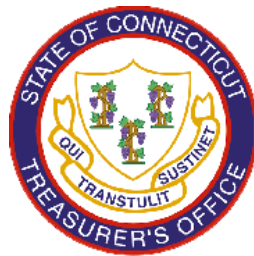


STATE OF CONNECTICUT OFFICE OF THE TREASURER

2013



COMBINED INVESTMENT FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2013

STATE OF CONNECTICUT

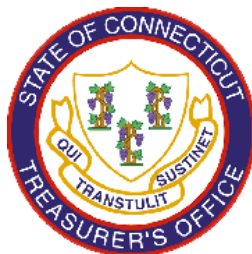
Office of the State Treasurer



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

2013



COMBINED INVESTMENT FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2013

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

STATE OF CONNECTICUT
Office of the State Treasurer



COMBINED INVESTMENT FUNDS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR FISCAL YEAR ENDED JUNE 30, 2013

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Introductory Section





DENISE L. NAPPIER
TREASURER

State of Connecticut
Office of the Treasurer

CHRISTINE SHAW
DEPUTY TREASURER

December 31, 2013

To the State of Connecticut
Combined Investment Funds
Fellow Beneficiaries

I am pleased to submit this Comprehensive Annual Financial Report for the State of Connecticut's Combined Investment Funds (CIF) for the fiscal year ended June 30, 2013. The consolidated CIF performance for the fiscal year was a positive return of 11.64 percent, net of expenses. The net position of CIF increased from \$23.98 billion to \$25.94 billion -- a \$1.96 billion increase net of expenses -- reflecting positive returns in virtually all markets.

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

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

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

The units of CIF are owned by six pension funds (Teachers' Retirement Fund; State Employees' Retirement Fund; Connecticut Municipal Employees' Retirement Fund; State Judges Retirement Fund; Probate Judges and Employees Retirement Fund; and State's Attorneys' Retirement Fund) and nine trust funds (Soldiers' Sailors' and Marines' Fund; Policemen and Firemen Survivors' Benefit Fund; Connecticut Arts Endowment Fund; School Fund; Ida Eaton Cotton Fund; Hopmead State Park Fund; Andrew C. Clark Fund; Agricultural College Fund; and State of Connecticut Other Post-Employment Benefits Trust Fund).

Financial Information

The consolidated CIF net position at the close of Fiscal Year 2013 was \$25.94 billion based on fair value, and CIF was in full compliance with the standards of the Governmental Accounting Standards Board. CIF is invested across global public and private market equity, fixed income and alternative asset classes. Additional information on CIF can be found in the notes to the financial statements.

For Fiscal Year 2013, CIF performance was strong across the board, with virtually all markets in which the CIF invests posting positive returns. The Federal Reserve continued its stance of quantitative easing, keeping worldwide markets liquid and provided a tailwind for generating solid market returns. The strongest performance was achieved in the developed U.S. and international equity CIFs; as the world emerged from the depths of the Great Recession, moderate economic growth was posted in most global economies and robust investor demand sought return through investment in risk assets. Growth in the U.S. economy was helped by a recovering housing market, an improved employment situation and pent up consumer demand.

Internal Control Structure

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are (i) executed in accordance with management's general or specific authorization, and (ii) recorded as necessary to maintain accountability for assets and to permit preparation of financial statements consistent with generally accepted accounting principles. We believe the internal controls in effect during Fiscal Year 2013 adequately safeguarded CIF assets and provided reasonable assurance regarding the proper recording of financial transactions. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the valuation of costs and benefits requires estimates and judgments by management.

Independent Audit

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

Management Discussion and Analysis

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

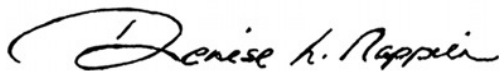
Awards

The Government Finance Officers Association of the United States and Canada awarded the Combined Investment Funds a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. The Certificate is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

Requests for Information

This Comprehensive Annual Financial Report is designed to provide a general overview of CIF investment activities. We hope this report will prove both informative and useful. Questions concerning any of the information contained in this report or requests for additional financial information should be addressed to the Office of the Treasurer, 55 Elm Street, Hartford, Connecticut 06106-1773, or by telephone to (860) 702-3000. Copies of the Report will also be available on the Internet at www.ct.gov/ott.

Sincerely,



Denise L. Nappier
Treasurer
State of Connecticut



DENISE L. NAPIER
TREASURER

State of Connecticut
Office of the Treasurer

CHRISTINE SHAW
DEPUTY TREASURER

December 31, 2013

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 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 Comprehensive Annual Financial Report make evident the Treasury's commitment to the safe custody and conscientious stewardship of the Combined Investment Funds.

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

Sincerely,

A handwritten signature in black ink, appearing to be "Christine Shaw", written in a cursive style.

Christine Shaw
Deputy Treasurer
State of Connecticut



Government Finance Officers Association

**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, 2012

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO

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.

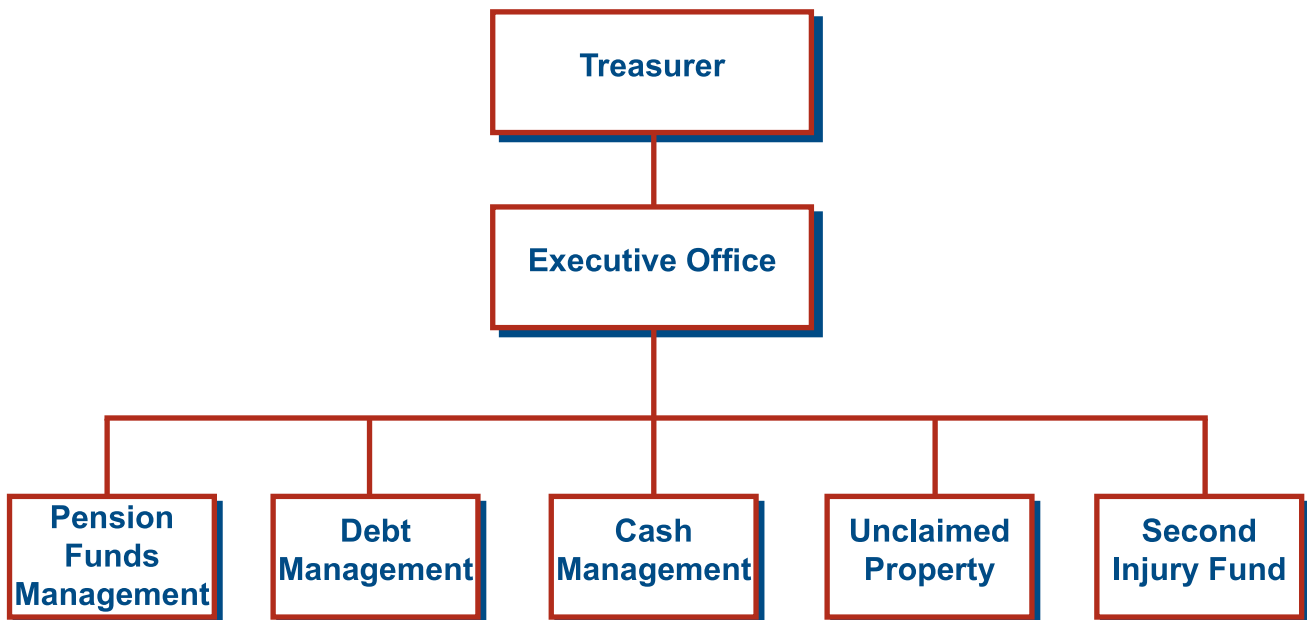
Constitutional and Statutory Responsibilities

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.

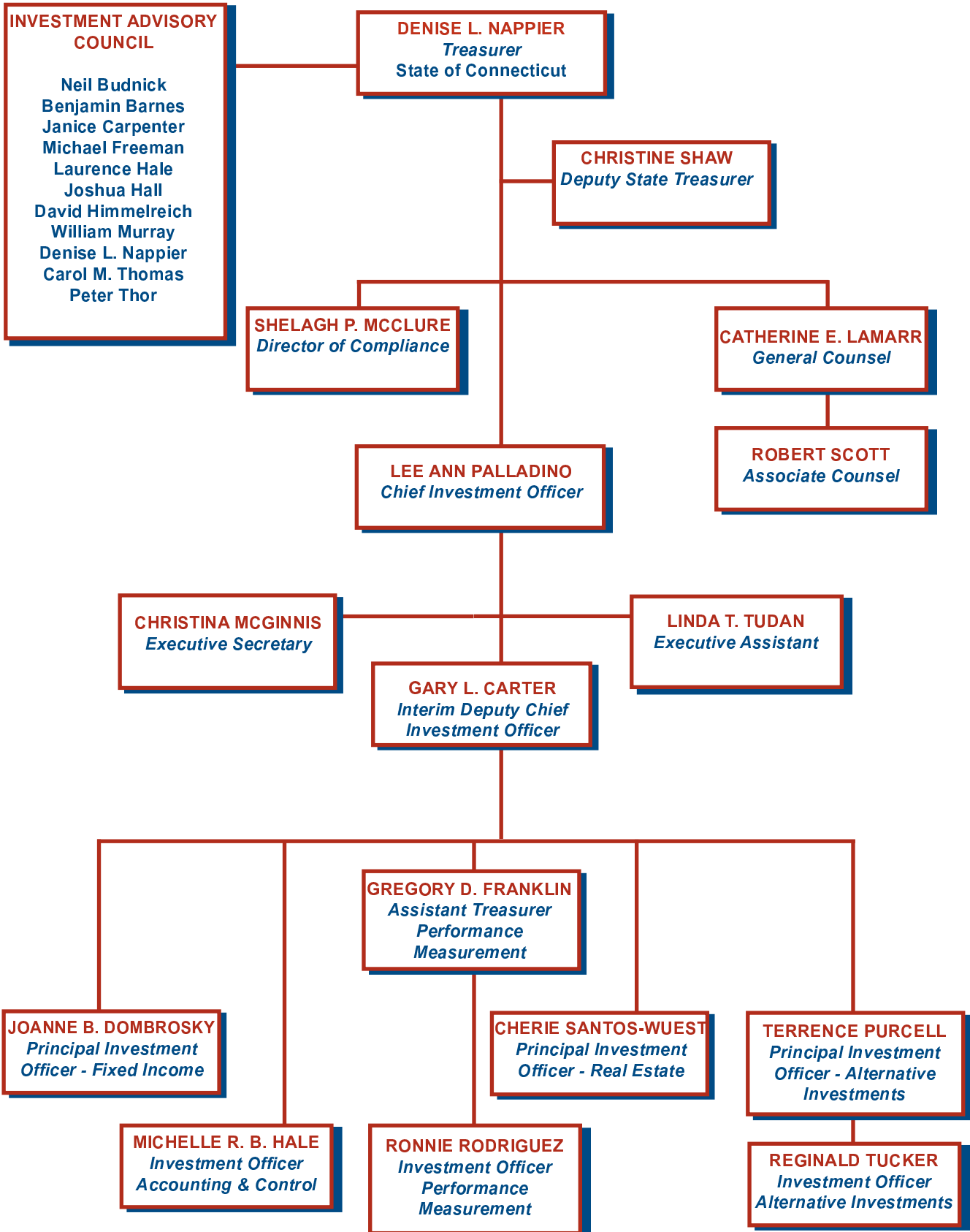
The Treasurer, as Chief Elected Financial Officer for the State, oversees the prudent preservation and management of State funds, including the investment of a \$25.9 billion portfolio of pension assets, \$4.5 billion in total State and local short-term, and other investments, and \$2.1 billion of assets 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



As of June 30, 2013.

LIST OF PRINCIPAL OFFICIALS

COMBINED INVESTMENT FUNDS

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

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

**Deputy Treasurer, State of Connecticut
CHRISTINE SHAW (860) 702-3211**

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

**Deputy Chief Investment Officer
DEBORAH SPALDING, CFA (860) 702-3101**

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

**Principal Investment Officer
GARY L. CARTER, CPA, CFA (860) 702-3005**

**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**

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

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

As of December 31, 2013.

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 September 2012, reflecting revisions including 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 plans 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 30th, 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 2013 include:

JOSEPH D. ROXE, Chairman, as appointed by the Governor; Chairman, Bay Holdings LLC (served until August 31, 2012)

NEIL G. BUDNICK, Chairman, as appointed by the Governor; Managing Director, Channel Rock Partners (served from September 1, 2012)

BENJAMIN B. BARNES, Secretary, State Office of Policy and Management (Ex-officio member)

THOMAS BARNES, Branch Manager, Riverside Investment Services (served until November 30, 2012)

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

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

CONSULTANTS

Callan Associates - San Francisco, California
Franklin Park Associates - Conshohocken, Pennsylvania
Hewitt EnnisKnupp Inc. - Chicago, Illinois
Hudepohl & Associates - Dublin, Ohio
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

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
Conning-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

EMERGING MARKET DEBT FUND

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

LIST OF EXTERNAL ADVISORS

HIGH YIELD INCOME FUND

Loomis Sayles & Co., Inc. - Boston, Massachusetts
Oaktree Capital Management, L.L.C. - Los Angeles, California
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
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

EMERGING MARKET INTERNATIONAL STOCK FUND ⁽¹⁾

Aberdeen Asset Management, Inc. - Philadelphia, Pennsylvania
Ashmore EMM - London, England
Grantham, Mayo, Van Otterloo & Co. - Boston, Massachusetts
Schroder Investment Management - New York, New York

REAL ESTATE FUND

AEW Capital Management, LP - Boston, Massachusetts
American Realty Advisors - Glendale, California
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
Hart Realty Advisors - Simsbury, Connecticut
IL & FS India Realty Fund II, LLC - Ebene, Mauritius
Lone Star Global Acquisitions Ltd - Dallas, Texas
MacFarlane Urban Real Estate Fund - San Francisco, California
Marathon Legacy Securities PPI - New York, New York
New Boston Urban Strategy America Fund - Boston, Massachusetts
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

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

LIST OF EXTERNAL ADVISORS

COMMERCIAL MORTGAGE FUND

AEW Capital Management, LP - Boston, Massachusetts

PRIVATE INVESTMENT FUND

Corporate Buyouts

AIG Healthcare Partners LP - New York, New York
AIG Altaris Health Partners II LP - New York, New York
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
Courthouse Square Capital Partners III - 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 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 VII - New Canaan, Connecticut
RFE Investment Partners VIII - New Canaan, Connecticut
TA XI - Boston, Massachusetts
Thomas H. Lee Equity Fund VI - Boston, Massachusetts
Wellspring Capital Partners V - 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

Crescendo III - Minneapolis, Minnesota
Syndicated Communications Venture Partners V - Silver Spring, Maryland

Mezzanine

Audax Mezzanine III Limited Partnership - New York, New York
GarMark Partners II LP - Stamford, 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

LIST OF EXTERNAL ADVISORS

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

Clearlake Capital Partners III – Santa Monica, California
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
TPG Credit Strategies Fund II - Minneapolis, Minnesota
Welsh, Carson, Anderson & Stowe Capital Partners III - New York, New York
WLR Recovery Fund IV - New York, New York

ALTERNATIVE INVESTMENT FUND

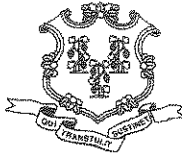
Arclight Energy Partners Fund - Boston, Massachusetts
Energy Fund XV Limited Partnership - Washington D.C.
Marathon European Credit Opportunity - New York, New York
Prudence Crandall I Permal Limited Partnership - New York, New York
Prudence Crandall II Prisma Limited Partnership - New York, New York
Prudence Crandall III Rock Creek Limited Partnership - Washington D.C.
Prudence Crandall IV K2 Limited Partnership - Stamford, Connecticut

Financial

Section



STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

JOHN C. GERAGOSIAN

ROBERT M. WARD

INDEPENDENT AUDITORS' REPORT

Governor Dannel P. Malloy
Members of the General Assembly:

Report on the Financial Statements

We have audited the accompanying financial statements of the Combined Investment Funds, which comprise the statement of net position as of June 30, 2013, the statements of changes in net position for the fiscal years ended June 30, 2013 and 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above are presented fairly, in all material respects, the financial position of the Combined Investment Funds as of June 30, 2013, and the statements of changes in financial position for the fiscal years ended June 30, 2013 and 2012, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter - Cash Adjusted Fair Values

As explained in Note 1B to the financial statements of the combined investment funds, the real estate, private investment and alternative investment funds' are presented at the cash adjusted fair values, which estimate fair value for financial statement purposes. The State Treasurer utilizes the investment advisors' estimated fair values at the end of March or April and adjusts for cash transactions occurring before the end of the fiscal year. We reviewed the documentation and procedures used by the Treasury to determine the cash adjusted fair values, and found them to be appropriate and reasonable; however, because of the inherent uncertainty in valuing these investments, determination of the estimated fair value market values may differ from the actual values had a ready market existed for these investments. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management's Discussion and Analysis, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements of the Combined Investment Funds as a whole. Certain other financial information, which includes the Schedule of Net Assets by Investment Fund, Schedules of Changes in Net Assets by Investment Fund, Total Net Asset Value by Pension Plans and Trust Funds and the Schedules of Investment Activity by Pension Plan and by Trust contained within the investment section of this document, is presented for purposes of additional analysis and is not a required part of the financial statements of the combined investment funds. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements of the combined investment funds and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is presented fairly in all material respects in relation to the financial statements taken as a whole.

Other Information

The introductory, investment and statistical sections include information other than the schedules noted within the investment section that is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information other than the schedules specifically noted within the investment section, has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, on our consideration of the State Treasury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report will be issued under separate cover in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the Fiscal Year Ended June 30, 2013*, and is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts

December 31, 2013
State Capitol
Hartford, Connecticut



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents Management's Discussion and Analysis (MD&A) of the Comprehensive Annual Financial Report (CAFR) of the State of Connecticut's Combined Investment Funds (CIF) for the fiscal year ended June 30, 2013. It is presented as a narrative overview and analysis. Management of the State of Connecticut's Office of the Treasurer encourages readers to review it in conjunction with the transmittal letter included in the Introductory Section and the financial statements in the Financial Section.

The CIF serves as an investment vehicle for the six State pension plans and nine trust funds collectively known as the Connecticut Retirement Plans and Trust Funds, which represent the pension funds of state teachers, state and municipal employees, as well as non-retirement trust funds that support academic programs, grants and initiatives throughout the State and that 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 a schedule of investment activity on pages 120 through 129. Investment gains or losses are also reported in a schedule of investment activity for each pension plan and trust. The market value per share is therefore approximately the same for each of the pension plans and trust funds invested 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 22 and provide detailed information about individual funds.

FINANCIAL HIGHLIGHTS **Condensed Financial Information**

Combined Investment Funds

Net Position and Changes in Net Position

The Fiscal Year 2013 net position of the CIF was \$25.94 billion, an increase of \$1.96 billion from the previous year. The change in net position resulted from a \$2.78 billion increase from operations (realized gains and investment income) partly offset by \$810 million of net withdrawals.

The Fiscal Year 2012 net position of the CIF was \$23.98 billion, a decrease of \$1.21 billion from the previous year. The change in net position was primarily attributed to \$990 million of withdrawals.

For Fiscal Year 2013, operating income performance, primarily associated with global public equities, resulted in a return of 11.64% net of expenses, compared to a negative return of 0.90%, net of all expenses for the 2012 fiscal year.

For Fiscal year 2012, operating income performance, primarily in the International Stock funds, resulted in a negative return of 0.90% net of expenses, resulting in a decrease in net assets from operations in the 2012 fiscal year, compared to a return of 20.75% net of expenses for the 2011 fiscal year.

Assets held in trust for Participants

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Statement of Net Position Fiscal Year Ended June 30,

Assets	2013	Increase (Decrease)	2012	Increase (Decrease)	2011
Investments at Fair Value	\$25,912,503,786	\$1,835,163,317	\$24,077,340,469	\$(1,170,253,763)	\$25,247,594,232
Cash, Receivables and Other	9,475,814,281	2,511,701,043	6,964,113,238	(995,784,733)	7,959,897,971
Total Assets	35,388,318,067	4,346,864,360	31,041,453,707	(2,166,038,496)	33,207,492,203
Liabilities	(9,447,509,027)	(2,382,817,218)	(7,064,691,809)	959,135,708	(8,023,827,517)
Net Position	\$25,940,809,040	\$1,964,047,142	\$23,976,761,898	\$(1,206,902,788)	\$25,183,664,686

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

Additions	2013	Increase (Decrease)	2012	Increase (Decrease)	2011
Dividends	\$747,676,481	\$124,975,362	\$622,901,119	\$(80,423,142)	\$703,324,261
Interest	181,792,299	(59,375,969)	241,168,268	(42,666,113)	283,834,381
Securities Lending & 583,426 Other Income	29,150,452	683,426	28,467,026	(1,538,126)	30,005,152
Total Investment Income	958,819,232	66,282,819	892,536,413	(124,627,381)	1,017,163,794
Total Investment Expenses	86,870,682	(3,349,357)	83,521,325	6,103,503	89,624,828
Net Investment Income	871,948,550	62,933,462	809,015,088	(118,523,878)	927,538,966
Net Realized Gain/(Loss)	1,280,009,316	1,291,803,980	(11,794,664)	(837,476,112)	825,681,448
Net Change in Unrealized Gains on Investments	625,828,545	1,637,874,026	(1,012,045,481)	(3,711,939,962)	2,699,894,481
Net Increase (Decrease) in Net Assets resulting from operations	2,777,786,411	2,992,611,468	(214,825,057)	(4,667,939,952)	4,453,114,895
Purchase of Units by Participants	4,981,449,103	2,265,447,712	2,716,001,391	(402,435,372)	3,118,436,763
Total Additions	7,759,235,514	5,258,059,180	2,501,176,334	(5,070,375,324)	7,571,551,658
Deductions					
Administrative Expense	4,261,320	(148,099)	4,113,221	17,400	4,130,621
Distribution of Income to Unit Owners	813,186,252	(152,614,993)	660,571,259	152,719,166	813,290,425
Redemption of Units by Participants	4,977,740,800	(1,934,346,158)	3,043,394,642	396,661,646	3,440,056,288
Total Deductions	5,795,188,372	(2,087,109,250)	3,708,079,122	549,398,212	4,257,477,334
Change in Net Position	1,964,047,142	3,170,949,930	(1,206,902,788)	(4,520,977,112)	3,314,074,324
Net position – Beginning of year	23,976,761,898	(1,206,902,788)	25,183,664,686	3,314,074,324	21,869,590,362
Net position – End of year	\$25,940,809,040	\$1,964,047,142	\$23,976,761,898	\$(1,206,902,788)	\$25,183,664,686

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are an introduction to the CIF's basic financial statements, which are comprised of: 1) Statement of Net Position; 2) Statement of Changes in Net Position; and 3) Notes to Financial Statements.

The Statement of Net Position and Statement of Changes in Net Position are two financial statements that report information about the CIF, and 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 Position on page 22 presents all CIF assets and liabilities, with the difference between the two reported as "net position." Over time, increases and decreases in net position measure whether the financial position of the CIF is improving or deteriorating.

The Statement of Changes in Net Position on pages 23 and 24 presents information showing how the CIF's 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. securities lending rebates and dividend and interest income).

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes can be found on pages 25 through 43 of this report.

ECONOMIC CONDITIONS AND OUTLOOK

The Federal Open Market Committee continued to report that economic activity expanded at a modest pace throughout the 2013 fiscal year. Labor markets showed further improvements, but the unemployment rate remained elevated. The housing sector grew stronger and household spending and business fixed investments advanced. Inflation was subdued throughout 2013, although fluctuations due to changes in energy prices occurred and longer term inflation expectations remained stable.

To support a stronger economic recovery and to help control inflation, the FOMC continued purchasing additional agency mortgage-backed securities at a pace of \$40 billion per month and longer-term Treasury securities at a pace of \$45 billion per month, a program begun in 2013. These actions maintained downward pressure on longer-term interest rates, supported mortgage markets, and helped to make broader financial conditions more accommodating.

Although Connecticut has experienced a modest recovery, economic growth has not been sufficient to substantially reduce the state unemployment rate of 8.1 percent at June 30, 2013, down from 8.4 percent at fiscal year end June 30, 2012. The national unemployment rate at June 30, 2013 was 7.6 percent.

The State Comptroller reported that the State's General Fund ended the 2013 fiscal year with a pre-audited \$398.8 million surplus, of which \$220.8 million was reserved for future fiscal year activity. Additionally, \$178 million will be deposited into the Budget Reserve Fund, thereby bringing the Budget Reserve balance to \$271.5 million. The revenue growth resulted from inheritance, estate, and capital gains tax receipts.

CONTACTING THE OFFICE OF THE TREASURER

This Comprehensive Annual Financial Report is designed to provide a general overview of the CIF and to show the Office of the Treasurer's accountability for its stewardship of CIF assets. 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.ct.gov/ott

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**STATEMENT OF NET POSITION
JUNE 30, 2013**

	<u>TOTAL</u>
ASSETS	
Investments in Securities, at Fair Value	
Liquidity Fund	\$ -
Cash Equivalents	1,497,962,900
Asset Backed Securities	142,566,335
Government Securities	2,686,838,183
Government Agency Securities	577,235,766
Mortgage Backed Securities	205,486,383
Corporate Debt	1,942,072,207
Convertible Securities	41,826,379
Common Stock	12,871,698,108
Preferred Stock	92,691,517
Real Estate Investment Trust	287,649,517
Mutual Fund	925,574,761
Limited Liability Corporation	1,032,982
Trusts	946,213
Limited Partnerships	4,638,922,535
Annuities	-
Total Investments in Securities, at Fair Value	<u>25,912,503,786</u>
Cash	42,267,594
Receivables	-
Foreign Exchange Contracts	6,144,575,050
Interest Receivable	169,907,708
Dividends Receivable	27,937,210
Due from Brokers	565,799,144
Foreign Taxes	10,338,944
Securities Lending Receivable	983,978
Reserve for Doubtful Receivables	<u>(4,410,959)</u>
Total Receivables	6,915,131,075
Invested Securities Lending Collateral	2,515,688,702
Other Funds on Deposit	-
Prepaid Expenses	2,726,910
Total Assets	<u>35,388,318,067</u>
LIABILITIES	
Payables	
Foreign Exchange Contracts	6,125,904,134
Due to Brokers	755,860,370
Income Distribution	48,417,648
Other Payable	2,560,307
Total Payables	<u>6,932,742,459</u>
Securities Lending Collateral	2,515,688,702
Accrued Expenses	<u>(922,134)</u>
Total Liabilities	<u>9,447,509,027</u>
NET POSITION HELD IN TRUST FOR PARTICIPANTS	<u>\$ 25,940,809,040</u>

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ADDITIONS	<u>TOTAL</u>
OPERATIONS	
Investment Income	
Dividends	\$ 747,876,481
Interest	181,792,299
Other Income	10,731,801
Securities Lending	<u>18,418,651</u>
Total Income	958,819,232
Expenses	
Investment Advisory Fees	71,448,062
Custody and Transfer Agent Fees	3,337,960
Professional Fees	3,168,514
Security Lending Fees	2,494,006
Security Lending Rebates	1,617,639
Investment Expenses	<u>4,804,501</u>
Total Expenses	<u>86,870,682</u>
Net Investment Income	871,948,550
Net Realized Gain (Loss)	1,280,009,316
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	625,828,545
Net Increase (Decrease) in Net Position Resulting from Operations	<u>2,777,786,411</u>
Unit Transactions	
Purchase of Units by Participants	<u>4,981,449,103</u>
TOTAL ADDITIONS	7,759,235,514
DEDUCTIONS	
Administrative Expenses:	
Salary and Fringe Benefits	(4,261,320)
Distributions to Unit Owners:	
Income Distributed	(813,186,252)
Unit Transactions	
Redemption of Units by Participants	(4,977,740,800)
TOTAL DEDUCTIONS	<u>(5,795,188,372)</u>
Change in Net Position Held in Trust for Participants	<u>1,964,047,142</u>
Net Position- Beginning of Period	23,976,761,898
Net Position- End of Period	<u>\$ 25,940,809,040</u>

The accompanying notes are an integral part of these financial statements

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ADDITIONS	TOTAL
OPERATIONS	
Investment Income	
Dividends	\$ 622,901,119
Interest	241,168,268
Other Income	5,024,720
Securities Lending	23,442,306
Total Income	<u>892,536,413</u>
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	1,834,538
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 Position Resulting from Operations	<u>(214,825,057)</u>
Unit Transactions	
Purchase of Units by Participants	2,716,001,391
TOTAL ADDITIONS	<u>2,501,176,334</u>
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 Position Held in Trust for Participants	<u>(1,206,902,788)</u>
Net Position- Beginning of Period	25,183,664,686
Net Position- End of Period	<u>\$ 23,976,761,898</u>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Combined Investment Funds (the "Funds") are separate legally defined funds, which have been created by the Treasurer of the State of Connecticut (the "Treasurer") under the authority of the Connecticut General Statutes (CGS) Section 3-31b. The Funds are open-end, unitized portfolios consisting of the Liquidity Fund, Alternative Investment Fund, Mutual Equity Fund, Core Fixed Income Fund, Inflation Linked Bond Fund, Emerging Market Debt Fund, High Yield Debt Fund, Developed Market International Stock Fund, Emerging Market International Stock Fund, Real Estate Fund, Commercial Mortgage Fund and the Private Investment Fund. The Funds were established to provide a means for investing pension and other trust fund assets entrusted to the Treasurer in a variety of investment classes. The units of the Funds are owned by these pension and trust funds. For financial reporting purposes of the State of Connecticut, the Funds are considered to be internal investment pools and are not reported in the State's combined financial statements. Instead, each fund type's investment in the fund is reported as "equity in combined investment funds" in the State's combined balance sheet.

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

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

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

A. NEW PRONOUNCEMENTS

The financial statements and corresponding footnotes include the application of Governmental Accounting Standards Board ("GASB") Statement Number 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position.

GASB Statement Number 67, Financial Reporting for Pension Plans-An Amendment of GASB Statement Number 25, Financial Reporting for Defined Benefit Plans, is effective for financial statements for fiscal years beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans.

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 Position, 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 Alternative Investment, 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' estimated fair value, plus or minus the appropriate related cash flows as described later in this section. The Fund's assets are fair valued quarterly by the General Partner and at such other times as determined by the General Partner and are based on Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures". The fair value the General Partner assigned to these investments is based upon available information and does not represent necessarily the amount that ultimately might be realized upon sale or maturity. Because of the inherent uncertainty of the fair valuation process, this estimated fair value presented by the General Partner may differ significantly from the fair value that would have been used had a ready market for the security existed, and the difference could be material. The General Partner is responsible for coordination and oversight of all investment valuations.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Liquidity Fund

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

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 Position. 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, 2013, the Fund held MBSs of \$32,326,002 and ABSs of \$80,782,027.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2013, 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 Position by approximately \$10 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.

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 Position. 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, 2013, the Fund held MBSs of \$173,117,494 and ABSs of \$61,898,779.

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 Position. 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, 2013 the Fund's holdings had a fair value of \$1,049,763 and a cost of \$834,785. 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

Emerging Market Debt Fund

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

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

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

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, 2013, the Fund held ABSs, consisting of swaps and resulting in a fair value of (\$114,471).

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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.

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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, 2013, 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 Position by approximately \$41 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

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2013, 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 Position by approximately \$70 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 Changes in Net Position. Realized gains and losses on investments held more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year(s) and the current year. Unrealized gains and losses represent the difference between the fair value and the cost of investments. The increase (decrease) in such difference is accounted for as a change in unrealized gain (loss). In the Funds' cost basis records, premiums are amortized using the straight-line method that approximates the interest method.

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

D. FOREIGN CURRENCY TRANSLATION

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

E. SHARE TRANSACTIONS AND PRICING

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

F. EXPENSES

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

G. DISTRIBUTIONS

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

H. DERIVATIVE FINANCIAL INSTRUMENTS

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

For the fiscal year ended June 30, 2013, the funds maintained positions in a variety of such securities that are all reported at fair value on the Statement of Net Position. The following is a listing of such securities:

Adjustable Rate Securities:

Fund	Cost	Fair Value
Liquidity	\$501,443,643	\$499,278,225
Core Fixed Income	113,159,436	113,798,499
Emerging Market Debt	30,122,748	29,910,715
High Yield Debt	14,551,661	15,524,968

Asset Backed Securities:

Fund	Cost	Fair Value
Liquidity	\$80,960,548	\$80,782,027
Core Fixed Income	61,658,570	61,898,779
Emerging Market Debt	(838,055)	(114,471)

Mortgage Backed Securities, Net of CMO's:

Fund	Cost	Fair Value
Liquidity	\$16,957,554	\$16,902,538
Core Fixed Income	48,659,531	48,761,154

CMO's:

Fund	Cost	Fair Value
Liquidity	\$15,704,462	\$15,423,464
Core Fixed Income	124,683,153	124,356,340

TBA's:

Fund	Cost	Fair Value
Core Fixed Income	\$114,363,192	\$112,921,732
High Yield Debt	3,137,500	2,987,625

Interest Only:

Fund	Cost	Fair Value
Core Fixed Income	\$834,785	\$1,049,763

Options:

Fund	Cost	Fair Value
Emerging Market Debt	\$67,638	\$14,122

The Emerging Market Debt Fund held futures with a notional cost of \$7,018,318 and an unrealized loss of \$160,271 reported in the Due from Brokers in the Statement of Net Position. The Developed Market International Stock also held futures with a notional cost of \$43,871,085 and an unrealized gain of \$2,507,831 reported in the Due From Brokers and an unrealized loss of \$1,606,004 reported in the Due to Brokers in the Statement of Net Position.

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 Position.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

I. COMBINATION/ELIMINATION ENTRY

The financial statements depict a full presentation of each of the Combined Investment Funds. However, one of these funds, the Liquidity Fund, is owned both directly by the pension plans and trust funds which have accounts in the Fund, and also indirectly because each of the other Combined Investment Funds has an account with the Liquidity Fund. As a result, elimination entries are presented for the purpose of netting out balances and transactions relating to the ownership of the Liquidity Fund by the other Combined Investment Funds. The combined presentation totals to the overall net assets owned by the pension plans and trust funds. 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 Changes in Net Position. The appropriate treatment is determined depending on the terms of the investment agreement. Capitalized fees are not separately presented on the Statement of Changes in Net Position. 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, 2013:

<u>Fund</u>	<u>Netted</u>	<u>Capitalized</u>	<u>Expensed</u>	<u>Total</u>
Alternative Investment	\$ 5,337,469	\$ 883,224	\$ -	\$ 6,220,693
Private Investment	16,799,777	14,733,624	5,210,437	36,743,838
Real Estate	10,021,631	2,228,482	3,988,963	16,239,076

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, 2013:

<u>Fund</u>	<u>Net Realized Gain/(Loss)</u>
Alternative Investment	\$ 1,199,828
Private Investment	251,694,375
Real Estate	41,160,556

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 Position. When one of these individual securities is sold the realized gain or loss is presented on the Statement of Changes in Net Position. The Private Investment and Real Estate Funds incurred realized gain (loss) of \$(1,325,862) and \$ 8,675,610 respectively for such transactions for the fiscal year ended June 30, 2013.

The Mutual Equity, Core Fixed Income, 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 Changes in Net Position. The following is a listing of the corresponding fees incurred for the fiscal year ended June 30, 2013:

<u>Fund</u>	<u>Amount</u>
Mutual Equity	\$ 1,356,895
Core Fixed Income	460

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Emerging Market Debt	2,855,320
Emerging Market International Stock	345,190
Developed Market International Stock	13,240

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, 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 Changes in Net Position 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, 2013, the reported amount of Funds deposits were \$42,267,594 and the bank balance was \$42,267,594. Of the bank amount, \$42,267,594 was uncollateralized and uninsured. Through the Securities Lending Program \$2,697,553,884 was collateralized with securities held by the counterparty's trust department or agent but not in the State's name.

Investments:

Pursuant to the Connecticut General Statutes, the Treasurer is the principal fiduciary of the Funds, authorized to invest in a broad range of equity and fixed income securities, as well as real estate properties, mortgages and private equity. The Funds minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, in accordance with a comprehensive Investment Policy Statement (IPS), as developed by The Office of the Treasurer and the State's Investment Advisory Council (IAC), that provides policy guidelines for the Funds and includes an asset allocation plan. The asset allocation plan's main objective is to maximize investment returns over the long term at an acceptable level of risk. There have been no violations of these investment restrictions during the 2013 fiscal year.

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

	Fair Value	Percentage of Fair Value
Aaa	\$1,131,890,869	14.87%
Aa	204,506,079	2.69
A	339,688,060	4.46
Baa	834,480,035	10.96
Ba	305,406,320	4.01
B	611,466,393	8.03
Caa	188,525,938	2.48
Ca	7,349,563	0.10
Mig	8,770,550	0.12
Prime 1	209,501,637	2.75
Government fixed income securities (not rated)	1,671,286,160	21.95
Not Rated	2,100,962,034	27.58
	<u>\$7,613,833,638</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:

<u>Investment Type</u>	<u>Fair Value</u>
Government Securities	\$ 4,218,095
Government Agency Securities	906,208
Corporate Debt	687,289
U.S. Corporate Stock	10,372,267
International Equity	171,074,443
Collateral Securities held by Investment Pools under Securities Lending Arrangements:	
Other	178,459,074
Corporate Debt	2,331,836,508
Total	<u>\$2,697,553,884</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.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Cash Equivalents	\$1,497,962,900	\$1,152,547,808	\$24,359,152	\$45,981,705	\$275,074,235
Asset Backed Securities	142,566,335	6,688,969	111,630,046	20,580,270	3,667,050
Government Securities	2,686,838,183	182,297,481	1,165,018,524	715,710,770	623,811,408

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Government Agency Securities	577,235,766	2,828,926	45,461,817	17,369,380	511,575,643
Mortgage Backed Securities	205,486,383	-	33,848,449	10,270,226	161,367,708
Corporate Debt	1,942,072,207	87,410,717	594,454,360	1,006,861,037	253,346,093
Convertible Debt	41,826,379	956,906	12,448,576	5,811,793	22,609,104
Mutual Fund	519,845,485	-	-	-	519,845,485
	<u>\$7,613,833,638</u>	<u>\$1,432,730,807</u>	<u>\$1,987,220,924</u>	<u>\$1,822,585,181</u>	<u>\$2,371,296,726</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	Cash Equiv Collateral	Fixed Income Securities					Equities			
				Government Securities	Mutual Funds	Corporate Debt	Convertible Securities	Asset Backed	Common Stock	Preferred Stock	Real Estate Investment Trust	
Argentine Peso	\$285,708	\$285,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Australian Dollar	381,317,574	2,963,069	-	20,494,790	-	61,674,131	-	-	275,040,707	-	-	21,144,877
Brazilian Real	241,752,447	519,548	-	73,730,688	-	7,067,371	-	-	124,351,832	36,083,008	-	-
Canadian Dollar	64,462,751	419,886	-	-	-	-	-	-	64,042,865	-	-	-
Chilean Peso	1,992,526	1,478,353	-	514,173	-	-	-	-	-	-	-	-
China Yuan Renminbi	835,683	47,394	-	788,289	-	-	-	-	-	-	-	-
Colombian Peso	17,595,160	-	-	10,499,661	-	7,095,499	-	-	-	-	-	-
Czech Koruna	10,364,165	158	-	-	-	-	-	-	10,364,007	-	-	-
Danish Krone	58,296,667	130,743	-	-	-	2,434,575	-	-	55,731,349	-	-	-
Egyptian Pound	6,199,673	106,904	-	-	-	-	-	-	6,092,769	-	-	-
Euro Currency	1,671,003,090	5,115,040	3,528	99,501,815	-	39,753,856	527,999	1,121,230	1,480,090,352	35,471,014	9,418,256	-
Ghana Cedi	337,565	-	-	-	-	337,565	-	-	-	-	-	-
Hong Kong Dollar	566,451,713	873,731	-	-	-	-	-	-	562,963,049	-	-	2,614,933
Hungarian Forint	29,993,845	2,760	-	15,515,208	-	-	-	-	14,475,877	-	-	-
Iceland Krona	1,922	1,922	-	-	-	-	-	-	-	-	-	-
Indian Rupee	(855,388)	-	-	-	-	1,807,273	-	(2,662,661)	-	-	-	-
Indonesian Rupiah	116,865,168	297	-	25,155,336	-	6,443,047	-	-	85,266,488	-	-	-
Israeli Shekel	11,578,690	391,883	-	-	-	-	-	-	11,186,807	-	-	-
Japanese Yen	1,170,201,102	4,348,693	-	29,020,717	-	-	-	-	1,127,915,890	-	8,915,802	-
Kenyan Shilling	64,236	-	-	-	-	-	-	-	64,236	-	-	-
Malaysian Ringgit	105,543,205	236,967	-	42,435,332	-	-	-	-	62,870,906	-	-	-
Mexican Peso	119,941,389	112,365	-	65,637,019	-	1,640,822	-	-	47,275,478	-	5,275,705	-
Moroccan Dirham	124,618	-	-	-	-	-	-	-	124,618	-	-	-
New Romanian Leu	2,817,782	23,321	-	2,794,461	-	-	-	-	-	-	-	-
New Russian Rubel	54,775,770	805,471	-	40,342,664	-	13,627,635	-	-	-	-	-	-
New Taiwan Dollar	(15,013)	5,655	-	-	-	-	-	(20,668)	-	-	-	-
New Zealand Dollar	66,383,847	361,253	-	51,330,162	-	3,292,526	-	-	11,399,906	-	-	-
Nigerian Naira	7,509,646	255,956	-	1,683,074	-	5,458,384	-	-	112,232	-	-	-
Norwegian Krone	52,224,937	477,153	-	-	-	-	-	-	51,747,784	-	-	-
Peruvian Nouveau Sol	3,727,366	-	-	3,727,366	-	-	-	-	-	-	-	-
Philippine Peso	53,024,201	76,507	-	-	-	-	-	-	52,947,694	-	-	-
Polish Zloty	101,370,394	805,368	-	65,639,875	-	-	-	-	34,925,151	-	-	-
Pound Sterling	1,093,838,472	4,299,345	-	280,272	443,635	2,582,584	-	-	1,078,887,169	-	7,345,467	-
Singapore Dollar	102,897,958	642,514	-	-	-	-	-	-	97,051,445	-	5,203,999	-
South African Rand	110,182,056	1,046,267	-	38,483,428	-	649,627	-	(102,811)	70,105,545	-	-	-
South Korean Won	278,937,410	273,665	-	-	-	-	-	(49,336)	275,023,513	3,689,568	-	-
Sri Lanka Rupee	2,910,178	-	-	-	-	2,910,178	-	-	-	-	-	-
Swedish Krona	158,194,619	39,225	-	-	-	-	-	-	158,155,394	-	-	-
Swiss Franc	386,276,273	845,656	-	-	-	-	-	-	385,430,617	-	-	-
Thailand Baht	156,360,752	259,324	-	25,976,148	85,686	-	-	-	130,039,594	-	-	-
Turkish Lira	121,534,351	1,892	-	40,846,103	-	141,009	-	-	80,545,347	-	-	-
Ukraine Hryvna	1,062,645	-	-	-	-	1,062,645	-	-	-	-	-	-
Uruguayan Peso	7,742,285	-	-	7,742,285	-	-	-	-	-	-	-	-
Vietnam Dong	2,635,031	-	-	-	-	2,635,031	-	-	-	-	-	-
	<u>\$7,338,744,469</u>	<u>\$27,253,993</u>	<u>\$3,528</u>	<u>\$662,138,866</u>	<u>\$529,321</u>	<u>\$160,613,758</u>	<u>\$527,999</u>	<u>\$(1,714,246)</u>	<u>\$6,354,228,621</u>	<u>\$75,243,590</u>	<u>\$59,919,039</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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Statutes and the Custodial Contract. The Funds' master custodian is authorized to lend available securities to authorized broker-dealers and banks subject to a form loan agreement.

During the period ended June 30, 2013, 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 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, 2013, the Client had no credit risk exposure to borrowers. The fair value of collateral held for the Funds as of June 30, 2013 was \$2,515,688,702 as cash and \$200,609,448 as non-cash. The fair value of securities on loan for the Funds as of June 30, 2013 was \$ 2,446,994,388 as cash and \$187,258,302 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, 2013 was 15.07 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, 2013:

Fund	Fair Value of Collateral	Fair Value of Securities Lent
Mutual Equity	\$1,104,497,379	\$1,076,661,441
Core Fixed Income	325,855,831	319,928,670
Inflation Linked Bond	372,937,153	366,149,756
Emerging Market Debt	18,052,509	17,569,128
High Yield Investment	238,778,447	234,235,792
Developed Market International Stock	431,202,836	404,950,045
Emerging Market International Stock	223,403,650	214,757,858
Total	\$2,714,727,805	\$2,634,252,690

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

Fund	Cash Equivalents	Corporate Debt	Total Investments
Mutual Equity	\$ 77,862,973	\$1,017,396,973	\$1,095,259,946
Core Fixed Income	22,929,761	299,611,850	322,541,611
Inflation Linked Bond	26,471,814	345,894,100	372,365,914
Emerging Market Debt	1,281,403	16,743,455	18,024,858
High Yield Investment	16,681,416	217,967,829	234,649,245
Developed Market International Stock	19,507,968	254,900,980	274,408,948
Emerging Market International Stock	13,723,739	179,321,321	193,045,060
Total	\$178,459,074	\$2,331,836,508	\$2,510,295,582

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 Position in "Invested Securities Lending Collateral".

