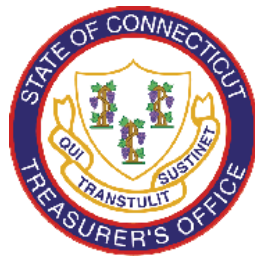


STATE OF CONNECTICUT OFFICE OF THE TREASURER

2012



COMBINED INVESTMENT FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2012

STATE OF CONNECTICUT

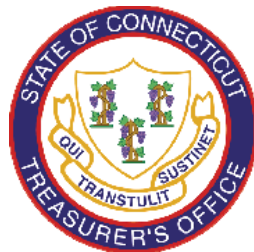
Office of the State Treasurer



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

STATE OF CONNECTICUT OFFICE OF THE TREASURER

2012



COMBINED INVESTMENT FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2012

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

STATE OF CONNECTICUT

Office of the State Treasurer



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COMBINED INVESTMENT FUNDS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR FISCAL YEAR ENDED JUNE 30, 2012

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Introductory Section



DENISE L. NAPIER
TREASURER

State of Connecticut
Office of the Treasurer

CHRISTINE SHAW
DEPUTY TREASURER

December 31, 2012

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,

Christine Shaw
Deputy Treasurer

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

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, 2011

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. Danison

President

Jeffrey R. Emer

Executive Director

THE CONNECTICUT STATE TREASURY

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.

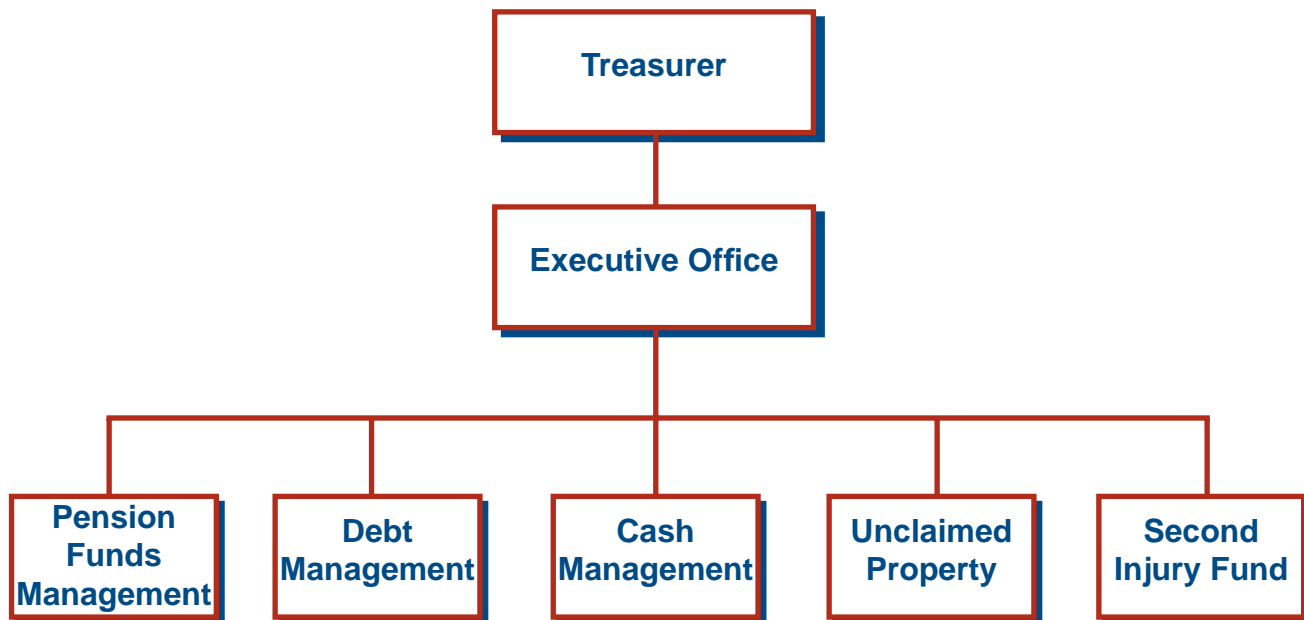
Statutory Responsibility

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.

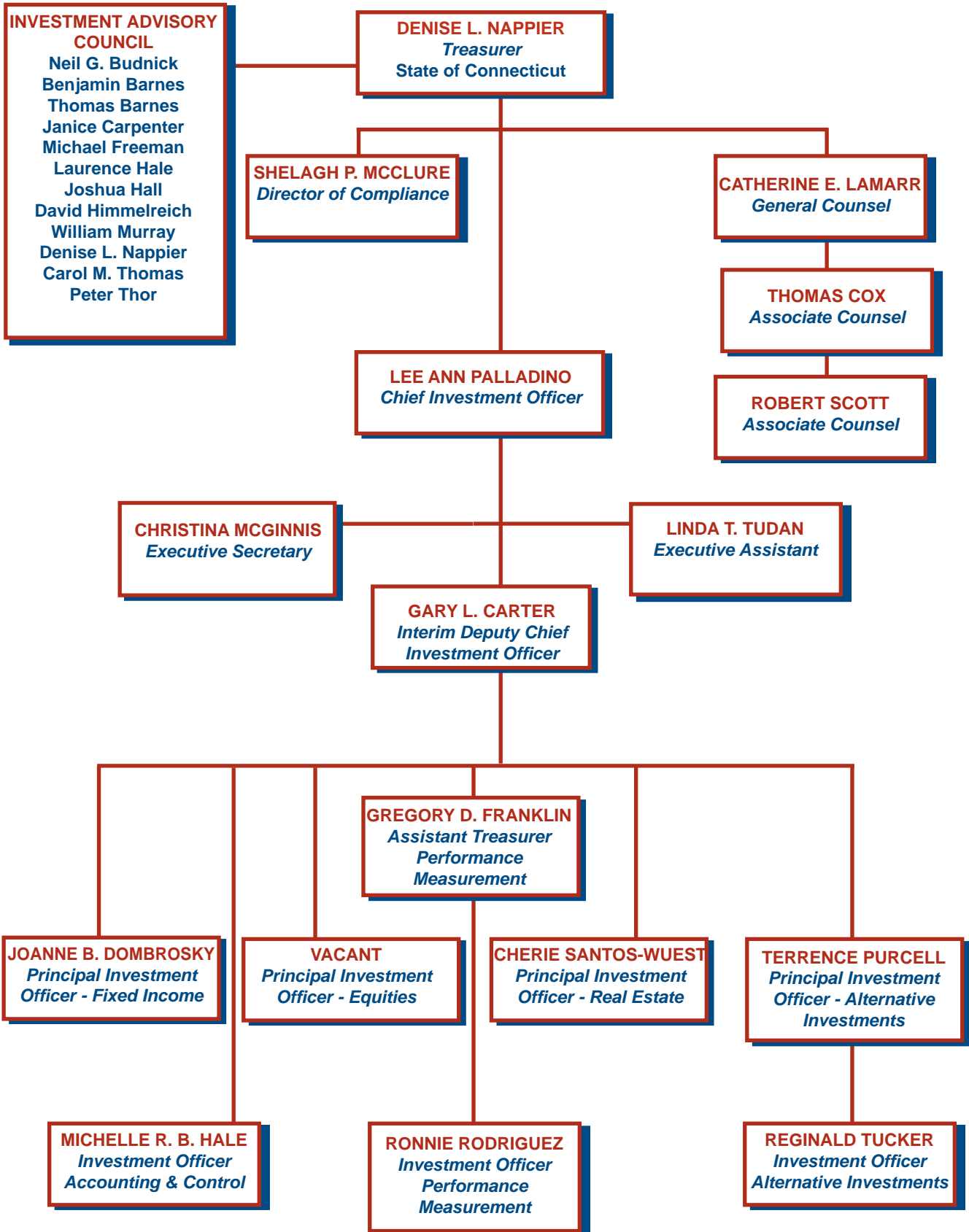
The Treasurer, as Chief Fiscal Officer for the State, oversees the prudent preservation and management of State funds, including the administration of a \$24.0 billion portfolio of pension assets and over \$4.9 billion in total State, local short-term, and other investments, and over \$1.8 billion of 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 October 19, 2012.

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

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

TERRENCE PURCELL (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

INVESTMENT ADVISORY COUNCIL

The Investment Advisory Council (IAC) consists of the State Treasurer and the 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; three representatives of the State 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 Statement (IPS), recommended by the Treasurer, which outlines the standards governing investment of the Connecticut Retirement Plans and Trust Funds ("CRPTF") assets 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 which 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 IPS was adopted by the Treasurer and approved by the IAC in October 2007. Subsequently in August 2012, the IAC approved the Treasurer's adopted revisions to the IPS which reflect the projected capital market returns, the liquidity needs of each plan and trust fund and other financial scenarios for the CRPTF, emanating from the 2012 Asset Liability Study that the Treasurer led, with the assistance of IAC members.

All plan and trust funds investments by the State Treasurer shall be reviewed by the IAC along with all information regarding such investments provided to the IAC which the Treasurer deems relevant to the Council's review and such other information as may be requested by the Council. The IAC shall also review the report provided by the Treasurer at each regularly scheduled meeting of the IAC as to the status of the plan and trust funds and any significant changes which may have occurred or which may be pending with regard to the funds. The Council shall promptly notify the Auditors of Public Accounts and the Comptroller of any unauthorized, illegal, irregular or unsafe handling or expenditure of plan and trust funds or breakdown 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 year 2012 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)

THOMAS BARNES, Branch Manager, Riverside Investment Services

JANICE CARPENTER, Independent Financial Consultant

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

LAURENCE HALE, Managing Partner, Weiss and Hale Financial

JOSHUA HALL, Representative of State Teachers' unions; Hartford Federation of Teachers

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

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

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
Hewitt EnnisKnupp Inc. - Chicago, Illinois
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 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
Goodwin Capital Advisers Inc. - 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
JFL Equity Investors III, LP - Wilmington, Delaware
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
RFE Investment Partners VIII - 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 III - New York, New York
Wellspring Capital Partners V - 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
Vista Equity Partners Fund IV - 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.
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
Fairview Constitution IV 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
Stepstone Pioneer Capital I LLP - Chapel Hill, North Carolina
Stepstone Pioneer Capital 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
Pegasus Partners V - Cos Cob, Connecticut
Welsh, Carson, Anderson & Stowe Capital Partners III - New York, New York
WLR Recovery Fund IV - New York, New York

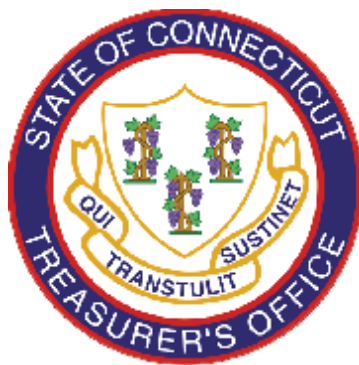
ALTERNATIVE INVESTMENT FUND

Arclight Energy Partners Fund - Boston, Massachusetts
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



INDEPENDENT AUDITORS' REPORT

Reserved for Report of Auditors of Public Accounts

INDEPENDENT AUDITORS' REPORT

Reserved for Report of Auditors of Public Accounts

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, 2012. 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 2012 fiscal year were \$24.0 billion, a decrease of \$1.2 billion from the previous year. The change in net assets resulted mainly of \$1.1 billion of net cash outflows to the Connecticut Retirement Plans and Trust Funds comprised of net beneficiary distributions.

The net assets under management in 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.

Operating Income – Unfavorable performance results primarily in the International Stocks funds resulted in a negative return of 0.90%, net of all management fees and expenses, resulting in a decrease in net assets from operations in the 2012 fiscal year, compared to a return of 20.75%, net of all expenses for the previous fiscal year. Returns were negative in the Funds international investment classes in fiscal year 2012 due to the European and Emerging market volatility related to credit market tightening.

For the previous fiscal year, performance results achieved a return of 20.75%, net of all management fees and expenses, 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.

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	2012	Increase (Decrease)	2011	Increase (Decrease)	2010
Investments at Fair Value	\$24,077,340,569	\$(1,170,253,663)	\$25,247,594,232	\$3,462,654,827	\$21,784,939,405
Cash, Receivables and Other	6,964,113,138	(995,784,833)	7,959,897,971	465,281,647	7,494,616,324
Total Assets	31,041,453,707	(2,166,038,496)	33,207,492,203	3,927,936,474	29,279,555,729
Liabilities	(7,064,691,809)	959,135,708	(8,023,827,517)	(613,862,150)	(7,409,965,367)
Net Assets	\$23,976,761,898	\$(1,206,902,788)	\$25,183,664,686	\$3,814,074,324	\$21,869,590,362

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

Additions	2012	Increase (Decrease)	2011	Increase (Decrease)	2010
Dividends	\$622,901,119	\$(80,423,142)	\$703,324,261	\$285,915,989	\$417,408,272
Interest	241,168,268	(42,666,113)	283,834,381	(40,210,637)	324,045,018
Securities Lending & Other Income	28,467,026	(1,538,126)	30,005,152	970,818	29,034,334
Total Investment Income	892,536,413	(124,627,381)	1,017,163,794	246,676,170	770,487,624
Total Investment Expenses	83,521,325	6,103,503	89,624,828	(5,823,534)	83,801,294
Net Investment Income	809,015,088	(118,523,878)	927,538,966	240,852,636	686,686,330
Net Realized Gain/(Loss)	(11,794,664)	(837,476,112)	825,681,448	611,256,859	214,424,589
Net Change in Unrealized Gains on Investments	(1,012,045,481)	(3,711,939,962)	2,699,894,481	962,233,358	1,737,661,123
Net Increase (Decrease) in Net Assets resulting from operations	(214,825,057)	(4,667,939,952)	4,453,114,895	1,814,342,853	2,638,772,042
Purchase of Units by Participants	2,716,001,391	(402,435,372)	3,118,436,763	(528,613,447)	3,647,050,210
Total Additions	2,501,176,334	(5,070,375,324)	7,571,551,658	1,285,729,406	6,285,822,252
Deductions					
Administrative Expense	4,113,221	17,400	4,130,621	(294,844)	3,835,777
Distribution of Income to Unit Owners	660,571,259	152,719,166	813,290,425	(234,002,156)	579,288,269
Redemption of Units by Participants	3,043,394,642	396,661,646	3,440,056,288	775,217,840	4,215,274,128
Total Deductions	3,708,079,122	549,398,212	4,257,477,334	540,920,840	4,798,398,174
Change in Net Assets	(1,206,902,788)	(4,520,977,112)	3,314,074,324	1,826,650,246	1,487,424,078
Beginning Net Assets	25,183,664,686	3,314,074,324	21,869,590,362	1,487,424,078	20,382,166,284
Ending Net Assets	\$23,976,761,898	\$(1,206,902,788)	\$25,183,664,686	\$3,314,074,324	\$21,869,590,362

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Combined Investment Funds financial statements. The notes can be found on pages 23-42 of this report.

ECONOMIC CONDITIONS AND OUTLOOK

The Federal Open Market Committee continued to predict economic recovery improving at a moderate pace throughout the 2012 fiscal year. Growth in employment has been slow but pointing to improvement, and unemployment rates remained elevated. The housing sector has shown some signs of improvement as fiscal year 2012 ended but from depressed levels. Inflation has been subdued during the year and longer term inflation expectations have remained stable. Household spending has continued to advance, but growth in business fixed investment appears to have slowed. Inflation has been subdued throughout 2012, although the prices of some key commodities have increased. Longer-term inflation expectations have remained stable.

The economy is not as robust as it needs to be for sustained recovery as indicated by a relative small stock market gain of 2.4% gain over the previous fiscal year with the S&P ending the fiscal year at 1,362, 1.7% better than when the fiscal year began. The percent of the U.S. labor force unemployed fell to 8.2 percent down from 9.1 percent at the end of fiscal year 2011,

The Federal Open Market Committee at its September 2012 meeting maintained the target range for the federal funds rate at 0 to ¼ percent and indicated that it anticipates that “exceptionally low levels” are likely to be warranted at least through mid-2015 to help spur the economy.

Although Connecticut has experienced a modest recovery, economic growth has not been sufficient to substantially reduce the state unemployment rate of 8.4 percent at June 30, 2012, down from 9.1 percent at fiscal year end June 2011. The Connecticut Department of Labor unemployment release for September 2012 reported an unexpected surge to 9.2 percent at the end of August 2012. The State Comptroller reported that the state's General Fund ended the 2012 fiscal year with a pre-audited \$143.6 million deficit which was eliminated using General Fund reserves from prior years. General Fund tax revenues increased by \$854.2 million, or 4.8 percent, during the year. General Fund spending was up \$936.9 million or 5.2 percent over last year, mainly from an increase in Department of Social Services spending by \$409.4 million as Medicaid caseloads advanced 52 percent during the year, and other increase in spending resulted from contributions to teachers' retirement, up \$210.2 million (reflecting full spending); debt service payments; and funding for state employees' retirement.

Connecticut job and income growth may be limited in 2013 due to the national budget struggle according to the state outlook prepared by the New England Economic Partnership (NEEP) May 2012 report. The health of the U.S. economy along with the number, timing, and nature of new jobs expected in Connecticut banking, insurance, construction, and professional services sectors will affect the pace of the Connecticut recovery per NEEP.

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, 2012

	<u>TOTAL</u>
ASSETS	
Investments in Securities, at Fair Value	
Liquidity Fund	\$ -
Cash Equivalents	744,557,626
Asset Backed Securities	110,750,328
Government Securities	2,818,432,143
Government Agency Securities	893,469,684
Mortgage Backed Securities	206,447,272
Corporate Debt	1,745,459,416
Convertible Securities	32,495,177
Common Stock	11,138,851,418
Preferred Stock	55,940,637
Real Estate Investment Trust	208,774,545
Mutual Fund	1,654,393,463
Limited Liability Corporation	1,114,844
Trusts	991,995
Limited Partnerships	4,465,661,921
Annuities	-
Total Investments in Securities, at Fair Value	<u>24,077,340,469</u>
Cash	48,513,021
Receivables	-
Foreign Exchange Contracts	3,820,108,788
Interest Receivable	65,472,976
Dividends Receivable	26,331,646
Due from Brokers	312,388,835
Foreign Taxes	9,644,890
Securities Lending Receivable	1,510,630
Reserve for Doubtful Receivables	<u>(4,314,330)</u>
Total Receivables	4,231,143,435
Invested Securities Lending Collateral	2,681,876,199
Other Funds on Deposit	-
Prepaid Expenses	2,580,583
Total Assets	<u>31,041,453,707</u>
LIABILITIES	
Payables	
Foreign Exchange Contracts	3,790,252,856
Due to Brokers	573,062,882
Income Distribution	729,078
Other Payable	677,078
Total Payables	<u>4,364,721,894</u>
Securities Lending Collateral	2,681,876,199
Accrued Expenses	18,093,716
Total Liabilities	<u>7,064,691,809</u>
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	<u>\$ 23,976,761,898</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, 2012

ADDITIONS OPERATIONS	<u>TOTAL</u>
Investment Income	
Dividends	\$ 622,901,119
Interest	241,168,268
Other Income	5,024,720
Securities Lending	<u>23,442,306</u>
Total Income	892,536,413
Expenses	
Investment Advisory Fees	72,161,281
Custody and Transfer Agent Fees	2,212,121
Professional Fees	2,784,343
Security Lending Fees	3,263,088
Security Lending Rebates	1,265,954
Investment Expenses	<u>1,834,538</u>
Total Expenses	<u>83,521,325</u>
Net Investment Income	809,015,088
Net Realized Gain (Loss)	(11,794,664)
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	(1,012,045,481)
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>(214,825,057)</u>
Unit Transactions	
Purchase of Units by Participants	<u>2,716,001,391</u>
TOTAL ADDITIONS	2,501,176,334
DEDUCTIONS	
Administrative Expenses:	
Salary and Fringe Benefits	(4,113,221)
Distributions to Unit Owners:	
Income Distributed	(660,571,259)
Unit Transactions	
Redemption of Units by Participants	(3,043,394,642)
TOTAL DEDUCTIONS	<u>(3,708,079,122)</u>
Change in Net Assets Held in Trust for Participants	<u>(1,206,902,788)</u>
Net Assets- Beginning of Period	25,183,664,686
Net Assets- End of Period	<u>\$ 23,976,761,898</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, 2011

ADDITIONS	TOTAL
OPERATIONS	
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	<u>21,869,590,362</u>
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

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

The financial statements and corresponding footnotes include the application of Governmental Accounting Standards Board ("GASB") 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions" an amendment of GASB 53, "Accounting and Financial Reporting for Derivative Instruments." GASB 64 clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. The provisions of this Statement are effective for periods beginning after June 15, 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 verify 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS**NOTES TO FINANCIAL STATEMENTS (Continued)**Liquidity Fund

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

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

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

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

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

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

The Liquidity Fund invests in Mortgage Backed Securities (MBSs) and Asset Backed Securities (ABSs), which are included in the Statement of Net Assets. These are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgage or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates, but is generally prior to the stated maturity date. At June 30, 2012, the Fund held MBSs of \$30,547,867 and ABSs of \$45,971,179.

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,

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS**NOTES TO FINANCIAL STATEMENTS (Continued)**

2012, 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 \$8 million. Consistent with the cash adjusted fair value presentation this decrease will be considered for the next period adjustment.

Mutual Equity Fund

Securities traded on securities exchanges are valued at the last reported sales price on the last business day of the fiscal year. Corporate bonds and certain over-the-counter stocks are valued at the mean of bid and asked prices as furnished by broker-dealers. The Mutual Equity Fund has an investment in a partnership with a value of \$ 393,231,185 at June 30, 2012 which is categorized as a Limited Partnership on the Statement of Net Assets. The fund also has an investment in a commingled pool sponsored by a trust with a value of \$ 375,921,171 at June 30, 2012 which is categorized as a Mutual Fund on the Statement of Net Assets. Both the partnership and the commingled pool sponsored by a trust are valued monthly utilizing values provided by the general partner and Trustee respectively.

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, 2012, the Fund held MBSs of \$175,837,004 and ABSs of \$63,981,696.

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, 2012 the Fund's holdings had a fair value of \$2,695,506 and a cost of \$3,548,674. 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

The Emerging Market Debt Fund sometimes invests in Asset Backed Securities (ABSs), which are included in the Statement of Net Assets. These are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgage or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates, but is generally prior to the stated maturity date. At June 30, 2012, the Fund held ABSs of \$797,453.

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.

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 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2012, the estimated investment values provided by the investment advisors, net of the adjustments noted above, exceeded cash adjusted fair values reported on the Statement of Net Assets by approximately \$16 million. Consistent with the cash adjusted fair value presentation this increase will be considered for the next quarter's adjustment.

Commercial Mortgage Fund

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

Private Investment Fund

The Private Investment Fund is comprised of investments in various limited partnerships, limited liability companies and securities. The general partner or managing member is the investment advisor and is compensated on a fee basis for management services in addition to its participation in partnership profits and losses. These investments are carried at their cash adjusted fair values. The cash adjusted fair value utilizes the prior quarter fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Private Investment Fund, to estimate the current fair value. The Treasurer's staff reviews the prior quarter estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, the estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total Fund-level differences between the cash adjusted estimates and the investment advisors' estimated values, adjustments of reported cash adjusted values are made to prevent overstatement. At June 30, 2012, 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

\$34 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.

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

C. INVESTMENT TRANSACTIONS AND RELATED INCOME

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

Dividends earned by the Private Investment, Real Estate, 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.

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2012, 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	Cost	Fair Value
Liquidity	\$ 414,904,418	\$ 415,520,912
Core Fixed Income	114,655,362	117,506,141
Emerging Market Debt	51,505,980	51,345,105
High Yield Debt	16,517,225	17,877,101

Asset Backed Securities:

Fund	Cost	Fair Value
Liquidity	\$ 46,496,771	\$ 45,971,179
Core Fixed Income	63,285,424	63,981,696
Emerging Market Debt	(109,563)	797,453

Mortgage Backed Securities, Net of CMO's:

Fund	Cost	Fair Value
Liquidity	\$ 28,007,834	\$ 27,780,228
Core Fixed Income	35,295,064	35,638,006

CMO's:

Fund	Cost	Fair Value
Liquidity	\$ 2,721,949	\$ 2,767,639
Core Fixed Income	134,666,231	140,198,998

TBA's:

Fund	Cost	Fair Value
Liquidity	\$ 530,585	\$ 531,171
Core Fixed Income	197,392,641	197,822,127

Interest Only:

Fund	Cost	Fair Value
Core Fixed Income	\$ 3,548,674	\$ 2,695,506

Options:

Fund	Cost	Fair Value
Emerging Market Debt	\$ 769,877	\$ 147,827

The Emerging Market Debt Fund held futures with a notional cost of \$21,853,466 and an unrealized gain of \$81,970 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 \$41,225,273 and an unrealized gain of \$4,342,836 reported in the Due From Brokers and an unrealized loss of \$199,372 reported in the Due to Brokers in the Statement of Net Assets.

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

The Mutual Equity, Emerging Market Debt, Developed Market International Stock, and the Emerging Market International Stock Funds also utilize derivatives indirectly through participation in mutual funds and limited partnerships. 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. In order to help the Liquidity Fund managers better manage their cash balances, realized gains (losses) are no longer included in the Liquidity Fund income sweep.

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, 2012:

Fund	Netted	Capitalized	Expensed	Total
Alternative Investment	\$ 3,713,035	\$ 1,610,165	\$ -	\$ 5,323,200
Private Investment	15,064,735	16,564,113	6,549,582	38,178,430
Real Estate	11,468,569	1,796,367	3,255,115	16,520,051

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, 2012:

Fund	Net Realized Gain/(Loss)
Alternative Investment	\$ 24,382
Private Investment	173,504,160
Real Estate	5,701,454

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 loss of \$ 4,119,348 for such transactions for the fiscal year ended June 30, 2012.

The Mutual Equity, Emerging Market Debt, 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, 2012:

Fund	Amount
Mutual Equity	\$ 4,104,818
Emerging Market Debt	2,414,140
Emerging Market International Stock	309,965
Developed Market International Stock	17,564

Investment advisory fees for the Liquidity, Mutual Equity, Core Fixed Income, Inflation Linked Bond, Emerging Market Debt, High Yield Debt, Developed Market International Stock and the Emerging Market International Stock Funds,

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS**NOTES TO FINANCIAL STATEMENTS (Continued)**

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, 2012, the reported amount of Funds deposits were \$48,513,021 and the bank balance was \$48,513,021. Of the bank amount, \$48,513,021 was uncollateralized and uninsured. Through the Securities Lending Program \$2,845,635,820 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 minimize 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 2012 fiscal year.

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

	Fair Value	Percentage of Fair Value
Aaa	\$1,547,883,695	22.47 %
Aa	262,449,005	3.81
A	437,705,279	6.35
Baa	786,692,891	11.42
Ba	251,359,817	3.65
B	388,174,831	5.64
Caa	115,984,972	1.68
Ca	5,223,976	0.08
Mig	9,874,464	0.14
Prime 1	33,515,000	0.49
Government fixed income securities (not rated)	1,808,256,962	26.25
Not Rated	1,240,977,898	18.02
	<u>\$6,888,098,790</u>	<u>100.00%</u>

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

The investments of the Liquidity, Mutual Equity, Core Fixed Income, Inflation Linked Bond, Emerging Market Debt, High Yield Debt, Developed Market International Stock and the Emerging Market International Stock Funds 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	\$ 36,271,871
Government Agency Securities	11,498,526
U.S. Corporate Stock	4,145,585
International Equity	110,972,112
Collateral Securities held by Investment Pools under Securities Lending Arrangements:	
Other	451,735,486
Corporate Debt	2,231,012,240
Total	<u>\$2,845,635,820</u>

The following table provides information about the interest rate risks associated with the Funds investments. Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity tend to be more sensitive to changes in interest rates and therefore, more volatile than those with shorter maturities. Investment Managers that manage the CRPTF portfolio are given full discretion to manage their portion of CRPTF assets within their respective guidelines and constraints. The guidelines and constraints require each manager to maintain a diversified portfolio at all times. In addition, each core manager is required to maintain a target duration that is similar to its respective benchmark which is typically the 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	\$744,557,626	\$461,914,816	\$2,467,475	\$20,657,154	\$259,518,181
Asset Backed Securities	110,750,328	3,707,786	86,170,079	18,649,432	2,223,031
Government Securities	2,818,432,143	117,733,690	1,208,486,548	676,882,336	815,329,569
Government Agency Securities	893,469,684	3,882,523	39,971,333	36,210,179	813,405,649
Mortgage Backed Securities	206,447,272	1,744,739	31,536,334	10,484,674	162,681,525
Corporate Debt	1,745,459,416	74,877,147	668,053,015	736,793,144	265,736,110

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Convertible Debt	32,495,177	491,187	12,221,275	8,685,764	11,096,951
Mutual Fund	336,487,144	-	-	-	336,487,144
	<u>\$6,888,098,790</u>	<u>\$664,351,888</u>	<u>\$2,048,906,059</u>	<u>\$1,508,362,683</u>	<u>\$2,666,478,160</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. Negative amounts are reflective of short positions.

Foreign Currency	Total	Cash	Fixed Income Securities					Equities			
			Cash Equiv Collateral	Government Securities	Mutual Funds	Corporate Debt	Convertible Securities	Asset Backed	Common Stock	Preferred Stock	Real Estate Investment Trust
Argentine Peso	\$1,370,000	\$292,639	\$ -	\$1,077,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Australian Dollar	384,964,578	1,566,626	-	13,141,025	-	68,472,795	-	-	281,119,688	-	20,664,444
Brazilian Real	209,827,415	2,685,734	-	36,096,864	-	7,261,047	134,728	-	139,993,856	23,655,186	-
Canadian Dollar	77,924,664	467,688	-	3,670,783	-	1,140,976	-	-	72,645,217	-	-
Chilean Peso	9,053,766	80,255	-	3,476,757	-	-	-	-	5,496,754	-	-
China Yuan Renminbi	408,914	31,807	-	377,107	-	-	-	-	-	-	-
Colombian Peso	17,293,591	-	-	9,874,878	-	6,029,149	-	1,389,564	-	-	-
Czech Koruna	9,076,710	105,628	-	-	-	-	-	-	8,971,082	-	-
Danish Krone	48,749,044	640,681	-	-	-	-	-	-	48,108,363	-	-
Egyptian Pound	10,880,831	148,714	-	143,129	-	-	-	-	10,588,988	-	-
Euro Currency	1,321,367,204	2,907,214	(28,726)	117,127,305	-	24,865,028	474,675	235,200	1,149,102,303	21,521,733	5,162,472
Ghana Cedi	540,438	-	-	540,438	-	-	-	-	-	-	-
Hong Kong Dollar	507,647,091	1,893,249	-	-	-	-	-	-	504,317,488	-	1,436,354
Hungarian Forint	31,142,348	3,142,151	-	13,593,502	-	-	-	-	14,406,695	-	-
Iceland Krona	1,911	1,911	-	-	-	-	-	-	-	-	-
Indian Rupee	(3,153,551)	-	-	-	-	3,468,720	-	(6,622,271)	-	-	-
Indonesian Rupiah	91,149,176	358,739	-	6,676,958	-	5,290,991	-	-	78,822,488	-	-
Israeli Shekel	11,282,977	168,246	-	-	-	-	-	-	11,114,731	-	-
Japanese Yen	1,024,945,134	6,117,217	-	33,419,646	-	-	-	-	980,747,545	-	4,660,726
Malaysian Ringgit	73,244,280	5,146,271	-	21,138,911	-	-	-	-	46,959,098	-	-
Mexican Peso	109,252,120	584,429	-	58,040,141	-	467,829	-	-	50,159,721	-	-
Moroccan Dirham	581,671	50,171	-	-	-	-	-	-	531,500	-	-
New Russian Rubel	10,981,567	111,958	-	4,049,160	-	6,820,449	-	-	-	-	-
New Taiwan Dollar	69,126,524	593,672	-	-	-	-	-	(29,136)	68,561,988	-	-
New Zealand Dollar	68,229,826	238,780	-	53,036,856	-	3,497,739	-	-	11,361,703	-	94,748
Nigerian Naira	1,349,440	-	-	536,313	-	813,127	-	-	-	-	-
Norwegian Krone	38,946,535	399,054	-	-	-	-	-	-	38,547,481	-	-
Peruvian Nouveau Sol	5,350,951	248,277	-	5,102,674	-	-	-	-	-	-	-
Philippine Peso	43,388,672	296,239	-	550,749	-	-	-	-	42,541,684	-	-
Polish Zloty	68,170,697	92,907	-	45,281,501	-	-	-	-	22,796,289	-	-
Pound Sterling	922,305,802	925,907	-	15,534,234	458,772	1,758,223	-	-	897,009,962	-	6,618,704
Singapore Dollar	85,145,957	826,306	-	-	-	-	-	-	81,527,832	-	2,791,819
South African Rand	124,875,292	4,651,039	-	20,960,117	-	851,163	-	-	98,412,973	-	-
South Korean Won	394,316,407	485,154	-	-	-	-	-	(16,266)	386,784,962	7,062,557	-
Sri Lanka Rupee	408,987	-	-	-	-	-	-	-	408,987	-	-
Swedish Krona	88,046,121	224,373	-	-	-	-	-	-	87,821,748	-	-
Swiss Franc	299,639,011	3,628,421	-	-	-	-	-	-	296,010,590	-	-
Thailand Baht	108,729,540	281,384	-	7,926,632	-	-	-	-	100,521,524	-	-
Turkish Lira	98,456,225	323,051	-	17,274,157	-	-	-	-	80,859,017	-	-
Ukraine Hryvna	882,476	-	-	-	-	882,476	-	-	-	-	-
Uruguayan Peso	6,792,945	-	-	6,792,945	-	-	-	-	-	-	-
	<u>\$6,372,693,287</u>	<u>\$39,715,892</u>	<u>\$(28,726)</u>	<u>\$495,440,143</u>	<u>\$458,772</u>	<u>\$131,619,712</u>	<u>\$609,403</u>	<u>\$(5,042,909)</u>	<u>\$5,616,252,257</u>	<u>\$52,239,476</u>	<u>\$41,429,267</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 formal loan agreement.

During the period ended June 30, 2012, 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, 2012, the Client had no credit risk exposure to borrowers. The fair value of collateral held for the Funds as of June 30, 2012 was \$2,681,876,199 as cash and \$173,426,043 as non-cash. The fair value of securities on loan for the Funds as of June 30, 2012 was \$ 2,654,671,844 as cash and \$162,888,096 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, 2012 was 32.04 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, 2012:

Fund	Fair Value of Collateral	Fair Value of Securities Lent
Mutual Equity	\$1,157,492,195	\$1,163,878,365
Core Fixed Income	439,891,575	429,644,524
Inflation Linked Bond	374,192,335	365,532,376
Emerging Market Debt	57,683,507	57,178,218
High Yield Debt	210,787,223	207,404,497
Developed Market International Stock	427,336,080	410,746,935
Emerging Market International Stock	185,837,763	183,175,025
Total	<u>\$2,853,220,678</u>	<u>\$2,817,559,940</u>

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

Fund	Cash Equivalents	Corporate Debt	Total Investments
Mutual Equity	\$194,420,013	\$960,193,393	\$1,154,613,406
Core Fixed Income	65,922,149	325,573,543	391,495,692
Inflation Linked Bond	63,077,952	311,526,738	374,604,690
Emerging Market Debt	9,723,763	48,023,311	57,747,074
High Yield Investment	35,532,599	175,486,907	211,019,506
Developed Market International Stock	52,714,055	260,341,960	313,056,015
Emerging Market International Stock	30,344,955	149,866,388	180,211,343
Total	<u>\$451,735,486</u>	<u>\$2,231,012,240</u>	<u>\$2,682,747,726</u>

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

NOTE 3: PURCHASES AND SALES OF INVESTMENT SECURITIES

For the period ended June 30, 2012, 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	\$166,810,655	\$128,633,810
Mutual Equity	2,192,880,945	2,493,397,960
Core Fixed Income	10,397,419,419	10,443,927,907
Inflation Linked Bond	2,110,010,664	2,391,834,786
Emerging Market Debt	1,131,239,264	1,053,844,732
High Yield Investment	715,462,405	710,975,204
Developed Market International Stock	3,989,421,786	3,986,101,845
Emerging Market International Stock	1,963,381,202	1,950,472,222
Real Estate	522,762,563	348,718,164
Commercial Mortgage	4,310,497	5,913,270
Private Investment	1,599,800,955	1,282,262,014

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

NOTE 4: UNREALIZED APPRECIATION AND DEPRECIATION ON INVESTMENTS

At June 30, 2012, the gross appreciation of investment securities in which there was an excess of fair value over cost, the gross depreciation of investment securities in which there was an excess of cost over fair value and the resulting net appreciation (depreciation) by fund were as follows:

Fund	Gross Appreciation	Gross Depreciation	Net Appreciation (Depreciation)
Liquidity Investment	\$9,278,678	\$11,469,931	\$(2,191,253)
Alternative Investment	4,762,375	5,637,438	(875,063)
Mutual Equity	1,658,997,047	386,200,958	1,272,796,089
Core Fixed Income	154,094,358	21,534,781	132,559,577
Inflation Linked Bond	69,776,356	853,561	68,922,795
Emerging Market Debt	103,947,042	26,057,412	77,889,630
High Yield Investment	38,339,013	26,167,083	12,171,930
Developed Market International Stock	505,001,021	541,301,228	(36,300,207)
Emerging Market International Stock	339,770,984	209,585,898	130,185,086
Real Estate	78,900,691	274,708,399	(195,807,708)
Commercial Mortgage	48,695	38	48,657
Private Investment	463,176,445	115,313,134	347,863,311

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, 2012, 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:			
Brazilian Real	\$ 8,349,000	\$	95,966
Chilean Peso	3,120,843		(42,153)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Colombian Peso	6,365,000	7,440
Czech Koruna	-	202,284
Dominican Peso	2,202,405	-
Euro Currency	47,063,277	(710,159)
Ghana Cedi	10,979,744	(510,757)
Hungarian Forint	5,565,102	349,815
Indian Rupee	9,491,000	(135,601)
Indonesian Rupiah	6,196,000	65,268
Israeli Shekel	11,378,362	8,185
Japanese Yen	4,975,944	(4,677)
Kazakhstan Tenge	5,940,000	(203)
Malaysian Ringgit	19,717,421	23,107
Mexican Peso	244,612	13,723
New Romanian Leu	-	204,808
New Russian Ruble	16,970,282	601,731
Nigerian Naira	14,667,698	(79,419)
Norwegian Krone	939,250	23,526
Peruvian Nouveau Sol	3,116,000	(5,810)
Philippine Peso	3,115,000	13,155
Polish Zloty	13,479,294	476,543
Pound Sterling	20,993,560	344,299
Serbian Dinar	-	1,435,018
Singapore Dollar	9,308,000	73,693
South African Rand	23,459,105	(30,594)
South Korean Won	23,767,369	436,986
Swedish Krona	8,434,497	368,228
Thailand Baht	4,651,152	1,860
Turkish Lira	24,156,531	1,178,277
Uganda Shilling	7,314,123	125,936
Yuan Renminbi	16,859,000	(39,451)
Zambian Kwacha	3,977,053	117,813
	<u>336,796,624</u>	<u>4,608,837</u>

Contracts to Sell:

Australian Dollar	\$ 79,335,727	\$ (3,047,050)
Brazilian Real	3,785,260	(106,050)
Canadian Dollar	3,582,026	(23,451)
Colombian Peso	451,011	(1,874)
Euro Currency	187,561,112	(3,236,912)
Hungarian Forint	4,660,408	(248,514)
Indian Rupee	1,478,000	(16,179)
Israeli Shekel	5,200,633	(43,289)
Japanese Yen	28,155,393	(78,403)
Mexican Peso	15,160,934	(67,031)
New Romanian Leu	2,844,000	(64,735)
New Russian Ruble	4,777,639	(113,707)
New Zealand Dollar	53,905,502	(2,750,799)
Nigerian Naira	2,079,657	(3,963)
Polish Zloty	34,481,112	(1,241,764)
South African Rand	13,465,259	(228,735)
Turkish Lira	16,797,916	(119,939)
Uganda Shilling	609,978	(11,547)
Yuan Renminbi	1,287,000	19,967
Zambian Kwacha	1,828,389	(19,690)
	<u>461,446,956</u>	<u>(11,403,665)</u>
Total	<u>\$ 798,243,580</u>	<u>\$ (6,794,828)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 798,243,580	\$ 798,243,580	\$ -
Unrealized Gain/Loss	4,608,837	(11,403,665)	(6,794,828)
Net	<u>\$ 802,852,417</u>	<u>\$ 809,647,245</u>	<u>\$ (6,794,828)</u>

Core Fixed Income Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
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Contracts to Sell:

Canadian Dollar	\$ 1,173,616	\$ 24,353
Euro Currency	1,243,116	21,335

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Pound Sterling	378,858	14,577
	2,795,590	60,265
Total	\$ 2,795,590	\$ 60,265

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 2,795,590	\$ 2,795,590	\$ -
Unrealized Gain/Loss	-	60,265	60,265
Net	\$ 2,795,590	\$ 2,735,325	\$ 60,265

Inflation Linked Bond Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
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Contracts to Sell:

Pound Sterling	\$ 15,231,364	\$ (109,648)
Euro Currency	9,739,040	(141,784)
	24,970,404	(251,432)
Total	\$ 24,970,404	\$ (251,432)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 24,970,404	\$ 24,970,404	\$ -
Unrealized Gain/Loss	-	(251,432)	(251,432)
Net	\$ 24,970,404	\$ 25,221,836	\$ (251,432)

Emerging Market Debt Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
---------------------	-------	------------------------

Contracts to Buy:

Argentine Peso	\$ 2,590,801	\$ 114,514
Brazilian Real	4,495,586	86,521
Chilean Peso	1,195,916	7,488
Czech Koruna	1,410,779	2,761
Euro Currency	23,672,403	77,762
Hungarian Forint	1,224,537	63,434
Indian Rupee	11,433,548	42,368
Indonesian Rupiah	3,862,842	38,311
Israeli Shekel	535,927	(2,348)
Malaysian Ringgit	3,267,555	(1,186)
Mexican Peso	4,284,149	143,590
New Russian Ruble	6,942,155	(163,148)
New Taiwan Dollar	1,744,996	(8,010)
Peruvian Nouveau Sol	866,736	4,495
Philippine Peso	342,114	7,519
Polish Zloty	5,791,431	165,354
Singapore Dollar	2,845,204	(57,894)
South African Rand	2,404,092	67,057
South Korean Won	1,700,781	40,409
Thailand Baht	2,047,371	(13,448)
Turkish Lira	2,568,419	35,290
Yuan Renminbi	16,481,325	(170,345)
	101,708,667	480,494

Contracts to Sell:

Argentine Peso	\$ 628,161	\$ 451
Brazilian Real	7,132,457	(115,484)
Chilean Peso	3,498,708	(6,754)
Colombian Peso	5,871,351	16,496
Czech Koruna	1,415,624	2,085
Euro Currency	43,727,832	(61,660)
Hungarian Forint	2,378,340	(68,250)
Indonesian Rupiah	841,681	(16,045)
Israeli Shekel	540,842	7,434
Malaysian Ringgit	4,697,382	(15,112)
Mexican Peso	2,353,529	(39,021)
New Russian Ruble	2,572,364	112,278
New Taiwan Dollar	13,001	12
Peruvian Nouveau Sol	1,494,860	5,331
Philippine Peso	47,142	(313)
Pound Sterling	771,747	(7,724)
Singapore Dollar	2,779,963	(6,563)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

South African Rand	3,690,496	(113,869)
South Korean Won	1,470,000	5,649
Thailand Baht	1,384,980	8,374
Turkish Lira	543,744	(12,427)
Yuan Renminbi	4,695,665	58,446
	<u>92,549,869</u>	<u>(246,666)</u>
Total	\$ 194,258,536	\$ 233,828

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 194,258,536	\$ 194,258,536	\$ -
Unrealized Gain/Loss	480,494	(246,666)	233,828
Net	<u>\$ 194,739,030</u>	<u>\$ 194,505,202</u>	<u>\$ 233,828</u>

High Yield Debt Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Sell:		
Euro Currency	\$ 1,803,137	\$ (29,776)
	<u>1,803,137</u>	<u>(29,776)</u>
Total	\$ 1,803,137	\$ (29,776)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 1,803,137	\$ 1,803,137	\$ -
Unrealized Gain/Loss	-	(29,776)	(29,776)
Net	<u>\$ 1,803,137</u>	<u>\$ 1,832,913</u>	<u>\$ (29,776)</u>

Developed Market International Stock Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	\$ 38,245,141	\$ 816,275
Canadian Dollar	205,535	(370)
Danish Krone	2,001,462	8,238
Euro Currency	99,538,019	891,644
Hong Kong Dollar	16,552,376	7,332
Israeli Shekel	16,190,296	(668,402)
Japanese Yen	260,143,485	1,140,352
Malaysian Ringgit	78,908	258
New Zealand Dollar	34,415,928	583,397
Norwegian Krone	90,398,784	1,436,116
Pound Sterling	120,671,457	806,964
Singapore Dollar	36,029,659	(471,496)
South Korean Won	22,951,602	285,044
Swedish Krona	88,215,610	2,639,690
Swiss Franc	21,150,177	33,367
	<u>846,788,439</u>	<u>7,508,409</u>

Contracts to Sell:

Australian Dollar	\$ 193,139,163	\$ (3,437,440)
Brazilian Real	203,286	(4,011)
Danish Krone	18,967,266	692,378
Euro Currency	774,871,425	29,496,369
Hong Kong Dollar	83,367,420	(58,693)
Indonesian Rupiah	1,853	(23)
Israeli Shekel	2,789,475	8,178
Japanese Yen	688,972,685	(21,152,454)
Malaysian Ringgit	12,356	(113)
New Zealand Dollar	33,593,508	(1,050,622)
Norwegian Krone	49,668,185	611,573
Pound Sterling	466,444,409	9,104,384
Singapore Dollar	68,115,827	170,858
South Korean Won	63,263,272	130,373
Swedish Krona	40,365,897	(746,045)
Swiss Franc	251,295,130	8,574,633
	<u>2,735,071,157</u>	<u>22,339,345</u>
Total	\$ 3,581,859,596	\$ 29,847,754

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 3,581,859,596	\$ 3,581,859,596	\$ -
Unrealized Gain/Loss	7,508,409	22,339,345	29,847,754
Net	\$ 3,589,368,005	\$ 3,559,520,251	\$ 29,847,754

Emerging Market International Stock Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
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Contracts to Buy:

Hong Kong Dollar	\$ 1,127,349	\$ (12)
Indonesian Rupiah	7,258	68
Thailand Baht	420,588	369
Turkish Lira	3,186,556	(1,943)
	4,741,751	(1,518)

Contracts to Sell:

Egyptian Pound	\$ 25,407	\$ (23)
Hong Kong Dollar	766,067	(30)
Indonesian Rupiah	159,381	(1,807)
Thailand Baht	741,534	(1,329)
	1,692,389	(3,189)
Total	\$ 6,434,140	\$ (4,707)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 6,434,140	\$ 6,434,140	\$ -
Unrealized Gain/Loss	(1,518)	(3,189)	(4,707)
Net	\$ 6,432,622	\$ 6,437,329	\$ (4,707)

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, Real Estate and Alternative Investment Funds have outstanding commitments to make additional investments. These commitments will be fulfilled as suitable investment opportunities become available. Unfunded commitments at June 30, 2012, were as follows:

Fund	Total Commitment	Cumulative Amounts Funded	Unfunded Commitment
Real Estate	\$ 2,046,068,230	\$ 1,696,726,155	\$ 349,342,075
Private Investment	5,830,453,485	4,563,053,835	1,267,399,650
Alternative Investment	625,000,000	532,139,143	92,860,857

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7: CONTINGENCY

There was no pending or threatened litigation against the Connecticut Retirement Plans and Trust Funds ("CRPTF") during the fiscal year ended June 30, 2012.

