

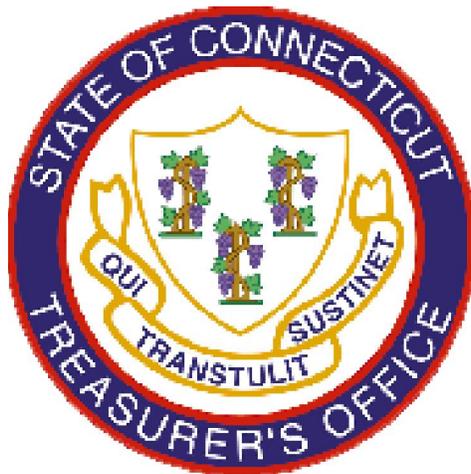
STATE OF CONNECTICUT

2015



ANNUAL REPORT OF THE TREASURER
For the fiscal year ended June 30, 2015

STATE OF CONNECTICUT
Office of the State Treasurer



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

STATE OF CONNECTICUT

2015



ANNUAL REPORT OF THE TREASURER
For the fiscal year ended June 30, 2015



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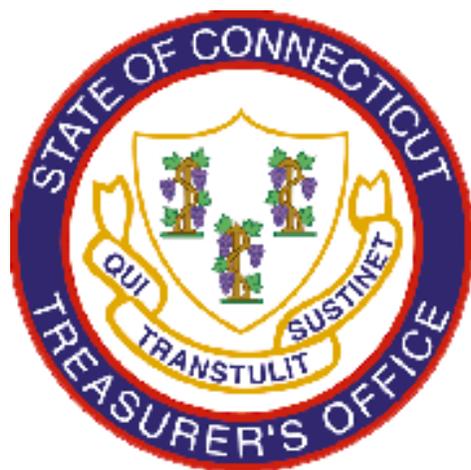
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Introduction





DENISE L. NAPPIER
TREASURER

State of Connecticut
Office of the Treasurer

December 17, 2015

The Honorable Dannel P. Malloy
Governor of Connecticut
State Capitol
210 Capitol Avenue
Hartford, CT 06106

Dear Governor Malloy:

I am pleased to present for your review the Annual Report of the Treasurer for the fiscal year ended June 30, 2015, in accordance with Section 3-37(a) of the Connecticut General Statutes. This Annual Report includes quantitative data, explanatory comments, and financial information regarding the Connecticut Retirement Plans and Trust Funds (CRPTF); the Short-Term Investment Fund (STIF); and the Connecticut Higher Education Trust (CHET), Connecticut's 529 College Savings Program. In addition, the operations of the divisions of Cash Management, Debt Management, Pension Funds Management, Second Injury Fund, and Unclaimed Property are presented.

The CRPTF's performance for Fiscal Year 2015 added \$910.2 million of market value to pension assets. After net withdrawals of \$686.2 million (including benefit payments, fees, and expenses), the CRPTF ended the fiscal year with assets of \$29.7 billion—a \$224.0 million net increase from the previous year. The three largest retirement plans, the Teachers' Retirement Fund, the State Employees' Retirement Fund, and the Municipal Employees' Retirement Fund earned 2.79 percent, 2.84 percent, and 2.57 percent, and over five years returned 9.72 percent, 9.82 percent, and 9.60 percent, respectively.

Fiscal Year 2015 was characterized by bouts of volatility in global markets, driven by concerns over slowing global growth, the potential end of accommodative monetary policies, geopolitical turmoil, and a collapse in energy prices. As the U.S. economy continued to expand at a healthy pace, and as the Federal Reserve assured investors it would take a cautious approach in raising interest rates, markets were generally able to recoup much of their losses by the end of the fiscal year. CRPTF's more illiquid asset classes, particularly private equity and real estate, bucked the trend and posted steady gains throughout the year, largely as a result of rising asset prices and domestic economic strength.

The fundamental purpose of the CRPTF is to help the State pay its pension obligations. Toward that end, over the past ten years the Fund has distributed \$15.3 billion in pension benefits, while receiving \$8.9 billion in contributions and earning \$14.8 billion in investment income (net of expenses).

With that said, the Treasurer's Office was ranked first in the nation for pension funds management with a grade of A by the Center for Public Integrity, as part of its 2015 State Integrity Investigation. We received high marks for the transparency of the management of our pension funds, effectiveness of the laws and regulations governing conflicts of interest, and citizen access to disclosures and pension fund documents.

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An Equal Opportunity Employer

During Fiscal Year 2015, the Office of the Treasurer also achieved these accomplishments and key milestones that inured to the benefit of state residents and businesses:

- **The Treasury's Short-Term Investment Fund (STIF), ranked in the top three among such funds in the nation, earned an additional \$5.3 million for Connecticut's agencies, authorities, and municipalities and their taxpayers.** STIF's performance exceeded its primary benchmark by 12 basis points. During the Nappier administration, STIF has earned government investors \$195 million in additional investment income. Moreover, Standard & Poor's reaffirmed STIF's AAAm rating.
- **The Comprehensive Annual Financial Report (CAFR) of the Short-term Investment Fund, along with the CAFR of the CRPTF's Combined Investment Funds, received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the fiscal year that ended June 30, 2014.** This marks the 15th consecutive year of this distinction. *Institutional Investor magazine named the CRPTF a finalist in its 2015 Hedge Fund Industry Awards competition in the category of Large Public Plan of the Year.* Connecticut's hedge fund portfolio stood at \$1.7 billion as of June 30, 2015, and returned 4.48 percent for Fiscal Year 2015, net of fees, outperforming its customized benchmark by 446 during the fiscal year and by 442 basis points annually since the program's inception.
- **The CRPTF initiated the \$145 million Connecticut-focused investment program,** designed to generate solid returns while stimulating the State's economy. This new initiative will make private investments in Connecticut companies at various stages of development, from mature to newly created businesses.
- **The CRPTF filed or co-filed twenty-five shareholder resolutions and engaged with more than thirty portfolio companies, and reached agreements with six companies** resulting in resolutions being withdrawn at those companies. As a long-term investor, the CRPTF exercises its shareholder rights in order to protect and enhance the value of the State's pension fund investments. During Fiscal Year 2015, the Office of the Treasurer focused on key corporate governance issues, including executive compensation, climate change, board diversity, and shareholder rights.
- **At BP's annual meeting in London, the CRPTF won 98 percent of the vote on a shareholder resolution** that calls on the company to address climate change-related issues, such as reporting on its ongoing operational emissions management and conducting an analysis of how the International Energy Agency's low-carbon scenarios will affect the company's assets.
- **The Treasury issued the first State of Connecticut "Green Bonds."** Designed to meet the needs of the growing number of investors interested in investing specifically in environmental infrastructure, Green Bonds were introduced to fund such projects as Clean Water. The first issuance was \$60 million of General Obligation bonds in the Fall of 2014 followed by a \$250 million all "Green Bonds" issue for the Clean Water Fund, sold on Earth Day in April 2015.
- **Connecticut taxpayers will save \$59.9 million over the next 13 years from refinancing \$712.6 million of outstanding state debt.** Total savings to taxpayers of all debt refunding and defeasances during the Nappier administration surpassed \$1 billion as of June 30, 2015.
- **The Connecticut Higher Education Trust (CHET) surpassed \$1 billion in qualified withdrawals to fund the college expenses of roughly 32,600 students** attending nearly every public and private college in Connecticut and several out-of-state schools. CHET has more than \$2.7 billion in assets under management, and over 120,000 accounts. This growth of CHET Direct (marketed directly to individuals) and CHET Advisor (available through financial advisors) compares with just over 4,000 accounts and \$18 million in assets under management when I took office in 1999.
- **The Office launched the CHET Baby Scholars program.** In the first year following adoption of the program, which was introduced by the Governor's Office and enacted during the 2015 legislative session, more than 2,400 Connecticut families have enrolled and put nearly \$4 million into CHET accounts.

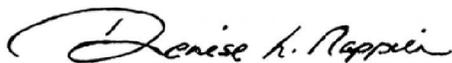
- **The Office deposited a net \$69 million from the collection of unclaimed property into the General Fund** – 56 percent more than was projected and more than three times the money deposited during Fiscal Year 2014. The Treasury also returned \$61 million in unclaimed property to 17,888 rightful owners. Higher collections are attributable to increased audits of companies holding unclaimed property, the addition of auditing firms, certified self-examinations, and other efforts to ensure compliance with the State's escheat laws. Overall, during the Nappier administration, a total of \$1.6 billion has been collected as unclaimed property.
- **For 17 consecutive years, the Second Injury Fund has either reduced or maintained the assessment rate for Connecticut businesses—the longest period without an assessment rate increase in the history of the Fund.** As a result, Connecticut businesses have realized an estimated \$1.1 billion in savings—including \$110 million in projected savings for Fiscal Year 2016. In addition, since the beginning of the Nappier administration, unfunded liabilities for injured workers have declined 54 percent, from \$838 million to \$384 million as of June 30, 2015.

The Office recovered \$1.9 million through class action lawsuits. This is a continuation of the efforts launched in 2000 to prevent losses due to the malfeasance of others and, whenever possible, to recover lost assets. A total of \$45.4 million has been recovered since 2000.

It is with the utmost gratitude that I acknowledge the members of the independent Investment Advisory Council under the leadership of Interim Chairwoman Carol M. Thomas for their extraordinary commitment, wise advice, and counsel in serving the best interests of the 212,000 state and municipal employees, teachers, retirees, survivorships and other beneficiaries of the CRPTF, as well as the taxpayers and residents of our state. I am privileged to have the opportunity to work with individuals of such dedication and accomplishments.

This Annual Report was prepared by staff of the Office of the Treasurer who worked diligently throughout the year to manage the state's financial resources with the utmost care and diligence, and have done so amidst a sustained period of fiscal challenges and market volatility. In every possible sense of the phrase, the Connecticut Treasury would not be where it is today—a nationally recognized public financial organization dedicated to excellence—were it not for its roster of professional and hardworking women and men, as well as the top-notch team of service providers. Their financial expertise, precision, efficiency, and commitment to high standards of integrity in managing the state's financial resources is the very foundation of our valued added performance in serving the people of our state.

Sincerely,



Denise L. Nappier
State Treasurer

Mission Statement

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

Duties of the Office of the Treasurer

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

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

The Treasurer, as Chief Elected Financial Officer for the State, oversees the prudent preservation and management of State funds, including the investment of a \$29.7 billion portfolio of pension assets, \$5.0 billion in total State and local short-term, and other investments, and \$2.7 billion of assets in the Connecticut Higher Education Trust. The Treasurer maintains an accurate account of all funds through sophisticated security measures and procedures.

Boards, Committees, and Commissions

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

State Bond Commission	Investment Advisory Council
Banking Commission	Finance Advisory Committee
Connecticut Lottery Corporation	Student Financial Aid Information Council
Council of Fiscal Officers	The Standardization Committee
Information and Telecommunication Systems Executive Steering Committee	Connecticut Higher Education Trust Advisory Committee
Connecticut Innovations	Teachers’ Retirement Board
Connecticut Housing Finance Authority	Connecticut Student Loan Foundation
Connecticut Higher Education Supplemental Loan Authority	Connecticut Health and Educational Facilities Authority
Clean Energy Finance and Investment Authority	Connecticut Airport Authority
State Employees’ Retirement Commission	Connecticut Retirement Security Board

Additional information on responsibilities of each is provided on Supplemental pages S-57 to S-59.

Office of the Treasurer Organization

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

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

The Pension Funds Management Division, under the direction of the Chief Investment Officer, manages the investment portfolios of the State's six pension funds and nine trust funds with a combined market value of \$29.7 billion. The portfolios are invested in various asset classes ranging from domestic and international stocks to fixed income securities, real estate, alternative investments and private equity. Beneficiaries and participants include approximately 212,000 teachers, state and municipal employees, and trust funds that support academic programs, grants, and initiatives throughout the state. The Teachers' Retirement Fund is the Treasury's largest pension fund under management, with assets of \$16.1 billion, followed by the State Employees' Retirement Fund, with assets of \$10.7 billion, and the Municipal Employees' Retirement Fund, with \$2.2 billion in assets. The Pension Funds Management Division also serves as staff to the Investment Advisory Council.

The Cash Management Division, under the direction of an Assistant Treasurer, has responsibility for cash accounting and reporting, cash positioning and forecasting, bank reconciliation, bank administration, check processing and short-term investments. Over 3 million banking transactions are accounted for and reconciled annually. The division maintains accountability over the state's internal and external cash flows through the Treasury's 19 bank accounts. The Division manages clients' cash, including 939 accounts within the Short-Term Investment Fund for the state, state agencies and authorities, and local government entities.

The Debt Management Division, under the direction of an Assistant Treasurer, administers the state's bond and debt financing program, including the sale of state bonds. Monitoring the bond markets, financing structures and economic trends that affect interest rates are critical requirements for favorable bond issuances. The Division oversees the issuance of bonds to finance state capital projects, refinances outstanding debt when appropriate, manages debt service payments and cash flow borrowing, provides information and data to private credit rating agencies, and administers the Clean Water and Drinking Water grant and loan programs. As of June 30, 2015, \$22.1 billion of state debt was outstanding.

The Second Injury Fund Division, under the direction of an Assistant Treasurer, is a workers' compensation insurance program for certain injured worker claims. The Second Injury Fund adjudicates those qualifying workers' compensation claims fairly and in accordance with applicable law, insurance industry standards and best practices. Where possible, the Second Injury Fund seeks to help injured workers return to gainful employment or will seek settlement of claims, which will ultimately reduce the burden of Second Injury Fund liabilities on Connecticut businesses. As of June 30, 2015, the estimated liability for open claims totaled \$384 million.

The Unclaimed Property Division, under the direction of an Assistant Treasurer, collects and safeguards all financial assets left unclaimed by owners for a specific period of time, generally three years. Unclaimed assets include, but are not limited to: savings and checking accounts; uncashed checks; deposits; stocks, bonds or mutual fund shares; travelers checks or money orders; and proceeds from life insurance policies. The Division publicizes the names of rightful owners in an attempt to return unclaimed property to them, and \$61.1 million in claims were paid for the fiscal year ended June 30, 2015.

2015 Annual Report Year at a Glance, as of June 30

COMBINED INVESTMENT FUNDS ⁽¹⁾

Investments in Securities at Fair Value	\$ 29,755,042,387
Net Position Held in Trust for Participants	\$ 29,651,976,516
Total Investment Returns for the Fiscal Year	\$ 824,322,602
Total Management Fees for the Fiscal Year	\$ 126,261,728
Total Number of Advisors	153
Increase in Total Advisors from Prior Year	5

(1) Represents the total pension and trust funds. Individual returns for the three primary pension funds (Teachers'; State Employees'; and Municipal Employees') are separately presented on page 27 because the asset allocations of each fund are different.

OFFICE OF THE TREASURER OVERVIEW

CONNECTICUT HIGHER EDUCATION TRUST

Direct Plan Number of Participant Accounts	101,280
Direct Plan Net Position	\$ 2,415,551,701
Advisor Plan Number of Participant Accounts	20,370
Advisor Plan Net Position	\$ 339,874,351

DEBT MANAGEMENT

Total Debt Outstanding	\$ 22,065,777,375
General Obligation Debt included above	\$ 15,485,292,375
Total New Debt Issued During the Fiscal Year	\$ 4,179,375,000
General Obligation Debt Issued included above	\$ 2,909,565,000
Total Debt Retired and Defeased During the Fiscal Year	\$ 2,655,706,365
General Obligation Debt Retired and Defeased included above	\$ 1,980,256,365
Total Debt Service Paid on Outstanding Debt During the Fiscal Year	\$ 2,826,816,657
General Obligation Debt Service Paid included above	\$ 2,081,865,058

CASH MANAGEMENT

Total Cash Inflows During the Fiscal Year	\$ 101,148,202,590
Total Cash Outflows During the Fiscal Year	\$ 101,470,294,534

SHORT-TERM INVESTMENT FUND

Total Net Position of the Fund	\$ 5,037,544,895
One-Year Total Return	0.15%
Five-Year Compounded Annual Total Return	0.17%
Ten-Year Compounded Annual Total Return	1.65%
Weighted Average Maturity	37 days
Number of Participant Accounts	939

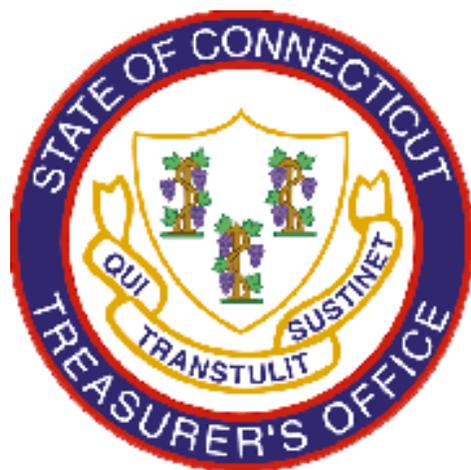
SECOND INJURY FUND

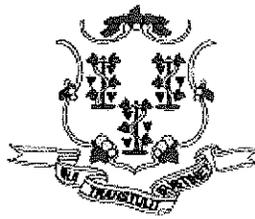
Number of Claims Settled During the Fiscal Year	215
Total Cost of Claims Settled and Paid	\$ 5,172,235
Second Injury Fund Estimated Unfunded Liability (expressed as reserves)	\$ 383,703,456
Number of Claims Outstanding	2,899

UNCLAIMED PROPERTY

Dollar Value of Gross Unclaimed Property Receipts	\$ 147,656,895
Dollar Value of Claims Paid	\$ 61,090,933
Number of Property Claims Paid	17,888

Division Overview





State of Connecticut
Investment Advisory
Council

CAROL M. THOMAS
INTERIM CHAIR

December 24, 2015

The Honorable Dannel P. Malloy
Governor
State of Connecticut
Executive Chambers
Hartford, Connecticut

Dear Governor Malloy:

As Chair of the Investment Advisory Council ("IAC"), I am pleased to present this report on the activities of the IAC for the fiscal year ending June 30, 2015.

Over the course of the fiscal year, implementation continued for the investment pacing plans designed for real estate, alternative investment and private equity opportunities. The IAC was requested to consider a number of diverse investment-related proposals put forth by State Treasurer Denise L. Nappier and rendered advice on a number of private market investments, including three (3) private investment partnerships totaling \$405 million. This included \$145 million to be directed to the newly established Connecticut-focused investment program, an initiative introduced by Treasurer Nappier to generate competitive returns for the State's pension plans while stimulating the State's economy through private investment and job creation. We also provided feedback on commitments to five (5) real estate investment partnerships totaling \$370 million and to one (1) alternative investment partnership totaling \$85 million.

Additionally, during Fiscal Year 2015, the Treasurer conducted a competitive search for a firm to assist the Office of the Treasurer by providing investment consulting services for the Private Investment Fund. The IAC members afforded comment and advice to Treasurer Nappier concerning the candidate firms and supported the Treasurer's hiring of the consultant. Further, the IAC endorsed competitive search plans presented by Treasurer Nappier for Emerging Markets Debt Fund and High Yield Debt Fund managers.

The Honorable Dannel P. Malloy
State of Connecticut
December 24, 2015
Page Two

Throughout the year, the IAC continued its practice of reviewing fund performance at each meeting and conducted extensive reviews of fund performance on a quarterly basis. Finally, throughout the year, the IAC reviewed reports regarding corporate governance activities, as well as updates of compliance with statutory investment restrictions. I would like to add that the membership comprising the IAC remained consistent in fiscal year 2015.

As Chair of the IAC, and having proudly served as a member of the IAC for over a decade and a half, I am privileged to work with my fellow council members on the oversight of Connecticut's pension and trust assets. We take seriously our commitment to ensure the soundness of our State's investment program for the benefit of not only our current and future pension beneficiaries, but also the taxpayers and citizens of the State of Connecticut.

We are proud of the contribution that the long term investment returns of the Connecticut Retirement Plans and Trust Funds have made to the overall fiscal stability of the Fund for the benefit of taxpayers, and it is with this sense of duty that I submit this summary on behalf of the IAC.

Sincerely,



Carol M. Thomas, Interim Chair
Investment Advisory Council

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 August 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 plan and trust funds and any significant changes which may have occurred or which may be pending with regard to the funds. The Council shall promptly notify the Auditors of Public Accounts and the Comptroller of any unauthorized, illegal, irregular or unsafe handling or expenditure of plan and trust funds or breakdown in the safekeeping of plan and trust funds or contemplated action to do the same within their knowledge.

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

Council members who contributed their time and knowledge to the IAC during Fiscal Year 2015 include:

CAROL M. THOMAS, Interim Chairperson, as appointed by the Governor; Representative of State Employees' unions; Retiree, Department of Developmental Services

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

JANICE CARPENTER, Independent Financial Consultant

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

STEVEN MUENCH, Representative of State Teachers' unions; Conn. Education Association

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

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

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

2015 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 \$29.7 billion of investment assets for retirement plans serving approximately 210,000 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 the 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 contributions 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 Combined Investment Funds (“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 the CRPTF’s investments under Treasury management has grown from approximately \$21.3 billion to approximately \$29.7 billion. The Teachers’ Retirement Fund (“TERF”), with approximately \$16.1 billion of assets under management at June 30, 2015, is the largest participating plan. The State Employees’ Retirement Fund (“SERF”) and the Connecticut Municipal Employees’ Retirement Fund (“CMERF”) have approximately \$10.7 billion and \$2.2 billion of assets, respectively. For the fiscal year ended June 30, 2015, 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 \$3.8 billion (See Figure 1-3).

CRPTF’s total investment in the CIF at fair value as of June 30, 2015 was:

INVESTMENT SUMMARY AT JUNE 30, 2015		
	Fair Value ⁽¹⁾	% of Total Fund Fair Value
Liquidity Fund (LF)(2)	\$ 1,282,270,968	4.31%
Mutual Equity Fund (MEF)	6,784,028,571	22.80%
Developed Markets International Stock Fund (DMISF)	5,879,680,883	19.76%
Emerging Markets International Stock Fund (EMISF)	2,463,358,430	8.28%
Real Estate Fund (REF)	1,848,291,148	6.21%
Core Fixed Income Fund (CFIF)	2,627,250,626	8.83%
Inflation Linked Bond Fund (ILBF)	1,120,365,183	3.77%
Emerging Market Debt Fund (EMDF)	1,399,864,819	4.70%
High Yield Debt Fund (HYDF)	1,772,254,243	5.96%
Commercial Mortgage Fund (CMF)	29,799	0.00%
Alternative Investment Fund (AIF)	1,804,487,746	6.06%
Private Investment Fund (PIF)	2,773,374,435	9.32%
Total Fund	\$29,755,256,851	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”), Pension Funds Management (“PFM”) executes and manages the investment programs of the pension and trust funds with a 15-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 2015, The Bank of New York Mellon (“BNY Mellon”) served as the custodian of record for the CRPTF, maintaining physical custody of and safeguarding plan assets. BNY Mellon also provided record keeping services under the supervision of PFM, and Deutsche Bank was the provider of Securities Lending services.

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 the CRPTF’s Investment Policy Statement (“IPS”). As of June 30, 2015, 153 external money and investment managers were employed by the Treasury to invest the pension and trust assets, an increase of 5 managers from June 30, 2014 (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, 2015, 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 51%. 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 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) assets are allocated across the broad U.S. stock market to ensure diversification by market capitalization and investment style, such as value and growth. The MEF may opportunistically invest up to 30% 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 as well as an allocation to stocks outside the US. As of June 30, 2015, the MEF structure was approximately 82.55% invested in large-cap stocks, 9.19% in small/mid-cap stocks, 8.09% in all-cap, and 0.17% in cash equivalents and other net assets. The MEF's ten largest holdings, aggregating 13.52% of Fund investments, included a variety of blue chip companies and were broadly diversified, with the largest holding of 3.05% in Apple Inc. Performance of the MEF 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 83% 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, 2015, the DMISF structure was approximately 85.30 % invested in large-cap stocks, 14.43% in small-cap stocks, and 0.27% in cash equivalents and other net assets. Mandates for active growth/value and small cap developed market strategies represent roughly 22.03% and 14.43% 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

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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.

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, 2015, the CFIF structure approximated 23.00% invested in treasury/agency securities, 29.40% in corporate securities, 27.30% in mortgage-backed securities, 10.80% in asset-backed securities, and 9.50% 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 offer protection against inflation and contribute to overall portfolio diversification. As of June 30, 2015, the ILBF structure was comprised of securities from the following countries or regions: 41.0% in the U.S., 18.5% in the U.K., 16.3% in the Eurozone, 10.2% in Australia and New Zealand, 4.5% in Mexico and 9.5% in other countries and cash equivalents. 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 Diversified/J.P. Morgan Government Bond Index - Emerging Markets Global Diversified (50%/50%). As of June 30, 2015, the EMDF structure approximated 32.30% invested in Latin America, 30.10% in Europe, 19.20% in Asia, 7.30% in Africa, 6.70% in the Middle East and 4.40% 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. 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, 2015, the HYDF structure approximated 94.00% invested in corporate securities, 1.50% in treasury securities, and 4.50% 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 intended to provide a liquid source of funds for investment operations and earn a return greater than money market instruments, with minimal exposure to risk of principal. The LF structure enables each of the CIF to remain fully invested. 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, 2015, the LF structure approximated 48.10% invested in money market securities, 34.60% in short duration bond securities, and 17.30% in 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 and 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 generate attractive risk-adjusted 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, 2015, the REF structure was approximately 60.30% invested in Core, 11.50% in Value-Added, 21.90% in Opportunistic and 6.30% in cash equivalents and other net assets. The benchmark for REF is the National Council of Real Estate Investment Fiduciaries National Property Index (NCREIF-NPI), lagged by one quarter.

Private Investments

The Private Investment Fund (PIF) is the vehicle used to invest in private equity. PIF investments generally are made in externally managed limited partnerships or through separate accounts that focus on private investments. These vehicles include investments in both venture capital and corporate finance investment strategies. Venture capital typically involves equity capital invested in young or development stage companies, and may include start-up, early, mid or late-stage companies. Corporate finance typically involves equity and debt capital invested in growth, mature or distressed stage companies, often through the financing of acquisitions, spin-offs, mergers or changes in capitalization. As of June 30, 2015, the PIF structure was approximately 76.16% invested in Corporate Finance, 17.77% in Venture, and 6.07% 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, 2015, the AIF structure was approximately 91.89% invested in Hedge fund of funds, 4.50% in Real Assets, 1.31% in Opportunistic, and 2.30% in cash equivalents and other net assets. AIF's benchmark is the 90-day Treasury Bill.

Securities Lending

The CRPTF maintains 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.

Deutsche Bank was responsible for marketing the program, lending the securities, and obtaining adequate collateral during Fiscal Year 2015. As of June 30, 2015, securities with a market value of approximately \$1.83 billion had been loaned against collateral of approximately \$1.87 billion. Income generated by securities lending totaled \$13.1 million for the fiscal year.

The Year in Review

Total Fund Performance

For the fiscal year ending June 30, 2015, the CRPTF achieved an annual total return of 2.79%, net of expenses. The three largest pension plans, the Teachers' Retirement Fund, the State Employees' Retirement Fund and the Connecticut Municipal Employees' Retirement Fund – which represent 98% of total assets – returned 2.79%, 2.84% and 2.57%, respectively. During the fiscal year, the value of the CRPTF's net position increased from approximately \$29.43 billion to \$29.65 billion. The \$220 million increase was primarily due to an increase in assets from operations of \$3.83 billion partially offset by net withdrawals of \$3.61 billion.

Although the first half of the year was generally weak and characterized by periods of volatility, as investors became increasingly concerned that the long period of accommodative monetary policy was about to end, a steady stream of positive data on US economic growth gave investors comfort, particularly in

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contrast to weakness in Europe and Asia. By the end of the fiscal year, the US markets had fully recovered and ended the year in positive territory.

The MEF exceeded its benchmark, the Russell 3000, with a fiscal year return of 7.32%. The U.S. equity markets notably outperformed non-US markets as corporate earnings continued to exceed forecasts and as economic data pointed to a healthy but not overheated US economy. The broad Russell 3000 index was up 7.29% during the fiscal year; within the asset class, small cap stocks outperformed large cap by returning 8.06% and 7.51% respectively. In terms of investment style, growth stocks outperformed value stocks across the capitalization spectrum. Most sectors performed well with the exception of energy and materials, which were significantly weighed down by weak commodity prices.

International equity, which is comprised of both DMISF and EMISF, returned 0.67% and negative 6.93% respectively. The international developed markets posted weak results in large part due to a surge in the US dollar which overshadowed strong local performance in the Eurozone and in Japan. European markets gave back a portion of their gains toward the end of the year as the Greek debt crisis escalated, leading to speculation that Greece would exit the euro. 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. This helped to partially offset the impact of a strong dollar during the year. EMISF portfolio returns trailed its benchmark, the MSCI EM IMI, by 252 basis points. Emerging markets were weaker than developed international markets as falling commodity prices created significant headwinds for energy producing and commodity dependent economies, particularly Russia and Brazil.

Using the Teachers' Retirement Fund as a proxy, the fixed income portfolios (CFIF, ILBF, and HYDF) returned approximately negative 0.05% for the fiscal year versus the Barclay's Aggregate Index's negative 0.69%. Core fixed income was the fiscal year's strongest performer, led by US agencies and asset-backed securities. Positive performance in the core fixed income markets helped to offset negative performance in high yield, inflation linked, and emerging market debt markets. This is in contrast to the returns for Fiscal Year 2014 in which high yield and emerging market debt outperformed. This demonstrates the role of diversification in helping to provide steady long term returns with reduced volatility.

The Private Investment Fund returned a strong 14.04% for Fiscal Year 2015, outperforming its public market equivalent benchmark, the S&P 500 return of 7.42%. Fundraising activity remained robust, particularly in US buyout markets and in venture capital. Investment activity continued to increase while purchase prices also rose. Buyout exits and venture-backed IPO activity slowed, however, from prior year's record levels although they still remained strong. The fund continues to evaluate new potential commitments across private equity but did not make any new investments during the fiscal year.

The Real Estate Fund modestly outperformed its NCREIF benchmark, returning 12.93% versus the NCREIF return of 12.72%, driven by strong performance in open-ended core and core plus funds and new value-added strategies. Over the three and five years, the Real Estate Fund returned 11.28% and 11.39%, indicating continued healthy fundamentals and rising property valuations across the market. The fund remains well diversified, with strong income generation versus the current low yield environment, and a lower volatility than the benchmark.

The Alternative Investment Fund, which invests in hedge funds, real assets and other opportunistic investments, returned 3.98%, outperforming its 90-day T-Bill by 396 basis points. The Alternative Investment Fund was designed to reallocate funds into the most promising, risk adjusted market opportunities. Given the strong equity markets, hedge funds with exposure to equity-related strategies led the market in strong performance while credit and distressed strategies were weighed down by widening credit spreads and weakness in the energy sector.

2015 Management Initiatives

The continued implementation in fiscal year 2015 of the CRPTF investment pacing plans established for real estate, alternative investment and private equity opportunities led to five investment commitments totaling \$370 million awarded to Real Estate Fund managers. Additionally, in the Alternative Investment Fund, \$85 million was committed to an opportunistic investment focused on energy infrastructure.

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In Fiscal Year 2015, Treasurer Nappier presented an in-state opportunistic investment mandate for the Private Investment Fund with a commitment of \$145 million. The initiative will invest directly in Connecticut firms, offering capital to both newly formed companies and more mature endeavors, generating positive macro-economic impact on the State of Connecticut. In the CRPTF public market portfolios, investment management services were contracted for the Global Inflation-Linked Bond mandate and, separately, for the Currency Overlay mandate in the Developed Markets International Stock Fund.

During Fiscal Year 2015, three Requests for Proposals were issued for a Private Investment Consultant, Emerging Markets Debt and High Yield Debt managers. At fiscal year end, due diligence continued for the manager searches and a hiring decision for the Private Investment Consultant was pending.

The Connecticut Horizon Fund, created in 2004, is an aggregate of public and private market funds. The CHF is a \$1 billion fund-of-funds public market program and additionally includes a \$155 million private equity allocation and a \$170 million alternative investment allocation designed to provide the Office of the State Treasurer access to a wider number of women-owned, minority-owned, Connecticut-based and emerging firms. In Fiscal Year 2015, public market managers totaled 42 CHF sub-managers; emerging firms represent the largest allocation of total assets at 85%; women-owned firms and minority-owned firms each represent 40% and Connecticut-based firms at 22% of total assets. As many investment firms are owned by individuals that represent more than one demographic category, the aggregate percentages exceed 100%. Additionally, there were 19 private equity sub-managers; including 8 minority-owned, 3 emerging strategies, 1 women-owned and 7 Connecticut-based. Finally, there were 24 alternative investment sub-managers; the breakdown includes 21 emerging strategies, 14 minority-owned, 7 Connecticut-based and 4 women-owned firms.

Expansion of the diversity of firms with which PFM does business continued during Fiscal Year 2015; overall, 37 minority-owned, women-owned, Connecticut-based and emerging firms comprised 29% of the firms doing business with the division. These firms earned fees of \$37.3million, representing nearly 37% of all fees paid by the division.

Corporate Governance

In conformance with state law, the Treasurer considers the financial implications of a portfolio company's social, economic and environmental corporate governance structure and practices in carrying out her fiduciary responsibility. The primary method the Treasurer's Office utilizes to address corporate governance at companies in which the CRPTF invests is through proxy voting. Publicly traded companies hold annual general meetings at which shareholders vote to approve or reject proposals presented by the company's management or by shareholders on significant transactions or activities at a company. The Treasurer's Office uses comprehensive guidelines approved by the independent Investment Advisory Council when casting thousands of proxy votes at these meetings. The guidelines, available on the Treasury's website, incorporate best practices on corporations' structure, administration, and control to reduce risk and increase opportunities for growth.

In Fiscal Year 2015, the Office of the Treasurer filed shareholder resolutions at 25 companies. It held discussions with corporate leaders of more than 30 companies about shareholder concerns. To support its efforts, the Office worked with a wide cross-section of investors representing public pension funds, investment firms, labor funds, and faith-based investors. Board diversity was among the key issues of focus for the Office during Fiscal Year 2015. The Treasurer supported, and the CRPTF voted in favor of, shareholder resolutions requesting a report on companies' efforts to increase gender and racial diversity on their board. In September 2015, the Office of the Treasurer and the University of Connecticut also held a Forum, "Women in the Corporate Boardroom: A Business Imperative for American Companies," where experts discussed how increased representation of women on corporate boards help create long term shareholder value.

Where appropriate, the Treasurer's Office engages company leadership directly on issues that affect the bottom line through letters, conversations, and by filing shareholder resolutions. It broadly protects shareholder rights by advocating with the Securities and Exchange Commission (SEC), the U.S. Congress and stock exchanges. The Treasurer's Office also asks investment managers with which it does business to respond to a corporate governance questionnaire and will discuss any concerns with such entities.

In the area of climate change and related energy issues, the Office continued to take a leading role in the Investor Network on Climate Risk (INCR). The Treasurer requested that a number of companies take steps

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to set greenhouse gas emission goals, target energy use reductions and report to shareholders on progress made on these goals. These measures support a portfolio company's sustainability, which is important to Connecticut as a long-term investor.

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.ott.ct.gov/pension_guidelines.html.

The Treasurer's Office is charged with administering three laws which authorize investment restrictions on companies doing business in Northern Ireland, Sudan and Iran. Connecticut's MacBride law, set forth in Section 3-13h of the Connecticut General Statutes, is based on the MacBride Principles, which are a corporate code of conduct for companies doing business in Northern Ireland designed to address religious discrimination in the workplace. During Fiscal Year 2015, no companies were added or removed from the "MacBride Prohibited List." As of the end of Fiscal Year 2015, two companies remain 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: Domino's Pizza, Inc. and Yum Brands.

The Treasurer's Office monitored companies doing business in Sudan pursuant to Section 3-21e of the Connecticut General Statutes. The Sudan law, adopted in 2006, authorizes the Treasurer 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. As of the end of Fiscal Year 2015, the Office of the Treasurer prohibits direct investment in 22 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 Corporation 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; Oil and Natural Gas Corp (ONGC); 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.

Connecticut's Iran law, Connecticut General Statutes Section 3-13g, authorizes the Treasurer to engage with companies doing business in Iran, and potentially divest holdings in such companies if she determines 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. As of the end of Fiscal Year 2015, the Office of the Treasurer prohibits direct investment in 14 companies: China National Offshore Oil Corporation and its subsidiaries China Oilfield Services Ltd., China Bluechemical, Offshore Oil Engineering Co., and CNOOC; Daelim Industrial Co. Ltd.; Indian Oil Corporation Ltd. And its subsidiaries IBP Co. Ltd., Chennai Petroleum Corp. Ltd., Lanka loc plc, and Bongaigaon Refinery & Petrochemicals; Oil India Ltd.; and Petroleos de Venezuela S.A. and its subsidiary Ca La Electricidad de Caracas.

Asset Recovery and Loss Prevention

The Treasurer'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 periodic review, development and implementation of best practice contract language, helps to ensure clarity with respect to the obligations of the Office of the Treasurer and of the vendors of the Office. The Office maintains regular contact with other similar governmental offices and institutional investors, sharing ideas for enhancement of contract language, frequently sharing advice with 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 believes that most disputes can be resolved through dialogue designed to clarify misunderstanding. The Office is, however, prepared, when necessary, to pursue judicial solutions where negotiation is unsuccessful. Although very limited as a percentage of all investments, the Office, like all other investors, experiences losses due to corporate malfeasance. In these instances, the Office believes

where negotiation is unsuccessful. Although very limited as a percentage of all investments, the Office, like all other investors, experiences losses due to corporate malfeasance. In these instances, the Office believes that litigation managed by investors is more effectively negotiated, efficiently litigated and achieves larger settlements for the benefit of all investors. As such, the Office is committed to taking 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 has used litigation to encourage corporate governance enhancements. Although rare, the Office 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 2010 decision in *Morrison v. National Australia Bank*, the Office has experienced an increase in its participation in group actions as a means of seeking recovery of lost assets. The Office provides leadership nationally in efforts by institutional investors to address *Morrison*-related matters.

Class Action Securities Litigation

The Combined Investment Funds recovered \$1.9 million from class action settlements in the fiscal year ended June 30, 2015. 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. Following significant procedural proceedings, including a Supreme Court opinion in favor of the plaintiffs, the matter has been remanded to the trial. The case is scheduled for trial in the Spring of 2016.

Corporate Governance Related Litigation

Litigation has not been required for corporate governance matters in the 2015 fiscal year. The Office of the Treasurer has focused on engagement of companies to promote good corporate citizenship. The Office is sagacious in its consideration of the merits of litigation.

Other Litigation

The Office of the Treasurer continues its participation in group action in Belgium adverse Fortis, N.A., France adverse Vivendi, S.A., Japan adverse Olympus and in Texas' state court adverse BP. The Office has evaluated the merits of joining other foreign group action during the fiscal year. 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.

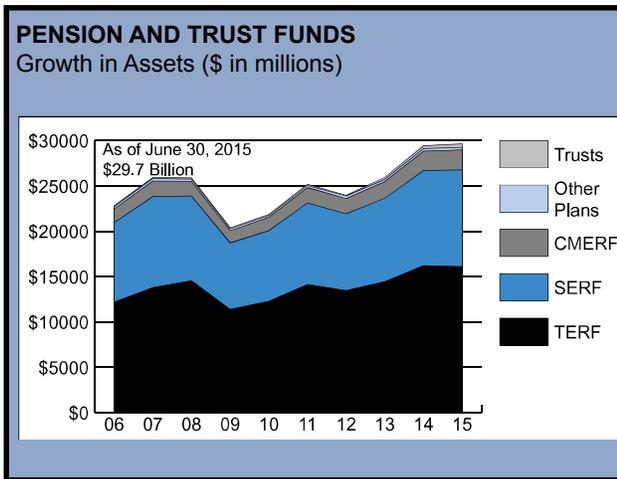
The Office of the Treasurer has received distribution from the Securities and Exchange Commission of amounts disgorged from the Managing Partners and Michael Liberty, allowing for the final distribution of limited remaining assets from an investment in Keystone Venture V L.P.

PENSION FUNDS MANAGEMENT DIVISION

Figure 1-1

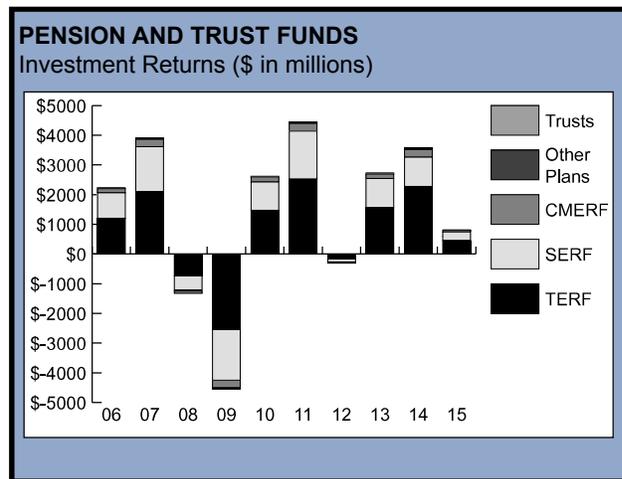
	TERF				SERF				CMERF			
	Actual	Target Policy	Lower Range	Upper Range	Actual	Target Policy	Lower Range	Upper Range	Actual	Target Policy	Lower Range	Upper Range
PENSION AND TRUST FUNDS ASSET ALLOCATION												
Actual vs. Policy at June 30, 2015												
U.S. EQUITY												
Mutual Equity Fund (MEF)	23.6%	21.0%	17.0%	25.0%	23.4%	21.0%	17.0%	25.0%	16.0%	16.0%	13.0%	19.0%
INTERNATIONAL EQUITY												
Developed Market Intl Stock Fund (DMISF)	20.8%	18.0%	14.0%	22.0%	20.4%	18.0%	14.0%	22.0%	13.7%	14.0%	11.0%	17.0%
Emerging Market Intl Stock Fund (EMISF)	8.6%	9.0%	7.0%	11.0%	8.5%	9.0%	7.0%	11.0%	6.6%	7.0%	6.0%	8.0%
REAL ESTATE												
Real Estate Fund (REF)	6.3%	7.0%	5.0%	9.0%	5.9%	7.0%	5.0%	9.0%	7.3%	7.0%	5.0%	9.0%
FIXED INCOME												
Core Fixed Income Fund (CFIF)	7.2%	7.0%	6.0%	8.0%	8.8%	8.0%	6.0%	10.0%	8.0%	8.0%	6.0%	10.0%
Inflation Linked Bond Fund (ILBF)	3.0%	3.0%	2.0%	4.0%	4.9%	5.0%	4.0%	6.0%	4.9%	5.0%	4.0%	6.0%
Emerging Market Debt Fund (EMDF)	4.9%	5.0%	4.0%	6.0%	3.9%	4.0%	3.0%	5.0%	7.8%	8.0%	6.0%	10.0%
High Yield Debt Fund (HYDF)	5.3%	5.0%	4.0%	6.0%	5.2%	5.0%	4.0%	6.0%	13.9%	14.0%	11.0%	17.0%
Liquidity Fund (LF)	5.1%	6.0%	5.0%	7.0%	3.9%	4.0%	3.0%	5.0%	2.9%	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)	9.3%	11.0%	8.0%	14.0%	9.2%	11.0%	8.0%	14.0%	10.8%	10.0%	7.0%	13.0%
ALTERNATIVE INVESTMENT												
Alternative Investment Fund (AIF)	5.9%	8.0%	6.0%	10.0%	5.9%	8.0%	6.0%	10.0%	8.1%	8.0%	6.0%	10.0%
TOTAL	100.0%	100.0%			100.0%	100.0%			100.0%	100.0%		

Figure 1-2



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

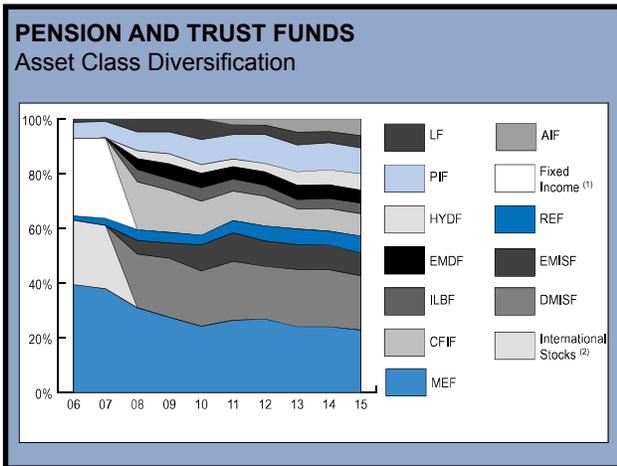
Figure 1-3



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

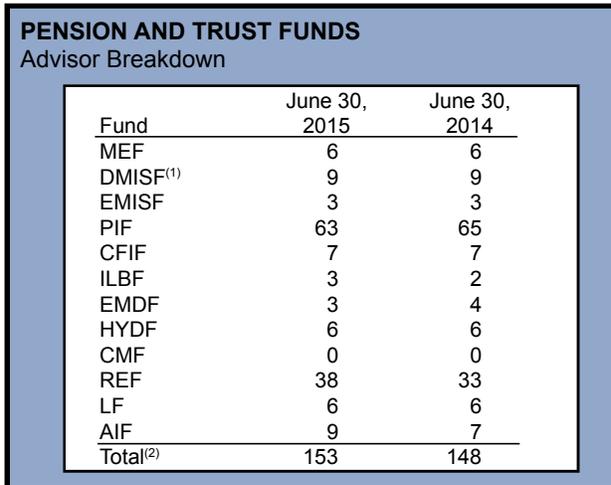
PENSION FUNDS MANAGEMENT DIVISION

Figure 1-4



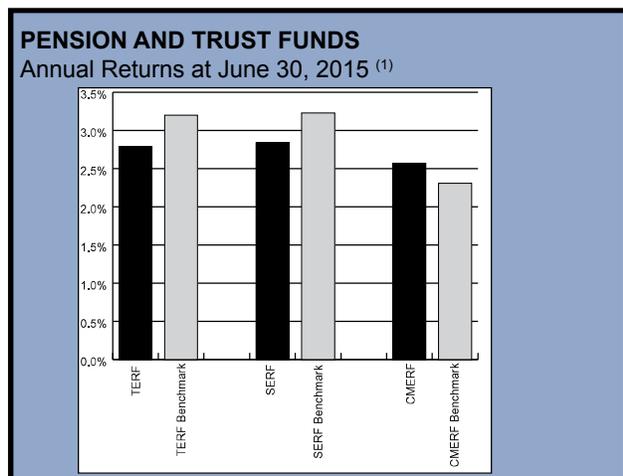
- (1) Prior to November 1, 2007 CFIF, ILBF, EMDF and HYDF were included in a Combined Investment Fund titled Mutual Fixed Income Fund.
- (2) Prior to November 1, 2007 DMISF and EMISF were included in a Combined Investment Fund titled International Stock Fund.

Figure 1-5



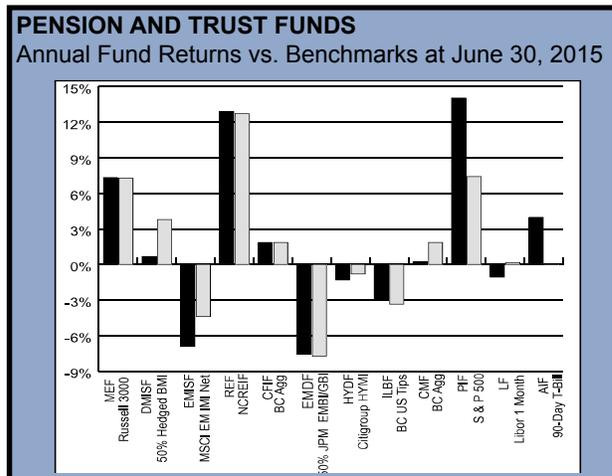
- (1) Does not include the Currency Overlay Manager.
- (2) Actual total advisors was 144 and 141, respectively when factoring in advisors across multiple funds. Private Investment partnerships with nonmaterial balances are not included.

Figure 1-6



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

Figure 1-7



PENSION FUNDS MANAGEMENT DIVISION

Combined Investment Funds Total Return Analysis (%)

	Fiscal Years Ended June 30,					Annualized		
	2015	2014	2013	2012	2011	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)	2.79	15.67	11.83	(0.96)	20.77	9.96	9.72	6.30
TERF Custom Benchmark	3.20	15.25	12.05	0.97	20.65	10.03	10.17	6.37
State Employees' Retirement Fund (SERF)	2.84	15.62	11.90	(0.90)	21.15	9.99	9.82	6.18
SERF Custom Benchmark	3.23	15.41	12.05	1.04	21.30	10.08	10.33	6.39
Municipal Employees' Retirement Fund (MERF)	2.57	13.58	9.60	0.47	17.87	8.48	8.62	5.96
MERF Custom Benchmark	2.31	14.10	10.49	2.72	18.82	8.82	9.48	6.43
<u>U.S. Stocks</u>								
Mutual Equity Fund	7.32	25.28	21.15	3.38	31.92	17.66	17.30	7.49
Russell 3000 Index	7.29	25.22	21.46	3.84	32.37	17.73	17.54	8.15
<u>International Stocks</u>								
Developed Markets International Stock Fund	0.67	22.31	22.56	(12.48)	26.30	14.73	10.84	5.95
MSCI EAFE IMI 50% Hedged	3.79	21.24	21.31	(11.25)	23.20	15.14	10.79	6.18
Emerging Markets International Stock Fund	(6.93)	11.50	3.29	(14.16)	28.55	2.36	3.45	7.07
MSCI Emerging Market Investable Market Index	(4.41)	14.31	3.66	(16.29)	27.53	4.24	3.87	8.40
<u>Equity Commercial Real Estate</u>								
Real Estate Fund	12.93	10.66	10.26	7.19	16.12	11.28	11.39	2.37
NCREIF (1 Qtr. Lag)	12.72	11.18	10.52	13.41	16.03	11.47	12.75	8.39
<u>U.S. Fixed Income</u>								
Core Fixed Income Fund	1.85	4.28	(0.24)	7.63	4.49	1.96	3.61	4.31
Barclays Aggregate Bond Index	1.86	4.37	(0.69)	7.47	3.90	1.83	3.35	4.44
Emerging Market Debt	(7.57)	6.99	1.69	4.78	16.06	0.19	4.12	6.91
50% JP Morgan EMBI/50% JPM GBI EMBI	(7.72)	7.61	2.82	10.90	11.74	0.70	4.82	6.48
High Yield Debt	(1.31)	12.24	8.46	6.23	15.96	6.35	8.23	7.24
Citigroup High Yield Market Capped Index	(0.80)	11.25	9.05	7.66	15.26	6.35	8.31	7.39
Inflation Linked Bonds	(2.85)	4.17	(4.33)	11.91	7.23	(1.05)	3.11	4.18
BC World Gov't Inflation Linked Bond Index	(3.35)	9.27	(1.85)	11.66	7.74	0.57	4.12	4.55
Commercial Mortgage Fund	0.25	10.17	0.88	(6.48)	4.61	3.67	1.74	4.11
Barclays Aggregate Bond Index	1.86	4.37	(0.69)	7.47	3.90	1.83	3.35	4.44
<u>Alternative Assets</u>								
Private Investment Fund	14.04	16.06	9.50	5.92	19.89	13.17	12.97	10.59
S & P 500	7.42	24.61	20.60	5.45	30.69	17.31	17.34	7.89
<u>Liquidity Fund</u>								
⁽¹⁾ Liquidity Fund	(1.07)	0.54	0.66	(0.14)	1.20	0.04	0.23	1.82
LIBOR 1 Month Index	0.17	0.17	0.21	0.25	0.25	0.18	0.21	1.64
<u>Alternative Investment Fund</u>								
90-Day T-Bill	3.98	6.63	6.39	(1.62)	N/A	5.66	N/A	N/A
	0.02	0.05	0.11	0.05	N/A	0.06	N/A	N/A

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

2015 liquidity fund

Fund Facts at June 30, 2015

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: \$2,193,554,383

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

Management Fees: \$4,742,508

Benchmark: One Month London Interbank Offered Rate (LIBOR)

Operating Expenses: \$709,091

Number of Advisors: 5 external

Expense Ratio: 0.25%

Description of the Fund

The Liquidity Fund is structured into three distinct tiers to balance the need for liquidity with the need for positive investment returns.

1. The first tier is the most active portion of the LF and requires the highest liquidity. Tier I funds are invested in high quality money-market instruments, which are considered the most liquid short-term assets.
2. The second tier slightly extends duration and credit quality for a higher expected return than Tier I. Investments include money market instruments, Government and agency paper and high quality corporate and other short duration fixed income securities.
3. Global exposure in the third tier of the LF provides diversification. Short-to-medium term high quality foreign government bonds are held in this tier, in addition to foreign currencies.

Portfolio Characteristics

The Liquidity Fund investments include U.S. Treasury and government agency securities, commercial paper, certificates of deposit, repurchase agreements, asset-backed securities, mortgage-backed securities, domestic and foreign corporate bonds, foreign sovereign debt and currencies. (See Figure 2-6.) As of June 30, 2015, the average maturity of the LF was 347 days and the average quality rating was AA-2. (See Figure 2-7.)

Market Review

The yield curve flattened during fiscal year 2015 with the short end of the curve rising slightly and the longer end falling. After the Federal Reserve Bank ended quantitative easing in the second fiscal quarter, investors anticipated the first interest rate hike only to have market and geopolitical events cause the data-dependent Federal Reserve Bank to wait to initiate action. Persistent low inflation and weakness in Europe and Japan, along with plummeting energy prices led to a flight to quality and flattening of the U.S. Treasury yield curve. Corporate and asset-backed securities performed best. Fundamentals for corporate issuers were strong and asset-backed instruments were in demand as a diversifier to corporate bonds, offering high quality yield to investors. Treasury securities remained in high demand as investors sought safety from global market volatility and foreign investors contributed to pushing yields lower. U.S. Treasury bills with maturities less than three months traded barely above 0% for the entire fiscal year.

Performance Summary

For the fiscal year ended June 30, 2015, the LF generated a return of -1.07%, underperforming one month LIBOR's return of 17 basis points. For the three and five year periods ending June 30th, the Fund returned 4 basis

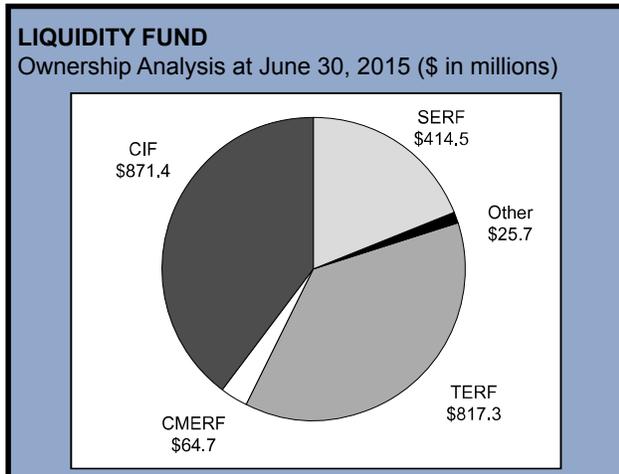
PENSION FUNDS MANAGEMENT DIVISION

points and 23 basis points, versus 18 basis points and 21 basis points for one month LIBOR. The cumulative total returns of the LF for the three, five and ten year periods were .11%, 1.17% and 19.75%. (See Figure 2-9.)

Risk Profile

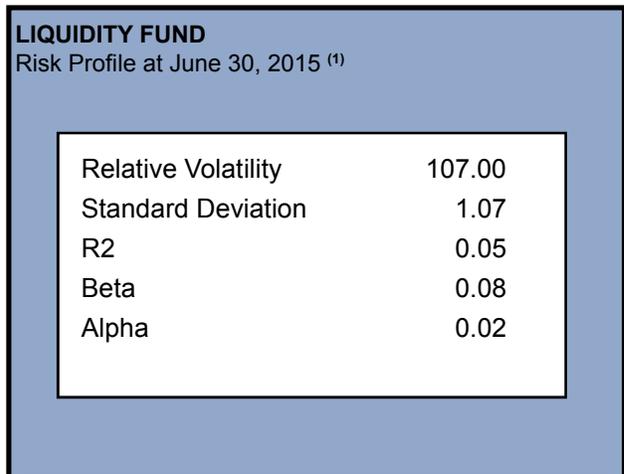
Given the LF's investment policies and objectives, the Fund is exposed some risks. Interest rate risk is somewhat mitigated by the Fund's short average maturity and credit risk is moderated by investments being concentrated in high quality. Other potential risks include currency risk, reinvestment risk and inflation risk. Counter party risk is managed by dealing only with reputable, high quality firms.

Figure 2-1



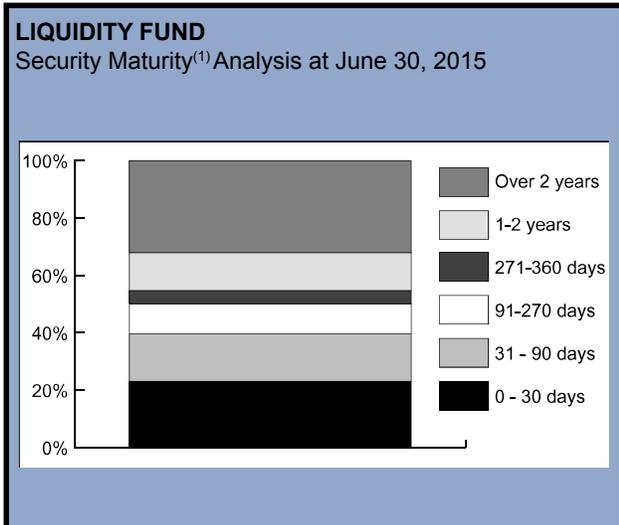
TERF - Teachers' Retirement Fund
 SERF - State Employees' Retirement Fund
 CMERF - Connecticut Municipal Employees' Retirement Fund
 CIF - Combined Investment Funds

Figure 2-2



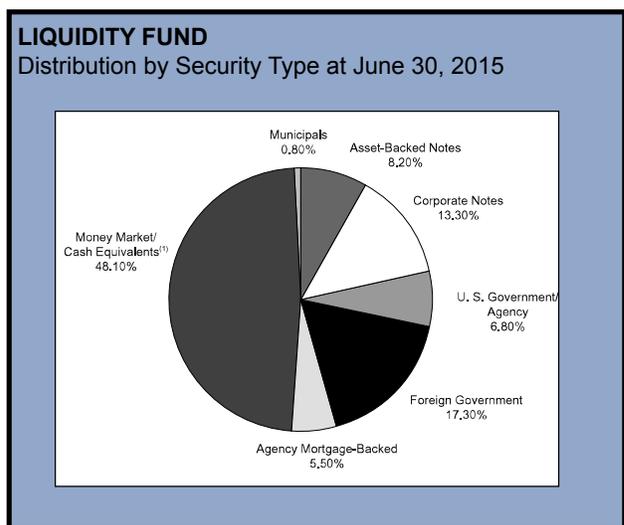
(1) Based upon returns over the last five years.

Figure 2-3



(1) Or Interest Rate Reset Period.

Figure 2-4



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

PENSION FUNDS MANAGEMENT DIVISION

Figure 2-5

LIQUIDITY FUND Comprehensive Profile				
Date	Number of Issues	Yield ⁽¹⁾	Average Maturity	Average Quality
2015	742	-1.07%	347 days	AA-2
2014	767	0.54%	343 days	AA-2
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	4.51%	54 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, 2015				
Compounded, Annual Total Return (%)				
LF	-1.07	0.04	0.23	1.82
LIBOR 1 MONTH INDEX	0.17	0.18	0.21	1.64
CPI-URBAN	0.12	1.31	1.83	2.07
Cumulative Total Return (%)				
LF	-1.07	0.11	1.17	19.75
LIBOR 1 MONTH INDEX	0.17	0.55	1.05	17.69
CPI-URBAN	0.12	3.99	9.48	22.69

Figure 2-7

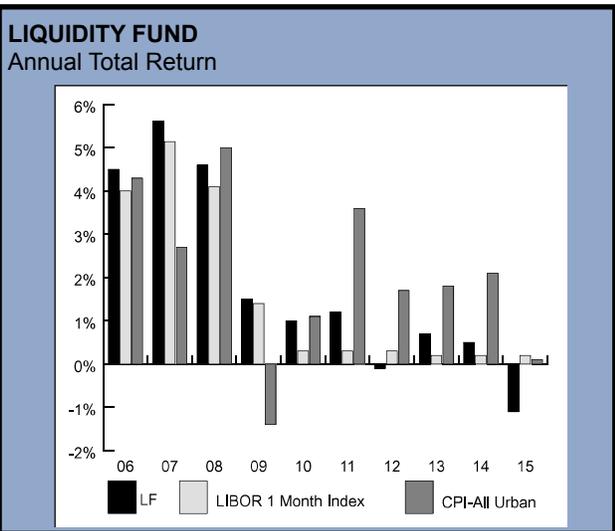


Figure 2-8

LIQUIDITY FUND Investment Advisor Tiers at June 30, 2015		
Investments	Net Asset Value	% of Fund
Tier I	\$988,662,598	45.07%
Tier II	701,756,235	31.99%
Tier III	503,135,550	22.94%
Total LF	\$2,193,554,383	100.00%

Figure 2-9

LIQUIDITY FUND Investment Advisors at June 30, 2015		
Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	988,662,597	45.07%
Payden & Rygel	405,745,556	18.50%
PIMCO	295,470,927	13.47%
Ambassador Capital Management	539,753	0.02%
Lazard	200,650,000	9.15%
Colchester Global Investors Ltd.	302,485,550	13.79%
Total LF	2,193,554,383	100.00%

Figure 2-10

LIQUIDITY FUND Ten Largest Holdings* at June 30, 2015			
Security Name	Maturity Date	Market Value	%
BNP PARIBAS CAT 1 REPO	7/01/2015	70,000,000	3.21%
M L (COR) REPO REPO	7/01/2015	35,951,000	1.65%
BANK OF AMERICA N/A	7/20/2015	35,000,665	1.60%
CAISSE DES DEPOTS DISC	7/31/2015	34,973,906	1.60%
CITIBANK NA REPO	7/01/2015	34,000,000	1.56%
FEDERAL HOME LN BK CONS DISC	7/06/2015	32,597,256	1.49%
US TREASURY NOTE	4/30/2017	30,150,442	1.38%
BNP PARIBAS NY BRH INSTL C/D	9/14/2015	30,000,000	1.37%
CREDIT AGRICOLE CORP INSTL C/D	7/01/2015	30,000,000	1.37%
US TREASURY NOTE	2/15/2018	28,986,860	1.33%
Top Ten		361,660,129	16.56%

* 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.

2015 alternative investment fund

Fund Facts at June 30, 2015

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

Date of Inception: February 1, 2011

Total Net Position: \$1,804,434,443

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

Expensed Management Fees: \$0

Benchmark: 90 Day T-Bills

Capitalized and Netted Fees: \$7,875,805

Number of Partnerships: 9 external

Operating Expenses: \$1,215,294

Expense Ratio: 0.08%

Description of the Fund

The AIF represents a unique investment exposure that differs from traditional, long-only funds. The strategies employed within the 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 portfolio or through direct investments in single manager funds.

Portfolio Characteristics

As of June 30, 2015, the AIF was invested in six absolute return oriented fund of hedge funds, including two fund of funds participating in the Connecticut Horizon Fund program, with a combined market value of \$1.66 billion. The portfolio also includes two real asset oriented private equity style funds which invest in energy infrastructure with a combined market value of \$101.23 million and European distressed credit partnership with a market value of \$21 million.

Market Review

Fiscal year 2015 was a year dominated by macroeconomic forces, notably the decline in energy prices as oil fell over 40%, from \$97 to \$57 during the period, and as natural gas fell over 30%, from \$4.11 to \$2.78. At the same time, concerns over weakening global economic growth weighed on markets in the second half of the year, particularly following slower manufacturing output out of China and rumors of a Greek exit from the euro as the country struggled to meet its creditor obligations. In addition, global geopolitical risks edged higher following Russian intervention in Crimea and the Ukraine, which led to US sanctions and contributed to overall market uncertainty. Despite volatility during the period, markets generally stayed in positive territory, led by the US equity market and buoyed by a continued accommodative monetary policy at the US Federal Reserve.

During the year, hedge fund strategies generated modest returns, led by equity long/short managers with exposure to strong US equity markets. Structured products, particularly those tied to the mortgage market and asset backed securities, also outperformed. Credit and distressed categories lagged due to a widening in credit spreads and declines in the high yield market in response to energy sector weakness. Macro strategies were mixed as outperformers generally were long equities and the US dollar while laggards suffered from reduced volatility in foreign exchange and interest rates.

Performance Summary

For the fiscal year ended June 30, 2015, the AIF generated a return of 4.00%, net of all expenses, which outperformed the 90-day Treasury Bill return of 0.02% by 398 basis points. As of June 30, 2015, the trailing three-year net annualized return of the AIF was 5.34%. This return outperformed the compounded 90-day Treasury bill return of 0.04% by 530 basis points annually. This performance is relatively short-term, as the portfolio launched in 2011 and has not yet reached its anticipated diversification targets. Fuller evaluation will come with a more seasoned portfolio.

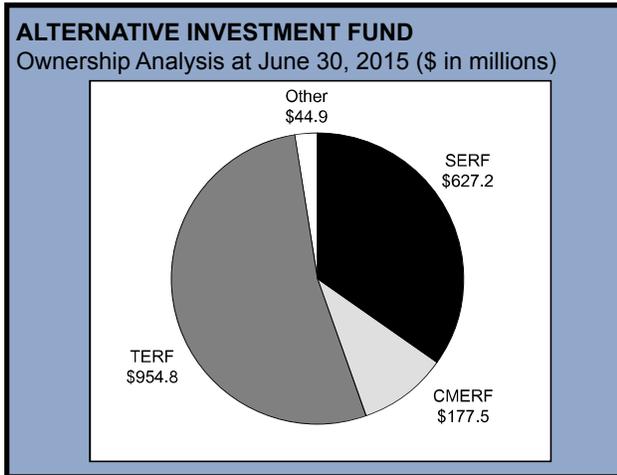
Within the AIF, the fund of hedge funds portfolio gained 4.48% as of June 30, 2015. The consolidated hedge fund portfolios outperformed their fund of funds peer group (Hedge Fund Research, Inc. Fund of Funds Composite Index) which increased by 3.84% over the same period. It also significantly outperformed the broader Hedge Fund Research, Inc. Fund Weighted Composite Index, which rose 2.36%.

Risk Profile

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

PENSION FUNDS MANAGEMENT DIVISION

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, 2015

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
AIF	3.98	5.66	-	-
90 Day T-Bill	0.02	0.06	-	-
Cumulative Total Return (%)				
AIF	3.98	17.95	-	-
90 Day T-Bill	0.02	0.19	-	-

Figure 3-3

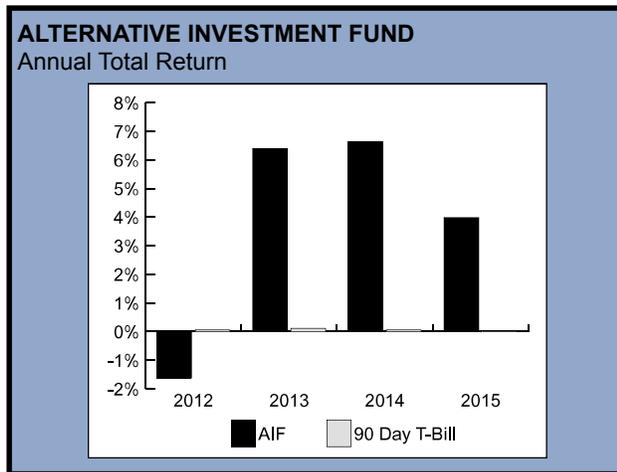


Figure 3-4

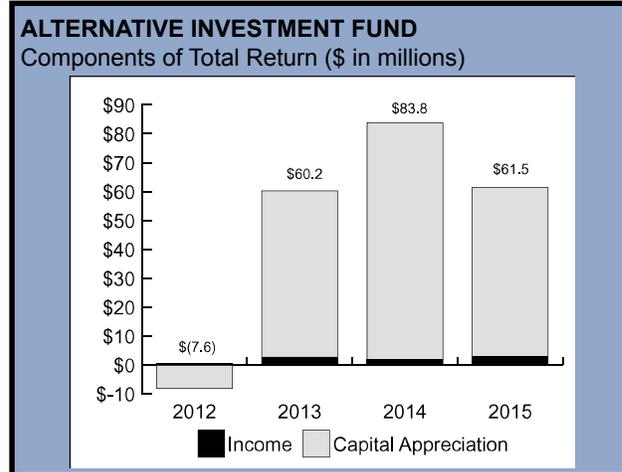


Figure 3-5

ALTERNATIVE INVESTMENT FUND
Investment Advisors at June 30, 2015

Investment Advisor	Net Asset Value	% of Fund
Arclight Energy Partners Fund	\$37,798,741	2.10%
Energy Fund XV Limited Partnership	43,343,847	2.40%
Marathon European Credit Opportunity	23,726,333	1.31%
Prudence Crandall I Permal LP	572,217,624	31.71%
Prudence Crandall II Prisma LP	323,232,586	17.91%
Prudence Crandall III Rock Creek LP	299,120,008	16.58%
Prudence Crandall IV K2 LP	291,741,711	16.17%
Thomas Welles Fund II	86,448,422	4.79%
Thomas Welles Fund I	85,349,111	4.73%
Other ⁽³⁾	41,456,060	2.30%
Total	\$1,804,434,443	100.00%

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

Figure 3-6

ALTERNATIVE INVESTMENT FUND
Nine Largest Holdings* at June 30, 2015

Partnership Name	Type	Market Value	%
PC I Permal LP	Hedge F-o-F	\$572,217,624	31.71%
PC II Prisma LP	Hedge F-o-F	323,232,586	17.91%
PC III Rock Creek LP	Hedge F-o-F	299,120,008	16.58%
PC IV K2 LP	Hedge F-o-F	291,741,711	16.17%
Thomas Welles Fund II	Hedge F-o-F	86,448,422	4.79%
Thomas Welles Fund I	Hedge F-o-F	85,349,111	4.73%
EIG Energy Fund XV LP	Real Assets	43,343,847	2.40%
Arclight Energy Prtnrs V	Real Assets	37,798,741	2.10%
Marathon Euro Credit Opp	Opportunistic	23,726,333	1.31%
Top Nine		\$1,762,978,383	97.70%

* 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.

2015 mutual equity fund

Fund Facts at June 30, 2015

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 the CRPTF during different economic environments.

Date of Inception: July 1, 1972

Total Net Position: \$6,770,865,716

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

Management Fees: \$13,224,485

Benchmark: Russell 3000 Index

Operating Expenses: \$2,913,720

Number of Advisors: 6

Expense Ratio: 0.23%

Description of the Fund

The MEF assets are allocated across the US stock market to ensure diversification by market capitalization and investment style, such as value and growth. The MEF may opportunistically invest up to 30% 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 as well as an allocation to stocks outside the US.

Portfolio Characteristics

The MEF invests primarily in the common stock of US corporations. The largest industry weightings at June 30, 2015 were financials (18.5%), followed by information technology (17.3%) and health care (15.1%) (See Figure 4-3).

The MEF's ten largest holdings, aggregating 13.52% of Fund investments, included a variety of blue chip companies and were broadly diversified, with the largest holding of 3.05% in Apple Inc. (See Figure 4-9).

Market Review

Despite increasing uncertainty over a global economic slowdown, Fiscal Year 2015 was another strong year for US equities although it did not appear to be so promising at the start of the fiscal year. Volatility dominated both the S&P 500 and the Russell 3000 during the first half of the year as both indexes fell over 7% from mid-September to mid-October. Much of this was driven by market fears of an economic slowdown as the US Federal Reserve signaled an end to quantitative easing and a potential tightening of monetary policy. Markets bounced back, however, as economic data confirmed a strong and steadily growing US economy that was in sharp contrast to economic weakness in both Europe and Asia. By the end of the fiscal year, global economic data had improved, and US equity markets continued to rise, driven by the Federal Reserve's cautious approach to potential rate rises and a corporate earnings season in which results generally exceeded analyst forecasts.

Performance across the US equity markets was more mixed, however, as large capitalization stocks generally outperformed small cap stocks, with the exception of small cap growth which was the strongest segment of the market. Across the capitalization spectrum, growth stocks outperformed value quite significantly, as measured by the various Russell indices. Based upon the Russell sector indices, the best performing sectors were health care, consumer discretionary, and information technology. Not surprisingly, with the sharp drop in commodity prices, and oil in particular, both the energy and materials sectors were negative for fiscal year 2015. Utilities also underperformed.

Performance Summary

For the fiscal year ended June 30, 2015, the MEF generated a return of 7.32%, net of all expenses, which was in line with the Russell 3000 Index return of 7.29% (See Figure 4-4). As of June 30, 2015, the MEF compounded net annualized total returns, for the trailing three, five and ten year periods were 17.66%, 17.30%, and 7.49%, respectively. These results slightly underperformed the MEF's benchmark for the time periods listed.

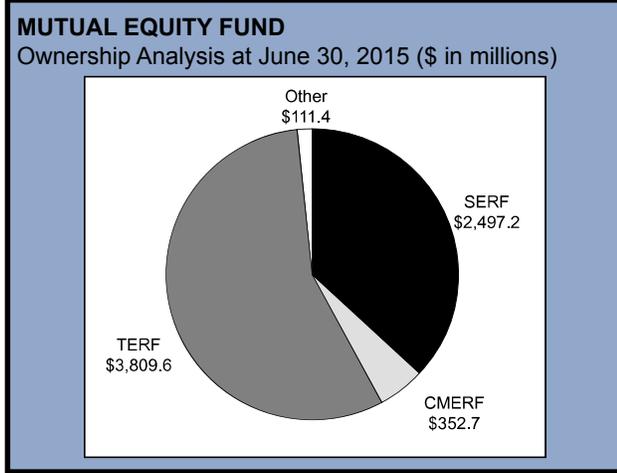
The cumulative returns of the MEF for the three, five, and ten year periods were 62.87%, 122.11%, and 105.83%, respectively.

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 1.02, the MEF's volatility is approximately the same as the market. The Fund's active return, or its excess returns over the last five years, adjusted for risk, has been a negative 0.24 (see Figure 4-2).

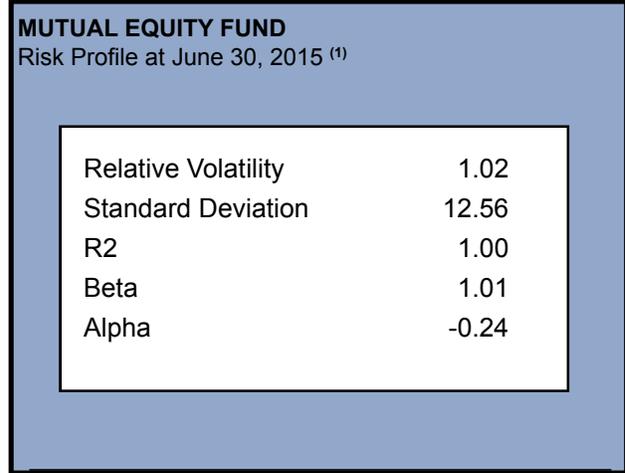
PENSION FUNDS MANAGEMENT DIVISION

Figure 4-1



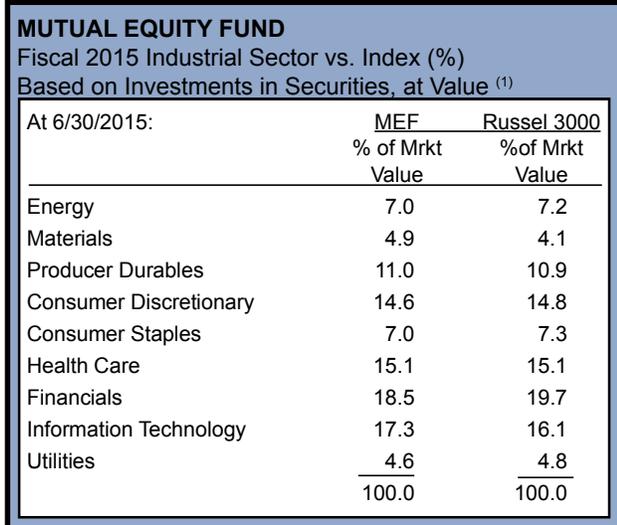
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 4-2



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

Figure 4-3



(1) Excludes the Liquidity Fund.

Figure 4-4

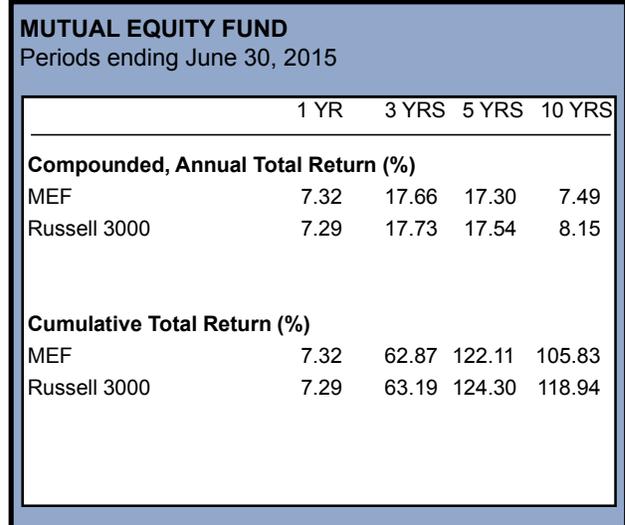


Figure 4-5

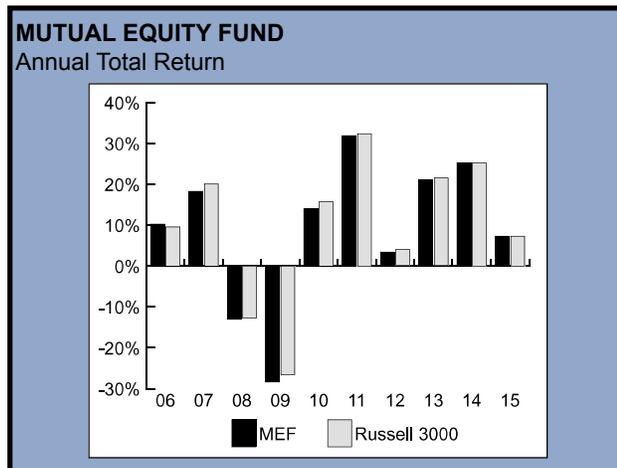
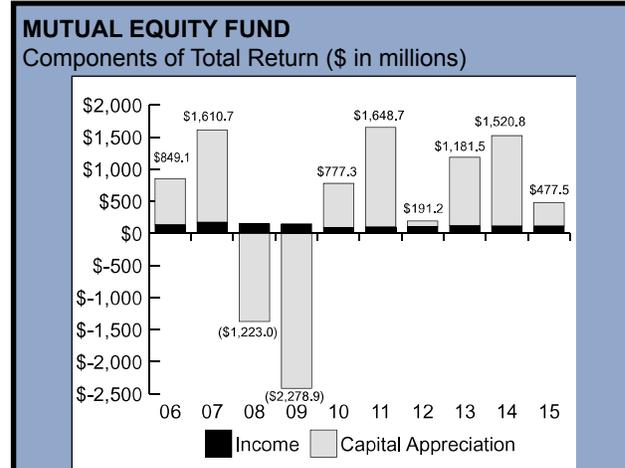


Figure 4-6



PENSION FUNDS MANAGEMENT DIVISION

Figure 4-7

	2015		2014		2013		2012		2011	
	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell
# of Issues	1,807	3,000	1,806	3,000	1,721	3,000	1,629	3,000	1,665	3,000
Cap (\$ Bil)	\$108.1	\$108.9	\$102.1	\$101.7	\$85.5	\$85.8	\$96.9	\$89.2	\$81.5	\$73.2
P/E	22.0	21.7	21.2	20.8	19.3	19.2	18.0	18.3	19.4	20.2
Div Yield	1.81%	1.93%	1.74%	1.84%	1.90%	2.10%	1.99%	2.05%	1.80%	1.80%
ROE	17.7%	17.5%	16.9%	17.0%	17.3%	17.8%	21.1%	20.5%	18.7%	18.2%
P/B	2.8	2.8	2.8	2.7	3.8	3.7	3.7	3.7	3.5	3.5
Cash & Equiv.	1.1%	0.0%	0.9%	0.0%	0.8%	0.0%	0.6%	0.0%	0.6%	0.0%

Source: Custodian Bank

Figure 4-8

MUTUAL EQUITY FUND		
Investment Advisors at June 30, 2015		
Investment Advisor	Net Asset Value	% of Fund
Large Cap	5,589,613,699	82.55%
T. Rowe Price Associates	1,810,761,116	26.74%
State Street Global Advisors	3,778,852,583	55.81%
All Cap	547,628,574	8.09%
Capital Prospects	283,029,157	4.18%
FIS Group, Inc.	264,599,417	3.91%
Small/Mid Cap	621,964,816	9.19%
Frontier Capital Mgmt Co	345,267,731	5.10%
Bivium	276,697,085	4.09%
Other ⁽¹⁾	11,658,627	0.17%
TOTAL MEF	6,770,865,716	100.00%

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

Figure 4-9

MUTUAL EQUITY FUND			
Ten Largest Holdings* at June 30, 2015			
Security Name	Sector	Market Value	%
Apple Inc	Information Tech	\$207,029,515	3.05%
Microsoft Corp	Information Tech	113,242,322	1.67%
Exxon Mobil Corp	Energy	103,912,474	1.53%
JP Morgan Chase & Co	Financials	86,529,113	1.28%
General Electric Co	Producer Durables	84,227,431	1.24%
Johnson & Johnson	Health Care	75,414,840	1.11%
Wells Fargo & Co	Financials	68,547,112	1.01%
CitiGroup Inc	Financials	60,486,585	0.89%
Facebook Inc	Information Tech	59,755,220	0.88%
Procter & Gamble Co	Consumer Staples	57,962,304	0.86%
Top Ten		\$917,106,916	13.52%

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

2015

core fixed income fund

Fund Facts at June 30, 2015

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) generate a stream of income and (3) provide a source of diversification from other asset classes within the CRPTF during different economic environments.

Date of Inception: November 1, 2007

Total Net Position: \$2,430,967,176

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

Expensed Management Fees: \$2,986,694

Capitalized and Netted Fees: \$1,877,094

Benchmark: Barclays U.S. Aggregate Bond Index

Operating Expenses: \$967,344

Number of Advisors: 7 external

Expense Ratio: 0.16%

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% of its assets opportunistically to take advantage of shifts in the investment landscape or opportunities which offer diversification and/or risk-return benefits.

Portfolio Characteristics

The composition of the CFIF is: corporate bonds 29.4%; mortgage-backed securities 27.3%; U.S. Treasury securities 21.9%; asset-backed securities 10.8% and Government agency securities 1.1%. The remaining 9.5% was invested in the Liquidity Fund and other assets, excluding two opportunistic funds. As of June 30, 2015, the CFIF was underweight U.S. Treasury, agency and mortgage-backed securities and overweight corporate bonds and asset-backed securities versus the Barclays U.S. Aggregate Bond Index. (See Figure 5-4.) The duration of the CFIF was 6.15 years compared to its benchmark duration of 5.72 years. (See Figure 5-3.)

Market Review

Fiscal Year 2015 was a volatile time for fixed income markets, with noticeable changes in the steepness of the yield between the first and second halves of the fiscal year. During the first half of the year, the yield curve flattened significantly. Longer term U.S. interest rates declined in an environment of global rate cuts and increased demand for higher yielding high-quality sovereign bonds by foreign investors. Meanwhile, yields on the shorter end of the yield curve rose in anticipation of interest rate hikes by the Federal Reserve Bank. The crisis in Ukraine, the threat of a Greek exit from the Eurozone, and violence in the Middle East contributed to a reduction in investor risk appetite, and a precipitous decline in oil prices and slower growth in China pushed inflation lower across the globe, stirring up fears of deflation. The European and many Asian central banks eased monetary policies to counteract economic weakness leading the U.S. dollar to appreciate against all currencies. In the final quarter of fiscal year 2015, government bond yields moved sharply higher as economic outlooks brightened in the U.S. and in the Eurozone, global deflation fears eased with a rebound in oil prices, and the Federal Reserve Bank appeared on track to raise rates later in 2015 as part of its plan to normalize interest rates. The U.S. Barclays Aggregate Bond Index returned 1.9% for fiscal year 2015. U.S. agencies and asset-backed securities outperformed Treasuries, while all other spread sectors underperformed Treasuries.