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3: PURCHASES AND SALES OF INVESTMENT SECURITIES

For the period ended June 30, 2013, the aggregate cost of purchases and proceeds from sales of investment securities were as follows:

Fund	Purchases	Sales
Alternative Investment	\$1,107,998,646	\$467,149,083
Mutual Equity	6,056,459,617	7,301,786,235
Core Fixed Income	12,368,724,630	12,889,950,992
Inflation Linked Bond	1,294,611,073	1,296,781,855
Emerging Market Debt	2,707,375,256	2,425,222,584
High Yield Investment	2,400,051,342	1,845,037,841
Developed Market International Stock	5,687,061,467	5,603,200,274
Emerging Market International Stock	3,165,226,575	3,041,169,560
Real Estate	853,889,889	776,272,036
Commercial Mortgage	2,103,066	2,731,241
Private Investment	1,590,674,754	1,565,477,164

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

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

At June 30, 2013, 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	\$3,129,537	\$24,315,768	\$(21,186,231)
Alternative Investment	58,348,023	1,448,394	56,899,629
Mutual Equity	1,748,290,102	176,565,650	1,571,724,452
Core Fixed Income	56,667,463	42,436,469	14,230,994
Inflation Linked Bond	16,606,291	23,175,840	(6,569,549)
Emerging Market Debt	30,550,764	57,843,977	(27,293,213)
High Yield Investment	43,243,069	37,129,696	6,113,373
Developed Market International Stock	862,666,040	331,299,981	531,366,059
Emerging Market International Stock	327,660,520	201,705,903	125,954,617
Real Estate	123,651,587	263,737,985	(140,086,398)
Commercial Mortgage	2	142	(140)
Private Investment	446,191,314	128,012,150	318,179,164

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, 2013, the Funds had recorded unrealized gains (losses) from open forward currency contracts as follows:

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Liquidity Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Brazilian Real	\$ 15,236,238	\$ (821,693)
Chilean Peso	9,905,272	(224,020)
Colombian Peso	14,826,644	(358,643)
Czech Koruna	378,043	(171,774)
Dominican Peso	2,049,286	123,937
Euro Currency	20,451,984	(366,909)
Ghana Cedi	6,811,989	(74,823)
Hungarian Forint	6,664,977	(3,489)
Indian Rupee	13,584,436	(799,276)
Indonesian Rupiah	8,086,312	52,596
Japanese Yen	11,812,352	37,944
Kazakhstan Tenge	24,489,884	(65,957)
Malaysian Ringgit	16,188,461	(262,095)
New Romanian Leu	16,367,664	(389,086)
New Russian Ruble	36,638,353	(393,678)
New Taiwan Dollar	6,528,010	(19,013)
Nigerian Naira	17,743,671	(103,861)
Norwegian Krone	981,155	(43,551)
Peruvian Nouveau Sol	13,033,786	(284,472)
Philippine Peso	8,093,000	(132,381)
Polish Zloty	7,981,115	(275,456)
Pound Sterling	14,374,060	(255,035)
Serbian Dinar	-	862,184
Singapore Dollar	9,722,000	(109,243)
South African Rand	8,442,470	(128,672)
South Korean Won	16,302,862	(174,027)
Swedish Krona	588,547	(14,974)
Thailand Baht	8,067,412	(69,128)
Turkish Lira	14,868,500	(649,161)
Uganda Shilling	5,993,617	69,247
Uruguayan Peso	1,467,208	(34,792)
Yuan Renminbi	9,529,444	55,069
Zambian Kwacha	10,533,129	(189,073)
	<u>357,741,881</u>	<u>(5,213,305)</u>

Contracts to Sell:

Australian Dollar	\$ 78,335,209	\$ 3,799,832
Brazilian Real	12,123,525	165,729
Chilean Peso	185,373	(4,352)
Colombian Peso	3,151,273	18,357
Czech Koruna	10,528,588	369,264
Danish Krone	2,470,152	6,985
Euro Currency	147,176,581	1,174,258
Hungarian Forint	6,529,957	16,462
Japanese Yen	32,098,385	772,199
Kazakhstan Tenge	8,207,417	5,630
Malaysian Ringgit	12,800,829	120,897
Mexican Peso	5,719,088	104,153
New Russian Ruble	31,693,523	360,793
New Zealand Dollar	56,481,575	2,148,191
Philippine Peso	7,883,038	(77,581)
Polish Zloty	25,148,068	681,119
South African Rand	3,473,000	25,227
Turkish Lira	7,629,585	31,687
Uganda Shilling	319,000	30
Uruguayan Peso	143,560	(3,215)
	<u>452,097,726</u>	<u>9,715,665</u>
Total	\$ <u>809,839,607</u>	\$ <u>4,502,360</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 809,839,607	\$ 809,839,607	\$ -
Unrealized Gain/Loss	(5,213,305)	9,715,665	4,502,360
Net	\$ <u>804,626,302</u>	\$ <u>800,123,942</u>	\$ <u>4,502,360</u>

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Core Fixed Income Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Euro Currency	\$ 5,593,123	\$ 56,492
	5,593,123	56,492
Contracts to Sell:		
Pound Sterling	\$ 773,115	\$ 7,260
Euro Currency	6,955,839	61,756
	7,728,954	69,016
Total	\$ 13,322,077	\$ 125,508

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 13,322,077	\$ 13,322,077	\$ -
Unrealized Gain/Loss	56,492	69,016	125,508
Net	\$ 13,378,569	\$ 13,253,061	\$ 125,508

Inflation Linked Bond Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Sell:		
Euro Currency	\$ 12,129,234	\$ 10,163
Total	\$ 12,129,234	\$ 10,163

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 12,129,234	\$ 12,129,234	\$ -
Unrealized Gain/Loss	-	10,163	10,163
Net	\$ 12,129,234	\$ 12,119,071	\$ 10,163

Emerging Market Debt Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Brazilian Real	\$ 819,291	\$ (17,685)
Colombian Peso	6,100,769	(59,824)
Euro Currency	3,462,151	(3,685)
Hungarian Forint	5,913,592	14,396
Indian Rupee	2,049,026	35,129
Indonesian Rupiah	3,417,648	18,547
Malaysian Ringgit	4,839,579	(35,788)
Mexican Peso	8,547,820	(123,506)
New Romanian Leu	730,326	(12,994)
Nigerian Naira	6,056,078	(38,852)
Peruvian Nouveau Sol	1,260,000	3,411
Philippine Peso	2,545,646	(463)
Polish Zloty	1,823,903	(66,404)
Singapore Dollar	157,683	(4,720)
South African Rand	6,042,659	154,230
Thailand Baht	2,882,071	(27,662)
Turkish Lira	4,264,527	(77,048)
	60,912,769	(242,918)
Contracts to Sell:		
Brazilian Real	\$ 2,623,570	\$ 95,677
Chilean Peso	1,605,026	2,959
Colombian Peso	7,753,787	44,370
Euro Currency	14,598,562	65,318
Hungarian Forint	1,977,535	24,856
Indian Rupee	1,555,926	51,581
New Russian Ruble	484,378	7,827
New Taiwan Dollar	29,705	56
Nigerian Naira	2,133,638	22,632
Peruvian Nouveau Sol	1,136,486	8,168
Polish Zloty	2,012,889	(3,619)
Pound Sterling	1,079,447	11,510
Singapore Dollar	158,536	5,573
South Korean Won	217,927	1,523
Turkish Lira	3,908,204	(14,776)

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Ukraine Hryvna	796,025	(117,714)
	<u>42,071,641</u>	<u>205,941</u>
Total	\$ 102,984,410	\$ (36,977)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 102,984,410	\$ 102,984,410	\$ -
Unrealized Gain/Loss	(242,918)	205,941	(36,977)
Net	<u>\$ 102,741,492</u>	<u>\$ 102,778,469</u>	<u>\$ (36,977)</u>

High Yield Debt Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Euro Currency	\$ 527,003	\$ (9,836)
	<u>527,003</u>	<u>(9,836)</u>

Contracts to Sell:

Euro Currency	\$ 11,894,568	\$ 89,123
Pound Sterling	1,145,667	12,216
	<u>13,040,235</u>	<u>101,339</u>
Total	\$ 13,567,238	\$ 91,503

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 13,567,238	\$ 13,567,238	\$ -
Unrealized Gain/Loss	(9,836)	101,339	91,503
Net	<u>\$ 13,557,402</u>	<u>\$ 13,465,899</u>	<u>\$ 91,503</u>

Developed Market International Stock Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	\$ 248,483,215	\$ (21,012,485)
Brazilian Real	144,432	1,043
Danish Krone	8,873,255	60,896
Euro Currency	143,424,356	(1,889,129)
Hong Kong Dollar	8,219,248	5,380
Israeli Shekel	4,596,823	101
Japanese Yen	773,598,022	(19,528,038)
New Zealand Dollar	109,012,696	(6,490,348)
Norwegian Krone	142,078,522	(5,661,946)
Pound Sterling	242,938,812	(5,167,158)
Singapore Dollar	5,929,021	(69,757)
Swedish Krona	54,004,159	(1,979,676)
Swiss Franc	123,839,791	(1,852,377)
	<u>1,865,142,352</u>	<u>(63,583,494)</u>

Contracts to Sell:

Australian Dollar	\$ 626,753,725	\$ 42,820,854
Brazilian Real	2,132	(19)
Danish Krone	23,748,395	(125,096)
Euro Currency	832,719,034	(14,114,588)
Hong Kong Dollar	42,169,964	(19,018)
Israeli Shekel	471,337	282
Japanese Yen	1,214,484,164	42,535,069
Malaysian Ringgit	16,120	(161)
New Zealand Dollar	144,215,520	6,681,586
Norwegian Krone	163,023,415	4,534,250
Pound Sterling	731,262,767	(2,407,924)
Singapore Dollar	53,381,611	982,548
Swedish Krona	114,039,054	3,091,597
Swiss Franc	239,310,652	(1,929,591)
Turkish Lira	415,394	547
	<u>4,186,013,284</u>	<u>82,050,336</u>
Total	\$ 6,051,155,636	\$ 18,466,842

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 6,051,155,636	\$ 6,051,155,636	\$ -
Unrealized Gain/Loss	(63,583,494)	82,050,336	18,466,842
Net	<u>\$ 5,987,572,142</u>	<u>\$ 5,969,105,300</u>	<u>\$ 18,466,842</u>

Emerging Market International Stock Fund:

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

Brazilian Real	\$ 283,269	\$ (2,532)
Hong Kong Dollar	882,852	68
Malaysian Ringgit	641,591	3,310
Mexican Peso	39,274	248
South African Rand	1,959,418	19,678
South Korean Won	911,783	200
	<u>4,718,187</u>	<u>20,972</u>

Contracts to Sell:

Hong Kong Dollar	\$ 8,681,083	\$ (1,582)
Malaysian Ringgit	575,420	(4,644)
Mexican Peso	502,083	(1,810)
Philippine Peso	117,536	(157)
Turkish Lira	580,930	1,098
	<u>10,457,052</u>	<u>(7,095)</u>

Total	<u>\$ 15,175,239</u>	<u>\$ 13,877</u>
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Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 15,175,239	\$ 15,175,239	\$ -
Unrealized Gain/Loss	20,972	(7,095)	13,877
Net	<u>\$ 15,196,211</u>	<u>\$ 15,182,334</u>	<u>\$ 13,877</u>

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

NOTE 6: COMMITMENTS

In accordance with the terms of the individual investment agreements, the Private Investment, 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, 2013, were as follows:

Fund	Total Commitment	Cumulative Amounts Funded	Unfunded Commitment
Real Estate	\$ 2,146,068,230	\$ 1,823,220,145	\$ 322,848,085
Private Investment	5,825,903,582	4,718,194,818	1,107,711,764
Alternative Investment	1,075,000,000	991,719,310	83,280,690

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, 2013.

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

NOTE 9: COST BASIS OF INVESTMENTS

The aggregate cost values of investments in the Funds are as follows at June 30, 2013:

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND
Investments in Securities, at Cost					
Liquidity Fund	\$ -	\$200,452,286	\$51,134,349	\$170,322,877	\$32,068,790
Cash Equivalents	1,425,532,922	-	-	-	-
Asset Backed Securities	80,960,549	-	-	61,658,571	-
Government Securities	566,936,629	-	-	597,399,694	853,983,254
Government Agency Securities	38,809,081	-	-	533,000,335	-
Mortgage Backed Securities	32,662,017	-	-	173,342,685	-
Corporate Debt	229,408,025	-	-	505,989,464	-
Convertible Securities	-	-	-	-	-
Common Stock	-	-	4,298,906,850	-	-
Preferred Stock	-	-	-	56,577	-
Real Estate Investment Trust	-	-	139,145,261	-	-
Mutual Fund	-	-	174,253,198	320,671	-
Limited Liability Corporation	-	-	-	-	-
Trusts	-	-	-	-	-
Limited Partnerships	-	990,222,995	918,688	-	-
Partnerships	-	-	-	-	-
Annuities	-	-	-	-	-
Total Investments in Securities, at cost	\$2,374,309,223	\$1,190,675,281	\$4,664,358,346	\$2,042,090,874	\$886,052,044

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

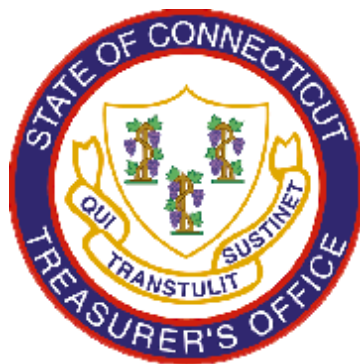
NOTES TO FINANCIAL STATEMENTS (Continued)

certain parties, including the bank that issued the credit facility, the investment bank, an equipment manufacturer, accounting firms, and a law firm, among others. In January 2009, the liquidation trustee entered into a settlement agreement with the General Partner, exchanging mutual releases for the GP, the fund and its investors. Additionally, the settlement agreement provides for a sharing of recovery from further prosecution of the matter, including any settlement reached with the insurance carrier. Recoveries are anticipated to be quite modest, if at all. In 2009, the bank has filed a motion under seal which, if granted, may permit the bank to reduce any liability to the liquidation trustee by the proportionate amount that it can attribute to either the minority shareholders (including the fund).

NOTE 8: SUBSEQUENT EVENT

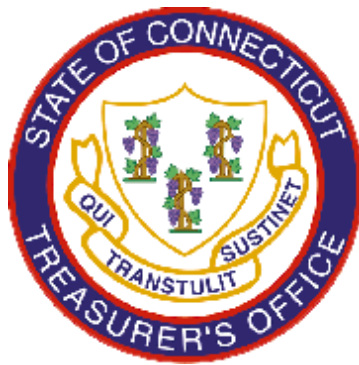
The CRPTF has performed an evaluation of subsequent events through December 31, 2013, the date the basic financial statements were available to be issued. Effective October 1, 2013 CRPTF changed its master custodian. No other material events were identified.

EMERGING MARKET DEBT FUND	HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND
\$22,442,675	\$73,265,807	\$262,850,035	\$130,872,378	\$245,031,000	\$27,353	\$128,529,278
67,638	72,891,822	29,107	-	-	-	-
(838,055)	-	-	-	-	-	-
691,226,419	23,138,374	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	42,886	-
191,030,327	1,032,897,259	-	-	-	-	-
-	35,480,214	-	-	-	-	-
618,963	7,180,582	4,516,464,869	1,962,614,046	-	-	1,495,204
-	16,270,773	29,664,822	47,589,753	-	-	-
-	-	51,823,696	4,768,169	56,541,348	-	-
510,815,771	-	873,107	95,383,090	-	-	-
-	-	-	-	-	-	2,115,165,847
-	-	-	-	8,193,224	-	-
-	-	-	-	1,301,620,048	-	1,508,112
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$1,415,363,738	\$1,261,124,831	\$4,861,705,636	\$2,241,227,436	\$1,611,385,620	\$70,239	\$2,246,698,441



Investment

Section



2013 pension funds management division

Division Overview

Introduction

As principal fiduciary of six state pension funds and nine trust funds, (known collectively as the “Connecticut Retirement Plans and Trust Funds” or “CRPTF”), the Treasurer is responsible for managing \$25.9 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 to support 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 met through the generation of investment income and capital gains with a focus on the preservation of capital.

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

Over the last ten years, the value of CRPTF’s investments under Treasury management has grown from approximately \$20.2 billion to approximately \$25.9 billion. The Teachers’ Retirement Fund (TERF), with approximately \$14.5 billion of assets under management at June 30, 2013, is the largest participating plan. The State Employees’ Retirement Fund (SERF) and the Connecticut Municipal Employees’ Retirement Fund (CMERF) have approximately \$9.2 billion and \$1.8 billion of assets, respectively. For the fiscal year ended June 30, 2013, total investment income (comprised of interest income, dividends, securities lending income, and net realized and unrealized capital gains, net of operating expenses) before allocation of administrative expenses, was approximately \$2.8 billion (See Figure 1-3).

CRPTF’s total investment in the CIF at fair value as of June 30, 2013 was:

INVESTMENT SUMMARY AT JUNE 30, 2013		
	Fair Value ⁽¹⁾	% of Total Fund Fair Value
Liquidity Fund (LF) ⁽²⁾	\$ 1,041,232,312	4.02%
Mutual Equity Fund (MEF)	6,236,082,798	24.07%
Developed Markets International Stock Fund (DMISF)	5,393,071,695	20.81%
Emerging Markets International Stock Fund (EMISF)	2,367,182,053	9.13%
Real Estate Fund (REF)	1,471,299,222	5.68%
Core Fixed Income Fund (CFIF)	2,056,321,868	7.94%
Inflation Linked Bond Fund (ILBF)	879,482,495	3.39%
Emerging Market Debt Fund (EMDF)	1,388,070,525	5.36%
High Yield Debt Fund (HYDF)	1,267,238,204	4.89%
Commercial Mortgage Fund (CMF)	70,099	0.00%
Alternative Investment Fund (AIF)	1,247,574,910	4.81%
Private Investment Fund (PIF)	2,564,877,605	9.90%
Total Fund	\$25,912,503,786	100.00%

(1) “Fair Value” includes securities and cash invested in the 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 the LF.

(2) The fair value of the LF represents the pension and trust assets allocated to the LF (excluding receivables and payables); the LF balances of the other combined investment funds are shown in the fair value of each fund.

Fund Management

Under the supervision of a Chief Investment Officer, appointed by the Treasurer with the approval of the Investment Advisory Council (IAC), PFM executes and manages the investment programs of the pension and trust funds with a 16-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 PFM professionals. During Fiscal Year 2013, State Street Bank and Trust (State Street) served as the custodian of record for the CRPTF, maintaining physical custody of and safeguarding plan assets. State Street also provided record keeping services under the supervision of PFM.

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, 2013, 138 external money and investment managers were employed by the Treasury to invest the pension and trust assets, a decrease of 21 managers from June 30, 2012 (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 September 2012, the IAC approved the Treasurer's adopted IPS, including the asset allocation plan, which governs the CRPTF investment portfolios and each of the CIF. Subsequently, in December 2012, January 2013, April 2013, and July 2013, 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 *Understanding Investment Performance* under Supplemental Information.)

Diversification across asset classes is a critical component in structuring portfolios to maximize return at a given level of risk. In developing an asset allocation strategy, there is thorough analysis of the expected risk/return tradeoffs under different economic scenarios predicated on established correlations of investment returns and the diversification benefits of the available asset classes (i.e., those not restricted by statute).

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, 2013, multiple asset classes were included in the IPS, including global public market equities and fixed income, and alternative investments such as real estate, private investments, hedge fund and real asset investment strategies.

At fiscal year-end, global developed and emerging markets equities (stocks) comprised the largest percentage of the total CRPTF, at approximately 54.01%. Publicly traded 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, to mitigate the effects of volatility in the stock market and to provide current income.

Asset Classes

To realize the asset allocations set forth in the IPS for each plan and trust, the Treasurer administers the CIF 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 15 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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

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

Domestic Equity

The Mutual Equity Fund (MEF) invests primarily in the common stocks of U.S. corporations. MEF assets are allocated across the broad U.S. stock market. An opportunistic allocation of up to 30% may be invested within the MEF to take advantage of shifts in the investment landscape which provide diversification and/or risk and return benefits. As of June 30, 2013, the MEF structure approximated 80.31% invested in large-cap stocks, 8.49% in small/mid-cap stocks, 6.63% in all-cap and 4.57% in cash equivalents and other net assets. The MEF's performance is measured against 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 since their investment portfolios are similar to the index. 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 overall efficiency of the domestic equity market, approximately 85% of the portfolio is invested in passive strategies. The balance of the portfolio is activity managed, primarily in the less efficient "small- and mid-cap" sectors of the equity markets. 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. 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

Exposure to international equities is provided through two funds: the Developed Markets International Stock Fund (DMISF) and the Emerging Markets International Stock Fund (EMISF), each of which has distinct risk/return profiles. Stocks from developed market countries tend to offer lower risk and return potential compared to emerging market securities as a result of generally more stable economic and political environments and the depth and liquidity of their financial markets. The foreign currency exposure in the DMISF is partially hedged back to the U.S. dollar. DMISF and EMISF assets are allocated across foreign markets so that there is diversification by country, sector, 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 to which each combined investment fund is benchmarked.

External money managers invest DMISF assets primarily in common stocks issued by companies in developed market countries domiciled outside of the U.S. The benchmark for DMISF is the Morgan Stanley Capital International Europe Australasia and Far East Investable Market Index (MSCI EAFE IMI). The DMISF is comprised of passive indexing, core developed markets and opportunistic strategies. As of June 30, 2013, the DMISF structure approximated 80.70 % invested in large-cap stocks, 15.69% in small-cap stocks, and 3.61% in cash equivalents and other net assets. Mandates for active growth/value and small cap developed market strategies represent roughly 21.0% and 15.7% of the DMISF, respectively. The currency exposure of the DMISF investments is managed through a currency hedging overlay strategy.

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 Emerging Markets Investable Market Index (MSCI EM IMI). EMISF investments are made through portfolios managed by external money managers. The EMISF is invested 100% in active, unhedged emerging markets strategies.

Fixed Income Investments

Fixed income assets are diversified across four types of funds: the Core Fixed Income Fund (CFIF), the Inflation Linked Bond Fund (ILBF), the Emerging Markets Debt Fund (EMDF), and the High Yield Debt Fund (HYDF). Investments in the various fixed income CIF serve to reduce the overall volatility of CRPTF returns under various economic scenarios. Further, the fixed income CIF provide cash flow to the CRPTF in the form of interest and principal payments.

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The CFIF consists of externally 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 and 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). Assets are diversified across sectors, industries, credit quality and duration, and up to 30% may be opportunistically invested based on changes in the investment landscape that may improve diversification, reduce risk or enhance return. As of June 30, 2013, the CFIF structure approximated 33.70% invested in treasury/agency securities, 25.10% in corporate securities, 25.60% in mortgage-backed securities, and 15.60% in cash equivalents and other net assets. The benchmark for CFIF is the Barclays U. S. Aggregate Bond Index.

The ILBF consists of externally managed fixed income portfolios containing domestic and foreign developed market sovereign bonds. These government bonds are primarily inflation-linked securities. Inflation linked bonds, also referred to as "linkers", offer protection against inflation and contribute to overall portfolio diversification. As of June 30, 2013, the ILBF structure approximated 95.0% invested in U.S. inflation-linked treasury securities and 5.0% in cash equivalents and other net assets. The benchmark for ILBF is the Barclays World Government Inflation Linked Bond Index.

The EMDF consists of externally managed fixed income portfolios that contain debt instruments issued by governments and companies located in emerging countries as defined by the benchmark and The World Bank. The benchmark for EMDF is the J.P. Morgan Emerging Markets Bond Index Global/J.P. Morgan Government Bond Index - Emerging Markets Global (50%/50%). As of June 30, 2013, the EMDF structure approximated 35.60% invested in Latin America, 31.90% in Europe, 19.80% in Asia, 6.10% in Africa, and 6.60% in cash equivalents and other net assets. The benchmark accounts for U.S. dollar-denominated debt and for debt issued in local currencies. The local currency debt is not hedged as the foreign currency is considered an additional source of alpha.

The HYDF consists of externally 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 assets are diversified by sector, industry, credit quality and duration. The majority of the bonds are U.S. dollar-denominated. As of June 30, 2013, the HYDF structure approximated 92.30% invested in corporate securities, 0.90% in treasury securities, and 6.80% in cash equivalents and other net assets. The benchmark for HYDF is the Citigroup U. S. High Yield Market Capped Index.

Liquidity Fund

The Liquidity Fund (LF) consists of externally managed fixed income portfolios invested in readily marketable securities. The LF is designed to provide the ability to generate cash as needed with minimal exposure to risk of principal. The LF structure enables each of the CIF to remain fully invested. 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, developed market sovereign bonds and emerging market currencies. As of June 30, 2013, the LF structure approximated 49.27% invested in Tier I money market securities, 24.51% in Tier II short duration bond securities, and 26.22% in Tier III international sovereign bonds and currencies. The benchmark for the LF is the one month London Interbank Offered Rate (LIBOR) Index.

Real Estate

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 the 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. As of June 30, 2013, the REF structure approximated 28.90% invested in

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Core, 17.40% in Value-Added, 4.80% in REITS, 32.30% in Opportunistic and 16.60% in cash equivalents and other net assets. The benchmark for REF is the National Council of Real Estate Investment Fiduciaries Property (NCREIF NPI).

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. As of June 30, 2013, the PIF structure approximated 76.18% invested in Corporate Finance, 19.17% in Venture, and 4.65% in cash equivalents and other net assets. The benchmark for PIF is the Standard & Poor's 500 Index (S&P 500).

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 other CIF. Hybrid strategies which contain multiple asset classes are also considered part of the opportunity set. As of June 30, 2013, the AIF structure approximated 76.12% invested in Hedge fund of funds, 4.91% in Real Assets, 3.00% in Opportunistic, and 15.97% in cash equivalents and other net assets. AIF's benchmark is the 90-day Treasury Bill.

Securities Lending

The CRPTF maintains a securities lending program designed to provide incremental risk adjusted returns. This program involves the lending of portfolio securities to broker/dealers in return for payment. Each loan is secured by collateral valued slightly in excess of the market value of the loaned securities. To further mitigate the risks of securities lending transactions, the CRPTF's securities lending bank carefully monitors the credit ratings of each counter-party and overall collateral levels.

State Street Bank and Trust Company was responsible for marketing the program, lending the securities, and obtaining adequate collateral during Fiscal Year 2013. As of June 30, 2013, securities with a market value of approximately \$2.63 billion had been loaned against collateral of approximately \$2.71 billion. Income generated by securities lending totaled \$18.4 million for the fiscal year.

The Year in Review

Total Fund Performance

During the fiscal year ending June 30, 2013, the CRPTF achieved an annual total return of 11.64%, net of expenses. The three largest pension plans, TERF, SERF and CMERF, which represent 98% of total assets, returned 11.83%, 11.90% and 9.60%, respectively. During the fiscal year, the value of the CRPTF's net position increased from approximately \$23.98 billion to \$25.94 billion. The \$1.96 billion increase was primarily due to an increase in assets from operations of \$2.78 billion partially offset by net withdrawals of \$810 million.

For the fiscal year ending June 30, 2013, markets were strong across the board, with virtually all markets in which the CRPTF invests posting positive returns. The strongest returns were posted in the developed U.S. and international equity markets, as the world emerged from the depths of the Great Recession. The driving forces were moderate economic growth and investors' willingness to invest in risk assets. Growth in the U.S. economy was helped by a recovering housing market, improved employment situation and pent-up consumer demand. The Federal Reserve continued its stance of quantitative easing and keeping worldwide markets liquid, which provided a tailwind for generating solid market returns.

The MEF essentially matched its benchmark, the Russell 3000, with a fiscal year return of 21.15%. The U.S. equity markets produced robust gains given the extremely low level of interest rates and strong

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company earnings. The broad Russell 3000 index was up 21.46% during the fiscal year; within the asset class, small cap stocks outperformed large cap by returning 24.21% and 21.24% respectively. In terms of investment style, value stocks outperformed growth stocks across the capitalization spectrum.

International equity, which is comprised of both DMISF and EMISF, returned 22.56% and 3.29% respectively. DMISF outperformed its benchmark, the MSCI EAFE Index, by 125 basis points due to skillful active management decisions in terms of country and security selection. European markets rallied as the European Central Bank provided economic support to the peripheral European countries, lifting the region out of recession, while Japan engaged in aggressive monetary stimulus to move its economy forward. Because the currency risk is hedged, the appreciation of the U.S. dollar contributed to the DMISF portfolio's positive performance. Approximately half of the foreign currencies in the international equity portfolio are hedged back to the U.S. dollar to dampen the impact of currency volatility. The currency hedge added 242 basis points in return versus the unhedged benchmark. EMISF portfolio returns fell slightly behind its benchmark, the MSCI EM IMI, by 37 basis points. There was a notable decoupling of developed and emerging markets during the past fiscal year. The emerging markets posted returns that were much lower than their developed counterparts, as investors flocked to the more liquid, less risky, and reasonably valued developed markets at the expense of the emerging markets. The emerging markets equity returns also suffered when the U.S. dollar strengthened as the portfolio is unhedged, and due to fund flows out of the emerging markets.

Using the Teachers' Retirement Fund as a proxy, the domestic fixed income portfolios (CFIF, ILBF, and HYDF) returned approximately 0.76% for the fiscal year versus the Barclay's Aggregate Index's negative 0.69%. High yield and emerging market debt were the fiscal year's strongest performers in the fixed income markets. The CRPTF allocated funds to the high yield and emerging market debt to provide current income and position the portfolio in shorter dated maturities. Conversely, U.S. Treasury securities and longer duration fixed income investment were the weakest performers. Both core U.S. fixed income and U.S. inflation linked bonds posted negative returns as interest rates, which had bottomed during the fiscal year, began their ascent toward the end of Fiscal Year 2013.

The Private Investment Fund returned 9.50% for Fiscal Year 2013, underperforming its public market equivalent benchmark, the S&P 500 return of 20.60%. The underperformance of its benchmark during a period of strong public equity returns is not unusual as private equity performance lags public markets. The Private Investment Fund outperformed a more comparable benchmark during the past fiscal year, the State Street Private Equity Benchmark, which returned 8.88%, by 62 basis points. The market for private equity exits was weak as the fiscal year began, but improved by the end of the fiscal year. Over the course of the fiscal year, investments were made as part of the private equity investment plan and targeted strategies that took advantage of distressed companies, generated current cash flow, or exploited under-invested segments of the market.

The Real Estate Fund performed in line with its NCREIF benchmark, returning 10.26% versus the NCREIF return of 10.52%. The Real Estate Fund was the beneficiary of the rebound in real estate prices which boosted its fiscal year return. The Real Estate Fund has continued to make up ground during the real estate market rebound, showing a markedly improved trend with three year performance up 11.13% compared to five year performance of negative 4.81%. The Real Estate Fund continued to be well diversified, generating strong current income in this low rate environment, and increased its market value.

The Alternative Investment Fund, which invests in hedge funds, real assets and other opportunistic investments, returned 6.39%, significantly outperforming its 90-day T-Bill, absolute return benchmark of 11 basis points by 628 basis points. The alternative investment fund was designed to reallocate funds into the most promising, risk adjusted market opportunities. Given the strong equity markets, the portfolio favored equity-related strategies, but also continued to invest in dislocated credit and other concentrated investment strategies.

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

2013 Management Initiatives

During Fiscal Year 2013, the Office of the Treasurer (OTT) completed a comprehensive Asset Liability Study which thoroughly assessed the asset allocations and liabilities of each plan and trust fund within the CRPTF. The resulting product of the Study, undertaken every five years, was several amendments to the Investment Policy Statement (IPS) which reflect the revised asset allocations.

In Fiscal Year 2013, a new trust fund was added to the CRPTF, the State of Connecticut Employees Retiree Health Care Trust Fund, also known as the OPEB Trust Fund. Plan assets were allocated in a manner that will help provide a reliable source of funds to supplement the State's payment of the costs of other post employment benefits for retirees of the State of Connecticut.

Implementation of the investment pacing plans established for real estate, alternative investment and private equity opportunities continued during Fiscal Year 2013. Three investment commitments totaling \$140 million were awarded to Private Investment Fund managers, plus commitments of \$195 million to three Private Investment Fund managers pending successful contract negotiations. Investment commitments totaling \$150 million were awarded to two Real Estate Fund managers, with an additional \$100 million committed to a third Real Estate Fund manager pending successful contract negotiations. Finally, an additional \$360 million was invested in the Alternative Investment Fund absolute return strategy portfolios managed by the CRPTF's fund of hedge fund managers.

After competitive searches were launched, the Treasurer rehired The Townsend Group as the REF Investment Consultant and hired Cliffwater, LLC as the AIF Consultant. During Fiscal Year 2013, the Treasurer also named BNY/Mellon as its preferred vendor to provide master custodian services and Deutsche Bank to provide securities lending services, both pending successful contract negotiation.

A competitive search was launched for Global Treasury Inflation Protected Securities (Global TIPS) Managers to direct the investments of a Global TIPS portfolio in the Inflation Linked Bond Fund (ILBF).

First funded in 2005, the Connecticut Horizon Fund (CHF) is an \$883 million fund-of-funds public market program and a \$155 million private equity allocation created to provide the OTT access to a wider number of women-owned, minority-owned, Connecticut-based and emerging firms. To date, public market managers totaled 41 CHF sub-managers; women-owned firms represented 34% of these; minority-owned firms represented 34%; followed by emerging firms at 21% and Connecticut-based firms at 11%. Additionally, there were 19 private equity sub-managers, including 8 minority-owned; 3 emerging strategies; 1 women-owned and 7 Connecticut-based. A competitive search was launched for a separately managed Fund-of-Hedge Fund mandate to further expand the CHF initiative within the AIF.

Expansion of the diversity of firms with which PFM does business continued during Fiscal Year 2013; overall, 36 minority-owned, women-owned, Connecticut-based and emerging firms, comprised 30% of the firms doing business with the division. These firms earned fees in excess of \$39 million, representing 41% of all fees paid by the division.

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 November of 2011, the Investment Advisory Council 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 environmental, social, and governance impact of investment decisions. In Fiscal Year 2013, the Office of the Treasurer filed shareholder resolutions at eleven companies. The Treasurer engaged with more than 10 companies through activities ranging from writing letters formally outlining shareholder concerns and attending annual shareholder meetings, to holding

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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 during Fiscal Year 2013. The Treasurer supported, and the CRPTF voted in favor of, shareholder resolutions calling on companies to adopt policies related to severance payments, address internal pay equity and require chief executive officers and senior managers to hold equity compensation until their retirement from company service.

In the area of climate change and related energy issues, the Treasurer's Office continued to take a leading role in the Investor Network on Climate Risk (INCR) and the Global Warming Shareholder Campaign (GWSC). The Treasurer engaged with a number of companies on these issues, including requesting that companies set greenhouse gas emission goals, set targets for energy use reductions and report to shareholders on progress in achieving those targets.

As part of its corporate governance practices, the Office of the Treasurer is charged with administering three laws which authorize investment restrictions on companies doing business in Northern Ireland, Sudan and Iran.

Connecticut's MacBride law, Conn. Gen. Stat. §3-13h, is based on the MacBride Principles, which are a corporate code of conduct designed to address religious discrimination in the workplace for companies doing business in Northern Ireland. At the end of Fiscal Year 2013, 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: B/E – Aerospace; Domino's Pizza Inc.; Manpower Inc.; PPG Industries Inc.; Sally Beauty Holdings Inc; and Yum Brands, Inc.

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 professionals 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 2013, 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); and Wartsila Oyj.

The value of CRPTF's combined investments in those companies at the time of divestment was approximately \$15 million. In 2013, with other institutional investors, the Treasurer undertook engagement with Caterpillar, Inc. due to the reported sales by a subsidiary of the company to the Government of Sudan. The Treasurer publicly announced her support for a shareholder resolution filed by the New York State Comptroller which called upon the company to ensure that its products were not sold to the Government of Sudan and to report to shareholders on the progress by December 2013. The proposal did not receive the votes of a majority of shareholders.

Connecticut's Iran law, Conn. Gen. Stat. §3-13g, 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. In an engagement that was initiated in Fiscal Year 2012, fifteen companies in the energy sector were contacted, and the engagement culminated with a determination in April 2013 to divest from and prohibit future direct investment in 6 companies doing business in Iran: China National Offshore Oil Corporation (China Oilfield Services Ltd.), Daelim Industrial Co. Ltd., Indian Oil Corporation Ltd. (IOCL)' Oil India Ltd.,

Petroleos de Venezuela S.A., and Sasol Ltd. At the time of the determination, CRPTF had holdings in China National Offshore Oil Corporation, Petroleos de Venezuela and Sasol valued at approximately \$40 million. CRPTF managers were given 120 days to implement the directive to divest, and a final report was due from managers in August 2013.

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 Treasury web site: <http://www.ct.gov/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 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 \$1.4 million from class action settlements in the fiscal year ended June 30, 2013. The Office continues 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. The Office of the Treasurer 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 Supreme Court ruled in favor of the Connecticut Retirement Plans and Trust Funds on the 27th of February 2013, affirming the judgment of the Ninth Circuit Court of Appeals. The matter has been remanded to the trial court for further proceedings.

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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., Japan adverse Olympus and in Texas' state court adverse BP. Participation in such group action became necessary as the Supreme Court's decision in *Morrison* foreclosed all other avenues of recovery in matters of securities fraud.

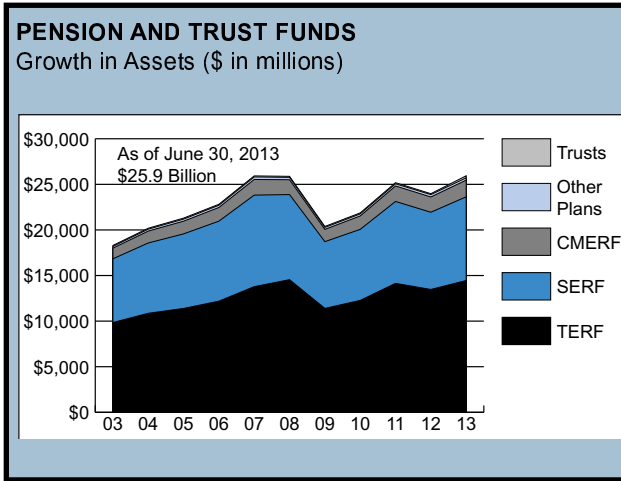
The Office of the Treasurer continues to await final distribution of limited remaining assets from an investment in Keystone Venture V L.P. (the "Partnership). Although such final distribution was anticipated to have occurred in December 2008, counsel and the liquidating trustee are in agreement that 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 2013. 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.

Figure 1-1

PENSION AND TRUST FUNDS ASSET ALLOCATION												
Actual vs. Policy at June 30, 2013												
	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)	24.9%	21.0%	17.0%	25.0%	24.5%	21.0%	17.0%	25.0%	16.6%	16.0%	13.0%	19.0%
INTERNATIONAL EQUITY												
Developed Market Intl Stock Fund (DMISF)	21.9%	18.0%	14.0%	22.0%	21.6%	18.0%	14.0%	22.0%	13.8%	14.0%	11.0%	17.0%
Emerging Market Intl Stock Fund (EMISF)	9.3%	9.0%	7.0%	11.0%	9.5%	9.0%	7.0%	11.0%	6.5%	7.0%	6.0%	8.0%
REAL ESTATE												
Real Estate Fund (REF)	5.7%	7.0%	5.0%	9.0%	5.5%	7.0%	5.0%	9.0%	7.3%	7.0%	5.0%	9.0%
FIXED INCOME												
Core Fixed Income Fund (CFIF)	6.7%	7.0%	6.0%	8.0%	7.5%	8.0%	6.0%	10.0%	7.9%	8.0%	6.0%	10.0%
Inflation Linked Bond Fund (ILBF)	3.3%	3.0%	2.0%	4.0%	3.4%	5.0%	4.0%	6.0%	4.7%	5.0%	4.0%	6.0%
Emerging Market Debt Fund (EMDF)	5.5%	5.0%	4.0%	6.0%	4.6%	4.0%	3.0%	5.0%	8.9%	8.0%	6.0%	10.0%
High Yield Debt Fund (HYDF)	4.1%	5.0%	4.0%	6.0%	4.0%	5.0%	4.0%	6.0%	13.8%	14.0%	11.0%	17.0%
Liquidity Fund (LF)	4.0%	6.0%	5.0%	7.0%	5.2%	4.0%	3.0%	5.0%	1.7%	3.0%	2.0%	4.0%
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)	10.0%	11.0%	8.0%	14.0%	9.7%	11.0%	8.0%	14.0%	10.5%	10.0%	7.0%	13.0%
Alternative Investment												
Alternative Investment Fund (AIF)	4.6%	8.0%	6.0%	10.0%	4.5%	8.0%	6.0%	10.0%	8.3%	8.0%	6.0%	10.0%
TOTAL	100.0%	100.0%			100.0%	100.0%			100.0%	100.0%		

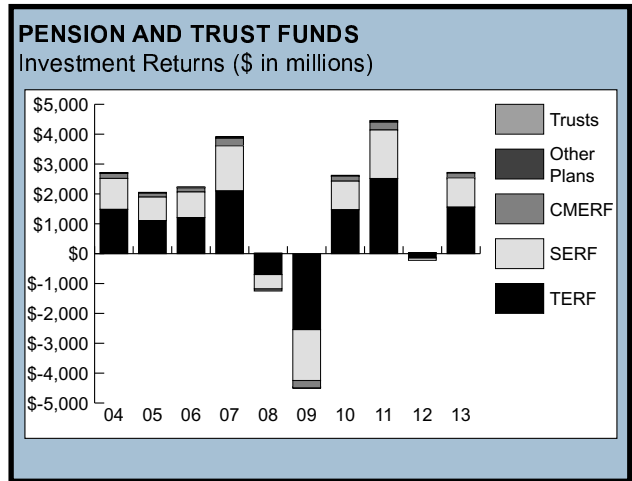
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 1-2



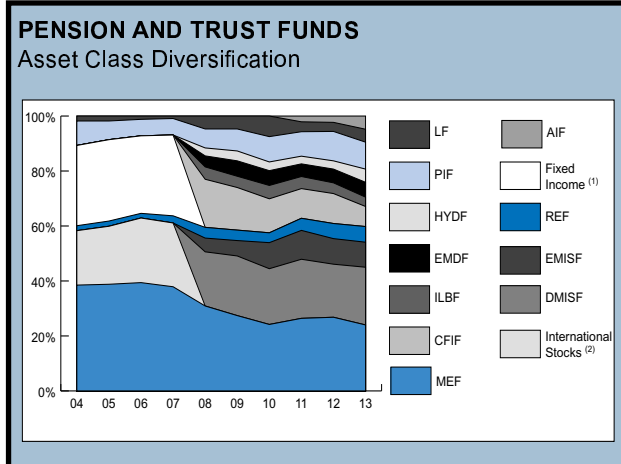
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 1-3



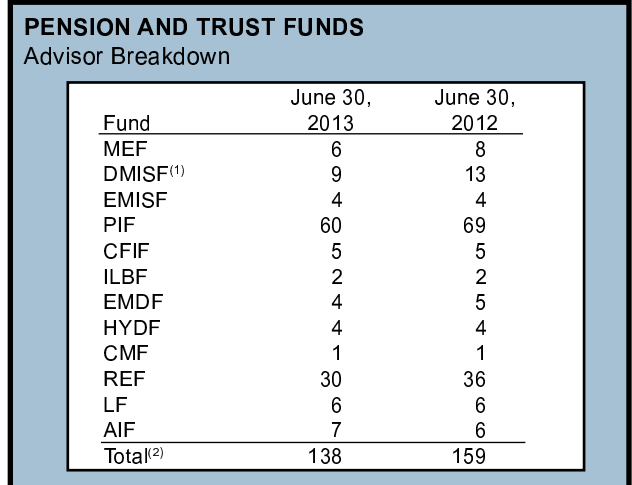
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 1-4



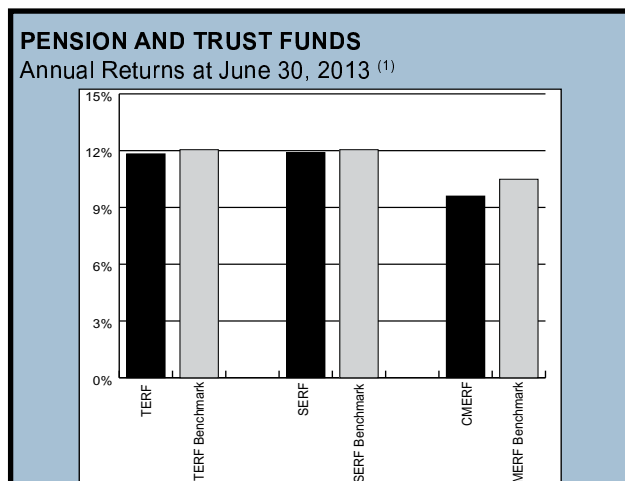
- Prior to November 1, 2007 CFIF, ILBF, EMDF and HYDF were included in a Combined Investment Fund titled Mutual Fixed Income Fund.
- Prior to November 1, 2007 DMISF and EMISF were included in a Combined Investment Fund titled International Stock Fund.

