performance of the Combined Investment Funds (CIF) invested in by the various plans and trusts is compared to the performance of their respective benchmarks. Each Fund's benchmark is selected on the basis of portfolio composition, investment style, and objectives. The benchmark comparisons enable plan participants, the Treasurer and the Investment Advisory Council, to determine whether and by how much Fund returns exceeded or fell short of the benchmarks. The comparisons provide an understanding of the reason for the CIFs performance relative to their benchmarks.

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

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

Risk

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

Risk can take several forms and include: 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 the market value 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

UNDERSTANDING INVESTMENT PERFORMANCE

that one's investment cannot be immediately liquidated at other than a substantially discounted value. An additional risk to this category is transparency risk, the risk associated with not knowing the underlying investments within a portfolio.

Volatility

To measure the effects of risk on the portfolio, the volatility of returns is calculated over time. Volatility, viewed as deviation of returns from an average of these returns over time, is measured statistically by standard deviation. Funds with high standard deviations are considered riskier than those with low standard deviations.

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

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

To measure the degree of correlation between Fund returns and the benchmark, the Division calculates the coefficient of determination, or 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 to maximize return and minimize risk. Return, viewed in this context, includes realized and unrealized gains in the market value of a security, including those attributable to currency fluctuations, as well as income distributed by a security such as dividends and interest. Return is measured through two calculations: compounded annual total return and cumulative total return.

Compounded Annual Total Return - This return measure evaluates performance over the short and long-term. Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized and unrealized capital gains, including gains attributable to currency fluctuations. In effect, compounded annual total return "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	146
o Schedule of rates of return	146
o Schedule of financial ratios	146
o Schedule of balances in Combined Investment Funds	148

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	150 - 152

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	153

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	LIQUIDITY FUND					ALTERNATIVE INVESTMENT FUND				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Net Asset Value- Beginning of Period	\$1.00	\$1.00	\$1.00	\$-	\$-	\$-	\$-	\$-	\$-	\$-
INTRAFUND TRANSFER IN/(OUT)	-	-	-	-	-	-	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	0.01	0.01	0.02	-	-	-	-	-	-	-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	0.01	0.00	(0.00)	-	-	1.01	-	-	-	-
Total from Investment Operations	0.02	0.01	0.02	-	-	1.01	-	-	-	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(0.01)	(0.01)	(0.02)	-	-	-	-	-	-	-
Net Asset Value - End of Period	\$1.01	\$1.00	\$1.00	\$-	\$-	\$1.01	\$-	\$-	\$-	\$-
TOTAL RETURN	1.20%	0.98%	1.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$1,736	\$2,219	\$2,171	\$-	\$-	\$519	\$-	\$-	\$-	\$-
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.23%	0.15%	0.04%	-	-	0.27%	-	-	-	-
Ratio of Expenses to Average Net Assets	0.23%	0.15%	0.04%	-	-	0.27%	-	-	-	-
Ratio of Net Investment Income (Loss) to Average Net Assets	0.74%	0.70%	1.55%	-	-	0.02%	-	-	-	-
FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	MUTUAL EQUITY					MUTUAL FIXED INCOME				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Net Asset Value- Beginning of Period	\$726.98	\$648.30	\$927.68	\$1,085.16	\$933.70	\$-	\$-	\$-	\$114.53	\$112.04
INTRAFUND TRANSFER IN/(OUT)	-	-	-	-	-	-	-	-	(116.90)	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	13.33	10.86	16.89	16.87	18.04	-	-	-	2.00	6.23
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	214.37	79.56	(279.76)	(156.38)	151.06	-	-	-	2.08	1.53
Total from Investment Operations	227.70	90.42	(262.87)	(139.51)	169.10	-	-	-	4.08	7.76
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(12.92)	(11.74)	(16.51)	(17.97)	(17.64)	-	-	-	(1.71)	(5.27)
Net Asset Value - End of Period	\$941.76	\$726.98	\$648.30	\$927.68	\$1,085.16	\$-	\$-	\$-	\$(0.00)	\$114.53
TOTAL RETURN	31.92%	14.01%	-28.36%	-12.99%	18.24%	0.00%	0.00%	0.00%	0.00%	6.92%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$6,638	\$5,289	\$5,590	\$7,999	\$9,818	\$-	\$-	\$-	\$-	\$7,594
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.21%	0.24%	0.14%	0.26%	0.12%	-	-	-	-	0.13%
Ratio of Expenses to Average Net Assets	0.24%	0.27%	0.30%	0.80%	0.75%	-	-	-	-	1.01%
Ratio of Net Investment Income (Loss) to Average Net Assets	1.61%	1.58%	2.14%	1.68%	1.83%	-	-	-	-	5.19%
FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	CORE FIXED INCOME					INFLATION LINKED BOND				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Net Asset Value- Beginning of Period	\$117.87	\$110.56	\$113.86	\$-	\$-	\$137.44	\$128.08	\$131.19	\$-	\$-
INTRAFUND TRANSFER IN/(OUT)	-	-	-	115.45	-	-	-	-	120.07	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	4.55	4.92	5.30	4.09	-	5.23	4.87	2.21	10.41	-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	0.69	7.88	(2.44)	(1.44)	-	4.79	7.39	(2.11)	2.15	-
Total from Investment Operations	5.24	12.80	2.86	2.65	-	10.02	12.26	0.10	12.56	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.79)	(5.49)	(6.16)	(4.24)	-	(2.71)	(2.90)	(3.21)	(1.44)	-
Net Asset Value - End of Period	\$118.32	\$117.87	\$110.56	\$113.86	\$-	\$144.75	\$137.44	\$128.08	\$131.19	\$-
TOTAL RETURN	4.49%	11.81%	2.84%	5.65%	0.00%	7.23%	9.48%	-0.20%	16.81%	0.00%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$2,718	\$2,701	\$3,160	\$4,537	\$-	\$1,119	\$1,063	\$837	\$1,173	\$-
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.16%	0.15%	0.14%	0.20%	-	0.12%	0.13%	0.11%	0.07%	-
Ratio of Expenses to Average Net Assets	0.22%	0.20%	0.31%	1.30%	-	0.33%	0.35%	0.76%	0.55%	-
Ratio of Net Investment Income (Loss) to Average Net Assets	3.85%	4.18%	4.62%	8.62%	-	3.71%	3.59%	1.79%	5.45%	-