Performance Summary

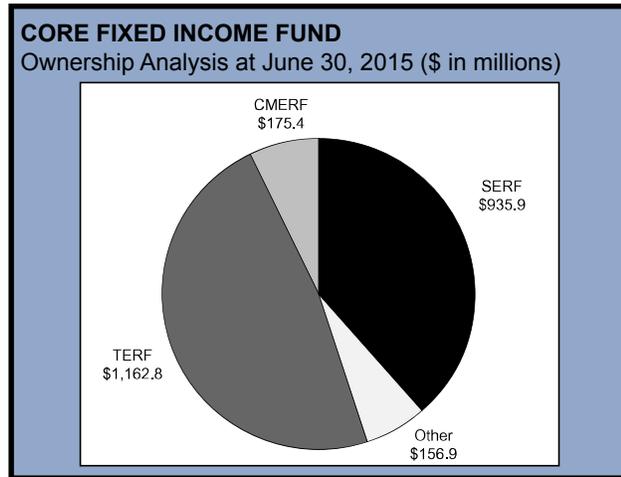
For the fiscal year ended June 30, 2015, the CFIF generated a total return of 1.9%, net of all expenses, equal to the Barclays U.S. Aggregate Bond Index return of 1.9%. As of June 30, 2015, the CFIF's compounded net annualized total returns for the trailing three and five year periods were 2.0% and 3.6%, respectively, outperforming the benchmark over both time periods. (See Figure 5-8.) The cumulative returns for the CFIF for the three and five year periods were 6.0% and 19.4%, outperforming the Barclays U.S. Aggregate Bond Index that returned 5.6% and 17.9%, respectively.

Risk Profile

Given the CFIF's investment policies and objectives, the Fund is exposed to several 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 ongoing 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 the underlying assets in the case of securitized debt. As of fiscal year end, 53.1% of the CFIF was rated AAA. (See Figure 5-5.)

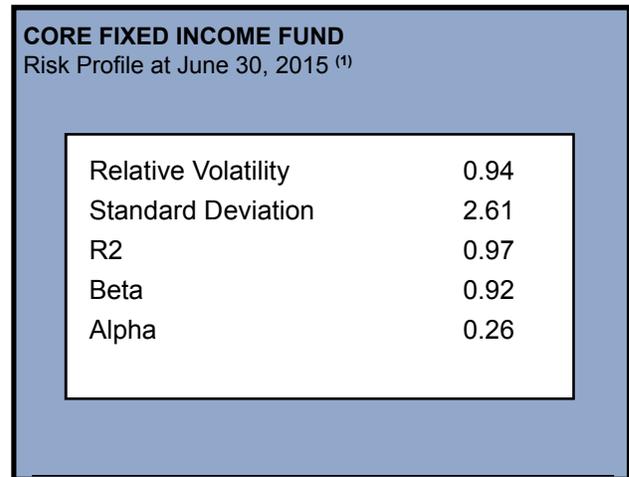
PENSION FUNDS MANAGEMENT DIVISION

Figure 5-1



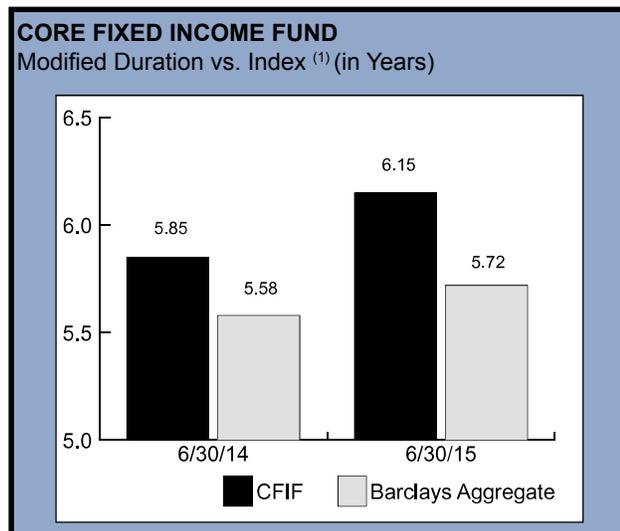
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 5-2



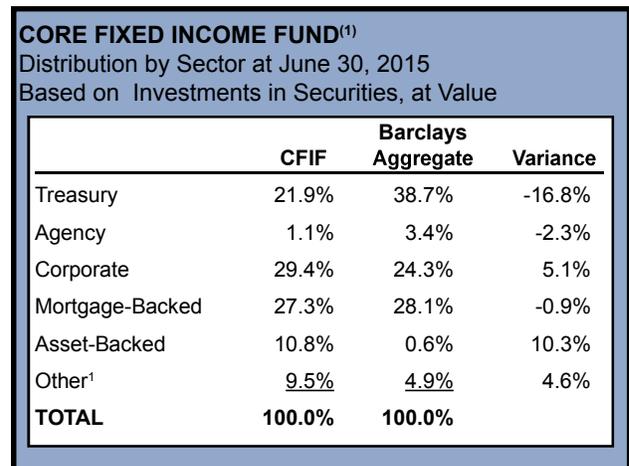
(1) Based upon returns over the last five years.

Figure 5-3



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

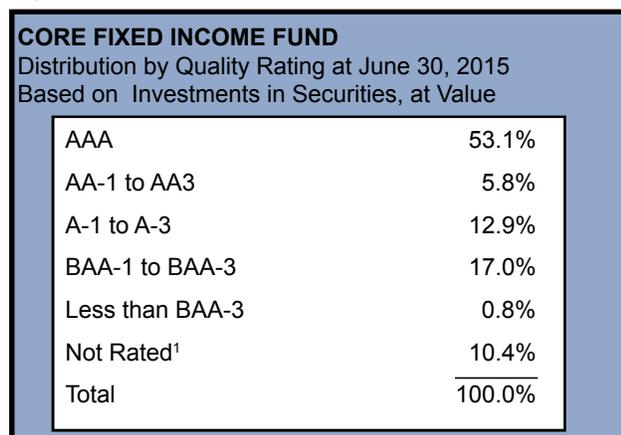
Figure 5-4



(1) Excludes holdings in two opportunistic funds.

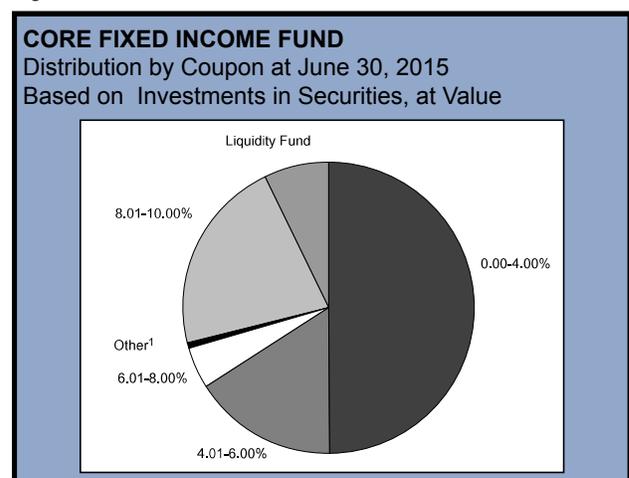
(2) Other category includes Liquidity Fund and other assets.

Figure 5-5



(1) Represents securities for which ratings are unavailable.

Figure 5-6



(1) Other category includes other assets.

PENSION FUNDS MANAGEMENT DIVISION

Figure 5-7

CORE FIXED INCOME FUND
Duration Distribution at June 30, 2015
Based on Investments in Securities, at Value

0-3 Years	31.3%
3-5 Years	26.7%
5-7 Years	14.4%
7-10 Years	12.2%
10+ Years	10.6%
Unknown ⁽¹⁾	4.8%
Total	100.0%

Figure 5-8

CORE FIXED INCOME FUND
Periods ending June 30, 2015

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
CFIF	1.85	1.96	3.61	4.31*
Barclays Aggregate	1.86	1.83	3.35	4.44
Cumulative Total Return (%)				
CFIF	1.85	6.00	19.38	52.55*
Barclays Aggregate	1.86	5.58	17.90	54.38

*Represents historical returns at the portfolio composite level.

Figure 5-9

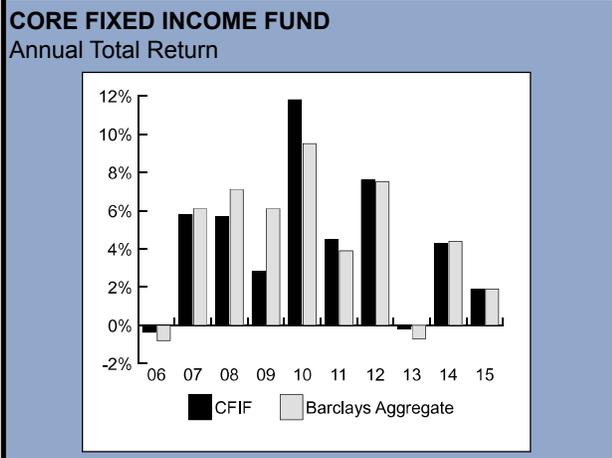


Figure 5-10

CORE FIXED INCOME FUND
Investment Advisors at June 30, 2015

Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	\$238,483,565	9.81%
BlackRock Financial Mgmt, Inc.	567,938,753	23.36%
Wellington	556,246,683	22.88%
Conning-Goodwin Capital	352,593,821	14.50%
Progress	111,235,351	4.58%
Prudence Crandall Fund III Opp.	281,466,396	11.58%
Prudence Crandall Fund IV Opp.	282,511,247	11.62%
Other ⁽¹⁾	40,491,360	1.67%
TOTAL CFIF	\$2,430,967,176	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,

	2015		2014		2013		2012		2011	
	CFIF	BC AGG*	CFIF	LBAI*						
Number of Issues	3,448	9,496	3,080	8,818	3,227	8,382	3,732	7,664	3,661	7,627
Average Coupon	3.54%	3.31%	3.47%	3.41%	3.60%	3.50%	4.20%	3.90%	4.50%	4.30%
Yield Maturity	2.59%	2.29%	2.31%	2.10%	2.30%	2.30%	2.20%	1.80%	3.10%	2.80%
Average Maturity	8.73	7.57	8.05	7.29	7.20	6.90	7.10	6.70	7.10	7.00
Modified Duration	6.15	5.72	5.85	5.58	5.50	5.20	4.90	4.60	5.10	4.90
Average Quality	AA-2	AA-2	AA-2	AA-2	AA-2	AA-2	AA-2	AA-1	AA-1	AAA
Liquidity Fund*	7.2%	0.0%	6.5%	0.0%	8.4%	0.0%	7.4%	0.0%	9.6%	0.00%

* Note: Index changed from LBAI to Barclays Aggregate

PENSION FUNDS MANAGEMENT DIVISION

Figure 5-12

CORE FIXED INCOME FUND

Ten Largest Holdings* at June 30, 2015

Security Name	Maturity	Market Value	%
FNMA TBA	7/1/2045	66,315,893	2.52%
FNMA TBA	7/1/2045	29,294,622	1.12%
U S TREASURY NOTE	6/30/2022	19,808,240	0.75%
U S TREASURY BOND	5/15/2045	17,979,080	0.68%
US TREAS-CPI INFLAT	1/15/2025	17,708,833	0.67%
US TREAS-CPI INFLAT	7/15/2024	17,548,720	0.67%
U S TREASURY NOTE	5/31/2022	17,488,873	0.67%
U S TREASURY NOTE	6/30/2017	14,184,466	0.54%
FNMA TBA	7/1/2045	14,162,279	0.54%
U S TREASURY BOND	11/15/2027	12,343,855	0.47%
Top Ten		226,834,861	8.63%

* 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 (%)

	6/30/15	3/31/15	12/31/14	9/30/14	6/30/14
CORE FIXED INCOME	3.40	3.48	3.39	3.42	3.27
Barclays Aggregate	3.09	3.03	3.08	3.13	3.12
Citigroup 3 Month T-Bill	0.00	0.00	0.00	0.00	0.00
Barclays Treasury	2.01	1.97	1.98	2.02	1.98
Barclays Agency	2.30	2.31	2.36	2.37	2.34
Barclays Mortgage	3.58	3.56	3.60	3.66	3.64
Barclays Corporate	4.02	3.89	3.99	4.03	4.01
Barclays Asset Backed	1.83	1.80	1.82	1.81	1.79

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

2015 inflation linked bond fund

Fund Facts at June 30, 2015

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: \$1,130,779,585

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

Management Fees: \$1,847,122

Benchmark: Barclays World Government Inflation-Linked Bond Index

Operating Expenses: \$1,182,417

Number of Advisors: 3 external

Expense Ratio: 0.27%

Description of the Fund

Inflation-linked bonds are high quality securities issued primarily by governments in their home country currencies. While the benchmark for this Fund is unhedged, investment managers have discretion to hedge foreign currency exposure back to the U.S. dollar. Inflation-linked bonds carry a fixed interest rate and the principal of the bonds is adjusted semi-annually for any rise or decline in the inflation rate. During the second quarter of fiscal year 2015, three firms were hired to invest in global inflation-linked bonds, replacing the firms who previously managed U.S. inflation-linked bonds.

Portfolio Characteristics

At June 30, 2015, the ILBF was well diversified with 418 issues of inflation-linked and nominal sovereign bonds from nine countries plus the Eurozone. (See Figure 6-3.) The average coupon of this Fund was 2.08% compared to 1.35% for the benchmark. Duration of the ILBF at 11.32 years was shorter than the 12.07 years of the benchmark. Credit quality of this Fund was AA-2 on June 30, 2015. (See Figure 6-9.)

Market Review

Global inflation-linked bond markets as represented by the Barclays World Government Inflation-Linked Bond Index declined 3.4% in U.S. dollar terms, but were up 3.7% in local currency terms. A primary driver of returns was the divergent monetary policies between the Federal Reserve Bank and the European Central Bank and other central banks of commodity-driven economies. The U.S. dollar appreciated nearly 20% on a trade-weighted basis, which had a negative impact on unhedged benchmark returns for U.S. investors. Real yield curves flattened during the fiscal year, leading to outperformance of longer maturity bonds over short-dated issues. While there was a decline in inflation expectations in the U.S. and the U.K., increased demand for inflation-linked exchange traded funds and ultra-long U.K. linkers helped offset the impact of lower inflation outlooks. Finally, Italian and Spanish inflation-linked bonds entered the benchmark during the fiscal year, enhancing country diversification within the index as well as increasing the yield.

Performance Summary

For the fiscal year ended June 30, 2015 the ILBF outperformed the Barclays World Government Inflation-Linked Bond Index by 50 basis points, generating a -2.85% net return compared to a -3.35% return for the

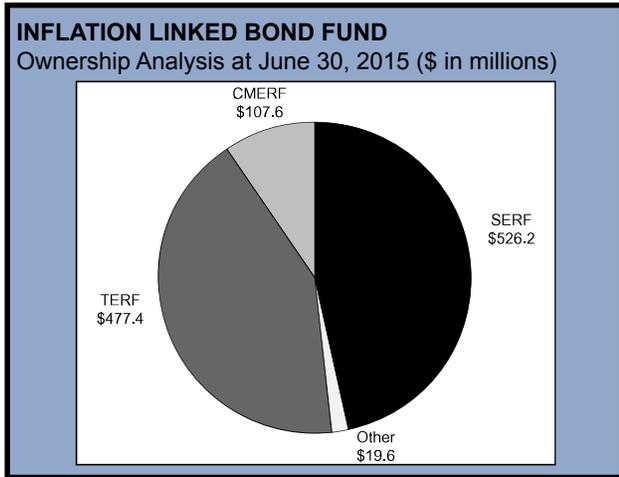
benchmark. During the three and five year periods ending June 30th, assets were invested primarily in U.S. inflation-linked bonds and underperformed when measured against the current global benchmark. Global inflation-linked bond managers were hired in September 2014. The cumulative total returns of the Fund were -3.13% over the past three years and 16.57% for the five year period ending June 30th. (See Figure 6-7.)

Risk Profile

Given the ILBF's investment policies and objectives, the Fund is exposed to various risks such as interest rate risk, deflation risk, currency risk, geopolitical risk, and credit risk.

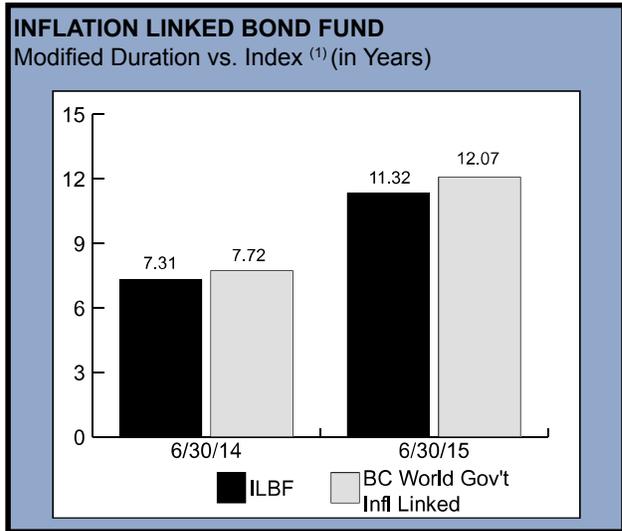
PENSION FUNDS MANAGEMENT DIVISION

Figure 6-1



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

Figure 6-2



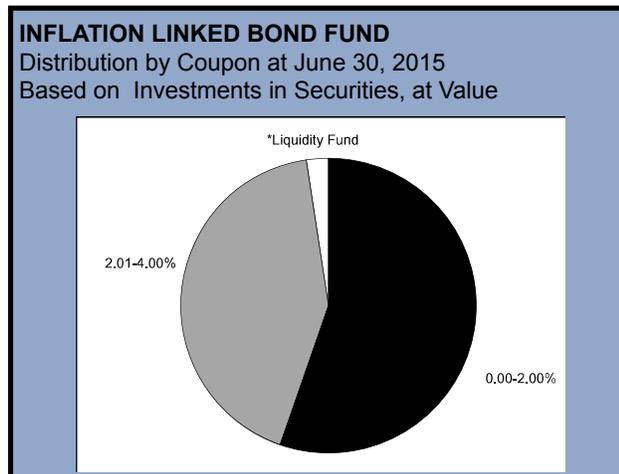
(1) Computed without the effect of Cash and other Net Assets.

Figure 6-3

INFLATION LINKED BOND FUND
Distribution by Country at June 30, 2015
Based on Investments in Securities, at Value

	BC World Gov't		Variance
	ILBF	Infl Linked	
U.S.	41.0%	42.8%	-1.8%
U.K.	18.5%	30.5%	-12.0%
E.U. Euro Currency	16.3%	20.0%	-3.7%
Mexico	4.5%	0.0%	4.5%
Brazil	3.1%	0.0%	3.1%
Canada	1.4%	2.2%	-0.8%
South Africa	1.3%	0.0%	1.3%
Poland	1.3%	0.0%	1.3%
Australia	5.0%	1.1%	3.9%
New Zealand	5.2%	0.3%	4.9%
Other	0.0%	3.1%	-3.1%
Liquidity Fund	2.4%	0.0%	2.4%
TOTAL	100.0%	100.0%	

Figure 6-5



*Note: Ending weights

Figure 6-4

INFLATION LINKED BOND FUND
Distribution by Quality Rating at June 30, 2015
Based on Investments in Securities, at Value

AAA	50.2%
AA-1 to AA-3	30.0%
A-1 to A-3	7.3%
BAA-1 to BAA-3	9.5%
Less than BAA-1	0.6%
Liquidity Fund ⁽¹⁾	2.4%
Total	100.0%

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

Figure 6-6

INFLATION LINKED BOND FUND
Duration Distribution at June 30, 2015
Based on Investments in Securities, at Value

0-3 Years	15.4%
3-5 Years	13.7%
5-7 Years	9.5%
7-10 Years	26.6%
10+ Years	32.4%
Liquidity Fund ⁽¹⁾	2.4%
Total	100.0%

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

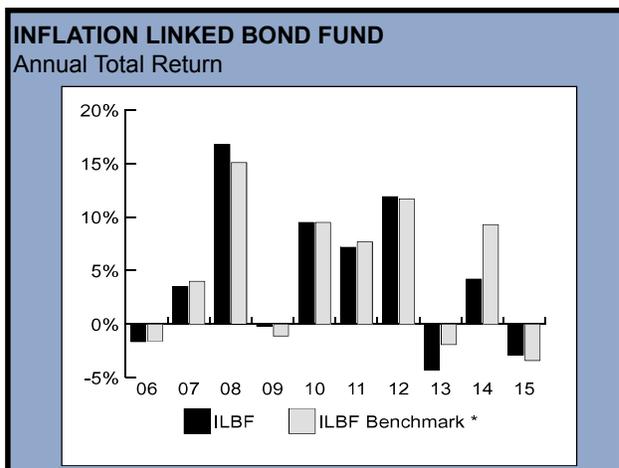
PENSION FUNDS MANAGEMENT DIVISION

Figure 6-7

	1 YR	3 YRS	5YRS	10YRS
INFLATION LINKED BOND FUND Periods ending June 30, 2015				
Compounded, Annual Total Return (%)				
ILBF	-2.85	-1.05	3.11	4.18*
BC World Gov't Infl Linked Bond Index ⁽¹⁾	-3.35	0.57	4.12	4.55
Cumulative Total Return (%)				
ILBF	-2.85	-3.13	16.57	50.63*
BC World Gov't Infl Linked Bond Index ⁽¹⁾	-3.35	1.70	22.35	55.98

(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

	2015		2014		2013		2012		2011	
	ILBF	BC World Gov't Infl	ILBF	BC World Gov't Infl	ILBF	Barclays US TIPS	ILBF	Barclays US TIPS	ILBF	Barclays US TIPS
Number of Issues	418	131	37	35	33	34	29	33	31	31
Average Coupon	2.08%	1.35%	1.53%	1.22%	1.45%	1.39%	1.69%	1.70%	1.97%	1.99%
Average Maturity	12.63	13.40	8.68	8.57	8.79	8.70	9.32	9.27	9.07	9.09
Modified Duration	11.32	12.07	7.31	7.72	8.20	7.96	8.28	8.17	7.70	7.64
Average Quality	AA-2	AA-1	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Liquidity Fund ⁽¹⁾	2.4%	0.0%	5.6%	0.0%	3.6%	0.0%	1.0%	0.0%	3.9%	0.00%

(1) Ending Weights

Figure 6-10

INFLATION LINKED BOND FUND Investment Advisors at June 30, 2015		
Investment Advisor	Net Asset Value	% of Fund
BlackRock	500,347,178	44.25%
Colchester	490,877,441	43.41%
New Century	122,033,487	10.79%
Other ⁽¹⁾	17,521,479	1.55%
TOTAL ILBF	1,130,779,585	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, 2015			
Security Name	Maturity	Market Value	%
U.S. Treasury Notes	4/15/2029	\$60,797,262	5.43%
U.S. Treasury Notes	7/15/2022	43,596,349	3.89%
U.S. Treasury Notes	1/15/2027	43,092,071	3.85%
France Government Bond	7/25/2040	37,258,449	3.33%
U.S. Treasury Notes	2/15/2042	37,221,982	3.32%
New Zealand Government Bond	9/20/2030	30,905,962	2.76%
U.S. Treasury Notes	1/15/2017	29,099,786	2.60%
United Kingdom Bond	11/22/2022	26,836,099	2.39%
New Zealand Government Bond	9/20/2025	26,229,062	2.34%
United Kingdom Bond	11/22/2027	22,710,001	2.02%
Top Ten		\$357,747,023	31.93%

(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.

2015 emerging market debt fund

Fund Facts at June 30, 2015

Investment Strategy/Goals: The purpose of the Emerging Market Debt Fund (EMDF) is to (1) achieve long-term, real rate of return above the inflation rate and (2) provide some diversification relative to other asset classes within CRPTF given the different global economic environments.

Date of Inception: November 1, 2007

Total Net Position: \$1,414,578,861

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

Management Fees: \$4,292,272

Operating Expenses: \$582,791

Benchmark: J.P. Morgan Emerging Markets Bond Index Global Diversified (JPM EMBI GD) (50%)
J.P. Morgan Government Bond Index Emerging Markets Global Diversified (JPM GBI EM GD) (50%)

Number of Advisors: 3

Expense Ratio: 0.33%

Description of the Fund

The EMDF invests primarily in debt instruments issued by governments and companies operating in developing countries as identified 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 GD and the local currency securities are benchmarked to the JPM GBI EM GD.

Portfolio Characteristics

The EMDF is well diversified with broad geographic and currency exposures. Latin America and Europe have the highest representation while the Middle East and Africa have the lowest exposure, relatively consistent with the benchmark. (See Figure 7-3.) Fifty three percent of the holdings were in U.S. dollar-denominated sovereign investments, 30% were in local currency sovereign securities and 11% were in U.S. dollar-denominated corporate bonds. The balance included cash and equivalents, local currency corporate bonds and quasi-government issues. The Fund had an overall yield to maturity of 8.54% compared to the benchmark yield of 6.68%. The average quality of EMDF was BA-1 versus the benchmark average of BAA-2. The duration of the EMDF was 6.17 years versus 5.87 years for the benchmark. (See Figure 7-2.)

Market Review

The twelve months ended June 30, 2015 was a volatile period for emerging markets in general and a particularly difficult period for emerging local markets. While strong technicals, improved market sentiment stemming from prospective European Central Bank policy actions, and reduced levels of geopolitical risks served as the backdrop to a relatively benign market environment at the beginning of the fiscal year, several vital macro-economic themes dominated the latter half of 2014 and into 2015. The market dynamics produced divergent results across emerging market asset classes as falling core fixed income yield supported returns for hard currency debt, while a strong US dollar and falling oil prices, combined with a continuation of weak global growth outside the US, weighed against returns of local currency bonds and local currencies. The US dollar-denominated emerging market index returned -1.6%, driven by the underperformance of sub-investment grade issuers, primarily in oil, metals and resources. In local currency markets, total return was starkly different depending on the currency of measurement. The local currency benchmark returned 5.0%, driven mostly by coupon income, with some principal loss from higher local interest rates. However, in US dollar terms, the total return was -15.4% due to the strength of the US dollar and relative weakness of emerging

market local currencies. Emerging market corporate debt delivered the best performance at 2.35%, of the three emerging market asset classes, aided by lower duration and strong demand from investors.

Performance Summary

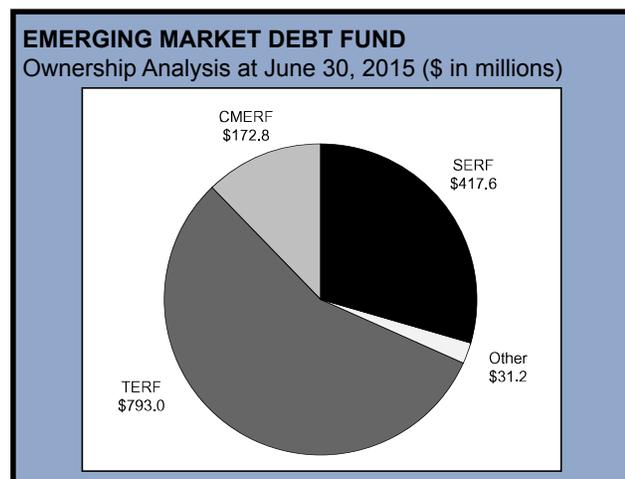
For the fiscal year ended June 30 2015, the EMDF generated a return of -7.57% net of all expenses, outperforming the benchmark return of -7.72% by 15 basis points. As of June 30, 2015, the EMDF compounded net annualized returns for the three and five year periods were .19%, and 4.12%, respectively, versus .70% and 4.82% for the blended benchmark. (See Figure 7-8.) The cumulative returns of the EMDF for the three and five year periods were 0.58% and 22.36% , respectively, ecompared to the benchmark returns of 2.11% and 26.53%. (See Figure 7-7).

Risk Profile

Given the EMDF's investment policies and objectives, the Fund is exposed to multiple types of risk. These risks include, but are not limited to, credit risk, currency risk, interest rate risk, liquidity risk, inflation risk and geopolitical risk. Over two thirds of the Fund is rated as investment grade.

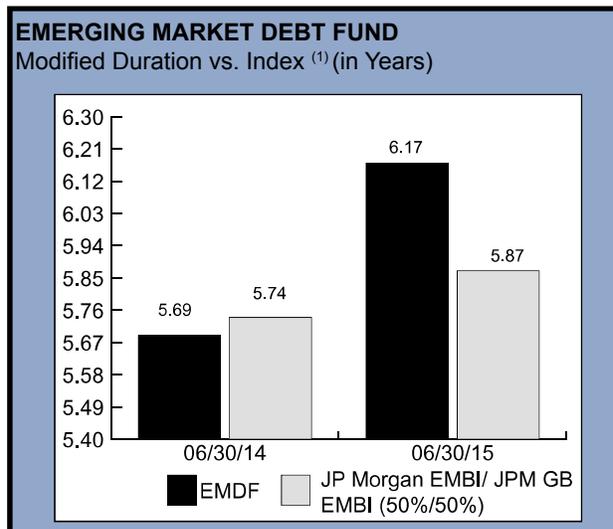
PENSION FUNDS MANAGEMENT DIVISION

Figure 7-1



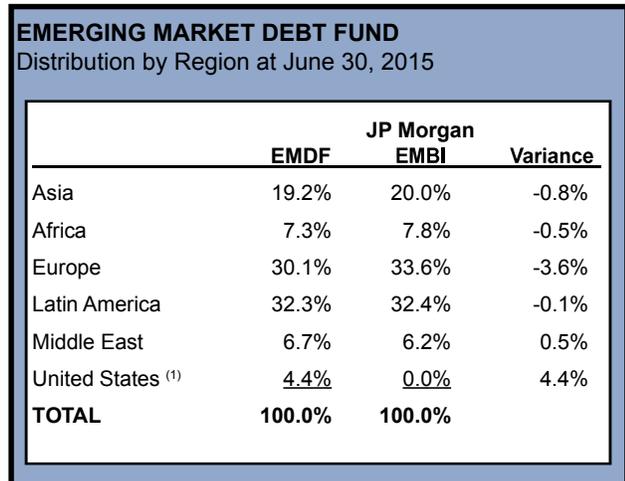
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 7-2



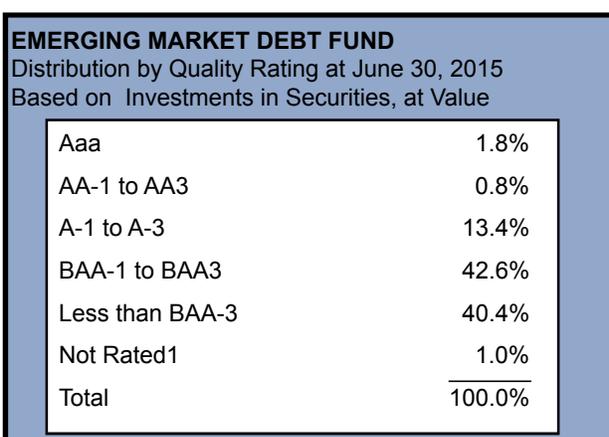
(1) Computed without the effect of Cash and other Net Assets.

Figure 7-3



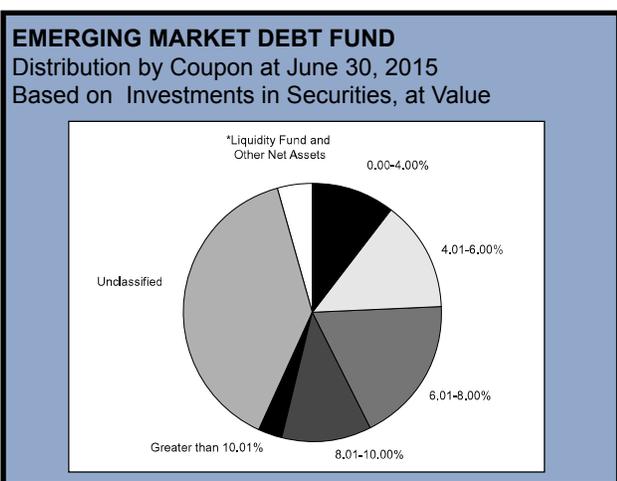
(1) Holdings comprised mainly of Liquidity Fund Exposure.

Figure 7-4



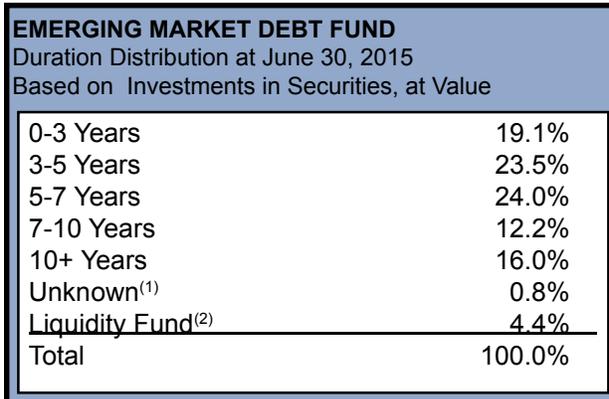
(1) Represents securities for which ratings are unavailable.

Figure 7-5



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

Figure 7-6



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

(2) Represents monies invested in the Liquidity Fund and other net assets at the end of the quarter.

PENSION FUNDS MANAGEMENT DIVISION

Figure 7-7

	1 YR	3 YRS	5YRS	10 YRS
EMERGING MARKET DEBT FUND				
Periods ending June 30, 2015				
Compounded, Annual Total Return (%)				
EMDF	-7.57	0.19	4.12	6.91*
50% JP Morgan EMBI/ 50% JPM GBI EMBI	-7.72	0.70	4.82	6.48
Cumulative Total Return (%)				
EMDF	-7.57	0.58	22.36	95.12*
50% JP Morgan EMBI/ 50% JPM GBI EMBI	-7.72	2.11	26.53	87.28

Figure 7-8

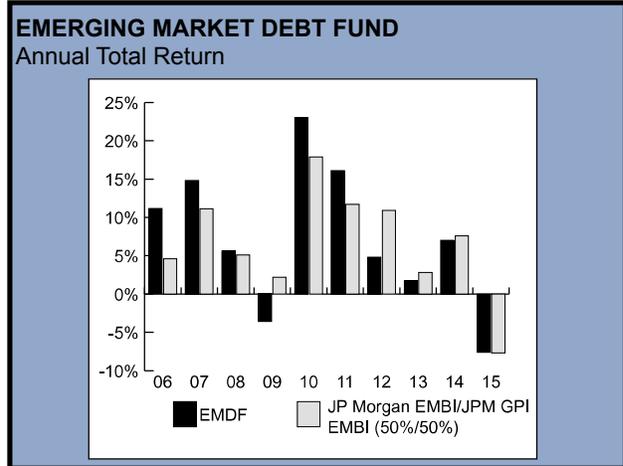


Figure 7-9

Investment Advisor	Net Asset Value	% of Fund
EMERGING MARKET DEBT FUND		
Investment Advisors at June 30, 2015		
Ashmore	548,840,713	38.80%
Stone Harbor Investment Partners	507,834,140	35.90%
Pyramis	338,614,736	23.94%
Other ⁽¹⁾	19,289,272	1.36%
TOTAL EMDF	\$1,414,578,861	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, 2015			
South Africa Gvmt Bond	12/21/2026	14,770,388	1.05%
Brazil Notas Do Tesouro	1/1/2017	13,368,603	0.95%
Venezuela Gvmt Bond	2/26/2016	11,952,533	0.85%
Argentina Gvmt Bond	4/17/2017	11,694,548	0.84%
Mexican Bonds	12/5/2024	10,646,497	0.76%
Indonesia Treasury Bond	3/15/2029	9,428,211	0.67%
Malaysia Gvmt Bond	10/31/2017	8,979,318	0.64%
Indonesia Treasury Bond	5/15/2022	8,893,658	0.64%
Indonesia Treasury Bond	3/15/2024	8,077,374	0.58%
Colombia Gvmt Bond	6/28/2027	7,803,986	0.56%
Top Ten		105,615,116	7.54%

* 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

	2015		2014		2013		2012		2011	
	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI
Number of Issues	968	686	880	631	866	368	724	307	656	273
Yield to Maturity	8.54%	6.68%	5.32%	5.86%	6.66%	5.82%	6.57%	4.98%	6.65%	7.36%
Average Maturity	9.23%	9.23%	7.57%	8.60%	10.31%	12.52%	10.88%	12.40%	11.05%	12.03%
Modified Duration	6.17	5.87	5.69	5.74	6.06	7.10	7.00	7.30	7.13	6.96
Average Quality	Ba-1	Baa-2	Baa-3	Baa-2	Baa-2	Baa-2	Baa-3	Baa-2	Baa-3	Baa-3
*Other	4.4%	0.0%	3.2%	0.00%	2.0%	0.0%	4.5%	0.0%	4.5%	0.0%

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

2015

high yield debt fund

Fund Facts at June 30, 2015

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: \$1,773,265,680

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

Management Fees: \$5,034,481

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

Operating Expenses: \$720,749

Number of Advisors: 6 external

Expense Ratio: 0.34%

Description of the Fund

The HYDF invests primarily 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 bonds and bank loans. These securities are predominantly U.S. based. The Fund's average quality rating was B-1 on June 30, 2015, matching the average quality of the benchmark and had a yield to maturity of 6.34%. As of June 30, 2015, the duration of the HYDF was 5.36 years, compared to the benchmark duration of 4.95 years. (See Figure 8-10.)

Market Review

The High Yield market began the fiscal year with spreads at the tightest levels since 2007 and yields at record lows. The first half of the fiscal year generated losses that were partially recovered during the second half of the year. Macro-economic factors such as the drop in commodity prices, U.S. dollar strength and weak market technicals adversely affected this market. With concerns surrounding slowing economic growth, uncertainty about the timing of the Federal Reserve's initial interest rate increase and ongoing geopolitical risk, investors embraced the highest quality segment of the high yield market. BB-rated bonds earned 1.4%, in sharp contrast to CCC-rated bonds that lost 7.7% during the same period. Longer maturity bonds were also beneficiaries of a decline in interest rates. Food and drug retailers and restaurants were the best performing sectors. Energy and metals and mining sectors came under significant selling pressure. The trailing one year default rate was 2.0%, well below the 3.9% long-term average. For the twelve months ending June 30, 2015, the U.S. high yield bond market declined .8%.

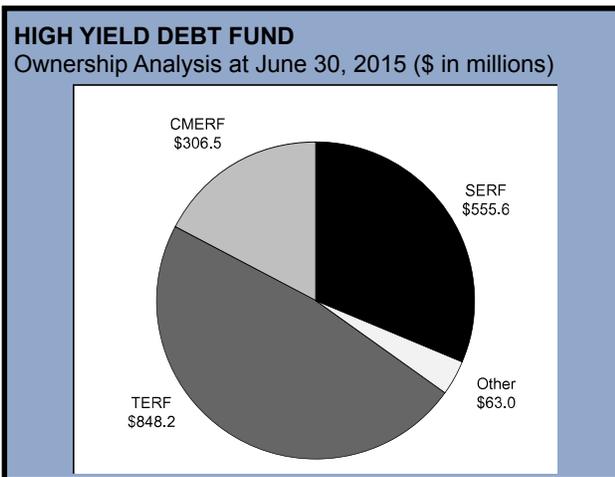
Performance Summary

For the fiscal year ended June 30, 2015, the HYDF generated a return of -1.31%, net of all expenses, versus the Citigroup U.S. High Yield Market Capped Index return of -.80%. Cumulative net total returns over the three year and five year periods ending June 30 the were 20.27% and 48.49%, respectively, for the Fund, and 20.30% and 49.04%, respectively for the benchmark. (See Figure 8-8.)

Risk Profile

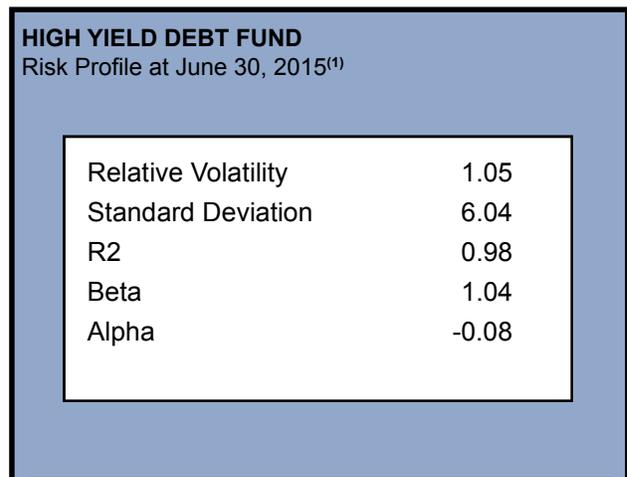
Given the HYDF's investment policies and objective, the Fund is exposed to several forms of risk. These risks include, but are not limited to, credit default risk, interest rate risk, liquidity risk, pre-payment risk, reinvestment risk and inflation risk. In addition, the Fund is occasionally exposed to political, economic and currency risk resulting from investments in international high yield securities. The average quality of the Fund is B-1, which matches the benchmark.

Figure 8-1



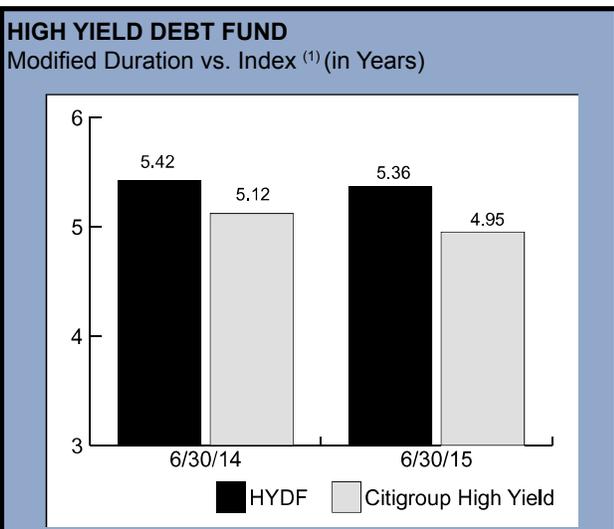
TERF - Teachers' Retirement Fund
 SERF - State Employees' Retirement Fund
 CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 8-2



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

Figure 8-3



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

Figure 8-4

	HYDF	Citigroup	Variance
Treasury	1.5%	0.0%	1.5%
Agency	0.0%	0.0%	0.0%
Corporate	94.0%	100.0%	-6.0%
Mortgage-Backed	0.0%	0.0%	0.0%
Asset-Backed	0.0%	0.0%	0.0%
Other ¹	4.5%	0.0%	4.5%
TOTAL	100.0%	100.0%	

(1) Other category includes non fixed-income securities such as common and preferred stock and convertible securities, Real Estate Investment Trust, Business Development Corporation, Liquidity Fund and other net assets.

PENSION FUNDS MANAGEMENT DIVISION

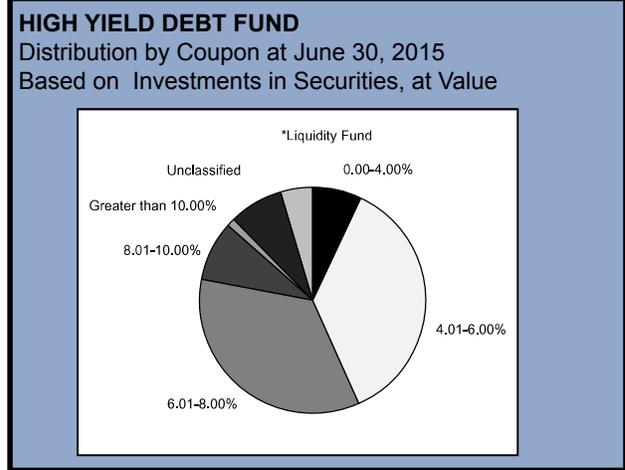
Figure 8-5

HIGH YIELD DEBT FUND
Distribution by Quality Rating at June 30, 2015
Based on Investments in Securities, at Value

AAA to A3	1.3%
BAA1 to BAA3	3.2%
BA1 to BA3	29.5%
B1 to B3	46.0%
CAA1 to CAA3	14.4%
CA to C	0.1%
Not Rated1	5.5%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 8-6



* Note: Ending weights.

Figure 8-7

HIGH YIELD DEBT FUND
Duration Distribution at June 30, 2015
Based on Investments in Securities, at Value

0-3 Years	14.2%
3-5 Years	35.2%
5-7 Years	26.4%
7-10 Years	8.3%
10+ Years	2.1%
Unknown ⁽¹⁾	9.2%
Liquidity Fund ⁽²⁾	4.6%
Total	100.0%

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

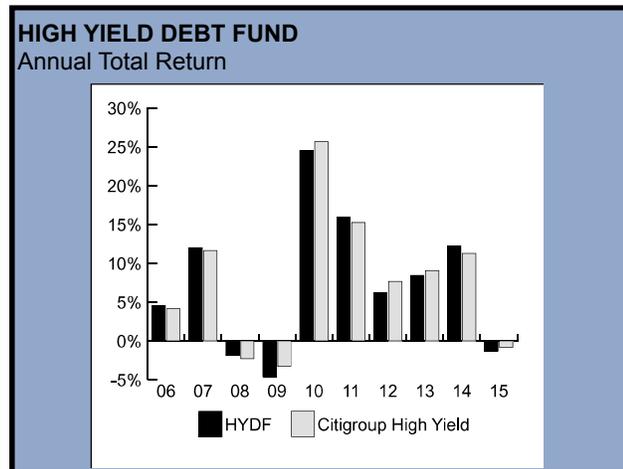
Figure 8-8

HIGH YIELD DEBT FUND
Periods ending June 30, 2015

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
HYDF	-1.31	6.35	8.23	7.24*
Citigroup High Yield Market Capped Index	-0.80	6.35	8.31	7.39
Cumulative Total Return (%)				
HYDF	-1.31	20.27	48.49	101.24*
Citigroup High Yield Market Capped Index	-0.80	20.30	49.04	103.99

*Represents historical returns at the portfolio composite level.

Figure 8-9



PENSION FUNDS MANAGEMENT DIVISION

Figure 8-10

HIGH YIELD DEBT FUND											
Comprehensive Profile for the Fiscal Year ending June 30,											
	2015		2014		2013		2012		2011		
	<u>HYDF</u>	<u>Citigroup</u>									
Number of Issues	972	2,220	884	2,183	740	1,752	683	1,621	659	1,540	
Average Coupon	5.80%	6.73%	5.88%	7.08%	6.90%	7.60%	7.60%	8.20%	7.90%	8.30%	
Yield Maturity	6.34%	6.77%	5.13%	5.73%	6.90%	7.00%	7.50%	7.50%	13.60%	7.50%	
Average Maturity	6.29	5.74	5.99	5.04	7.30	5.30	7.50	6.30	6.90	5.60	
Modified Duration	5.36	4.95	5.42	5.12	5.60	4.40	4.60	4.00	5.00	4.30	
Average Quality	B-1	B-1	B-1	B-1	B-2	B-2	B-2	B-2	B-2	B-2	
Liquidity Fund	4.6%	0.0%	6.6%	0.0%	6.1%	0.0%	4.2%	0.0%	3.2%	0.0%	

*Note: Ending Weights

Figure 8-11

HIGH YIELD DEBT FUND		
Investment Advisors at June 30, 2015		
Investment Advisor	Net Asset Value	% of Fund
Loomis Sayles & Co., Inc.	\$603,811,470	34.05%
Stone Harbor Investment Partners	300,166,165	16.93%
Shenkman Capital Management	422,221,718	23.81%
Oaktree Capital Management, L.L.C.	347,995,961	19.62%
Carlyle GMS Finance, Inc.	32,631,552	1.84%
Carlyle NF Investment Corp.	47,968,916	2.71%
Other ⁽¹⁾	18,469,898	1.04%
TOTAL HYDF	\$1,773,265,680	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, 2015			
Security Name	Maturity	Market Value	%
Republic of Indonesia 144A	1/15/2024	9,503,000	0.54%
Sprint Capital Corp	11/15/2028	9,133,200	0.51%
Seadrill Partners 2/14 TL	2/21/2021	9,087,455	0.51%
CCO Holdings LLC	1/15/2024	9,075,150	0.51%
Dish DBS Corp	3/15/2023	8,454,500	0.48%
Albertson's 8/14 Cov-Lite TLB4	8/25/2021	8,115,272	0.46%
Morgan Stanley	11/16/2018	7,941,267	0.45%
Tribune Media Co 144A	7/15/2022	7,611,663	0.43%
Qwest Capital Funding Inc	7/15/2028	7,250,850	0.41%
California Resources Corp	11/15/2024	7,073,500	0.40%
Top Ten		83,245,857	4.70%

* 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.

2015 developed markets international stock fund

Fund Facts at June 30, 2015

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 US 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: \$5,909,244,803

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

Management Fees: \$21,897,221

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

Operating Expenses: \$2,588,304

Number of Advisors: 9 external

Expense Ratio: 0.41%

Description of the Fund

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

Portfolio Characteristics

At fiscal year-end, the DMISF was invested in the developed markets across Europe, Asia and Australia, with the two largest allocations in Japan (21.7%) and the United Kingdom (17.9%) (see Figure 9-5). The portfolio's largest country overweight positions relative to the benchmark were Canada (1.7% vs. the benchmark's 0.0%) and the Netherlands (4.0% vs. the benchmark's 2.6%). The largest underweights were the United Kingdom (17.9% vs. the benchmark's 20.5%) and Japan (21.7% vs. the benchmark's 23.8%).

Market Review

Equities in developed international markets posted negative returns for the fiscal year in dollar terms, largely due to significant weakness in the euro and the yen during the period. While markets produced strong returns in local currencies, bolstered by quantitative easing in the Eurozone and a continuation of loose monetary policy and structural reforms in Japan, Eurozone and UK equities came under pressure toward the end of the fiscal year as the Greek crisis escalated and concerns grew about a possible Greek exit from the euro. At the same time, the Australian dollar also underperformed, driven by falling commodity prices and the impact of interest rate cuts by the central bank. Hong Kong was a notable outperformer for the fiscal year, returning 12.4%, as a result of supportive monetary policy in China and the launch in November, 2014 of the Shanghai-Hong Kong Stock Connect, which relaxed restrictions for equity investors in the historically bifurcated Chinese equity market.

Overall, the MSCI EAFE index returned -4.2% in US dollar terms, while gaining 11.8% in local currency terms, with growth stocks outperforming value stocks during the period. In addition, small capitalization stocks, as measured by the MSCI EAFE Small Cap Index, outperformed the broader index by 340 basis

points (-0.8% vs. -4.2%). On a sector basis, the strongest performer was Information Technology, which returned 4.9% for the year. Healthcare, consumer discretionary, telecommunication services, financials and consumer staples also outperformed. In contrast, the biggest underperformer was the energy sector (-29.7%) in response to a nearly 50% drop in oil prices during the first half of the fiscal year. Materials, utilities and industrials also underperformed.

Performance Summary

For the fiscal year ended June 30, 2015, the DMISF generated a return of 0.67%, net of all expenses, which underperformed the benchmark ⁽¹⁾return of 3.79% by 312 basis points (See Figure 9-3). As of June 30, 2015, the DMISF compounded net annualized total returns, for the trailing three, five and ten year periods were 14.73%, 10.84%, and 5.95%, respectively. The returns outperformed the DMISF's benchmark for the five year period and underperformed for the three and ten year period.

The cumulative returns of the DMISF for the three, five, and ten year periods were 51.03%, 67.31%, and 78.18%, respectively.

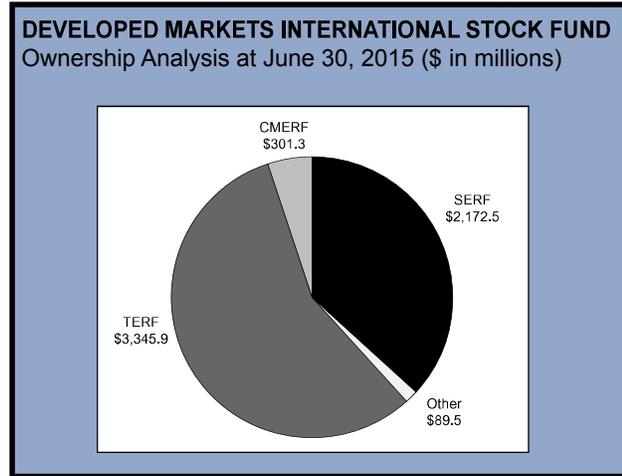
Risk Profile

Given the DMISF'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 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's volatility over a five year period is only slightly higher than the market at 1.04. On a risk adjusted basis, the Fund has generated excess return of 1.05, which indicates that it is producing a higher risk adjusted return than the benchmark.

- (1) The CRPTF signed a licensing agreement with MSCI to provide benchmark data during the fiscal year. For the three, five and ten year performance periods, the CRPTF is using prior benchmark, S&P/Citigroup Broad Market Index Europe, Pacific and Asia Composite Index 50% Hedged.

PENSION FUNDS MANAGEMENT DIVISION

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.

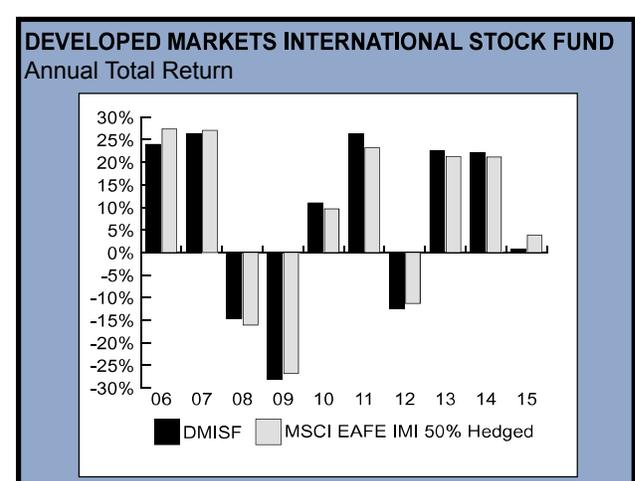
Figure 9-3

DEVELOPED MARKETS INTERNATIONAL STOCK FUND
Periods ending June 30, 2015

	1 YR	3 YRS	5YRS	10YRS
Compounded, Annual Total Return (%)				
DMISF	0.67	14.73	10.84	5.95*
MSCI EAFE				
IMI 50% Hedged	3.79	15.14	10.79	6.18
Cumulative Total Return (%)				
DMISF	0.67	51.03	67.31	78.18*
MSCI EAFE				
IMI 50% Hedged	3.79	52.65	66.90	82.08

*Represents historical returns at the portfolio composite level.

Figure 9-4



PENSION FUNDS MANAGEMENT DIVISION

Figure 9-5

DEVELOPED MARKETS INTERNATIONAL STOCK FUND			
Diversification by Benchmark Country at June 30, 2015 ⁽¹⁾			
	DMISF % of Net Assets 6/30/15	Benchmark % of Net Assets 6/30/15	Variance
Japan	21.7	23.8	-2.1
United Kingdom	17.9	20.5	-2.6
Korea	0.1	0.0	0.1
Hong Kong	2.8	3.2	-0.5
United States	0.1	0.0	0.1
France	9.2	9.0	0.3
Germany	9.0	8.4	0.5
Switzerland	8.0	8.6	-0.6
Australia	5.3	6.7	-1.4
China	0.3	0.0	0.3
Netherlands	4.0	2.6	1.4
Italy	2.6	2.6	0.0
Spain	2.5	3.4	-0.9
Sweden	3.0	3.1	-0.1
Singapore	1.4	1.5	-0.1
Canada	1.7	0.0	1.7
Turkey	0.1	0.0	0.1
Other	10.3	6.6	3.7
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, 2015		
Investment Advisor	Net Asset Value	% of Fund
Index	\$2,166,740,222	36.67%
State Street Global Advisors	2,166,740,222	36.67%
Core	1,571,756,979	26.60%
AQR Capital Management	835,876,337	14.15%
Acadian Asset Management	602,937,239	10.20%
Progress	132,943,403	2.25%
Active-Growth	826,746,692	13.99%
MFS Institutional Advisors, Inc.	826,746,692	13.99%
Active-Value	475,361,675	8.04%
Grantham, Mayo, Van Otterloo	475,361,675	8.04%
Small Cap	852,916,296	14.43%
Schroder Investment Mgmt.	300,104,520	5.08%
DFA	265,615,087	4.49%
William Blair & Company	287,196,689	4.86%
Other ⁽¹⁾	15,722,939	0.27%
TOTAL DMISF	\$5,909,244,803	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, 2015			
Security Name	Country	Market Value	%
Nestle SA REG	Switzerland	\$ 78,862,434	1.34%
Novartis AG REG	Switzerland	70,601,267	1.20%
HSBC Holdings PLC	United Kingdom	69,092,489	1.18%
Roche Holding AG Genusschein	Switzerland	67,929,643	1.16%
Bayer AG REG	Germany	55,840,276	0.95%
BP PLC	United Kingdom	43,658,184	0.74%
Astrazeneca ORD USD 0.25	United Kingdom	42,832,982	0.73%
Toyota Motor Corp	Japan	41,536,211	0.71%
Total SA	France	41,418,652	0.70%
Royal Dutch Shell PLC A SHS	Netherlands	40,169,119	0.68%
Top Ten		\$ 551,941,257	9.39%

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

2015 emerging markets international stock fund

Fund Facts at June 30, 2015

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 US inflation rate; and 2) provide additional measures of diversification within the CRPTF under different economic scenarios.

Date of Inception: November 1, 2007

Total Net Position: \$2,473,287,752

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

Management Fees: \$15,665,100

Benchmark: Morgan Stanley Capital International Emerging Markets Investable Market Index (MSCI EM IMI) ⁽¹⁾

Operating Expenses: \$2,514,228

Number of Advisors: 3 external

Expense Ratio: 0.71%

Description of the Fund

EMISF assets are allocated across foreign emerging equity 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 companies in the MSCI EM IMI.

Portfolio Characteristics

At fiscal year-end, the EMISF's portfolio holdings were diversified over a number of emerging market countries (see Figure 10-6). Notable overweight country positions versus the benchmark include Turkey (6.3% versus the benchmark's 1.4%), and Brazil (10.1% versus the benchmark's 6.9%). Underweight positions include South Africa (3.0% versus the benchmark's 7.6%), Malaysia (0.8% versus the benchmark's 3.2%), and Taiwan (11.3% versus the benchmark's 13.3%) (See Figure 10-6).

Market Review

Emerging equity markets remained volatile throughout the fiscal year. Several factors, including concerns over US monetary tightening, a surge in the US dollar in anticipation of higher rates, slowing growth in major developing economies, a precipitous fall in commodity prices, along with ongoing political uncertainty, fueled investor anxiety and dampened investor risk appetite. As markets assessed the impact of weaker Chinese demand, and as Greece teetered on the brink of a debt default and an exit from the Eurozone, investors remained jittery, even as central banks across the globe remained committed to accommodative monetary policies. Lower energy prices, notably the 50% drop in oil in the first six months, were strong headwinds for energy producing countries, particularly Russia, which saw sharp losses in the ruble while at the same time suffering from the effects of international sanctions from the Ukrainian conflict.

Emerging Europe was the weakest performing region, driven by Greece, Russia, Poland and Turkey. While Greece suffered from uncertainty surrounding its debt crisis, and while the Russian economy weakened and consumer spending fell, markets in Poland and Turkey were held back by political uncertainty following opposition victories in local elections. Latin America also ended the year in negative territory, driven by political tensions in Brazil and economic slowdown following commodity price weakness. Although fears of slower growth in China had a dampening effect on investors across the globe, the Chinese market still ended the year in positive territory as investors remained hopeful that the government was open to more stimulus to boost the decelerating economy.

Performance Summary

For the fiscal year ended June 30, 2015, the EMISF generated a return of -6.93%, net of all expenses, which underperformed the benchmark return of -4.41% by 252 basis points (See Figure 10-4). As of June 30, 2015, the EMISF compounded net annualized total returns, for the trailing three, five and ten year periods were 2.36%, 3.45%, and 7.07%, respectively. The returns underperformed the EMISF's benchmark for the same time periods.

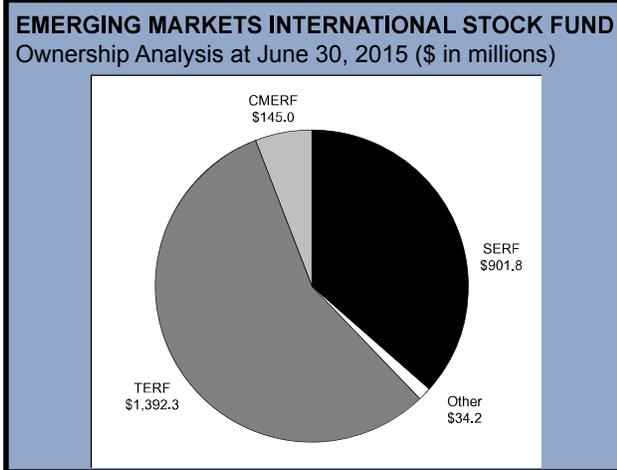
The cumulative returns of the EMISF for the three, five, and ten year periods were 7.24%, 18.51%, and 97.99%, respectively.

Risk Profile

Given the 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 risk, market risk, and individual company risk. Based on returns over the last five years, the Fund's risk profile is slightly lower than that of the benchmark as evidenced by a relative volatility of 0.99. The EMISF's annualized alpha over the five year period was -0.42, indicating that the fund modestly underperformed the benchmark for the five years on a risk adjusted basis (see Figure 10-2).

PENSION FUNDS MANAGEMENT DIVISION

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 Year 2015 Economic Sector vs. Index (%)

	EM ISF	MSCI Index	Variance
Energy	7.7	7.4	0.3
Materials	4.5	7.6	-3.1
Industrials	3.7	8.1	-4.4
Consumer Discretionary	9.8	10.1	-0.3
Consumer Staples	6.2	8.2	-1.9
Health Care	2.1	3.3	-1.2
Financials	31.7	28.2	3.5
Information Technology	20.2	17.4	2.8
Telecommunication Services	7.7	6.4	1.2
Utilities	3.9	3.3	0.6
Commingled Fund	0.0	0.0	0.0
Preferred Stock	0.0	0.0	0.0
Private Placement	0.0	0.0	0.0
Other	0.0	0.0	0.0
Liquidity Fund	<u>2.5</u>	<u>0.0</u>	2.5
	100.0	100.0	

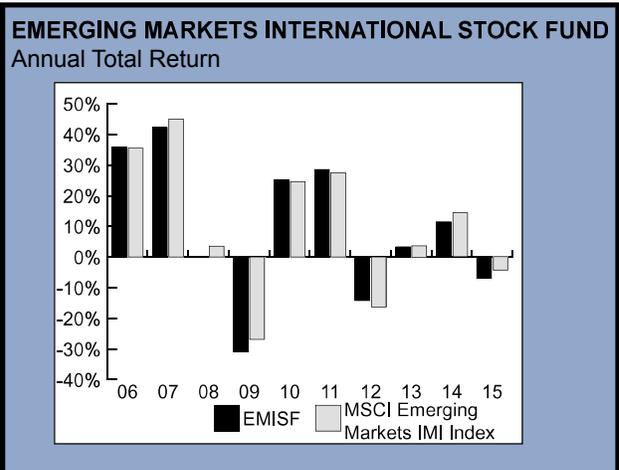
Figure 10-4

EMERGING MARKETS INTERNATIONAL STOCK FUND
Periods ending June 30, 2015

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
EMISF	-6.93	2.36	3.45	7.07*
MSCI Emerging Markets IMI Index	-4.41	4.24	3.87	8.40
Cumulative Total Return (%)				
EMISF	-6.93	7.24	18.51	97.99*
MSCI Emerging Markets IMI Index	-4.41	13.26	20.91	123.99

*Represents historical returns at the portfolio composite level.

Figure 10-5



PENSION FUNDS MANAGEMENT DIVISION

Figure 10-6

EMERGING MARKETS INTERNATIONAL STOCK FUND		
Diversification by Benchmark Country at June 30, 2015 ⁽¹⁾		
	EMISF Percent of Net Assets 6/30/15	Benchmark Percent of Net Assets 6/30/15
Brazil	10.1%	6.9%
Korea	13.2	15.0
Hong Kong	8.2	0.0
Russia	6.1	3.3
China	11.4	24.7
Taiwan	11.3	13.3
United States	2.3	0.0
Mexico	2.5	4.3
Thailand	3.9	2.5
South Africa	3.0	7.6
Turkey	6.3	1.4
Indonesia	1.9	2.4
Malaysia	0.8	3.2
India	10.7	8.0
Philippines	2.3	1.4
United Kingdom	1.4	0.0
Other Countries	4.6	6.0
Total	100.0%	100.0%

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

Figure 10-8

EMERGING MARKETS INTERNATIONAL STOCK FUND			
Ten Largest Holdings* at June 30, 2015			
Security Name	Country	Market Value	%
Taiwan Semiconductor Manufacture	Taiwan	\$80,464,232	3.27%
Samsung Electronic Co Ltd	Republic of Korea	74,726,103	3.03%
China Construction Bank Corp	China	69,228,894	2.81%
China Mobile LTD	Hong Kong	65,194,136	2.65%
AIA Group Ltd	Hong Kong	51,894,609	2.11%
Tencent Hldgs LIM1 HKD 0.00002	China	45,925,799	1.86%
Infosys Ltd	India	44,182,034	1.79%
HDFC Band Ltd	India	43,690,978	1.77%
Industrial & Commercial Bank	China	43,376,756	1.76%
Samsung Electronics Co Ltd 144A	Republic of Korea	32,447,791	1.32%
Top Ten		\$551,131,332	22.37%

* 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.

Figure 10-7

EMERGING MARKETS INTERNATIONAL STOCK FUND		
Investment Advisors at June 30, 2015		
Investment Advisor	Net Asset Value	% of Fund
Grantham, Mayo, Van Otterloo	\$889,860,048	35.98%
Aberdeen Asset Management	664,832,507	26.88%
Schroders Investment Mgt	897,692,176	36.30%
Other ⁽¹⁾	20,903,021	0.84%
TOTAL EMISF	\$2,473,287,752	100.00%

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

2015 real estate fund

Fund Facts at June 30, 2015

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: \$1,848,236,645

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

Management Fees ⁽¹⁾: \$5,429,945

Capitalized and Netted Fees: \$12,119,785

Benchmark: National Council of Real Estate Investment Fiduciaries - National Properties Index ("NCREIF-NPI")

Operating Expenses: \$1,102,528

Expense Ratio: 0.39%

Number of Investment Partnerships: 38

(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 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 Characteristics

As of June 30, 2015, the portfolio was approximately 31.6% invested in Close-End fund vehicles, 54.7% in Open-End funds, and 13.8% held in two Separate Accounts, in which the REF holds 100% ownership interest in properties within the portfolio. These Separate Account vehicles are managed by external managers and employ a Core investment strategy. The majority of investments in the REF are comprised of co-mingled private equity funds vehicles in which the CRPTF holds limited partnership interests. These commingled funds employ three main real estate investment sub-asset classes: Core, Value-Add, and Opportunistic strategies. In accordance with the Investment Policy Statement, leverage levels in the REF shall not exceed 60%, and are diversified across geography and property types, with approximately 85.81% located in the markets within the United States and 14.19% to real estate markets abroad.

As of June 30, 2015, the REF allocation to sub-strategies was 60.3% to Core, 11.5% to Value-Add and 21.9% to Opportunistic. The portfolio is well diversified geographically. While the National Properties Index (NPI) remains the tracked real estate investments benchmark, the CRPTF at any given time may be tactically under- or over-weight in specific property types, regions, vintage years or other characteristics of the Index.

Market Review

The real estate market continued its upward pace in fiscal year 2015 as moderate economic growth, coupled with loose monetary policies, fueled improvements in fundamentals in early every segment. While the potential for interest rate rises created some minor headwinds, investor sentiment remained strong with fundraising activity in the closed end market reaching \$113 billion at the end of the year, primarily in North America.

Foreign capital investment in the US continued to increase, representing 14.8% of total transaction activity in the first half of the fiscal year, exceeding 2014 year-end figures and nearing 2007 peak levels. Vacancies declined

across the board and are now below its 20 year average for all property types. Conditions have supported above-inflation rent growth with Net Operating Income for properties in the benchmark up 4.4% on a year over year basis. This was led by office and apartments in central business districts. With strong competition in the top tier sectors, many investors are now migrating into secondary and tertiary property markets in search of higher yields in more risky strategies.

Although the composition of buyers and sellers has been stabilized for more than a year, recent transaction trends show listed funds/REITs consistently built up positions in real estate (\$28.9 billion) while Institutional/Equity Funds have been net sellers of real estate (\$24.8 billion). Transaction capitalization rates, defined as Net Operating Income to property asset value, continued to decline during the year although fundamentals remained healthy as tenants sought more space than was being completed.

Performance Summary

For fiscal year 2015, the Fund generated a total fiscal year to date return of 12.93%, net of all expenses, modestly outperforming its benchmark NCREIF-NPI, which posted a gross return of 12.72%. The one-year return reflects an ongoing positive trend in the REF portfolio, which can be attributed to recent accretive commitments to open-ended core and core-plus funds, as well as a number of new value-add strategies in the Fund, all of which feature strong current income and overall increases in property valuations across all funds and a partial recovery in vintage year 2007 real estate fund investments, which were negatively impacted by the Great Recession.

For the trailing three, five and ten year periods, the REF's compounded annual returns, net of all expenses, were 11.28%, 11.39%, and 2.37%, respectively (See Figure 11-8), greatly improving its over fiscal year 2014. Longer-term portfolio returns continue to lag the benchmark, with five and ten year returns underperforming by 136 basis points and 602 basis points, respectively. The Fund has been actively investing through the recent real estate cycle, with new commitments in open end vehicles in Core during the fiscal year, as well as new partnerships in Opportunistic and Value-Add strategies, which has helped to maintain diversification in the fund.

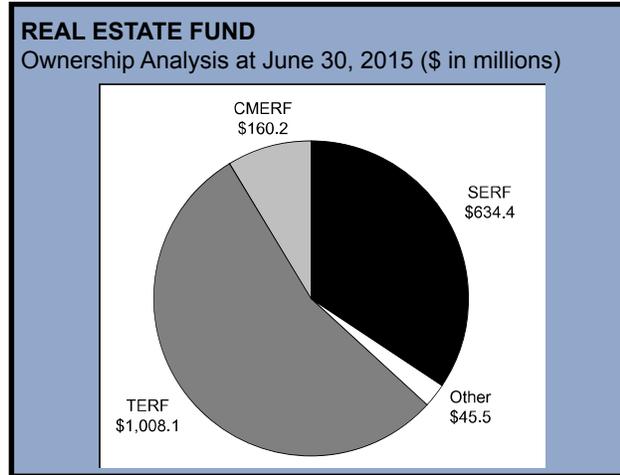
Risk Profile

The REF takes both a total portfolio and asset class specific approach to risk management. Risk is managed at the portfolio level through diversification and strategic asset allocation and the implementation of strategy. Risks attendant to alternative investments, such as management, operations, local/regional property markets, and liquidity risk, are managed at the asset class level with additional risk management focused on financing, geography, and property type risks specific to a fund manager's portfolio investments.

The REF has lower volatility than NPI, as expected (See Figure 11-2) largely due to allocations to core funds, which generally have lower leverage than value-add and opportunistic strategies. Also, the REF's core sub-portfolio, which most closely tracks NPI, has a leveraged amount of approximately 35.81%. NPI is comprised of a portfolio of 6,000+ properties, many of which are levered, but for purposes of constructing the NPI benchmark, are de-levered for the index. The REF volatility is typical and not excessive relative to a benchmark comprised of unlevered core properties.

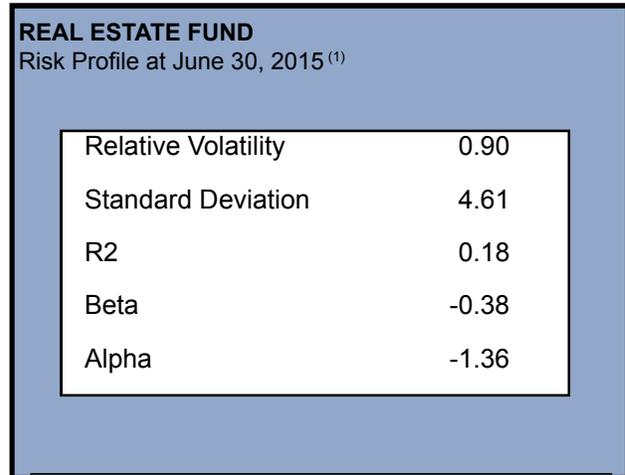
PENSION FUNDS MANAGEMENT DIVISION

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.

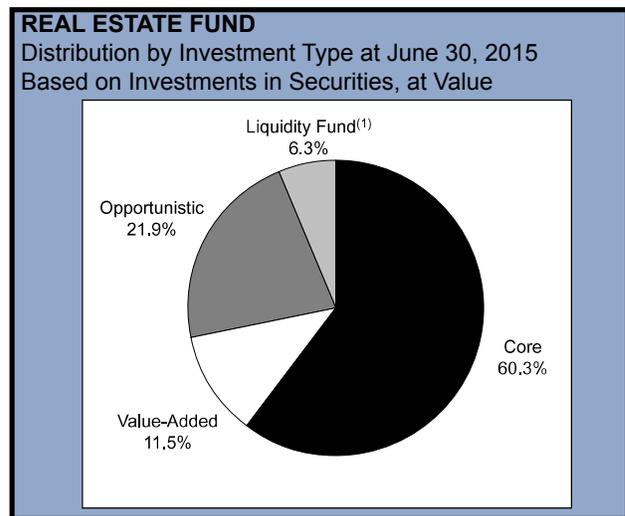
Figure 11-3

REAL ESTATE FUND
Investments Analysis⁽¹⁾

At	No. of REF Investments	REF Book Value	REF Market Value
6/30/2015	38	\$1,646,736,485	\$1,732,052,523
6/30/2014	33	1,398,172,794	1,429,069,066
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

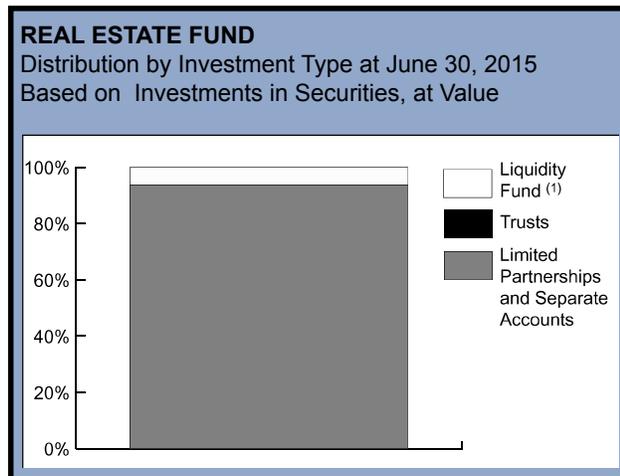
(1) Number of investments in annuities, partnerships, corporations, and trusts, excluding the Liquidity Fund.

Figure 11-4



(1) Liquidity Fund and Other Net Assets

Figure 11-5



(1) Liquidity Fund and other monetary assets.

Figure 11-6

REAL ESTATE FUND
Distribution by Geographic Location at June 30, 2015
Based on Investments in Securities, at Value

	REF	NCREIF	Variance
East	31.1%	34.2%	-3.1%
Midwest	5.2%	8.0%	-2.8%
South	20.2%	20.3%	-0.1%
West	29.1%	37.5%	-8.4%
International	8.1%	0.0%	8.1%
Liquidity Fund & other net assets	<u>6.3%</u>	<u>0.0%</u>	6.3%
	100.0%	100.0%	

PENSION FUNDS MANAGEMENT DIVISION

Figure 11-7

REAL ESTATE FUND			
Diversification by Property Type at June 30, 2015 Based on Investments in Securities, at Value			
	REF	NCREIF	Variance
Apartment	26.0%	24.1%	1.9%
Industrial	13.1%	13.2%	-0.1%
Office	28.9%	38.1%	-9.2%
Retail	17.7%	23.3%	-5.6%
Hotel	8.0%	1.3%	6.7%
Liquidity Fund & Other Net Assets ⁽¹⁾	6.3%	0.0%	6.3%
	100.0%	100.0%	

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

Figure 11-8

	1 YR	3 YRS	5 YRS	10 YRS
REAL ESTATE FUND				
Periods ending June 30, 2015				
Compounded, Annual Total Return (%)				
REF	12.93	11.28	11.39	2.37
NCREIF Property	12.72	11.47	12.75	8.39
Cumulative Total Return (%)				
REF	12.93	37.79	71.51	26.40
NCREIF Property	12.72	38.50	82.25	123.79

Figure 11-9

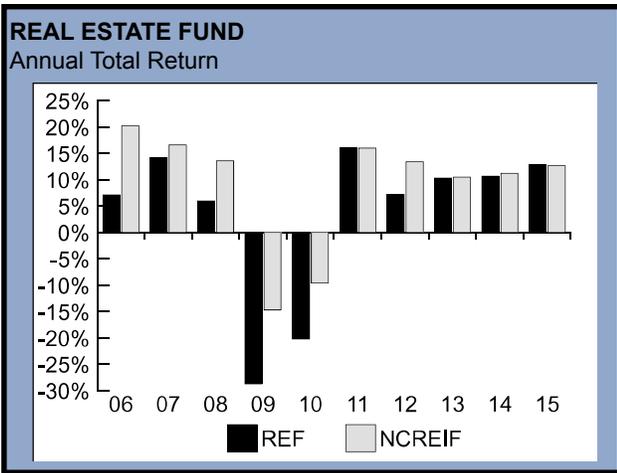
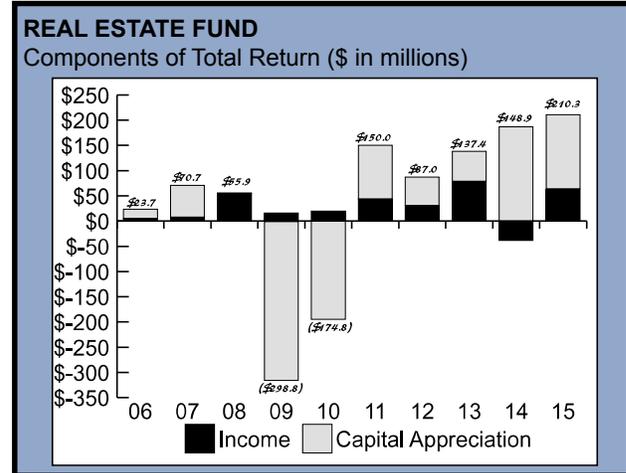


Figure 11-10



PENSION FUNDS MANAGEMENT DIVISION

Figure 11-11

REAL ESTATE FUND		
Funds at June 30, 2015		
Fund	Net Asset Value	% of Fund
AEW Partners III	\$5,896,095	0.32%
American Realty Advisors	76,044,800	4.11%
Apollo Real Estate	2,281,821	0.12%
Blackstone Real Estate Partner Europe III LP	40,409,568	2.19%
Blackstone Real Estate Spec Sit II LP	5,323,282	0.29%
Blackstone Real Estate VI LP	83,989,075	4.54%
Canyon Johnson Urban Fund II	13,796,478	0.75%
Canyon Johnson Urban Fund III	32,033,471	1.73%
Capri Select Income II LLC	96,473	0.00%
Colony Realty Partners II LP	18,850,800	1.02%
Cornerstone Patriot Fund LP	253,741,522	13.73%
Covenant Apartment Fund V LP	6,385,510	0.34%
Covenant Apartment Fund VI	4,926,979	0.27%
Cypress Acquisition Prtmrs Retail FD LP	26,620,637	1.44%
Gerding Edlen Green Cities II	27,575,494	1.49%
Hart Realty Advisors	153,032,945	8.28%
IL & FS India Realty Fund II LLC	37,661,210	2.04%
JP Morgan Strategic Property	75,000,000	4.06%
Landmark RE Partners VII LP	2,577,854	0.14%
Lone Star Real Estate Part II LP	18,231,320	0.99%
Macfarlane Urban Real Estate Fund II LP	14,406,271	0.78%
New Boston IV	582,960	0.03%
Prime Property Fund LLC	263,282,799	14.24%
PRISA	100,531,981	5.44%
Rockwood Capital Fund V	1,199,820	0.06%
Rockwood Capital VI Limited Partnership	8,630,734	0.47%
Rockwood Capital VII Limited Partnership	24,007,702	1.30%
Starwood Opportunity Fund VII	24,637,761	1.33%
Starwood Opportunity Fund VIII	31,903,903	1.73%
Starwood Opportunity Fund IX	37,270,876	2.02%
Starwood Opportunity Fund X	706,210	0.04%
UBS-Trumbull Property Income	52,839,651	2.86%
UBS-Trumbull Property G&I (TPG)	42,766,951	2.31%
UBS-Trumbull Property Fund LP	78,041,475	4.22%
Urban Strategy America Fund LP	37,262,184	2.02%
USAA Eagle RE Fund	88,350,410	4.78%
Walton Street Real Estate	2,142,298	0.12%
WLR IV PPIP Co Invest LP	39,013,203	2.11%
Other ⁽¹⁾	116,184,122	6.29%
TOTAL REF	\$1,848,236,645	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, 2015			
Property Name	Type	Market Value	%
Prime Property Fund LLC	Core	\$263,282,799	14.25%
Cornerstone Patriot Fund LP	Core	253,741,522	13.73%
Hart Realty Advisors	Core	153,032,945	8.28%
PRISA	Core	100,531,981	5.44%
USAA Eagle RE Fund	Core	88,350,410	4.78%
Blackstone Real Estate VI LP	Opportunistic	83,989,075	4.54%
UBS-Trumbull Property Fund LP	Core	78,041,475	4.22%
American Realty Advisors	Core	76,044,800	4.11%
JP Morgan Strategic Property	Core	75,000,000	4.06%
UBS-Trumbull Property Income	Core	52,839,651	2.86%
Top Ten		\$1,224,854,658	66.27%

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

Figure 11-13

REAL ESTATE FUND		
New Investments Made in Fiscal Year 2015 (in Excess of \$3 Million)		
Partnership Name	Commitment Amount	Investment Type
Landmark VII	\$40 million	Opportunistic
Starwood Opportunity Fund X	100 million	Opportunistic
Blackstone Real Estate Oartners VIII, L.P.	100 million	Opportunistic
Clarion (LIT)	100 million	Value-Add
Total	\$340 million	

2015 commercial mortgage fund

Fund Facts at June 30, 2015

Investment Strategy/Goals: The Commercial Mortgage Fund (CMF) provides an alternate source of domestic fixed income investment for the retirement funds. It was the vehicle for investing CRPTF's assets in mortgages on income-producing commercial property for expected yields superior to Treasury and corporate fixed income securities, in exchange for reduced liquidity. Commercial mortgages were expected to perform similarly to other domestic fixed income securities that are driven by U.S. interest rate changes.

Date of Inception: November 2, 1987

Total Net Position: \$32,637

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

Management Fees: \$0

Benchmark: Barclays U.S. Aggregate Bond Index

Operating Expenses: \$0

Number of Advisors: 1 external

Expense Ratio: 0.00%

Description of the Fund

CMF is a "sinking" portfolio that is no longer making new investments. There are only two remaining securitized Yankee Mac Residential Mortgage-Backed Securities (RMBS) in this Fund. The assets 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. The commercial whole loan portfolio was paid off at maturity in 2012.

This asset class is no longer a part of the most recent asset allocation structure of the CRPTF, adopted in July, 2013, and the balance in the Fund will be allowed to amortize and mature. No new investments will be added to this Fund.

Portfolio Characteristics

The portfolio consists of two residential mortgage pools having a balance of less than \$33,000.

Performance Summary

For the fiscal year ended June 30, 2015, the CMF generated a return of .25%, net of all expenses, underperforming the benchmark return of 1.86%% by 161 basis points. Because of its small 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 3.67%, 1.74% and 4.11%, respectively, net of all expenses. The comparative three-, five- and ten-year period benchmark returns were 1.83%, 3.35% and 4.44%, respectively.

Risk Profile

Given CMF's investment policies and objectives, the Fund is exposed to default risk, purchasing power risk, and market risk. The total net asset value at June 30, 2015 was approximately \$33,000 and is not material to the overall performance of the CRPTF.

2015 private investment fund

Fund Facts at June 30, 2015

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: \$2,774,091,648

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

Management Fees⁽¹⁾: \$2,879,276

Benchmark: S&P 500

Capitalized and Netted Fees: \$28,487,660

Number of Partnerships: 63

Operating Expenses: \$2,036,265

Expense Ratio: 0.17%

(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.

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 63 active funds and aggregate capital commitments totaling \$7.4 billion as of June 30, 2015. Approximately 90 percent, or \$6.7 billion, has been “drawn down” for investment purposes as of that date while the balance of approximately \$800 million, or 10 percent, is committed but not “drawn” (See Figure 12-6).

Market Review

The private equity industry continued to be strong through fiscal year end 2015. Both buyout funds and venture capital strategies continued to experience strong returns and remained largely immune to public equity market volatility which began to increase during the latter part of the fiscal year.

More than \$118 billion was committed to US buyout funds during fiscal year 2015, according to data published by Thomson One. US buyout investment activity also increased with \$52 billion invested during the fiscal year, which represented an 11% increase from the same prior year period. Purchase prices for leveraged buyouts also rose as multiples grew to a peak of 9.7x during the final quarter of the fiscal year, according to data published by S&P LCD. However, buyout-backed exits declined modestly year over year, with 338 exits for the fiscal year, compared to 341 in fiscal year 2014.