Figure 1-5



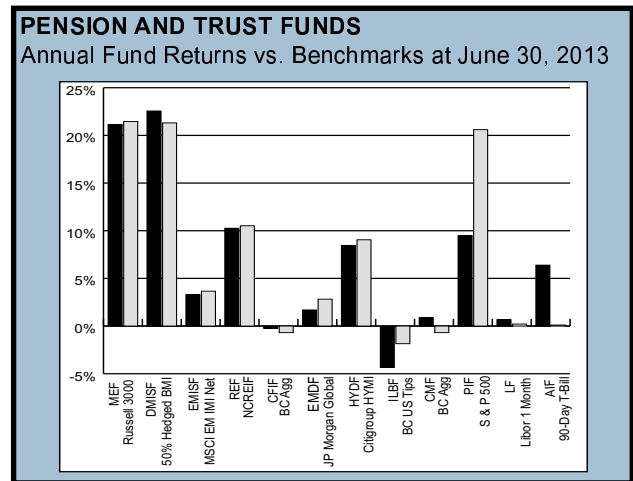
- Does not include the Currency Overlay Manager.
- Actual total advisors was 129 and 149, respectively when factoring in advisors across multiple funds. Private Investment partnerships with nonmaterial balances are not included.

Figure 1-6



- 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		
	2013	2012	2011	2010	2009	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)	11.83	(0.96)	20.77	12.87	(17.14)	10.18	4.58	7.04
TERF Custom Benchmark	12.05	0.97	20.65	12.29	(16.85)	10.93	4.97	7.14
State Employees' Retirement Fund (SERF)	11.90	(0.90)	21.15	12.93	(18.25)	10.34	4.40	6.89
SERF Custom Benchmark	12.05	1.04	21.30	12.60	(17.42)	11.16	5.01	7.15
Municipal Employees' Retirement Fund (MERF)	9.60	0.47	17.87	12.57	(14.90)	9.08	4.45	6.78
MERF Custom Benchmark	10.49	2.72	18.82	11.82	(14.20)	10.48	5.29	7.41
<u>U.S. Stocks</u>								
Mutual Equity Fund	21.15	3.38	31.92	14.01	(28.36)	18.22	6.18	7.17
Russell 3000 Index	21.46	3.84	32.37	15.72	(26.56)	18.63	7.25	7.81
<u>International Stocks</u>								
Developed Markets International Stock Fund	22.56	(12.48)	26.30	11.03	(27.98)	10.65	1.62	N/A
Morgan Stanley Capital International Europe, Australasia and Far East Investable Market Index	21.31	(11.25)	23.20	9.68	(26.79)	9.87	1.27	7.96
Emerging Markets International Stock Fund	3.29	(14.16)	28.55	25.23	(30.90)	4.46	(0.28)	14.20
MSCI Emerging Market Investable Market Index	3.66	(16.29)	27.53	24.57	(26.84)	3.43	0.17	13.88
<u>Equity Commercial Real Estate</u>								
Real Estate Fund	10.26	7.19	16.12	(20.18)	(28.66)	11.13	(4.81)	2.64
Russell 3000 Index	21.46	3.84	32.37	15.72	(26.56)	18.63	7.25	7.81
NCREIF (1 Qtr. Lag)	10.52	13.41	16.03	(9.60)	(14.68)	13.30	2.32	8.51
<u>U.S. Fixed Income</u>								
Core Fixed Income Fund	(0.24)	7.63	4.49	11.81	2.84	3.91	5.23	4.56
Barclays U.S. Aggregate Bond Index	(0.69)	7.47	3.90	9.50	6.05	3.51	5.19	4.52
Emerging Market Debt	1.69	4.78	16.06	23.02	(3.62)	7.34	7.95	N/A
JP Morgan EMBI/JPM GBI EMG (50%/50%)	2.82	10.90	11.74	17.90	2.24	8.41	8.96	9.02
High Yield Debt	8.46	6.23	15.96	24.54	(4.59)	10.14	9.68	8.45
Citigroup U.S. High Yield Market Capped Index	9.05	7.66	15.26	25.64	(3.26)	10.61	10.46	8.57
Inflation Linked Bonds	(4.33)	11.91	7.23	9.48	(0.20)	4.71	4.64	N/A
BC World Gov't Inflation Linked Bond Index	(1.85)	11.66	7.74	9.52	(1.11)	5.69	5.04	5.51
Commercial Mortgage Fund	0.88	(6.48)	4.61	6.75	(3.14)	(0.44)	0.41	4.54
Barclays Aggregate Bond Index	(0.69)	7.47	3.90	9.50	6.05	3.51	5.19	4.52
<u>Alternative Assets</u>								
Private Investment Fund	9.50	5.92	19.89	17.32	(16.36)	11.61	6.41	10.33
S & P 500	20.60	5.45	30.69	14.43	(26.22)	18.45	7.01	7.30
State Street Private Equity Index (1 Qtr. Lag)	8.88	7.32	21.91	20.89	(29.34)	12.52	4.00	12.65
<u>Liquidity Fund</u>								
⁽¹⁾ Liquidity Fund	0.66	(0.14)	1.20	0.98	1.54	0.57	0.85	2.24
LIBOR 1 Month Index	0.21	0.25	0.25	0.27	1.35	0.23	0.46	1.97
<u>Alternative Investment Fund</u>								
90-Day T-Bill	6.39	(1.62)	N/A	N/A	N/A	N/A	N/A	N/A
	0.11	0.05	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.

2013 liquidity fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the Liquidity Fund (LF) is to: 1) provide a liquid source of funds for investment operations and 2) earn a return greater than that of money market investments.

Date of Inception: November 1, 2007

Total Net Position: \$2,463,517,842

Performance Objective: A net return that matches the benchmark, over rolling 3 to 5 year periods.

Management Fees: \$5,406,324

Benchmark: One Month London Interbank Offered Rate (LIBOR)

Operating Expenses: \$640,316

Number of Advisors: 6 external

Expense Ratio: 0.30%

Description of the Fund

Strategic execution involves investing a portion of the LF in longer duration and slightly higher risk securities. 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 CIF and pension contributions. This is the most active portion of the Liquidity Fund from a cash 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.

Portfolio Characteristics

The Liquidity Fund investments include U.S. Treasury and Government Agency securities, commercial paper, certificates of deposit, asset-backed securities, mortgage backed securities, domestic and foreign corporate bonds, sovereign debt and foreign currencies. At June 30, 2013, the weighted average maturity of the LF was 631 days and the average quality rating was AA+ (See Figure 2-5).

Market Review

U.S. Treasury and short-term investment vehicles began the fiscal year with interest rates at all-time record lows due to domestic and global uncertainty, weak domestic data and unfavorable sentiment out of Europe. The Federal Reserve continued quantitative easing measures throughout the fiscal year. Investors weighed the approaching fiscal cliff implications against economic data that showed the U.S. economy continuing to improve at a modest pace. Short-term interest rates remained low given the dearth of safe assets and the Federal Reserve Bank's commitment to healing the weak domestic economy. Loose monetary policy kept rates low until investors reacted to signals from the Federal Reserve that it may begin to reverse course and taper asset purchases. The shift in tone fueled a broad-based sell-off of fixed income assets by the end of the fiscal year, undermining market liquidity and sending yields higher across the risk spectrum. Short-term strategies were the beneficiaries of funds moving into short-duration fixed income options.

Performance Summary

For the fiscal year ended June 30, 2013, the LF generated a return of 0.66%, net of all expenses, outperforming the one month LIBOR benchmark of 0.21%, by 45 basis points (See Figure 2-6).

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

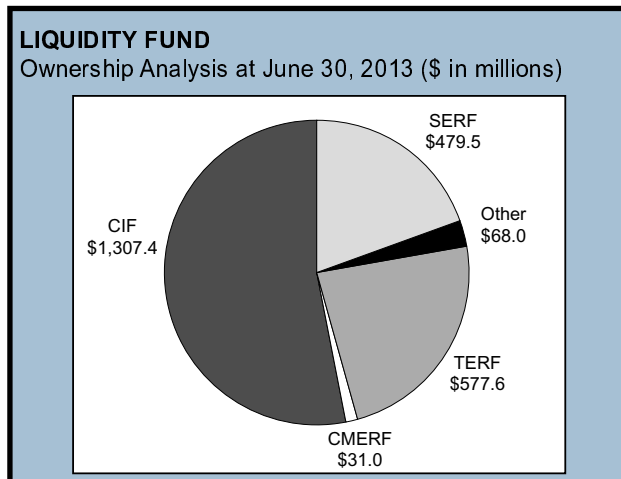
As of June 30, 2013, the LF's compounded net annualized total returns for the trailing three, five and ten year periods were 0.57%, 0.85% and 2.24%, respectively, net of all expenses. These returns exceeded those of the LF's benchmark for the time periods listed by 34, 39 and 27 basis points, respectively. The cumulative returns of the LF for the three, five and ten year periods were 1.72%, 4.30% and 24.83%, respectively (See Figure 2-6).

The LF's strategy of investing along the short end of the curve has meaningfully contributed to its out-performance of its benchmark.

Risk Profile

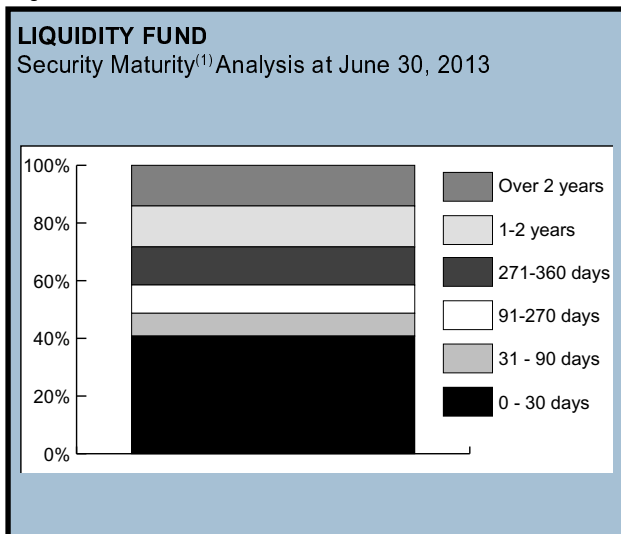
By maintaining a short average maturity the Fund has relatively low interest rate risk and by investing in high quality securities, the Liquidity Fund has a relatively low risk of credit default. The Fund assumes currency risk through its investments in global sovereign bonds and emerging market currencies. 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



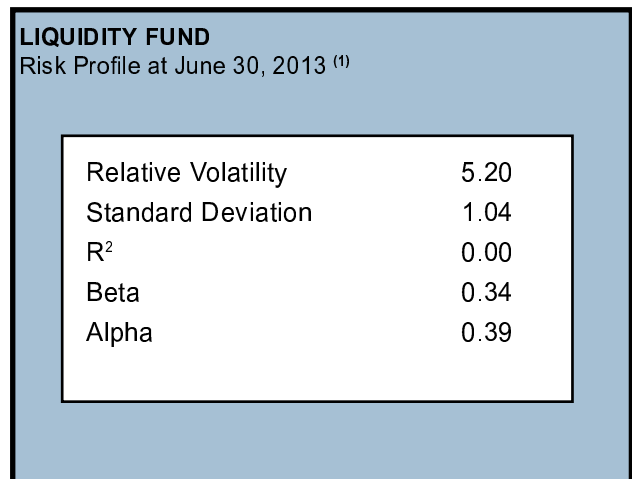
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund
CIF - Combined Investment Funds

Figure 2-3



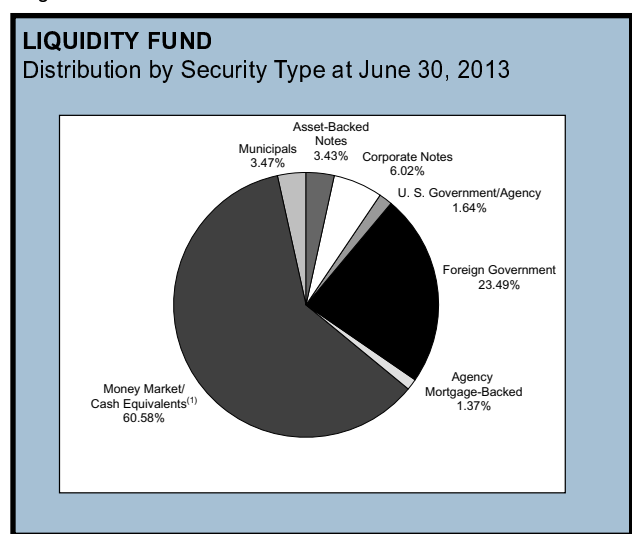
(1) Or Interest Rate Reset Period.

Figure 2-2



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

Figure 2-4



(1) Includes Commercial Paper, Certificates of Deposit and Repurchase Agreements.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 2-5

LIQUIDITY FUND Comprehensive Profile				
Date	Number of Issues	Yield ⁽¹⁾	Average Maturity	Average Quality
2013	495	0.66%	631 days	AA+
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+

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

Figure 2-6

	1 YR	3 YRS	5 YRS	10 YRS
LIQUIDITY FUND				
Periods ending June 30, 2013				
Compounded, Annual Total Return (%)				
LF	0.66	0.57	0.85	2.24
LIBOR 1 MONTH INDEX	0.21	0.23	0.46	1.97
CPI-URBAN	1.75	2.32	1.31	2.43
Cumulative Total Return (%)				
LF	0.66	1.72	4.30	24.83
LIBOR 1 MONTH INDEX	0.21	0.70	2.34	21.58
CPI-URBAN	1.75	7.13	6.72	27.14

Figure 2-7

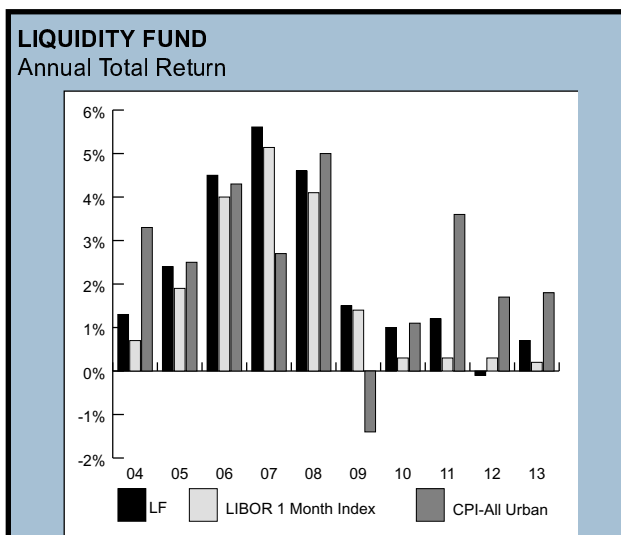


Figure 2-9

LIQUIDITY FUND Investment Advisors at June 30, 2013		
Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	\$1,213,877,553	49.27%
Payden & Rygel	169,919,514	6.90%
PIMCO	203,717,787	8.27%
Ambassador Capital Management	230,075,734	9.34%
Lazard	320,466,643	13.01%
Colchester Global Investors Ltd.	325,460,611	13.21%
Total LF	2,463,517,842	100.00%

Figure 2-8

LIQUIDITY FUND Investment Advisor Tiers at June 30, 2013		
Investments	Net Asset Value	% of Fund
Tier I	1,213,877,552	49.27%
Tier II	603,713,036	24.51%
Tier III	645,927,254	26.22%
Total LF	2,463,517,842	100.00%

Figure 2-10

LIQUIDITY FUND Ten Largest Holdings* at June 30, 2013			
Security Name	Maturity Date	Market Value	%
Merrill Lynch Tri Party A	7/1/2013	\$204,000,000	8.67%
Barclays Cap Tri Party A	7/1/2013	200,000,000	8.50%
CitiGroup Tri Party C	7/1/2013	150,000,000	6.38%
Goldman Sacs Tri Party C	7/1/2013	97,000,000	4.12%
BNP Tri Party C	7/1/2013	75,000,000	3.19%
Morgan Stanley Tri Party A	7/1/2013	58,000,000	2.46%
BNP Tri Party A	7/1/2013	50,000,000	2.12%
New Zealand Government	4/15/2015	32,686,829	1.39%
Poland Government Bond	10/24/2015	31,720,654	1.35%
US Treasury N/B	3/31/2015	28,019,313	1.19%
Top Ten		926,426,796	39.37%

* 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.

2013 alternative investment fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the Alternative Investment Fund (AIF) is to: 1) enhance overall portfolio expected returns, reduce risk, or a combination of both in a variety of market conditions, and 2) provide diversification benefits and inflation protection.

Date of Inception: February 1, 2011

Total Net Position: \$1,247,762,899

Performance Objective: A net return that matches the 90 day T-Bill Rate (T-Bills).

Expensed Management Fees: \$0

Benchmark: 90 Day T-Bills

Operating Expenses: \$1,125,903

Number of Partnerships: 7 external

Expense Ratio: 0.13%

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 hedge fund of funds with a combined market value of \$949.7 million. The portfolio also includes two real asset oriented private equity style funds which invest in energy infrastructure with a combined market value of \$61.3 million and a European distressed credit partnership with a market value of \$37.4 million.

Market Review

It was a strong year for many of the key drivers of risk and return impacting hedge fund strategies. Specifically, the bull market in North American equities drove returns of long/short equity managers who generally have a net long bias. Event driven managers increased their positions in equities and benefited handsomely from both passive and active positions. Credit manager exposure declined but remained profitable throughout the year. Macro managers entered the year bearishly positioned and their flat to slightly negative performance has been a drag on diversified hedge fund portfolios. Short positions were generally a net detractor from performance over the last year.

The macroeconomic factors driving volatility in prior years have become less dominant with more emphasis on fundamentals. This was not the case in the risk on/risk off cycle experienced across asset classes for the last 18 months. As the U.S. economy strengthens and European markets stabilize, hedge funds should continue to generate positive performance on both the long and short positions within their portfolios.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

As a result of these dynamics in the investing environment, the CRPTF fund of hedge funds portfolio within the AIF gained a strong 12.0% for the fiscal year. The consolidated hedge fund portfolios once again significantly outperformed their fund of funds peer group (Hedge Fund Research, Inc. Fund of Funds Composite Index) which increased by 7.2% for the twelve months. It also solidly outperformed the broader Hedge Fund Research, Inc. Fund Weighted Composite Index, which rose 8.3%.

In the Real Assets portfolio, ArcLight Energy Partners Fund V has drawn approximately 31% of its commitments and remains in the J-curve stage. EIG Energy Fund XV has drawn nearly 60% of the committed amount and has generated a strong positive IRR. Within the opportunistic portfolio, Marathon European Credit Opportunity Fund had drawn 70% of the CRPTF's capital as of June 30, 2013. This fund also continues to generate positive returns and is performing according to plan.

Performance Summary

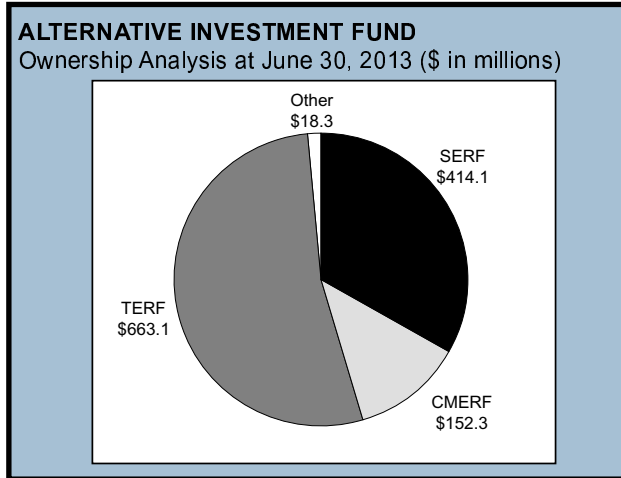
Since initial investments were made on February 1, 2011, the CRPTF AIF generated a net annualized compounded return from inception of 2.50%. The net recorded return for the fiscal year was 6.39%. This performance is relatively short-term, as the portfolio launched in 2011 and has not yet reached its anticipated diversification targets.

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, 2013

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
AIF	6.39	-	-	-
90 Day T-Bill	0.11	-	-	-
Cumulative Total Return (%)				
AIF	6.39	-	-	-
90 Day T-Bill	0.11	-	-	-

Figure 3-3

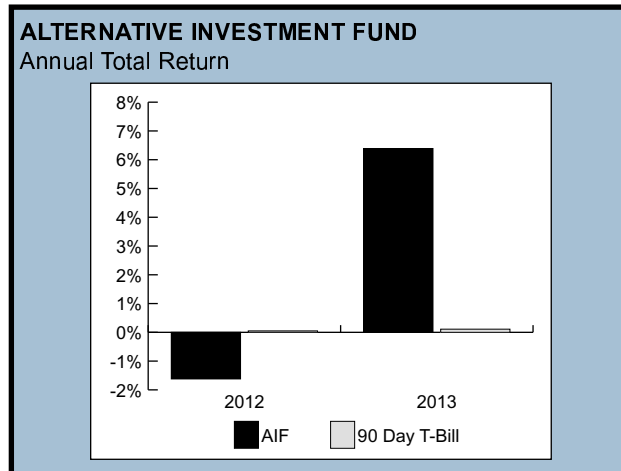


Figure 3-4

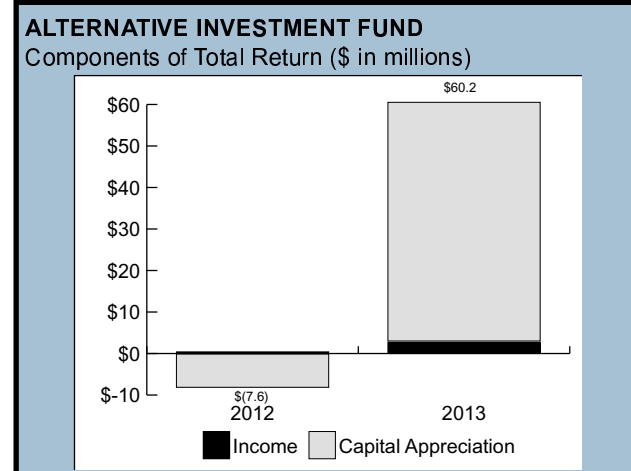


Figure 3-5

ALTERNATIVE INVESTMENT FUND
Investment Advisors at June 30, 2013

Investment Advisor	Net Asset Value	% of Fund
Arclight Energy Partners Fund	\$20,236,847	1.62%
Energy Fund XV Limited Partnership	41,089,205	3.29%
Marathon European Credit Opportunity	37,440,585	3.00%
Prudence Crandall I Permal LP	264,424,750	21.19%
Prudence Crandall II Prisma LP	165,813,900	13.29%
Prudence Crandall III Rock Creek LP	260,975,500	20.92%
Prudence Crandall IV K2 LP	258,508,000	20.72%
Liquidity Fund	199,274,112	15.97%
Total AIF	1,247,762,899	100.00%

Figure 3-6

ALTERNATIVE INVESTMENT FUND
Seven Largest Holdings* at June 30, 2013

Partnership Name	Type	Market Value	%
PC I - Permal	Hedge F-o-F	\$264,424,750	21.20%
PC III - Rock Creek	Hedge F-o-F	260,975,500	20.92%
PC IV - K2	Hedge F-o-F	258,508,000	20.72%
PC II - Prisma.	Hedge F-o-F	165,813,900	13.29%
Energy Fund XV LP	Real Assets	41,089,205	3.29%
Marathon European	Opportunistic	37,440,585	3.00%
Arclight Energy	Real Assets	20,236,847	1.62%
Top Seven		\$1,048,488,787	84.04%

* 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.

2013 mutual equity fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the Mutual Equity Fund (MEF) is to 1) achieve a long-term, real rate of return significantly above the inflation rate; and 2) provide a source of diversification from other asset classes within CRPTF during different economic environments.

Date of Inception: July 1, 1972

Total Net Position: \$6,237,130,567

Performance Objective: A net return that matches the benchmark, over a rolling three- to five year period.

Management Fees: \$11,426,658

Benchmark: Russell 3000 Index

Operating Expenses: \$4,762,113

Number of Advisors: 6 external

Expense Ratio: 0.26%

Description of the Fund

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 may opportunistically invest up to 30 percent of assets to take advantage of shifts in the investment landscape or opportunities that offer diversification and/or risk-return benefits, and may include investments in any market capitalization and/or investment style and may include an allocation to stocks outside of the U.S.

Portfolio Characteristics

The MEF invests primarily in the common stock of U.S. corporations. The largest industry weightings at June 30, 2013 were information technology (17.2%), followed by financials (15.4%) and health care (12.0%) (See Figure 4-3).

The MEF's ten largest holdings, aggregating 14.25% of Fund investments, included a variety of blue chip companies and were broadly diversified with the largest holding of 2.13% in Exxon Mobil Corporation. (See Figure 4-9).

Market Review

U.S. equities produced excellent returns during the fiscal year ended June 30, 2013. U.S. equities benefited from the U.S. economic recovery and favorable corporate earnings. The extraordinary actions by major central banks suppressed interest rates, which made equities an attractive option versus fixed income. Equity values increased as major economic risks were removed or mitigated, including the resolution of the "fiscal cliff" in the U.S. and efforts to keep the European Union intact. Market optimism, the power of low interest rates, and quantitative easing led the equity markets higher.

Mid and small capitalization stocks outperformed large capitalization stocks during the past fiscal year. As measured by various Russell Indices, value stocks outperformed growth stocks across all market capitalizations, especially among large-caps. Based upon total return data from the S&P, the financial, consumer discretionary and health care sectors fared best during the fiscal year. The industrials, business services, energy and consumer staples sectors also performed well, while the telecommunication services and materials sectors lagged the broader market. The information technology and utilities sectors trailed with moderate returns.

Performance Summary

For the fiscal year ended June 30, 2013, the MEF generated a return of 21.15%, net of all expenses, which underperformed the Russell 3000 Index return of 21.46% by 31 basis points (See Figure 4-4). As of June 30, 2013, the MEF compounded net annualized total returns, for the trailing three, five and ten year periods were 18.22%, 6.18%, and 7.17%, respectively. The returns underperformed the MEF's benchmark for the time periods listed.

The cumulative returns of the MEF for the three, five, and ten year periods were 65.21%, 34.93%, and 99.95%, respectively.

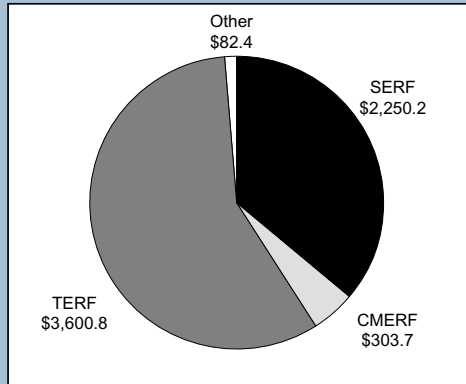
Risk Profile

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 1.07 (See Figure 4-2).

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-1

MUTUAL EQUITY FUND
Ownership Analysis at June 30, 2013 (\$ in millions)



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

Figure 4-2

MUTUAL EQUITY FUND
Risk Profile at June 30, 2013 ⁽¹⁾

Relative Volatility	1.01
Standard Deviation	19.44
R ²	1.00
Beta	1.01
Alpha	-1.07

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

Figure 4-3

MUTUAL EQUITY FUND
Fiscal 2013 Industrial Sector vs. Index (%)
Based on Investments in Securities, at Value ⁽¹⁾

At 6/30/2013:	MEF		Russel 3000	
	% of Net Assets	Annual Return	% of Net Assets	Annual Return
Energy	9.7	-0.7	9.8	-0.8
Materials	3.9	-1.8	3.9	-2.6
Industrials	11.3	2.1	11.3	2.4
Consumer Discretionary	11.7	7.8	12.7	7.0
Consumer Staples	8.9	1.2	9.5	1.0
Health Care	12.0	4.3	12.2	4.2
Financials	15.4	5.9	17.3	5.2
Information Technology	17.2	1.6	17.2	1.3
Telecomm Services	2.5	2.9	2.6	2.0
Utilities	3.0	-1.7	3.5	-2.1
Commingled Fund ⁽²⁾	4.4	2.9	0.0	-
	100.0		100.0	

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

Figure 4-4

MUTUAL EQUITY FUND
Periods ending June 30, 2013

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
MEF	21.15	18.22	6.18	7.17
Russell 3000	21.46	18.63	7.25	7.81
Cumulative Total Return (%)				
MEF	21.15	65.21	34.93	99.95
Russell 3000	21.46	66.95	41.87	112.11

Figure 4-5

MUTUAL EQUITY FUND
Annual Total Return

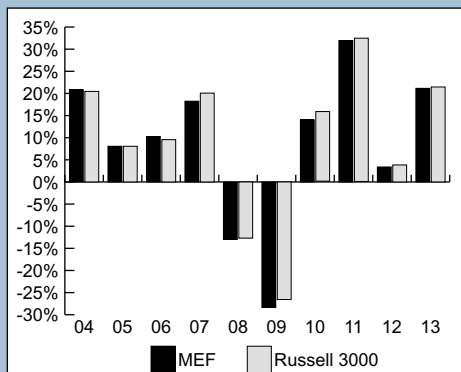
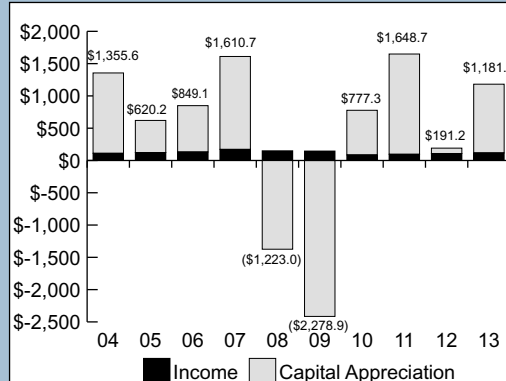


Figure 4-6

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



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-7

MUTUAL EQUITY FUND										
Comprehensive Profile for the Fiscal Years ending June 30,										
	2013		2012		2011		2010		2009	
	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell
# of Issues	1,721	3,000	1,629	3,000	1,665	3,000	1,914	3,000	1,954	3,000
Cap (\$ Bil)	\$85.5	\$85.8	\$96.9	\$89.2	\$81.5	\$73.2	\$57.2	\$59.0	\$52.8	\$58.7
P/E	19.3	19.2	18.0	18.3	19.4	20.2	16.3	17.5	20.5	19.8
Div Yield	1.90%	2.10%	1.99%	2.05%	1.80%	1.80%	1.90%	2.00%	1.98%	2.19%
ROE	17.3%	17.8%	21.1%	20.5%	18.7%	18.2%	15.9%	15.8%	18.4%	20.2%
P/B	3.8	3.7	3.7	3.7	3.5	3.5	2.7	2.9	2.9x	3.0x
Cash & Equiv.	0.8%	0.0%	0.6%	0.0%	0.6%	0.0%	0.9%	0.0%	9.7%	0.0%

Source: Monthly Bundle-Equity Portfolio Characteristics under Russell 3000

Figure 4-8

MUTUAL EQUITY FUND		
Investment Advisors at June 30, 2013		
Investment Advisor	Net Asset Value	% of Fund
Large Cap	\$5,008,905,441	80.31%
T. Rowe Price Associates	1,429,286,422	22.92%
State Street Global Advisors	3,579,619,019	57.39%
All Cap	413,752,308	6.63%
Capital Prospects	210,456,703	3.37%
FIS Group, Inc.	203,295,605	3.26%
Small/Mid Cap	529,263,849	8.49%
Frontier Capital Mgmt Co	314,515,095	5.04%
Bivium	214,748,754	3.45%
Other ⁽¹⁾	285,208,969	4.57%
TOTAL MEF	\$6,237,130,567	100.00%

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

Figure 4-9

MUTUAL EQUITY FUND			
Ten Largest Holdings* at June 30, 2013			
Security Name	Sector	Market Value	%
Exxon Mobil Corp	Energy	\$132,997,549	2.13%
Apple Inc	Information Tech	130,746,800	2.10%
Microsoft Corp	Information Tech	96,072,577	1.54%
Google INC CL A	Information Tech	82,567,261	1.32%
Chevron Corp	Energy	80,391,676	1.29%
JP Morgan Chase & CO	Financials	76,363,058	1.23%
Johnson & Johnson	Health Care	76,013,489	1.22%
Procter & Gamble CO	Consumer Staples	75,500,167	1.21%
General Electric CO	Industrials	71,930,278	1.15%
Pfizer INC	Health Care	66,346,419	1.06%
Top Ten		\$888,929,274	14.25%

* 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.

2013

core fixed income fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the Core Fixed Income Fund (CFIF) is 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 diversification from other asset classes within CRPTF during different economic environments.

Date of Inception: November 1, 2007

Total Net Position: \$1,904,984,093

Performance Objective: A net return that matches its benchmark, over rolling three- to five-year periods.

Management Fees: \$3,263,250

Benchmark: Barclays U.S. Aggregate Bond Index

Operating Expenses: \$1,466,903

Number of Advisors: 5 external

Expense Ratio: 0.21%

Description of the Fund

The CFIF assets are invested across debt instruments issued by the U.S. Government and its agencies, U.S. corporations, Euro bonds, high quality quasi or sovereign debt and any other public or private U.S. regulated debt securities. The CFIF may invest up to 30 percent of its assets opportunistically to take advantage of shifts in the investment landscape or opportunities that offer diversification and/or risk-return benefits.

Portfolio Characteristics

The CFIF is invested in U.S. Government 31.3%, agency 2.4%, corporate 25.1%, mortgage-backed 25.6% and asset-backed 4.1% securities. The remaining 11.5% was invested in the Liquidity Fund and other assets. At June 30, 2013, the CFIF was underweight U.S. Treasury, agency and mortgage-backed securities and overweight corporate bonds and asset backed securities versus the Barclays Capital U.S. Aggregate (See Figure 5-4). The CFIF had a longer duration of 5.50 years versus its benchmark duration of 5.20 years (See Figure 5-11).

Market Review

Domestic core fixed income markets rallied during the first half of the fiscal year in anticipation of further bond buying by the Federal Reserve Bank and U.S. fiscal cliff uncertainties. Later in the fiscal year, positive economic news in the third fiscal quarter caused investors to predict that the Federal Reserve Bank might terminate its loose monetary policy sooner than previously expected, causing upward pressure on U.S. Treasury yields through the end of the fiscal year. Given the low interest rate environment, investors continued to seek yield in the lower quality spectrum of investment grade securities which performed better than higher quality issues. Throughout the fiscal year, credit-related investments performed better than U.S. Treasury and agency securities. Market volatility and lower liquidity marked the final months of the fiscal year, and the quick rise in interest rates resulted in significant outflows from the investment grade fixed income market.

Performance Summary

For the fiscal year ended June 30, 2013, the CFIF generated a total return of -0.24%, net of all expenses, outperforming the benchmark return of -0.69% by 45 basis points. CFIF's compounded net annualized total returns for the three, five and ten-year periods were 3.91%, 5.23% and 4.56% respectively. (See Figure 5-8).

The cumulative returns of the CFIF for the three, five and ten-year periods were 12.20%, 29.01% and 56.16% respectively.

The outperformance of the benchmark was due to the portfolio's underweight to U.S. Treasury securities and overweight credit sectors.

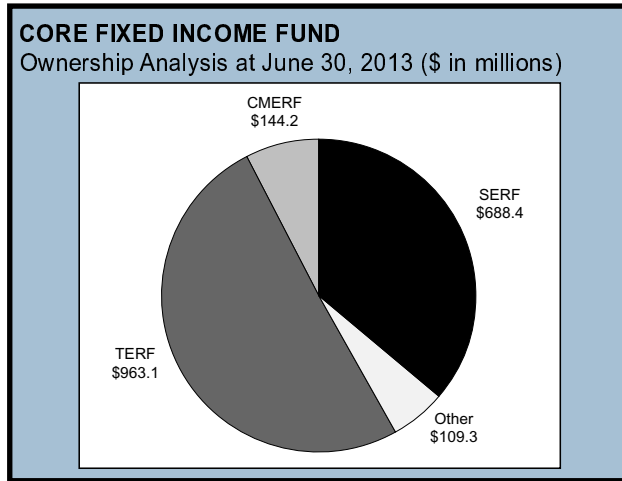
Risk Profile

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 views of the underlying firm's credit worthiness or in the case of securitized debt, the underlying assets. As of fiscal year end, 65.7% of the CFIF is rated AAA (See Figure 5-5).

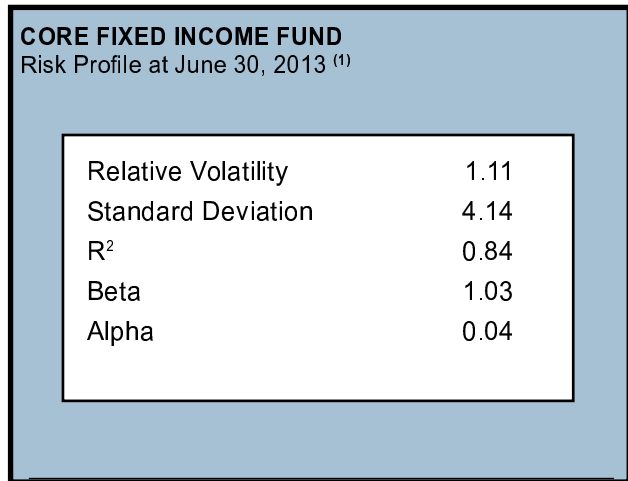
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-1



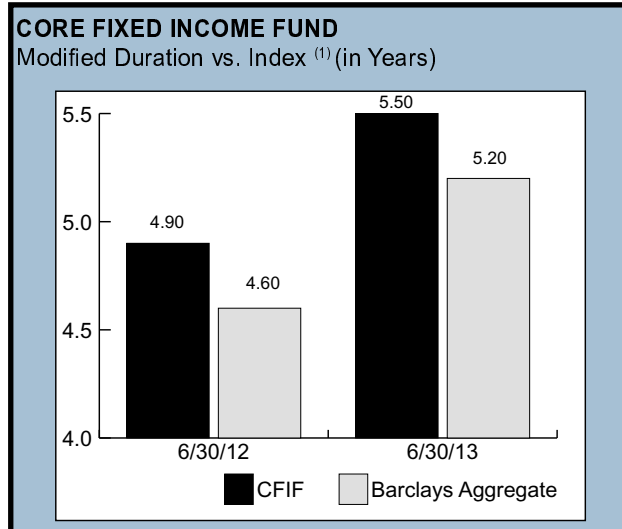
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 5-2



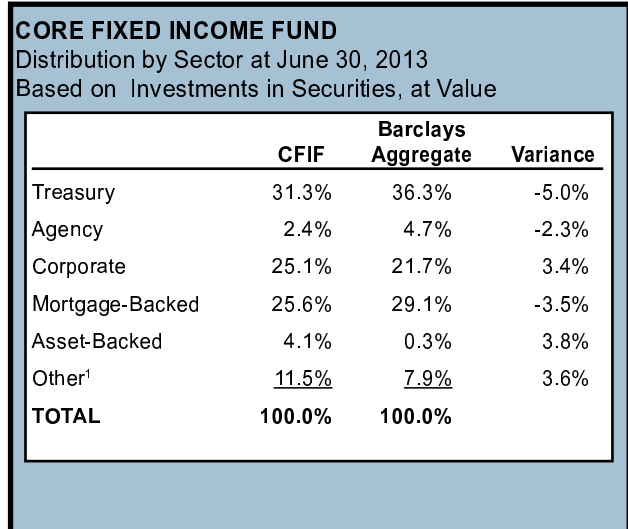
(1) Based upon returns over the last five years.

Figure 5-3



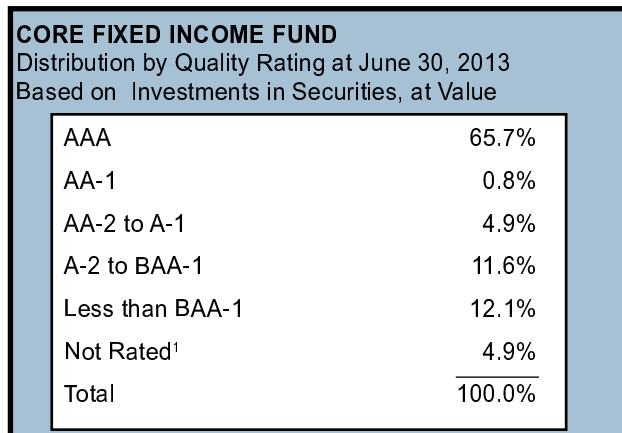
(1) Computed without the effect of Cash and other Net Assets.

Figure 5-4



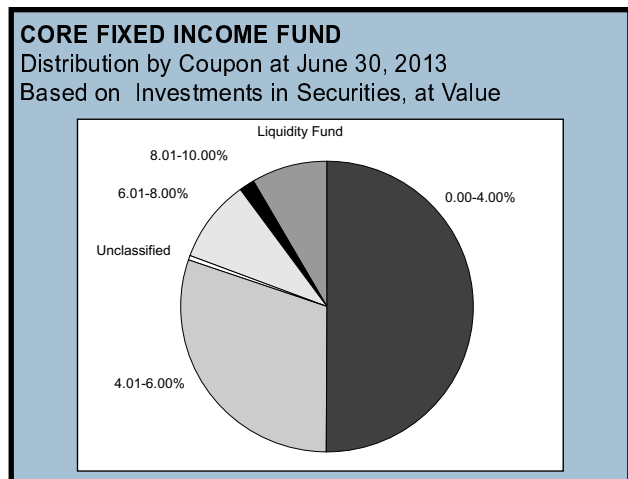
(1) Other category includes Liquidity Fund and other assets.