The CRPTF continues to work with other investors and investment partners to recover assets lost due to the malfeasance of others. The Limited Partners of an investment in the Private Investment Fund ("PIF"), await final distribution of a small reserve established when the limited partnership was dissolved. The majority of the proceeds from the aggregate \$6.8 million settlement were distributed. A liquidating trustee was appointed in 2007 to dissolve the partnership and wind up its business activities. The remaining reserve was scheduled to be distributed, on a pro rata basis, in December 2008. The liquidating trustee is waiting for the conclusion of a related SEC action.

Additionally, another limited partnership in the PIF invested \$15 million in a portfolio company that reported double digit revenue growth. In 2005, the General Partner initiated a sales process expecting to realize significant gain. Lack of cooperation from management challenged the sale process, resulting in legal action from the partnership and other investors in the portfolio company to force a sale. This process uncovered serious financial irregularities in the portfolio company, resulting in the removal and criminal investigation of the CEO and other senior managers. The portfolio company is currently in bankruptcy. In July 2008, the Bankruptcy Court approved the portfolio company's plan of liquidation. A liquidation trustee was appointed to oversee further liquidation efforts, including investigation and pursuit of potential litigation claims. The liquidation trustee has filed law suits or arbitration proceedings against certain parties, including the bank that issued the credit facility, the investment bank, an equipment manufacturer,

NOTE 9: COST BASIS OF INVESTMENTS

The aggregate cost values of investments in the Funds are as follows at June 30, 2012:

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND
Investments in Securities, at Cost					
Cash Reserve Fund	\$ -	\$16,335,580	\$35,587,296	\$213,985,119	\$9,616,939
Cash Equivalents	718,665,623	-	-	-	-
Asset Backed Securities	46,496,771	-	-	63,285,424	-
Government Securities	477,306,155	-	-	788,936,889	854,442,994
Government Agency Securities	31,342,755	-	-	823,470,384	-
Mortgage Backed Securities	30,729,784	-	-	169,961,296	-
Corporate Debt	223,091,459	-	-	666,879,518	-
Convertible Securities	-	-	-	-	-
Common Stock	-	-	3,938,867,454	-	-
Preferred Stock	-	-	-	56,577	-
Real Estate Investment Trust	-	-	80,444,171	-	-
Mutual Fund	-	-	834,813,508	-	-
Limited Liability Corporation	-	-	-	-	-
Trusts	-	-	-	-	-
Limited Partnerships	-	533,744,785	255,000,000	-	-
Partnerships	-	-	-	-	-
Annuities	-	-	-	-	-
Total Investments in Securities, at cost	\$ 1,527,632,547	\$550,080,365	\$5,144,712,429	\$2,726,575,207	\$864,059,933

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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 8: SUBSEQUENT EVENT

The CRPTF has performed an evaluation of subsequent events through December 31, 2012, the date the basic financial statements were available to be issued. No material events were identified. The Private Investment Fund holds one partnership that has received subpoenas from the Securities and Exchange Commission ("SEC") relating to a non public investigation, the purpose of which the SEC has not communicated to the general partner.

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
\$43,812,907	\$29,561,776	\$97,070,286	\$27,564,270	\$147,756,269	\$162,047	\$134,127,614
769,878	26,006,156	29,107	-	-	-	-
(109,564)	-	-	-	-	-	-
545,139,971	213,933	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	62,401	-
213,175,108	596,858,765	-	-	-	-	-
-	29,983,027	266,776	-	-	-	-
587,581	7,496,027	4,421,851,672	1,788,956,995	-	492,674	10,035,762
-	3,831,419	24,727,980	30,661,845	-	-	-
-	-	41,331,200	-	65,349,648	-	-
294,829,804	-	1,059,985	239,533,174	-	-	-
-	-	-	-	-	-	2,076,200,211
-	-	-	-	8,193,225	-	-
-	-	-	-	1,303,068,795	-	1,582,140
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$1,098,205,685	\$693,951,103	\$ 4,586,337,006	\$ 2,086,716,284	\$ 1,524,367,937	\$ 717,122	\$2,221,945,727



Investment

Section



2012 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 \$24.1 billion of investment assets for retirement plans serving approximately 194,000 state and municipal employees, teachers, retirees and survivorships, as well as trust funds that support academic programs, grants, and initiatives throughout the state.

Prudent investment management requires the proper safeguard of CRPTF assets to ensure the retirement security of the beneficiaries and the spending policies 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 are maintained through the generation of investment income and capital gains with a focus on the preservation of capital.

The Treasurer constructs separate investment portfolios for each of the state pension and trust funds using Combined Investment Funds ("CIFs"). CIFs are separate pooled investment funds created by the Treasurer to provide a means of investing pension and trust fund assets in a variety of investment classes. The CIFs currently in use include the Liquidity Fund, Mutual Equity Fund, Developed Market International Stock Fund, Emerging Market International Stock Fund, Real Estate Fund, Core Fixed Income Fund, Inflation Linked Bond Fund, Emerging Market Debt Fund, High Yield Debt Fund, Commercial Mortgage Fund, Alternative Investment Fund and the Private Investment Fund. The Pension Funds Management Division ("PFM" or "the Division") is responsible for the day-to-day administration of the CIFs.

Over the last ten years the value of CRPTF's investments under Treasury management has grown from approximately \$18.3 billion to approximately \$24.1 billion. The Teachers' Retirement Fund ("TERF"), with approximately \$13.5 billion of investments under management at June 30, 2012, is the largest participating fund. The State Employees' Retirement Fund ("SERF") and the Connecticut Municipal Employees' Retirement Fund ("CMERF") have approximately \$8.5 billion and \$1.7 billion of investments, respectively. For the fiscal year ended June 30, 2012, total investment losses (comprised of interest income, dividends, securities lending income, and net realized losses and unrealized capital losses, net of Fund operating expenses) before allocation of administrative expenses were approximately \$214.8 million (See Figure 1-2).

CRPTF's total investment in the CIFs at fair value as of June 30, 2012 was:

INVESTMENT SUMMARY AT JUNE 30, 2012		
	Fair Value ⁽¹⁾	% of Total Fund Fair Value
Liquidity Fund ("LF") ⁽²⁾	\$ 770,217,574	3.20%
Mutual Equity Fund ("MEF")	6,417,508,518	26.65%
Developed Market International Stock Fund ("DMISF")	4,550,036,799	18.90%
Emerging Market International Stock Fund ("EMISF")	2,216,901,370	9.21%
Real Estate Fund ("REF")	1,328,560,229	5.52%
Core Fixed Income Fund ("CFIF")	2,859,134,784	11.88%
Inflation Linked Bond Fund ("ILBF")	932,982,728	3.88%
Emerging Market Debt Fund ("EMDF")	1,176,095,315	4.88%
High Yield Debt Fund ("HYDF")	706,123,033	2.93%
Commercial Mortgage Fund ("CMF")	765,779	0.00%
Alternative Investment Fund ("AIF")	549,205,302	2.28%
Private Investment Fund ("PIF")	2,569,809,038	10.67%
Total Fund	\$24,077,340,469	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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Fund Management

Under the supervision of a Chief Investment Officer, appointed by the Treasurer with the approval of the Investment Advisory Council, the Pension Funds Management Division of the Office of the Treasurer executes and manages the investment programs of the pension and trust funds with a nineteen-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 Funds Management Division staff. State Street Bank and Trust (State Street), as the custodian of record for the CRPTF, maintains physical custody of and safeguards plan assets. State Street also provides record keeping services under the supervision of PFM staff.

The Treasurer employs external money and investment managers to manage the portfolios underlying each CIF. 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, 2012, 159 external money and investment managers were employed by the Treasury to invest the pension and trust assets, an increase of 4 managers from June 30, 2011 (See Figure 1-5).

All operating overhead is allocated directly to the earnings of the pension and trust fund assets under management. The Office of the Treasurer manages 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 investment returns. In October 2007, the independent Investment Advisory Council ("IAC") approved the Treasurer's adopted IPS, including the asset allocation plan, which governs the CRPTF investment portfolios and each of the CIFs. 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 1-4, the number and complexity of asset classes comprising the asset allocation policy have fluctuated during the last ten years. As of June 30, 2012, 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 ("stocks") comprised the largest percent of the total CRPTF, at approximately 54.8%. 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 CIFs 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 upon (1) capital market theory, (2) financial and fiduciary requirements, and (3) liquidity needs. However there are instances in which the asset mix for a trust is set by the trust's governing document. A broad array of asset classes is considered for inclusion in a potential asset allocation structure. Each asset class has its own distinct characteristics, as well as expectations for long-term return and risk behavior.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 broad 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 and/or return benefits. This opportunistic allocation is made within the broad context of the MEF. As of June 30, 2012, the MEF structure approximated 64.8% invested in large-cap stocks, 6.6% in small/mid-cap stocks, 5.4% in all-cap, 12.0% in active extension and 11.3% 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 76.8% of the portfolio use passive strategies. The balance of the portfolio is activity managed, mainly in the "small- and mid-cap" sectors of the equity markets, to provide CRPTF with 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 profiles. The DMISF and the EMISF are managed as separate asset classes to provide the Treasurer with the ability to establish individual allocations to international developed and/or emerging markets specific to the needs of each plan and trust fund. 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 domiciled in 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 23.4% and 15.5% 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 fixed income 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 Capital U. S. 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 Global ("JPM EMBI Global").

The HYDF consists of managed fixed income portfolios that include debt instruments rated below investment grade by a nationally recognized rating agency service (example: Standard & 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. The LF 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 market securities. The benchmark for the LF is the one month London Interbank Offering Rate Index ("LIBOR").

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 positive 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 National Properties Index ("NCREIF-NPI"), lagged by one quarter.

Private Investments

The Private Investment Fund (PIF) is the vehicle used to invest in private equity. PIF investments generally are made in externally managed limited partnerships or through separate accounts that focus on private investments. These vehicles include investments in both venture capital and corporate finance investment strategies. Venture capital typically involves equity capital invested in young or development stage companies, and may include start-up, early, mid or late-stage companies. Corporate finance typically involves equity and debt capital invested in growth, mature or distressed stage companies, often through the financing of acquisitions, spin-offs, mergers or changes in capitalization. The benchmark for PIF is the

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Standard & Poor's 500 Index ("S&P 500") with the objective of exceeding the return of 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 CIFs. Hybrid strategies which contain multiple asset classes are also considered part of the opportunity set. The AIF is a developing fund 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 CIFs 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 levels. 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, 2012, securities with a market value of approximately \$2.82 billion had been loaned against collateral of approximately \$2.85 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 decreased to \$24.1 billion as of June 30, 2012 from \$25.2 billion at prior fiscal year end. For the fiscal year ended June 30, 2012, the CRPTF posted a negative investment return approximating -0.90%⁽³⁾, net of all fees and expenses. The portfolio posted a net decrease from Fund operations.

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 methodology.

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 U. S. Aggregate Index; 4% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 6% Barclay's U. S. TIPS Index; 6% One Month Libor Index; 5% NCREIF Index; 2% 90 Day T-Bill + 300; and 10% S&P 500 Index.

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 U. S. Aggregate Index; 4% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 6% Barclay's U. S. TIPS Index; 4% One Month Libor Index; 5% NCREIF Index; 2% 90 Day T-Bill + 300; and 11% 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 U. S. Aggregate Index; 5% JP Morgan Emerging Markets Global Index; 2% Citigroup High Yield Market Index; 10% Barclay's U. S. 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 2012, the MEF generated a positive return of 3.38%, net of fees and operating expenses, which underperformed the Russell 3000 Index return of 3.84% by 46 basis points.

International Equity Performance

The DMISF posted a -12.48% return, net of fees and operating expenses, underperforming the S&P Citigroup BMI return of -11.25% by 123 basis points.

During the fiscal year ended June 30, 2012, the EMISF generated a return of -14.16%, net of fees and operating expenses, outperforming the MSCI Emerging Markets Free index return of -16.29% by 213 basis points.

Fixed Income Performance

For Fiscal Year 2012 the CFIF generated a total return of 7.63%, net of fees and operating expenses, outperforming the Barclay's Capital Aggregate Index return of 7.47% by 16 basis points.

The HYDF posted a 6.23% return net of fees and operating expenses, underperforming the CitiGroup High Yield Market Index return of 7.66% by 143 basis points.

The ILBF generated a total return of 11.91% net of fees and operating expenses, 25 basis points more than the Barclay's Capital U.S. Treasury Inflation Protection Index (BC TIPS) return of 11.66%.

The EMDF generated a total return of 4.78%, net of fees and operating expenses, underperforming the J.P. Morgan Emerging Market Bond Global Index (EMBI) return of 10.90% by 612 basis points.

Finally, the LF generated a negative return of -0.14%, underperforming the one month LIBOR benchmark of 0.25%, by 39 basis points.

Real Estate and Private Equity Performance

For Fiscal Year ended June 30, 2012, the REF generated a total return of 7.19% net of fees, underperforming the un-levered National Council of Real Estate Investment Fiduciaries Index (NCREIF) gross return of 13.41%.

For the Fiscal Year 2012, the PIF generated a one year 5.92% compounded annual rate of return outperforming its public market benchmark, the S&P 500, which returned 5.45% over the same period.

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

2012 Management Initiatives

During the fiscal year the Office of the Treasurer conducted a comprehensive Asset Liability Study which thoroughly assessed the asset allocations and liabilities of each plan and trust fund within the Connecticut Retirement Plans and Trust Funds. The resulting product of the Study, which is undertaken every five years, were a series of several amendments to the Investment Policy Statement which reflect the asset allocation, projected capital market returns, liquidity requirements of each plan and trust fund and other financial scenarios.

Implementation continued of the investment pacing plans established for real estate, alternative investment and private equity opportunities during Fiscal Year 2012. Four investment commitments totaling \$190 million were awarded to Private Investment Fund managers; one investment commitment of \$100 million to a core real estate strategy was awarded to a Real Estate Fund manager; and two investment commitments of \$65 million and \$50 million were awarded to a real asset manager and an opportunistic manager,

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respectively, in the Alternative Investment Fund. Competitive search project plans were launched for a Real Estate Fund Investment Consultant and an Alternative Investment Fund Consultant. Also in Fiscal Year 2012, a competitive search was conducted and a consultant was hired to assist the Office of the Treasurer with the procurement of a Global Master Custodian.

In Fiscal Year 2012, the Office of the Treasurer embarked on a plan for the further expansion of the Connecticut Horizon Fund ("CHF") initiative, within the Alternative Investment Fund, to be conducted through a competitive search for a Fund-of-Hedge Fund manager.

First funded in 2005, the CHF is now an \$807 million fund-of-funds public market program and a \$155 million private equity allocation created to provide access to a wider number of women-owned, minority-owned, Connecticut-based and emerging firms. In Fiscal Year 2012, public market managers totaled 42 CHF sub-managers; 26% were emerging firms, 27% were minority-owned, 34% were women-owned, and 13% were Connecticut-based firms. Additionally, there were 17 private equity sub-managers; including six minority-owned, three emerging strategies, one women-owned and seven Connecticut-based.

Expansion of the diversity of firms with which the Pension Fund Management division of the Office of the Treasurer does business continued during Fiscal Year 2012. Overall, minority-owned, women-owned, Connecticut-based and emerging firms, 36 in all, comprised 29% of the firms with which the division did business; these firms earned fees in excess of \$35 million, representing 37% of all fees paid by the division.

Finally, the Fiscal Year 2012 legislative session included a bill enacted by the General Assembly regarding a revision to the statute governing the MacBride principles. The statute had compelled the State Treasurer to divest state funds from any company doing business in Northern Ireland that had not implemented the MacBride Principles regarding freedom from religious discrimination in the workplace. The new law provides discretion to the Treasurer whether to implement an investment restriction, including divestment, but also provides for greater flexibility with regard to engagement with companies and timing of decision making. The legislative intent of the revision to the statute was to more closely align MacBride with the Sudan and Iran statutes regarding the Treasurer's authority to impose investment restrictions relating to investment of state funds.

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 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 proxy voting 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. In Fiscal Year 2012, the Office of the Treasurer filed shareholder resolutions at five companies. The Treasurer engaged with more than 20 companies through activities ranging from writing letters formally outlining shareholder concerns and attending annual shareholder meetings, to holding face-to-face dialogues with corporate management and board members. In support of its ongoing efforts, the Office of the Treasurer worked with a wide cross-section of investors representing public pension funds, labor funds, and faith-based investors. Executive compensation has consistently been among the key issues of focus for the Office, and that continued to be true during Fiscal Year 2012. During the year, 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.

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).

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

The Treasurer engaged with a number of companies on these issues, including requesting that companies set greenhouse gas emission goals, set targets for energy use reductions and report to shareholders on progress in achieving those targets. The Treasurer also pressed companies to issue sustainability reports to shareholders on progress in achieving those targets. She also pressed companies to issue sustainability reports to shareholders that directly address climate and energy issues, calling on auto companies to produce more energy efficient vehicles. In furtherance of those efforts, the Treasurer engaged 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 administering three laws which authorize investment restrictions on companies doing business in Northern Ireland, Sudan and Iran, respectively.

Connecticut's MacBride law, Conn. Gen. Stat. §3-13h, is based on the MacBride Principles, which are a corporate code of conduct for companies doing business in Northern Ireland designed to address religious discrimination in the workplace. At the end of Fiscal Year 2012, six companies were on the "MacBride Prohibited List" due to their failure to implement the MacBride Principles, and the Treasurer has directed CRPTF's investment managers to refrain from purchasing the following companies: BE – Aerospace; Domino's Pizza Inc.; Manpower Inc.; PPG Industries; Sally Beauty Supply Holdings; Yum Brands.

In Fiscal Year 2012, the MacBride law was amended to give greater discretion to the Treasurer in the engagement process, consistent with the framework of the Sudan law and the Iran law.

The Treasury staff continued to monitor and communicate with companies doing business in Sudan pursuant to Conn. Gen. Stat. §3-21e. Under the law adopted in 2006, the Treasurer has the authority to engage companies doing business in Sudan and potentially divest holdings in those companies if their business is contributing to the government's perpetuation of genocide in Sudan. Through the end of Fiscal Year 2012, the Treasurer has directed CRPTF's investment managers to divest from and refrain from further investment in 24 companies: AviChina Industry & Technology and subsidiaries Harbin Dongan Auto Engine Co. and Hafei Aviation Industry Co.; Bharat Heavy Electricals Ltd. (BHEL); China North Industries Group and subsidiaries China North Industries Corp. (a.k.a. Norinco), Norinco International Cooperation Ltd., Liaoning Huajin Tongda Chemicals Co. Ltd., Sichuan Nitrocell Co. Ltd., China North Optical-Electrical Technology Co. Ltd., and AKM Industrial Co. Ltd.; China Petroleum and Chemical Corp; CNPC (Hong Kong); Dongfeng Motor Corporation; Jiangxi Hongdu Aviation Industry Ltd.; 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); Wartsila Oyj.

The value of CRPTF's combined investments in those companies at the time of divestment was approximately \$15 million. The companies added to the list in 2012, AviChina Industry and Technology and subsidiaries, China North Industries Group and subsidiaries and Jiangxi Hongdu Aviation Industry Ltd., were added following unsuccessful attempts to engage the companies regarding their business in Sudan in the weapons sector.

In Fiscal Year 2012, the Treasurer initiated engagement activities under Connecticut's amended Iran law, Conn. Gen. Stat. §3-13g, which authorizes the Treasurer to engage with companies doing business in Iran, due to concerns about whether such companies, by their business activities, may be contributing to the Iranian government's development of its nuclear program and its support of global terrorism. Fifteen companies reported to be doing business in the energy sector in Iran have been contacted, and responses are being analyzed to determine what further action should be taken.

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 available vendors and suitable products to meet the needs of the Office. Careful contract

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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 institutional investors, sharing 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 active and diligent 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. Given the challenges arising from the U.S. Supreme Court's decision in *Morrison v. National Australia Bank*, the Office of the Treasurer expects to experience an increase in its participation in group action as a means of seeking recovery of lost assets.

Class Action Securities Litigation

The CRPTF recovered \$2.047 million from class action settlements in the fiscal year ended 2012. 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. As the class representative, the Office of the Treasurer successfully defended the Amgen defendants' appeal to the Ninth Circuit Court of Appeals, which issued its opinion affirming the District Court's ruling on the 8th of November, 2011. The Amgen defendants filed a writ of certiorari with the Supreme Court of the United States in March 2012. The writ was granted by the Supreme Court in June 2012 and oral argument held on the 5th of November 2012, with presentations on behalf of Connecticut as respondent by class counsel and the US Solicitor General. The parties await the Court's ruling.

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

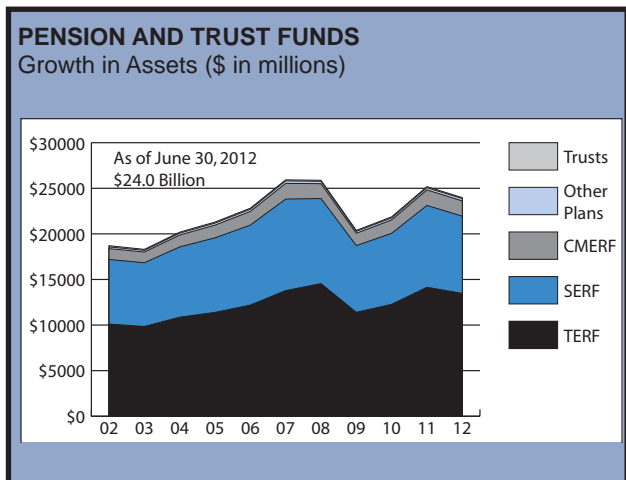
The Office of the Treasurer engaged legal counsel in Belgium to pursue recovery of losses in connection with certain alleged malfeasance by the Dutch-Belgian financial firm Fortis, N.A.

The Office of the Treasurer has joined group action in France adverse Vivendi, S.A and in Texas' state court adverse BP. Participation in such group action became necessary as the Morrison decision foreclosed all other avenues of recovery in matters of securities fraud.

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 Fiscal Year 2012. 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.

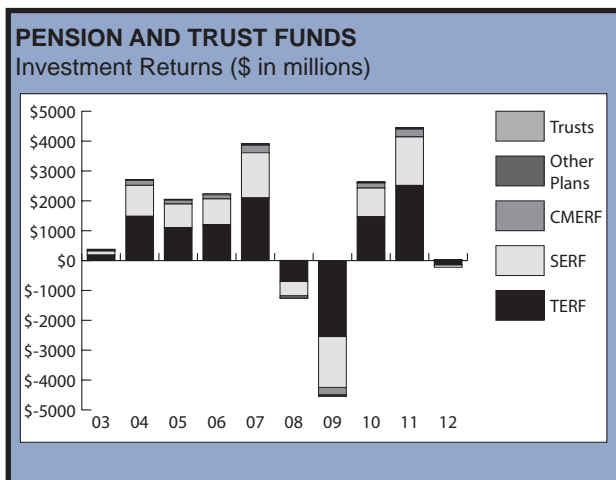
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 1-1



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

Figure 1-2



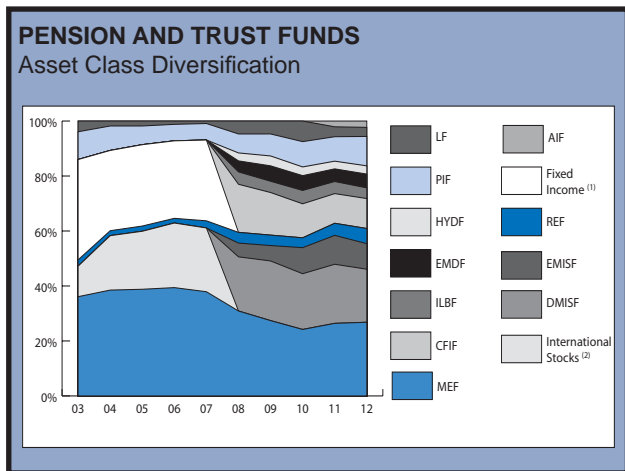
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 1-3

PENSION AND TRUST FUNDS ASSET ALLOCATION												
Actual vs. Policy at June 30, 2012												
	TERF				SERF				CMERF			
	Actual	Target Policy	Lower Range	Upper Range	Actual	Target Policy	Lower Range	Upper Range	Actual	Target Policy	Lower Range	Upper Range
U.S. EQUITY												
Mutual Equity Fund (MEF)	26.9%	24.0%	17.0%	35.0%	28.2%	25.0%	17.0%	35.0%	20.7%	19.0%	12.0%	27.0%
INTERNATIONAL EQUITY												
Developed Market Intl Stock Fund (DMISF)	19.7%	19.0%	13.0%	27.0%	19.8%	19.0%	13.0%	27.0%	15.6%	15.0%	8.0%	21.0%
Emerging Market Intl Stock Fund (EMISF)	9.4%	9.0%	6.0%	12.0%	9.5%	9.0%	6.0%	12.0%	8.3%	8.0%	6.0%	10.0%
REAL ESTATE												
Real Estate Fund (REF)	5.6%	5.0%	4.0%	7.0%	5.5%	5.0%	4.0%	7.0%	5.7%	7.0%	5.0%	9.0%
FIXED INCOME												
Core Fixed Income Fund (CFIF)	9.9%	13.0%	9.0%	20.0%	10.0%	13.0%	9.0%	20.0%	19.0%	19.0%	14.0%	26.0%
Inflation Linked Bond Fund (ILBF)	3.6%	6.0%	4.0%	8.0%	3.6%	6.0%	4.0%	8.0%	7.2%	10.0%	7.0%	13.0%
Emerging Market Debt Fund (EMDF)	4.9%	4.0%	3.0%	5.0%	4.9%	4.0%	3.0%	5.0%	6.0%	5.0%	3.0%	7.0%
High Yield Debt Fund (HYDF)	2.9%	2.0%	1.0%	3.0%	2.9%	2.0%	1.0%	3.0%	2.8%	2.0%	1.0%	3.0%
Liquidity Fund (LF)	3.9%	6.0%	4.0%	10.0%	2.7%	4.0%	2.0%	7.0%	1.8%	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)	10.9%	10.0%	8.0%	14.0%	10.6%	11.0%	8.0%	14.0%	10.7%	10.0%	7.0%	13.0%
ALTERNATIVE INVESTMENT												
Alternative Investment Fund (AIF)	2.3%	2.0%	0.0%	10.0%	2.3%	2.0%	0.0%	10.0%	2.2%	2.0%	0.0%	10.0%
TOTAL	100.0%	100.0%			100.0%	100.0%			100.0%	100.0%		

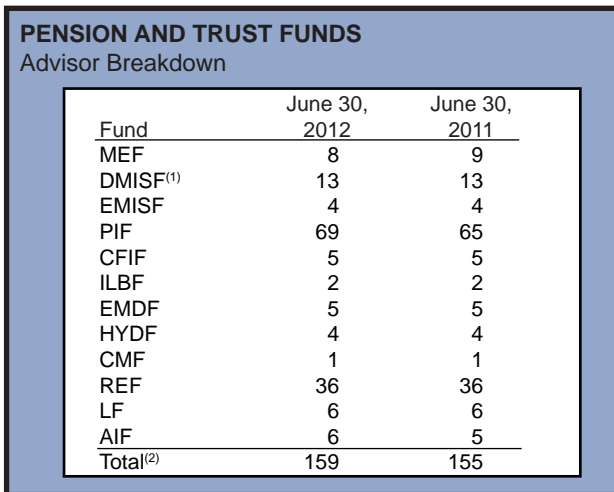
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 1-4



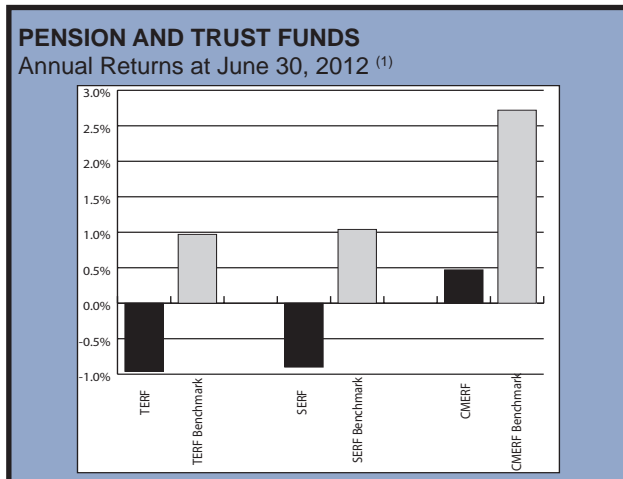
- (1) Prior to November 1, 2007 CFIF, ILBF, EMDF and HYDF were included in a Combined Investment Fund titled Mutual Fixed Income Fund.
- (2) Prior to November 1, 2007 DMISF and EMISF were included in a Combined Investment Fund titled International Stock Fund.

Figure 1-5



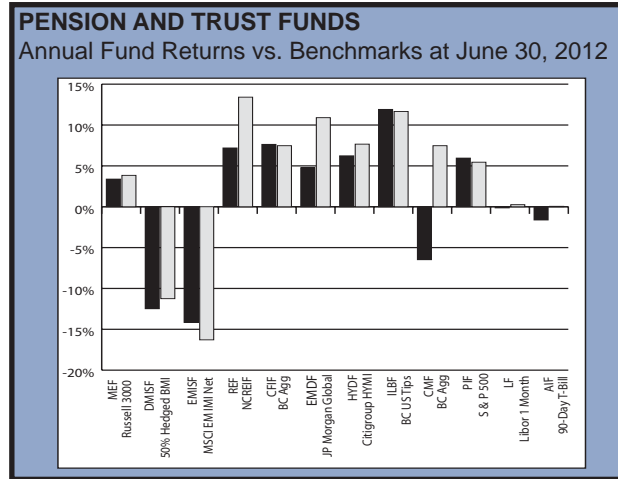
- (1) Does not include the Currency Overlay Manager.
- (2) Actual total advisors was 149 and 144, respectively when factoring in advisors across multiple funds. Private Investment Fund partnerships with a \$0 market value are not included.

Figure 1-6



- (1) Each Plan benchmark composite represents the Plan's 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		
	2012	2011	2010	2009	2008	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								
Teachers' Retirement Fund (TERF)	(0.96)	20.77	12.87	(17.14)	(4.77)	10.52	1.27	6.08
TERF Benchmark-NCREIF	0.97	20.09	12.29	(16.85)	(6.03)	11.01	1.34	6.37
TERF Benchmark-Russell 3000	0.54	20.87	13.63	(17.62)	(7.29)	11.27	1.20	6.23
State Employees' Retirement Fund (SERF)	(0.90)	21.15	12.93	(18.25)	(4.83)	10.68	1.07	5.91
SERF Benchmark-NCREIF	1.04	20.74	12.60	(17.42)	(6.20)	11.33	1.34	6.37
SERF Benchmark-Russell 3000	0.61	21.52	13.93	(18.19)	(7.46)	11.59	1.20	6.23
Municipal Employees' Retirement Fund (MERF)	0.47	17.87	12.57	(14.90)	(4.11)	10.06	1.70	6.03
MERF Benchmark-NCREIF	2.72	18.26	11.82	(14.20)	(5.11)	10.92	2.13	6.78
MERF Benchmark-Russell 3000	2.10	19.92	13.71	(15.26)	(6.57)	11.66	1.97	6.63
<u>U.S. Stocks</u>								
Mutual Equity Fund	3.38	31.92	14.01	(28.36)	(12.99)	15.85	(0.63)	5.19
Russell 3000 Index	3.84	32.37	15.72	(26.56)	(12.69)	16.73	0.39	5.81
<u>International Stocks</u>								
Developed Markets International Stock Fund	(12.48)	26.30	11.03	(27.98)	(14.60)	7.07	(5.46)	N/A
S&P/Citigroup EPAC BMI 50% Hedged	(11.25)	23.20	9.68	(26.79)	(16.05)	6.24	(5.92)	4.84
Emerging Markets International Stock Fund	(14.16)	28.55	25.23	(30.90)	0.19	11.39	(0.88)	14.56
MSCI Emerging Market Investable Market Index	(16.29)	27.53	24.57	(26.84)	3.49	9.97	0.14	14.21
<u>Equity Commercial Real Estate</u>								
Real Estate Fund	7.19	16.12	(20.18)	(28.66)	6.04	(0.22)	(5.55)	1.96
Russell 3000 Index	3.84	32.37	15.72	(26.56)	(12.69)	16.73	0.39	5.81
NCREIF (1 Qtr. Lag)	13.41	16.03	(9.60)	(14.68)	13.58	5.96	2.88	8.17
<u>U.S. Fixed Income</u>								
Core Fixed Income Fund	7.63	4.49	11.81	2.84	5.65	7.94	6.44	5.75
Barclays Aggregate Bond Index	7.47	3.90	9.50	6.05	7.13	6.93	6.79	5.63
Emerging Market Debt	4.78	16.06	23.02	(3.62)	5.59	14.37	8.77	N/A
JP Morgan EMBI Global	10.90	11.74	17.90	2.24	5.10	13.47	9.44	11.74
High Yield Debt	6.23	15.96	24.54	(4.59)	(1.88)	15.33	7.51	9.41
Citigroup High Yield Market Index	7.66	15.26	25.64	(3.26)	(2.29)	15.96	8.06	10.18
Inflation Linked Bonds	11.91	7.23	9.48	(0.20)	16.81	9.52	8.90	N/A
Barclays US TIPS	11.66	7.74	9.52	(1.11)	15.09	9.63	8.44	7.23
Commercial Mortgage Fund	(6.48)	4.61	6.75	(3.14)	12.05	1.46	2.54	6.42
Barclays Aggregate Bond Index	7.47	3.90	9.50	6.05	7.13	6.93	6.79	5.63
<u>Alternative Assets</u>								
Private Investment Fund	5.92	19.89	17.32	(16.36)	13.66	14.21	7.21	7.94
S & P 500	5.45	30.69	14.43	(26.22)	(13.12)	16.40	0.22	5.33
State Street Private Equity Index (1 Qtr. Lag)	7.32	21.91	20.89	(29.34)	13.54	16.51	4.88	10.81
<u>Liquidity Fund</u>								
⁽¹⁾ Liquidity Fund	(0.14)	1.20	0.98	1.54	4.59	0.68	1.62	2.36
LIBOR 1 Month Index	0.25	0.25	0.27	1.35	4.10	0.25	1.23	2.10
<u>Alternative Investment Fund</u>								
90-Day T-Bill	(1.62)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	0.05	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

2012

liquidity fund

Fund Facts at June 30, 2012

Investment Strategy/Goals: The goals of the Liquidity Fund ("LF") are to (1) provide a liquid source of funds for benefit payments and (2) earn a return greater than that of money market investments. Strategic execution involves investing a portion of the fund in longer duration and slightly higher risk securities. This strategy enables other investment funds to remain fully invested.

Date of Inception: November 1, 2007

Total Net Assets: \$1,531,390,361

Performance Objective: An annual total return in excess of the benchmark, net of fees and expenses.

Management Fees: \$5,155,864

Benchmark: One Month London Interbank Offering Rate (LIBOR) Index

Operating Expenses: \$573,227

Number of Advisors: 6 external

Expense Ratio: 0.35%

Description of the Fund

The LF consists of three tiers of investments:

1. The first tier contains the most liquid short-term assets, which are considered money market instruments. This tier includes the cash balances of all of the various CIFs and pension contributions. This is the most active portion of the Liquidity Fund from a funds flow standpoint.
2. The second tier is comprised of enhanced cash and high quality, intermediate duration fixed income securities.
3. The third tier is structured to garner higher returns and provide asset diversification. This section of the Liquidity Fund includes slightly longer global short-term assets and foreign currencies.

This fund may include portfolios managed by the Treasury's Cash Management Division, including STIF, STIF Plus and the extended investment portfolio.

Portfolio Characteristics

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 currencies. At June 30, 2012 the weighted average maturity of the LF was 482 days and the average quality rating was AA-2 (See Figure 2-5).

Market Review

During fiscal 2012, the U.S. Treasury market rallied and the yield curve flattened. Positive performance in the fixed income market was driven by disappointing U.S. economic growth, Eurozone solvency concerns, and investor demand as investors sought safety. Short maturity spread sectors outperformed Treasuries, with excess return driven by the yield advantage. Corporates produced the strongest total returns, followed by mortgage-backed securities, asset-backed securities, and agency paper. Lower quality securities outperformed those more highly rated, with BBBs generating the highest return among the investment-grade categories, as coupon income dominated price return. Developed markets' government bond yields fell 1-2% over the fiscal year, driven by the concerns about sovereign balance sheets and the U.S. fiscal condition as well as slowing global growth. These same issues caused heightened volatility and correlations in emerging markets. Emerging market assets and currencies weakened, especially when risk assets were sold indiscriminately without fundamental differentiation during episodes of intense global market volatility. Growth slowed throughout emerging markets over this time period and some countries shifted to stimulating growth instead of targeting inflation, with central banks driving rates lower. Emerging market bond yields continued to be higher than U.S. Treasuries, but emerging market yields remained historically low.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Performance Summary

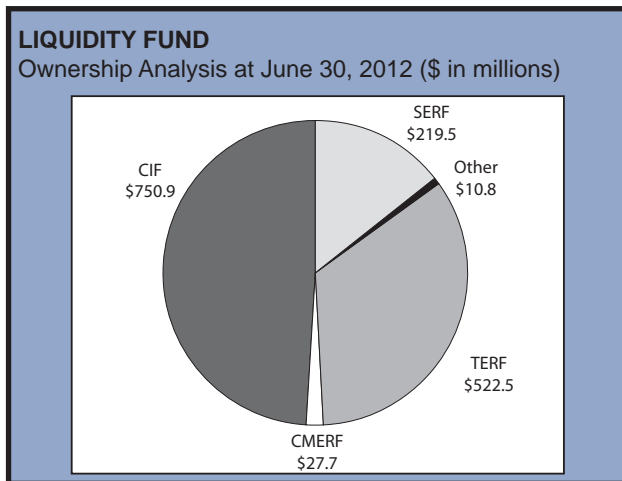
For the fiscal year ended June 30, 2012 the Liquidity Fund generated a return of -0.14%, net of all expenses, underperforming the one month LIBOR benchmark of 0.25%, by 39 basis points (See Figure 2-6).

As of June 30, 2012, the Fund's compounded annualized total returns for the trailing three, five and ten year periods were 0.68%, 1.62% and 2.36%, respectively, net of all expenses. These returns exceeded those of the Fund's benchmark for the time periods listed by 43, 39 and 26 basis points, respectively. The cumulative returns of the Liquidity Fund for the three, five and ten year periods were 2.04%, 8.38% and 26.24%, respectively (See Figure 2-6).

Risk Profile

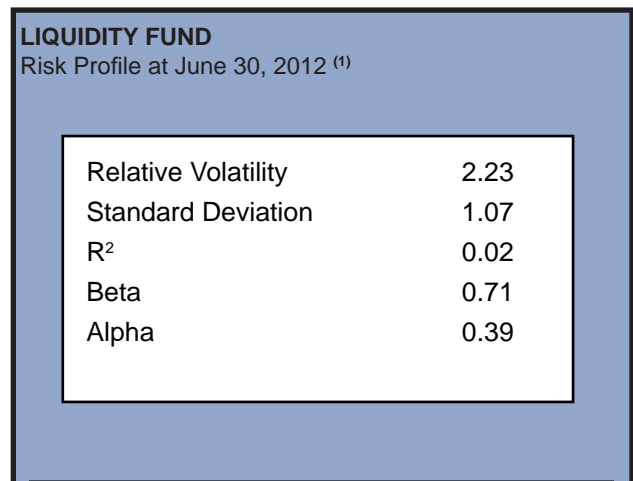
By maintaining a short average maturity the Fund has relatively low interest rate risk and by investing in high quality securities, the Liquidity Fund has a lower risk of credit default. The Fund does assume currency risk through its investments in global sovereign bonds and emerging market currencies.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

Figure 2-1



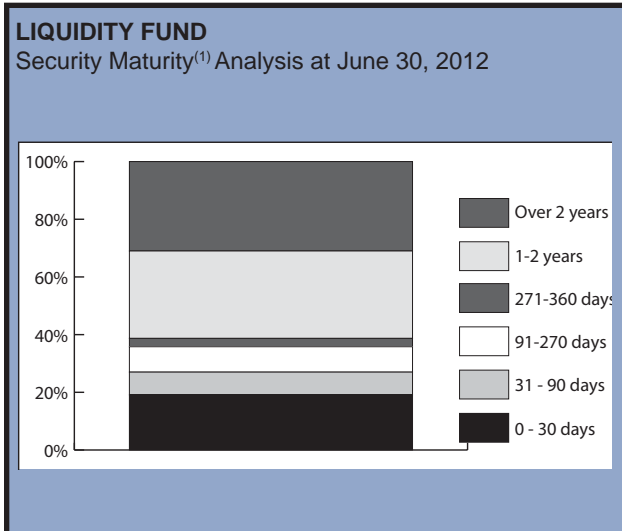
TERF - Teachers' Retirement Fund
 SERF - State Employees' Retirement Fund
 CMERF - Connecticut Municipal Employees' Retirement Fund
 CIF - Combined Investment Funds

Figure 2-2



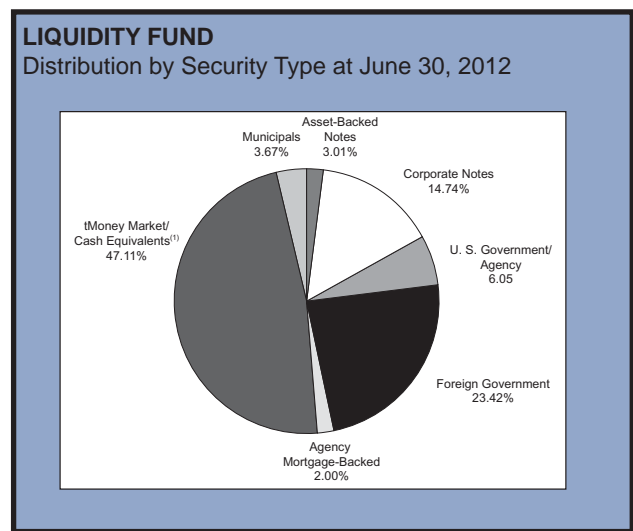
(1) Based upon returns over the last five years.

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
2012	329	-0.14%	482 days	AA-2
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+

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

Figure 2-6

LIQUIDITY FUND
Periods ending June 30, 2012

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
LF	-0.14	0.68	1.62	2.36
LIBOR 1 Month Index	0.25	0.25	1.23	2.10
CPI-Urban	1.66	2.09	1.95	2.47
Cumulative Total Return (%)				
LF	-0.14	2.04	8.38	26.24
LIBOR 1 Month Index	0.25	0.76	6.31	23.12
CPI-Urban	1.66	6.39	10.15	27.58

Figure 2-7

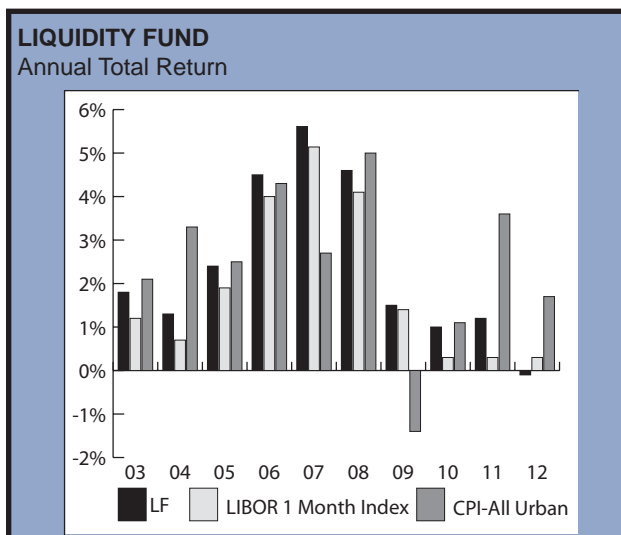


Figure 2-8

LIQUIDITY FUND
Investment Advisor Tiers at June 30, 2012

Investments	Net Asset Value	% of Fund
Tier I	279,336,379	18.24%
Tier II	606,370,010	39.60%
Tier III	645,683,972	42.16%
Total LF	1,531,390,361	100.00%

Figure 2-9

LIQUIDITY FUND
Investment Advisors at June 30, 2012

Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	\$279,336,380	18.24%
Payden & Rygel	170,524,168	11.13%
PIMCO	204,091,731	13.33%
Ambassador Capital Management	231,754,111	15.13%
Lazard	314,015,710	20.51%
Colchester Global Investors Ltd.	331,668,261	21.66%
Total LF	1,531,390,361	100.00%

Figure 2-10

LIQUIDITY FUND
Ten Largest Holdings* at June 30, 2012

Security Name	Maturity Date	Market Value	%
New Zealand Govt SR Unsec	4/15/2015	\$53,036,856	3.48%
Barclays Cap TRI Party A Repo	7/2/2012	33,838,000	2.22%
Deutsche Bank Repo	7/2/2012	28,500,000	1.86%
Poland Government Bond	10/24/2015	26,037,439	1.70%
European Investment Bank	8/14/2013	21,075,829	1.38%
Paribas Repo	7/2/2012	20,400,000	1.34%
Bank America Repo	7/2/2012	20,400,000	1.34%
J P Morgan Term Repo	7/2/2012	20,400,000	1.34%
Royal Bank of Scotland Repo	7/2/2012	20,400,000	1.34%
Credit Suisse First Boston	7/2/2012	20,400,000	1.34%
Top Ten		264,488,124	17.34%

* 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.

2012 alternative investment fund

Fund Facts at June 30, 2012

Investment Strategy/Goals: The Alternative Investment Fund (AIF) provides the Treasurer with the ability to invest CRPTF assets in investment strategies that offer the potential to enhance overall portfolio expected returns, reduce risk, or a combination of both in a variety of market conditions. Additionally, the AIF is expected to provide diversification benefits and inflation protection. The AIF serves as a vehicle for strategies that are not easily classified, categorized, or described in the other Combined Investment Funds. Hybrid strategies that cut across multiple asset classes will also be considered.

Date of Inception: February 1, 2011

Total Net Assets: \$549,098,086

Performance Objective: To outperform the 90 day T-Bill Rate, ("T-Bills"), by 300 basis points net of fees and expenses.