Similarly, the US venture capital market also remained strong during the year. Venture fundraising accelerated to \$30 billion, representing the highest annual total since the global financial crisis. Investment activity also reached a ten year high during the fiscal year with \$54 billion invested during the year, a 40% rise over the prior year. Similar to buyout exits, venture-backed IPO activity slowed slightly from a record level in 2014. In fiscal year 2015, there were 97 venture-backed IPOs, down from 113 in the prior year.

Performance Summary

For the fiscal year ended June 30, 2015, PIF generated a net compounded annual rate of return of 14.04% (See Figure 12-5). 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, 2015, PIF's performance has exceeded that of the S&P 500 by 270 basis points on a compounded annual basis (See Figure 12-5).

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 a 9.1% IRR. A tool commonly used by institutional investors to benchmark IRR performance is the public market equivalent (PME). From inception through June 30, 2015, PIF has generated 270 basis points of annual performance in excess of its S&P 500 PME.

During Fiscal Year 2015, no new partnerships were funded (See Figure 12-10).

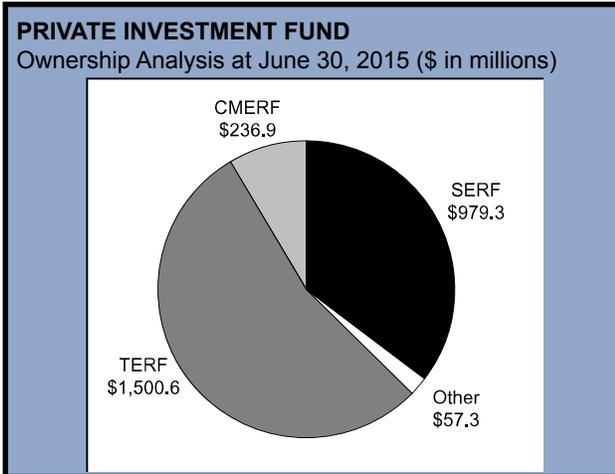
Risk Profile

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 0.45 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 -4.37 (See Figure 12.2)..

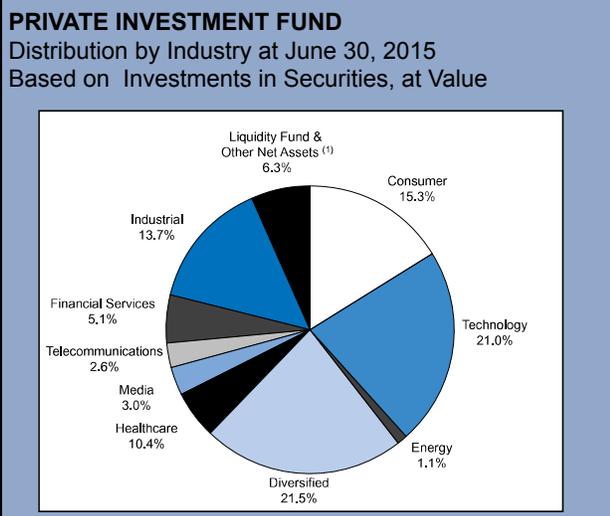
PENSION FUNDS MANAGEMENT DIVISION

Figure 13-1



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

Figure 13-3



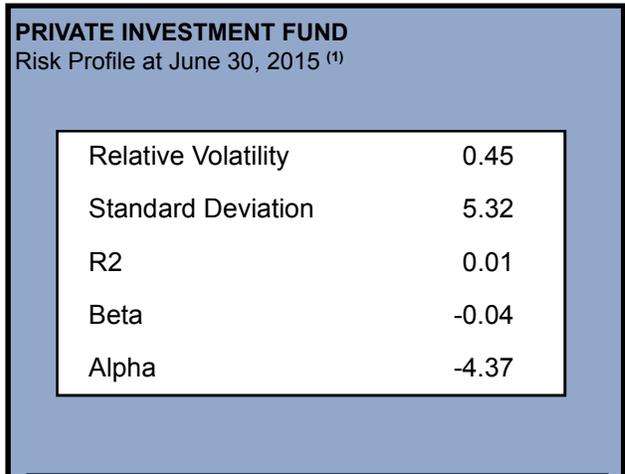
(1) Includes the Liquidity Fund and other assets at the partnership level.

Figure 13-5

PRIVATE INVESTMENT FUND
Periods ending June 30, 2015

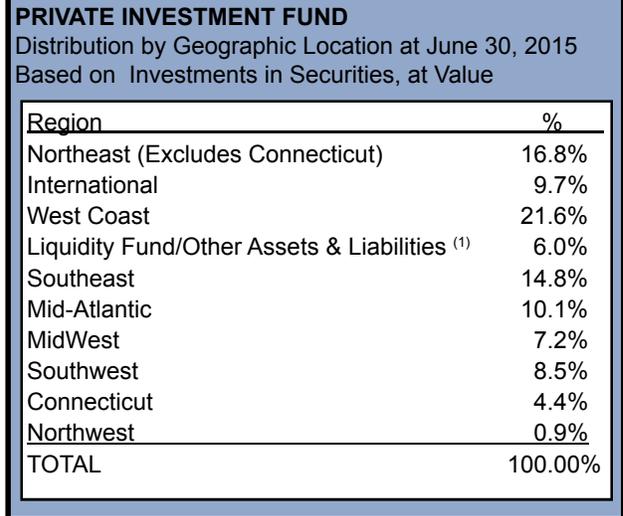
	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
PIF	14.04	13.17	12.97	10.59
S & P 500	7.42	17.31	17.34	7.89
Cumulative Total Return (%)				
PIF	14.04	44.93	84.03	173.55
S & P 500	7.42	61.43	122.47	113.77

Figure 13-2



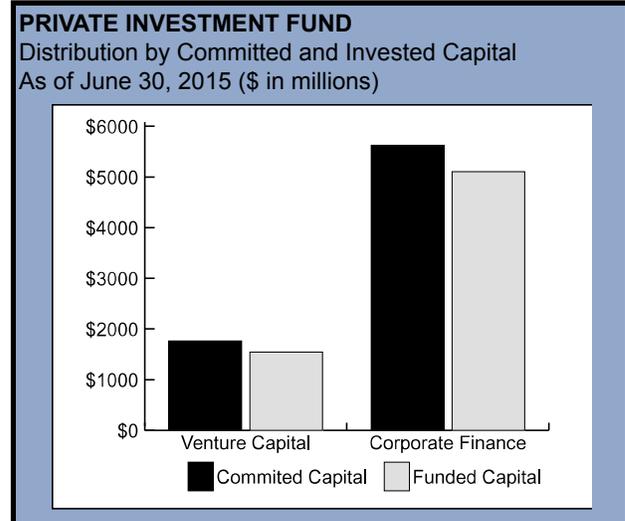
(1) Based upon quarterly returns over the last five years.

Figure 13-4



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

Figure 13-6



PENSION FUNDS MANAGEMENT DIVISION

Figure 13-7

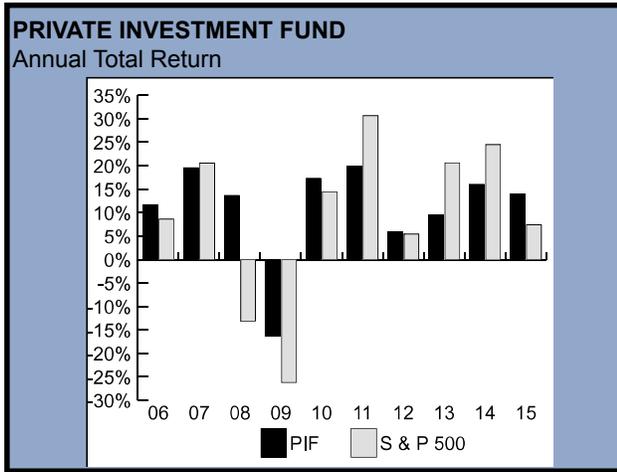


Figure 13-8

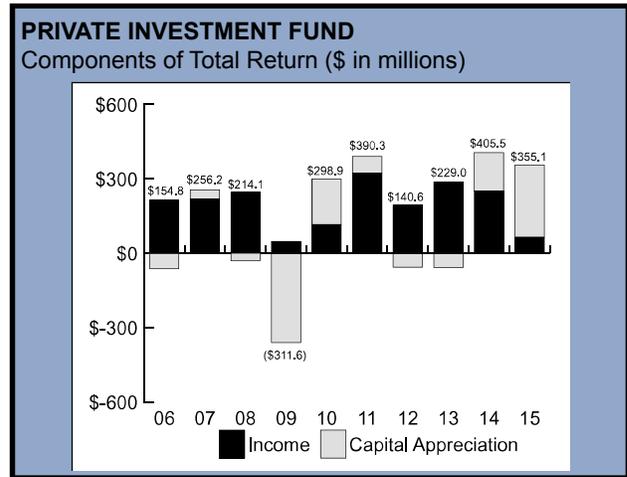


Figure 13-9

PRIVATE INVESTMENT FUND			
Ten Largest Holdings* at June 30, 2015			
Partnership Name	Partnership Type	Market Value	%
FAIRVIEW CONSTITUTION III LP	Fund of Funds	\$327,362,530	11.80%
FAIRVIEW CONSTITUTION II LP	Fund of Funds	146,774,529	5.29%
STEPSTONE PIONEER CAPITAL II LP	Fund of Funds	125,316,910	4.52%
YUPAICA AMERICAN ALLIANCE FUND II LP	Buyout	98,306,067	3.55%
KKR 2006 FUND	Buyout	96,483,216	3.48%
FS EQUITY PARTNERS VI	Buyout	89,653,148	3.23%
WELSH,CARSON,ANDERSON + STOWE XI	Buyout	80,513,106	2.90%
FAIRVIEW CONSTITUTION IV LP	Fund of Funds	75,076,266	2.71%
CT EMERGING PRIVATE EQUITY	Fund of Funds	74,483,436	2.69%
THOMAS H LEE EQUITY FUND VI LP	Buyout	73,609,111	2.65%
Top Ten		\$1,187,578,319	42.82%

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

PENSION FUNDS MANAGEMENT DIVISION

Figure 13-11

PRIVATE INVESTMENT FUND

Investment Advisors at June 30, 2015

Investment Advisor	Net Asset Value	% of Fund	Investment Advisor	Net Asset Value	% of Fund
Buyout	\$1,166,370,582	42.05%	International	41,071,137	1.48%
KKR Millennium Fund	30,383,731	1.10%	Compass Partners European Equity Fund	658,564	0.02%
Yucaipa American Alliance Fund II LP	98,306,067	3.55%	Gilbert Global Equity Partners	38,190,064	1.38%
Hicks, Muse Tate & Furst Equity Fund III	10,637,089	0.38%	Pinebridge Global Emerging Markets Fund	1,865,993	0.07%
Thomas H. Lee Equity Fund VI	73,609,111	2.65%	Carlyle Asia Partners	356,516	0.01%
GENNX360 Capital Partners II	6,153,687	0.22%	Fund of Funds	998,816,159	36.01%
TA XI, L.P.	68,540,156	2.47%	The Constitution Liquidating Fund	52,391,834	1.89%
Charterhouse Equity Partners IV	25,261,265	0.91%	Landmark Private Equity Fund VIII	12,313,008	0.44%
DLJ Merchant Banking Fund II	259,607	0.01%	Landmark Equity Partners XV LP	20,030,646	0.72%
FS Equity Partners V	23,069,976	0.83%	CS/CT Cleantech Opp Fund	12,931,899	0.47%
FS Equity Partners VI	89,653,148	3.23%	CT Emerging Pvt Equity	74,483,436	2.69%
JFL Equity Investors III, LP	30,442,771	1.10%	Fairview Constitution III	327,362,530	11.80%
Wellspring Capital Partners V	47,313,462	1.71%	Lexington Capital Partners II	619,154	0.02%
Candover 2008 Fund	8,668,840	0.31%	Stepstone Pioneer Capital I LP	31,944,225	1.15%
Leeds Equity Partners V LP	26,682,696	0.96%	Stepstone Pioneer Capital II LP	125,316,910	4.52%
Welsh Carson Anderson & Stowe XI	80,513,106	2.90%	Fairview Constitution II LP	146,774,529	5.29%
AIG Healthcare Partners LP	6,315,146	0.23%	Fairview Constitution IV LP	75,076,266	2.71%
AIG Altaris Health Partners II	30,619,140	1.11%	Connecticut Horizon Legacy	8,348,763	0.30%
AIG Altaris Health Partners III	8,949,698	0.32%	Landmark Equity Partners XIV LP	56,562,505	2.04%
Welsh Carson Anderson & Stowe X LP	53,050,806	1.91%	JP Morgan Nutmeg I	54,660,454	1.97%
Court Square Capital Partners II	69,229,554	2.50%	Special Situations	319,131,886	11.50%
Ethos Private Equity Fund V	21,416,854	0.77%	Welsh Carson Anderson & Stowe Capital Partners III	8,793,688	0.32%
Boston Ventures VII	52,223,901	1.88%	Levine Leichtman Capital Partners	25,051,874	0.90%
KKR 2006 Fund	96,483,216	3.48%	Levine Leichtman Capital Partners IV LP	35,835,153	1.29%
Nogales Investors Fund II	6,871,023	0.25%	Pegasus Partners IV	50,373,739	1.82%
ICV Partners II LP	28,322,690	1.02%	Pegasus Partners V	36,585,615	1.32%
Vista Equity Partners Fund III	21,525,653	0.78%	WLR Recovery Fund IV	30,570,958	1.10%
Vista Equity Partners Fund IV	73,567,483	2.65%	KPS Special Situations Fund II	484,536	0.01%
RFE Investments Partners VIII	22,030,848	0.79%	Clearlake Capital Partners III LP	34,064,577	1.23%
RFE Investment Partners VII	40,612,924	1.46%	Castlelake II LP	71,638,307	2.58%
Court Square Capital Partners III LP	15,656,934	0.57%	Apollo Investment Fund VIII LP	25,733,439	0.93%
Venture Capital	10,796,528	0.39%	Other ⁽¹⁾	168,484,003	6.07%
Crescendo III	1,156,486	0.04%	TOTAL PIF	\$2,774,091,648	100.00%
Syndicated Communications	9,640,042	0.35%			
Mezzanine	69,421,353	2.50%			
SW Pelham Fund	998,289	0.04%			
Audax Mezzanine III Limited Partnership	39,735,041	1.43%			
GarMark Partners II LP	28,688,023	1.03%			

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

2015 debt management division

Division Overview

The Office of the Treasurer, through its Debt Management Division, is responsible for the cost-effective issuance and management of the State of Connecticut's bonded debt. The State's strategic investment in local school construction, roads, bridges, airports, higher education, clean water, and economic development are the foundation of Connecticut's physical and social infrastructure.

Optimizing the State's credit rating is critical to obtaining low interest rates and requires continual contact with the investment community and active participation in rating presentations with Moody's Investors Service, Standard & Poor's Ratings Services, Fitch Ratings, and Kroll Bond Ratings. The latest financial instruments available in the public financing market are utilized when issuing new debt in order to attain the lowest interest rates possible. Relationships are maintained with institutional and retail investors who have demonstrated confidence in the State's economy by purchasing bonds and notes at attractive interest rates.

The Office of the Treasurer is also a critical resource in the drafting of new laws, working with the Executive and Legislative Branches to provide financial advice on proposed legislative initiatives. This has resulted in the design of new bonding programs that have been well received in the financial markets, while maintaining exemption from federal and State taxes where appropriate. Specific examples include: electric deregulation; UCONN 2000; school construction; open space; economic development in Bridgeport, Hartford, and New Haven; municipal financial oversight; Bradley International Airport; Economic Recovery Notes; Transportation Strategy Board Project Funding; securitization to preserve Conservation and Clean Energy Programs; the establishment of a Housing Trust Fund bonding program; the authorization of bonding backed by future federal transportation funds; a program designed to improve the funding of the Teachers' Retirement Fund including the issuance of bonds, the creation of a new quasi-public agency to manage Bradley International Airport, and a program to eliminate the State's accumulated GAAP deficit.

The Debt Management Division of the Office of the Treasurer manages all public financing programs for the State and coordinates the issuance of bonds with State quasi-public authorities, including Connecticut Innovations, Connecticut Health and Educational Facilities Authority, Connecticut Housing Finance Authority, Materials Innovation and Recycling Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Student Loan Foundation, Capital Region Development Authority, Connecticut Green Bank and Connecticut Airport Authority.

The Debt Management Division consists of eleven professionals under the direction of an Assistant Treasurer.

The Year in Review

During Fiscal Year 2015, the Debt Management Division's noteworthy accomplishments included:

- **New Money Bonds** - During Fiscal Year 2015, \$3.1 billion of new money bonds were issued to continue funding of the State's capital programs for local school construction grants, economic development initiatives, and transportation infrastructure improvements, clean water fund grants and loans, improvements at the University of Connecticut, and other capital projects. These projects and other purposes, which help bolster the local economy and improve the State's fiscal standing, continue to be funded at some of the lowest interest rates in State history.
- **Green Bonds** - Notable this year was the development of the first State of Connecticut "Green Bonds," designed to meet the needs of the growing number of investors interested in investing specifically in green infrastructure. The first issuance was \$60 million of General Obligation bonds in the fall of 2014 followed by a \$250 million "all Green" Clean Water Fund bond issue sold on Earth Day in April 2015.
- **Refunding Bonds** - As interest rates remained low, the Division refunded outstanding debt through the issuance of \$448.0 million of General Obligation Refunding bonds, \$131.5 million of Special Tax Obligation Refunding Bonds, \$61.6 million of Economic Recovery Refunding Notes, and \$34.6 million of University of Connecticut UCONN 2000 Refunding bonds. In addition, \$61 million of the Economic Recovery Notes

DEBT MANAGEMENT DIVISION

were paid down earlier than planned for savings. Of note, this fiscal year, a \$1 billion milestone was reached for total debt service savings to be achieved over the life of the bonds from refunding and defeasances completed since January 1, 1999.

- Transportation Bonding Program - Issued \$600 million of Special Tax Obligation bonds to fund new and ongoing transportation infrastructure improvements. Continued to consult with the Department of Transportation and the Office of Policy and Management on capital funding matters including the modeling for the "Let's Go CT!" transportation initiative.
- Clean Water Fund and Municipal Finance Issues – In addition to the \$250 million Clean Water Fund bond issue, the Division worked closely with the Department of Energy and Environmental Protection and the Department of Public Health to successfully commit low-cost funding for program participants throughout the State and interface with federal governing officials.
- University of Connecticut – The Division worked in conjunction with the University of Connecticut on issuing both new money and refunding UConn 2000 bonds totaling \$254.8 million as well as various leasing, credit rating agency and legislative matters.
- Quasi-Public Agencies – The Division worked closely with other State agencies on various initiatives including: with the Connecticut Airport Authority on completing the transfer of the Bradley Airport parking garage and surface lots from the State; with the Connecticut Green Bank on financing options for energy efficiency improvements in State buildings; with the Connecticut Health and Educational Facilities Authority on the refunding of Childcare Program bonds including earning a credit rating upgrade; and with the State's student loan agencies on utilizing available funding to benefit Connecticut college students.
- Systems Improvement – Implemented a new, time-saving tax questionnaire for state agencies and conducted extensive training sessions and continued to implement new Clean Water Fund accounting system.
- Legislative Matters - The Division served on a working group that recommended legislation to create the Connecticut Port Authority and advised the Office of Policy and Management on legislation requiring transportation-related revenue of the Special Transportation Fund be expended for transportation purposes only.
- Rating Agencies - Ongoing communication with the credit rating agencies remained active this year including in-person meetings at the State Capitol.

2015 Division Performance

The Debt Management Division focused on several important initiatives during the fiscal year, including taking advantage of historically low interest rates, continuing to work with the Cash Management Division to monitor and report on the State's overall cash resources, and providing expertise to assist with implementing initiatives put forward by the Administration. The State's continued slow economic recovery, as well as an increased focus by the rating agencies on long-term liabilities, required significant analysis by the Division to ensure the State's obligations are put in proper context and that the State's strong financial management is emphasized to the credit markets and other stakeholders.. Communication was pursued throughout the year with the credit rating agencies and the investment community to provide frequent and timely updates regarding the State's budget and the economy. The Division actively monitored and assisted with legislation impacting the State's bonding programs and credit.

DEBT MANAGEMENT DIVISION

Public Financing Programs

Active public financing programs for the State of Connecticut, as of June 30, 2015, include:

	Amount Outstanding <u>June 30, 2015</u>
GENERAL OBLIGATION BONDS	\$ 14,965,017,375
<p>General Obligation bonds are paid out of the revenues of the State General Fund and are supported by the full faith and credit of the State of Connecticut. General Obligation bonds are issued for construction of State buildings, grants and loans for housing, local school construction, economic development, community care facilities, State parks, and open space. Outstanding amount includes \$2,241,133,254 of Teachers' Retirement Fund Bonds issued pursuant to Public Act 07-186 and \$560,430,000 of GAAP Conversion Bonds which were used to fund half of the State's accumulated General Fund GAAP Deficit at the time.</p>	
ECONOMIC RECOVERY NOTES	\$ 520,275,000
<p>Economic recovery notes are paid out of the revenues of the State General Fund and are supported by the full faith and credit of the State of Connecticut. Economic recovery notes were issued to finance the State's FY 2009 budget deficit.</p>	
UCONN 2000 BONDS	\$ 1,147,985,000
<p>The University of Connecticut pays UCONN 2000 bonds from a debt service commitment appropriated from the State General Fund originally established under P.A. 95-230 and extended in 2010 and 2013. Up to \$4.3 billion of Debt Service Commitment bonds will be issued under a 28-year \$4.6 billion capital program to rebuild and refurbish the University of Connecticut.</p>	
OTHER GENERAL FUND APPROPRIATION DEBT	\$ 209,355,000
<p>The State has committed to pay interest and principal on these bonds by appropriation from the State's General Fund. This debt consists of the following programs:</p> <p>Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds, Child Care Facilities Program bonds for a childcare facilities program were assumed by the State, and the State has committed to pay interest and principal on these bonds by appropriation from the State's General Fund (\$58,235,000). The Connecticut Housing Finance Authority (CHFA) Special Needs Housing Mortgage Finance Program Bonds were issued to provide funding of the new supportive housing program. The State is required to make all debt service payments on the bonds pursuant to a contract assistance agreement between CHFA, the Treasurer, and the Office of Policy and Management (\$63,825,000). The Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract assistance agreement between CHFA, the Treasurer and the Office of Policy and Management (\$42,180,000). Other appropriation debt includes Connecticut Innovations, Inc. (CI) Tax Increment Financing, (\$31,530,000) and a Certificate of Participation issue for the Connecticut Juvenile Training School Energy Center Project (\$13,585,000).</p>	
SPECIAL TAX OBLIGATION BONDS	\$ 4,089,540,000
<p>Special Tax Obligation Bonds are special obligations of the State payable solely from the transportation related revenues pledged in the State's Special Transportation Fund. The bonds are issued for the State's portion of highway and bridge construction, maintenance and capital needs of mass transit systems, State piers, and general aviation airports. The bonds are secured by transportation-related taxes and revenues, and additional security for the bonds is provided by a debt service reserve fund that totaled \$459.2 million on June 30, 2015.</p>	
CLEAN WATER FUND REVENUE BONDS	\$ 882,165,000
<p>The Clean Water Fund and the Drinking Water Fund constitute the State's revolving fund programs. Revenue bonds provide below-market-rate loans to Connecticut municipalities for the planning, design, and construction of wastewater treatment projects and to Connecticut municipalities and private water companies and for drinking water quality improvement projects. The bonds are secured by loan repayments from Connecticut municipalities and private borrowers, and general revenues of the program. An interest rate subsidy is provided to borrowers from earnings on the revolving fund and from State General Obligation subsidy bonds. The State also provides grants and some loans for the program through its General Obligation bond program.</p>	
CAPITAL REGION DEVELOPMENT AUTHORITY BONDS	\$ 89,015,000
<p>The Capital Region Development Authority (CRDA), formerly known as the Capital City Economic Development Authority, bonds were issued to provide funding for the Adriaen's Landing Development project in Hartford. The State is required to make all debt service payments on the bonds up to a maximum annual amount of \$9 million pursuant to a contract assistance agreement between CRDA, the Treasurer, and the Office of Policy and Management (OPM). CRDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.</p>	

DEBT MANAGEMENT DIVISION

BRADLEY INTERNATIONAL AIRPORT GENERAL AIRPORT REVENUE BONDS \$ 129,415,000

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

BRADLEY INTERNATIONAL AIRPORT PARKING GARAGE REVENUE BONDS \$ 33,010,000

Parking garage bonds are payable from garage parking revenues and by a guarantee from the project developer/lessee. The bonds financed the design and construction of a parking garage at Bradley International Airport.

Total debt outstanding at June 30, 2015 **\$ 22,065,777,375**

Bonds issued during Fiscal Year 2015 include:

Bond Type	Par Amount	True Interest Cost⁽¹⁾	Average Life (Years)	Issue Date
NEW MONEY BONDS:				
GENERAL OBLIGATION				
2014 Series E	\$ 300,000,000	3.03%	10.8	08/28/2014
2014 Series A Taxable	200,000,000	2.37%	5.5	08/28/2014
2014 Series F	240,000,000	2.87%	9.2	12/10/2014
2014 Series G (Green Bonds)	60,000,000	3.56%	15.4	12/10/2014
2015 Series A	360,000,000	3.21%	11.1	03/25/2015
2015 Series A – Jackson Labs	40,000,000	1.67%	4.5	03/25/2015
2015 Series A Taxable	100,000,000	2.53%	5.5	03/25/2015
2015 Series B	500,000,000	3.55%	12.7	05/28/2015
2015 Series C SIFMA	200,000,000	1.22%	6.2	05/28/2015
SPECIAL TAX OBLIGATION				
2014 Series A	600,000,000	3.17%	12.0	10/16/2014
UCONN 2000				
2015 Series A	220,165,000	3.07%	10.3	04/16/2015
CLEAN WATER FUND				
2015 Series A	250,000,000	3.14%	12.9	05/06/2015
2015 Subtotal New Money Issues		\$3,070,165,000		
REFUNDING BONDS:				
General Obligation 2014 Series B Taxable Refunding	\$10,590,000	3.46%	13.0	08/28/2014
General Obligation 2014 Series H Refunding	256,620,000	1.92%	5.7	12/10/2014
General Obligation 2015 Series D SIFMA Index	180,745,000	1.02%	3.6	05/28/2015
General Obligation 2015 ERN Refunding Notes	61,610,000	0.44%	2.1	12/10/2014
Special Tax Obligation 2014 Series B Refunding	131,545,000	2.12%	7.1	10/16/2014
UCONN 2000 2015 Series A Refunding	34,625,000	2.12%	6.3	04/16/2015
CHEFA Childcare Series 2015 Refunding	33,475,000	3.53%	13.1	04/01/2015
2015 Subtotal Refunding Issues		\$709,210,000		
TOTAL		\$3,779,375,000		

(1) An industry defined term representing a composite overall present-value based interest rate for an entire bond issue excluding cost of issuance and other costs. For SIFMA Index bonds and other variable rate bonds, the TIC shown is the initial rate.

DEBT MANAGEMENT DIVISION

Figure 14-1

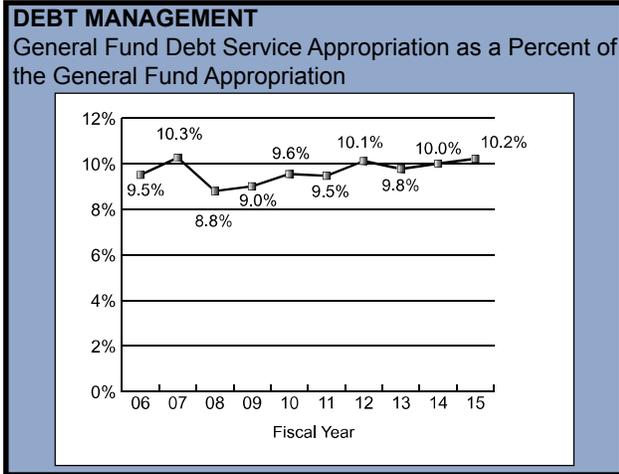


Figure 14-2

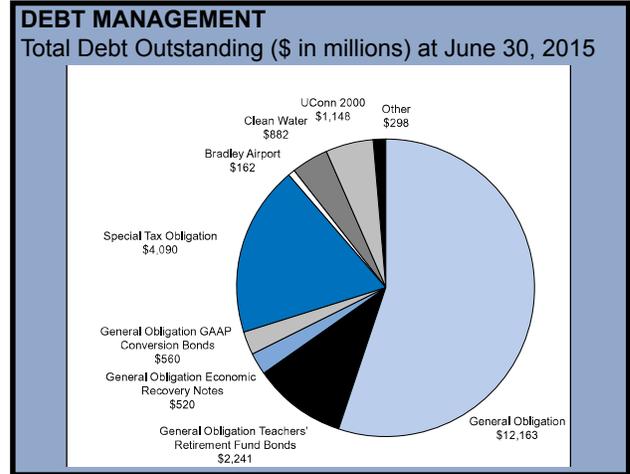
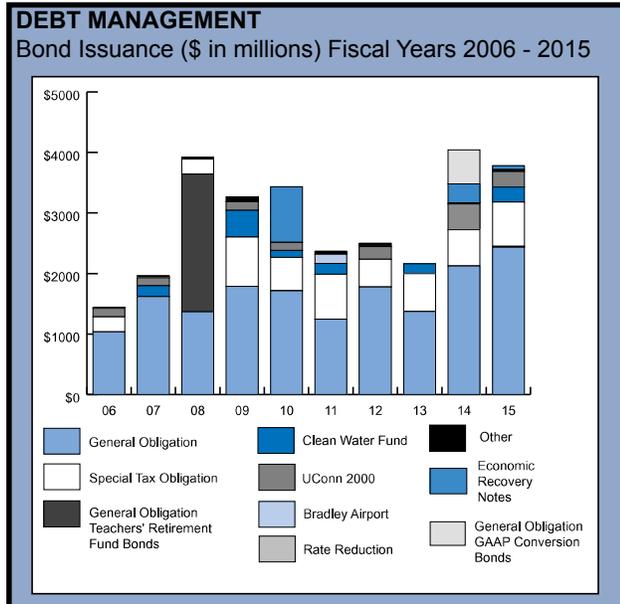


Figure 14-3



Division Overview

The Office of the Treasurer, through its Cash Management Division, is responsible for managing the state's cash movements, banking relationships and short-term investments, including:

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

The Cash Management Division consists of 18 employees under the direction of an Assistant Treasurer, organized into four areas of specific responsibility:

The **Bank Control and Reconciliation** unit maintains accountability for the state's internal and external cash flow. The unit tracks the flow of funds through 19 Treasury bank accounts and authorizes the release of state payroll, retirement and vendor checks. More than three million transactions are accounted for and reconciled annually. The unit also processes stop payments and check reissues. In addition, the unit works with state agencies to speed the deposit of funds and identify mechanisms to reduce banking costs, reviews state agencies' requests to open new bank accounts, maintains records of the state's bank accounts held by individual banks, reviews bank invoices and compensation, and manages the division's procurement efforts for new bank services. The Client Services unit also manages the insurance collateral program in conjunction with the Department of Insurance, which requires companies writing insurance policies in the state to deposit securities and funds totaling a fixed percentage of the policies' value. At June 30, 2015, approximately \$377 million in securities was pledged to the program.

The **Cash Control** unit, on a daily basis, forecasts available cash, funds disbursement accounts, concentrates cash from depository banks, sweeps available cash into short-term investment vehicles to maximize investment balances, and executes electronic transfers. The unit also prepares annual cash flow projections for various State and bond rating agencies and the primary retirement funds, monitors actual cash receipts and disbursements, and prepares the monthly cash report for the legislature. During Fiscal Year 2015, the unit controlled the movement of \$20.5 billion to and from state bank accounts and investment vehicles.

The **Short-Term Investments** unit invests STIF assets, monitors custodian activity, and prepares quarterly and annual performance reports on the Fund. During Fiscal Year 2015, the unit invested an average of \$4.4 billion in short-term money market instruments. As of June 30, 2015, the unit administered 939 active STIF accounts for 67 State agencies and authorities and 222 municipalities and local entities. In addition, the unit manages the Grant Express program that enables municipalities to deposit certain grant payments directly into their STIF accounts, and the Debt Express and Clean Water Fund Express programs that allow towns to make debt payments automatically from their STIF

CASH MANAGEMENT DIVISION

accounts. The unit makes longer-term investments for balances that are expected to be available on a more stable basis in the STIF Plus and Extended Investment Portfolio programs, and, pursuant to CGS 3-24k, the Community Bank and Credit Union Initiative, in which the Office of the Treasurer supports Connecticut-based banks and credit unions with assets not exceeding \$500 million through the investment of State funds in certificates of deposit at the qualifying institutions.

The Year in Review

During Fiscal Year 2015, the Cash Management Division's noteworthy accomplishments included:

- Expanded electronic payments to municipalities and vendors, working in collaboration with the Office of State Comptroller, with payments totaling \$12.1 billion during the year;
- Conducted the 20th annual meeting of STIF investors in concert with the 9th Public Finance Outlook Conference, attended by nearly 180 state, local government, and private finance professionals;
- Increased payments flowing through the Debt Service Express program, in which participating towns have debt service payments deducted from their STIF accounts by their bond paying agent;
- Continued to test a multi-level business continuity and disaster recovery system to support daily cash operations;
- Expanded the process of depositing checks through the Internet via remote deposit technology to five additional agencies with 30 deposit locations, thereby speeding deposits and reducing banking costs;
- Worked with state agencies to expand the ability to collect fees and other receipts via electronic checks or credit card payments over Internet-based systems;
- Worked with State agencies to increase their use of Automated Clearing House electronic payments, thus streamlining payment administration and reducing banking costs;
- Expanded the use by State agencies of direct deposit for certain client purchases, thus streamlining payment administration and reducing banking costs; and
- Expanded "positive pay" security services to protect against check fraud for 39 agency accounts.

2015 Division Performance

The Office of the Treasurer's Cash Management Division performance is highlighted by numerous achievements during Fiscal Year 2015:

- Total annual return of 0.15 percent in STIF exceeded its primary benchmark by 12 basis points, resulting in \$5.3 million in additional interest income for Connecticut governments and their taxpayers, while adding \$141 thousand to its reserves. During the past fifteen years STIF has earned an additional \$189 million, while adding \$ 43.8 million to its reserves during this period. (The next section of this report provides a detailed discussion of STIF.);
- STIF's Comprehensive Annual Financial Report (CAFR) was awarded the Certificate of Achievement for Excellence in Financial Reporting for 2014 by the Government Finance Officers Association (GFOA);
- STIF's credit rating of AAAm – the highest available — was maintained and affirmed by Standard & Poor's (S&P), the leading rating agency of money market funds and local government investment pools;

CASH MANAGEMENT DIVISION

- The addition of 102 local government STIF accounts with \$98 million of assets;
- Investment of \$24 million with community financial institutions under the Connecticut Community Bank and Credit Union Initiative at an average awarded annualized interest rate of 0.15 percent. Since inception, program investments have totaled \$432.5 million; and
- The identification and recapture of \$74,000 in annualized bank overcharges.

2015 short-term investment fund

Fund Facts at June 30, 2015

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

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

Benchmarks: : iMoneyNet Money Fund AverageTM - Rated First Tier Institutional Average (MFR) Index, Federal Reserve Three-Month T-Bill.

Date of Inception: 1972

Total Net Position: \$5.0 billion

Internally Managed

External Management Fees: None

Expense Ratio: Approximately 4-5 basis points (includes internal management and personnel salaries)

Description of the Fund

The Treasurer's Short-Term Investment Fund ("STIF" or the "Fund") is an AAAM rated investment pool of high-quality, short-term money market instruments managed by the Treasurer's Cash Management Division. Created in 1972, it serves as an investment vehicle for the operating cash of the State Treasury, State agencies and authorities, municipalities, and other political subdivisions of the State. (See Figure 15-1.) STIF's objective is to provide as high a level of current income as is consistent with, first, the safety of principal and, second, the provision of liquidity to meet participants' daily cash flow requirements. During the 2015 fiscal year, STIF's portfolio averaged \$4.4 billion.

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

STIF pays interest monthly based on the daily earnings of the Fund less Fund expenses and an allocation to the Fund's Designated Surplus Reserve. The daily reserve allocations equal one-tenth of one percent of the Fund's daily balances divided by the number of days in the year, until the reserve totals one percent of the Fund's daily balance. The reserve at June 30, 2015, totaled \$50.5 million.

To help the Fund and its investors evaluate performance, STIF compares its returns to two benchmarks. The first is the iMoneyNet Money Fund AverageTM - Rated First Tier Institutional Average (MFR) Index. This index represents an average of institutional money market mutual funds rated AAAM that invest primarily in first-tier (securities rated A-1, P-1) taxable securities. While STIF's investment policy allows for somewhat greater flexibility than these SEC-registered funds, the MFR Index is the most appropriate benchmark against which to judge STIF's performance. During the past year, STIF's actual investment strategy has been considerably more restrictive than most private money funds and its own policy would permit. (See Figure 15-3.)

STIF's yields are also compared to the average Federal Reserve three-month T-Bill rate and a three-month CD rate. The former benchmark is used to measure STIF's effectiveness in achieving yields in excess of a "risk-free" investment. The latter is discussed for the benefit of STIF investors, many of whom invest in bank certificates of deposit. In viewing these benchmarks, it is important to keep in mind that yields of CDs will exceed those of the T-Bill index due to a CD's slightly higher risk profile and comparatively lower liquidity. Additionally, it is important to note that the 90-day benchmarks exceed STIF's shorter average maturity. In order to maintain its AAAM rating, the STIF cannot exceed a 60-day weighted average maturity (WAM) limit. Furthermore, these benchmarks are "unmanaged" and are not affected by management fees or operating expenses. (See Figure 15-6.)

Among the Fund's several achievements during the 2015 fiscal year was the reaffirmation and continuation of its AAAM rating by Standard & Poor's. In S&P's view, "a fund rated 'AAAM' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk."

Portfolio Characteristics

During Fiscal Year 2015, the STIF portfolio continued its conservative investment approach of balancing liquidity and stability while maximizing yield for investors. STIF's conservative investment practices include maintaining abundant liquidity, a well-diversified portfolio, and significant holdings of securities issued, guaranteed or insured by the U.S. government and federal agencies.

Accordingly, at year-end STIF held 66 percent of Fund assets in overnight investments or investments that are available on a same-day basis. During the fiscal year, the Fund's weighted average maturity fluctuated between a low of 33 days and a high of 47 days and ended the year with a weighted average maturity of 37 days. Sixty-eight percent of STIF's assets were invested in securities issued, guaranteed or insured by the U.S. government or federal agencies, in repurchase agreements backed by such securities, or in money funds comprised of such securities.

The Fund ended the year with an 93 percent concentration in investments with short-term ratings of A-1+ and securities issued, guaranteed, insured or backed by an irrevocable letter of credit by the U.S. government or federal agencies. Seventy-eight percent of the Fund was invested in securities with maturities, or interest rate reset dates for adjustable rate securities, of less than 30 days. The Fund's three largest security weightings included deposit instruments (42.5 percent), federal agency securities (29.3 percent), and government money market funds (10 percent). (See Figure 15-5.)

Market Review

During Fiscal Year 2015, the short-term markets transitioned from being influenced by crisis to being influenced by change. During the year we began to see the impact of banking regulation, money market reform and, importantly, the shift in focus of the Federal Reserve from easing to tightening.

A combination of the BASEL III regulatory framework and US supplements to BASEL began to be evidenced within the fiscal year as the repurchase agreement ("repo") market began to tighten as banks found it inefficient to allocate capital to less profitable lines of business. Increased capital requirements have forced banks to allocate capital more judiciously and focus on lines of business that generate higher returns and, therefore, a higher return on capital. The changing regulatory framework could also be felt in the way financial institutions accepted deposits. Where financial institutions had once been open to funding with short-term deposit instruments, liquidity requirements began to force them to look at longer-term deposit instruments that do not require the same amount of high quality liquid assets to be held against them. For liquidity vehicles such as the Short-Term Investment Fund, this has amounted to fewer investment options and the need to find liquid alternatives in the short-end of the yield curve.

Money market reform was also front and center during the fiscal year as the Securities and Exchange Commission ("SEC") put forward their answer to the concerns regarding money funds and market liquidity raised in the early days of the financial crisis. At the end of the fiscal year, the outstanding proposal called for "prime" 2a7 funds (those with exposure to financial instruments other than government securities) to have a floating net asset value and the potential to close the funds for redemption in times of extreme market stress. The impact of this upon the market was felt through increased demand for government securities, which helped keep yields on these securities very low (at times, negative). The shrinking balance sheets of the various federal agency issuers magnified the effect as supply decreased while demand increased.

While BASEL and money market reform helped influence the markets, the Federal Reserve System's Federal Open Market Committee ("FOMC") was center stage and under the spotlight and the microscope. Having exited the primary vehicles of the quantitative easing begun during the financial crisis, attention turned to the timing of "policy normalization", or an increase in the federal funds rate. While the first increase in the federal funds rate was initially expected to occur in the first half of calendar 2015, softer data and a cautious

outlook pushed the prospective timing into the second half of calendar 2015. The expectation of the Fed “liftoff” has helped propel one year treasury rates from 0.10 percent at the end of Fiscal 2014 to their current 0.33%. During the same time period, the three month London Interbank Offered rate (“LIBOR”) increased from 0.23 percent to its current 0.33 percent.

Domestic growth, as measured by Gross Domestic Product (GDP), increased during the fiscal year and became less volatile. For Fiscal Year 2015, GDP ranged between 2.5 percent and 2.9 percent. For the entire fiscal year, GDP averaged a rate of 2.7 percent, up 0.1 percentage point from Fiscal Year 2014. Meanwhile, the domestic employment situation continued to strengthen, with the unemployment rate falling from 6.2 percent to 5.3 percent, or 0.9 percentage points during the 2015 fiscal year. During the course of the fiscal year, over 2.9 million people were added to payrolls while, at the same time, the labor force participation rate continued to drop, ending the fiscal year at 62.6 percent from 62.8 percent a year earlier. The drop in the participation rate has magnified the effect of employment gains on the unemployment rate, but has recently shown signs of stabilizing.

Domestic inflation (as measured by the year-over-year change in the consumer price index) averaged 0.7 percent during the fiscal year, down from 1.6 percent in fiscal year 2014. While domestic inflation has remained weak, the Eurozone experienced bouts of deflation, with the average rate of inflation during the fiscal year of just 0.1 percent, down significantly from the Fiscal Year 2014 period.

Performance Summary

For the one-year period ending June 30, 2015, STIF reported an annual total return of 0.15 percent, net of all expenses and \$141 thousand in allocations to Fund reserves. Annual total return measures the total investment income a participant would earn with monthly compounding at the Fund’s monthly net earned rate during the year. This figure exceeded that achieved by its benchmark, the MFR Index, which equaled 0.03 percent, by 12 basis points. In addition, STIF performance handily exceeded that of three-month T-Bills, which yielded 0.02 percent. The Fund’s performance fell short of three-month CDs, which yielded 0.23 percent but lack STIF’s daily liquidity and exceed STIF’s average maturity. STIF’s relative performance was limited by the fund’s more cautious investment strategy which is focused on safety and liquidity.

The principal reasons for STIF’s continued strong performance, despite its cautious strategy, was the selective addition of more bank deposit instruments and the active management of maturities within the portfolio as well as the low overall expense rate.

Over the long-term, STIF has performed exceptionally well. For the trailing three-, five-, seven-, and ten-year periods, STIF’s compounded annual total return was 0.15 percent, 0.17 percent, 0.38 percent, and 1.65 percent, net of all expenses and contributions to reserves, exceeding returns of each of its benchmarks for all time periods. Viewed on a dollar-for-dollar basis, had one invested \$10 million in STIF ten years ago, that investment would have been worth \$11.8 million at June 30, 2015, versus \$11.5 million for a hypothetical investment in the MFR Index. (See Figure 15-6.) During the past 10 years, STIF has earned \$92.0 million above its benchmark while adding \$30.8 million to its reserves.

Risk Profile

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

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

CASH MANAGEMENT DIVISION

Figure 15-1

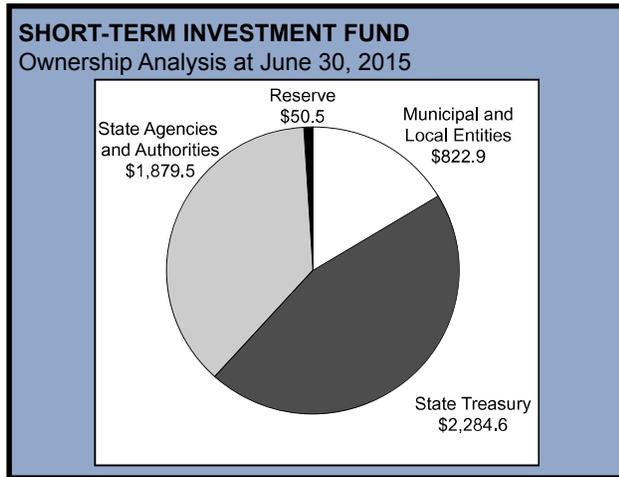


Figure 15-2

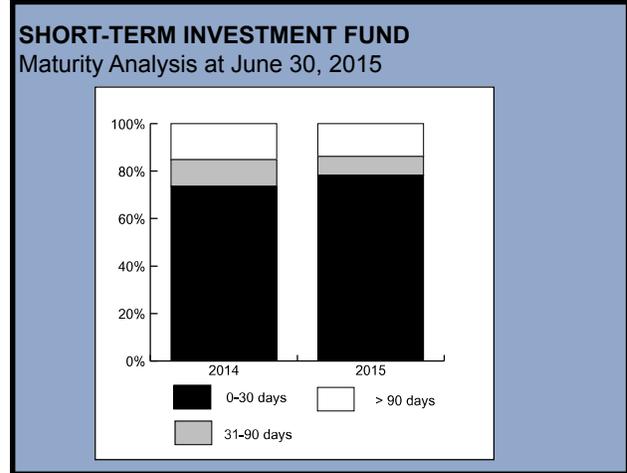


Figure 15-3

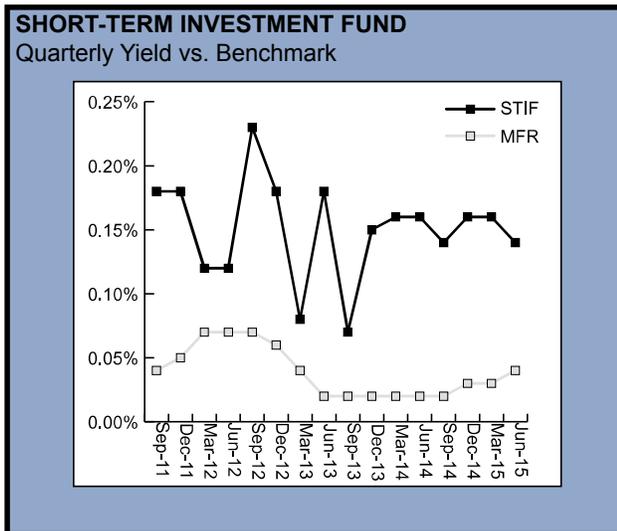
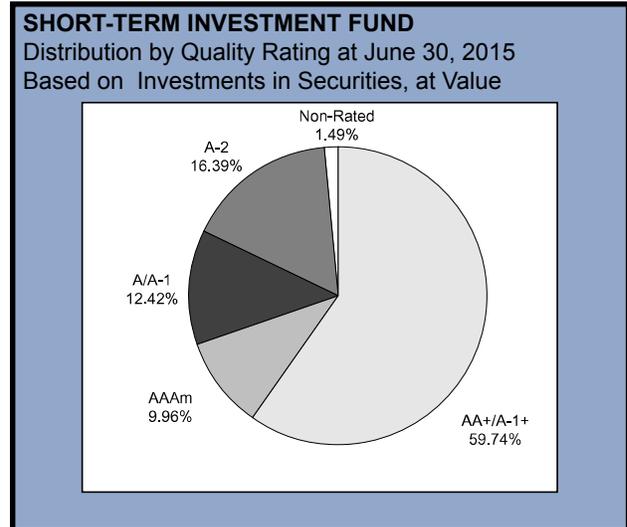


Figure 15-4



*A-2 securities are backed by irrevocable standby letters of credit provided by federal home loan banks. N/R securities are federally insured custodial account securities.

Figure 15-5

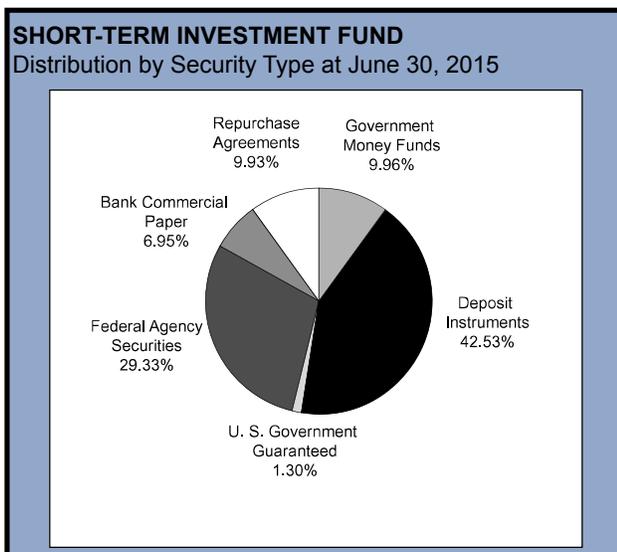


Figure 15-6

SHORT-TERM INVESTMENT FUND
Period ending June 30, 2015

	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Compounded Annual Total Return (%)					
STIF	0.15	0.15	0.17	0.38	1.65
MFR Index*	0.03	0.03	0.05	0.23	1.44
Fed. Three-Month T-Bill	0.02	0.05	0.06	0.15	1.26
Cumulative Total Return (%)					
STIF	0.15	0.45	0.84	2.69	17.79
MFR Index*	0.03	0.10	0.23	1.61	15.34
Fed. Three-Month T-Bill	0.02	0.15	0.31	0.99	13.67

STIF uses a time-weighted linked rate of return formula to calculate rates of return.

*Represents iMoneyNet Money Fund Average™ - Rated First Tier Institutional Average (MFR) Index.

2015 unclaimed property division

Division Overview

The Office of the Treasurer's Unclaimed Property Division is responsible for safeguarding assets turned over to the Office in accordance with state law, until the rightful owners are located. The primary objective of the unclaimed property program is to reunite rightful owners or heirs with their unclaimed property, which is remitted to the Office of the Treasurer by business entities after the business loses contact with a customer for a period of three to five years. Unclaimed assets include, but are not limited to: deposits in savings or checking accounts, un-cashed checks, matured certificates of deposit, stocks, bonds or mutual funds, travelers' checks or money orders and proceeds of life insurance policies.

A permanent record of reports of unclaimed property filed annually by holders of such property is maintained by the Division. Unclaimed property holders include banks, credit unions, insurance companies, brokerage firms, utility companies, and businesses. The Division prescribes holder report forms and monitors reporting by holders. Such assets must be reported and remitted within 90 days following the close of each calendar year. These assets are held in the custody of the Treasurer until claimants come forward to claim the property. Rightful owners or their heirs always have the right to claim funds held by the Treasury. There is no time limit to claim funds.

To determine whether a holder is complying with its duties under the law, the Division is permitted to conduct examinations of company records. Upon receipt of unclaimed securities (stocks and mutual funds), the Treasurer may proceed with the sale of the securities and retains the proceeds for the benefit of the owner of the property.

Efforts to locate the owners of abandoned property include the biannual publication listing abandoned property reported and transferred to the Treasurer. The Division also maintains a user friendly website that is updated with new names weekly.

The Unclaimed Property Division consists of twenty-two employees under the direction of an Assistant Treasurer.

The Year in Review

- As of June 30, 2015 the unclaimed property website contained \$710 million in escheated property held for 1,294,659 owners.
- There are over 1.5 million shares (estimated value of \$543,000) (Figure 16-1) in the custodian account as of June 30, 2015.
- All holder reports received through June 30, 2015 were loaded to the database.

2015 Division Performance

During Fiscal Year 2015, the Unclaimed Property Division:

- Returned \$61 million (Figure 16-2) to 17,888 rightful owners (Figure 16-3).
- Received approximately \$148 million in unclaimed property (Figure 16-4) of which \$79 million was voluntarily reported by businesses, \$27 million from examinations of company records and \$42 million from the sale of 2.2 million shares of securities.
- Since 1999 the Unclaimed Property Division has received a total of \$903 million in unclaimed property voluntarily reported by holders, an additional \$246 million from examinations and \$451 million from the sale of stocks, bonds or mutual funds.

UNCLAIMED PROPERTY DIVISION

- The total amount of money collected as Unclaimed Property since 1999 is \$1.6 billion.
- All unclaimed property receipts are deposited into the general fund until rightful owners come forward to claim the property.
- In accordance with Connecticut General Statute section 3-69a (a) (2), \$11,281,219 of unclaimed property receipts was deposited into the Citizens's Election Fund and the balance into the General Fund for Fiscal Year 2015.

Figure 16-1

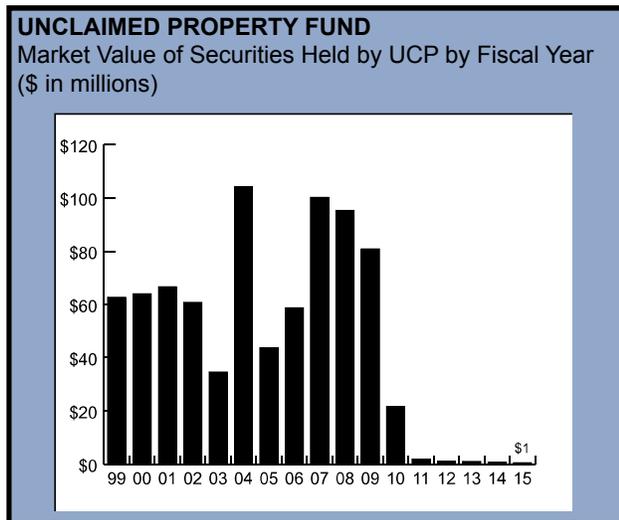


Figure 16-2

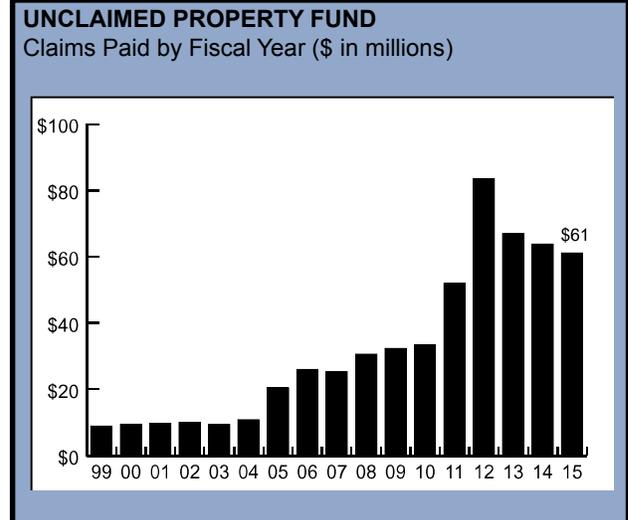


Figure 16-3

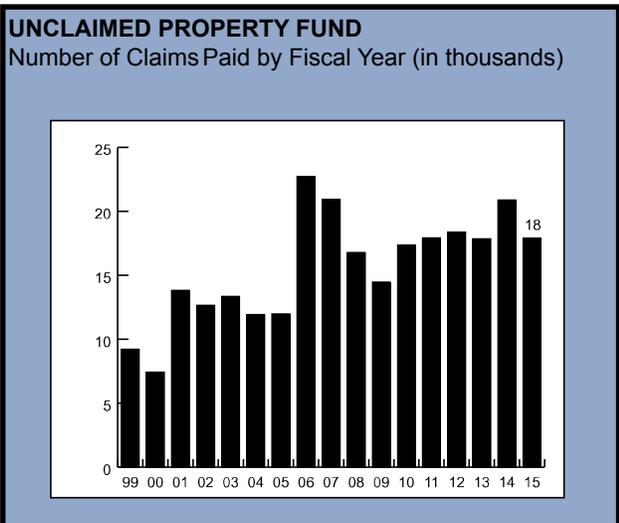
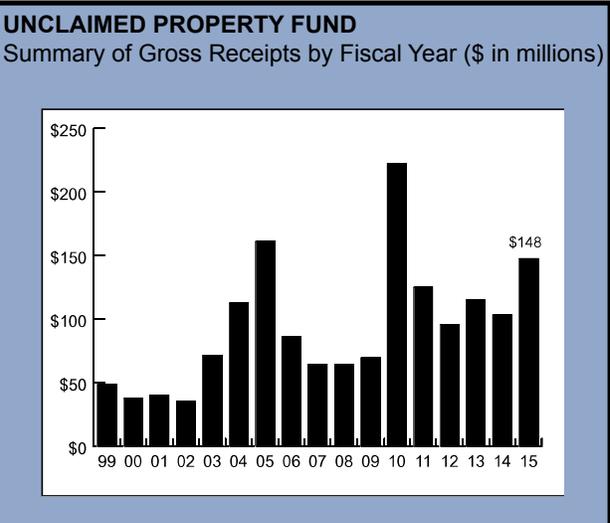


Figure 16-4



2015 second injury fund

Division Overview

The Second Injury Fund (“SIF” or “the Fund”) is a state operated workers’ compensation insurance fund established in 1945 to discourage discrimination against veterans and encourage the assimilation of workers with a pre-existing injury into the workforce. Public Act 95-277 closed the Fund to new “second injury” claims for injuries sustained on or after July 1, 1995 and expanded enforcement, fines and penalties against employers who fail to provide workers’ compensation coverage. Prior to July 1, 1995, the Fund provided relief to employers where a worker, who already had a pre-existing injury or condition, was hurt on the job and that second injury was made “materially and substantially” worse by the first injury. Such employers transferred liability for these workers’ compensation claims to the Fund if certain criteria were met under the Connecticut Workers’ Compensation Act (thus the term “Second Injury Fund”).

Today the Fund continues to be liable for those claims transferred prior to the closing of the Fund as well as claims involving uninsured employers, reimbursement of cost of living adjustments for certain injuries involving payment of benefits or dependent widow’s benefits and, on a pro rata basis, reimbursement claims to employers of any worker who had more than one employer at the time of the injury.

The Fund is responsible for adjudicating qualifying workers’ compensation claims fairly and in accordance with applicable law, industry standards and best practices. Where possible, the Fund seeks to return injured workers to gainful employment or seeks settlement of claims, which will ultimately reduce the burden of Fund liabilities on Connecticut businesses.

The Second Injury Fund is financed by assessments on all Connecticut employers. The State Treasurer as Custodian of the Fund establishes the assessment rate on or before May 1st of each year.

Insured employers pay a surcharge on their workers’ compensation insurance policies based on “standard premiums” calculated and issued by insurance companies who also collect and remit this assessment to the Fund. The assessment for self-insured employers is based on “paid losses” for medical and indemnity benefits incurred in the prior calendar year.

Under the administration of an Assistant Treasurer, the division employed thirty employees.

The Year in Review

- There were four assessments made on insured employers totaling \$33.8 million and self-insured employers were assessed four times totaling \$6.2 million, for a combined assessment on all Connecticut employers of \$40 million for Fiscal Year 2015. The assessment rate for insured employers is 2.75% and 3.25% for self-insured employers in Fiscal Year 2015. Assessment rates on Connecticut business went from a high in 1999 of 10% to 2.75% in 2015.
- Reserves (estimated unfunded liability) for all open claims total \$384 million, a decrease of \$12 million from a year ago. The Fund expects the unfunded liabilities will continue to decline in Fiscal Year 2016. (See figure 17-1). The Fund reduced its unfunded liability by 54.2% from a high of \$838 million in 1999.

2015 Division Performance

During Fiscal Year 2015 the Second Injury Fund:

- Marked the seventeenth consecutive year in which the Fund either reduced or maintained assessment rates for Connecticut businesses – representing the longest period of time without a rate increase in the history of the Fund;
- Provided \$28.4 million in indemnity, medical and settlement payments to injured workers;

SECOND INJURY FUND

- Saw the number of injured workers receiving bi-weekly benefits (indemnity payments only) decreased from 284 a year ago to 274;
- Participated in 215 settlements at a cost of \$5.2 million. Since 1999 the Fund's caseload dropped from 4,523 to 2,899 as of June 30, 2015 (See figure 17-2);
- Realized a total savings of \$1.2 million in medical costs using a Preferred Provider Organization Network offered by contracted medical vendors;
- Worked with the Second Injury Fund Advisory Board to help the Fund carry out its mission.

Second Injury Fund Advisory Board

Two meetings were held during Fiscal Year 2015 – November 19, 2014 and June 17, 2015.

The current Advisory Board members are:

Senator Ed Gomes; Co-Chair, Labor and Public Employees Committee of the General Assembly

State Representative Peter Tercyak; Co-Chair, Labor and Public Employees Committee of the General Assembly

Lori Pelletier; Connecticut AFL-CIO, Advisory Board Chairperson

Clifford G. Leach; The Hartford Financial Services Group, Inc.

Dorothy Siniscalchi; International Union of Operating Engineers Local 478 Benefits Funds

Kathleen Cooper; Greater Hartford Chapter of the Coalition of Black Trade Unionists

Joseph McFetridge; Northeast Utilities Service Company

Eric Gjede; Connecticut Business and Industry Association

Figure 17-1

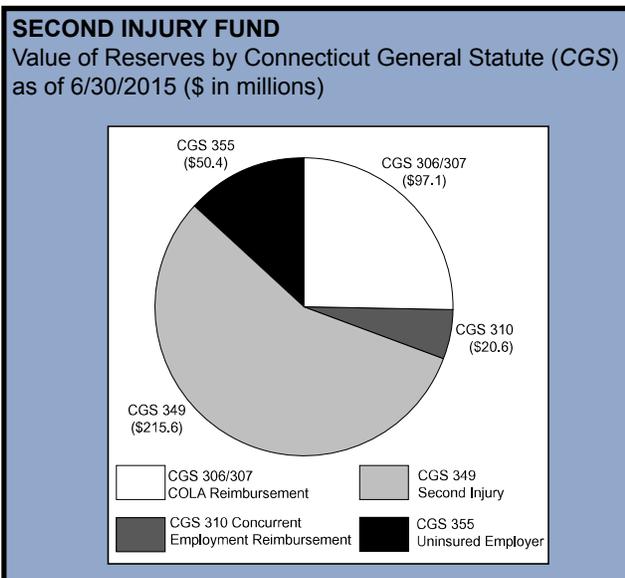
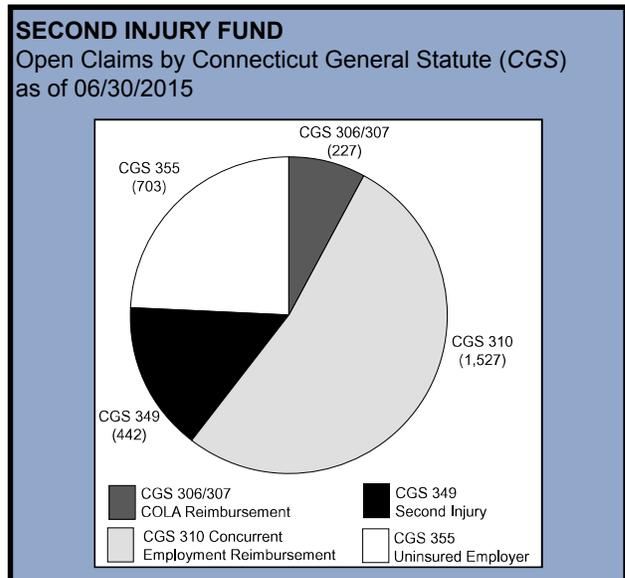


Figure 17-2



Trust Overview

Establishment of the Trust

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

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

State Income Tax Deduction

The state income tax deduction for CHET, which became effective on July 1, 2006, provides Connecticut taxpayers with the ability to deduct program contributions of up to \$5,000 for single filers or \$10,000 for joint filers per year from their Connecticut adjusted gross income.

Direct-Sold Program

Since 1999, TIAA-CREF Tuition Financing, Inc. (TFI), a wholly-owned subsidiary of Teachers Insurance and Annuity Association of America (TIAA), and the Treasurer of the State of Connecticut have had a Management Agreement under which TFI serves as Program Manager. In 2014, the Treasurer entered into an agreement with TFI for the Direct Sold program for a contract period ending in August 2020.

Under the Direct Sold Plan, an individual would be asked to name a beneficiary on the CHET application and select the investment option(s) in which they want to invest contributions. Contributions may be allocated among fourteen investment options: the Moderate Managed Allocation Option, the Aggressive Managed Allocation Option, the Conservative Managed Allocation Option, the High Equity Balanced Option, the International Equity Index Option, the Global Equity Index Option, the U.S. Equity Index Option, the Index Fixed-Income Option, the Social Choice Option, the Active Fixed-Income Option, the Money Market Option, the Principal Plus Interest Option, the Active Global Equity Option, and the Global Tactical Asset Allocation Option. These options provide Connecticut families the opportunity to save for future college expenses, with the flexibility to choose investment vehicles which meet their particular risk tolerance and financial need.

Program features of CHET Direct include a low minimum account opening balance of \$25, and the convenience of automated payroll and bank Electronic Funds Transfers (EFT) for contributions, which can be as low as \$15 a pay period if using payroll deduction. Account funds can be used at thousands of eligible (accredited) college and higher education institutions nationwide and abroad. The program allows for transferability of account funds to other eligible members of the original beneficiary’s family without penalty. In addition, over 600 Connecticut employers currently offer payroll deduction.

Advisor-Sold Program

In 2010, the Treasurer entered into a Management Agreement with The Hartford Life Insurance Company to be the program manager for an Advisor-Sold plan for a contract period ending August 30, 2017. The Advisor-Sold Plan commenced operation in October 2010. The Program is operated in a manner such that it is exempt from registration as an investment company under the Investment Company Act of 1940.

CHET Advisor is not marketed directly to individuals. The Hartford has developed a network of financial advisors through the state that now offer CHET Advisor as an investment option.

Under the Advisor Sold Plan there are 18 investment options, including one age based option, 5 static portfolios, and 12 individual portfolios. The static portfolios are: CHET Advisor Aggressive Growth, Growth, Balanced, Conservative, and a Checks & Balances Portfolio. The 12 Individual Portfolios are Hartford Small Cap Growth, Growth Opportunities, International Opportunities, Capital Appreciation, MidCap, Global Real Asset, Dividend & Growth, Equity Income, Inflation Plus, Total Return Bond, World Bond and Money Market 529 Portfolio. The Advisor-Sold plan has 3 investment classes: A, C, and E. Class A has an up-front sales charge, Class C has no up-front sales charge but has a contingent deferred sales charge for withdrawals made within one year of deposit, and Class E, which is only available to certain groups associated with Hartford Life, has no sales charge or deferred sales charge.

There are annual management fees for both CHET Direct and CHET Advisor, which vary based on investment option chosen.

CHET's account balance limit for contributions is \$300,000. Under federal statute, this account balance limit applies to the total amount a beneficiary has in both CHET Direct and CHET Advisor accounts.

The Year in Review

CHET continued initiatives aimed at increasing public education and awareness regarding the importance of saving for college, especially beginning at a young age, and the advantages of the official state-sponsored 529 college plan for Connecticut families of all demographic and socioeconomic groups.

Both the CHET Direct program and the CHET Advisor program provide means of investing in educational opportunities, and work diligently to increase the number of new accounts and beneficiaries even as existing CHET account holders begin to use accumulated savings to pay for the costs of higher education.

As a low-cost, direct-sold 529 college saving plan, CHET Direct's annual fees are among the lowest in the country. Except for the Principal Plus Interest Option, the fee structure includes a base management fee of 0.15% plus an asset management fee that varies depending on the investment option chosen. The Principal Plus Interest Option does not pay an asset-based fee. An additional program management fee reduction occurred when assets under management reached \$2 billion in Fiscal Year 2014. There is also a state oversight fee to pay for the administrative expenses of the Trustee which is 0.01% for CHET Direct and 0.02% for CHET Advisor.

The CHET Direct program received high marks during the fiscal year from Morningstar -- a leading independent investment research firm that monitors college savings plans across the country. In October 2013, Morningstar evaluated 529 college savings plans, and CHET was one of 14 direct-sold plans that received a "Bronze" medal rating. (CHET Advisor was not part of the Morningstar review.)

CHET Advisor

During Fiscal Year 2015, the number of accounts in the CHET Advisor program grew from 16,224 to 20,370. During the same period, total assets grew from \$275.2 million to \$339.6 million.

CHET Direct

During Fiscal Year 2015, the number of accounts in the CHET Direct program grew from 94,438 (June 2014) to 101,280 (June 2015). During the same period, total assets grew from \$2.3 billion a year ago to \$2.4 billion, with over \$1 billion of qualified withdrawals since inception. Considerable progress has been achieved since 1999, when Treasurer Nappier began to supervise the management of CHET Direct. At that time there were just over 4,000 accounts and \$18 million in total assets.

Major marketing milestones in Fiscal Year 2015 include continuing the CHET Advance Scholarship program. CHET Advance scholarships are funded annually by both TFI and The Hartford per their respective contracts with the Treasurer's Office. In the spring of 2014, scholarships were awarded to high school juniors and 6th graders, and in the fall of 2015 they will be awarded to high school freshmen and seniors. Also notable, in the spring of 2014, the State of Connecticut passed legislation creating the CHET Baby Scholars program, providing \$100 to every newborn and newly adopted child in Connecticut, and an additional \$150 match if the family saves \$150 by the child's fourth birthday or by the fourth anniversary of the adoption. Marketing of the program launched during the summer of 2014. With one full year since launch, 2,400 CHET Baby Scholars accounts have been opened with \$4 million invested into them by CT families. CHET also continued the annual Dream Big! essay and drawing competition for elementary school students, and a back pack donation to help student preparedness for the new school year. Integrated advertising and direct marketing campaigns ran throughout the year, focusing on tax time, graduation time, back-to-school and year-end contributions. CHET's advertising and direct marketing efforts served to increase CHET's brand awareness among state residents. The campaigns focused on the value of saving for college and the specific benefits of Connecticut's 529 college savings program.

CHET Advisory Committee

State law created the CHET Advisory Committee, which meets annually.

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

The statutory members of the CHET Advisory Committee as of the December 5, 2014 annual meeting were:

DENISE L. NAPPIER, State Treasurer

BENJAMIN BARNES, Office of Policy and Management

JANE CIARLEGLIO, Executive Director, Office of Higher Education

SEN. ANDREA STILLMAN, Senate Chair, Education Committee

REP. ANDREW M. FLEISCHMANN, House Chair, Education Committee

SEN. ANTONEIETTA "TONI" BOUCHER, Senate Ranking Member, Education Committee

REP. MARILYN GIULIANO, House Raking Member, Education Committee

SEN. JOHN FONFARA, Senate Chair, Finance, Revenue and Bonding Committee

REP. PATRICIA WIDLITZ, House Chair, Finance, Revenue and Bonding Committee

CONNECTICUT HIGHER EDUCATION TRUST

SEN. SCOTT FRANTZ, Senate Ranking Member, Finance, Revenue and Bonding Committee

REP. SEAN WILLIAMS, House Ranking Member, Finance, Revenue and Bonding Committee

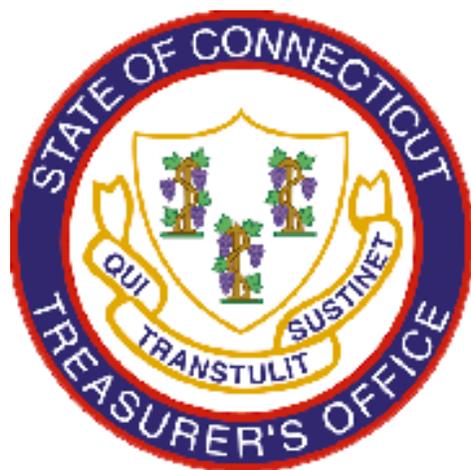
MARGARET MALASPINA , Director of Financial Aid, Capitol Community College

PATRICK TORRE, Vice President Finance, University of New Haven

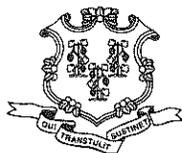
JULIE SAVINO, Dean of Student Financial Assistance, Sacred Heart University

CHRISTOPHER FORSTER, Board of Regents for Higher Education

Financial Statements



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 AND STATUTORY CERTIFICATION

Dannel P. Malloy, Governor of Connecticut
Members of the General Assembly:

Report on the Financial Statements and Schedules included in the Treasurer's Annual Report

We have audited the accompanying financial statements of the Combined Investment Funds, which comprise the statement of net position as of June 30, 2015, the statements of changes in net position for the fiscal years ended June 30, 2015 and 2014, and the related notes to the financial statements. We have audited the accompanying financial statements of the Short-Term Investment Fund, which comprise the statement of net position, including the list of investments as of June 30, 2015, the statements of changes in net position for the fiscal years ended June 30, 2015 and 2014, and the related notes to the financial statements. We have audited the accompanying financial statements of the Second Injury Fund, which comprise the statements of net position as of June 30, 2015 and 2014 and the related statements of revenues, expenses and changes in net position and the statements of cash flows for the fiscal years ended June 30, 2015 and 2014, and the related notes to the financial statements. We have audited the accompanying statements of net position of the other Non-Civil List Trust Funds as of June 30, 2015, together with the related statement of revenue and expenditures, and statement of changes in net position and the statement of cash flows for the other Non-Civil List Trust Funds and the related notes to the financial statements for the fiscal year ended June 30, 2015. We have audited the accompanying schedules of Civil List Funds investments and the summary schedule of cash receipts and disbursements of the Civil List Funds for the fiscal year ended June 30, 2015. We have audited the accompanying schedule of debt outstanding and the changes in debt outstanding for the fiscal year ended June 30, 2015.

Management's Responsibility

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

As described in the notes to the financial schedules, management has prepared the schedules of Civil List Funds investments and the summary schedule of cash receipts and disbursements of the Civil List Funds as well as the schedule of debt outstanding and the changes in debt outstanding using accounting practices prescribed by the State Comptroller, which practices differ from accounting principles generally accepted in the United States of America. The presentation of the Civil List Funds are intended to present only the cash and investments under the Treasurer's care and does not depict a full financial statement presentation. Management has not presented the current portion of long-term debt obligations in accordance with Generally Accepted Accounting Principles. The effects on the financial schedules of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Opinion

Debt Outstanding and Changes in Debt Outstanding and Civil List Funds

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the schedules of the Civil List Fund investments, the summary schedule of cash receipts and disbursements of the Civil List Funds, the schedule of debt outstanding, and the changes in debt outstanding as of and for the fiscal year ended June 30, 2015, do not present fairly in conformity with accounting principles generally accepted in the United States of America the financial position or changes in financial position for the fiscal year ended June 30, 2015. In our opinion, the schedules of the Civil List Fund investment, the Summary schedule of cash receipts and disbursements of the Civil List Funds, the schedule of debt outstanding and the changes in debt outstanding as of and for the fiscal year ended June 30, 2015, are presented fairly in all material respects, in accordance with the financial and budgetary requirements referred to as the statutory basis of accounting and described within the related notes to those schedules.

Combined Investment, Short-Term Investment Funds, and the Other Non-Civil List Trust Funds

In our opinion, the financial statements the financial position of the Combined Investment Funds as of June 30, 2015, and the related statements of changes in net position for the fiscal years ended June 30, 2015 and 2014, the statement of net position of the Short-Term Investment Fund, including the list of investments, as of June 30, 2015, and the related statements of changes in net position for the fiscal years ended June 30, 2015 and 2014, the statements of net position of the Second Injury Fund as of June 30, 2015 and 2014, and the related statements of revenues, expenses and changes in net position and the statements of cash flows for the fiscal years then ended, and the statements of net position of other Non-Civil List Trust Funds as of June 30, 2015, and the related statements of revenue and expenditures, statement of changes in net position and the statement of cash flows for the fiscal year then ended, are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles.

Emphasis of Matter - Cash Adjusted Fair Values

As explained in Note 1B to the financial statements of the combined investment funds, the real estate, private investment, alternative investment, core fixed income, and high yield debt funds include investments that 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.

Emphasis of Matter - Reclassification

As explained in Note 1K to the financial statements of the combined investment funds, certain amounts for the fiscal year ended June 30, 2014 have been reclassified to correct a prior period misstatement. Dividend income has been reclassified to realized gain/loss for the alternative investment fund, private investment fund and real estate funds. Our opinion is not modified with respect to this matter.

Report of Other Auditors

We did not audit the accompanying financial statements of the Connecticut Higher Education Trust. These financial statements were audited by other auditors whose reports thereon have been included with the accompanying financial statements.

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 Position by Investment Fund, Schedules of Changes in Net Position by Investment Fund, Total Net Position Value by Pension Plans and Trust Funds and the Schedules of Investment Activity by Pension Plan and by Trust contained within the supplemental 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 fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

The introduction, division operation, supplemental information and the statutory appendix sections include information presented for purposes of additional analysis that is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, except as specifically noted in this audit opinion. 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, 2015, 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, 2015*, 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. This particular certification is issued by the Auditors of Public Accounts and the State Comptroller in accordance with Section 2-90 of the Connecticut General Statutes.



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts



Kevin Lembo
State Comptroller

December 31, 2015
State Capitol
Hartford, Connecticut

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) provides an overview of the Annual Report of the Office of the Treasurer's financial performance for the fiscal year ended June 30, 2015. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements, notes to financial statements and on Compliance Under C.G.S. Section 2-90 based on an Audit of Financial Statements performed in Accordance with Government Auditing Standards included in the "Financial Statements" section, and the other information included in the "Supplemental Information" section of this report.

FINANCIAL STATEMENTS PRESENTED IN THIS REPORT

The Treasurer is the chief elected financial officer of the State of Connecticut, overseeing a wide variety of activities regarding the prudent conservation and management of State funds. These include the asset investment administration of a \$29.7 billion portfolio for six State pension and nine State trust funds, a short-term investment fund approximating \$5.0 billion, and the Connecticut Higher Education Trust (Direct Plan and Advisor Plan), a qualified state tuition program designed to promote and enhance affordability and accessibility of higher education to State residents, containing \$2.7 billion as of June 30, 2015.

The organizational structure of the Treasury comprises an Executive Office which coordinates all financial reporting, administration and support functions within the Treasury, and oversees administration of the Connecticut Higher Education Trust, and five divisions including: Pension Funds Management responsible for managing the assets of over 212,000 active and retired teachers, state, and municipal employees as well as trust funds financing academic programs, grants, and initiatives throughout the state; Debt Management, the public finance department for the State, responsible for issuing and managing the State's debt including issuing bonds to finance State capital projects and managing debt service payments and cash flow borrowing, administering the Clean Water Fund and maintaining the State's rating agency relationships; Cash Management, responsible for all the State's cash inflows and outflows and managing the State's cash transactions, banking relationships and short-term investments; Unclaimed Property responsible for returning unclaimed property to rightful owners or heirs; and the Second Injury Fund, responsible for managing the largest workers' compensation claim operation in Connecticut, serving injured workers whose claims are paid by the Fund.

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

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

The Statement of Net Position presents assets and liabilities, with the difference between the two reported as "net position held in trust for participants".

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

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

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

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

Connecticut Higher Education Trust (Direct Plan and Advisor Plan): The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position are two financial statements that report information about the Connecticut Higher Education Trust Program as of June 30.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

FINANCIAL HIGHLIGHTS OF FISCAL YEAR 2015

At June 30, 2015, the Combined Investment Funds reported investment balances of \$29.7 billion. The Short-Term Investment Fund reported a fund balance of \$5.0 billion. These two funds account for 99% of the investments in the fiduciary funds managed by the Office of the Treasurer.

The Connecticut Retirement Plans and Trust Funds Fiscal Year 2015 performance resulted in a net position of \$29.7 billion at June 30, 2015 increasing from \$29.4 billion at June 30, 2014 as a result of solid returns in the Private Investment and Mutual Equity Funds asset classes. Total returns are after reflecting management fees, other pension fund operating expenses, distributions, and net withdrawals primarily for benefit payments.

The Short Term Investment Fund, at June 30, 2015, achieved an annual return of 0.15%, exceeding its primary benchmark by 12 basis points, thereby earning an additional \$5.3 million in interest income for the state, state agencies and municipalities and their taxpayers while also adding \$141 thousand to its reserves. At the end of the 2015 Fiscal Year, the Short Term Investment Fund had approximately \$5.0 billion in assets under management, \$0.8 billion more than the prior year.

The Treasury refunded or defeased \$745 million of various bonds in 2015. Since January 1999, debt refunding and defeasances have produced \$1 billion in debt service savings.

The Connecticut Higher Education Trust (CHET) Direct Plan held 121,650 accounts with total assets of \$2.4 billion at the end of the 2015 Fiscal Year compared to 94,438 accounts and \$2.3 billion in assets in the prior fiscal year. The Connecticut Higher Education Trust (CHET) Advisor plan held 20,370 accounts with total assets of \$340 million at the end of the 2015 Fiscal Year compared to 16,224 accounts and \$275 million in assets in the prior fiscal year.

The Office of the Treasurer recovered \$1.4 million in the fiscal year from class action lawsuits and \$45 million since 2000 when the Treasury asset recovery and loss prevention program was initiated.

CONDENSED FINANCIAL INFORMATION

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

Net Position and Changes in Net Position

The net position of the Combined Investment Funds at the close of the 2015 Fiscal Year was \$29.7 billion, an increase of \$0.3 billion from the previous year. The change in net position resulted from a \$0.8 billion increase from operations (realized and unrealized gains and investment income) partly offset by \$0.5 billion of net cash withdrawals from the Combined Investment Funds.

The net position of the Combined Investment Funds at the close of the 2014 Fiscal Year was \$29.4 billion, an increase of \$3.5 billion from the previous year. The change in net position resulted from a \$4.0 billion increase from operations (realized and unrealized gains and investment income) partly offset by \$324 million of net cash withdrawals from the Combined Investment Funds and \$190 million of income distributed

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 1 - Net Position

Assets	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Investments at Fair Value	\$29,755,256,851	\$272,922,474	\$29,482,334,377	\$3,569,830,591	\$25,912,503,786
Cash, Receivables and Other	10,608,786,265	4,512,501,589	6,096,284,676	(3,379,529,605)	9,475,814,281
Total Assets	40,364,043,116	4,785,424,063	35,578,619,053	190,300,986	35,388,318,067
Liabilities	(10,712,066,600)	(4,561,378,713)	(6,150,687,887)	3,296,821,140	(9,447,509,027)
Net Position	\$29,651,976,516	\$224,045,350	\$29,427,931,166	\$3,487,122,126	\$25,940,809,040

Table 2 - Changes in Net Position

Additions	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Dividends	\$502,913,948	\$28,292,279	474,621,673	\$(273,254,808)	\$747,876,481
Interest	262,010,228	(8,513,172)	270,523,400	88,731,101	181,792,299
Securities Lending & Other Income	22,756,489	6,236,401	16,520,088	(12,630,364)	29,150,452
Total Investment Income	787,680,665	26,015,504	761,665,161	(197,154,071)	958,819,232
Total Investment Expenses	87,498,427	3,186,367	84,312,060	2,558,622	86,870,682
Net Investment Income	700,182,238	22,829,137	677,353,101	(194,595,449)	871,948,550
Net Realized Gain/(Loss)	1,332,698,224	448,116,417	884,581,807	(395,427,509)	1,280,009,316
Net Change in Unrealized Gains on Investments	(1,208,557,860)	(3,653,573,575)	2,445,015,715	1,819,187,170	625,828,545
Net Increase (Decrease) in Net Position resulting from operations	824,322,602	(3,182,628,021)	4,006,950,623	1,229,164,212	2,777,786,411
Purchase of Units by Participants	3,010,406,666	55,117,743	2,955,288,923	(2,026,160,180)	4,981,449,103
Total Additions	3,834,729,268	(3,127,510,278)	6,962,239,546	(796,995,968)	7,759,235,514
Deductions					
Administrative Expense	4,622,045	(318,436)	4,940,481	679,161	4,261,320
Distribution of Income to Unit Owners	9,463,119	(180,962,860)	190,425,979	(622,760,273)	813,186,252
Redemption of Units by Participants	3,596,598,754	316,847,794	3,279,750,960	(1,697,989,840)	4,977,740,800
Total Deductions	3,610,683,918	135,566,498	3,475,117,420	(2,320,070,952)	5,795,188,372
Change in Net Position	224,045,350	(3,263,076,776)	3,487,122,126	1,523,074,984	1,964,047,142
Net Position – Beginning of year	29,427,931,166	3,487,122,126	25,940,809,040	1,964,047,142	23,976,761,898
Net Position – End of year	\$29,651,976,516	\$224,045,350	\$29,427,931,166	\$3,487,122,126	\$25,940,809,040

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

Net Position and Change in Net Position

The net position in the Short-Term Investment Fund at the close of the 2015 Fiscal Year was approximately \$5.0 billion, versus \$4.2 billion the previous year.