Source: Amounts were derived from custodial records.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	EMERGING MARKET DEBT					HIGH YIELD DEBT				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Net Asset Value- Beginning of Period	\$128.50	\$108.68	\$118.78	\$-	\$-	\$113.69	\$98.48	\$112.63	\$-	\$-
INTRAFUND TRANSFER IN/(OUT)	-	-	-	121.80	-	-	-	-	119.44	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	8.71	9.02	10.90	4.34	-	10.40	9.33	9.72	5.41	-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	11.69	15.68	(15.89)	(5.90)	-	7.36	14.19	(15.60)	(7.68)	-
Total from Investment Operations	20.40	24.70	(4.99)	(1.56)	-	17.76	23.52	(5.88)	(2.27)	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(3.88)	(4.88)	(5.11)	(1.46)	-	(8.50)	(8.31)	(8.27)	(4.54)	-
Net Asset Value - End of Period	\$145.02	\$128.50	\$108.68	\$118.78	\$-	\$122.95	\$113.69	\$98.48	\$112.63	\$-
TOTAL RETURN	16.06%	23.02%	-3.62%	5.59%	0.00%	15.96%	24.54%	-4.59%	-1.88%	0.00%

RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$1,158	\$1,176	\$1,132	\$1,047	\$-	\$718	\$693	\$733	\$759	\$-
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.42%	0.43%	0.32%	0.32%	-	0.39%	0.39%	0.33%	0.45%	-
Ratio of Expenses to Average Net Assets	0.43%	0.43%	0.35%	0.40%	-	0.42%	0.43%	0.48%	1.03%	-
Ratio of Net Investment Income (Loss) to Average Net Assets	6.42%	7.55%	8.93%	5.16%	-	8.67%	8.92%	9.08%	9.37%	-