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, 2013	
Based on Investments in Securities, at Value	
0-3 Years	36.2%
3-5 Years	26.2%
5-7 Years	15.8%
7-10 Years	11.8%
10+ Years	9.0%
Unknown ⁽¹⁾	1.0%
Total	100.0%

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

Figure 5-8

CORE FIXED INCOME FUND	1 YR	3 YRS	5 YRS	10 YRS
Periods ending June 30, 2013				
Compounded, Annual Total Return (%)				
CFIF	-0.24	3.91	5.23	4.56
Barclays Aggregate	-0.69	3.51	5.19	4.52
Cumulative Total Return (%)				
CFIF	-0.24	12.20	29.01	56.16
Barclays Aggregate	-0.69	10.90	28.77	55.59

Figure 5-9

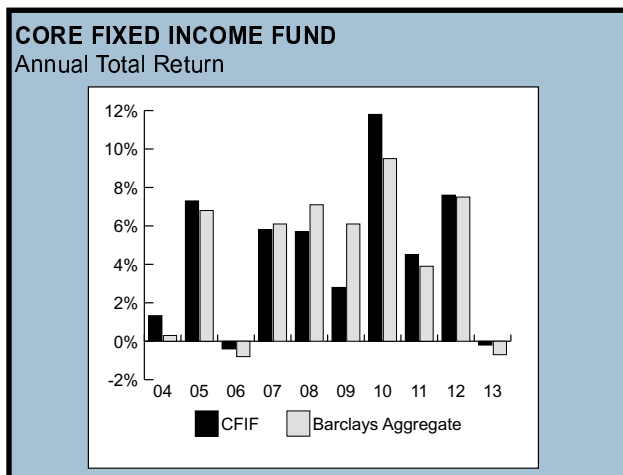


Figure 5-10

CORE FIXED INCOME FUND		
Investment Advisors at June 30, 2013		
Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	\$374,169,508	19.64%
BlackRock Financial Mgmt, Inc.	506,836,371	26.61%
Wellington	542,517,646	28.48%
Conning-Goodwin Capital	329,452,554	17.29%
Progress	139,322,539	7.31%
Other ⁽¹⁾	12,685,475	0.67%
TOTAL CFIF	\$1,904,984,093	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,										
	2013		2012		2011		2010		2009	
	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	LBAI*
Number of Issues	3,227	8,382	3,732	7,664	3,661	7,627	3,398	7,755	3,421	8,454
Average Coupon	3.60%	3.50%	4.20%	3.90%	4.50%	4.30%	4.70%	4.50%	4.90%	5.00%
Yield Maturity	2.30%	2.30%	2.20%	1.80%	3.10%	2.80%	3.10%	2.70%	5.70%	4.00%
Average Maturity	7.20	6.90	7.10	6.70	7.10	7.00	6.60	6.10	6.70	5.90
Modified Duration	5.50	5.20	4.90	4.60	5.10	4.90	4.50	4.30	4.60	4.20
Average Quality	AA-2	AA-2	AA-2	AA-1	AA-1	AAA	AA-1	AA-1	AA-1	AAA
Liquidity Fund*	8.4%	0.0%	7.4%	0.0%	9.6%	0.00%	4.5%	0.0%	6.8%	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, 2013

Security Name	Maturity	Market Value	%
US TREASURY N/B	6/15/2016	\$82,644,761	4.02%
FNMA TBA 30YR SINGLE FAMILY JU	12/1/2043	63,604,850	3.09%
US TREASURY N/B	6/30/2018	29,988,997	1.46%
US TREASURY N/B	4/30/2017	27,462,000	1.34%
GNMA TBA JULY SINGLE FAMILY	12/1/2043	23,627,301	1.15%
US TREASURY N/B	7/31/2015	23,048,896	1.12%
US TREASURY N/B	5/31/2020	17,656,139	0.86%
FNMA TBA JUL 30 SINGLE FAM	12/1/2043	14,813,820	0.72%
US TREASURY N/B	4/30/2016	12,819,542	0.62%
US TREASURY N/B	5/15/2043	12,482,925	0.61%
Top Ten		\$308,149,231	14.99%

* 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 (%)

	6/30/13	3/31/13	12/31/12	9/30/12	6/30/12
CORE FIXED INCOME	3.50	3.40	3.40	3.50	3.77
Barclays Aggregate	3.20	3.20	3.30	3.30	3.46
Citigroup 3 Month T-Bill	0.04	0.07	0.04	0.10	0.09
Barclays Treasury	2.02	2.02	2.06	2.10	2.19
Barclays Agency	2.21	2.21	2.29	2.27	2.36
Barclays Mortgage	3.94	3.91	4.00	4.07	4.18
Barclays Corporate	4.44	4.33	4.34	4.46	4.68
Barclays Asset Backed	1.99	2.26	2.29	2.52	2.91

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

2013 inflation linked bond fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the Inflation Linked Bond Fund (ILBF) is to (1) achieve a long-term, real rate of return above the inflation rate; (2) provide protection against rampant inflation; and (3) offer a source of diversification relative to other asset classes within the CRPTF during different economic environments.

Date of Inception: November 1, 2007

Total Net Position: \$887,630,192

Performance Objective: A net return, that matches the benchmark, over rolling three-to five-year periods.

Management Fees: \$880,812

Benchmark: Barclays World Government Inflation-Linked Bond Index

Operating Expenses: \$988,177

Number of Advisors: 2 external

Expense Ratio: 0.20%

Description of the Fund

The ILBF benchmark was changed in September 2012 from a U.S. inflation protection benchmark to a global inflation protection benchmark, which expands the opportunity set to global inflation-linked bonds from major developed countries. Inflation-linked bonds carry a fixed interest rate while the principal of the bonds is adjusted semi-annually for any rise or decline in the inflation rate.

Portfolio Characteristics

During Fiscal Year 2013, the ILBF was comprised principally of U.S. Treasury Inflation Protected Securities (U.S. TIPS). The Fund's average coupon at June 30, 2013 was 1.45% versus 1.39% for the benchmark. The average maturity of the Fund and its benchmark were 8.79 years and 8.70 years, respectively (See Figure 6-9).

Market Review

During the first half of Fiscal Year 2013, Inflation Protected Securities (IPS) generated strong performance, despite soft inflation data, as investors were concerned that the accommodative global central bank policies would trigger future inflation. The U.S. TIPS market produced negative returns due to the rise in U.S. interest rates, as well as profit taking as breakeven rates approached 2.65%. Stronger growth expectations and higher energy prices caused shorter and intermediate U.S. TIPS to outperform longer dated bonds. United Kingdom (U.K.) inflation linked bonds significantly outperformed U.S. TIPS due to the emergence of higher inflation in the U.K. Returns for this asset class were further adversely impacted by declining breakeven inflation rates, which fell by 25-100 basis points across the curve. In general, U.S. TIPS underperformed other global inflation linked bond markets during the fiscal year, as the U.S. markets led other developed markets in terms of increased interest rates.

Performance Summary

For the fiscal year ended June 30, 2013, the ILBF generated a total return of -4.33%, net of all expenses, underperforming the benchmark return of -1.85% by 248 basis points (See Figure 6-7). The underperformance to the benchmark is due to the transition from a U.S. portfolio to a global portfolio. The portfolio was overweight U.S. markets and underweight global markets.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

As of June 30, 2013, the ILBF's compounded net annualized total returns for the trailing three and five year periods were 4.71% and 4.64% respectively, underperforming the benchmark by 98 and 40 basis points respectively (See Figure 6-7).

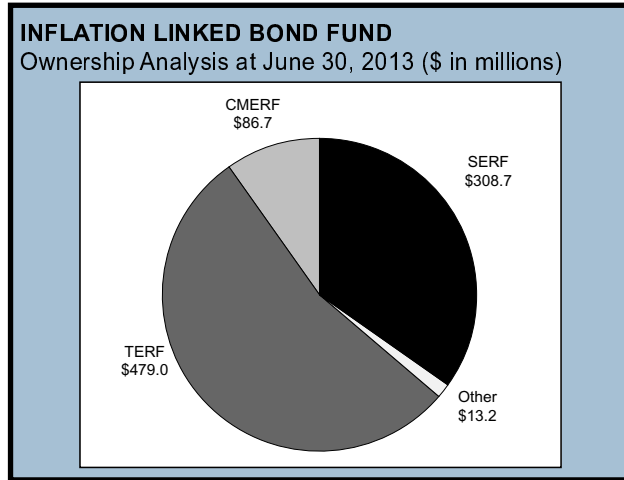
The cumulative net returns for the ILBF for the three and five year periods were 14.81% and 25.44% respectively.

Risk Profile

The two major risks facing the Inflation-Linked Bond Fund are deflation and a rise in "real" interest rates since either would cause price reductions in bonds. Currency risk exists for any bonds held in non-U.S. currencies.

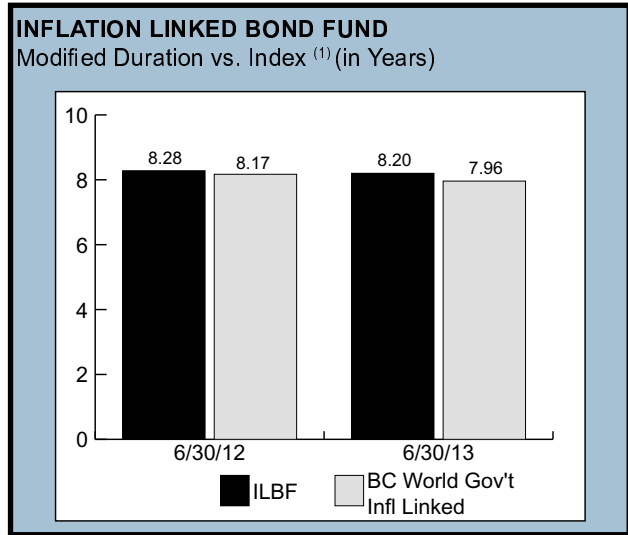
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 Country at June 30, 2013
Based on Investments in Securities, at Value

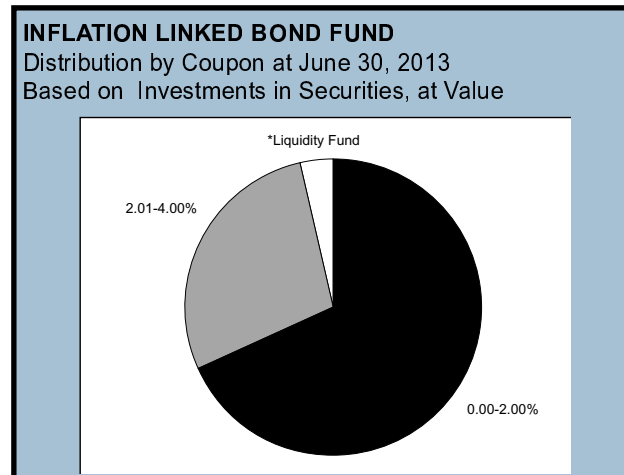
	BC World Gov't		
	ILBF	Infl Linked	Variance
U.S.	95.0%	41.0%	54.0%
U.K.	0.0%	27.0%	-27.0%
France	1.4%	12.0%	-10.6%
Italy	0.0%	8.0%	-8.0%
Germany	0.0%	4.0%	-4.0%
Canada	0.0%	3.0%	-3.0%
Japan	0.0%	2.0%	-2.0%
Sweden	0.0%	2.0%	-2.0%
Australia	0.0%	1.0%	-1.0%
Liquidity Fund	3.6%	0.0%	3.6%
TOTAL	100.0%	100.0%	

Figure 6-4

INFLATION LINKED BOND FUND
Distribution by Quality Rating at June 30, 2013
Based on Investments in Securities, at Value

AAA	98.6%
AA-1	1.4%
Total	100.0%

Figure 6-5



*Note: Ending weights

Figure 6-6

INFLATION LINKED BOND FUND
Duration Distribution at June 30, 2013
Based on Investments in Securities, at Value

0-3 Years	22.5%
3-5 Years	10.8%
5-7 Years	16.1%
7-10 Years	33.6%
10+ Years	13.4%
Liquidity Fund	3.6%
Total	100.0%

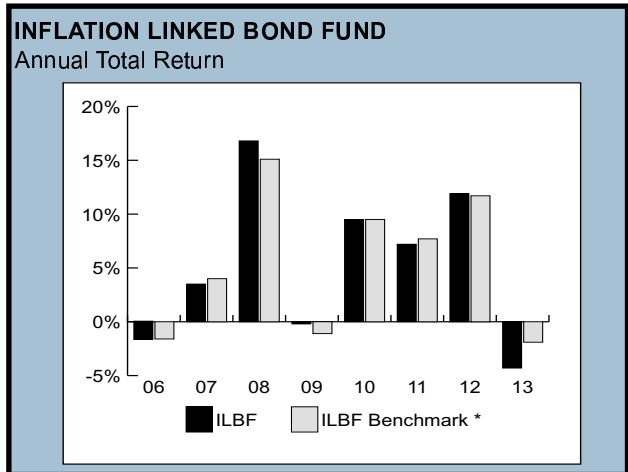
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 6-7

INFLATION LINKED BOND FUND			
Periods ending June 30, 2013			
	1 YR	3 YRS	5YRS
Compounded, Annual Total Return (%)			
ILBF	-4.33	4.71	4.64
BC World Gov't Infl Linked Bond Index ⁽¹⁾	-1.85	5.69	5.04
Cumulative Total Return (%)			
ILBF	-4.33	14.81	25.44
BC World Gov't Infl Linked Bond Index ⁽¹⁾	-1.85	18.07	27.87

(1) The benchmark was changed during fiscal year 2013 from BC U.S. Treasury TIPS to BC World Government Inflation Linked Bond Index.

Figure 6-8



*Note: 2013 Benchmark is BC World Government Inflation Linked Bond Index; prior years the benchmark is BC U.S. Treasury TIPS Index.

Figure 6-9

INFLATION LINKED BOND FUND								
Comprehensive Profile for the Fiscal Year ending June 30,								
	<u>2013</u>		<u>2012</u>		<u>2011</u>		<u>2010</u>	
	ILBF	BC World Gov't Infl	ILBF	Barclays US TIPS	ILBF	Barclays US TIPS	ILBF	Barclays US TIPS
Number of Issues	33	34	29	33	31	31	26	29
Average Coupon	1.45%	1.39%	1.69%	1.70%	1.97%	1.99%	2.25%	2.19%
Average Maturity	8.79	8.70	9.32	9.27	9.07	9.09	9.15	9.17
Effective Duration	8.20	7.96	8.28	8.17	7.70	7.64	7.71	7.74
Average Quality	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Liquidity Fund ⁽¹⁾	3.6%	0.0%	1.0%	0.0%	3.9%	0.00%	3.8%	0.0%

(1) Ending Weights

Figure 6-10

INFLATION LINKED BOND FUND		
Investment Advisors at June 30, 2013		
Investment Advisor	Net Asset Value	% of Fund
Brown Brothers Harriman	\$518,225,907	58.38%
Hartford Investment Mgmt Co.	366,960,507	41.34%
Other ⁽¹⁾	2,443,778	0.28%
TOTAL ILBF	887,630,192	100.00%

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

Figure 6-11

INFLATION LINKED BOND FUND			
Ten Largest Holdings ⁽¹⁾ at June 30, 2013			
Security Name	Maturity	Market Value	%
U.S. Treasury Notes	1/15/22	119,849,940	13.63%
U.S. Treasury Notes	1/15/25	86,044,235	9.78%
U.S. Treasury Notes	7/15/19	73,106,223	8.31%
U.S. Treasury Notes	7/15/16	61,355,920	6.98%
U.S. Treasury Notes	1/15/26	61,135,303	6.95%
U.S. Treasury Notes	4/15/18	41,652,801	4.74%
U.S. Treasury Notes	7/15/15	38,800,177	4.41%
U.S. Treasury Notes	4/15/16	35,658,973	4.06%
U.S. Treasury Notes	4/15/29	34,137,887	3.88%
U.S. Treasury Notes	2/15/43	29,204,817	3.32%
Top Ten		580,946,276	66.06%

(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.

2013 emerging market debt fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the Emerging Market Debt Fund (EMDF) is 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 global economic environments.

Date of Inception: November 1, 2007

Total Net Position: \$1,410,064,875

Performance Objective: A net return that matches its benchmark, over rolling three- to five-year periods.

Management Fees: \$4,820,747

Operating Expenses: \$1,023,274

Benchmark: J.P. Morgan Emerging Markets Bond Index Global/ J.P. Morgan Government Bond Index-Emerging Markets Global (50%/50%)

Number of Advisors: 4 external

Expense Ratio: 0.45%

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 50% to U.S. dollar denominated securities and 50% to securities issued in local currencies. For performance measurement purposes, the dollar-denominated securities are benchmarked to the JPM EMBI Global Index and the local currency securities are benchmarked to the JPM Government Bond Index – Emerging Markets Global.

Portfolio Characteristics

The EMDF is a diversified portfolio with an overall yield to maturity of 6.66% versus the benchmark yield to maturity of 5.82% (See Figure 7-11). The Fund is diversified across geographic regions with the highest weighting in Latin American countries at 35.6%. Europe was the second highest regional concentration in the portfolio (See Figure 7-3). The average quality of EMDF was Baa-2, the same as the benchmark average (See Figure 7-11). The distribution by quality ratings for the Fund is reported in Figure 7-4.

Market Review

The emerging markets' debt asset class enjoyed a strong first half of the fiscal year. All sectors and geographic regions posted positive returns with U.S.-denominated bonds performing the best, followed by corporate debt and local currency debt. High yielding sovereign and corporate bonds outperformed in general, while local currency debt performance was more idiosyncratic. More signs of central bank easing, encouraging global macroeconomic data (excluding Europe), and resolution of the U.S. fiscal cliff issue, were all supportive. Emerging market corporate and high yield debt outperformed during this period as investors sought higher yields given the generally low interest rate environment. During the final quarter of the fiscal year, there was a significant sell-off in emerging market bonds driven by the rate rise in the U.S. related to a potential end to the Federal Reserve's quantitative easing, weaker than expected growth in China and emerging markets, and uncertainties in Europe. Emerging market debt returns were sharply negative in the quarter ending June 30th, with local currency bonds posting their worst performance since 2011 amid the depreciation of emerging markets' currencies.

Performance Summary

For the fiscal year ended June 30, 2013 the EMDF generated a return of 1.69%, underperforming its benchmark return of 2.82% by 113 basis points.

As of June 30, 2013, the EMDF's compounded net annualized total returns for the trailing three and five year periods were 7.34% and 7.95%, respectively, underperforming its benchmark by 107 and 101 basis points, respectively. (See Figure 7-7).

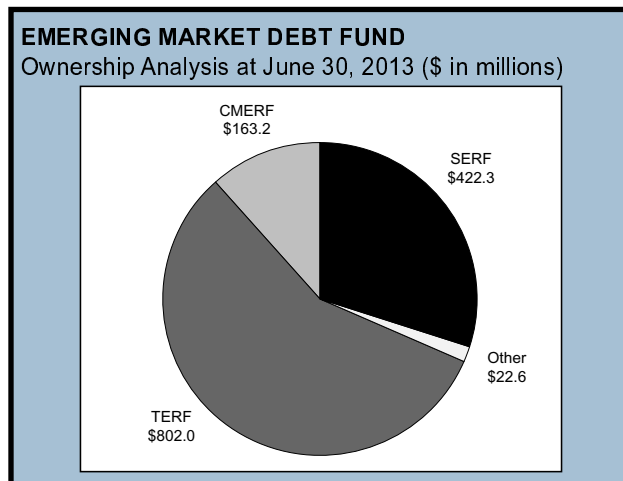
The cumulative net returns for the EMDF for the three and five year periods were 23.67% and 46.62% respectively.

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, inflation risk, default risk and foreign withholding. In addition, the Fund is exposed to potential geopolitical risk. These risks are monitored on an on-going basis and actions are taken as appropriate to mitigate identified risks.

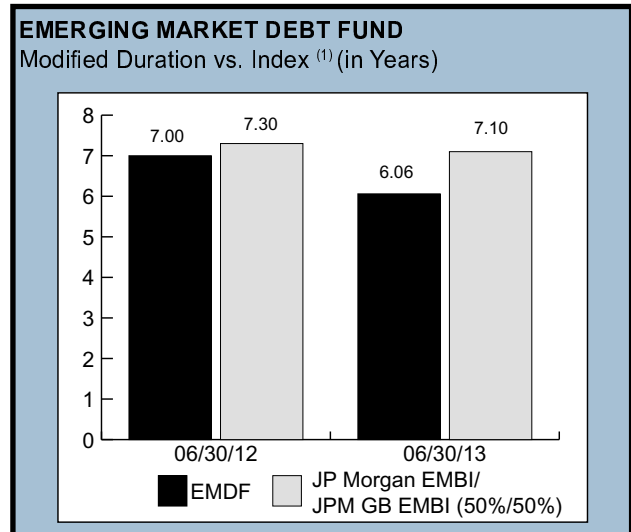
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-1



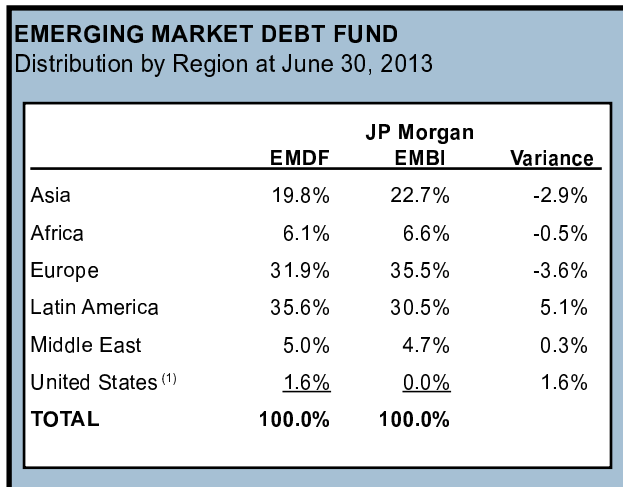
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 7-2



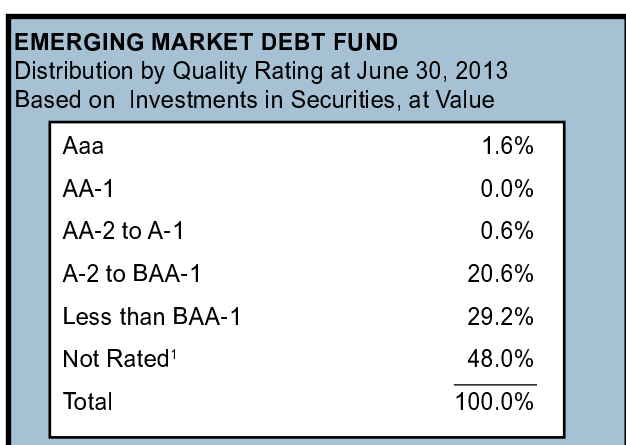
(1) Computed without the effect of Cash and other Net Assets.

Figure 7-3



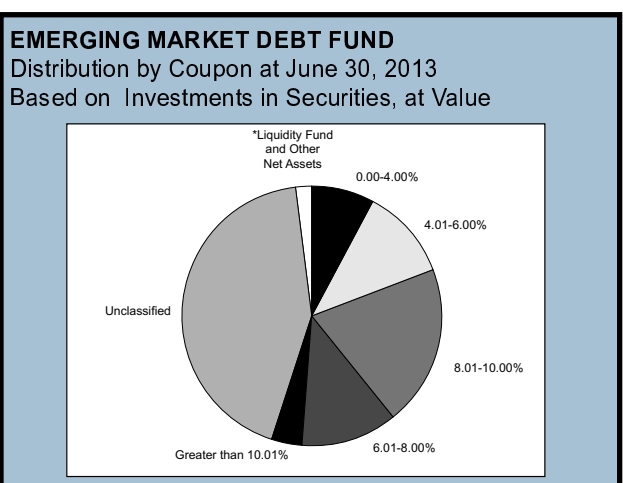
(1) Holdings comprised mainly of Liquidity Fund Exposure.

Figure 7-4



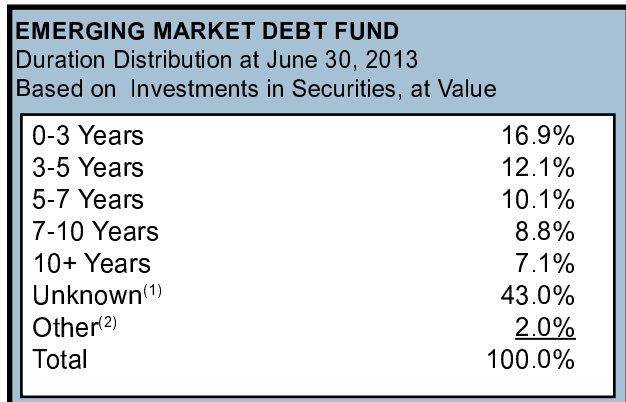
(1) Represents securities for which ratings are unavailable.

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-7

	1 YR	3 YRS	5 YRS
EMERGING MARKET DEBT FUND			
Periods ending June 30, 2013			
Compounded, Annual Total Return (%)			
EMDF	1.69	7.34	7.95
JP Morgan EMBI/ JPM GBI EMBI (50%/50%)	2.82	8.41	8.96
Cumulative Total Return (%)			
EMDF	1.69	23.67	46.62
JP Morgan EMBI/ JPM GBI EMBI (50%/50%)	2.82	27.42	53.59

Figure 7-8

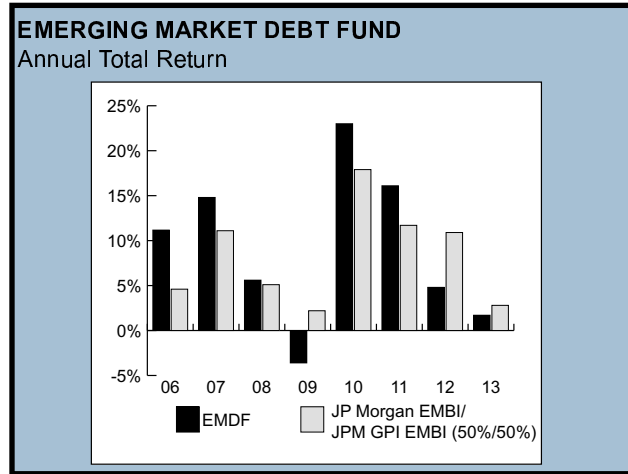


Figure 7-9

Investment Advisor	Net Asset Value	% of Fund
EMERGING MARKET DEBT FUND		
Investment Advisors at June 30, 2013		
Ashmore	\$519,838,807	36.87%
Stone Harbor Investment Partners	539,675,967	38.27%
Pyramis	167,769,407	11.90%
UBS Global Asset Management	180,171,061	12.78%
Other ⁽¹⁾	2,609,633	0.18%
TOTAL EMDF	\$1,410,064,875	100.00%

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

Figure 7-10

Security Name	Maturity	Market Value	%
EMERGING MARKET DEBT FUND			
Ten Largest Holdings* at June 30, 2013			
Nota Tesouro Nacional 01/01/2023		\$18,121,802	1.31%
Nota Tesouro Nacional 01/01/2021		16,247,105	1.17%
Nota Tesouro Nacional 01/01/2017		12,967,438	0.93%
Republic of South Africa 03/31/2021		11,593,776	0.84%
Indonesia Government 05/15/2022		11,409,148	0.82%
Republic of Venezuela 08/23/2022		10,832,303	0.78%
Republic of South Africa 12/21/2026		8,117,877	0.59%
Poland Government Bond 10/25/2023		8,088,804	0.58%
Ojsc Russ Agric Bk(RSHB)02/17/2017		7,577,373	0.55%
Malaysian Government 09/15/2016		7,552,878	0.54%
Top Ten		\$112,508,504	8.11%

* 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 7-11

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

	2013		2012		2011		2010		2009	
	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI
Number of Issues	866	368	724	307	656	273	475	225	391	203
Yield to Maturity	6.66%	5.82%	6.57%	4.98%	6.65%	7.36%	6.33%	5.86%	14.48%	7.77%
Average Maturity	10.31%	12.52%	10.88%	12.40%	11.05%	12.03%	10.19%	12.40%	10.98%	12.30%
Modified Duration	6.06	7.10	7.00	7.30	7.13	6.96	6.01	7.09	5.93	6.37
Average Quality	Baa-2	Baa-2	Baa-3	Baa-2	Baa-3	Baa-3	Baa-3	Baa-3	Ba-1	Ba-1
*Other	2.0%	0.0%	4.5%	0.0%	4.5%	0.0%	6.7%	0.0%	6.9%	0.0%

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

2013

high yield debt fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the High Yield Debt Fund (HYDF) is 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 under different economic environments.

Date of Inception: November 1, 2007

Total Net Position: \$1,248,218,291

Performance Objective: A net return that matches its benchmark, over rolling three- to five-year periods.

Management Fees: \$3,211,831

Benchmark: Citigroup U.S. High Yield Market Capped Index

Operating Expenses: \$567,981

Number of Advisors: 4 external

Expense Ratio: 0.39%

Description of the Fund

The HYDF invests in debt instruments rated below-investment grade by one or more nationally recognized rating agencies.

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, 2013, the HYDF's duration was 5.6 years versus a benchmark duration of 4.4 years (See Figure 8-3).

Market Review

The high yield bond market began the fiscal year with a continuation of its upward price trend as aggressive actions by the Federal Reserve Bank and the European Central Bank served to support risk asset prices, despite concerns over weak global growth. During the first fiscal quarter of 2013, the second largest quarterly issuance of high yield debt on record took place. The high yield market was buoyed by improvements in the U.S. economy, positive stock market movement and a resurgence of initial public offering market activity. High yield returns continued their advance as investors shrugged off the economic and political recidivism in Europe and instead focused on strong corporate balance sheets, favorable Federal Reserve policies, positive U.S. economic momentum, indications of improving global growth, and diminished European tail risk. Towards the end of the fiscal year, the high yield market experienced significant volatility with very little change in actual fundamentals. General market fears over the tapering of the quantitative easing by the U.S. central bank drove interest rates up. Throughout the year, the lowest quality bonds outperformed the higher rated high yield bonds. The average default rate of 1.4% at fiscal year end remained well below the historic average default rate of 4%.

Performance Summary

For the fiscal year ended June 30, 2013 the HYDF gained 8.46%, net of all expenses, compared to the benchmark return of 9.05%, an underperformance of 59 basis points (See Figure 8-8).

As of June 30, 2013, the HYDF's compounded net annualized total returns for the trailing three, five and ten year periods were 10.14%, 9.68% and 8.45%, respectively, underperforming its benchmark by 47, 78 and 12 basis points, respectively (See Figure 8-8).

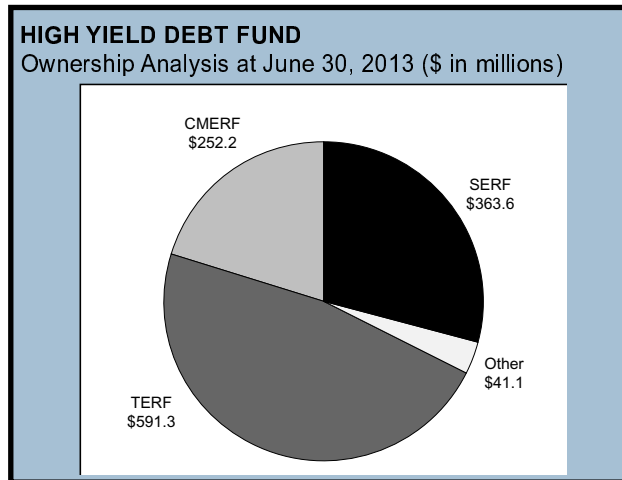
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

The cumulative net returns for the HYDF for the three, five and ten year periods were 33.60%, 58.74% and 125.14% respectively.

Risk Profile

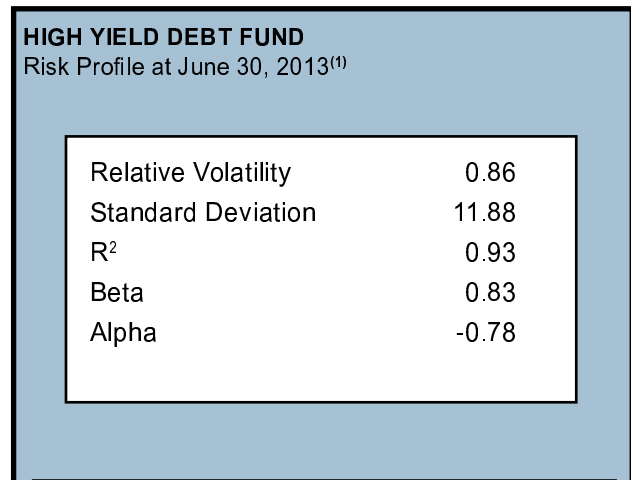
Given the HYDF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, credit default risk, interest rate risk, liquidity risk, reinvestment risk and inflation risk. In addition, the Fund is occasionally exposed to political, economic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

Figure 8-1



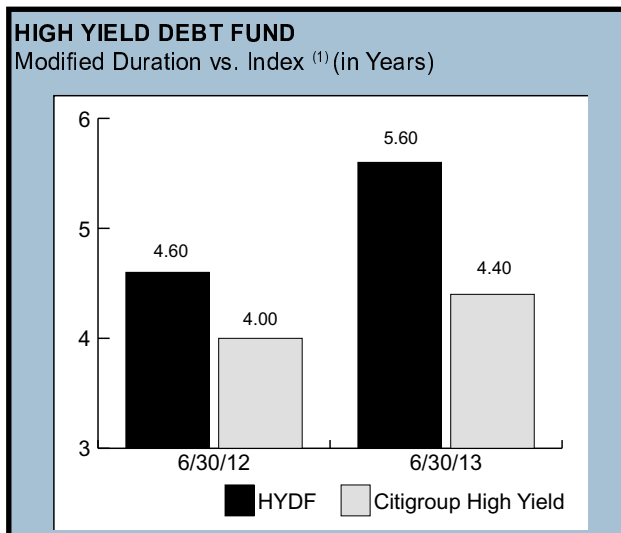
TERF - Teachers' Retirement Fund
 SERF - State Employees' Retirement Fund
 CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 8-2



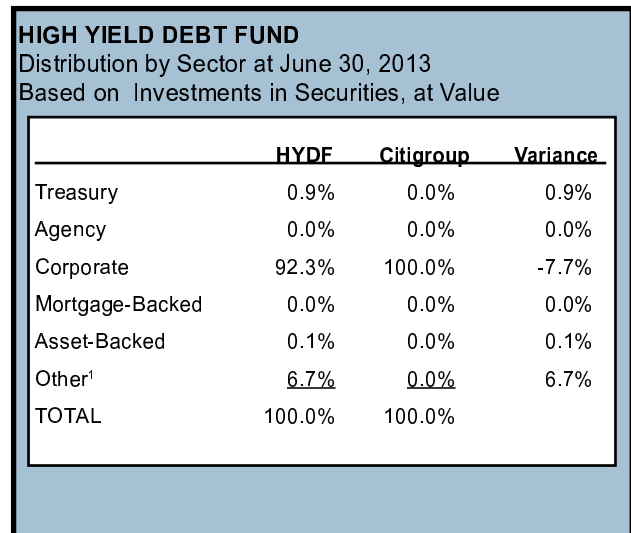
(1) Based upon returns over the last five years.

Figure 8-3



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

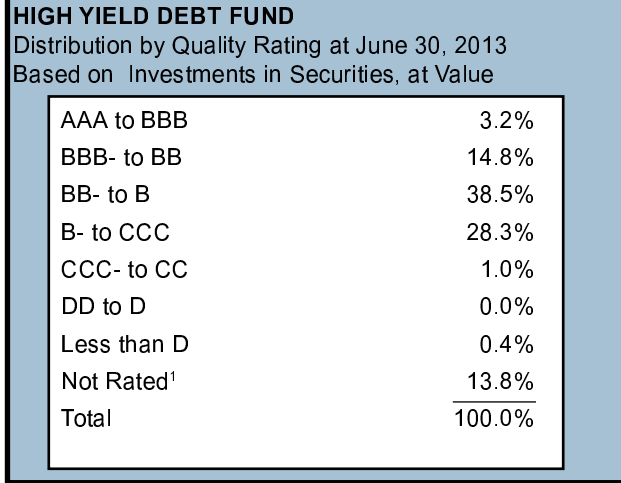
Figure 8-4



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

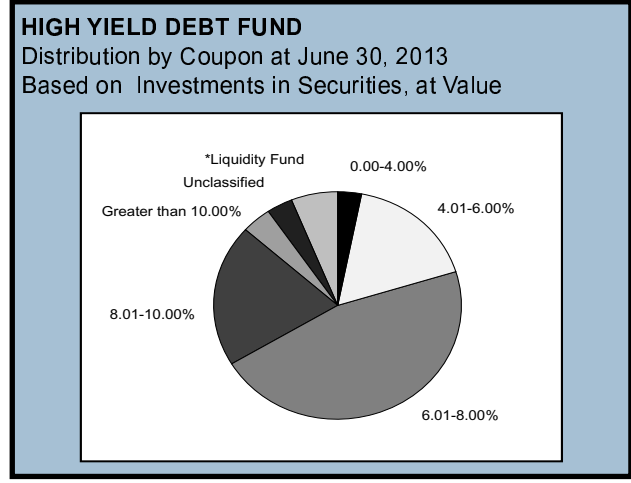
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 8-5



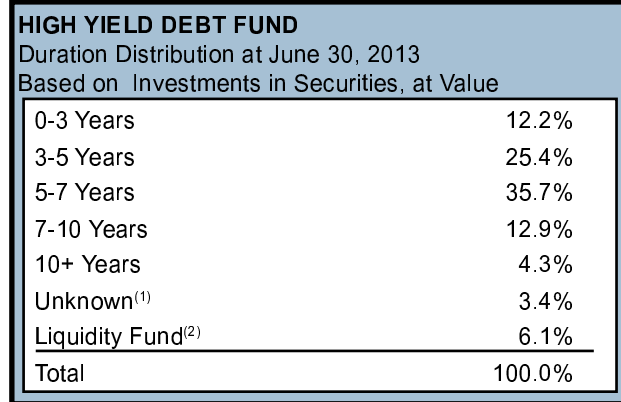
(1) Represents securities for which ratings are unavailable.

Figure 8-6



* Note: Ending weights.

Figure 8-7



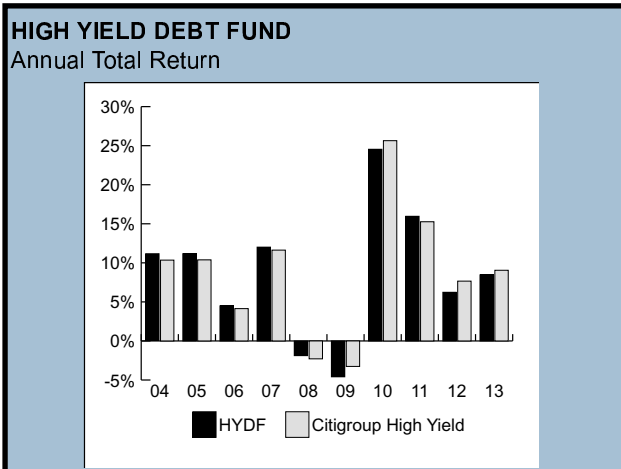
- (1) Represents securities for which the duration could not be calculated by the custodian.
- (2) Represents monies invested in the liquidity fund at the end of quarter.

Figure 8-8

HIGH YIELD DEBT FUND
Periods ending June 30, 2013

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
HYDF	8.46	10.14	9.68	8.45
Citigroup High Yield Market Capped Index	9.05	10.61	10.46	8.57
Cumulative Total Return (%)				
HYDF	8.46	33.60	58.74	125.14
Citigroup High Yield Market Capped Index	9.05	35.32	64.47	127.56

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,											
	<u>2013</u>		<u>2012</u>		<u>2011</u>		<u>2010</u>		<u>2009</u>		
	HYDF	Citigroup	HYDF	Citigroup	HYDF	Citigroup	HYDF	Citigroup	HYDF	Citigroup	
Number of Issues	740	1,752	683	1,621	659	1,540	679	1,394	605	1,222	
Average Coupon	6.90%	7.60%	7.60%	8.20%	7.90%	8.30%	8.10%	8.34%	7.90%	8.10%	
Yield Maturity	6.90%	7.00%	7.50%	7.50%	13.60%	7.50%	9.11%	8.95%	11.90%	12.20%	
Average Maturity	7.30	5.30	7.50	6.30	6.90	5.60	6.86	5.71	7.8	6.5	
Effective Duration	5.60	4.40	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-2	B-2	B-1	B-1	
Liquidity Fund	6.1%	0.0%	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, 2013		
Investment Advisor	Net Asset Value	% of Fund
Loomis Sayles & Co., Inc.	471,193,884	37.75%
Stone Harbor Investment Partners	205,869,011	16.49%
Shenkman Capital Management	290,176,814	23.25%
Oaktree Capital Management, LLC	274,402,571	21.98%
Other ⁽¹⁾	6,576,011	0.53%
TOTAL HYDF	1,248,218,291	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, 2013			
Security Name	Maturity	Market Value	%
Vertex Pharma- ceuticals Inc	Common Stock	11,915,406	0.94%
Morgan Stanley	11/16/2018	9,024,896	0.71%
IStar Financial Inc	Preferred Stock	7,844,850	0.62%
QWest Capital Funding	7/15/2028	7,084,800	0.56%
Toys R Us Inc	10/15/2018	6,940,225	0.55%
Dish DBS Corp	3/15/2023	6,901,125	0.54%
Transdigm Inc	7/15/2021	6,830,300	0.54%
US Treasury N/B	5/15/2043	6,748,125	0.53%
VPll Escrow Corp	7/15/2021	6,717,150	0.53%
Tenet Healthcare Corp	11/15/2031	6,526,540	0.52%
Top Ten		76,533,417	6.04%

* 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.

2013

developed market international stock fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the Developed Markets International Stock Fund (DMISF) is to 1) achieve a long-term, real rate of return above the U. S. inflation rate and 2) provide additional measures of diversification to other asset classes within the CRPTF under different economic scenarios.

Date of Inception: November 1, 2007

Total Net Position: \$5,447,387,366

Performance Objective: A net return that matches the benchmark, over rolling three- to five-year periods.

Management Fees: \$19,676,452

Benchmark: Morgan Stanley Capital International Europe, Australasia and Far East Investable Market Index (MSCI EAFE IMI) ⁽¹⁾

Operating Expenses: \$2,744,913

Number of Advisors: 9 external

Expense Ratio: 0.45%

Description of the Fund

DMISF assets are allocated across foreign developed equity markets to provide diversification by country, market capitalization and style. Non-U.S. equities are issued by companies domiciled outside of the United States. The DMISF may invest up to 30 percent of assets opportunistically to take advantage of shifts in the investment landscape or opportunities that offer diversification and/or risk-return benefits.

Portfolio Characteristics

At fiscal year-end, DMISF was invested in the developed markets across Europe, Asia and Australia with the two largest allocations representing Japan at 21.4% and the United Kingdom at 20.3%. (See Figure 9-5). The portfolio's largest overweights come from the United States (5.0%) and Canada (1.6%) which are not in the benchmark. The largest underweights were to Korea (0.2% vs. benchmark's 4.7%) and Japan (21.4% vs. benchmark's 23.6%).

DMISF is well diversified with the ten largest holdings only representing 10.2% of the total portfolio value. The list exhibits an opportunistic approach with its heavy weighting of European securities (See Figure 9-7).

Market Review

Global equity markets rebounded strongly during the fiscal year ended June 30, 2013, buoyed by the continued support of central banks, the resilience of U.S. consumers, continued economic recovery in the U.S., greater perceived stability in Europe and a strong rebound in Japan. In early 2013, political uncertainty in Italy and the Cyprus banking crisis reminded investors that the Euro zone still had many unresolved issues that posed risks to the market. On the positive side, Japanese stocks were boosted by Prime Minister Abe's radical refutation plans and Japan's first quarter GDP of 3.8%. Japanese consumer inflation data showed a slight increase, indicating a possible end to 15 years of deflation. International investor sentiment over the period was also impacted by events in key emerging markets, particularly China, where there were concerns about economic slowing due to external pressures and government measures to curb growth, as well as mounting views about a potential credit crisis. At period-end, the Japanese economy had two consecutive quarters of solid growth, the U.S. economic recovery appeared to be picking up steam and the euro zone recorded its first quarter of economic expansion since the third quarter of 2011.

Overall, the MSCI EAFE IMI returned 21.3% during the period where low quality stocks won over high quality stocks and high volatility stocks outperformed low volatility stocks. Cyclical sectors were generally among the best during the past fiscal year. The consumer discretionary sector had the best performance, followed by the financials, healthcare and industrials sectors. The energy sector was the weakest performing sector over the fiscal year, followed by the materials, utilities, telecommunication services, consumer staples and information technology sectors.

Performance Summary

For the fiscal year ended June 30, 2013, the DMISF generated a net return of 22.56%, outperforming its benchmark return of 21.31% by 125 basis points, due to country and security selection.

As of June 30, 2013, the DMISF returned 10.65% and 1.62% for the three and five year periods, outperforming its benchmark by 78 and 35 basis points respectively. (See Figure 9-3).

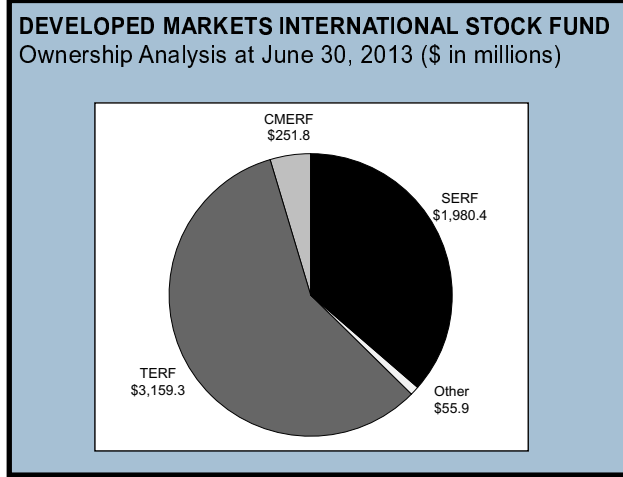
The cumulative returns for the Fund for the three and five year periods were 35.49% and 8.37%, respectively, as illustrated in Figure 9-3.