Expensed Management Fees: \$0

Benchmark: 90 Day T-Bills

Operating Expenses: \$900,773

Number of Partnerships: 6 external

Expense Ratio: 0.80%

Description of the Fund

The AIF represents a unique investment style that differs from traditional, long-only funds. The strategies employed within AIF represent a broad set of investment styles, mandates and products that focus primarily on the liquid equity, fixed income and derivatives markets, and may also include allocations to non-traditional investments, including illiquid securities and investments. AIF strategies may target absolute returns without reference to a traditional benchmark using a wide range of investment tools such as short-selling, leverage, derivatives and complex securities.

The AIF may invest in strategies that do not fit the constraints of existing Combined Investment Funds. Such strategies could include, but are not limited to, absolute return strategies, managed futures strategies, commodities, real assets and other alternative asset strategies.

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

Portfolio Characteristics

The AIF is invested in four absolute return oriented FoFs with a combined market value of \$496.7 million and two real asset oriented private equity style funds which invest in energy infrastructure with a combined market value of \$36.1 million.

Market Review

The macroeconomic factors driving volatility across traditional asset classes provided headwinds for hedge fund strategies as well during the fiscal year. These headwinds were predominantly related to factors such as the European sovereign debt crisis which led to global risk-on/risk-off cycles. The risk-on/risk-off cycles created an especially difficult environment for hedge funds to maneuver within.

As a result of the effects of the destabilizing risk-on/risk-off reversals, the CRPTF Hedge Fund of Funds portion of AIF declined 2.4% for the fiscal year. However, the consolidated hedge fund portfolios significantly outperformed their Hedge Fund of Funds peer group (Hedge Fund Research, Inc. FoF Composite) which was down 4.4% for that time frame. It also underperformed the Dow Jones Credit Suisse Hedge Fund Composite ("DJCS HF Index") which declined 2.0%, and the broader equity indices such as the S&P 500, which gained 5.5%.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

In terms of the Real Assets portfolio, ArcLight Energy Partners Fund V has drawn less than 10% of its commitments and is in the early stages of the J-curve. Energy Fund XV has drawn nearly 40% of the committed amount and generated a strong positive IRR.

Performance Summary

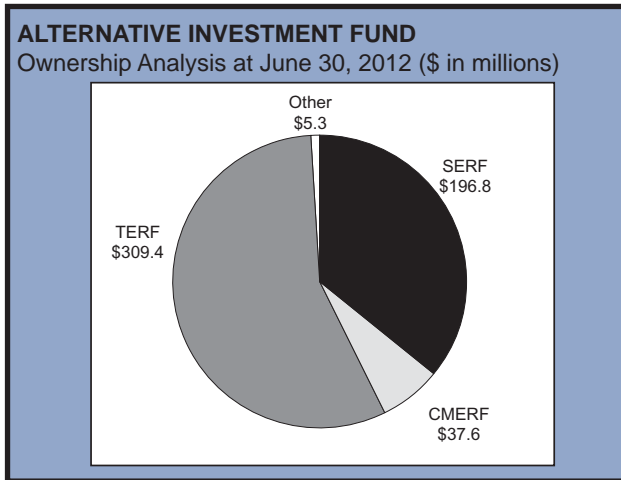
Since initial investments were made on February 1, 2011, the CRPTF AIF generated an annualized compounded return since inception of -1.40%. The recorded return for the fiscal year was -1.62%. This performance is relatively short-term, as the portfolio launched in 2011 and has not yet reached its anticipated diversification targets. 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 assists AIF in achieving its investment objectives.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 3-1



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

Figure 3-2

ALTERNATIVE INVESTMENT FUND
Periods ending June 30, 2012

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
AIF	-1.62	-	-	-
90 Day T-Bill	0.05	-	-	-
Cumulative Total Return (%)				
AIF	-1.62	-	-	-
90 Day T-Bill	0.05	-	-	-

Figure 3-3

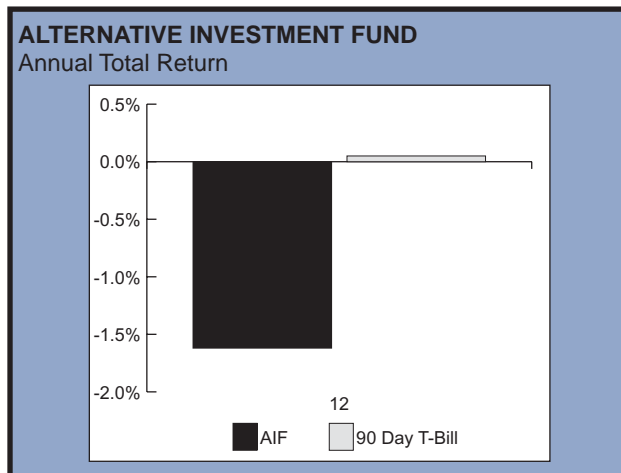


Figure 3-4

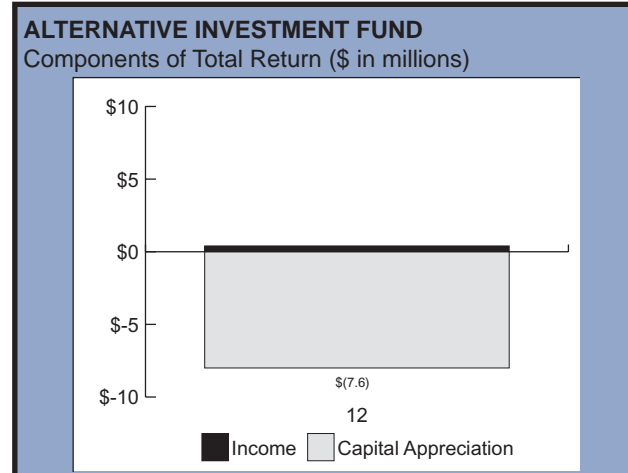


Figure 3-5

ALTERNATIVE INVESTMENT FUND
Investment Advisors at June 30, 2012

Investment Advisor	Net Asset Value	% of Fund
ArcLight Energy Partners Fund	\$4,066,145	0.74%
Energy Fund XV LP	32,069,426	5.84%
Prudence Crandall I Permal LP	147,817,950	26.92%
Prudence Crandall II Prisma LP	151,192,950	27.54%
Prudence Crandall III Rock Creek LP	99,950,700	18.20%
Prudence Crandall IV K2 LP	97,783,200	17.81%
Other	16,217,715	2.95%
TOTAL AIF	\$549,098,086	100.00%

Figure 3-6

ALTERNATIVE INVESTMENT FUND
Six Largest Holdings* at June 30, 2012

Partnership Name	Type	Market Value	%
PC II - Prisma	Hedge F-o-F	\$151,192,950	27.53%
PC I - Permal	Hedge F-o-F	147,817,950	26.92%
PC III - Rock Creek	Hedge F-o-F	99,950,700	18.20%
PC IV - K2	Hedge F-o-F	97,783,200	17.80%
Energy Fund XV LP	Hedge F-o-F	32,069,426	5.84%
ArcLight Energy Ptrs	Hedge F-o-F	4,066,145	0.74%
Top six		\$532,880,371	97.03%

* 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.

2012

mutual equity fund

Fund Facts at June 30, 2012

Investment Strategy/Goals: The Mutual Equity Fund (“MEF”) invests primarily in the common stocks of U.S. corporations. In the overall asset allocation, MEF’s goal is to achieve a long-term, real rate of return significantly above the inflation rate. MEF is a source of diversification to other asset classes within CRPTF.

Date of Inception: July 1, 1972

Total Net Assets: \$6,424,690,325

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

Management Fees: \$11,445,708

Benchmark: Russell 3000 Index

Operating Expenses: \$2,039,755

Number of Advisors: 8 external

Expense Ratio: 0.21%

Description of the Fund

MEF investments are made using external money managers. MEF assets are allocated across the U.S. stock market to achieve diversification by both market capitalization and investment style, such as value and growth. The MEF, at the Treasurer’s discretion and with the endorsement of the Investment Advisory Council (“IAC”), invests opportunistically to take advantage of shifts in the investment landscape or opportunities that offer diversification and/or risk-return benefits. Opportunistic allocations are made within the broad context of the MEF. MEF investments include U.S. common stocks as allowed by the investment management agreement and guidelines and may include investments in any market capitalization and/or investment style and may include an allocation to stocks outside of the U.S. The allocation to opportunistic investments is not to exceed 30% of the MEF and is subject to MEF guidelines on opportunistic investments.

Portfolio Characteristics

The largest industry weightings at June 30, 2012 were information technology (16.4%), followed by financials (11.8%) and health care (10.0%) (See Figure 4-3).

The MEF’s ten largest holdings, aggregating 14.22% of Fund investments, included a variety of blue chip companies and were broadly diversified with the largest holding of 3.01% in Apple Inc. (See Figure 4-9).

Market Review

Major U.S. stock market indices were mixed during the fiscal year ended June 30, 2012. The period began with U.S. stocks declining as the U.S. and European economies weakened. Also, rising Spanish and Italian bond yields raised concerns that the European sovereign debt crisis was spreading, prompting investors to seek the safety of U.S. Treasury securities. Global equity market volatility and selling pressure intensified in August, when Standard & Poor’s downgraded the U.S. government’s long-term credit rating from AAA to AA+.

Shares bottomed in early October, then rallied significantly through the spring of 2012 as the U.S. economy strengthened and central banks in developed countries attempted to suppress interest rates and stimulate growth. The European crisis became less acute during that time, as the European Central Bank extended more than 1 trillion Euros in low rate three-year loans to hundreds of European banks, many of which used the funds to purchase sovereign debt. However, equities struggled somewhat in the final months of the fiscal year as U.S. job growth moderated, the Chinese economy decelerated and the situation in the euro zone deteriorated. Election results in Greece and France revealed growing popular resentment toward the fiscal austerity measures that helped push many European economies into weakness. As the period closed, euro zone finance ministers agreed to lend up to 100 billion Euros to help Spain recapitalize banks

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

saddled with bad real estate debts and a regional summit concluded with policy announcements reflecting positive steps toward greater euro zone integration.

Large-cap shares strongly outperformed small-cap during the fiscal year. As measured by various Russell Indices, growth stocks outperformed value stocks among large-caps during the year, but value stocks held up better than growth stocks among small and mid-cap shares. Sector performance in the S&P 500 was widely mixed. Defensive sectors generally outperformed cyclical, with the telecommunication services and utilities sectors providing the best returns. The consumer staples, information technology, consumer discretionary and health care sectors also produced solid results, outperforming the broad market. Industrials and business services declined slightly for the year, but the materials and energy sectors slumped amid concerns about weaker global demand, particularly from China, a major consumer of commodities. Despite a strong rally at the very beginning of Fiscal Year 2012, financials struggled throughout the 12 months due to factors such as persistently low interest rates, the weak U.S. housing market and concerns about the European debt crisis.

Performance Summary

For the fiscal year ended June 30, 2012, the Mutual Equity Fund posted a return of 3.38%, net of fees and operating expenses, which underperformed the Russell 3000 Index return of 3.84% by 46 basis points (See Figure 4-4). During this same period, MEF's net assets declined from \$6.638 billion to \$6.425 billion, a decrease of \$213 million primarily due to dividend payments approximating \$103.3 million and redemptions approximating \$300.0 million. Net investment income approximating \$109.2 million, net realized gains approximating \$117.6 million (offset by a \$34.5 million reduction in unrealized gains) and administrative expenses approximating \$1.2 million, in the aggregate, offset some of the impact of the dividends and redemptions.

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 4-4 illustrates, the MEF has generated annualized total returns, net of fees, of 15.85%, -0.63%, and 5.19% over the last three, five and ten year periods, respectively. The Fund returns underperformed the Russell 3000 for the three, five and ten year periods by 88, 102 and 62 basis points, respectively.

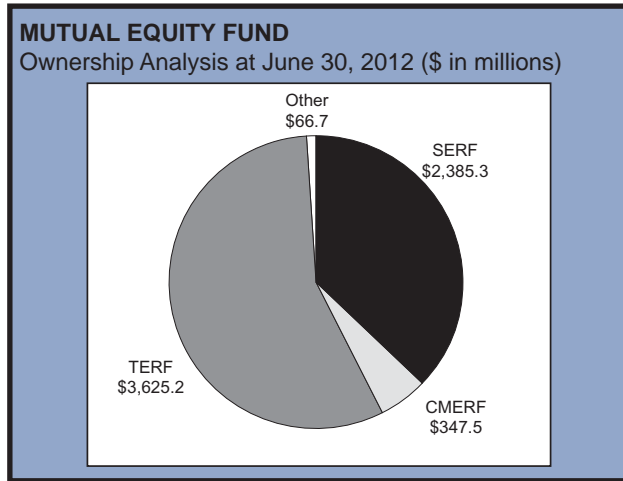
The MEF's cumulative total returns for the three, five, and ten year periods ending June 30, 2012, were 55.48%, -3.09%, and 65.85%, respectively.

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 the same volatility as those of the Index and reflect a strong degree of correlation, as shown by the fund's beta of 1.01. MEF's annual excess return during the five year period, or return relative to that achieved by the benchmark, was a negative 1.02 (See Figure 4-2).

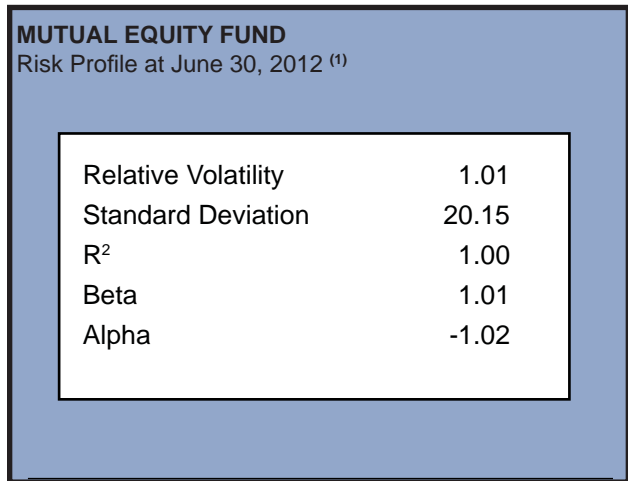
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-1



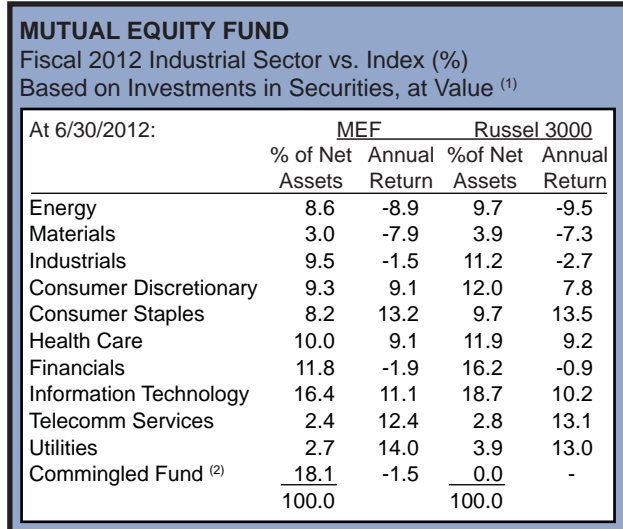
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 4-2



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

Figure 4-3



(1) Excludes the Liquidity Fund.
(2) Industrial sector allocations not available.

Figure 4-4

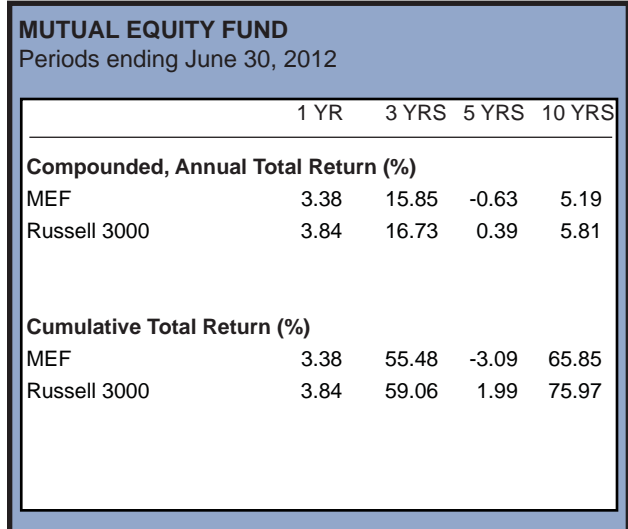


Figure 4-5

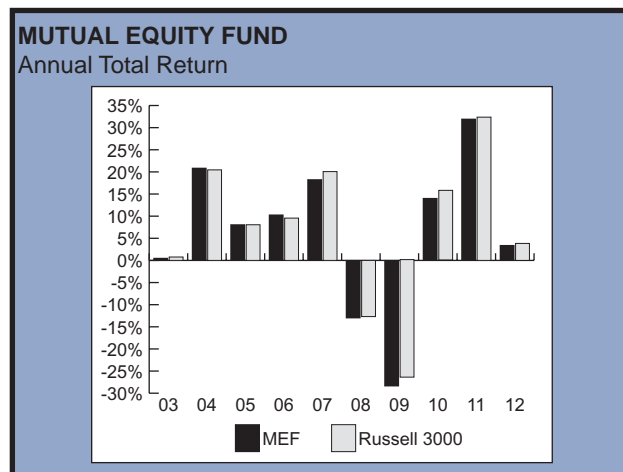
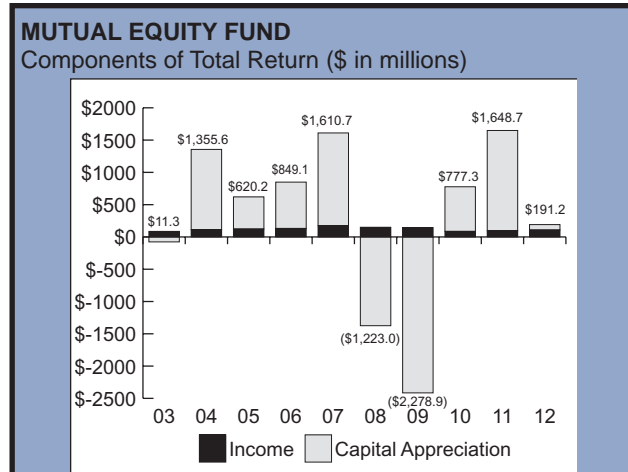


Figure 4-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-7

MUTUAL EQUITY FUND

Comprehensive Profile for the Fiscal Years ending June 30,

	2012		2011		2010		2009		2008	
	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell
# of Issues	1,629	3,000	1,665	3,000	1,914	3,000	1,954	3,000	2,206	3,000
Cap (\$ Bil)	\$96.9	\$89.2	\$81.5	\$73.2	\$57.2	\$59.0	\$52.8	\$58.7	\$69.6	\$72.2
P/E	18.0	18.3	19.4	20.2	16.3	17.5	20.5	19.8	18.5	18.1
Div Yield	1.99%	2.05%	1.80%	1.80%	1.90%	2.00%	1.98%	2.19%	1.90%	2.10%
ROE	21.1%	20.5%	18.7%	18.2%	15.9%	15.8%	18.4%	20.2%	19.0%	20.2%
P/B	3.7	3.7	3.5	3.5	2.7	2.9	2.9x	3.0x	3.6x	3.8x
Cash & Equiv.	0.6%	0.0%	0.6%	0.0%	0.9%	0.0%	9.7%	0.0%	0.8%	0.0%

Source: Monthly Bundle-Equity Portfolio Characteristics under Russell 3000

Figure 4-8

MUTUAL EQUITY FUND

Investment Advisors at June 30, 2012

Investment Advisor	Net Asset Value	% of Fund
Large Cap	\$4,162,297,028	64.79%
T. Rowe Price Associates	983,532,836	15.31%
State Street Global Advisors	3,178,764,192	49.48%
Active Extension	769,152,355	11.97%
Pyramis	375,921,171	5.85%
Numeric	393,231,184	6.12%
All Cap	348,021,423	5.41%
Capital Prospects	176,264,997	2.74%
FIS Group, Inc.	171,756,426	2.67%
Small/Mid Cap	421,409,816	6.56%
Frontier Capital Mgmt Co	247,965,031	3.86%
Bivium	173,444,785	2.70%
Other ⁽¹⁾	723,809,703	11.27%
TOTAL MEF	\$6,424,690,325	100.00%

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

Figure 4-9

MUTUAL EQUITY FUND

Ten Largest Holdings* at June 30, 2012

Security Name	Sector	Market Value	%
Apple Inc	Information Tech	\$193,183,112	3.01%
Exxon Mobil Corp	Energy	143,152,535	2.23%
Microsoft	Technology	84,792,543	1.32%
Chevron Corp	Energy	76,667,905	1.20%
AT&T Inc	Telecomm Svcs	76,384,291	1.19%
General Electric Co	Industrials	75,139,870	1.17%
Intl Business Machines	Information Tech	73,035,831	1.14%
Johnson & Johnson	Health Care	64,902,798	1.01%
Proctor & Gamble Co	Consumer Staples	62,625,001	0.98%
PFIZER Inc.	Health Care	62,506,042	0.97%
Top Ten		\$912,389,928	14.22%

* 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.

2012

core fixed income fund

Fund Facts at June 30, 2012

Investment Strategy/Goals: The investment goals of the Core Fixed Income Fund (“CFIF”) are to: (1) achieve a long-term, real rate of return above the inflation rate; (2) provide a stream of income to meet cash flow needs of the plans and trusts and (3) provide a source of risk-return diversification from other asset classes within CRPTF during different economic environments. The strategy employed to meet these goals is to invest in fixed income securities aligned with those in the Barclays Capital U.S. Aggregate Index.

Date of Inception: November 1, 2007

Total Net Assets: \$2,616,686,464

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

Management Fees: \$3,423,470

Benchmark: Barclays Capital U.S. Aggregate

Operating Expenses: \$673,331

Number of Advisors: 5 external

Expense Ratio: 0.15%

Description of the Fund

The 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 securities.

Portfolio Characteristics

The CFIF is invested in U.S. Government 25.0%, agency 3.0%, corporate 23.6%, mortgage-backed 37.7% and asset-backed 3.6% securities. The remaining 7.1% was invested in the Liquidity Fund and other assets. At June 30, 2012, the CFIF was underweight U.S. Treasury and agency securities and overweight corporate bonds, mortgage-backed securities and asset backed securities versus the Barclays Capital U.S. Aggregate (See Figure 5-4).

Market Review

Credit markets were impacted by a number of macroeconomic factors during the fiscal year including an escalating sovereign debt and financial crisis in Europe, the undetermined magnitude of the global slowdown, and a sluggish U.S. economy. The beginning of the period was dominated by the growing contagion in Europe and the reality of a global monetary stimulus. The inability to restructure Greek debt was a primary catalyst for market volatility as the European Union failed to contain the crisis. Political discord in the U.S. added another layer of uncertainty, as the two leading parties failed to compromise on tax and spending issues, causing one credit rating agency to downgrade the U.S. credit rating from AAA to AA+. The Federal Reserve voiced concerns about significant downside risks to the economic outlook spawning a negative market reaction. Monetary policy included another round of quantitative easing (QE II). This resulted in investor uncertainty and a flight to quality, with material spread widening across fixed income sectors to levels not seen since 2009. Towards calendar year end, positive economic surprises and domestic and foreign central bank actions to lower rates helped the markets to rally. However, markets again fell during spring 2012 as economic data showed renewed slowing and the Euro crisis once again shook investor confidence, leading to a flight to quality. The ten year U.S. Treasury bond yield fell from 3.06% at the beginning of the fiscal year to a record low of 1.56%, 150 basis points lower than at the beginning of the year. Momentum reversed course in June as positive developments out of Europe overwhelmed disappointing global economic data.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS**Performance Summary**

The CFIF's value as of June 30, 2012 was \$2.617 billion, down from \$2.718 billion one year earlier. Of this \$101 million decrease, \$300 million was due to net cash outflows to participating pension and trust funds, partly offset by \$109 million from net realized and unrealized gains, and \$90 million from net investment income.

For the fiscal year ended June 30, 2012 the CFIF generated a total return of 7.63%, net of fees and operating expenses, outperforming the benchmark return of 7.47% by 16 basis points. For the trailing three, five and ten-year periods, CFIF's compounded annualized total returns were 7.94%, 6.44% and 5.75% respectively, net of all expenses (See Figure 5-8).

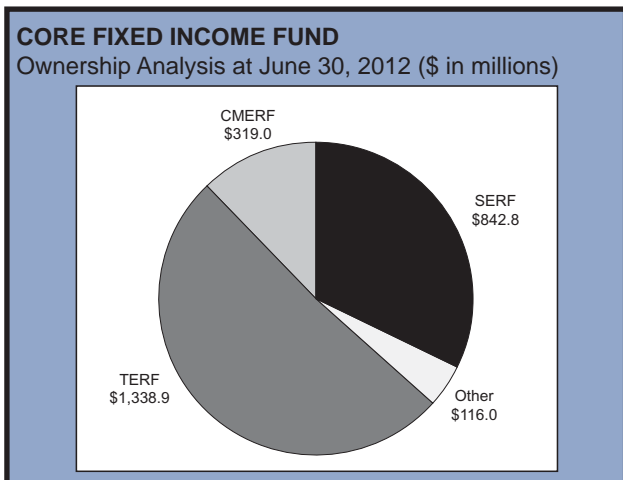
Risk Profile

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. As of fiscal year end, 66.7 percent of the CFIF is rated AAA (See Figure 5-5).

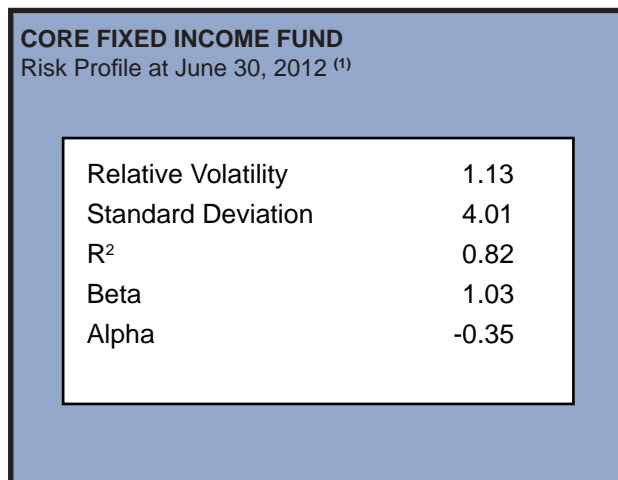
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-1



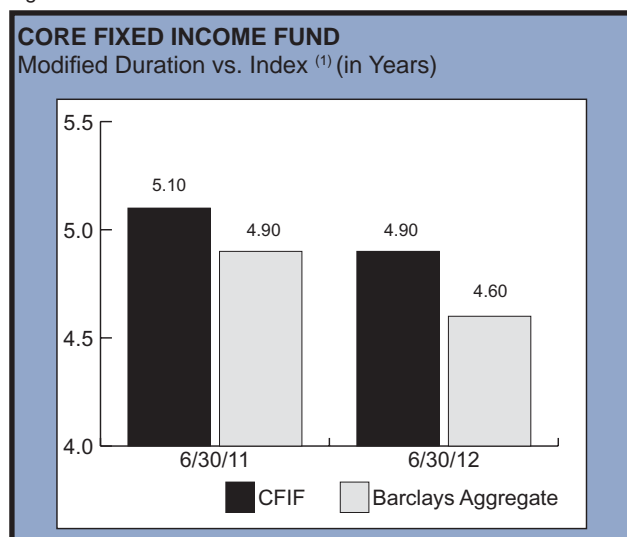
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 5-2



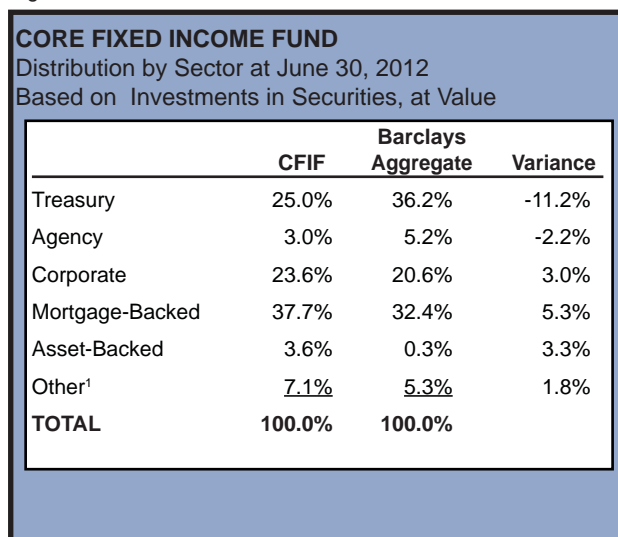
(1) Based upon returns over the last five years.

Figure 5-3



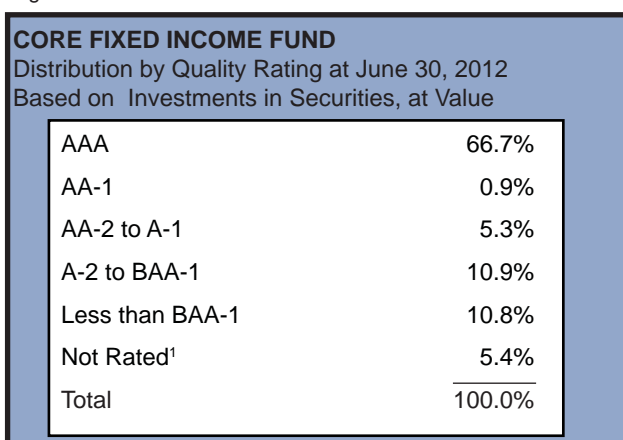
(1) Computed without the effect of Cash and other Net Assets.

Figure 5-4



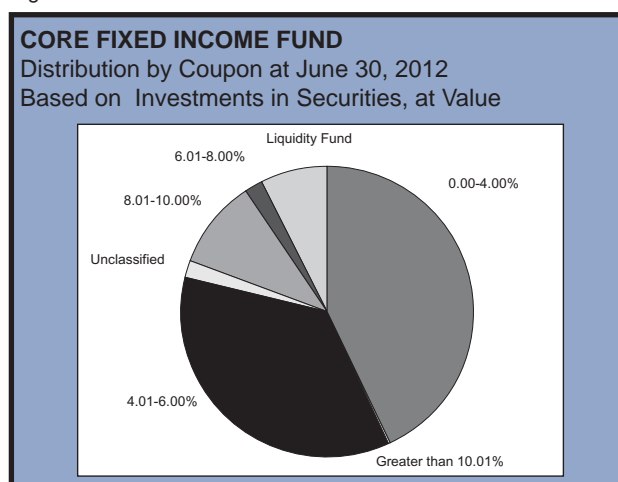
(1) Other category includes Liquidity Fund and other assets.

Figure 5-5



(1) Represents securities for which ratings are unavailable.

Figure 5-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-7

CORE FIXED INCOME FUND	
Duration Distribution at June 30, 2012 Based on Investments in Securities, at Value	
0-3 Years	48.3%
3-5 Years	23.6%
5-7 Years	9.2%
7-10 Years	5.9%
10+ Years	11.1%
Unknown ⁽¹⁾	1.9%
Total	100.0%

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

Figure 5-8

CORE FIXED INCOME FUND				
Periods ending June 30, 2012				
	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
CFIF	7.63	7.94	6.44	5.75
Barclays Aggregate	7.47	6.93	6.79	5.63
Cumulative Total Return (%)				
CFIF	7.63	25.75	36.62	74.88
Barclays Aggregate	7.47	22.27	38.91	72.96

Figure 5-9

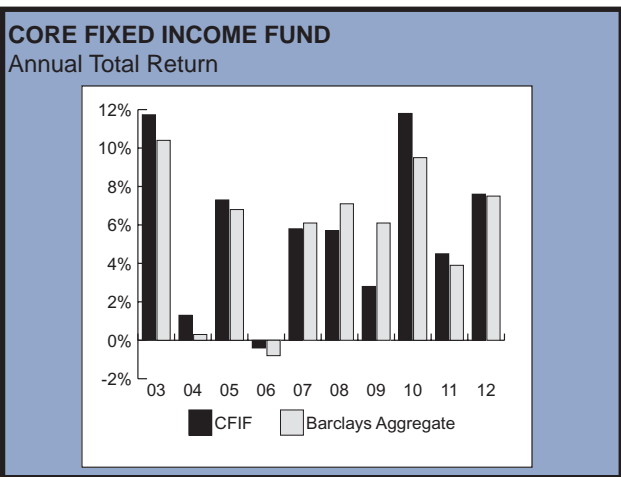


Figure 5-10

CORE FIXED INCOME FUND		
Investment Advisors at June 30, 2012		
Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	\$944,296,260	36.09%
BlackRock Financial Mgmt, Inc.	620,720,386	23.72%
Wellington	556,862,638	21.28%
Conning-Goodwin Capital	340,263,626	13.01%
Progress	144,270,249	5.51%
Other ⁽¹⁾	10,273,305	0.39%
TOTAL CFIF	\$2,616,686,464	100.00%

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

Figure 5-11

CORE FIXED INCOME FUND										
Comprehensive Profile for the Fiscal Year ending June 30,										
	2012		2011		2010		2009		2008	
	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	LBAI*
Number of Issues	3,732	7,664	3,661	7,627	3,398	7,755	3,421	8,454	4,123	9,457
Average Coupon	4.20%	3.90%	4.50%	4.30%	4.70%	4.50%	4.90%	5.00%	5.10%	5.40%
Yield Maturity	2.20%	1.80%	3.10%	2.80%	3.10%	2.70%	5.70%	4.00%	6.10%	5.10%
Average Maturity	7.10	6.70	7.10	7.00	6.60	6.10	6.70	5.90	6.80	6.00
Modified Duration	4.90	4.60	5.10	4.90	4.50	4.30	4.60	4.20	4.80	4.70
Average Quality	AA-2	AA-1	AA-1	AAA	AA-1	AA-1	AA-1	AAA	AA-1	AAA
Liquidity Fund*	7.4%	0.0%	9.6%	0.00%	4.5%	0.0%	6.8%	0.0%	5.8%	0.0%

* Note: Index changed from LBAI to Barclays Aggregate

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-12

CORE FIXED INCOME FUND			
Ten Largest Holdings* at June 30, 2012			
Security Name	Maturity	Market Value	%
FNMA TBA 30YR SINGLE FAMILY JU 3.5%	12/01/2042	\$ 67,847,860	2.37%
FNMA TBA JUL 30YR SINGLE FAM 4%	12/01/2042	35,757,792	1.25%
FHLMC GOLD TBA 30 YR TBA 4%	12/01/2042	35,228,188	1.23%
US TREASURY N/B 1.25%	04/30/2019	26,298,451	0.92%
US TREASURY N/B 0.375%	05/15/2015	25,861,489	0.90%
US TREASURY N/B 0.625%	05/31/2017	22,758,597	0.80%
FNMA Pool AL1711 4.5%	08/01/2041	21,162,670	0.74%
US TREASURY N/B 0.875%	02/28/2017	17,016,263	0.60%
US TREASURY N/B 3%	08/31/2016	16,905,711	0.59%
US TREASURY N/B 3.875%	08/15/2040	16,798,592	0.59%
Top Ten		\$ 285,635,613	9.99%

* 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 5-13

CORE FIXED INCOME FUND					
Quarterly Current Yield ⁽¹⁾ vs. Indices (%)					
	6/30/12	3/31/12	12/31/11	9/30/11	6/30/11
CORE FIXED INCOME	3.77	3.82	3.98	4.08	4.04
Barclays Aggregate	3.46	3.59	3.67	3.77	4.02
Citigroup 3 Month T-Bill	0.09	0.07	0.02	0.02	0.02
Barclays Treasury	2.19	2.34	2.39	2.49	2.71
Barclays Agency	2.36	2.46	2.56	2.62	2.79
Barclays Mortgage	4.18	4.33	4.40	4.46	4.56
Barclays Corporate	4.68	4.80	4.93	5.03	5.17
Barclays Asset Backed	2.91	3.28	3.59	3.68	3.77

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

2012

inflation linked bond fund

Fund Facts at June 30, 2012

Investment Strategy/Goals: The Inflation Linked Bond Fund's ("ILBF") investment goals are to (1) achieve a long-term, real rate of return above the inflation rate; (2) attempt to provide protection against rampant inflation; and (3) offer a source of risk-return diversification relative to other asset classes within the CRPTF during different economic environments. The strategy to achieve these goals is to invest primarily in U.S. inflation-linked securities.

Date of Inception: November 1, 2007

Total Net Assets: \$938,014,667

Performance Objective: Achieve a net return, that, at a minimum, matches the benchmark, over rolling three-to five-year periods, net of fees and expenses.

Management Fees: \$869,547

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

Operating Expenses: \$242,983

Number of Advisors: 2 external

Expense Ratio: 0.11%

Description of the Fund

The ILBF consists of two externally managed fixed income portfolios primarily comprised of U.S. Treasury Inflation Protected Securities ("TIPS"). 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.

Portfolio Characteristics

The ILBF is comprised principally of U.S. TIPS. The Fund has Moody's Investors Service highest quality rating, AAA, matching the quality rating of the benchmark. The Fund's average coupon at June 30, 2012 was 1.69% versus 1.70% for the benchmark. The average maturity of the Fund and its benchmark were 9.32 years and 9.27 years, respectively (Figure 6-9).

Market Review

Strong demand for U.S. Treasury securities during fiscal 2012 resulted in an 11.7% return for TIPS, modestly underperforming nominal U.S. Treasury securities. The performance of TIPS relative to nominal U.S. Treasuries is typically gauged by changes in the breakeven inflation rate. The breakeven inflation rate, also referred to as the breakeven rate, represents the difference between yields on nominal U.S. Treasury securities and TIPS and is considered a barometer of the market's expectation for inflation. (When market expectations for inflation rise, breakeven rates increase and TIPS typically outperform nominal U.S. Treasuries. The opposite outcome occurs for breakeven rates when inflation expectations subside.) Actual year-over-year inflation during the reporting period, as measured by the Consumer Price Index ("CPI"), meaningfully declined from 3.6% to 1.7%. In late summer and fall of 2011, a resurgence of market concerns regarding European sovereign debt coupled with Standard & Poor's downgrade of U.S. debt from triple A to AA+, sent risk premiums higher and breakeven inflation rates significantly lower. During the third quarter of fiscal 2012, improved domestic economic data and further monetary accommodation through "Operation Twist" improved demand for risk assets and breakeven rates recovered most of their lost ground. Breakeven rates slipped in the final quarter of the reporting period as the weight of weaker global economic data and European problems increased demand for nominal U.S. Treasury securities. Breakeven rates were also impacted by the decline in oil prices from over \$100 per barrel to below \$80. The narrow trading range for breakeven rates during the twelve months implies that market participants were not focused on a significant risk of either inflation or deflation.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS**Performance Summary**

The ILBF's value as of June 30, 2012 was \$0.938 billion, a decrease of \$181 million from the end of the prior fiscal year. Of this total, \$296 million was due to net cash outflows to participating pension and trust funds, \$23 million from net investment income, and \$92 million from net realized and unrealized gains.

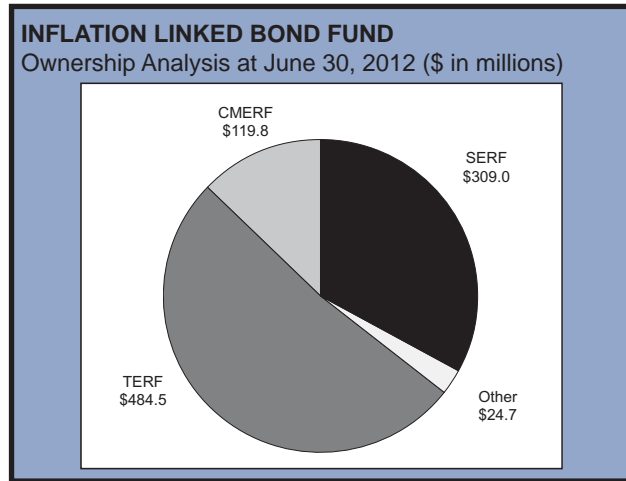
For the fiscal year ended June 30, 2012, the ILBF generated a total return of 11.91%, net of fees and operating expenses, outperforming the benchmark return of 11.66% by 25 basis points. For the trailing three year period, ILBF's compounded annualized total return was 9.52%, net of fees and operating expenses, underperforming the benchmark by 11 basis points. For the trailing five year period, ILBF's annualized return was 8.90% versus 8.44% by the benchmark (Figure 6-7).

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.

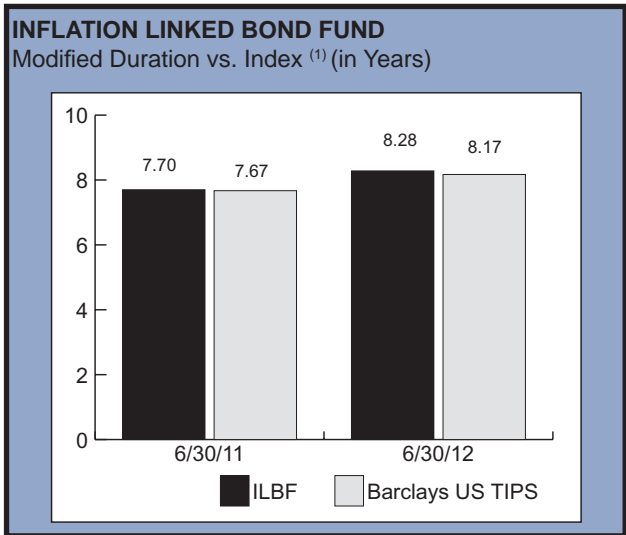
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 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

INFLATION LINKED BOND FUND
Distribution by Sector at June 30, 2012
Based on Investments in Securities, at Value

	ILBF	Barclays US TIPS	Variance
Treasury	99.0%	100.0%	-1.0%
Agency	0.0%	0.0%	0.0%
Corporate	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
Liquidity Fund	1.0%	0.0%	1.0%
TOTAL	100.0%	100.0%	

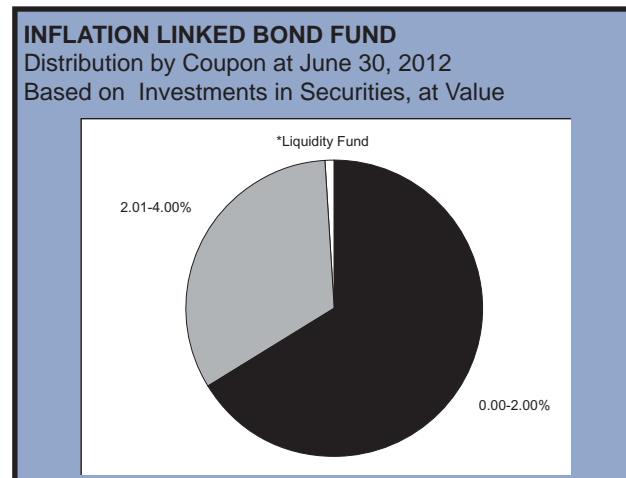
Figure 6-4

INFLATION LINKED BOND FUND
Distribution by Quality Rating at June 30, 2012
Based on Investments in Securities, at Value

AAA	98.4%
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	1.6%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 6-5



*Note: Ending weights

Figure 6-6

INFLATION LINKED BOND FUND
Duration Distribution at June 30, 2012
Based on Investments in Securities, at Value

0-3 Years	39.1%
3-5 Years	11.4%
5-7 Years	15.6%
7-10 Years	25.3%
10+ Years	7.6%
Unknown ⁽¹⁾	0.0%
Liquidity Fund ⁽²⁾	1.0%
Total	100.0%

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

(2) Represents monies invested in the Cash Equivalents at the end of the quarter.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 6-7

	1 YR	3 YRS	5YRS
INFLATION LINKED BOND FUND Periods ending June 30, 2012			
Compounded, Annual Total Return (%)			
ILBF	11.91	9.52	8.90
Barclays US TIPS	11.66	9.63	8.44
Cumulative Total Return (%)			
ILBF	11.91	31.37	53.15
Barclays US TIPS	11.66	31.75	49.94

Figure 6-8

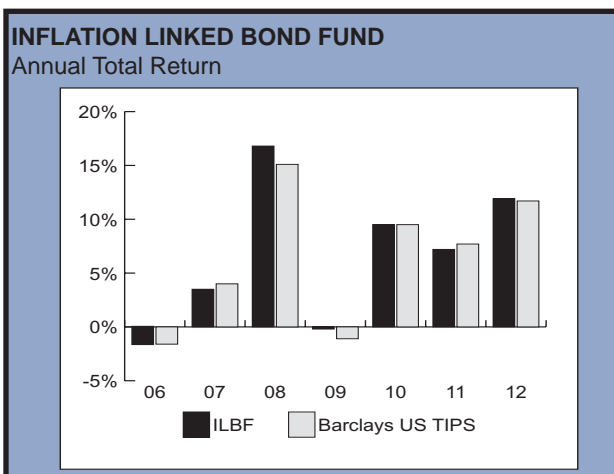


Figure 6-9

	2012		2011		2010	
	ILBF	Barclays US TIPS	ILBF	Barclays US TIPS	ILBF	Barclays US TIPS
Number of Issues	29	33	31	31	26	29
Average Coupon	1.69%	1.70%	1.97%	1.99%	2.25%	2.19%
Average Maturity	9.32	9.27	9.07	9.09	9.15	9.17
Effective Duration	8.28	8.17	7.70	7.64	7.71	7.74
Average Quality	AAA	AAA	AAA	AAA	AAA	AAA
Liquidity Fund ⁽¹⁾	1.0%	0.0%	3.9%	0.00%	3.8%	0.0%

(1) Ending Weights

Figure 6-10

Investment Advisor	Net Asset Value	% of Fund
Brown Brothers Harriman	\$548,902,708	58.52%
Hartford Investment Mgmt Co.	388,196,517	41.38%
Other ⁽¹⁾	915,442	0.10%
TOTAL ILBF	\$938,014,667	100.00%

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

Figure 6-11

Security Name	Maturity	Market Value	%
U.S. Treasury Notes	01/15/17	\$107,444,722	11.52%
U.S. Treasury Notes	01/15/25	92,229,780	9.88%
U.S. Treasury Notes	07/15/19	82,050,741	8.79%
U.S. Treasury Notes	01/15/26	69,497,979	7.45%
U.S. Treasury Notes	04/15/16	63,074,200	6.76%
U.S. Treasury Notes	07/15/15	57,489,983	6.16%
U.S. Treasury Notes	01/15/15	46,538,399	4.99%
U.S. Treasury Notes	07/15/20	42,998,607	4.61%
U.S. Treasury Notes	01/15/22	41,997,341	4.50%
U.S. Treasury Notes	02/15/41	41,681,498	4.47%
Top Ten		\$645,003,250	69.13%

(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.

2012 emerging market debt fund

Fund Facts at June 30, 2012

Investment Strategy/Goals: The goals of Emerging Market Debt Fund (“EMDF”) are to: (1) achieve a long-term, real rate of return above the inflation rate and (2) provide a source of diversification relative to other asset classes within the CRPTF given the different economic environments of global economies. This strategy is executed through external money managers.