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	INTERNATIONAL STOCK					DEVELOPED MARKET INTERNATIONAL				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Net Asset Value- Beginning of Period	\$-	\$-	\$-	\$442.47	\$347.57	\$295.58	\$270.69	\$384.58	\$-	\$-
INTRAFUND TRANSFER IN/(OUT)	-	-	-	(473.81)	-	-	-	-	478.96	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	-	-	-	2.41	9.09	8.68	6.97	8.45	9.49	-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	-	-	-	31.53	92.81	68.92	23.23	(114.67)	(97.18)	-
Total from Investment Operations	-	-	-	33.94	101.90	77.60	30.20	(106.22)	(87.69)	-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	-	-	-	(2.60)	(7.00)	(6.39)	(5.31)	(7.67)	(6.69)	-
Net Asset Value - End of Period	\$-	\$-	\$-	\$0.00	\$442.47	\$366.79	\$295.58	\$270.69	\$384.58	\$-
TOTAL RETURN	0.00%	0.00%	0.00%	0.00%	29.65%	26.30%	11.03%	-27.98%	-14.60%	0.00%

RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$-	\$-	\$-	\$-	\$6,021	\$5,409	\$4,435	\$4,416	\$5,108	\$-
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	-	-	-	-	0.52%	0.51%	0.54%	0.41%	0.54%	-
Ratio of Expenses to Average Net Assets	-	-	-	-	1.19%	0.53%	0.57%	0.49%	0.96%	-
Ratio of Net Investment Income (Loss) to Average Net Assets	-	-	-	-	2.42%	2.62%	2.49%	2.51%	3.92%	-

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	EMERGING MARKET INTERNATIONAL STOCK					REAL ESTATE				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Net Asset Value- Beginning of Period	\$327.75	\$264.93	\$389.39	\$-	\$-	\$30.40	\$38.76	\$55.48	\$55.10	\$56.53
INTRAFUND TRANSFER IN/(OUT)	-	-	-	474.35	-	-	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	7.00	6.05	6.72	18.06	-	1.44	0.88	0.86	3.41	0.81
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	86.38	61.21	(126.78)	(100.62)	-	3.40	(8.62)	(16.51)	0.13	6.98
Total from Investment Operations	93.38	67.26	(120.06)	(82.56)	-	4.84	(7.74)	(15.65)	3.54	7.79
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.72)	(4.44)	(4.40)	(2.40)	-	(1.52)	(0.62)	(1.07)	(3.16)	(9.22)
Net Asset Value - End of Period	\$416.41	\$327.75	\$264.93	\$389.39	\$-	\$33.72	\$30.40	\$38.76	\$55.48	\$55.10
TOTAL RETURN	28.55%	25.23%	-30.90%	0.19%	0.00%	16.12%	-20.18%	-28.66%	6.04%	14.21%

RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$2,638	\$2,073	\$1,147	\$1,304	\$-	\$1,097	\$784	\$770	\$1,002	\$686
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.85%	0.87%	0.59%	0.99%	-	0.43%	0.51%	0.52%	0.48%	0.25%
Ratio of Expenses to Average Net Assets	0.86%	0.89%	0.67%	1.38%	-	0.43%	0.51%	0.52%	0.48%	0.25%
Ratio of Net Investment Income (Loss) to Average Net Assets	1.90%	2.15%	2.08%	9.28%	-	4.62%	2.54%	1.80%	6.42%	1.45%