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 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, 2013. 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.

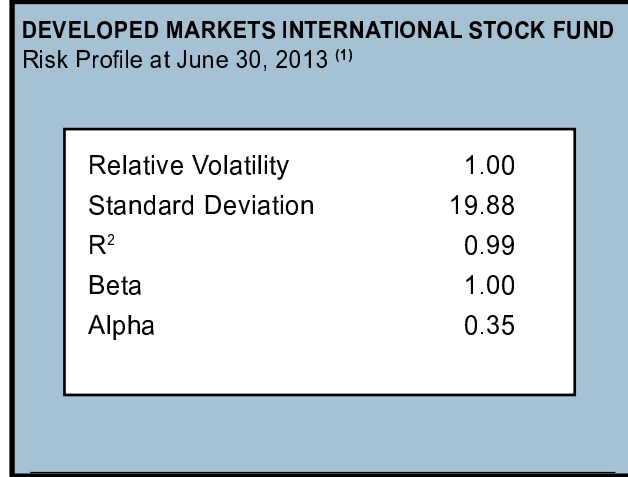
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 9-1



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

Figure 9-2



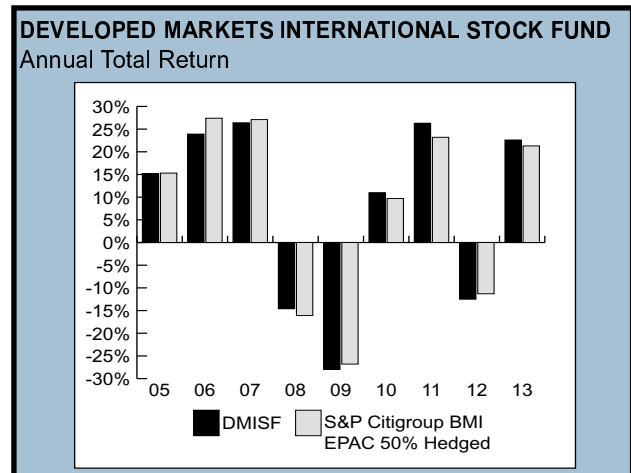
(1) Based upon returns over the last five years.

Figure 9-3

DEVELOPED MARKETS INTERNATIONAL STOCK FUND
Periods ending June 30, 2013

	1 YR	3 YRS	5YRS
Compounded, Annual Total Return (%)			
DMISF	22.56	10.65	1.62
MSCI EAFE IMI	21.31	9.87	1.27
Cumulative Total Return (%)			
DMISF	22.56	35.49	8.37
MSCI EAFE IMI	21.31	32.64	6.51

Figure 9-4



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 9-5

DEVELOPED MARKETS INTERNATIONAL STOCK FUND			
Diversification by Benchmark Country at June 30, 2013 ⁽¹⁾			
	DMISF % of Net Assets 6/30/13	Benchmark % of Net Assets 6/30/13	Variance
Japan	21.4	23.6	-2.2
United Kingdom	20.3	19.6	0.7
Korea	0.2	4.7	-4.5
Hong Kong	2.8	3.1	-0.3
United States	5.0	0.0	5.0
France	7.9	8.3	-0.4
Germany	8.9	7.6	1.3
Switzerland	7.2	7.9	-0.7
Australia	5.9	7.3	-1.4
China	0.2	0.0	0.2
Netherlands	3.4	2.5	0.9
Italy	2.1	2.1	0.0
Spain	2.6	2.5	0.1
Sweden	2.9	3.0	-0.1
Singapore	1.9	1.7	0.2
Canada	1.6	0.0	1.6
Turkey	0.1	0.0	0.1
Other	<u>5.6</u>	<u>6.1</u>	-0.5
Total	100.0	100.0	

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

Figure 9-6

DEVELOPED MARKETS INTERNATIONAL STOCK FUND		
Investment Advisors at June 30, 2013		
Investment Advisor	Net Asset Value	% of Fund
Index	\$1,899,991,417	34.88%
State Street Global Advisors	1,899,991,417	34.88%
Core	1,354,948,680	24.87%
AQR Capital Management	750,596,296	13.78%
Acadian Asset Management	489,419,986	8.98%
Progress	114,932,398	2.11%
Active-Growth	697,204,650	12.80%
MFS Institutional Advisors, Inc.	697,204,650	12.80%
Active-Value	443,947,049	8.15%
Grantham, Mayo, Van Otterloo	443,947,049	8.15%
Small Cap	854,639,478	15.69%
Schroder Investment Mgmt.	278,939,862	5.12%
Dimensional Fund Advisors	256,847,722	4.72%
William Blair & Company	318,851,894	5.85%
Other ⁽¹⁾	196,656,092	3.61%
TOTAL DMISF	\$5,447,387,366	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 FUND				
Ten Largest Holdings* at June 30, 2013				
Security Name	Country	Market Value	%	
ROCHE HOLDING AG GENUSSSCHEIN	Switzerland	\$75,632,172	1.40%	
NESTLE SA REG	Switzerland	71,611,096	1.33%	
HSBC HOLDINGS PLC	United Kingdom	68,003,000	1.26%	
ROYAL DUTCH SHELL PLC A SHS	United Kingdom	54,659,607	1.02%	
BAYER AG REG	Germany	54,379,105	1.01%	
TOTAL SA	France	52,407,743	0.97%	
NOVARTIS AG REG	Switzerland	46,567,251	0.86%	
BP PLC	United Kingdom	45,544,389	0.84%	
TOYOTA MOTOR CORP	Japan	41,589,601	0.77%	
SANOFI	France	41,019,224	0.76%	
Top Ten		\$551,413,188	10.22%	

* 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.

2013 emerging markets international stock fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the Emerging Markets International Stock Fund (EMISF) is to 1) achieve a long-term, real rate of return above the U.S. inflation rate and 2) provide additional diversification for CRPTF under different economic environments.

Date of Inception: November 1, 2007

Total Net Position: \$2,369,087,403

Performance Objective: A net return that matches the benchmark, over rolling three- to five-year periods.

Management Fees: \$16,111,435

Benchmark: Morgan Stanley Capital International Emerging Markets Investable Market Index (MSCI EM IMI)

Operating Expenses: \$3,510,895

Number of Advisors: 4 external

Expense Ratio: 0.85%

Description of the Fund

EMISF assets are allocated across foreign emerging markets and are diversified by market, capitalization and style. Emerging market equities are defined as common stocks issued by companies domiciled in developing countries, including the 21 countries in the MSCI EM IMI.

Portfolio Characteristics

As of fiscal year-end, the EMISF's portfolio holdings were well diversified over a number of emerging market countries (See Figure 10-8). Notable underweights versus the benchmark include China (8.1% vs. benchmark's 18.2%) and Taiwan (4.3% vs. benchmark's 11.9%). The underweights are offset by overweights such as Russia (8.3% vs. benchmark's 5.8%) and Thailand (5.4% vs. benchmark's 2.8%) (See Figure 10-6).

Market Review

As key beneficiaries of global liquidity, emerging markets performed well during the first half of the fiscal year as central banks in Europe, U.S. and Japan implemented a variety of policy stimulus measures. An improving global backdrop, receding worries in Europe and the liquidity influx from ultra loose monetary policies in the developed world initially bolstered investor sentiment. Heightened volatility in the second half of the fiscal year eroded most of the gains generated throughout the fiscal year. The prospect of the U.S. Federal Reserve slowing its pace of bond purchases, coupled with gathering signs of an economic slowdown spreading from China, sparked a sell-off in global financial markets. Some of the significant inflows into emerging market debt began to reverse, reflecting a higher perceived level of risk associated with these countries. Global markets recovered somewhat in June, following reassurance from the Federal Reserve Bank's chairman, Ben Bernanke, that a scaling back in the quantitative easing is not pre-determined and remains dependent on economic conditions in the U.S. At the same time, global emerging market economic growth in general and Chinese growth, in particular, disappointed and the MSCI EM IMI underperformed the developed world equity markets.

The main laggard was the Latin American region, led lower by weakness in the Brazilian and Peruvian markets. Emerging Europe markets also disappointed, led lower by poor performance from the Czech Republic and Russia, while Turkey and Hungary outperformed. The emerging Asian markets provided some support for the MSCI EM IMI over the fiscal year. The Philippines and Thailand were the strongest performers, aided by robust economic growth. Also leading this region were Indonesia and Malaysia, which also posted double digit returns. At the sector level, defensive sectors such as healthcare and consumer staples

continued to outperform economically sensitive cyclicals during the fiscal year.

The economic backdrop, in particular among the major developing economies, was muted. While growth in the developing world was healthy by the developed world's flagging standards, the pace of expansion had decelerated significantly. The slowdown was due in part to the stagnation in the West and partly because of China's economic restructuring. Growth on the mainland continued to moderate as the new government sought a more balanced growth. India faced structural challenges, although slowing growth has taken a back seat to stubborn inflation and the rupee's depreciation. Brazil and Russia failed to attract enough investment as weak external demand undermined exports. With heightened economic concerns, central banks remained largely accommodative with policies, although Brazil and Indonesia raised rates in the face of inflationary pressures.

Performance Summary

For the fiscal year ended June 30, 2013, the EMISF generated a net return of 3.29%, underperforming its benchmark index return of 3.66% by 37 basis points (See Figure 10-4).

As of June 30, 2013, the EMISF returned 4.46%, -0.28% and 14.20% for the three, five and ten year periods, outperforming by 103 basis points for the three year, underperforming by 45 basis points for the five year and outperforming by 32 basis points for the ten year periods (See Figure 10-4).

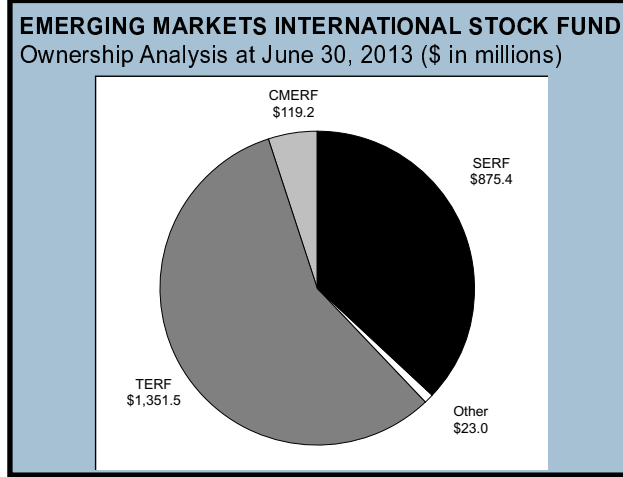
The cumulative returns for the Fund for the three, five and ten year periods were 13.99%, -1.37% and 277.29%, respectively, as illustrated in Figure 10-4.

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 alpha over the five-year period, or return in excess of that earned by the benchmark, was -0.45% (See Figure 10-2). Over the past five years, the fund has experienced slightly less volatility than the benchmark as evidenced by its 0.98 relative volatility.

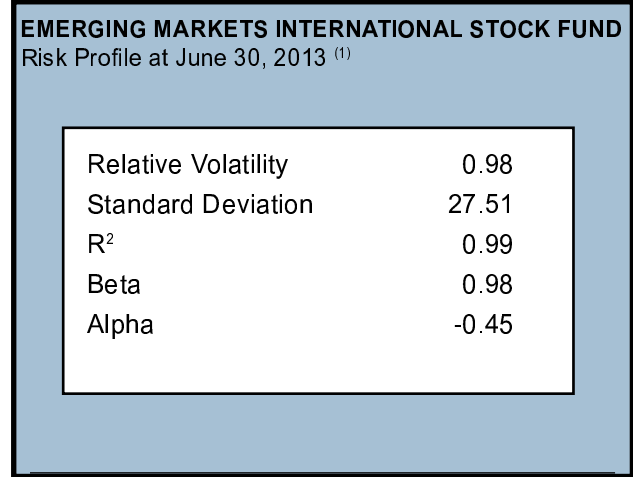
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

EMERGING MARKETS INTERNATIONAL STOCK FUND
Fiscal 2013 Economic Sector vs. Index (%)

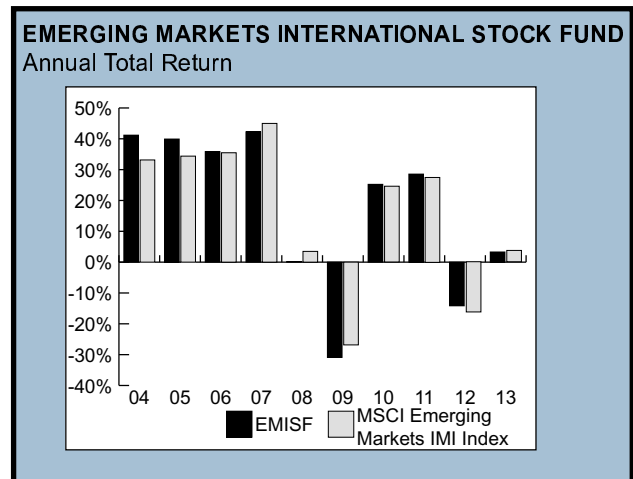
	EM ISF	MSCI Index	Variance
Energy	11.3	10.4	0.9
Materials	7.7	9.8	-2.1
Industrials	6.3	7.4	-1.1
Consumer Discretionary	8.5	9.5	-1.0
Consumer Staples	5.7	9.2	-3.5
Health Care	1.5	2.1	-0.6
Financials	33.8	26.5	7.3
Information Technology	8.8	14.8	-6.0
Telecommunication Services	7.9	7.0	0.9
Utilities	1.1	3.3	-2.2
Commingled Fund	1.9	0.0	1.9
Liquidity Fund	<u>5.5</u>	<u>0.0</u>	5.5
	100.0	100.0	

Figure 10-4

EMERGING MARKETS INTERNATIONAL STOCK FUND
Periods ending June 30, 2013

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
EMISF	3.29	4.46	-0.28	14.20
MSCI Emerging Markets IMI Index	3.66	3.43	0.17	13.88
Cumulative Total Return (%)				
EMISF	3.29	13.99	-1.37	277.29
MSCI Emerging Markets IMI Index	3.66	10.66	0.85	266.80

Figure 10-5



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 10-6

EMERGING MARKETS INTERNATIONAL STOCK FUND				
Diversification by Benchmark Country with Return (%) at June 30, 2013 ⁽¹⁾				
	EMISF		Benchmark	
	Percent of Net Assets 6/30/13	Total Return	Percent of Net Assets 6/30/13	Total Return
Brazil	12.4	-11.6	11.3	-11.1
Korea	12.8	2.3	14.6	0.1
Hong Kong	10.1	4.1	0.0	-
Russia	8.3	2.0	5.8	-1.0
China	8.1	-0.1	18.2	5.2
Taiwan	4.3	11.9	11.9	14.1
United States	10.8	-16.1	0.0	-
Mexico	4.8	12.0	5.4	6.4
Thailand	5.4	20.0	2.8	18.4
South Africa	2.4	-9.5	7.2	-4.7
Turkey	3.2	19.7	1.9	17.1
Indonesia	3.7	8.9	3.2	14.7
Malaysia	2.6	19.6	4.0	15.0
India	3.4	5.2	6.8	6.7
Philippines	2.2	29.4	1.0	25.8
United Kingdom	1.0	6.0	0.0	-
Other Countries	4.5	-	5.9	-
Total	100.0		100.0	

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

Figure 10-7

EMERGING MARKETS INTERNATIONAL STOCK FUND		
Investment Advisors at June 30, 2013		
Investment Advisor	Net Asset Value	% of Fund
Grantham, Mayo, Van Otterloo	\$829,130,491	35.00%
AshmoreEMM	87,303,002	3.68%
Aberdeen Asset Management	649,563,119	27.42%
Schroders Investment Mgt	791,490,128	33.41%
Other ⁽¹⁾	11,600,663	0.49%
TOTAL EMISF	2,369,087,403	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 FUND			
Ten Largest Holdings* at June 30, 2013			
Security Name	Country	Market Value	%
Aberdeen Global Indian Equit	Luxembourg	80,232,215	3.39%
China Mobile Ltd. HKD 0.10	Hong Kong	66,187,057	2.80%
Samsung Electronic KRW 5000	Republic of Korea	61,396,750	2.59%
Lukoil OAO ADR Rub 0.025	Russian Federation	60,721,127	2.57%
Taiwan Semiconductor SP ADR	Taiwan	56,653,428	2.39%
China Cconstruction Bank CNY 1.0	China	42,406,248	1.79%
Astra International TBK IDR 500.0	Indonesia	35,586,448	1.50%
Fomento Economico MEX SP ADR	MEXICO	33,681,216	1.42%
Gazprom OAO SPON ADR	Russian Federation	31,989,054	1.35%
Samsung Electronic GDR PFD	Republic of Korea	31,682,390	1.34%
Top Ten		\$500,535,933	21.14%

* 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.

2013 real estate fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the Real Estate Fund (REF) is to 1) provide diversification to the overall CRPTF investment program, 2) preserve investment capital, 3) generate attractive risk-adjusted rates of return, 4) provide consistent current income and 5) act as a hedge against inflation under different economic scenarios.

Date of Inception: July 1, 1982

Total Net Position: \$1,481,990,280

Performance Objective: A net return that matches the benchmark over, rolling three-to five-year periods.

Management Fees ⁽¹⁾: \$3,988,963

Capitalized and Netted Fees: \$12,250,113

Benchmark: National Council of Real Estate Investment Fiduciaries Property (NCREIF Property)

Operating Expenses: \$979,522

Expense Ratio: 0.35%

Number of Investment Partnerships: 30

(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 may invest in real estate properties, real estate related equity investments, or 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 managers. Portfolio assets are invested in core, value-add, and opportunistic real estate strategies.

Portfolio Characteristics

As of June 30, 2013, the portfolio was approximately 63.7% invested in Close-End fund vehicles, 24.3% in Open-End funds, and 12.0% in two separate accounts, in which the REF holds 100% ownership interest in properties within the portfolio. These separate account vehicles 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. Investments are diversified across geography, with approximately 69.9% located in markets within the United States and 13.5% to real estate markets abroad.

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. The REF had a 28.9% allocation to Core at fiscal year end.

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. The REF had a 17.4% allocation to Value Add at fiscal year end.

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. The REF had a 32.3% allocation to Opportunistic at fiscal year end.

Public REITs

Real Estate Investment Trusts trade on public stock exchanges like equity securities. These shares offer investors real estate exposure to a highly liquid vehicle with current income component, relative to traditional real estate equity investments,. However, the publicly traded nature makes REITs highly liquid but also more highly correlated to equity market moves, and thus are considered more volatile than traditional real estate investments. The REF had a 4.8% allocation to public REITs at fiscal year end.

Market Review

The investment and operating environment for real estate has stabilized further and remained favorable throughout Fiscal Year 2013. The U.S. economic outlook has improved significantly, and attracted investors to the real estate sector. Steady employment growth supported demand for real estate space in selected markets, such as the strong California-San Francisco Bay Area market, which is fueled by the technology industry. Real estate market fundamentals have improved across all sectors---apartments, industrial, retail, office, hotel and storage---in which REF managers are invested. Lower vacancies, upward trend in rental income and improving lease-ups are evident of stronger demand for real estate space among most sectors, with apartment and industrial sectors reflecting greatest strength. Development is still constrained in all sectors except for apartments, which is now at its long-term average.

Global demand for prime assets in U.S. urban gateway markets was robust, and investors, both domestic and foreign, sought safer returns in the improving U.S. real estate markets. U.S. real estate markets have held up well, against rising interest rates, owing to strong Net Operating Income (NOI) growth and historically favorable spreads between real estate returns and Treasuries.

Performance Summary

For the fiscal year ending June 30, 2013, the REF generated a total one year return of 10.26%, net of all expenses, virtually matching its benchmark NCREIF-NPI, which posted a gross return of 10.52%. The one-year return reflects an ongoing positive trend in the REF portfolio, which can be attributed to maintaining its vintage year investment plan, strong current income and overall increases in property valuations across all funds and separate accounts, which were negatively impacted by the Great Recession.

For the trailing three, five and ten year periods, the REF's net compounded annual returns were 11.13%, -4.81%, and 2.64%, respectively, underperforming the benchmark returns during all periods (See Figure 11-8).

Risk Profile

Risk is managed at the portfolio level through diversification and strategic asset allocation and strategy implementation. Risks attendant to alternative investments, such as management, operations, local/regional

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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 NCREIF NPI due to allocations to higher risk sectors, and the leverage utilized in portfolio strategies. The REF portfolio allocates among 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 NCREIF NPI. The NCREIF NPI is comprised of a portfolio of 6,000+ properties, many of which are levered, but for purposes of constructing the NCREIF NPI benchmark, are measured on an unlevered basis.

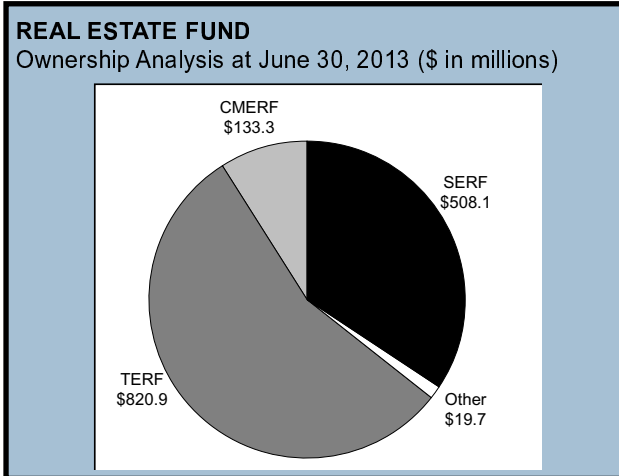
Sub Portfolios:	Standard Deviation				Since Inception
	1 Year	3 Year	5 Year	10 Year	
Core	3.69%	3.32%	9.48%	NA	
Value-Add	3.98%	6.91%	19.07%	NA	
Opportunistic	5.39%	6.11%	16.49%	13.47%	11.54%
REF Overall	1.10%	3.21%	12.70%	10.57%	9.27%
NCREIF-NPI	0.44%	1.40%	7.79%	6.33%	5.22%

Data as of June 30, 2013

REF volatility is typical and not excessive relative to a benchmark comprised of a weighted blend of core/value/opportunistic funds.

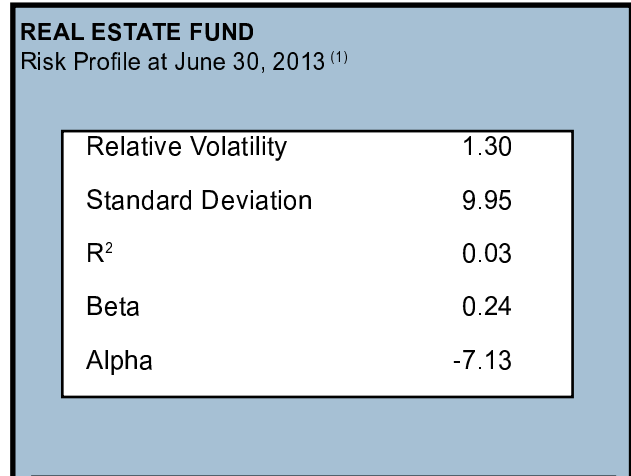
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 11-1



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

Figure 11-2



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

Figure 11-3

REAL ESTATE FUND
Investments Analysis ⁽¹⁾

At	No. of REF Investments	REF Book Value	REF Market Value
6/30/2013	30	\$1,366,354,620	\$1,227,275,238
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

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

Figure 11-4

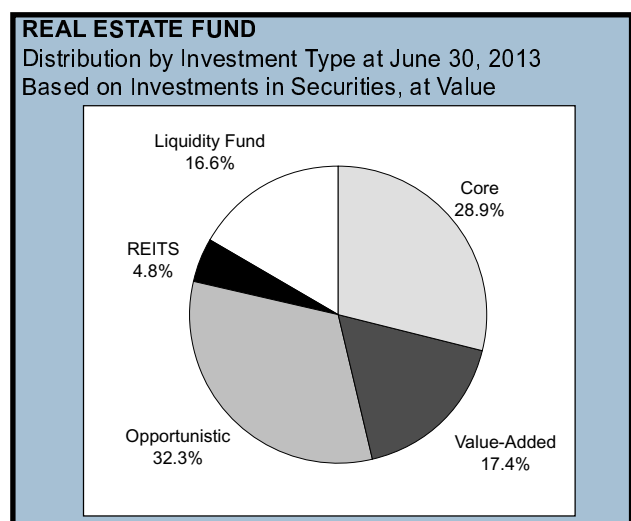
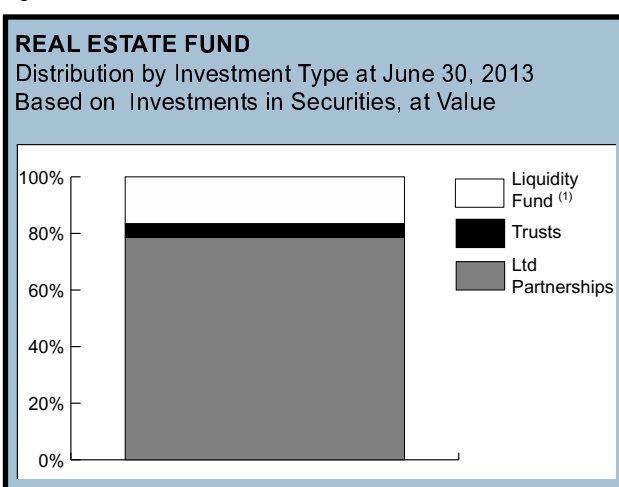


Figure 11-5



(1) Includes Liquidity Fund and other assets.

Figure 11-6

REAL ESTATE FUND
Distribution by Geographic Location at June 30, 2013
Based on Investments in Securities, at Value

	REF	NCREIF	Variance
East	29.0%	34.1%	-5.1%
Midwest	6.9%	9.5%	-2.6%
South	15.0%	21.2%	-6.2%
West	19.0%	35.2%	-16.2%
International	13.5%	0.0%	13.5%
Liquidity Fund and other ⁽¹⁾	16.6%	0.0%	16.6%
	100.0%	100.0%	

(1) Includes Liquidity Fund and other assets.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 11-7

REAL ESTATE FUND			
Diversification by Property Type at June 30, 2013 Based on Investments in Securities, at Value			
	REF	NCREIF	Variance
Apartment	18.4%	24.8%	-6.4%
Industrial	9.4%	13.8%	-4.4%
Office	21.9%	35.5%	-13.6%
Retail	15.4%	23.5%	-8.1%
Hotel	18.1%	2.4%	15.7%
Liquidity Fund and Other ⁽¹⁾	<u>16.8%</u>	<u>0.0%</u>	16.8%
	100.0%	100.0%	

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

Figure 11-8

REAL ESTATE FUND				
Periods ending June 30, 2013				
	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
REF	10.26	11.13	-4.81	2.64
NCREIF Property	10.52	13.30	2.32	8.51
Cumulative Total Return (%)				
REF	10.26	37.24	-21.85	29.71
NCREIF Property	10.52	45.43	12.17	126.31

Figure 11-9

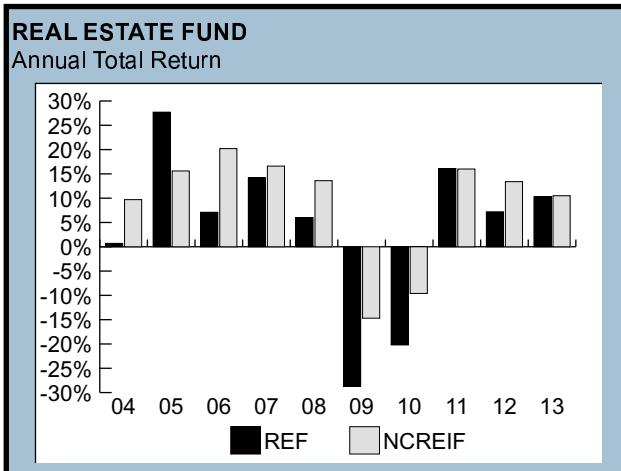
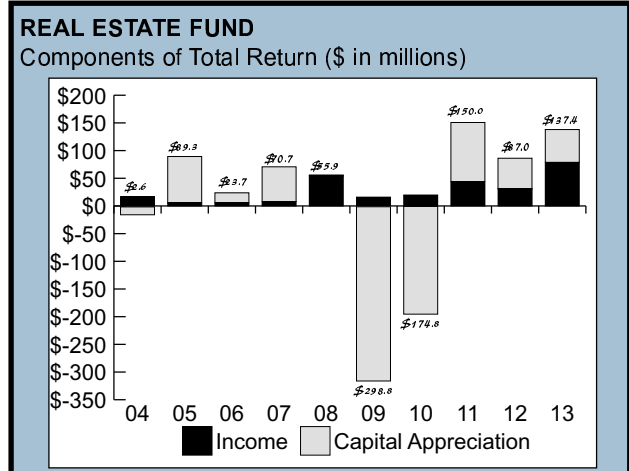


Figure 11-10



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 11-11

REAL ESTATE FUND		
Funds at June 30, 2013		
Fund	Net Asset Value	% of Fund
AEW Partners III	\$5,572,953	0.38%
American Realty Advisors	18,758,812	1.27%
Apollo Real Estate	3,684,789	0.25%
Blackstone Real Estate Partner Europe III LP	39,686,875	2.68%
Blackstone Real Estate Spec Sit II LP	49,722,975	3.35%
Blackstone Real Estate VI LP	118,284,552	7.98%
Canyon Johnson Urban Fund II	24,287,679	1.64%
Canyon Johnson Urban Fund III	37,392,082	2.52%
Capri Select Income II LLC	5,221,840	0.35%
Colony Realty Partners II LP	19,960,783	1.35%
Cornerstone Patriot	158,061,750	10.67%
Covenant Apartment Fund V LP	23,345,389	1.57%
Covenant Apartment Fund VI	20,723,260	1.40%
Hart Realty Advisors	129,545,592	8.74%
IL & FS India Realty Fund II	48,805,683	3.29%
Lone Star Real Estate Part II LP	34,958,320	2.36%
MacFarlane Urban Real Estate Fund II LP	20,348,600	1.37%
Marathon Legacy Securities PPI	3,574,104	0.24%
New Boston IV	946,212	0.06%
Prime Property Fund	147,317,400	9.94%
RLJ Lodging Trust	70,645,273	4.77%
Rockwood Capital Fund V	5,568,276	0.38%
Rockwood Capital VI Limited Partnership	15,875,074	1.07%
Rockwood Capital VII Limited Partnership	26,343,711	1.78%
Starwood Opportunity Fund VII	35,839,630	2.42%
Starwood Opportunity Fund VIII	56,912,978	3.84%
Starwood Opportunity Fund IX	11,614,743	0.78%
Urban Strategy America Fund LP	41,778,800	2.82%
Walton Street Real Estate	26,666,857	1.80%
WLR IV PPIP Co Invest LP	25,830,243	1.74%
Other ⁽¹⁾	254,715,045	17.19%
TOTAL REF	1,481,990,280	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, 2013			
Property Name	Type	Market Value	%
Cornerstone Patriot Funds LP	Core	\$158,061,750	10.74%
Prime Property Fund	Core	147,317,400	10.01%
Hart Realty Advisors	Core	129,545,592	8.80%
Blackstone Real Estate VI LP	Opportunistic	118,284,552	8.04%
RLJ Lodging Trust REIT	Opportunistic	70,645,273	4.80%
Starwood Opportunity Fund VIII LP	Opportunistic	56,912,978	3.87%
Blackstone RE SPEC SIT FD II LP	Value-Added	49,722,975	3.38%
IL+FS India Realty Fund II	Opportunistic	48,805,683	3.32%
Urban Strategy America Fund LP	Value-Added	41,778,800	2.84%
Blackstone RE Partner Europe III LP	Opportunistic	39,686,875	2.70%
Top Ten		860,761,878	58.50%

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

Figure 11-13

REAL ESTATE FUND		
New Investments Made in Fiscal Year 2013 (in Excess of \$3 Million)		
Partnership Name	Commitment Amount	Investment Type
Starwood Global Opportunity Fund IX	\$50 million	Opportunistic
Cornerstone Patriot Fund	100 million	Core
American Realty Advisors-Safeway/Vons Retail Center	<u>18.8 million</u>	Core
Total	\$168.8 million	

* Increase to existing investment

2013 commercial mortgage fund

Fund Facts at June 30, 2013

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 Position: \$72,945

Performance Objective: A net return equal to the Barclays Aggregate Bond Index plus 100 basis points.

Management Fees: \$6,250

Benchmark: Barclays Aggregate Bond Index (BCI)

Operating Expenses: \$20,108

Number of Advisors: 1 external

Expense Ratio: 6.26%

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 a professional real estate investment management firm. 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 no longer 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 bonds mentioned above, the CMF's sole commercial whole loan portfolio, initiated in September of 1992, with a relatively high, 9.55% interest rate, was paid off at maturity in September 2012. The CMF has had no other 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, 2013, the CMF generated a return of 0.88%, net of all expenses, outperforming the BCI of -0.69%. 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.

For the trailing three-, five-, and ten-year periods, CMF's total compounded annual portfolio returns were -0.44%, 0.41% and 4.54%, respectively, net of all expenses. The comparative three-, five- and ten-year period benchmark returns were 3.51%, 5.19% and 4.52% 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. The payoff at par of the commercial mortgages and current payment on the RMBS notes help mitigate these risks.

The total net asset value at June 30, 2013 was approximately \$73 thousand and was not material to the overall performance of the CRPTF.

2013

private investment fund

Fund Facts at June 30, 2013

Investment Strategy/Goals: The purpose of the Private Investment Fund (PIF) is to: 1) earn returns in excess of the public equity markets, 2) generate attractive risk-adjusted rates of return, and 3) provide diversification for the CRPTF under different economic environments.

Date of Inception: July 1, 1987

Total Net Position: \$2,550,400,969

Performance Objective: A net return that outperforms the Standard & Poor Index (S&P 500) over rolling ten year periods.

Expensed Management Fees⁽¹⁾: \$5,210,437

Capitalized and Netted Fees: \$31,533,401

Benchmark: S&P 500

Operating Expenses: \$2,156,456

Number of Partnerships: 72 external

Expense Ratio: 0.29%

(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. Venture capital invests equity into young or development stage companies. Corporate finance encompasses several underlying strategies, including leveraged buyout, mezzanine debt, and special situations.

The PIF structure allows experienced industry professionals to manage portfolio assets while allowing the PIF 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) invest in multiple private equity partnerships that invest in underlying companies and are typically used to execute a strategic objective within the PIF. Private equity investments include two general areas of strategic focus:

Corporate Finance

- Buyout focused investments are defined as controlling or majority investments in private equity or equity-like securities of more established companies on the basis of the company's asset values and/or cash flow.
- Mezzanine Debt focused investments are defined as investments in securities located between equity and senior debt in the company's capital structure. Mezzanine debt investments offer higher current income than senior debt securities and often offer equity participation features that may take the form of warrants or contingent equity interests.
- Special Situation focused investments are defined as investments in a variety of securities (Debt, Preferred Equity and/or Common Equity) in portfolio companies at a variety of stages of development (Seed, Early Stage, Later Stage).
- International Private Equity focused investments are defined as investments in private equity or equity-like securities in companies located outside the continental United States. International Private Equity investments often offer higher return potential, with higher risk, as a result of the above average rates of growth available in select international economies.

Venture Capital

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

Excluding commitments made under the Connecticut Horizon Fund program, the PIF had 70 active funds and aggregate capital commitments totaling \$5.9 billion as of June 30, 2013. Approximately 82.2 percent, or \$4.8 billion, has been “drawn down” for investment purposes as of that date while the balance of approximately \$1.0 billion or 17.8 percent is committed but not “drawn” (See Figure 13-6).

Market Review

Fundraising during calendar year 2013 was slightly down relative to 2012. U.S. buyout fundraising has remained flat in dollar terms despite the number of funds being raised in the first half of 2013 declining 21%. On average, U.S. buyout funds increased in size from \$390 million to \$540 million on a year over year basis in the first half of 2013. Conversely, U.S. venture capital has seen a decline in both number of funds and total capital raised. Ninety-two total funds raised \$7 billion in the first half of 2013 compared to the 110 funds which raised \$11 billion in the same period one year prior (Source: Thomson One).

Investment activity with U.S. buyout fund managers was 14% less than they did in the first half of 2012. U.S. venture fund managers invested \$21 billion through the first half of 2013, which is in line with the capital raised in the same period of the prior year (Source: Thomson One).

Buyout transaction prices have increased for mid-market deals but declined for large deals. Earnings before interest, taxes, dividends and amortization (EBITDA) purchase multiples for companies valued between \$250 million and \$500 million increased to 7.9 times the enterprise's cash flow in the first half of 2013 from 7.4 times enterprise cash flow in 2012. EBITDA purchase multiples for transaction sizes with company values greater than \$500 million dropped to 8.0 times in the first half of 2013 from 8.5 times in 2012 (Source: S&P Leveraged Commentary & Data).

The IPO market picked up considerably in 2013, enhancing existing strategies for private equity managers. Buyout and venture capital sponsored IPOs increased by 18% during the first half of 2013 compared to the same period one year ago. There were 16 buyout sponsored IPOs in the second quarter of 2013, a record high since the third quarter of 2005 when 18 IPOs occurred. The positive trend also continued with venture capital backed IPOs where 26 companies went public in the third quarter of 2013, which amounts to more than 50% of all venture backed IPO's that occurred in the full year in 2012 (Source: Thomson One).

Performance Summary

For the fiscal year ended June 30, 2013, PIF generated a net compounded annual rate of return of 9.50% (See Figure 13-5). 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 realize their potential. PIF's performance is benchmarked against the S&P 500. Over the last 10 years through June 30, 2013, PIF's performance has exceeded that of the S&P 500 by 303 basis points on a compounded annual basis (See Figure 13-5).

The institutional standard for measuring private equity performance is the Internal Rate of Return (IRR). IRR is a dollar-weighted annualized return that considers both cash flows and time. Since its inception in 1987, PIF has generated an 8.5% IRR. A tool commonly used by institutional investors to benchmark IRR performance is the public market equivalent (PME). From inception through June 30, 2013, PIF has generated 270 basis points of annual performance in excess of its S&P 500 PME.

During Fiscal Year 2013, PIF added \$140.0 million of new commitments to three private equity fund managers (See Figure 13-10).

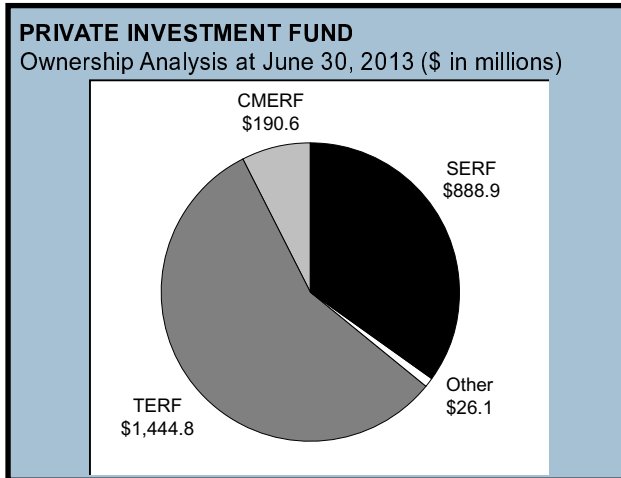
Risk Profile

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 consistent with an alternative investment strategy. Over the last five years, PIF's volatility relative to its benchmark has been 0.36 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 -0.60 (See Figure 13-2).

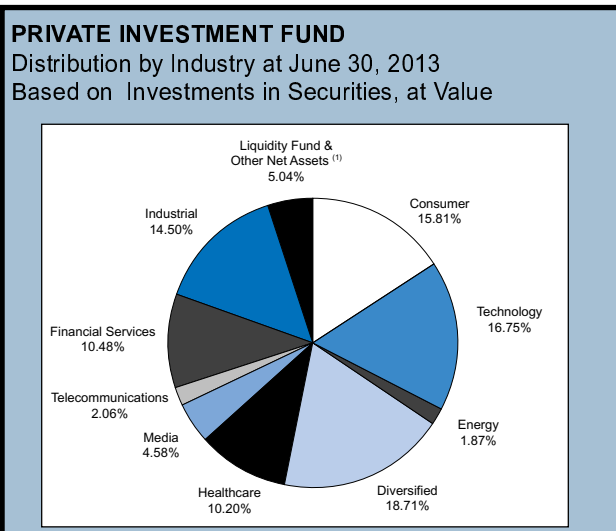
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 13-1



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

Figure 13-3



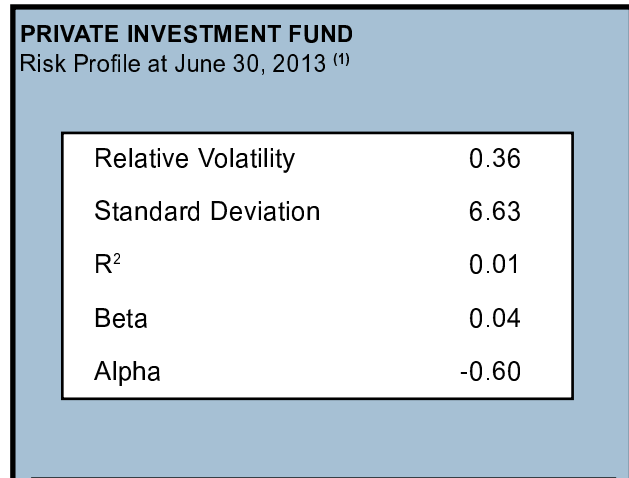
(1) Includes the Liquidity Fund and other assets at the partnership level.