Date of Inception: November 1, 2007

Total Net Assets: \$1,202,093,197

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

Management Fees: \$4,294,249

Operating Expenses: \$367,631

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

Number of Advisors: 5 external

Expense Ratio: 0.40%

Description of the Fund

The EMDF invests primarily in debt instruments issued by governments and companies operating in developing countries as defined by the benchmark and/or The World Bank. The EMDF is generally weighted 75% to U.S. dollar – denominated securities and 25% to securities issued in local currencies. For performance measurement purposes, the dollar-denominated securities are benchmarked to the JPM EMBI Global Diversified Index and the local currency securities are benchmarked to the JPM Global Bond Index – Emerging Markets (GBI-EM”) Global Diversified.

Portfolio Characteristics

The Emerging Market Debt Fund is a diversified portfolio with an overall yield to maturity of 6.57% versus the benchmark yield to maturity of 4.98% (See Figure 7-11). The Fund is diversified across geographic regions with the highest weighting in Latin American countries at 38.5%. Europe was the second highest regional concentration in the portfolio (See Figure 7-3). The average quality of EMDF was Baa-3, a lower quality as compared to the benchmark average quality of Baa-2 (See Figure 7-11). The distribution by quality ratings for the Fund is portrayed in Figure 7-4.

Market Review

The performance of fixed income securities in emerging markets was impacted by internal market developments as well as developed market factors. External, i.e. U.S. dollar-denominated, sovereign bond spreads widened over comparable maturity U.S. Treasury securities, benefiting from significant declines in U.S. Treasury yields. The JPM EMBI Global Diversified Index delivered a 9.8% return for the twelve months ending June 30, 2012. Return volatility spiked during specific time periods, particularly late in the first fiscal quarter and again in May 2012 in response to a variety of factors largely related to advanced economies, including concerns over global growth and Europe’s debt crisis. Markets began to recover in January 2012 after the European Central Bank implemented a new policy that provided cheap, long-term funding to European banks. This central bank liquidity and ongoing capital inflows into emerging markets debt created strong positive returns in the second half of the fiscal year for U.S. dollar-denominated sovereign bonds. Local currency government bonds suffered from currency weakness with the JP Morgan GBI EM Global Diversified Index returning a negative 1.7%. The foreign exchange component of this index was down 13.4%. Currency weakness accompanies most periods of volatility within emerging markets. Additionally, the highly liquid nature of foreign exchange facilitated its use as a risk reduction instrument during these periods of volatility, putting further pressure on currencies. In contrast, local interest rates delivered strong positive

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

performance, up 9.7%. Returns to emerging markets were supported by the deteriorating global growth environment and increased expectations for monetary easing. The yield differentials versus the developed markets remained wide. Corporate bond performance, the JP Morgan Corporate Emerging Markets Bond Index Broad Diversified returned 5.6% during fiscal 2012. Emerging market corporate debt was adversely affected by the deterioration in the global macro environment, by significant investor outflows and by a reduction in risk-taking and liquidity from dealers due to the volatile risk outlook and uncertain regulatory environment.

Performance Summary

The EMDF's value as of June 30, 2012 was \$1.202 billion, an increase of \$44 million from a year earlier. Of this increase, \$11 million was due to net cash outflows to participating pension and trust funds and \$95 million was generated from net investment income. Net realized and unrealized losses cost \$40 million.

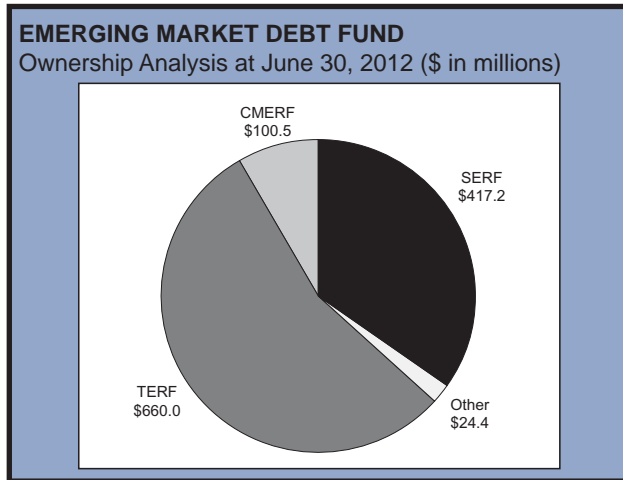
For the fiscal year ended June 30, 2012 the Emerging Market Debt Fund underperformed its benchmark by 612 basis points. The Fund generated a return of 4.78%, net of fees and operating expenses compared to the benchmark return of 10.90%. For the trailing three-year and five-year periods, EMDF's compounded annualized total returns were 14.37% and 8.77%, respectively, net of fees (See Figure 7-7).

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, liquidity risk, purchasing power risk, default risk, foreign withholding, repatriation of capital restrictions, 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.

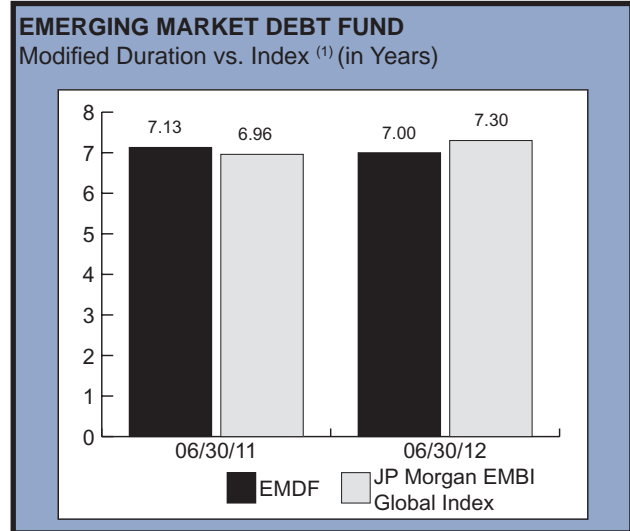
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-1



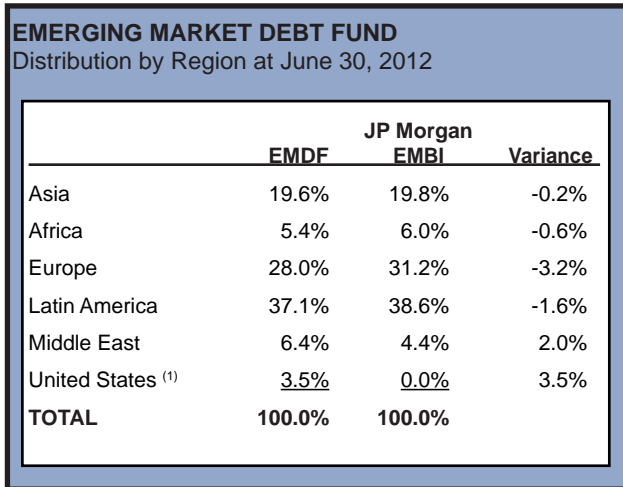
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 7-2



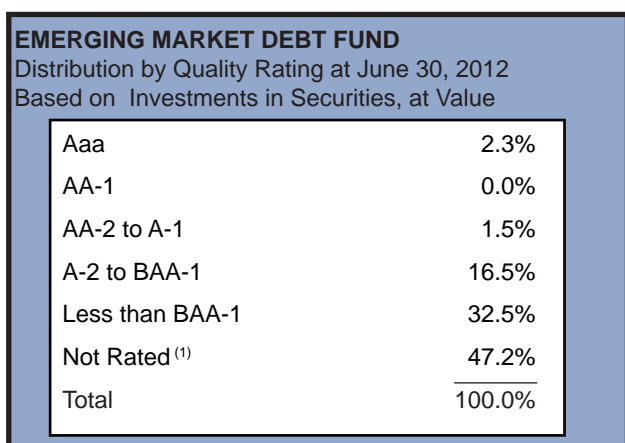
(1) Computed without the effect of Cash and other Net Assets.

Figure 7-3



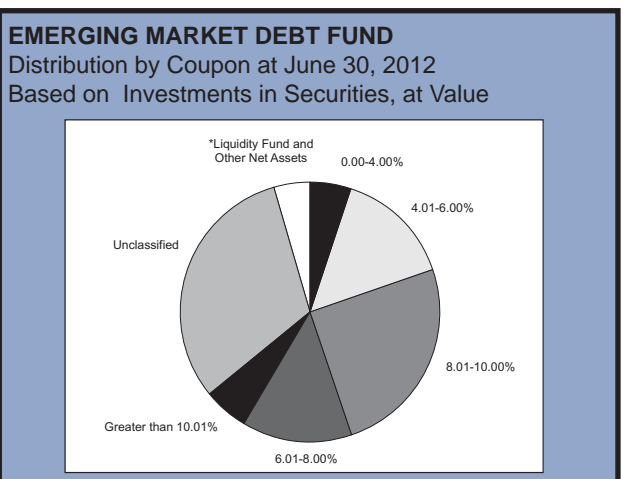
(1) Holdings comprised mainly of Liquidity Fund Exposure.

Figure 7-4



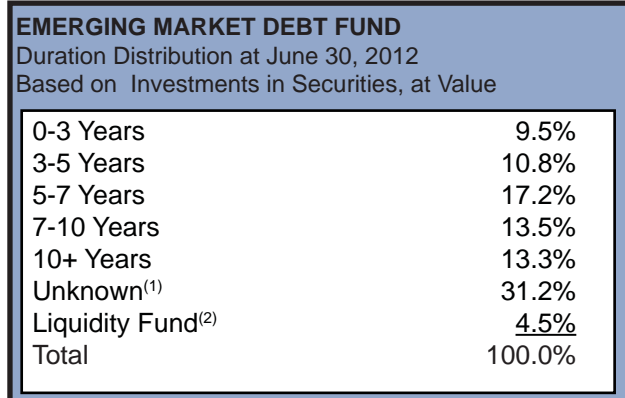
(1) Represents securities for which ratings are unavailable.

Figure 7-5



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

Figure 7-6



(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 7-7

EMERGING MARKET DEBT FUND

Periods ending June 30, 2012

	1 YR	3 YRS	5YRS
Compounded, Annual Total Return (%)			
EMDF	4.78	14.37	8.77
JP Morgan EMBI Global Index	10.90	13.47	9.44
Cumulative Total Return (%)			
EMDF	4.78	49.59	52.24
JP Morgan EMBI Global Index	10.90	46.10	56.99

Figure 7-8

EMERGING MARKET DEBT FUND

Annual Total Return

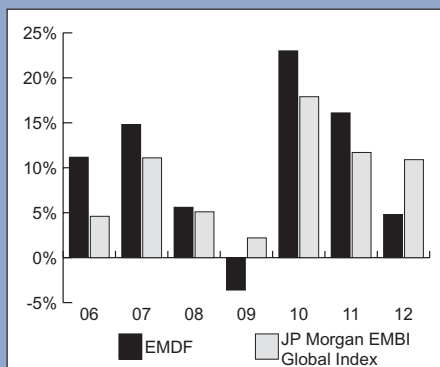


Figure 7-9

EMERGING MARKET DEBT FUND

Investment Advisors at June 30, 2012

Investment Advisor	Net Asset Value	% of Fund
Ashmore	\$339,152,111	28.21%
Stone Harbor Investment Partners	305,793,130	25.44%
ING Investment Management	221,043,452	18.39%
Pyramis	160,050,841	13.31%
UBS Global Asset Management	176,467,698	14.68%
Other ⁽¹⁾	(414,035)	-0.03%
TOTAL EMDF	\$1,202,093,197	100.00%

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

Figure 7-10

EMERGING MARKET DEBT FUND

Ten Largest Holdings* at June 30, 2012

Security Name	Maturity	Market Value	%
Russian Federation	03/31/30	\$18,812,180	1.60%
Republic of Colombia	09/18/37	13,589,877	1.16%
Republic of Iraq	01/15/28	9,758,603	0.83%
Petroleos de Venezuela	10/28/14	9,339,655	0.79%
Republic of Indonesia	03/04/19	8,524,025	0.72%
Republic of Poland	03/23/22	8,229,910	0.70%
Republic of Poland	07/15/19	7,736,053	0.66%
Nota Tesouro Nacional	05/15/45	7,400,263	0.63%
Republic of Indonesia	01/17/38	7,216,000	0.61%
Republic of Peru	11/21/33	6,906,040	0.59%
Top Ten		\$97,512,606	8.29%

* 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 7-11

EMERGING MARKET DEBT FUND

Comprehensive Profile for the Fiscal Year ending June 30,

	2012		2011		2010		2009		2008	
	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI
Number of Issues	724	307	656	273	475	225	391	203	302	196
Yield to Maturity	6.57%	4.98%	6.65%	7.36%	6.33%	5.86%	14.48%	7.77%	8.15%	7.62%
Average Maturity	10.88%	12.40%	11.05%	12.03%	10.19%	12.40%	10.98%	12.30%	-	-
Modified Duration	7.00	7.30	7.13	6.96	6.01	7.09	5.93	6.37	5.11	6.29
Average Quality	Baa-3	Baa-2	Baa-3	Baa-3	Baa-3	Baa-3	Ba-1	Ba-1	Ba-1	Ba-1
*Other	4.5%	0.0%	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

2012

high yield debt fund

Fund Facts at June 30, 2012

Investment Strategy/Goals: The goals of the High Yield Debt Fund (“HYDF”) are to: (1) achieve a long-term, real rate of return above the inflation rate; and (2) provide diversification to other asset classes within the CRPTF given the different economic environments. The strategy to execute these objectives is to employ external money managers with varying quality tilts.

Date of Inception: November 1, 2007

Total Net Assets: \$710,768,786

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

Management Fees: \$2,499,366

Benchmark: Citigroup High Yield Market Index

Operating Expenses: \$194,987

Number of Advisors: 4 external

Expense Ratio: 0.38%

Description of the Fund

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

Portfolio Characteristics

The HYDF is well diversified across a range of corporate high yield securities, predominantly in the U. S. The Fund’s average quality rating was B-2, matching the average quality of the benchmark (See Figure 8-10). At June 30, 2012, more than half of the Fund’s investments had maturities in the three to seven year time frame (See Figure 8-7).

Market Review

The high yield market, like all credit markets, was impacted by adverse domestic and foreign economic events. Slowing growth at home and abroad led to stimulative monetary actions by central banks that resulted in a lower interest rate environment. In the first quarter of the fiscal year, the U.S. government passed a bill to raise the debt ceiling, allowing the U.S. to avoid default and reduce its deficit over the next decade. Viewing the amount of deficit reduction as inadequate, Standard & Poor’s downgraded the U.S. debt to AA+ from AAA. The Federal Reserve Bank employed several rounds of quantitative easing and promised to keep rates low until 2014. The Fed’s zero interest rate policy led to long duration high yield bonds outperforming shorter duration bonds. The lowest quality high yield bonds also outperformed their higher quality counter parts as investors not only reached for yield but also were less discriminating in terms of credit quality. Overall, the high yield market returned 8.6% in fiscal 2012, having benefited from relatively positive corporate fundamentals, low default rates and strong investor demand amid record low interest rates during this fiscal year.

Performance Summary

The HYDF’s value as of June 30, 2012 was \$711 million, a decrease of \$7 million as compared with June 30, 2011. This decrease was the result of \$50 million from net cash outflows to participating pension and trust funds, \$54 million from net investment income and \$11 million from net realized and unrealized losses.

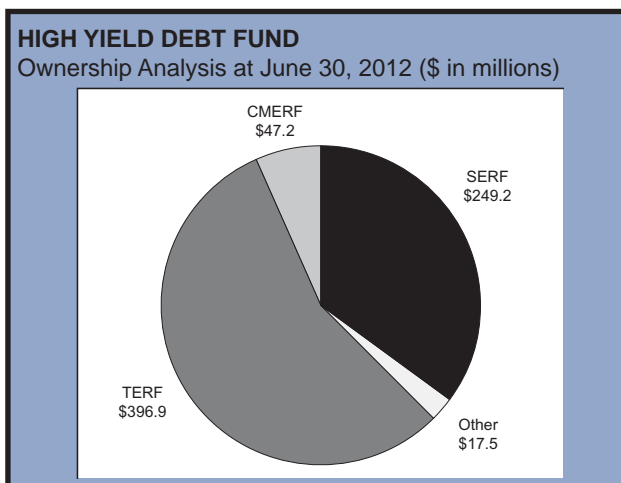
For the fiscal year ended June 30, 2012 the HYDF gained 6.23%, net of fees and operating expenses, compared to the benchmark return of 7.66%. Over the five year period, HYDF had an annualized return of 7.51% versus the index return of 8.06%. On a cumulative basis over the same period, this Fund returned 43.60% compared to the index return of 47.37% (See Figure 8-8).

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Risk Profile

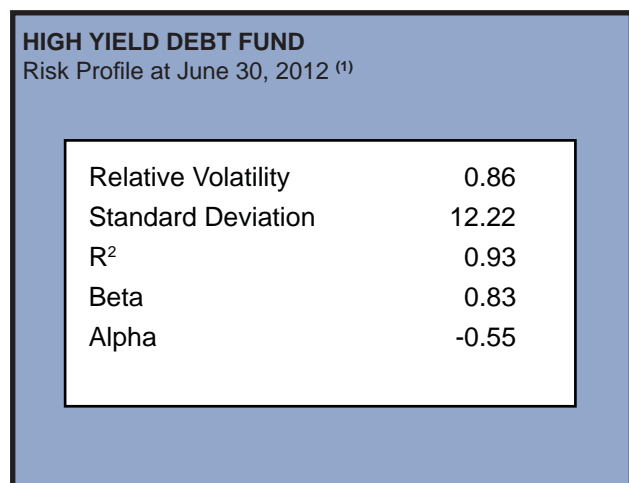
Given the HYDF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to credit default risk, interest rate risk, liquidity risk, reinvestment risk and inflation risk. In addition, the Fund is occasionally exposed to political, economic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

Figure 8-1



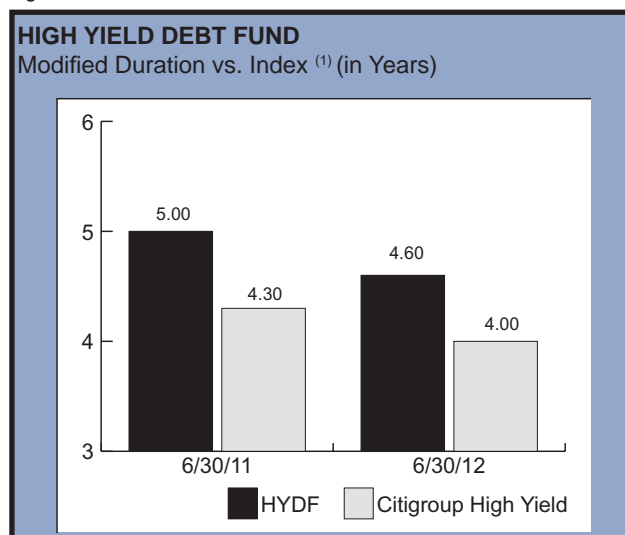
TERF - Teachers' Retirement Fund
 SERF - State Employees' Retirement Fund
 CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 8-2



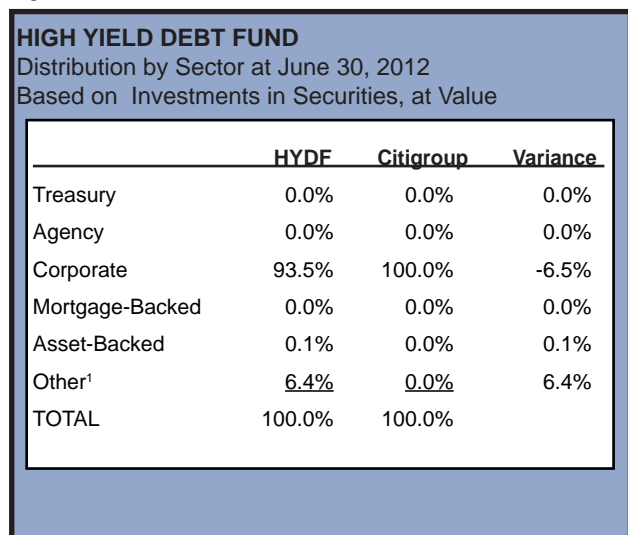
(1) Based upon returns over the last five years.

Figure 8-3



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

Figure 8-4



(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

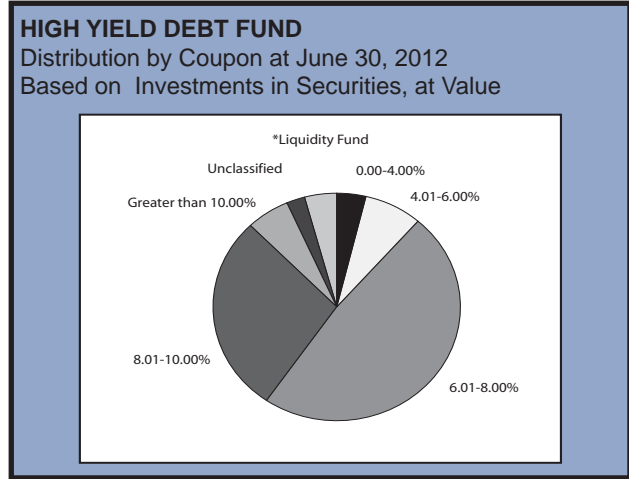
Figure 8-5

HIGH YIELD DEBT FUND
Distribution by Quality Rating at June 30, 2012
Based on Investments in Securities, at Value

AA-2 to A-1	0.0%
A-2 to BAA-1	0.1%
Less than BAA-1	93.8%
Not Rated ¹	6.1%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 8-6



* Note: Ending weights.

Figure 8-7

HIGH YIELD DEBT FUND
Duration Distribution at June 30, 2012
Based on Investments in Securities, at Value

0-3 Years	22.9%
3-5 Years	31.9%
5-7 Years	27.3%
7-10 Years	8.4%
10+ Years	3.0%
Unknown ⁽¹⁾	2.3%
Liquidity Fund ⁽²⁾	4.2%
Total	100.0%

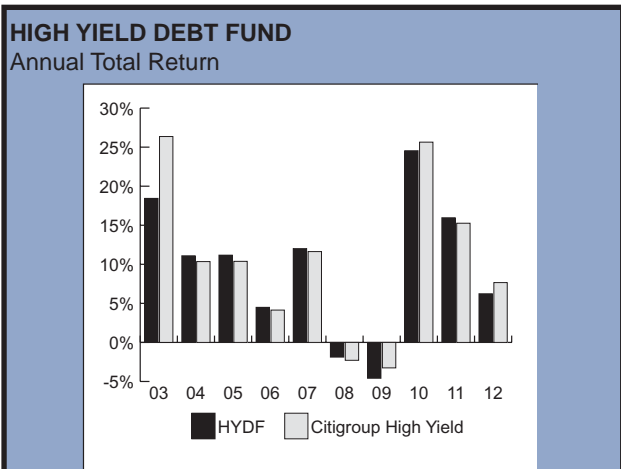
- (1) Represents securities for which the duration could not be calculated by the custodian.
- (2) Represents monies invested in the liquidity fund at the end of quarter.

Figure 8-8

HIGH YIELD DEBT FUND
Periods ending June 30, 2012

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
HYDF	6.23	15.33	7.51	9.41
Citigroup High Yield Market Index	7.66	15.96	8.06	10.18
Cumulative Total Return (%)				
HYDF	6.23	53.40	43.60	145.69
Citigroup High Yield Market Index	7.66	55.92	47.37	163.68

Figure 8-9



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 8-10

HIGH YIELD DEBT FUND									
Comprehensive Profile for the Fiscal Year ending June 30,									
	2012		2011		2010		2009		
	<u>HYDF</u>	<u>Citigroup</u>	<u>HYDF</u>	<u>Citigroup</u>	<u>HYDF</u>	<u>Citigroup</u>	<u>HYDF</u>	<u>Citigroup</u>	
Number of Issues	683	1,621	659	1,540	679	1,394	605	1,222	
Average Coupon	7.60%	8.20%	7.90%	8.30%	8.10%	8.34%	7.90%	8.10%	
Yield Maturity	7.50%	7.50%	13.60%	7.50%	9.11%	8.95%	11.90%	12.20%	
Average Maturity	7.50	6.30	6.90	5.60	6.86	5.71	7.8	6.5	
Effective Duration	4.60	4.00	5.00	4.30	4.93	4.37	4.7	4.2	
Average Quality	B-2	B-2	B-2	B-2	B-2	B-2	B-1	B-1	
Liquidity Fund	4.2%	0.0%	3.2%	0.0%	4.0%	0.0%	8.2%	0.0%	

*Note: Ending Weights

Figure 8-11

HIGH YIELD DEBT FUND			
Investment Advisors at June 30, 2012			
Investment Advisor	Net Asset Value	% of Fund	
Loomis Sayles & Co., Inc.	\$221,106,529	31.11%	
Stone Harbor Investment Partners	98,407,275	13.84%	
Shenkman Capital Management	240,152,137	33.79%	
Oaktree Capital Management, L.L.C.	147,557,344	20.76%	
Other ⁽¹⁾	3,545,501	0.50%	
TOTAL HYDF	\$710,768,786	100.00%	

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

Figure 8-12

HIGH YIELD DEBT FUND			
Ten Largest Holdings* at June 30, 2012			
Security Name	Maturity	Market Value	%
Vertex Pharma- ceuticals Inc	Common Stock	\$ 8,342,425	1.18%
Qwest Capital Funding	07/15/28	7,115,206	1.01%
Tenet Healthcare Corp	11/15/31	5,640,113	0.80%
Momentive Specialty Chem	02/15/23	5,635,500	0.80%
Toys R Us Inc	10/15/18	4,935,938	0.70%
Commscope Inc	01/15/19	4,563,113	0.65%
EUROPEAN BK RECON + DEV	09/10/12	4,477,505	0.63%
Essar Steel Algoma Inc	06/15/15	4,419,713	0.63%
ALBERTSONS INC	08/01/29	4,049,850	0.57%
Reynolds GRP ISS/Reynold	02/15/21	3,990,000	0.56%
Top Ten		53,169,363	7.53%

* 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..

2012

developed market international stock fund

Fund Facts at June 30, 2012

Investment Strategy/Goals: The Developed Markets International Stock Fund (“DMISF”) invests primarily in the common stocks of non-U.S. corporations. In the overall asset allocation, DMISF’s goal is to achieve a long-term, real rate of return above the U. S. inflation rate. While common stocks are volatile on a year-to-year basis, that volatility is diminished over longer periods. The inclusion of DMISF investments generates additional sources of risks associated with international investing and at the same time, provides additional measures of diversification to other asset classes within the CRPTF.

Date of Inception: November 1, 2007

Total Net Assets: \$4,626,164,064

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

Management Fees: \$21,120,485

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

Operating Expenses: \$1,635,709

Number of Advisors: 14 external

Expense Ratio: 0.45%

Description of the Fund

DMISF investments are made using external money managers. DMISF assets are allocated across foreign markets such that there is diversification by market, capitalization and style which, in aggregate, are structured to replicate the characteristics of the comparable developed non-U.S. equity markets’ index. Non-U.S. equities are defined as common stocks issued by companies domiciled outside of the United States. Developed Markets are defined as the countries included in the S&P/Citigroup BMI EPAC.

The DMISF, at the Treasurer’s discretion and with the IAC’s endorsement, may invest opportunistically to take advantage of shifts in the investment landscape or opportunities that offer diversification and/or risk-return benefits. This opportunistic allocation is made within the broad context of the DMISF. Therefore, investments in the non-U.S. equity markets, except as allowed by the investment management agreement and guidelines, may include investments in any market capitalization and/or investment style and an allocation to stocks inside of the U.S. The allocation to opportunistic investments is not to exceed 30% of total DMISF assets and is subject to DMISF guidelines on opportunistic investments.

Portfolio Characteristics

At fiscal year-end, DMISF invested in many developed foreign countries. Active management of the portfolio results in variances from the index weightings (See Figure 9-5). Reflecting the concerns over Europe, DMISF was underweight France, Germany, Italy and Spain. The largest underweights were to the United Kingdom and Spain. In recognition of the more positive outlook for developing countries, DMISF had exposure to a number of non-benchmarked countries including Brazil, China and Russia.

DMISF is well diversified with the ten largest holdings only representing 11.2% of the total portfolio value. The list exhibits an opportunistic approach with its heavy weighting of European securities (See Figure 9-7).

Market Review

The world’s financial markets took investors on a bumpy ride for the fiscal year ended June 30, 2012. Global equity markets focused their concerns on slowing economic growth in Europe, and in China. Events in Europe seemed more important as the debt crisis spread across Europe, embroiling first Ireland, then Greece, Portugal, Spain and Italy. After much negotiation, a Greek default was averted as a financial bailout kept Greece afloat, and the election of a pro-austerity government in June kept hopes alive, although it left the

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

underlying economic issues unresolved. By the spring, attention turned to Italy and Spain's growing financial challenges, including high unemployment and rising government debt levels. The yield on Spain's 10-year sovereign bonds rose above 7%, widely seen as financially unsustainable and likely to lead to a bailout.

Meanwhile, China, the world's second largest economy and its growth engine, began to slow substantially. This particularly affected commodity-producing and exporting countries that have been propelled by China's robust growth. China's quarterly gross domestic product figures tumbled throughout the 12-month period, from a 9.5% annual growth rate in the March quarter of 2011 to 7.6% expansion in the last quarter, substantially below its long-term average of 10%. The period ended with investors anticipating further economic stimulus from central banks in the European Union, U.K., U.S. and China.

International stocks lost substantial value, as reflected by the negative 13.83% return of the Morgan Stanley Capital International ("MSCI") Europe, Australasia and Far East Index ("EAFE") for the period. Within EAFE, growth stocks outperformed value by 2.60 percentage points, defensive stocks outperformed cyclical stocks and high quality stocks outperformed low quality stocks. Individual country performance varied greatly in the period. Ireland had the best return (positive 1.3%) and was the only European country with a positive return. Belgium, New Zealand, the U.K. and Denmark were also among the better performing markets. Greece (negative 68.5%) had the weakest return, followed by Austria, Portugal, Spain and Italy. Defensive sectors generally performed better than cyclical ones. For the period, consumer staples had the best performance (positive 2.7%). Healthcare was the only sector with a positive return. Telecommunication services, energy and consumer discretionary stocks within the portfolio also outperformed MSCI EAFE, but with double-digit negative returns. Materials (negative 27.1%) was the weakest sector, followed by financials, utilities, information technology and industrials. Developed markets had better returns than riskier market segments (i. e. international small cap or emerging markets), but not as strong as U.S. stocks. Currencies on average declined versus the U.S. dollar hurting returns for U.S. dollar based investors. MSCI EAFE in local currency terms fell 8.6%. The Euro (-12.5%), Swiss franc (-11.0%), Australian dollar (-4.3%) and British pound (-2.3%) all declined while the Japanese yen (+1.2%) gained marginally.

Performance Summary

DMISF's market value fell from \$5.408 billion on June 30, 2011 to \$4.626 billion by fiscal year end 2012, a decrease of \$782 million. Of this total, net realized and unrealized losses of \$812 million along with cash withdrawals of \$111 million by participating retirement plans and trust funds were offset by \$141 million in net investment income.

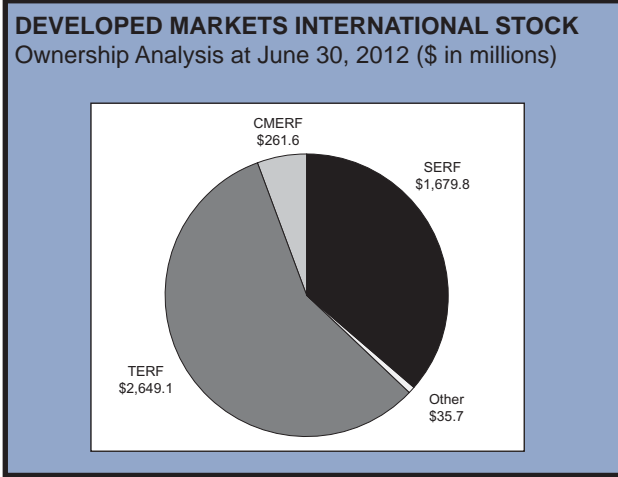
For the fiscal year ended June 30, 2012, the Developed Markets International Stock Fund generated a return of -12.48%, net of fees and operating expenses, underperforming its benchmark return of -11.25% by 123 basis points. The Fund outperformed its benchmark by 83 basis points over the three year period, generating a return of 7.07% versus 6.24% for the index. Over the five year period, the Fund's annualized return was -5.46% versus -5.92% for its benchmark, an outperformance of 46 basis points (See Figure 9-3).

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 in line with the volatility of its benchmark over the five-year period ending June 30, 2012. 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.

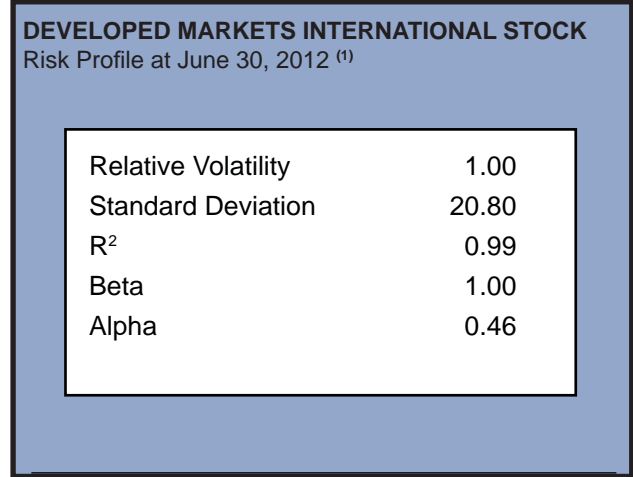
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 9-1



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

Figure 9-2



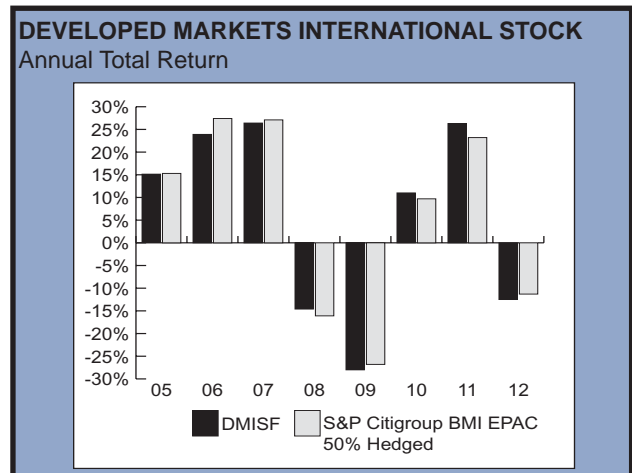
(1) Based upon returns over the last five years.

Figure 9-3

DEVELOPED MARKETS INTERNATIONAL STOCK
Periods ending June 30, 2012

	1 YR	3 YRS	5 YRS
Compounded, Annual Total Return (%)			
DMISF	-12.48	7.07	-5.46
S&P/Citigroup BMI			
EPAC 50% Hedged	-11.25	6.24	-5.92
Cumulative Total Return (%)			
DMISF	-12.48	22.74	-24.48
S&P/Citigroup BMI			
EPAC 50% Hedged	-11.25	19.93	-26.29

Figure 9-4



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 9-5

DEVELOPED MARKETS INTERNATIONAL STOCK			
Diversification by Benchmark Country at June 30, 2012 ⁽¹⁾			
	DMISF % of Net Assets 6/30/12	Benchmark % of Net Assets 6/30/12	Variance
Japan	14.2	21.1	-6.9
United Kingdom	13.9	20.9	-7.0
Korea	6.4	5.8	0.6
Hong Kong	5.8	3.6	2.2
United States	5.4	0.0	5.4
France	5.2	7.9	-2.7
Germany	5.1	7.2	-2.1
Brazil	5.1	0.0	5.1
Switzerland	4.6	7.5	-2.9
Australia	4.4	8.2	-3.8
China	2.3	0.0	2.3
Russia	2.3	0.0	2.3
Taiwan	2.0	0.0	2.0
Netherlands	1.9	2.5	-0.6
Italy	1.7	2.4	-0.7
Spain	1.6	2.3	-0.7
Mexico	1.6	0.0	1.6
Thailand	1.5	0.0	1.5
South Africa	1.4	0.0	1.4
Sweden	1.3	3.0	-1.7
Singapore	1.3	1.9	-0.6
Canada	1.3	0.0	1.3
Indonesia	1.2	0.0	1.2
Turkey	1.2	0.0	1.2
Other	<u>7.3</u>	<u>5.7</u>	1.6
Total	100.0	100.0	

(1) Based upon currency exposures of the underlying securities.

Figure 9-6

DEVELOPED MARKETS INTERNATIONAL STOCK		
Investment Advisors at June 30, 2012		
Investment Advisor	Net Asset Value	% of Fund
Index	968,808,402	20.94%
State Street Global Advisors	968,808,402	20.94%
Core	1,088,743,990	23.53%
Invesco Global Asset Mgmt.	186,523,851	4.03%
AQR Capital Management	595,034,605	12.86%
Acadian Asset Management	201,056,191	4.35%
Artio Global	4,310,068	0.09%
Progress	101,819,275	2.20%
Active-Growth	596,440,009	12.89%
MFS Institutional Advisors, Inc.	596,440,009	12.89%
Active-Value	512,298,986	11.07%
Grantham, Mayo, Van Otterloo	512,298,986	11.07%
Small Cap	716,765,283	15.50%
Schroder Investment Mgmt.	241,331,347	5.22%
Dimensional Fund Advisors	210,237,891	4.55%
William Blair & Company	265,196,045	5.73%
Risk Controlled	693,206,424	14.98%
BlackRock	332,807,897	7.19%
Pyramis	360,398,527	7.79%
Other ⁽¹⁾	49,900,970	1.09%
TOTAL DMISF	4,626,164,064	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 9-7

DEVELOPED MARKETS INTERNATIONAL STOCK				
Ten Largest Holdings* at June 30, 2012				
Security Name	Country	Market Value	%	
Nestle SA CHFO.10 REGD	Switzerland	\$66,966,851	1.47%	
Roche Holding AG Genusschein NPV	Switzerland	56,285,141	1.24%	
Samsung Electronics Co Ltd KRW5000	Republic of Korea	56,265,122	1.24%	
Royal Dutch Shell PLC A Shares Eur .07	United Kingdom	52,156,764	1.15%	
HSBC Holdings ORD USD 0.50 UK REG	United Kingdom	52,097,686	1.14%	
Total SA Eur 2.5 Post Division	France	51,809,868	1.14%	
Sanofi Aventis EUR 2.0	France	50,618,705	1.11%	
Glaxosmithkline PLC GBP .25	United Kingdom	44,327,692	0.97%	
BP PLC USD .25	United Kingdom	41,145,281	0.90%	
Astrazeneca ORD USD 0.25	United Kingdom	39,505,135	0.87%	
Top Ten		\$511,178,245	11.23%	

* 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.

2012 emerging markets international stock fund

Fund Facts at June 30, 2012

Investment Strategy/Goals: The Emerging Markets International Stock Fund (“EMISF”) invests primarily in the common stocks of non-U.S. corporations generally operating within emerging markets. In the overall asset allocation, EMISF’s goal is to achieve a long-term, real rate of return above the U.S. inflation rate. The inclusion of EMISF investments provides additional diversification for CRPTF.

Date of Inception: November 1, 2007

Total Net Assets: \$2,227,476,507

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

Management Fees: \$15,663,461

Benchmark: Morgan Stanley Capital International (“MSCI”) Emerging Markets Free Index (“EMF”)

Operating Expenses: \$1,835,417

Number of Advisors: 4 external

Expense Ratio: 0.72%

Description of the Fund

EMISF investments are made using external money managers. EMISF assets are allocated across foreign markets and are diversified by market, capitalization and style which, in aggregate, are structured to replicate the characteristics of the comparable emerging markets equity index. Non-U.S. equities are defined as common stocks issued by companies domiciled outside the U.S. Emerging Markets are defined as the 21 countries included in the MSCI EMF.

Portfolio Characteristics

As of fiscal year end, the EMISF’s largest holdings included a variety of companies located in Hong Kong, the Russian Federation, and the Republic of Korea (See Figure 10-8). As would be expected of an actively managed fund, EMISF displayed a country make up that was different from that of its benchmark. For example, the portfolio has exposures to Hong Kong (10.5%) and the United States (5.7%) which are not in the benchmark. Notable underweights include China (6.5% vs. benchmark’s 17.8%) and India (2.0% vs. benchmark’s 6.5%). The underweights are offset by overweights such as Turkey (3.5% vs. 1.7%) and the Philippines (2.0% vs. 0.9%) (See Figure 10-6).

Market Review

Emerging markets declined during the fiscal year ended June 30, 2012 amid unusual turbulence. The asset class was hurt by continuing concerns over the European sovereign debt crisis and further evidence of declining growth in the economies of China and India. Equities sold off at the start of the fiscal year and bounced back briefly, only to fall again as Europe’s widening debt crisis and impact on world growth weighed heavily on investor sentiment. Large liquidity injections by leading global central banks provided stock markets with some respite at the start of calendar year 2012. Country returns in the asset class displayed a wide divergence, ranging from a negative 37.7% return in Hungary to a positive 27.0% return in the Philippines. Sector returns were in a narrower range varying from a negative 26.8% return for the materials sector to a positive 5.4% for consumer staples.

Renewed risk aversion cut short the relief rally. Fevered speculation over the potential for Greece’s exit from the euro zone as well as Spain’s banking sector bailout revived fears of financial contagion. A continued deceleration in economic momentum across the asset class further undermined investor sentiment. The slowdown, led by three of the four “BRIC” economies, namely Brazil, India and China, stoked fears of a deeper and more protracted downturn, although some of the waning growth was engineered by government

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

concerns about price pressures or property bubbles. The Brazilian stock market fell on the back of a sluggish economy. Europe's crisis worsened and China, Brazil's largest trade partner, dampened speculation of a massive stimulus package. Brazil's central bank trimmed its growth forecast for 2012 to 2.5% from its 3.5% forecast in March. It also signaled that it would continue to cautiously cut interest rates. Chinese stocks rose late in the second quarter on speculation that the government would ease monetary policy and increase fiscal spending on infrastructure to support economic growth. The statistics bureau reported that industrial companies' profiles declined for a second month in May. In response, the central bank cut reserve ratios three times in a switch from the tightening mode in effect over the previous 2 years. It also lowered deposit and lending rates in June for the first time since 2008. Emerging market currencies were not spared the broad sell-off as investors retreated to the safety of "haven" assets. The Brazilian real and the Indian rupee were among the worst hit currencies. Some emerging market policymakers, who were until recently mostly relieved to see their currencies shed some of the rapid gains, tried to stem the depreciation. Brazil, for instance, cut a tax on overseas loans, India and Russia also intervened in the markets to defend their currencies.

The period ended on a positive note as Europe's leaders instituted further steps to ease the debt crisis in late June. Towards the end of the period, the election of a pro-bailout government in Greece and Europe's fresh efforts to address the region's fiscal woes lifted equity markets. Hopes that the major central banks would implement new measures to shore up growth also buoyed sentiment. The late gains, however, failed to erase earlier losses. The MSCI Emerging Market Free Index's decline of approximately 15.74% in U.S. dollar terms lagged the total return of both the U.S. and developed world markets, which rose by 5.43% and fell by 4.38%, respectively.

Performance Summary

EMISF's market value fell from \$2.638 billion on June 30, 2011 to \$2.227 billion by fiscal year end 2012, a decrease of \$411 million. Of this decrease in assets, \$430 million emanated from net realized and unrealized losses along with cash withdrawals of \$40 million by participating plans and trust funds offset by \$59 million in net investment income.

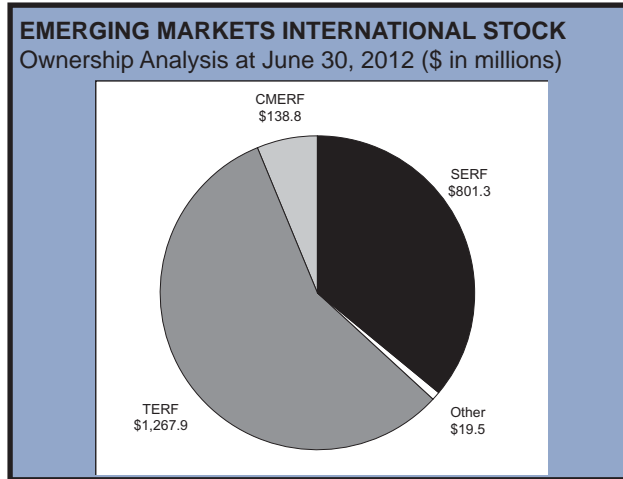
For the fiscal year ended June 30, 2012, the Emerging Markets International Stock Fund (EMISF) generated a return of -14.16%, net of fees and operating expenses, outperforming its benchmark index return of -16.29% by 213 basis points (bps). The Fund returned 11.39% and -0.88% for the three and five year periods, outperforming by 142 bps for the three-year and underperforming by 102 bps for the five year period. Over the ten year period, the fund outperformed the benchmark by 35 bps. The cumulative returns for the Fund for the three, five and ten year periods were 38.19%, -4.33% and 289.50%, respectively, as illustrated in Figure 10-4.

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 -1.02% (See Figure 10-2). Over the past five years, the fund has experienced slightly less volatility than the benchmark as evidenced by its 0.97 relative volatility.