The net position in the Short-Term Investment Fund at the close of the 2014 Fiscal Year was approximately \$4.2 billion, versus \$4.5 billion the previous year.

Operating Income - General financial market conditions produced an annual total return of 0.15%, net of operating expenses and allocations to Fund reserves in Fiscal Year 2015. The annual total return exceeded that achieved by its benchmark by 12 basis points, resulting in \$5.6 million in additional interest income for Connecticut governments and their taxpayers while also adding \$141 thousand to its reserves.

Operating Income - General financial market conditions produced an annual total return of 0.14%, net of operating expenses and allocations to Fund reserves in Fiscal Year 2014, slightly lower than the 0.16% annual total return in Fiscal Year 2013, net of operating expenses and allocations to Fund reserves. The annual total return exceeded that achieved by its benchmark, which equaled .02%, by 12 basis points, resulting in \$5.6 million in additional interest income for Connecticut governments and their taxpayers while also adding \$651 thousand to its reserves.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 3 - Net Position

Assets	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Investments in Securities, at Amortized Cost	\$5,033,037,747	\$824,283,928	\$4,208,753,819	\$(263,468,130)	\$4,472,221,949
Receivables and Other	5,079,297	1,968,209	3,111,088	(2,094,566)	5,205,654
Total Assets	5,038,117,044	826,252,137	4,211,864,907	(265,562,696)	4,477,427,603
Liabilities	(572,149)	(41,241)	(530,908)	175,248	(706,156)
Net Position	\$5,037,544,895	\$826,210,896	\$4,211,333,999	\$(265,387,448)	\$4,476,721,447

Table 4 - Changes in Net Position

Additions	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Interest Income	\$8,597,184	\$(346,161)	\$8,943,345	\$(2,175,743)	\$11,119,088
Net Realized Gains	3,889	(102,158)	106,047	102,352	3,695
Total Increase from Operations	8,601,073	(448,319)	9,049,392	(2,073,391)	11,122,783
Purchase of Units by Participants	13,390,562,799	1,671,581,533	11,718,981,266	531,591,700	11,187,389,566
Total Additions	13,399,163,872	1,671,133,215	11,728,030,658	529,518,309	11,198,512,349
Deductions					
Distribution of Income to Participants	6,535,117	236,067	6,299,050	(1,019,837)	7,318,887
Redemption of Units by Participants	12,564,386,893	579,261,175	11,985,125,718	378,554,228	11,606,571,490
Operating Expenses	2,030,966	37,628	1,993,338	520,874	1,472,464
Total Deductions	12,572,952,976	579,534,870	11,993,418,106	378,055,265	11,615,362,841
Change in Net Position	826,210,896	1,091,598,344	(265,387,448)	151,463,044	(416,850,492)
Net Position – beginning of year	4,211,333,999	(265,387,448)	4,476,721,447	(416,850,492)	4,893,571,939
Net Position – end of year	\$5,037,544,895	\$826,210,896	\$4,211,333,999	\$(265,387,448)	\$4,476,721,447

Connecticut Higher Education Trust

Fiduciary Net Position and Changes in Fiduciary Net Position (Direct Plan)

Fiduciary Net Position of the Direct Plan at the close of the current fiscal year was \$2.4 billion, an increase of \$123 million from the previous year.

Fiduciary Net Position of the Direct Plan at the close of the 2014 Fiscal Year was \$2.3 billion, an increase of \$350 million from the previous year.

Change in Fiduciary Net Position of the Direct Plan increased by \$123 million in Fiscal Year 2015 resulting from \$95 million of contributions to active accounts, net of redemptions, in addition to \$28 million of net investment income.

Change in Fiduciary Net Position of the Direct Plan increased by \$350 million in Fiscal Year 2014 resulting from \$97 million of contributions to active accounts, net of redemptions, in addition to \$250 million of net investment income and an increase in fair value of investments.

Table 5 - Fiduciary Net Position

Assets	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Investments, at Value	\$2,416,132,720	\$123,487,822	\$2,292,644,898	\$351,245,165	\$1,941,399,733
Cash, Receivables and Other	2,615,755	(974,132)	3,589,887	1,510,755	2,079,132
Total Assets	2,418,748,475	122,513,690	2,296,234,785	352,755,920	1,943,478,865
Liabilities	(3,196,774)	925,195	(4,121,969)	(1,913,861)	(2,208,108)
Net Position	\$2,415,551,701	\$123,438,885	\$2,292,112,816	\$350,842,059	\$1,941,270,757

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 6 - Fiduciary Changes in Net Position

	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Additions					
Subscriptions	\$850,917,928	\$84,729,195	\$766,188,733	\$88,946,322	\$677,242,411
Total investment income	51,671,896	9,636,247	42,035,649	4,368,819	37,666,830
Net increase (decrease) in Fair value of investments	(19,800,342)	(231,018,763)	211,218,421	109,442,311	101,776,110
Total additions	882,789,482	(136,653,321)	1,019,442,803	202,757,452	816,685,351
Deductions					
Redemptions	(756,035,841)	(90,449,220)	(665,586,621)	(98,552,471)	(567,034,150)
Plan management fee	(3,107,581)	(278,265)	(2,829,316)	51,461	(2,880,777)
Administrative fee	(207,175)	(22,368)	(184,807)	(25,171)	(159,636)
Total deductions	(759,350,597)	(90,749,853)	(668,600,744)	(98,526,181)	(570,074,563)
Change in Net Position	123,438,885	(227,403,174)	350,842,059	104,231,271	246,610,788
Net position – beginning of year	2,292,112,816	350,842,059	1,941,270,757	246,610,788	1,694,659,969
Net position – end of year	<u>\$2,415,551,701</u>	<u>\$123,438,885</u>	<u>\$2,292,112,816</u>	<u>\$350,842,059</u>	<u>\$1,941,270,757</u>

Fiduciary Net Position and Changes in Fiduciary Net Position (Advisor Plan)

Fiduciary Net Position of the Advisor Plan at the close of the current fiscal year was \$340.0 million, an increase of \$65.0 million from the previous year.

Fiduciary Net Position of the Advisor Plan at the close of the 2014 Fiscal Year was \$275.2 million.

Change in Fiduciary Net Position increased by \$65.0 million in Fiscal Year 2015 resulting mainly from contributions to active accounts of \$85.3 million, net of redemptions of \$19.0 million.

Change in Fiduciary Net Position increased by \$102.6 million in Fiscal Year 2014 resulting from contributions to active accounts of \$71 million, net of redemptions and \$33 million of net investment income.

Table 7 - Fiduciary Net Position

	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Assets					
Investments, at Value	\$339,987,299	\$64,846,457	\$275,140,842	\$102,825,733	\$172,315,109
Cash, Receivables and Other	417,402	56,324	361,078	(184,578)	545,656
Total Assets	340,404,701	64,902,781	275,501,920	102,641,155	172,860,765
Liabilities	(530,350)	(221,879)	(308,471)	(30,377)	(278,094)
Net Position	<u>\$339,874,351</u>	<u>\$64,680,902</u>	<u>\$275,193,449</u>	<u>\$102,610,778</u>	<u>\$172,582,671</u>

Table 8 - Change in Fiduciary Net Position

	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Additions					
Subscriptions	\$85,339,820	\$2,115,130	\$83,224,690	\$15,637,206	\$67,587,484
Transfers	61,525,132	61,525,132	-	-	-
Total investment income	26,726,171	8,560,592	18,165,579	12,007,536	6,158,043
Net increase (decrease) in Fair value of investments	(26,300,608)	(41,208,567)	14,907,959	5,408,946	9,499,013
Total additions	147,290,515	30,992,287	116,298,228	33,053,688	83,244,540
Deductions					
Redemptions	(19,019,419)	(6,815,148)	(12,204,271)	(5,627,725)	(6,576,546)
Transfers	(61,525,132)	(61,525,132)	-	-	-
Plan management fee	(725,466)	(195,390)	(530,076)	(201,360)	(328,716)
Administrative fee	(60,454)	(16,284)	(44,170)	(17,635)	(26,535)
Distribution fees	(1,368,408)	(370,345)	(998,063)	(413,386)	(584,677)
Total waivers	89,266	136	89,130	40,943	48,187
Total deductions	(82,609,613)	(68,922,163)	(13,687,450)	(6,219,163)	(7,468,287)
Change in Net Position	64,680,902	(37,929,876)	102,610,778	26,834,525	75,776,253
Net position – beginning of year	275,193,449	102,610,778	172,582,671	75,776,253	96,806,418
Net position – end of year	<u>\$339,874,351</u>	<u>\$64,680,902</u>	<u>\$275,193,449</u>	<u>\$102,610,778</u>	<u>\$172,582,671</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary Net Position and Change in Fiduciary Net Position (Consolidated)

Fiduciary Net Position of the CHET Direct and Advisor Plans at the close of the current fiscal year was \$2.7 billion, an increase of \$188 million from the previous year.

Fiduciary Net Position of the CHET Direct and Advisor Plans at the close of the 2014 Fiscal Year was \$2.6 billion, an increase of \$453 million from the previous year.

Change in Fiduciary Net Position increased by \$188 million in Fiscal Year 2015 resulting from \$161 million of contributions to active accounts, net of redemptions, in addition to net investment income of \$73 million offset by a decrease in the fair value of assets of \$46 million.

Change in Fiduciary Net Position increased by \$453 million in Fiscal Year 2014 resulting from \$171 million of contributions to active accounts, net of redemptions, in addition to net investment income of \$56 million and an increase in the fair value of assets of \$226 million.

Table 9 - Fiduciary Net Position

Assets	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Investments, at Value	\$2,756,120,019	\$188,334,279	\$2,567,785,740	\$454,070,898	\$2,113,714,842
Cash, Receivables and Other	3,033,157	(917,808)	3,950,965	1,326,177	2,624,788
Total Assets	2,759,153,176	187,416,471	2,571,736,705	455,397,075	2,116,339,630
Liabilities	(3,727,124)	703,316	(4,430,440)	(1,944,238)	(2,486,202)
Net Position	<u>\$2,755,426,052</u>	<u>\$188,119,787</u>	<u>\$2,567,306,265</u>	<u>\$453,452,837</u>	<u>\$2,113,853,428</u>

Table 10 - Change in Fiduciary Net Position

Additions	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Subscriptions	\$936,257,748	\$86,844,325	\$849,413,423	\$104,583,528	\$744,829,895
Transfers	61,525,132	61,525,132	-	-	-
Total investment income	78,398,067	18,196,839	60,201,228	16,376,355	43,824,873
Net increase (decrease) in Fair value of investments	(46,100,950)	(272,227,330)	226,126,380	114,851,257	111,275,123
Total Additions	<u>1,030,079,997</u>	<u>(105,661,034)</u>	<u>1,135,741,031</u>	<u>235,811,140</u>	<u>899,929,891</u>
Deductions					
Redemptions	(775,055,260)	(97,264,368)	(677,790,892)	(104,180,196)	(573,610,696)
Transfers	(61,525,132)	(61,525,132)	-	-	-
Plan management fee	(3,833,047)	(473,655)	(3,359,392)	(149,899)	(3,209,493)
Administrative fee	(267,629)	(38,652)	(228,977)	(42,806)	(186,171)
Distribution fees	(1,368,408)	(370,345)	(998,063)	(413,386)	(584,677)
Total waivers	89,266	136	89,130	40,943	48,187
Total deductions	<u>(841,960,210)</u>	<u>(159,672,016)</u>	<u>(682,288,194)</u>	<u>(104,745,344)</u>	<u>(577,542,850)</u>
Change in Net Position	188,119,787	(265,333,050)	453,452,837	131,065,796	322,387,041
Net position – beginning of year	2,567,306,265	453,452,837	2,113,853,428	322,387,041	1,791,466,387
Net position – end of year	<u>\$2,755,426,052</u>	<u>\$188,119,787</u>	<u>\$2,567,306,265</u>	<u>\$453,452,837</u>	<u>\$2,113,853,428</u>

Second Injury Fund

The Net Position of the Second Injury Fund (SIF) at the close of Fiscal Year 2015 was \$32.8 million, an increase of \$4.9 million from the previous year net position balance of \$27.9 million.

The Net Position of the Second Injury Fund (SIF) at the previous fiscal year was \$27.9 million, an increase of \$2.2 million from the previous year net position balance of \$25.7 million.

The Change in Net Position for Fiscal Year 2015 was an increase of \$4.9 million resulting from operating income.

The Change in Net Position 2014 was an increase of \$2.2 million resulting from operating income.

REQUIRED SUPPLEMENTARY INFORMATION

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

DEBT ADMINISTRATION

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

At June 30, 2015, the State had \$22. billion in bonds and notes outstanding, approximately \$1.5 billion greater than the end of June 30, 2014 issued to fund local school construction projects, state grants and economic development initiatives, Clean Water Fund loans, improvements to state universities and transportation projects.

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

Table 11 - Outstanding Debt as of June 30.

Bond Type	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
General Obligation –					
Tax Supported	\$12,163,454,121	\$1,003,053,635	\$11,160,400,486	\$300,934,999	\$10,859,465,487
Teachers Retirement Fund	2,241,133,254	(13,245,000)	2,254,378,254	(22,200,017)	2,276,578,271
Economic Recovery Notes	520,275,000	(60,500,000)	580,775,000	7,410,000	573,365,000
GAAP Conversion Bonds	560,430,000	0	560,430,000	560,430,000	0
Special Tax Obligation	4,089,540,000	318,280,000	3,771,260,000	309,385,000	3,461,875,000
Bradley International Airport	129,415,000	(6,185,000)	135,600,000	(5,955,000)	141,555,000
Clean Water Fund	882,165,000	174,105,000	708,060,000	(76,330,000)	784,390,000
UCONN 2000	1,147,985,000	124,000,000	1,023,985,000	195,190,000	828,795,000
CDA Increment Financing	31,530,000	(3,750,000)	35,280,000	15,915,000	19,365,000
CDA Government					
Lease Revenue	0	0	0	(800,000)	800,000
CHEFA Childcare					
Facilities Program	58,235,000	(945,000)	59,180,000	(1,975,000)	61,155,000
Bradley Parking Operations	33,010,000	(2,265,000)	35,275,000	(2,120,000)	37,395,000
CT Juvenile Training school	13,585,000	(550,000)	14,135,000	(520,000)	14,655,000
CHFA Special Needs Housing Bonds	63,825,000	(3,395,000)	67,220,000	(3,265,000)	70,485,000
CCEDA Bonds	89,015,000	(2,955,000)	91,970,000	(2,835,000)	94,805,000
CHFA Emergency					
Mortgage Assistance Program	42,180,000	(1,980,000)	44,160,000	(1,950,000)	46,110,000
Total	\$22,065,777,375	\$1,523,668,635	\$20,542,108,740	\$1,271,314,982	\$19,270,793,758

During Fiscal Year 2015, the State issued \$4.2 billion of bonds for capital projects and other purposes at some of the lowest interest rates in state history. The issued bonds were offset by bonds retired of \$1.9 billion and bonds refunded of \$0.7 billion, resulting in a net increase of \$1.6 billion in bonds outstanding. Since 1999, debt refunding and defeasances have produced \$1 billion in debt savings to taxpayers.

As of July 2015 the underlying (uninsured) credit rating for the State of Connecticut General Obligation Bonds are as follows: Moody's Investors Services Aa3, Fitch Ratings and Kroll Bond Ratings AA and Standard & Poor's maintained its AA rating, with a negative outlook, first put in place in March 2015..

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

ECONOMIC CONDITIONS AND OUTLOOK

Domestic growth, as measured by Gross Domestic Product (GDP) increased during the fiscal year, averaging a rate of 2.7 percent, up 0.1 percent from Fiscal Year 2014. As the economy grew, over 2.9 million people were added to payrolls, helping the unemployment rate fall to 5.3 percent, down from 6.2 percent at the end of Fiscal Year 2014. Domestic inflation (as measured by the year-over-year change in the consumer price index) averaged 0.7 percent during the fiscal year, down from the 1.6 percent in Fiscal Year 2014.

Due to the improvement in the labor market and the underlying strength of the broader economy, the FOMC concluded its asset purchase program at its October 2014 meeting and began discussing the timing of a tightening (an increase in the Fed Funds rate).

Connecticut's unemployment rate has continued to decline from a high of 9.5 percent in October 2010 to 5.4 percent in July 2015, compared to the national unemployment rate of 5.3 percent. The State Comptroller reported on September 30, 2015 that the State's General Fund ended the 2015 Fiscal Year with a pre-audited \$113.2 million deficit which will be eliminated through a transfer from the Budget Reserve Fund.

CONTACTING THE OFFICE OF THE TREASURER

This financial report is designed to provide a general overview of the Office of the Treasurer's finances and to show the Office's accountability for the money it receives. Questions about this report or requests for additional information should be addressed to:

Connecticut State Treasury
55 Elm Street
Hartford, CT 06106-1773
Telephone (860) 702-3000
www.ott.ct.gov





DENISE L. NAPPIER
TREASURER

State of Connecticut
Office of the Treasurer

December 31, 2015

To: The Honorable Dannel P. Malloy Governor of Connecticut
The Honorable Denise L. Nappier, Treasurer of Connecticut
The Honorable Members of the Connecticut General Assembly
Citizens of the State of Connecticut

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

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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to be "Richard D. Gray", written in a cursive style.

Richard D. Gray
Deputy Treasurer
State of Connecticut

COMBINED INVESTMENT FUNDS

**STATEMENT OF NET POSITION
JUNE 30, 2015**

	TOTAL
ASSETS	
Investments in Securities, at Fair Value	
Liquidity Fund	\$ -
Cash Equivalents	198,783,958
Asset Backed Securities	191,411,557
Government Securities	2,746,046,826
Government Agency Securities	725,993,171
Mortgage Backed Securities	377,929,268
Corporate Debt	3,068,332,134
Convertible Securities	34,542,342
Common Stock	14,406,676,062
Preferred Stock	124,879,510
Real Estate Investment Trust	309,746,511
Business Development Corporation	80,600,464
Mutual Fund	820,291,108
Limited Liability Corporation	1,156,486
Trusts	582,960
Limited Partnerships	6,668,284,494
Total Investments in Securities, at Fair Value	29,755,256,851
Cash	30,801,210
Receivables	
Foreign Exchange Contracts	8,376,124,442
Interest Receivable	59,210,799
Dividends Receivable	39,445,940
Due from Brokers	230,283,391
Foreign Taxes	6,652,757
Securities Lending Receivable	1,170,679
Reserve for Doubtful Receivables	(4,122,489)
Total Receivables	8,708,765,519
Invested Securities Lending Collateral	1,867,789,514
Other Funds on Deposit	-
Prepaid Expenses	1,430,022
Total Assets	40,364,043,116
LIABILITIES	
Payables	
Foreign Exchange Contracts	8,336,793,682
Due to Brokers	487,140,200
Income Distribution	992,232
Other Payable	773,382
Total Payables	8,825,699,496
Securities Lending Collateral	1,867,789,514
Accrued Expenses	18,577,590
Total Liabilities	10,712,066,600
NET POSITION HELD IN TRUST FOR PARTICIPANTS	\$ 29,651,976,516

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

COMBINED INVESTMENT FUNDS

**STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ADDITIONS	<u>TOTAL</u>
OPERATIONS	
Investment Income	
Dividends	\$ 502,913,948
Interest	262,010,228
Other Income	7,323,567
Securities Lending	<u>15,432,922</u>
Total Income	<u>787,680,665</u>
Expenses	
Investment Advisory Fees	75,901,384
Custody and Transfer Agent Fees	3,752,963
Professional Fees	2,882,621
Security Lending Fees	1,450,844
Security Lending Rebates	924,473
Investment Expenses	<u>2,586,142</u>
Total Expenses	<u>87,498,427</u>
Net Investment Income	<u>700,182,238</u>
Net Realized Gain (Loss)	1,332,698,224
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	(1,208,557,860)
Net Increase (Decrease) in Net Position Resulting from Operations	<u>824,322,602</u>
Unit Transactions	
Purchase of Units by Participants	3,010,406,666
TOTAL ADDITIONS	<u>3,834,729,268</u>
DEDUCTIONS	
Administrative Expenses:	
Salary and Fringe Benefits	(4,622,045)
Distributions to Unit Owners:	
Income Distributed	(9,463,119)
Unit Transactions	
Redemption of Units by Participants	(3,596,598,754)
TOTAL DEDUCTIONS	<u>(3,610,683,918)</u>
Change in Net Position Held in Trust for Participants	<u>224,045,350</u>
Net Position- Beginning of Period	<u>29,427,931,166</u>
Net Position- End of Period	<u>\$ 29,651,976,516</u>

The accompanying notes are an integral part of these financial statements

COMBINED INVESTMENT FUNDS

**STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

ADDITIONS	TOTAL
OPERATIONS	
Investment Income	
Dividends	\$ 474,621,673
Interest	270,523,400
Other Income	3,218,262
Securities Lending	13,301,826
Total Income	<u>761,665,161</u>
Expenses	
Investment Advisory Fees	71,869,948
Custody and Transfer Agent Fees	3,006,303
Professional Fees	3,175,665
Security Lending Fees	1,472,596
Security Lending Rebates	552,547
Investment Expenses	4,235,001
Total Expenses	<u>84,312,060</u>
Net Investment Income	<u>677,353,101</u>
Net Realized Gain (Loss)	884,581,807
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	2,445,015,715
Net Increase (Decrease) in Net Position Resulting from Operations	<u>4,006,950,623</u>
Unit Transactions	
Purchase of Units by Participants	2,955,288,923
TOTAL ADDITIONS	<u>6,962,239,546</u>
DEDUCTIONS	
Administrative Expenses:	
Salary and Fringe Benefits	(4,940,481)
Distributions to Unit Owners:	
Income Distributed	(190,425,979)
Unit Transactions	
Redemption of Units by Participants	(3,279,750,960)
TOTAL DEDUCTIONS	<u>(3,475,117,420)</u>
Change in Net Position Held in Trust for Participants	<u>3,487,122,126</u>
Net Position- Beginning of Period	<u>25,940,809,040</u>
Net Position- End of Period	<u>\$ 29,427,931,166</u>

The accompanying notes are an integral part of these financial statements

COMBINED INVESTMENT FUNDS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Combined Investment Funds (“CIFs”) 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 CIFs 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 CIFs 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 CIFs are owned by these pension and trust funds. For financial reporting purposes of the State of Connecticut, the CIFs are considered to be external investment pools and are not reported in the State’s combined financial statements. Instead, each fund type’s investment in the CIF is reported as “equity in combined investment funds” in the State’s combined balance sheet.

The Treasurer, as sole fiduciary of the CIFs, 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 CIFs 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 CIFs in the preparation of their financial statements.

A. NEW PRONOUNCEMENTS

There were no new pronouncements for the fiscal year ending June 30, 2015.

B. SECURITY VALUATION

Investments are stated at fair value for each of the CIFs 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 CIF 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. The Core Fixed Income Fund and the High Yield Debt Fund also include investments that 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 CIF’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.

The Treasurer’s staff reviews the valuations for all investments in these alternative asset classes 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.

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

The Liquidity Fund at times may utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the CIFs' currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the CIFs' 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 CIFs' 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 CIF'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, 2015, the Fund held MBSs of \$89,187,074 and ABSs of \$134,891,562.

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 CIF's investments, are carried at the cash adjusted fair value. For investments in the Absolute Return Strategy category, the cash adjusted fair value utilizes the prior two month end period fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Alternative Investment Fund, to estimate the current fair value. For investments in the Real Asset category, the cash adjusted fair value utilizes the prior calendar quarter end fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Alternative Investment Fund, to estimate the current fair value. The Treasurer's staff reviews the estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, this estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total CIF-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, 2015, 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 \$17

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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 CIF are fully collateralized by U.S Government securities and such collateral is in the possession of the CIF’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, 2015, the CIF held MBSs of \$288,723,995 and ABSs of \$56,606,274.

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, 2015 the CIF’s holdings had a fair value of \$739,767 and a cost of \$1,254,041. 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.

Investments in securities not listed on security exchanges and investments in limited partnerships 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 Core Fixed Income Fund, to estimate the current fair value. The Treasurer’s staff reviews the estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor’s value appears to be overstated, this estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total CIF-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, 2015, 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 \$6 million. Consistent with the cash adjusted fair value presentation this decrease will be considered for the next period adjustment.

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.

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

Emerging Market Debt Fund

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

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

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

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 CIF’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.

Investments in securities not listed on security exchanges and investments in Business Development Corporations are carried at the cash adjusted fair value. For investments in the Business Development Corporation 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 High Yield Debt Fund, to estimate the current fair value. The Treasurer’s staff reviews the estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor’s value appears to be overstated, this estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total CIF-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, 2015, the estimated investment values provided by the investment advisors, net of the adjustments noted above, exceeded the cash adjusted fair values reported on the Statement of Net Position by approximately \$1 million. Consistent with the cash adjusted fair value presentation this increase will be considered for the next period adjustment.

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 CIF’s currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the CIFs’ 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 CIFs’ 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.

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

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

Emerging Market International Stock Fund

The Emerging Market International Stock Fund at times may utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the CIFs' currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the CIFs' 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 CIFs' performance. Price movements of currency contracts are influenced by, among other things, international trade, fiscal, monetary, and exchange control programs and policies; national and international political and economic events; and changes in worldwide interest rates. Governments from time to time intervene in the currency markets with the specific intent of influencing currency prices. Such intervention may cause certain currency prices to move rapidly. Additionally, the currency markets may be particularly sensitive to interest rate fluctuations.

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

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

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

Real Estate Fund

Investments in securities not listed on security exchanges and investments in trusts, limited partnerships, and annuities, which comprise substantially all of the CIF'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 CIF-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, 2015, 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.

Commercial Mortgage Fund

This CIF invests in commercial mortgage loans and mortgage backed securities (MBS) generally through indirect ownership vehicles such as trusts and corporations. At June 30, 2015, the CIF held MBS of \$18,199. The value of the CIF'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 CIF 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.

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Private Investment Fund

The Private Investment Fund is comprised of investments in various limited partnerships, limited liability companies and securities. The general partner or managing member is the investment advisor and is compensated on a fee basis for management services in addition to its participation in partnership profits and losses. These investments are carried at their cash adjusted fair values. The cash adjusted fair value utilizes the prior quarter fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Private Investment Fund, to estimate the current fair value. The Treasurer's staff reviews the prior quarter estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, the estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total CIF-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, 2015, 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 \$121 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 CIFs' 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 CIFs 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 CIF 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 CIFs, 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 CIFs bears its direct expenses, such as investment advisory fees, and, in addition, each of the CIFs is allocated a portion of the overhead expenses of the Pension Funds Management Division of the Office of the State Treasurer,

COMBINED INVESTMENT FUNDS
NOTES TO FINANCIAL STATEMENTS (Continued)

which services the CIFs. These expenses include salary and fringe benefit costs and other administrative expenses. Certain of these costs are allocated among the CIFs based on relative net asset values. Other costs are charged directly based on the specific duties of personnel.

G. DISTRIBUTIONS

Distributions to unit holders of the CIFs were discontinued after September 30, 2013.

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, 2015, the CIFs 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:

CIF	Cost	Fair Value
Liquidity	\$279,438,082	\$278,069,612
Core Fixed Income	197,374,593	195,092,525
Inflation Linked Bond	2,243,965	2,117,471
Emerging Market Debt	3,641,476	2,394,326
High Yield Debt	28,732,164	28,196,141

Asset Backed Securities:

CIF	Cost	Fair Value
Liquidity	\$135,255,603	\$134,891,562
Core Fixed Income	56,504,635	56,606,274

Mortgage Backed Securities, Net of CMO's:

CIF	Cost	Fair Value
Liquidity	\$79,814,151	\$78,957,361
Core Fixed Income	198,911,255	198,330,627

CMO's:

CIF	Cost	Fair Value
Liquidity	\$10,236,032	\$10,229,713
Core Fixed Income	89,649,800	90,393,367

TBA's:

CIF	Cost	Fair Value
Core Fixed Income	\$189,772,469	\$190,180,797

Interest Only:

CIF	Cost	Fair Value
Core Fixed Income	\$1,254,041	\$739,767

Options:

CIF	Cost	Fair Value
Inflation Linked Bond	\$(102,393)	\$(305,642)

The Inflation Linked Bond Fund held futures with a negative notional cost of (\$77,197,567) and an unrealized gain of \$402,147 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 \$65,624,975 and an unrealized loss of \$502,234 reported in the Due from Brokers in the Statement of Net Position.

COMBINED INVESTMENT FUNDS
NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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 CIFs' credit exposure resulting from such investments is limited to the recorded fair value of the derivative financial instruments.

The Liquidity, Mutual Equity, Emerging Market Debt, 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 CIFs. However, one of these funds, the Liquidity Fund, is owned both directly by the pension plans and trust funds which have accounts in the Liquidity Fund, and also indirectly because each of the other CIFs 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 CIFs. 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, Core Fixed Income, Private Investment and Real Estate Funds are generally charged to the entity in which the CIF 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 CIFs 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, 2015:

CIF	Netted	Capitalized	Expensed	Total
Alternative Investment	\$ 7,477,674	\$ 398,131	\$ -	\$ 7,875,805
Core Fixed Income	1,877,094	-	2,986,694	4,863,788
Private Investment	12,828,335	15,659,325	2,879,276	31,366,936
Real Estate	10,575,119	1,544,666	5,429,945	17,549,730

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 Fund incurred realized gain of \$ 3,547,342 for such transactions for the fiscal year ended June 30, 2015.

The Liquidity, Mutual Equity, Emerging Market Debt and the Emerging 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 CIF 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, 2015:

COMBINED INVESTMENT FUNDS
NOTES TO FINANCIAL STATEMENTS (Continued)

CIF	Amount
Liquidity	\$ 333,728
Mutual Equity	2,514
Emerging Market Debt	4,388,755
Emerging Market International Stock	975,559

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. 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 correct a misstatement and conform to the current year presentation. Prior year Dividend Income has been reclassified to Realized Gain/Loss. The amounts are as follows:

CIF	Net Realized Gain/(Loss)
Alternative Investment	\$ 95,419
Private Investment	237,174,480
Real Estate	33,484,845

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 CIFs 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 CIFs would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. The CIFs 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, 2015, the reported amount of Funds deposits were \$30,801,210 and the bank balance was \$30,801,210. Of the bank amount, \$30,801,210 was uncollateralized and uninsured. Through the Securities Lending Program \$1,867,386,090 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 plans and trusts, authorized to invest in a broad range of equity and fixed income securities, as well as real estate properties, mortgages

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

and private equity. The CIFs 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 plans and trusts and CIFs 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 2015 fiscal year.

The CIF's 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 144a or similar securities.

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

	Fair Value	Percentage of Fair Value
Aaa	\$2,235,451,566	30.45%
Aa	492,202,153	6.70
A	641,372,172	8.73
Baa	799,566,739	10.89
Ba	520,267,823	7.09
B	840,171,469	11.44
Caa	261,361,459	3.56
Ca	12,769,348	0.17
C	940,000	0.01
Prime 1	493,855,050	6.73
Prime 2	30,391,223	0.41
U.S. Government fixed income securities (not rated)	202,428,757	2.76
Non US Government fixed income securities (not rated)	187,169,703	2.55
Not Rated	625,091,794	8.51
	<u>\$7,343,039,256</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 Bank of New York Mellon's nominee name MAC & 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 and invested under securities lending arrangements are registered and maintained by a third party administrator exclusively for the CIFs. 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 third party administrator's name as trustee. Securities Lending collateral of \$1,867,386,090 is invested in various short term repurchase agreements classified which is classified as cash equivalents.

The following table provides information about the interest rate risks associated with the CIF 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 which include certificate of deposits and collateral, various long term items, and restricted assets by maturity in years.

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Cash Equivalents	\$ 198,783,958	\$ 198,783,958	\$ -	\$ -	\$ -
Asset Backed Securities	191,411,557	3,902,259	161,552,045	15,533,169	10,424,084
Government Securities	2,746,046,826	149,877,932	1,086,901,701	617,616,317	891,650,876
Government Agency Securities	725,993,171	122,431,164	56,503,126	6,194,215	540,864,666
Mortgage Backed Securities	377,929,268	10,097,648	61,451,820	73,194,940	233,184,860
Corporate Debt	3,068,332,134	803,147,386	998,896,379	1,005,420,994	260,867,375
Convertible Debt	34,542,342	1,644,086	13,962,939	-	18,935,317
	<u>\$7,343,039,256</u>	<u>\$1,289,884,433</u>	<u>\$2,379,268,010</u>	<u>\$1,717,959,635</u>	<u>\$1,955,927,178</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 CIF utilizes a strategic hedge ratio of 50% for the Developed Market International Stock Fund ("DMISF"). This strategic hedge ratio represents the neutral stance or desired long-term exposure to currency for the DMISF. 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	Fixed Income Securities					Equities		Real Estate Investment Trust	
		Cash Equiv Collateral	Government Securities	Corporate Debt	Asset Backed	Mortgage Backed	Common Stock	Preferred Stock		
Argentine Peso	\$80,777	\$80,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Australian Dollar	410,837,351	999,294	112,907	89,265,582	13,019,571	-	288,175,104	-	19,264,893	
Brazilian Real	279,996,601	2,491,661	-	111,327,719	1,437,238	-	128,964,841	35,775,142	-	
Canadian Dollar	84,909,682	144,810	42,927	15,549,670	-	-	66,765,330	-	2,406,945	
Chilean Peso	2,761,798	-	-	1,660,483	-	-	1,101,315	-	-	
Colombian Peso	31,643,855	41,850	-	26,265,821	4,683,614	-	652,570	-	-	
Croatian Kuna	85,911	-	-	-	-	-	85,911	-	-	
Czech Koruna	4,158,157	74,085	-	-	-	-	4,084,072	-	-	
Danish Krone	88,349,629	686,057	-	1,241,346	-	-	86,422,226	-	-	
Egyptian Pound	6,662,257	207,256	-	-	-	-	6,455,001	-	-	
Euro Currency	1,964,781,952	(1,610,470)	-	189,222,111	6,257,077	(535,468)	1,727,991,703	29,649,448	13,807,551	
Hong Kong Dollar	633,515,136	1,575,939	-	-	-	-	627,956,983	-	3,982,214	
Hungarian Forint	24,324,498	88	-	6,341,287	-	-	17,983,123	-	-	
Iceland Krona	1,803	1,803	-	-	-	-	-	-	-	
Indian Rupee	3,299,913	-	-	1,612,410	1,687,503	-	-	-	-	
Indonesian Rupiah	96,094,602	20,076	-	42,289,102	6,442,211	-	47,343,213	-	-	
Israeli Shekel	17,564,610	403,689	-	-	-	-	17,160,921	-	-	
Japanese Yen	1,339,030,010	4,395,255	-	58,668,525	-	-	1,270,734,992	-	5,231,238	
Malaysian Ringgit	84,281,709	450,840	-	63,041,874	-	-	20,788,995	-	-	
Mexican Peso	198,235,997	1,980,094	-	159,361,055	4,268,390	-	29,454,098	-	3,172,360	
Moroccan Dirham	62,496	-	-	-	-	-	62,496	-	-	
New Turkish Lira	201,272,109	11,338	-	41,199,057	-	-	159,453,648	-	608,066	
New Zealand Dollar	110,083,607	928,703	-	96,223,128	-	-	12,931,776	-	-	
Nigerian Naira	2,697,536	-	-	2,697,536	-	-	-	-	-	
Norwegian Krone	60,801,157	1,324,564	-	14,123,691	-	-	45,352,902	-	-	
Peruvian Nuevo Sol	1,864,172	-	-	1,864,172	-	-	-	-	-	
Philippine Peso	65,375,725	17,478	-	3,443,779	-	-	61,914,468	-	-	
Polish Zloty	105,748,115	80,993	-	65,665,682	-	-	40,001,440	-	-	
Pound Sterling	1,387,030,784	1,764,385	222,859	200,831,202	11,297,864	-	5,804,842	1,151,938,121	15,171,511	
Romanian Leu	6,293,096	-	-	6,293,096	-	-	-	-	-	
Russian Ruble	26,938,604	-	-	26,609,644	328,960	-	-	-	-	
Singapore Dollar	91,253,610	1,343,924	-	-	-	-	83,945,432	-	5,964,254	
South African Rand	179,453,322	7,559	-	80,083,766	-	-	99,361,997	-	-	
South Korean Won	299,881,266	148,435	-	-	-	-	289,596,337	10,136,494	-	
Sri Lanka Rupee	77,772	-	-	-	-	-	77,772	-	-	
Swedish Krona	183,097,762	941,590	-	6,746,141	-	-	175,410,031	-	-	
Swiss Franc	452,524,225	(554,368)	-	-	-	-	453,078,593	-	-	
Thailand Baht	114,854,510	235,533	-	13,615,355	-	-	101,003,622	-	-	
Uganda Shilling	2,158,692	-	-	2,158,692	-	-	-	-	-	
Uruguayan Peso	3,357,109	-	-	3,357,109	-	-	-	-	-	
	<u>\$8,565,441,917</u>	<u>\$18,193,238</u>	<u>\$378,693</u>	<u>\$1,330,759,035</u>	<u>\$49,422,428</u>	<u>\$(535,468)</u>	<u>\$5,804,842</u>	<u>\$7,016,249,033</u>	<u>\$75,561,084</u>	<u>\$69,609,032</u>

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Securities Lending:

Certain of the CIFs engage in securities lending transactions to provide incremental returns. The CIFs are permitted to enter into securities lending transactions pursuant to Section 3-13d of the Connecticut General Statutes and the Custodial Contract. The CIFs' third party securities lending administrator is authorized to lend available securities to authorized broker-dealers and banks subject to a formal loan agreement.

During the period ended June 30, 2015, the Agent lent certain securities and received cash or other collateral as indicated on the Agency Securities Lending Agreement. The Agent 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 102% of the market value of domestic loaned securities or 105% of the market value of foreign loaned securities.

Pursuant to the Agency Securities Lending Agreement, the Agent has an obligation to indemnify the CIFs 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 by a borrower. During the fiscal year, the CIFs and the borrowers maintained the right to terminate all securities lending transactions upon notice. The cash collateral received on each loan is eligible for investment in cash, securities guaranteed by the U. S. government or any agency of the U. S. government, securities guaranteed by a sovereign government that participates in the General Arrangements to Borrow (Group of 10 or G10) and rated AA or better, or reverse transactions on an overnight or term basis. On June 30, 2015, the CIFs had no credit risk exposure to borrowers. The fair value of collateral held for the CIFs as of June 30, 2015 was \$1,866,831,932 as cash. The fair value of securities on loan for the CIFs as of June 30, 2015 was \$1,825,986,908 as cash.

Under ordinary circumstances, the net weighted average maturity (weighted average maturity of assets less the weighted average maturities of liabilities) will not exceed 60 days. As of June 30, 2015 the cash collateral investment pool had an average duration of 23.22 days and an average weighted final maturity 44.83 days.

The fair value of collateral held and the fair value of securities on loan including pending loans (to be collateralized) are as follows for the CIFs as of June 30, 2015:

CIF	Fair Value of Collateral	Fair Value of Securities Lent
Mutual Equity	\$817,379,529	\$797,833,236
Core Fixed Income	150,438,378	148,017,151
Inflation Linked Bond	154,819,343	152,644,156
Emerging Market Debt	45,348,163	44,401,858
High Yield Investment	361,558,742	353,551,043
Developed Market International Stock	143,911,336	138,984,218
Emerging Market International Stock	194,334,023	192,594,566
Total	<u>\$1,867,789,514</u>	<u>\$1,828,026,228</u>

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:

CIF	Cash Equivalents
Mutual Equity	\$ 817,622,135
Core Fixed Income	150,483,039
Inflation Linked Bond	154,865,295
Emerging Market Debt	45,361,628
High Yield Investment	361,666,069
Developed Market International Stock	142,996,218
Emerging Market International Stock	194,391,706
Total	<u>\$1,867,386,090</u>

These investments are held in a separate accounting consisting of individual securities custodied by the Agent in the name of the CIFs. The above total amounts were included on the Statement of Net Position in "Invested Securities Lending Collateral".

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3: PURCHASES AND SALES OF INVESTMENT SECURITIES

For the period ended June 30, 2015, the aggregate cost of purchases and proceeds from sales of investment securities were as follows:

CIF	Purchases	Sales
Alternative Investment	\$960,387,427	\$557,061,996
Mutual Equity	3,289,024,562	3,922,545,145
Core Fixed Income	9,775,385,853	9,715,433,313
Inflation Linked Bond	5,493,538,000	5,345,602,653
Emerging Market Debt	1,417,260,893	1,312,122,495
High Yield Investment	1,703,737,312	1,403,558,094
Developed Market International Stock	3,527,632,658	3,406,521,275
Emerging Market International Stock	1,735,199,302	1,681,016,177
Real Estate	1,735,175,720	1,449,419,000
Commercial Mortgage	44,691	81,567
Private Investment	2,236,097,480	2,397,111,633

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, 2015, 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 CIF were as follows:

CIF	Gross Appreciation	Gross Depreciation	Net Appreciation (Depreciation)
Liquidity Investment Fund	\$788,886	\$47,063,882	\$(46,274,996)
Alternative Investment Fund	195,566,144	2,205,031	193,361,113
Mutual Equity	2,358,798,008	159,216,483	2,199,581,525
Core Fixed Income	52,421,282	28,579,145	23,842,137
Inflation Linked Bond	8,263,861	77,417,047	(69,153,186)
Emerging Market Debt	9,095,560	132,438,355	(123,342,795)
High Yield Investment	40,282,896	92,344,780	(52,061,884)
Developed Market International Stock	1,156,231,527	329,063,478	827,168,049
Emerging Market International Stock	398,659,969	249,261,546	149,398,423
Real Estate	205,361,358	120,326,498	85,034,860
Commercial Mortgage	-	35	(35)
Private Investment Fund	629,850,506	143,344,878	486,505,628

NOTE 5: FOREIGN EXCHANGE CONTRACTS

From time to time the Liquidity, Core Fixed Income, Inflation Linked Bond Fund, Emerging Market Debt, High Yield Debt Fund, Developed Market International Stock, Emerging Market International Funds utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the CIFs' currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the CIFs' 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 CIFs' 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, 2015, the CIFs had recorded unrealized gains (losses) from open forward currency contracts as follows:

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Liquidity Funds:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	\$9,265,679	\$(315,595)
Brazil Real	3,529,011	(61,170)
Canadian Dollar	12,891,307	(407,716)
Chilean Peso	9,093,000	(149,644)
Chinese R Yuan Hk	7,030,000	76,730
Chinese Yuan Renminbi	9,107,000	257,749
Colombian Peso	3,620,000	(62,322)
Dominican Rep Peso	8,101,083	288,212
Egyptian Pound	2,103,000	(10,500)
Euro Currency Unit	20,250,150	(200,833)
Hungarian Forint	8,065,653	(69,842)
Indian Rupee	13,164,000	55,848
Indonesian Rupiah	2,731,589	(13,788)
Japanese Yen	9,701,044	(187,841)
Kenyan Shilling	2,512,000	(32,731)
Kuwaiti Dinar	6,344,000	(329,438)
Malaysian Ringgit	8,569,123	(114,935)
Mexican New Peso	401,446	(7,358)
New Turkish Lira	8,241,000	73,215
New Zealand Dollar	8,026,153	(733,007)
Philippines Peso	7,611,000	(20,312)
Polish Zloty	4,124,000	(56,974)
Romanian Leu	2,119,154	37,974
South African Rand	8,590,926	62,050
Serbian Dinar	5,890,496	84,325
Singapore Dollar	4,545,556	(62,544)
South Korean Won	8,607,650	(14,462)
Thailand Baht	4,022,744	(12,941)
Uganda Shilling	10,938,797	(1,089,442)
Uruguayan Peso	1,727,026	4,484
Zambia Kwacha	6,064,000	(48,782)
	<u>216,987,587</u>	<u>(3,061,590)</u>

Contracts to Sell:

Australian Dollar	50,453,499	1,330,450
Brazil Real	34,240,762	1,107,074
Chinese Yuan Renminbi	3,300,000	(11,368)
Dominican Rep Peso	1,558,480	(3,471)
Euro Currency Unit	28,307,675	628,984
Japanese Yen	38,872,035	595,866
Kenyan Shilling	1,000,767	2,256
Kuwaiti Dinar	6,216,043	201,480
Malaysian Ringgit	15,688,537	664,946
Mexican New Peso	27,247,753	796,566
New Turkish Lira	1,205,000	(30,597)
New Zealand Dollar	49,692,297	3,926,556
Norwegian Krone	5,373,025	202,488
Polish Zloty	23,107,245	657,111
Pound Sterling	10,432,411	(123,082)
Romanian Leu	4,040,000	7,724
South African Rand	12,639,905	48,624
Serbian Dinar	-	227,615
Singapore Dollar	4,521,219	38,207
Uganda Shilling	8,630,510	445,042
	<u>326,527,163</u>	<u>10,712,471</u>
Total	<u>\$ 543,514,750</u>	<u>\$ 7,650,881</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 543,514,750	\$ 543,514,750	\$ -
Unrealized Gain/Loss	(3,061,590)	10,712,471	7,650,881
Net	<u>\$ 540,453,160</u>	<u>\$ 532,802,279</u>	<u>\$ 7,650,881</u>

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Core Fixed Income Fund:

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

Euro Currency Unit	\$ 26,772	\$ (25)
	<u>26,772</u>	<u>(25)</u>

Contracts to Sell:

Euro Currency Unit	167,007	(5,736)
Grand total	<u>\$ 193,779</u>	<u>\$ (5,761)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 193,779	\$ 193,779	\$ -
Unrealized Gain/Loss	(25)	(5,736)	(5761)
Net	<u>\$ 193,754</u>	<u>\$ 199,515</u>	<u>\$ (5761)</u>

Inflation Linked Bond Fund:

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

Australian Dollar	\$ 6,987,873	\$ (11,055)
Canadian Dollar	54,135,068	(1,358,208)
Euro Currency Unit	9,610,038	(29,987)
Japanese Yen	33,158,065	(422,957)
Malaysian Ringgit	18,471,390	(782,895)
Mexican New Peso	2,480,387	(50,079)
New Zealand Dollar	3,019,573	(185,502)
Norwegian Krone	35,102,781	(1,322,881)
Polish Zloty	613,621	(3,060)
Pound Sterling	93,847,823	1,419,973
Swedish Krona	8,261,030	10,278
	<u>265,687,649</u>	<u>(2,736,373)</u>

Contracts to Sell:

Australian Dollar	54,200,912	1,316,798
Brazil Real	23,084,771	421,418
Canadian Dollar	11,351,102	205,410
Danish Krone	29,919	(724)
Euro Currency Unit	3,305,967	3,225
Japanese Yen	4,647,921	(19,810)
Mexican New Peso	40,739,014	1,238,090
New Zealand Dollar	61,457,428	4,766,747
Polish Zloty	15,770,032	377,436
Pound Sterling	20,630,096	(245,856)
Swedish Krona	1,486,901	(64,325)
	<u>236,704,063</u>	<u>7,998,409</u>
Grand total	<u>\$ 502,391,712</u>	<u>\$ 5,262,036</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 502,391,712	\$ 502,391,712	\$ -
Unrealized Gain/Loss	(2,736,373)	7,998,409	5,262,036
Net	<u>\$ 499,655,339</u>	<u>\$ 494,393,303</u>	<u>\$ 5,262,036</u>

Emerging Market Debt Fund:

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

Brazil Real	\$ 12,409,462	\$ 156,198
Chilean Peso	3,907,635	(33,014)
Colombian Peso	1,402,799	18,689
Indian Rupee	2,429,437	(19,087)
Indonesian Rupiah	899,000	(2,550)
Philippines Peso	1,197,298	(14,572)
Polish Zloty	17,336,310	(321,834)
Romanian Leu	7,649,407	(5,507)
South African Rand	1,190,663	25,757
	<u>48,422,011</u>	<u>(195,920)</u>

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Contracts to Sell:

Brazil Real	25,775,824	54,074
Colombian Peso	4,673,216	(62,258)
Euro Currency Unit	183,432	(3,879)
Indian Rupee	2,362,128	(48,222)
Indonesian Rupiah	1,324,490	(2,712)
New Turkish Lira	4,266,086	(70,719)
Polish Zloty	6,237,876	65,498
Pound Sterling	221,495	(7,482)
Russian Ruble (New)	6,445,033	231,081
	<u>51,489,580</u>	<u>155,381</u>
Total	<u>\$ 99,911,591</u>	<u>\$ (40,539)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 99,911,591	\$ 99,911,591	\$ (40,539)
Unrealized Gain/Loss	(195,920)	155,381	-
Net	<u>\$ 99,715,671</u>	<u>\$ 99,756,210</u>	<u>\$ (40,539)</u>

High Yield Debt Fund:

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

Contracts to Buy:

Euro Currency Unit	\$ 1,896,412	\$ (21,760)
Pound Sterling	172,018	1,430
	<u>2,068,430</u>	<u>(20,330)</u>

Contracts to Sell:

Euro Currency Unit	5,565,955	(110,761)
Pound Sterling	4,867,424	(159,420)
	<u>10,433,379</u>	<u>(270,181)</u>
Grand total	<u>\$ 12,501,809</u>	<u>\$ (290,511)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 12,501,809	\$ 12,501,809	-
Unrealized Gain/Loss	(20,330)	(270,181)	(290,511)
Net	<u>\$ 12,481,479</u>	<u>\$ 12,771,990</u>	<u>\$ (290,511)</u>

Developed Market International Stock Fund:

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

Contracts to Buy:

Australian Dollar	\$ 466,983,483	\$ (623,420)
Brazil Real	295,565	670
Canadian Dollar	78,120,229	(267,455)
Danish Krone	7,191,329	(115,042)
Euro Currency Unit	533,587,607	(5,078,411)
Hong Kong Dollar	8,506,836	(13)
Israeli Shekel	7,678,098	137,371
Japanese Yen	361,199,949	5,086,805
New Zealand Dollar	167,891,471	(7,137,223)
Norwegian Krone	382,179,942	(2,873,549)
Pound Sterling	215,203,080	2,007,172
Singapore Dollar	327,614,317	990,995
Swedish Krona	75,418,643	(382,991)
Swiss Franc	94,477,569	(62,248)
	<u>2,726,348,118</u>	<u>(8,317,339)</u>

Contracts to Sell:

Australian Dollar	263,979,284	1,031,342
Canadian Dollar	385,555,873	960,619
Danish Krone	40,609,830	364,614
Euro Currency Unit	770,542,056	9,125,798
Hong Kong Dollar	70,792,325	(2,558)
Israeli Shekel	2,616,335	(39,167)
Japanese Yen	343,827,602	(4,659,069)
New Zealand Dollar	513,304,244	23,930,756
Norwegian Krone	85,810,783	552,232
Philippines Peso	333,337	(337)

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Pound Sterling	1,229,461,899	(27,170,010)
Singapore Dollar	732,942,390	(4,048,226)
Swedish Krona	215,237,585	209,265
Swiss Franc	345,975,871	1,056,616
	<u>5,000,989,414</u>	<u>1,311,875</u>
Total	<u>\$ 7,727,337,532</u>	<u>\$ (7,005,464)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 7,727,337,532	\$ 7,727,337,532	\$ -
Unrealized Gain/Loss	(8,317,339)	1,311,875	(7,005,464)
Net	<u>\$ 7,719,020,193</u>	<u>\$ 7,726,025,657</u>	<u>\$(7,005,464)</u>

Emerging Market International Stock Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Brazil Real	\$ 237,924	\$ 538
Indonesian Rupiah	276,136	(281)
Philippines Peso	121,361	2
South Korean Won	1,653,605	(857)
	<u>2,289,026</u>	<u>(598)</u>

Contracts to Sell:

Brazil Real	191,141	(669)
Hong Kong Dollar	209,887	8
Indonesian Rupiah	159,265	170
Philippines Peso	6,966	(5)
Singapore Dollar	2,798	-
South Korean Won	689,891	167
Thailand Baht	97,619	(85)
	<u>1,357,567</u>	<u>(414)</u>
Grand total	<u>\$ 3,646,593</u>	<u>(1,012)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 3,646,593	\$ 3,646,593	\$ -
Unrealized Gain/Loss	(598)	(414)	(1,012)
Net	<u>\$ 3,645,995</u>	<u>\$ 3,647,007</u>	<u>\$ (1,012)</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, Alternative Investment Funds, Core Fixed Income Fund and High Yield Investment Fund have outstanding commitments to make additional investments. These commitments will be fulfilled as suitable investment opportunities become available. Commitments at June 30, 2015, were as follows:

CIF	Total Commitment	Cumulative Amounts Funded	Unfunded Commitment
Real Estate	\$ 3,119,192,028	\$ 2,512,860,163	\$ 606,331,865
Private Investment	6,074,374,919	5,173,394,828	900,980,091
Alternative Investment	1,645,000,000	1,608,207,031	36,792,969
Core Fixed Income	550,000,000	550,000,000	-
High Yield	150,000,000	83,264,879	66,735,121

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 in portfolio investments. Since fees and expenses are a component of a General Partner's total capital commitments, capital recycling generally allows managers to:

COMBINED INVESTMENT FUNDS
NOTES TO FINANCIAL STATEMENTS (Continued)

(i) mitigate the impact of fees and expenses and (ii) increase the possibility that limited partner capital is invested in portfolio companies. Recycling provisions allow managers to recall capital distributions if certain criteria are met. The use of recycling provisions varies by manager but generally limits capital recycling to a range between 0% and 20% of total commitments. As a result the actual commitment could be as much as 120% of the stated commitment amount.

NOTE 7: CONTINGENCY

The Office of the Treasurer has worked diligently 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"), received 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 Limited Partners have received distribution of disgorged assets from the Securities and Exchange Commission ("SEC") arising from the SEC's . Action alleging misappropriation of more than \$9 million from a private venture capital fund and its investors, including the State of Connecticut's Private Investment Fund. The State of Connecticut received a pro rata distribution of \$179,448.

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

NOTE 9: COST BASIS OF INVESTMENTS

The aggregate cost values of investments in the Funds are as follows at June 30, 2015:

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND
Investments in Securities, at Cost					
Liquidity Fund	\$ -	\$41,865,931	\$76,954,267	\$190,192,609	\$26,730,531
Cash Equivalents	191,292,119	-	-	-	1,656,580
Asset Backed Securities	135,255,603	-	-	56,504,636	(425,496)
Government Securities	542,095,000	-	-	440,621,648	1,157,658,832
Government Agency Securities	202,734,531	-	-	514,430,242	-
Mortgage Backed Securities	90,050,185	-	-	288,561,057	-
Corporate Debt	909,891,934	-	-	536,720,272	3,897,922
Convertible Securities	-	-	-	-	-
Common Stock	-	-	4,344,017,395	-	-
Preferred Stock	-	-	-	4,837,988	-
Real Estate Investment Trust	-	-	158,635,819	21,540,037	-
Business Development Corp	-	-	-	-	-
Mutual Fund	158,918,499	-	1,145,933	-	-
Limited Liability Corporation	-	-	-	-	-
Trusts	-	-	-	-	-
Limited Partnerships	-	1,569,260,702	3,693,632	550,000,000	-
Partnerships	-	-	-	-	-
Annuities	-	-	-	-	-
Total Investments in Securities, at cost	\$2,230,237,871	\$1,611,126,633	\$ 4,584,447,046	\$ 2,603,408,489	\$1,189,518,369

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

and pursuit of potential litigation claims. The liquidation trustee has filed law suits or arbitration proceedings against certain parties, including the bank that issued the credit facility, the investment bank, an equipment manufacturer, accounting firms, and a law firm, among others. In January 2009, the liquidation trustee entered into a settlement agreement with the General Partner, exchanging mutual releases for the GP, the fund and its investors. Additionally, the settlement agreement provides for a sharing of recovery from further prosecution of the matter, including any settlement reached with the insurance carrier. Recoveries are anticipated to be quite modest, if at all. In 2009, the bank has filed a motion under seal which, if granted, may permit the bank to reduce any liability to the liquidation trustee by the proportionate amount that it can attribute to either the minority shareholders (including the fund). The liquidating trustee has prepared a motion to close out the bankruptcy case, which is scheduled to be heard on November 19, 2015. We have not yet been notified of the court's ruling in said motion.

NOTE 8: SUBSEQUENT EVENT

The CRPTF has performed an evaluation of subsequent events through December 31, 2015, the date the basic financial statements were available to be issued. No material events were identified.

EMERGING MARKET DEBT FUND	HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND
\$42,255,625	\$81,528,003	\$101,035,173	\$60,743,501	\$116,519,803	\$11,635	\$167,487,818
(30,000)	290,000	6,011,233	-	-	-	-
-	-	-	-	-	-	-
774,438,194	27,935,439	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	18,199	-
129,074,516	1,554,110,854	-	-	-	-	-
-	30,692,789	-	-	-	-	-
395,023	3,910,700	4,855,947,991	2,069,248,089	-	-	-
329,585	12,795,366	25,550,222	75,889,028	-	-	-
-	29,788,098	63,968,215	2,457,123	-	-	-
-	83,264,878	-	-	-	-	-
576,744,671	-	-	105,622,266	-	-	-
-	-	-	-	-	-	1,432,734
-	-	-	-	8,193,224	-	-
-	-	-	-	1,638,543,261	-	2,117,948,255
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$1,523,207,614	\$1,824,316,127	\$5,052,512,834	\$2,313,960,007	\$1,763,256,288	\$29,834	\$ 2,286,868,807

COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	HIGH YIELD DEBT					DEVELOPED MARKET INTERNATIONAL				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Net Position- Beginning of Period	\$139.80	\$125.63	\$121.79	\$122.95	\$113.69	\$460.14	\$378.32	\$314.31	\$366.79	\$295.58
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	\$8.06	\$7.86	\$8.37	\$9.22	\$10.40	\$11.36	\$13.40	\$10.35	\$9.49	\$8.68
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$(9.89)	\$7.30	\$2.22	\$(1.87)	\$7.36	\$(8.28)	\$70.75	\$60.42	\$(54.79)	\$68.92
Total from Investment Operations	\$(1.83)	\$15.16	\$10.59	\$7.35	\$17.76	\$3.08	\$84.15	\$70.77	\$(45.30)	\$77.60
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	\$-	\$(0.99)	\$(6.75)	\$(8.51)	\$(8.50)	\$-	\$(2.33)	\$(6.76)	\$(7.18)	\$(6.39)
Net Position - End of Period	\$137.97	\$139.80	\$125.63	\$121.79	\$122.95	\$463.22	\$460.14	\$378.32	\$314.31	\$366.79
TOTAL RETURN	-1.31%	12.24%	8.46%	6.23%	15.96%	0.67%	22.31%	22.56%	-12.48%	26.30%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$1,773	\$1,588	\$1,248	\$711	\$718	\$5,909	\$6,135	\$5,447	\$4,626	\$5,409
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.33%	0.35%	0.36%	0.38%	0.39%	0.40%	0.40%	0.43%	0.45%	0.51%
Ratio of Expenses to Average Net Position	0.34%	0.36%	0.39%	0.41%	0.42%	0.41%	0.40%	0.45%	0.47%	0.53%
Ratio of Net Investment Income (Loss) to Average Net Position	5.80%	5.91%	6.07%	7.54%	8.67%	2.46%	3.17%	3.02%	2.79%	2.62%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	EMERGING MARKET INTERNATIONAL STOCK					REAL ESTATE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Net Position- Beginning of Period	\$397.12	\$358.76	\$351.61	\$416.41	\$327.75	\$39.48	\$36.46	\$35.21	\$33.72	\$30.40
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	\$8.22	\$6.81	\$6.36	\$9.28	\$7.00	\$1.59	\$(0.97)	\$2.04	\$0.89	\$1.44
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$(35.73)	\$34.08	\$5.57	\$(67.82)	\$86.38	\$3.51	\$4.84	\$1.55	\$1.51	\$3.40
Total from Investment Operations	\$(27.51)	\$40.89	\$11.93	\$(58.54)	\$93.38	\$5.10	\$3.87	\$3.59	\$2.40	\$4.84
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	\$-	\$(2.53)	\$(4.78)	\$(6.26)	\$(4.72)	\$-	\$(0.85)	\$(2.34)	\$(0.91)	\$(1.52)
Net Position - End of Period	\$369.61	\$397.12	\$358.76	\$351.61	\$416.41	\$44.58	\$39.48	\$36.46	\$35.21	\$33.72
TOTAL RETURN	-6.93%	11.50%	3.29%	-14.16%	28.55%	12.93%	10.66%	10.26%	7.19%	16.12%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$2,473	\$2,655	\$2,369	\$2,227	\$2,638	\$1,848	\$1,510	\$1,482	\$1,328	\$1,097
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.70%	0.69%	0.84%	0.72%	0.85%	0.39%	0.55%	0.35%	0.33%	0.43%
Ratio of Expenses to Average Net Position	0.71%	0.70%	0.85%	0.73%	0.86%	0.39%	0.55%	0.35%	0.33%	0.43%
Ratio of Net Investment Income (Loss) to Average Net Position	2.15%	1.81%	1.78%	2.42%	1.90%	3.77%	-2.50%	5.56%	2.59%	4.62%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	COMMERCIAL MORTGAGE					PRIVATE INVESTMENT				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Net Position- Beginning of Period	\$33.45	\$30.36	\$40.34	\$46.54	\$48.51	\$54.72	\$48.06	\$49.83	\$51.00	\$49.63
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	\$0.71	\$5.47	\$5.59	\$2.47	\$3.51	\$1.31	\$4.72	\$5.51	\$4.09	\$7.58
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$(0.62)	\$(2.38)	\$(7.62)	\$(5.34)	\$(1.35)	\$6.37	\$2.79	\$(1.23)	\$(1.24)	\$1.50
Total from Investment Operations	\$0.09	\$3.09	\$(2.03)	\$(2.87)	\$2.16	\$7.68	\$7.51	\$4.28	\$2.85	\$9.08
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	\$-	\$-	\$(7.95)	\$(3.33)	\$(4.13)	\$-	\$(0.85)	\$(6.05)	\$(4.02)	\$(7.71)
Net Position - End of Period	\$33.54	\$33.45	\$30.36	\$40.34	\$46.54	\$62.40	\$54.72	\$48.06	\$49.83	\$51.00
TOTAL RETURN	0.25%	10.17%	0.88%	-6.48%	4.61%	14.04%	16.06%	9.50%	5.92%	19.89%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$-	\$-	\$-	\$1	\$2	\$2,774	\$2,919	\$2,550	\$2,572	\$2,232
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.01%	0.00%	6.26%	1.65%	0.97%	0.17%	0.22%	0.29%	0.36%	0.44%
Ratio of Expenses to Average Net Position	0.01%	0.00%	6.26%	1.65%	0.97%	0.17%	0.22%	0.29%	0.36%	0.44%
Ratio of Net Investment Income (Loss) to Average Net Position	2.12%	16.41%	7.11%	5.64%	7.49%	2.25%	9.21%	11.23%	8.09%	15.26%

Source: Amounts were derived from custodial records.

SHORT-TERM INVESTMENT FUND

**STATEMENT OF NET POSITION
JUNE 30, 2015**

	<u>June 30, 2015</u>
ASSETS	
Investment in Securities, at Amortized Cost (Note 7)	\$ 5,033,037,747
Accrued Interest and Other Receivables	5,005,874
Prepaid Assets	73,423
Total Assets	<u>\$ 5,038,117,044</u>
LIABILITIES	
Distribution Payable	572,149
Total Liabilities	<u>\$ 572,149</u>
NET POSITION HELD IN TRUST FOR PARTICIPANTS (includes reserve)	<u>\$ 5,037,544,895</u>

See accompanying Notes to the Financial Statements.

SHORT-TERM INVESTMENT FUND

**STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014**

	2015	2014
ADDITIONS		
Operations		
Interest Income	\$ 8,597,184	\$ 8,943,345
Net Investment Income	8,597,184	8,943,345
Net Realized Gains	3,889	106,047
Net Increase Resulting from Operations	8,601,073	9,049,392
Share Transactions at Fair Value of \$1.00 per Share		
Purchase of Units	13,390,562,799	11,718,981,266
TOTAL ADDITIONS	13,399,163,872	11,728,030,658
DEDUCTIONS		
Distribution to Participants (Notes 2 & 6)		
Distributions to Participants*	(6,535,117)	(6,299,050)
Total Distributions Paid and Payable	(6,535,117)	(6,299,050)
Share Transactions at Fair Value of \$1.00 per Share		
Redemption of Units	(12,564,386,893)	(11,985,125,718)
Operations		
Operating Expenses	(2,030,966)	(1,993,338)
TOTAL DEDUCTIONS	(12,572,952,976)	(11,993,418,106)
<i>* Net of designated reserve transfer contributions and expenses.</i>		
CHANGE IN NET POSITION	826,210,896	(265,387,448)
Net Position Held in Trust for Participants		
Beginning of Year	\$ 4,211,333,999	4,476,721,447
End of Year	\$ 5,037,544,895	\$ 4,211,333,999

See accompanying Notes to the Financial Statements.

SHORT-TERM INVESTMENT FUND

NOTES TO FINANCIAL STATEMENTS

NOTE 1: INTRODUCTION AND BASIS OF PRESENTATION

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

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

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

Related Party Transactions.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity.

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

Security Valuation of Financial Instruments.

The assets of the Fund are carried at amortized cost (which approximates fair value). All premiums and discounts on securities are amortized or accreted on a straight line basis.

Security Transactions.

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

Interest Income.

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

Expenses.

Operating and interest expenses are accounted for on an accrual basis.

Fiscal Year.

The fiscal year of STIF ends on June 30.

Distributions to Investors.

Distributions to investors are earned on units outstanding from date of purchase to date of redemption. Income is calculated daily based upon the actual earnings of the Fund net of administrative expenses and, if applicable, an

SHORT-TERM INVESTMENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

allocation to the Designated Surplus Reserve. Distributions are paid monthly within two business days of the end of the month, and are based upon actual number of days in a year. Shares are sold and redeemed at a constant \$1.00 net asset value per share, which is consistent with the per share net asset value of the Fund, excluding the Designated Surplus Reserve.

Designated Surplus Reserve.

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

As of June 30, 2015, the balance in the Designated Surplus Reserve was \$50,484,205 which reflects \$141 thousand in contributions during the year.

Estimates.

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

NOTE 3: DEPOSIT AND INVESTMENT DISCLOSURES

A formal investment policy (as adopted August 21, 1996, revised June 16, 2008 and April 17, 2009) specifies policies and guidelines that provide for the systematic management of STIF and prudent and productive investment of funds. All securities of STIF are registered under the Bank of New York Mellon nominee name, MAC & Co.

Custodial Credit Risk – Deposits

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

Deposits in banks are insured up to \$250,000 (as of June 30, 2015), any amount above this limit is considered uninsured. Additionally, state banking regulation requires all Connecticut public depositories to segregate collateral against public deposits in an amount equal to at least ten percent of the outstanding deposit. As of fiscal year-end, deposit instruments in the Short-Term Investment Fund totaled \$2,140,287,785. Of that amount, \$1,202,062,785 was exposed to custodial credit risk representing the portion that was uninsured, uncollateralized or not backed by a letter of credit. Each of the deposit instruments had put options that would allow STIF to redeem the investments within one to seven business days.

Uninsured Bank Amounts

<u>Bank</u>	<u>Amount</u>	<u>Uninsured</u>
BB&T	\$225,000,000	\$224,750,000
Bank of Tokyo-Mits	100,000,000	100,000,000
BNY Mellon	40,287,785	40,037,785
Citizens	225,000,000	-
Credit Suisse	50,000,000	50,000,000
Federally Insured Cust Acct	75,000,000	-
Peoples	250,000,000	-
Santander	250,000,000	-
TD Bank	375,000,000	337,275,000

SHORT-TERM INVESTMENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Webster	100,000,000	-
Svenska Handelsbanken	<u>450,000,000</u>	<u>450,000,000</u>
Total	\$2,140,287,785	\$1,202,062,785

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in the general level of interest rates will adversely affect the fair value of an investment. The STIF's policy for managing interest rate risk is to limit investments to a very short weighted average maturity, not to exceed 90-days, and to comply with Standard and Poor's requirement that the weighted average maturity not exceed 60 days. The weighted-average maturity is calculated daily, and reported to Standard and Poor's weekly to ensure compliance. As of June 30, 2015 the weighted average maturity of the STIF was 37 days. The breakdown of the STIF's maturity profile is outlined below.

<u>Investments</u>	<u>Amortized Cost</u>	<u>Investment Maturity in Years</u>	
		<u>Less than One</u>	<u>One - Five</u>
Deposit Instruments			
Fixed	\$2,140,287,785	\$2,140,287,785	\$ -
Federal Agency Securities			
Fixed	907,962,531	907,962,531	-
Floaters	568,321,665	568,321,665	-
Bank Commercial Paper	350,000,000	350,000,000	-
US Government	65,295,451	65,295,451	-
Government Money Market Funds	501,170,315	501,170,315	-
Repurchase Agreements	500,000,000	500,000,000	-
Total	<u>\$5,033,037,747</u>	<u>\$5,033,037,747</u>	<u>\$ -</u>

Additionally, STIF is allowed by policy to invest in floating-rate debt securities. Further, investment in floating-rate securities with maturities greater than two years is limited to no more than 20 percent of the overall portfolio. For purposes of the weighted average maturity calculation and classification in the chart above, variable-rate securities are calculated using their interest rate reset dates. Because these securities reset frequently to prevailing market rates, interest rate risk is substantially reduced. As of fiscal year-end, the STIF portfolio held \$568 million in variable rate securities.

Credit Risk of Debt Securities

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

<u>Credit Quality Rating</u>	<u>Amortized Cost</u>	<u>Percentage of Amortized Cost</u>
AAAm	\$ 501,170,315	9.96%
AA+ / A-1+ U.S. Government / Government Guaranteed	65,295,451	1.30%
AA+ / A-1+Federal Agency	1,476,284,196	29.33%
AA / A-1+	1,465,287,785	29.11%
A / A-1	625,000,000	12.42%
A-2	825,000,000	16.39%
N/R	75,000,000	1.49%
Total	<u>\$5,033,037,747</u>	100.00%

*A-2 securities are backed by irrevocable standby letters of credit provided by federal home loan banks. N/R securities are federally insured custodial account securities.

Concentration of Credit Risk

As per the Short-Term Investment Fund's investment policy, the fund limits the amount it may invest in any one issuer to an amount not to exceed 10 percent with a ten-business-day cure period, with the exception of repurchase agreements and U.S. government and agency securities. As of June 30, 2015, the table below lists issuers with concentrations of greater than 5 percent.

SHORT-TERM INVESTMENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>
Federal Home Loan Bank	\$673,676,490	13.4%
Federal Farm Credit	457,972,951	9.1%
Svenska Handelsbanken	450,000,000	8.9%
TD Bank	375,000,000	7.5%
US Bank	350,000,000	7.0%

NOTE 4: CUSTODIAN

BNY Mellon was appointed as custodian for STIF effective December 9, 2013. STIF pays a percentage of the approximate \$275,000 custodial fee charged to the Short-Term Investment Unit. This percentage is calculated quarterly by determining the STIF size relative to that of the total Short-Term Investment Unit.

NOTE 5: ADMINISTRATION

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

NOTE 6: DISTRIBUTIONS TO INVESTORS

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

<u>Distributions:</u>	<u>2015</u>	<u>2014</u>
July	\$550,846	\$589,887
August	551,301	407,061
September	519,749	271,572
October	536,039	552,704
November	529,685	489,583
December	548,778	572,477
January	536,230	607,051
February	503,800	558,172
March	577,432	591,688
April	538,179	550,054
May	570,928	577,896
June (Payable at June 30)	572,150	530,908
Total Distribution Paid & Payable	<u>\$6,535,117</u>	<u>\$6,299,050</u>

NOTE 7: INVESTMENTS IN SECURITIES

The following is a summary of investments in securities, at amortized cost and fair value as of June 30, 2015:

<u>Investment</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
Deposit Instruments	\$2,140,287,785	\$2,140,287,785
Federal Agency Securities	1,476,284,196	1,476,441,234
Bank Commercial Paper	350,000,000	350,000,000
Government Money Market Funds	501,170,315	501,170,315
US Government	65,295,451	65,362,518
Repurchase Agreements	500,000,000	500,000,000
TOTAL	<u>\$5,033,037,747</u>	<u>\$5,033,261,852</u>

Repurchase agreements are agreements to purchase securities from an entity for a specified amount of cash and to resell the securities to the entity at an agreed upon price and time. They are used to enhance returns with minimal risk on overnight cash deposits of the Fund. Such transactions are only entered into with primary government securities dealers who report directly to the Federal Reserve Bank of New York and commercial

SHORT-TERM INVESTMENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

banks that meet certain quality standards. All repurchase agreements are collateralized at between 100 percent and 102 percent of the securities' value. As of fiscal year end, STIF held \$500 million in repurchase agreements.

In an effort to improve disclosures associated with derivative contracts, the Government Accounting Standards Board (GASB) issued GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, effective for the fiscal years beginning after June 15, 2009. Statement No. 53 requires that all derivatives be reported on the Statement of Net Assets and defines a derivative instrument as a financial instrument or other contract with all three of the following characteristics: a) it has (1) one or more underlyings (a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates or other variable) and (2) one or more notional amounts (a number of currency units, shares, bushels, pounds, or other units specified in the contract) b) it requires no initial investment or smaller than would be required for other types of contracts c) its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

For the fiscal year ended June 30, 2015, the Short-Term Investment Fund held adjustable-rate U.S. government agency securities whose interest rates vary directly with short-term money market indices and are reset either daily, weekly, monthly or quarterly. Such securities allow the Fund to earn higher interest rates as market rates increase, thereby increasing fund yields and protecting against the erosion of market values from rising interest rates. These adjustable rate securities have similar risks as fixed-rate securities from the same issuers.

NOTE 8: CREDIT RATING OF THE FUND

Throughout the year ended June 30, 2015, STIF was rated AAAM, its highest rating, by Standard and Poor's Corporation ("S&P"). In November 2014, following a review of the portfolio and STIF's investment policies, management and procedures, S&P reaffirmed STIF's AAAM rating and has continued to maintain this high rating throughout the current fiscal year. In order to maintain an AAAM rating, STIF adheres to the following guidelines:

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

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

NOTE 9: SUBSEQUENT EVENTS

The Fund management has evaluated the events and transactions that have occurred through December 31, 2015, the date the basic financial statements were available to be issued. There were no subsequent events identified related to the Short-Term Investment Fund that could have a material impact on the Short-Term Investment Fund's financial statements.