Figure 13-5

PRIVATE INVESTMENT FUND
Periods ending June 30, 2013

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
PIF	9.50	11.61	6.41	10.33
S & P 500	20.60	18.45	7.01	7.30
State Street Private Equity Index (1 Qtr. Lag)	8.88	12.52	4.00	12.65
Cumulative Total Return (%)				
PIF	9.50	39.05	36.45	167.27
S & P 500	20.60	66.20	40.32	102.25
State Street Private Equity Index (1 Qtr. Lag)	8.88	42.46	21.68	229.01

Figure 13-2



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

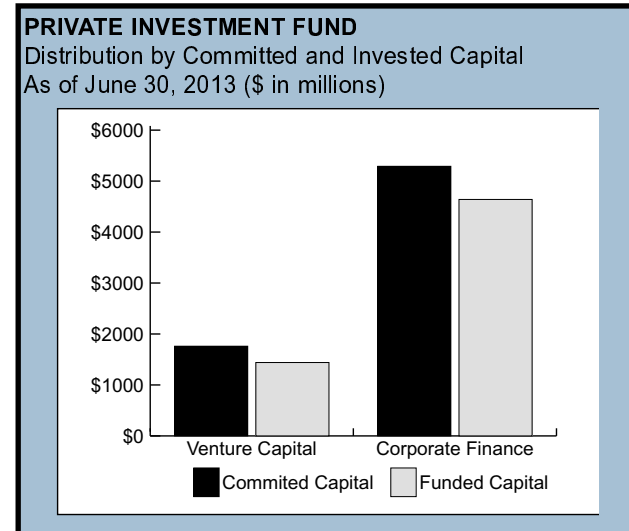
Figure 13-4

PRIVATE INVESTMENT FUND
Distribution by Geographic Location at June 30, 2013
Based on Investments in Securities, at Value

Region	%
Northeast (Excludes Connecticut)	17.8%
International	12.0%
West Coast	21.4%
Liquidity Fund/Other Assets & Liabilities ⁽¹⁾	5.1%
Southeast	14.5%
Mid-Atlantic	9.8%
MidWest	7.6%
Southwest	7.5%
Connecticut	3.4%
Northwest	0.9%
TOTAL	100.00%

(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

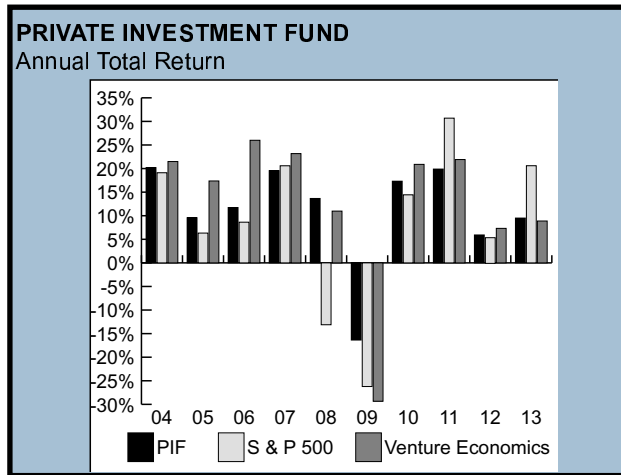


Figure 13-8

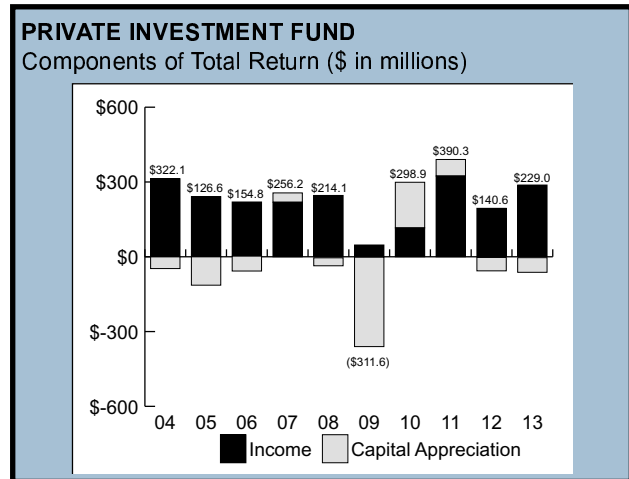


Figure 13-9

PRIVATE INVESTMENT FUND
Ten Largest Holdings* at June 30, 2013

Partnership Name	Partnership Type	Market Value	%
FAIRVIEW CONSTITUTION III LP	Fund of Funds	\$236,805,760	9.23%
FAIRVIEW CONSTITUTION II LP	Fund of Funds	153,122,891	5.97%
STEPSTONE PIONEER CAPITAL II L	Fund of Funds	131,297,220	5.12%
YUPAICA AMERICAN ALLIANCE FUND II LP	Buyout	98,429,809	3.84%
KKR 2006 FUND	Buyout	93,093,596	3.63%
THOMAS H LEE EQUITY FUND VI LP	Buyout	89,460,112	3.49%
WCAS X LP PRIVATE INVESTMENT	Buyout	88,763,103	3.46%
LEVINE LEICHTMAN CAPITAL PARTNERS IV LP	Special Situations	82,000,621	3.20%
CROSSROADS CONSTITUTION L P	Fund of Funds	80,122,370	3.12%
WELSH, CARSON, ANDERSON + STOWE XI	Buyout	79,045,408	3.08%
Top Ten		\$1,132,140,890	44.14%

* 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 2013⁽¹⁾

Partnership Name	Commitment Amount	Partnership Type	Inv. Date
TPG Credit Strategies Fund II LP	\$50 million	Special Situations	October 15, 2012
Clearlake Capital Partners III LP	\$40 million	Special Situations	November 2, 2012
Court Square Capital Partners III LP	\$50 million	Buyout	May 3, 2013
Total:	\$140 million		

(1) These represent new Private Equity Partnerships that were invested in by the Fund during Fiscal Year 2013.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 13-11

PRIVATE INVESTMENT FUND

Investment Advisors at June 30, 2013

Investment Advisor	Net Asset Value	% of Fund	Investment Advisor	Net Asset Value	% of Fund
Buyout	\$1,170,236,485	45.88%	International	44,578,428	1.75%
KKR Millennium Fund	52,053,446	2.04%	Compass Partners European Equity Fund	1,009,653	0.04%
Yucaipa American Alliance Fund II LP	98,429,809	3.86%	Gilbert Global Equity Partners	36,371,323	1.43%
Hicks, Muse Tate & Furst Equity Fund III	20,028,674	0.78%	AIG Global Emerging Markets Fund	2,191,252	0.09%
Thomas H. Lee Equity Fund VI	89,460,112	3.51%	Carlyle Asia Partners	5,006,200	0.19%
TA XI, L.P.	40,457,562	1.59%	Fund of Funds	824,977,424	32.35%
Charterhouse Equity Partners IV	46,844,449	1.84%	The Constitution Liquidating Fund	80,122,370	3.14%
DLJ Merchant Banking Fund II	2,061,228	0.08%	Landmark Private Equity Fund VIII	14,940,114	0.59%
FS Equity Partners V	22,472,121	0.88%	CS/CT Cleantech Opp Fund	15,062,562	0.59%
FS Equity Partners VI	50,560,860	1.98%	CT Emerging Pvt Equity	50,124,949	1.97%
JFL Equity Investors III, LP	19,753,423	0.77%	Fairview Constitution III	236,805,760	9.29%
Green Equity Investors III	2,324,669	0.09%	Goldman Sachs Private Equity Partners CT	3,363,415	0.13%
Wellspring Capital Partners V	13,633,069	0.53%	Lexington Capital Partners II	1,651,682	0.06%
Candover 2008 Fund	6,003,157	0.23%	Stepstone Pioneer Capital I LP	35,949,610	1.41%
Leeds Equity Partners V LP	24,949,416	0.98%	Stepstone Pioneer Capital II LP	131,297,220	5.15%
Welsh Carson Anderson & Stowe XI	79,045,408	3.10%	Fairview Constitution II LP	153,122,891	6.00%
AIG Healthcare Partners LP	20,303,691	0.80%	Fairview Constitution IV LP	8,268,810	0.32%
AIG Altaris Health Partners II	30,674,263	1.20%	Connecticut Horizon Legacy	7,828,027	0.31%
Welsh Carson Anderson & Stowe X LP	88,763,103	3.48%	Landmark Equity Partners XIV LP	60,527,434	2.37%
Court Square Capital Partners II	77,917,764	3.06%	JP Morgan Nutmeg I	25,912,580	1.02%
Ethos Private Equity Fund V	32,276,291	1.27%	Special Situations	300,686,185	11.79%
Boston Ventures VII	70,617,742	2.77%	Welsh Carson Anderson & Stowe Cap Ptrs III	8,589,507	0.34%
KKR 2006 Fund	93,093,596	3.65%	Levine Leichtman Capital Partners IV LP	82,000,621	3.21%
Nogales Investors Fund II	15,727,251	0.62%	Pegasus Partners IV	68,152,782	2.67%
ICV Partners II LP	31,709,198	1.24%	Pegasus Partners V	24,843,842	0.97%
Vista Equity Partners Fund III	47,893,558	1.88%	WLR Recovery Fund IV	66,733,192	2.62%
Vista Equity Partners Fund IV	35,249,566	1.38%	KPS Special Situations Fund II	5,860,747	0.23%
RFE Investments Partners VIII	8,504,062	0.33%	Clearlake Capital Partners III LP	7,328,009	0.29%
RFE Investment Partners VII	44,321,711	1.74%	TPG Credit Strategies Fund II LP	37,177,485	1.46%
Court Square Capital Partners III LP	5,107,286	0.20%	Other ⁽¹⁾	118,700,213	4.65%
Venture Capital	10,714,630	0.42%	TOTAL PIF	\$2,550,400,969	100.00%
Crescendo III	1,032,982	0.04%			
Syndicated Communications	9,681,648	0.38%			
Mezzanine	80,507,604	3.16%			
SW Pelham Fund	973,398	0.04%			
Audax Mezzanine III Limited Partnership	29,864,298	1.17%			
GarMark Partners II LP	49,669,908	1.95%			

(1) Other includes partnerships with nonmaterial balances, as well as moneys earmarked for distribution to participants, reinvestment, expenses and other net assets.

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:				
		2013	2012	2011	2010	2009
INVESTMENT ADVISORY SERVICES						
Domestic Equity Investment Advisory Services						
AXA Rosenberg Institutional Equity Mgmt	Equity Advisor	-	-	279,285	817,894	12,728,108
Barclay's Global Investors	Equity Advisor	-	-	222,037	1,279,650	3,170,678
Bivium Capital Partners, LLC	Equity Advisor	2,018,418	1,883,917	1,653,052	1,302,624	1,493,573
Capital Prospects LLC	Equity Advisor	1,168,860	1,084,308	986,297	832,638	967,215
FIS Group Inc.	Equity Advisor	1,057,530	979,549	909,156	779,667	890,947
Frontier Capital Management Co., LLC	Equity Advisor	1,932,133	1,794,233	363,922	-	-
State Street Global Advisors	Equity Advisor	241,823	232,397	162,753	134,862	194,106
T. Rowe Price Associates	Equity Advisor	2,803,150	2,609,349	2,397,474	2,052,593	406,114
Trust Company of the West (Cowen)	Equity Advisor	0	-	-	809,009	996,397
Total Equity Advisor Compensation		\$9,221,914	\$8,583,753	\$6,973,976	\$8,008,937	\$20,847,138
Core Fixed Income Investment Advisory Services						
Blackrock Financial Management	Core Income Advisor	1,491,702	543,090	1,082,785	1,055,013	1,281,605
Blackrock Investment(Transition) Management	Core Income Advisor	-	-	218,818	-	-
Goodwin Capital Advisors (Phoenix)	Core Income Advisor	553,002	568,276	561,182	534,754	624,559
Progress Investment Management	Core Income Advisor	931,821	903,128	856,501	823,293	898,894
State Street Global Advisors	Core Income Advisor	214,871	244,219	254,916	250,696	277,369
Wellington Asset Management	Core Income Advisor	667,881	642,278	783,754	449,376	771,263
Western Asset Management	Core Income Advisor	-	-	-	425,920	1,131,334
Total Fixed Income Advisor Compensation		\$3,859,277	\$2,900,991	\$3,757,956	\$3,539,052	\$4,985,024
Inflation Linked Bond Investment Advisory Services						
Brown Brothers Harriman & Co.	Inflation Income Advisor	523,710	368,991	544,320	973,728	-
Hartford Investment Management Co.	Inflation Income Advisor	350,428	528,760	425,952	399,253	443,712
Total Fixed Income Advisor Compensation		\$874,138	\$897,751	\$970,272	\$1,372,981	\$443,712
Emerging Market Debt Investment Advisory Services						
ING Investment Management Co.	Emerging Market Advisor	927,229	1,468,565	1,144,741	598,270	-
Pyramis Global Advisors	Emerging Market Advisor	864,929	783,732	1,014,829	978,290	931,896
Stone Harbor Investment Partners	Emerging Market Advisor	1,079,389	1,307,511	1,244,074	1,102,088	1,065,029
UBS Global Asset Management Co.	Emerging Market Advisor	1,076,458	959,189	1,164,501	1,229,146	1,249,932
Total Fixed Income Advisor Compensation		\$3,948,005	\$4,518,997	\$4,568,145	\$3,907,794	\$3,246,857
High Yield Debt Investment Advisory Services						
Loomis Sayles & Co., Inc.	High Yield Income Advisor	539,133	449,946	451,485	511,590	582,544
Oaktree Capital Management	High Yield Income Advisor	902,744	700,256	692,218	613,714	612,726
Shenkman Capital Management	High Yield Income Advisor	956,125	909,998	903,707	826,854	605,877
Stone Harbor Investment Partners	High Yield Income Advisor	335,754	447,972	446,607	526,281	592,866
Total Fixed Income Advisor Compensation		\$2,733,756	\$2,508,172	\$2,494,017	\$2,478,439	\$2,394,013
Liquidity Fund Advisory Services						
Ambassador Capital Management	Liquidity Fund Advisor	281,069	253,147	149,891	107,885	-
Colchester Global Investors	Liquidity Fund Advisor	744,008	665,944	453,695	373,734	-
Lazard Asset Management	Liquidity Fund Advisor	3,477,697	3,315,579	2,102,854	987,397	-
Pacific Investment Management	Liquidity Fund Advisor	405,694	389,382	351,078	263,309	-
Payden & Rygel	Liquidity Fund Advisor	216,555	201,520	150,388	118,006	-
State Street Global Advisors	Liquidity Fund Advisor	126,595	130,640	264,981	314,126	459,099
Total Liquidity Fund Advisor Compensation		\$5,251,618	\$4,956,212	\$3,472,887	\$2,164,457	\$459,099

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:				
		2013	2012	2011	2010	2009
Developed Market International Equity Investment Advisory Services						
Acadian Asset Management	Intrntl Equity Advisor	1,415,573	1,117,423	1,084,538	1,145,707	1,708,983
AQR Capital Management, LLC	Intrntl Equity Advisor	2,803,762	2,926,336	2,938,960	2,501,900	1,885,640
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	595,887	948,327	661,189	824,192	964,902
Clay Finlay Inc.	Intrntl Equity Advisor	-	-	-	-	1,416,044
Dimensional Fund Advisors	Intrntl Equity Advisor	1,571,559	1,623,569	1,593,995	1,349,548	-
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	2,783,996	2,863,396	2,779,799	2,770,547	3,189,715
Invesco Global Asset Management	Intrntl Equity Advisor	301,479	898,034	692,071	522,925	738,126
MFS Institutional Advisors	Intrntl Equity Advisor	2,137,031	2,053,695	1,990,305	1,841,425	1,554,152
Pareto Partners (Bank of New York)	Intrntl Equity Advisor	2,481,860	2,491,470	2,452,593	2,379,251	2,193,806
Progress Investment Management	Intrntl Equity Advisor	709,924	718,391	748,782	625,136	498,924
Pyramis Invmtmnt Global Adv Trust (Fidelity)	Intrntl Equity Advisor	561,305	1,301,082	1,595,583	847,138	1,321,148
Schroder Investment Management	Intrntl Equity Advisor	1,498,612	1,550,463	1,475,062	1,314,860	1,480,826
State Street Global Advisors	Intrntl Equity Advisor	777,213	479,389	439,594	412,631	388,527
William Blair & Comapny	Intrntl Equity Advisor	2,284,387	2,205,475	2,032,604	1,594,531	-
Total International Equity Advisor Compensation		\$19,922,588	\$22,369,978	\$22,684,066	\$20,111,163	\$19,083,373
Emerging Market International Equity Investment Advisory Services						
Aberdeen Asset Management	Intrntl Equity Advisor	3,796,552	3,477,681	3,380,056	1,953,646	-
Emerging Markets Management LLC	Intrntl Equity Advisor	4,392,678	4,524,091	4,106,071	3,355,933	3,344,579
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	4,937,959	4,953,038	4,935,690	4,359,800	4,302,557
Schroder Investment Management	Intrntl Equity Advisor	3,231,449	3,021,727	3,034,520	441,983	-
Total International Equity Advisor Compensation		\$16,358,638	\$15,976,537	\$15,456,337	\$10,111,362	\$7,647,136
Alternative Investment Advisory Services ⁽²⁾						
ArcLight Energy Partner Fund V	Alternative Inv Advisor	728,883	1,076,537	-	-	-
Energy Fund XV	Alternative Inv Advisor	154,341	533,629	-	-	-
TCW-EIG Alternative Investment	Alternative Inv Advisor	-	-	666,725	-	-
Total Alternative Investment Advisor Compensation		\$883,224	\$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
AEW Partners III, LP	Real Estate Advisor	-	-	-	-	261,146
American Realty Advisors	Real Estate Advisor	125,606	-	-	-	-
Apollo Real Estate Investment Fund III	Real Estate Advisor	-	-	29,749	-	-
Blackstone Real Estate Partners VI	Real Estate Advisor	1,278,613	1,367,098	1,499,801	1,484,438	1,500,000
Blackstone Real Estate Partners Europe III	Real Estate Advisor	750,000	750,000	750,000	750,000	572,917
Blackstone Real Estate Special Situations Fund II	Real Estate Advisor	550,595	-	-	-	-
Canyon Johnson Urban Fund II, LP	Real Estate Advisor	-	-	-	571,243	771,875
Canyon Johnson Urban Fund III, LP	Real Estate Advisor	675,658	921,875	1,437,500	913,043	-
Hart Realty Advisors, Inc.	Real Estate Advisor	1,111,617	276,300	-	-	-
MacFarlane Urban Real Estate	Real Estate Advisor	1,543,436	802,421	1,849,589	2,250,000	1,412,579
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	9,388	113,731	171,250	171,250	-
Urban Strategy America Fund	Real Estate Advisor	-	-	-	30,603	-
Total Real Estate Advisor Compensation		\$6,044,913	\$5,145,750	\$7,397,058	\$7,817,515	\$6,948,316
Commercial Mortgage Investment Advisory Services ⁽²⁾						
AEW Capital Management, L.P.	Comm Mortgage Advisor	6,250	25,000	25,000	37,125	73,500
Total Commercial Mortgage Advisor Compensation		\$6,250	\$25,000	\$25,000	\$37,125	\$73,500

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:				
		2013	2012	2011	2010	2009
Private Investment Advisory Services ⁽²⁾						
Altaris Health Partners, LP (AIG Altaris)	Private Inv Advisor	329,934	270,860	582,712	504,218	323,621
Altaris Healthcare Partners II, LP (AIG Altaris)	Private Inv Advisor	492,146	478,337	494,565	1,033,732	713,206
AIG Global Emerging Mkts Fund LP	Private Inv Advisor	-	51,468	279,708	67,953	385,337
Aldus - CT Emerging Manager	Private Inv Advisor	-	-	-	-	650,000
Audax Mezzanine Fund III, LP	Private Inv Advisor	743,313	904,984	527,283	-	-
Blackstone Capital Partners III LP	Private Inv Advisor	-	-	-	10,089	47,872
Boston Venture Capital Partners VII, LP	Private Inv Advisor	719,424	750,000	750,000	1,489,320	647,015
Carlyle Asia Partners LP	Private Inv Advisor	-	-	-	303,371	318,454
Carlyle European Partners LP	Private Inv Advisor	-	-	-	266,426	158,379
Charterhouse Equity Partners IV, LP	Private Inv Advisor	-	-	-	524,818	1,240,180
Clearlake Capital Partners, LP	Private Inv Advisor	534,459	-	-	-	-
Compass Partners European Equity Fund LP	Private Inv Advisor	-	379,517	-	-	-
Conning & Co	Private Inv Advisor	-	-	-	-	74,176
Constitution Liquidating Fund LP (Crossroads)	Private Inv Advisor	182,005	389,972	354,945	400,000	444,368
Courthouse Square Capital Partners	Private Inv Advisor	258,832	555,244	904,094	1,289,728	1,253,282
CS/CT Cleantech Opportunities Fund	Private Inv Advisor	163,500	176,253	180,208	181,893	183,480
CT Horizon Legacy Fund, LP	Private Inv Advisor	50,000	50,000	50,000	-	-
DLJ Merchant Banking Fund II LP	Private Inv Advisor	-	-	-	166,752	73,659
Ethos Capital Fund V, LP	Private Inv Advisor	370,980	525,989	1,292,704	839,611	411,692
Fairview Constitution II, LP	Private Inv Advisor	650,000	1,950,000	1,300,000	1,300,000	1,300,000
Fairview Constitution III, LP	Private Inv Advisor	975,000	2,925,000	2,400,000	2,400,000	2,400,000
Fairview Constitution IV, LP	Private Inv Advisor	1,200,000	600,000	-	-	-
Forstmann Little & Company	Private Inv Advisor	-	-	-	-	115,155
FS Equity Partners V LP	Private Inv Advisor	77,240	128,464	198,323	94,055	475,145
FS Equity Partners VI LP	Private Inv Advisor	919,953	1,031,121	286,657	1,603,591	-
Garmark Partners LP	Private Inv Advisor	-	-	-	-	9,925
Garmark Partners, II LP	Private Inv Advisor	423,463	655,133	719,617	929,689	571,623
Goldman Sachs Private Equity Fund LP	Private Inv Advisor	-	59,416	411,767	-	-
Green Equity III LP	Private Inv Advisor	-	-	-	29,747	50,025
Greenwich Street Capital Partners II LP	Private Inv Advisor	11,344	-	-	9,511	34,495
ICV Associates II LP	Private Inv Advisor	-	317,377	628,189	667,546	655,725
JFL Investors III, LP	Private Inv Advisor	613,404	935,830	-	-	-
KKR 1996 Fund LP	Private Inv Advisor	-	-	-	-	33,880
KKR Millenium Fund LP	Private Inv Advisor	-	-	80,291	67,797	-
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
Leeds Equity Associates V LP	Private Inv Advisor	426,756	209,214	466,100	616,274	711,110
Levine Leichtman Capital Partners IV, LP	Private Inv Advisor	720,979	832,609	897,095	-	-
LLCP Partners IV LP	Private Inv Advisor	-	-	-	1,227,249	1,733,219
Muller & Monroe - CT Emerging Private Equity Funds-of-Funds	Private Inv Advisor	882,514	987,514	1,050,000	1,013,699	550,000
Nogales Investors II, LP	Private Inv Advisor	182,826	167,243	145,585	449,947	753,308
Nutmeg Opportunities Fund, LP	Private Inv Advisor	310,022	169,747	103,945	-	-
Pegasus Investors IV, LP	Private Inv Advisor	846,071	685,535	1,009,618	1,246,983	796,345
Pegasus Investors V, LP	Private Inv Advisor	854,445	1,128,263	-	-	-
REF Associates VII, LP	Private Inv Advisor	906,173	602,195	531,021	201,644	-
REF Associates VIII, LP	Private Inv Advisor	837,366	585,928	-	-	-
Snycom Partners V, LP	Private Inv Advisor	346,079	594,154	586,345	579,099	607,136
SW Pelham Fund II, LP	Private Inv Advisor	-	46,036	189,585	223,425	295,500
Thayer Equity Investors IV LP	Private Inv Advisor	-	-	165,897	195,955	234,511
Thomas H. Lee Equity Fund VI LP	Private Inv Advisor	178,333	1,014,946	521,870	1,030,058	592,155
Vista Equity Partners III, LP	Private Inv Advisor	339,658	462,644	570,546	688,224	558,093
Vista Equity Partners IV, LP	Private Inv Advisor	879,810	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	-	-	-
Wellspring Capital Partners V LP	Private Inv Advisor	1,096,538	-	-	-	-

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:				
		2013	2012	2011	2010	2009
WLR Recovery Associates IV, LP	Private Inv Advisor	-	-	733,935	-	-
Yucaipa American Alliance Fund LP	Private Inv Advisor	609,788	958,484	968,697	693,750	1,469,767
Total Private Investment Advisor Compensation		\$18,132,355	\$24,918,653	\$20,958,029	\$23,887,560	\$22,526,012
TOTAL COMPENSATION TO INVESTMENT ADVISORS		\$87,236,676	\$96,534,108	\$89,424,468	\$83,436,385	\$88,654,180
CUSTODY SERVICES						
State Street Bank & Trust	Custody of Assets	2,216,866	2,122,148	2,222,533	-	80,000
TOTAL CUSTODY SERVICES COMPENSATION		\$2,216,866	\$2,122,148	\$2,222,533	\$-	\$80,000

(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 (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
NESBITT BURNS	2,038.77	373,993.00	0.01	TD WATERHOUSE CDA	1,326.71	32,606.00	0.04
NOMURA FINANCIAL AND INVESTMENT	266.10	799.00	0.33	TEB YATIRIM MENKUL DEGERLER A.S.	2,576.37	523,124.00	0.00
NOMURA INTERNATIONAL PLC	14,379.63	16,966,564.92	0.00	THE BENCHMARK COMPANY, LLC	198.12	6,628.00	0.03
NOMURA SECURITIES INTERNATIONAL INC	13,389.44	60,688,565.44	0.00	THE HONGKONG AND SHANGHAI BANK	23,551.36	278,147.00	0.08
NORTH SOUTH CAPITAL LLC	14,270.58	504,305.00	0.03	THINKPANMURE LLC	2,098.69	47,204.00	0.04
NORTHLAND SECURITIES INC.	1,612.26	41,769.00	0.04	THOMAS WEISEL PARTNERS CANADA INC	4,657.90	119,707.00	0.04
NORTHPOINT TRADING PARTNERS LLC	32.50	2,600.00	0.01	TONGYANG SECURITIES INC	362.89	1,428.00	0.25
NUMIS SECURITIES INC.	27,134.98	2,226,300.00	0.01	TOPEKA CAPITAL MARKETS INC.	2,565.53	128,465.00	0.02
NUMIS SECURITIES LIMITED	1,763.02	347,736.00	0.01	TOURMALINE PARTNERS	22,970.86	850,773.00	0.03
O NEIL, WILLIAM AND CO. INC/BCC CLRG	1,800.00	60,000.00	0.03	TROIKA DIALOG USA, INC	10,082.84	14,510,913.81	0.00
ODDO ET CIE	192.92	18,808.00	0.01	UBS AG	335,186.97	104,939,779.00	0.00
OPPENHEIMER + CO. INC.	27,266.01	5,458,702.83	0.00	UBS AG LONDON	18,596.04	991,325,690.00	0.00
ORIEL SECURITIES LTD	1,349.27	151,821.00	0.01	UBS SECURITIES ASIA LTD	192,195.89	98,139,598.00	0.00
PACIFIC CREST SECURITIES	12,346.23	319,397.00	0.04	UBS SECURITIES CANADA INC	10,438.92	598,512.00	0.02
PANMURE GORDON AND CO LTD	851.44	143,679.00	0.01	UBS SECURITIES LLC	62,885.29	227,615,211.66	0.00
PAREL	1,496.94	310,397.00	0.00	UBS SECURITIES PTE.LTD	48,815.69	16,863,350.00	0.00
PAVILION GLOBAL MARKETS LTD	3,750.49	364,829.00	0.01	UBS SECURITIES PTE.LTD., SEOUL	62,839.97	1,158,546.00	0.05
PENSERRA SECURITIES	4,864.02	428,604.00	0.01	UBS SECURITIES SINGAPORE PTE	6,567.56	10,668,217.00	0.00
PENSERRA SECURITIES LLC	124.00	6,200.00	0.02	UBS WARBURG (HONG KONG) LIMITED	720.10	643,600.00	0.00
PENSON FINANCIAL SERVICES CANADA INC	8,725.04	281,288.00	0.03	UBS WARBURG AUSTRALIA EQUITIES	5,044.17	867,888.00	0.01
PERCIVAL FINANCIAL	248.00	6,200.00	0.04	UBS WARBURG LLC	5,839.10	591,007.00	0.01
PERCIVAL FINANCIAL PARTNERS LTD.	2,764.40	71,380.00	0.04	UOB KAY HIAN (HONG KONG) LTD	6,413.24	4,619,900.00	0.00
PERSHING LLC	94,644.45	95,827,034.00	0.00	UOB KAY HIAN PTE LIMITED	5,098.45	296,824.00	0.02
PERSHING SECURITIES LIMITED	21,099.14	8,544,576.00	0.00	UOB KAY HIAN SECURITIES PT	1,464.51	1,818,484.00	0.00
PETERCAM S.A.	114.25	989.00	0.12	VANDHAM SECURITIES CORP	3,302.48	130,162.00	0.03
PICKERINGENERGY PARTNERS, INC	396.09	9,086.00	0.04	VICKERS BALLAS TAMARA PT	2,665.09	1,753,500.00	0.00
PIPER JAFFRAY	21,801.37	668,596.00	0.03	VTB BANK EUROPE PLC	23,436.23	548,453,097.19	0.00
PT. MANDIRI SEKURITAS	9,322.77	6,564,500.00	0.00	WARBURG DILLON READ (NEW ZEALAND)	756.60	730,845.00	0.00
PULSE TRADING LLC	18,301.08	702,859.00	0.03	WEBBUSH MORGAN SECURITIES INC	12,204.13	358,745.00	0.03
RABOBANK NETHERLAND	11,654.37	144,015.00	0.08	WEDGE SECURITIES LLC	170.76	4,269.00	0.04
RAYMOND JAMES AND ASSOCIATES INC	35,336.63	976,668.00	0.04	WEEDEN + CO.	63,243.08	3,546,381.00	0.02
RBC CAPITAL MARKETS	22,096.50	386,069,116.69	0.00	WELLS FARGO SECURITIES LLC	506.00	202,668,450.77	0.00
RBC DEXIAINVESTOR SERVICES	1,093.88	56,921.00	0.02	WELLS FARGO SECURITIES, LLC	16,113.87	33,736,398.23	0.00
RBC DOMINION SECURITIES INC.	3,368.04	221,492.00	0.02	WILLIAM BLAIR & COMPANY L.L.C	29,540.39	778,353.00	0.04
REDBURN PARTNERS LLP	8,338.04	395,500.00	0.02	WILLIAMS CAPITAL GROUP LP (THE)	12,754.57	749,326.00	0.02
REDEMPTION	308,330.80	64,029,948.60	0.00	WM SMITH SECURITIES INC	1,081.00	31,900.00	0.03
RENAISSANCE CAPITAL LTD	19,132.45	1,346,938.00	0.01	WOLFE TRAHAN SECURITIES	746.00	22,700.00	0.03
RENAISSANCE SECURITIES (CYPRUS) LIMITED	9,371.55	218,708.00	0.04	WOORI INVESTMENT SECURITIES	1,395.94	42,265.00	0.03
RHB INVESTMENT BANK BERHAD	391.18	17,600.00	0.02	WUNDERLICH SECURITIES INC.	2,915.58	82,385.00	0.04
ROBERT W.BAIRD CO.INCORPORATE	40,292.49	6,567,000.58	0.01	XP INVESTIMENTOS CCTVM SA	598.56	12,600.00	0.05
ROBERTS +RYAN INVESTMENTS INC	2,064.00	68,800.00	0.03	YAMNER & CO INC (CLS THRU 443)	4,291.17	426,733.00	0.01
ROTH CAPITAL PARTNERS LLC	1,133.05	39,332.00	0.03	YORKTON SECURITIES INC	821.54	20,899.00	0.04
ROYAL BANK OF CANADA EUROPE LTD	865.86	1,117,388.00	0.00	YUANTA SECURITIES COMPANY LIMITED	29,178.95	6,951,000.00	0.00
SALOMON SMITH BARNEY INC	6,954.54	5,689,194.00	0.00				
SAMSUNG SECURITIES CO LTD	18,684.12	125,370.00	0.15	TOTAL	\$8,362,972.47		
SAMUEL A RAMIREZ & COMPANY INC	854.00	42,700.00	0.02				
SANDLER ONEILL + PART LP	2,867.86	85,768.00	0.03				
SANFORD C. BERNSTEIN AND CO., LLC	5,480.59	6,985,793.00	0.00				
SANFORD C. BERNSTEIN LTD	8,138.40	8,659,078.00	0.00				
SANFORD CBERNSTEIN CO LLC	46,035.57	9,730,987.00	0.00				
SANTANDER INVESTMENT SECURITIES	771.48	25,716.00	0.03				
SANTANDER INVESTMENT SECURITIES INC	672.00	22,400.00	0.03				
SANTANDERMERCHANT S.A.	246.70	657,100.00	0.00				
SCARSDALEEQUITIES LLC	530.92	12,391.00	0.04				
SCOTIA CAPITAL (USA) INC	2,197.45	26,818,214.60	0.00				
SCOTIA CAPITAL MKTS	9,538.35	295,643.00	0.03				
SCOTIA CAPITAL USA INC	3,975.69	709,142.00	0.01				
SCOTT & STRINGFELLOW, INC	2,241.61	1,090,136.00	0.00				
SEI FINANCIAL SER CO	1,305.85	37,310.00	0.04				
SEYMOUR PIERCE HOLDINGS LIMITED	23.76	5,674.00	0.00				
SG AMERICAS SECURITIES LLC	276.00	132,938,900.00	0.00				
SG SECURITIES HK	39,922.15	11,931,690.00	0.00				
SIDOTI + COMPANY LLC	6,999.71	173,940.00	0.04				
SIMMONS + COMPANY INTERNATIONAL	724.00	21,200.00	0.03				
SIX SIS AG	1,341.10	63,123.00	0.02				
SKANDINAVISKA ENSKILDA BANK	468.69	33,479.00	0.01				
SKANDINAVISKA ENSKILDA BANKEN LONDON	13,443.08	821,706.00	0.02				
SMBC NIKKO SECURITIES (HONK KONG) LTD	982.60	29,948.00	0.03				
SMBC SECURITIES INC	78.81	1,600.00	0.05				
SOCIETE GENERALE	96.60	1,098,641.60	0.00				
SOCIETE GENERALE LONDON BRANCH	34,086.77	4,877,569.00	0.01				
SOCIETE GENERALE PARIS ZURICH BRA	3,595.65	15,829.00	0.23				
STANDARD BANK LONDON LIMITED	3,519.32	13,076,882.01	0.00				
STANDARD CHARTERED BANK	1,053.06	111,206,500.00	0.00				
STANDARD CHARTERED BANK (HONG KONG) LIMI	10,246.41	9,686,000.00	0.00				
STANLEY CHARLES	75.00	116,700.00	0.00				
STATE STREET BANK AND TRUST CO	251.36	18,875.00	0.01				
STATE STREET GLOBAL MARKETS, LLC	1,118.28	52,014.00	0.02				
STEPHENS, INC.	17,798.56	1,599,958.52	0.01				
STERNE AGEE & LEACH INC.	16,428.56	2,211,454.88	0.01				
STIFEL NICOLAUS + CO INC	39,903.17	7,565,301.15	0.01				
SUNGARD BROKERAGE & SECURITIES SVCS LLC	1,690.18	181,239.00	0.01				
SUNTRUST CAPITAL MARKETS, INC.	9,642.18	231,722.00	0.04				
SVENSKA HANDELSBANKEN	9,041.82	230,885.00	0.04				
SVENSKA HANDELSBANKEN LONDON BRANCH	101.22	17,500.00	0.01				
TD SECURITIES (USA) LLC	1,836.00	61,200.00	0.03				

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

COMBINED INVESTMENT FUNDS
TOTAL NET POSITION VALUE BY PENSION PLANS AND TRUST FUNDS
JUNE 30, 2013

<u>Retirement Funds</u>	<u>Net Position Value</u>
Teachers' Retirement Fund	\$14,453,543,844
State Employees' Retirement Fund	9,179,572,746
Municipal Employees' Retirement Fund	1,828,132,695
State Judges' Retirement Fund	168,327,147
The Probate Court Retirement Fund	81,893,304
State's Attorneys Retirement Fund	1,271,590
<u>Non-retirement Trust Funds</u>	
Soldiers' Sailors' & Marines' Fund	68,040,523
Police & Firemans' Survivors' Benefit Fund	23,975,814
Connecticut Arts Endowment Fund	17,846,712
School Fund	10,340,471
Ida Eaton Cotton Fund	2,303,004
Hopemead State Park Fund	3,097,285
Andrew C. Clark Fund	1,083,224
Agricultural College Fund	648,685
OPEB Fund	100,731,996
TOTAL	<u>\$25,940,809,040</u>

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF NET POSITION BY INVESTMENT FUND
JUNE 30, 2013**

	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	\$ -	\$199,086,123	\$50,898,921	\$169,569,912	\$31,999,186	\$22,369,867
Cash Equivalents	1,425,532,922	-	-	-	-	14,122
Asset Backed Securities	80,782,027	-	-	61,898,779	-	(114,471)
Government Securities	552,862,104	-	-	601,914,673	847,483,309	661,754,034
Government Agency Securities	38,526,291	-	-	538,709,475	-	-
Mortgage Backed Securities	32,326,002	-	-	173,117,494	-	-
Corporate Debt	223,093,646	-	-	510,730,959	-	184,301,292
Convertible Securities	-	-	-	-	-	-
Common Stock	-	-	5,747,681,270	-	-	207,051
Preferred Stock	-	-	-	73,721	-	-
Real Estate Investment Trust	-	-	157,085,204	-	-	-
Mutual Fund	-	-	279,363,303	306,855	-	519,538,630
Limited Liability Corporation	-	-	-	-	-	-
Trusts	-	-	-	-	-	-
Limited Partnerships	-	1,048,488,787	1,054,100	-	-	-
Annuities	-	-	-	-	-	-
Total Investments in Securities, at Fair Value	2,353,122,992	1,247,574,910	6,236,082,798	2,056,321,868	879,482,495	1,388,070,525
Cash	99,445,736	-	12,522	-	84,247	8,158,652
Receivables						
Foreign Exchange Contracts	804,626,302	-	-	13,378,569	12,129,234	102,741,492
Interest Receivable	7,575,954	80,203	23,536	12,509,715	4,631,114	16,594,145
Dividends Receivable	-	-	6,661,425	-	-	-
Due from Brokers	3,402,137	-	84,155,603	373,590,767	3,474,335	7,397,452
Foreign Taxes	644	-	12,088	11,034	-	596,753
Securities Lending Receivable	-	-	380,869	57,766	30,765	5,776
Reserve for Doubtful Receivables	-	-	(1,610)	(1,130,028)	-	(583,060)
Total Receivables	815,605,037	80,203	91,231,911	398,417,823	20,265,448	126,752,558
Invested Securities Lending Collateral	-	-	1,097,613,003	323,234,559	373,165,904	18,063,582
Other Funds on Deposit	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Assets	3,268,173,765	1,247,655,113	7,424,940,234	2,777,974,250	1,272,998,094	1,541,045,317
LIABILITIES						
Payables						
Foreign Exchange Contracts	800,123,942	-	-	13,253,061	12,119,071	102,778,469
Due to Brokers	3,398,585	-	88,292,973	528,762,823	-	9,669,214
Income Distribution	991,173	-	2,232,805	5,278,281	-	-
Other Payable	-	-	-	2,560,307	-	-
Total Payables	804,513,700	-	90,525,778	549,854,472	12,119,071	112,447,683
Securities Lending Collateral	-	-	1,097,613,003	323,234,559	373,165,904	18,063,582
Accrued Expenses	142,223	(107,786)	(329,114)	(98,874)	82,927	469,177
Total Liabilities	804,655,923	(107,786)	1,187,809,667	872,990,157	385,367,902	130,980,442
NET POSITION HELD IN TRUST FOR PARTICIPANTS	\$2,463,517,842	\$1,247,762,899	\$6,237,130,567	\$1,904,984,093	\$887,630,192	\$1,410,064,875
Units Outstanding	2,466,572,085	1,175,179,822	5,477,628	16,116,434	5,896,346	9,255,800
Net Position Value and Redemption Price per Unit	\$1.00	\$1.06	\$1,138.66	\$118.20	\$150.54	\$152.34

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF NET POSITION BY INVESTMENT FUND
JUNE 30, 2013**

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
\$72,797,263	\$262,498,293	\$130,750,089	\$244,023,984	\$27,212	\$127,869,830	\$(1,311,890,680)	\$ -
72,415,856	-	-	-	-	-	-	1,497,962,900
-	-	-	-	-	-	-	142,566,335
22,824,063	-	-	-	-	-	-	2,686,838,183
-	-	-	-	-	-	-	577,235,766
-	-	-	-	42,887	-	-	205,486,383
1,023,946,310	-	-	-	-	-	-	1,942,072,207
41,826,379	-	-	-	-	-	-	41,826,379
16,054,127	5,039,482,752	2,065,994,011	-	-	2,278,897	-	12,871,698,108
17,374,206	35,617,901	39,625,689	-	-	-	-	92,691,517
-	55,029,114	4,889,926	70,645,273	-	-	-	287,649,517
-	443,635	125,922,338	-	-	-	-	925,574,761
-	-	-	-	-	1,032,982	-	1,032,982
-	-	-	946,213	-	-	-	946,213
-	-	-	1,155,683,752	-	2,433,695,896	-	4,638,922,535
-	-	-	-	-	-	-	-
1,267,238,204	5,393,071,695	2,367,182,053	1,471,299,222	70,099	2,564,877,605	(1,311,890,680)	25,912,503,786
4,613	33,051,034	956,526	-	-	-	(99,445,736)	42,267,594
-	-	-	-	-	-	-	-
13,557,402	5,987,572,142	15,196,211	-	-	-	(804,626,302)	6,144,575,050
20,372,799	100,058	42,949	86,457	10	50,566	107,840,202	169,907,708
-	9,506,034	11,025,491	744,260	-	-	-	27,937,210
10,234,590	63,088,802	12,863,455	10,994,140	-	-	(3,402,137)	565,799,144
5,568	9,531,556	181,945	-	-	-	(644)	10,338,944
61,547	369,070	78,185	-	-	-	-	983,978
(1,796,911)	(854,125)	(45,225)	-	-	-	-	(4,410,959)
42,434,995	6,069,313,537	39,343,011	11,824,857	10	50,566	(700,188,881)	6,915,131,075
235,153,367	274,998,489	193,459,798	-	-	-	-	2,515,688,702
-	-	-	-	-	-	-	-
-	-	-	-	2,836	2,724,074	-	2,726,910
1,544,831,179	11,770,434,755	2,600,941,388	1,483,124,079	72,945	2,567,652,245	(2,111,525,297)	35,388,318,067
13,465,899	5,969,105,300	15,182,334	-	-	-	(800,123,942)	6,125,904,134
44,188,189	61,621,985	23,325,186	-	-	-	(3,398,585)	755,860,370
3,857,868	17,585,134	-	1,476,074	-	17,497,469	(501,156)	48,417,648
-	-	-	-	-	-	-	2,560,307
61,511,956	6,048,312,419	38,507,520	1,476,074	-	17,497,469	(804,023,683)	6,932,742,459
235,153,367	274,998,489	193,459,798	-	-	-	-	2,515,688,702
(52,435)	(263,519)	(113,333)	(342,275)	-	(246,193)	(62,932)	(922,134)
296,612,888	6,323,047,389	231,853,985	1,133,799	-	17,251,276	(804,086,615)	9,447,509,027
\$1,248,218,291	\$5,447,387,366	\$2,369,087,403	\$1,481,990,280	\$72,945	\$2,550,400,969	\$(1,307,438,682)	\$25,940,809,040
9,935,549	14,398,922	6,603,539	40,644,721	2,403	53,062,640		
\$125.63	\$378.32	\$358.76	\$36.46	\$30.36	\$48.06		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET POSITION BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	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	\$12	\$3,039,996	\$124,406,000	\$25,839	\$ -	\$16,203,748
Interest	18,957,731	840,472	584,924	70,370,005	10,329,192	26,623,649
Other Income	6,074	-	1,130,187	409,273	-	7,726,661
Securities Lending	-	-	7,565,975	1,674,364	1,082,684	278,651
Total Income	18,963,817	3,880,468	133,687,086	72,479,481	11,411,876	50,832,709
Expenses						
Investment Advisory Fees	5,406,324	-	11,426,658	3,263,250	880,812	4,820,747
Custody and Transfer Agent Fees	284,273	121,628	811,779	246,383	124,755	208,157
Professional Fees	31,946	742,651	323,092	53,095	24,413	40,203
Security Lending Fees	-	-	1,085,853	167,022	70,486	15,532
Security Lending Rebates	-	-	326,724	560,990	612,805	-
Investment Expenses	-	4,933	1,241,228	110,679	7,275	542,504
Total Expenses	5,722,543	869,212	15,215,334	4,401,419	1,720,546	5,627,143
Net Investment Income	13,241,274	3,011,256	118,471,752	68,078,062	9,691,330	45,205,566
Net Realized Gain (Loss)	5,262,048	(254,647)	765,032,220	63,118,505	26,210,788	67,483,238
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	(7,675,744)	57,774,693	298,928,361	(118,259,568)	(75,231,305)	(105,716,450)
Net Increase (Decrease) in Net Position Resulting from Operations	10,827,578	60,531,302	1,182,432,333	12,936,999	(39,329,187)	6,972,354
Unit Transactions						
Purchase of Units by Participants	4,875,601,311	638,390,202	48,447,236	65,364,635	44,105,555	368,125,377
TOTAL ADDITIONS	4,886,428,889	698,921,504	1,230,879,569	78,301,634	4,776,368	375,097,731
DEDUCTIONS						
Administrative Expenses:						
Salary and Fringe Benefits	(324,097)	(256,691)	(973,437)	(328,734)	(148,443)	(216,878)
Distributions to Unit Owners:						
Income Distributed	(12,917,176)	-	(116,895,758)	(81,862,629)	(12,719,408)	(7,224,484)
Unit Transactions						
Redemption of Units by Participants	(3,941,060,135)	-	(1,300,570,132)	(707,812,642)	(42,292,992)	(159,684,691)
TOTAL DEDUCTIONS	(3,954,301,408)	(256,691)	(1,418,439,327)	(790,004,005)	(55,160,843)	(167,126,053)
Change in Net Position Held in Trust for Participants	932,127,481	698,664,813	(187,559,758)	(711,702,371)	(50,384,475)	207,971,678
Net Position- Beginning of Period	1,531,390,361	549,098,086	6,424,690,325	2,616,686,464	938,014,667	1,202,093,197
Net Position- End of Period	\$2,463,517,842	\$1,247,762,899	\$6,237,130,567	\$1,904,984,093	\$887,630,192	\$1,410,064,875
Other Information:						
Units						
Purchased	14,465,555,952	625,010,272	44,785	533,842	272,393	2,229,816
Redeemed	(13,534,257,646)	-	(1,275,796)	(5,734,311)	(260,817)	(957,815)
Net Increase (Decrease)	931,298,306	625,010,272	(1,231,011)	(5,200,469)	11,576	1,272,001