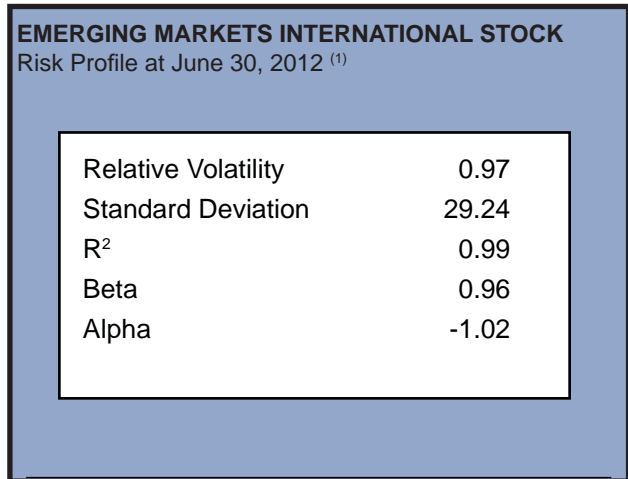
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

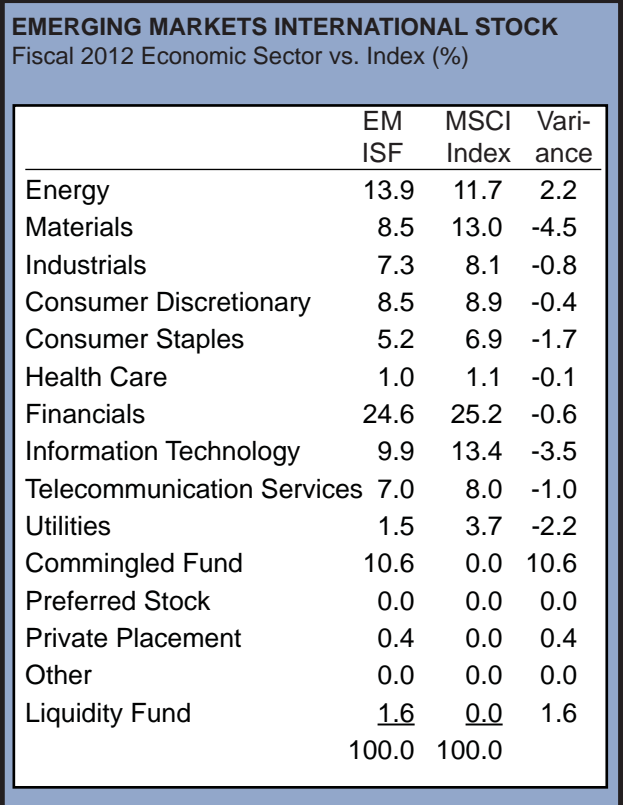


Figure 10-4

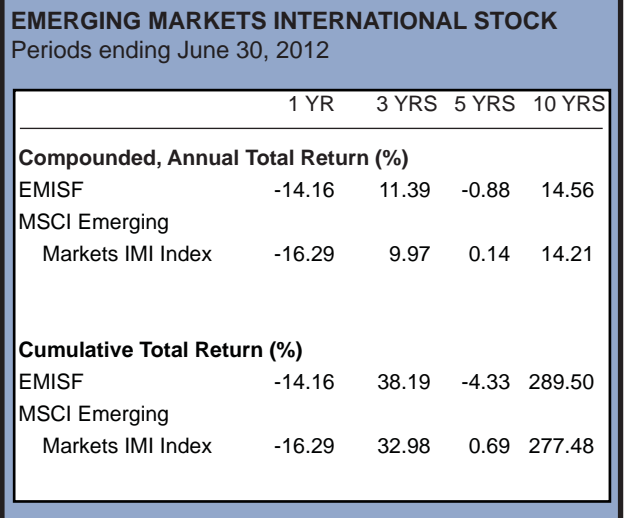
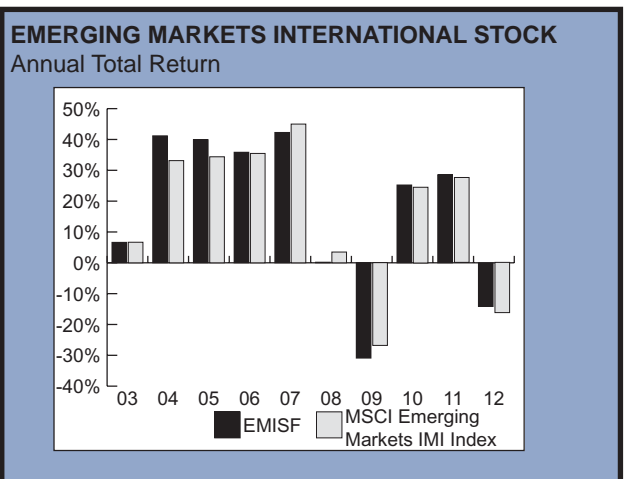


Figure 10-5



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-6

EMERGING MARKETS INTERNATIONAL STOCK

Diversification by Benchmark Country with Return (%) at June 30, 2012 ⁽¹⁾

	EMISF		Benchmark	
	Percent of Net Assets 6/30/12	Total Return	Percent of Net Assets 6/30/12	Total Return
Brazil	15.1	-26.3	13.1	-26.6
Korea	11.2	-8.6	15.2	-14.5
Hong Kong	10.5	-0.7	0.0	0.0
Russia	7.1	-23.9	6.0	-25.6
China	6.5	-23.7	17.8	-16.0
Taiwan	6.1	-10.5	11.0	-15.7
United States	5.7	-10.4	0.0	0.0
Mexico	4.9	12.9	5.0	0.4
Thailand	4.4	9.1	2.2	9.1
South Africa	3.7	-5.5	8.0	-6.5
Turkey	3.5	-5.8	1.7	-8.8
Indonesia	3.4	-5.6	2.7	-9.3
Malaysia	2.1	-8.6	3.6	-3.0
India	2.0	-26.9	6.5	-25.4
Philippines	2.0	35.0	0.9	25.1
United Kingdom	1.1	-16.7	0.0	-
Other Countries	10.7	-	6.3	-
Total	100.0		100.0	

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

Figure 10-7

EMERGING MARKETS INTERNATIONAL STOCK

Investment Advisors at June 30, 2012

Investment Advisor	Net Asset Value	% of Fund
Grantham, Mayo, Van Otterloo	\$601,112,894	26.99%
Emerging Markets Management	563,220,882	25.28%
Aberdeen Asset Management	618,151,872	27.75%
Schroders Investment Mgt	441,382,085	19.82%
Other ⁽¹⁾	<u>3,608,774</u>	<u>0.16%</u>
TOTAL EMISF	\$2,227,476,507	100.00%

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

Figure 10-8

EMERGING MARKETS INTERNATIONAL STOCK

Ten Largest Holdings* at June 30, 2012

Security Name	Country	Market Value	%
China Mobile Ltd. HKD 0.10	Hong Kong	\$63,652,786	2.87%
Samsung Electronic KRW 5000	Republic of Korea	63,007,542	2.84%
CNOOC Ltd HKD 0.02	Hong Kong	53,959,610	2.43%
Lukoil OAO ADR Rub 0.025	Russian Federation	48,240,078	2.18%
Gazprom ADR OAO	Russian Federation	44,395,309	2.00%
Vale SA PREF ADR	Brazil	37,824,778	1.71%
Taiwan Semiconductor SP ADR	Taiwan	34,425,863	1.55%
Samsung Electronic GDR PFD	Republic of Korea	33,936,600	1.53%
Astra International TBK IDR 500.0	Indonesia	31,168,685	1.41%
Hyundai Motor Co KRW 5000	Republic of Korea	27,878,077	1.26%
Top Ten		\$438,489,328	19.78%

* 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.

2012

real estate fund

Fund Facts at June 30, 2012

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 also provides consistent current income and provides capital gains to the CRPTF and acts as a hedge against inflation given different economic scenarios.

Date of Inception: July 1, 1982

Total Net Assets: \$1,328,371,843

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

Management Fees ⁽¹⁾: \$3,255,115

Capitalized and Netted Fees: \$13,264,936

Benchmark: National Council of Real Estate Investment Fiduciaries - National Properties Index, ("NCREIF-NPI"), with a one quarter lag

Operating Expenses: \$730,047

Expense Ratio: 0.33%

Number of Partnerships: 26 external LP Commingled Funds, 2 Open-Ended Funds, and 2 Separate Accounts

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

Description of the Fund

The REF is the vehicle by which the CRPTF makes investments in the real estate asset class. The investments may consist of a number of different investment strategies and investment vehicles, including externally managed commingled funds, separate accounts and/or publicly traded real estate securities. All investments in real estate assets shall be considered in the context of the relevant risk/return factors for each strategy in this asset class and consistent with the statutory requirements for consideration of investments by the Treasurer in accordance with Section 3-13d(a) of the Connecticut General Statutes.

The REF invests in real estate properties, real estate related equity investments, and real estate related debt and mortgages. The REF consists 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.

The REF's 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 the CRPTF invests. The REF as a whole is benchmarked against the NCREIF-NPI, an index representative of unlevered, institutionally held Core real estate in the United States. However, fund investments are also compared to appropriate sub-indices, such as NCREIF Open-Ended Diversified Core Equity ("ODCE") for Core funds, and NCREIF Value-Added Fund Index as well as NCREIF Townsend Opportunistic Fund Index, respectively.

Portfolio Characteristics

As of June 30, 2012, the portfolio was approximately 63.5% invested in Close-End fund vehicles, 16.3% in Open-End funds, and 11.1% of the Fund's assets held in 2 Separate Accounts, in which the REF holds 100% ownership interest in properties within the portfolio. These Separate Account vehicles are managed by external managers, and employ a Core investment strategy. The majority of investments in the REF are comprised of co-mingled private equity funds vehicles, in which the CRPTF holds limited partnership interests. These co-mingled funds employ three main real estate investment sub-asset classes: Core, Value-Add, and Opportunistic strategies. In accordance with the Investment Policy Statement ("IPS"), leverage levels in the REF shall not exceed 60%, and are diversified across geography and property types, with approximately 88% located in the markets within the United States and 9.70% to real estate markets abroad.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Within the CRPTF Real Estate Fund, target percentage allocations are: 50% in Core, 25% in Value-Add, 25% in Opportunistic, with a small percentage held in Public REITs on a strategic basis. The portfolio is well diversified geographically. While the NPI remains the tracked real estate investments benchmark, the CRPTF at any given time may be tactically under- or over-weight in specific property types, regions, vintage years or other characteristics of the Index.

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 with longer lease-terms 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-NPI, and reflect the diversification of portfolio property types in the benchmark, which consist of office, industrial, multi-family, and retail, 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 do 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-NPI 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-NPI 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 publicly traded nature makes REITs highly liquid but also more highly correlated to equity market moves.

Performance Summary

For the fiscal year ending June 30, 2012, the REF's market value increased from \$1.097 billion to roughly \$1.328 billion. The Fund generated a total one year return of 7.19%, net of fees, versus a gross return in the NCREIF-NPI of 13.41%. While underperforming the benchmark, this one-year return reflects an ongoing positive trend in the REF portfolio, and can be attributed to recent accretive commitments to opportunistic debt strategies in the Fund, increases in Core property valuations, and a partial recovery in recent vintage year real estate fund investments, which resulted in the REF's strong relative performance over the past four quarters, otherwise the disparity between the REF and its benchmark would be greater.

For the trailing three, five and ten year periods, the REF's compounded annual returns, net of all expenses, were -0.22%, -5.55%, and 1.96%, respectively (See Figure 11-8). The REF returns have underperformed the benchmark in the three, five and ten year periods by 618 basis points, 843 basis points, and 621 basis points, respectively. Much of the long-term underperformance is attributable to the REF's uneven investment history, reflected in being out of the market during positive vintage years between 1999

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

and 2004, and being disproportionately invested during negative vintage years between 2005 and 2009. REF returns have been steadily improving as the Fund has been actively investing through the recent real estate cycle, beginning in 2010. During the first quarter of 2012, REF returns are tracking its NCREIF-NPI benchmark, with a slight out-performance, due to an improving real estate market environment. During the same reporting period last year 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.

Market Review

The investment and operating environment for real estate stabilized further and remained favorable throughout Fiscal Year 2012. The U.S. economic outlook has improved significantly, following the market volatility in the second half of 2011. The recovery in the U.S. appears to be self-sustaining, although growth should be moderate and still uneven between different property markets. Job growth has spread from the tech-related markets to other segments, boosted by the Federal Reserves' commitment to an accommodative monetary policy. Although the U.S. is experiencing net positive fundamentals, real estate demand drivers have been slow to recover, with the exception of multifamily and office demand by technology companies in select locations. Pent up demand for household formation continues to drive new supply of multifamily properties and has spawned a new asset class in single-family home rentals. The decline in homeownership rates due to the dislocation in the credit markets and impending foreclosures has slowed but has not turned significantly, and many economists do not expect homeownership rates to return to peak levels seen in 2005-2006, which many deem as unsustainable. In the meantime, lower vacancies, increasing rent levels and available financing in the multifamily sector has reached levels that support new construction. This bodes well for this sector, and has benefited many investors with broad exposure to this asset type, and favor its ability to produce stable cash flow and current income.

However, with uncertainty in global demand, tepid U.S. labor markets and an impending financial crisis in Europe, the real estate markets have been slow to bounce back from its deepest downturn on record. U.S. banks continue to reduce their real estate exposure, which provides opportunities for distressed asset buyers. The REF is capitalizing on this bifurcated market by pursuing Core and Value-Add investments with Funds that have a broad exposure to multifamily and office properties in the "gateway" cities that are characterized by a diversified economy, exposure to tech-related businesses and strong demand fundamentals. At the same time, the REF continues to seek opportunities with Managers that can have a strong track record in accessing and managing distressed debt and equity investments that provide attractive return profiles. We expect continued positive performance in the later vintage investments made during 2010 to the present, and further stabilization in those investments made during those years impacted by the global financial crises of 2008/2009.

Risk Profile

The REF 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, local/regional property markets, 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 portfolio investments.

As illustrated in the chart below, the REF has volatility in excess of NPI as expected. There are two primary reasons for this: (i) allocations to higher risk sectors, and (ii) the typical leverage component in an investor's core investments. The REF portfolio allocates amongst three risk sectors (core, value-add, and opportunistic), two of which are higher risk than NPI. Given that, the overall REF is expected to have a standard deviation above that of NPI. Also, REF's core sub-portfolio, which tracks NPI the closest, has a typical amount of leverage of approximately 31%. NPI is comprised of a portfolio of 6,000+ properties, many of which are levered, but for purposes of constructing the NPI benchmark, are de-levered so as to produce an unlevered index.

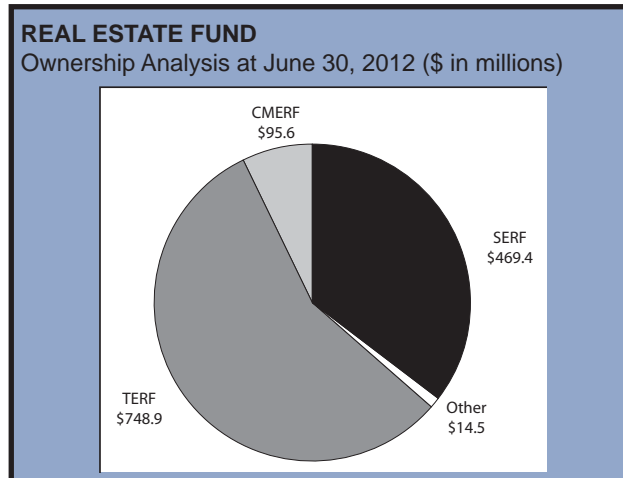
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

	Standard Deviation				Since Inception
	1 Year	3 Year	5 Year	10 Year	
Sub Portfolios:					
Stable/Core	4.65%	6.51%	9.15%	NA	
Enhanced Return/Value-Add	3.67%	10.76%	18.84%	NA	
High Return/Oppportunistic	3.29%	11.82%	15.53%	13.11%	11.70%
REF Overall	2.81%	7.87%	12.09%	10.44%	9.51%
NPI	0.64%	4.95%	7.80%	6.33%	5.41%

Data as of June 30, 2012

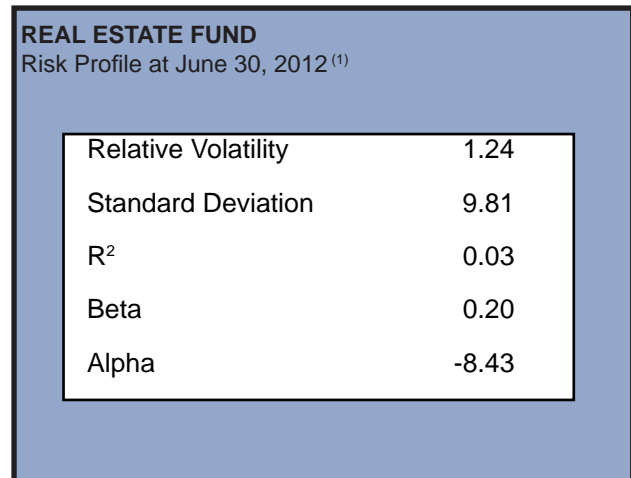
REF volatility is typical and not excessive relative to a benchmark comprised of a weighted blend of core/value/opportunistic funds. For the purposes of tracking relative volatility across strategies, CRPTF staff also monitors its investments against the NCREIF Open-End Diversified Core Equity Fund Index ("ODCE") for its open-ended Core real estate investments, and NCREIF Townsend Value-Add & Opportunistic Fund Indices for its Value-Add and Opportunistic real estate investments.

Figure 11-1



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

Figure 11-2



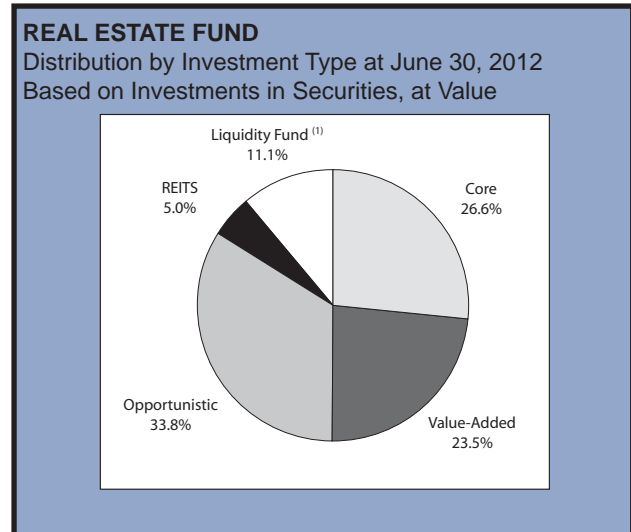
(1) Based upon returns over the last five years.

Figure 11-3

At	No. of REF Investments	REF Book Value	REF Market Value
6/30/2012	36	\$1,376,611,668	\$1,180,717,977
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

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

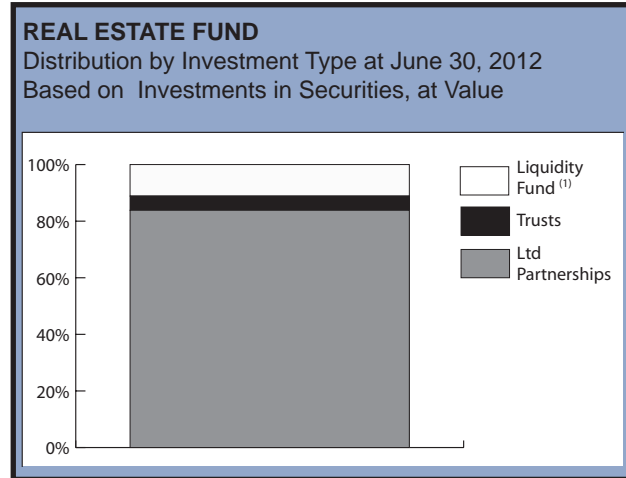
Figure 11-4



(1) Includes Liquidity Fund and other assets.

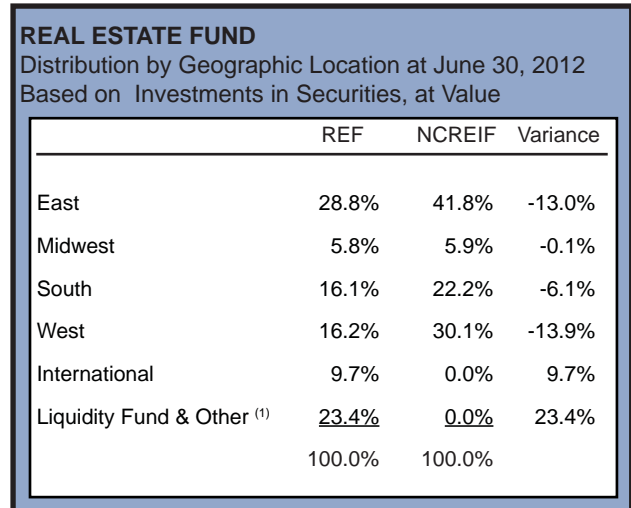
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 11-5



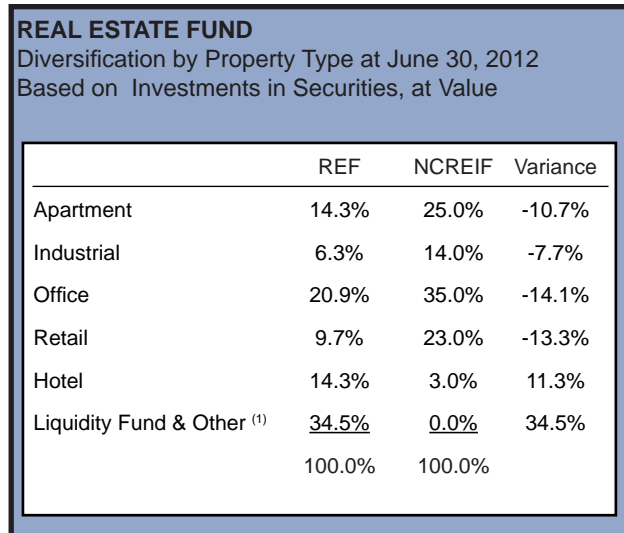
(1) Includes Liquidity Fund and other assets.

Figure 11-6



(1) Includes Liquidity Fund and other assets.

Figure 11-7



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

Figure 11-8

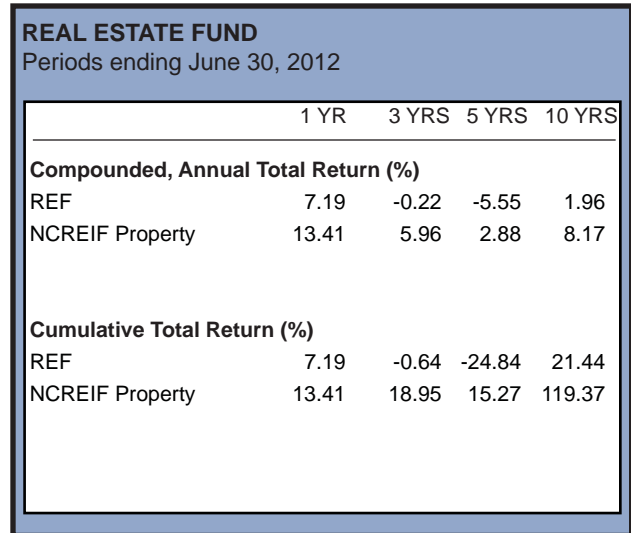


Figure 11-9

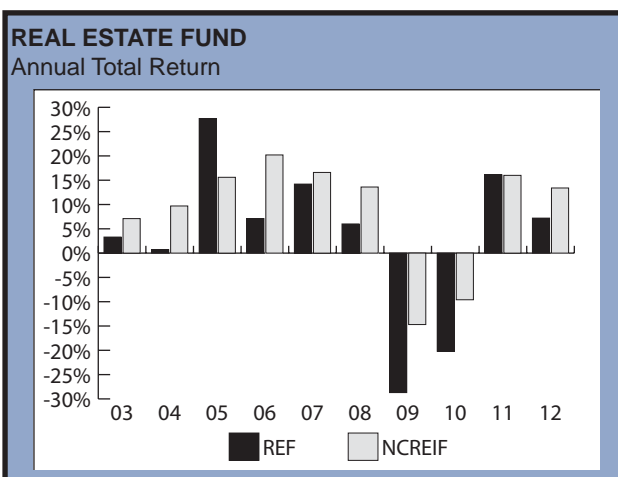
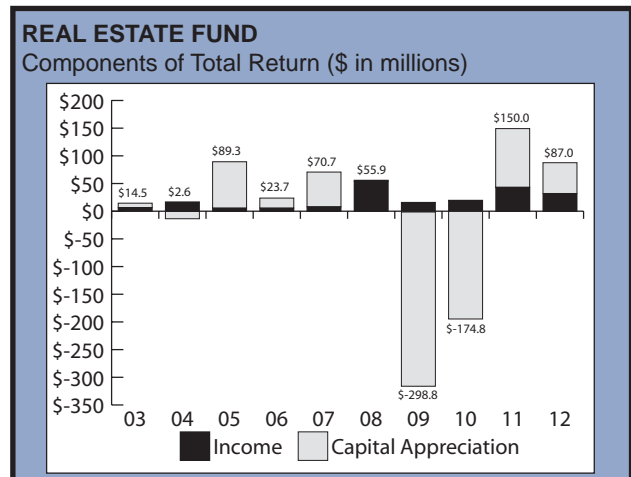


Figure 11-10



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 11-11

REAL ESTATE FUND		
Funds at June 30, 2012		
Fund	Net Asset Value	% of Fund
1800 E. St. Andrew Place	\$21,399,291	1.61%
1155 Perimeter Center West	32,426,405	2.44%
AEW Partners III	5,783,825	0.43%
AEW 221 Trust	991,995	0.07%
AEW Core	119,944	0.01%
Alliance Bernstein Legacy	37,538,118	2.83%
Apollo Real Estate	8,572,642	0.64%
Blackstone Real Estate VI LP	115,090,862	8.66%
Blackstone Real Estate Spec Sit II LP	47,143,810	3.55%
Blackstone Real Estate Partner Europe III LP	20,629,325	1.55%
Canyon Johnson Urban Fund II	26,697,134	2.01%
Canyon Johnson Urban Fund III	27,665,762	2.08%
Capri Select Income II LLC	6,620,046	0.50%
Colony Realty Partners II LP	24,071,613	1.81%
Cornerstone Patriot	54,470,100	4.10%
Covenant Apartment Fund V LP	25,194,881	1.90%
Covenant Apartment Fund VI	28,768,150	2.17%
The Glen at Lafayette Hill	14,966,557	1.13%
IL & FS India Realty Fund II	45,464,498	3.42%
Macfarlane Urban Real Estate Fund II LP	23,015,239	1.73%
Marathon Legacy Securities PPI	58,214,832	4.38%
Mullica Hill Plaza	9,050,902	0.68%
North Scottsdale Corporate Center	41,692,131	3.14%
Prime Property Fund	137,184,300	10.33%
Rio Hill Shopping Center	41,860,437	3.15%
Lone Star Real Estate Part II LP	28,104,572	2.12%
RLJ Urban Lodging Fund II	65,821,618	4.96%
Rocky Creek Apartments	15,673,478	1.18%
Rockwood Capital Fund V	8,685,424	0.65%
Rockwood Capital VI Limited Partnership	14,882,764	1.12%
Rockwood Capital VII Limited Partnership	25,629,615	1.93%
Starwood Opportunity Fund VII	35,941,250	2.71%
Starwood Opportunity Fund VIII	47,612,214	3.58%
Urban Strategy America Fund LP	31,310,299	2.36%
Walton Street Real Estate	17,755,944	1.34%
WLR IV PPIP Co Invest LP	34,668,000	2.61%
Other ⁽¹⁾	147,653,866	11.12%
TOTAL REF	1,328,371,843	100.00%

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

Figure 11-12

REAL ESTATE FUND			
Ten Largest Holdings* at June 30, 2012			
Property Name	Type	Market	
		Value	%
Prime Property Fund	Core	\$137,184,300	10.33%
Blackstone Real Estate VI LP	Opportunistic	115,090,862	8.66%
RLJ Urban Lodging Fund II	Opportunistic	65,821,618	4.96%
Marathon Legacy Securities PPI	Value-Added	58,214,832	4.38%
Cornerstone Patriot	Core	54,470,100	4.10%
Starwood Opportunity Fund VIII	Opportunistic	47,612,214	3.58%
Blackstone Real Estate Spec Sit II LP	Value-Added	47,143,810	3.55%
IL & FS India Realty Fund II	Opportunistic	45,464,498	3.42%
Rio Hill Shopping Center	Core	41,860,437	3.15%
North Scottsdale Corporate Center	Core	41,692,131	3.14%
Top Ten		\$654,554,802	49.27%

* 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 11-13

REAL ESTATE FUND		
New Investments Made in Fiscal Year 2012 (in Excess of \$3 Million)		
Partnership Name	Commitment Amount	Investment Type
Cornerstone Patriot*	\$100 million	Core
American Realty Advisors Separate Account	<u>\$150 million</u>	Core
Total	\$250 million	

* Increase to existing investment

2012

commercial mortgage fund

Fund Facts at June 30, 2012

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. Commercial mortgages are expected to perform similarly to other domestic fixed income securities, which are driven by U.S. interest rate changes.

Date of Inception: November 2, 1987

Total Net Assets: \$768,554

Performance Objective: A total annual return equal to the Barclays Aggregate Bond Index plus 100 basis points, net of fees and expenses.

Management Fees: \$25,000

Benchmark: Barclays Aggregate Bond Index ("BCI")

Operating Expenses: \$1,097

Number of Advisors: 1 external

Expense Ratio: 1.65%

Description of the Fund

CMF consists of a series of securitized Yankee Mac pooled Residential Mortgage-Backed Securities ("RMBS") created pursuant to a previous Connecticut State Treasury program, and a whole loan commercial mortgage loan portfolio, both of which are externally managed by professional real estate investment management firms. Most of the loans in the portfolio are conservative in nature, with high coupon rates and debt service coverage, with respect to loan underwriting standards.

Over a market cycle, CMF is expected to generate a net total return of one percent (1%) in excess of the Barclays Aggregate Bond Index.

This asset class is not a part of the asset allocation structure of the CRPTF, adopted in August 1999, and the balance in the fund will be allowed to amortize and mature. No new investments will be added to this fund.

Portfolio Characteristics

Apart from the three Yankee Mac RMBS interests mentioned above, the CMF's sole commercial whole loan portfolio, initiated in September of 1992, is secured by one mobile home park in Phoenix, AZ, with a relatively high, 9.55% interest rate and matures in September 2012. Debt service coverage is abundant at 3.5 times. As of June 30, 2012, the remaining principal balance on this loan is approximately \$400,000, with a prepayment premium provision that expires in Q3 2012. It is expected that this loan will pay off soon thereafter. The CMF has had no delinquent or non-performing loans at fiscal year-end, and the remainder of the portfolio is healthy from both a debt and credit risk standpoint.

Performance Summary

For the fiscal year ended June 30, 2012, the CMF generated a return of -6.48%, net of management fees and operating expenses, underperforming the BCI of 7.47%. The performance variance is primarily attributable to the write-down of previous recorded unrealized gains as principal payments (at par value) were received during the period, and does not accurately reflect the investments' actual stability and positive cash returns. Because of its relative size, the performance of CMF was not material to the reported performance for CRPTF.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

For the trailing three-, five-, and ten-year periods, CMF's total compounded annual portfolio returns were 1.46%, 2.54% and 6.42%, respectively, net of all expenses. The comparative three-, five- and ten-year period benchmark returns were 6.93%, 6.79% and 5.63% respectively.

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, as well as the steady pay-down of the mortgages within this portfolio, help minimize this risk.

The total net asset value at June 30, 2012 was approximately \$768 thousand and was not material to the overall performance of the CRPTF.

2012

private investment fund

Fund Facts at June 30, 2012

Investment Strategy/Goals: The Private Investment Fund (“PIF”) invests in various private equity strategies and vehicles. The purpose of the PIF is to earn returns in excess of the public equity markets and generate attractive risk-adjusted rates of return. The PIF is also expected to reduce the impact of market volatility by diversifying the total asset base.

Date of Inception: July 1, 1987

Total Net Assets: \$2,572,146,728

Performance Objective: To outperform the Standard & Poor Index (“S&P 500”) by 500 basis points over rolling ten year periods, net of fees and expenses.

Expensed Management Fees⁽¹⁾: \$6,549,582

Capitalized and Netted Fees: \$31,628,848

Benchmark: S&P 500

Operating Expenses: \$1,987,254

Number of Partnerships: 84 external

Expense Ratio: 0.36%

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

Description of the Fund

The PIF is an externally managed fund whose strategic focus is divided into two sub-asset classes: venture capital and corporate finance. Corporate finance encompasses several underlying strategies, including buyout, mezzanine, and special situations.

This Fund structure allows experienced industry professionals to manage PIF’s assets while allowing the Fund to realize the benefits of a private market portfolio diversified by investment type, strategic focus, industry type and geographic region.

Portfolio Characteristics

The PIF 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 (FOF) investments are investment funds which may have multiple areas of strategic focus. FOFs 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS**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, 2012, the PIF had 69 active funds and aggregate capital commitments totaling \$5.8 billion. Approximately 78.3 percent, or \$4.5 billion, has been “drawn down” for investment purposes as of that date while the balance of approximately \$1.3 billion or 21.7 percent is committed but not “drawn” (See Figure 13-6).

Market Review

Fundraising in calendar year 2012 is on pace to surpass 2011 results. U.S. buyout fund managers raised \$39 billion through June 30, 2012, versus the \$64 billion raised in all of 2011. U.S. venture fund managers raised \$11 billion through June 30, 2012, versus \$19 billion raised in all of 2011 (Source: Thomson One).

Investment activity has slowed this year. U.S. buyout fund managers have invested \$50 billion through the first half of 2012, which is 30% behind 2011's pace on an annualized basis. U.S. venture fund managers have invested \$25 billion through the first half of 2012, which is 25% behind 2011's pace on an annualized basis (Source: Thomson One).

Buyout transaction prices have softened for both mid-market and large deals. Earnings before interest, taxes, dividends and amortization (EBITDA) purchase multiples for companies valued at less than \$250 million dropped to 7.3 times the enterprise's cash flow in the first half of 2012 from 8.0 times enterprise cash flow in 2011. EBITDA purchase multiples for transaction sizes with company values greater than \$250 million dropped to 8.0x in the first half of 2012 from 9.1x in 2011 (Source: S&P Leveraged Commentary & Data).

The IPO market has seen some improvement this year. There were 29 venture-backed IPOs and 20 buyout-backed IPOs in the first half of 2012, versus 40 venture-backed IPOs and 20 buyout-backed IPOs in all of 2011 (Source: Thomson One).

Performance Summary

For the fiscal year ended June 30, 2012, PIF generated a compounded annual rate of return of 5.92%. 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, 2012, PIF has exceeded its benchmark of the S&P 500 plus 500 by 261 basis points. From a TWR perspective, the PIF has underperformed the State Street Private Equity Index time-weighted benchmark of 10.81% by 287 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 8.3% IRR. A tool commonly used by institutional investors to benchmark IRR performance is the public market equivalent (“PME”). The PME essentially converts a public equity index TWR into an IRR. From inception through June 30, 2012, PIF has generated 308 basis points in excess of its S&P 500 PME.

During fiscal 2012, PIF added \$362.9 million of new commitments to five private equity fund managers (See Figure 13-10).

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

During fiscal year 2012, PIF's assets increased from \$2,232 million to \$2,572 million, an increase of \$340 million. This increase reflects dividend payments approximating \$191.0 million offset by \$390.2 million in CRPTF unit purchases. Contributing to the increase in assets was \$190.8 million in net investment income, \$53.7 million in realized and unrealized net capital losses coupled with \$500 thousand in administrative expenses.

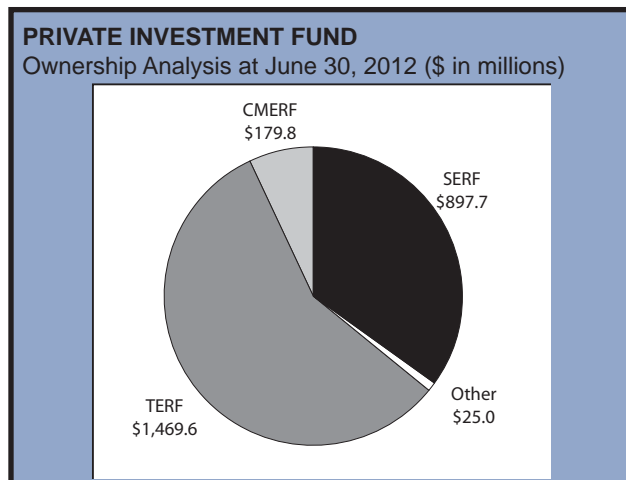
Risk Profile

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 0.39 with a correlation of 0.01. Over the last five years, the Fund has returned an annual alpha, or return relative to that predicted by its benchmark, of 2.33 (See Figure 13-2).

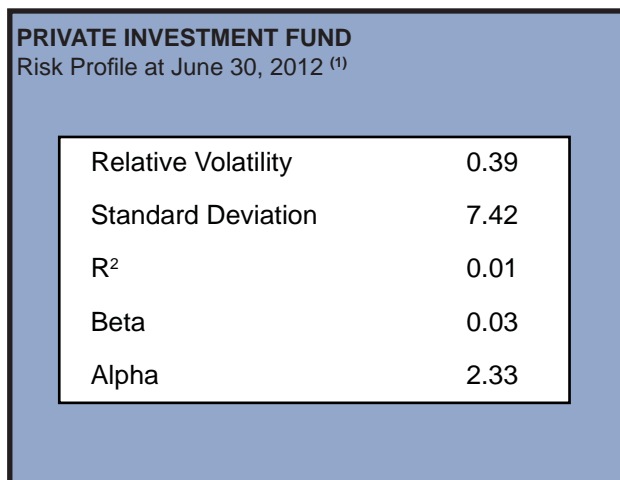
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 13-1



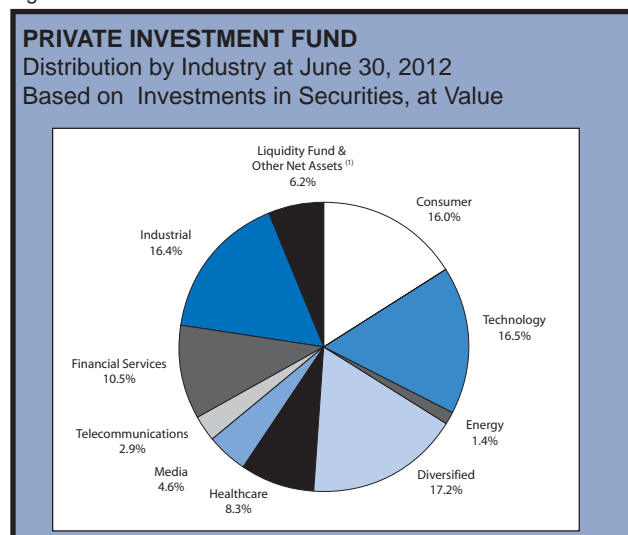
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 13-2



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

Figure 13-3



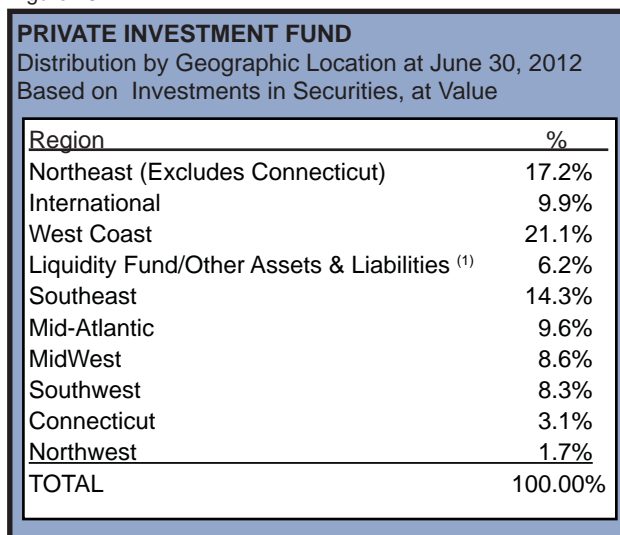
(1) Includes the Liquidity Fund and other assets at the partnership level.

Figure 13-5

PRIVATE INVESTMENT FUND
Periods ending June 30, 2012

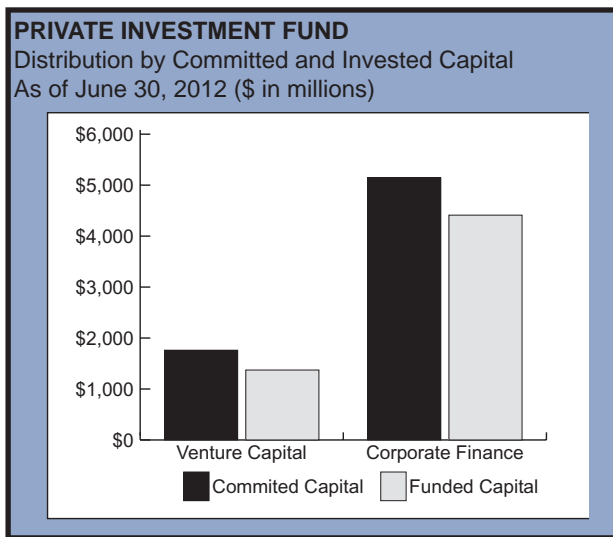
	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
PIF	5.92	14.21	7.21	7.94
S & P 500	5.45	16.40	0.22	5.33
State Street Private Equity Index (1 Qtr. Lag)	7.32	16.51	4.88	10.81
Cumulative Total Return (%)				
PIF	5.92	48.97	41.63	114.65
S & P 500	5.45	57.70	1.09	68.14
State Street Private Equity Index (1 Qtr. Lag)	7.32	58.17	26.90	179.08

Figure 13-4



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

Figure 13-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 13-7

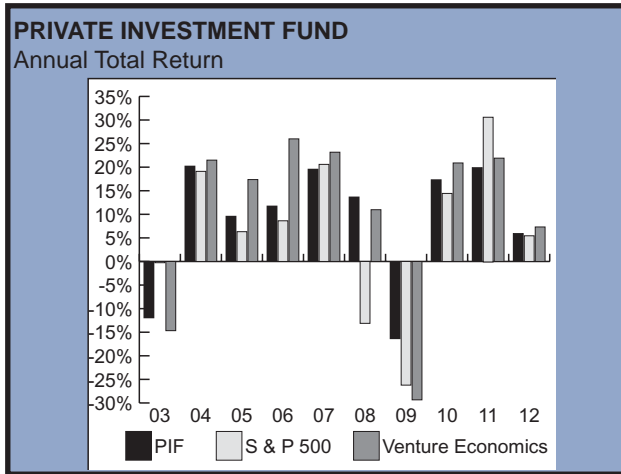


Figure 13-8

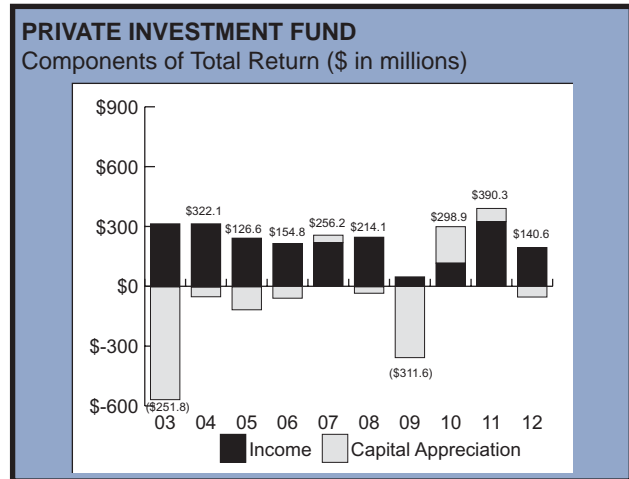


Figure 13-9

PRIVATE INVESTMENT FUND
Ten Largest Holdings* at June 30, 2012

Partnership Name	Partnership Type	Market Value	%
Fairview Constitution III, L.P.	Fund of Funds	\$195,523,769	7.61%
Fairview Constitution II, L.P.	Fund of Funds	164,406,076	6.40%
Stepstone Pioneer Capital II, L.P.	Fund of Funds	122,050,141	4.75%
Court Square Capital Partners II, L.P.	Buyout	105,630,317	4.11%
Constitution Liquidating Fund, L.P.	Fund of Funds	102,378,657	3.98%
Pegasus Partners IV, L.P.	Special Situations	101,794,479	3.96%
KKR 2006 Fund, L.P.	Buyout	100,730,365	3.92%
Welsh Carson Anderson & Stowe X, L.P.	Buyout	81,978,161	3.19%
WLR Recovery Fund IV, L.P.	Special Situations	79,675,323	3.10%
Yucaipa American Alliance Fund II, L.P.	Buyout	79,365,174	3.09%
Top Ten		\$1,133,532,462	44.11%

* 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 13-10

PRIVATE INVESTMENT FUND
New Commitments Made in Fiscal Year 2012⁽¹⁾

Partnership Name	Commitment Amount	Partnership Type	Inv. Date
Fairview Constitution IV, L.P.	\$150 million	Funds-of-Funds	December 23, 2011
JFL Equity Investors III, L.P.	49 million	Buyout	August 11, 2011
Pegasus Partners V, L.P.	50 million	Mezzanine	May 3, 2012
RFE Investment Partners VIII, L.P.	39 million	Buyout	April 30, 2012
Vista Equity Partners Fund IV, L.P.	75 million	Buyout	May 7, 2012
Total:	\$363 million		

(1) These represent new Private Equity Partnerships that were invested in by the Fund during Fiscal Year 2012.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 13-11

PRIVATE INVESTMENT FUND

Investment Advisors at June 30, 2012

Investment Advisor	Net Asset Value	% of Fund	Investment Advisor	Net Asset Value	% of Fund
Buyout	\$1,174,204,673	45.65%	Syndicated Communications	13,489,276	0.52%
KKR Millennium Fund	73,495,661	2.86%	Mezzanine	72,823,800	2.83%
Yucaipa American Alliance Fund II LP	79,365,174	3.09%	SW Pelham Fund	1,014,263	0.04%
Hicks, Muse Tate & Furst Equity Fund III	17,932,641	0.70%	Audax Mezzanine III Limited Partnership	13,735,229	0.53%
Thomas H. Lee Equity Fund VI	77,557,413	3.02%	GarMark Partners	519,396	0.02%
Welsh Carson Anderson & Stowe VIII	422,253	0.02%	GarMark Partners II LP	57,237,255	2.23%
Wellspring Capital Partners III	19,580,824	0.76%	SW Pelham Fund II	317,657	0.01%
SCP Private Equity Partners	621,826	0.02%	International	90,527,205	3.51%
TA XI, L.P.	29,751,713	1.16%	Compass Partners European Equity Fund	1,143,870	0.04%
Charterhouse Equity Partners IV	55,377,597	2.15%	Gilbert Global Equity Partners	64,111,035	2.49%
DLJ Merchant Banking Fund II	2,431,921	0.09%	AIG Global Emerging Markets Fund	3,870,014	0.15%
KKR 1996 Fund	629,651	0.02%	Carlyle Asia Partners	21,402,286	0.83%
FS Equity Partners V	52,387,534	2.04%	Fund of Funds	775,078,791	30.13%
FS Equity Partners VI	39,474,063	1.53%	The Constitution Liquidating Fund	102,378,657	3.98%
Blackstone Capital Partners III	209,950	0.01%	Landmark Private Equity Fund VIII	20,936,215	0.81%
Thayer Equity Investors IV	1,701,562	0.07%	CS/CT Cleantech Opp Fund	15,117,707	0.59%
JFL Equity Investors III, LP	16,912,250	0.66%	CT Emerging Pvt Equity	31,618,138	1.23%
Green Equity Investors III	2,326,046	0.09%	Fairview Constitution III	195,523,769	7.60%
Wellspring Capital Partners V	14,468,002	0.56%	Goldman Sachs Private Equity Partners Connecticut	3,605,696	0.14%
Candover 2008 Fund	6,022,107	0.23%	Lexington Capital Partners II	2,127,459	0.08%
Leeds Equity Partners V LP	17,326,364	0.67%	Stepstone Pioneer Capital I LP	38,552,576	1.50%
Welsh Carson Anderson & Stowe XI	63,606,955	2.47%	Stepstone Pioneer Capital II LP	122,050,141	4.75%
AIG Healthcare Partners LP	23,378,656	0.91%	Fairview Constitution II LP	164,406,076	6.39%
AIG Altaris Health Partners II	17,946,494	0.70%	Fairview Constitution IV LP	2,044,751	0.08%
Welsh Carson Anderson & Stowe X LP	81,978,161	3.19%	Connecticut Horizon Legacy	6,558,257	0.25%
Court Square Capital Partners II	105,630,317	4.11%	Landmark Equity Partners XIV LP	46,085,298	1.79%
Ethos Private Equity Fund V	37,210,490	1.45%	JP Morgan Nutmeg I	24,074,051	0.94%
Boston Ventures VII	55,652,298	2.16%	Special Situations	298,115,494	11.60%
KKR 2006 Fund	100,730,365	3.92%	Welsh Carson Anderson & Stowe Capital Partners III	11,165,341	0.43%
Nogales Investors Fund II	14,210,892	0.55%	Levine Leichtman Capital Partners IV LP	63,229,532	2.46%
ICV Partners II LP	25,236,479	0.98%	Greenwich Street Capital Partners II	497,922	0.02%
Vista Equity Partners Fund III	71,830,732	2.79%	Pegasus Partners IV	101,794,479	3.96%
Vista Equity Partners Fund IV	24,252,877	0.94%	Pegasus Partners V	24,097,486	0.94%
RFE Investments Partners VIII	3,204,998	0.12%	WLR Recovery Fund IV	79,675,323	3.10%
RFE Investments Partners	435,047	0.02%	KPS Special Situations Fund II	17,655,411	0.69%
RFE Investment Partners VII	40,905,360	1.59%	Other ⁽¹⁾	145,484,306	5.66%
Venture Capital	15,912,459	0.62%	SUBTOTAL PIF	\$2,572,146,728	100.00%
Conning Capital Partners V	502,279	0.03%			
Grotech Partners V	806,060	0.03%			
Crescendo III	1,114,844	0.04%			