Source: Amounts were derived from custodial records.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	COMMERCIAL MORTGAGE					PRIVATE INVESTMENT				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Net Asset Value- Beginning of Period	\$48.51	\$49.48	\$55.58	\$54.86	\$59.31	\$49.63	\$44.43	\$54.85	\$56.43	\$55.35
INTRAFUND TRANSFER IN/(OUT)	-	-	-	-	-	-	-	-	-	-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	3.51	3.76	3.71	4.25	4.18	7.58	2.97	1.83	8.15	8.47
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(1.35)	(0.51)	(5.39)	1.26	(0.88)	1.50	4.59	(9.99)	(0.92)	1.29
Total from Investment Operations	2.16	3.25	(1.68)	5.51	3.30	9.08	7.56	(8.16)	7.23	9.76
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.13)	(4.22)	(4.42)	(4.79)	(7.75)	(7.71)	(2.36)	(2.26)	(8.81)	(8.68)
Net Asset Value - End of Period	\$46.54	\$48.51	\$49.48	\$55.58	\$54.86	\$51.00	\$49.63	\$44.43	\$54.85	\$56.43
TOTAL RETURN	4.61%	6.75%	-3.14%	12.05%	8.17%	19.89%	17.32%	-16.36%	13.66%	19.56%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$2	\$4	\$5	\$7	\$8	\$2,232	\$2,014	\$1,627	\$1,795	\$1,564
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.97%	1.21%	1.53%	1.16%	0.82%	0.44%	0.55%	0.54%	0.66%	0.36%
Ratio of Expenses to Average Net Assets	0.97%	1.21%	1.53%	1.16%	0.82%	0.44%	0.55%	0.54%	0.66%	0.36%
Ratio of Net Investment Income (Loss) to Average Net Assets	7.49%	7.77%	7.09%	7.77%	5.65%	15.26%	6.37%	2.76%	14.65%	14.97%

Source: Amounts were derived from custodial records.

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

2011

Pension Plans	Percent of											Fund Name										
	Total System	Assets	LF	AIF	MEF	FIF	CFIF	ILBF	EMDF	HYDF	ISF	DMISF	EMISF	REF	CMF	PIF						
Teachers' Retirement Fund	56.16%	\$14,143.3	\$587.9	\$293.8	\$3,735.6	\$0.0	\$1,430.3	\$578.1	\$635.7	\$400.7	\$0.0	\$3,103.1	\$1,501.6	\$615.0	\$1.3	\$1,260.2						
State Employees' Retirement Fund	35.66%	8,980.6	281.3	185.5	2,461.9	0.0	921.5	370.0	401.8	251.6	0.0	1,966.7	948.9	390.5	0.9	800.0						
Municipal Employees' Retirement Fund	6.74%	1,697.9	53.5	34.6	373.7	0.0	253.9	143.3	96.8	47.6	0.0	300.1	164.4	79.8	0.1	150.1						
State Judges' Retirement Fund	0.63%	158.9	3.9	3.3	31.4	0.0	27.0	17.0	8.6	4.9	0.0	25.6	15.1	7.3	0.0	14.8						
The Probate Court Retirement Fund	0.33%	81.8	4.8	1.7	17.2	0.0	12.5	7.0	4.2	2.3	0.0	13.3	7.9	3.6	0.0	7.3						
State's Attorneys Retirement Fund	0.00%	1.1	0.2	0.0	0.2	0.0	0.5	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0						
Trust Funds	0.48%	120.1	3.8	0.0	17.9	0.0	72.4	4.0	10.6	10.4	0.0	0.0	0.0	1.0	0.0	0.0						
	100.00%	\$25,183.7	\$935.4	\$518.9	\$6,637.9	\$0.0	\$2,718.1	\$1,119.4	\$1,157.8	\$717.6	\$0.0	\$5,408.8	\$2,637.9	\$1,097.2	\$2.3	\$2,232.4						

2002

Pension Plans	Percent of											Fund Name										
	Total System	Assets	LF	AIF	MEF	FIF	CFIF	ILBF	EMDF	HYDF	ISF	DMISF	EMISF	REF	CMF	PIF						
Teachers' Retirement Fund	54.03%	\$10,107.3	\$225.2	\$0.0	\$3,648.2	\$3,475.7	\$0.0	\$0.0	\$0.0	\$0.0	\$1,215.6	\$0.0	\$0.0	\$256.8	\$40.0	\$1,245.8						
State Employees' Retirement Fund	37.90%	7,090.5	145.9	0.0	2,524.5	2,476.2	0.0	0.0	0.0	0.0	858.3	0.0	0.0	181.3	28.1	876.2						
Municipal Employees' Retirement Fund	6.33%	1,184.5	57.6	0.0	417.7	404.2	0.0	0.0	0.0	0.0	131.6	0.0	0.0	28.4	4.4	140.6						
State Judges' Retirement Fund	0.67%	125.3	8.2	0.0	41.7	45.1	0.0	0.0	0.0	0.0	13.0	0.0	0.0	2.6	0.4	14.2						
The Probate Court Retirement Fund	0.32%	61.0	3.0	0.0	21.3	22.4	0.0	0.0	0.0	0.0	8.2	0.0	0.0	1.6	0.3	4.2						
State's Attorneys Retirement Fund	0.00%	0.6	0.0	0.0	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
Trust Funds	0.73%	137.0	11.2	0.0	22.9	102.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.1	0.0						
	100.00%	\$18,706.1	\$451.1	\$0.0	\$6,676.7	\$6,526.2	\$0.0	\$0.0	\$0.0	\$0.0	\$2,226.7	\$0.0	\$0.0	\$471.1	\$73.3	\$2,281.0						