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET POSITION BY INVESTMENT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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
\$489,259	\$168,437,880	\$58,729,939	\$82,287,394	\$ -	\$294,256,420	\$(6)	\$747,876,481
60,211,323	835,159	244,733	845,933	56,260	852,583	(8,959,665)	181,792,299
1,321,266	138,831	1,921	-	-	459	(2,871)	10,731,801
1,248,828	5,058,600	1,509,549	-	-	-	-	18,418,651
63,270,676	174,470,470	60,486,142	83,133,327	56,260	295,109,462	(8,962,542)	958,819,232
3,211,831	19,676,452	16,111,435	3,988,963	6,250	5,210,437	(2,555,097)	71,448,062
130,663	725,249	339,516	167,151	-	312,757	(134,351)	3,337,960
22,006	158,360	136,069	332,299	-	1,319,478	(15,098)	3,168,514
173,764	757,374	223,975	-	-	-	-	2,494,006
90,627	9,955	16,538	-	-	-	-	1,617,639
17,349	380,055	2,452,408	9,383	20,091	18,596	-	4,804,501
3,646,240	21,707,445	19,279,941	4,497,796	26,341	6,861,268	(2,704,546)	86,870,682
59,624,436	152,763,025	41,206,201	78,635,531	29,919	288,248,194	(6,257,996)	871,948,550
10,711,616	341,750,921	28,695,302	3,505,777	807	(29,020,348)	(2,486,911)	1,280,009,316
(5,937,280)	555,285,704	(3,855,243)	55,721,310	(48,799)	(29,684,148)	4,527,014	625,828,545
64,398,772	1,049,799,650	66,046,260	137,862,618	(18,073)	229,543,698	(4,217,893)	2,777,786,411
530,500,888	141,292,274	140,676,593	130,750,510	-	69,308,932	(2,071,114,410)	4,981,449,103
594,899,660	1,191,091,924	206,722,853	268,613,128	(18,073)	298,852,630	(2,075,332,303)	7,759,235,514
(133,572)	(713,920)	(342,389)	(470,689)	(17)	(505,625)	153,172	(4,261,320)
(47,980,397)	(99,285,065)	(30,746,870)	(89,524,002)	(42,519)	(320,092,764)	6,104,820	(813,186,252)
(9,336,186)	(269,869,637)	(34,022,698)	(25,000,000)	(635,000)	-	1,512,543,313	(4,977,740,800)
(57,450,155)	(369,868,622)	(65,111,957)	(114,994,691)	(677,536)	(320,598,389)	1,518,801,305	(5,795,188,372)
537,449,505	821,223,302	141,610,896	153,618,437	(695,609)	(21,745,759)	(556,530,998)	1,964,047,142
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
\$1,248,218,291	\$5,447,387,366	\$2,369,087,403	\$1,481,990,280	\$72,945	\$2,550,400,969	\$(1,307,438,682)	\$25,940,809,040
4,173,966	397,848	354,898	3,628,126	-	1,443,216	-	
(74,608)	(717,320)	(86,411)	(707,235)	(16,647)	-	-	
4,099,358	(319,472)	268,487	2,920,891	(16,647)	1,443,216	-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET POSITION 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 Position 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 Position Held in Trust for Participants	(204,561,395)	30,232,480	(213,171,024)	(101,382,782)	(181,412,524)	44,279,247
Net Position- 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 Position- 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 POSITION 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

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

	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, 2012	\$523,854,307	\$309,558,000	\$826,729,895	\$1,160,541,395	\$383,575,994	\$486,828,242
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
Shares Purchased	1,671,955,906	320,310,000	14,087,873	-	23,136,632	222,455,375
Shares Redeemed	(1,617,147,819)	-	(647,402,000)	(340,957,398)	-	(77,900,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	2,354,342	-	508,170,147	47,381,550	-	20,216,672
Net Investment Income Earned	4,178,059	-	65,646,209	38,894,681	6,620,020	4,022,610
Net Investment Income Distributed	(4,178,059)	-	(65,646,209)	(38,894,681)	(6,620,020)	(4,022,610)
Changes in Market Value of Fund Shares	(2,020,836)	33,372,729	100,717,471	(82,196,480)	(28,617,637)	(22,725,436)
Market Value at June 30, 2013	\$577,649,601	\$663,055,513	\$3,600,744,906	\$963,130,029	\$479,044,217	\$802,014,136
Book Value at June 30, 2013	\$581,016,736	\$629,868,000	\$701,585,915	\$866,965,547	\$406,712,626	\$651,600,289
Shares Outstanding	578,365,790	624,485,176	3,162,278	8,148,216	3,182,193	5,264,498
Market Value per Share	\$1.00	\$1.06	\$1,138.66	\$118.20	\$150.54	\$152.34
State Employees' Retirement Fund						
Book Value at June 30, 2012	\$220,254,894	\$196,880,000	\$474,781,207	\$728,599,722	\$240,919,590	\$303,736,307
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
Shares Purchased	742,613,712	196,540,000	14,087,870	43,567,171	18,135,478	47,400,000
Shares Redeemed	(482,202,931)	-	(535,340,000)	(173,000,000)	-	(48,000,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,113,960	-	434,365,096	24,562,480	-	15,064,728
Net Investment Income Earned	2,368,799	-	41,595,907	25,237,980	4,205,873	2,369,563
Net Investment Income Distributed	(2,368,799)	-	(41,595,907)	(25,237,980)	(4,205,873)	(2,369,563)
Changes in Market Value of Fund Shares	(1,580,481)	20,836,148	(48,188,157)	(49,504,614)	(18,450,318)	(9,358,084)
Market Value at June 30, 2013	\$479,490,068	\$414,152,313	\$2,250,243,741	\$688,355,132	\$308,693,072	\$422,319,799
Book Value at June 30, 2013	\$481,779,635	\$393,420,000	\$387,894,173	\$623,729,373	\$259,055,068	\$318,201,035
Shares Outstanding	480,084,556	390,060,834	1,976,229	5,823,582	2,050,585	2,772,148
Market Value per Share	\$1.00	\$1.06	\$1,138.66	\$118.20	\$150.54	\$152.34
Municipal Employees' Retirement Fund						
Book Value at June 30, 2012	\$27,764,552	\$37,666,000	\$88,323,086	\$284,781,669	\$95,437,446	\$77,382,319
Market Value at June 30, 2012	\$27,661,237	\$37,637,956	\$347,514,805	\$319,034,370	\$119,819,046	\$100,516,401
Shares Purchased	258,486,874	109,254,630	-	3,897,104	1,716,364	85,600,000
Shares Redeemed	(255,328,985)	-	(100,286,256)	(173,192,533)	(30,289,328)	(19,000,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	301,150	-	76,892,302	18,557,668	6,544,353	3,355,206
Net Investment Income Earned	318,030	-	6,078,204	8,822,062	1,594,338	699,503
Net Investment Income Distributed	(318,030)	-	(6,078,204)	(8,822,062)	(1,594,338)	(699,503)
Changes in Market Value of Fund Shares	(110,116)	5,372,633	(20,372,998)	(24,062,426)	(11,129,036)	(7,302,786)
Market Value at June 30, 2013	\$31,010,160	\$152,265,219	\$303,747,853	\$144,234,183	\$86,661,399	\$163,168,821
Book Value at June 30, 2013	\$31,223,591	\$146,920,630	\$64,929,132	\$134,043,908	\$73,408,835	\$147,337,525
Shares Outstanding	31,048,608	143,407,886	266,760	1,220,242	575,674	1,071,056
Market Value per Share	\$1.00	\$1.06	\$1,138.66	\$118.20	\$150.54	\$152.34

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, 2013**

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	\$1,981,768,259	\$771,408,218	\$976,273,786	\$775,670	\$1,964,852,371	\$9,723,385,654
\$396,889,583	\$2,649,043,994	\$1,267,910,689	\$748,860,092	\$418,156	\$1,469,592,117	\$13,473,161,942
182,679,532	64,281,136	64,008,900	57,152,000	-	27,500,000	2,647,567,354
-	(99,000,000)	-	(12,000,000)	(345,493)	-	(2,794,752,710)
-	-	-	-	-	-	-
-	37,492,522	-	(3,584,030)	(332,320)	-	611,698,883
24,111,212	47,022,900	17,505,185	49,588,120	23,133	172,666,508	430,278,637
(24,111,212)	(47,022,900)	(17,505,185)	(49,588,120)	(23,133)	(172,666,508)	(430,278,637)
11,742,042	507,478,343	19,559,716	30,518,976	299,344	(52,259,857)	515,868,375
\$591,311,157	\$3,159,295,995	\$1,351,479,305	\$820,947,038	\$39,687	\$1,444,832,260	\$14,453,543,844
\$519,899,049	\$1,984,541,917	\$835,417,118	\$1,017,841,756	\$97,857	\$1,992,352,371	\$10,187,899,181
4,706,710	8,350,876	3,767,082	22,515,103	1,308	30,060,612	1,292,009,843
\$125.63	\$378.32	\$358.76	\$36.46	\$30.36	\$48.06	
\$219,958,589	\$1,175,513,286	\$472,848,222	\$621,025,447	\$546,560	\$1,243,957,799	\$5,899,021,623
\$249,237,253	\$1,679,774,535	\$801,263,510	\$469,374,034	\$296,226	\$897,732,704	\$8,468,270,329
107,000,000	51,819,132	64,008,900	35,020,001	-	23,000,000	1,343,192,264
-	(93,000,000)	-	(13,000,000)	(244,749)	-	(1,344,787,680)
-	-	-	-	-	-	-
-	36,495,452	-	(4,134,100)	(232,856)	-	507,234,760
14,936,146	29,531,085	11,132,378	30,741,386	16,388	105,769,079	267,904,584
(14,936,146)	(29,531,085)	(11,132,378)	(30,741,386)	(16,388)	(105,769,079)	(267,904,584)
7,355,842	305,319,160	10,072,027	20,833,449	209,495	(31,881,394)	205,663,073
\$363,593,095	\$1,980,408,279	\$875,344,437	\$508,093,384	\$28,116	\$888,851,310	\$9,179,572,746
\$326,958,589	\$1,170,827,870	\$536,857,122	\$638,911,348	\$68,955	\$1,266,957,799	\$6,404,660,967
2,894,123	5,234,756	2,439,915	13,934,851	926	18,493,091	925,765,596
\$125.63	\$378.32	\$358.76	\$36.46	\$30.36	\$48.06	
\$41,699,115	\$163,275,296	\$81,252,619	\$121,294,274	\$84,197	\$235,656,322	\$1,254,616,895
\$47,193,471	\$261,602,630	\$138,840,305	\$95,592,108	\$45,959	\$179,840,546	\$1,675,298,834
207,683,215	4,000,000	4,692,780	34,002,922	-	16,825,565	726,159,454
-	(68,197,965)	(29,420,751)	-	(37,973)	-	(675,753,791)
-	-	-	-	-	-	-
-	32,766,428	14,044,922	-	(35,603)	-	152,426,426
4,141,559	4,392,681	1,828,130	6,722,082	2,543	21,206,531	55,805,663
(4,141,559)	(4,392,681)	(1,828,130)	(6,722,082)	(2,543)	(21,206,531)	(55,805,663)
(2,707,795)	21,591,292	(8,931,030)	3,680,345	31,979	(6,058,290)	(49,998,228)
\$252,168,891	\$251,762,385	\$119,226,226	\$133,275,375	\$4,362	\$190,607,821	\$1,828,132,695
\$249,382,330	\$131,843,759	\$70,569,570	\$155,297,196	\$10,621	\$252,481,887	\$1,457,448,984
2,007,210	665,476	332,328	3,655,180	144	3,965,711	188,216,275
\$125.63	\$378.32	\$358.76	\$36.46	\$30.36	\$48.06	

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, 2013**

	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, 2012	\$3,906,027	\$1,777,000	\$3,096,919	\$10,491,244	\$4,726,894	\$3,245,945
Market Value at June 30, 2012	\$3,890,195	\$1,775,022	\$16,406,214	\$12,346,911	\$5,873,583	\$4,399,188
Shares Purchased	6,782,460	2,302,542	-	174,254	52,833	3,300,000
Shares Redeemed	(8,190,308)	-	(5,393,021)	(5,000,000)	(1,832,381)	(1,456,650)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	14,193	-	4,464,328	794,497	381,012	267,822
Net Investment Income Earned	25,893	-	286,408	313,561	77,817	30,096
Net Investment Income Distributed	(25,893)	-	(286,408)	(313,561)	(77,817)	(30,096)
Changes in Market Value of Fund Shares	4,496	200,997	(1,820,455)	(1,022,419)	(580,146)	(385,923)
Market Value at June 30, 2013	\$2,501,036	\$4,278,561	\$13,657,066	\$7,293,243	\$3,894,901	\$6,124,437
Book Value at June 30, 2013	\$2,512,372	\$4,079,542	\$2,168,226	\$6,459,995	\$3,328,358	\$5,357,117
Shares Outstanding	2,504,140	4,029,675	11,994	61,702	25,873	40,201
Market Value per Share	\$1.00	\$1.06	\$1,138.66	\$118.20	\$150.54	\$152.34
Judges' Retirement Fund						
Book Value at June 30, 2012	\$3,163,112	\$3,537,000	\$9,314,099	\$24,738,264	\$11,450,314	\$6,741,274
Market Value at June 30, 2012	\$3,147,654	\$3,536,159	\$31,900,180	\$27,839,669	\$14,334,245	\$8,928,412
Shares Purchased	14,699,727	9,983,031	-	306,050	158,249	6,650,000
Shares Redeemed	(12,316,361)	-	(9,215,848)	(14,497,810)	(6,149,247)	(2,791,598)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	7,178	-	6,765,817	1,729,294	1,314,724	490,585
Net Investment Income Earned	32,377	-	563,732	660,049	188,266	61,013
Net Investment Income Distributed	(32,377)	-	(563,732)	(660,049)	(188,266)	(61,013)
Changes in Market Value of Fund Shares	(14,374)	492,103	(1,498,435)	(2,106,034)	(1,683,515)	(735,071)
Market Value at June 30, 2013	\$5,523,824	\$14,011,293	\$27,951,714	\$13,271,169	\$7,974,456	\$12,542,328
Book Value at June 30, 2013	\$5,553,656	\$13,520,031	\$6,864,068	\$12,275,798	\$6,774,040	\$11,090,261
Shares Outstanding	5,530,674	13,196,251	24,548	112,276	52,973	82,329
Market Value per Share	\$1.00	\$1.06	\$1,138.66	\$118.20	\$150.54	\$152.34
State's Attorneys' Retirement Fund						
Book Value at June 30, 2012	\$156,543	\$-	\$37,049	\$555,160	\$17,299	\$45,435
Market Value at June 30, 2012	\$155,977	\$-	\$209,039	\$617,048	\$25,802	\$64,016
Shares Purchased	56,252	-	-	-	-	-
Shares Redeemed	(2)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	-	-	-
Net Investment Income Earned	1,094	-	4,210	20,445	350	358
Net Investment Income Distributed	(1,094)	-	(4,210)	(20,445)	(350)	(358)
Changes in Market Value of Fund Shares	(81)	-	39,508	(22,872)	(1,434)	755
Market Value at June 30, 2013	\$212,146	\$-	\$248,547	\$594,176	\$24,368	\$64,771
Book Value at June 30, 2013	\$212,793	\$-	\$37,049	\$555,160	\$17,299	\$45,435
Shares Outstanding	212,408	-	218	5,027	162	425
Market Value per Share	\$1.00	\$-	\$1,138.66	\$118.20	\$150.54	\$152.34

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, 2013**

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	\$6,744,479	\$3,781,807	\$5,795,509	\$5,083	\$10,206,809	\$55,785,256
\$2,306,494	\$11,580,806	\$6,698,230	\$4,428,414	\$2,729	\$8,336,122	\$78,043,908
10,003,020	150,000	183,205	1,394,339	-	520,053	24,862,706
(48,320)	(2,043,755)	(1,806,274)	-	(2,255)	-	(25,772,964)
-	-	-	-	-	-	-
2,175	1,050,980	895,552	-	(2,187)	-	7,868,372
210,167	199,637	87,303	309,436	151	980,534	2,521,003
(210,167)	(199,637)	(87,303)	(309,436)	(151)	(980,534)	(2,521,003)
(117,989)	1,339,329	(611,508)	169,248	1,972	(286,320)	(3,108,718)
\$12,145,380	\$12,077,360	\$5,359,205	\$5,992,001	\$259	\$8,569,855	\$81,893,304
\$11,964,415	\$5,901,704	\$3,054,290	\$7,189,848	\$641	\$10,726,862	\$62,743,370
96,675	31,924	14,938	164,335	9	178,301	7,159,767
\$125.63	\$378.32	\$358.76	\$36.46	\$30.36	\$48.06	
\$4,325,719	\$16,110,180	\$7,367,527	\$11,816,412	\$8,842	\$22,542,654	\$121,115,397
\$4,811,997	\$24,162,099	\$12,763,773	\$8,835,424	\$4,838	\$16,645,239	\$156,909,689
18,605,121	312,000	420,289	3,091,248	-	1,463,314	55,689,029
-	(6,395,168)	(2,682,242)	-	(3,997)	-	(54,052,271)
-	-	-	-	-	-	-
-	2,845,386	1,299,620	-	(3,728)	-	14,448,876
408,582	406,458	168,114	601,257	268	1,972,643	5,062,759
(408,582)	(406,458)	(168,114)	(601,257)	(268)	(1,972,643)	(5,062,759)
(213,219)	2,149,179	(830,723)	337,397	3,346	(568,830)	(4,668,176)
\$23,203,899	\$23,073,496	\$10,970,717	\$12,264,069	\$459	\$17,539,723	\$168,327,147
\$22,930,840	\$12,872,398	\$6,405,194	\$14,907,660	\$1,117	\$24,005,968	\$137,201,031
184,698	60,989	30,580	336,352	15	364,925	19,976,609
\$125.63	\$378.32	\$358.76	\$36.46	\$30.36	\$48.06	
\$53,177	\$-	\$-	\$77,349	\$-	\$-	\$942,012
\$59,914	\$-	\$-	\$63,528	\$-	\$-	\$1,195,324
-	-	-	-	-	-	56,252
-	-	-	-	-	-	(2)
-	-	-	-	-	-	-
2,992	-	-	4,037	-	-	33,486
(2,992)	-	-	(4,037)	-	-	(33,486)
1,891	-	-	2,249	-	-	20,016
\$61,805	\$-	\$-	\$65,777	\$-	\$-	\$1,271,590
\$53,177	\$-	\$-	\$77,349	\$-	\$-	\$998,262
492	-	-	1,804	-	-	220,536
\$125.63	\$-	\$-	\$36.46	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

	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, 2012	\$654,241	\$-	\$983,642	\$37,929,520	\$1,725,943	\$4,533,494
Market Value at June 30, 2012	\$652,977	\$-	\$5,897,733	\$44,770,124	\$2,645,391	\$6,563,644
Shares Purchased	4,328,483	-	4,112,186	2,337,610	-	-
Shares Redeemed	(2,969,989)	-	(1,000,452)	-	(2,723,497)	(7,122,947)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	2,581	-	560,963	-	997,554	2,589,453
Net Investment Income Earned	7,549	-	171,113	1,496,444	16,648	20,078
Net Investment Income Distributed	(7,549)	-	(171,113)	(1,496,444)	(16,648)	(20,078)
Changes in Market Value of Fund Shares	(10,819)	-	1,130,773	(1,732,732)	(919,448)	(2,030,150)
Market Value at June 30, 2013	\$2,003,233	\$-	\$10,701,203	\$45,375,002	\$-	\$-
Book Value at June 30, 2013	\$2,015,316	\$-	\$4,656,339	\$40,267,130	\$-	\$-
Shares Outstanding	2,005,721	-	9,398	383,879	-	-
Market Value per Share	\$1.00	\$-	\$1,138.66	\$118.20	\$-	\$-
Endowment for the Arts						
Book Value at June 30, 2012	\$918,380	\$-	\$-	\$11,043,334	\$502,392	\$1,319,527
Market Value at June 30, 2012	\$914,258	\$-	\$-	\$12,454,983	\$735,777	\$1,825,451
Shares Purchased	2,477,656	-	2,559,310	1,018,954	-	-
Shares Redeemed	(2,832,998)	-	(124,637)	(1,164,901)	(757,500)	(1,981,003)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	3,760	-	15,822	146,521	255,108	661,476
Net Investment Income Earned	6,383	-	33,639	391,389	4,631	5,584
Net Investment Income Distributed	(6,383)	-	(33,639)	(391,389)	(4,631)	(5,584)
Changes in Market Value of Fund Shares	638	-	349,660	(579,380)	(233,385)	(505,924)
Market Value at June 30, 2013	\$563,314	\$-	\$2,800,155	\$11,876,177	\$-	\$-
Book Value at June 30, 2013	\$566,798	\$-	\$2,450,495	\$11,043,908	\$-	\$-
Shares Outstanding	564,011	-	2,459	100,474	-	-
Market Value per Share	\$1.00	\$-	\$1,138.66	\$118.20	\$-	\$-
Agricultural College Fund						
Book Value at June 30, 2012	\$42,286	\$-	\$25,364	\$302,380	\$13,760	\$36,140
Market Value at June 30, 2012	\$42,103	\$-	\$155,368	\$347,418	\$20,528	\$50,931
Shares Purchased	33,715	-	-	327,925	-	-
Shares Redeemed	(74,260)	-	(161,678)	(1)	(21,134)	(55,272)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	47	-	136,314	-	7,374	19,132
Net Investment Income Earned	213	-	999	17,639	130	156
Net Investment Income Distributed	(213)	-	(999)	(17,639)	(130)	(156)
Changes in Market Value of Fund Shares	174	-	(130,004)	(28,436)	(6,768)	(14,791)
Market Value at June 30, 2013	\$1,779	\$-	\$-	\$646,906	\$-	\$-
Book Value at June 30, 2013	\$1,788	\$-	\$-	\$630,304	\$-	\$-
Shares Outstanding	1,781	-	-	5,473	-	-
Market Value per Share	\$1.00	\$-	\$-	\$118.20	\$-	\$-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

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	\$-	\$-	\$-	\$-	\$-	\$51,128,146
\$6,103,757	\$-	\$-	\$-	\$-	\$-	\$66,633,626
-	7,481,753	2,789,991	-	-	-	21,050,023
(6,270,477)	(874,217)	(86,767)	-	-	-	(21,048,346)
-	-	-	-	-	-	-
969,171	96,408	3,186	-	-	-	5,219,316
134,042	68,882	12,343	-	-	-	1,927,099
(134,042)	(68,882)	(12,343)	-	-	-	(1,927,099)
(802,451)	698,128	(147,397)	-	-	-	(3,814,096)
\$-	\$7,402,072	\$2,559,013	\$-	\$-	\$-	\$68,040,523
\$-	\$6,703,944	\$2,706,410	\$-	\$-	\$-	\$56,349,139
-	19,566	7,133	-	-	-	2,425,697
\$-	\$378.32	\$358.76	\$-	\$-	\$-	
\$1,545,250	\$-	\$-	\$-	\$-	\$-	\$15,328,883
\$1,715,958	\$-	\$-	\$-	\$-	\$-	\$17,646,427
-	1,876,828	708,597	-	-	-	8,641,345
(1,762,829)	(138,120)	-	-	-	-	(8,761,988)
-	-	-	-	-	-	-
217,579	15,853	-	-	-	-	1,316,119
37,683	17,597	3,158	-	-	-	500,064
(37,683)	(17,597)	(3,158)	-	-	-	(500,064)
(170,708)	182,713	(38,805)	-	-	-	(995,191)
\$-	\$1,937,274	\$669,792	\$-	\$-	\$-	\$17,846,712
\$-	\$1,754,561	\$708,597	\$-	\$-	\$-	\$16,524,359
-	5,121	1,867	-	-	-	673,932
\$-	\$378.32	\$358.76	\$-	\$-	\$-	
\$42,296	\$-	\$-	\$-	\$-	\$-	\$462,226
\$47,664	\$-	\$-	\$-	\$-	\$-	\$664,012
-	-	-	-	-	-	361,640
(48,966)	-	-	-	-	-	(361,311)
-	-	-	-	-	-	-
6,670	-	-	-	-	-	169,537
1,047	-	-	-	-	-	20,184
(1,047)	-	-	-	-	-	(20,184)
(5,368)	-	-	-	-	-	(185,193)
\$-	\$-	\$-	\$-	\$-	\$-	\$648,685
\$-	\$-	\$-	\$-	\$-	\$-	\$632,092
-	-	-	-	-	-	7,254
\$-	\$-	\$-	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

	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, 2012	\$141,825	\$-	\$87,363	\$1,021,247	\$46,470	\$122,060
Market Value at June 30, 2012	\$141,234	\$-	\$529,400	\$1,182,169	\$69,852	\$173,308
Shares Purchased	138,824	-	-	410,226	-	-
Shares Redeemed	(203,762)	-	(238,794)	-	(71,915)	(188,076)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	197	-	201,496	-	25,445	66,016
Net Investment Income Earned	660	-	7,863	46,322	440	530
Net Investment Income Distributed	(660)	-	(7,863)	(46,322)	(440)	(530)
Changes in Market Value of Fund Shares	120	-	(131,387)	(62,548)	(23,382)	(51,248)
Market Value at June 30, 2013	\$76,613	\$-	\$360,715	\$1,529,847	\$-	\$-
Book Value at June 30, 2013	\$77,084	\$-	\$50,065	\$1,431,473	\$-	\$-
Shares Outstanding	76,708	-	317	12,943	-	-
Market Value per Share	\$1.00	\$-	\$1,138.66	\$118.20	\$-	\$-
Andrew Clark Fund						
Book Value at June 30, 2012	\$67,944	\$-	\$41,101	\$495,688	\$22,555	\$59,240
Market Value at June 30, 2012	\$67,650	\$-	\$247,665	\$555,822	\$32,842	\$81,479
Shares Purchased	159,638	-	-	200,590	-	-
Shares Redeemed	(201,939)	-	(109,272)	-	(33,812)	(88,422)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	108	-	92,088	-	11,257	29,182
Net Investment Income Earned	325	-	3,695	21,820	206	250
Net Investment Income Distributed	(325)	-	(3,695)	(21,820)	(206)	(250)
Changes in Market Value of Fund Shares	123	-	(59,125)	(29,661)	(10,287)	(22,239)
Market Value at June 30, 2013	\$25,580	\$-	\$171,356	\$726,751	\$-	\$-
Book Value at June 30, 2013	\$25,751	\$-	\$23,917	\$696,278	\$-	\$-
Shares Outstanding	25,611	-	150	6,148	-	-
Market Value per Share	\$1.00	\$-	\$1,138.66	\$118.20	\$-	\$-
School Fund						
Book Value at June 30, 2012	\$438,509	\$-	\$384,307	\$4,757,413	\$216,479	\$568,594
Market Value at June 30, 2012	\$436,418	\$-	\$2,328,190	\$5,468,297	\$323,108	\$801,651
Shares Purchased	696,564	-	-	1,677,554	-	-
Shares Redeemed	(782,300)	-	(1,027,939)	-	(332,648)	(869,961)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,218	-	868,307	-	116,169	301,367
Net Investment Income Earned	2,790	-	35,434	213,303	2,034	2,451
Net Investment Income Distributed	(2,790)	-	(35,434)	(213,303)	(2,034)	(2,451)
Changes in Market Value of Fund Shares	15	-	(550,213)	(282,312)	(106,629)	(233,057)
Market Value at June 30, 2013	\$351,915	\$-	\$1,618,345	\$6,863,539	\$-	\$-
Book Value at June 30, 2013	\$353,991	\$-	\$224,675	\$6,434,967	\$-	\$-
Shares Outstanding	352,349	-	1,421	58,067	-	-
Market Value per Share	\$1.00	\$-	\$1,138.66	\$118.20	\$-	\$-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

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	\$-	\$-	\$-	\$-	\$-	\$1,561,784
\$161,903	\$-	\$-	\$-	\$-	\$-	\$2,257,866
-	248,756	93,250	-	-	-	891,056
(166,326)	(25,559)	(2,069)	-	-	-	(896,501)
-	-	-	-	-	-	-
23,507	2,820	76	-	-	-	319,557
3,554	2,300	412	-	-	-	62,081
(3,554)	(2,300)	(412)	-	-	-	(62,081)
(19,084)	23,532	(4,977)	-	-	-	(268,974)
\$-	\$249,549	\$86,280	\$-	\$-	\$-	\$2,303,004
\$-	\$226,017	\$91,257	\$-	\$-	\$-	\$1,875,896
-	660	240	-	-	-	90,868
\$-	\$378.32	\$358.76	\$-	\$-	\$-	
\$69,389	\$-	\$-	\$-	\$-	\$-	\$755,917
\$76,700	\$-	\$-	\$-	\$-	\$-	\$1,062,158
-	117,016	43,871	-	-	-	521,115
(78,795)	(10,857)	(539)	-	-	-	(523,636)
-	-	-	-	-	-	-
9,406	1,211	20	-	-	-	143,272
1,685	1,087	195	-	-	-	29,263
(1,685)	(1,087)	(195)	-	-	-	(29,263)
(7,311)	11,178	(2,363)	-	-	-	(119,685)
\$-	\$118,548	\$40,989	\$-	\$-	\$-	\$1,083,224
\$-	\$107,370	\$43,352	\$-	\$-	\$-	\$896,668
-	313	114	-	-	-	32,338
\$-	\$378.32	\$358.76	\$-	\$-	\$-	
\$665,451	\$-	\$-	\$-	\$-	\$-	\$7,030,753
\$750,151	\$-	\$-	\$-	\$-	\$-	\$10,107,815
-	1,150,957	431,335	-	-	-	3,956,410
(770,642)	(153,513)	(22,740)	-	-	-	(3,959,743)
-	-	-	-	-	-	-
105,191	16,540	835	-	-	-	1,409,627
16,473	10,485	1,877	-	-	-	284,847
(16,473)	(10,485)	(1,877)	-	-	-	(284,847)
(84,700)	105,589	(22,331)	-	-	-	(1,173,638)
\$-	\$1,119,573	\$387,099	\$-	\$-	\$-	\$10,340,471
\$-	\$1,013,984	\$409,430	\$-	\$-	\$-	\$8,437,047
-	2,959	1,079	-	-	-	415,876
\$-	\$378.32	\$358.76	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Hopmead Fund						
Book Value at June 30, 2012	\$207,391	\$-	\$194,338	\$1,440,840	\$54,187	\$157,321
Market Value at June 30, 2012	\$206,394	\$-	\$668,529	\$1,599,828	\$79,194	\$212,641
Shares Purchased	162,908	-	-	567,197	-	-
Shares Redeemed	(303,251)	-	(270,237)	-	(81,531)	(230,760)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	404	-	195,931	-	27,344	73,439
Net Investment Income Earned	1,133	-	10,312	62,544	497	650
Net Investment Income Distributed	(1,133)	-	(10,312)	(62,544)	(497)	(650)
Changes in Market Value of Fund Shares	592	-	(103,273)	(84,819)	(25,007)	(55,320)
Market Value at June 30, 2013	\$67,047	\$-	\$490,950	\$2,082,206	\$-	\$-
Book Value at June 30, 2013	\$67,452	\$-	\$120,032	\$2,008,037	\$-	\$-
Shares Outstanding	67,125	-	431	17,616	-	-
Market Value per Share	\$1.00	\$-	\$1,138.66	\$118.20	\$-	\$-
Police & Fireman's Survivors' Benefit Fund						
Book Value at June 30, 2012	\$1,117,504	\$-	\$6,467,744	\$8,140,446	\$370,407	\$972,808
Market Value at June 30, 2012	\$1,112,764	\$-	\$8,342,855	\$8,837,373	\$522,165	\$1,295,395
Shares Purchased	615,269	-	-	-	-	-
Shares Redeemed	(607,373)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	1,066	-	-	-	-	-
Net Investment Income Earned	7,138	-	168,009	292,826	7,077	7,267
Net Investment Income Distributed	(7,138)	-	(168,009)	(292,826)	(7,077)	(7,267)
Changes in Market Value of Fund Shares	330	-	1,576,632	(327,599)	(29,018)	15,291
Market Value at June 30, 2013	\$1,122,056	\$-	\$9,919,487	\$8,509,774	\$493,147	\$1,310,686
Book Value at June 30, 2013	\$1,126,466	\$-	\$6,467,744	\$8,140,446	\$370,407	\$972,808
Shares Outstanding	1,123,449	-	8,712	71,994	3,276	8,603
Market Value per Share	\$1.00	\$-	\$1,138.66	\$118.20	\$150.54	\$152.34
OPEB Fund						
Book Value at June 30, 2012	\$-	\$-	\$-	\$-	\$-	\$-
Market Value at June 30, 2012	\$-	\$-	\$-	\$-	\$-	\$-
Shares Purchased	101,278,913	-	13,600,000	10,880,000	906,000	2,720,000
Shares Redeemed	(45,354,544)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(43,338)	-	-	-	-	-
Net Investment Income Earned	100,974	-	57,219	93,283	1,081	4,375
Net Investment Income Distributed	(100,974)	-	(57,219)	(93,283)	(1,081)	(4,375)
Changes in Market Value of Fund Shares	(400,243)	-	874,529	(384,041)	(61,368)	(200,103)
Market Value at June 30, 2013	\$55,480,788	\$-	\$14,474,529	\$10,495,959	\$844,632	\$2,519,897
Book Value at June 30, 2013	\$55,881,031	\$-	\$13,600,000	\$10,880,000	\$906,000	\$2,720,000
Shares Outstanding	55,549,575	-	12,712	88,797	5,611	16,541
Market Value per Share	\$1.00	\$-	\$1,138.66	\$118.20	\$150.54	\$152.34

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

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	\$-	\$-	\$-	\$-	\$-	\$2,220,754
\$184,784	\$-	\$-	\$-	\$-	\$-	\$2,951,370
-	334,692	125,475	-	-	-	1,190,272
(189,832)	(30,479)	(1,317)	-	-	-	(1,107,407)
-	-	-	-	-	-	-
23,155	3,407	48	-	-	-	323,728
4,058	3,112	558	-	-	-	82,864
(4,058)	(3,112)	(558)	-	-	-	(82,864)
(18,107)	32,031	(6,775)	-	-	-	(260,678)
\$-	\$339,651	\$117,431	\$-	\$-	\$-	\$3,097,285
\$-	\$307,620	\$124,206	\$-	\$-	\$-	\$2,627,347
-	898	327	-	-	-	86,398
\$-	\$378.32	\$358.76	\$-	\$-	\$-	
\$1,140,668	\$-	\$-	\$1,538,966	\$1,230	\$-	\$19,749,773
\$1,229,157	\$-	\$-	\$1,218,243	\$646	\$-	\$22,558,598
-	-	-	90,000	-	-	705,269
-	-	-	-	(533)	-	(607,906)
-	-	-	-	(544)	-	522
61,400	-	-	81,610	36	-	625,363
(61,400)	-	-	(81,610)	(36)	-	(625,363)
38,809	-	-	44,393	493	-	1,319,331
\$1,267,966	\$-	\$-	\$1,352,636	\$62	\$-	\$23,975,814
\$1,140,668	\$-	\$-	\$1,628,966	\$153	\$-	\$19,847,658
10,093	-	-	37,097	2	-	1,263,226
\$125.63	\$-	\$-	\$36.46	\$30.36	\$-	
\$-	\$-	\$-	\$-	\$-	\$-	\$-
\$-	\$-	\$-	\$-	\$-	\$-	\$-
4,530,000	9,520,000	3,170,000	-	-	-	146,604,913
-	-	-	-	-	-	(45,354,544)
-	-	-	-	-	-	-
-	-	-	-	-	-	(43,338)
51,929	43,707	7,217	-	-	-	359,785
(51,929)	(43,707)	(7,217)	-	-	-	(359,785)
(63,902)	83,184	(323,091)	-	-	-	(475,035)
\$4,466,098	\$9,603,184	\$2,846,909	\$-	\$-	\$-	\$100,731,996
\$4,530,000	\$9,520,000	\$3,170,000	\$-	\$-	\$-	\$101,207,031
35,549	25,384	7,935	-	-	-	55,742,104
\$125.63	\$378.32	\$358.76	\$-	\$-	\$-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT
JUNE 30, 2013**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
LIQUIDITY (LF)			
State Street Global Advisors	Active	\$ 1,213,877,553	49.27%
Payden & Rygel	Active	169,919,514	6.90%
PIMCO	Active	203,717,787	8.27%
Ambassador Capital Management	Active	230,075,734	9.34%
Lazard	Active	320,466,643	13.01%
Colchester Global Investors Ltd.	Active	325,460,611	13.21%
SUBTOTAL LF		\$ 2,463,517,842	100.00%
MUTUAL EQUITY FUND (MEF)			
Large Cap		\$ 5,008,905,441	80.31%
T. Rowe Price Associates	Enhanced - Index	1,429,286,422	22.92%
State Street Global Advisors	Passive - Indexed	3,579,619,019	57.39%
All Cap		413,752,308	6.63%
Capital Prospects	Active	210,456,703	3.37%
FIS Group, Inc.	Active	203,295,605	3.26%
Small/Mid Cap		529,263,849	8.49%
Frontier Capital Mgmt Co	Active	314,515,095	5.04%
Bivium	Active	214,748,754	3.45%
Other ⁽¹⁾		285,208,969	4.57%
SUBTOTAL MEF		\$ 6,237,130,567	100.00%
CORE FIXED INCOME FUND (CFIF)			
State Street Global Advisors	Passive	\$ 374,169,508	19.64%
BlackRock Financial Management, Inc.	Active	506,836,371	26.61%
Wellington	Active	542,517,646	28.48%
Conning-Goodwin Capital	Active	329,452,554	17.29%
Progress	Active	139,322,539	7.31%
Other ⁽¹⁾		12,685,475	0.67%
SUBTOTAL CFIF		\$ 1,904,984,093	100.00%
INFLATION LINKED BOND FUND (ILBF)			
Brown Brothers Harriman	Active	\$ 518,225,907	58.38%
Hartford Investment Mgmt Co.	Active	366,960,507	41.34%
Other ⁽¹⁾		2,443,778	0.28%
SUBTOTAL ILBF		\$ 887,630,192	100.00%
EMERGING MARKET DEBT FUND (EMDF)			
Ashmore	Active	\$ 519,838,807	36.87%
Stone Harbor Investment Partners	Active	539,675,967	38.27%
Pyramis	Active	167,769,407	11.90%
UBS Global Asset Management	Active	180,171,061	12.78%
Other ⁽¹⁾		2,609,633	0.18%
SUBTOTAL EMDF		\$ 1,410,064,875	100.00%
HIGH YIELD DEBT FUND (HYDF)			
Loomis Sayles & Co., Inc.	Active	\$ 471,193,884	37.75%
Stone Harbor Investment Partners	Active	205,869,011	16.49%
Shenkman Capital Management	Active	290,176,814	23.25%
Oaktree Capital Management, L.L.C.	Active	274,402,571	21.98%
Other ⁽¹⁾		6,576,011	0.53%
SUBTOTAL HYDF		\$ 1,248,218,291	100.00%
DEVELOPED MARKET INTERNATIONAL STOCK FUND (DMISF)			
Index		\$ 1,899,991,417	34.88%
State Street Global Advisors	Index-Passive	1,899,991,417	34.88%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2013**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Core		1,354,948,680	24.87%
AQR Capital Management	Active	750,596,296	13.78%
Acadian Asset Management	Active	489,419,986	8.98%
Progress	Active	114,932,398	2.11%
Active-Growth		697,204,650	12.80%
MFS Institutional Advisors, Inc.	Active	697,204,650	12.80%
Active-Value		443,947,049	8.15%
Grantham, Mayo, Van Otterloo	Active	443,947,049	8.15%
Small Cap		854,639,478	15.69%
Schroder Investment Mgmt.	Active	278,939,862	5.12%
Dimensional Fund Advisors	Active	256,847,722	4.72%
William Blair & Company	Active	318,851,894	5.85%
Other ⁽¹⁾		196,656,092	3.61%
SUBTOTAL DMISF		\$ 5,447,387,366	100.00%
EMERGING MARKET INTERNATIONAL STOCK FUND (EMISF)			
Aberdeen Asset Management	Active	\$ 649,563,119	27.42%
Schroders Investment Mgt	Active	791,490,128	33.41%
Grantham, Mayo, Van Otterloo	Active	829,130,491	35.00%
AshmoreEMM	Active	87,303,002	3.68%
Other ⁽¹⁾		11,600,663	0.49%
SUBTOTAL EMISF		\$ 2,369,087,403	100.00%
REAL ESTATE FUND (REF)			
AEW Partners III	Active	\$ 5,572,953	0.38%
American Realty Advisors	Active	18,758,812	1.27%
Apollo Real Estate	Active	3,684,789	0.25%
Blackstone Real Estate Partner Europe III LP	Active	39,686,875	2.68%
Blackstone Real Estate Spec Sit II LP	Active	49,722,975	3.35%
Blackstone Real Estate VI LP	Active	118,284,552	7.98%
Canyon Johnson Urban Fund II	Active	24,287,679	1.64%
Canyon Johnson Urban Fund III	Active	37,392,082	2.52%
Capri Select Income II LLC	Active	5,221,840	0.35%
Colony Realty Partners II LP	Active	19,960,783	1.35%
Cornerstone Patriot	Active	158,061,750	10.67%
Covenant Apartment Fund V LP	Active	23,345,389	1.57%
Covenant Apartment Fund VI	Active	20,723,260	1.40%
Hart Realty Advisors	Active	129,545,592	8.74%
IL & FS India Realty Fund II	Active	48,805,683	3.29%
Lone Star Real Estate Part II LP	Active	34,958,320	2.36%
MacFarlane Urban Real Estate Fund II LP	Active	20,348,600	1.37%
Marathon Legacy Securities PPI	Active	3,574,104	0.24%
New Boston IV	Active	946,212	0.06%
Prime Property Fund	Active	147,317,400	9.94%
RLJ Lodging Trust	Active	70,645,273	4.77%
Rockwood Capital Fund V	Active	5,568,276	0.38%
Rockwood Capital VI Limited Partnership	Active	15,875,074	1.07%
Rockwood Capital VII Limited Partnership	Active	26,343,711	1.78%
Starwood Opportunity Fund VII	Active	35,839,630	2.42%
Starwood Opportunity Fund VIII	Active	56,912,978	3.84%
Starwood Opportunity Fund IX	Active	11,614,743	0.78%
Urban Strategy America Fund LP	Active	41,778,800	2.82%
Walton Street Real Estate	Active	26,666,857	1.80%
WLR IV PPIP Co Invest LP	Active	25,830,243	1.74%
Other ⁽³⁾	Active	254,715,045	17.19%
SUBTOTAL REF		\$ 1,481,990,280	100.00%
COMMERCIAL MORTGAGE FUND (CMF)			
AEW Capital Management	Active	\$ 934	1.28%
Other ⁽²⁾		72,011	98.72%
SUBTOTAL CMF		\$ 72,945	100.00%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2013**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
PRIVATE INVESTMENT FUND (PIF)			
Buyout		\$ 1,170,236,485	45.88%
KKR Millennium Fund	Active	52,053,446	2.04%
Yucaipa American Alliance Fund II LP	Active	98,429,809	3.86%
Hicks, Muse Tate & Furst Equity Fund III	Active	20,028,674	0.78%
Thomas H. Lee Equity Fund VI	Active	89,460,112	3.51%
TA XI, L.P.	Active	40,457,562	1.59%
Charterhouse Equity Partners IV	Active	46,844,449	1.84%
DLJ Merchant Banking Fund II	Active	2,061,228	0.08%
FS Equity Partners V	Active	22,472,121	0.88%
FS Equity Partners VI	Active	50,560,860	1.98%
JFL Equity Investors III, LP	Active	19,753,423	0.77%
Green Equity Investors III	Active	2,324,669	0.09%
Wellspring Capital Partners V	Active	13,633,069	0.53%
Candover 2008 Fund	Active	6,003,157	0.23%
Leeds Equity Partners V LP	Active	24,949,416	0.98%
Welsh Carson Anderson & Stowe XI	Active	79,045,408	3.10%
AIG Healthcare Partners LP	Active	20,303,691	0.80%
AIG Altaris Health Partners II	Active	30,674,263	1.20%
Welsh Carson Anderson & Stowe X LP	Active	88,763,103	3.48%
Court Square Capital Partners II	Active	77,917,764	3.06%
Ethos Private Equity Fund V	Active	32,276,291	1.27%
Boston Ventures VII	Active	70,617,742	2.77%
KKR 2006 Fund	Active	93,093,596	3.65%
Nogales Investors Fund II	Active	15,727,251	0.62%
ICV Partners II LP	Active	31,709,198	1.24%
Vista Equity Partners Fund III	Active	47,893,558	1.88%
Vista Equity Partners Fund IV	Active	35,249,566	1.38%
RFE Investments Partners VIII	Active	8,504,062	0.33%
RFE Investment Partners VII	Active	44,321,711	1.74%
Court Square Capital Partners III LP	Active	5,107,286	0.20%
Venture Capital		10,714,630	0.42%
Crescendo III	Active	1,032,982	0.04%
Syndicated Communications	Active	9,681,648	0.38%
Mezzanine		80,507,604	3.16%
SW Pelham Fund	Active	973,398	0.04%
Audax Mezzanine III Limited Partnership	Active	29,864,298	1.17%
GarMark Partners II LP	Active	49,669,908	1.95%
International		44,578,428	1.75%
Compass Partners European Equity Fund	Active	1,009,653	0.04%
Gilbert Global Equity Partners	Active	36,371,323	1.43%
AIG Global Emerging Markets Fund	Active	2,191,252	0.09%
Carlyle Asia Partners	Active	5,006,200	0.19%
Fund of Funds		824,977,424	32.35%
The Constitution Liquidating Fund	Active	80,122,370	3.14%
Landmark Private Equity Fund VIII	Active	14,940,114	0.59%
CS/CT Cleantech Opp Fund	Active	15,062,562	0.59%
CT Emerging Pvt Equity	Active	50,124,949	1.97%
Fairview Constitution III	Active	236,805,760	9.29%
Goldman Sachs Private Equity Partners Connecticut	Active	3,363,415	0.13%
Lexington Capital Partners II	Active	1,651,682	0.06%
Stepstone Pioneer Capital I LP	Active	35,949,610	1.41%
Stepstone Pioneer Capital II LP	Active	131,297,220	5.15%
Fairview Constitution II LP	Active	153,122,891	6.00%
Fairview Constitution IV LP	Active	8,268,810	0.32%
Connecticut Horizon Legacy	Active	7,828,027	0.31%
Landmark Equity Partners XIV LP	Active	60,527,434	2.37%
JP Morgan Nutmeg I	Active	25,912,580	1.02%
Special Situations		300,686,185	11.79%
Welsh Carson Anderson & Stowe Capital Partners III	Active	8,589,507	0.34%
Levine Leichtman Capital Partners IV LP	Active	82,000,621	3.21%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2013**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Pegasus Partners IV	Active	68,152,782	2.67%
Pegasus Partners V	Active	24,843,842	0.97%
WLR Recovery Fund IV	Active	66,733,192	2.62%
KPS Special Situations Fund II	Active	5,860,747	0.23%
Clearlake Capital Partners III LP	Active	7,328,009	0.29%
TPG Credit Strategies Fund II LP	Active	37,177,485	1.46%
Other⁽³⁾		118,700,213	4.65%
SUBTOTAL PIF		\$ 2,550,400,969	100.00%
ALTERNATIVE INVESTMENT FUND (AIF)			
Arlight Energy Partners Fund	Active	\$ 20,236,847	1.62%
Energy Fund XV Limited Partnership	Active	41,089,205	3.29%
Marathon European Credit Opportunity	Active	37,440,585	3.00%
Prudence Crandall I Permal Limited Partnership	Active	264,424,750	21.19%
Prudence Crandall II Prisma Limited Partnership	Active	165,813,900	13.29%
Prudence Crandall III Rock Creek Limited Partnership	Active	260,975,500	20.92%
Prudence Crandall IV K2 Limited Partnership	Active	258,508,000	20.72%
Other⁽³⁾		199,274,112	15.97%
SUBTOTAL AIF		\$ 1,247,762,899	100.00%
TOTAL		\$ 27,248,247,722	
Adjustments⁽⁴⁾		(1,307,438,682)	
GRAND TOTAL		\$ 25,940,809,040	