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2015

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost⁽¹⁾	Fair Value⁽¹⁾	Asset ID	Quality Rating
FEDERAL AGENCY SECURITIES (29.33% OF TOTAL INVESTMENTS)						
\$ 15,000,000	FANNIE MAE 0.50 7/2/2015	0.15	\$ 15,000,144	\$ 15,000,165	3135G0LN1	AA+
2,825,000	FANNIE MAE 0.50 7/2/2015	0.15	2,825,027	2,825,031	3135G0LN1	AA+
2,320,000	FANNIE MAE 0.50 7/2/2015	0.17	2,320,021	2,320,026	3135G0LN1	AA+
3,576,000	FANNIE MAE 2.375 7/28/2015	0.18	3,581,798	3,581,836	31398AU34	AA+
15,000,000	FANNIE MAE 2.375 7/28/2015	0.18	15,024,288	15,024,480	31398AU34	AA+
3,700,000	FANNIE MAE 2.375 7/28/2015	0.04	3,706,436	3,706,038	31398AU34	AA+
1,000,000	FANNIE MAE 2.00 8/18/2015	0.17	1,002,420	1,002,405	3136FPAB3	AA+
1,000,000	FANNIE MAE 1.875 9/9/2015	0.21	1,003,171	1,003,282	3136FPDY0	AA+
1,732,000	FANNIE MAE 2.00 9/21/2015	0.22	1,738,879	1,739,257	31398A3T7	AA+
2,750,000	FANNIE MAE 2.00 9/21/2015	0.18	2,761,174	2,761,523	31398A3T7	AA+
1,435,000	FANNIE MAE 0.50 9/28/2015	0.13	1,436,273	1,434,733	3135G0NV1	AA+
15,328,000	FANNIE MAE 4.375 10/15/2015	0.17	15,514,822	15,512,580	31359MZC0	AA+
10,000,000	FANNIE MAE 4.375 10/15/2015	0.17	10,121,885	10,120,420	31359MZC0	AA+
15,000,000	FANNIE MAE 4.375 10/15/2015	0.18	15,182,325	15,180,630	31359MZC0	AA+
10,000,000	FANNIE MAE 4.375 10/15/2015	0.18	10,121,714	10,120,420	31359MZC0	AA+
16,427,000	FANNIE MAE 4.375 10/15/2015	0.16	16,627,450	16,624,814	31359MZC0	AA+
5,000,000	FANNIE MAE 1.625 10/26/2015	0.17	5,023,258	5,023,645	31398A4M1	AA+
15,000,000	FANNIE MAE 0.375 12/21/2015	0.30	15,005,458	15,010,680	3135G0SB0	AA+
5,039,000	FANNIE MAE 0.375 12/21/2015	0.20	5,043,076	5,042,588	3135G0SB0	AA+
1,500,000	FANNIE MAE 2.00 3/10/2016	0.38	1,516,790	1,517,667	3136FPET0	AA+
1,160,000	FANNIE MAE 2.25 3/15/2016	0.35	1,175,479	1,176,049	3135G0AL7	AA+
15,000,000	FANNIE MAE 5.00 3/15/2016	0.28	15,498,600	15,497,820	31359MH89	AA+
1,850,000	FANNIE MAE 5.00 3/15/2016	0.30	1,911,197	1,911,398	31359MH89	AA+
15,000,000	FANNIE MAE 2.375 4/11/2016	0.38	15,232,775	15,239,235	3135G0BA0	AA+
10,000,000	FANNIE MAE VAR 7/26/2015	0.21	10,002,964	10,007,130	3135G0YQ0	AA+
5,000,000	FANNIE MAE VAR 8/24/2015	0.45	5,001,725	5,002,080	3136FRT60	AA+
1,000,000	FED FARM CREDIT 4.55 7/20/2015	0.18	1,002,270	1,002,338	31331SQ97	AA+
2,195,000	FED FARM CREDIT 0.35 7/30/2015	0.18	2,195,292	2,195,459	3133ECHV9	AA+
4,950,000	FED FARM CREDIT 0.18 8/5/2015	0.19	4,949,938	4,950,342	3133EDKW1	AA+
7,500,000	FED FARM CREDIT 0.20 8/14/2015	0.21	7,499,886	7,500,698	3133EDFC1	AA+
3,000,000	FED FARM CREDIT 0.40 8/26/2015	0.22	3,000,826	3,001,170	3133ECY65	AA+
1,000,000	FED FARM CREDIT 0.55 9/15/2015	0.23	1,000,660	1,000,585	3133EAQV3	AA+
2,000,000	FED FARM CREDIT 0.375 10/7/2015	0.13	2,001,336	2,001,236	3133ED4A7	AA+
2,743,000	FED FARM CREDIT 4.875 11/16/2015	0.20	2,791,408	2,791,096	31331YEM8	AA+
12,500,000	FED FARM CREDIT 0.43 11/16/2015	0.19	12,511,190	12,511,325	3133ECBJ2	AA+
1,500,000	FED FARM CREDIT 1.50 11/16/2015	0.21	1,507,329	1,507,026	31331J2S1	AA+
10,050,000	FED FARM CREDIT 1.50 11/16/2015	0.24	10,097,721	10,097,074	31331J2S1	AA+
2,000,000	FED FARM CREDIT 0.21 11/27/2015	0.21	2,000,000	2,000,024	3133EDM82	AA+
1,000,000	FED FARM CREDIT 1.75 12/1/2015	0.25	1,006,266	1,006,668	31331J3T8	AA+
10,000,000	FED FARM CREDIT 0.25 12/2/2015	0.23	10,000,725	10,003,650	3133EDWU2	AA+
1,000,000	FED FARM CREDIT 1.81 12/8/2015	0.21	1,006,987	1,006,932	31331J4P5	AA+
5,945,000	FED FARM CREDIT 0.29 12/10/2015	0.29	5,944,956	5,945,077	3133EDBM3	AA+
1,000,000	FED FARM CREDIT 5.25 1/6/2016	0.26	1,025,668	1,025,209	31331V3M6	AA+
5,000,000	FED FARM CREDIT 0.50 5/4/2016	0.35	5,006,302	5,004,680	3133ED6D9	AA+
5,520,000	FED FARM CREDIT 0.39 5/9/2016	0.39	5,520,000	5,517,858	3133ECNX8	AA+
5,000,000	FED FARM CREDIT 0.65 5/9/2016	0.37	5,012,153	5,011,515	3133ECWT7	AA+
15,000,000	FED FARM CREDIT VAR 7/1/2015	0.18	14,996,820	15,006,840	3133EEFN5	AA+
5,500,000	FED FARM CREDIT VAR 7/2/2015	0.21	5,501,050	5,503,570	3133ECNB6	AA+
1,100,000	FED FARM CREDIT VAR 7/3/2015	0.18	1,099,991	1,100,063	3133ECKN3	AA+
25,000,000	FED FARM CREDIT VAR 7/4/2015	0.21	24,999,352	25,004,950	3133ED6A5	AA+
25,000,000	FED FARM CREDIT VAR 7/4/2015	0.21	24,999,350	25,004,950	3133ED6A5	AA+
3,445,000	FED FARM CREDIT VAR 7/5/2015	0.21	3,446,339	3,445,169	3133EDMX7	AA+
25,000,000	FED FARM CREDIT VAR 7/6/2015	0.28	25,038,282	25,038,425	31331K2G4	AA+
4,600,000	FED FARM CREDIT VAR 7/10/2015	0.25	4,601,646	4,600,718	3133EDX64	AA+
6,000,000	FED FARM CREDIT VAR 7/11/2015	0.21	6,001,624	6,004,422	3133EDJA1	AA+
16,050,000	FED FARM CREDIT VAR 7/11/2015	0.22	16,057,896	16,063,947	3133ED4J8	AA+
25,000,000	FED FARM CREDIT VAR 7/14/2015	0.19	25,000,524	25,003,350	3133ECHK3	AA+
15,000,000	FED FARM CREDIT VAR 7/14/2015	0.21	15,004,573	15,010,935	3133EDH21	AA+
25,000,000	FED FARM CREDIT VAR 7/20/2015	0.22	25,014,932	25,019,700	3133EECD0	AA+
15,000,000	FED FARM CREDIT VAR 7/22/2015	0.21	14,999,529	15,002,160	3133ED5G3	AA+
20,000,000	FED FARM CREDIT VAR 7/23/2015	0.19	19,995,039	20,009,160	3133EELD0	AA+
4,000,000	FED FARM CREDIT VAR 7/27/2015	0.24	4,002,350	4,005,084	3133EDFW7	AA+
4,500,000	FED FARM CREDIT VAR 7/27/2015	0.24	4,502,655	4,505,720	3133EDFW7	AA+
25,000,000	FED FARM CREDIT VAR 7/29/2015	0.21	25,003,344	25,017,425	3133EDZW5	AA+
4,500,000	FED FARM CREDIT VAR 7/29/2015	0.25	4,502,944	4,502,579	3133EDEE8	AA+

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2015 (Continued)

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost⁽¹⁾	Fair Value⁽¹⁾	Asset ID	Quality Rating
10,000,000	FED FARM CREDIT VAR 7/30/2015	0.20	9,996,778	10,005,740	3133EEGU8	AA+
25,000,000	FED FARM CREDIT VAR 8/5/2015	0.15	24,995,720	24,992,875	3133EDL42	AA+
1,000,000	FED FARM CREDIT VAR 8/5/2015	0.26	1,000,202	1,000,541	3133ECYA6	AA+
25,000,000	FED FARM CREDIT VAR 9/2/2015	0.20	24,999,710	24,997,200	3133EDAW2	AA+
15,000,000	FED FARM CREDIT VAR 9/19/2015	0.19	14,997,222	14,996,745	3133EDNQ1	AA+
10,000,000	FED FARM CREDIT VAR 9/19/2015	0.19	9,997,525	9,997,830	3133EDNQ1	AA+
2,057,000	FED FARM CREDIT VAR 9/19/2015	0.28	2,059,668	2,058,794	3133ED2E1	AA+
20,000,000	FED FARM CREDIT VAR 9/19/2015	0.14	19,993,965	19,994,100	3133EDMK5	AA+
10,000,000	FED HOME LOAN BANK 0.17 7/22/2015	0.19	9,999,885	10,000,290	3130A2LJ3	AA+
5,000,000	FED HOME LOAN BANK 0.67 7/30/2015	0.18	5,001,926	5,002,105	313376VZ5	AA+
15,000,000	FED HOME LOAN BANK 0.20 8/19/2015	0.20	15,000,000	15,001,800	3130A2PQ3	AA+
7,500,000	FED HOME LOAN BANK 0.125 8/28/2015	0.21	7,498,957	7,499,970	3130A2WK8	AA+
7,460,000	FED HOME LOAN BANK 0.375 8/28/2015	0.24	7,461,545	7,463,200	313383V81	AA+
10,000,000	FED HOME LOAN BANK 0.20 8/28/2015	0.22	9,999,636	10,000,510	3130A2S31	AA+
5,000,000	FED HOME LOAN BANK 0.20 8/28/2015	0.22	4,999,841	5,000,555	3130A2S23	AA+
10,000,000	FED HOME LOAN BANK 0.20 8/28/2015	0.21	9,999,880	10,001,110	3130A2S23	AA+
4,000,000	FED HOME LOAN BANK 0.125 9/2/2015	0.17	3,999,676	4,000,036	3130A2WV4	AA+
3,000,000	FED HOME LOAN BANK 0.19 9/8/2015	0.20	2,999,929	3,000,522	3130A2Y59	AA+
15,000,000	FED HOME LOAN BANK 1.75 9/11/2015	0.22	15,045,317	15,047,415	313370JB5	AA+
4,000,000	FED HOME LOAN BANK 1.75 9/11/2015	0.14	4,012,569	4,012,644	313370JB5	AA+
2,305,000	FED HOME LOAN BANK 1.75 9/11/2015	0.15	2,312,208	2,312,286	313370JB5	AA+
15,000,000	FED HOME LOAN BANK 0.16 9/25/2015	0.17	14,999,767	15,000,495	3130A4FN7	AA+
18,500,000	FED HOME LOAN BANK 0.19 9/29/2015	0.11	18,503,524	18,503,238	3130A2XB7	AA+
9,000,000	FED HOME LOAN BANK 0.20 9/29/2015	0.20	9,000,052	9,002,502	3130A2XN1	AA+
10,000,000	FED HOME LOAN BANK 0.19 9/30/2015	0.12	10,001,648	10,002,010	3130A3AS3	AA+
25,000,000	FED HOME LOAN BANK 0.19 10/14/2015	0.17	25,001,631	25,004,050	3130A3CC6	AA+
3,200,000	FED HOME LOAN BANK 0.18 10/27/2015	0.19	3,199,881	3,200,064	3130A3Z56	AA+
5,000,000	FED HOME LOAN BANK 0.18 10/28/2015	0.19	4,999,813	5,000,085	3130A3ZB3	AA+
1,000,000	FED HOME LOAN BANK 0.625 10/30/2015	0.20	1,001,398	1,001,608	3133796P9	AA+
1,200,000	FED HOME LOAN BANK 0.50 11/20/2015	0.19	1,201,466	1,201,462	313380L96	AA+
4,505,000	FED HOME LOAN BANK 0.50 11/20/2015	0.21	4,510,009	4,510,487	313380L96	AA+
10,000,000	FED HOME LOAN BANK 0.22 11/23/2015	0.22	10,000,112	10,002,310	3130A23R5	AA+
10,000,000	FED HOME LOAN BANK 0.22 11/23/2015	0.23	9,999,475	10,004,830	3130A22A3	AA+
15,000,000	FED HOME LOAN BANK 0.125 11/25/2015	0.23	14,993,942	14,995,965	3130A3KK9	AA+
10,000,000	FED HOME LOAN BANK 0.16 12/1/2015	0.23	9,997,164	9,998,250	3130A3E75	AA+
1,400,000	FED HOME LOAN BANK 0.20 12/1/2015	0.24	1,399,750	1,400,420	3130A3FS8	AA+
6,225,000	FED HOME LOAN BANK 1.375 12/11/2015	0.24	6,256,604	6,257,202	313371NW2	AA+
2,545,000	FED HOME LOAN BANK 1.625 12/11/2015	0.25	2,560,584	2,560,173	313371VF0	AA+
2,050,000	FED HOME LOAN BANK 2.375 12/11/2015	0.28	2,069,105	2,068,965	313372C28	AA+
10,000,000	FED HOME LOAN BANK 0.315 1/7/2016	0.20	10,005,700	10,003,260	3130A2KD7	AA+
10,000,000	FED HOME LOAN BANK 0.315 1/7/2016	0.21	10,005,438	10,003,260	3130A2KD7	AA+
20,600,000	FED HOME LOAN BANK 0.23 1/8/2016	0.26	20,596,414	20,598,496	3130A3NV2	AA+
5,100,000	FED HOME LOAN BANK 0.23 1/8/2016	0.28	5,098,800	5,099,628	3130A3NV2	AA+
10,000,000	FED HOME LOAN BANK 0.25 1/12/2016	0.21	10,001,875	9,999,330	3130A3HM9	AA+
4,500,000	FED HOME LOAN BANK 0.32 1/22/2016	0.23	4,502,260	4,502,079	3130A2P75	AA+
4,000,000	FED HOME LOAN BANK 0.34 1/25/2016	0.32	4,000,374	4,002,320	3130A2QU3	AA+
10,000,000	FED HOME LOAN BANK 0.21 2/8/2016	0.23	9,999,071	9,996,530	3130A5CA5	AA+
10,000,000	FED HOME LOAN BANK 0.23 2/12/2016	0.24	9,999,661	9,997,480	3130A4XY3	AA+
5,000,000	FED HOME LOAN BANK 0.33 2/25/2016	0.33	5,000,000	5,002,380	3130A46N7	AA+
17,400,000	FED HOME LOAN BANK 0.34 3/1/2016	0.28	17,404,062	17,404,785	3130A42M3	AA+
10,000,000	FED HOME LOAN BANK 0.36 3/7/2016	0.36	10,000,000	10,000,960	3130A44U3	AA+
10,000,000	FED HOME LOAN BANK 0.40 3/9/2016	0.39	10,000,421	10,002,970	3130A46H0	AA+
4,000,000	FED HOME LOAN BANK 0.40 3/9/2016	0.33	4,001,349	4,001,188	3130A46H0	AA+
9,585,000	FED HOME LOAN BANK 3.125 3/11/2016	0.35	9,769,340	9,772,042	3133XP43	AA+
20,000,000	FED HOME LOAN BANK 0.34 3/14/2016	0.36	19,997,422	20,007,720	3130A4C26	AA+
9,000,000	FED HOME LOAN BANK 0.25 4/1/2016	0.33	8,994,583	8,996,022	3130A4UL4	AA+
20,500,000	FED HOME LOAN BANK 0.33 4/1/2016	0.37	20,494,443	20,502,132	3130A4KE1	AA+
5,000,000	FED HOME LOAN BANK 0.33 4/1/2016	0.39	4,997,885	5,000,520	3130A4KE1	AA+
10,000,000	FED HOME LOAN BANK 0.35 4/6/2016	0.31	10,003,039	10,004,450	3130A4MN9	AA+
15,000,000	FED HOME LOAN BANK 5.375 5/18/2016	0.32	15,665,615	15,658,440	3133XFJF4	AA+
10,000,000	FED HOME LOAN BANK 5.375 5/18/2016	0.34	10,441,801	10,438,960	3133XFJF4	AA+
12,990,000	FED HOME LOAN BANK 5.375 5/18/2016	0.34	13,564,443	13,560,209	3133XFJF4	AA+
10,000,000	FED HOME LOAN BANK 0.375 5/23/2016	0.38	10,000,000	9,997,410	3130A56H7	AA+
10,000,000	FED HOME LOAN BANK 0.25 5/26/2016	0.35	9,991,425	9,985,950	3130A5FP9	AA+
4,000,000	FED HOME LOAN BANK 0.40 6/6/2016	0.37	4,001,257	4,001,568	3130A22P0	AA+

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2015 (Continued)

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost ⁽¹⁾	Fair Value ⁽¹⁾	Asset ID	Quality Rating
1,965,000	FED HOME LOAN BANK 2.125 6/10/2016	0.37	1,997,425	1,996,900	313373SZ6	AA+
25,000,000	FED HOME LOAN BANK VAR 7/7/2015	0.22	25,000,000	25,003,850	3130A06X3	AA+
25,000,000	FED HOME LOAN BANK VAR 7/15/2015	0.21	25,000,000	25,000,475	313383YD7	AA+
5,070,000	FED HOME LOAN BANK VAR 7/17/2015	0.18	5,068,161	5,071,283	313376T88	AA+
50,000,000	FED HOME LOAN BANK VAR 8/19/2015	0.20	50,000,000	50,002,850	313383VX6	AA+
20,000,000	FED HOME LOAN BANK VAR 8/26/2015	0.22	20,000,000	20,001,880	313383X30	AA+
25,000,000	FED HOME LOAN BANK VAR 9/4/2015	0.22	25,000,000	25,002,650	313383XK2	AA+
5,000,000	FED HOME LOAN DISCOUNT NOTE 0.00 7/17/2015	0.05	4,999,889	4,999,955	313384JF7	AA+
1,200,000	FREDDIE MAC 0.30 7/8/2015	0.17	1,200,029	1,200,056	3134G4TH1	AA+
5,198,000	FREDDIE MAC 4.375 7/17/2015	0.18	5,207,539	5,207,897	3134A4VC5	AA+
2,860,000	FREDDIE MAC 4.375 7/17/2015	0.26	2,865,182	2,865,445	3134A4VC5	AA+
10,000,000	FREDDIE MAC 4.75 7/19/2015	0.29	10,246,346	10,249,090	3134A4ZT4	AA+
1,000,000	FREDDIE MAC 5.35 8/1/2015	0.26	1,004,353	1,004,408	3128X2RL1	AA+
3,115,000	FREDDIE MAC 0.45 9/4/2015	0.20	3,116,363	3,117,221	3134G3J76	AA+
10,180,000	FREDDIE MAC 0.45 9/4/2015	0.14	10,185,648	10,187,258	3134G3J76	AA+
10,150,000	FREDDIE MAC 1.75 9/10/2015	0.22	10,180,164	10,181,018	3137EACM9	AA+
3,141,000	FREDDIE MAC 1.75 9/10/2015	0.22	3,150,273	3,150,599	3137EACM9	AA+
3,500,000	FREDDIE MAC 1.75 9/10/2015	0.19	3,510,535	3,510,696	3137EACM9	AA+
1,976,000	FREDDIE MAC 1.75 9/10/2015	0.15	1,982,092	1,982,039	3137EACM9	AA+
5,000,000	FREDDIE MAC 0.42 9/18/2015	0.18	5,002,570	5,002,850	3134G36F2	AA+
19,449,000	FREDDIE MAC 5.25 10/18/2015	0.33	20,211,311	20,212,859	3137EAAD1	AA+
3,158,000	FREDDIE MAC 0.50 11/13/2015	0.34	3,162,504	3,162,298	3137EADQ9	AA+
12,097,000	FREDDIE MAC 4.75 11/17/2015	0.19	12,306,554	12,307,040	3134A4VG6	AA+
2,455,000	FREDDIE MAC 4.75 11/17/2015	0.20	2,497,472	2,497,626	3134A4VG6	AA+
2,127,000	FREDDIE MAC 4.75 11/17/2015	0.20	2,163,708	2,163,931	3134A4VG6	AA+
5,000,000	FREDDIE MAC 0.45 11/24/2015	0.22	5,004,575	5,005,545	3134G3W55	AA+
7,750,000	FREDDIE MAC 0.45 11/24/2015	0.20	7,757,561	7,758,595	3134G3W55	AA+
10,000,000	FREDDIE MAC 2.50 11/27/2015	0.38	10,191,093	10,193,980	3137EACT4	AA+
15,000,000	FREDDIE MAC VAR 7/12/2015	0.18	14,997,825	15,004,620	3134G5UB9	AA+
15,000,000	FREDDIE MAC VAR 10/1/2015	0.20	15,441,963	15,440,790	3134G2CV2	AA+
\$1,470,253,000			\$ 1,476,284,196	\$ 1,476,441,234		

U. S. GOVERNMENT GUARANTEED (1.30% OF TOTAL INVESTMENTS)

\$ 15,000,000	AID-EGYPT 4.45 9/15/2015	0.20	\$ 15,131,485	\$ 15,124,065	038461AC3	AA+
11,273,967	OVERSEAS PRI INV 0.43 7/13/2015	0.43	11,273,967	11,321,036	690353ZX8	AA+
14,000,000	OVERSEAS PRI INV 0.61 3/17/2016	0.61	14,000,000	14,014,896	690353E45	AA+
5,000,000	OVERSEAS PRI INV 0.51 4/30/2016	0.51	5,000,000	4,998,380	690353E86	AA+
5,040,000	OVERSEAS PRI INV 0.52 5/2/2016	0.52	5,040,000	5,043,553	690353F85	AA+
14,850,000	OVERSEAS PRI INV 0.52 5/2/2016	0.52	14,850,000	14,860,588	690353F69	AA+
\$ 65,163,967			\$ 65,295,451	\$ 65,362,518		

REPURCHASE AGREEMENTS (9.93% OF TOTAL INVESTMENTS)

\$ 250,000,000	MERRILL LYNCH 0.10 7/1/2015	0.10	\$ 250,000,000	\$ 250,000,000	N/A	A-1
250,000,000	RBC CAPITAL MARKETS 0.06 7/1/2015	0.06	250,000,000	250,000,000	N/A	A-1+
\$ 500,000,000			\$ 500,000,000	\$ 500,000,000		

DEPOSIT INSTRUMENTS (42.53% OF TOTAL INVESTMENTS)

\$ 125,000,000	BB&T COMPANY 0.28 7/1/2015 ⁽²⁾	0.28	\$ 125,000,000	\$ 125,000,000	N/A	A-1
100,000,000	BB&T COMPANY 0.28 7/1/2015 ⁽²⁾	0.28	100,000,000	100,000,000	N/A	A-1
40,287,785	BNY MELLON CASH RESERVE DEPOSIT 0.01 7/1/2015	0.01	40,287,785	40,287,785	N/A	A-1+
100,000,000	BANK OF TOKYO-MITS ICA 0.27 7/1/2015 ⁽²⁾	0.27	100,000,000	100,000,000	N/A	A-1
75,000,000	CITIZENS BANK PA, 0.28 7/1/2015 ⁽²⁾⁽⁸⁾	0.28	75,000,000	75,000,000	N/A	A-2
100,000,000	CITIZENS BANK PA, 0.25 7/1/2015 ⁽²⁾⁽⁸⁾	0.25	100,000,000	100,000,000	N/A	A-2
50,000,000	CITIZENS BANK PA, 0.25 7/1/2015 ⁽²⁾⁽⁸⁾	0.25	50,000,000	50,000,000	N/A	A-2
50,000,000	CREDIT SUISSE ICA 0.25 7/1/2015 ⁽²⁾	0.25	50,000,000	50,000,000	N/A	A-1
75,000,000	FEDERALLY INSURED CUST ACCT 0.16 7/2/2015 ⁽³⁾	0.16	75,000,000	75,000,000	N/A	N/R
50,000,000	PEOPLES UNITED BANK, 0.28 7/1/2015 ⁽²⁾⁽⁸⁾	0.28	50,000,000	50,000,000	N/A	A-2
100,000,000	PEOPLES UNITED BANK, 0.28 7/1/2015 ⁽²⁾⁽⁸⁾	0.28	100,000,000	100,000,000	N/A	A-2
50,000,000	PEOPLES UNITED BANK, 0.28 7/1/2015 ⁽²⁾⁽⁸⁾	0.28	50,000,000	50,000,000	N/A	A-2
50,000,000	PEOPLES UNITED BANK, 0.28 7/1/2015 ⁽²⁾⁽⁸⁾	0.28	50,000,000	50,000,000	N/A	A-2
200,000,000	SANTANDER BANK NA, 0.30 7/1/2015 ⁽²⁾⁽⁸⁾	0.30	200,000,000	200,000,000	N/A	A-2
50,000,000	SANTANDER BANK NA, 0.30 7/1/2015 ⁽²⁾⁽⁸⁾	0.30	50,000,000	50,000,000	N/A	A-2
450,000,000	SVENSKA HANDELSBANK 0.05 7/1/2015	0.05	450,000,000	450,000,000	N/A	A-1+

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2015 (Continued)

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost ⁽¹⁾	Fair Value ⁽¹⁾	Asset ID	Quality Rating
30,000,000	TD BANK, NA 0.40 7/1/2015 ⁽²⁾	0.40	30,000,000	30,000,000	N/A	A-1+
100,000,000	TD BANK, NA 0.33 7/1/2015 ⁽²⁾	0.33	100,000,000	100,000,000	N/A	A-1+
30,000,000	TD BANK, NA 0.33 7/1/2015 ⁽²⁾	0.33	30,000,000	30,000,000	N/A	A-1+
50,000,000	TD BANK, NA 0.35 7/1/2015 ⁽²⁾	0.35	50,000,000	50,000,000	N/A	A-1+
100,000,000	TD BANK, NA 0.45 7/1/2015 ⁽²⁾	0.45	100,000,000	100,000,000	N/A	A-1+
65,000,000	TD BANK, NA 0.40 7/1/2015 ⁽²⁾	0.40	65,000,000	65,000,000	N/A	A-1+
100,000,000	WEBSTER BANK, 0.28 7/1/2015 ⁽²⁾⁽⁸⁾	0.28	100,000,000	100,000,000	N/A	A-2
\$2,140,287,785			\$ 2,140,287,785	\$ 2,140,287,785		
BANK COMMERCIAL PAPER (6.95% OF TOTAL INVESTMENTS)						
\$ 200,000,000	US BANK, 0.13 7/1/2015 ⁽²⁾	0.13	\$ 200,000,000	\$ 200,000,000	N/A	A-1+
150,000,000	US BANK, 0.13 7/1/2015 ⁽²⁾	0.13	150,000,000	150,000,000	N/A	A-1+
\$ 350,000,000			\$ 350,000,000	\$ 350,000,000		
GOVERNMENT MONEY MARKET FUND (9.96% OF TOTAL INVESTMENTS)						
\$ 250,000,930	MORGAN STANLEY GOVT FUND 0.04 7/1/2015	0.04	\$ 250,000,930	\$ 250,000,930	N/A	AAAM
251,169,385	WESTERN ASSET MGMT GOVT FUND 0.04 7/1/2015	0.04	251,169,385	251,169,385	N/A	AAAM
\$ 501,170,315			\$ 501,170,315	\$ 501,170,315		
\$5,026,875,067	TOTAL INVESTMENT IN SECURITIES		\$ 5,033,037,747	\$ 5,033,261,852		

Fund Net Asset Value = \$1.09 per unit ⁽⁴⁾

Effective 7-Day Net Yield = 0.16% ⁽⁵⁾

Effective 7-Day Gross Yield = 0.20%

WAM^(R) = 37 Days ⁽⁶⁾

WAM^(F) = 70 Days ⁽⁷⁾

- (1) Securities rounded to the nearest dollar.
- (2) Issue has a daily put option, and thus is calculated as 1 day for WAL and WAM purposes.
- (3) Issue has a weekly put option, and thus is calculated as 6 and 7 day for WAL and WAM purposes.
- (4) Includes designated surplus reserve.
- (5) Includes approximately 4 basis points of expenses and a 10 basis point contribution to the designated surplus reserve each day the size of the reserve is less than one percent of the size of the Short-Term Investment Fund.
- (6) Weighted average maturity to the next reset date.
- (7) Weighted average maturity to final maturity date.
- (8) Peoples United Bank, Citizens Bankd PA, Santander Bank and Webster Bank deposits are backed by irrevocable standby letter of credit provided by the Federal Home Loan Banks of Boston and Pittsburg guaranteeing principal amount.

SHORT-TERM INVESTMENT FUND
SCHEDULE OF ANNUAL RATES OF RETURN

	Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
STIF Total Rate of Return (%)	0.15	0.14	0.16	0.16	0.23	0.34	1.49	4.13	5.54	4.38
MFR Index (%)⁽¹⁾	0.03	0.02	0.05	0.05	0.08	0.09	1.30	4.07	5.14	4.01
Total Assets in STIF, End of Period (\$ - Millions)	5,038	4,211	4,477	4,894	4,494	4,582	4,548	5,054	5,004	5,430
Percent of State Assets in Fund	84	83	83	83	84	84	81	83	80	84
Number of Participant Accounts in Composite, End of Year⁽²⁾										
State Treasury	53	58	67	52	52	51	47	39	47	58
Municipal and Local Entities	551	475	685	674	660	656	608	637	578	542
State Agencies and Authorities	335	341	428	429	417	416	367	418	406	406
Total	939	874	1,180	1,155	1,129	1,123	1,022	1,094	1,031	1,066

- (1) Represents iMoneyNet's First Tier Institutional-only Rated Money Fund Report Averages™- MFR Index. These Index rates have been taken from published sources.
- (2) As of January 2014 and going forward, inactive accounts were closed and only active accounts containing balances were included in the total number of participant accounts.

SHORT-TERM INVESTMENT FUND

SCHEDULE OF QUARTERLY RATES OF RETURN

FISCAL YEAR	Rate of Return(%)	iMoneyNet Money Fund Averages™ (MFR) Index(%)⁽¹⁾	FISCAL YEAR	Rate of Return(%)	iMoneyNet Money Fund Averages™ (MFR) Index(%)⁽¹⁾
2015			2010		
Sep-14	0.04	0.005	Sep-09	0.11	0.04
Dec-14	0.04	0.005	Dec-09	0.09	0.02
Mar-15	0.04	0.01	Mar-10	0.06	0.01
Jun-15	0.03	0.01	Jun-10	0.06	0.02
YEAR	0.15	0.03	YEAR	0.34	0.09
2014			2009		
Sep-13	0.03	0.005	Sep-08	0.58	0.58
Dec-13	0.03	0.005	Dec-08	0.47	0.45
Mar-14	0.04	0.005	Mar-09	0.26	0.17
Jun-14	0.04	0.005	Jun-09	0.16	0.09
YEAR	0.14	0.02	YEAR	1.49	1.30
2013			2008		
Sep-12	0.05	0.02	Sep-07	1.34	1.27
Dec-12	0.05	0.02	Dec-07	1.24	1.19
Mar-13	0.03	0.01	Mar-08	0.90	0.92
Jun-13	0.03	0.01	Jun-08	0.59	0.62
YEAR	0.16	0.05	YEAR	4.13	4.07
2012			2007		
Sep-11	0.04	0.01	Sep-06	1.36	1.26
Dec-11	0.06	0.01	Dec-06	1.38	1.26
Mar-12	0.03	0.02	Mar-07	1.33	1.26
Jun-12	0.03	0.02	Jun-07	1.36	1.26
YEAR	0.16	0.05	YEAR	5.54	5.14
2011			2006		
Sep-10	0.06	0.03	Sep-05	0.89	0.80
Dec-10	0.06	0.02	Dec-05	1.05	0.93
Mar-11	0.06	0.02	Mar-06	1.12	1.05
Jun-11	0.05	0.01	Jun-06	1.25	1.17
YEAR	0.23	0.08	YEAR	4.38	4.01

(1) Represents iMoneyNet's First Tier Institutional-only Rated Money Fund Report Averages™- (MFR) Index. These Index rates have been taken from published sources.

CALCULATION OF RATES OF RETURN

STIF uses a time-weighted linked rate of return formula to calculate rates of return. Other methods may produce different results and the results for individual participants and different periods may vary. The current rates of return may not be indicative of future rates of return.

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

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

CIVIL LIST PENSION AND TRUST FUNDS

**SCHEDULE OF CASH AND INVESTMENTS, BALANCES AND ACTIVITY (at Fair Value)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Teachers' Retirement	State Employees' Retirement	Municipal Employees' Retirement	Probate Court Retirement	Judges' Retirement	State's Attorneys' Retirement	Soldiers Sailors & Marines Fund	Arts Endowment Fund	Police & Firemen's Survivor's Fund
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Receivable	638,033	297,778	45,631	1,837	3,924	11	1,248	398	585
Interest in Investment Funds	16,109,803,388	10,662,216,815	2,200,631,780	89,151,598	189,522,843	1,522,000	72,909,969	19,011,465	28,097,189
Total Cash and Investments	\$16,110,441,421	\$10,662,514,593	\$2,200,677,411	\$89,153,435	\$189,526,767	\$1,522,011	\$72,911,217	\$19,011,863	\$28,097,774
Schedule of Activity:									
Cash and Investments at July 1, 2014	\$16,220,889,225	\$10,469,633,622	\$2,161,310,640	\$90,242,231	\$187,778,176	\$1,472,969	\$72,349,315	\$19,046,679	\$27,185,944
Shares Purchased (Excluding Liquidity Fund)	478,000,000	403,000,000	74,036,737	2,033,308	5,710,118	71,124	1,360,674	495,448	1,128,036
Shares Redeemed (Excluding Liquidity Fund)	(1,024,020,675)	(639,014,646)	(96,105,884)	(5,414,315)	(9,096,013)	(47,443)	(3,354,678)	(984,484)	(1,048,072)
Net Purchase and Redemptions of Liquidity Fund	(10,530,888)	136,731,452	6,496,371	103,768	379,203	1,852	996,634	25,787	61,776
Net Investment Income	6,838,436	2,816,807	427,221	16,894	36,307	130	11,678	3,356	5,736
Realized Gain (Loss) from Sale of Investments	359,503,727	302,839,877	37,898,780	2,239,168	3,394,649	16,474	1,124,525	189,190	233,321
Change in Unrealized Gain/(Loss) on Investment Funds	86,743,937	(10,691,823)	17,047,606	(50,405)	1,361,250	7,037	434,901	219,314	536,851
Increase (Decrease) in Receivables - Net ⁽¹⁾	(143,905)	16,111	(6,839)	(320)	(616)	(2)	(154)	(71)	(82)
Distributions	(6,838,436)	(2,816,807)	(427,221)	(16,894)	(36,307)	(130)	(11,678)	(3,356)	(5,736)
Cash and Investments at June 30, 2015	\$16,110,441,421	\$10,662,514,593	\$2,200,677,411	\$89,153,435	\$189,526,767	\$1,522,011	\$72,911,217	\$19,011,863	\$28,097,774

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

(1) Reflects timing differences in the recognition of income by the Plans.

NON-CIVIL LIST TRUST FUNDS

FINANCIAL STATEMENTS JUNE 30, 2015

	SCHOOL FUND	AGRICUL-TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW HOPEMEAD C. CLARK FUND	STATE PARK TRUST FUND	OPEB FUND	MISC. AGENCY TRUST FUNDS
STATEMENT OF NET POSITION, at Fair Value							
ASSETS							
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest & Dividends Receivable	232	-	52	21	71	2,409	-
Investments in Combined Investment Funds, at Fair Value	11,070,841	652,123	2,453,021	1,153,721	3,469,476	260,310,287	-
Total Assets	\$11,071,073	\$652,123	\$2,453,073	\$1,153,742	\$3,469,547	\$260,312,696	\$-
LIABILITIES & NET POSITION							
Due to Other Funds	\$84,489	\$13,403	\$49,361	\$23,219	\$ -	\$ -	\$ -
Fund Balance	10,986,584	638,720	2,403,712	1,130,523	3,469,547	260,312,696	-
Total Liabilities & Fund Balance	\$11,071,073	\$652,123	\$2,453,073	\$1,153,742	\$3,469,547	\$260,312,696	\$ -

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

STATEMENT OF REVENUE AND EXPENDITURES

REVENUE						
Net Investment Income	\$ 1,931	\$ 5	\$ 428	\$ 202	\$ 704	\$ 60,496
Realized Gain on Investments	192,771	1,149	46,575	21,433	44,825	(142,837)
Change in Unrealized Gain (Loss) on Investments	45,510	10,772	5,546	3,091	27,452	6,932,764
Increase (Decrease) in Liquidity Fund Income Receivables ⁽¹⁾	(35)	-	(9)	(7)	(14)	373
Total Revenue	\$240,177	\$11,926	\$52,540	\$24,719	\$72,967	\$6,850,796
EXPENDITURES						
Excess of Revenue over Expenditures	\$240,177	\$11,926	\$52,540	\$24,719	\$72,967	\$6,850,796

(1) Reflects timing differences in the recognition of income by the Plans and Trusts.

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

STATEMENT OF CHANGES IN NET POSITION

Net Position at July 1, 2014	\$10,971,934	\$640,196	\$2,400,531	\$1,129,027	\$3,396,580	\$160,423,972	\$37,226
Excess of Revenue over Expenditures	240,177	11,926	52,540	24,719	72,967	6,850,796	-
Net Cash Transactions	-	-	-	-	-	-	34
Transfer from Other Funds	26,987	-	-	-	-	93,037,928	-
Transfer to Other Funds	(254,804)	(16,938)	(57,221)	(26,987)	-	-	(37,260)
Increase in Due to Other Funds	2,290	3,536	7,862	3,764	-	-	-
Net Position at June 30, 2015	\$10,986,584	\$638,720	\$2,403,712	\$1,130,523	\$3,469,547	\$260,312,696	\$ -

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

NON-CIVIL LIST TRUST FUNDS

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	SCHOOL FUND	AGRICUL- TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND	OPEB FUND
Cash Flows from Operating Activities:						
Excess of Revenues over Expenditures	\$240,177	\$11,926	\$52,540	\$24,719	\$72,967	\$6,850,796
Realized Gain on Investments	(192,771)	(1,149)	(46,575)	(21,433)	(44,825)	142,837
Change in Unrealized (Gain) Loss on Investments	(45,510)	(10,772)	(5,546)	(3,091)	(27,452)	(6,932,764)
(Increase) Decrease in Liquidity Fund Income Receivables	35	-	9	7	14	(373)
Net Cash Provided by Operations	<u>\$1,931</u>	<u>\$5</u>	<u>\$428</u>	<u>\$202</u>	<u>\$704</u>	<u>\$60,496</u>
Cash Flows from Non Capital Financing Activities:						
Operating Transfers - Out to Other Funds	(254,804)	(16,938)	(57,221)	(26,987)	-	-
Operating Transfers - In from Other Funds	26,987	-	-	-	-	93,037,928
Net Cash Used for Non-Capital Financing Activities	<u>(227,817)</u>	<u>(16,938)</u>	<u>(57,221)</u>	<u>(26,987)</u>	<u>-</u>	<u>93,037,928</u>
Cash Flows from Investing Activities:						
Net Purchase and Redemptions of Liquidity Fund	(16,545)	(67)	(3,109)	(1,459)	(7,071)	(8,417,130)
Purchase of Investments	(178,609)	(500)	(64,443)	(30,297)	(102,633)	(84,681,294)
Proceeds from Sale of Investment	421,040	17,500	124,345	58,541	109,000	-
Net Cash Provided by (Used for) Investing Activities	<u>225,886</u>	<u>16,933</u>	<u>56,793</u>	<u>26,785</u>	<u>(704)</u>	<u>(93,098,424)</u>
Net Increase (Decrease) In Cash	-	-	-	-	-	-
Cash June 30, 2014	-	-	-	-	-	-
Cash June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

NON-CIVIL LIST TRUST FUNDS

**STATEMENT OF NET POSITION, AT COST
JUNE 30, 2015**

	SCHOOL FUND	AGRICUL- TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND	OPEB FUND	MISC. AGENCY TRUST FUNDS
ASSETS							
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest & Dividends Receivable	232	-	52	21	71	2,409	-
Investments in Combined Investment Funds	8,488,995	601,768	1,880,571	900,084	2,764,440	239,633,233	-
Total Assets	\$8,489,227	\$601,768	\$1,880,623	\$900,105	\$2,764,511	\$239,635,642	\$ -
LIABILITIES & NET POSITION							
Due to Other Funds	\$84,489	\$13,403	\$49,361	\$23,219	\$ -	\$ -	\$ -
Fund Balance	8,404,738	588,365	1,831,262	876,886	2,764,511	239,635,642	-
Total Liabilities & Net Position	\$8,489,227	\$601,768	\$1,880,623	\$900,105	\$2,764,511	\$239,635,642	\$ -

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

CIVIL AND NON-CIVIL LIST TRUST FUNDS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Civil List and Non-Civil list trust funds (the "trust funds") are entrusted to the Treasurer for investment purposes. Civil List trust funds are mandated by the State Legislature and are administered by the Office of the State Comptroller. Accordingly, the presentation of the Civil List funds in the Treasurer's Annual Report (see Civil List trust funds cash and investments schedules in the Supplemental Information section of these document) is intended to present only the cash and investments under the Treasurer's care and does not depict a full financial statement presentation. The Non-Civil List Trust funds are not administered by the Office of the Comptroller. Accordingly, the financial statements presented for the Non-Civil List funds are designed to provide a full set of financial statements for the trusts' investment assets and provide the necessary detail for the respective Boards that administer these trust funds

Significant account policies of the trust funds are as follows:

Basis of Presentation: The foregoing Non-Civil List trust fund financial statements represent the financial position, results of operations and cash flows of the investment trust assets of the funds in accordance with generally accepted accounting principles. These financial statements present all of the financial statements of the Non-Civil List funds except for the Second Injury Fund which, due to the unique nature of its operation, is presented separately in this Annual Report. The financial statements do not include a Statement of Revenue and Expenditures for the Miscellaneous Agency and Trust Funds because agency funds do not report operations. These statements were prepared on the fair value basis. A Statement of Condition on a cost basis is also presented for informational purposes.

Valuation of Combined Investment Fund Shares: All unit prices are determined at the end of each month based on the fair value of the applicable investment fund.

Expenses: The Non-Civil List trust funds are not charged with any expenses for administration of the trust funds. Investment expenses of the Combined Investment Funds are deducted in calculating net investment income.

Purchases and Redemptions of Units: Purchases and redemptions of units are generally processed on the first day of the month based on the prior month end price. Purchases represent cash that has been allocated to a particular investment fund in accordance with directions from the Treasurer's office. Redemptions represent the return of principal back to the plan. In the case of certain funds, a portion of the redemption can also include a distribution of income.

NOTE 2. STATEMENT OF CASH FLOWS

A statement of cash flows is presented for the non-expendable Non-Civil List trust funds. This presentation is in accordance with Governmental Accounting Standards Board (GASB) Statement No. 9. No such statement of cash flows is presented for the Miscellaneous Agency and Trust Funds as none is required.

NOTE 3. MISCELLANEOUS AGENCY AND TRUST FUND TRANSFERS

These transactions comprise principal and income transfers to trustees as well as transfers and expenditure payments made on their behalf. Certain of these transfers are made to the General Fund and other Civil List funds as well as various state agencies.

SECOND INJURY FUND**STATEMENT OF NET POSITION
JUNE 30, 2015 and 2014**

ASSETS	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$34,615,985	\$31,016,424
Receivables, net of allowance for uncollectible accounts - \$9,493,385 and \$9,764,309 respectively	7,726,389	7,962,964
Other Assets	8,138	3,517
TOTAL CURRENT ASSETS	<u>42,350,512</u>	<u>38,982,905</u>
LIABILITIES		
Claims benefits payable	5,904,766	6,242,230
Settlement payable	1,020,975	1,371,376
Accounts payable and other accrued liabilities	899,638	1,676,863
Compensated absences	521,863	531,769
Long-Term Liabilities:		
Accounts payable and accrued expenses	969,400	1,051,300
Compensated absences	274,791	247,301
TOTAL LIABILITIES	<u>9,591,433</u>	<u>11,120,839</u>
NET POSITION		
Unrestricted	32,759,079	27,862,066
TOTAL NET POSITION	<u>\$32,759,079</u>	<u>\$27,862,066</u>

See accompanying Notes to the Financial Statements.

SECOND INJURY FUND**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014**

OPERATING REVENUES	2015	2014
Assessment Revenues	\$40,045,171	\$40,110,844
Fund Recoveries	915,128	863,103
Other Income	<u>160,550</u>	<u>219,929</u>
TOTAL OPERATING REVENUES	<u>41,120,849</u>	<u>41,193,876</u>
OPERATING EXPENSES		
Injured Worker Benefits:		
Settlements	4,821,834	5,643,628
Indemnity Claims Benefits	17,542,955	18,807,854
Medical Claims Benefits	<u>6,046,719</u>	<u>6,959,475</u>
Total Injured Worker Benefits	<u>28,411,508</u>	<u>31,410,957</u>
Administrative Expenses	<u>7,860,208</u>	<u>7,669,113</u>
TOTAL OPERATING EXPENSES	<u>36,271,716</u>	<u>39,080,070</u>
OPERATING INCOME	<u>4,849,133</u>	<u>2,113,806</u>
NON-OPERATING INCOME		
Interest Income	<u>47,880</u>	<u>41,120</u>
Change in Net Position	<u>4,897,013</u>	<u>2,154,926</u>
NET POSITION - Beginning of Year	<u>27,862,066</u>	<u>25,707,140</u>
NET POSITION - End of Year	<u>32,759,079</u>	<u>\$27,862,066</u>

See accompanying Notes to the Financial Statements.

SECOND INJURY FUND

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2015</u>	<u>2014</u>
SOURCE:		
Assessment revenues	\$39,476,688	\$39,858,787
Fund recoveries	915,128	863,103
Other income	160,550	219,929
Other assets	(5,188)	1,290
	<u>40,547,248</u>	<u>40,943,109</u>
USE:		
Injured worker benefits	(29,181,273)	(32,209,621)
Administrative expenses	(7,814,790)	(7,516,382)
	<u>(36,996,063)</u>	<u>(39,726,003)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>3,551,185</u>	 <u>1,217,106</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
SOURCE:		
Interest Income	48,376	40,482
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>48,376</u>	<u>40,482</u>
 NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	 3,599,561	 1,257,588
Cash and cash equivalents, Beginning of Year	31,016,424	29,758,836
CASH AND CASH EQUIVALENTS, End of Year	<u>\$34,615,985</u>	<u>\$31,016,424</u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	<u>\$ 4,849,133</u>	<u>\$ 2,113,806</u>
Adjustments to reconcile operating income to net cash:		
Decrease (increase) in assets:		
Decrease (increase) in receivables, net	236,575	(805,227)
Decrease (increase) in other assets	(5,118)	1,290
Increase (decrease) in liabilities:		
Increase (decrease) in accounts payable & accrued expenses	(1,546,989)	(158,858)
Increase (decrease) in compensated absences	17,584	66,095
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,551,185</u>	<u>\$ 1,217,106</u>

See accompanying Notes to the Financial Statements.

SECOND INJURY FUND

NOTES TO FINANCIAL STATEMENTS

NOTE 1: INTRODUCTION AND BASIS OF PRESENTATION

The Second Injury Fund (“SIF” or the “Fund”) is an extension of the Workers’ Compensation Act managed by the Treasurer of the State of Connecticut and operates under Chapter 568, of the Connecticut General Statutes (C.G.S.). Prior to July 1, 1995, the Fund provided relief to employers where a worker, who already had a preexisting injury or medical condition, was hurt on the job and that second injury was made “materially and substantially” worse by the preexisting injury or medical condition.

In 1995 the Connecticut General Assembly closed the Fund to new “second injury” claims sustained on or after July 1, 1995. However, the Fund continues to be liable for payment of claims which involve an uninsured or bankrupt employer and, on a pro rata basis, be liable for reimbursement claims to employers of any worker who had more than one employer at the time of the injury.

In addition, the Fund will continue to be liable for and make payments with respect to:

- Widow and dependent death benefits
- Reimbursement for cost of living adjustments on certain claims
- Second injury claims transferred to the Fund prior to July 1999 with a date of injury prior to July 1, 1995.

For State of Connecticut financial reporting purposes, SIF is reported as an Enterprise Fund. (See Note 2)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The accompanying financial statements of SIF have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB).

The Fund utilizes the enterprise fund form of reporting. The reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The full accrual form of accounting is employed, and revenues are recognized when earned, and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. GASB No. 34 has defined an enterprise fund as a governmental unit in which the pricing policies of the activity establish fees and charges designed to recover its costs.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the Fund are the monies assessed to Connecticut employers for their share of the Fund’s expenses for managing workers’ compensation claims assigned to the Fund by statute.

Cash and Cash Equivalents

Cash consists of funds in bank checking accounts and deposits held by the State General Fund in the Treasury Business Office account. Cash equivalents include investments in the State of Connecticut Short-Term Investment Fund (STIF). Custodial Credit Risk for Cash and Cash Equivalents is the risk that in the event of a bank failure, the SIF deposits may not be returned to them. STIF Investment Policy ensures strong asset diversification by security type and issuer, comprised of high quality, very liquid securities with a relatively short average maturity. SIF has 98.5% of its cash invested in STIF which is rated AAAM by Standard & Poor’s Corporation (“S&P”). Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value.

Receivables, Net of Allowance for Uncollectible Accounts

The receivables balance is composed of assessment receivables and other receivables.

Assessment receivables are recorded inclusive of interest due and result from amounts billed in accordance with C.G.S. 31-354 Assessments: SIF’s primary source of revenue is from the levying of assessments against self-insured and insured Connecticut employers. Insurance carriers who insure Connecticut employers are responsible to collect the assessments from employers and submit the revenue to SIF. (See Note 3)

SECOND INJURY FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Other receivables are recorded inclusive of interest due and result from amounts billed in accordance with either statute C.G.S. 31-301 or C.G.S.355.

C.G.S. 31-301, Appeal Cases, provides for the payment of indemnity (lost wages) and medical benefits to an injured worker while their claims are under appeal. Upon a decision in the appeal, the injured worker (in cases of denial of compensation), or insurer (in cases of award of compensation), must reimburse the SIF for monies expended during the appeal process. This statute was repealed with passage of P.A. 95-277 for appeals filed on injuries occurring after July 1, 1995. During fiscal years 2015 and 2014, there were no benefits paid for appeals cases.

C.G.S. 31-355, Non Compliance, mandates that SIF pay indemnity and medical benefits for injured workers whose employers fail to or are unable to pay the compensation. The most common examples of these cases involve employers who did not carry worker's compensation insurance or are bankrupt.

Appeal Cases and Non Compliance transactions are recorded as injured worker benefits when paid by the Fund. Concurrently, the Fund seeks recovery of the amounts paid from the party statutorily responsible and a receivable is established. The receivable is offset by a credit to Allowance for Uncollectible Accounts. Recoveries are recorded as revenue when cash is received.

The Fund records other receivables for penalties and citations and certain other payments made under other statutes where the Fund has a right to seek reimbursement. The receivable is offset by a credit to Allowance for Uncollectible Accounts. Recoveries are recorded as revenue when cash is received. Revenue is recorded for these receivables when cash is received.

The allowance for uncollectible account represents those amounts estimated to be uncollectible as of the balance sheet date. The Fund fully reserves for the other receivable balances. (See Note 4)

Capital Assets

The category of capital assets consists of computers and office equipment. The Fund is recording these capital assets at cost with a useful life of 5 years on a straight-line method. In the year of acquisition of the capital asset, the Fund has elected to take a half a year depreciation expense.

Claims Benefits Payable

This category of liability includes indemnity and medical benefits to injured workers as claims and widow and dependent death benefits that will not be submitted to the Fund well as reimbursements to insurance companies and self-insured employers for widow claims and dependent death benefits in addition to concurrent employment cases incurred as at the balance sheet date. The long-term portion of claims benefits payable represents an estimate of the amount of liability of as June 30, 2015 and June 30, 2014 of the concurrent employment until a year or more for reimbursement. (See Note 5)

Settlements Payable

Settlements are negotiated agreements for resolving the Fund's future exposure on injured worker claims. An accrual is made for all settlements committed as of the balance sheet date. (See Note 5)

Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities represent administrative expenses of the Fund outstanding as of June 30, 2015 and June 30, 2014 as well as assessments owed to Connecticut Workers' Compensation and other Connecticut employers. (See Note 5)

Compensated Absences

Vacation and sick policy is as follows: Employees hired on or before June 30, 1977 can accumulate up to a maximum of 120 vacation days. Employees hired after that date can accumulate up to a maximum of 60 days. Upon termination or death, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, or after ten years of service upon death, for an amount equal to one-fourth of his/her accrued sick leave up to a maximum payment equivalent of sixty days. (See Note 5)

SECOND INJURY FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3: ASSESSMENTS

The assessment method for carriers paying on behalf of insured employers is on an actual premium basis. The premium surcharge, which is paid by insured employers through their worker's compensation insurance carrier within 45 days of the close of a quarter, is the premium surcharge rate multiplied by the employer's "SIF's surcharge base" premium on all policies with an effective date for that quarter. "SIF's surcharge base" means direct written premium on policies prior to application of any deductible policy premium credits. The premium surcharge is set yearly based on the Fund's budgetary needs prior to the start of the fiscal year. The annual insured employers' assessment rate for the fiscal years ending June 30, 2015 and June 30, 2014 was 2.75%.

The method of assessment for self-insured employers is a quarterly billing based on the previous calendar year's paid losses. The annual assessment rate for self-insured employers for the fiscal year ending June 30, 2015 and June 30, 2014 was 3.25%.

NOTE 4: RECEIVABLES

The following is an analysis of the changes in the Fund receivable balances:

As of June 30, 2015:

	Beginning Balance	Additions	Cash Receipts	Write-Offs	Ending Balance	Amount Due Within One Year	Allowance for Uncollectible
Assessments	\$8,895,940	\$62,973,768	\$64,127,450	\$ -	\$7,742,258	\$7,726,389	\$ 15,869
Non-Compliance 355	8,577,168	3,951,834	775,396	2,508,663	9,244,943	-	9,244,943
Other Receivables	254,165	141,814	152,516	10,890	232,573	-	232,573
Total Receivables	\$17,727,273	\$67,067,416	\$65,055,362	\$2,519,553	\$17,219,774	\$7,726,389	\$9,493,385

As of June 30, 2014:

	Beginning Balance	Additions	Cash Receipts	Write-Offs	Ending Balance	Amount Due Within One Year	Allowance for Uncollectible
Assessments	\$8,096,360	\$63,975,269	\$63,175,689	\$ -	\$8,895,940	\$7,962,964	\$932,976
Non-Compliance 355	8,231,004	3,859,928	702,318	2,811,446	8,577,168	-	8,577,168
Other Receivables	267,176	186,078	184,882	14,207	254,165	-	254,165
Total Receivables	\$16,594,540	\$68,021,275	\$64,062,889	\$2,825,653	\$17,727,273	\$7,962,964	\$9,764,309

NOTE 5: LIABILITIES AND COMPENSATED ABSENCES

The following is an analysis of the changes in the Fund liabilities and compensated absence balances:

As of June 30, 2015:

	Beginning Balance	Additions	Cash Disbursements	Ending Balance	Amount Due Within One Year
Claims Benefits Payable	\$7,293,529	\$23,507,774	\$23,927,137	\$6,874,166	\$5,904,766
Settlements Payable	1,371,376	4,821,834	5,172,235	1,020,975	1,020,975
Accounts Payable & Accrued Expenses	1,676,863	7,860,209	8,637,434	899,638	899,638
Compensated Absences	779,071	17,583	-	796,654	521,863
Total Liabilities & Compensated Absences	\$11,120,839	\$36,207,400	\$37,736,806	\$9,591,433	\$8,347,242

As of June 30, 2014:

	Beginning Balance	Additions	Cash Disbursements	Ending Balance	Amount Due Within One Year
Claims Benefits Payable	\$7,904,203	\$25,733,628	\$26,344,302	\$7,293,529	\$6,242,230
Settlements Payable	1,559,367	5,643,628	5,831,619	1,371,376	1,371,376
Accounts Payable & Accrued Expenses	1,037,057	7,669,113	7,029,307	1,676,863	1,676,863
Compensated Absences	712,976	66,095	-	779,071	531,769
Total Liabilities & Compensated Absences	\$11,213,603	\$39,112,464	\$39,205,228	\$11,120,839	\$9,822,238

SECOND INJURY FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6: SETTLEMENTS

Negotiations were at various stages of completion for settlements valued and accrued. As of June 30, 2015 they were \$1.0 million and at June 30, 2014 were \$1.4 million.

NOTE 7: SUBSEQUENT EVENTS

The Fund management has evaluated the events and transactions that have occurred through December 31, 2015, the date the financial statements were available for issuance, and identified no events or transactions that have occurred requiring recognition or disclosure in the financial statements.



INDEPENDENT AUDITORS' REPORT

Independent Auditor's Report

To Management of TIAA-CREF Tuition Financing, Inc.:

We have audited the accompanying basic financial statements of the Connecticut Higher Education Trust - Direct Plan (the "Direct Plan"), which comprise the Statement of Fiduciary Net Position as of June 30, 2015 and the related Statement of Changes in Fiduciary Net Position for the year then ended, 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 our 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, we consider internal control relevant to the Direct Plan'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 Direct Plan'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 present fairly, in all material respects, the financial position of the Connecticut Higher Education Trust - Direct Plan, at June 30, 2015, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The accompanying management's discussion and analysis on pages 4 through 6 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, 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

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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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Direct Plan's basic financial statements. The accompanying supplemental information of the Statements of Fiduciary Net Position on pages 15 through 19, Statements of Changes in Fiduciary Net Position on pages 20 through 25 and Financial Highlights on pages 26 through 31 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2015 on our consideration of the Direct Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Direct Plan's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

August 28, 2015

Note: The full independent auditors report that is covered by this opinion is available on the Office of the State Treasurer's web page.

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CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As Plan manager of the Connecticut Higher Education Trust – Direct Plan (the “Direct Plan”), TIAA-CREF Tuition Financing, Inc. (“TFI”) offers readers of the Direct Plan’s financial statements this discussion and analysis of the financial performance for the fiscal year ended June 30, 2015. Readers should consider the information presented in this section in conjunction with the Direct Plan’s financial statements and notes to financial statements. The Direct Plan is comprised of 14 investment options (the “Options”) in which account owners (“Account Owners”) may invest.

FINANCIAL HIGHLIGHTS

During the year ended June 30, 2015, the Options within the Direct Plan posted returns as follows:

<u>Conservative Managed Allocation Option</u>		<u>Aggressive Managed Allocation Option</u>	
Ages 0-3	1.47%	Ages 0-3	1.80%
Ages 4-7	1.30	Ages 4-7	1.68
Ages 8-11	1.03	Ages 8-11	1.58
Ages 12-14	0.92	Ages 12-14	1.57
Ages 15-17	0.70	Ages 15-17	1.37
Ages 18 & Over	0.37	Ages 18 & Over	1.07
<u>Moderate Managed Allocation Option</u>		<u>Multi-Fund Investment Options</u>	
Ages 0-3	1.76%	Global Equity Index Option	0.70%
Ages 4-7	1.40	Global Tactical Asset Allocation Option [†]	(0.50)
Ages 8-11	1.30	International Equity Index Option [†]	1.00
Ages 12-14	1.29	Active Global Equity Option	3.45
Ages 15-17	1.03	U.S. Equity Index Option [†]	0.10
Ages 18 & Over	0.79	High Equity Balanced Option	1.16
		Active Fixed-Income Option	0.33
		Social Choice Option	3.17
		Index Fixed-Income Option	1.61
		Money Market Option	0.00
		Principal Plus Interest Option	1.46

* The Options commenced operations on April 1, 2015

† The percentages shown for this period are not annualized.

The Direct Plan received \$94.9 million in net contributions from Account Owners during the year ended June 30, 2015.

The Direct Plan earned \$51.7 million from investment income and paid out \$3.3 million for operating expenses during the year ended June 30, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Direct Plan’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

This report consists of two parts: Management’s Discussion and Analysis (this section) and the basic financial statements. The basic financial statements are composed of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position, and Notes to Financial Statements that explain some of the information in the financial statements and provide more detailed information.

The Statement of Fiduciary Net Position presents information on the Direct Plan’s assets and liabilities, with the difference between the two reported as net position as of June 30, 2015. This statement, along with all of the Direct Plan’s financial statements, is prepared using the accrual basis of accounting. Contributions are recognized when enrollment in the Direct Plan is finalized; subsequent subscriptions and redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided, regardless of when cash is disbursed.

The Statement of Changes in Fiduciary Net Position presents information showing how the Direct Plan’s assets changed during the most recent fiscal period. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) (Continued)

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

This report presents the operating results and financial status of the Direct Plan, which the State of Connecticut reports as a fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity.

FINANCIAL ANALYSIS

Net position - The following are condensed Statements of Fiduciary Net Position as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Investments	\$2,416,132,720	\$2,292,644,898
Cash	1,638	141,942
Receivables	<u>2,614,117</u>	<u>3,447,945</u>
Total Assets	<u>2,418,748,475</u>	<u>2,296,234,785</u>
Payables	<u>3,196,774</u>	<u>4,121,969</u>
Total Liabilities	<u>3,196,774</u>	<u>4,121,969</u>
Total Net Position	<u>\$2,415,551,701</u>	<u>\$2,292,112,816</u>

Net position represents total contributions from Account Owners, plus the net increases (decreases) from operations, less withdrawals and expenses.

Investments are approximately 100% of total net position, and consist of the Options, each of which invests in varying percentages in multiple TIAA-CREF Funds and/or other third-party mutual funds, or a funding agreement ("Funding Agreement") issued by TIAA-CREF Life Insurance Company to the Connecticut Higher Education Trust. Receivables consist of securities sold, contributions, and accrued income. Liabilities consist mainly of payables for securities purchased, withdrawals, and accrued expenses.

Changes in net position - The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Additions:		
Subscriptions	\$850,917,928	\$766,188,733
Investment income	51,671,896	42,035,649
Net increase in fair value of investments	<u>—</u>	<u>211,218,421</u>
Total Additions	<u>902,589,824</u>	<u>1,019,442,803</u>
Deductions:		
Redemptions	(756,035,841)	(665,586,621)
Direct Plan manager fee, net	(3,107,581)	(2,829,316)
Administrative fee, net	(207,175)	(184,807)
Net decrease in fair value of investments	<u>(19,800,342)</u>	<u>—</u>
Total Deductions	<u>(779,150,939)</u>	<u>(668,600,744)</u>
Changes in Net Position	123,438,885	350,842,059
Net position - beginning of year	<u>2,292,112,816</u>	<u>1,941,270,757</u>
Net position - end of year	<u>\$2,415,551,701</u>	<u>\$2,292,112,816</u>

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

STATEMENT OF FIDUCIARY NET POSITION

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS		
Cash	\$1,638	\$141,942
Investments, at value (Cost: \$2,072,767,913 and \$1,899,631,388)	2,416,132,720	2,292,644,898
Dividends and interest receivable	1,100,062	950,119
Receivable for securities transactions	378,170	768,647
Receivable for Direct Plan units sold	1,135,885	1,729,179
TOTAL ASSETS	<u>2,418,748,475</u>	<u>2,296,234,785</u>
LIABILITIES		
Overdraft payable	42,713	-
Accrued Direct Plan management fee	547,519	501,093
Accrued administrative fee	36,504	33,407
Payable for securities transactions	1,545,095	2,082,801
Payable for Direct Plan units redeemed	<u>1,024,943</u>	<u>1,504,668</u>
TOTAL LIABILITIES	<u>3,196,774</u>	<u>4,121,969</u>
NET POSITION		
Held in trust for Account Owners in the Direct Plan	<u>\$2,415,551,701</u>	<u>\$2,292,112,816</u>

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30,**

	<u>2015</u>	<u>2014</u>
ADDITIONS		
Subscriptions	\$850,917,928	\$766,188,733
Investment Income:		
Interest	3,267,772	3,015,316
Dividends	<u>48,404,124</u>	<u>39,020,333</u>
Total investment income	51,671,896	42,035,649
Net increase (decrease) in fair value of investments	<u>(19,800,342)</u>	<u>211,218,421</u>
Total additions	882,789,482	1,019,442,803
DEDUCTIONS		
Redemptions	(756,035,841)	(665,586,621)
Direct Plan management fee	(3,107,581)	(2,829,316)
Administrative fee, net	<u>(207,175)</u>	<u>(184,807)</u>
Total deductions	(759,350,597)	(668,600,744)
Changes in Net Position	<u>123,438,885</u>	<u>350,842,059</u>
Net position – beginning of year	<u>2,292,112,816</u>	<u>1,941,270,757</u>
Net position – end of year	<u><u>\$2,415,551,701</u></u>	<u><u>\$2,292,112,816</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Connecticut Higher Education Trust - Direct Plan (the "Direct Plan") is designed to help people save for the costs of higher education. The Direct Plan is administered by the Treasurer of the State of Connecticut, as the trustee (the "Trustee") of the Connecticut Higher Education Trust (the "Trust"). The Trustee has the authority to establish, develop, implement and maintain the Direct Plan and to make and enter into contracts to service the Direct Plan. TIAA-CREF Tuition Financing, Inc. ("TFI"), a wholly owned, direct subsidiary of Teachers Insurance and Annuity Association of America ("TIAA"), and the Trustee have entered into a management agreement ("Management Agreement") under which TFI serves as Direct Plan manager. The Direct Plan is intended to meet the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code ("Code"). Investment options (the "Options" or individually "Option"), allocations and fees, as approved by the Trustee, are described in the current Disclosure Booklet for the Direct Plan.

The assets in the Principal Plus Interest Option are allocated to a funding agreement ("Funding Agreement") issued by TIAA-CREF Life Insurance Company ("TIAA-CREF Life"), an affiliate of TFI, to the Trust, as policyholder. The Funding Agreement provides for a return of principal plus a guaranteed rate of interest and allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life.

Teachers Advisors, Inc. ("Advisors"), an affiliate of TFI, is registered with the Securities and Exchange Commission as an investment adviser and provides investment advisory services to the TIAA-CREF Funds (the "Funds").

Prior to March 31, 2015, the Global Equity Index Option was named the Equity Index Option, the Active Global Equity Option was named the Active Equity Option, and the High Equity Balanced Option was named the High Equity Option.

The Global Tactical Asset Allocation Option, the International Equity Index Option, and the U.S. Equity Index Option commenced operations on April 1, 2015.

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB") which may require the use of estimates made by management and the evaluation of subsequent events. Actual results may differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Direct Plan.

Investment income: Securities transactions are accounted for as of the trade date for financial reporting purposes. Interest income is recorded as earned. Dividend income and capital gain distributions from the underlying mutual funds are recorded on the ex-dividend date. Income distributions from underlying mutual funds are included in total investment income and gain distributions are included in net increase in fair value of investments. Realized gains and losses are based upon the specific identification method.

Income tax: No provision for federal income tax has been made. The Direct Plan is designed to constitute a qualified tuition program under Section 529 of the Code and does not expect to have any unrelated business income subject to tax.

Units: The beneficial interests for each account owner ("Account Owner") in the Options are represented by Direct Plan units. Subscriptions and redemptions are recorded upon receipt of Account Owner's instructions in good order, based on the next determined net position value per unit ("Unit Value"). Unit Values for each Option are determined at the close of business of the New York Stock Exchange. The Unit Value for financial reporting purposes includes security and shareholder transactions through the date of the report. There are no distributions of net investment gains or net investment income to the Option's Account Owners or beneficiaries.

Subscriptions and Redemptions: Subscriptions on the Statement of Changes in Fiduciary Net Position include any contributions to the Direct Plan made by Account Owners and any exchanges within the Direct Plan that result in a reinvestment of assets. Redemptions on the Statement of Changes in Fiduciary Net Position include any withdrawals from the Direct Plan made by Account Owners and any exchanges within the Direct Plan that result in a reinvestment of assets.

New accounting pronouncement: In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application (the "Statement"). The Statement provides guidance for enhanced disclosures about fair value measurements. The Statement is effective for financial statements for periods beginning after June 15, 2015. The Direct Plan has early adopted this new guidance beginning with the June 30, 2015 financial statements. Adoption of the Statement did require additional notes disclosure around fair value.

NOTE 2—VALUATION OF INVESTMENTS

Certain investments are valued at fair value utilizing various valuation methods. GASB establishes a hierarchy that prioritizes market inputs to fair valuation methods. The three levels of inputs are:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit spreads, etc.)
- Level 3 – significant unobservable inputs (including the Direct Plan's own assumptions in determining the fair value of investments)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A description of the valuation techniques applied to the Direct Plan's major categories of investments follows:

Investments in registered investment companies: These investments are valued at their published net asset value on the valuation date. These investments are categorized in Level 1 of the fair value hierarchy.

Funding Agreement: The Life Funding Agreement, to which the Principal Plus Interest Option allocates assets, is considered a nonparticipating interest-earning investment contract and is accounted for at cost. Because the Funding Agreement is valued at cost, it is not included in the fair value hierarchy.

As of June 30, 2015, 100% of the value of mutual fund investments in the Direct Plan were valued based on Level 1 inputs.

NOTE 3—DIRECT PLAN FEES

Each Option (with the exception of the Principal Plus Interest Option) pays TFI a Direct Plan manager fee of 0.15% of the average daily net assets of the Option. The Direct Plan manager fee is subject to reductions if total assets in the Direct Plan reach certain levels. In addition, Advisors is paid investment management fees on the underlying investments in the Funds.

The Principal Plus Interest Option does not pay a Direct Plan manager fee or an administrative fee to the Trustee. TIAA-CREF Life, the issuer of the funding agreement in which this Option invests and an affiliate of TFI, makes payments to TFI.

For its services administering the Direct Plan, each Option (with the exception of the Principal Plus Interest Option) pays to the Trustee an administrative fee at an annual rate of 0.01% of the average daily net assets of the Option. The fee is deposited in the Direct Plan Administrative Account and then used to pay certain Direct Plan administrative expenses. The assets held in the administrative account with the Trustee were \$693,023 and \$710,638 at June 30, 2015 and 2014, respectively.

Effective August 1, 2011, TFI and the Trustee have agreed to voluntarily waive the Money Market Option's Direct Plan manager fee and administrative fee, respectively, in an attempt to maintain at least a 0.00% return for the Option.

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

TFI and the Trustee may discontinue the waiver at any time without notice. For the year ended June 30, 2015, TFI waived \$36,432 of the Plan manager fee and the Trustee waived \$2,429 of the administrative fee.

NOTE 4—INVESTMENTS

Cash deposits: All cash deposits at June 30, 2015 were covered by federal depository insurance coverage.

Investments: As of June 30, 2015, net unrealized appreciation (depreciation) of portfolio investments was \$343,364,807 consisting of gross unrealized appreciation of \$357,267,533 and gross unrealized depreciation of \$(13,902,726).

At June 30, 2014, the Direct Plan's investments consist of the following:

	UNITS	COST	VALUE
TIAA-CREF Funds (Institutional Class):			
Bond Index Fund	24,378,126	\$256,265,932	\$262,796,202
Emerging Markets Equity Index Fund	2,371,227	24,062,048	24,067,958
Equity Index Fund	26,645,406	229,827,982	421,263,869
Growth & Income Fund	589,055	6,551,538	7,374,972
High-Yield Fund	466,434	4,556,875	4,566,392
Inflation-Linked Bond Fund	11,777,996	124,953,755	133,798,037
International Equity Index Fund	23,729,873	378,070,021	440,901,031
Mid-Cap Growth Fund	582,671	9,703,654	12,999,393
Mid-Cap Value Fund	556,954	9,322,514	13,634,229
Money Market Fund	80,862,214	80,862,214	80,862,214
Real Estate Securities Fund	5,167,337	52,438,945	74,357,985
S&P 500 Index Fund	4,347,320	55,214,757	101,422,971
Short-Term Bond Fund	12,444,277	129,142,044	128,798,265
Social Choice Equity Fund	1,906,168	26,015,301	31,852,073
Non-Proprietary Funds:			
BlackRock Strategic Income Opportunities Fund (Institutional Class)	22,178,665	226,595,425	223,560,936
DFA Emerging Markets Core Equity Portfolio (Institutional Class)	3,559,828	70,600,644	68,669,082
GE Institutional Small-Cap Equity Fund (Institutional Investment Class)	816,937	12,421,294	15,799,569
GMO Benchmark – Free Allocation Series Fund (Class III)	111,398	1,171,463	1,148,512
GMO International Equity Allocation Series Fund (R6 Class)	566,096	5,996,027	5,853,431
Harding Loevner International Equity Portfolio (Institutional Class)	519,401	9,614,426	9,598,529
MetWest Total Return Bond Fund (Institutional Class)	1,072,344	11,804,260	11,592,035
T. Rowe Price Institutional Large-Cap Growth Fund (Institutional Class)	123,516	2,779,807	3,609,145
T. Rowe Price Institutional Large-Cap Value Fund (Institutional Class)	164,081	3,373,608	3,340,686
Templeton Global Bond Fund (Advisor Class)	8,319,141	108,734,891	101,576,716
TIAA-CREF Life Insurance Company:			
Funding Agreement	15,239,923	232,688,488	232,688,488
		<u>\$2,072,767,913</u>	<u>\$2,416,132,720</u>

NOTE 5 – INVESTMENT RISKS

Certain investments are subject to a variety of investment risks based on the amount of risk in the underlying funds. GASB requires that entities disclose certain essential risk information about deposits and investments. All of the Direct Plan's Options are uninsured and unregistered and are held by a custodian in the Direct Plan's name.

Custodial credit risk: Custodial credit risk is the risk that in the event of a failure, the Direct Plan deposits and investments may not be returned. An Account Owner has an investment in an Option and not a direct investment in any underlying mutual fund or other investment vehicle to which funds in that Option may be allocated. Because of this ownership structure, the custodial credit risk is mitigated.

Investment policy: The Direct Plan does not have specific investment policies which address credit, interest rate, foreign currency or custodial credit risk. The Direct Plan's Options are managed based on specific investment objectives and strategies which are disclosed in the current Direct Plan Disclosure Booklet.

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Credit risk: The underlying mutual funds investing primarily in fixed income securities are subject to credit risk. Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The underlying mutual funds do not carry a formal credit quality rating. The underlying Funding Agreement is a guaranteed insurance product issued by TIAA-CREF Life. TIAA-CREF Life had a Standard & Poor's credit rating of AA+ at June 30, 2015.

Interest rate risk: Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. At June 30, 2015, the average maturities for the underlying fixed income mutual funds are as follows:

<u>Investment</u>	<u>Market Value</u>	<u>Average Maturity</u>
TIAA-CREF Funds (Institutional Class):		
Bond Index Fund	\$262,796,202	7.41 years
High-Yield Fund	4,566,392	6.86 years
Inflation-Linked Bond Fund	133,798,037	8.30 years
Short-Term Bond Fund	128,798,265	2.54 years
Non-Proprietary Funds:		
Blackrock Strategic Income Opportunities Fund (Institutional Class)	223,560,936	4.81 years
MetWest Total Return Bond Fund (Institutional Class)	11,592,035	8.11 years
Templeton Global Bond Fund (Advisor Class)	101,576,716	2.36 years

Foreign currency risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investments in foreign securities. The Direct Plan does not have any direct investment in foreign securities. Certain Direct Plan Options allocate assets to underlying mutual funds that are exposed to foreign currency risk. At June 30, 2015, the value of investments in underlying mutual funds that significantly invest in foreign denominated contracts are as follows:

<u>Investment</u>	<u>Value</u>
TIAA-CREF Funds (Institutional Class):	
Emerging Markets Equity Index Fund	\$24,067,958
International Equity Index Fund	440,901,031
Money Market Fund	80,862,214
Non-Proprietary Funds:	
DFA Emerging Markets Core Equity Portfolio (Institutional Class)	68,669,082
GMO Benchmark-Free Allocation Series Fund (Class III)	1,148,512
GMO International Equity Allocation Series Fund (R6 Class)	5,853,431
Harding Loevner International Equity Portfolio (Institutional Class)	9,598,529
Templeton Global Bond Fund (Advisor Class)	101,576,716

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

FINANCIAL HIGHLIGHTS
For the Year Ended June 30, 2015

Conservative Managed Allocation Option
Age Bands Within the Conservative Managed Allocation Option

FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR	Ages					
	0-3	4-7	8-11	12-14	15-17	18 &Over
Net position value, beginning of year	\$13.64	\$13.09	\$12.58	\$11.91	\$11.36	\$ 10.74
Gain (loss) from investment operations:						
Net investment income ^(a)	0.31	0.29	0.30	0.25	0.20	0.15
Net realized and unrealized loss on investments	(0.11)	(0.12)	(0.17)	(0.14)	(0.12)	(0.11)
Total gain from investment operations	0.20	0.17	0.13	0.11	0.08	0.04
Net position value, end of year	<u>\$13.84</u>	<u>\$13.26</u>	<u>\$12.71</u>	<u>\$12.02</u>	<u>\$11.44</u>	<u>\$10.78</u>
TOTAL RETURN	<u>1.47%</u>	<u>1.30%</u>	<u>1.03%</u>	<u>0.92%</u>	<u>0.70%</u>	<u>0.37%</u>
RATIOS AND SUPPLEMENTAL DATA						
Net position at end of year (in thousands)	\$5,746	\$6,907	\$6,804	\$6,776	\$11,478	\$11,650
Ratio of expenses to average net position ^(b)	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
Ratio of net investment income to average net position	2.29%	2.20%	2.35%	2.07%	1.73%	1.43%

(a) Based on average units outstanding.

(b) Does not include expenses on Direct Plan investments in the TIAA-CREF Funds and other third party mutual funds.

Moderate Managed Allocation Option
Age Bands Within the Moderate Managed Allocation Option

FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR	Ages					
	0-3	4-7	8-11	12-14	15-17	18 &Over
Net position value, beginning of year	\$20.50	\$17.87	\$18.45	\$18.58	\$17.45	\$ 16.52
Gain (loss) from investment operations:						
Net investment income ^(a)	0.48	0.42	0.43	0.44	0.36	0.27
Net realized and unrealized loss on investments	(0.12)	(0.17)	(0.19)	(0.20)	(0.18)	(0.14)
Total gain from investment operations	0.36	0.25	0.24	0.24	0.18	0.13
Net position value, end of year	<u>\$20.86</u>	<u>\$18.12</u>	<u>\$18.69</u>	<u>\$18.82</u>	<u>\$17.63</u>	<u>\$16.65</u>
TOTAL RETURN	<u>1.76%</u>	<u>1.40%</u>	<u>1.30%</u>	<u>1.29%</u>	<u>1.03%</u>	<u>0.79%</u>
RATIOS AND SUPPLEMENTAL DATA						
Net position at end of year (in thousands)	\$28,960	\$101,493	\$212,063	\$244,910	\$293,933	\$246,453
Ratio of expenses to average net position ^(b)	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
Ratio of net investment income to average net position	2.33%	2.31%	2.33%	2.33%	2.04%	1.64%

(a) Based on average units outstanding.

(b) Does not include expenses on Direct Plan investments in the TIAA-CREF Funds and other third party mutual funds.

Aggressive Managed Allocation Option
Age Bands Within the Aggressive Managed Allocation Option

FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR	Ages					
	0-3	4-7	8-11	12-14	15-17	18 &Over
Net position value, beginning of year	\$13.88	\$13.69	\$13.93	\$14.03	\$13.88	\$13.03
Gain (loss) from investment operations:						
Net investment income ^(a)	0.31	0.31	0.31	0.32	0.31	0.25
Net realized and unrealized loss on investments	(0.06)	(0.08)	(0.09)	(0.10)	(0.12)	(0.11)
Total gain from investment operations	0.25	0.23	0.22	0.22	0.19	0.14
Net position value, end of year	<u>\$14.13</u>	<u>\$13.92</u>	<u>\$14.15</u>	<u>\$14.25</u>	<u>\$14.07</u>	<u>\$13.17</u>
TOTAL RETURN	<u>1.80%</u>	<u>1.68%</u>	<u>1.58%</u>	<u>1.57%</u>	<u>1.37%</u>	<u>1.07%</u>
RATIOS AND SUPPLEMENTAL DATA						
Net position at end of year (in thousands)	\$29,843	\$83,277	\$83,522	\$60,821	\$46,781	\$27,357
Ratio of expenses to average net position ^(b)	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
Ratio of net investment income to average net position	2.22%	2.23%	2.20%	2.23%	2.21%	1.92%

(a) Based on average units outstanding.

(b) Does not include expenses on Direct Plan investments in the TIAA-CREF Funds and other third party mutual funds.

See notes to financial statements.

FINANCIAL HIGHLIGHTS (Continued)
For the Year Ended June 30, 2015

Multi-Fund Investment Options

	Global Equity Index Option	Global Tactical Asset Allocation Option*	Inter- national Equity Index Option*	Active Global Equity Option	U.S. Equity Index Option*	High Equity Balanced Option	Active Fixed- Income Option	Social Choice Option	Index Fixed- Income Option	Money Market Option	Principal Plus Interest Option
Net position value, beginning of period or year	\$15.73	\$10.00	\$10.00	\$14.51	\$10.00	\$18.94	\$15.38	\$16.41	\$11.15	\$10.13	\$15.05
Gain (loss) from investment operations:											
Net investment income ^(a)	0.38	(0.00) ^(e)	(0.00) ^(e)	0.58	(0.00) ^(e)	0.40	0.43	0.20	0.23	-	0.22
Net realized and unrealized loss on investments	(0.27)	(0.05)	0.10	(0.08)	0.01	(0.18)	(0.38)	0.32	(0.05)	-	-
Total gain from investment operations	0.11	(0.05)	0.10	0.50	0.01	0.22	0.05	0.52	0.18	-	0.22
Net position value, end of period or year	\$15.84	\$9.95	\$10.10	\$15.01	\$10.01	\$19.16	\$15.43	\$16.93	\$11.33	\$10.13	\$15.27
TOTAL RETURN	0.70%	(0.50)% ^(e)	1.00 % ^(e)	3.45%	0.10% ^(e)	1.16%	0.33%	3.17%	1.61%	0.00%	1.46%

RATIOS AND SUPPLEMENTAL DATA

Net position at end of period or year (in thousands)	\$200,925	\$1,148	\$1,586	\$32,179	\$6,899	\$318,763	\$42,324	\$31,844	\$11,629	\$26,794	\$232,688
Ratio of expenses to average net position before expense waiver ^(b)	0.16%	0.16% ^(d)	0.16% ^(d)	0.16%	0.16% ^(d)	0.16%	0.16%	0.16%	0.16%	0.16%	-%
Ratio of expenses to average net position after expense waiver ^(b)	0.16%	0.16% ^(d)	0.16% ^(d)	0.16%	0.16% ^(d)	0.16%	0.16%	0.16%	0.16%	0.00%	-%
Ratio of net investment income to average net position	2.40%	(0.16)% ^(d)	(0.16)% ^(d)	3.93%	(0.16)% ^(d)	2.12%	2.77%	1.17%	2.01%	0.00%	1.44%

* The Option commenced operations on April 1, 2015.

(a) Based on average units outstanding

(b) Does not include expenses on Direct Plan investments in the TIAA-CREF Funds and other third party mutual funds

(c) The percentages shown for this period are not annualized.

(d) The percentages shown for this period are annualized.

(e) Amount represents less than \$0.01 per share.

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

INDEPENDENT AUDITORS' REPORT

Connecticut Higher Education Trust Program Advisor Plan

Independent Auditors' Report

To the Board of Trustees of the
Connecticut Higher Education Trust
Hartford, Connecticut

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position of the Connecticut Higher Education Trust Program Advisor Plan (the "Plan"), a Plan of the State of Connecticut, as of June 30, 2015, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, as listed in the table of contents.

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 of America 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 Plan'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 Plan'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 present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2015, and the related changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, on pages 3 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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.

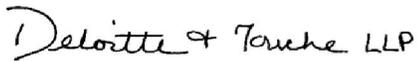
INDEPENDENT AUDITORS' REPORT

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements of fiduciary net position, the combining statements of changes in fiduciary net position, and financial highlights, as listed in the table of contents, on pages 12 through 22 are supplemental schedules presented for purposes of additional analysis and are not a required part of the basic financial statements. These supplemental schedules are the responsibility of the Plan's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including 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 supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2015, on our consideration of the Plan'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.



Jericho, NY
September 14, 2015

Note: The full independent auditors report that is covered by this opinion is available on the Office of the State Treasurer's web page.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Connecticut Higher Education Trust ("CHET" or the "Trust") Program (the "Program") was formed on July 1, 1997, by Connecticut law, to help people save for the costs of education after high school. The Program is administered by the Treasurer of the State of Connecticut, as trustee (the "Trustee") of the Trust. The Trustee has the authority to enter into contracts for program management services, adopt regulations for the administration of the Program, and establish investment policies for the Program. The Program consists of two components – CHET Direct Plan, which is offered directly by the state, and an advisor plan which began on September 30, 2010 ("CHET Advisor Plan"), for which Hartford Life Insurance Company ("Hartford Life") and the Trustee have entered into a management agreement under which Hartford Life serves as plan manager. The Hartford Financial Services Group, Inc. ("The Hartford"), Hartford Life's ultimate parent company, has provided insurance and other financial management services for its clients since 1810. As Plan manager, Hartford Life provides readers of the financial statements of the Plan this discussion and analysis of the financial performance as of and for the fiscal year ended June 30, 2015. The following should be considered in conjunction with the Plan's financial statements and notes to financial statements, which follow this section.

These financial statements are intended for use in connection with an account opened in the CHET Advisor Plan only, and are not intended to include information relevant to the CHET Direct Plan, which is described in a separate report, and offers investment options different from those offered under the CHET Advisor Plan. For more information on the CHET Direct Plan, you may call 1-888-799-2438 or go to www.aboutchet.com.

FINANCIAL HIGHLIGHTS

The following financial highlights occurred during the year ended June 30, 2015:

- The Plan had contributions of \$85.3 million and withdrawals of \$19.0 million during the year;
- At June 30, 2015, the Plan's Fiduciary Net Position totaled \$339.9 million, an increase of \$64.7 million, or 24% since June 30, 2014;
- The Plan earned \$4.5 million from investment income, \$18.7 million from capital gain distributions, loss \$26.3 million from net depreciation in fair value of investments, and recognized gains on the sale of investments of \$3.6 during the year. The Plan incurred \$2.1 million for operating expenses during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Plan's financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

This annual report consists of two sections: Management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, the Notes to Financial Statements, Supplemental Combining Statements and the Financial Highlights included in the table of contents. The statements are prepared using the accrual basis of accounting. Contributions and redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided, regardless of when cash is disbursed.

The Statement of Fiduciary Net Position presents information on all of the Plan's assets and liabilities, with the difference reported as net position.

The Statement of Changes in Fiduciary Net Position reports the additions and deductions to the Plan for the fiscal year.

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

This report presents the operating results and financial status of the Plan, which the State of Connecticut reports as a fiduciary fund (private purpose trust fund). Fiduciary fund reporting at the State of Connecticut represents assets held for benefit of parties outside the governmental entity.

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS

Fiduciary Net Position: The following is a condensed Statement of Fiduciary Net Position for the Plan as of June 30, 2015 and June 30, 2014.

	<u>2015</u>	<u>2014</u>
Assets:		
Investments	\$339,987,299	\$275,140,842
Receivables and other assets	<u>417,402</u>	<u>361,078</u>
Total assets	<u>340,404,701</u>	<u>275,501,920</u>
Liabilities:		
Payables and other liabilities	336,660	292,392
Accrued expenses	<u>193,690</u>	<u>16,079</u>
Total liabilities	<u>530,350</u>	<u>308,471</u>
Fiduciary Net Position	<u>\$339,874,351</u>	<u>\$275,193,449</u>

Total Fiduciary Net Position represent cumulative contributions from participants since the Plan's inception, plus net increases and (decreases) from investment operations less redemptions and expenses.

Investments make up 99.9% of total Fiduciary Net Position, and consist of 22 investment options, each of which is invested in underlying mutual funds. Other assets consist of cash, receivables for investments sold, receivables for capital shares sold and receivables for accrued income. Liabilities consist of payables for investments purchased, payables for capital shares redeemed, and payables for accrued expenses for management and administrative services.

Changes in Net Position: The following is a condensed Statement of Changes in Fiduciary Net Position for the Plan for the years ended June 30, 2015 and June 30, 2014.

	<u>2015</u>	<u>2014</u>
Additions:		
Contributions	\$85,339,820	\$83,224,690
Increase from investment operations	<u>425,563</u>	<u>33,073,538</u>
Total additions	<u>85,765,383</u>	<u>116,298,228</u>
Deductions:		
Withdrawals	19,019,419	12,204,271
Expenses after fees waived	<u>2,065,062</u>	<u>1,483,179</u>
Total deductions	<u>21,084,481</u>	<u>13,687,450</u>
Change in net position	<u>64,680,902</u>	<u>102,610,778</u>
Fiduciary net Position, beginning of period	275,193,449	172,582,671
Fiduciary net Position, end of period	<u>\$339,874,351</u>	<u>\$275,193,449</u>

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN
STATEMENT OF FIDUCIARY NET POSITION

	June 30, 2015	June 30, 2014
ASSETS		
Investments, at value (Cost: \$249,550,541 and \$249,550,541)	\$339,987,299	\$275,140,842
Receivables:		
Investments sold	99,002	18,369
Capital shares sold	265,851	291,643
Dividends and interest receivable	52,549	51,066
TOTAL ASSETS	340,404,701	275,501,920
LIABILITIES		
Payables:		
Investments purchased	149,789	244,902
Capital shares redeemed	186,871	47,490
Accrued expenses	-	16,079
Accrued distribution fees	122,652	-
Accrued administration fees	65,576	-
Accrued plan manager fees	5,462	-
TOTAL LIABILITIES	530,350	308,471
FIDUCIARY NET POSITION	\$339,874,351	\$275,193,449

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30,**

	<u>2015</u>	<u>2014</u>
ADDITIONS		
Contributions:		
Account holders	\$85,339,820	\$83,224,690
Transfers	61,525,132	-
Total contributions	<u>146,864,952</u>	<u>83,224,690</u>
Increase from investment operations		
Dividends	4,478,711	2,782,261
Capital gain distributions received from underlying funds	18,681,089	5,183,644
Net realized gain on sale of underlying fund shares	3,566,371	10,199,674
Net unrealized appreciation/(depreciation) on underlying fund shares	<u>(26,300,608)</u>	<u>14,907,959</u>
Net increase from investment operations	425,563	33,073,538
Total additions	<u>147,290,515</u>	<u>116,298,228</u>
DEDUCTIONS		
Withdrawals	19,019,419	12,204,271
Transfers	61,525,132	-
Expenses:		
Plan manager fees	725,466	530,076
Administrative fees	60,454	44,170
Distribution fees	1,368,408	998,063
Total expenses (before waivers)	<u>2,154,328</u>	<u>1,572,309</u>
Total waivers	<u>(89,266)</u>	<u>(89,130)</u>
Total expenses after fees waived	2,065,062	1,483,179
Total deductions	<u>82,609,613</u>	<u>13,687,450</u>
FIDUCIARY NET POSITION		
Net increase in fiduciary net position	64,680,902	102,610,778
Beginning of year	275,193,449	172,582,671
End of year	<u>\$339,874,351</u>	<u>\$275,193,449</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

The Connecticut Higher Education Trust (“CHET” or the “Trust”) Advisor Plan (“Plan”) is a qualified tuition program offered by the Trust. Hartford Life Insurance Company (“Hartford Life”) serves as plan manager and manages the Plan under the direction of the Trustee. The Plan is intended to meet the requirements of the qualified tuition program under Section 529 of the Internal Revenue Code and was established pursuant to the Connecticut General Statutes Section 3-22f to 3-22o. Investment options and allocations, as adopted by the Trustee, are described in the current Disclosure Booklet for the Program.

The Plan offers Age-Based Investment Options tailored to the length of time until the designated beneficiary reaches college age, Static Investment Options that allow investing in fixed allocations of underlying investments or Individual Investment Options (collectively, “Investment Options”). The CHET Advisor Plan consists of 22 portfolios that make up the Investment Options in which plan participants can direct their contributions. These Investment Options are as follows:

Age-Based Investment Options

CHET Advisor Age-Based Portfolio 0-8
 CHET Advisor Age-Based Portfolio 9-13
 CHET Advisor Age-Based Portfolio 14-15
 CHET Advisor Age-Based Portfolio 16-17
 CHET Advisor Age-Based Portfolio 18+

Static Investment Options

CHET Advisor Aggressive Growth Portfolio
 CHET Advisor Balanced Portfolio
 CHET Advisor Checks & Balances Portfolio
 CHET Advisor Conservative Portfolio
 CHET Advisor Growth Portfolio

Individual Investment Options

CHET The Hartford Capital Appreciation 529 Portfolio
 CHET The Hartford Dividend and Growth 529 Portfolio
 CHET Hartford Equity Income 529 Portfolio
 CHET Hartford Global Real Asset 529 Portfolio
 CHET The Hartford Growth Opportunities 529 Portfolio
 CHET The Hartford Inflation Plus 529 Portfolio
 CHET The Hartford International Opportunities 529 Portfolio
 CHET The Hartford MidCap 529 Portfolio
 CHET Advisor Money Market 529 Portfolio
 CHET Hartford SmallCap Growth 529 Portfolio
 CHET The Hartford Total Return Bond 529 Portfolio
 CHET Hartford World Bond 529 Portfolio

The Investment Options operate in the manner of a “Fund of Funds,” investing the majority of their assets in Class Y shares of underlying mutual funds of Hartford Mutual Funds (the “underlying mutual funds”) and the State Street Global Advisors Money Market Fund, a mutual fund unaffiliated with Hartford Funds (together the “Underlying Funds”).

Financial statements of the underlying mutual funds contain additional information about the expenses and investments of the underlying mutual funds and are available from the EDGAR database on the Securities and Exchange Commission website at <http://www.sec.gov>.