(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:				
		2012	2011	2010	2009	2008
INVESTMENT ADVISORY SERVICES						
Domestic Equity Investment Advisory Services						
AXA Rosenberg Institutional Equity Mgmt	Equity Advisor	-	279,285	817,894	12,728,108	795,699
Barclay's Global Investors	Equity Advisor	-	222,037	1,279,650	3,170,678	3,091,096
Bivium Capital Partners, LLC	Equity Advisor	1,883,917	1,653,052	1,302,624	1,493,573	1,629,037
Capital Prospects LLC	Equity Advisor	1,084,308	986,297	832,638	967,215	1,064,352
FIS Group Inc.	Equity Advisor	979,549	909,156	779,667	890,947	941,430
Frontier Capital Management Co., LLC	Equity Advisor	1,794,233	363,922	-	-	-
State Street Global Advisors	Equity Advisor	232,397	162,753	134,862	194,106	247,748
T. Rowe Price Associates	Equity Advisor	2,609,349	2,397,474	2,052,593	406,114	-
Trust Company of the West (Cowen)	Equity Advisor	-	-	809,009	996,397	1,343,817
Total Equity Advisor Compensation		\$8,583,753	\$6,973,976	\$8,008,937	\$20,847,138	\$9,113,179
Fixed Income Investment Advisory Services						
Blackrock Financial Management	Fixed Income Advisor	-	-	-	-	392,489
Bridgewater Associates	Fixed Income Advisor	-	-	-	-	165,115
Brown Brothers Harriman & Co.	Fixed Income Advisor	-	-	-	-	47,021
Goodwin Capital Advisors (Phoenix)	Fixed Income Advisor	-	-	-	-	169,499
Hartford Investment Management Co.	Fixed Income Advisor	-	-	-	-	33,974
Loomis Sayles & Co., Inc.	Fixed Income Advisor	-	-	-	-	204,110
Oaktree Capital Management	Fixed Income Advisor	-	-	-	-	282,324
Progress Investment Management	Fixed Income Advisor	-	-	-	-	134,134
State Street Global Advisors	Fixed Income Advisor	-	-	-	-	89,263
W. R. Huff Asset Management	Fixed Income Advisor	-	-	-	-	-
Wellington Asset Management	Fixed Income Advisor	-	-	-	-	246,808
Western Asset Management	Fixed Income Advisor	-	-	-	-	349,720
Total Fixed Income Advisor Compensation		\$-	\$-	\$-	\$-	\$2,114,457
Core Fixed Income Investment Advisory Services						
Blackrock Financial Management	Core Income Advisor	543,090	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	568,276	561,182	534,754	624,559	567,745
Progress Investment Management	Core Income Advisor	903,128	856,501	823,293	898,894	561,890
State Street Global Advisors	Core Income Advisor	244,219	254,916	250,696	277,369	267,092
Wellington Asset Management	Core Income Advisor	642,278	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		\$2,900,991	\$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	368,991	544,320	973,728	-	143,593
Hartford Investment Management Co.	Inflation Income Advisor	528,760	425,952	399,253	443,712	124,559
Total Fixed Income Advisor Compensation		\$897,751	\$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	1,468,565	1,144,741	598,270	-	-
Pyramis Global Advisors	Emerging Market Advisor	783,732	1,014,829	978,290	931,896	356,836
Stone Harbor Investment Partners	Emerging Market Advisor	1,307,511	1,244,074	1,102,088	1,065,029	399,164
UBS Global Asset Management Co.	Emerging Market Advisor	959,189	1,164,501	1,229,146	1,249,932	432,348
Total Fixed Income Advisor Compensation		\$4,518,997	\$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	449,946	451,485	511,590	582,544	565,179
Oaktree Capital Management	High Yield Income Advisor	700,256	692,218	613,714	612,726	695,140
Shenkman Capital Management	High Yield Income Advisor	909,998	903,707	826,854	605,877	148,105
Stone Harbor Investment Partners	High Yield Income Advisor	447,972	446,607	526,281	592,866	216,775
Total Fixed Income Advisor Compensation		\$2,508,172	\$2,494,017	\$2,478,439	\$2,394,013	\$1,625,199

DRAFT**REVISED**

9:46 am, Dec 10, 2012

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:				
		2012	2011	2010	2009	2008
Liquidity Fund Advisory Services						
Ambassador Capital Management	Liquidity Fund Advisor	253,147	149,891	107,885	-	-
Colchester Global Investors	Liquidity Fund Advisor	665,944	453,695	373,734	-	-
Lazard Asset Management	Liquidity Fund Advisor	3,315,579	2,102,854	987,397	-	-
Pacific Investment Management	Liquidity Fund Advisor	389,382	351,078	263,309	-	-
Payden & Rygel	Liquidity Fund Advisor	201,520	150,388	118,006	-	-
State Street Global Advisors	Liquidity Fund Advisor	130,640	264,981	314,126	459,099	376,487
Total Liquidity Fund Advisor Compensation		\$4,956,212	\$3,472,887	\$2,164,457	\$459,099	\$376,487
International Equity Investment Advisory Services						
Acadian Asset Management	Intrntl Equity Advisor	-	-	-	-	385,075
AQR Capital Management, LLC	Intrntl Equity Advisor	-	-	-	-	439,067
Bank of New York	Intrntl Equity Advisor	-	-	-	-	642,250
Bridgewater Associates	Intrntl Equity Advisor	-	-	-	-	770,700
Clay Finlay Inc.	Intrntl Equity Advisor	-	-	-	-	295,382
Emerging Markets Management LLC	Intrntl Equity Advisor	-	-	-	-	882,918
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	-	-	-	-	1,900,375
Invesco Global Asset Management	Intrntl Equity Advisor	-	-	-	-	277,644
Julius Baer Asset Management	Intrntl Equity Advisor	-	-	-	-	287,012
Merrill Lynch Investment Managers	Intrntl Equity Advisor	-	-	-	-	-
MFS Institutional Advisors	Intrntl Equity Advisor	-	-	-	-	345,384
Morgan Stanely Asset Management	Intrntl Equity Advisor	-	-	-	-	-
Progress Investment Management	Intrntl Equity Advisor	-	-	-	-	133,380
Pyramis Invtmnt Global Adv Trust (Fidelity)	Intrntl Equity Advisor	-	-	-	-	308,411
Schroder Investment Management	Intrntl Equity Advisor	-	-	-	-	484,771
State Street Global Advisors	Intrntl Equity Advisor	-	-	-	-	107,789
Total International Equity Advisor Compensation		\$-	\$-	\$-	\$-	\$7,260,158
Developed Market International Equity Investment Advisory Services						
Acadian Asset Management	Intrntl Equity Advisor	1,117,423	1,084,538	1,145,707	1,708,983	1,259,086
AQR Capital Management, LLC	Intrntl Equity Advisor	2,926,336	2,938,960	2,501,900	1,885,640	1,397,341
Artio Global Asset Management	Intrntl Equity Advisor	1,192,928	2,198,991	1,981,372	1,742,580	-
Blackrock Financial Management (Merrill Lynch)	Intrntl Equity Advisor	948,327	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	1,623,569	1,593,995	1,349,548	-	-
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	2,863,396	2,779,799	2,770,547	3,189,715	2,706,318
Invesco Global Asset Management	Intrntl Equity Advisor	898,034	692,071	522,925	738,126	748,211
Julius Baer Asset Management	Intrntl Equity Advisor	-	-	-	-	1,007,647
MFS Institutional Advisors	Intrntl Equity Advisor	2,053,695	1,990,305	1,841,425	1,554,152	1,078,968
Pareto Partners (Bank of New York)	Intrntl Equity Advisor	2,491,470	2,452,593	2,379,251	2,193,806	1,848,626
Progress Investment Management	Intrntl Equity Advisor	718,391	748,782	625,136	498,924	448,836
Pyramis Invtmnt Global Adv Trust (Fidelity)	Intrntl Equity Advisor	1,301,082	1,595,583	847,138	1,321,148	933,148
Schroder Investment Management	Intrntl Equity Advisor	1,550,463	1,475,062	1,314,860	1,480,826	1,501,099
State Street Global Advisors	Intrntl Equity Advisor	479,389	439,594	412,631	388,527	302,429
William Blair & Comapny	Intrntl Equity Advisor	2,205,475	2,032,604	1,594,531	-	-
Total International Equity Advisor Compensation		\$22,369,978	\$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	3,477,681	3,380,056	1,953,646	-	-
Emerging Markets Management LLC	Intrntl Equity Advisor	4,524,091	4,106,071	3,355,933	3,344,579	2,952,146
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	4,953,038	4,935,690	4,359,800	4,302,557	3,901,398
Schroder Investment Management	Intrntl Equity Advisor	3,021,727	3,034,520	441,983	-	-
Total International Equity Advisor Compensation		\$15,976,537	\$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:				
		2012	2011	2010	2009	2008
Alternative Investment Advisory Services ⁽²⁾						
ArcLight Energy Partner Fund V	Alternative Inv Advisor	1,076,537	-	-	-	-
Energy Fund XV	Alternative Inv Advisor	533,629	-	-	-	-
TCW-EIG Alternative Investment	Alternative Inv Advisor		666,725	-	-	-
Total Commercial Mortgage Advisor Compensation		\$1,610,166	\$ 666,725	\$-	\$-	\$-
Real Estate Investment Advisory Services ⁽²⁾						
AEW Capital Management, L.P.	Real Estate Advisor	914,325	1,132,993	865,688	1,353,600	1,145,997
AEW Partners III, LP	Real Estate Advisor	-	-	-	261,146	82,925
Apollo Real Estate Investment Fund III	Real Estate Advisor	-	29,749	-	-	224,129
Blackstone Real Estate Partners VI	Real Estate Advisor	1,367,098	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	750,000	572,917	-
Canyon Johnson Urban Fund II, LP	Real Estate Advisor	-	-	571,243	771,875	937,500
Canyon Johnson Urban Fund III, LP	Real Estate Advisor	921,875	1,437,500	913,043	-	-
Colony Realty Partners II, LP	Real Estate Advisor	-	-	-	-	714,285
Hart Realty Advisors, Inc.	Real Estate Advisor	276,300	-	-	-	-
MacFarlane Urban Real Estate	Real Estate Advisor	802,421	1,849,589	2,250,000	1,412,579	592,856
RLJ Urban Lodging Fund, LP	Real Estate Advisor	-	-	-	-	139,753
RLJ Urban Lodging Fund II, LP	Real Estate Advisor	-	-	-	-	468,750
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	113,731	171,250	171,250	-	-
Urban Strategy America Fund	Real Estate Advisor	-	-	30,603	-	-
Westport Senior Living Fund	Real Estate Advisor	-	-	-	-	-
Total Real Estate Advisor Compensation		\$5,145,750	\$7,397,058	\$7,817,515	\$6,948,316	\$6,014,528
Commercial Mortgage Investment Advisory Services ⁽²⁾						
AEW Capital Management, L.P.	Comm Mortgage Advisor	25,000	25,000	37,125	73,500	73,500
Total Commercial Mortgage Advisor Compensation		\$25,000	\$25,000	\$37,125	\$73,500	\$73,500
Private Investment Advisory Services ⁽²⁾						
AIG Altaris Health Partners, LP	Private Inv Advisor	270,860	582,712	504,218	323,621	753,103
AIG Altaris Healthcare Partners II, LP	Private Inv Advisor	478,337	494,565	1,033,732	713,206	600,548
AIG Global Emerging Mkts Fund LP	Private Inv Advisor	51,468	279,708	67,953	385,337	242,944
Aldus/CT Emerging Manager	Private Inv Advisor	987,514	1,050,000	-	650,000	-
Audax Mezzanine Fund III, LP	Private Inv Advisor	904,984	527,283	-	-	-
Blackstone Capital Partners III LP	Private Inv Advisor	-	-	10,089	47,872	29,555
Boston Venture Capital Partners VII, LP	Private Inv Advisor	750,000	750,000	1,489,320	647,015	551,900
Carlyle Asia Partners LP	Private Inv Advisor	-	-	303,371	318,454	341,317
Carlyle European Partners LP	Private Inv Advisor	-	-	266,426	158,379	295,071
Charterhouse Equity Partners IV, LP	Private Inv Advisor	-	-	524,818	1,240,180	1,266,277
Compass Partners European Equity Fund LP	Private Inv Advisor	379,517	-	-	-	-
Conning & Co	Private Inv Advisor	-	-	-	74,176	39,671
Constitution Liquidating Fund LP (Crossroads)	Private Inv Advisor	389,972	354,945	400,000	444,368	671,841
Courthouse Square Capital Partners	Private Inv Advisor	555,244	904,094	1,289,728	1,253,282	-
CS/CT Cleantech Opportunities Fund	Private Inv Advisor	176,253	180,208	181,893	183,480	176,070
CT Horizon Legacy Fund, LP	Private Inv Advisor	50,000	50,000	-	-	-
DLJ Merchant Banking Fund II LP	Private Inv Advisor	-	-	166,752	73,659	84,787
Ethos Capital Fund V, LP	Private Inv Advisor	525,989	1,292,704	839,611	411,692	646,943
Fairview Constitution II, LP	Private Inv Advisor	1,950,000	1,300,000	1,300,000	1,300,000	1,600,000
Fairview Constitution III, LP	Private Inv Advisor	2,925,000	2,400,000	2,400,000	2,400,000	2,426,519
Fairview Constitution IV, LP	Private Inv Advisor	600,000	-	-	-	-
Forstmann Little & Company	Private Inv Advisor	-	-	-	115,155	142,141
FS Equity Partners V LP	Private Inv Advisor	128,464	198,323	94,055	475,145	1,101,934
FS Equity Partners VI LP	Private Inv Advisor	1,031,121	286,657	1,603,591	-	-
Garmark Partners LP	Private Inv Advisor	-	-	-	9,925	83,239
Garmark Partners, II LP	Private Inv Advisor	655,133	719,617	929,689	571,623	426,718

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:				
		2012	2011	2010	2009	2008
Gilbert Global Equity Partners LP	Private Inv Advisor	-	-	-	-	117,030
Goldman Sachs Private Equity Fund LP	Private Inv Advisor	59,416	411,767	-	-	151,189
Green Equity III LP	Private Inv Advisor	-	-	29,747	50,025	44,098
Greenwich Street Capital Partners II LP	Private Inv Advisor	-	-	9,511	34,495	239,525
ICV Associates II LP	Private Inv Advisor	317,377	628,189	667,546	655,725	706,702
JFL Investors III, LP	Private Inv Advisor	935,830	-	-	-	-
KKR 1996 Fund LP	Private Inv Advisor	-	-	-	33,880	12,349
KKR Millenium Fund LP	Private Inv Advisor	-	80,291	67,797	-	1,549,415
KKR 2006 Fund LP	Private Inv Advisor	691,109	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	209,214	466,100	616,274	711,110	-
Levine Leichtman Capital Partners IV, LP	Private Inv Advisor	832,609	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	167,243	145,585	449,947	753,308	802,527
Nutmeg Opportunities Fund, LP	Private Inv Advisor	169,747	103,945	-	-	-
Parish Capital I, LP	Private Inv Advisor	-	-	-	-	123,181
Parish Capital II, LP	Private Inv Advisor	-	-	-	-	13,889
Pegasus Investors IV, LP	Private Inv Advisor	685,535	1,009,618	1,246,983	796,345	2,744,224
Pegasus Investors V, LP	Private Inv Advisor	1,128,263	-	-	-	-
REF Associates VII, LP	Private Inv Advisor	602,195	531,021	201,644	-	93,213
REF Associates VIII, LP	Private Inv Advisor	585,928	-	-	-	-
Snycom Partners V, LP	Private Inv Advisor	594,154	586,345	579,099	607,136	390,546
SW Pelham Fund II, LP	Private Inv Advisor	46,036	189,585	223,425	295,500	263,401
Thayer Equity Investors IV LP	Private Inv Advisor	-	165,897	195,955	234,511	243,425
Thomas H. Lee Advisors IV LP	Private Inv Advisor	-	-	-	-	96,816
Thomas H. Lee Equity Fund VI LP	Private Inv Advisor	1,014,946	521,870	1,030,058	592,155	1,374,287
Vista Equity Partners III, LP	Private Inv Advisor	462,644	570,546	688,224	558,093	877,027
Vista Equity Partners IV, LP	Private Inv Advisor	1,027,294	-	-	-	-
Wellspring Capital Partners III LP	Private Inv Advisor	-	227,752	353,904	93,045	-
Wellspring Capital Partners IV LP	Private Inv Advisor	1,620,773	-	-	-	-
WLR Recovery Associates IV, LP	Private Inv Advisor	-	733,935	-	-	-
Yucaipa American Alliance Fund LP	Private Inv Advisor	958,484	968,697	693,750	1,469,767	-
Total Private Investment Advisor Compensation		\$24,918,653	\$20,958,029	\$23,887,560	\$22,526,012	\$21,815,762
TOTAL COMPENSATION TO INVESTMENT ADVISORS		\$96,534,108	\$89,424,468	\$83,436,385	\$88,654,180	\$76,896,244
CUSTODY SERVICES						
State Street Bank & Trust	Custody of Assets	2,122,148	2,222,533	-	80,000	113,000
TOTAL CUSTODY SERVICES COMPENSATION		\$2,122,148	\$2,222,533	\$-	\$80,000	\$113,000

(1) Expenses are presented on a cash basis.

(2) Investment management fees for the Alternative Investment Fund, 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, 2012

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
ABACUS SECURITIES CORPORATION	\$ 1,132.62	423,900.00	0.00	CANTOR FITZGERALD/CANTOR CLEARING SERV	284.00	699,200.00	0.00
ABEL NOSER CORPORATION	8,055.10	164,555.00	0.05	CAPITAL INSTITUTIONAL SVCS INC EQUITIES	19,401.69	788,726.00	0.02
ABG SECURITIES INC	22.48	658.00	0.03	CARIS + COMPANY INC	2,699.75	53,995.00	0.05
ABG SECURITIES LIMITED	3,485.88	153,196.00	0.02	CARNEGIE	306.85	17,000.00	0.02
ABG SUNDAL COLLIER NORGE ASA	65.82	3,495.00	0.02	CARNEGIE A S	459.37	92,566.00	0.00
ABM AMRO HOARE GOVETT ASIA LTD, SEOUL	1,059.10	68,235.00	0.02	CARNEGIE BANK A.S.	1,715.03	44,140.00	0.04
ABN AMRO ASIA LIMITED	10,961.32	9,401,800.00	0.00	CARNEGIE SECURITIES FINLAND	154.38	8,621.00	0.02
ABN AMRO ASIA SECURITIES (SINGAPORE) PTE	272.09	46,000.00	0.01	CELFIN CAPITAL SA CORREDORES DE BOLSA	2,160.29	48,069.00	0.04
ABN AMRO BANK N. V. HONG KONG	11,015.74	3,673,800.00	0.00	CENTRO INTERNATIONALE HANDELSBANK	1,436.45	24,520.00	0.06
ABN AMRO BANK N.V. FORMELY KNO	4,107.00	73,367.00	0.06	CHARLES SCHWAB & CO INC	1,163.38	364,409.00	0.00
ABN AMRO BANK NV HONG KONG BRANCH	684.87	669,500.00	0.00	CHINA INTERNATIONAL CAPITAL CO	2,649.89	2,636,500.00	0.00
ACCESS SECURITIES INC	14,430.60	546,870.00	0.03	CIBC WORLD MKTS INC	10,825.69	269,919.00	0.04
ACTINVER CASA DE BOLSA SA DE CV	4,633.74	813,300.00	0.01	CITATION GROUP	87.23	8,723.00	0.01
ALARIS TRADING PARTNERS LLC	319.92	12,796.00	0.03	CITIBANK AG	650.90	4,603.00	0.14
ALBERT FRIED & COMPANY LLC	955.00	19,100.00	0.05	CITIBANK AS PRAHA	616.44	5,841.00	0.11
ALLEN & COMPANY LLC	6,497.50	221,600.00	0.03	CITIBANK INTERNATIONAL PLC	1,064.14	15,351.00	0.07
ALTRUSHARE SECURITIES LLC	3,181.32	106,044.00	0.03	CITIBANK LIMITED	172.37	37,913.00	0.00
AMERICAN PORTFOLIOS FINANIAL	384.20	9,605.00	0.04	CITIBANK MEXICO	1,083.56	241,700.00	0.00
AMERICAS/DEUTSCHE BANK AG LONDON	54.00	2,700.00	0.02	CITIBANK N.A.	9,572.20	3,374,575,615.00	0.00
APEX CLEARING CORPORATION	2,390.15	1,112,039.45	0.00	CITIBANK N.A. ISTANBUL	2,712.63	637,124.00	0.00
APEX CLEARING CORPORATION/SANTANDER	806.36	319,900.00	0.00	CITIC SECURITIES COMPANY LIMITED	53.49	13,700.00	0.00
AQUA SECURITIES LP	8.00	400.00	0.02	CITIGROUPGLBL MARKTET KOERA SECS LTD	43,141.41	781,314.00	0.06
ASSENT LLC	457.83	43,829.00	0.01	CITIGROUPGLOBAL MARKETS ASIA LIMITED	557.76	36,000.00	0.02
ATA SECURITIES INC. (ISTANBUL)	18,349.99	5,250,101.00	0.00	CITIGROUPGLOBAL MARKETS AUSTRALIA PTY	1,650.40	1,126,605.00	0.00
ATLANTIC EQUITIES LP	3,416.55	99,385.00	0.03	CITIGROUPGLOBAL MARKETS INC	86,456.16	1,317,820,638.00	0.00
AUTREPAT-DIV RE	8,459.66	804,021.96	0.01	CITIGROUPGLOBAL MARKETS INC.	201,735.44	17,235,632,777.33	0.00
AVONDALE PARTNERS LLC	6,314.29	164,386.00	0.04	CITIGROUPGLOBAL MARKETS LIMITED	198,285.54	589,870,877.52	0.00
BANCA IMIS.P.A.	17.32	3,200.00	0.01	CITIGROUPGLOBAL MARKETS SINGAPORE SECUR	10.50	12,000.00	0.00
BANCO BILBAO VIZCAYA ARGENTARI	960.68	129,341.00	0.01	CITIGROUPGLOBAL MARKETS UK EQUITY LTD	43,981.28	9,505,626.00	0.00
BANCO DE INVESTIMENTOS CREDIT	1,282.90	161,461.00	0.01	CJS SECURITIES INC	3,000.00	3,000.00	0.05
BANCO ITAU S.A.	426.65	12,080.00	0.04	CLSA AUSTRALIA PTY LTD	2,462.60	232,892.00	0.01
BANCO ITAU SA	47,034.41	2,580,138.00	0.02	CLSA SECURITIES KOREA LTD.	14,934.22	105,417.00	0.14
BANCO PACTUAL S.A.	34,168.11	2,305,350.00	0.01	CLSA SECURITIES MALAYSIA SDN BHD	208.25	138,244.00	0.00
BANCO SANTANDER BRASIL SA	4,849.46	4,903,300.00	0.00	CLSA SINGAPORE PTE LTD.	22,145.53	14,659,282.00	0.00
BANCO SANTANDER CENTRAL HISPANO	64,099.43	274,936,722.00	0.00	COLLINS STEWART	101.86	25,000.00	0.00
BANCO SANTANDER DE NEGOCIOS	2,755.96	98,752,915.00	0.00	COLLINS STEWART + CO	41.32	12,341.00	0.00
BANCO SANTANDER MEXICANO, S.A.	3,195.58	296,600.00	0.01	COLLINS STEWART LLC	2,284.80	70,136.00	0.03
BANCO SANTANDER SERFIN SA	287.58	1,143,800.00	0.00	COMMERCE INTL MERCHANT BANKERS	3,321.74	2,966,862.00	0.00
BANK J.VONTOBEL UND CO. AG	2,876.01	15,597.00	0.18	COMMERZBANK AG	1,312.04	226,636.00	0.01
BANK OF NEW YORK BRUSSELS	1,211.37	310,700.00	0.00	COMPASS POINT RESEARCH + TRADING, LLC	4,266.56	143,906.00	0.03
BANQUE NATIONAL DE PARIS	621.95	6,095,900.00	0.00	CONVERGEXEXECUTION SOLUTIONS LLC	83,538.48	2,199,664.00	0.04
BARCLAYS BANK PLC	7,974.33	76,666,489.00	0.00	CORE PACIFIC SECURITIES INTL LIMITED	119.23	49,000.00	0.00
BARCLAYS CAPITAL	73,781.61	37,363,559,365.54	0.00	COWEN ANDCOMPANY, LLC	18,455.71	501,650.00	0.04
BARCLAYS CAPITAL INC.	73,686.16	3,236,776,231.62	0.00	CRAIG - HALLUM	12,440.45	358,348.00	0.03
BARCLAYS CAPITAL INC./LE	3,223.48	1,667,481.00	0.00	CREDIT AGRICOLE INDOSUEZ	1,198.02	95,488.00	0.01
BARCLAYS CAPITAL LE	52,226.84	4,656,813.00	0.01	CREDIT AGRICOLE INDOSUEZ CHEUVREUX	86,207.73	10,961,041.00	0.01
BARCLAYS CTVM S.A.	11,772.50	501,500.00	0.02	CREDIT AGRICOLE SECURITIES (USA) INC	20,623.06	1,271,191.00	0.02
BARRINGTON RESEARCH ASSOCIATES INC.	1,056.00	21,845.00	0.05	CREDIT LYONNAIS SECURITIES (ASIA)	2,793.90	795,000.00	0.00
BEAR STEARNS SECURITIES CORP	396.00	13,200.00	0.03	CREDIT LYONNAIS SECURITIES (USA) INC	49,342.58	28,453,071.00	0.00
BLAYLOCK ROBERT VAN LLC	1,222.96	293,782.00	0.00	CREDIT LYONNAIS SECURITIES ASIA GUERNSEY	577.80	225,910.00	0.00
BLEY INVESTMENT GROUP	10,468.22	332,710.00	0.03	CREDIT LYONNAIS SECURITIES(ASIA)	19,891.93	15,812,580.00	0.00
BLOOMBERGTRADEBOOK LLC	11,149.23	426,639.00	0.03	CREDIT RESEARCH + TRADING LLC	15,881.50	537,500.00	0.03
BMO CAPITAL MARKETS	955.55	24,951.00	0.04	CREDIT SUISSE FIRST BOSTON	1,830.98	7,785,000.00	0.00
BNP EQUITIES FRANCE	385.79	18,736.00	0.02	CREDIT SUISSE FIRST BOSTON (EUROPE)	52,193.62	464,843.00	0.11
BNP PARIBAS	8,668.90	31,693,400.00	0.00	CREDIT SUISSE FIRST BOSTON SA CTVM	25,099.34	1,548,603.00	0.02
BNP PARIBAS PEREGRINE SECS PT	16,996.04	16,716,608.00	0.00	CREDIT SUISSE SECURITIES (EUROPE) LTD	194,312.79	96,887,212.00	0.00
BNP PARIBAS SECURITIES (ASIA) LTD.	62,524.04	18,325,026.00	0.00	CREDIT SUISSE SECURITIES (USA) LLC	376,382.49	6,476,203,525.10	0.00
BNP PARIBAS SECURITIES SERVICE	748.96	25,993.00	0.03	CROWELL, WEEDON & CO., INC.	56.20	5,620.00	0.01
BNP PARIBAS SECURITIES SERVICES	3,391.85	497,325.00	0.01	CS FIRST BOSTON (HONG KONG) LIMITED	79,572.76	42,225,532.00	0.00
BNY BROKERAGE	2,988.47	93,884.00	0.03	CSFB AUSTRALIA EQUITIES LTD	8,093.32	947,246.00	0.01
BNY BROKERAGE INC	45.53	9,105.00	0.01	CSI US INSTITUTIONAL DESK	3,266.61	94,987.00	0.03
BNY CONVERGEX LJR	1,367.10	57,952.00	0.02	D CARNEGIE AG	4,863.41	145,574.00	0.03
BOCI SECURITIES LIMITED	331.23	138,000.00	0.00	DAEWOO SECURITIES CO LTD	9,656.47	124,940.00	0.08
BOE SECURITIES INC/BROADCORT CAP CORP	12,969.57	432,319.00	0.03	DAHLMAN ROSE + COMPANY LLC	962.00	25,300.00	0.04
BRADESCO S.A CTVM	8,091.73	298,484.00	0.03	DAIWA SECS SB CAPITAL MARKETS (ASIA) LTD	206.37	9,100.00	0.02
BREAN MURRAY, CARRET & CO., LLC	3,013.75	66,985.00	0.04	DAIWA SECURITIES (HK) LTD.	21,448.41	9,365,115.00	0.00
BROADCORTCAPITAL (THRU ML)	209.40	18,060.00	0.01	DAIWA SECURITIES AMERICA INC	19,170.35	1,829,029.00	0.01
BROCKHOUSE + COOPER INC MONTREAL	3,677.14	362,166.00	0.01	DANSKE BANK A.S.	2,984.68	6,156,824.00	0.00
BTG CAPITAL CORP	22,113.57	737,119.00	0.03	DAVENPORT & CO. OF VIRGINIA, INC.	126.16	3,154.00	0.04
BTIG HONGKONG LIMITED	185.73	80,800.00	0.00	DAVIDSON D.A. + COMPANY INC.	2,653.26	66,447.00	0.04
BTIG LLC	37.79	5,057.00	0.01	DAVY STOCKBROKERS	991.41	2,497,173.00	0.00
BTIG, LLC	6,954.24	254,647.00	0.03	DBS VICKERS (HONG KONG) LIMITED	4,780.03	2,568,610.00	0.00
BUCKINGHAM RESEARCH GROUP INC	560.36	14,009.00	0.04	DBS VICKERS SECURITIES (SINGAPORE)	10,141.78	3,663,594.00	0.00
CABRERA CAPITAL MARKETS	11,634.91	383,998.00	0.03	DEAGROATT+ CAMPBELL SDN BHD	4,652.26	1,163,500.00	0.00
CACEIS BANK DEUTSCHLAND GMBH	7,048.93	270,372.00	0.03	DENIZ YATIRIM MENKUL DEGERLER A.S.	359.57	141,338.00	0.00
CADIZ STOCK BROKING	555.94	29,786.00	0.02	DEUTSCHE BANK (MALAYSIA) BERHAD	90.48	25,400.00	0.00
CALYON (SECURITIES) (FORMERLY CREDIT LYO	363.70	18,574.00	0.02	DEUTSCHE BANK AG	336.07	48,003,452.11	0.00
CANACCORDADAMS INC.	366.44	8,958.00	0.04	DEUTSCHE BANK AG LONDON	103,718.33	7,554,522,345.23	0.00
CANACCORDADAMS LIMITED	184.27	139,761.00	0.00	DEUTSCHE BANK ALEX BROWN	197.65	643,953.00	0.00
CANACCORDGENUITY CORP.	4,451.52	1,262,142.00	0.00	DEUTSCHE BANK DE BARY AMSTERDAM	1,031.47	20,166.00	0.05
CANACCORDGENUITY INC	21,430.15	533,425.00	0.04	DEUTSCHE BANK OOO	42.30	6,565.00	0.00
CANTOR CLEARING SERVICES	3,205.15	68,753.00	0.05	DEUTSCHE BANK SECURITIES INC	302,979.92	11,505,613,689.49	0.01
CANTOR FITZGERALD & CO / CASTLEOAK SEC	3,096.72	1,123,224.00	0.00	DEUTSCHE MORGAN GRENPELL SECS	2,783.93	1,117,893.00	0.00
CANTOR FITZGERALD + CO.	39,882.44	15,762,644.00	0.00	DEUTSCHE SECURITIES ASIA LIMITED	56,071.75	26,371,959.00	0.00
CANTOR FITZGERALD AND CO	21.98	209,629.00	0.00	DEUTSCHE SECURITIES ASIA LTD	1,285.95	21,328.00	0.06
CANTOR FITZGERALD EUROPE	5,691.22	1,118,351.00	0.01	DEUTSCHE SECURITIES INC	131.28	1,740.00	0.08

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9:46 am, Dec 10, 2012

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
DIRECT ACCESS PARTNERS LLC	1,527.14	61,145.00	0.02	ITG INC.	2,651.31	355,206.00	0.01
DIVINE CAPITAL MARKETS LLC	9,031.21	325,787.00	0.03	ITG SECURITIES (HK) LTD	14,962.65	12,340,224.00	0.00
DONGWON SECURITIES	15,136.02	216,221.00	0.07	IVY SECURITIES, INC.	800.04	34,168.00	0.02
DOUGHERTY COMPANY	4,741.31	125,612.00	0.04	J AND E DAVY	1,635.73	263,962.00	0.01
DOWLING & PARTNERS	11,014.50	415,700.00	0.03	J P MORGAN SECURITIES INC	70,441.52	639,186,689.22	0.00
DUNDAS UNLU SECURITIES INC.	16,899.90	3,710,467.00	0.00	J.P. MORGAN CLEARING CORP.	132,933.04	34,195,189.89	0.00
ECZACIBASI MENKUL DEGERLER A.S.	190.82	57,207.00	0.00	J.P. MORGAN SECURITIES INC.	72,382.80	7,829,876.00	0.01
EFG ISTANBUL MENKUL DE ERLER ANONIM SIR	2,097.74	451,425.00	0.00	J.P. MORGAN SECURITIES LIMITED	14,421.49	1,696,710.00	0.01
EUROCLEARBANK SA NV	742.84	32,294,391.00	0.00	J.P.MORGAN SECURITIES(FAR EAST)LTD SEOUL	29,194.93	254,857.00	0.11
EVOLUTIONBEEESON GREGORY LIMITED	1,194.21	85,770.00	0.01	JACKSON SECURITIES	1,478.00	125,100.00	0.01
EXANE S.A.	12,569.41	768,253.00	0.02	JANNEY MONTGOMERY, SCOTT INC	1,072.18	290,859.00	0.00
EXECUTION(HONG KONG) LIMITED	4,177.97	5,631,320.00	0.00	JEFFERIES+ CO	646.60	1,475,912.00	0.00
FATOR - DORIA ATHERINO S.A CV	1,813.74	63,000.00	0.03	JONESTRADING + COMPANY INC	30,673.08	91,506,370.20	0.00
FIG PARTNERS LLC	5,733.52	241,818.00	0.02	JEFFERIESINTERNATIONAL LTD	12,834.67	12,981,721.00	0.00
FINANCIALBROKERAGE GROUP (FBG)	9,395.35	966,208.00	0.01	JMP SECURITIES	5,961.09	138,427.00	0.04
FIRST ANALYSIS SECURITIES CORP	2,720.35	70,490.00	0.04	JOH BERENBERG GOSSLER AND CO	4,213.11	201,553.00	0.02
FIRST CLEARING, LLC	46.20	1,155.00	0.04	JOHNSON RICE + CO	4,771.32	126,737.00	0.04
FIRST SOUTHWEST COMPANY	2,392.00	59,800.00	0.04	JONESTRADING INSTITUTIONAL SERVICES LLC	10,067.82	406,596.00	0.02
FOKUS BANK ASA	693.42	20,020.00	0.03	JP MORGANSECURITIES AUSTRALIA LTD	9,965.39	1,882,507.00	0.01
FRANK RUSSELL SEC/BROADCORT CAP CLEARING	412.89	15,392.00	0.03	JP MORGANSECURITIES INC	15.16	612,081,700.00	0.00
FRIEDMAN BILLINGS + RAMSEY	12,597.06	365,416.00	0.03	JP MORGANSECURITIES PLC	171,156.82	60,061,901,089.41	0.00
G TRADE SERVICES LTD	10,309.15	3,076,319.00	0.00	JP MORGANSECURITIES SINGAPORE	11,204.01	10,169,365.00	0.00
GARDNER RICH & CO	481.49	2,424,138.00	0.00	JPMORGAN CHASE BANK N.A. LONDON	3,784.82	134,748.00	0.03
GBM INTERNATIONAL INC.	3,480.62	369,800.00	0.01	JPMORGAN CHASE BANK, N.A.	45.92	407.00	0.11
GILFORD SECURITIES	49.80	1,245.00	0.04	JPMORGAN SECURITIES(ASIA PACIFIC)LTD	112,369.64	59,192,452.00	0.00
GLOBAL HUNTER SECURITIES, LLC	402.80	10,070.00	0.04	JPMSEI/EQUITIES,LDN	817.54	50,754.00	0.02
GMP SECURITIES LTD.	1,477.41	36,576.00	0.04	KAS-ASSOCIATIE N.V.	2,286.27	76,994.00	0.03
GOLDMAN SACHS (ASIA) L.L.C.	606.08	31,000.00	0.02	KBC PEEL HUNT LTD	1,170.35	203,100.00	0.01
GOLDMAN SACHS (ASIA) LLC	6,421.93	58,369.00	0.11	KEEFE BRUYETTE + WOODS INC	16,956.99	477,780.00	0.04
GOLDMAN SACHS + CO	196,096.89	12,916,301,642.28	0.00	KEEFE BRUYETTE AND WOOD LIMITED	3,116.75	2,681,000.00	0.00
GOLDMAN SACHS DO BRASIL BANCO MULTI AVEN	12,118.20	1,012,972.00	0.01	KEPLER EQUITIES PARIS	4,754.74	87,783.00	0.05
GOLDMAN SACHS DO BRASIL CORRETORA	17,632.28	843,765.00	0.02	KEYBANC CAPITAL MARKETS INC	8,174.43	54,909,623.62	0.00
GOLDMAN SACHS INTERNATIONAL	152,157.35	52,773,540.81	0.00	KGI SECURITIES (HONG KONG) LIMITED	194.62	356,000.00	0.00
GOLDMAN SACHS(ASIA).L.L.C.	730.62	375,000.00	0.00	KIM ENG SECURITIES	25,135.53	10,272,420.00	0.00
GOODBODY + STOCKBROKERS	660.15	9,204.00	0.07	KIM ENG SECURITIES (HK) LTD.	386.99	252,000.00	0.00
GORDON HASKETT	251.00	10,300.00	0.02	KIM ENG SECURITIES (THAILAND)	975.65	96,000.00	0.01
GREAT PACIFIC SECURITIES INC.	96.00	2,400.00	0.04	KIM ENG SECURITIES, P.T.	4,572.84	3,153,500.00	0.00
GREEN STREET ADVISORS	260.00	6,500.00	0.04	KING, CL, & ASSOCIATES, INC	23,665.68	701,004.00	0.03
GREENTREEBROKERAGE SERVICES INC	3,115.10	107,780.00	0.03	KNIGHT CLEARING SERVICES LLC	582.75	21,900.00	0.03
GUGGENHEIM CAPITAL MARKETS LLC	385.40	15,782.00	0.02	KNIGHT DIRECT LLC	2,948.10	372,921.00	0.01
GUGGENHEIM CAPITAL, LLC	1,027.45	57,975.00	0.02	KNIGHT EQUITY MARKETS L.P.	48,916.77	2,073,588.00	0.02
GUZMAN AND COMPANY	2,946.20	294,620.00	0.01	KNIGHT EXECUTION AND CLEARING	721.91	1,358,000.00	0.00
H RIVKIN	54.61	2,200.00	0.02	KNIGHT SECURITIES INTERNATIONAL	98.82	931,767.00	0.00
HANNURI INVESTMENT + SECURITIES	281.28	990.00	0.28	LARRAIN VIAL	28,988.27	14,778,324.00	0.00
HEDGING GRIFFO COR DE VAL S.A	47.43	1,100.00	0.04	LAZARD CAPITAL MARKETS LLC	6,247.98	1,508,307.00	0.00
HEEVERS & CO. INC.	5,884.36	213,041.00	0.03	LEERINK SWANN AND COMPANY	6,957.93	159,301.00	0.04
HEFLIN + CO LLC	1,032.37	31,910.00	0.03	LEK SECURITIES CORP	548.74	22,887.00	0.02
HEIGHT SECURITIES, LLC	120.00	3,000.00	0.04	LIBERUM CAPITAL LIMITED	1,282.69	20,021.00	0.06
HIBERNIA SOUTHCOAST CAPITAL INC	2,116.38	54,636.00	0.04	LIQUIDNETASIA LIMITED	12,781.05	8,017,350.00	0.00
HONGKONG + SHANGHAI BANKING	1,152.97	661,000.00	0.00	LIQUIDNETAUSTRALIA PTY LTD	755.00	443,507.00	0.00
HONGKONG AND SHANGHAI BANKING CORP	26,413.24	7,739,200.00	0.00	LIQUIDNETINC	37,403.96	1,802,369.00	0.02
HONGKONG AND SHANGHAI BKG CORP	169.00	33,090.00	0.01	LONGBOW SECURITIES LLC	358.00	8,600.00	0.04
HOWARD WEIL DIVISION LEGG MASON	8,413.45	190,844.00	0.04	LOOP CAPITAL MARKETS	55,511.38	2,985,371.00	0.02
HSBC BANKPLC	38,831.29	3,434,008,585.17	0.00	LQNTUK LIQUIDNET EUROPE LIMIT	54.52	6,300.00	0.01
HSBC BROKERAGE (USA) INC.	458.00	15,000.00	0.03	M RAMSEY KING SECURITIES INC	6,672.47	249,493.00	0.03
HSBC JAMES CAPEL SEOUL	9,292.99	308,845.00	0.03	MACQUARIEBANK LIMITED	10,119.84	2,181,459.00	0.00
HSBC SECURITIES (USA) INC.	56,092.58	25,326,141,384.94	0.00	MACQUARIEBANK LIMITED, LONDON	2,035.68	393,700.00	0.01
HSBC SECURITIES (USA), INC.	100.00	110,002,500.00	0.00	MACQUARIECAPITAL (EUROPE) LTD	7,138.17	1,208,702.00	0.01
HSBC SECURITIES THAILAND LTD	335.69	17,200.00	0.02	MACQUARIECAPITAL (USA) INC	2,239.24	180,954.00	0.01
HUDSON SECURITIES INC	367.64	12,073.00	0.03	MACQUARIEEQUITIES LIMITED (SYDNEY)	12,776.85	1,721,991.00	0.01
ICAP DO BRASIL DTVM LTDA	458.17	19,265.00	0.02	MACQUARIEEQUITIES NEW YORK	3,435.48	476,368.00	0.01
ICHIYOSHISECURITIES CO.,LTD.	160.12	15,000.00	0.01	MACQUARIESEC NZ LTD	149.02	125,799.00	0.00
ING BANK N V	15,503.77	1,024,856.00	0.02	MACQUARIESECURITIES (SINGAPORE)	22,651.98	13,295,281.00	0.00
ING FINANCIAL MARKETS LLC	9,037.01	480,977,968.00	0.00	MACQUARIESECURITIES (USA) INC	4,810.62	391,343.00	0.01
INSTINET	29,121.91	1,357,900.11	0.02	MACQUARIESECURITIES LIMITED	139,685.03	52,428,428.00	0.00
INSTINET AUSTRALIA CLEARING SRVC PTY LTD	1,723.02	2,396,378.00	0.00	MACQUARIESECURITIES LTD SEOUL	4,928.74	29,325.00	0.17
INSTINET CANADA	1,499.14	426,856.00	0.00	MAINFIRSTBANK DE	1,504.79	38,484.00	0.04
INSTINET EUROPE LIMITED	50.90	20,700.00	0.00	MEDIOBANCA SPA	584.59	28,251.00	0.02
INSTINET LLC	2,832.20	328,552.00	0.01	MELVIN SECURITIES	759.00	50,600.00	0.02
INSTINET PACIFIC LIMITED	29,287.32	19,281,987.00	0.00	MERRILL LYNCH	411.08	629,050.00	0.00
INSTINET SINGAPORE SERVICES PT	948.90	898,000.00	0.00	MERRILL LYNCH (SINGAPORE) PTE LTD	757.46	1,795,000.00	0.00
INSTINET U.K. LTD	42,970.25	19,182,766.00	0.00	MERRILL LYNCH EQUITIES (AUSTRALIA)	832.75	76,747.00	0.01
INTERCAM CASA DE BOLSA S.A. DE C.V.	6,534.61	1,137,077.00	0.01	MERRILL LYNCH FAR EAST LTD	367.22	270,000.00	0.00
INTERMONTE SEC SIM SPA	2,593.26	49,880.00	0.05	MERRILL LYNCH INTERNATIONAL	289,014.26	25,108,584,991.84	0.00
INVESTEC BANK PLC	12,389.61	2,828,186.00	0.00	MERRILL LYNCH PIERCE FENNER AND S	348,174.39	596,574,632.00	0.00
INVESTEC HENDERSON CROSTHWAITE	7,228.81	439,291.00	0.02	MERRILL LYNCH PIERCE FENNER + SMITH INC	156,071.14	23,711,014,774.22	0.00
INVESTEC SECURITIES LTD	1,250.67	81,349.00	0.02	MERRILL LYNCH PROFESSIONAL CLEARING CORP	99.00	588,300.00	0.00
INVESTMENT TECHNOLOGY GROUP INC.	33,239.42	2,857,126.00	0.01	MERRILL LYNCH, PIERCE FENNER SMITH	1.06	-	0.00
INVESTMENT TECHNOLOGY GROUP LTD	23,098.90	5,378,143.00	0.00	MERRIMAN CURHAN FORD + CO	38.92	973.00	0.04
IS YATIRIM MENKUL DEGERLER AS	652.92	30,010.00	0.02	MF GLOBALFXA SECURITIES LTD	143.11	9,900.00	0.01
ISI GROUPINC	13,174.20	373,625.00	0.04	MF GLOBALUK LIMITED	109.76	18,380.00	0.01
ISLAND TRADER SECURITIES INC	5,800.99	306,885.00	0.02	MILLER TABAK + COMPANY, LLC	1,066.00	41,000.00	0.03
ITAU USA SECURITIES INC	20,282.85	791,095.00	0.03	MIRAE ASSET HONG KONG LIMITED	2,355.22	380,000.00	0.01
ITG AUSTRALIA LTD.	5,135.34	4,540,202.00	0.00	MIRAE ASSET SECURITIES CO., LTD	85.80	142,250.00	0.00
ITG CANADA	658.28	73,366.00	0.01	MISCHLER FINANCIAL GROUP, INC-EQUITIES	1,097.48	45,816.00	0.02
ITG INC	1,638.91	156,662.00	0.01	mitsubishi UFJ SECURITIES (USA)	2,472.61	65,720.00	0.04