- (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 includes partnerships with nonmaterial balances, as well as moneys earmarked for distribution to participants, reinvestment, expenses and other net assets.
- (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:				
		2013	2012	2011	2010	2009
CONSULTING SERVICES						
CRA RogersCasey Consulting Inc.	Pension Funds Consultant	-	123,539	240,225	160,599	130,208
Callan Associates, Inc.	Pension Funds Consultant	60,000	-	-	-	-
Franklin Park Associates LLC	Private Equity Consultant	1,019,075	989,873	956,085	943,208	995,521
Hewitt EnnisKnupp Inc.	Private Equity Consultant	472,000	298,945	-	-	-
Hudepohl & Associates, Inc.	Pension Funds Consultant	76,709	-	-	-	-
Independent Fiduciary Service	Pension Funds Consultant	-	-	-	-	42,500
Korn Ferry International	Pension Funds Consultant	-	-	-	-	11,413
Mercer Investment Consulting	Pension Funds Consultant	-	127,625	505,250	500,000	500,000
New England Pension Consultants	Pension Funds Consultatn	503,956	443,805	397,747	445,487	419,964
The Townsend Group	Pension Funds Consultant	250,000	250,000	250,000	250,000	271,527
TOTAL CONSULTING SERVICES COMPENSATION		\$2,381,740	\$2,233,787	\$2,349,307	\$2,299,294	\$2,371,133

(1) Expenses are presented on a cash basis.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2013*

LIQUIDITY FUND

Security Name	Maturity Date	Market Value	%
MERRILL LYNCH TRI PARTY A	07/01/2013	\$204,000,000	8.67%
BARCLAYS CAP TRI PARTY A	07/01/2013	200,000,000	8.50%
CITIGROUP TRI PARTY C	07/01/2013	150,000,000	6.38%
GOLDMAN SACS TRI PARTY C	07/01/2013	97,000,000	4.12%
BNP TRI PARTY C	07/01/2013	75,000,000	3.19%
MORGAN STANLEY TRI PARTY A	07/01/2013	58,000,000	2.46%
BNP TRI PARTY A	07/01/2013	50,000,000	2.12%
NEW ZEALAND GOVERNMENT	04/15/2015	32,686,829	1.39%
POLAND GOVERNMENT BOND	10/24/2015	31,720,654	1.35%
US TREASURY N/B	03/31/2015	28,019,313	1.19%
Top Ten		\$926,426,796	39.37%
Fair Value LF		\$2,353,122,992	

ALTERNATIVE INVESTMENT FUND

Security Name	Partnership Type	Market Value	%
PRUDENCE CRANDALL I PERMAL	Hedge Fund-of-Funds	\$264,424,750	21.20%
PRUDENCE CRANDALL III RCREEK	Hedge Fund-of-Funds	260,975,500	20.92%
PRUDENCE CRANDALL IV K2	Hedge Fund-of-Funds	258,508,000	20.72%
PRUDENCE CRANDALL II PRISMA.	Hedge Fund-of-Funds	165,813,900	13.29%
ENERGY FUND XV LP	Real Assets	41,089,205	3.29%
MARATHON EUROPEAN CREDIT OPPOR	Opportunistic	37,440,585	3.00%
ARCLIGHT ENERGY PARTNERS FUND	Real Assets	20,236,847	1.62%
Top Seven		\$1,048,488,787	84.04%
FAIR VALUE AIF		\$1,247,574,910	

MUTUAL EQUITY FUND

Security Name	Industry Sector	Market Value	%
EXXON MOBIL CORP	ENERGY	\$132,997,549	2.13%
APPLE INC	INFORMATION TECHNOLOGY	130,746,800	2.10%
MICROSOFT CORP	INFORMATION TECHNOLOGY	96,072,577	1.54%
GOOGLE INC CLA	INFORMATION TECHNOLOGY	82,567,261	1.32%
CHEVRON CORP	ENERGY	80,391,676	1.29%
JPMORGAN CHASE & CO	FINANCIALS	76,363,058	1.23%
JOHNSON & JOHNSON	HEALTH CARE	76,013,489	1.22%
PROCTER & GAMBLE CO	CONSUMER STAPLES	75,500,167	1.21%
GENERAL ELECTRIC CO	INDUSTRIALS	71,930,278	1.15%
PFIZER INC	HEALTH CARE	66,346,419	1.06%
Top Ten		\$888,929,274	14.25%
FAIR VALUE MEF		\$6,236,082,798	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2013* (Continued)

CORE FIXED INCOME FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
US TREASURY N/B	0.375%	06/15/2016	U.S. Govt/Agency	\$82,644,761	4.02%
FNMA TBA 30YR SINGLE FAMILY JU	3.500%	12/01/2043	U.S. Govt/Agency	63,604,850	3.09%
US TREASURY N/B	1.250%	06/30/2018	U.S. Govt/Agency	29,988,997	1.46%
US TREASURY N/B	0.875%	04/30/2017	U.S. Govt/Agency	27,462,000	1.34%
GNMA TBA JULY SINGLE FAMILY	3.000%	12/01/2043	U.S. Govt/Agency	23,627,301	1.15%
US TREASURY N/B	1.750%	07/31/2015	U.S. Govt/Agency	23,048,896	1.12%
US TREASURY N/B	1.375%	05/31/2020	U.S. Govt/Agency	17,656,139	0.86%
FNMA TBA JUL 30 SINGLE FAM	4.500%	12/01/2043	U.S. Govt/Agency	14,813,820	0.72%
US TREASURY N/B	2.000%	04/30/2016	U.S. Govt/Agency	12,819,542	0.62%
US TREASURY N/B	2.875%	05/15/2043	U.S. Govt/Agency	12,482,925	0.61%
Top Ten				\$308,149,231	14.99%
FAIR VALUE CFIF				\$2,056,321,868	

INFLATION LINKED BOND FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
US TREASURY NOTES	0.125%	01/15/2022	U.S. Govt/Agency	\$119,849,940	13.63%
US TREASURY NOTES	2.375%	01/15/2025	U.S. Govt/Agency	86,044,235	9.78%
US TREASURY NOTES	1.875%	07/15/2019	U.S. Govt/Agency	73,106,223	8.31%
US TREASURY NOTES	2.500%	07/15/2016	U.S. Govt/Agency	61,355,920	6.98%
US TREASURY NOTES	2.000%	01/15/2026	U.S. Govt/Agency	61,135,303	6.95%
US TREASURY NOTES	0.125%	04/15/2018	U.S. Govt/Agency	41,652,801	4.74%
US TREASURY NOTES	1.875%	07/15/2015	U.S. Govt/Agency	38,800,177	4.41%
US TREASURY NOTES	0.125%	04/15/2016	U.S. Govt/Agency	35,658,973	4.06%
US TREASURY NOTES	3.875%	04/15/2029	U.S. Govt/Agency	34,137,887	3.88%
US TREASURY NOTES	0.625%	02/15/2043	U.S. Govt/Agency	29,204,817	3.32%
Top Ten				\$580,946,276	66.06%
FAIR VALUE ILBF				\$879,482,495	

EMERGING MARKET DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
NOTA TESOURO NACIONAL	10.000%	01/01/2023	18,121,802	1.31%
NOTA TESOURO NACIONAL	10.000%	01/01/2021	16,247,105	1.17%
NOTA TESOURO NACIONAL	10.000%	01/01/2017	12,967,438	0.93%
REPUBLIC OF SOUTH AFRICA	6.750%	03/31/2021	11,593,776	0.84%
INDONESIA GOVERNMENT	7.000%	05/15/2022	11,409,148	0.82%
REPUBLIC OF VENEZUELA	12.750%	08/23/2022	10,832,303	0.78%
REPUBLIC OF SOUTH AFRICA	10.500%	12/21/2026	8,117,877	0.59%
POLAND GOVERNMENT BOND	4.000%	10/25/2023	8,088,804	0.58%
OJSC RUSS AGRIC BK(RSHB)	8.625%	02/17/2017	7,577,373	0.55%
MALAYSIAN GOVERNMENT	4.262%	09/15/2016	7,552,878	0.54%
Top Ten			112,508,504	8.11%
FAIR VALUE EMDF			1,388,070,525	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2013* (Continued)

HIGH YIELD DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
VERTEX PHARMACEUTICALS INC	0.000%	Common Stock	\$11,915,406	0.94%
MORGAN STANLEY	4.750%	11/16/2018	9,024,896	0.71%
ISTAR FINANCIAL INC	0.000%	Preferred Stock	7,844,850	0.62%
QWEST CAPITAL FUNDING	6.875%	7/15/2028	7,084,800	0.56%
TOYS R US INC	7.375%	10/15/2018	6,940,225	0.55%
DISH DBS CORP	5.000%	3/15/2023	6,901,125	0.54%
TRANSDIGM INC	7.500%	7/15/2021	6,830,300	0.54%
US TREASURY N/B	2.875%	5/15/2043	6,748,125	0.53%
VP II ESCROW CORP	7.500%	7/15/2021	6,717,150	0.53%
TENET HEALTHCARE CORP	6.875%	11/15/2031	6,526,540	0.52%
Top Ten			\$76,533,417	6.04%
FAIR VALUE HYDF			\$1,267,238,204	

DEVELOPED MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
ROCHE HOLDING AG GENUSSSCHEIN	SWITZERLAND	\$75,632,172	1.40%
NESTLE SA REG	SWITZERLAND	71,611,096	1.33%
HSBC HOLDINGS PLC	UNITED KINGDOM	68,003,000	1.26%
ROYAL DUTCH SHELL PLC A SHS	UNITED KINGDOM	54,659,607	1.02%
BAYER AG REG	GERMANY	54,379,105	1.01%
TOTAL SA	FRANCE	52,407,743	0.97%
NOVARTIS AG REG	SWITZERLAND	46,567,251	0.86%
BP PLC	UNITED KINGDOM	45,544,389	0.84%
TOYOTA MOTOR CORP	JAPAN	41,589,601	0.77%
SANOFI	FRANCE	41,019,224	0.76%
Top Ten		\$551,413,188	10.22%
FAIR VALUE DMISF		\$5,393,071,695	

EMERGING MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
ABERDEEN GLOBAL INDIAN EQUIT	LUXEMBOURG	\$80,232,215	3.39%
China Mobile Ltd. HKD 0.10	HONG KONG	66,187,057	2.80%
Samsung Electronic KRW 5000	Republic of Korea	61,396,750	2.59%
Lukoil OAO ADR Rub 0.025	RUSSIAN FEDERATION	60,721,127	2.57%
TAIWAN SEMICONDUCTOR SP ADR	Taiwan	56,653,428	2.39%
CHINA CONSTRUCTION BANK CNY 1.0	CHINA	42,406,248	1.79%
Astra International TBK IDR 500.0	INDONESIA	35,586,448	1.50%
FOMENTO ECONOMICO MEX SP ADR	MEXICO	33,681,216	1.42%
GAZPROM OAO SPON ADR	RUSSIAN FEDERATION	31,989,054	1.35%
Samsung Electronic GDR PFD	Republic of Korea	31,682,390	1.34%
Top Ten		\$500,535,933	21.14%
FAIR VALUE EMISF		\$2,367,182,053	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2013* (Continued)

REAL ESTATE FUND

Partnership Name	Partnership Type	Market Value	%
CORNERSTONE PATRIOT FUND LP	Core	\$158,061,750	10.74%
PRIME PROPERTY FUND REAL ESTATE	Core	147,317,400	10.01%
HART REALTY ADVISORS	Core	129,545,592	8.80%
BLACKSTONE REAL ESTATE VI LP	Opportunistic	118,284,552	8.04%
RLJ LODGING TRUST REIT	Opportunistic	70,645,273	4.80%
STARWOOD OPPORTUNITY FUND VIII LP	Opportunistic	56,912,978	3.87%
BLACKSTONE R E SPEC SIT FD II LP	Value-Added	49,722,975	3.38%
IL + FS INDIA REALTY FUND II L REALTY FUND	Opportunistic	48,805,683	3.32%
URBAN STRATEGY AMERICA FUND LP	Value-Added	41,778,800	2.84%
BLACKSTONE REAL ESTATE PARTNER EUROPE III LP	Opportunistic	39,686,875	2.70%
Top Ten		\$860,761,878	58.50%

FAIR VALUE REF **\$1,471,299,222**

COMMERCIAL MORTGAGE FUND

Property Name	Location	Property Type	Market Value	%
Yankee Mac Series G 11.125%	Various	Residential	\$25,247	36.02%
Yankee Mac Series F 12.981%	Various	Residential	11,411	16.28%
Yankee Mac Series E 11.056%	Various	Residential	6,228	8.88%
Top Three			\$42,886	61.18%

FAIR VALUE CMF **\$70,099**

PRIVATE INVESTMENT FUND

Partnership Name	Partnership Type	Market Value	%
FAIRVIEW CONSTITUTION III LP	Fund of Funds	\$236,805,760	9.23%
FAIRVIEW CONSTITUTION II LP	Fund of Funds	153,122,891	5.97%
STEPSTONE PIONEER CAPITAL II L	Fund of Funds	131,297,220	5.12%
YUPAICA AMERICAN ALLIANCE FUND II LP	Buyout	98,429,809	3.84%
KKR 2006 FUND	Buyout	93,093,596	3.63%
THOMAS H LEE EQUITY FUND VI LP	Buyout	89,460,112	3.49%
WCAS X LP PRIVATE INVESTMENT	Buyout	88,763,103	3.46%
LEVINE LEICHTMAN CAPITAL PARTNERS IV LP	Special Situations	82,000,621	3.20%
CROSSROADS CONSTITUTION LP	Fund of Funds	80,122,370	3.12%
WELSH, CARSON, ANDERSON + STOWE XI	Buyout	79,045,408	3.08%
Top Ten		\$1,132,140,890	44.14%

FAIR VALUE PIF **\$2,564,877,605**

* 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)

- Company risk** – The risk of investing in any single company's stock or bonds.
- 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

Fitch Investor Services - A financial services rating agency.

Floating Rate Note - A fixed principal instrument which has a long or even indefinite life and whose yield is periodically reset relative to a reference index rate to reflect changes in short- or intermediate-term interest rates.

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

buyers and sellers in an open market.

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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

Purchasing power risk- See "Inflation risk"

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.

GLOSSARY OF INVESTMENT TERMS (Continued)

Un-levered - Investments made without the use of debt or debt like securities.

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.

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

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

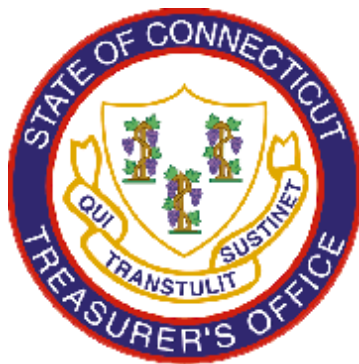
The Pension and Trust Funds are managed to maximize return and minimize risk. Return, viewed in this context, includes realized and unrealized gains in the market value of a security, including those attributable to currency fluctuations, as well as income distributed by a security such as dividends 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 "smoothes" fluctuations in long-term investment returns to derive an implied year-to-year annual return.

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

Statistical

Section



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS
STATISTICAL SECTION

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

Financial Trends

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

<u>Schedule</u>	<u>Page</u>
o Per share data	148
o Schedule of rates of return	148
o Schedule of financial ratios	148
o Schedule of balances in Combined Investment Funds	150

Revenue Capacity

Revenue capacity is not applicable to CIF.

Borrowing Capacity

Borrowing capacity is not applicable to CIF.

Demographic and Economic Information

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

<u>Schedule</u>	<u>Page</u>
o Investment summary	152 - 153

Operating Information

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

<u>Schedule</u>	<u>Page</u>
o Schedule of Net Position	154

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	LIQUIDITY FUND					ALTERNATIVE INVESTMENT FUND				
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009
Net Position- Beginning of Period	\$1.00	\$1.01	\$1.00	\$1.00	\$1.00	\$1.00	\$1.01	\$-	\$-	\$-
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$-	\$-	\$-	\$-	\$-
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$-	\$(0.01)	\$0.01	\$0.00	\$(0.00)	\$0.06	\$(0.01)	\$1.01	\$-	\$-
Total from Investment Operations	\$0.01	\$-	\$0.02	\$0.01	\$0.02	\$0.06	\$(0.01)	\$1.01	\$-	\$-
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.02)	\$-	\$-	\$-	\$-	\$-
Net Position - End of Period	\$1.00	\$1.00	\$1.01	\$1.00	\$1.00	\$1.06	\$1.00	\$1.01	\$-	\$-
TOTAL RETURN	0.66%	-0.14%	1.20%	0.98%	1.54%	6.39%	-1.62%	0.00%	0.00%	0.00%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$2,464	\$1,531	\$1,736	\$2,219	\$2,171	\$1,248	\$549	\$519	\$-	\$-
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.30%	0.35%	0.23%	0.15%	0.04%	0.13%	0.17%	0.27%	0.00%	0.00%
Ratio of Expenses to Average Net Position	0.30%	0.35%	0.23%	0.15%	0.04%	0.13%	0.17%	0.27%	0.00%	0.00%
Ratio of Net Investment Income (Loss) to Average Net Position	0.65%	1.04%	0.74%	0.70%	1.55%	0.31%	0.07%	0.02%	0.00%	0.00%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	MUTUAL EQUITY					CORE FIXED INCOME				
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009
Net Position- Beginning of Period	\$957.67	\$941.76	\$726.98	\$648.30	\$927.68	\$122.75	\$118.32	\$117.87	\$110.56	\$113.86
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	\$19.49	\$15.58	\$13.33	10.86	16.89	3.45	4.07	4.55	4.92	5.30
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$180.89	\$15.38	\$214.37	79.56	(279.76)	(3.83)	4.88	0.69	7.88	(2.44)
Total from Investment Operations	\$200.38	\$30.96	\$227.70	90.42	(262.87)	(0.38)	8.95	5.24	12.80	2.86
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	\$(19.39)	\$(15.05)	\$(12.92)	(11.74)	(16.51)	(4.17)	(4.52)	(4.79)	(5.49)	(6.16)
Net Position - End of Period	\$1,138.66	\$957.67	\$941.76	\$726.98	\$648.30	\$118.20	\$122.75	\$118.32	\$117.87	\$110.56
TOTAL RETURN	21.15%	3.38%	31.92%	14.01%	-28.36%	-0.24%	7.63%	4.49%	11.81%	2.84%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$6,237	\$6,425	\$6,638	\$5,289	\$5,590	\$1,905	\$2,617	\$2,718	\$2,701	\$3,160
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.23%	0.21%	0.21%	0.24%	0.14%	0.18%	0.15%	0.16%	0.15%	0.14%
Ratio of Expenses to Average Net Position	0.26%	0.23%	0.24%	0.27%	0.30%	0.21%	0.19%	0.22%	0.20%	0.31%
Ratio of Net Investment Income (Loss) to Average Net Position	1.86%	1.65%	1.61%	1.58%	2.14%	3.00%	3.36%	3.85%	4.18%	4.62%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	INFLATION LINKED BOND					EMERGING MARKET DEBT				
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009
Net Position- Beginning of Period	\$159.40	\$144.75	\$137.44	\$128.08	\$131.19	\$150.57	\$145.02	\$128.50	\$108.68	\$118.78
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	1.62	3.72	5.23	4.87	2.21	5.21	11.94	8.71	9.02	10.90
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(8.32)	13.72	4.79	7.39	(2.11)	(2.60)	(5.03)	11.69	15.68	(15.89)
Total from Investment Operations	(6.70)	17.44	10.02	12.26	0.10	2.61	6.91	20.40	24.70	(4.99)
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(2.16)	(2.79)	(2.71)	(2.90)	(3.21)	(0.84)	(1.36)	(3.88)	(4.88)	(5.11)
Net Position - End of Period	\$150.54	\$159.40	\$144.75	\$137.44	\$128.08	\$152.34	\$150.57	\$145.02	\$128.50	\$108.68
TOTAL RETURN	-4.33%	11.91%	7.23%	9.48%	-0.20%	1.69%	4.78%	16.06%	23.02%	-3.62%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$888	\$938	\$1,119	\$1,063	\$837	\$1,410	\$1,202	\$1,158	\$1,176	\$1,132
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.13%	0.11%	0.12%	0.13%	0.11%	0.45%	0.40%	0.42%	0.43%	0.32%
Ratio of Expenses to Average Net Position	0.20%	0.18%	0.33%	0.35%	0.76%	0.45%	0.40%	0.43%	0.43%	0.35%
Ratio of Net Investment Income (Loss) to Average Net Position	1.05%	2.26%	3.71%	3.59%	1.79%	3.44%	8.08%	6.42%	7.55%	8.93%

Source: Amounts were derived from custodial records.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	HIGH YIELD DEBT					DEVELOPED MARKET INTERNATIONAL				
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009
Net Position- Beginning of Period	\$121.79	\$122.95	\$113.69	\$98.48	\$112.63	\$314.31	\$366.79	\$295.58	\$270.69	\$384.58
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	8.37	9.22	10.40	9.33	9.72	10.35	9.49	8.68	6.97	8.45
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	2.22	(1.87)	7.36	14.19	(15.60)	60.42	(54.79)	68.92	23.23	(114.67)
Total from Investment Operations	10.59	7.35	17.76	23.52	(5.88)	70.77	(45.30)	77.60	30.20	(106.22)
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(6.75)	(8.51)	(8.50)	(8.31)	(8.27)	(6.76)	(7.18)	(6.39)	(5.31)	(7.67)
Net Position - End of Period	\$125.63	\$121.79	\$122.95	\$113.69	\$98.48	\$378.32	\$314.31	\$366.79	\$295.58	\$270.69
TOTAL RETURN	8.46%	6.23%	15.96%	24.54%	-4.59%	22.56%	-12.48%	26.30%	11.03%	-27.98%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$1,248	\$711	\$718	\$693	\$733	\$5,447	\$4,626	\$5,409	\$4,435	\$4,416
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.36%	0.38%	0.39%	0.39%	0.33%	0.43%	0.45%	0.51%	0.54%	0.41%
Ratio of Expenses to Average Net Position	0.39%	0.41%	0.42%	0.43%	0.48%	0.45%	0.47%	0.53%	0.57%	0.49%
Ratio of Net Investment Income (Loss) to Average Net Position	6.07%	7.54%	8.67%	8.92%	9.08%	3.02%	2.79%	2.62%	2.49%	2.51%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	EMERGING MARKET INTERNATIONAL STOCK					REAL ESTATE				
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009
Net Position- Beginning of Period	\$351.61	\$416.41	\$327.75	\$264.93	\$389.39	\$35.21	\$33.72	\$30.40	\$38.76	\$55.48
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	6.36	9.28	7.00	6.05	6.72	2.04	0.89	1.44	0.88	0.86
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	5.57	(67.82)	86.38	61.21	(126.78)	1.55	1.51	3.40	(8.62)	(16.51)
Total from Investment Operations	11.93	(58.54)	93.38	67.26	(120.06)	3.59	2.40	4.84	(7.74)	(15.65)
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(4.78)	(6.26)	(4.72)	(4.44)	(4.40)	(2.34)	(0.91)	(1.52)	(0.62)	(1.07)
Net Position - End of Period	\$358.76	\$351.61	\$416.41	\$327.75	\$264.93	\$36.46	\$35.21	\$33.72	\$30.40	\$38.76
TOTAL RETURN	3.29%	-14.16%	28.55%	25.23%	-30.90%	10.26%	7.19%	16.12%	-20.18%	-28.66%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$2,369	\$2,227	\$2,638	\$2,073	\$1,147	\$1,482	\$1,328	\$1,097	\$784	\$770
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.84%	0.72%	0.85%	0.87%	0.59%	0.35%	0.33%	0.43%	0.51%	0.52%
Ratio of Expenses to Average Net Position	0.85%	0.73%	0.86%	0.89%	0.67%	0.35%	0.33%	0.43%	0.51%	0.52%
Ratio of Net Investment Income (Loss) to Average Net Position	1.78%	2.42%	1.90%	2.15%	2.08%	5.56%	2.59%	4.62%	2.54%	1.80%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	COMMERCIAL MORTGAGE					PRIVATE INVESTMENT				
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009
Net Position- Beginning of Period	\$40.34	\$46.54	\$48.51	\$49.48	\$55.58	\$49.83	\$51.00	\$49.63	\$44.43	\$54.85
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	5.59	2.47	3.51	3.76	3.71	5.51	4.09	7.58	2.97	1.83
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(7.62)	(5.34)	(1.35)	(0.51)	(5.39)	(1.23)	(1.24)	1.50	4.59	(9.99)
Total from Investment Operations	(2.03)	(2.87)	2.16	3.25	(1.68)	4.28	2.85	9.08	7.56	(8.16)
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(7.95)	(3.33)	(4.13)	(4.22)	(4.42)	(6.05)	(4.02)	(7.71)	(2.36)	(2.26)
Net Position - End of Period	\$30.36	\$40.34	\$46.54	\$48.51	\$49.48	\$48.06	\$49.83	\$51.00	\$49.63	\$44.43
TOTAL RETURN	0.88%	-6.48%	4.61%	6.75%	-3.14%	9.50%	5.92%	19.89%	17.32%	-16.36%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$-	\$1	\$2	\$4	\$5	\$2,550	\$2,572	\$2,232	\$2,014	\$1,627
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	6.26%	1.65%	0.97%	1.21%	1.53%	0.29%	0.36%	0.44%	0.55%	0.54%
Ratio of Expenses to Average Net Position	6.26%	1.65%	0.97%	1.21%	1.53%	0.29%	0.36%	0.44%	0.55%	0.54%
Ratio of Net Investment Income (Loss) to Average Net Position	7.11%	5.64%	7.49%	7.77%	7.09%	11.23%	8.09%	15.26%	6.37%	2.76%

Source: Amounts were derived from custodial records.

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

Pension Plans	2013														
	Percent of Total System Assets	LF	AIF	MEF	FIF	CFIF	ILBF	EMDF	HYDF	ISF	DMISF	EMISF	REF	CMF	PIF
Teachers' Retirement Fund	55.72%	\$577.7	\$663.1	\$3,600.8	\$0.0	\$963.1	\$479.0	\$802.1	\$591.3	\$0.0	\$3,159.3	\$1,351.5	\$820.8	\$0.0	\$1,444.8
State Employees' Retirement Fund	35.39%	479.5	414.1	2,250.2	0.0	688.4	308.7	422.3	363.6	0.0	1,980.4	875.3	508.1	0.0	888.9
Municipal Employees' Retirement Fund	7.05%	31.0	152.3	303.8	0.0	144.2	86.7	163.2	252.2	0.0	251.7	119.2	133.3	0.0	190.6
State Judges' Retirement Fund	0.65%	5.5	14.0	27.9	0.0	13.3	8.0	12.5	23.2	0.0	23.1	11.0	12.3	0.0	17.5
The Probate Court Retirement Fund	0.31%	2.5	4.3	13.7	0.0	7.3	3.9	6.1	12.1	0.0	12.1	5.4	6.0	0.0	8.6
State's Attorneys Retirement Fund	0.00%	0.2	0.0	0.2	0.0	0.6	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0
Trust Funds	0.88%	228.1	0.0	40.5	0.0	88.1	1.3	3.8	5.7	0.0	20.8	6.7	1.4	0.0	0.0
	100.00%	\$1,247,836,237.1	\$0.0	\$1,905.0	\$0.0	\$1,905.0	\$887.6	\$1,410.1	\$1,248.2	\$0.0	\$5,447.4	\$2,369.1	\$1,482.0	\$0.0	\$2,550.4

Pension Plans	2004														
	Percent of Total System Assets	LF	AIF	MEF	FIF	CFIF	ILBF	EMDF	HYDF	ISF	DMISF	EMISF	REF	CMF	PIF
Teachers' Retirement Fund	53.79%	\$192.5	\$0.0	\$4,256.9	\$3,029.6	\$0.0	\$0.0	\$0.0	\$0.0	\$2,185.5	\$0.0	\$0.0	\$200.8	\$19.9	\$975.2
State Employees' Retirement Fund	38.19%	136.2	0.0	2,945.8	2,243.0	0.0	0.0	0.0	0.0	1,543.0	0.0	0.0	141.8	14.0	685.8
Municipal Employees' Retirement Fund	6.47%	25.1	0.0	487.4	420.3	0.0	0.0	0.0	0.0	236.6	0.0	0.0	22.2	2.2	110.0
State Judges' Retirement Fund	0.69%	67.1	0.0	25.0	19.0	0.0	0.0	0.0	0.0	14.8	0.0	0.0	1.3	0.1	3.3
The Probate Court Retirement Fund	0.33%	4.0	0.0	49.1	50.5	0.0	0.0	0.0	0.0	23.4	0.0	0.0	2.1	0.2	11.1
State's Attorneys Retirement Fund	0.00%	0.1	0.0	0.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trust Funds	0.53%	107.5	0.0	16.7	86.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0
	100.00%	\$20,189.4	\$0.0	\$7,781.1	\$5,849.4	\$0.0	\$0.0	\$0.0	\$0.0	\$4,003.3	\$0.0	\$0.0	\$368.5	\$36.4	\$1,785.4

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

Source: Amounts were derived from custodial records.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2013 ⁽¹⁾

Liquidity Fund ⁽²⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2013	\$1,062,418,543	\$1,041,232,312	4.01%	0.66%
2012	772,408,827	770,217,574	3.20%	-0.14%
2011	756,915,969	775,433,903	3.07%	1.20%
2010	1,626,177,183	1,621,182,259	7.44%	0.98%
2009	952,212,787	950,605,428	4.65%	1.54%
2008	1,140,821,830	1,140,821,830	4.36%	4.59%
2007	236,297,695	236,297,695	0.88%	5.61%
2006	280,548,978	280,548,978	1.20%	4.51%
2005	395,948,288	395,948,288	1.84%	2.36%
2004	363,170,856	363,170,856	1.76%	1.28%

Mutual Equity Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$4,664,358,346	\$6,236,082,798	24.07%	21.15%	
5,144,712,429	6,417,508,518	26.65%	3.38%	
5,327,666,479	6,634,922,151	26.28%	31.92%	
5,175,570,747	5,288,853,566	24.28%	14.01%	
6,019,782,554	5,588,272,211	27.35%	-28.36%	
7,563,373,750	8,017,007,807	30.68%	-12.99%	
7,628,304,018	9,810,773,724	36.64%	18.24%	
7,501,163,477	8,983,043,768	38.25%	10.29%	
6,991,797,244	8,284,992,409	38.40%	8.06%	
6,544,070,199	7,779,104,677	37.67%	20.86%	

Mutual Fixed Income Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2013	\$ -	\$ -	-	-
2012	-	-	-	-
2011	-	-	-	-
2010	-	-	-	-
2009	-	-	-	-
2008	-	-	-	-
2007	8,604,509,537	8,537,943,917	31.89%	6.92%
2006	7,179,817,139	7,052,537,386	30.03%	0.77%
2005	6,567,168,651	6,662,163,634	30.88%	7.70%
2004	6,368,703,625	6,325,884,136	30.63%	2.79%

Core Fixed Income Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$2,042,090,874	\$2,056,321,868	7.94%	-0.24%	
2,726,575,207	2,859,134,784	11.88%	7.63%	
2,911,577,713	3,001,125,667	11.89%	4.49%	
2,682,943,303	2,789,605,943	12.81%	11.81%	
3,400,625,343	3,215,718,047	15.74%	2.84%	
4,979,684,914	4,851,300,830	18.57%	5.65%	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	

Inflation Linked Bond Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2013	\$886,052,044	\$879,482,495	3.39%	-4.33%
2012	864,059,933	932,982,728	3.88%	11.91%
2011	1,075,894,193	1,115,148,171	4.42%	7.23%
2010	1,033,720,440	1,070,660,872	4.91%	9.48%
2009	813,926,651	829,543,021	4.06%	-0.20%
2008	1,152,973,047	1,162,545,028	4.45%	16.81%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-

Emerging Market Debt Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$1,415,363,738	\$1,388,070,525	5.36%	1.69%	
1,098,205,685	1,176,095,315	4.88%	4.78%	
1,012,164,604	1,141,817,330	4.52%	16.06%	
1,082,027,071	1,155,351,613	5.30%	23.02%	
1,153,012,696	1,125,226,197	5.51%	-3.62%	
1,006,342,436	1,040,295,964	3.98%	5.59%	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2013 (Continued)

High Yield Debt Fund ⁽⁶⁾				
	Book Value	Market Value	% of Total Fund MV	Rate of Return
2013	\$1,261,124,831	\$1,267,238,204	4.89%	8.46%
2012	693,951,103	706,123,033	2.93%	6.23%
2011	685,595,880	710,362,023	2.81%	15.96%
2010	659,015,939	656,175,724	3.01%	24.54%
2009	801,755,724	718,563,903	3.52%	-4.59%
2008	784,159,491	745,137,049	2.85%	-1.88%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-

International Stock Fund ⁽⁵⁾				
	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$	-	\$	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	4,293,498,472	5,940,213,814	22.19%	29.65%
	4,145,802,552	5,392,666,574	22.96%	25.69%
	3,587,545,036	4,372,185,115	20.27%	19.23%
	3,407,481,400	3,995,868,265	19.35%	29.69%

Developed Market International Stock Fund ⁽⁵⁾				
	Book Value	Market Value	% of Total Fund MV	Rate of Return
2013	\$4,861,705,636	\$5,393,071,695	20.81%	22.56%
2012	4,586,337,006	4,550,036,799	18.90%	-12.48%
2011	4,684,676,553	5,391,257,095	21.35%	26.30%
2010	4,552,279,820	4,328,450,937	19.87%	11.03%
2009	4,847,669,826	4,464,491,006	21.85%	-27.98%
2008	4,879,325,913	5,077,825,949	19.43%	-14.60%
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-

Emerging Market International Stock Fund ⁽⁵⁾				
	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$2,241,227,436		\$2,367,182,053	9.14%	3.29%
2,086,716,284		2,216,901,370	9.21%	-14.16%
2,114,345,516		2,629,250,556	10.41%	28.55%
1,860,837,675		2,065,255,957	9.48%	25.23%
1,110,911,776		1,141,401,975	5.59%	-30.90%
1,111,317,184		1,295,936,888	4.96%	0.19%
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

Real Estate Fund ⁽³⁾				
	Book Value	Market Value	% of Total Fund MV	Rate of Return
2013	\$1,611,385,620	\$1,471,299,222	5.68%	10.26%
2012	1,524,367,937	1,328,560,229	5.52%	7.19%
2011	1,350,551,373	1,097,203,255	4.35%	16.12%
2010	1,174,718,491	792,483,221	3.64%	-20.18%
2009	1,021,805,530	770,955,194	3.77%	-28.66%
2008	954,279,128	1,002,243,816	3.84%	6.04%
2007	638,511,736	684,741,163	2.56%	14.21%
2006	327,772,520	398,391,108	1.70%	6.87%
2005	309,798,748	399,727,575	1.85%	27.56%
2004	348,015,445	368,546,928	1.78%	0.53%

Commercial Mortgage Fund ⁽³⁾				
	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$70,239		\$70,099	0.00%	0.88%
717,122		765,779	0.00%	-6.48%
2,338,063		2,386,359	0.01%	4.61%
3,769,581		3,818,115	0.02%	6.75%
5,084,919		5,135,144	0.02%	-3.14%
6,255,651		6,906,096	0.03%	12.05%
7,355,621		7,763,461	0.03%	8.17%
17,729,189		18,192,114	0.08%	9.51%
19,796,542		20,267,798	0.09%	6.76%
35,210,421		36,228,371	0.18%	7.83%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2013 (Continued)

	Private Investment Fund ⁽³⁾				Alternative Investment Fund ⁽⁷⁾			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
2013	\$2,246,698,441	\$2,564,877,605	9.90%	9.50%	\$1,190,675,281	\$1,247,574,910	4.81%	6.39%
2012	2,221,945,727	2,569,809,038	10.67%	5.92%	550,080,365	549,205,302	2.28%	-1.62%
2011	1,909,670,699	2,229,679,980	8.83%	19.89%	511,873,555	519,007,742	2.06%	0.00%
2010	1,859,585,108	2,013,101,198	9.24%	17.32%	-	-	-	-
2009	1,819,125,566	1,621,268,022	7.94%	-16.36%	-	-	-	-
2008	1,809,775,995	1,789,139,253	6.85%	13.66%	-	-	-	-
2007	1,657,888,536	1,556,795,484	5.81%	19.56%	-	-	-	-
2006	1,692,805,252	1,357,518,114	5.78%	11.46%	-	-	-	-
2005	2,046,726,560	1,437,979,798	6.67%	8.94%	-	-	-	-
2004	2,406,829,047	1,781,312,669	8.63%	18.70%	-	-	-	-

	Total Fund ⁽⁴⁾			
	Book Value	Market Value	% of Total Fund MV	Rate of Return
2013	\$23,483,171,029	\$25,912,503,786	100.00%	11.64%
2012	22,270,077,625	24,077,340,469	100.00%	-0.90%
2011	22,343,270,597	25,247,594,232	100.00%	20.75%
2010	21,710,645,358	21,784,939,405	100.00%	12.88%
2009	21,945,913,372	20,431,180,148	100.00%	-17.37%
2008	25,388,309,339	26,129,160,510	100.00%	-4.71%
2007	23,066,365,615	26,774,529,258	100.00%	17.34%
2006	21,145,639,107	23,482,898,042	100.00%	10.55%
2005	19,918,781,069	21,573,264,617	100.00%	10.46%
2004	19,473,480,993	20,650,115,902	100.00%	15.23%

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

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assets										
Investments at Fair Value	\$25,912.5	\$24,077.3	\$25,247.6	\$21,784.9	\$20,431.2	\$26,129.2	\$26,774.5	\$23,482.9	\$21,573.3	\$20,650.1
Cash, Receivables and Other	9,430.8	6,964.2	7,959.9	7,494.7	11,520.3	15,884.6	14,440.5	16,145.9	12,212.7	10,456.4
Total Assets	35,388.3	31,041.5	33,207.5	29,279.6	31,951.5	42,013.8	41,215.0	39,628.8	33,786.0	31,106.5
Liabilities	9,447.5	7,064.7	8,023.8	7,410.0	11,569.3	16,142.0	15,286.7	16,812.0	12,486.9	10,917.2
Net Position	\$25,940.8	\$23,976.8	\$25,183.7	\$21,869.6	\$20,382.2	\$25,871.8	\$25,928.3	\$22,816.8	\$21,299.1	\$20,189.3

Fiscal Year Ended June 30,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Additions										
Dividends	747.9	622.9	703.3	\$417.4	\$399.9	\$650.1	\$558.9	\$525.6	\$500.2	\$607.5
Interest	181.8	241.2	283.8	324.0	358.9	460.0	396.0	350.8	302.1	303.0
Securities Lending & Other Income	29.1	28.4	30.0	29.1	74.9	162.4	176.7	124.6	76.0	52.8
Total Investment Income	958.8	892.5	1,017.1	770.5	833.7	1,272.5	1,131.6	1,001.0	878.3	963.3
Total Investment Expenses	86.9	83.5	89.6	83.8	89.9	201.8	212.3	178.0	112.1	63.6
Net Investment Income	871.9	809.0	927.5	686.7	743.8	1,070.7	919.3	823.0	766.2	899.7
Net Realized Gain/(Loss)	1,280.0	(11.8)	825.7	214.4	(2,942.4)	675.7	1,524.1	886.0	698.7	881.0
Net Change in Unrealized Gains on Investments	625.8	(1,012.0)	2,699.9	1,737.7	(2,333.6)	(3,004.3)	1,472.3	520.4	591.2	936.9
Purchase of Units by Participants	4,981.5	2,716.0	3,118.5	3,647.0	6,599.3	8,184.5	3,643.8	1,829.8	1,632.3	2,889.5
Total Additions	7,759.2	2,501.2	7,571.6	6,285.8	2,067.1	6,926.6	7,559.5	4,059.2	3,688.4	5,607.1
Deductions										
Administrative Expense	(4.3)	(4.1)	(4.1)	(3.8)	(3.4)	(3.2)	(3.2)	(2.9)	(2.7)	(2.3)
Distributions to Unit Holders	(813.2)	(660.6)	(813.3)	(579.3)	(707.6)	(972.4)	(911.9)	(802.5)	(859.6)	(816.1)
Redemption of Units by Participants	(4,977.7)	(3,043.4)	(3,440.1)	(4,215.3)	(6,845.7)	(6,007.4)	(3,532.9)	(1,736.1)	(1,716.3)	(2,899.8)
Total Deductions	(5,795.2)	(3,708.1)	(4,257.5)	(4,798.4)	(7,556.7)	(6,983.0)	(4,448.0)	(2,541.5)	(2,578.6)	(3,718.2)
Net Change in Position	1,964.0	(1,206.9)	3,314.1	1,487.4	(5,489.6)	(56.5)	3,111.5	1,517.7	1,109.8	1,888.9
Beginning Net Position	\$23,976.8	25,183.7	21,869.6	20,382.2	25,871.8	25,928.3	22,816.8	21,299.1	20,189.3	18,300.4
Ending Net Position	\$25,940.8	\$23,976.8	\$25,183.7	\$21,869.6	\$20,382.2	\$25,871.8	\$25,928.3	\$22,816.8	\$21,299.1	\$20,189.3

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