The Investment Options offer Class A Units, Class C Units and Class E Units. Each Class of Units has a different fee structure determined by the sales charge. Class A units are sold with a front-end sales charge of up to 5.50%, with the exception of the following Investment Options that have a maximum front-end sales charge rate of:

NOTES TO FINANCIAL STATEMENTS

<u>Investment Option</u>	<u>Rate</u>
CHET Advisor Age-Based Portfolio 16-17	3.00%
CHET Advisor Age-Based Portfolio 18+	3.00
CHET Advisor Conservative Portfolio	3.00
The Hartford Inflation Plus 529 Portfolio	3.00
The Hartford Total Return Bond 529 Portfolio	3.00
Hartford World Bond 529 Portfolio	3.00
CHET Advisor Money Market 529 Portfolio	-

Class C units are sold with a contingent deferred sales charge of up to 1% on shares redeemed within 12 months of purchase, with the exception of the CHET Advisor Money Market 529 Portfolio, which has no contingent deferred sales charge. Class E units are sold without sales charges to certain eligible investors. All classes of units have identical redemption, dividend, liquidation, and other rights and the same terms and conditions, with the exceptions that each class may have different expenses, which may affect performance.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the CHET Advisor Plan in the preparation of its financial statements, which are in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP"), as defined by the Governmental Accounting Standards Board ("GASB"). The preparation of financial statements in accordance with U.S. GAAP may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of increases and decreases in fiduciary net position from operations during the reporting period. Actual results could differ from those estimates.

Determination of Net Position Value (NPV) – The NPV of each class of the Investment Option's units is based on the value of all underlying investment holdings, determined as of the close of regular trading (normally 4:00 p.m. Eastern Time) (the "NYSE Close") on each day that the New York Stock Exchange is open ("Valuation Date"). Information that becomes known to the Investment Option after the NPV has been calculated on a particular day will not generally be used to retroactively adjust the NPV determined earlier that day.

Investment Valuation – Investments in open-end mutual funds are valued at the respective Net Asset Value of each underlying mutual fund as determined as of the NYSE Close on the Valuation Date.

Security Transactions and Investment Income – Underlying Fund transactions are recorded as of the trade date (the date the order to buy or sell is executed) for financial reporting purposes. Realized gains and losses are determined on the basis of specific identified cost. Income, realized and unrealized gains and losses of each class are allocated daily based on the relative fiduciary net position of each class of units of the Investment Option.

Income and capital gain distributions from Underlying Funds are recorded on the ex-dividend date.

Units – Contributions by a participant are evidenced through the issuance of units in the particular Investment Option according to the investment elections made by the participant. Contributions and withdrawals are subject to terms and limitations defined in the participation agreement between the participant and the CHET Advisor Plan. Contributions are invested in units of the assigned Investment Option on the same day as the credit of the contribution to the participant's account. Withdrawals are based on the unit value calculated for such Investment Option on the day that the withdrawal request is accepted. The earnings portion of non qualified withdrawals, in addition to applicable federal and state income taxes, may be subject to a 10% non qualified withdrawal penalty to be withheld from the amount withdrawn.

Cash – As of June 30, 2015, no cash appears on the Statement of Fiduciary Net Position.

NOTES TO FINANCIAL STATEMENTS (Continued)

Receivables – Receivables for investment securities sold and receivables from the sale of units to participants of the CHET Advisor Plan represent the sales of the Investment Options and the contributions of the participants that have not settled as of the reporting date, respectively.

Payables – Payables for investment securities purchased and payables from units redeemed from participants of the CHET Advisor Plan represent the purchases of the Investment Options and the redemptions of the participants that have not settled as of the reporting date, respectively.

NOTE 3: INVESTMENT RISKS

Interest Rate Risks – Certain Underlying Funds invest in debt securities, including bonds, and are subject to interest rate risk. Declining interest rates generally increase the value of existing debt instruments, and rising interest rates generally decrease the value of existing debt instruments. The exposure to interest rate risk is greater with Underlying Funds with longer average effective maturity and average effective duration.

The Underlying Funds listed below have investments with exposure to interest rate risk. As of June 30, 2015, the average effective maturity and the average effective duration measured in years are as follows:

	Average Effective <u>Maturity</u>	Average Effective <u>Duration</u>
The Hartford Alternative Strategies Fund	2.40	3.61
The Hartford Global Real Asset Fund	1.45	1.69
The Hartford Inflation Plus Fund	5.39	5.84
The Hartford Short Duration Fund	1.49	2.95
The Hartford Strategic Income Fund	5.31	9.85
The Hartford Total Return Bond Fund	5.18	9.01
The Hartford Unconstrained Bond Fund	2.25	6.76
The Hartford World Bond Fund	3.45	3.94
State Street Global Advisors Prime Money Market Fund	0.09	0.20

Foreign Currency Risks – Certain Underlying Funds invest in foreign securities. Certain additional risks are involved when investing in foreign securities that are not inherent with investments in domestic securities. These risks may involve foreign exchange rate fluctuations, adverse political and economic developments and the possible prevention of currency exchange or other foreign governmental laws or restrictions. In addition, the liquidity of foreign securities may be more limited than that of domestic securities.

Market Risks – In the normal course of business, the Underlying Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk). The market values of Underlying Funds may decline due to general market conditions, which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The market value of equity securities may also decline due to factors, which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Credit Risks – Certain underlying funds invest in fixed-income securities and are subject to credit risks. Generally credit risk is the risk that an issuer (issuer credit risk) or other counterparty (counterparty credit risk) to an investment will not fulfill its obligation to the holder of the investment.

Financial assets, which potentially expose the Underlying Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Underlying Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value as recorded in the underlying funds' Statements of Assets and Liabilities. Refer to the prospectuses and financial statements of the underlying funds for information on the respective underlying fund's investment strategy.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4: FEDERAL AND STATE INCOME TAX

The Program has been designated to comply with the requirements for treatment as a qualified state tuition program under Section 529 of the Internal Revenue Code, which is exempt from federal and state income tax. Therefore, no provision for income tax is required.

NOTE 5: PLAN MANAGEMENT AND OTHER FEES

Allocable expenses incurred by the CHET Advisor Plan are allocated to each Investment Option and allocated to classes within the Investment Option in proportion to the average daily fiduciary net position of the Investment Option and each class, except where otherwise noted.

Plan Manager Fee – Hartford Life has entered into a Plan Management Agreement with the Trust which provides for the payment of a Plan Manager Fee for services performed on behalf of the Trust. Currently, the Plan Manager Fee is 0.24% and is accrued daily and paid monthly to Hartford Life and its affiliate, Hartford Funds Management Company, LLC. (“HFMC”). In addition, HFMC receives investment management fees from the underlying Hartford mutual funds.

Given the current low interest rate environment, Hartford Life has waived the annual plan manager fee for existing and new contributions to the CHET Advisor Money Market 529 Portfolio. These fees may be resumed at the sole discretion of Hartford Life.

Administrative Fee – The Administrative Fee of 0.02%, is charged to pay the Trust’s expenses related to the overall operation of the Connecticut Higher Education Trust. This fee is accrued and deducted daily as a percentage of average daily fiduciary net position of the Investment Options and paid monthly.

Given the current low interest rate environment, the Trust has waived the administrative fee for existing and new contributions to the CHET Advisor Money Market 529 Portfolio. This fee may be resumed at the sole discretion of the Trustee.

Annual Distribution Fee – The CHET Advisor Plan is authorized to charge an annual distribution fee to compensate Hartford Funds Distributors, LLC (“HFD”), an affiliate of Hartford Life, for activities intended to result in the sale and distribution of Classes A and C units and for providing services for shareholders. The fee is accrued and deducted daily as a percentage of average fiduciary net position in the Investment Options and paid monthly. From its receipt of the annual distribution fee, HFD may compensate other entities for distributing units of the CHET Advisor Plan. The schedule below reflects the fees effective as of June 30, 2015:

<u>Class of Units</u>	<u>Annual</u>
Class A	0.25%
Class C	1.00%

Given the current low interest rate environment, Hartford Life has waived the annual distribution fee for existing and new contributions to the CHET Advisor Money Market 529 Portfolio. These fees may be resumed at the sole discretion of Hartford Life.

NOTE 6: AFFILIATE HOLDINGS

As of June 30, 2015, affiliates of The Hartford had ownership in certain Investment Options in order to create start up capital. The shares held in those Investment Options are as follows:

<u>Portfolio Name</u>	<u>Class A</u>	<u>Class C</u>	<u>Class E</u>
CHET Advisor Conservative Portfolio	-	-	393
Hartford Global Real Asset 529 Portfolio	2,500	2,500	2,500
Hartford World Bond 529 Portfolio	2,500	-	2,500

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7: INVESTMENTS

The following table represents a calculation of the net change in investments during the year ended June 30, 2015:

Investments at end of year	\$ 339,987,299
Less cost of investments purchased during year	(132,084,477)
Plus cost of investments sold during year	40,937,412
Less investments at beginning of year	<u>(275,140,842)</u>
Depreciation of investments during year	\$ <u>(26,300,608)</u>

Investments on the Combining Statements of Fiduciary Net Position consist of the following as of June 30, 2015:

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
CHET Advisor Plan:			
Hartford Emerging Markets Equity Fund, Class Y	1,018,176	\$ 8,598,311	\$ 8,379,590
State Street Global Advisors Prime Money Market Fund	18,429,897	18,429,897	18,429,897
The Hartford Alternative Strategies Fund, Class Y	2,413,169	23,884,612	22,997,500
The Hartford Capital Appreciation Fund, Class Y	741,359	32,226,120	32,219,450
The Hartford Dividend and Growth Fund, Class Y	1,543,600	37,386,557	39,284,631
The Hartford Equity Income Fund, Class Y	1,242,033	22,493,912	23,163,924
The Hartford Global Real Asset Fund, Class Y	2,179,484	21,617,432	19,571,765
The Hartford Growth Opportunities Fund, Class Y	143,400	5,717,878	6,366,976
The Hartford Inflation Plus Fund, Class Y	891,962	10,108,896	9,686,706
The Hartford International Opportunities Fund, Class Y	2,407,123	40,541,550	38,971,316
The Hartford International Small Company Fund, Class Y	806,909	12,734,382	12,006,803
The Hartford International Value Fund, Class Y	975,230	13,936,013	15,203,836
The Hartford MidCap Fund, Class Y	194,600	5,119,413	5,925,579
The Hartford MidCap Value Fund, Class Y	567,375	9,078,390	9,497,857
The Hartford Short Duration Fund, Class Y	439,610	4,360,306	4,325,764
The Hartford SmallCap Growth Fund, Class Y	211,199	10,413,462	11,797,561
The Hartford Strategic Income Fund, Class Y	2,188,943	19,895,296	18,978,136
The Hartford Total Return Bond Fund, Class Y	1,139,546	12,281,376	11,953,839
The Hartford Unconstrained Bond Fund, Class Y	503,119	5,030,559	4,915,471
The Hartford World Bond Fund, Class Y	2,525,019	26,843,244	26,310,698
		<u>\$ 340,697,606</u>	<u>\$ 339,987,299</u>

NOTE 8: RECENT ACCOUNTING PRONOUNCEMENT

In February 2015, GASB issued Statement No. 72: Fair Value Measurement and Application which will require disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The guidance became effective for annual periods beginning after June 15, 2015. Management is evaluating the impact of this guidance on the Plan's financial statement disclosures.

NOTE 9: SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 14, 2015, which is the date the financial statements were issued. There were no subsequent events identified related to the CHET Advisor Plan that could have a material impact on the CHET Advisor Plan's financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

**FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2015**

	-- Selected Per-Share Data ⁽¹⁾ --					-- Ratios and Supplemental Data --				
	Net Position Value at Beginning of Period	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Net Position Value at End of Period	Total Return % Based on Net Position Value Per Unit	Net Position at End of Period (000's)	Ratio of Expenses to Average Net Position	Ratio of Net Investment Income (Loss) to Average Net Position	Portfolio Turnover Rate ⁽²⁾
CHET Advisor Age-Based Portfolio 0-8										
Class A	\$ 15.89	\$ 0.15	\$ (0.27)	\$ (0.12)	\$ 15.77	(0.76)%	\$ 42,107	0.51%	0.96%	20%
Class C	15.45	0.03	(0.26)	(0.23)	15.22	(1.49)	14,790	1.26	0.17	20
Class E	16.04	0.19	(0.27)	(0.08)	15.96	(0.50)	6,773	0.26	1.21	20
CHET Advisor Age-Based Portfolio 9-13										
Class A	\$ 14.87	\$ 0.15	\$ (0.48)	\$ (0.33)	\$ 14.54	(2.22)%	\$ 45,224	0.51%	1.03%	14%
Class C	14.46	0.03	(0.46)	(0.43)	14.03	(2.97)	14,862	1.26	0.24	14
Class E	15.01	0.19	(0.49)	(0.30)	14.71	(2.00)	6,032	0.26	1.28	14
CHET Advisor Age-Based Portfolio 14-15										
Class A	\$ 14.10	\$ 0.18	\$ (0.55)	\$ (0.37)	\$ 13.73	(2.62)%	\$ 18,892	0.51%	1.31%	10%
Class C	13.71	0.08	(0.54)	(0.46)	13.25	(3.36)	8,161	1.26	0.59	10
Class E	14.24	0.21	(0.55)	(0.34)	13.90	(2.39)	2,733	0.26	1.51	10
CHET Advisor Age-Based Portfolio 16-17										
Class A	\$ 12.54	\$ 0.18	\$ (0.47)	\$ (0.29)	\$ 12.25	(2.31)%	\$ 11,824	0.51%	1.49%	14%
Class C	12.18	0.08	(0.45)	(0.37)	11.81	(3.04)	9,564	1.26	0.71	14
Class E	12.66	0.22	(0.49)	(0.27)	12.39	(2.13)	2,147	0.26	1.75	14
CHET Advisor Age-Based Portfolio 18+										
Class A	\$ 11.29	\$ 0.13	\$ (0.37)	\$ (0.24)	\$ 11.05	(2.13)%	\$ 9,873	0.51%	1.20%	32%
Class C	10.98	0.05	(0.37)	(0.32)	10.66	(2.91)	7,372	1.26	0.45	32
Class E	11.39	0.16	(0.38)	(0.22)	11.17	(1.93)	1,837	0.26	1.43	32
CHET Advisor Aggressive Growth Portfolio										
Class A	\$ 17.14	\$ 0.13	\$ (0.13)	\$ -	\$ 17.14	0.00%	\$ 6,582	0.51%	0.74%	6%
Class C	16.67	(0.01)	(0.11)	(0.12)	16.55	(0.72)	3,635	1.26	(0.03)	6
Class E	17.29	0.16	(0.11)	0.05	17.34	0.29	3,056	0.26	0.96	6
CHET Advisor Conservative Portfolio										
Class A	\$ 12.56	\$ 0.19	\$ (0.48)	\$ (0.29)	\$ 12.27	(2.31)%	\$ 3,270	0.51%	1.50%	28%
Class C	12.22	0.08	(0.45)	(0.37)	11.85	(3.03)	2,981	1.26	0.70	28
Class E	12.68	0.21	(0.47)	(0.26)	12.42	(2.05)	411	0.26	1.69	28
CHET Advisor Growth Portfolio										
Class A	\$ 15.86	\$ 0.15	\$ (0.26)	\$ (0.11)	\$ 15.75	(0.69)%	\$ 14,597	0.51%	0.94%	8%
Class C	15.43	0.03	(0.26)	(0.23)	15.20	(1.49)	5,320	1.26	0.17	8
Class E	16.02	0.20	(0.28)	(0.08)	15.94	(0.50)	2,166	0.26	1.25	8
CHET Advisor Balanced Portfolio										
Class A	\$ 14.32	\$ 0.14	\$ (0.47)	\$ (0.33)	\$ 13.99	(2.30)%	\$ 9,540	0.51%	1.01%	15%
Class C	13.92	0.04	(0.45)	(0.41)	13.51	(2.95)	5,935	1.26	0.27	15
Class E	14.45	0.19	(0.48)	(0.29)	14.16	(2.01)	1,651	0.26	1.31	15
The Hartford Capital Appreciation 529 Portfolio										
Class A	\$ 16.93	\$ 0.02	\$ 1.00	\$ 1.02	\$ 17.95	6.02%	\$ 3,538	0.51%	0.12%	5%
Class C	16.46	(0.10)	0.97	0.87	17.33	5.29	3,073	1.26	(0.60)	5
Class E	17.09	0.07	1.01	1.08	18.17	6.32	2,175	0.26	0.38	5
CHET Advisor Checks & Balances Portfolio										
Class A	\$ 15.21	\$ 0.17	\$ 0.35	\$ 0.52	\$ 15.73	3.42%	\$ 3,052	0.51%	1.10%	13%
Class C	14.79	0.05	0.34	0.39	15.18	2.64	1,991	1.26	0.34	13
Class E	15.36	0.21	0.35	0.56	15.92	3.65	340	0.26	1.34	13
The Hartford Dividend and Growth 529 Portfolio										
Class A	\$ 17.57	\$ 0.23	\$ 0.45	\$ 0.68	\$ 18.25	3.87%	\$ 5,820	0.51%	1.28%	6%
Class C	17.08	0.09	0.44	0.53	17.61	3.10	8,048	1.26	0.51	6
Class E	17.73	0.28	0.44	0.72	18.45	4.06	1,790	0.26	1.53	6
Hartford Equity Income 529 Portfolio										
Class A	\$ 17.61	\$ 0.30	\$ (0.06)	\$ 0.24	\$ 17.85	1.36%	\$ 2,215	0.51%	1.69%	6%
Class C	17.13	0.17	(0.07)	0.10	17.23	0.58	1,257	1.26	1.01	6
Class E	17.78	0.36	(0.08)	0.28	18.06	1.57	464	0.26	2.02	6

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

**FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2015 (Continued)**

	-- Selected Per-Share Data ⁽¹⁾ --					-- Ratios and Supplemental Data --				
	Net Position Value at Beginning of Period	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total Investment Operations	Net Position Value at End of Period	Total Return % Based on Net Position Value Per Unit	Net Position at End of Period (000's)	Ratio of Expenses to Average Net Position	Ratio of Net Investment Income (Loss) to Average Net Position	Portfolio Turnover Rate ⁽²⁾
Hartford Global Real Asset 529 Portfolio										
Class A	\$ 11.10	\$ -	\$ (2.08)	\$(2.08)	\$9.02	(18.67)%	\$ 111	0.51%	-%	4%
Class C	11.02	(0.07)	(2.06)	(2.13)	8.89	(19.33)	76	1.26	(0.75)	4
Class E	11.12	0.03	(2.09)	(2.06)	9.06	(18.74)	76	0.26	0.28	4
The Hartford Growth Opportunities 529 Portfolio										
Class A	\$ 18.61	\$ (0.10)	\$ 3.34	\$3.24	\$ 21.85	17.41%	\$ 3,776	0.51%	(0.51)%	3%
Class C	18.10	(0.25)	3.24	2.99	21.09	16.52	1,719	1.26	(1.26)	3
Class E	18.79	(0.05)	3.37	3.32	22.11	17.67	869	0.26	(0.26)	3
The Hartford Inflation Plus 529 Portfolio										
Class A	\$ 11.13	\$ -	\$ (0.33)	\$(0.33)	\$ 10.80	(2.96)%	\$ 1,604	0.51%	(0.04)%	17%
Class C	10.82	(0.08)	(0.31)	(0.39)	10.43	(3.60)	1,346	1.26	(0.76)	17
Class E	11.23	0.02	(0.32)	(0.30)	10.93	(2.67)	289	0.26	0.20	17
The Hartford International Opportunities 529 Portfolio										
Class A	\$ 13.59	\$ 0.12	\$ (0.31)	\$(0.19)	\$ 13.40	(1.40)%	\$ 2,803	0.51%	0.88%	3%
Class C	13.20	0.02	(0.29)	(0.27)	12.93	(2.05)	1,738	1.26	0.19	3
Class E	13.71	0.16	(0.32)	(0.16)	13.55	(1.17)	908	0.26	1.17	3
The Hartford MidCap 529 Portfolio										
Class A	\$ 18.84	\$ (0.10)	\$ 1.08	\$0.98	\$ 19.82	5.20%	\$ 2,805	0.51%	(0.51)%	3%
Class C	18.33	(0.23)	1.03	0.80	19.13	4.36	1,916	1.26	(1.26)	3
Class E	19.02	(0.05)	1.08	1.03	20.05	5.42	1,201	0.26	(0.26)	3
CHET Advisor Money Market 529 Portfolio										
Class A	\$ 10.00	\$ -	\$ -	\$-	\$ 10.00	-%	\$ 2,775	-(³)%	0.02%	33%
Class C	10.00	-	-	-	10.00	-	5,982	-(³)	0.02	33
Class E	10.00	-	-	-	10.00	-	1,711	-(³)	0.02	33
Hartford SmallCap Growth 529 Portfolio										
Class A	\$ 18.71	\$ (0.10)	\$ 2.08	\$1.98	\$ 20.69	10.58%	\$ 2,507	0.51%	(0.51)%	2%
Class C	18.19	(0.23)	2.00	1.77	19.96	9.79	1,096	1.26	(1.26)	2
Class E	18.88	(0.05)	2.10	2.05	20.93	10.86	797	0.26	(0.26)	2
The Hartford Total Return Bond 529 Portfolio										
Class A	\$ 11.53	\$ 0.22	\$ (0.21)	\$0.01	\$ 11.54	0.09%	\$ 2,444	0.51%	1.92%	18%
Class C	11.21	0.13	(0.21)	(0.08)	11.13	(0.71)	2,217	1.26	1.17	18
Class E	11.64	0.25	(0.22)	0.03	11.67	0.26	586	0.26	2.18	18
Hartford World Bond 529 Portfolio										
Class A	\$ 10.34	\$ 0.32	\$ (0.33)	\$(0.01)	\$ 10.33	(0.10)%	\$ 390	0.51%	3.13%	11%
Class C	10.27	0.26	(0.35)	(0.09)	10.18	(0.88)	2,556	1.26	2.59	11
Class E	10.36	0.37	(0.36)	0.01	10.37	0.10	478	0.26	3.54	11

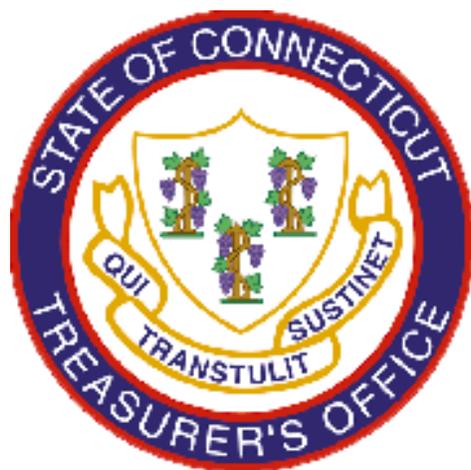
(1) Information presented relates to a unit outstanding throughout the indicated period.

(2) Portfolio turnover rate is calculated on the basis of the fund as a whole without distinguishing between the class of shares issued.

(3) As of June 30, 2015 the CHET Advisor Plan Manager is waiving the Plan Manager, Administration, and Distribution fees. If these fees were included, the ratio of expenses to average net assets would be as follows: 0.51% (Class A), 1.26% (Class C), and 0.26% (Class E).

See notes to financial statements.

Supplemental Information



PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS
TOTAL NET POSITION VALUE BY PENSION PLANS AND TRUST FUNDS
JUNE 30, 2015

<u>Retirement Funds</u>	<u>Net Position Value</u>
Teachers' Retirement Fund	\$16,109,803,388
State Employees' Retirement Fund	10,662,216,815
Municipal Employees' Retirement Fund	2,200,631,780
State Judges' Retirement Fund	189,522,843
The Probate Court Retirement Fund	89,151,598
State's Attorneys Retirement Fund	1,522,000
<u>Non-retirement Trust Funds</u>	
Soldiers' Sailors' & Marines' Fund	72,909,969
Police & Firemans' Survivors' Benefit Fund	28,097,189
Connecticut Arts Endowment Fund	19,011,465
School Fund	11,070,841
Ida Eaton Cotton Fund	2,453,021
Hopemead State Park Fund	3,469,476
Andrew C. Clark Fund	1,153,721
Agricultural College Fund	652,123
OPEB Fund	260,310,287
TOTAL	<u>\$29,651,976,516</u>

COMBINED INVESTMENT FUNDS

**SCHEDULE OF NET POSITION BY INVESTMENT FUND
JUNE 30, 2015**

	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	\$ -	\$41,509,363	\$76,638,545	\$189,300,889	\$26,476,615	\$42,063,204
Cash Equivalents	191,292,119	-	-	-	1,220,606	(30,000)
Asset Backed Securities	134,891,562	-	-	56,606,274	(310,932)	224,653
Government Securities	499,442,681	-	-	444,939,066	1,089,213,411	687,288,264
Government Agency Securities	202,472,206	-	-	523,520,965	-	-
Mortgage Backed Securities	89,187,074	-	-	288,723,995	-	-
Corporate Debt	907,758,734	-	-	532,953,786	3,765,483	121,149,165
Convertible Securities	-	-	-	-	-	-
Common Stock	-	-	6,513,356,423	-	-	-
Preferred Stock	-	-	-	5,096,087	-	328,820
Real Estate Investment Trust	-	-	187,921,023	22,131,921	-	-
Business Development Corporation	-	-	-	-	-	-
Mutual Fund	158,918,499	-	1,261,890	-	-	548,840,713
Limited Liability Corporation	-	-	-	-	-	-
Trusts	-	-	-	-	-	-
Limited Partnerships	-	1,762,978,383	4,850,690	563,977,643	-	-
Total Investments in Securities, at Fair Value	2,183,962,875	1,804,487,746	6,784,028,571	2,627,250,626	1,120,365,183	1,399,864,819
Cash	3,775,147	-	-	97,981	2,226,930	113,679
Receivables						
Foreign Exchange Contracts	540,453,160	-	-	193,754	499,655,339	99,715,671
Interest Receivable	5,747,055	28,505	47,017	11,360,262	5,661,386	15,600,767
Dividends Receivable	-	-	6,964,649	-	-	-
Due from Brokers	2,498,396	-	63,719,763	134,191,957	14,555,400	8,157,928
Foreign Taxes	-	-	-	9	104,199	368,983
Securities Lending Receivable	-	-	347,342	48,505	29,463	24,732
Reserve for Doubtful Receivables	-	-	(8,251)	(1,131,492)	-	(232,299)
Total Receivables	548,698,611	28,505	71,070,520	144,662,995	520,005,787	123,635,782
Invested Securities Lending Collateral	-	-	817,379,529	150,438,378	154,819,343	45,348,163
Other Funds on Deposit	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Assets	2,736,436,633	1,804,516,251	7,672,478,620	2,922,449,980	1,797,417,243	1,568,962,443
LIABILITIES						
Payables						
Foreign Exchange Contracts	532,802,279	-	-	199,515	494,393,303	99,756,210
Due to Brokers	7,276,916	-	80,102,747	340,093,321	16,052,512	8,305,563
Income Distribution	1,594,013	-	-	-	-	-
Other Payable	-	-	773,377	-	-	-
Total Payables	541,673,208	-	80,876,124	340,292,836	510,445,815	108,061,773
Securities Lending Collateral	-	-	817,379,529	150,438,378	154,819,343	45,348,163
Accrued Expenses	1,209,042	81,808	3,357,251	751,590	1,372,500	973,646
Total Liabilities	542,882,250	81,808	901,612,904	491,482,804	666,637,658	154,383,582
NET POSITION HELD IN TRUST FOR PARTICIPANTS						
	\$2,193,554,383	\$1,804,434,443	\$6,770,865,716	\$2,430,967,176	\$1,130,779,585	\$1,414,578,861
Units Outstanding	2,235,610,328	1,532,870,379	4,441,228	19,469,726	7,462,375	9,390,967
Net Position Value and Redemption Price per Unit	\$0.98	\$1.18	\$1,524.55	\$124.86	\$151.53	\$150.63

COMBINED INVESTMENT FUNDS

SCHEDULE OF NET POSITION BY INVESTMENT FUND (Continued)
JUNE 30, 2015

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
\$81,314,849	\$100,542,436	\$60,386,047	\$116,238,624	\$11,600	\$167,209,735	\$(901,691,907)	\$ -
290,000	6,011,233	-	-	-	-	-	198,783,958
-	-	-	-	-	-	-	191,411,557
25,163,404	-	-	-	-	-	-	2,746,046,826
-	-	-	-	-	-	-	725,993,171
-	-	-	-	18,199	-	-	377,929,268
1,502,704,966	-	-	-	-	-	-	3,068,332,134
34,542,342	-	-	-	-	-	-	34,542,342
6,107,954	5,675,750,970	2,211,460,715	-	-	-	-	14,406,676,062
11,445,729	29,796,060	78,212,814	-	-	-	-	124,879,510
30,084,535	67,580,184	2,028,848	-	-	-	-	309,746,511
80,600,464	-	-	-	-	-	-	80,600,464
-	-	111,270,006	-	-	-	-	820,291,108
-	-	-	-	-	1,156,486	-	1,156,486
-	-	-	582,960	-	-	-	582,960
-	-	-	1,731,469,564	-	2,605,008,214	-	6,668,284,494
1,772,254,243	5,879,680,883	2,463,358,430	1,848,291,148	29,799	2,773,374,435	(901,691,907)	29,755,256,851
847,642	25,579,690	1,935,288	-	-	-	(3,775,147)	30,801,210
12,481,479	7,719,020,193	3,645,995	-	-	-	(499,041,149)	8,376,124,442
26,223,581	88,438	42,015	62,739	1	96,088	(5,747,055)	59,210,799
41,705	15,422,914	17,016,672	-	-	-	-	39,445,940
1,210,833	7,197,851	1,249,659	-	-	-	(2,498,396)	230,283,391
-	5,571,493	608,073	-	-	-	-	6,652,757
175,643	376,054	168,940	-	-	-	-	1,170,679
(1,489,331)	(602,574)	(658,542)	-	-	-	-	(4,122,489)
38,643,910	7,747,074,369	22,072,812	62,739	1	96,088	(507,286,600)	8,708,765,519
361,558,742	143,911,336	194,334,023	-	-	-	-	1,867,789,514
-	-	-	-	-	-	-	-
-	-	-	-	2,837	1,427,185	-	1,430,022
2,173,304,537	13,796,246,278	2,681,700,553	1,848,353,887	32,637	2,774,897,708	(1,412,753,654)	40,364,043,116
12,771,990	7,726,025,657	3,647,007	-	-	-	(532,802,279)	8,336,793,682
24,441,811	11,604,981	6,539,265	-	-	-	(7,276,916)	487,140,200
-	-	-	-	-	-	(601,781)	992,232
-	-	-	-	-	5	-	773,382
37,213,801	7,737,630,638	10,186,272	-	-	5	(540,680,976)	8,825,699,496
361,558,742	143,911,336	194,334,023	-	-	-	-	1,867,789,514
1,266,314	5,459,501	3,892,506	117,242	-	806,055	(709,865)	18,577,590
400,038,857	7,887,001,475	208,412,801	117,242	-	806,060	(541,390,841)	10,712,066,600
\$1,773,265,680	\$5,909,244,803	\$2,473,287,752	\$1,848,236,645	\$32,637	\$2,774,091,648	\$(871,362,813)	\$29,651,976,516
12,852,611	12,756,818	6,691,705	41,461,447	973	44,453,077		
\$137.97	\$463.22	\$369.61	\$44.58	\$33.54	\$62.40		

COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET POSITION BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	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	\$2,798	\$3,667,951	\$122,875,650	\$5,451	\$ -	\$787
Interest	23,532,283	581,175	852,018	53,613,840	(3,420,391)	94,663,964
Other Income	38	-	1,748,415	922,828	-	4,394,655
Securities Lending	-	-	4,677,391	845,802	974,411	199,223
Total Income	23,535,119	4,249,126	130,153,474	55,387,921	(2,445,980)	99,258,629
Expenses						
Investment Advisory Fees	4,742,508	-	13,224,485	2,986,694	1,847,122	4,292,272
Custody and Transfer Agent Fees	221,920	176,102	824,968	294,557	139,186	182,246
Professional Fees	67,525	696,311	240,242	54,533	25,584	32,771
Security Lending Fees	-	-	443,096	68,345	57,082	19,440
Security Lending Rebates	-	-	246,428	162,353	403,590	4,818
Investment Expenses	16,686	14,123	74,007	36,192	389,953	134,774
Total Expenses	5,048,639	886,536	15,053,226	3,602,674	2,862,517	4,666,321
Net Investment Income	18,486,480	3,362,590	115,100,248	51,785,247	(5,308,497)	94,592,308
Net Realized Gain (Loss)	(4,602,089)	5,028,776	605,914,006	14,841,191	54,193,275	(55,603,561)
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	(39,899,693)	53,463,829	(242,461,952)	(21,371,772)	(81,615,640)	(153,532,525)
Net Increase (Decrease) in Net Position Resulting from Operations	(26,015,302)	61,855,195	478,552,302	45,254,666	(32,730,862)	(114,543,778)
Unit Transactions						
Purchase of Units by Participants	11,042,574,984	396,438,171	13,796,284	30,270,065	98,295,890	18,192,697
TOTAL ADDITIONS	11,016,559,682	458,293,366	492,348,586	75,524,731	65,565,028	(96,351,081)
DEDUCTIONS						
Administrative Expenses:						
Salary and Fringe Benefits	(402,960)	(328,758)	(1,084,979)	(351,364)	(167,022)	(208,742)
Distributions to Unit Owners:						
Income Distributed	(16,968,808)	-	-	-	-	-
Unit Transactions						
Redemption of Units by Participants	(10,993,810,556)	(3,420,717)	(778,881,605)	(58,894,010)	(13,299,326)	(2,538,296)
TOTAL DEDUCTIONS	(11,011,182,324)	(3,749,475)	(779,966,584)	(59,245,374)	(13,466,348)	(2,747,038)
Change in Net Position Held in Trust for Participants	5,377,358	454,543,891	(287,617,998)	16,279,357	52,098,680	(99,098,119)
Net Position- Beginning of Period	2,188,177,025	1,349,890,552	7,058,483,714	2,414,687,819	1,078,680,905	1,513,676,980
Net Position- End of Period	\$2,193,554,383	\$1,804,434,443	\$6,770,865,716	\$2,430,967,176	\$1,130,779,585	\$1,414,578,861
Other Information:						
Units						
Purchased	11,149,973,287	343,475,978	9,102	241,766	632,427	118,893
Redeemed	(11,105,662,561)	(2,950,614)	(536,556)	(468,554)	(85,967)	(15,637)
Net Increase (Decrease)	44,310,726	340,525,364	(527,454)	(226,788)	546,460	103,256

COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET POSITION BY INVESTMENT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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
\$4,058,514	\$166,649,666	\$68,371,751	\$69,270,904	\$ -	\$68,011,714	\$(1,238)	\$502,913,948
97,162,199	1,003,799	2,872,048	578,558	1,097	978,504	(10,408,866)	262,010,228
248,005	9,643	-	-	-	-	(17)	7,323,567
1,839,648	4,955,071	1,941,376	-	-	-	-	15,432,922
103,308,366	172,618,179	73,185,175	69,849,462	1,097	68,990,218	(10,410,121)	787,680,665
5,034,481	21,897,221	15,665,100	5,429,945	-	2,879,276	(2,097,720)	75,901,384
199,991	799,001	351,360	233,310	4	428,478	(98,160)	3,752,963
36,105	147,711	69,546	401,061	-	1,141,100	(29,868)	2,882,621
178,163	494,817	189,901	-	-	-	-	1,450,844
58,022	6,897	42,365	-	-	-	-	924,473
14,723	350,912	1,521,928	14,740	-	25,485	(7,381)	2,586,142
5,521,485	23,696,559	17,840,200	6,079,056	4	4,474,339	(2,233,129)	87,498,427
97,786,881	148,921,620	55,344,975	63,770,406	1,093	64,515,879	(8,176,992)	700,182,238
6,900,522	357,166,341	(20,301,641)	92,810,550	(1,013)	274,316,258	2,035,609	1,332,698,224
(124,987,761)	(467,803,648)	(218,071,430)	54,162,966	79	16,636,808	16,922,879	(1,208,557,860)
(20,300,358)	38,284,313	(183,028,096)	210,743,922	159	355,468,945	10,781,496	824,322,602
205,508,562	26,626,714	17,921,069	232,332,363	-	11,511,397	(9,083,061,530)	3,010,406,666
185,208,204	64,911,027	(165,107,027)	443,076,285	159	366,980,342	(9,072,280,034)	3,834,729,268
(233,745)	(788,966)	(339,128)	(453,417)	-	(441,202)	178,238	(4,622,045)
-	-	-	-	-	-	7,505,689	(9,463,119)
(128,699)	(290,021,999)	(16,342,897)	(104,701,423)	(38,000)	(511,529,663)	9,177,008,437	(3,596,598,754)
(362,444)	(290,810,965)	(16,682,025)	(105,154,840)	(38,000)	(511,970,865)	9,184,692,364	(3,610,683,918)
184,845,760	(225,899,938)	(181,789,052)	337,921,445	(37,841)	(144,990,523)	112,412,330	224,045,350
1,588,419,920	6,135,144,741	2,655,076,804	1,510,315,200	70,478	2,919,082,171	(983,775,143)	29,427,931,166
\$1,773,265,680	\$5,909,244,803	\$2,473,287,752	\$1,848,236,645	\$32,637	\$2,774,091,648	\$(871,362,813)	\$29,651,976,516
1,491,397	59,074	46,796	5,748,603	-	191,536		
(933)	(635,370)	(40,963)	(2,546,553)	(1,134)	(9,085,165)		
1,490,464	(576,296)	5,833	3,202,050	(1,134)	(8,893,629)		

COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET POSITION BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	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	\$ -	\$2,104,495	\$125,184,182	\$6,729	\$ -	\$ -
Interest	18,816,809	447,441	331,657	58,010,424	29,631,872	83,505,075
Other Income	-	220,000	819,808	597,256	-	810,763
Securities Lending	-	-	3,638,849	492,637	1,338,774	45,080
Total Income	18,816,809	2,771,936	129,974,496	59,107,046	30,970,646	84,360,918
Expenses						
Investment Advisory Fees	4,798,276	-	12,510,828	3,050,708	838,217	3,507,531
Custody and Transfer Agent Fees	210,905	131,364	767,971	233,745	98,058	157,090
Professional Fees	73,503	563,169	264,059	89,412	24,027	58,048
Security Lending Fees	-	-	438,822	61,858	101,545	5,023
Security Lending Rebates	-	-	-	16,987	535,560	-
Investment Expenses	8,340	8,845	52,412	14,727	6,599	21,367
Total Expenses	5,091,024	703,378	14,034,092	3,467,437	1,604,006	3,749,059
Net Investment Income	13,725,785	2,068,558	115,940,404	55,639,609	29,366,640	80,611,859
Net Realized Gain (Loss)	(18,903,264)	(953,401)	535,767,392	12,751,725	(9,358,335)	(39,115,576)
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	17,711,734	82,997,657	870,318,388	30,847,839	24,148,870	57,473,346
Net Increase (Decrease) in Net Position Resulting from Operations	12,534,255	84,112,814	1,522,026,184	99,239,173	44,157,175	98,969,629
Unit Transactions						
Purchase of Units by Participants	8,135,794,153	26,209,304	16,366,810	430,265,810	151,546,883	15,049,838
TOTAL ADDITIONS	8,148,328,408	110,322,118	1,538,392,994	529,504,983	195,704,058	114,019,467
DEDUCTIONS						
Administrative Expenses:						
Salary and Fringe Benefits	(402,253)	(322,962)	(1,208,807)	(340,299)	(149,690)	(229,370)
Distributions to Unit Owners:						
Income Distributed	(13,491,715)	-	(26,264,941)	(10,325,564)	(4,502,138)	-
Unit Transactions						
Redemption of Units by Participants	(8,409,775,257)	(7,871,503)	(689,566,099)	(9,135,394)	(1,517)	(10,177,992)
TOTAL DEDUCTIONS	(8,423,669,225)	(8,194,465)	(717,039,847)	(19,801,257)	(4,653,345)	(10,407,362)
Change in Net Position Held in Trust for Participants	(275,340,817)	102,127,653	821,353,147	509,703,726	191,050,713	103,612,105
Net Position- Beginning 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
Net Position- End of Period	\$2,188,177,025	\$1,349,890,552	\$7,058,483,714	\$2,414,687,819	\$1,078,680,905	\$1,513,676,980
Other Information:						
Units						
Purchased	10,252,526,101	24,180,337	12,856	3,657,164	1,019,579	98,662
Redeemed	(10,527,798,584)	(7,015,144)	(521,802)	(77,084)	(10)	(66,751)
Net Increase (Decrease)	(275,272,483)	17,165,193	(508,946)	3,580,080	1,019,569	31,911

COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET POSITION BY INVESTMENT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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
\$1,504,044	\$201,573,440	\$61,037,452	\$38,623,838	\$ -	\$44,587,493	\$ -	\$474,621,673
85,656,159	547,006	369,151	898,481	11,772	962,565	(8,665,012)	270,523,400
737,860	31,824	695	56	-	-	-	3,218,262
1,109,354	5,136,108	1,541,024	-	-	-	-	13,301,826
89,007,417	207,288,378	62,948,322	39,522,375	11,772	45,550,058	(8,665,012)	761,665,161
4,560,637	20,995,938	15,463,550	4,423,275	-	3,930,562	(2,209,574)	71,869,948
143,713	652,903	278,940	147,602	3	281,129	(97,120)	3,006,303
57,238	164,120	70,307	547,289	-	1,298,341	(33,848)	3,175,665
127,696	562,657	174,995	-	-	-	-	1,472,596
-	-	-	-	-	-	-	552,547
17,262	184,763	1,219,618	2,685,655	-	19,254	(3,841)	4,235,001
4,906,546	22,560,381	17,207,410	7,803,821	3	5,529,286	(2,344,383)	84,312,060
84,100,871	184,727,997	45,740,912	31,718,554	11,769	40,020,772	(6,320,629)	677,353,101
12,760,793	234,545,230	(12,506,978)	(53,363,922)	(5,263)	214,258,580	8,704,826	884,581,807
66,429,494	738,821,187	241,455,083	170,958,293	27	151,689,656	(7,835,859)	2,445,015,715
163,291,158	1,158,094,414	274,689,017	149,312,925	6,533	405,969,008	(5,451,662)	4,006,950,623
193,554,573	25,507,891	41,025,376	21,890,972	-	26,682,693	(6,128,605,380)	2,955,288,923
356,845,731	1,183,602,305	315,714,393	171,203,897	6,533	432,651,701	(6,134,057,042)	6,962,239,546
(230,256)	(879,581)	(366,978)	(473,333)	-	(522,187)	185,235	(4,940,481)
(10,537,291)	(31,961,398)	(16,848,886)	(33,005,079)	-	(49,701,809)	6,212,842	(190,425,979)
(5,876,555)	(463,003,951)	(12,509,128)	(109,400,565)	(9,000)	(13,746,503)	6,451,322,504	(3,279,750,960)
(16,644,102)	(495,844,930)	(29,724,992)	(142,878,977)	(9,000)	(63,970,499)	6,457,720,581	(3,475,117,420)
340,201,629	687,757,375	285,989,401	28,324,920	(2,467)	368,681,202	323,663,539	3,487,122,126
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
\$1,588,419,920	\$6,135,144,741	\$2,655,076,804	\$1,510,315,200	\$70,478	\$2,919,082,171	\$(983,775,143)	\$29,427,931,166
1,469,869	63,582	114,735	591,909	-	547,824		
(43,271)	(1,129,389)	(32,403)	(2,977,233)	(295)	(263,759)		
1,426,598	(1,065,807)	82,332	(2,385,324)	(295)	284,065		

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	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, 2014	\$843,776,469	\$629,868,000	\$612,712,078	\$1,031,965,547	\$406,712,626	\$651,600,289
Market Value at June 30, 2014	\$843,880,605	\$706,998,910	\$3,923,249,087	\$1,170,977,473	\$496,329,212	\$857,988,402
Shares Purchased	1,542,201,847	215,000,000	-	-	5,000,000	-
Shares Redeemed	(1,552,732,735)	-	(386,000,000)	(30,000,000)	(10,000,000)	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(8,657,105)	-	327,686,133	4,225,726	1,735,155	-
Net Investment Income Earned	6,838,436	-	-	-	-	-
Net Investment Income Distributed	(6,838,436)	-	-	-	-	-
Changes in Market Value of Fund Shares	(7,448,762)	32,760,118	(55,310,874)	17,614,253	(15,694,881)	(64,987,360)
Market Value at June 30, 2015	\$817,243,850	\$954,759,028	\$3,809,624,346	\$1,162,817,452	\$477,369,486	\$793,001,042
Book Value at June 30, 2015	\$824,588,476	\$844,868,000	\$554,398,211	\$1,006,191,273	\$403,447,781	\$651,600,289
Shares Outstanding	832,912,466	811,069,252	2,498,855	9,313,058	3,150,314	5,264,498
Market Value per Share	\$0.98	\$1.18	\$1,524.55	\$124.86	\$151.53	\$150.63
State Employees' Retirement Fund						
Book Value at June 30, 2014	\$286,316,253	\$393,420,000	\$374,628,883	\$838,729,373	\$389,055,068	\$318,201,035
Market Value at June 30, 2014	\$285,113,763	\$441,599,883	\$2,684,734,975	\$938,380,757	\$456,510,284	\$451,794,393
Shares Purchased	283,582,065	165,000,000	-	-	85,000,000	-
Shares Redeemed	(146,850,613)	-	(360,000,000)	(20,000,000)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(1,544,445)	-	310,071,498	2,573,054	-	-
Net Investment Income Earned	2,816,807	-	-	-	-	-
Net Investment Income Distributed	(2,816,807)	-	-	-	-	-
Changes in Market Value of Fund Shares	(5,808,538)	20,658,994	(137,603,420)	14,899,960	(15,302,787)	(34,220,650)
Market Value at June 30, 2015	\$414,492,232	\$627,258,877	\$2,497,203,053	\$935,853,771	\$526,207,497	\$417,573,743
Book Value at June 30, 2015	\$421,503,260	\$558,420,000	\$324,700,381	\$821,302,427	\$474,055,068	\$318,201,035
Shares Outstanding	422,439,090	532,857,790	1,637,996	7,495,295	3,472,611	2,772,148
Market Value per Share	\$0.98	\$1.18	\$1,524.55	\$124.86	\$151.53	\$150.63
Municipal Employees' Retirement Fund						
Book Value at June 30, 2014	\$59,391,004	\$151,244,671	\$62,123,421	\$154,622,106	\$90,692,603	\$148,404,248
Market Value at June 30, 2014	\$59,338,485	\$166,508,268	\$353,948,313	\$170,798,981	\$107,739,325	\$174,662,269
Shares Purchased	28,371,971	7,279,093	-	7,392,124	5,736,832	13,478,164
Shares Redeemed	(21,875,600)	(2,911,420)	(26,810,927)	(5,935,755)	(2,826,637)	(2,125,908)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(248,236)	322,102	22,369,774	677,802	420,110	313,737
Net Investment Income Earned	427,221	-	-	-	-	-
Net Investment Income Distributed	(427,221)	-	-	-	-	-
Changes in Market Value of Fund Shares	(855,909)	6,311,948	3,186,549	2,469,517	(3,507,065)	(13,578,035)
Market Value at June 30, 2015	\$64,730,711	\$177,509,991	\$352,693,709	\$175,402,669	\$107,562,565	\$172,750,227
Book Value at June 30, 2015	\$65,639,139	\$155,934,446	\$57,682,268	\$156,756,277	\$94,022,908	\$160,070,241
Shares Outstanding	65,971,765	150,795,127	231,343	1,404,808	709,840	1,146,837
Market Value per Share	\$0.98	\$1.18	\$1,524.55	\$124.86	\$151.53	\$150.63

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$592,399,049	\$1,825,694,497	\$835,417,118	\$927,851,481	\$85,823	\$1,992,352,371	\$10,350,435,348
\$734,534,900	\$3,535,029,747	\$1,495,974,324	\$810,217,501	\$38,345	\$1,644,888,781	\$16,220,107,287
123,000,000	-	-	135,000,000	-	-	2,020,201,847
-	(208,000,000)	-	(51,000,000)	(20,675)	(339,000,000)	(2,576,753,410)
-	-	-	-	-	-	-
-	98,813,993	-	(4,611,323)	(25,505)	(59,663,347)	359,503,727
-	-	-	-	-	-	6,838,436
-	-	-	-	-	-	(6,838,436)
(9,376,974)	(79,987,006)	(103,641,786)	118,454,058	25,593	254,337,558	86,743,937
\$848,157,926	\$3,345,856,734	\$1,392,332,538	\$1,008,060,236	\$17,758	\$1,500,562,992	\$16,109,803,388
\$715,399,049	\$1,716,508,490	\$835,417,118	\$1,007,240,158	\$39,643	\$1,593,689,024	\$10,153,387,512
6,147,440	7,223,002	3,767,082	22,613,791	530	24,045,580	1,728,005,867
\$137.97	\$463.22	\$369.61	\$44.58	\$33.54	\$62.40	
\$414,458,589	\$1,077,999,346	\$536,857,122	\$598,902,630	\$60,476	\$1,266,957,799	\$6,495,586,574
\$496,929,212	\$2,217,762,858	\$968,932,930	\$515,640,986	\$27,165	\$1,011,924,749	\$10,469,351,955
65,000,000	-	-	88,000,000	-	-	686,582,065
-	(60,000,000)	-	(42,000,000)	(14,646)	(157,000,000)	(785,865,259)
-	-	-	-	-	-	-
-	31,006,124	-	(4,388,092)	(17,893)	(34,860,369)	302,839,877
-	-	-	-	-	-	2,816,807
-	-	-	-	-	-	(2,816,807)
(6,375,807)	(16,213,984)	(67,128,116)	77,152,561	17,955	159,232,009	(10,691,823)
\$555,553,405	\$2,172,554,998	\$901,804,814	\$634,405,455	\$12,581	\$979,296,389	\$10,662,216,815
\$479,458,589	\$1,049,005,470	\$536,857,122	\$640,514,538	\$27,937	\$1,075,097,430	\$6,699,143,257
4,026,645	4,690,090	2,439,915	14,231,602	375	15,692,610	1,011,756,168
\$137.97	\$463.22	\$369.61	\$44.58	\$33.54	\$62.40	
\$268,431,212	\$136,427,815	\$96,008,434	\$159,661,201	\$9,315	\$249,559,959	\$1,576,575,989
\$301,382,426	\$303,716,702	\$156,602,257	\$149,413,819	\$4,215	\$217,143,110	\$2,161,258,170
9,128,519	12,935,315	12,414,416	1,977,348	-	3,694,926	102,408,708
-	(18,305,888)	(13,762,965)	(10,113,303)	(2,272)	(13,310,809)	(117,981,484)
-	-	-	-	-	-	-
-	9,965,255	5,205,517	96,301	(2,740)	(1,220,842)	37,898,780
-	-	-	-	-	-	427,221
-	-	-	-	-	-	(427,221)
(4,005,518)	(6,955,793)	(15,468,237)	18,837,051	2,750	30,610,348	17,047,606
\$306,505,427	\$301,355,591	\$144,990,988	\$160,211,216	\$1,953	\$236,916,733	\$2,200,631,780
\$277,559,731	\$141,022,497	\$99,865,402	\$151,621,547	\$4,303	\$238,723,234	\$1,598,901,993
2,221,548	650,563	392,286	3,594,014	58	3,796,442	230,914,632
\$137.97	\$463.22	\$369.61	\$44.58	\$33.54	\$62.40	

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	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, 2014	\$2,262,142	\$3,901,015	\$1,883,391	\$6,928,944	\$3,781,594	\$6,062,564
Market Value at June 30, 2014	\$2,262,047	\$4,350,920	\$14,800,329	\$8,034,160	\$4,504,986	\$7,303,668
Shares Purchased	4,768,768	138,624	-	251,709	171,862	439,243
Shares Redeemed	(4,665,000)	(148,794)	(1,516,379)	(407,858)	(175,975)	(169,589)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(26,224)	18,251	1,334,095	63,589	27,164	26,594
Net Investment Income Earned	16,894	-	-	-	-	-
Net Investment Income Distributed	(16,894)	-	-	-	-	-
Changes in Market Value of Fund Shares	(15,780)	153,502	(271,953)	84,344	(153,492)	(573,866)
Market Value at June 30, 2015	\$2,323,811	\$4,512,503	\$14,346,092	\$8,025,944	\$4,374,545	\$7,026,050
Book Value at June 30, 2015	\$2,339,686	\$3,909,096	\$1,701,107	\$6,836,384	\$3,804,645	\$6,358,812
Shares Outstanding	2,368,361	3,833,381	9,410	64,280	28,869	46,644
Market Value per Share	\$0.98	\$1.18	\$1,524.55	\$124.86	\$151.53	\$150.63
Judges' Retirement Fund						
Book Value at June 30, 2014	\$5,163,204	\$13,122,872	\$6,053,167	\$13,329,165	\$7,833,899	\$12,733,712
Market Value at June 30, 2014	\$5,152,335	\$14,465,280	\$30,752,995	\$14,839,154	\$9,360,802	\$15,175,964
Shares Purchased	3,422,203	590,709	-	597,839	452,347	1,085,835
Shares Redeemed	(3,043,000)	(331,743)	(2,570,110)	(592,930)	(276,515)	(226,352)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(30,970)	37,133	2,092,128	71,583	42,884	35,533
Net Investment Income Earned	36,307	-	-	-	-	-
Net Investment Income Distributed	(36,307)	-	-	-	-	-
Changes in Market Value of Fund Shares	(62,333)	537,448	122,276	201,541	(309,228)	(1,182,433)
Market Value at June 30, 2015	\$5,438,235	\$15,298,827	\$30,397,289	\$15,117,187	\$9,270,290	\$14,888,547
Book Value at June 30, 2015	\$5,511,437	\$13,418,971	\$5,575,185	\$13,405,657	\$8,052,615	\$13,628,728
Shares Outstanding	5,542,497	12,996,387	19,939	121,074	61,178	98,841
Market Value per Share	\$0.98	\$1.18	\$1,524.55	\$124.86	\$151.53	\$150.63
State's Attorneys' Retirement Fund						
Book Value at June 30, 2014	\$20,040	\$-	\$151,082	\$300,304	\$20,996	\$63,498
Market Value at June 30, 2014	\$20,037	\$-	\$432,355	\$330,949	\$29,047	\$88,283
Shares Purchased	25,486	-	677	22,334	2,309	9,230
Shares Redeemed	(23,634)	-	(19,030)	(8,013)	(518)	(442)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(151)	-	12,717	899	136	123
Net Investment Income Earned	130	-	-	-	-	-
Net Investment Income Distributed	(130)	-	-	-	-	-
Changes in Market Value of Fund Shares	(151)	-	18,563	5,176	(988)	(6,914)
Market Value at June 30, 2015	\$21,587	\$-	\$445,282	\$351,345	\$29,986	\$90,280
Book Value at June 30, 2015	\$21,741	\$-	\$145,446	\$315,524	\$22,923	\$72,409
Shares Outstanding	21,999	-	292	2,814	198	599
Market Value per Share	\$0.98	\$-	\$1,524.55	\$124.86	\$151.53	\$150.63

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$11,962,980	\$5,466,685	\$3,783,988	\$6,904,350	\$562	\$9,959,938	\$62,898,153
\$13,501,495	\$13,606,725	\$6,548,680	\$6,247,498	\$250	\$9,079,316	\$90,240,074
154,333	344,348	409,397	10,899	-	112,893	6,802,076
(120,648)	(946,552)	(641,872)	(523,750)	(135)	(762,763)	(10,079,315)
-	-	-	-	-	-	-
12,162	564,692	266,460	(13,257)	(168)	(34,190)	2,239,168
-	-	-	-	-	-	16,894
-	-	-	-	-	-	(16,894)
(190,045)	(436,374)	(686,472)	795,897	167	1,243,667	(50,405)
\$13,357,297	\$13,132,839	\$5,896,193	\$6,517,287	\$114	\$9,638,923	\$89,151,598
\$12,008,827	\$5,429,173	\$3,817,973	\$6,378,242	\$259	\$9,275,878	\$61,860,082
96,814	28,351	15,953	146,202	3	154,458	6,792,726
\$137.97	\$463.22	\$369.61	\$44.58	\$33.54	\$62.40	
\$23,279,944	\$12,104,474	\$8,053,403	\$14,523,566	\$980	\$22,591,451	\$138,789,837
\$26,184,217	\$26,388,077	\$13,607,155	\$12,981,497	\$444	\$18,865,716	\$187,773,636
587,878	944,468	1,003,464	135,206	-	312,372	9,132,321
(8,051)	(1,615,282)	(1,229,265)	(946,997)	(239)	(1,298,529)	(12,139,013)
-	-	-	-	-	-	-
738	869,933	492,004	(35,524)	(287)	(180,506)	3,394,649
-	-	-	-	-	-	36,307
-	-	-	-	-	-	(36,307)
(348,377)	(614,636)	(1,377,393)	1,673,886	286	2,720,213	1,361,250
\$26,416,405	\$25,972,560	\$12,495,965	\$13,808,068	\$204	\$20,419,266	\$189,522,843
\$23,860,509	\$12,303,593	\$8,319,606	\$13,676,251	\$454	\$21,424,788	\$139,177,794
191,466	56,069	33,809	309,756	6	327,206	19,758,227
\$137.97	\$463.22	\$369.61	\$44.58	\$33.54	\$62.40	
\$123,126	\$276,700	\$96,149	\$-	\$-	\$-	\$1,051,895
\$145,091	\$321,657	\$105,537	\$-	\$-	\$-	\$1,472,956
9,410	17,610	9,554	-	-	-	96,610
-	(12,503)	(6,937)	-	-	-	(71,077)
-	-	-	-	-	-	-
-	2,058	692	-	-	-	16,474
-	-	-	-	-	-	130
-	-	-	-	-	-	(130)
(1,978)	1,093	(7,764)	-	-	-	7,037
\$152,523	\$329,915	\$101,082	\$-	\$-	\$-	\$1,522,000
\$132,536	\$283,865	\$99,458	\$-	\$-	\$-	\$1,093,902
1,105	712	273	-	-	-	27,993
\$137.97	\$463.22	\$369.61	\$-	\$-	\$-	

PENSION FUNDS MANAGEMENT DIVISION
COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	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, 2014	\$1,475,892	\$-	\$3,924,597	\$41,704,671	\$-	\$-
Market Value at June 30, 2014	\$1,472,893	\$-	\$11,252,811	\$48,495,062	\$-	\$-
Shares Purchased	2,996,634	-	68,185	710,526	-	-
Shares Redeemed	(2,000,000)	-	(1,132,684)	(1,251,200)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(16,966)	-	758,522	197,136	-	-
Net Investment Income Earned	11,678	-	-	-	-	-
Net Investment Income Distributed	(11,678)	-	-	-	-	-
Changes in Market Value of Fund Shares	(15,642)	-	51,429	696,317	-	-
Market Value at June 30, 2015	\$2,436,919	\$-	\$10,998,263	\$48,847,841	\$-	\$-
Book Value at June 30, 2015	\$2,455,560	\$-	\$3,618,620	\$41,361,133	\$-	\$-
Shares Outstanding	2,483,642	-	7,214	391,225	-	-
Market Value per Share	\$0.98	\$-	\$1,524.55	\$124.86	\$-	\$-
Endowment for the Arts						
Book Value at June 30, 2014	\$561,455	\$-	\$2,058,666	\$11,375,905	\$-	\$-
Market Value at June 30, 2014	\$560,057	\$-	\$2,934,893	\$12,649,138	\$-	\$-
Shares Purchased	472,394	-	-	336,311	-	-
Shares Redeemed	(446,607)	-	(270,764)	(441,794)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(6,430)	-	92,439	53,632	-	-
Net Investment Income Earned	3,356	-	-	-	-	-
Net Investment Income Distributed	(3,356)	-	-	-	-	-
Changes in Market Value of Fund Shares	(3,221)	-	120,261	181,064	-	-
Market Value at June 30, 2015	\$576,193	\$-	\$2,876,829	\$12,778,351	\$-	\$-
Book Value at June 30, 2015	\$580,812	\$-	\$1,880,341	\$11,324,054	\$-	\$-
Shares Outstanding	587,242	-	1,887	102,342	-	-
Market Value per Share	\$0.98	\$-	\$1,524.55	\$124.86	\$-	\$-
Agricultural College Fund						
Book Value at June 30, 2014	\$12	\$-	\$-	\$617,540	\$-	\$-
Market Value at June 30, 2014	\$13	\$-	\$-	\$657,122	\$-	\$-
Shares Purchased	17,505	-	-	500	-	-
Shares Redeemed	(17,438)	-	-	(17,500)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(51)	-	-	1,200	-	-
Net Investment Income Earned	5	-	-	-	-	-
Net Investment Income Distributed	(5)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	-	-	10,772	-	-
Market Value at June 30, 2015	\$29	\$-	\$-	\$652,094	\$-	\$-
Book Value at June 30, 2015	\$28	\$-	\$-	\$601,740	\$-	\$-
Shares Outstanding	28	-	-	5,223	-	-
Market Value per Share	\$0.98	\$-	\$-	\$124.86	\$-	\$-

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$-	\$6,025,333	\$2,875,171	\$-	\$-	\$-	\$56,005,664
\$-	\$8,091,683	\$3,035,464	\$-	\$-	\$-	\$72,347,913
-	312,422	269,541	-	-	-	4,357,308
-	(613,628)	(357,166)	-	-	-	(5,354,678)
-	-	-	-	-	-	-
-	167,756	18,077	-	-	-	1,124,525
-	-	-	-	-	-	11,678
-	-	-	-	-	-	(11,678)
-	(83,986)	(213,217)	-	-	-	434,901
\$-	\$7,874,247	\$2,752,699	\$-	\$-	\$-	\$72,909,969
\$-	\$5,891,883	\$2,805,623	\$-	\$-	\$-	\$56,132,819
-	16,999	7,448	-	-	-	2,906,528
\$-	\$463.22	\$369.61	\$-	\$-	\$-	
\$-	\$1,575,066	\$749,416	\$-	\$-	\$-	\$16,320,508
\$-	\$2,110,476	\$791,646	\$-	\$-	\$-	\$19,046,210
-	96,531	62,606	-	-	-	967,842
-	(169,414)	(82,512)	-	-	-	(1,411,091)
-	-	-	-	-	-	-
-	45,317	4,232	-	-	-	189,190
-	-	-	-	-	-	3,356
-	-	-	-	-	-	(3,356)
-	(23,105)	(55,685)	-	-	-	219,314
\$-	\$2,059,805	\$720,287	\$-	\$-	\$-	\$19,011,465
\$-	\$1,547,500	\$733,742	\$-	\$-	\$-	\$16,066,449
-	4,447	1,949	-	-	-	697,867
\$-	\$463.22	\$369.61	\$-	\$-	\$-	
\$-	\$-	\$-	\$-	\$-	\$-	\$617,552
\$-	\$-	\$-	\$-	\$-	\$-	\$657,135
-	-	-	-	-	-	18,005
-	-	-	-	-	-	(34,938)
-	-	-	-	-	-	-
-	-	-	-	-	-	1,149
-	-	-	-	-	-	5
-	-	-	-	-	-	(5)
-	-	-	-	-	-	10,772
\$-	\$-	\$-	\$-	\$-	\$-	\$652,123
\$-	\$-	\$-	\$-	\$-	\$-	\$601,768
-	-	-	-	-	-	5,250
\$-	\$-	\$-	\$-	\$-	\$-	

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	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, 2014	\$72,332	\$-	\$42,132	\$1,476,370	\$-	\$-
Market Value at June 30, 2014	\$72,269	\$-	\$378,715	\$1,632,225	\$-	\$-
Shares Purchased	60,332	-	4,662	42,718	-	-
Shares Redeemed	(57,223)	-	(39,379)	(56,145)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(312)	-	35,107	6,261	-	-
Net Investment Income Earned	428	-	-	-	-	-
Net Investment Income Distributed	(428)	-	-	-	-	-
Changes in Market Value of Fund Shares	(721)	-	(7,916)	23,716	-	-
Market Value at June 30, 2015	\$74,345	\$-	\$371,189	\$1,648,775	\$-	\$-
Book Value at June 30, 2015	\$75,129	\$-	\$42,522	\$1,469,204	\$-	\$-
Shares Outstanding	75,771	-	243	13,205	-	-
Market Value per Share	\$0.98	\$-	\$1,524.55	\$124.86	\$-	\$-
Andrew Clark Fund						
Book Value at June 30, 2014	\$33,937	\$-	\$19,927	\$710,460	\$-	\$-
Market Value at June 30, 2014	\$33,992	\$-	\$178,129	\$767,722	\$-	\$-
Shares Purchased	28,443	-	2,192	20,091	-	-
Shares Redeemed	(26,984)	-	(18,532)	(26,454)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(80)	-	16,510	2,410	-	-
Net Investment Income Earned	202	-	-	-	-	-
Net Investment Income Distributed	(202)	-	-	-	-	-
Changes in Market Value of Fund Shares	(401)	-	(3,720)	11,690	-	-
Market Value at June 30, 2015	\$34,970	\$-	\$174,579	\$775,459	\$-	\$-
Book Value at June 30, 2015	\$35,316	\$-	\$20,097	\$706,507	\$-	\$-
Shares Outstanding	35,637	-	115	6,211	-	-
Market Value per Share	\$0.98	\$-	\$1,524.55	\$124.86	\$-	\$-
School Fund						
Book Value at June 30, 2014	\$324,801	\$-	\$189,670	\$6,658,450	\$-	\$-
Market Value at June 30, 2014	\$324,856	\$-	\$1,704,493	\$7,343,639	\$-	\$-
Shares Purchased	292,385	-	22,231	36,239	-	-
Shares Redeemed	(275,840)	-	(174,847)	(75,267)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(4,104)	-	155,558	8,644	-	-
Net Investment Income Earned	1,931	-	-	-	-	-
Net Investment Income Distributed	(1,931)	-	-	-	-	-
Changes in Market Value of Fund Shares	(1,906)	-	(31,664)	127,797	-	-
Market Value at June 30, 2015	\$335,391	\$-	\$1,675,771	\$7,441,052	\$-	\$-
Book Value at June 30, 2015	\$337,242	\$-	\$192,612	\$6,628,066	\$-	\$-
Shares Outstanding	341,823	-	1,099	59,596	-	-
Market Value per Share	\$0.98	\$-	\$1,524.55	\$124.86	\$-	\$-

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$-	\$203,103	\$96,852	\$-	\$-	\$-	\$1,890,789
\$-	\$272,331	\$102,153	\$-	\$-	\$-	\$2,457,693
-	9,066	7,997	-	-	-	124,775
-	(18,218)	(10,603)	-	-	-	(181,568)
-	-	-	-	-	-	-
-	4,986	533	-	-	-	46,575
-	-	-	-	-	-	428
-	-	-	-	-	-	(428)
-	(2,392)	(7,141)	-	-	-	5,546
\$-	\$265,773	\$92,939	\$-	\$-	\$-	\$2,453,021
\$-	\$198,937	\$94,779	\$-	\$-	\$-	\$1,880,571
-	574	251	-	-	-	90,045
\$-	\$463.22	\$369.61	\$-	\$-	\$-	
\$-	\$95,529	\$45,583	\$-	\$-	\$-	\$905,436
\$-	\$128,091	\$48,048	\$-	\$-	\$-	\$1,155,982
-	4,256	3,758	-	-	-	58,740
-	(8,568)	(4,987)	-	-	-	(85,525)
-	-	-	-	-	-	-
-	2,345	248	-	-	-	21,433
-	-	-	-	-	-	202
-	-	-	-	-	-	(202)
-	(1,124)	(3,354)	-	-	-	3,091
\$-	\$125,000	\$43,713	\$-	\$-	\$-	\$1,153,721
\$-	\$93,562	\$44,602	\$-	\$-	\$-	\$900,084
-	270	118	-	-	-	42,350
\$-	\$463.22	\$369.61	\$-	\$-	\$-	
\$-	\$913,982	\$435,207	\$-	\$-	\$-	\$8,522,110
\$-	\$1,225,538	\$459,920	\$-	\$-	\$-	\$11,058,446
-	72,297	47,842	-	-	-	470,994
-	(112,153)	(58,773)	-	-	-	(696,880)
-	-	-	-	-	-	-
-	30,119	2,554	-	-	-	192,771
-	-	-	-	-	-	1,931
-	-	-	-	-	-	(1,931)
-	(16,220)	(32,497)	-	-	-	45,510
\$-	\$1,199,581	\$419,046	\$-	\$-	\$-	\$11,070,841
\$-	\$904,245	\$426,830	\$-	\$-	\$-	\$8,488,995
-	2,590	1,134	-	-	-	406,241
\$-	\$463.22	\$369.61	\$-	\$-	\$-	

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
Hopemead Fund						
Book Value at June 30, 2014	\$100,260	\$-	\$102,565	\$2,101,687	\$-	\$-
Market Value at June 30, 2014	\$99,875	\$-	\$523,378	\$2,255,710	\$-	\$-
Shares Purchased	7,071	-	6,792	60,154	-	-
Shares Redeemed	-	-	(43,003)	(25,416)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	34,889	2,259	-	-
Net Investment Income Earned	704	-	-	-	-	-
Net Investment Income Distributed	(704)	-	-	-	-	-
Changes in Market Value of Fund Shares	(1,794)	-	2,942	39,268	-	-
Market Value at June 30, 2015	\$105,152	\$-	\$524,998	\$2,331,975	\$-	\$-
Book Value at June 30, 2015	\$107,331	\$-	\$101,243	\$2,138,684	\$-	\$-
Shares Outstanding	107,168	-	344	18,677	-	-
Market Value per Share	\$0.98	\$-	\$1,524.55	\$124.86	\$-	\$-
Police & Fireman's Survivors' Benefit Fund						
Book Value at June 30, 2014	\$832,150	\$2,226,055	\$2,463,264	\$1,735,464	\$923,711	\$1,459,370
Market Value at June 30, 2014	\$830,318	\$2,347,644	\$4,713,302	\$1,873,032	\$1,080,238	\$1,915,426
Shares Purchased	201,372	130,695	4,703	103,048	66,857	172,126
Shares Redeemed	(139,596)	(28,760)	(285,951)	(55,679)	(19,680)	(16,004)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(1,435)	2,073	144,482	5,171	2,634	3,777
Net Investment Income Earned	5,736	-	-	-	-	-
Net Investment Income Distributed	(5,736)	-	-	-	-	-
Changes in Market Value of Fund Shares	(13,014)	91,799	195,896	29,242	(33,888)	(149,960)
Market Value at June 30, 2015	\$877,645	\$2,543,451	\$4,772,432	\$1,954,814	\$1,096,161	\$1,925,365
Book Value at June 30, 2015	\$892,491	\$2,330,063	\$2,326,498	\$1,788,004	\$973,522	\$1,619,269
Shares Outstanding	894,474	2,160,668	3,130	15,656	7,234	12,782
Market Value per Share	\$0.98	\$1.18	\$1,524.55	\$124.86	\$151.53	\$150.63
OPEB Fund						
Book Value at June 30, 2014	\$5,237,572	\$13,030,320	\$23,345,140	\$34,927,281	\$3,097,713	\$4,656,650
Market Value at June 30, 2014	\$5,240,337	\$13,619,647	\$28,879,939	\$35,652,695	\$3,127,011	\$4,748,575
Shares Purchased	93,064,979	8,299,049	13,686,844	20,696,473	1,865,684	3,008,099
Shares Redeemed	(84,647,849)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(142,837)	-	-	-	-	-
Net Investment Income Earned	60,496	-	-	-	-	-
Net Investment Income Distributed	(60,496)	-	-	-	-	-
Changes in Market Value of Fund Shares	(14,130)	633,070	2,195,101	619,279	(123,640)	(433,067)
Market Value at June 30, 2015	\$13,500,500	\$22,551,766	\$44,761,884	\$56,968,447	\$4,869,055	\$7,323,607
Book Value at June 30, 2015	\$13,511,865	\$21,329,369	\$37,031,984	\$55,623,754	\$4,963,397	\$7,664,749
Shares Outstanding	13,759,339	19,157,775	29,361	456,263	32,132	48,619
Market Value per Share	\$0.98	\$1.18	\$1,524.55	\$124.86	\$151.53	\$150.63

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

HIGH YIELD DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTAL
\$-	\$280,683	\$133,717	\$-	\$-	\$-	\$2,718,912
\$-	\$376,359	\$141,174	\$-	\$-	\$-	\$3,396,496
-	21,335	14,351	-	-	-	109,703
-	(25,766)	(14,815)	-	-	-	(109,000)
-	-	-	-	-	-	-
-	6,931	746	-	-	-	44,825
-	-	-	-	-	-	704
-	-	-	-	-	-	(704)
-	(2,958)	(10,006)	-	-	-	27,452
\$-	\$375,901	\$131,450	\$-	\$-	\$-	\$3,469,476
\$-	\$283,183	\$133,999	\$-	\$-	\$-	\$2,764,440
-	811	356	-	-	-	127,357
\$-	\$463.22	\$369.61	\$-	\$-	\$-	
\$2,811,287	\$3,506,009	\$2,042,966	\$2,000,711	\$137	\$2,614,676	\$22,615,800
\$3,237,596	\$4,078,370	\$2,243,112	\$1,872,599	\$59	\$2,993,581	\$27,185,277
152,119	188,216	189,630	46,589	-	74,053	1,329,408
-	(194,028)	(173,001)	(117,373)	(32)	(157,564)	(1,187,668)
-	-	-	-	-	-	-
-	32,180	16,414	1,025	(42)	27,042	233,321
-	-	-	-	-	-	5,736
-	-	-	-	-	-	(5,736)
(43,643)	7,599	(164,976)	237,204	42	380,550	536,851
\$3,346,072	\$4,112,337	\$2,111,179	\$2,040,044	\$27	\$3,317,662	\$28,097,189
\$2,963,406	\$3,532,377	\$2,076,009	\$1,930,952	\$63	\$2,558,207	\$22,990,861
24,252	8,878	5,712	45,764	1	53,163	3,231,715
\$137.97	\$463.22	\$369.61	\$44.58	\$33.54	\$62.40	
\$11,567,543	\$18,927,572	\$6,240,159	\$13,046,458	\$-	\$12,601,238	\$146,677,646
\$12,504,983	\$22,036,127	\$6,484,404	\$13,941,300	\$-	\$14,186,918	\$160,421,936
7,476,304	11,680,852	3,488,513	7,162,323	-	7,317,153	177,746,273
-	-	-	-	-	-	(84,647,849)
-	-	-	-	-	-	-
-	-	-	-	-	-	(142,837)
-	-	-	-	-	-	60,496
-	-	-	-	-	-	(60,496)
(204,662)	312,543	(578,058)	2,090,716	-	2,435,612	6,932,764
\$19,776,625	\$34,029,522	\$9,394,859	\$23,194,339	\$-	\$23,939,683	\$260,310,287
\$19,043,847	\$30,608,424	\$9,728,672	\$20,208,781	\$-	\$19,918,391	\$239,633,233
143,341	73,463	25,419	520,318	-	383,618	34,629,648
\$137.97	\$463.22	\$369.61	\$44.58	\$-	\$62.40	

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SUMMARY OF OPERATIONS (Dollars in Thousands)
FISCAL YEARS ENDED JUNE 30**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Investment Income ⁽¹⁾	\$785,305	\$759,442	\$954,708	\$888,007	\$1,010,079	\$762,800	\$803,203	\$1,171,356	\$972,879	\$889,710
Expenses ⁽²⁾	89,745	87,227	82,759	83,105	86,671	79,950	62,802	82,403	56,738	69,712
Net Investment Income	695,560	672,215	871,949	804,902	923,408	682,850	740,401	1,088,953	916,141	819,998
Realized Gains/(Losses)	1,332,698	884,780	1,280,009	(11,795)	825,681	214,425	(2,815,892)	654,172	1,524,107	886,031
Change in Unrealized Gains/(Losses)	(1,208,558)	2,445,016	625,828	(1,012,045)	2,699,894	1,737,661	(2,460,069)	(3,004,322)	1,472,314	520,430
Total	\$819,700	\$4,002,011	\$2,777,786	\$(218,938)	\$4,448,983	\$2,634,936	\$(4,535,560)	\$(1,261,197)	\$3,912,562	\$2,226,459

(1) Securities lending income and expenses are shown net in the Investment Income line above for all periods presented.

(2) Expenses shown above include salary and fringe benefits.

Source: Amounts were derived from custodial records.

**COMBINED INVESTMENT FUNDS
PENSION AND TRUST FUNDS
BALANCES ⁽¹⁾ IN COMBINED INVESTMENT FUNDS (Dollars in Thousands)
AT JUNE 30, 2015**

Fund Name	Teachers' Retirement Fund		State Employees' Retirement Fund		Municipal Employees' Retirement Fund		Probate Court Retirement Fund		Judges Retirement Fund		State's Attorneys' Retirement Fund		Trust Funds	
LF	\$817,244	5.07%	\$414,492	3.89%	\$64,731	2.94%	\$2,324	2.61%	\$5,438	2.87%	\$22	1.45%	\$17,940	4.49%
AIF	954,759	5.93	627,259	5.88	177,510	8.07	4,513	5.06	15,299	8.07	-	-	25,094	6.29
MEF	3,809,624	23.66	2,497,203	23.42	352,694	16.03	14,346	16.09	30,397	16.04	445	29.24	66,157	16.58
CFIF	1,162,817	7.22	935,854	8.78	175,403	7.97	8,026	9.00	15,117	7.98	351	23.06	133,399	33.42
ILBF	477,369	2.96	526,207	4.94	107,562	4.89	4,375	4.91	9,270	4.89	30	1.97	5,967	1.49
EMDF	793,001	4.92	417,574	3.92	172,750	7.85	7,026	7.88	14,889	7.86	90	5.91	9,249	2.32
HYBD	848,158	5.26	555,553	5.21	306,505	13.93	13,357	14.98	26,416	13.94	153	10.05	23,124	5.79
DMISF	3,345,857	20.77	2,172,555	20.38	301,356	13.69	13,133	14.73	25,973	13.70	330	21.68	50,041	12.54
EMISF	1,392,333	8.64	901,805	8.46	144,991	6.59	5,896	6.61	12,496	6.59	101	6.64	15,666	3.93
REF	1,008,060	6.26	634,405	5.95	160,211	7.28	6,517	7.31	13,808	7.29	-	-	25,236	6.32
CMF	18	-	13	-	2	-	-	-	-	-	-	-	-	-
PIF	1,500,563	9.31	979,296	9.17	236,917	10.76	9,639	10.82	20,419	10.77	-	-	27,258	6.83
Total	\$16,109,803	100.00%	\$10,662,216	100.00%	\$2,200,632	100.00%	\$89,152	100.00%	\$189,522	100.00%	\$1,522	100.00%	\$399,131	100.00%

(1) Based on Net Asset Value

Source: Amounts were derived from custodial records.

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
INVESTMENT SUMMARY AT JUNE 30, 2015 ⁽¹⁾**

Liquidity Fund ⁽²⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$1,358,875,058	\$1,282,270,968	4.31%	-1.07%
2014	1,157,564,578	1,158,961,835	3.93%	0.54%
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%

Mutual Equity Fund

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$4,584,447,046	\$6,784,028,571	22.80%	7.32%
2014	4,612,970,046	7,055,012,881	23.93%	25.28%
2013	4,664,358,346	6,236,082,798	24.07%	21.15%
2012	5,144,712,429	6,417,508,518	26.65%	3.38%
2011	5,327,666,479	6,634,922,151	26.28%	31.92%
2010	5,175,570,747	5,288,853,566	24.28%	14.01%
2009	6,019,782,554	5,588,272,211	27.35%	-28.36%
2008	7,563,373,750	8,017,007,807	30.68%	-12.99%
2007	7,628,304,018	9,810,773,724	36.64%	18.24%
2006	7,501,163,477	8,983,043,768	38.25%	10.29%

Mutual Fixed Income Fund ⁽⁶⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$ -	\$ -	-	-
2014	-	-	-	-
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%

Core Fixed Income Fund ⁽⁶⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$2,603,408,489	\$2,627,250,626	8.83%	1.85%
2014	2,528,639,885	2,573,846,130	8.73%	4.28%
2013	2,042,090,874	2,056,321,868	7.94%	-0.24%
2012	2,726,575,207	2,859,134,784	11.88%	7.63%
2011	2,911,577,713	3,001,125,667	11.89%	4.49%
2010	2,682,943,303	2,789,605,943	12.81%	11.81%
2009	3,400,625,343	3,215,718,047	15.74%	2.84%
2008	4,979,684,914	4,851,300,830	18.57%	5.65%
2007	-	-	-	-
2006	-	-	-	-

Inflation Linked Bond Fund ⁽⁶⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$1,189,323,643	\$1,120,365,183	3.77%	-2.85%
2014	1,057,661,503	1,075,489,795	3.65%	4.17%
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	-	-	-	-

Emerging Market Debt Fund ⁽⁶⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$1,523,207,614	\$1,399,864,819	4.70%	-7.57%
2014	1,470,166,119	1,500,069,627	5.09%	6.99%
2013	1,415,363,738	1,388,070,525	5.36%	1.69%
2012	1,098,205,685	1,176,095,315	4.88%	4.78%
2011	1,012,164,604	1,141,817,330	4.52%	16.06%
2010	1,082,027,071	1,155,351,613	5.30%	23.02%
2009	1,153,012,696	1,125,226,197	5.51%	-3.62%
2008	1,006,342,436	1,040,295,964	3.98%	5.59%
2007	-	-	-	-
2006	-	-	-	-

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2015 ⁽¹⁾ (Continued)

High Yield Debt Fund ⁽⁶⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$1,824,316,127	\$1,772,254,243	5.96%	-1.31%
2014	1,520,226,270	1,592,980,848	5.40%	12.24%
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	-	-	-	-

International Stock Fund ⁽⁵⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$ -	\$ -	-	-
2014	-	-	-	-
2013	-	-	-	-
2012	-	-	-	-
2011	-	-	-	-
2010	-	-	-	-
2009	-	-	-	-
2008	-	-	-	-
2007	4,293,498,472	5,940,213,814	22.19%	29.65%
2006	4,145,802,552	5,392,666,574	22.96%	25.69%

Developed Market International Stock Fund ⁽⁵⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$5,052,512,834	\$5,879,680,883	19.76%	0.67%
2014	4,806,622,148	6,101,761,491	20.70%	22.31%
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	-	-	-	-

Emerging Market International Stock Fund ⁽⁵⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$2,313,960,007	\$2,463,358,430	8.28%	-6.93%
2014	2,278,127,868	2,645,431,257	8.97%	11.50%
2013	2,241,227,436	2,367,182,053	9.14%	3.29%
2012	2,086,716,284	2,216,901,370	9.21%	-14.16%
2011	2,114,345,516	2,629,250,556	10.41%	28.55%
2010	1,860,837,675	2,065,255,957	9.48%	25.23%
2009	1,110,911,776	1,141,401,975	5.59%	-30.90%
2008	1,111,317,184	1,295,936,888	4.96%	0.19%
2007	-	-	-	-
2006	-	-	-	-

Real Estate Fund ⁽³⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$1,763,256,288	\$1,848,291,148	6.21%	12.93%
2014	1,478,885,377	1,509,757,272	5.12%	10.66%
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%

Commercial Mortgage Fund ⁽³⁾

	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$29,834	\$29,799	0.00%	0.25%
2014	67,723	67,609	0.00%	10.17%
2013	70,239	70,099	0.00%	0.88%
2012	717,122	765,779	0.00%	-6.48%
2011	2,338,063	2,386,359	0.01%	4.61%
2010	3,769,581	3,818,115	0.02%	6.75%
2009	5,084,919	5,135,144	0.02%	-3.14%
2008	6,255,651	6,906,096	0.03%	12.05%
2007	7,355,621	7,763,461	0.03%	8.17%
2006	17,729,189	18,192,114	0.08%	9.51%

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
INVESTMENT SUMMARY AT JUNE 30, 2015 ⁽¹⁾ (Continued)**

	Private Investment Fund ⁽³⁾				Alternative Investment Fund ⁽⁷⁾			
	Book Value	Fair Value	% of Total Fund FV	Rate of Return	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$2,286,868,807	\$2,773,374,435	9.32%	14.04%	\$1,611,126,633	\$1,804,487,746	6.06%	3.98%
2014	2,449,109,360	2,918,978,182	9.90%	16.06%	1,210,080,164	1,349,977,450	4.58%	6.63%
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%	-	-	-	-

	Total Fund ⁽⁴⁾			
	Book Value	Fair Value	% of Total Fund FV	Rate of Return
2015	\$26,111,332,380	\$29,755,256,851	100.00%	2.79%
2014	24,570,121,041	29,482,334,377	100.00%	15.43%
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%

- (1) All rates of return are net of management fees and division operating expenses.
- (2) The fair value of the Liquidity Fund for the periods presented represents the fair 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 fair 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.