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
MITSUBISHI UFJ SECURITIES INT PLC	2,187.61	318,900.00	0.01	SANDLER ONEILL + PART LP	2,533.89	76,594.00	0.03
MIZUHO SEC ASIA LTD	3,724.52	392,163.00	0.01	SANFORD C. BERNSTEIN LTD	15,177.37	14,750,197.00	0.00
MIZUHO SECURITIES USA INC	10,522.89	1,159,241.00	0.01	SANFORD CBERNSTEIN CO LLC	24,860.15	1,693,415.00	0.01
MKM PARTNERS LLC	1,637.95	44,185.00	0.04	SANTANDERCENTRAL HISPANO BOLSA	374.81	34,344.00	0.01
MOGAVERO LEE & CO., INC.	3,185.70	129,965.00	0.02	SANTANDERINVESTMENT SECURITIES INC	17,192.67	573,089.00	0.03
MONROSE SECURITIES EQUITIES	612.50	23,500.00	0.03	SANTANDERMERCHANT S.A.	668.39	1,573,500.00	0.00
MONUMENT SECURITIES LIMITED	205.01	20,600.00	0.01	SCARSDALEEQUITIES LLC	609.85	12,197.00	0.05
MORGAN KEEGAN & CO INC	3,611.50	678,007.00	0.01	SCOTIA CAPITAL (USA) INC	4,668.36	31,225,560.11	0.00
MORGAN STANLEY	560.33	2,898,751.00	0.00	SCOTIA CAPITAL MKTS	12,790.07	406,732.00	0.03
MORGAN STANLEY & CO. INCORPORATED/RETAIL	1,741.50	5,056,350.00	0.00	SCOTIA CAPITAL USA INC	1,277.70	161,596.00	0.01
MORGAN STANLEY + CO INTERNATIONAL	562.97	10,644.00	0.05	SCOTT & STRINGFELLOW, INC	1,853.85	436,347.07	0.00
MORGAN STANLEY AND CO INC NY	48.13	101,000.00	0.00	SEI FINANCIAL SER CO	956.20	24,760.00	0.04
MORGAN STANLEY AND CO INTERNATIONAL	26,662.56	1,544,541.00	0.02	SESLIA SECURITIES	64.44	2,148.00	0.03
MORGAN STANLEY AND CO INTL TAIPEI METRO	3,234.88	1,532,466.00	0.00	SG AMERICAS SECURITIES LLC	1,963.06	20,872,991.00	0.00
MORGAN STANLEY AND CO. INTERNATIONAL	89,497.46	234,388,410.09	0.00	SG SECURITIES HK	15,461.09	10,304,519.00	0.00
MORGAN STANLEY CO INCORPORATED	345,008.67	2,615,164,748.42	0.00	SIDOTI + COMPANY LLC	4,792.65	123,086.00	0.04
MORGAN STANLEY DEAN WITTER AUSTRALIA	2,251.18	422,455.00	0.01	SIMMONS + COMPANY INTERNATIONAL	447.00	11,800.00	0.04
MORGAN STANLEY SECURITIES LIMITED	20,312.39	1,257,141.00	0.02	SKANDINAVISKA ENSKILDA BANKEN LONDON	10,323.76	288,393.00	0.04
MR BEAL & COMPANY	7,374.51	245,817.00	0.03	SMBC SECURITIES INC	159.29	4,400.00	0.04
NATIONAL FINANCIAL SERVICES CORP.	5,002.46	83,015,166.00	0.00	SMITH BARNEY HARRIS UPHAM & CO INC	560.00	14,000.00	0.04
NATIONAL SECURITIES CO LTD	749.45	594,200.00	0.00	SNS BANK NETHERLAND	105.71	2,584.00	0.04
NBC CLEARING SERVICES INCORPORATED	1,174.59	29,975.00	0.04	SOCIETE GENERALE	1,375.57	149,276.00	0.01
NBCN CLEARING INC.	897.00	1,736,900.00	0.00	SOCIETE GENERALE LONDON BRANCH	24,101.49	3,680,710.00	0.01
NCB STOCKBROKERS LIMITED	236.94	17,069.00	0.01	SOCIETE GENERALE PARIS ZURICH BRA	1,497.18	13,536.00	0.11
NEEDHAM + COMPANY	15,262.30	385,063.00	0.04	SOCOPA SOCIEDADE CORRETORA PAULISTA CLEM	175.80	12,700.00	0.01
NESBITT BURNS	4,525.90	275,229,580.00	0.00	SOLEIL SECURITIES	52.04	1,301.00	0.04
NOMURA FINANCIAL AND INVESTMEN	15,735.60	192,860.00	0.08	STANDARD BANK LONDON LIMITED	3,822.82	201,900.00	0.02
NOMURA INTERNATIONAL (HONG KONG) LTD	1,872.46	348,000.00	0.01	STANDARD CHARTERED BANK	6,447.39	5,092,678,800.00	0.00
NOMURA INTERNATIONAL PLC	50,686.15	57,079,019.00	0.00	STANDARD CHARTERED BANK (HONG KONG) LIMI	24,170.51	5,378,200.00	0.00
NOMURA SECURITIES CO LTD	3,640.80	1,053,421.00	0.00	STATE STREET BANK AND TRUST	55,800.00	15,397,436,130.98	0.00
NOMURA SECURITIES INTERNATIONAL INC	81,689.25	49,412,914.68	0.00	STATE STREET BANK AND TRUST CO	620.60	742,513.00	0.00
NORTH SOUTH CAPITAL LLC	22,405.06	697,352.00	0.03	STATE STREET GLOBAL MARKETS, LLC	478.00	23,900.00	0.02
NORTHLANDSECURITIES INC.	981.00	32,300.00	0.03	STEPHENS, INC.	10,382.43	941,975.89	0.01
NUMIS SECURITIES INC.	7,588.00	513,349.00	0.01	STERNE AGEE & LEACH INC.	12,755.90	4,696,373.00	0.00
NUMIS SECURITIES LIMITED	824.80	126,999.00	0.01	STIFEL NICOLAUS + CO INC	27,672.74	39,645,118.28	0.00
O NEIL, WILLIAM AND CO. INC/BCC CLRG	727.50	24,250.00	0.03	SUNTRUST CAPITAL MARKETS, INC.	11,317.88	281,623.00	0.04
ODDO ET CIE	1,160.32	23,276.00	0.05	SVENSKA HANDELSBANKEN	14,880.15	424,289.00	0.04
OPPENHEIMER + CO. INC.	21,986.34	23,101,965.30	0.00	SVENSKA HANDELSBANKEN LONDON BRANCH	1,323.84	48,667.00	0.03
ORIEL SECURITIES LTD	1,561.13	199,881.00	0.01	SWEDBANK	843.38	12,546.00	0.07
OSK INVESTMENT BANK BERHAD	1,276.27	120,800.00	0.01	TACHIBANASECURITIES (HONG KONG)	78.01	4,000.00	0.02
PACIFIC AMERICAN SECURITIES, LLC	295.77	9,859.00	0.03	TD SECURITIES INC	1,032.00	34,400.00	0.03
PACIFIC CREST SECURITIES	12,858.82	355,952.00	0.04	TD WATERHOUSE CDA	1,996.64	182,925.00	0.01
PANMURE GORDON AND CO LTD	1,821.53	127,081.00	0.01	TEB YATIRIM MENKUL DEGERLER A.S.	8.61	715.00	0.01
PAREL	891.47	22,828.00	0.04	THE BENCHMARK COMPANY, LLC	620.50	22,900.00	0.03
PENSERRA SECURITIES	2,071.94	207,194.00	0.01	THE ROYALBANK OF SCOTLAND N.V.UK EQUITI	956.21	70,049.00	0.01
PENSERRA SECURITIES LLC	2,777.75	245,575.00	0.01	THINKPANMURE LLC	6,465.60	156,484.00	0.04
PENSON FINANCIAL INC.	305.68	40,757.00	0.01	TONG YANGSECURITIES INC	17,434.12	174,812.00	0.10
PENSON FINANCIAL SERVICES CANADA INC	5,786.45	237,856.00	0.02	TOPEKA CAPITAL MARKETS INC.	835.00	76,000.00	0.01
PERCIVAL FINANCIAL PARTNERS LTD.	4,352.74	115,378.00	0.04	TOURMALINE PARTNERS	16,673.62	663,527.00	0.03
PERSHING LLC	74,890.92	215,032,423.05	0.00	UBS AG	191,217.29	43,380,349.00	0.00
PERSHING SECURITIES LIMITED	3,805.71	3,617,903.00	0.00	UBS AG (LONDON EQUITIES)	380.48	129,318.00	0.00
PERSHING/CLEARANCE,NY	53.86	112.00	0.48	UBS AG LONDON	24,009.54	282,049,453.04	0.00
PETERCAM S.A.	2,588.90	15,641.00	0.17	UBS FINANCIAL SERVICES INC	659.82	113,849,841.60	0.00
PICKERINGENERGY PARTNERS, INC	486.85	10,590.00	0.05	UBS SECURITIES ASIA LTD	185,936.26	107,937,008.00	0.00
PIPER JAFFRAY	29,871.17	1,718,524.00	0.02	UBS SECURITIES CANADA INC	1,210.10	160,047.00	0.01
PRIMASIA SECURITIES (ASIA) LTD	1,254.56	69,779.00	0.02	UBS SECURITIES LLC	68,659.47	11,922,053,201.58	0.00
PRITCHARDCAPITAL PARTNERS LLC	64.00	1,600.00	0.04	UBS SECURITIES PTE.LTD	11,851.33	3,540,000.00	0.00
PT. MANDIRI SEKURITAS	8,290.03	20,015,300.00	0.00	UBS SECURITIES PTE.LTD., SEOUL	24,556.30	615,335.00	0.04
PULSE TRADING LLC	11,960.18	428,745.00	0.03	UBS SECURITIES SINGAPORE PTE	9,560.03	22,088,785.00	0.00
RABOBANK INTERNATIONAL LONDON	5,100.10	139,984.00	0.04	UBS WARBURG (HONG KONG) LIMITED	2,526.98	1,172,200.00	0.00
RABOBANK NETHERLAND	1,207.33	23,034.00	0.05	UBS WARBURG AUSTRALIA EQUITIES	1,137.79	1,376,810.00	0.00
RAIFFEISEN ZENTRALBANK OESTERREICH AG	84.72	11,043.00	0.01	UBS WARBURG LLC	13,917.27	1,270,426.00	0.01
RAYMOND JAMES AND ASSOCIATES INC	29,418.13	824,090.00	0.04	UNICREDITBANK AG (HYPOVEREINSBANK)	4,354.18	703,620.00	0.01
RBC CAPITAL MARKETS	26,810.06	257,685,493.62	0.00	UOB KAY HIAN (HONG KONG) LTD	8,749.95	6,217,200.00	0.00
RBC DEXIAINVESTOR SERVICES	580.22	12,772.00	0.05	UOB KAY HIAN PTE LIMITED	2,229.97	84,943.00	0.03
RBC DOMINION SECURITIES INC.	8,922.78	2,661,052.00	0.00	UOB KAY HIAN SECURITIES PT	382.07	327,000.00	0.00
RBS SECURITIES INC	11,113.19	21,030,877.00	0.00	VANDHAM SECURITIES CORP	5,525.92	163,797.00	0.03
RBS SECURITIES INC.	300.23	755,442,833.46	0.00	VICKERS BALLAS TAMARA PT	149.91	197,500.00	0.00
REDBURN PARTNERS LLP	10.13	450.00	0.02	VTB BANK EUROPE PLC	11,829.94	144,270,323.00	0.00
RENAISSANCE CAPITAL GROUP	1,414.13	25,161.00	0.06	WEBBUSH MORGAN SECURITIES INC	11,570.24	2,711,595.03	0.00
RENAISSANCE CAPITAL LTD	6,321.22	368,649.00	0.02	WEDGE SECURITIES LLC	584.04	15,851.00	0.04
RENAISSANCE SECURITIES (CYPRUS) LIMITED	3,640.84	125,206.00	0.03	WEEDEN + CO.	60,997.69	3,943,668.00	0.02
RENCAP SECURITIES	756.84	9,600.00	0.08	WELLS FARGO SECURITIES LLC	2,960.22	138,822,844.63	0.00
REYNOLDERS,GRAY + COMPANY,INC	320.00	8,000.00	0.04	WELLS FARGO SECURITIES, LLC	12,759.76	26,286,244.25	0.00
ROBERT W.BAIRD CO.INCORPORATE	31,821.82	10,957,304.97	0.00	WILLIAM BLAIR & COMPANY L.L.C	32,882.70	837,806.00	0.04
ROBERTS +RYAN INVESTMENTS INC	1,896.00	70,100.00	0.03	WILLIAMS CAPITAL GROUP LP (THE)	15,430.38	647,798.00	0.02
ROCHDALE SEC CORP.(CLS THRU 443)	104.00	2,600.00	0.04	WINTERFLOOD SECURITIES LTD	61.22	20,000.00	0.00
ROTH CAPITAL PARTNERS LLC	6,575.84	159,707.00	0.04	WJB CAPITAL GROUP, INC.	873.40	21,835.00	0.04
ROYAL BANK OF CANADA (AUSTRALIA)	324.47	32,508,394.00	0.00	WOOD AND COMPANY	3,420.36	200,221.00	0.02
ROYAL BANK OF CANADA EUROPE LTD	2,848.90	13,664,954.00	0.00	WOORI INVESTMENT SECURITIES	19,684.06	329,455.00	0.06
ROYAL BANK OF SCOTLAND PLC	10,741.79	453,376,610.18	0.00	WUNDERLICH SECURITIES INC.	1,671.75	40,195.00	0.04
SALOMON SMITH BARNEY INC	16,616.57	1,584,000.00	0.01	YAMNER & CO INC (CLS THRU 443)	3,679.41	366,112.00	0.01
SAMSUNG SECURITIES CO LTD	18,457.31	315,306.00	0.06	YUANTA SECURITIES COMPANY LIMITED	3,874.76	1,019,000.00	0.00
SAMSUNG SECURITIES LIMITED-HOUSE A/C	283.03	90,000.00	0.00				
SAMUEL A RAMIREZ & COMPANY INC	1,230.50	15,779,650.00	0.00				
SANDERS MORRIS HARRIS INC	64.38	5,150.00	0.01				
				TOTAL	\$8,263,456.71		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS**COMBINED INVESTMENT FUNDS
TOTAL NET ASSET VALUE BY PENSION PLANS AND TRUST FUNDS
JUNE 30, 2012**

<u>Retirement Funds</u>	<u>Net Asset Value</u>
Teachers' Retirement Fund	\$13,473,161,942
State Employees' Retirement Fund	8,468,270,329
Municipal Employees' Retirement Fund	1,675,298,834
State Judges' Retirement Fund	156,909,689
The Probate Court Retirement Fund	78,043,908
State's Attorneys Retirement Fund	1,195,324
<u>Non-retirement Trust Funds</u>	
Soldiers' Sailors' & Marines' Fund	66,633,626
Police & Firemans' Survivors' Benefit Fund	22,558,598
Connecticut Arts Endowment Fund	17,646,427
School Fund	10,107,815
Ida Eaton Cotton Fund	2,257,866
Hopemead Fund	2,951,370
Andrew Clark Fund	1,062,158
Agricultural College Fund	664,012
TOTAL	<u>\$23,976,761,898</u>

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF NET ASSETS BY INVESTMENT FUND

JUNE 30, 2012

	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	\$ -	\$16,324,931	\$35,605,428	\$213,566,329	\$9,624,378	\$43,763,680
Cash Equivalents	718,665,623	-	-	-	-	147,827
Asset Backed Securities	45,971,179	-	-	63,981,696	-	797,453
Government Securities	474,127,595	-	-	839,988,357	923,358,350	580,674,922
Government Agency Securities	31,311,701	-	-	862,157,983	-	-
Mortgage Backed Securities	30,547,867	-	-	175,837,004	-	-
Corporate Debt	224,817,329	-	-	703,535,353	-	214,011,433
Convertible Securities	-	-	-	-	-	-
Common Stock	-	-	4,806,923,503	-	-	212,856
Preferred Stock	-	-	-	68,062	-	-
Real Estate Investment Trust	-	-	101,523,661	-	-	-
Mutual Fund	-	-	1,080,224,741	-	-	336,487,144
Limited Liability Corporation	-	-	-	-	-	-
Trusts	-	-	-	-	-	-
Limited Partnerships	-	532,880,371	393,231,185	-	-	-
Annuities	-	-	-	-	-	-
Total Investments in Securities, at Fair Value	1,525,441,294	549,205,302	6,417,508,518	2,859,134,784	932,982,728	1,176,095,315
Cash	19,242,511	-	-	312,188	-	10,888,201
Receivables						
Foreign Exchange Contracts	802,852,417	-	-	2,795,590	24,970,404	194,739,030
Interest Receivable	7,197,449	15,729	29,634	18,809,674	5,509,290	15,209,478
Dividends Receivable	-	-	9,655,301	-	-	-
Due from Brokers	531,523	-	21,135,969	233,979,482	-	6,657,573
Foreign Taxes	113	-	6,013	110,193	-	914,751
Securities Lending Receivable	-	-	615,291	117,693	63,396	25,212
Reserve for Doubtful Receivables	-	-	(3,752)	(1,186,429)	-	(934,914)
Total Receivables	810,581,502	15,729	31,438,456	254,626,203	30,543,090	216,611,130
Invested Securities Lending Collateral	-	-	1,154,238,316	391,368,509	374,482,994	57,728,313
Other Funds on Deposit	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Assets	2,355,265,307	549,221,031	7,603,185,290	3,505,441,684	1,338,008,812	1,461,322,959
LIABILITIES						
Payables						
Foreign Exchange Contracts	809,647,245	-	-	2,735,325	25,221,836	194,505,202
Due to Brokers	11,281,493	-	20,989,275	493,811,752	-	5,690,164
Income Distribution	1,376,359	-	-	-	-	-
Other Payable	-	-	445,762	-	-	-
Total Payables	822,305,097	-	21,435,037	496,547,077	25,221,836	200,195,366
Securities Lending Collateral	-	-	1,154,238,316	391,368,509	374,482,994	57,728,313
Accrued Expenses	1,569,849	122,945	2,821,612	839,634	289,315	1,306,083
Total Liabilities	823,874,946	122,945	1,178,494,965	888,755,220	399,994,145	259,229,762
NET ASSETS HELD IN TRUST FOR PARTICIPANTS	\$1,531,390,361	\$549,098,086	\$6,424,690,325	\$2,616,686,464	\$938,014,667	\$1,202,093,197
Units Outstanding	1,535,273,780	550,169,550	6,708,639	21,316,903	5,884,770	7,983,799
Net Asset Value and Redemption Price per Unit	\$1.00	\$1.00	\$957.67	\$122.75	\$159.40	\$150.57

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF NET ASSETS BY INVESTMENT FUND

JUNE 30, 2012

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
\$29,569,333	\$97,074,924	\$27,589,629	\$147,842,252	\$162,200	\$134,100,636	\$(755,223,720)	\$ -
25,744,176	-	-	-	-	-	-	744,557,626
-	-	-	-	-	-	-	110,750,328
282,919	-	-	-	-	-	-	2,818,432,143
-	-	-	-	-	-	-	893,469,684
-	-	-	-	62,401	-	-	206,447,272
603,095,301	-	-	-	-	-	-	1,745,459,416
32,360,449	134,728	-	-	-	-	-	32,495,177
11,437,756	4,386,165,122	1,924,623,446	-	541,178	8,947,557	-	11,138,851,418
3,633,099	24,619,889	27,619,587	-	-	-	-	55,940,637
-	41,429,266	-	65,821,618	-	-	-	208,774,545
-	612,870	237,068,708	-	-	-	-	1,654,393,463
-	-	-	-	-	1,114,844	-	1,114,844
-	-	-	991,995	-	-	-	991,995
-	-	-	1,113,904,364	-	2,425,646,001	-	4,465,661,921
-	-	-	-	-	-	-	-
706,123,033	4,550,036,799	2,216,901,370	1,328,560,229	765,779	2,569,809,038	(755,223,720)	24,077,340,469
470	28,335,255	8,745,591	-	-	231,316	(19,242,511)	48,513,021
-	-	-	-	-	-	-	-
1,803,137	3,589,368,005	6,432,622	-	-	-	(802,852,417)	3,820,108,788
14,006,323	(152,557)	20,660	116,909	84	136,362	4,573,941	65,472,976
4,156	9,378,236	6,694,915	599,038	-	-	-	26,331,646
3,000,323	42,305,111	5,310,377	-	-	-	(531,523)	312,388,835
8,930	8,386,420	218,583	-	-	-	(113)	9,644,890
84,501	478,376	126,161	-	-	-	-	1,510,630
(1,361,924)	(781,698)	(45,613)	-	-	-	-	(4,314,330)
17,545,446	3,648,981,893	18,757,705	715,947	84	136,362	(798,810,112)	4,231,143,435
210,950,954	312,954,314	180,152,799	-	-	-	-	2,681,876,199
-	-	-	-	-	-	-	-
-	-	-	-	2,691	2,577,892	-	2,580,583
934,619,903	8,540,308,261	2,424,557,465	1,329,276,176	768,554	2,572,754,608	(1,573,276,343)	31,041,453,707
1,832,913	3,559,520,251	6,437,329	-	-	-	(809,647,245)	3,790,252,856
10,368,839	36,033,485	6,169,367	-	-	-	(11,281,493)	573,062,882
-	-	-	-	-	-	(647,281)	729,078
-	-	-	231,316	-	-	-	677,078
12,201,752	3,595,553,736	12,606,696	231,316	-	-	(821,576,019)	4,364,721,894
210,950,954	312,954,314	180,152,799	-	-	-	-	2,681,876,199
698,411	5,636,147	4,321,463	673,017	-	607,880	(792,640)	18,093,716
223,851,117	3,914,144,197	197,080,958	904,333	-	607,880	(822,368,659)	7,064,691,809
\$710,768,786	\$4,626,164,064	\$2,227,476,507	\$1,328,371,843	\$768,554	\$2,572,146,728	\$(750,907,684)	\$23,976,761,898
5,836,191	14,718,394	6,335,052	37,723,830	19,050	51,619,424	-	-
\$121.79	\$314.31	\$351.61	\$35.21	\$40.34	\$49.83	-	-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	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	\$97	\$948,457	\$112,858,819	\$61,710	\$ -	\$42,185,346
Interest	22,638,968	336,082	415,906	91,194,393	23,313,853	55,645,737
Other Income	-	-	1,349,464	386,118	-	1,914,937
Securities Lending	-	-	8,256,771	2,875,316	1,823,910	324,631
Total Income	22,639,065	1,284,539	122,880,960	94,517,537	25,137,763	100,070,651
Expenses						
Investment Advisory Fees	5,155,864	-	11,445,708	3,423,470	869,547	4,294,249
Custody and Transfer Agent Fees	257,821	47,044	586,801	219,618	81,274	103,667
Professional Fees	47,022	614,580	203,097	81,281	21,144	26,339
Security Lending Fees	-	-	1,219,822	358,028	188,278	43,263
Security Lending Rebates	-	-	121,205	488,617	568,757	-
Investment Expenses	32,574	5,137	69,625	26,265	10,047	76,295
Total Expenses	5,493,281	666,761	13,646,258	4,597,279	1,739,047	4,543,813
Net Investment Income	17,145,784	617,778	109,234,702	89,920,258	23,398,716	95,526,838
Net Realized Gain (Loss)	2,180,982	29,965	117,583,639	65,969,856	62,588,320	12,090,173
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	(17,667,060)	(8,009,251)	(34,459,593)	43,246,896	29,167,326	(52,325,017)
Net Increase (Decrease) in Net Assets Resulting from Operations	1,659,706	(7,361,508)	192,358,748	199,137,010	115,154,362	55,291,994
Unit Transactions						
Purchase of Units by Participants	3,354,044,038	37,828,000	-	56,220,000	-	-
TOTAL ADDITIONS	3,355,703,744	30,466,492	192,358,748	255,357,010	115,154,362	55,291,994
DEDUCTIONS						
Administrative Expenses						
Salary and Fringe Benefits	(235,810)	(234,012)	(1,180,232)	(346,167)	(130,518)	(161,330)
Distributions to Unit Owners						
Income Distributed	(16,909,973)	-	(104,349,540)	(99,518,625)	(17,436,368)	(10,851,417)
Unit Transactions						
Redemption of Units by Participants	(3,543,119,356)	-	(300,000,000)	(256,875,000)	(279,000,000)	-
TOTAL DEDUCTIONS	(3,560,265,139)	(234,012)	(405,529,772)	(356,739,792)	(296,566,886)	(11,012,747)
Change in Net Assets Held in Trust for Participants	(204,561,395)	30,232,480	(213,171,024)	(101,382,782)	(181,412,524)	44,279,247
Net Assets- Beginning 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
Net Assets- End of Period	\$1,531,390,361	\$549,098,086	\$6,424,690,325	\$2,616,686,464	\$938,014,667	\$1,202,093,197
Other Information:						
Units						
Purchased	9,004,777,912	38,721,559	-	463,666	-	-
Redeemed	(9,191,360,795)	-	(339,747)	(2,118,186)	(1,848,793)	-
Net Increase (Decrease)	(186,582,883)	38,721,559	(339,747)	(1,654,520)	(1,848,793)	-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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
\$597,392	\$156,268,010	\$73,820,104	\$34,428,802	\$114,054	\$201,618,368	\$(40)	622,901,119
53,600,919	921,013	304,577	944,476	1,174	1,250,217	(9,399,047)	241,168,268
1,341,258	25,508	-	4	-	7,431	-	5,024,720
1,197,135	6,432,117	2,532,426	-	-	-	-	23,442,306
56,736,704	163,646,648	76,657,107	35,373,282	115,228	202,876,016	(9,399,087)	892,536,413
2,499,366	21,120,485	15,663,461	3,255,115	25,000	6,549,582	(2,140,566)	72,161,281
62,343	435,610	212,300	105,136	152	207,395	(107,040)	2,212,121
15,681	137,932	55,183	332,719	26	1,268,861	(19,522)	2,784,343
173,776	961,195	318,726	-	-	-	-	3,263,088
38,852	25,049	23,474	-	-	-	-	1,265,954
19,997	347,530	1,225,029	11,762	20	23,781	(13,524)	1,834,538
2,810,015	23,027,801	17,498,173	3,704,732	25,198	8,049,619	2,280,652	83,521,325
53,926,689	140,618,847	59,158,934	31,668,550	90,030	194,826,397	(7,118,435)	809,015,088
1,674,654	(145,172,760)	(44,399,800)	(1,901,270)	(1,016)	(81,531,926)	(905,481)	(11,794,664)
(12,626,368)	(666,333,025)	(385,250,175)	57,540,409	361	27,854,030	6,815,986	(1,012,045,481)
42,974,975	(670,886,938)	(370,491,041)	87,307,689	89,375	141,148,501	(1,207,930)	(214,825,057)
-	89,937,000	-	176,190,200	-	390,182,000	(1,388,399,847)	2,716,001,391
42,974,975	(580,949,938)	(370,491,041)	263,497,889	89,375	531,330,501	(1,389,607,777)	2,501,176,334
(96,966)	(714,637)	(342,905)	(280,430)	(899)	(487,217)	97,902	(4,113,221)
(49,685,953)	(105,873,219)	(39,688,753)	(32,112,895)	(120,196)	(191,044,852)	7,020,532	(660,571,259)
-	(95,000,000)	-	-	(1,590,000)	-	1,432,189,714	(3,043,394,642)
(49,782,919)	(201,587,856)	(40,031,658)	(32,393,325)	(1,711,095)	(191,532,069)	1,330,252,225	(3,708,079,122)
(6,807,944)	(782,537,794)	(410,522,699)	231,104,564	(1,621,720)	339,798,432	49,700,371	(1,206,902,788)
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
\$710,768,786	\$4,626,164,064	\$2,227,476,507	\$1,328,371,843	\$768,554	\$2,572,146,728	\$(750,907,684)	\$23,976,761,898
-	267,570	-	5,185,168	-	7,846,337	-	-
-	(295,175)	-	-	(32,310)	-	-	-
-	(27,605)	-	5,185,168	(32,310)	7,846,337	-	-

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

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

	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, 2011	\$586,676,611	\$289,728,000	\$866,303,664	\$1,286,193,327	\$503,985,596	\$486,828,242
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
Shares Purchased	1,396,985,474	19,830,000	-	-	-	-
Shares Redeemed	(1,456,788,358)	-	(160,000,000)	(143,100,000)	(144,000,000)	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(3,019,420)	-	120,426,231	17,448,068	23,590,398	-
Net Investment Income Earned	6,601,737	-	58,803,638	51,413,983	9,005,607	5,957,593
Net Investment Income Distributed	(6,601,737)	-	(58,803,638)	(51,413,983)	(9,005,607)	(5,957,593)
Changes in Market Value of Fund Shares	(2,564,994)	(4,300,383)	(70,815,249)	34,213,368	26,813,291	24,309,978
Market Value at June 30, 2012	\$522,508,008	\$309,372,784	\$3,625,171,415	\$1,338,902,357	\$484,525,222	\$659,967,525
Book Value at June 30, 2012	\$523,854,307	\$309,558,000	\$826,729,895	\$1,160,541,395	\$383,575,994	\$486,828,242
Shares Outstanding	523,833,040	309,976,465	3,785,392	10,907,403	3,039,739	4,383,228
Market Value per Share	\$1.00	\$1.00	\$957.67	\$122.75	\$159.40	\$150.57
State Employees' Retirement Fund						
Book Value at June 30, 2011	\$280,699,723	\$182,880,000	\$498,311,421	\$826,511,903	\$317,633,554	\$303,736,307
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
Shares Purchased	470,483,982	14,000,000	-	-	-	-
Shares Redeemed	(529,335,119)	-	(109,000,000)	(112,000,000)	(93,155,000)	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(1,593,692)	-	85,469,786	14,087,819	16,441,036	-
Net Investment Income Earned	2,858,320	-	38,722,666	32,788,656	5,752,862	3,766,229
Net Investment Income Distributed	(2,858,320)	-	(38,722,666)	(32,788,656)	(5,752,862)	(3,766,229)
Changes in Market Value of Fund Shares	(1,296,088)	(2,707,946)	(53,073,983)	19,145,859	15,757,522	15,368,101
Market Value at June 30, 2012	\$219,545,808	\$196,776,165	\$2,385,318,932	\$842,730,095	\$309,007,912	\$417,213,155
Book Value at June 30, 2012	\$220,254,894	\$196,880,000	\$474,781,207	\$728,599,722	\$240,919,590	\$303,736,307
Shares Outstanding	220,102,558	197,160,139	2,490,742	6,865,322	1,938,606	2,770,955
Market Value per Share	\$1.00	\$1.00	\$957.67	\$122.75	\$159.40	\$150.57
Municipal Employees' Retirement Fund						
Book Value at June 30, 2011	\$53,310,573	\$34,066,000	\$96,592,496	\$229,781,669	\$125,724,641	\$77,382,319
Market Value at June 30, 2011	\$53,514,102	\$34,551,801	\$373,734,488	\$253,854,074	\$143,338,710	\$96,813,867
Shares Purchased	79,658,935	3,600,000	-	55,000,000	-	-
Shares Redeemed	(104,590,201)	-	(30,000,000)	-	(36,000,000)	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(614,755)	-	21,730,590	-	5,712,805	-
Net Investment Income Earned	454,370	-	5,757,505	11,006,081	2,229,705	907,373
Net Investment Income Distributed	(454,370)	-	(5,757,505)	(11,006,081)	(2,229,705)	(907,373)
Changes in Market Value of Fund Shares	(306,844)	(513,845)	(17,950,273)	10,180,296	6,767,531	3,702,534
Market Value at June 30, 2012	\$27,661,237	\$37,637,956	\$347,514,805	\$319,034,370	\$119,819,046	\$100,516,401
Book Value at June 30, 2012	\$27,764,552	\$37,666,000	\$88,323,086	\$284,781,669	\$95,437,446	\$77,382,319
Shares Outstanding	27,731,384	37,711,403	362,874	2,599,022	751,702	667,588
Market Value per Share	\$1.00	\$1.00	\$957.67	\$122.75	\$159.40	\$150.57

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, 2012

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$337,219,517	\$1,974,883,788	\$771,408,218	\$873,373,786	\$2,091,756	\$1,727,242,371	\$9,705,934,876
\$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
-	48,000,000	-	102,900,000	-	237,610,000	1,805,325,474
-	(56,400,000)	-	-	(865,403)	-	(1,961,153,761)
-	-	-	-	-	-	-
-	15,284,471	-	-	(450,683)	-	173,279,065
27,744,382	60,651,516	22,591,392	18,072,688	65,409	108,017,771	368,925,716
(27,744,382)	(60,651,516)	(22,591,392)	(18,072,688)	(65,409)	(108,017,771)	(368,925,716)
(3,801,520)	(460,966,966)	(233,675,246)	30,950,625	433,420	(28,204,836)	(687,608,512)
\$396,889,583	\$2,649,043,994	\$1,267,910,689	\$748,860,092	\$418,156	\$1,469,592,117	\$13,473,161,942
\$337,219,517	\$1,981,768,259	\$771,408,218	\$976,273,786	\$775,670	\$1,964,852,371	\$9,723,385,654
3,258,899	8,428,079	3,606,000	21,266,539	10,365	29,492,680	921,987,827
\$121.79	\$314.31	\$351.61	\$35.21	\$40.34	\$49.83	
\$219,958,589	\$1,167,121,671	\$472,848,222	\$561,725,447	\$1,473,243	\$1,127,957,799	\$5,960,857,879
\$251,624,516	\$1,966,660,308	\$948,935,933	\$390,484,804	\$921,095	\$800,002,539	\$8,980,628,985
-	34,700,000	-	59,300,000	-	116,000,000	694,483,982
-	(38,600,000)	-	-	(612,645)	-	(882,702,764)
-	-	-	-	-	-	-
-	12,291,615	-	-	(314,038)	-	126,382,526
17,422,810	38,486,034	14,276,761	11,433,898	46,322	68,026,733	233,581,291
(17,422,810)	(38,486,034)	(14,276,761)	(11,433,898)	(46,322)	(68,026,733)	(233,581,291)
(2,387,263)	(295,277,388)	(147,672,423)	19,589,230	301,814	(18,269,835)	(450,522,400)
\$249,237,253	\$1,679,774,535	\$801,263,510	\$469,374,034	\$296,226	\$897,732,704	\$8,468,270,329
\$219,958,589	\$1,175,513,286	\$472,848,222	\$621,025,447	\$546,560	\$1,243,957,799	\$5,899,021,623
2,046,511	5,344,295	2,278,833	13,329,541	7,343	18,016,253	472,351,097
\$121.79	\$314.31	\$351.61	\$35.21	\$40.34	\$49.83	
\$41,699,115	\$158,475,296	\$81,252,619	\$109,294,274	\$226,821	\$202,456,322	\$1,210,262,145
\$47,645,503	\$300,051,589	\$164,428,497	\$79,807,173	\$142,822	\$150,054,822	\$1,697,937,448
-	4,800,000	-	12,000,000	-	33,200,000	188,258,935
-	-	-	-	(94,968)	-	(170,685,169)
-	-	-	-	-	-	-
-	-	-	-	(47,656)	-	26,780,984
3,299,037	5,942,170	2,473,830	2,256,565	7,183	13,139,950	47,473,769
(3,299,037)	(5,942,170)	(2,473,830)	(2,256,565)	(7,183)	(13,139,950)	(47,473,769)
(452,032)	(43,248,959)	(25,588,192)	3,784,935	45,761	(3,414,276)	(66,993,364)
\$47,193,471	\$261,602,630	\$138,840,305	\$95,592,108	\$45,959	\$179,840,546	\$1,675,298,834
\$41,699,115	\$163,275,296	\$81,252,619	\$121,294,274	\$84,197	\$235,656,322	\$1,254,616,895
387,510	832,303	394,869	2,714,677	1,139	3,609,151	77,763,621
\$121.79	\$314.31	\$351.61	\$35.21	\$40.34	\$49.83	

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, 2012

	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, 2011	\$4,735,893	\$1,651,000	\$3,301,644	\$10,986,276	\$6,210,209	\$3,245,945
Market Value at June 30, 2011	\$4,754,031	\$1,674,559	\$17,200,048	\$12,463,123	\$7,007,603	\$4,237,143
Shares Purchased	4,992,276	126,000	-	-	-	-
Shares Redeemed	(5,807,724)	-	(1,000,000)	(575,000)	(1,745,000)	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(14,418)	-	795,275	79,968	261,685	-
Net Investment Income Earned	44,782	-	268,392	464,509	109,167	39,712
Net Investment Income Distributed	(44,782)	-	(268,392)	(464,509)	(109,167)	(39,712)
Changes in Market Value of Fund Shares	(33,970)	(25,537)	(589,109)	378,820	349,295	162,045
Market Value at June 30, 2012	\$3,890,195	\$1,775,022	\$16,406,214	\$12,346,911	\$5,873,583	\$4,399,188
Book Value at June 30, 2012	3,906,027	1,777,000	3,096,919	10,491,244	4,726,894	3,245,945
Shares Outstanding	3,900,060	1,778,486	17,131	100,584	36,849	29,218
Market Value per Share	\$1.00	\$1.00	\$957.67	\$122.75	\$159.40	\$150.57
Judges' Retirement Fund						
Book Value at June 30, 2011	\$3,896,118	\$3,265,000	\$9,314,099	\$24,814,092	\$14,909,682	\$6,741,274
Market Value at June 30, 2011	\$3,901,540	\$3,311,968	\$31,369,951	\$27,032,043	\$16,949,694	\$8,599,533
Shares Purchased	9,095,271	272,000	-	1,000,000	-	-
Shares Redeemed	(9,762,622)	-	-	(1,200,000)	(4,100,000)	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(65,655)	-	-	124,172	640,632	-
Net Investment Income Earned	49,267	-	505,880	1,027,141	265,373	80,599
Net Investment Income Distributed	(49,267)	-	(505,880)	(1,027,141)	(265,373)	(80,599)
Changes in Market Value of Fund Shares	(20,880)	(47,809)	530,229	883,454	843,919	328,879
Market Value at June 30, 2012	\$3,147,654	\$3,536,159	\$31,900,180	\$27,839,669	\$14,334,245	\$8,928,412
Book Value at June 30, 2012	3,163,112	3,537,000	9,314,099	24,738,264	11,450,314	6,741,274
Shares Outstanding	3,155,636	3,543,058	33,310	226,797	89,928	59,299
Market Value per Share	\$1.00	\$1.00	\$957.67	\$122.75	\$159.40	\$150.57
State's Attorneys' Retirement Fund						
Book Value at June 30, 2011	\$235,362	\$-	\$37,049	\$435,160	\$17,299	\$45,435
Market Value at June 30, 2011	\$236,754	\$-	\$205,567	\$477,592	\$23,431	\$61,658
Shares Purchased	55,744	-	-	120,000	-	-
Shares Redeemed	(133,770)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(793)	-	-	-	-	-
Net Investment Income Earned	1,570	-	3,315	21,853	427	578
Net Investment Income Distributed	(1,570)	-	(3,315)	(21,853)	(427)	(578)
Changes in Market Value of Fund Shares	(1,958)	-	3,472	19,456	2,371	2,358
Market Value at June 30, 2012	\$155,977	\$-	\$209,039	\$617,048	\$25,802	\$64,016
Book Value at June 30, 2012	156,543	-	37,049	555,160	17,299	45,435
Shares Outstanding	156,373	-	218	5,027	162	425
Market Value per Share	\$1.00	\$-	\$957.67	\$122.75	\$159.40	\$150.57

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, 2012

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$2,007,540	\$6,527,479	\$3,781,807	\$5,165,509	\$13,708	\$8,989,809	\$56,616,819
\$2,328,586	\$13,277,870	\$7,932,710	\$3,618,335	\$8,489	\$7,285,924	\$81,788,421
-	217,000	-	630,000	-	1,217,000	7,182,276
-	-	-	-	(5,647)	-	(9,133,371)
-	-	-	-	-	-	-
-	-	-	-	(2,978)	-	1,119,532
161,234	263,025	119,348	107,346	426	622,962	2,200,903
(161,234)	(263,025)	(119,348)	(107,346)	(426)	(622,962)	(2,200,903)
(22,092)	(1,914,064)	(1,234,480)	180,079	2,865	(166,802)	(2,912,950)
\$2,306,494	\$11,580,806	\$6,698,230	\$4,428,414	\$2,729	\$8,336,122	\$78,043,908
2,007,540	6,744,479	3,781,807	5,795,509	5,083	10,206,809	55,785,256
18,939	36,845	19,050	125,761	68	167,294	6,230,285
\$121.79	\$314.31	\$351.61	\$35.21	\$40.34	\$49.83	
\$4,325,719	\$13,890,180	\$7,367,527	\$10,666,412	\$23,815	\$20,387,654	\$119,601,572
\$4,858,093	\$25,585,602	\$15,116,131	\$7,328,732	\$15,031	\$14,818,058	\$158,886,376
-	2,220,000	-	1,150,000	-	2,155,000	15,892,271
-	-	-	-	(9,994)	-	(15,072,616)
-	-	-	-	-	-	-
-	-	-	-	(4,979)	-	694,170
336,381	530,474	227,422	211,427	756	1,237,436	4,472,156
(336,381)	(530,474)	(227,422)	(211,427)	(756)	(1,237,436)	(4,472,156)
(46,096)	(3,643,503)	(2,352,358)	356,692	4,780	(327,819)	(3,490,512)
\$4,811,997	\$24,162,099	\$12,763,773	\$8,835,424	\$4,838	\$16,645,239	\$156,909,689
4,325,719	16,110,180	7,367,527	11,816,412	8,842	22,542,654	121,115,397
39,512	76,873	36,301	250,913	120	334,047	7,845,794
\$121.79	\$314.31	\$351.61	\$35.21	\$40.34	\$49.83	
\$53,177	\$-	\$-	\$63,149	\$-	\$-	\$886,631
\$60,486	\$-	\$-	\$46,661	\$-	\$-	\$1,112,149
-	-	-	14,200	-	-	189,944
-	-	-	-	-	-	(133,770)
-	-	-	-	-	-	-
-	-	-	-	-	-	(793)
4,189	-	-	1,541	-	-	33,473
(4,189)	-	-	(1,541)	-	-	(33,473)
(572)	-	-	2,667	-	-	27,794
\$59,914	\$-	\$-	\$63,528	\$-	\$-	\$1,195,324
53,177	-	-	77,349	-	-	942,012
492	-	-	1,804	-	-	164,501
\$121.79	\$-	\$-	\$35.21	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

	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, 2011	\$657,473	\$-	\$983,642	\$37,929,520	\$1,725,943	\$4,533,494
Market Value at June 30, 2011	\$658,446	\$-	\$5,799,705	\$43,155,220	\$2,402,293	\$6,321,871
Shares Purchased	2,295,059	-	-	-	-	-
Shares Redeemed	(2,293,554)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(4,737)	-	-	-	-	-
Net Investment Income Earned	6,625	-	93,529	1,665,220	43,739	59,250
Net Investment Income Distributed	(6,625)	-	(93,529)	(1,665,220)	(43,739)	(59,250)
Changes in Market Value of Fund Shares	(2,237)	-	98,028	1,614,904	243,098	241,773
Market Value at June 30, 2012	\$652,977	\$-	\$5,897,733	\$44,770,124	\$2,645,391	\$6,563,644
Book Value at June 30, 2012	\$654,241	\$-	\$983,642	\$37,929,520	\$1,725,943	\$4,533,494
Shares Outstanding	654,633	-	6,158	364,721	16,596	43,593
Market Value per Share	\$1.00	\$-	\$957.67	\$122.75	\$159.40	\$150.57
Endowment for the Arts						
Book Value at June 30, 2011	\$974,391	\$-	\$-	\$11,043,334	\$502,392	\$1,319,527
Market Value at June 30, 2011	\$978,592	\$-	\$-	\$12,005,719	\$668,163	\$1,758,210
Shares Purchased	822,319	-	-	-	-	-
Shares Redeemed	(872,152)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(6,178)	-	-	-	-	-
Net Investment Income Earned	8,844	-	-	463,262	12,166	16,476
Net Investment Income Distributed	(8,844)	-	-	(463,262)	(12,166)	(16,476)
Changes in Market Value of Fund Shares	(8,323)	-	-	449,264	67,614	67,241
Market Value at June 30, 2012	\$914,258	\$-	\$-	\$12,454,983	\$735,777	\$1,825,451
Book Value at June 30, 2012	\$918,380	\$-	\$-	\$11,043,334	\$502,392	\$1,319,527
Shares Outstanding	916,576	-	-	101,465	4,616	12,124
Market Value per Share	\$1.00	\$-	\$-	\$122.75	\$159.40	\$150.57
Agricultural College Fund						
Book Value at June 30, 2011	\$43,245	\$-	\$25,364	\$302,380	\$13,760	\$36,140
Market Value at June 30, 2011	\$43,442	\$-	\$152,786	\$334,886	\$18,642	\$49,055
Shares Purchased	19,855	-	-	-	-	-
Shares Redeemed	(20,908)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	94	-	-	-	-	-
Net Investment Income Earned	337	-	2,463	12,926	338	461
Net Investment Income Distributed	(337)	-	(2,463)	(12,926)	(338)	(461)
Changes in Market Value of Fund Shares	(380)	-	2,582	12,532	1,886	1,876
Market Value at June 30, 2012	\$42,103	\$-	\$155,368	\$347,418	\$20,528	\$50,931
Book Value at June 30, 2012	\$42,286	\$-	\$25,364	\$302,380	\$13,760	\$36,140
Shares Outstanding	42,210	-	162	2,830	129	338
Market Value per Share	\$1.00	\$-	\$957.67	\$122.75	\$159.40	\$150.57