- LF Liquidity Fund (formerly Cash Reserve Account)
- AIF Alternative Investment Fund
- 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, 2011 ⁽¹⁾

Liquidity Fund ⁽²⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	\$ 756,915,969	\$ 775,433,903	3.07%	1.20%
2010	1,626,177,183	1,621,182,259	7.44%	0.98%
2009	952,212,787	950,605,428	4.65%	1.54%
2008	1,140,821,830	1,140,821,830	4.36%	4.59%
2007	236,297,695	236,297,695	0.88%	5.61%
2006	280,548,978	280,548,978	1.20%	4.51%
2005	395,948,288	395,948,288	1.84%	2.36%
2004	363,170,856	363,170,856	1.76%	1.28%
2003	710,832,993	710,832,993	3.75%	1.80%
2002	481,664,484	481,664,484	2.46%	3.03%

Mutual Equity Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$5,327,666,479	\$6,634,922,151	26.28%	31.92%	
5,175,570,747	5,288,853,566	24.28%	14.01%	
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%	

Mutual Fixed Income Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	\$ -	\$ -	-	-
2010	-	-	-	-
2009	-	-	-	-
2008	-	-	-	-
2007	8,604,509,537	8,537,943,917	31.89%	6.92%
2006	7,179,817,139	7,052,537,386	30.03%	0.77%
2005	6,567,168,651	6,662,163,634	30.88%	7.70%
2004	6,368,703,625	6,325,884,136	30.63%	2.79%
2003	7,082,889,175	7,308,417,293	38.49%	12.03%
2002	7,412,105,698	7,295,007,838	37.30%	5.64%

Core Fixed Income Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$2,911,577,713	\$3,001,125,667	11.89%	4.49%	
2,682,943,303	2,789,605,943	12.81%	11.81%	
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 ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	\$1,075,894,193	\$1,115,148,171	4.42%	7.23%
2010	1,033,720,440	1,070,660,872	4.91%	9.48%
2009	813,926,651	829,543,021	4.06%	-0.20%
2008	1,152,973,047	1,162,545,028	4.45%	16.81%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-

Emerging Market Debt Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$1,012,164,604	\$1,141,817,330	4.52%	16.06%	
1,082,027,071	1,155,351,613	5.30%	23.02%	
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, 2011 (Continued)

High Yield Debt Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	\$685,595,880	\$710,362,023	2.81%	15.96%
2010	659,015,939	656,175,724	3.01%	24.54%
2009	801,755,724	718,563,903	3.52%	-4.59%
2008	784,159,491	745,137,049	2.85%	-1.88%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002	-	-	-	-

International Stock Fund ⁽⁵⁾

	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%

Developed Market International Stock Fund ⁽⁵⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	\$4,684,676,553	\$5,391,257,095	21.35%	26.30%
2010	4,552,279,820	4,328,450,937	19.87%	11.03%
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	-	-	-	-

Emerging Market International Stock Fund ⁽⁵⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$2,114,345,516	\$2,629,250,556	10.41%	28.55%	
1,860,837,675	2,065,255,957	9.48%	25.23%	
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 ⁽³⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	\$1,350,551,373	\$1,097,203,255	4.35%	16.12%
2010	1,174,718,491	792,483,221	3.64%	-20.18%
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%

Commercial Mortgage Fund ⁽³⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$2,338,063	\$2,386,359	0.01%	4.61%	
3,769,581	3,818,115	0.02%	6.75%	
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%	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2011 (Continued)