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2015**

LIQUIDITY FUND

Security Name	Maturity Date	Market Value	%
BNP PARIBAS CAT 1 REPO	7/1/2015	\$70,000,000	3.21%
M L (COR) REPO REPO	7/1/2015	35,951,000	1.65%
BANK OF AMERICA N/A	7/20/2015	35,000,665	1.60%
CAISSE DES DEPOTS DISC	7/31/2015	34,973,906	1.60%
CITIBANK NA REPO	7/1/2015	34,000,000	1.56%
FEDERAL HOME LN BK CONS DISC	7/6/2015	32,597,256	1.49%
US TREASURY NOTE	4/30/2017	30,150,442	1.38%
BNP PARIBAS NY BRH INSTL C/D	9/14/2015	30,000,000	1.37%
CREDIT AGRICOLE CORP INSTL C/D	7/1/2015	30,000,000	1.37%
US TREASURY NOTE	2/15/2018	28,986,860	1.33%
Top Ten		\$361,660,129	16.56%

Fair Value LF

\$2,183,962,875

ALTERNATIVE INVESTMENT FUND

Security Name	Partnership Type	Market Value	%
PRUDENCE CRANDALL I PERMAL	Hedge Fund-of-Funds	572,217,624	31.71%
PRUDENCE CRANDALL II PRISMA	Hedge Fund-of-Funds	323,232,586	17.91%
PRUDENCE CRANDALL III RCREEK	Hedge Fund-of-Funds	299,120,008	16.58%
PRUDENCE CRANDALL IV K2	Hedge Fund-of-Funds	291,741,711	16.17%
THOMAS WELLES FUND II	Hedge Fund-of-Funds	86,448,422	4.79%
THOMAS WELLES FUND I	Hedge Fund-of-Funds	85,349,111	4.73%
EIG ENERGY FUND XV LP	Real Assets	43,343,847	2.40%
ARLIGHT ENERGY PARTNERS V	Real Assets	37,798,741	2.10%
MARATHON EUROPEAN CREDIT OPP FUND SPC B	Opportunistic	23,726,333	1.31%
Top Nine		\$1,762,978,383	97.70%

FAIR VALUE AIF

\$1,804,487,746

MUTUAL EQUITY FUND

Security Name	Industry Sector	Market Value	%
APPLE INC	INFORMATION TECHNOLOGY	\$207,029,515	3.05%
MICROSOFT CORP	INFORMATION TECHNOLOGY	113,242,322	1.67%
EXXON MOBIL CORP	ENERGY	103,912,474	1.53%
JPMORGAN CHASE & CO	FINANCIALS	86,529,113	1.28%
GENERAL ELECTRIC CO	PRODUCER DURABLES	84,227,431	1.24%
JOHNSON & JOHNSON	HEALTH CARE	75,414,840	1.11%
WELLS FARGO & CO	FINANCIALS	68,547,112	1.01%
CITIGROUP INC	FINANCIALS	60,486,585	0.89%
FACEBOOK INC	INFORMATION TECHNOLOGY	59,755,220	0.88%
PROCTER & GAMBLE CO	CONSUMER STAPLES	57,962,304	0.86%
Top Ten		\$917,106,916	13.52%

FAIR VALUE MEF

\$6,784,028,571

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2015 (Continued)**

CORE FIXED INCOME FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
FNMA TBA	3.500%	7/1/2045	U.S. Govt/Agency	\$66,315,893	2.52%
FNMA TBA	4.000	7/1/2045	U.S. Govt/Agency	29,294,622	1.12%
U S TREASURY NOTE	2.125	6/30/2022	U.S. Govt/Agency	19,808,240	0.75%
U S TREASURY BOND	3.000	5/15/2045	U.S. Govt/Agency	17,979,080	0.68%
US TREAS-CPI INFLAT	0.250	1/15/2025	U.S. Govt/Agency	17,708,833	0.67%
US TREAS-CPI INFLAT	0.125	7/15/2024	U.S. Govt/Agency	17,548,720	0.67%
U S TREASURY NOTE	1.875	5/31/2022	U.S. Govt/Agency	17,488,873	0.67%
U S TREASURY NOTE	0.625	6/30/2017	U.S. Govt/Agency	14,184,466	0.54%
FNMA TBA	4.500	7/1/2045	U.S. Govt/Agency	14,162,279	0.54%
U.S. TREASURY BOND	6.125	11/15/2027	U.S. Govt/Agency	12,343,855	0.47%
Top Ten				\$226,834,861	8.63%

FAIR VALUE CFIF

\$2,627,250,626

INFLATION LINKED BOND FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
U.S. Treasury Notes	3.875	4/15/2029	U.S. Govt/Agency	\$60,797,262	5.43%
U.S. Treasury Notes	0.125	7/15/2022	U.S. Govt/Agency	43,596,349	3.89%
U.S. Treasury Notes	2.375	1/15/2027	U.S. Govt/Agency	43,092,071	3.85%
France Government Bond	1.800	7/25/2040	France Govt/Agency	37,258,449	3.33%
U.S. Treasury Notes	0.750	2/15/2042	U.S. Govt/Agency	37,221,982	3.32%
New Zealand Government Bond	3.000	9/20/2030	New Zealand Govt/Agency	30,905,962	2.76%
U.S. Treasury Notes	2.375	1/15/2017	U.S. Govt/Agency	29,099,786	2.60%
United Kingdom Bond	1.875	11/22/2022	U.K. Govt/Agency	26,836,099	2.39%
New Zealand Government Bond	2.000	9/20/2025	New Zealand Govt/Agency	26,229,062	2.34%
United Kingdom Bond	1.250	11/22/2027	U.K. Govt/Agency	22,710,001	2.02%
Top Ten				\$357,747,023	31.93%

FAIR VALUE ILBF

\$1,120,365,183

EMERGING MARKET DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
SOUTH AFRICA GOVERNMENT BOND	10.500	12/21/2026	\$14,770,388	1.05%
BRAZIL NOTAS DO TESOIRO	10.000	1/1/2017	13,368,603	0.95%
VENEZUELA GOVERNMENT BOND	5.750	2/26/2016	11,952,533	0.85%
ARGENTINA GOVERNMENT BOND	7.000	4/17/2017	11,694,548	0.84%
MEXICAN BONDS	10.000	12/5/2024	10,646,497	0.76%
INDONESIA TREASURY BOND	9.000	3/15/2029	9,428,211	0.67%
MALAYSIA GOVERNMENT BOND	3.314	10/31/2017	8,979,318	0.64%
INDONESIA TREASURY BOND	7.000	5/15/2022	8,893,658	0.64%
INDONESIA TREASURY BOND	8.375	3/15/2024	8,077,374	0.58%
COLOMBIA GOVERNMENT BOND	9.850	6/28/2027	7,803,986	0.56%
Top Ten			\$105,615,116	7.54%

FAIR VALUE EMDF

\$1,399,864,819

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2015 (Continued)**

HIGH YIELD DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
REPUBLIC OF INDONESIA 144A	5.875	1/15/2024	\$9,503,000	0.54%
SPRINT CAPITAL CORP	6.875	11/15/2028	9,133,200	0.51%
SEADRILL PARTNERS 2/14 TL	0.000	2/21/2021	9,087,455	0.51%
CCO HOLDINGS LLC	5.750	1/15/2024	9,075,150	0.51%
DISH DBS CORP	5.000	3/15/2023	8,454,500	0.48%
ALBERTSON'S 8/14 COV-LITE TLB4	0.000	8/25/2021	8,115,272	0.46%
MORGAN STANLEY	4.750	11/16/2018	7,941,267	0.45%
TRIBUNE MEDIA CO 144A	5.875	7/15/2022	7,611,663	0.43%
QWEST CAPITAL FUNDING INC	6.875	7/15/2028	7,250,850	0.41%
CALIFORNIA RESOURCES CORP	6.000	11/15/2024	7,073,500	0.40%
Top Ten			\$83,245,857	4.70%

FAIR VALUE HYDF

\$1,772,254,243

DEVELOPED MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
NESTLE SA REG	SWITZERLAND	\$78,862,434	1.34%
NOVARTIS AG REG	SWITZERLAND	70,601,267	1.20%
HSBC HOLDINGS PLC	UNITED KINGDOM	69,092,489	1.18%
ROCHE HOLDING AG GENUSSSCHEIN	SWITZERLAND	67,929,643	1.16%
BAYER AG REG	GERMANY	55,840,276	0.95%
BP PLC	UNITED KINGDOM	43,658,184	0.74%
ASTRAZENECA ORD USD 0.25	UNITED KINGDOM	42,832,982	0.73%
TOYOTA MOTOR CORP	JAPAN	41,536,211	0.71%
TOTAL SA	FRANCE	41,418,652	0.70%
ROYAL DUTCH SHELL PLC A SHS	NETHERLANDS	40,169,119	0.68%
Top Ten		\$551,941,257	9.39%

FAIR VALUE DMISF

\$5,879,680,883

EMERGING MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
TAIWAN SEMICONDUCTOR MANUFACTURE	Taiwan	\$80,464,232	3.27%
Samsung Electronic Co LTD	Republic of Korea	74,726,103	3.03%
CHINA CONSTRUCTION BANK CORP	CHINA	69,228,894	2.81%
China Mobile LTD	HONG KONG	65,194,136	2.65%
AIA GROUP LTD	HONG KONG	51,894,609	2.11%
TENCENT HLDGS LIMH HKD 0.00002	CHINA	45,925,799	1.86%
INFOSYS LTD	INDIA	44,182,034	1.79%
HDFC BANK LTD	INDIA	43,690,978	1.77%
Industrial & Commercial Bank	CHINA	43,376,756	1.76%
Samsung Electronics Co LTD 144A	Republic of Korea	32,447,791	1.32%
Top Ten		551,131,332	22.37%

FAIR VALUE EMISF

\$2,463,358,430

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2015 (Continued)**

REAL ESTATE FUND

Partnership Name	Partnership Type	Market Value	%
PRIME PROPERTY FUND LLC	Core	\$263,282,799	14.25%
CORNERSTONE PATRIOT FUND LP	Core	253,741,522	13.73%
HART REALTY ADVISORS	Core	153,032,945	8.28%
PRISA	Core	100,531,981	5.44%
USAA EAGLE RE FUND	Core	88,350,410	4.78%
BLACKSTONE REAL ESTATE VI LP	Opportunistic	83,989,075	4.54%
UBS-TRUMBULL PROPERTY FUND LP	Core	78,041,475	4.22%
AMERICAN REALTY ADVISORS	Core	76,044,800	4.11%
JP MORGAN STRATEGIC PROPERTY	Core	75,000,000	4.06%
UBS-TRUMBULL PROPERTY INCOME	Core	52,839,651	2.86%
Top Ten		\$1,224,854,658	66.27%

FAIR VALUE REF

\$1,848,291,148

COMMERCIAL MORTGAGE FUND

Property Name	Location	Property Type	Market Value	%
Yankee Mac Series G 0.00%	Various	Residential	\$18,199	61.07%

FAIR VALUE CMF

\$29,799

PRIVATE INVESTMENT FUND

Partnership Name	Partnership Type	Market Value	%
FAIRVIEW CONSTITUTION III LIMITED PARTNERSHIP	Fund of Funds	\$327,362,530	11.80%
FAIRVIEW CONSTITUTION II LP	Fund of Funds	146,774,529	5.29%
STEPSTONE PIONEER CAPITAL II L	Fund of Funds	125,316,910	4.52%
YUPAICA AMERICAN ALLIANCE FUND II LP	Buyout	98,306,067	3.55%
KKR 2006 FUND	Buyout	96,483,216	3.48%
FS EQUITY PARTNERS VI	Buyout	89,653,148	3.23%
WELSH,CARSON,ANDERSON + STOWE XI	Buyout	80,513,106	2.90%
FAIRVIEW CONSTITUTION IV LP	Fund of Funds	75,076,266	2.71%
CT EMERGING PRIVATE EQUITY	Fund of Funds	74,483,436	2.69%
THOMAS H LEE EQUITY FUND VI LP	Buyout	73,609,111	2.65%
Top Ten		\$1,187,578,319	42.82%

FAIR VALUE PIF

2,773,374,435

* 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..

PENSION FUNDS MANAGEMENT DIVISION

**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2015**

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2015	Status at June 30, 2015
INVESTMENT ADVISORY SERVICES				
Domestic Equity Investment Advisory Services				
Bivium Capital Partners, LLC	Equity Advisor	Jul-05	\$2,694,595	Active
Capital Prospects LLC	Equity Advisor	Jul-05	1,614,485	Active
FIS Group Inc.	Equity Advisor	Jul-05	1,404,121	Active
Frontier Capital Management Co.LLC	Equity Advisor	Oct-10	2,375,113	Active
State Street Global Advisors	Equity Advisor	Mar-96	290,981	Active
T. Rowe Price Associates, Inc.	Equity Advisor	Nov-08	4,639,030	Active
Total Domestic Equity Advisor Compensation			\$13,018,325	
Core Fixed Income Investment Advisory Services				
Blackrock Financial Management	Core Income Advisor	Mar-96	\$937,708	Active
Goodwin Capital Advisors(Phoenix)	Core Income Advisor	Nov-97	528,174	Active
Progress Investment Management	Core Income Advisor	Jul-05	702,682	Active
State Street Global Advisors	Core Income Advisor	Mar-96	69,745	Active
Wellington Asset Management	Core Income Advisor	Nov-97	710,691	Active
Total Core Fixed Income Advisor Compensation			\$2,949,000	
Inflation Linked Bond Investment Advisory Services				
BlackRock Financial Management, Inc	Inflation Income Advisor	Sep-14	\$118,909	Active
Brown Brothers Harriman & Co.	Inflation Income Advisor	May-05	431,260	Terminated
Colchester Global Investors Limited	Inflation Income Advisor	Nov-14	506,922	Active
Hartford Investment Management Co.	Inflation Income Advisor	May-05	108,467	Terminated
New Century Advisors, LLC	Inflation Income Advisor	Sep-14	139,971	Active
Total Inflation Linked Bond Advisor Compensation			\$1,305,529	
Emerging Market Debt Investment Advisory Services				
BlackRock Institutional Trust Co.	Transition Manager	May-96	\$52,003	Active
Pyramis Global Advisors	Emerging Market Income Advisor	Oct-07	680,028	Active
Stone Harbor Investment Partners	Emerging Market Income Advisor	Oct-07	2,447,830	Active
UBS Global Asset Management Co	Emerging Market Income Advisor	Oct-07	1,282,723	Active
Total Emerging Market Debt Advisor Compensation			\$4,462,584	
High Yield Debt Advisory Services				
Loomis Sayles & Co., Inc.	High Yield Income Advisor	Mar-96	\$1,209,408	Active
Oaktree Capital Management	High Yield Income Advisor	Mar-96	1,449,222	Active
Shenkman Capital Management	High Yield Income Advisor	Dec-07	1,177,774	Active
Stone Harbor Investment Partners	High Yield Income Advisor	Oct-07	1,180,281	Active
Total High Yield Debt Advisor Compensation			\$5,016,685	
Liquidity Fund Advisory Services				
Ambassador Capital Management LLC	Liquidity Fund Advisor	May-09	\$120,951	Terminated
Colchester Global Investors Limited	Liquidity Fund Advisor	May-09	723,758	Active
Lazard Asset Management LLC	Liquidity Fund Advisor	Aug-09	2,327,952	Active
Pacific Investment Management Co. LLC	Liquidity Fund Advisor	Mar-09	493,516	Active
Payden & Rygel	Liquidity Fund Advisor	Mar-09	302,587	Active
State Street Global Advisors	Liquidity Fund Advisor	Mar-96	198,034	Active
Total Liquidity Fund Advisor Compensation			\$4,166,798	
Developed Market International Equity Investment Advisory Services				
Acadian Asset Management	International Equity Advisor	Sep-06	\$2,248,085	Active
AQR Capital Management, LLC	International Equity Advisor	Sep-06	3,376,598	Active
Dimensional Fund Advisors LP	International Equity Advisor	Mar-09	1,761,874	Active
First Quadrant LP	International Equity Advisor	Jul-14	2,686,199	Active
Grantham, Mayo, Van Otterloo & Co	International Equity Advisor	Mar-96	2,521,994	Active
MFS Institutional Advisors	International Equity Advisor	Aug-03	2,535,266	Active
Pareto Investment Management Limited	International Equity Advisor	Feb-04	931,828	Active
Progress Investment Management	International Equity Advisor	Jul-05	861,246	Active
Schroder Investment Management	International Equity Advisor	Sep-03	1,652,005	Active

PENSION FUNDS MANAGEMENT DIVISION

**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾ (Continued)
FISCAL YEAR ENDED JUNE 30, 2015**

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2015	Status at June 30, 2015
State Street Global Advisors	International Equity Advisor	Mar-96	1,102,818	Active
William Blair & Company, LLC	International Equity Advisor	Mar-09	2,077,967	Active
Total Developed Market International Equity Advisor Compensation			\$21,755,880	
Emerging Market International Equity Advisory Services				
Aberdeen Asset Management INC	International Equity Advisor	Jul-09	\$3,887,575	Active
Grantham, Mayo, Van Otterloo & Co	International Equity Advisor	Feb-00	5,904,462	Active
Schroder Investment Management	International Equity Advisor	Jan-10	5,862,278	Active
Total Emerging Market International Equity Advisor Compensation			\$15,654,315	
Alternative Investment Advisory Services ⁽²⁾				
ArcLight Energy Partner Fund V	Alternative Investment Advisor	Oct-11	\$220,687	Active
Total Alternative Advisor Compensation			\$220,687	
Real Estate Investment Advisory Services ⁽²⁾				
American Realty Advisors	Real Estate Advisor	Mar-12	\$471,063	Active
Blackstone Real Estate Advisors Europe	Real Estate Advisor	Nov-08	532,577	Active
Blackstone Real Estate Special II	Real Estate Advisor	Sep-09	255,352	Active
Blackstone Real Estate Partners VI	Real Estate Advisor	Aug-07	946,984	Active
Canyon Johnson Urban Fund III, LP	Real Estate Advisor	Feb-08	318,809	Active
Cornerstone Patriot Fund, LP	Real Estate Advisor	Dec-07	1,611,267	Active
Cypress Retail Fund LP	Real Estate Advisor	May-13	874,521	Active
Gerding Elden Fund Management, LP	Real Estate Advisor	May-14	337,500	Active
Hart Realy Advisors, Inc. (CORE)	Real Estate Advisor	Nov-11	864,000	Active
Rockwood Capital Partners Fund VIII	Real Estate Advisor	Jun-06	18,775	Active
UBS Trumbull Property Growth & Income Fund LP	Real Estate Advisor	Nov-13	194,657	Active
UBS Trumbull Property Fund LP	Real Estate Advisor	Nov-13	388,195	Active
UBS Trumbull Property Income Fund, LP	Real Estate Advisor	Nov-13	378,483	Active
Total Real Estate Advisor Compensation			\$7,192,183	
Private Investment Advisory Services ⁽²⁾				
AIG Altaris Healthcare Partners II, LP	Private Investment Advisor	Oct-07	\$228,058	Active
AIG Altaris Healthcare Partners III, LP	Private Investment Advisor	Oct-07	637,422	Active
AIG Altaris Health Partners, LP	Private Investment Advisor	Sep-04	244,617	Active
Apollo Advisors VIII, LP	Private Investment Advisor	Nov-13	1,395,443	Active
Audax Mezzanine Fund III, LP	Private Investment Advisor	May-10	910,911	Active
Carlyle Asia Partners, LP	Private Investment Advisor	Dec-98	319,977	Active
Clearlake Capital Partners III, LP	Private Investment Advisor	Nov-12	327,653	Active
Constitution Liquidating Fund, LP	Private Investment Advisor	Jul-87	225,385	Active
Court Square Capital Partners II, LP	Private Investment Advisor	Dec-06	215,650	Active
Court Square Capital Partners III, LP	Private Investment Advisor	May-13	400,330	Active
CT Horizon Legacy Fund LP Total	Private Investment Advisor	Jun-08	50,000	Active
Ethos Capital Fund V, LP	Private Investment Advisor	Aug-06	304,550	Active
Fairview Constitution II, LP	Private Investment Advisor	May-05	1,050,000	Active
Fairview Constitution III, LP	Private Investment Advisor	Jun-07	2,475,000	Active
Fairview Constitution IV, LP	Private Investment Advisor	Dec-11	1,800,000	Active
FS Equity Partners V, LP	Private Investment Advisor	Mar-04	72,093	Active
FS Equity Partners VI, LP	Private Investment Advisor	Mar-04	244,209	Active
Garmark Partners, II LP	Private Investment Advisor	Jun-95	160,927	Active
GenNx360 Capitial Partners II, LP	Private Investment Advisor	Mar-14	563,884	Active
GCM Grosvenor-CT Cleantech (CS/CT Cleantech)	Private Investment Advisor	Jul-07	103,523	Active
JFL Investors III, LP	Private Investment Advisor	Aug-11	786,849	Active
KKR Associates 2006 Fund, LP	Private Investment Advisor	May-07	188,852	Active
Leeds Equity Associates V, LP	Private Investment Advisor	Apr-09	197,849	Active
Levine Leichtman Capital Partners IV, LP	Private Investment Advisor	Jul-08	454,848	Active
Levine Leichtman Capital Partners V, LP	Private Investment Advisor	Aug-12	1,187,307	Active
Muller & Monroe Asset Management	Private Investment Advisor	Nov-07	672,514	Active
Nogales Investors II, LP	Private Investment Advisor	Oct-06	129,468	Active
Nutmeg Opportunities Fund LP	Private Investment Advisor	Nov-06	507,082	Active
Pegasus Investors IV, LP	Private Investment Advisor	Aug-07	761,100	Active
Pegasus Investors V, LP	Private Investment Advisor	May-12	951,916	Active

PENSION FUNDS MANAGEMENT DIVISION

**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾ (Continued)
FISCAL YEAR ENDED JUNE 30, 2015**

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2015	Status at June 30, 2015
RFE Associates VIII, LP	Private Investment Advisor	Apr-12	201,644	Active
StepStone Pioneer Capital Buyout Fund III, LP	Private Investment Advisor	Apr-06	212,273	Active
Syncom Partners V, LP	Private Investment Advisor	Apr-06	267,829	Active
Vista Equity Partners IV, LP	Private Investment Advisor	May-12	1,130,190	Active
Wellspring Capital Partners V, LP	Private Investment Advisor	Oct-10	1,058,343	Active
Yuciapa American Alliance Fund II, LP	Private Investment Advisor	Jul-08	493,989	Active
Total Private Equity Advisor Compensation			\$20,931,685	
TOTAL COMPENSATION TO INVESTMENT ADVISORS			\$96,673,671	
Custody Services				
Bank of New York Mellon	Master Custodian	Oct-13	\$3,378,513	Active
Total Custody Service Compensation			\$3,378,513	
CONSULTING SERVICES				
Cliffwater LLC	Consultant - Alternative Investment	Jun-13	\$529,587	Active
Franklin Park Associates LLC	Consultant -Private Investment	Jul-04	1,059,856	Active
Hewitt EnnisKnupp, Inc.	Consulting - Pension Funds	Aug-11	479,492	Active
Hudepohl & Associates Inc	Consultant -Executive Search	Jul-12	22,000	Active
The Townsend Group, Inc.	Consultant -Pension Funds	Mar-08	250,000	Active
TOTAL CONSULTING SERVICES COMPENSATION			\$2,340,935	
MISCELLANEOUS SERVICES				
Day Pitney	Legal Services	Jun-03	\$88,537	Active
Derosa Research & Trading Inc	Legal Services	Sep-12	38,782	Active
Nixon & Peabody	Legal Services	Dec-12	25,145	Active
Reinhart Boerner Van Deuren, SC	Legal Services	Dec-11	29,052	Active
Sutherland Asbil & Brennan LLP	Legal Services	Sep-10	168,628	Active
A & A Office Systems.	Photocopier Lease	N/A	6,949	Active
Bloomberg Finance LP	On-Line Information service	N/A	52,938	Active
CERES, Inc.	Dues	N/A	10,000	Active
Corporate Governance Consulting	Corporate Governance Services	N/A	28,854	Active
Council of Institutional Investors	Dues	N/A	30,000	Active
Fariant Advisors LLC	Subscription	N/A	18,000	Active
Financial Recovery Technologies LLC	Subscription	N/A	14,583	Active
Greystone Group Advertising	Advertisement	N/A	8,557	Active
Institutional Shareholder Services	Proxy Voting	Nov-99	65,140	Active
Intergrated Compliance Solutions	Compliance Services	Feb-14	117,669	Active
Investor Responsibility Support Services	Asset Recovery	Dec-02	6,250	Active
JP Morgan Chase Bank	Purchasing Card Expenditures	Mar-10	11,830	Active
MSCI INC	Subscription	N/A	16,097	Active
Murphy Security Services LLC	Premises Security Services	May-10	12,523	Active
PRI Association	Subscription	N/A	11,271	Active
State Street Bank & Trust	Subscription	N/A	37,500	Active
Stewart Staffing Solutions LLC	Temp Service	N/A	24,838	Active
Waste News	Subscription	N/A	5,103	Active
West Group	Subscription	N/A	1,583	Active
TOTAL MISCELLANEOUS SERVICES COMPENSATION			\$829,829	
GRAND TOTAL			\$103,222,948	

(1) Expenses are presented on a cash basis.

(2) Alternative Investment Management fees for the Private Investment Fund and the Real Estate Fund include capitalized fees and expensed fees. Capitalized fees are part of the cost of the investment and become a component of unrealized gain(loss). Capitalized fees are disclosed in Note 1 of the Combined Investment Funds Financial Statements. Expensed fees which are not part of the cost of the investment are recorded in the Statement of Operations.

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT

JUNE 30, 2015

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
LIQUIDITY (LF)			
State Street Global Advisors	Active	\$ 988,662,597	45.07%
Payden & Rygel	Active	405,745,556	18.50%
PIMCO	Active	295,470,927	13.47%
Ambassador Capital Management	Active	539,753	0.02%
Lazard	Active	200,650,000	9.15%
Colchester Global Investors Ltd.	Active	302,485,550	13.79%
SUBTOTAL LF		\$ 2,193,554,383	100.00%
MUTUAL EQUITY FUND (MEF)			
Large Cap		\$ 5,589,613,699	82.55%
T. Rowe Price Associates	Enhanced - Index	1,810,761,116	26.74%
State Street Global Advisors	Passive - Indexed	3,778,852,583	55.81%
All Cap		547,628,574	8.09%
Capital Prospects	Active	283,029,157	4.18%
FIS Group, Inc.	Active	264,599,417	3.91%
Small/Mid Cap		621,964,816	9.19%
Frontier Capital Mgmt Co	Active	345,267,731	5.10%
Bivium	Active	276,697,085	4.09%
Other⁽¹⁾		11,658,627	0.17%
SUBTOTAL MEF		\$ 6,770,865,716	100.00%
CORE FIXED INCOME FUND (CFIF)			
State Street Global Advisors	Passive	\$ 238,483,565	9.81%
BlackRock Financial Management, Inc.	Active	567,938,753	23.36%
Wellington	Active	556,246,683	22.88%
Conning-Goodwin Capital	Active	352,593,821	14.50%
Progress	Active	111,235,351	4.58%
Prudence Crandall Fund III Opportunistic	Active	281,466,396	11.58%
Prudence Crandall Fund IV Opportunistic	Active	282,511,247	11.62%
Other⁽¹⁾		40,491,360	1.67%
SUBTOTAL CFIF		\$ 2,430,967,176	100.00%
INFLATION LINKED BOND FUND (ILBF)			
BlackRock	Active	\$ 500,347,178	44.25%
Colchester	Active	490,877,441	43.41%
New Century	Active	122,033,487	10.79%
Other⁽¹⁾		17,521,479	1.55%
SUBTOTAL ILBF		\$ 1,130,779,585	100.00%
EMERGING MARKET DEBT FUND (EMDF)			
Ashmore	Active	\$ 548,840,713	38.80%
Stone Harbor Investment Partners	Active	507,834,140	35.90%
Pyramis	Active	338,614,736	23.94%
Other⁽¹⁾		19,289,272	1.36%
SUBTOTAL EMDF		\$ 1,414,578,861	100.00%
HIGH YIELD DEBT FUND (HYDF)			
Loomis Sayles & Co., Inc.	Active	\$ 603,811,470	34.05%
Stone Harbor Investment Partners	Active	300,166,165	16.93%
Shenkman Capital Management	Active	422,221,718	23.81%
Oaktree Capital Management, L.L.C.	Active	347,995,961	19.62%
Carlyle GMS Finance, Inc.	Active	32,631,552	1.84%
Carlyle NF Investment Corp.	Active	47,968,916	2.71%
Other⁽¹⁾		18,469,898	1.04%
SUBTOTAL HYDF		\$ 1,773,265,680	100.00%

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)

JUNE 30, 2015

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
DEVELOPED MARKET INTERNATIONAL STOCK FUND (DMISF)			
Index		\$ 2,166,740,222	36.67%
State Street Global Advisors	Index-Passive	2,166,740,222	36.67%
Core		1,571,756,979	26.60%
AQR Capital Management	Active	835,876,337	14.15%
Acadian Asset Management	Active	602,937,239	10.20%
Progress	Active	132,943,403	2.25%
Active-Growth		826,746,692	13.99%
MFS Institutional Advisors, Inc.	Active	826,746,692	13.99%
Active-Value		475,361,675	8.04%
Grantham, Mayo, Van Otterloo	Active	475,361,675	8.04%
Small Cap		852,916,296	14.43%
Schroder Investment Mgmt.	Active	300,104,520	5.08%
DFA	Active	265,615,087	4.49%
William Blair & Company	Active	287,196,689	4.86%
Other⁽¹⁾		15,722,939	0.27%
SUBTOTAL DMISF		\$ 5,909,244,803	100.00%
EMERGING MARKET INTERNATIONAL STOCK FUND (EMISF)			
Aberdeen Asset Management	Active	\$ 664,832,507	26.88%
Schroders Investment Mgt	Active	897,692,176	36.30%
Grantham, Mayo, Van Otterloo	Active	889,860,048	35.98%
Other⁽¹⁾		20,903,021	0.84%
SUBTOTAL EMISF		\$ 2,473,287,752	100.00%
REAL ESTATE FUND (REF)			
AEW Partners III	Active	\$ 5,896,095	0.32%
American Realty Advisors	Active	76,044,800	4.11%
Apollo Real Estate	Active	2,281,821	0.12%
Blackstone Real Estate Partner Europe III LP	Active	40,409,568	2.19%
Blackstone Real Estate Spec Sit II LP	Active	5,323,282	0.29%
Blackstone Real Estate VI LP	Active	83,989,075	4.54%
Canyon Johnson Urban Fund II	Active	13,796,478	0.75%
Canyon Johnson Urban Fund III	Active	32,033,471	1.73%
Capri Select Income II LLC	Active	96,473	0.00%
Colony Realty Partners II LP	Active	18,850,800	1.02%
Cornerstone Patriot Fund LP	Active	253,741,522	13.73%
Covenant Apartment Fund V LP	Active	6,385,510	0.34%
Covenant Apartment Fund VI	Active	4,926,979	0.27%
Cypress Acquisition Prtnrs Retail FD LP	Active	26,620,637	1.44%
Gerding Edlen Green Cities II	Active	27,575,494	1.49%
Hart Realty Advisors	Active	153,032,945	8.28%
IL & FS India Realty Fund II LLC	Active	37,661,210	2.04%
JP Morgan Strategic Property	Active	75,000,000	4.06%
Landmark RE Partners VII LP	Active	2,577,854	0.14%
Lone Star Real Estate Part II LP	Active	18,231,320	0.99%
Macfarlane Urban Real Estate Fund II LP	Active	14,406,271	0.78%
New Boston IV	Active	582,960	0.03%
Prime Property Fund LLC	Active	263,282,799	14.24%
PRISA	Active	100,531,981	5.44%
Rockwood Capital Fund V	Active	1,199,820	0.06%
Rockwood Capital VI Limited Partnership	Active	8,630,734	0.47%
Rockwood Capital VII Limited Partnership	Active	24,007,702	1.30%
Starwood Opportunity Fund VII	Active	24,637,761	1.33%
Starwood Opportunity Fund VIII	Active	31,903,903	1.73%
Starwood Opportunity Fund IX	Active	37,270,876	2.02%
Starwood Opportunity Fund X	Active	706,210	0.04%
UBS-Trumbull Property Income	Active	52,839,651	2.86%

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)

JUNE 30, 2015

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
UBS-Trumbull Property G&I (TPG)	Active	42,766,951	2.31%
UBS-Trumbull Property Fund LP	Active	78,041,475	4.22%
Urban Strategy America Fund LP	Active	37,262,184	2.02%
USAA Eagle RE Fund	Active	88,350,410	4.78%
Walton Street Real Estate	Active	2,142,298	0.12%
WLR IV PPIP Co Invest LP	Active	39,013,203	2.11%
Other⁽²⁾	Active	116,184,122	6.29%
SUBTOTAL REF		\$ 1,848,236,645	100.00%

COMMERCIAL MORTGAGE FUND (CMF)

YANKEE MAC CMO SERIES G	Active	\$ 18,199	55.76%
Other⁽²⁾		14,438	44.24%
SUBTOTAL CMF		\$ 32,637	100.00%

PRIVATE INVESTMENT FUND (PIF)

Buyout		\$ 1,166,370,582	42.05%
KKR Millennium Fund	Active	30,383,731	1.10%
Yucaipa American Alliance Fund II LP	Active	98,306,067	3.55%
Hicks, Muse Tate & Furst Equity Fund III	Active	10,637,089	0.38%
Thomas H. Lee Equity Fund VI	Active	73,609,111	2.65%
GENNX360 Capital Partners II	Active	6,153,687	0.22%
TA XI, L.P.	Active	68,540,156	2.47%
Charterhouse Equity Partners IV	Active	25,261,265	0.91%
DLJ Merchant Banking Fund II	Active	259,607	0.01%
FS Equity Partners V	Active	23,069,976	0.83%
FS Equity Partners VI	Active	89,653,148	3.23%
JFL Equity Investors III, LP	Active	30,442,771	1.10%
Wellspring Capital Partners V	Active	47,313,462	1.71%
Candover 2008 Fund	Active	8,668,840	0.31%
Leeds Equity Partners V LP	Active	26,682,696	0.96%
Welsh Carson Anderson & Stowe XI	Active	80,513,106	2.90%
AIG Healthcare Partners LP	Active	6,315,146	0.23%
AIG Altaris Health Partners II	Active	30,619,140	1.11%
AIG Altaris Health Partners III	Active	8,949,698	0.32%
Welsh Carson Anderson & Stowe X LP	Active	53,050,806	1.91%
Court Square Capital Partners II	Active	69,229,554	2.50%
Ethos Private Equity Fund V	Active	21,416,854	0.77%
Boston Ventures VII	Active	52,223,901	1.88%
KKR 2006 Fund	Active	96,483,216	3.48%
Nogales Investors Fund II	Active	6,871,023	0.25%
ICV Partners II LP	Active	28,322,690	1.02%
Vista Equity Partners Fund III	Active	21,525,653	0.78%
Vista Equity Partners Fund IV	Active	73,567,483	2.65%
RFE Investments Partners VIII	Active	22,030,848	0.79%
RFE Investment Partners VII	Active	40,612,924	1.46%
Court Square Capital Partners III LP	Active	15,656,934	0.57%
Venture Capital		10,796,528	0.39%
Crescendo III	Active	1,156,486	0.04%
Syndicated Communications	Active	9,640,042	0.35%
Mezzanine		69,421,353	2.50%
SW Pelham Fund	Active	998,289	0.04%
Audax Mezzanine III Limited Partnership	Active	39,735,041	1.43%
GarMark Partners II LP	Active	28,688,023	1.03%
International		41,071,137	1.48%
Compass Partners European Equity Fund	Active	658,564	0.02%
Gilbert Global Equity Partners	Active	38,190,064	1.38%

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)

JUNE 30, 2015

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Pinebridge Global Emerging Markets Fund	Active	1,865,993	0.07%
Carlyle Asia Partners	Active	356,516	0.01%
Fund of Funds		998,816,159	36.01%
The Constitution Liquidating Fund	Active	52,391,834	1.89%
Landmark Private Equity Fund VIII	Active	12,313,008	0.44%
Landmark Equity Partners XV LP	Active	20,030,646	0.72%
CS/CT Cleantech Opp Fund	Active	12,931,899	0.47%
CT Emerging Pvt Equity	Active	74,483,436	2.69%
Fairview Constitution III	Active	327,362,530	11.80%
Lexington Capital Partners II	Active	619,154	0.02%
Stepstone Pioneer Capital I LP	Active	31,944,225	1.15%
Stepstone Pioneer Capital II LP	Active	125,316,910	4.52%
Fairview Constitution II LP	Active	146,774,529	5.29%
Fairview Constitution IV LP	Active	75,076,266	2.71%
Connecticut Horizon Legacy	Active	8,348,763	0.30%
Landmark Equity Partners XIV LP	Active	56,562,505	2.04%
JP Morgan Nutmeg I	Active	54,660,454	1.97%
Special Situations		319,131,886	11.50%
Welsh Carson Anderson & Stowe Capital Partners III	Active	8,793,688	0.32%
Levine Leichtman Capital Partners	Active	25,051,874	0.90%
Levine Leichtman Capital Partners IV LP	Active	35,835,153	1.29%
Pegasus Partners IV	Active	50,373,739	1.82%
Pegasus Partners V	Active	36,585,615	1.32%
WLR Recovery Fund IV	Active	30,570,958	1.10%
KPS Special Situations Fund II	Active	484,536	0.01%
Clearlake Capital Partners III LP	Active	34,064,577	1.23%
Castlelake II LP	Active	71,638,307	2.58%
Apollo Investment Fund VIII LP	Active	25,733,439	0.93%
Other⁽²⁾		168,484,003	6.07%
SUBTOTAL PIF		\$ 2,774,091,648	100.00%
ALTERNATIVE INVESTMENT FUND (AIF)			
Arclight Energy Partners Fund	Active	\$ 37,798,741	2.10%
Energy Fund XV Limited Partnership	Active	43,343,847	2.40%
Marathon European Credit Opportunity	Active	23,726,333	1.31%
Prudence Crandall I Permal Limited Partnership	Active	572,217,624	31.71%
Prudence Crandall II Prisma Limited Partnership	Active	323,232,586	17.91%
Prudence Crandall III Rock Creek Limited Partnership	Active	299,120,008	16.58%
Prudence Crandall IV K2 Limited Partnership	Active	291,741,711	16.17%
Thomas Welles Fund I	Active	85,349,111	4.73%
Thomas Welles Fund II	Active	86,448,422	4.79%
Other⁽²⁾		41,456,060	2.30%
SUBTOTAL AIF		\$ 1,804,434,443	100.00%
TOTAL		\$ 30,523,339,329	
Adjustments ⁽³⁾		(871,362,813)	
GRAND TOTAL		\$ 29,651,976,516	

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

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

(3) Represents Elimination Entry to the Financial Statements to account for investment of Combined Investment Funds in the Liquidity Fund.

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
ABEL NOSER CORP, NEW YORK	\$ 2,204.40	244,531.00	0.01	CARNEGIE BANK AS, COPENHAGEN	2,832.76	54,953.00	0.05
ABG SECAS (NORGE), FILIAL, STOCKHOLM	1,063.52	22,343.00	0.05	CARNEGIE SECS LTD, HELSINKI (CASFFIH1)	963.31	27,175.00	0.04
ABG SECS, OSLO	4,394.83	192,260.00	0.02	CASTLEOAK SEC/CANTOR FITZGERALD & CO, NY	160.80	5,360.00	0.03
ABG SUNDAL COLLIER NORGE ASA, OSLO	43.55	7,000.00	0.01	CENTRAL DEPOSITORY, SINGAPORE	1,336.76	1,227,600.00	0.00
ABN AMRO ASIA LTD, HONG KONG	1,210.81	710,000.00	0.00	CHASE BK, LONDON	1,025.64	40,199.00	0.03
ABN AMRO CLEARING BANK N.V. AMSTERDAM	264.91	16,500.00	0.02	CHEEVERS & CO. INC., CHICAGO	9,035.80	360,463.00	0.03
ABN AMRO MORGANS, BRISBANE	52.51	119,017.00	0.00	CHINA INTL CAP CORP HK SECS, HONG KONG	8,657.36	4,756,544.00	0.00
AEGIS CAPITAL CORP, NEW YORK	575.45	67,700.00	0.01	CHINA INTL CAP CORP LTD, BEIJING	618.66	207,000.00	0.00
AGORA CTVM, RIO DE JANEIRO	213.63	32,526.00	0.01	CIBC WORLD MKTS INC, TORONTO	5,194.11	148,511.00	0.03
ALLEN & COMPANY LLC, JERSEY CITY	651.00	21,700.00	0.03	CIBC WORLD MKTS INC, TORONTO (WGDB)	622.34	36,900.00	0.02
ANCORA SECURITIES INC, JERSEY CITY	476.00	11,900.00	0.04	CIMB GK SECURITIES PTE LTD, SINGAPORE	239.87	9,000.00	0.03
AUTONOMOUS RESEARCH US LP, NEW YORK	688.00	17,200.00	0.04	CIMB INVESTMENT BK BERHAD, KUALA LUMPUR	6,831.91	16,725,242.00	0.00
AVONDALE PARTNERS LLC, NASHVILLE	762.56	24,289.00	0.03	CIMB SECURITIES (AUSTRALIA) LTD, SYDNEY	4,369.25	828,768.00	0.01
B.RILEY & CO., LLC, LOS ANGELES	2,577.22	85,774.00	0.03	CIMB SECURITIES (USA), INC, NEW YORK	9,019.55	1,311,631.00	0.01
BAADER WERTPAPIERHANDELSBANK, UNTERSCHLE	1,181.04	19,971.00	0.06	CIMB SECURITIES LTD., KOREA BRANCH	2,430.96	90,245.00	0.03
BAIRD, ROBERT W & CO INC, MILWAUKEE	27,319.24	779,557.00	0.04	CITIBANK (COR), NEW YORK	5,245.17	234,503.00	0.02
BANCO BTG PACTUAL SA, RIO DE JANEIRO	4,856.65	573,350.00	0.01	CITIBANK BUDAPEST RT, BUDAPEST	1,594.49	41,646.00	0.04
BANCO DE INVESTIMENTUS GARATIA	6,264.23	657,859.00	0.01	CITIBANK LTD, MELBOURNE	1,026.38	172,030.00	0.01
BANCO ITAU S.A., NEW YORK	6,557.10	368,061.00	0.02	CITIBANK NA, LONDON	362.74	19,490.00	0.02
BANCO ITAU, SAO PAULO	7,877.11	632,878.00	0.01	CITIBANK NY (MER)	8,119.96	866,121.00	0.01
BANCO SANTANDER MEXICANO, MEXICIO	345.06	52,700.00	0.01	CITIBANK, BUDAPEST	223.95	9,266.00	0.02
BANCO SANTANDER, NEW YORK	43,260.76	29,157,136.00	0.00	CITIBANK, NY	646.96	639,300,000.00	0.00
BANK J VONTOBEL & CO LTD, ZURICH	5,258.73	60,685.00	0.09	CITIC CAPITAL SEC, HONG KONG	1,722.68	1,227,500.00	0.00
BANK OF CHINA GROUP SECS LTD, HONG KONG	631.44	769,000.00	0.00	CITIGROUP GBL MKTS INC, NEW YORK	98,479.43	5,131,685.00	0.02
BANQUE PARIBAS, FRANKFURT	677.92	22,593.00	0.03	CITIGROUP GBL MKTS SINGAPORE SEC PVT LTD	362.98	352,100.00	0.00
BANQUE PARIBAS, PARIS	886.28	7,260.00	0.12	CITIGROUP GBL MKTS/SALOMON, NEW YORK	58,610.64	19,791,097.00	0.00
BARCLAYS BK PLC, NEW YORK	14,341.51	595,396.00	0.02	CITIGROUP GLOBAL MARKETS LTD, LONDON	238,435.88	20,044,134.00	0.01
BARCLAYS CAPITAL INC./LE, NEW JERSEY	809.00	70,300.00	0.01	CLEARSTREAM BK, LUXEMBOURG (CEDELULL)	1,054.00	82,429.00	0.01
BARCLAYS CAPITAL INC, JERSEY CITY	526.05	20,410.00	0.03	CLSA AUSTRALIA PTY LTD, SYDNEY	865.30	358,985.00	0.00
BARCLAYS CAPITAL INC, NEW YORK	1,429.89	32,769.00	0.04	COMMERZBANK AG, LONDON	2,604.73	46,216.00	0.06
BARCLAYS CAPITAL LE, JERSEY CITY	26,259.31	1,083,939.00	0.02	COMMERZBANK CAPITAL MARKETS CORP, NY	180.00	6,000.00	0.03
BARCLAYS CAPITAL SEC LTD, SEOUL BRANCH	1,344.38	19,332.00	0.07	COMPASS POINT RESEARCH & TR, JERSEY CITY	4,192.46	122,443.00	0.03
BARCLAYS CAPITAL, LONDON (BARCGB33)	100,124.31	24,823,492.00	0.00	CORMARK SECURITIES INC./CDS, TORONTO	3,054.16	90,556.00	0.03
BARCLAYS CAPITAL, NEW YORK	2,793.45	181,920.00	0.02	CORNERSTONE MACRO LLC, NEW YORK	4,576.58	141,872.00	0.03
BARRINGTON RESEARCH ASSOCIATES, BROOKLYN	26.25	750.00	0.04	COWEN AND COMPANY LLC, NEW YORK	9,768.97	474,482.00	0.02
BB&T SECURITIES, LLC, RICHMOND	2,041.89	60,083.00	0.03	CRAIG HALLUM, MINNEAPOLIS	13,711.46	569,410.00	0.02
BENCHMARK COMPANY LLC, BROOKLYN	289.68	9,656.00	0.03	CREDIT AGRICOLE SECS USA INC, NEW YORK	192.86	1,113,519.00	0.00
BENCHMARK COMPANY, LLC, NEW YORK	327.82	11,793.00	0.03	CREDIT AGRICOLE USA, NEW YORK	80.00	2,000.00	0.04
BERENBERG GOSSLER & CIE, HAMBURG	15,882.60	305,302.00	0.05	CREDIT LYONNAIS SEC, SEOUL	1,116.13	12,502.00	0.09
BERNSTEIN SANFORD C & CO, NEW YORK	35,173.21	2,772,078.00	0.01	CREDIT LYONNAIS SECS (ASIA), HONG KONG	32,919.77	23,071,216.00	0.00
BLAYLOCK & CO INC, JERSEY CITY	1,570.96	52,174.00	0.03	CREDIT LYONNAIS SECS, SINGAPORE	15,512.58	6,834,599.00	0.00
BLEY INVESTMENT GROUP, JERSEY CITY	135.00	4,500.00	0.03	CREDIT LYONNAIS SECURITIES ASIA, GUERNSEY	462.28	415,200.00	0.00
BLOOMBERG TRADEBOOK LLC, NEW YORK	4,752.11	185,176.00	0.03	CREDIT MUTUEL-CIC BANQUES, PARIS	40.02	535.00	0.07
BLOOMBERG TRADEBOOK, LONDON	3,109.70	662,156.00	0.00	CREDIT RESEARCH & TRADING LLC, JERSEY	17,041.69	536,971.00	0.03
BLOOMBERG TRADEBOOK, NEW YORK	14,467.23	367,629.00	0.04	CREDIT SUISSE (EUROPE), LONDON	53,002.33	3,576,276.00	0.01
BMO CAPITAL MARKETS CORP, NEW YORK	10,153.33	350,603.00	0.03	CREDIT SUISSE (EUROPE), SEOUL	42,306.55	515,404.00	0.08
BNP PARIBAS PEREGRINE SEC LTD, HONG KONG	30,978.93	26,876,996.00	0.00	CREDIT SUISSE (HK) LIMITED, HONG KONG	57,558.46	20,315,139.00	0.00
BNP PARIBAS PRIME BROKERAGE, JERSEY CITY	1,558.82	133,052.00	0.01	CREDIT SUISSE EUROPE LTD, JERSEY CITY	445.00	8,900.00	0.05
BNP PARIBAS PRIME BROKERAGE, INC, NEW YORK	548.00	17,500.00	0.03	CREDIT SUISSE SECURITIES (USA) LLC, NY	2,278.72	56,968.00	0.04
BNP PARIBAS SEC SERVICES, MILANO	64.21	7,125.00	0.01	CREDIT SUISSE, NEW YORK (CSUS)	198,388.01	62,973,764.00	0.00
BNP PARIBAS SEC SVCS, LONDON (PARBGB2L)	1,774.07	143,795.00	0.01	CREDIT SUISSE, SAO PAULO	11,352.92	1,604,795.00	0.01
BNP PARIBAS SECURITIES SVCS, HONG KONG	650.77	326,500.00	0.00	CSI US INSTITUTIONAL DESK, NEW YORK	5,036.00	157,200.00	0.03
BNY BROKERAGE, NEW YORK	1,247.97	41,599.00	0.03	CUTTONE & CO., INC., NEW YORK	397.22	19,861.00	0.02
BNY CONVERGEX EXECUTION SOL, NEW YORK	7,024.64	592,539.00	0.01	CUTTONE & CO, JERSEY CITY	98.00	4,900.00	0.02
BNY CONVERGEX, NEW YORK	17,515.12	531,579.00	0.03	D CARNEGIE AB, STOCKHOLM	14,245.25	755,381.00	0.02
BOCI SECURITIES LIMITED, HONG KONG	3,271.57	2,093,000.00	0.00	DAEWOO SECURITIES CO LTD, SEOUL	20,017.07	151,464.00	0.13
BOE SECURITIES/BROADCORT, JERSEY CITY	768.00	19,200.00	0.04	DAIWA SECS (HK) LTD, HONG KONG	14,169.02	5,266,649.00	0.00
BRADESCO S/A CTVM, SAO PAULO	2,355.10	168,600.00	0.01	DAIWA SECS AMER INC, NEW YORK	29,190.39	4,813,891.00	0.01
BREAN CAPITAL LLC, JERSEY CITY	4,602.68	385,296.00	0.01	DAVIDSON(D A) & CO INC, NEW YORK	4,474.47	142,849.00	0.03
BROCKHOUSE AND COOPER, MONTREAL	880.59	74,441.00	0.01	DAVY STOCKBROKERS, DUBLIN	2,043.53	272,876.00	0.01
BT SECURITIES COMPANY LTD, BANGKOK	2,426.03	503,100.00	0.00	DBS VICKERS (HONG KONG) LTD, HONG KONG	5,347.78	1,517,100.00	0.00
BTIG HONG KONG LTD, HONG KONG	2,950.00	693,894.00	0.00	DBS VICKERS SEC PTE LTD, SINGAPORE	64.25	288,500.00	0.00
BTIG LLC, SAN FRANCISCO	10,288.15	694,886.00	0.01	DEN DANSKE BANK, COPENHAGEN	1,483.66	43,126.00	0.03
BUCKINGHAM RESEARCH GRP INC, BROOKLYN	244.00	6,100.00	0.04	DEN NORSKE CREDITBANK, OSLO	445.56	153,117.00	0.00
CABRERA CAPITAL MARKETS, CHICAGO	14,842.94	1,066,293.00	0.01	DEUTSCHE BK ALEX BROWN, JERSEY CITY	10.00	200.00	0.05
CACEIS BANK DEUTSCHLAND, GERMANY	1,603.30	9,014.00	0.18	DEUTSCHE BK INTL EQ, LONDNI (DEUTGB22EEQ)	63,811.27	4,867,051.00	0.01
CALYON SECURITIES, NEW YORK	4,757.04	119,320.00	0.04	DEUTSCHE BK SECS INC, NY (NWSCUS33)	117,773.55	47,063,076.00	0.00
CAMARA DE LEQUIDACAO E CUSTODIA, RIO	210.09	19,700.00	0.01	DEUTSCHE SEC ASIA LTD, HONG KONG	18,868.38	4,444,473.00	0.00
CANACCORD GENUITY CORP, MONTREAL (CCAM)	3,048.97	85,688.00	0.04	DEUTSCHE SEC ASIA LTD, SEOUL	1.95	20.00	0.10
CANACCORD GENUITY INC, NEW YORK	7,397.43	206,756.00	0.04	DNB NOR MARKETS CUSTODY, OSLO	596.11	20,448.00	0.03
CANACCORD GENUITY LTD, LONDON	272.24	20,455.00	0.01	DONGWON SECS, SEOUL	0.61	7.00	0.09
CANTOR CLEARING SERV, NEW YORK	1,268.10	75,100.00	0.02	DOUGHERTY COMPANY, BROOKLYN	9,415.74	288,979.00	0.03
CANTOR FITZGERALD & CO INC, NEW YORK	12,212.12	601,455.00	0.02	DOWLING & PARTNERS, JERSEY CITY	18,613.00	584,300.00	0.03
CANTOR FITZGERALD EUROPE, LONDON	783.50	240,045.00	0.00	DREXEL HAMILTON LLC, JERSEY CITY	7,964.39	286,839.00	0.03
CAP INSTL SVCS INC-EQUITIES, DALLAS	1,051.07	32,813.00	0.03	DUNDAS UNLU SECURITIES INC, ISTANBUL	14,895.17	3,085,116.00	0.00
CAPITAL ONE SOUTHCOAST INC, NEW ORLEANS	525.00	17,500.00	0.03	ERB EUROBANK SECURITIES S.A., ATHENS	711.59	279,883.00	0.00
CARNEGIE ASA, OSLO	1,061.13	51,649.00	0.02	ERSTE BK BEFEKETETESI RT, BUDAPEST	2,869.43	155,580.00	0.02

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
ERSTE BK SPARKASSEN, PRAGUE	1,738.73	6,602.00	0.26	JEFFERIES & CO INC, NEW YORK	86,308.74	18,544,946.00	0.00
EUROCLEAR BANK SA NV, BRUSSELS	82.97	2,900.00	0.03	JEFFERIES & CO LTD, LONDON	23,666.35	15,446,639.00	0.00
EVERCORE GROUP LLC, JERSEY CITY	65.00	1,300.00	0.05	JMP SECURITIES, SAN FRANCISCO	4,799.91	131,301.00	0.04
EVERCORE, PITTSBURGH	2,362.00	88,100.00	0.03	JOHNSON RICE & CO, NEW ORLEANS	1,368.12	36,881.00	0.04
EXANE, PARIS (EXANFRPP)	18,018.99	1,681,598.00	0.01	JONESTRADING INSTL SVCS LLC, WESTLAKE	12,874.48	593,729.00	0.02
FBR CAPITAL MARKETS & CO, ARLINGTON	2,725.61	79,264.00	0.03	JP MORGAN CHASE BANK NA (GST), LONDON	3,062.43	748,369.00	0.00
FIDELITY CAP MKTS (DIV OF NFSC), BOSTON	46.00	2,300.00	0.02	JP MORGAN SECS (FAR EAST) LTD, SEOUL	2,134.09	71,503.00	0.03
FIDELITY CLEARING CANADA ULC, TOR (FIDC)	2,317.26	78,431.00	0.03	JP MORGAN SECS ASIA PACIFIC, HONG KONG	26,349.12	24,016,534.00	0.00
FIG PARTNERS LLC, ATLANTA	2,951.19	111,252.00	0.03	JP MORGAN SECS, SINGAPORE	3,986.37	609,100.00	0.01
FINANCIAL BROKERAGE GROUP (FBG), CAIRO	1,157.85	97,751.00	0.01	JPMORGAN SECURITIES INC, NEW YORK	51,188.57	7,555,984.00	0.01
FIRST ANALYSIS SECS CORP, CHICAGO	1,419.82	45,694.00	0.03	KAS BANK NV, AMSTERDAM	360.47	21,529.00	0.02
FIRST SOUTHWEST CO, DALLAS	2,325.60	61,200.00	0.04	KB SEC NV, ANTWERPEN	23.31	1,722.00	0.01
FLOW CORRETORA DE MERCADORIAS, SAO PAULO	562.56	27,200.00	0.02	KEB SALOMON SMITH BARNEY SECS, SEOUL	1,551.85	31,735.00	0.05
FOKUS BANK, TRONDHEIM	55.63	51,177.00	0.00	KEEFE BRUYETTE AND WOODS, JERSEY CITY	10,035.14	286,128.00	0.04
FORSYTH BARR, DUNEDIN	39.75	7,377.00	0.01	KEPLER EQUITIES, PARIS	1,628.37	53,586.00	0.03
FOX RIVER EXECUTION TECH,LLC,JERSEY CITY	2,337.09	154,653.00	0.02	KEYBANC CAPITAL MARKETS INC, JERSEY CITY	11,462.40	330,233.00	0.03
FRANK RUSSELL SEC INC, NEW YORK	267.65	9,775.00	0.03	KEYBANC CAPITAL MARKETS INC, NEW YORK	5,201.64	148,339.00	0.04
FREIMARK BLAIR & CO INC/BCC CLRG, NJ	3,114.14	197,616.00	0.02	KIM ENG SEC LTD, HONG KONG	410.09	93,175.00	0.00
G K GOH OMETRACO, JAKARTA	496.19	1,294,900.00	0.00	KING (CL) & ASSOCIATES, ALBANY	26,873.57	808,771.00	0.03
G-TRADE SERVICES LTD, HAMILTON	8,643.04	717,125.00	0.01	KNIGHT CLEARING SERVICES LLC, JERSEY CIT	1,283.40	96,800.00	0.01
GABELLI & COMPANY, JERSEY CITY	372.00	12,400.00	0.03	KNIGHT DIRECT LLC, JERSEY CITY	71.88	28,752.00	0.00
GARBAN CORPORATES, INC, JERSEY CITY	86.00	4,300.00	0.02	KNIGHT EQUITY MARKETS L.P.,JERSEY CITY	8,754.41	523,139.00	0.02
GK GOH SECURITIES	10,611.74	4,626,713.00	0.00	KOREA INVESTMENT AND SEC CO.LTD,SEOUL	9,624.67	95,293.00	0.10
GLOBAL HUNTER SEC. LLC, NEW ORLEANS	27.30	780.00	0.04	LADENBURG THALMAN & CO, WEEHAWKEN	203.35	5,810.00	0.04
GLOBAL HUNTER SECURITIES LTD,JERSEY	553.99	48,049.00	0.01	LARRAIN VIAL, SANTIAGO	75.92	901.00	0.08
GMP SECURITIES, LLC, NEW YORK	1,395.00	46,500.00	0.03	LAZARD CAPITAL MARKETS LLC, JERSEY CITY	36.00	1,800.00	0.02
GOLDMAN SACHS & CO, NY	261,090.70	61,893,446.00	0.00	LEERINK SWANN & CO, JERSEY CITY	2,030.04	61,851.00	0.03
GOLDMAN SACHS ASIA SEC LTD, HONG KONG	1,363.59	1,624,749.00	0.00	LIBERUM CAPITAL INC, NEW YORK	753.62	127,844.00	0.01
GOLDMAN SACHS DO BRASIL, SAO PAULO	13,037.93	2,143,020.00	0.01	LIQUIDNET ASIA LTD, HONG KONG	2,479.41	1,622,700.00	0.00
GOLDMAN SACHS EXECUTION & CLEARING, NY	37,468.69	1,886,482.00	0.02	LIQUIDNET AUSTRALIA PTY LTD, SYDNEY	247.75	81,660.00	0.00
GOLDMAN SACHS INTL, LONDON (GSLGB2X)	66,716.39	9,853,192.00	0.01	LIQUIDNET CANADA INC, TORONTO	3,503.01	201,459.00	0.02
GOLDMAN SACHS INTL, TORONTO (GSCI)	46.77	1,300.00	0.04	LIQUIDNET INC, BROOKLYN	24,748.17	1,612,103.00	0.02
GOODBODY STOCKBROKERS, DUBLIN	2,487.73	1,077,630.04	0.00	LONGBOW SECURITIES LLC, JERSEY CITY	1,017.78	28,426.00	0.04
GORDON HASKETT CAP CORP, NJ	44.00	2,200.00	0.02	LOOP CAP MKTS LLC, CHICAGO	71.12	10,745.00	0.01
GREAT PACIFIC SECS INC, CALIFORNIA	6,953.56	319,855.00	0.02	LOOP CAPITAL MARKETS LLC, JERSEY CITY	809.51	69,580.00	0.01
GREEN STREET ADVISORS, JERSEY CITY	40.00	1,000.00	0.04	LOOP CAPITAL MARKETS, JERSEY CITY	53,954.96	2,950,341.00	0.02
GUGENHEIM CAPITAL MKT LLC, JERSEY CITY	5,444.65	173,855.00	0.03	M RAMSEY KING SECURITIES INC, BROOKLYN	21,747.58	749,998.00	0.03
GUZMAN & COMPANY, CORAL GABLES	1,846.00	66,100.00	0.03	MACQUARIE BANK LIMITED, SYDNEY	755.47	555,266.00	0.00
HANWHA SECS CO LTD, SEOUL	759.68	33,312.00	0.02	MACQUARIE BANK LTD, HONG KONG	37,537.26	31,868,796.00	0.00
HC ISTANBUL MENKUL DEGERLER, ISTANBUL	19,812.70	3,080,223.00	0.01	MACQUARIE CAPITAL (USA) INC., NEW YORK	10,839.35	1,409,228.00	0.01
HONG KONG & SHANGHAI BKG CORP, HONG KONG	6,225.28	3,486,800.00	0.00	MACQUARIE CAPITAL LTD, LONDON	1,443.30	377,628.00	0.00
HSBC BANK PLC (MIDLAND BK), LONDON	71,698.18	8,183,401.00	0.01	MACQUARIE EQUITIES LTD, SYDNEY	1,178.68	68,259.00	0.02
HSBC BROKERAGE (USA) INC., NEW YORK	6,118.25	227,300.00	0.03	MACQUARIE SECS (SINGAPORE), SINGAPORE	1,569.25	556,000.00	0.00
HSBC JAMES CAPEL, SEOUL	2,168.62	21,449.00	0.10	MACQUARIE SECURITIES LIMITED, HONG KONG	16.99	16,600.00	0.00
HSBC SECS INC, NEW YORK	32,915.05	4,443,974.00	0.01	MACQUARIE SECURITIES LTD, AUCKLAND	1,241.11	252,568.00	0.00
HSBC SECURITIES (USA) INC, NEW YORK	141.00	4,700.00	0.03	MACQUARIE SECURITIES LTD, SEOUL	9,534.87	62,473.00	0.15
HSBC,(ALL HK OFFICES & HEAD OFFICE), HK	2,618.32	2,738,400.00	0.00	MACQUARIE SECURITIES(USA)INC JERSEY CITY	3,489.88	160,943.00	0.02
ICBC FINCL SVCS, NEW YORK	107.95	12,700.00	0.01	MAINFIRST BANK AG,FRANKFURT AM MAIN	4,035.69	30,555.00	0.13
ICHIYOSHI SEC CO LTD, TOKYO	604.34	27,600.00	0.02	MAXIM GROUP, JERSEY CITY	10.00	200.00	0.05
INSTINET AUSTRALIA CLEARING SERV, SYDNEY	2,616.72	4,300,541.00	0.00	MEDIOBANCA SPA, MILANO	44.16	1,817.00	0.02
INSTINET CANADA, TORONTO	58.10	9,500.00	0.01	MERIDIAN EQUITY PARTNERS, NEW YORK	1,723.59	114,769.00	0.02
INSTINET CORP, NEW YORK	3,793.88	1,147,186.00	0.00	MERLIN SECURITIES LLC, JERSEY CITY	1,899.68	243,703.00	0.01
INSTINET CORP, NY	45,657.23	3,114,562.00	0.01	MERRILL LYNCH (SINGAPORE) PTE LTD	208.82	237,000.00	0.00
INSTINET EUROPE LIMITED, LONDON	117,332.35	42,185,763.00	0.00	MERRILL LYNCH & CO INC ATLAS GLOBAL, NY	6,737.55	405,714.00	0.02
INSTINET PACIFIC LTD, HONG KONG	73,916.83	35,541,930.00	0.00	MERRILL LYNCH GILTS LTD, LONDON	43,573.96	12,051,027.00	0.00
INSTINET, SINGAPORE	1,021.81	1,698,226.00	0.00	MERRILL LYNCH INTL LONDON EQUITIES	314,827.43	201,212,165.00	0.00
INTERMONTE SIM S.P.A., MILANO	360.74	31,780.00	0.01	MERRILL LYNCH PIERCE FENNER & SMITH, NY	0.04	400.00	0.00
INVESTEC HENDERSON CROSTHWAIT, LONDON	6,328.73	410,223.00	0.02	MERRILL LYNCH PIERCE FENNER SMITH INC NY	72,142.46	3,450,081.00	0.02
INVESTEC SECURITIES (331), LONDON	4,453.40	1,656,442.00	0.00	MERRILL LYNCH PIERCE FENNER, WILMINGTON	55,832.28	7,658,997.00	0.01
INVESTMENT TECHNOLOGY GROUP LTD,DUBLIN	46,007.92	11,528,964.00	0.00	MERRILL LYNCH PROFESSIONAL CLRG, PURCHAS	647.80	24,795.00	0.03
INVESTMENT TECHNOLOGY GROUP, NEW YORK	45,825.15	3,669,747.00	0.01	MERRILL LYNCH SA CVMT, SAO PAULO	2,422.00	264,193.00	0.01
IPOPEMA SECURITIES S.A., WARSZAWA	869.40	86,813.00	0.01	MIRAE ASSET SECURITIES, SEOUL	774.28	15,565.00	0.05
ISI GROUP INC, NY	20,451.85	614,689.00	0.03	MISCHLER FINL/EQUITIES, CORONA DELMAR	15,188.50	648,017.00	0.02
ITAU USA SECURITIES INC, NEW YORK	3,388.61	244,367.00	0.01	MITSUBISHI UFJ SEC (USA), NEW YORK	6,481.29	144,400.00	0.04
ITG AUSTRALIA LTD, MELBOURNE	1,745.25	2,378,385.00	0.00	MITSUBISHI UFJ SECS INTL PLC, LONDON	1,888.67	130,200.00	0.01
ITG CANADA CORP, TORONTO	411.71	23,600.00	0.02	MITSUBISHI UFJ SECURITIES, NEW YORK	5,840.37	389,100.00	0.02
ITG HONG KONG LIMITED, HONG KONG	18,021.17	8,431,123.00	0.00	MIZUHO SECURITIES ASIA, HONG KONG	6,211.57	354,700.00	0.02
ITG INC, NEW YORK	7,168.28	848,610.00	0.01	MIZUHO SECURITIES USA INC, NEW YORK	19,334.01	1,100,160.00	0.02
ITG INC, NY	2,006.45	476,494.00	0.00	MKM PARTNERS LLC, GREENWICH	21,106.09	669,348.00	0.03
IXIS SECURITIES, PARIS	2,342.88	77,914.00	0.03	MONTROSE SECURITIES EQ, SAN FRANCISCO	8,550.28	332,062.00	0.03
J & E DAVY, DUBLIN	5,281.47	539,493.00	0.01	MORGAN J P SECS INC, NEW YORK	28,222.18	1,137,149.00	0.02
J P MORGAN SEC LTD/STOCK LENDING, LONDON	3,117.72	543,310.00	0.01	MORGAN STANLEY & CO INC, NY	277,684.23	71,936,273.00	0.00
J P MORGAN SEC, SYDNEY	5,350.78	2,092,329.00	0.00	MORGAN STANLEY & CO INTL LTD, SEOUL	8,283.80	215,186.00	0.04
J P MORGAN SECS LTD, LONDON	106,991.25	11,705,544.00	0.01	MORGAN STANLEY & CO, LONDON (MSLNGB2X)	49,422.39	6,524,829.00	0.01
J P MORGAN SECURITIES INC, BROOKLYN	50,553.85	4,289,946.00	0.01	MORGAN STANLEY DW INC, JERSEY CITY	1,626.00	54,200.00	0.03
J.P. MORGAN CLEARING CORP, NEW YORK	154,345.86	18,728,970.00	0.01	MS SECS SVCS INC INTL, BROOKLYN	15.58	17,376.00	0.00
JANNEY MONTGOMERY SCOTT, PHILADELPHIA	4,093.70	117,185.00	0.03	NATIONAL FINL SVCS CORP, NEW YORK	92,436.45	780,794,774.36	0.00

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
NATIONAL SECS CO LTD, BANGKOK	5,704.50	5,806,100.00	0.00	STANDARD CHARTERED BANK LTD, HONG KONG	1,406.58	472,000.00	0.00
NBCN INC, TORONTO (NBCS)	629.63	18,000.00	0.03	STANDARD CHARTERED BANK, HONG KONG	7,444.72	6,553,900.00	0.00
NEEDHAM & CO, NEW YORK	9,994.61	308,923.00	0.03	STATE STREET BK & TR CO (SEC), LONDON	39,608.43	7,859,420.00	0.01
NESBITT BURNS, TORONTO (NTDT)	1,524.17	108,940.00	0.01	STATE STREET BROKERAGE SVCS, BOSTON	30,293.75	1,457,976.00	0.02
NOBLE INTL INVESTMENTS INC, JERSEY CITY	2,844.15	136,305.00	0.02	STATE STREET GLOBAL ADVISORS, BOSTON	47.23	5,200.00	0.01
NOMURA FINANCIAL & INVESTMENT, SEOUL	4,536.11	243,003.00	0.02	STATE STREET GLOBAL MARKETS LLC, BOSTON	2,013.11	201,311.00	0.01
NOMURA SECS INTL, LONDON	3,627.16	159,400.00	0.02	STEPHENS INC, LITTLE ROCK	12,535.47	403,874.00	0.03
NORDEA BK PLC, HELSINKI (NDEAFIHH030)	352.45	6,963.00	0.05	STERNE AGEE & LEACH INC	4,276.03	142,376.00	0.03
NORTH SOUTH CAPITAL LLC, JERSEY CITY	14,647.66	582,091.00	0.03	STIFEL NICOLAUS	24,489.04	911,532.00	0.03
NORTHERN TR CO INC, CHICAGO	29,510.34	209,085,000.00	0.00	STRATEGAS SECURITIES LLC, NEW YORK	212.68	5,656.00	0.04
NORTHERN TR SECS, CHICAGO	7,543.06	69,621,485.44	0.00	STURDIVANT & CO INC, BROOKLYN	546.00	27,300.00	0.02
NORTHLAND SECS INC, JERSEY CITY	2,517.27	115,997.00	0.02	SUNTRUST CAPITAL MARKETS INC, ATLANTA	7,999.11	235,112.00	0.03
NUMIS SECURITIES INC., NEW YORK	7,947.16	1,111,078.00	0.01	SUSQUEHANNA FINL GROUP LLLP, NEW YORK	620.00	20,000.00	0.03
NUMIS SECURITIES LTD, LONDON	1,651.32	108,858.00	0.02	SVENSKA HANDELSBANKEN, STOCKHOLM	6,003.75	116,996.00	0.05
ODDO ET CIE, PARIS	2,340.03	109,579.00	0.02	TD SECURITIES (USA) LLC, NEW YORK	180.00	4,500.00	0.04
OPPENHEIMER & CO INC, NEW YORK	22,215.98	666,527.00	0.03	TEB YATIRIM MENKUL DEGERLER AS, ISTANBUL	15,851.47	4,106,029.00	0.00
ORIEL SECURITIES LTD, LONDON	326.62	59,128.00	0.01	TELSEY ADVISORY GROUP LLC, DALLAS	7,313.07	253,213.00	0.03
OTR GLOBAL TRADING LLC, NEW YORK	1,489.00	42,000.00	0.04	THEMIS TRADING LLC, JERSEY CITY	882.00	33,600.00	0.03
PACIFIC CREST SECURITIES, PORTLAND	16,219.85	578,340.00	0.03	THINKEQUITY PARTNERS LLC, MINNEAPOLIS	1,604.00	40,100.00	0.04
PANMURE GORDON & CO LTD, LONDON	433.72	17,079.00	0.03	TONG YANG SECURITIES INC, SEOUL	6,299.29	103,356.00	0.06
PAREL, PARIS	16,871.46	704,906.00	0.02	TOPEKA CAPITAL MARKETS INC., NEW YORK	25,953.05	1,557,604.00	0.02
PATERSONS SECS LTD, PERTH	315.58	556,985.00	0.00	TOPEKA CAPITAL MARKETS INC, JERSEY CITY	12,954.27	727,157.00	0.02
PEEL HUNT LLP, LONDON	3,833.74	334,875.00	0.01	TOURMALINE PARTNERS LLC, NEW YORK	28,826.41	1,181,709.00	0.02
PENSERRA SECURITIES, NEW YORK	9,545.61	776,809.00	0.01	UBS EQUITIES, LONDON	13,652.98	23,130,964.00	0.00
PERCIVAL FINL PARTNERS LTD, LAKE SUCCESS	4,468.80	117,600.00	0.04	UBS SECS SINGAPORE PTE LTD	202.78	235,800.00	0.00
PEREGRINE SECS PHILIPPINES INC, MANILA	77.01	36,270.00	0.00	UBS SECURITIES CANADA, TORONTO (BWIT)	4,392.88	176,222.00	0.02
PERSHING LLC, JERSEY CITY	21,052.48	7,368,359.00	0.00	UBS SECURITIES HONG KONG LTD, HONG KONG	64.77	144,800.00	0.00
PERSHING SECURITIES LTD, LONDON	10,776.32	1,314,424.00	0.01	UBS SECURITIES LLC, STAMFORD	77,951.42	17,253,619.00	0.00
PETERCAM SA, BRUSSELS	344.69	9,660.00	0.04	UBS WARBURG ASIA LTD, HONG KONG	143,484.96	47,135,732.00	0.00
PICKERING ENERGY PARTNERS, HOUSTON	591.00	19,700.00	0.03	UBS WARBURG AUSTRALIA EQUITIES, SYDNEY	2,327.34	624,628.00	0.00
PIPER JAFFRAY & CO, MINNEAPOLIS	14,854.02	401,010.00	0.04	UBS WARBURG LLC, STAMFORD	799.72	82,600.00	0.01
PT. MANDIRI SEKURITAS, JAKARTA	4,962.91	5,190,397.00	0.00	UBS WARBURG, LONDON	118,173.05	25,568,336.00	0.00
PULSE TRADING LLC, BOSTON	75.80	3,032.00	0.03	UNION GAMING ADVISORS LLC, JERSEY CITY	170.40	5,680.00	0.03
RABOBANK NEDERLAND, UTRECHT	5,305.49	77,876.00	0.07	UOB KAY HIAN PRIVATE LTD, SINGAPORE	120.00	400,000.00	0.00
RAFFERTY CAPITAL MARKETS LLC, GARGEN CIT	881.89	29,419.00	0.03	UOB KAY HIAN PTE LTD, HONG KONG	180.30	41,000.00	0.00
RAIFFEISEN CENTROBANK AG, VIENNA	178.00	8,727.00	0.02	VANDHAM SECURITIES CORP, NEW YORK	2,481.54	126,826.00	0.02
RAYMOND JAMES & ASSOC INC, ST PETERSBURG	26,605.46	756,087.00	0.04	VTB BANK EUROPE PLC, LONDON	2,692.42	188,832.00	0.01
RAYMOND JAMES LTD, TORONTO (MSLT)	180.00	4,500.00	0.04	WEBBUSH MORGAN SECS INC, LOS ANGELES	8,174.40	334,149.00	0.02
RBC CAPITAL MARKETS LLC, NEW YORK	31,600.83	1,677,653.00	0.02	WEEDEN & CO L P, JERSEY CITY	390.22	41,762.00	0.01
RBC DOMINION SECS INC, TORONTO (DOMA)	3,385.00	119,800.00	0.03	WEEDEN & CO, NEW YORK	76,003.72	3,800,853.00	0.02
REDBURN PARTNERS LLP, LONDON	200.98	56,557.00	0.00	WELLS FARGO SECURITIES LLC, CHARLOTTE	18,589.83	688,728.00	0.03
RENAISSANCE CAPITAL LTD, LONDON	13,367.96	959,959.00	0.01	WILLIAM BLAIR & CO, CHICAGO	28,201.85	803,860.00	0.04
RENAISSANCE MACRO SEC, LLC, NEW YORK, NY	76.74	2,558.00	0.03	WILLIAMS CAPITAL GROUP LP, JERSEY CITY	15,413.10	634,707.00	0.02
ROTH CAPITAL PARTNERS LLC, IRVINE	230.60	6,640.00	0.03	WILSON HTM LTD, BRISBANE	115.77	39,016.00	0.00
ROYAL BANK OF CANADA EUROPE LTD, LONDON	4,290.44	534,104.00	0.01	WM SMITH & CO, JERSEY	1,019.25	32,860.00	0.03
ROYAL BANK OF CANADA, TORONTO (RBCT)	123.80	3,301.00	0.04	WOLFE TRAHAN SECURITIES, NEW YORK	1,519.20	41,240.00	0.04
ROYAL TR CORP OF CDA/GBL CUSTODY, LONDON	1,360.31	96,214.00	0.01	WOOD & COMPANY, PRAGUE	368.17	3,790.00	0.10
S G WARBURG, SEOUL	4,046.80	291,211.00	0.01	WOORI INVESTMENT & SECURITIES, SEOUL	67.45	14,052.00	0.00
SALISBURY BKT SECURITIES CORPORATION	395.15	198,480.00	0.00	WUNDERLICH SECURITIES INC, MEMPHIS	1,510.48	58,198.00	0.03
SAMSUNG SECS, SEOUL	12,746.59	128,741.00	0.10	XP INVESTIMENTOS CCTVM SA, RIO DE JANEIRO	26.72	1,200.00	0.02
SAMUEL A RAMIREZ & COMPANY, BROOKLYN	3,742.70	244,799.00	0.02	YAMNER & COMPANY INC, JERSEY CITY	3,786.96	378,696.00	0.01
SANDLER O'NEILL & PARTNERS, NEW YORK	5,593.19	170,433.00	0.03				
SANFORD C BERNSTEIN & CO INC, LONDON	19,814.55	2,243,086.00	0.01	TOTAL	\$5,932,805.99		
SANFORD C. BERNSTEIN & CO, WHITE PLAINS	22,061.05	22,409,989.00	0.00				
SANTANDER CENTRAL HISPANO INVT, MADRID	2,204.03	746,173.00	0.00				
SANTANDER INVESTMENT SECS, JERSEY CITY	360.46	122,600.00	0.00				
SCB SECURITIES CO LTD, BANGKOK	18,736.23	5,665,800.00	0.00				
SCOTIA CAPITAL (USA) INC, NEW YORK	3,472.21	312,141.00	0.01				
SCOTIA CAPITAL INC, NEW YORK	627.61	38,359.00	0.02				
SCOTIA CAPITAL MKTS, TORONTO	4,450.54	126,750.00	0.04				
SEAGROTT & CAMPBELL SDN, KUALA LUMPUR	4,816.96	1,349,488.00	0.00				
SEAPORT GROUP SECS LLC, NEW YORK	892.28	83,678.00	0.01				
SG AMERICAS SECURITIES LLC, NEW YORK	279.92	20,347.00	0.01				
SG SEC (LONDON) LTD, LONDON	42,188.18	5,467,484.00	0.01				
SG SECURITIES, HONG KONG	10,843.07	10,039,339.00	0.00				
SHANGHAI SECS CENTRAL, SHANGHAI	17.76	16,000.00	0.00				
SHENYIN WANGUO SECS LTD, HONG KONG	13,944.46	10,146,500.00	0.00				
SIDCO / CONVERGEX, NEW YORK	1,771.77	50,620.00	0.04				
SIDOTI & CO LLC, NEW YORK	9,517.47	298,412.00	0.03				
SIMMONS & CO INTL, HOUSTON	1,963.04	53,276.00	0.04				
SKANDINAVISKA ENSKILDA BANKEN, LONDON	7,200.66	338,941.00	0.02				
SKANDINAVISKA ENSKILDA BANKEN, STOCKHOLM	2,412.28	115,737.00	0.02				
SMBC NIKKO SECURITIES LTD, WAN CHAI	2,534.24	166,900.00	0.02				
SMBC SECURITIES, INC NEW YORK	7,535.23	522,028.00	0.01				
SOCIETE GENERALE (ACC), ZURICH	575.12	10,774.00	0.05				
SOCIETE GENERALE BK, ZURICH	334.45	4,923.00	0.07				
STANDARD BANK, LONDON	12,952.74	535,046.00	0.02				

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 security 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.

GLOSSARY OF INVESTMENT TERMS (Continued)

- Committed capital** - Money that is committed by limited partners to a private investment fund.
- 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 foreign exchange rate 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** - The chance that an issuer will not make the required coupon payments or principal repayments to its debt holders.
- 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, commodity.
- 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.

PENSION FUNDS MANAGEMENT DIVISION
GLOSSARY OF INVESTMENT TERMS (Continued)

- Federal Reserve Board** - The seven 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 assets prudently and solely for the beneficiary's benefit.
- Fitch Investor Services** - A financial services rating agency.
- Floating Rate Note** - A fixed principal instrument which has a long or even indefinite life and whose yield is periodically reset relative to a reference index rate to reflect changes in short- or intermediate-term interest rates.
- Forward contract** - A contract between two parties that requires the parties 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 a country over a particular period of 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 of securities used as an independent representation of market performance. Example: S&P 500 index.
- Index Fund** - A passively managed fund constructed 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 risk 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 a trend whereby a fund's return tends to be negative in the early years of a fund's existence until income and valuations increase in the later periods as investments mature and as 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 reduces 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 control over the management of the partnership and has unlimited liability for partnership debt and losses.
- Liquidity risk** - The risk that an investment cannot be immediately liquidated unless discounted in 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.

GLOSSARY OF INVESTMENT TERMS (Continued)

- Market Risk** - The risk that fluctuations in the overall market for securities will impact an investment portfolio.
- Market Value** - A security's last reported sale price or its current bid and ask prices. The price as determined dynamically by buyers and sellers in an open market.
- Master Custodian** - An entity, usually a bank, used for safekeeping of securities and other assets. May be 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, and is subordinated 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 23 countries on three continents. 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.** The NCREIF Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. 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, breakdown in internal procedures, etc).
- Par Value** - The stated or face value of a stock or bond. While it has little significance for common stocks, 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 provide retirement income.
- Percentile** - A description of the percentage rank of a portfolio's performance, relative to a larger universe of portfolios.
- Political Risk** - The risk resulting from political changes or instability in a country's system of government, laws or regulation.
- Prepayment risk** - The risk associated with the prepayment of fixed income investments in a declining 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 per share. 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.

GLOSSARY OF INVESTMENT TERMS (Continued)

- Prudent Person Rule** - The standard adopted by some states to guide those fiduciaries with responsibility for investing the 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 investments.
- 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)** - Net income of a company (after payment of preferred stock dividends but before payment of common stock dividends) divided by common shareholder equity.
- 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 measure of investment return which accounts for the amount of risk taken over a specified period.
- 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 collateralized process of loaning portfolio positions to custodians, dealers, and short sellers who must make physical delivery of positions. Securities lending may 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 chosen for market size, liquidity and industry grouping, among other factors, designed to represent a US equity universe of large capitalization stocks.
- 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 measure of the dispersion of a set of data from its mean. Often used as a measure of investment volatility or risk, it measures how much an investment return may vary from its average return.
- Tail risk** - The risk that a loss (or gain) would be three standard deviations from the mean or current price.
- 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 a universe 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 average market value $\{(P+S)/[(BMV+EMV)/2]\}$ for a given portfolio.

GLOSSARY OF INVESTMENT TERMS (Continued)

Unhedged - Not protected from market actions.

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 income return on an 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. 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 in "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.

UNDERSTANDING INVESTMENT PERFORMANCE (Continued)

In the alternative investment category, risks are significantly greater than those of publicly traded investments. Assessment of progress is more tenuous and valuation judgments are more complex. The investor assumes not only management, product, market, and operations risk, similar to equity investing, but also assumes liquidity risk, the risk that one's investment cannot be immediately liquidated at other than 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 some period of time, is measured statistically by standard deviation. Funds with high standard deviations are considered riskier than those with low standard deviations.