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9:46 am, Dec 10, 2012

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

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	\$-	\$-	\$-	\$-	\$-	\$51,131,378
\$6,162,220	\$-	\$-	\$-	\$-	\$-	\$64,499,755
-	-	-	-	-	-	2,295,059
-	-	-	-	-	-	(2,293,554)
-	-	-	-	-	-	-
-	-	-	-	-	-	(4,737)
426,680	-	-	-	-	-	2,295,043
(426,680)	-	-	-	-	-	(2,295,043)
(58,463)	-	-	-	-	-	2,137,103
\$6,103,757	\$-	\$-	\$-	\$-	\$-	\$66,633,626
\$5,301,306	\$-	\$-	\$-	\$-	\$-	\$51,128,146
50,119	-	-	-	-	-	1,135,820
\$121.79	\$-	\$-	\$-	\$-	\$-	
\$1,545,250	\$-	\$-	\$-	\$-	\$-	\$15,384,894
\$1,732,394	\$-	\$-	\$-	\$-	\$-	\$17,143,078
-	-	-	-	-	-	822,319
-	-	-	-	-	-	(872,152)
-	-	-	-	-	-	-
-	-	-	-	-	-	(6,178)
119,952	-	-	-	-	-	620,700
(119,952)	-	-	-	-	-	(620,700)
(16,436)	-	-	-	-	-	559,360
\$1,715,958	\$-	\$-	\$-	\$-	\$-	\$17,646,427
\$1,545,250	\$-	\$-	\$-	\$-	\$-	\$15,328,883
14,090	-	-	-	-	-	1,048,871
\$121.79	\$-	\$-	\$-	\$-	\$-	
\$42,296	\$-	\$-	\$-	\$-	\$-	\$463,185
\$48,120	\$-	\$-	\$-	\$-	\$-	\$646,931
-	-	-	-	-	-	19,855
-	-	-	-	-	-	(20,908)
-	-	-	-	-	-	-
-	-	-	-	-	-	94
3,331	-	-	-	-	-	19,856
(3,331)	-	-	-	-	-	(19,856)
(456)	-	-	-	-	-	18,040
\$47,664	\$-	\$-	\$-	\$-	\$-	\$664,012
\$42,296	\$-	\$-	\$-	\$-	\$-	\$462,226
391	-	-	-	-	-	46,061
\$121.79	\$-	\$-	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

	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, 2011	\$145,091	\$-	\$87,363	\$1,021,247	\$46,470	\$122,060
Market Value at June 30, 2011	\$145,772	\$-	\$520,601	\$1,139,527	\$63,433	\$166,924
Shares Purchased	67,528	-	-	-	-	-
Shares Redeemed	(71,123)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	329	-	-	-	-	-
Net Investment Income Earned	1,127	-	8,396	43,971	1,154	1,564
Net Investment Income Distributed	(1,127)	-	(8,396)	(43,971)	(1,154)	(1,564)
Changes in Market Value of Fund Shares	(1,272)	-	8,799	42,642	6,419	6,384
Market Value at June 30, 2012	\$141,234	\$-	\$529,400	\$1,182,169	\$69,852	\$173,308
Book Value at June 30, 2012	\$141,825	\$-	\$87,363	\$1,021,247	\$46,470	\$122,060
Shares Outstanding	141,592	-	553	9,631	438	1,151
Market Value per Share	\$1.00	\$-	\$957.67	\$122.75	\$159.40	\$150.57
Andrew Clark Fund						
Book Value at June 30, 2011	\$69,469	\$-	\$41,101	\$495,688	\$22,555	\$59,240
Market Value at June 30, 2011	\$69,784	\$-	\$243,548	\$535,773	\$29,824	\$78,478
Shares Purchased	31,786	-	-	-	-	-
Shares Redeemed	(33,472)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	161	-	-	-	-	-
Net Investment Income Earned	541	-	3,928	20,674	544	735
Net Investment Income Distributed	(541)	-	(3,928)	(20,674)	(544)	(735)
Changes in Market Value of Fund Shares	(609)	-	4,117	20,049	3,018	3,001
Market Value at June 30, 2012	\$67,650	\$-	\$247,665	\$555,822	\$32,842	\$81,479
Book Value at June 30, 2012	\$67,944	\$-	\$41,101	\$495,688	\$22,555	\$59,240
Shares Outstanding	67,822	-	259	4,528	206	541
Market Value per Share	\$1.00	\$-	\$957.67	\$122.75	\$159.40	\$150.57
School Fund						
Book Value at June 30, 2011	\$435,380	\$-	\$384,307	\$4,757,413	\$216,479	\$568,594
Market Value at June 30, 2011	\$437,405	\$-	\$2,289,492	\$5,271,050	\$293,416	\$772,121
Shares Purchased	444,374	-	-	-	-	-
Shares Redeemed	(441,190)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(55)	-	-	-	-	-
Net Investment Income Earned	4,960	-	36,923	203,394	5,343	7,235
Net Investment Income Distributed	(4,960)	-	(36,923)	(203,394)	(5,343)	(7,235)
Changes in Market Value of Fund Shares	(4,116)	-	38,698	197,247	29,692	29,530
Market Value at June 30, 2012	\$436,418	\$-	\$2,328,190	\$5,468,297	\$323,108	\$801,651
Book Value at June 30, 2012	\$438,509	\$-	\$384,307	\$4,757,413	\$216,479	\$568,594
Shares Outstanding	437,525	-	2,431	44,548	2,027	5,324
Market Value per Share	\$1.00	\$-	\$957.67	\$122.75	\$159.40	\$150.57

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

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	\$-	\$-	\$-	\$-	\$-	\$1,565,050
\$163,454	\$-	\$-	\$-	\$-	\$-	\$2,199,711
-	-	-	-	-	-	67,528
-	-	-	-	-	-	(71,123)
-	-	-	-	-	-	-
11,317	-	-	-	-	-	329
(11,317)	-	-	-	-	-	67,529
(1,551)	-	-	-	-	-	(67,529)
\$161,903	\$-	\$-	\$-	\$-	\$-	\$2,257,866
\$142,819	\$-	\$-	\$-	\$-	\$-	\$1,561,784
1,329	-	-	-	-	-	154,694
\$121.79	\$-	\$-	\$-	\$-	\$-	
\$69,389	\$-	\$-	\$-	\$-	\$-	\$757,442
\$77,435	\$-	\$-	\$-	\$-	\$-	\$1,034,842
-	-	-	-	-	-	31,786
-	-	-	-	-	-	(33,472)
-	-	-	-	-	-	-
-	-	-	-	-	-	161
5,360	-	-	-	-	-	31,782
(5,360)	-	-	-	-	-	(31,782)
(735)	-	-	-	-	-	28,841
\$76,700	\$-	\$-	\$-	\$-	\$-	\$1,062,158
\$69,389	\$-	\$-	\$-	\$-	\$-	\$755,917
630	-	-	-	-	-	73,986
\$121.79	\$-	\$-	\$-	\$-	\$-	
\$665,451	\$-	\$-	\$-	\$-	\$-	\$7,027,624
\$757,336	\$-	\$-	\$-	\$-	\$-	\$9,820,820
-	-	-	-	-	-	444,374
-	-	-	-	-	-	(441,190)
-	-	-	-	-	-	-
-	-	-	-	-	-	(55)
52,439	-	-	-	-	-	310,294
(52,439)	-	-	-	-	-	(310,294)
(7,185)	-	-	-	-	-	283,866
\$750,151	\$-	\$-	\$-	\$-	\$-	\$10,107,815
\$665,451	\$-	\$-	\$-	\$-	\$-	\$7,030,753
6,160	-	-	-	-	-	498,015
\$121.79	\$-	\$-	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

	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, 2011	\$221,002	\$-	\$194,338	\$1,340,840	\$54,187	\$157,321
Market Value at June 30, 2011	\$221,974	\$-	\$657,417	\$1,444,301	\$71,916	\$204,808
Shares Purchased	86,655	-	-	100,000	-	-
Shares Redeemed	(99,790)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(476)	-	-	-	-	-
Net Investment Income Earned	1,868	-	10,602	58,250	1,309	1,918
Net Investment Income Distributed	(1,868)	-	(10,602)	(58,250)	(1,309)	(1,918)
Changes in Market Value of Fund Shares	(1,969)	-	11,112	55,527	7,278	7,833
Market Value at June 30, 2012	\$206,394	\$-	\$668,529	\$1,599,828	\$79,194	\$212,641
Book Value at June 30, 2012	\$207,391	\$-	\$194,338	\$1,440,840	\$54,187	\$157,321
Shares Outstanding	206,918	-	698	13,033	497	1,412
Market Value per Share	\$1.00	\$-	\$957.67	\$122.75	\$159.40	\$150.57
Police & Fireman's Survivors' Benefit Fund						
Book Value at June 30, 2011	\$1,193,706	\$-	\$6,467,744	\$8,140,446	\$370,407	\$972,808
Market Value at June 30, 2011	\$1,199,828	\$-	\$8,204,184	\$8,518,600	\$474,179	\$1,247,681
Shares Purchased	604,933	-	-	-	-	-
Shares Redeemed	(679,659)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(1,476)	-	-	-	-	-
Net Investment Income Earned	10,639	-	132,303	328,705	8,634	11,694
Net Investment Income Distributed	(10,639)	-	(132,303)	(328,705)	(8,634)	(11,694)
Changes in Market Value of Fund Shares	(10,862)	-	138,671	318,773	47,986	47,714
Market Value at June 30, 2012	\$1,112,764	\$-	\$8,342,855	\$8,837,373	\$522,165	\$1,295,395
Book Value at June 30, 2012	\$1,117,504	\$-	\$6,467,744	\$8,140,446	\$370,407	\$972,808
Shares Outstanding	1,115,588	-	8,712	71,994	3,276	8,604
Market Value per Share	\$1.00	\$-	\$957.67	\$122.75	\$159.40	\$150.57

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

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	\$-	\$-	\$-	\$-	\$-	\$2,134,365
\$186,555	\$-	\$-	\$-	\$-	\$-	\$2,786,971
-	-	-	-	-	-	186,655
-	-	-	-	-	-	(99,790)
-	-	-	-	-	-	(476)
12,917	-	-	-	-	-	86,864
(12,917)	-	-	-	-	-	(86,864)
(1,771)	-	-	-	-	-	78,010
\$184,784	\$-	\$-	\$-	\$-	\$-	\$2,951,370
\$166,677	\$-	\$-	\$-	\$-	\$-	2,220,754
1,517	-	-	-	-	-	224,075
\$121.79	\$-	\$-	\$-	\$-	\$-	
\$1,140,668	\$-	\$-	\$1,342,966	\$3,334	\$-	\$19,632,079
\$1,240,929	\$-	\$-	\$972,107	\$2,015	\$-	\$21,859,523
-	-	-	196,000	-	-	800,933
-	-	-	-	(1,343)	-	(681,002)
-	-	-	-	-	-	-
-	-	-	-	(761)	-	(2,237)
85,924	-	-	29,430	100	-	607,429
(85,924)	-	-	(29,430)	(100)	-	(607,429)
(11,772)	-	-	50,136	735	-	581,381
\$1,229,157	\$-	\$-	\$1,218,243	\$646	\$-	\$22,558,598
\$1,140,668	\$-	\$-	\$1,538,966	\$1,230	\$-	\$19,749,773
10,093	-	-	34,596	16	-	1,252,877
\$121.79	\$-	\$-	\$35.21	\$40.34	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT
JUNE 30, 2012

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
LIQUIDITY (LF)			
State Street Global Advisors	Active	\$ 279,336,380	18.24%
Payden & Rygel	Active	170,524,168	11.13%
PIMCO	Active	204,091,731	13.33%
Ambassador Capital Management	Active	231,754,111	15.13%
Lazard	Active	314,015,710	20.51%
Colchester Global Investors Ltd.	Active	331,668,261	21.66%
SUBTOTAL LF		\$ 1,531,390,361	100.00%
MUTUAL EQUITY FUND (MEF)			
Large Cap		\$ 4,162,297,028	64.79%
T. Rowe Price Associates	Enhanced - Index	983,532,836	15.31%
State Street Global Advisors	Passive - Indexed	3,178,764,192	49.48%
Active Extension		769,152,355	11.97%
Pyramis	Active	375,921,171	5.85%
Numeric	Active	393,231,184	6.12%
All Cap		348,021,423	5.41%
Capital Prospects	Active	176,264,997	2.74%
FIS Group, Inc.	Active	171,756,426	2.67%
Small/Mid Cap		421,409,816	6.56%
Frontier Capital Mgmt Co	Active	247,965,031	3.86%
Bivium	Active	173,444,785	2.70%
Other ⁽¹⁾		723,809,703	11.27%
SUBTOTAL MEF		\$ 6,424,690,325	100.00%
CORE FIXED INCOME FUND (CFIF)			
State Street Global Advisors	Passive	\$ 944,296,260	36.09%
BlackRock Financial Management, Inc.	Active	620,720,386	23.72%
Wellington	Active	556,862,638	21.28%
Conning-Goodwin Capital	Active	340,263,626	13.01%
Progress	Active	144,270,249	5.51%
Other ⁽¹⁾		10,273,305	0.39%
SUBTOTAL CFIF		\$ 2,616,686,464	100.00%
INFLATION LINKED BOND FUND (ILBF)			
Brown Brothers Harriman	Active	\$ 548,902,708	58.52%
Hartford Investment Mgmt Co.	Active	388,196,517	41.38%
Other ⁽¹⁾		915,442	0.10%
SUBTOTAL ILBF		\$ 938,014,667	100.00%
EMERGING MARKET DEBT FUND (EMDF)			
Ashmore	Active	\$ 339,152,111	28.21%
Stone Harbor Investment Partners	Active	305,793,130	25.44%
ING Investment Management	Active	221,043,452	18.39%
Pyramis	Active	160,050,841	13.31%
UBS Global Asset Management	Active	176,467,698	14.68%
Other ⁽¹⁾		(414,035)	-0.03%
SUBTOTAL EMDF		\$ 1,202,093,197	100.00%
HIGH YIELD DEBT FUND (HYDF)			
Loomis Sayles & Co., Inc.	Active	\$ 221,106,529	31.11%
Stone Harbor Investment Partners	Active	98,407,275	13.84%
Shenkman Capital Management	Active	240,152,137	33.79%
Oaktree Capital Management, L.L.C.	Active	147,557,344	20.76%
Other ⁽¹⁾		3,545,501	0.50%
SUBTOTAL HYDF		\$ 710,768,786	100.00%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2012

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
DEVELOPED MARKET INTERNATIONAL STOCK FUND (DMISF)			
Index		\$ 968,808,402	20.94%
State Street Global Advisors	Index-Passive	968,808,402	20.94%
Core		1,088,743,990	23.53%
Invesco Global Asset Mgmt.	Active	186,523,851	4.03%
AQR Capital Management	Active	595,034,605	12.86%
Acadian Asset Management	Active	201,056,191	4.35%
Artio Global	Active	4,310,068	0.09%
Progress	Active	101,819,275	2.20%
Active-Growth		596,440,009	12.89%
MFS Institutional Advisors, Inc.	Active	596,440,009	12.89%
Active-Value		512,298,986	11.07%
Grantham, Mayo, Van Otterloo	Active	512,298,986	11.07%
Small Cap		716,765,283	15.50%
Schroder Investment Mgmt.	Active	241,331,347	5.22%
Dimensional Fund Advisors	Active	210,237,891	4.55%
William Blair & Company	Active	265,196,045	5.73%
Risk Controlled		693,206,424	14.98%
BlackRock	Active-Long/Short	332,807,897	7.19%
Pyramis	Active-Long/Short	360,398,527	7.79%
Other ⁽¹⁾		49,900,970	1.09%
SUBTOTAL DMISF		\$ 4,626,164,064	100.00%
EMERGING MARKET INTERNATIONAL STOCK FUND (EMISF)			
Aberdeen Asset Management	Active	\$ 618,151,872	27.75%
Schroders Investment Mgt	Active	441,382,085	19.82%
Grantham, Mayo, Van Otterloo	Active	601,112,894	26.99%
Emerging Markets Management	Active	563,220,882	25.28%
Other ⁽¹⁾		3,608,774	0.16%
SUBTOTAL EMISF		\$ 2,227,476,507	100.00%
REAL ESTATE FUND (REF)			
1800 E. St. Andrew Place	Active	\$ 21,399,291	1.61%
1155 Perimeter Center West	Active	32,426,405	2.44%
AEW Partners III	Active	5,783,825	0.43%
AEW 221 Trust	Active	991,995	0.07%
AEW Core	Active	119,944	0.01%
Alliance Bernstein Legacy	Active	37,538,118	2.83%
Apollo Real Estate	Active	8,572,642	0.64%
Blackstone Real Estate VI LP	Active	115,090,862	8.66%
Blackstone Real Estate Spec Sit II LP	Active	47,143,810	3.55%
Blackstone Real Estate Partner Europe III LP	Active	20,629,325	1.55%
Canyon Johnson Urban Fund II	Active	26,697,134	2.01%
Canyon Johnson Urban Fund III	Active	27,665,762	2.08%
Capri Select Income II LLC	Active	6,620,046	0.50%
Colony Realty Partners II LP	Active	24,071,613	1.81%
Cornerstone Patriot	Active	54,470,100	4.10%
Covenant Apartment Fund V LP	Active	25,194,881	1.90%
Covenant Apartment Fund VI	Active	28,768,150	2.17%
The Glen at Lafayette Hill	Active	14,966,557	1.13%
IL & FS India Realty Fund II	Active	45,464,498	3.42%
Macfarlane Urban Real Estate Fund II LP	Active	23,015,239	1.73%
Marathon Legacy Securities PPI	Active	58,214,832	4.38%
Mullica Hill Plaza	Active	9,050,902	0.68%
North Scottsdale Corporate Center	Active	41,692,131	3.14%
Prime Property Fund	Active	137,184,300	10.33%
Rio Hill Shopping Center	Active	41,860,437	3.15%
Lone Star Real Estate Part II LP	Active	28,104,572	2.12%
RLJ Urban Lodging Fund II	Active	65,821,618	4.96%
Rocky Creek Apartments	Active	15,673,478	1.18%
Rockwood Capital Fund V	Active	8,685,424	0.65%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2012

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Rockwood Capital VI Limited Partnership	Active	14,882,764	1.12%
Rockwood Capital VII Limited Partnership	Active	25,629,615	1.93%
Starwood Opportunity Fund VII	Active	35,941,250	2.71%
Starwood Opportunity Fund VIII	Active	47,612,214	3.58%
Urban Strategy America Fund LP	Active	31,310,299	2.36%
Walton Street Real Estate	Active	17,755,944	1.34%
WLR IV PPIP Co Invest LP	Active	34,668,000	2.61%
Other⁽³⁾	Active	147,653,866	11.12%
SUBTOTAL REF		\$ 1,328,371,843	100.00%
COMMERCIAL MORTGAGE FUND (CMF)			
AEW Capital Management	Active	\$ 541,930	70.51%
Other⁽²⁾		226,624	29.49%
SUBTOTAL CMF		\$ 768,554	100.00%
PRIVATE INVESTMENT FUND (PIF)			
Buyout		\$ 1,174,204,673	45.65%
KKR Millennium Fund	Active	73,495,661	2.86%
Yucaipa American Alliance Fund II LP	Active	79,365,174	3.09%
Hicks, Muse Tate & Furst Equity Fund III	Active	17,932,641	0.70%
Thomas H. Lee Equity Fund VI	Active	77,557,413	3.02%
Welsh Carson Anderson & Stowe VIII	Active	422,253	0.02%
Wellspring Capital Partners III	Active	19,580,824	0.76%
SCP Private Equity Partners	Active	621,826	0.02%
TA XI, L.P.	Active	29,751,713	1.16%
Charterhouse Equity Partners IV	Active	55,377,597	2.15%
DLJ Merchant Banking Fund II	Active	2,431,921	0.09%
KKR 1996 Fund	Active	629,651	0.02%
FS Equity Partners V	Active	52,387,534	2.04%
FS Equity Partners VI	Active	39,474,063	1.53%
Blackstone Capital Partners III	Active	209,950	0.01%
Thayer Equity Investors IV	Active	1,701,562	0.07%
JFL Equity Investors III, LP	Active	16,912,250	0.66%
Green Equity Investors III	Active	2,326,046	0.09%
Wellspring Capital Partners V	Active	14,468,002	0.56%
Candover 2008 Fund	Active	6,022,107	0.23%
Leeds Equity Partners V LP	Active	17,326,364	0.67%
Welsh Carson Anderson & Stowe XI	Active	63,606,955	2.47%
AIG Healthcare Partners LP	Active	23,378,656	0.91%
AIG Altaris Health Partners II	Active	17,946,494	0.70%
Welsh Carson Anderson & Stowe X LP	Active	81,978,161	3.19%
Court Square Capital Partners II	Active	105,630,317	4.11%
Ethos Private Equity Fund V	Active	37,210,490	1.45%
Boston Ventures VII	Active	55,652,298	2.16%
KKR 2006 Fund	Active	100,730,365	3.92%
Nogales Investors Fund II	Active	14,210,892	0.55%
ICV Partners II LP	Active	25,236,479	0.98%
Vista Equity Partners Fund III	Active	71,830,732	2.79%
Vista Equity Partners Fund IV	Active	24,252,877	0.94%
RFE Investments Partners VIII	Active	3,204,998	0.12%
RFE Investments Partners	Active	435,047	0.02%
RFE Investment Partners VII	Active	40,905,360	1.59%
Venture Capital		15,912,459	0.62%
Conning Capital Partners V	Active	502,279	0.03%
Grotech Partners V	Active	806,060	0.03%
Crescendo III	Active	1,114,844	0.04%
Syndicated Communications	Active	13,489,276	0.52%
Mezzanine		72,823,800	2.83%
SW Pelham Fund	Active	1,014,263	0.04%
Audax Mezzanine III Limited Partnership	Active	13,735,229	0.53%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2012

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
GarMark Partners	Active	519,396	0.02%
GarMark Partners II LP	Active	57,237,255	2.23%
SW Pelham Fund II	Active	317,657	0.01%
International		90,527,205	3.51%
Compass Partners European Equity Fund	Active	1,143,870	0.04%
Gilbert Global Equity Partners	Active	64,111,035	2.49%
AIG Global Emerging Markets Fund	Active	3,870,014	0.15%
Carlyle Asia Partners	Active	21,402,286	0.83%
Fund of Funds		775,078,791	30.13%
The Constitution Liquidating Fund	Active	102,378,657	3.98%
Landmark Private Equity Fund VIII	Active	20,936,215	0.81%
CS/CT Cleantech Opp Fund	Active	15,117,707	0.59%
CT Emerging Pvt Equity	Active	31,618,138	1.23%
Fairview Constitution III	Active	195,523,769	7.60%
Goldman Sachs Private Equity Partners Connecticut	Active	3,605,696	0.14%
Lexington Capital Partners II	Active	2,127,459	0.08%
Stepstone Pioneer Capital I LP	Active	38,552,576	1.50%
Stepstone Pioneer Capital II LP	Active	122,050,141	4.75%
Fairview Constitution II LP	Active	164,406,076	6.39%
Fairview Constitution IV LP	Active	2,044,751	0.08%
Connecticut Horizon Legacy	Active	6,558,257	0.25%
Landmark Equity Partners XIV LP	Active	46,085,298	1.79%
JP Morgan Nutmeg I	Active	24,074,051	0.94%
Special Situations		298,115,494	11.60%
Welsh Carson Anderson & Stowe Capital Partners III	Active	11,165,341	0.43%
Levine Leichtman Capital Partners IV LP	Active	63,229,532	2.46%
Greenwich Street Capital Partners II	Active	497,922	0.02%
Pegasus Partners IV	Active	101,794,479	3.96%
Pegasus Partners V	Active	24,097,486	0.94%
WLR Recovery Fund IV	Active	79,675,323	3.10%
KPS Special Situations Fund II	Active	17,655,411	0.69%
Other ⁽³⁾		145,484,306	5.66%
SUBTOTAL PIF		\$ 2,572,146,728	100.00%
ALTERNATIVE INVESTMENT FUND (AIF)			
Arflight Energy Partners Fund	Active	\$ 4,066,145	0.74%
Energy Fund XV Limited Partnership	Active	32,069,426	5.84%
Prudence Crandall I Permal Limited Partnership	Active	147,817,950	26.92%
Prudence Crandall II Prisma Limited Partnership	Active	151,192,950	27.54%
Prudence Crandall III Rock Creek Ltd Partnership	Active	99,950,700	18.20%
Prudence Crandall IV K2 Limited Partnership	Active	97,783,200	17.81%
Other ⁽³⁾		16,217,715	2.95%
SUBTOTAL AIF		\$ 549,098,086	100.00%
TOTAL		\$ 24,727,669,582	
Adjustments ⁽⁴⁾		(750,907,684)	
GRAND TOTAL		\$ 23,976,761,898	

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

(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:				
		2012	2011	2010	2009	2008
CONSULTING SERVICES						
CRA RogersCasey Consulting Inc.	Pension Funds Consultant	123,539	240,225	160,599	130,208	555,055
Franklin Park Associates LLC	Private Equity Consultant	989,873	956,085	943,208	995,521	791,426
Hewitt EnnisKnupp Inc.	Private Equity Consultant	298,945	-	-	-	-
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	127,625	505,250	500,000	500,000	250,000
New England Pension Consultants	Pension Funds Consultatn	443,805	397,747	445,487	419,964	-
Pension Consulting Alliance	Pension Funds Consultant	-	-	-	-	103,350
The Townsend Group	Pension Funds Consultant	250,000	250,000	250,000	271,527	-
TOTAL CONSULTING SERVICES COMPENSATION		\$2,233,787	\$2,349,307	\$2,299,294	\$2,371,133	\$2,024,723

(1) Expenses are presented on a cash basis.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2012*

LIQUIDITY FUND

Security Name	Maturity Date	Market Value	%
New Zealand Govt SR Unsecured	4/15/2015	\$53,036,856	3.48%
Barclays Cap TRI Party A Repo	7/2/2012	33,838,000	2.22%
Deutsche Bank Repo	7/2/2012	28,500,000	1.86%
Poland Government Bond	10/24/2015	26,037,439	1.70%
European Investment Bank	8/14/2013	21,075,829	1.38%
Paribas Repo	7/2/2012	20,400,000	1.34%
Bank America Repo	7/2/2012	20,400,000	1.34%
J P Morgan Term Repo	7/2/2012	20,400,000	1.34%
Royal Bank of Scotland Repo	7/2/2012	20,400,000	1.34%
Credit Suisse First Boston	7/2/2012	20,400,000	1.34%
Top Ten		264,488,124	17.34%
Fair Value LF		1,525,441,294	

ALTERNATIVE INVESTMENT FUND

Security Name	Partnership Type	Market Value	%
PRUDENCE CRANDALL II PRISMA.	Hedge Fund-of-Funds	\$151,192,950	27.53%
PRUDENCE CRANDALL I PERMAL	Hedge Fund-of-Funds	147,817,950	26.92%
PRUDENCE CRANDALL III RCREEK	Hedge Fund-of-Funds	99,950,700	18.20%
PRUDENCE CRANDALL IV K2	Hedge Fund-of-Funds	97,783,200	17.80%
ENERGY FUND XV LP	Hedge Fund-of-Funds	32,069,426	5.84%
ARCLIGHT ENERGY PARTNERS FUND	Hedge Fund-of-Funds	4,066,145	0.74%
Top Six		\$532,880,371	97.03%
FAIR VALUE AIF		\$549,205,302	

MUTUAL EQUITY FUND

Security Name	Industry Sector	Market Value	%
Apple Inc	Information Technology	\$193,183,112	3.01%
Exxon Mobil Corp	Energy	143,152,535	2.23%
Microsoft	Technology	84,792,543	1.32%
Chevron Corp	Energy	76,667,905	1.20%
AT&T Inc	Telecommunication Svcs	76,384,291	1.19%
General Electric Co	Industrials	75,139,870	1.17%
International Business Machines	Information Technology	73,035,831	1.14%
Johnson & Johnson	Health Care	64,902,798	1.01%
Proctor & Gamble Co	Consumer Staples	62,625,001	0.98%
PFIZER Inc.	Health Care	62,506,042	0.97%
Top Ten		\$912,389,928	14.22%
FAIR VALUE MEF		\$6,417,508,518	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2012* (Continued)

CORE FIXED INCOME FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
FNMA TBA 30YR SINGLE FAMILY JU 3.5%	3.500%	12/1/2042	U.S. Govt/Agency	\$67,847,860	2.37%
FNMA TBA JUL 30YR SINGLE FAM 4%	4.000%	12/1/2042	U.S. Govt/Agency	35,757,792	1.25%
FHLMC GOLD TBA 30 YR TBA 4%	4.000%	12/1/2042	U.S. Govt/Agency	35,228,188	1.23%
US TREASURY N/B 1.25%	1.250%	4/30/2019	U.S. Govt/Agency	26,298,451	0.92%
US TREASURY N/B 0.375%	0.375%	5/15/2015	U.S. Govt/Agency	25,861,489	0.90%
US TREASURY N/B 0.625%	0.625%	5/31/2017	U.S. Govt/Agency	22,758,597	0.80%
FNMA Pool AL1711 4.5%	4.500%	8/1/2041	U.S. Govt/Agency	21,162,670	0.74%
US TREASURY N/B 0.875%	0.875%	2/28/2017	U.S. Govt/Agency	17,016,263	0.60%
US TREASURY N/B 3%	3.000%	8/31/2016	U.S. Govt/Agency	16,905,711	0.59%
US TREASURY N/B 3.875%	3.875%	8/15/2040	U.S. Govt/Agency	16,798,592	0.59%
Top Ten				\$285,635,613	9.99%

FAIR VALUE CFIF

\$2,859,134,784

INFLATION LINKED BOND FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
U.S. Treasury Notes	2.375%	01/15/17	U.S. Govt/Agency	\$107,444,722	11.52%
U.S. Treasury Notes	2.375%	01/15/25	U.S. Govt/Agency	92,229,780	9.88%
U.S. Treasury Notes	1.875%	07/15/19	U.S. Govt/Agency	82,050,741	8.79%
U.S. Treasury Notes	2.000%	01/15/26	U.S. Govt/Agency	69,497,979	7.45%
U.S. Treasury Notes	0.125%	04/15/16	U.S. Govt/Agency	63,074,200	6.76%
U.S. Treasury Notes	1.875%	07/15/15	U.S. Govt/Agency	57,489,983	6.16%
U.S. Treasury Notes	1.625%	01/15/15	U.S. Govt/Agency	46,538,399	4.99%
U.S. Treasury Notes	1.250%	07/15/20	U.S. Govt/Agency	42,998,607	4.61%
U.S. Treasury Notes	0.125%	01/15/22	U.S. Govt/Agency	41,997,341	4.50%
U.S. Treasury Notes	2.125%	02/15/41	U.S. Govt/Agency	41,681,498	4.47%
Top Ten				\$645,003,250	69.13%

FAIR VALUE ILBF

\$932,982,728

EMERGING MARKET DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
Russian Federation	7.500%	03/31/30	\$18,812,180	1.60%
Republic of Colombia	7.375%	09/18/37	13,589,877	1.16%
Republic of Iraq	5.800%	01/15/28	9,758,603	0.83%
Petroleos de Venezuela	4.900%	10/28/14	9,339,655	0.79%
Republic of Indonesia	11.625%	03/04/19	8,524,025	0.72%
Republic of Poland	5.000%	03/23/22	8,229,910	0.70%
Republic of Poland	6.375%	07/15/19	7,736,053	0.66%
Nota Tesouro Nacional	6.000%	05/15/45	7,400,263	0.63%
Republic of Indonesia	7.750%	01/17/38	7,216,000	0.61%
Republic of Peru	8.750%	11/21/33	6,906,040	0.59%
Top Ten			\$97,512,606	8.29%

FAIR VALUE EMDF

\$1,176,095,315

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2012* (Continued)

HIGH YIELD DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
Vertex Pharmaceuticals Inc	0.000%	Common Stock	\$8,342,425	1.18%
Qwest Capital Funding	6.875%	07/15/28	7,115,206	1.01%
Tenet Healthcare Corp	6.875%	11/15/31	5,640,113	0.80%
Momentive Specialty Chem	7.875%	02/15/23	5,635,500	0.80%
Toys R Us Inc	7.375%	10/15/18	4,935,938	0.70%
Commscope Inc	8.250%	01/15/19	4,563,113	0.65%
EUROPEAN BK RECON + DEV	9.250%	09/10/12	4,477,505	0.63%
Essar Steel Algoma Inc	9.875%	06/15/15	4,419,713	0.63%
ALBERTSONS INC	7.450%	08/01/29	4,049,850	0.57%
Reynolds GRP ISS/Reynold	8.250%	02/15/21	3,990,000	0.56%
Top Ten			\$53,169,363	7.53%

FAIR VALUE HYDF

\$706,123,033

DEVELOPED MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
Nestle SA CHFO.10 REGD	Switzerland	\$66,966,851	1.47%
Roche Holding AG Genusschein NPV	Switzerland	56,285,141	1.24%
Samsung Electronics Co Ltd KRW5000	Republic of Korea	56,265,122	1.24%
Royal Dutch Shell PLC A Shares Eur .07	United Kingdom	52,156,764	1.15%
HSBC Holdings ORD USD 0.50 UK REG	United Kingdom	52,097,686	1.14%
Total SA Eur 2.5 Post Division	France	51,809,868	1.14%
Sanofi Aventis EUR 2.0	France	50,618,705	1.11%
Glaxosmithkline PLC GBP .25	United Kingdom	44,327,692	0.97%
BP PLC USD .25	United Kingdom	41,145,281	0.90%
Astrazeneca ORD USD 0.25	United Kingdom	39,505,135	0.87%
Top Ten		\$511,178,245	11.23%

FAIR VALUE DMISF

\$4,550,036,799

EMERGING MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
China Mobile Ltd. HKD 0.10	Hong Kong	\$63,652,786	2.87%
Samsung Electronic KRW 5000	Republic of Korea	63,007,542	2.84%
CNOOC Ltd HKD 0.02	Hong Kong	53,959,610	2.43%
Lukoil OAO ADR Rub 0.025	Russian Federation	48,240,078	2.18%
Gazprom ADR OAO	Russian Federation	44,395,309	2.00%
Vale SA PREF ADR	Brazil	37,824,778	1.71%
Taiwan Semiconductor SP ADR	Taiwan	34,425,863	1.55%
Samsung Electronic GDR PFD	Republic of Korea	33,936,600	1.53%
Astra International TBK IDR 500.0	Indonesia	31,168,685	1.41%
Hyundai Motor Co KRW 5000	Republic of Korea	27,878,077	1.26%
Top Ten		\$438,489,328	19.78%

FAIR VALUE EMISF

\$2,216,901,370

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2012* (Continued)

REAL ESTATE FUND

Property Name	Partnership Type	Market Value	%
Prime Property Fund	Core	\$137,184,300	10.33%
Blackstone Real Estate VI LP	Opportunistic	115,090,862	8.66%
RLJ Urban Lodging Fund II	Opportunistic	65,821,618	4.96%
Marathon Legacy Securities PPI	Value-Added	58,214,832	4.38%
Cornerstone Patriot	Core	54,470,100	4.10%
Starwood Opportunity Fund VIII	Opportunistic	47,612,214	3.58%
Blackstone Real Estate Spec Sit II LP	Value-Added	47,143,810	3.55%
IL & FS India Realty Fund II	Opportunistic	45,464,498	3.42%
Rio Hill Shopping Center	Core	41,860,437	3.15%
North Scottsdale Corporate Center	Core	41,692,131	3.14%
Top Ten		\$654,554,802	49.27%

FAIR VALUE REF

\$1,328,560,229

COMMERCIAL MORTGAGE FUND

Property Name	Location	Property Type	Market Value	%
SASCO	Various	Other	\$541,178	70.67%
Yankee Mac Series G 11.125%	Various	Residential	28,196	3.68%
Yankee Mac Series F 12.981%	Various	Residential	17,739	2.32%
Yankee Mac Series E 11.056%	Various	Residential	16,466	2.15%
Top Four			\$603,579	78.82%

FAIR VALUE CMF

\$765,779

PRIVATE INVESTMENT FUND

Partnership Name	Partnership Type	Market Value	%
Fairview Constitution III LP	Fund of Funds	\$195,523,769	7.61%
Fairview Constitution II LP	Fund of Funds	164,406,076	6.40%
Stepstone Pioneer Capital II LP	Fund of Funds	122,050,141	4.75%
Court Square Capital II	Buyout	105,630,317	4.11%
Constitution Liquidating Fund	Fund of Funds	102,378,657	3.98%
Pegasus Partners IV	Special Situations	101,794,479	3.96%
KKR 2006 Fund	Buyout	100,730,365	3.92%
Welsh Carson Anderson & Stowe X LP	Buyout	81,978,161	3.19%
WLR Recovery Fund IV	Special Situations	79,675,323	3.10%
Yucaipa American Alliance Fund II LP	Buyout	79,365,174	3.09%
Top Ten		\$1,133,532,462	44.11%

FAIR VALUE PIF

\$2,569,809,038

* 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

- Active extension** - Active extension is defined as an investment strategy that allows for both long and short positions in an investment portfolio with a gross exposure above 100% of total portfolio value on an absolute basis, while maintaining a beta of one.
- 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.
- All-cap** - An investment approach that disregards market capitalization (i.e. small, medium, or large cap) in its selection process.
- 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.
- At Value** - A term used to denote the current value of an asset at a point in time. Generally used in presentations containing a mix of assets some of which are traded on an exchange and some that are valued on an appraisal or similar basis.
- 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.
- Benchmark composite** - A term used when reporting on a portfolio containing multiple asset classes. The composite is generally calculated as a weighted average of the benchmarks of the underlying portfolios.
- 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.
- Buyout** - See "Leveraged Buyout"
- Capital Gain (Loss)** - Also known as capital appreciation (depreciation), capital gain (loss) measures the increase (decrease) in valuation of an asset over time.
- Capitalized Fees** - Fees (and expenses) that increase the cost basis of an investment.
- 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.
- Close-End fund** - Funds that have set limits on the life of the fund and/or the total amount to be invested.
- Coefficient of Determination (R²)** - A measurement of how closely the returns of an investment portfolio and its benchmark match. An R² of 1.0 indicates that portfolio returns perfectly match the returns of the benchmark, while a value less than 1.0 indicates that the returns of the portfolio do not match the benchmark return. The closer the value is to 1 the closer the return of the portfolio is to the benchmark.
- 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.
- Commingled fund** - A fund consisting of assets from multiple investors that are blended together. A mutual fund is a common example of a commingled fund.
- Committed capital** - Money that is committed by limited partners to a private equity fund.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

- 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.
- Core real estate strategy** - 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.
- Cost basis** - The original price paid for an investment.
- Counter-party risk** - The risk to each party of a contract that the counterparty will not live up to its contractual obligations.
- Credit default risk** - The risk that a debtor will not make payments in accordance with the terms of the debt.
- Credit risk** - The risk that a borrower will fail to make payments in a timely manner.
- 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%.
- 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.
- Currency hedging** - Transactions intended to manage the risk associated with investing in foreign securities.
- Currency spot** - A contract for the purchase or sale of a commodity, security or currency for settlement (payment and delivery) on the spot date, which is normally two business days after the trade date.
- 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.
- Default risk** - See "Credit default risk"
- Derivative** - Derivatives are generally defined as contracts whose value depend on, or are 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.
- Diversification** - A portfolio strategy designed to reduce exposure to risk by putting assets in several different securities or categories of investments.
- Drawdown** - (a) A request for cash charged against capital committed to a limited partnership, limited liability corporation, or other like entity; (b) a decline in the current value of an investment or other asset. **Duration** - Duration is a measure of the price sensitivity of a fixed-income investment to a change in interest rates. (See Modified and Macaulay Duration).
- Economic risk** - The risk that economic activities will negatively impact an investment.
- Enhanced indexing** - Refers to the application of strategies to an index fund designed to generate higher rates of returns.
- 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

- 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.
- Forward contract** - A contract between two parties that requires you to sell or purchase an asset at a price set when the contract is entered into for settlement at a specified future date.
- Funded Capital** - Amount of cash invested.
- Geopolitical risk** - See "Political risk"
- Gross Domestic Product** - Total market 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.
- Individual company risk** - The risk associated with investment in the securities of any single company.
- 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.
- Inflation risk** - The chance that the value of an investment will erode as a result of inflationary pressures.
- Interest rate risk** - The risk that changes in the general level of interest rates will adversely affect the fair value of an investment.
- 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 denominated local market instruments. The EMBI+ expands upon JP Morgan's original Emerging Markets Bond Index, which was introduced in 1992 and covers only Brady bonds.
- 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.
- Leverage** - The use of borrowed funds to increase purchasing power and, ideally, to increase profitability of an investment transaction or business.
- Leveraged buyout** - A leveraged buyout (LBO) is an acquisition (usually of a company) financed through a combination of equity and debt and in which the cash flows or assets of the target are used to secure and repay the debt used to finance the acquisition.
- 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.
- Limited Partnership** - A partnership formed by two or more entities with at least one limited partner and one general partner. Limited partner responsibility for debts and losses is limited to the amount of their investment in the partnership. In addition, the limited partner does not participate in the activities of the partnership. The general partner has full control over the management of the partnership and has unlimited liability for partnership debt and losses.
- Liquidity risk** - The risk that one's investment cannot be immediately liquidated at other than a substantially discounted value.
- 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.
- Management risk** - The risks associated with ineffective, destructive or underperforming management.
- Marked-to-market pricing** - An accounting practice in which the price of an investment recorded within the accounting records is the market value at the end of the month.
- Market Risk** - The risk that fluctuations in the overall market for securities will impact an investment portfolio.
- 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 Averages™ Index)** - An index which represents an average of the returns of institutional money market mutual funds that invest primarily in first-tier (securities rated A-1, P-1) taxable securities.
- Modified Duration** - A measure of the price sensitivity of a bond to interest rate movements. It is the primary basis for comparing the effect of interest rate changes on prices of fixed income securities.
- Money Market Fund** - An open-ended mutual fund that invests in commercial paper, bankers' acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities and pays money market rates of interest. The fund's net asset value remains a constant \$1 per share - only the interest rate goes up or down.
- Moody's (Moody's Investors Service)** - A financial services rating agency.
- MSCI-EAFE** - Morgan Stanley Europe Australasia Far East foreign equity index. An arithmetic value weighted average of the performance of over 900 securities on the stock exchanges of 21 countries on three continents. The index is calculated on a total return basis, which includes reinvestment of dividends net of withholding taxes.
- NCREIF (National Council of Real Estate Investment Fiduciaries)** - National Council of Real Estate Investment Fiduciaries, a non-profit organization established to serve the institutional real estate investment community as a non-partisan collector, processor, validator and disseminator of real estate performance information.
- Net Asset Value (NAV)** - The total assets (including any valuation gains or losses on investments or currencies) minus total liabilities divided by shares outstanding.
- Netted Fees** - Refers to instances in which investment management fees/expenses are offset against income normally distributed to investors. May also refer to practices whereby investment management fees/expenses are added to the cost basis of an investment.
- NPI** - NCREIF Property Index. A benchmark used to measure historical performance of stabilized properties, acquired on behalf of tax-exempt institutions and held in a fiduciary environment. Properties comprising this benchmark, which include wholly owned and joint venture investments, are held on an all-cash, non-leveraged basis, and is restricted to investment-grade, nonagricultural, and income-producing properties.
- Open-End fund** - A fund operated by an investment company in accordance with a stated set of objectives. Open-end funds raise money by periodically selling shares of the fund to the public.
- Operations risk** - The risk associated with negative operating events (net operating losses, inventory write-downs, weather related events, etc).
- 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.
- Political Risk** - The risk resulting from changes in laws or regulations.
- Prepayment risk** - The risk associated with the prepayment of fixed income investments in a rising rate environment.
- 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 value of one dollar a year from now has a present value of \$0.89286.
- 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.
- Principal** - Face value of an obligation, such as a bond or a loan, that must be repaid at maturity.
- Product risk** - The risk associated with the introduction of a new product or process.
- 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.
- Purchasing power risk**- See "Inflation risk"

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

- Pure indexing** - Refers to the application of strategies to an index fund designed to exactly match the returns of the portfolio benchmark.
- R²** - See "Coefficient of Determination"
- Real interest rate** - An interest rate that has been adjusted to remove the effects of inflation.
- Real rate of return** - The return realized on an investment adjusted for changes due to inflation or other external effects.
- 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.
- Reinvestment risk** - The risk that cash flows received from a security will be reinvested at lower rates due to declining interest rates.
- 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.
- 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.
- Reverse Repurchase Agreements ("Reverse Repos")** - A purchase of securities with an agreement to resell them at a higher price at a specific future date.
- 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.
- 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.
- Senior debt securities** - Debt that must be paid off before other liabilities in the event of a business failure or bankruptcy.
- Separate accounts** - An investment portfolio managed by a third party investment manager in which the investor directly owns the securities within the portfolio.
- 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.
- Special situations** - Private equity 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).
- 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.
- Tail risk** - The risk that a loss (or gain) would be greater than the worst (or best) case scenario originally projected.
- 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 and sales divided by the fiscal year's beginning market value plus ending market value divided by 2 $\{(P+S)/[(BMV+EMV)/2]\}$ for a given portfolio.
- Unhedged** - Not protected from market actions.
- Un-levered** - Investments made without the use of debt or debt like securities.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

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.

Vintage year - The year in which a capital commitment is made to an investment, most often applied to real estate and private equity investments.

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.

Warrant - A security that entitles the holder to buy a specific security at a specified price within a specified time frame.

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

UNDERSTANDING INVESTMENT PERFORMANCE

Introduction

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

Understanding Performance

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

To monitor and evaluate 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 CIF'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 CIF returns exceeded or fell short of their respective benchmarks. The comparisons provide an understanding of the reason for the CIF's 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. Investors assume risk to enhance portfolio returns. The primary objective is to generate returns in excess of those available on "risk-free" investments, such as Treasury Bills. The amount of excess returns varies 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 the 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 CIF's standard deviation, each CIF's relative volatility, or the ratio of the CIF's standard deviation to that of the benchmark is calculated. A relative volatility greater than 1.0 indicates that the CIF is more volatile than the benchmark while a measure less than 1.0 indicates less volatility. A relative volatility of 1.0 indicates that the volatility of the CIF is the same as the benchmark.

As an extension of standard deviation, each CIF's beta, (a measure of the relative price fluctuation of the CIF 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 CIF 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 CIF returns is explained by returns in the selected market benchmark. An R² of 1.0 indicates that CIF 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 CIF, a calculation is performed on the CIF's alpha. This calculation measures the absolute difference between the CIF's monthly return and that predicted by its beta. Used together, these measures provide a comprehensive view of a CIF'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



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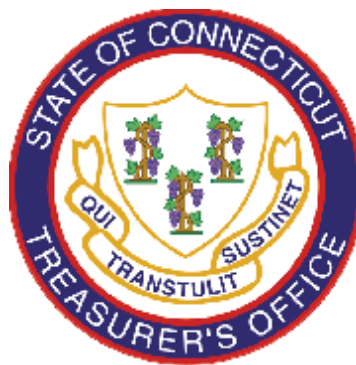
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