	Private Investment Fund ⁽³⁾				Alternative Investment Fund ⁽⁷⁾			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	\$1,909,670,699	\$2,229,679,980	8.83%	19.89%	\$511,873,555	\$519,007,742	2.06%	0.00%
2010	1,859,585,108	2,013,101,198	9.24%	17.32%	-	-	-	-
2009	1,819,125,566	1,621,268,022	7.94%	-16.36%	-	-	-	-
2008	1,809,775,995	1,789,139,253	6.85%	13.66%	-	-	-	-
2007	1,657,888,536	1,556,795,484	5.81%	19.56%	-	-	-	-
2006	1,692,805,252	1,357,518,114	5.78%	11.46%	-	-	-	-
2005	2,046,726,560	1,437,979,798	6.67%	8.94%	-	-	-	-
2004	2,406,829,047	1,781,312,669	8.63%	18.70%	-	-	-	-
2003	2,413,582,348	1,842,900,019	9.70%	-11.94%	-	-	-	-
2002	2,315,048,277	2,276,642,374	11.64%	-10.81%	-	-	-	-

	Total Fund ⁽⁴⁾			
	Book Value	Market Value	% of Total Fund MV	Rate of Return
2011	\$22,343,270,597	\$25,247,594,232	100.00%	20.75%
2010	21,710,645,358	21,784,939,405	100.00%	12.88%
2009	21,945,913,372	20,431,180,148	100.00%	-17.37%
2008	25,388,309,339	26,129,160,510	100.00%	-4.71%
2007	23,066,365,615	26,774,529,258	100.00%	17.34%
2006	21,145,639,107	23,482,898,042	100.00%	10.55%
2005	19,918,781,069	21,573,264,617	100.00%	10.46%
2004	19,473,480,993	20,650,115,902	100.00%	15.23%
2003	18,771,449,134	18,989,393,113	100.00%	2.49%
2002	19,403,848,200	19,557,516,103	100.00%	-6.39%

- (1) All rates of return are net of management fees and division operating expenses.
- (2) The market value of the Liquidity Fund for the periods presented represents the market value of the pension and trust balances in the Liquidity Fund only (excluding receivables and payables); the Liquidity Fund balances of the other combined investment funds are shown in the market value of each fund.
- (3) Investment returns published for prior years were net of management fees, but were restated in 2008 net of all expenses.
- (4) Represents a composite return of the total pension and trust funds. Individual returns for the three primary pension funds (Teachers, State Employees and Municipal Employees) are separately presented elsewhere due to different asset allocations of each fund.
- (5) On November 1, 2007 the International Stock Fund (ISF) was reallocated into two sub portfolios of international equity securities. The reallocation was a result of the modifications to the Investment Policy Statement (IPS) as approved by the Investment Advisory Council (IAC) and adopted by the Treasurer in October 2007. The reallocation of assets, outlined in the IPS, was based on an asset liability study that identified the need to reallocate the international stock fund into two components: developed markets international stocks and emerging markets international stocks to allow for greater flexibility in managing risk and return in the various Connecticut Retirement Plans and Trust Funds.
- (6) On November 1, 2007 the Mutual Fixed Income Fund was reallocated into four sub portfolios of fixed income securities. The reallocation was a result of the modifications to the Investment Policy Statement (IPS) as approved by the Investment Advisory Council (IAC) and adopted by the Treasurer in October 2007. The reallocation of assets, outlined in the IPS, was based on an asset liability study that identified the need to reallocate the mutual fixed income fund into four components: core fixed income, emerging market debt, high yield debt and inflation-linked bonds to allow for greater flexibility in managing risk and return in the various Connecticut Retirement Plans and Trust Funds.
- (7) Inception of the Alternative Investment Fund during Fiscal 2011.

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Assets										
Investments at Fair Value	\$25,247.6	\$21,784.9	\$20,431.2	\$26,129.2	\$26,774.5	\$23,482.9	\$21,573.3	\$20,650.1	\$18,989.4	\$19,557.5
Cash, Receivables and Other	7,959.9	7,494.7	11,520.3	15,884.6	14,440.5	16,145.9	12,212.7	10,456.4	4,253.9	3,855.0
Total Assets	33,207.5	29,279.6	31,951.5	42,013.8	41,215.0	39,628.8	33,786.0	31,106.5	23,243.3	23,412.5
Liabilities	8,023.8	7,410.0	11,569.3	16,142.0	15,286.7	16,812.0	12,486.9	10,917.2	4,942.9	4,706.3
Net Assets	\$25,183.7	\$21,869.6	\$20,382.2	\$25,871.8	\$25,928.3	\$22,816.8	\$21,299.1	\$20,189.3	\$18,300.4	\$18,706.2

Fiscal Year Ended June 30,

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Additions										
Dividends	703.3	\$417.4	\$399.9	\$650.1	\$558.9	\$525.6	\$500.2	\$607.5	\$484.1	\$298.8
Interest	283.8	324.0	358.9	460.0	396.0	350.8	302.1	303.0	352.4	432.8
Securities Lending & Other Income	30.0	29.1	74.9	162.4	176.7	124.6	76.0	52.8	28.9	42.9
Total Investment Income	1,017.1	770.5	833.7	1,272.5	1,131.6	1,001.0	878.3	963.3	865.4	774.5
Total Investment Expenses	89.6	83.8	89.9	201.8	212.3	178.0	112.1	63.6	65.6	91.7
Net Investment Income	927.5	686.7	743.8	1,070.7	919.3	823.0	766.2	899.7	799.8	682.8
Net Realized Gain/(Loss)	825.7	214.4	(2,942.4)	675.7	1,524.1	886.0	698.7	881.0	(566.4)	(445.6)
Net Change in Unrealized Gains on Investments	2,699.9	1,737.7	(2,333.6)	(3,004.3)	1,472.3	520.4	591.2	936.9	123.8	(1,567.6)
Purchase of Units by Participants	3,118.5	3,647.0	6,599.3	8,184.5	3,643.8	1,829.8	1,632.3	2,889.5	1,299.5	1,117.5
Total Additions	7,571.6	6,285.8	2,067.1	6,926.6	7,559.5	4,059.2	3,688.4	5,607.1	1,656.7	(212.9)
Deductions										
Administrative Expense	(4.1)	(3.8)	(3.4)	(3.2)	(3.2)	(2.9)	(2.7)	(2.3)	(2.1)	(1.5)
Distributions to Unit Holders	(813.3)	(579.3)	(707.6)	(972.4)	(911.9)	(802.5)	(859.6)	(816.1)	(837.0)	(717.8)
Redemption of Units by Participants	(3,440.1)	(4,215.3)	(6,545.7)	(6,007.4)	(3,532.9)	(1,736.1)	(1,716.3)	(2,899.8)	(1,223.4)	(954.8)
Total Deductions	(4,257.5)	(4,798.4)	(7,556.7)	(6,983.0)	(4,448.0)	(2,541.5)	(2,578.6)	(3,718.2)	(2,062.5)	(1,674.1)
Net Change in Assets	3,314.1	1,487.4	(5,489.6)	(56.5)	3,111.5	1,517.7	1,109.8	1,888.9	(405.8)	(1,887.0)
Beginning Net Assets	21,869.6	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
Ending Net Assets	\$25,183.7	\$21,869.6	\$20,382.2	\$25,871.8	\$25,928.3	\$22,816.8	\$21,299.1	\$20,189.3	\$18,300.4	\$18,706.2



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

Jonathan A. Harris
Deputy Treasurer
Tel: (860) 702-3292
Fax: (860) 728-1290

Christine Shaw
Chief of Staff
Tel: (860) 702-3211
Fax: (860) 728-1290

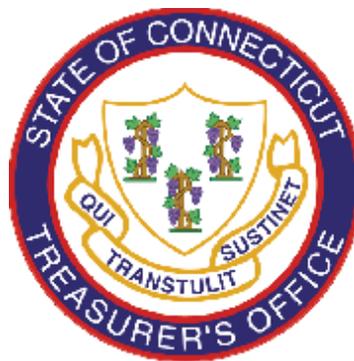
Lee Ann Palladino
Chief Investment Officer
Pension Funds Management
Tel: (860) 702-3229
Fax: (860) 702-3042

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

Donald A. Kirshbaum
Acting Assistant Treasurer
Policy
Tel: (860) 702-3164
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**