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

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

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

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

Return

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

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

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

DEBT MANAGEMENT DIVISION

CHANGES IN DEBT OUTSTANDING - STATUTORY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Bond Finance Type	Outstanding June 30, 2014	FY 2015			Outstanding June 30, 2015	FY 2015 ⁽¹⁾ Interest Paid
		Issued	Retired	Refunded or Defeased		
General Obligation - Tax Supported	\$11,160,400,486	\$2,437,365,000	\$ 975,311,365	\$ 459,000,000	\$ 12,163,454,121	\$ 469,818,943
General Obligation - Bond Anticipation Notes	-	400,000,000	400,000,000	-	-	63,333
General Obligation - Teachers' Retirement Fund Bonds ⁽²⁾	2,254,378,254	10,590,000	13,245,000	10,590,000	2,241,133,254	120,546,910
General Obligation - Economic Recovery Notes	580,775,000	61,610,000	61,055,000	61,055,000	520,275,000	15,583,482
General Obligation - GAAP Conversion Bonds ⁽³⁾	560,430,000	-	-	-	560,430,000	26,241,025
Special Tax Obligation	3,771,260,000	731,545,000	269,845,000	143,420,000	4,089,540,000	188,692,317
Bradley International Airport	135,600,000	-	6,185,000	-	129,415,000	5,275,041
Clean Water Fund	708,060,000	250,000,000	75,895,000	-	882,165,000	31,207,283
UCONN 2000 ⁽⁴⁾	1,023,985,000	254,790,000	92,240,000	38,550,000	1,147,985,000	44,471,849
CDA Increment Financing ⁽⁵⁾	35,280,000	-	3,750,000	-	31,530,000	1,483,666
CHEFA Childcare Facilities Program ⁽⁶⁾	59,180,000	33,475,000	2,040,000	32,380,000	58,235,000	3,006,325
Juvenile Training School ⁽⁷⁾	14,135,000	-	550,000	-	13,585,000	683,038
Bradley International Parking Operations	35,275,000	-	2,265,000	-	33,010,000	2,241,593
CHFA Special Needs Housing Bonds ⁽⁸⁾	67,220,000	-	3,395,000	-	63,825,000	2,983,913
CRDA Bonds ⁽⁹⁾	91,970,000	-	2,955,000	-	89,015,000	1,817,135
CHFA Emergency Mortgage Assistance Program ⁽¹⁰⁾	44,160,000	-	1,980,000	-	42,180,000	1,989,441
TOTAL	\$20,542,108,740	\$4,179,375,000	\$1,910,711,365	\$ 744,995,000	\$ 22,065,777,375	\$ 916,105,294

- (1) Includes interest rate swap payments and variable rate bond fees.
- (2) The General Obligation Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund \$2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.
- (3) The General Obligation GAAP Conversion Bonds were issued in fiscal year 2014 to fund half of the General Fund GAAP deficit at that time and commit the State to funding the balance over time through budget appropriation as part of a bond covenant.
- (4) UCONN 2000 Bonds were authorized in three stages in a total amount of \$4.3 billion over a 28 year period to be paid by the University of Connecticut from a State debt service commitment. As each series is issued, the debt service is appropriated from the State's General Fund.
- (5) The Connecticut Development Authority (CDA) has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund. The CDA was merged into Connecticut Innovations (CI) effective July 1, 2012.
- (6) On July 1, 1999, the Treasurer's Office assumed the responsibility for the Connecticut Health and Educational Facilities Authority (CHEFA) Childcare debt service appropriation per Public Act 97-259.
- (7) A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.
- (8) The Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Steps Initiative. The State is required to make debt service payments on the bonds under a contract for state assistance agreement between CHFA, the State Treasurer and the Secretary of the Office of Policy and Management.
- (9) The Capital Region Development Authority (CRDA), formerly known as Capital City Economic Development Authority, Bonds were issued to provide funding for the Adriaen's Landing development project in Hartford. The bonds, issued in a combination of fixed and variable rate securities, have a final maturity of 2034. The State is required to make debt service payments on the bonds up to a maximum annual amount of \$9 million pursuant to a contract for financial assistance agreement between CRDA, the State Treasurer, and the Secretary of the Office of Policy and Management. CRDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.
- (10) The Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract for state assistance agreement between CHFA, the Treasurer and the Secretary of the Office of Policy and Management.

Note 1: In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the Budget Act enacted by the General Assembly. The accounting standards that were applied in this legislation and the Budget Act enacted for the 2015 fiscal year is a basis of accounting other than Generally Accepted Accounting Principles. In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same statutory basis of accounting for the presentation of this schedule.

Note 2: GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the statutory basis presentation.

For a detailed listing of debt outstanding for the fiscal year ended June 30, 2015, please see Statutory Appendix.

DEBT MANAGEMENT DIVISION

**RETIREMENT SCHEDULE OF IN-SUBSTANCE DEFEASED DEBT OUTSTANDING⁽¹⁾ -
STATUTORY BASIS
JUNE 30, 2015**

Date Escrow Established	Amount of Principal Outstanding	Last Payment Date on Refunded Debt	Market Value of Escrow	Investment Profile of Escrow Account
BOND TYPE: GENERAL OBLIGATION				
06/04/2014	\$ 120,000,000	11/15/2015	\$ 122,697,477	State and Local Government Series Bonds/Cash
12/10/2014	247,500,000	06/01/2016	258,059,593	State and Local Government Series Bonds/Cash
SUBTOTAL	\$ 367,500,000		\$ 380,757,070	
BOND TYPE: SPECIAL TRANSPORTATION FUND				
12/21/2012	\$ 114,395,000	07/01/2015	\$ 117,055,587	State and Local Government Series Bonds/Cash
10/16/2014	143,420,000	07/01/2016	152,903,943	State and Local Government Series Bonds/Cash
SUBTOTAL	\$ 257,815,000		\$ 269,959,530	
BOND TYPE: CLEAN WATER FUND				
02/21/2013	\$ 46,280,000	07/01/2016	\$ 49,181,746	State and Local Government Series Bonds/Cash
02/21/2013	37,575,000	07/01/2016	40,055,649	State and Local Government Series Bonds/Cash
SUBTOTAL	\$ 83,855,000		\$ 89,237,395	
BOND TYPE: UCONN 2000				
04/16/2015	\$ 38,550,000	02/15/2016	\$ 39,659,844	US Treasury Notes/Cash
SUBTOTAL	\$ 38,550,000		\$ 39,659,844	
TOTAL	\$ 747,720,000		\$ 779,613,839	

(1) Represents bonds which have been refunded with proceeds of other bond issues and bonds which have been defeased using budget surplus. Although the State is still legally responsible for principal and interest payments on the refunded bonds, the refunded bonds are not carried as a liability of the State since they have been "in-substance" defeased. Investments adequate to meet all payments have been irrevocably deposited in escrow accounts with an independent agent for the sole purpose of satisfying principal and interest. The adequacy of each escrow account to meet debt service payments has been verified by an independent accounting firm.

Note 1 In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the Budget Act enacted by the General Assembly. The accounting standards that were applied in this legislation and the Budget Act enacted for the 2015 fiscal year is a basis of accounting other than Generally Accepted Accounting Principles. In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same statutory basis of accounting for the presentation of this schedule.

Note 2 GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the statutory basis presentation.

DEBT MANAGEMENT DIVISION

**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2015**

Name of Firm	Description of Services	Aggregate Compensation Paid in FY 2015	Status as of 06/30/15
A.C. Advisory, Inc.	Financial Advisor	\$ 132,505	Active
Acacia Financial Group, Inc.	Financial Advisor	129,623	Active
AMTEC	Arbitrage Calculation/Verification Agent Fees	16,800	Active
Citigroup Global Markets, Inc.	Management Fees	55,000	Active
CT Innovations Incorporated	Reimbursement of Legal Expenses	54,442	Active
Day Pitney, LLP	Bond/Disclosure Counsel	1,095,054	Active
Environmental Capital, LLC	Financial Advisor	12,293	Active
Finn Dixon & Herling LLP	Disclosure/Tax Counsel	113,184	Active
First Southwest Company	Financial Advisor	31,264	Active
Fitch Ratings	Rating Agency	473,000	N/A
Goldman Sachs	Management Fees	90,000	Active
Hardwick Law Firm, LLC	Bond Counsel	26,506	Active
Hawkins, Delafield & Wood, LLP	Arbitrage Calculation Fees/Bond Counsel	115,760	Active
ImageMaster	Financial Printer	89,854	Active
J P Morgan	Management Fees	176,000	Active
Lamont Financial Services	Financial Advisor	73,635	Active
Law Offices of Joseph C. Reid, PA	Bond Counsel	36,418	Active
Lewis & Munday	Bond Counsel	126,584	Active
Loop Capital Markets	Management Fees	100,000	Active
Mahoney Sabol & Co., LLP	Auditor	72,800	Active
Moody's Investors Service	Rating Agency	371,000	N/A
Orrick, Herrington & Sutcliffe, LLP (BondLogistix)	Arbitrage Calculation Fees	16,000	Active
Public Financial Management	Financial Advisor	25,637	Active
Public Resources Advisory Group	Financial Advisor	70,893	Active
Pullman & Comley, LLC	Bond Counsel	288,786	Active
Raymond James & Associates, Inc.	Management Fees	85,000	Active
Robinson & Cole	Bond/Tax Counsel	266,224	Active
Seward and Monde	Auditor	43,000	Active
Shipman & Goodwin, LLP	Bond Counsel	145,161	Active
Siebert Brandford Shank & Co.	Management Fees	55,000	Active
Soeder & Associates	Tax Counsel	99,382	Active
Squire, Patton, Boggs (US) LLP	Bond Counsel	248,432	Active
Standard & Poor's Rating Service	Rating Agency	355,007	N/A
The Williams Capital Group, L.P.	Management Fees	9,000	Active
U. S. Bank, NA	Administrative/Escrow/Trustee Fees	199,806	Active
Updike, Kelly & Spellacy	Bond Counsel	137,498	Active
Total		\$ 5,436,548	

- 1) Expenses are presented on a cash basis. Debt Management expenses are comprised of payments to vendors made through the Treasury Business Office, fees netted at bond closings, and fees and expenses paid from Cost of Issuance accounts. Unless listed in the description, the amounts shown do not include bond issuance expenses paid on behalf of the State and counsel fees for firms representing the underwriter's, banks or trustees. Also excluded are bond sales charges which are paid to the Senior Manager and distributed by agreement of the underwriters, whether netted from bond proceeds or funded from the Treasury Business Office. Schedule does not include amounts paid to IRS for arbitrage rebate payments in accordance with IRS regulations.

CASH MANAGEMENT DIVISION

**ACTIVITY STATEMENT
FISCAL YEAR ENDED JUNE 30, 2015**

Description	Total
INFLOWS	
Receipts:	
Deposits	\$31,211,480,745.15 ⁽¹⁾
Bad Checks	(8,517,515.98) ⁽²⁾
Treasury Initiated Transfers	2,304,377,560.62 ⁽³⁾
Total Receipts	<u>\$33,507,340,789.79</u>
Transfers:	<u>12,446,725,281.54</u> ⁽⁴⁾
Other Inflows:	
Internal Bank Transfers	39,125,348,913.40 ⁽⁵⁾
Interbank Transfers	16,068,787,605.44 ⁽⁶⁾
Total Other Inflows	<u>\$55,194,136,518.84</u>
TOTAL INFLOWS	<u><u>\$101,148,202,590.17</u></u>
OUTFLOWS	
Disbursements:	
Vendor	\$28,954,974,880.52 ⁽⁷⁾
Payroll	4,321,752,529.34 ⁽⁸⁾
Total Disbursements	<u>\$33,276,727,409.86</u>
Transfers:	<u>12,999,430,605.61</u> ⁽⁴⁾
Other Outflows:	
Internal Bank Transfers	39,125,348,913.40 ⁽⁵⁾
Interbank Transfers	16,068,787,605.44 ⁽⁶⁾
Total Other Outflows	<u>\$55,194,136,518.84</u>
TOTAL OUTFLOWS	<u><u>\$101,470,294,534.31</u></u>

- (1) Deposits - revenue received from taxes, licenses, lottery fees, federal grants and other sources.
- (2) Bad Checks - checks issued with insufficient funds in the originator's bank account.
- (3) Treasury Initiated Transfers - To record debt service payments to the proper bank account and transfer investment income to the proper fund.
- (4) Transfers - income earned from short and long-term investments, transfers of cash from one fund to the other, investment activity, and Certificates of Deposit purchased and sold with Connecticut banks under the Treasurer's Community Bank and Credit Union Initiative.
- (5) Internal Bank Transfers - transfers of money from concentration accounts to zero balance accounts with the same depository institution to provide funds to cover authorized disbursements and invest excess cash.
- (6) Interbank Transfers - transfers of state moneys between banks to invest excess cash or to cover authorized disbursements.
- (7) Vendor - expenditures for goods and services provided to the State by vendors, along with other payments, such as refunds of payments made to State agencies, restitution payments directed by the courts, and State grant payments.
- (8) Payroll - expenditures for the State's personnel and retirement payrolls.

CASH MANAGEMENT DIVISION

**CIVIL LIST FUNDS
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS ⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2015
PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING ^{(3) (4)}**

Fund Name	Cash Balance July 1, 2014	FY 2015 Receipts	FY 2015 Disbursements	Transfers	Cash Balance June 30, 2015	Other Net Adjustments ⁽²⁾	Adjusted Cash Balance June 30, 2015
TOTAL FUNDS	\$524,285,150.98	\$33,507,340,789.79	\$33,276,727,409.86	\$(552,705,324.07)	\$202,193,206.84	\$71,635,207.62	\$273,828,414.46

- (1) Detailed information on activity within each individual fund (formerly provided in the Statutory Appendix) can be obtained from the Comptroller's Annual Report.
- (2) Other Net Adjustments have been included to bring the Treasurer's cash balance presentation into conformance with the Comptroller's cash balance presentation.
- These adjustments include the following:
- Cash held in agency checking accounts.
 - Petty cash balance.
- (3) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the Budget Act enacted by the General Assembly. The Budget Act enacted for the 2015 fiscal year is presented on a comprehensive basis of accounting other than General Accepted Accounting Principals. In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Civil List Funds Summary Schedule of Cash Receipts and Disbursements.
- (4) GAAP accounting requires that investment balances be presented to include the accrued interest earned. This manner of presentation is not used for the statutory basis presentation.

CASH MANAGEMENT DIVISION

**CIVIL LIST FUNDS
SUMMARY SCHEDULE OF CASH AND INVESTMENTS ⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2015
PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING ^{(2) (3)}**

Description	Total All Funds
General Investments	
Cash	\$ 273,828,414.46
STIF	2,850,629,590.77
Investments with Treasurer as Trustee	
Short-Term	1,341,641,688.80
Long-Term	28,311,974,255.79
Investments with Others as Trustee	
Short-Term	222,289,299.37
Long-Term	340,182,590.91
Total	\$ 33,340,545,840.10
Reconciliation Between Treasurer & Comptroller ⁽⁴⁾	
Office of the Comptroller	
Cash and STIF June 30, 2015 (Annual Statutory Report)	\$ 3,480,625,527.81
Reporting Adjustment	(0.01)
Cash and Investments with Trustee Fund #14005	435,770,838.99
Cash and Investments with Trustee Fund #21008	14,246,747.02
Cash and Investments with Trustee Fund #21009	162,944,949.09
Cash and Investments with Trustee Fund #21015	284,895,907.02
Cash and Investments with Trustee Fund #21018	103,018,498.94
Cash and Investments with Trustee Fund #31001	(7,011,023.55)
Cash and Investments with Trustee Fund #31002	(151.96)
Cash and Investments with Trustee Fund #31004	(73,202.42)
Cash and Investments with Trustee Fund #31006	(7,344,629.41)
Cash and Investments with Trustee Fund #31008	(908,425.42)
Cash and Investments with Trustee Fund #31009	(14,836.80)
Cash and Investments with Trustee Fund #31010	(15,878.65)
Cash and Investments with Trustee Fund #31011	(11,365.64)
Cash and Investments with Trustee Fund #35010	(4,614.48)
Cash and Investments with Trustee Fund #35011	(18,646.50)
Total	\$ 4,466,099,694.03
Office of the Treasurer	
Cash	\$ 273,828,414.46
STIF	2,850,629,179.06
STIF/Investment with Treasurer as Trustee	1,341,641,688.80
Total	\$ 4,466,099,694.03

- (1) For a detailed listing of the Civil List Investments for the Fiscal Year Ending June 30, 2015, please see Statutory Appendix.
- (2) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the budget act enacted by the General Assembly. The Budget Act enacted for the 2015 fiscal year is presented on a comprehensive basis of accounting other than general accepted accounting principals. In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Summary Schedule of Cash and Investments.
- (3) GAAP accounting requires that investment balances be presented to include the accrued investment earnings. This manner of presentation is not used for the statutory basis presentation.
- (4) Reconciliation of Cash Equivalents Per Comptroller's Books to Cash and General Investments and Short-Term Investments Per Treasury Books..

CASH MANAGEMENT DIVISION

**CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM ⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2015**

Fund	Participant	Department	SID	Interest Earned During the Year
12004	Insurance Fund			
	INSURANCE FUND	DOI37500	10010	21,822.97
	Total			21,822.97
12007	Workers Compensation			
	ADMINISTRATION FUND	WCC42000	10010	44,190.77
	Total			44,190.77
12014	Criminal Injuries Compensation Fund			
	VICTIM SERVICES	JUD95000	12047	3,143.15
	Total			3,143.15
12015	Vending Facilities Operators Fringe Benefits			
	VENDING FACILITY PROGRAM - FEDERAL INCOME	SDR63500	40012	18.27
	Total			18.27
12017	University of Connecticut Operating Fund			
	OPERATING FUND	UOC67000	40001	387,248.63
	Total			387,248.63
12018	University Health Center Operating Fund			
	OPERATING FUND	UHC72000	40001	36,256.19
	STUDENT SCHOLARSHIPS AND LOANS	UHC72000	40014	11,845.09
	Total			48,101.28
12019	State University Operating Fund			
	STATE UNIVERSITIES	CSU83000	40001	395,495.47 ⁽²⁾
	CENTRAL CONNECTICUT STATE UNIVERSITY	CSU84000		4,316.51
	EASTERN CONNECTICUT STATE UNIVERSITY	CSU85500		5,113.15
	Total			404,925.13
12020	Regional Community/Technical Colleges Operating Fund (Tuition Account)			
	BBOARD FOR REGIONAL COMM-TECH COLLEGE	CCC78000	40001	133,347.80
	Total			133,347.80
12022	University of Connecticut Research Foundation			
	RESEARCH	UOC67000	40001	35,992.85
	Total			35,992.85
12031	Employment Security - Administration			
	PENALTY & INTEREST	DOL40000	40213	21,633.47
	TITLE XII EXCESS FUNDS	DOL40000	40214	921.32
	Total			22,554.79
12037	Tobacco Settlement Fund			
	TOBACCO SETTLEMENT FUND	OPM20000		5,551.82
	Total			5,551.82
12060	GENERAL FUND			
	RESEARCH IN PLANT SCIENCE	AES48000	30099	1,408.05
	ADMINISTRATION OF GRANTS	AES48000	30116	332.21
	BOARD FOR STATE ACADEMIC AWARD	BOR77700	35186	3,111.13
	CT DISTANCE LEARNING CONSORTIUM	BOR77700	35289	700.32
	GEARUP FEDERAL SCHOLARSHIPS	BOR77700	26247	8,376.64
	CONN STATE LIBRARY ACCOUNT	CSL66000	30082	12.31
	CT LIBRARY & MUSEUM FUND	CSL66000	30093	2,822.14
	HISTORIC DOCUMENTS PRESERVATION ACCOUNT	CSL66000	35150	1,663.97
	RICHARD A. FORESTER MEMORIAL FUND	DCF91000	30084	7.58
	STRIPPER WELL OVERCHARGE	DEP43000	20492	39.93
	NUCLEAR SAFETY EMERGENCY PREPAREDNESS	DEP43000	35411	1,247.81
	GEARUP SCHOLARSHIP TRUST FUND	DHE66500	22133	3,217.02
	WEISMAN TEACHER SCHOLARSHIP FUND	DHE66500	30405	38.88
	FINANCIAL LITERACY INITIATIVES	DHE66500	30432	893.33

CASH MANAGEMENT DIVISION

**CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM ⁽¹⁾ (Continued)
FISCAL YEAR ENDED JUNE 30, 2015**

Fund	Participant	Agency	SID	Interest Earned During the Year
	PRIVATE OCCUPATIONAL STUDENT PROTECTION FUND	DHE66500	35135	9,098.07
	CONNECTICUT FUTURES ACCOUNT	DHE66500	35151	5.00
	BOARD OF PAROLE'S ASSET FORFEITURE ACCOUNT	DOC88000	20127	85.14
	CORRECTIONAL MEMORIAL FUND	DOC88000	30015	40.89
	CORRECTION GENERAL WELFARE FUND	DOC88000	35137	410.85
	FEDERAL ASSET FORFEITURE	DPS32000	20493	801.60
	ENHANCED 911 TELECOMMUNICATIONS FUND	DPS32000	35190	54,684.88
	CHILDREN'S TRUST FUND	DSS60000	30219	735.76
	BRAIN INJURY PREVENTION AND SERVICE ACCOUNT	DSS60000	35308	154.73
	OFFICE OF TOURISM	ECD46000	30207	66.66
	LAW LIBRARY-DONATED COPIER RECEIPTS	JUD95000	30238	10.21
	CRIMINAL VIOLENCE VICTIMS ESCROW ACCT.	JUD95000	35203	0.41
	CLIENT SECURITY FUND	JUD95000	35205	25,123.01
	SANDY HOOK WORKERS ASSISTANCE FUND	JUD95000	35503	283.54
	DMHAS-COMMISSIONER'S OFFICE PRE-TRIAL ACCOUNT	MHA53000	35166	386.47
	DRUG ASSET FORFEITURE PROGRAM	MIL36000	35112	21.77
	CITIZEN ELECTION FUND RESERVE ACCT	OGA17000	30422	346.50
	CITIZEN ELECTION FUND GRANTS	OGA17000	35339	15,833.62
	JUVENILE ACCOUNTABILITY INCENTIVE BLOCK	OPM20000	21672	1,648.87
	JUSTICE ASSISTANCE GRANT	OPM20000	21921	7,982.83
	INVESTMENT FUND	OTT14000	35101	24,287.49
	SECOND INJURY	OTT14000	35105	3,274.29
	SECOND INJURY STIPULATION & REIMBURSEMENT	OTT14000	35111	4,382.07
	MUNICIPAL PARTICIPATION FUND	OTT14000	35269	0.89
	CARE OF CEMETERY LOTS	OTT14000	35577	404.57
	DIV. OF FINANCE AND INTERNAL OPERATIONS	SDE64000	35351	4.80
	FINANCIAL LITERACY UBS	SDE64000	35358	306.31
	FINANCIAL LITERACY	SDE64000	35380	215.11
	FAUCHTSWANGER FUND	SDR63500	30030	12.98
	FRAUENHOFER FUND	SDR63500	30042	31.24
	MISCELLANEOUS GRANTS	SDR63500	30070	20.47
	SARA BROWN FUND	SDR63500	30092	369.71
	CHARLES PRECOURT MEMORIAL FUND	SDR63500	30104	6.20
	ANN COROTEAU MEMORIAL FUND	SDR63500	30113	6.90
	VENDING FACILITIES PROGRAM -STATE AND LOCAL INCOME	SDR63500	35149	836.65
Total				175,751.81
21005	Auto Emissions Inspection Fund			
	AUTO EMISSION INSPECTION FUND	DMV35000		3,322.87
Total				3,322.87
21009	Bradley International Airport Operations			
	BRADLEY ENTERPRISE FUND	DOT57000	40001	21,361.82
Total				21,361.82
21019	Stadium Facility Enterprise Fund			
	STADIUM ENTERPRISE FUND	OPM20000		216.74
Total				216.74
22001	Correction Industries			
	CORRECTIONAL COMMISSARY FUND	DOC88000	42304	5,567.68
Total				5,567.68
31001	State Employees' Retirement System			
	STATE EMPLOYEES RETIREMENT FUND	OSC15000	40001	68,742.01
Total				68,742.01
31006	Teacher's Retirement System			
	TEACHER'S RETIREMENT BOARD OPERATING FUND	TRB77500		24,017.18
Total				24,017.18

CASH MANAGEMENT DIVISION

**CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM ⁽¹⁾ (Continued)
FISCAL YEAR ENDED JUNE 30, 2015**

Fund	Participant	Agency	SID	Interest Earned During the Year
31008	Municipal Employees Retirement - Fund B			
	MUNICIPAL EMPLOYEES RETIREMENT FUND	OSC15000	40001	5,069.01
Total				5,069.01
31011	OPEB Fund			
	OPEB RETIREE MED. EMPL. SHARE	OSC15000	43426	(9,652.01)
	OPEB RETIREE PHARMACY	OSC15000	43427	(24,069.26)
	OPEB HEALTH INS. EMPLOYEE CONT.	OSC15000	43440	7,567.18
Total				(26,154.09)
31012	Teacher's Retirement System			
	OPEB TEACHER RETIREMENT	TRB77500	42358	22,932.90
Total				22,932.90
34003	Funds Awaiting Distribution			
	EARLY RETIREE RECOVERIES	OSC15000	43483	0.42
Total				0.42
35001	Connecticut Health Club Guaranty Fund			
	HEALTH CLUB GUARANTEE FUND	DCP39500	40001	537.03
Total				537.03
35002	Real Estate Guaranty			
	REAL ESTATE GUARANTEE FUND	DCP39500	40001	765.28
Total				765.28
35003	Home Improvement Guaranty Fund			
	HOME IMPROVEMENT GUARANTEE FUND	DCP39500	40001	1,034.38
Total				1,034.38
35006	New Home Construction Guaranty Fund			
	NEW HOME CONSTRUCTION GUARANTY	DCP39500	40001	343.08
Total				343.08
35007	Tobacco and Health Trust Fund			
	TOBACCO HEALTH TRUST FUND	OPM20000	40001	20,793.88
Total				20,793.88
35008	Biomedical Research Trust Fund			
	BIOMEDICAL RESEARCH FUND	DPH48500		15,213.07
Total				15,213.07
35009	Endowed Chair Investment Fund			
	ENDOWED CHAIR INVESTMENT FUND	DHE66500	40001	8,493.75
Total				8,493.75
35012	Various Treasurer's Trust Funds			
	IRWIN LEPOW TRUST FUND	CME49500	42354	43.51
	R. GRAEME SMITH	DPS32000	42353	10.53
	FITCH FUND	DVA21000	42356	51.64
	JOHN H. KING	JUD95000	42355	196.17
Total				301.85
Grand Total				\$1,455,208.13

(1) Interest is earned at the monthly simple interest rate of the Treasurer's Short-Term Investment Fund. Interest is calculated on the average monthly balance of the fund or account, and credited to the fund or account on a quarterly basis.

(2) Interest is earned by the participant and allocated to the constituent units

CASH MANAGEMENT DIVISION

**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2015**

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2015	Status As of 6/30/15
Bank of America	Banking Services	Various	\$ 3,034,817 ⁽²⁾	Active
Bank of New York Mellon	STIF Custodian Fees	Oct-13	264,659	Active
Webster Bank	Banking Services	Jun-98	238,828 ⁽²⁾	Active
People's United Bank	Banking Services	Mar-97	179,965 ⁽²⁾	Active
Wells Fargo Bank	Banking Services	Feb-97	93,046 ⁽²⁾	Active
JP Morgan Chase Bank	Banking Services	Mar-10	70,281 ⁽²⁾	Active
US Bank National Assn	Bond Trustee & Paying Agent	Jul-06	67,834	Active
Bloomberg Financial LP	Subscription	N/A	42,000	Active
Standard & Poor's Financial Services, LLC	Subscription & Rating	N/A	38,000	Active
Moody's Investors Services	Subscription & Research	N/A	21,450	Active
Fitch Information Inc.	Credit Research	N/A	15,415	Active
Global Spectrum	Catering Services	N/A	8,768	Active
TOTAL			\$ 4,075,063	

(1) Expenses are presented on a cash basis.

(2) Includes compensation realized through bank balances and fees.

UNCLAIMED PROPERTY DIVISION

**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2015**

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2015	Status As of 6/30/15
A & A Office Systems, Inc.	Photocopier Lease	N/A	\$ 6,315	Active
Audit Services US LLC	Identification & Collection of Property	May-14	228,885	Active
Blackrock Investment Management LLC	Security Commission Expense	May-09	31,606	Active
JP Morgan Chase Bank	P-Card Purchase	Mar-10	11,512	Active
Murphy Security Services LLC	Security Services	N/A	11,918	Active
Xerox State & Local Solutions Inc.	Claims Processing & Database Management	Jul-06	1,009,726	Active
Xerox State & Local Solutions Inc.	Identification & Collection of Property	Aug-94	285,727	Active
Verus Financial LLC	Identification & Collection of Property	Jul-14	1,132,880	Active
TOTAL			\$ 2,718,569	

(1) Expenses are presented on a cash basis.

UNCLAIMED PROPERTY DIVISION

FIVE YEAR SELECTED FINANCIAL INFORMATION

	Fiscal Year Ended June 30,				
	2015	2014	2013	2012	2011
Gross Receipts ⁽¹⁾	\$ 147,656,895	\$ 103,178,699	\$ 115,442,771	\$ 95,986,114	\$ 125,029,194
Claims Paid ⁽¹⁾	61,090,933	63,772,440	66,859,408	83,544,465	51,946,468
Transfer to Citizens Election Fund ⁽²⁾	11,281,219	11,081,918	10,907,400	10,600,000	18,373,174
Administrative Expenses:					
Salaries & Fringe benefits	3,539,983	3,542,003	3,432,053	3,601,391	3,743,050
Data processing & hardware	2,696,640	1,522,819	1,688,192	1,488,672	2,427,212
All Other	76,916	338,740	83,564	376,488	157,153
Total Disbursements	78,685,691	80,257,920	82,970,617	99,611,016	76,647,057
Excess (Deficiency) of Receipts over Disbursements ⁽³⁾	\$ 68,971,204	\$ 22,920,779	\$ 32,472,154	\$ (3,624,902)	\$ 48,382,137
Approximate Market Value of Securities at Fiscal Year End:					
Total Securities Inventory ⁽¹⁾	\$ 543,458	\$ 665,152	\$ 967,998	\$ 1,110,823	\$ 1,932,505
Securities liquidated	\$ 41,815,320	\$ 21,227,122	\$ 16,714,382	\$ 23,047,163	\$ 56,953,029
Number of claims paid	17,888	20,897	17,852	18,381	17,933

- (1) The amounts disclosed above as "gross receipts" and "claims paid" represent actual cash flows and do not include the value of marketable securities received by the Unclaimed Property Division, nor the value of the securities returned to owners. However, the amounts disclosed above as fiscal year end market values of securities help provide a general indication of the relative net activity in such assets over time. Receipts include the proceeds from securities liquidated in a given year.
- (2) P.A. 05-5, October 25, 2005 special session required Unclaimed Property Division to deposit certain funds into the Citizens' Election Fund and the balance is deposited into the General Fund.
- (3) Deficiency of receipts over disbursements are covered by transfers from the General Fund, whereas excess of receipts over disbursements are remitted to the General Fund. Regardless, all amounts collected remain liabilities of the State until returned to rightful owners.

**Summary of Gross Receipts
Fiscal Year Ended June 30, 2015**

Financial institutions	\$22,198,137
Other corporations	39,346,724
Insurance companies	36,551,915
Govern agency/ public authorities	3,893,901
Dividends on securities held	92,177
Estates	106,291
Securities tendered	8,624
Securities sold	41,815,320
Sale of property lists, copying and other charges	7,800
Reciprocal exchange program with other states	3,636,006
Total Gross Receipts	\$147,656,895

SECOND INJURY FUND

**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2015**

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2015	Status As of 6/30/15
A & A Office Systems Inc.	Photocopier Lease	N/A	\$ 10,442	Active
Advanced Corporate Networking	Computer Equipment	N/A	5,971	Active
Automatic Data Processing Inc.	Check Processing	Apr-06	21,653	Active
Coventry Healthcare Workers Comp Inc.	Provider Bill Audit Services	Feb-06	134,484	Active
JP Morgan Chase Bank	P-Card Purchases	Mar-10	10,018	Active
MCMC, LLC	IME/Case Mgmt./Job Placement	Jan-06	35,118	Active
Murphy Security Service, LLC	Security Services	N/A	16,018	Active
PCC Technology Group	Interactive Website Design	N/A	401,920	Active
Security Services of Connecticut Inc.	Surveillance Services	Dec-13	20,691	Active
William B. Meyers	Records Management Services	Oct-14	13,934	Active
TOTAL			\$ 670,249	

(1) Expenses are presented on a cash basis. This schedule only includes services that were retained directly by the Fund and does not include medical services ordered by Workers Compensation Commissioners, claimants or their treating physicians.

EXECUTIVE OFFICE

EX OFFICIO DUTIES OF THE STATE TREASURER BOARDS, COMMITTEES AND COMMISSIONS

STATE BOND COMMISSION (§ 3-20(c) CGS)

As authorized by the General Assembly, all projects and grants funded from State bonds, as well as the issuance of the bonds, must be authorized by the State Bond Commission. The members of the Commission include the Governor, Treasurer, Comptroller, Attorney General, Secretary of the Office of Policy and Management (OPM), Commissioner of Public Works, and the Co-chairpersons and the ranking minority members of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.

INVESTMENT ADVISORY COUNCIL (§ 3-13b(a) CGS)

The Investment Advisory Council advises on investment policy and guidelines, and also reviews the assets and performance of the pension funds. Additionally, the Council advises the Treasurer with respect to the hiring of outside investment advisors and on the appointment of the Chief Investment Officer. The Investment Advisory Council consists of the Treasurer, the Secretary of OPM and ten appointees of the Governor and State Legislature.

BANKING COMMISSION (§ 36a-70(h)(1) CGS)

The Banking Commission approves all applications for the creation of state banks or trust companies. As part of this process, the Commission holds public hearings on applications prior to granting approval. The Commission members are the Treasurer, Comptroller and Banking Commissioner.

FINANCE ADVISORY COMMITTEE (§ 4-93 CGS)

The Finance Advisory Committee approves budget transfers recommended by the Governor and has other such powers over the State budget when the General Assembly is not in session. The Committee members are the Governor, Lieutenant Governor, Treasurer, Comptroller, two Senate members who are members of the Legislature's Appropriations Committee and three House members who are members of the Legislature's Appropriations Committee.

CONNECTICUT LOTTERY CORPORATION BOARD OF DIRECTORS (§ 12-802(b) CGS)

The Connecticut Lottery Corporation manages the State lottery and is responsible to introduce new lottery games and maximize the efficiency of operations in order to provide a greater return to the general fund. The thirteen member Board of Directors includes the Treasurer, the Secretary of OPM, as well as appointees by the Governor and State Legislature.

CONNECTICUT HIGHER EDUCATION TRUST (CHET) ADVISORY COMMITTEE (§ 3-22e(a) CGS)

This committee advises the Treasurer on policies concerning CHET. The Connecticut Higher Education Trust allows families to make tax deferred investments for higher education costs. The Commissioner of Higher Education, the Secretary of OPM, the Cochairpersons and ranking members of the Legislature's education committee, and finance, revenue and bonding committees, and four representatives of private higher education and the public serve with the Treasurer on this board.

COUNCIL OF FISCAL OFFICERS (By Charter)

The purpose of the Council of Fiscal Officers is to provide a forum for discussion and participation in the development of State financial policies, practices and systems. Membership is open to all State officials or employees, elected or appointed, classified or unclassified, serving in a fiscal management position. The Treasurer is one of four permanent members of the Executive Board.

THE STANDARDIZATION COMMITTEE (§ 4a-58(a) CGS)

The standardization committee approves or grants waivers to existing purchasing regulations when it is in the best interests of the State to do so. The members of this committee include the Treasurer, Comptroller, Commissioner of Administrative Services, and such administrative heads of State departments as are designated for that duty by the Governor.

INFORMATION AND TELECOMMUNICATION SYSTEMS (IT)

EXECUTIVE STEERING COMMITTEE (§ 4d-12(b) CGS)

The IT Executive Steering Committee directs the planning, development, implementation and maintenance of State information and telecommunication systems. The Committee consists of the Treasurer, Comptroller, Secretary of OPM, Commissioner of Administrative Services, and the Chief Information Officer.

EXECUTIVE OFFICE

EX OFFICIO DUTIES OF THE STATE TREASURER (Continued)

BOARDS, COMMITTEES AND COMMISSIONS

CONNECTICUT INNOVATIONS, Incorporated (CI) (§32-35 CGS) (Effective July 1, 2012 the Treasurer is a member of the CI Board of Directors)

CI is a quasi-public organization dedicated to driving an entrepreneurial, technology-based economy in Connecticut. CI stimulates high-tech growth by investing in early-stage Connecticut technology companies, university/industry research collaborations and technology transfer and collaborating with government, business, nonprofit and academic organizations to advance technology growth and promote public policies consistent with CI's mission.

CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA) (§ 8-244(a) CGS)

CHFA was created to increase the supply of, and encourage and assist in the purchase, development and construction of, housing for low and moderate-income families and persons throughout the State. It provides mortgages for single family homeowners at below market rates, mortgages for multi-family developers, and construction financing. The members of the board include the Treasurer, Commissioner of Economic and Community Development, Secretary of OPM, Banking Commissioner, seven members appointed by the Governor, and four members appointed by legislative leaders.

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY (CHEFA)

BOARD OF DIRECTORS (§ 10a-179(a) CGS)

CHEFA is a conduit bond issuer for hospitals, nursing homes, private universities, private secondary schools and day care facilities. The board members include the Treasurer, Secretary of OPM, and eight members appointed by the Governor.

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY (CHESLA)

BOARD OF DIRECTORS (§ 10a-224(a) CGS)

CHESLA finances supplemental student loans and issues bonds every two years. The Board consists of eight members including the Treasurer, Commissioner of Higher Education, Secretary of OPM, and five additional members appointed by the Governor.

STUDENT FINANCIAL AID INFORMATION COUNCIL (§ 10a-161b CGS)

The council develops procedures to improve student financial aid policy and increase resources, develops methods to improve financial aid awareness, especially among middle and high school students and their families, and coordinates financial aid delivery. The council is assisted in their responsibilities by the Department of Higher Education and the Connecticut Association of Professional Financial Aid Administrators. The Council consists of the Commissioners of Higher Education, the Treasurer, four members appointed by the Governor, and four members appointed by the legislative leadership.

CONNECTICUT STUDENT LOAN FOUNDATION (§10a-201)

The Student Loan Foundation is a non-profit corporation created to improve educational opportunity and promote repayment of loans. The corporation is governed by a board of directors consisting of fourteen members including the chairperson of the Board of Governors of Higher Education and the Commissioner of Higher Education; six public members appointed by the Governor; four members with knowledge of business or finance appointed by the legislature leadership; and the Treasurer.

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY (CEFIA) (P.A 11-80)

CEFIA was created to promote, develop and invest in clean energy and energy efficiency projects in order to strengthen Connecticut's economy, protect community health, improve the environment, and promote a secure energy supply for the state. The members of its Board consist of eleven voting and two nonvoting members each with knowledge and expertise in matters related to the purpose and activities of the authority appointed as follows: The Treasurer, the Commissioner of Energy and Environmental Protection and the Commissioner of Economic and Community Development, each serving ex officio; four members appointed by the Legislature, two representing certain stakeholders (residential or low-income groups and environmental organizations) and two with specialized expertise (investment fund management and finance or deployment of renewable energy); four members appointed by the Governor, two with experience in the finance of renewable energy, one representing labor, and one with experience in research and development or manufacturing of clean energy; and two serving in an ex officio, nonvoting capacity, including the president of the authority and a member of the board of Connecticut Innovations, Incorporated.

EXECUTIVE OFFICE

EX OFFICIO DUTIES OF THE STATE TREASURER (Continued) BOARDS, COMMITTEES AND COMMISSIONS

CONNECTICUT AIRPORT AUTHORITY (CAA) (P.A. 11-84)

CAA was established to develop, improve and operate Bradley International Airport and the five state-owned general aviation airports (Danielson, Groton/New London, Hartford Brainard, Waterbury-Oxford, and Windham Airports). The act also allows for the subsequent purchase of other general aviation airports and authorizes DOT to transfer them to CAA through one or more Memorandum of Understanding ("MOU"). With Treasurer and State Bond Commission approval, an MOU may allow CAA to assume the state's obligation for any outstanding Bradley International Airport revenue bonds. Any such assumption must be in compliance with the Indenture securing the outstanding bonds. An 11-member board governs CAA, appointed as follows: (1) (A) the Treasurer or the treasurer's designee, (B) the Commissioner of Transportation or the commissioner's designee, and (C) the Commissioner of Economic and Community Development or the commissioner's designee, each serving ex officio; (2) one appointed by the speaker of the House of Representatives for a term of four years; (3) one appointed by the minority leader of the House of representatives for a term of four years; (4) one appointed by the president pro tempore of the Senate for a term of four years; and (5) one appointed by the minority leader of the Senate for a term of four years.. The Governor shall appoint four members to the board as follows: (A) two members for two years; and (B) two members for four years.

STATE EMPLOYEES' RETIREMENT COMMISSION (§5-155a)

The Connecticut State Employees Retirement Commission administers the provisions of the State Employees Retirement System, the Municipal Employees Retirement System, and all other state retirement and pension plans except the Teachers' Retirement System. The Connecticut State Employees Retirement Commission consists of: six trustees representing employees who are appointed by the bargaining agents in accordance with the provisions of applicable bargaining agreements; six management trustees who are members of the State Employees Retirement System and appointed by the Governor; two actuarial trustees who are enrolled actuaries and Fellows of the Society of Actuaries, one of whom is nominated by the trustees representing employees and one of whom is nominated by the management trustees, and are appointed by the Governor; one neutral trustee who is chairman of the State Employees Retirement Commission and is enrolled in the National Academy of Arbitrators who is nominated by the employee and management trustees and appointed by the Governor; and the State Treasurer who serves as a non-voting ex officio trustee. The Comptroller, ex officio, is the nonvoting secretary of the Commission and provides secretariat support to the Commission.

TEACHERS' RETIREMENT BOARD (§10-183L)

The Teachers' Retirement Board administers the Connecticut Teachers' Retirement System. The Board consists of fourteen members: four active teacher members, two retired teacher members, the State Treasurer, the Secretary of the Office of Policy and Management and the Commissioner of the State Board of Education, and five public members appointed by the Governor.

CONNECTICUT RETIREMENT SECURITY BOARD (P.A. 14-217)

The Connecticut Retirement Security Board was created to address the growing retirement crisis in Connecticut. The Board's mission is to conduct a market feasibility study to implement a public retirement plan and report the results to the Governor and the General Assembly no later than January 1, 2016. In consultation with key stakeholders, it must also develop and submit a comprehensive proposal by April 1, 2016 to implement the plan. The Connecticut Retirement Security Board consists of the following members: (1) One appointed by the president pro tempore of the Senate, who shall be an expert on retirement plan designs; (2) One appointed by the speaker of the House of Representatives, who shall represent an organization whose principal purpose is advocacy for seniors; (3) One appointed by the majority leader of the Senate, who shall be an organized labor representative; (4) One appointed by the majority leader of the House of Representatives, who shall be an individual who manages employee retirement plan options in the private sector; (5) One appointed by the minority leader of the Senate, who shall have expertise in designing retirement plan options for businesses; (6) One appointed by the minority leader of the House of Representatives, who shall be an individual with expertise in consumer retirement planning; (7) Two appointed by the Governor, one of whom shall be a plan participant or potential plan participant and one of whom shall have expertise regarding the federal Employment Retirement Income Security Act of 1974 or the Internal Revenue Code, or both; (8) One appointed by the State Comptroller and one appointed by the State Treasurer, both of whom shall be experienced in matters relating to investments; (9) The State Comptroller, or the Comptroller's designee; (10) The State Treasurer, or the Treasurer's designee; (11) The Labor Commissioner, or the commissioner's designee; and (12) The Secretary of the Office of Policy and Management, or the secretary's designee.

EXECUTIVE OFFICE

**TOTAL ADMINISTRATION EXPENDITURES
FISCAL YEARS ENDED JUNE 30,**

Fiscal Years Ended June 30,

	2015	%	2014	%	2013	%	2012	%	2011	%
GENERAL FUND										
Personal Services	\$3,122,049	2.92%	\$3,133,301	2.96%	\$2,961,675	3.08%	\$3,194,412	3.16%	\$3,072,415	3.13%
Other Expenses	153,995	0.14%	164,129	0.15%	170,506	0.18%	150,905	0.15%	186,710	0.19%
Capital Equipment	1	0.00%	1	0.00%	1	0.00%	1	0.00%	0	0.00%
TOTAL	3,276,045	3.07%	3,297,432	3.11%	3,132,182	3.25%	3,345,318	3.31%	3,259,125	3.32%
PENSION FUNDS										
Personal Services	4,939,368	4.63%	4,877,348	4.60%	\$4,431,436	4.60%	\$4,139,994	4.10%	\$4,045,025	4.12%
Other Expenses	82,497,181	77.27%	83,204,722	78.51%	74,310,403	77.21%	78,399,179	77.67%	75,849,755	77.24%
Capital Equipment	0	0.00%	3,279	0.00%	2,879	0.00%	10,167	0.01%	2,709	0.00%
TOTAL	87,436,549	81.90%	88,085,349	83.11%	78,744,717	81.82%	82,549,340	81.78%	79,897,489	81.36%
SECOND INJURY FUND										
Personal Services	6,701,004	6.28%	6,631,038	6.26%	\$6,785,278	7.05%	\$6,785,278	6.72%	\$6,476,474	6.59%
Other Expenses	808,594	0.76%	603,991	0.57%	514,213	0.53%	498,017	0.49%	457,424	0.47%
Capital Equipment	0	0.00%	4,59	0.00%	5,398	0.01%	7,776	0.01%	4,895	0.00%
TOTAL	7,509,598	7.03%	7,239,619	6.83%	7,304,889	7.59%	7,291,071	7.22%	6,938,793	7.07%
UNCLAIMED PROPERTY FUND										
Personal Services	3,539,983	3.32%	3,133,301	2.96%	\$3,432,053	3.57%	\$3,601,392	3.57%	\$3,743,050	3.81%
Other Expenses	2,773,556	2.60%	1,858,608	1.75%	1,768,158	1.84%	1,859,400	1.84%	2,580,964	2.63%
Capital Equipment	0	0.00%	2,951	0.00%	3,599	0.00%	5,760	0.01%	3,401	0.00%
TOTAL	6,313,539	5.91%	4,994,861	4.71%	5,203,809	5.41%	5,466,551	5.42%	6,327,415	6.44%
SHORT-TERM INVESTMENT FUND										
Personal Services	1,484,134	1.39%	1,448,544	1.37%	\$1,224,572	1.27%	\$1,076,978	1.07%	\$1,024,744	1.04%
Other Expenses	414,469	0.39%	531,720	0.50%	254,844	0.26%	237,120	0.23%	233,068	0.24%
Capital Equipment	0	0.00%	984	0.00%	900	0.00%	1,440	0.00%	846	0.00%
TOTAL	1,898,603	1.78%	1,981,248	1.87%	1,480,316	1.54%	1,315,538	1.30%	1,258,658	1.28%
Other Financing Sources (1)	333,055	0.31%	384,997	0.36%	\$380,818	0.40%	\$972,576	0.96%	\$522,380	0.53%
TOTAL AGENCY	106,767,389	100.00%	105,983,505	100.00%	\$96,246,731	100.00%	\$100,940,394	100.00%	\$98,203,860	100.00%

(1) Other Financing Sources include: Clean Water Fund; Special Transportation Fund; and the Capital Equipment Fund.

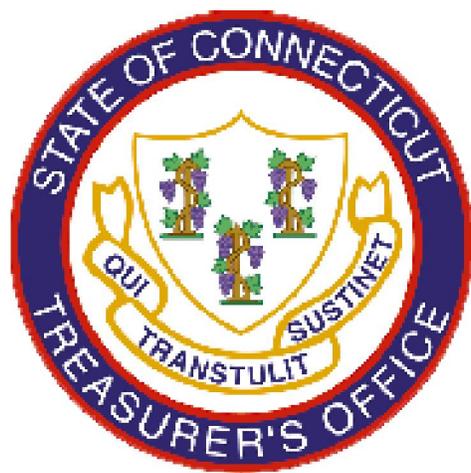
EXECUTIVE DIVISION

SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2015

Name of Firm	Description of Services	Contract Date	Aggregate Compensation		Status
			Paid in FY 2015	As of 6/30/15	
A&A Office Systems Inc.	Office Equipment	N/A	\$ 6,866		Active
Advance Corporate Networking	Comupter Equipment	N/A	6,184		Active
Bloomberg Financial LP	On-Line Service	N/A	20,766		Active
Corporate Governance Research	Research Consulting Services.	Mar-07	28,854		Active
Council of Institutional Investors	Dues	N/A	30,000		Active
CERES Incorporated	Dues	N/A	10,000		Active
Fariant Advisors	Subscription	N/A	18,000		Active
Financial Recovery Technology LLC	Subscription	N/A	14,583		Active
Hallmark TotalTech, Inc	Temporary Executive Secretary	N/A	32,395		Active
Institutional Shareholders Srvs	Proxy Voting Services	Nov-99	7,725		Active
Investor Responsibility Support Services	Subscription	Dec-02	6,250		Active
Integrated Compliance Solutions Group LLC	Compliance Services	N/A	47,044		Active
JP Morgan Chase Bank	Purchasing Card Expenditures	Mar-10	14,292		Active
Murphy Security Service LLC	Premises Security Services	May-10	15,186		Active
MSCI Incorporated	Subscription	N/A	7,957		Active
National Association Of State Treasurers	Dues	N/A	6,000		Active
PRI Association	Subscription	N/A	11,271		Active
West Group	Subscription	N/A	31,664		Active
TOTAL			\$ 315,037		

(1) Expenses are presented on a cash basis.

Statutory Appendix



DEBT MANAGEMENT DIVISION

**SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS
JUNE 30, 2015**

Issue Date	Outstanding June 30, 2014	Issued	FY 2015		Refunded or Defeased	Outstanding June 30, 2015	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2015 ⁽²⁾	Interest Paid During FY 2015 ⁽³⁾
			Retired	Retired								
BOND TYPE: GENERAL OBLIGATION - TAX SUPPORTED												
03/28/1996	\$ 1,247,804	\$ -	\$ 338,750	\$ -	\$ -	909,054	5.030	5.030	11/01/2015	05/01/2018	\$ -	\$ 58,583
09/01/1997	6,242,355	-	1,007,000	-	-	5,235,355	5.081	5.081	03/01/2016	03/01/2020	-	317,174
09/30/1997	820,000	-	185,000	-	-	635,000	5.081	5.081	03/01/2016	03/01/2020	-	41,664
05/01/1999	8,320,320	-	853,200	-	-	7,467,120	4.633	4.633	09/01/2015	09/01/2022	-	365,716
05/06/1999	1,445,000	-	285,000	-	-	1,160,000	4.633	4.633	09/01/2015	09/01/2022	-	60,345
06/12/2001	1,220,000	-	245,000	-	-	975,000	4.650	4.650	10/01/2015	10/01/2022	-	53,708
06/12/2001	5,230,007	-	532,415	-	-	4,697,592	4.652	4.652	10/01/2015	10/01/2022	-	230,906
06/15/2001	86,250,000	-	48,200,000	-	-	38,050,000	5.500	5.500	12/15/2015	12/15/2016	-	3,418,250
12/22/2004	45,000,000	-	45,000,000	-	-	-	-	-	12/01/2014	12/01/2014	-	1,107,563
03/16/2005	280,000,000	(4)	-	-	180,000,000	100,000,000	1.700	2.150	03/01/2019	03/01/2023	-	9,934,846
04/27/2005	275,860,000	-	-	-	-	275,860,000	4.375	5.250	06/01/2017	06/01/2021	-	14,409,938
04/27/2005	15,620,000	-	-	-	-	15,620,000	3.990	3.990	06/01/2016	06/01/2016	-	623,238
04/27/2005	20,000,000	-	-	-	-	20,000,000	5.070	5.070	06/01/2017	06/01/2017	-	1,014,000
04/27/2005	20,000,000	-	-	-	-	20,000,000	5.200	5.200	06/01/2020	06/01/2020	-	1,040,000
06/01/2005	47,250,000	-	15,750,000	-	31,500,000	-	-	-	06/01/2015	06/01/2015	-	1,417,500
06/01/2005	6,000,000	-	6,000,000	-	-	-	-	-	06/01/2015	06/01/2015	-	267,000
11/15/2005	60,000,000	-	15,000,000	-	30,000,000	15,000,000	5.000	5.000	11/15/2015	11/15/2015	-	1,828,125
03/09/2006	174,000,000	-	14,500,000	-	159,500,000	15,000,000	3.800	5.000	12/15/2015	12/15/2025	-	7,682,588
05/01/2006	120,000,000	-	10,000,000	-	100,000,000	10,000,000	4.000	4.000	05/01/2016	05/01/2016	-	3,191,156
06/01/2006	141,000,000	-	11,750,000	-	117,500,000	11,750,000	4.000	5.000	06/01/2016	06/01/2016	-	3,985,981
11/09/2006	240,000,000	-	30,000,000	-	210,000,000	210,000,000	4.000	5.000	11/01/2015	11/01/2026	-	10,854,000
11/09/2006	307,005,000	-	-	-	307,005,000	307,005,000	4.000	5.000	12/15/2015	12/15/2022	-	14,895,375
12/14/2006	180,000,000	-	10,000,000	-	170,000,000	170,000,000	3.625	5.000	12/01/2015	12/01/2021	-	8,442,856
05/10/2007	125,190,000	-	3,940,000	-	121,250,000	121,250,000	4.000	5.000	05/01/2016	05/01/2027	-	5,659,525
05/10/2007	147,185,000	-	27,540,000	-	119,645,000	119,645,000	4.000	5.000	05/01/2016	05/01/2022	-	7,239,250
06/14/2007	157,560,000	-	17,810,000	-	139,750,000	139,750,000	4.000	5.000	06/01/2016	06/01/2027	-	7,455,628
12/19/2007	18,460,000	-	18,460,000	-	-	-	-	-	03/15/2015	03/15/2015	-	923,000
12/19/2007	210,000,000	-	15,000,000	-	195,000,000	195,000,000	3.500	5.000	12/01/2015	12/01/2027	-	9,266,850
06/26/2008	280,000,000	-	20,000,000	-	260,000,000	260,000,000	3.500	5.000	04/15/2016	04/15/2028	-	13,043,729
06/26/2008	272,300,000	-	19,450,000	-	252,850,000	252,850,000	3.750	5.000	04/15/2016	04/15/2028	-	13,300,585
11/06/2008	379,410,000	-	21,765,000	-	357,645,000	357,645,000	4.100	5.750	11/01/2015	11/01/2028	-	18,653,251
02/26/2009	321,000,000	-	15,000,000	-	306,000,000	306,000,000	2.750	5.000	02/15/2016	02/15/2029	-	14,912,003
03/26/2009	33,365,000	-	5,035,000	-	28,330,000	28,330,000	3.000	5.000	03/01/2016	03/01/2018	-	1,225,950
03/26/2009	90,590,000	-	16,235,000	-	74,355,000	74,355,000	3.000	5.000	03/01/2016	03/01/2023	-	4,101,050
03/26/2009	40,000,000	-	8,000,000	-	32,000,000	32,000,000	5.460	5.460	03/01/2016	03/01/2019	-	2,184,000
12/23/2009	450,000,000	-	-	-	450,000,000	450,000,000	4.950	5.632	12/01/2020	12/01/2029	-	24,355,000
04/28/2010	184,250,000	-	-	-	184,250,000	184,250,000	4.407	5.257	04/01/2019	04/01/2026	-	8,876,978
04/28/2010	105,000,000	-	26,250,000	-	78,750,000	78,750,000	2.875	5.000	04/01/2016	04/01/2018	-	4,306,688
06/23/2010	143,750,000	-	29,000,000	-	114,750,000	114,750,000	2.125	5.000	12/01/2015	12/01/2018	-	5,322,313
06/23/2010	180,955,000	-	17,845,000	-	163,110,000	163,110,000	3.000	5.000	12/01/2015	12/01/2021	-	8,133,325
10/19/2010	46,535,000	-	1,660,000	-	44,875,000	44,875,000	2.500	5.000	10/01/2016	10/01/2022	-	2,012,050

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS (Continued)

JUNE 30, 2015

Issue Date	Outstanding June 30, 2014	FY 2015			Outstanding June 30, 2015	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2015 ⁽²⁾	Interest Paid During FY 2015 ⁽³⁾
		Issued	Retired	Refunded or Defeased							
10/19/2010	203,400,000	-	-	-	203,400,000	5.295	5.295	10/01/2029	10/01/2029	-	10,770,030
10/19/2010	22,205,000	-	-	-	22,205,000	5.305	5.305	10/01/2030	10/01/2030	-	1,177,975
10/19/2010	294,395,000	-	-	-	294,395,000	5.090	5.090	10/01/2025	10/01/2030	-	14,984,706
05/19/2011	239,485,000	-	55,000,000	-	184,485,000	2.580	2.850	05/15/2016	05/15/2034	-	1,813,034
05/31/2011	162,870,000	-	-	-	162,870,000	2.300	5.000	05/15/2019	05/15/2023	-	7,300,403
05/31/2011	7,645,000	-	7,645,000	-	-	-	-	05/15/2015	05/15/2015	-	162,074
05/31/2011	75,000,000	-	-	-	75,000,000	2.400	2.850	05/15/2016	05/15/2019	-	631,767
11/14/2011	60,645,000	-	21,205,000	-	39,440,000	5.000	5.000	11/01/2015	11/01/2019	-	2,502,125
11/14/2011	495,000,000	-	27,500,000	-	467,500,000	2.000	5.000	11/01/2016	11/01/2031	-	22,153,425
04/26/2012	259,600,000	-	-	-	259,600,000	2.000	5.000	04/15/2021	04/15/2032	-	12,340,744
04/26/2012	66,400,000	-	8,300,000	-	58,100,000	1.081	2.934	04/15/2016	04/15/2022	-	1,302,768
04/26/2012	165,200,000	-	23,600,000	-	141,600,000	2.250	2.970	04/15/2016	04/15/2020	-	1,491,979
06/29/2012	508,890,000	-	31,095,000	-	477,795,000	1.750	5.000	06/01/2016	06/01/2025	-	24,640,475
10/04/2012	19,380,000	-	16,410,000	-	2,970,000	4.000	5.000	09/15/2015	09/15/2015	-	433,475
10/04/2012	280,135,000	-	-	-	280,135,000	2.000	5.000	09/15/2020	09/15/2032	-	12,057,875
10/04/2012	194,865,000	-	25,000,000	-	169,865,000	2.580	3.210	09/15/2015	09/15/2024	-	1,117,262
11/16/2012	224,785,000	-	25,000,000	-	199,785,000	0.713	2.551	10/15/2015	10/15/2022	-	3,490,640
11/28/2012	150,215,000	-	-	-	150,215,000	3.000	5.000	10/15/2022	10/15/2032	-	6,587,850
03/28/2013	155,430,000	-	-	-	155,430,000	2.000	5.000	03/01/2019	03/01/2033	-	6,257,719
03/28/2013	224,570,000	-	20,000,000	-	204,570,000	2.510	3.270	03/01/2016	03/01/2025	-	1,441,394
08/07/2013	200,000,000	-	10,000,000	-	190,000,000	4.000	5.000	07/15/2015	07/15/2033	-	9,437,500
08/29/2013	115,000,000	-	15,000,000	-	100,000,000	2.480	3.050	08/15/2015	08/15/2020	-	811,338
08/29/2013	285,000,000	-	5,000,000	-	280,000,000	2.000	5.000	08/15/2015	08/15/2033	-	13,137,900
08/29/2013	100,000,000	-	10,000,000	-	90,000,000	0.676	3.817	08/15/2015	08/15/2023	-	2,499,810
03/26/2014	278,000,000	-	-	-	278,000,000	2.500	5.000	03/01/2020	03/01/2034	-	11,597,049
03/26/2014	75,000,000	-	20,000,000	-	55,000,000	1.500	4.000	03/01/2016	03/01/2019	-	1,675,000
03/26/2014	22,000,000	-	-	-	22,000,000	2.450	2.870	03/01/2020	03/01/2023	-	189,906
03/26/2014	25,000,000	-	-	-	25,000,000	3.010	3.190	03/01/2017	03/01/2019	-	113,556
06/04/2014	822,225,000	-	171,920,000	-	650,305,000	2.000	5.000	12/15/2015	12/15/2025	-	33,713,946
06/26/2014	200,000,000	-	10,000,000	-	190,000,000	2.000	5.000	06/15/2016	06/15/2034	-	8,389,233
08/28/2014	-	300,000,000	-	-	300,000,000	2.000	5.000	09/01/2015	09/01/2034	-	6,710,000
08/28/2014	-	200,000,000	-	-	200,000,000	0.250	3.100	09/01/2015	09/01/2024	-	1,952,000
12/10/2014	-	256,620,000	-	-	256,620,000	3.000	5.000	11/15/2016	11/15/2025	-	5,133,708
12/10/2014	-	240,000,000	-	-	240,000,000	1.500	5.000	11/15/2015	11/15/2034	-	4,397,867
12/10/2014	-	60,000,000	-	-	60,000,000	3.250	5.000	11/15/2028	11/15/2031	-	1,190,728
02/25/2015	-	400,000,000	400,000,000	-	-	-	-	03/25/2015	03/25/2015	-	63,333
03/25/2015	-	400,000,000	-	-	400,000,000	2.000	5.000	03/15/2016	03/15/2035	-	-
03/25/2015	-	100,000,000	-	-	100,000,000	1.422	3.127	03/15/2018	03/15/2025	-	-
05/28/2015	-	500,000,000	-	-	500,000,000	2.000	5.000	06/15/2016	06/15/2035	-	-
05/28/2015	-	200,000,000	-	-	200,000,000	2.250	2.800	06/15/2017	06/15/2024	-	-
05/28/2015	-	180,745,000	-	-	180,745,000	2.450	3.420	06/15/2016	06/15/2022	-	-
SUBTOTAL	\$ 11,160,400,486	\$ 2,837,365,000	\$ 1,375,311,365	\$ 459,000,000	\$ 12,163,454,121					\$	\$ 469,882,276

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS (Continued)

JUNE 30, 2015

Issue Date	Outstanding June 30, 2014	FY 2015			Outstanding June 30, 2015	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2015 ⁽²⁾	Interest Paid During FY 2015 ⁽³⁾
		Issued	Retired	Refunded or Defeased							
BODY TYPE: GENERAL OBLIGATION TEACHERS' RETIREMENT FUND BONDS⁽⁶⁾											
04/30/2008	\$2,071,525,000	\$ -	\$13,245,000	\$ -	\$2,058,280,000	4.550	5.850	03/15/2016	03/15/2032	\$ -	\$120,094,776
04/30/2008	172,263,254	-	-	-	172,263,254	5.886	6.270	03/15/2018	03/15/2025	94,938,148	-
04/30/2008	10,590,000	-	-	10,590,000	-	-	-	08/28/2014	-	-	263,720
08/28/2014	-	10,590,000	-	-	10,590,000	3.500	3.500	09/01/2027	09/01/2027	-	188,414
SUBTOTAL	\$ 2,254,378,254	\$ 10,590,000	\$ 13,245,000	\$ 10,590,000	\$ 2,241,133,254					\$ 94,938,148	\$ 120,546,910
BOND TYPE: ECONOMIC RECOVERY NOTES											
12/03/2009	\$ 266,480,000	\$ -	\$61,055,000	\$61,055,000	\$ 144,370,000	5.000	5.000	01/01/2016	01/01/2016	\$ -	\$13,324,000
10/24/2013	80,320,000	-	-	-	80,320,000	3.000	3.000	01/01/2016	07/01/2016	-	547,782
10/24/2013	77,475,000	-	-	-	77,475,000	3.000	3.000	01/01/2017	01/01/2017	-	542,049
10/24/2013	78,250,000	-	-	-	78,250,000	3.000	3.000	07/01/2017	07/01/2017	-	547,471
10/24/2013	78,250,000	-	-	-	78,250,000	3.000	3.000	01/01/2018	01/01/2018	-	547,471
12/10/2014	-	61,610,000	-	-	61,610,000	3.150	3.460	01/01/2016	01/01/2018	-	74,707
SUBTOTAL	\$ 580,775,000	\$ 61,610,000	\$ 61,055,000	\$ 61,055,000	\$ 520,275,000					\$ -	\$ 15,583,482
BODY TYPE: GAAP CONVERSION BONDS⁽⁶⁾											
10/24/2013	\$ 560,430,000	\$ -	\$ -	\$ -	\$ 560,430,000	1.000	5.000	10/15/2015	10/15/2027	\$ -	\$26,241,025
SUBTOTAL	\$ 560,430,000	\$ -	\$ -	\$ -	\$ 560,430,000					\$ -	\$ 26,241,025
BOND TYPE: SPECIAL TAX OBLIGATION											
11/15/2004	\$ 19,215,000	\$ -	\$ 9,375,000	\$ -	\$ 9,840,000	5.000	5.000	07/01/2015	07/01/2015	\$ -	\$ 711,900
11/15/2004	58,150,000	-	-	-	58,150,000	3.750	5.250	07/01/2015	07/01/2019	-	3,016,063
12/15/2005	178,780,000	-	11,205,000	143,420,000	24,155,000	5.000	5.000	07/01/2015	07/01/2016	-	4,922,138
10/25/2007	196,745,000	-	10,280,000	-	186,465,000	3.750	5.000	08/01/2015	08/01/2027	-	9,080,795
10/01/2008	71,110,000	-	25,400,000	-	45,710,000	3.250	5.000	02/01/2016	02/01/2022	-	2,943,675
12/10/2008	248,995,000	-	11,645,000	-	237,350,000	4.000	5.000	11/01/2015	11/01/2028	-	11,855,931
01/29/2009	328,145,000	-	39,460,000	-	288,685,000	3.000	5.000	02/01/2016	02/01/2022	-	15,169,825
11/10/2009	127,950,000	-	18,860,000	-	109,090,000	3.000	5.000	12/01/2015	12/01/2029	-	4,916,799
11/10/2009	15,340,000	-	15,340,000	-	-	-	-	12/01/2014	-	-	383,500
11/10/2009	304,030,000	-	-	-	304,030,000	4.855	5.740	12/01/2020	12/01/2029	-	16,663,351
11/10/2010	142,550,000	-	20,890,000	-	121,660,000	5.000	5.000	11/01/2015	11/01/2019	-	6,605,250
11/10/2010	400,430,000	-	-	-	400,430,000	4.126	5.459	11/01/2020	11/01/2030	-	20,678,184
11/10/2010	105,715,000	-	20,665,000	-	85,050,000	3.000	5.000	11/01/2016	11/01/2022	-	4,243,825
12/15/2011	214,055,000	-	7,540,000	-	206,515,000	3.375	5.000	12/01/2015	12/01/2031	-	10,306,663
12/15/2011	157,840,000	-	35,935,000	-	121,905,000	2.000	5.000	12/01/2015	12/01/2022	-	6,048,475
12/21/2012	477,110,000	-	15,870,000	-	461,240,000	3.000	5.000	01/01/2016	01/01/2033	-	23,032,400
12/21/2012	125,100,000	-	8,810,000	-	116,290,000	5.000	5.000	01/01/2017	01/01/2025	-	6,255,000
11/21/2013	600,000,000	-	18,570,000	-	581,430,000	3.000	5.000	10/01/2015	10/01/2033	-	28,719,425
10/16/2014	-	131,545,000	-	-	131,545,000	3.000	5.000	09/01/2017	09/01/2025	-	2,320,031
10/16/2014	-	600,000,000	-	-	600,000,000	2.000	5.000	09/01/2015	09/01/2034	-	10,819,088
SUBTOTAL	\$ 3,771,260,000	\$ 731,545,000	\$ 269,845,000	\$ 143,420,000	\$ 4,089,540,000					\$ -	\$ 188,692,317

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS (Continued)

JUNE 30, 2015

Issue Date	Outstanding June 30, 2014	FY 2015			Outstanding June 30, 2015	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2015 ⁽²⁾	Interest Paid During FY 2015 ⁽³⁾
		Issued	Retired	Refunded or Defeased							
BOND TYPE: BRADLEY INTERNATIONAL AIRPORT											
03/31/2011	\$ 81,360,000	\$ -	\$ 3,710,000	\$ -	\$ 77,650,000	4.393	4.393	10/01/2015	10/01/2031	\$ -	\$ 3,149,108
03/31/2011	54,240,000	-	2,475,000	-	51,765,000	4.463	4.463	10/01/2015	10/01/2031	-	2,125,933
SUBTOTAL	\$ 135,600,000	\$ -	\$ 6,185,000	\$ -	\$ 129,415,000					\$ -	\$ 5,275,041
BOND TYPE: CLEAN WATER FUND											
07/01/2003	\$ 40,935,000	\$ -	\$ 20,405,000	\$ -	\$ 20,530,000	5.000	5.000	10/01/2015	10/01/2015	\$ -	\$ 1,536,625
07/27/2006	21,325,000	-	6,910,000	-	14,415,000	4.125	4.200	07/01/2015	07/01/2016	-	738,466
08/06/2008	60,100,000	-	18,580,000	-	41,520,000	3.500	5.000	02/01/2016	02/01/2018	-	2,688,425
06/25/2009	171,560,000	-	8,000,000	-	163,560,000	3.500	5.000	06/01/2016	06/01/2027	-	7,902,975
06/25/2009	1,525,000	-	1,525,000	-	-				06/01/2015	-	70,925
07/30/2009	85,510,000	-	8,040,000	-	77,470,000	3.000	5.000	10/01/2015	10/01/2022	-	3,670,550
03/24/2011	167,935,000	-	11,935,000	-	156,000,000	3.000	5.000	01/01/2016	01/01/2028	-	7,392,904
02/21/2013	121,935,000	-	500,000	-	121,435,000	2.000	5.000	03/01/2016	03/01/2031	-	5,646,350
02/21/2013	37,235,000	-	-	-	37,235,000	2.000	5.000	07/01/2019	07/01/2027	-	1,560,063
05/06/2015	-	250,000,000	-	-	250,000,000	2.000	5.000	03/01/2016	03/01/2035	-	-
SUBTOTAL	\$ 708,060,000	\$ 250,000,000	\$ 75,895,000	\$ -	\$ 882,165,000					\$ -	\$ 31,207,263
BOND TYPE: UCONN 2000⁽⁷⁾											
03/16/2005	\$ 4,895,000	\$ -	\$ 4,895,000	\$ -	\$ -	3.800	4.750	02/15/2016	02/15/2015	\$ -	\$ 210,188
03/15/2006	46,270,000	-	3,860,000	38,550,000	3,860,000	5.000	5.000	02/15/2016	02/15/2020	-	2,151,011
03/15/2006	55,035,000	-	2,765,000	-	52,270,000	3.700	5.000	04/01/2016	04/01/2027	-	2,751,750
04/12/2007	54,600,000	-	4,200,000	-	50,400,000	5.000	5.000	04/01/2016	04/01/2020	-	2,247,400
04/12/2007	46,030,000	-	-	-	46,030,000	3.500	5.000	04/01/2016	04/01/2022	-	2,301,500
04/16/2009	108,115,000	-	7,125,000	-	100,990,000	3.000	5.000	02/15/2016	02/15/2029	-	4,912,549
05/25/2010	77,680,000	-	4,860,000	-	72,820,000	2.250	5.000	02/15/2016	02/15/2030	-	3,603,421
05/25/2010	23,930,000	-	4,460,000	-	19,470,000	2.000	5.000	02/15/2016	02/15/2021	-	1,016,125
12/08/2011	29,420,000	-	2,415,000	-	27,005,000	2.000	5.000	02/15/2016	02/15/2023	-	1,390,450
12/08/2011	152,765,000	-	8,990,000	-	143,775,000	2.000	5.000	02/15/2016	02/15/2031	-	7,179,275
07/31/2013	172,660,000	-	8,630,000	-	164,030,000	3.000	5.000	08/15/2015	08/15/2033	-	7,702,250
07/31/2013	50,595,000	-	2,135,000	-	48,460,000	2.000	5.000	02/15/2017	02/15/2024	-	2,350,150
04/22/2014	109,050,000	-	5,450,000	-	103,600,000	2.000	5.000	02/15/2016	02/15/2034	-	3,783,078
04/22/2014	92,940,000	-	32,455,000	-	60,485,000	3.000	5.000	02/15/2016	02/15/2025	-	2,872,702
04/16/2015	-	220,165,000	-	-	220,165,000	1.000	5.000	02/15/2016	02/15/2035	-	-
04/16/2015	-	34,625,000	-	-	34,625,000	4.000	5.000	02/15/2017	02/15/2026	-	-
SUBTOTAL	\$ 1,023,985,000	\$ 254,790,000	\$ 92,240,000	\$ 38,550,000	\$ 1,147,985,000					\$ -	\$ 44,471,849
BOND TYPE: GDA INCREMENT FINANCING⁽⁸⁾											
10/05/2004	\$ 5,410,000	\$ -	\$ 405,000	\$ -	\$ 5,005,000	3.600	5.000	10/15/2015	10/15/2024	\$ -	\$ 222,114
10/05/2004	1,475,000	-	725,000	-	750,000	3.500	3.500	12/15/2015	12/15/2015	-	38,575
10/05/2004	3,930,000	-	1,245,000	-	2,685,000	5.125	5.125	05/01/2016	05/01/2017	-	201,413
12/20/2006	5,580,000	-	705,000	-	4,875,000	3.750	4.000	12/15/2015	12/15/2020	-	204,173

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS (Continued)

JUNE 30, 2015

Issue Date	Outstanding June 30, 2014	Issued	FY 2015		Outstanding June 30, 2015	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2015 ⁽²⁾	Interest Paid During FY 2015 ⁽³⁾
			Retired	Refunded or Defeased							
05/22/2014	18,885,000	-	670,000	-	18,215,000	3.500	5.000	04/15/2016	04/15/2034	-	817,392
SUBTOTAL	\$ 35,280,000	\$ -	\$ 3,750,000	\$ -	\$ 31,530,000					\$ -	\$ 1,483,666
BOND TYPE: CHEFA CHILDCARE FACILITIES PROGRAM⁽⁶⁾											
12/20/2006	\$ 17,270,000	\$ -	\$ 430,000	\$ 16,840,000	\$ -			07/01/2016		\$ -	\$ 846,200
10/23/2008	15,830,000	-	290,000	15,540,000	-			07/01/2018		-	941,100
08/19/2011	26,080,000	-	1,320,000	-	24,760,000	3.000	5.000	07/01/2015	07/01/2031	-	1,219,025
04/01/2015	-	33,475,000	-	-	33,475,000	1.500	5.000	07/01/2015	07/01/2038	-	-
SUBTOTAL	\$ 59,180,000	\$ 33,475,000	\$ 2,040,000	\$ 32,380,000	\$ 58,235,000					\$ -	\$ 3,006,325
BOND TYPE: JUVENILE TRAINING SCHOOL⁽¹⁰⁾											
02/15/2001	\$ 14,135,000	\$ -	\$ 550,000	\$ -	\$ 13,585,000	4.750	5.250	12/15/2015	12/15/2030	\$ -	\$ 683,038
SUBTOTAL	\$ 14,135,000	\$ -	\$ 550,000	\$ -	\$ 13,585,000					\$ -	\$ 683,038
BOND TYPE: BRADLEY INTERNATIONAL PARKING OPERATIONS											
03/15/2000	\$ 35,275,000	\$ -	\$ 2,265,000	\$ -	\$ 33,010,000	6.500	6.600	07/01/2015	07/01/2024	\$ -	\$ 2,241,593
SUBTOTAL	\$ 35,275,000	\$ -	\$ 2,265,000	\$ -	\$ 33,010,000					\$ -	\$ 2,241,593
BOND TYPE: CHFA SPECIAL NEEDS HOUSING BONDS⁽¹¹⁾											
09/13/2007	\$ 20,080,000	\$ -	\$ 1,140,000	\$ -	\$ 18,940,000	4.500	5.000	06/15/2016	06/15/2027	\$ -	\$ 968,038
05/19/2009	31,760,000	-	1,585,000	-	30,175,000	3.125	5.000	06/15/2016	06/15/2029	-	1,331,875
10/19/2010	15,380,000	-	670,000	-	14,710,000	4.000	5.000	06/15/2016	06/15/2031	-	684,001
SUBTOTAL	\$ 67,220,000	\$ -	\$ 3,395,000	\$ -	\$ 63,825,000					\$ -	\$ 2,983,913
BOND TYPE: CRDA BONDS⁽¹²⁾											
07/21/2004	\$ 3,480,000	\$ -	\$ 1,705,000	\$ -	\$ 1,775,000	4.000	5.000	06/15/2016	06/15/2016	\$ -	\$ 163,750
07/21/2004	57,470,000	-	-	-	57,470,000	3.960	3.960	06/15/2017	06/15/2034	-	31,223
08/04/2005	11,030,000	-	700,000	-	10,330,000	5.000	5.000	06/15/2016	06/15/2029	-	551,500
12/16/2008	19,990,000	-	550,000	-	19,440,000	4.000	5.750	06/15/2016	06/15/2034	-	1,070,663
SUBTOTAL	\$ 91,970,000	\$ -	\$ 2,955,000	\$ -	\$ 89,015,000					\$ -	\$ 1,817,135
BOND TYPE: CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM⁽¹³⁾											
10/19/2010	\$ 25,735,000	\$ -	\$ 1,180,000	\$ -	\$ 24,555,000	2.730	5.350	06/15/2016	06/15/2030	\$ -	\$ 1,182,758
11/14/2011	18,425,000	-	800,000	-	17,625,000	2.140	5.000	06/15/2016	06/15/2031	-	806,683
SUBTOTAL	\$ 44,160,000	\$ -	\$ 1,980,000	\$ -	\$ 42,180,000					\$ -	\$ 1,989,441
GRAND TOTAL	\$ 20,542,108,740	\$ 4,179,375,000	\$ 1,910,711,365	\$ 744,995,000	\$ 22,065,777,375					\$ 94,938,148	\$ 916,105,294

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS (Continued)

JUNE 30, 2015

- (1) Includes all outstanding debt issued by the State of Connecticut as of June 30, 2015.
- (2) Includes interest accreted on Capital Appreciation Bonds (CABs) only. Interest on CABs accretes over the life of the bond and is paid at maturity. This amount is not included in the column shown as outstanding June 30, 2015.
- (3) Includes interest rate swap payments and variable rate bond fees.
- (4) During fiscal year 2015, the State exercised its option to terminate the Swap Agreement relating to the 2005 Series A SIFMA Index Bonds and redeemed \$180,000,000 of the outstanding 2005 Series A SIFMA Index Bonds on May 28, 2015.
- (5) The General Obligation Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund \$2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.
- (6) The General Obligation GAAP Conversion Bonds were issued in fiscal year 2014 to fund half of the General Fund GAAP deficit and commit the State to funding the balance over time through budget appropriation as part of a bond covenant.
- (7) UCONN 2000 Bonds were authorized in three stages, in a total amount of \$4.3 billion over a 28 year period to be paid by the University of Connecticut from a State debt service commitment. As each series is issued, the debt service is appropriated from the State's General Fund.
- (8) The Connecticut Development Authority (CDA) has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund. The CDA was merged into Connecticut Innovations (CI) effective July 1, 2012.
- (9) On July 1, 1999, the Treasurer's Office assumed the responsibility for the Connecticut Health and Educational Facilities Authority (CHEFA) Childcare debt service appropriation per Public Act 97-259.
- (10) A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.
- (11) The Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Step Initiative. The State is required to make debt service payments on the bonds under a contract for state assistance agreement between CHFA, the State Treasurer and the Secretary of the Office of Policy and Management.
- (12) The Capital Region Development Authority (CRDA), formerly known as Capital City Economic Development Authority, Bonds were issued to provide funding for the Adriaen's Landing development project in Hartford. The bonds, issued in a combination of fixed and variable rate securities, have a final maturity of 2034. The State is required to make debt service payments on the bonds up to a maximum annual amount of \$9 million pursuant to a contract for financial assistance agreement between CRDA, the State Treasurer, and the Secretary of the Office of Policy and Management. CRDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.
- (13) The Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract for state assistance agreement between CHFA, the State Treasurer and the Secretary of the Office of Policy and Management.

NOTE 1: In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the Budget Act enacted by the General Assembly. The accounting standards that were applied in this legislation and the Budget Act enacted for the 2015 fiscal year is a basis of accounting other than Generally Accepted Accounting Principles. In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same statutory basis of accounting for the presentation of this schedule.

NOTE 2: GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the statutory basis presentation.

DEBT MANAGEMENT DIVISION

**SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING⁽¹⁾
JUNE 30, 2015**

CORE Fund No.	Name	Inception to Date		Principal Outstanding June 30, 2015	Interest Accreted Through Fiscal Year 2015 ⁽²⁾	Outstanding Incl. Accreted Interest June 30, 2015
		Amount Authorized	Amount Issued			
BOND TYPE: GENERAL OBLIGATION-TAX SUPPORTED						
12033	ECONOMIC DEVELOPMENT FUND	\$1,824,300	\$140,430,000	\$31,000,000	\$ -	\$31,000,000
12034	ECONOMIC DEVELOPMENT ASSISTANCE	1,336,800,000	1,001,837,647	319,595,206	-	319,595,206
12036	ECONOMIC STABILIZATION FUND	95,000,000	95,000,000	8,537,294	-	8,537,294
12050	LOCAL CAPITAL IMPROVEMENT FUND	765,000,000	727,500,000	141,100,000	-	141,100,000
12051	CAPITAL EQUIPMENT PURCHASE FUND	482,540,000	427,407,428	54,419,000	-	54,419,000
12052	GRANTS TO LOCAL GOVTS. & OTHERS	3,742,937,622	2,379,347,704	700,212,432	-	700,212,432
12063	HOUSING BONDS	879,382,689	666,340,235	121,275,000	-	121,275,000
12066	DECD - HOUSING TRUST FUND	220,000,000	137,965,000	87,965,000	-	87,965,000
12067	CT BIOSCIENCE COLLABORATION PROGRAM	198,672,000	195,839,000	125,039,000	-	125,039,000
12068	CT BIOSCIENCE INNOVATION FUND	35,000,000	20,000,000	20,000,000	-	20,000,000
13009	SCHOOL CONSTRUCTION	1,849,039,500	1,849,039,500	7,100,000	-	7,100,000
13010	MAGNET SCHOOLS	8,720,130,770	8,298,925,719	4,673,351,025	-	4,673,351,025
13015	AGRICULTURAL LAND PRESERVATION	170,250,000	114,498,716	30,050,000	-	30,050,000
13019	GRANTS FOR URBAN ACTION	1,439,487,544	1,271,992,054	303,693,700	-	303,693,700
13048	CSUS 2020 FUND INFRASTRUCTURE PROGRAM	650,000,000	443,782,128	351,502,128	-	351,502,128
17001	GENERAL STATE PURPOSES	305,022,094	303,974,512	30,840,363	-	30,840,363
17011	GENERAL STATE PURPOSES	580,110,320	551,032,612	80,288,928	-	80,288,928
17021	GENERAL STATE PURPOSES	444,856,502	445,038,198	114,199,682	-	114,199,682
17041	GENERAL STATE PURPOSES	251,081,385	249,332,976	127,737,668	-	127,737,668
17051	GENERAL STATE PURPOSES	182,191,116	175,929,116	79,464,542	-	79,464,542
17061	GENERAL STATE PURPOSES	169,913,560	168,636,646	146,951,355	-	146,951,355
17071	GENERAL STATE PURPOSES	358,309,611	281,042,232	174,155,514	-	174,155,514
17081	GENERAL STATE PURPOSES	236,624,591	180,290,375	170,475,952	-	170,475,952
17091	GENERAL STATE PURPOSES	11,600,000	11,600,000	11,600,000	-	11,600,000
17101	GENERAL STATE PURPOSES	24,510,606	16,138,454	15,038,454	-	15,038,454
17111	GENERAL STATE PURPOSES	79,628,578	44,172,035	44,172,035	-	44,172,035
17121	GENERAL STATE PURPOSES	328,146,556	200,350,544	177,770,396	-	177,770,396
17131	GENERAL STATE PURPOSES	618,348,120	235,030,196	235,030,196	-	235,030,196
17141	GENERAL STATE PURPOSES	324,937,522	85,587,412	67,947,090	-	67,947,090
17151	GENERAL STATE PURPOSES	462,848,127	13,373,039	13,373,039	-	13,373,039
17861	CAPITAL IMPROVEMENTS	119,859,926	119,463,359	8,200,000	-	8,200,000
17891	GENERAL STATE PURPOSES	416,558,089	414,478,686	3,040,000	-	3,040,000
17931	GENERAL STATE PURPOSES	628,254,036	626,235,971	10,500,000	-	10,500,000
17961	GENERAL STATE PURPOSES	262,574,910	259,071,813	3,400,000	-	3,400,000
17971	GENERAL STATE PURPOSES	195,280,711	191,057,040	5,000,000	-	5,000,000
17991	GENERAL STATE PURPOSES	291,703,004	247,623,848	1,500,000	-	1,500,000
21014	CLEAN WATER FUND	1,440,632,510	922,348,884	214,914,121	-	214,914,121
59999	GENERAL OBLIGATION BOND ANTICIPATION	-	-	-	-	-
	NOTES ROLLOVER FUND ⁽³⁾⁽⁴⁾	-	1,334,330,000	812,645,000	-	812,645,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2001 C ⁽⁴⁾	-	504,575,000	38,050,000	-	38,050,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2005 B ⁽⁴⁾	-	335,550,000	331,480,000	-	331,480,000

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING⁽¹⁾ (Continued)

JUNE 30, 2015

CORE Fund No.	Name	Inception to Date		Principal Outstanding June 30, 2015	Interest Accreted Through Fiscal Year 2015 ⁽²⁾	Outstanding Incl. Accreted Interest June 30, 2015
		Amount Authorized	Amount Issued			
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2006 E ⁽⁴⁾	-	307,400,000	307,005,000	-	307,005,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2007 B ⁽⁴⁾	-	173,300,000	119,645,000	-	119,645,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2009 C ⁽⁴⁾	-	74,215,000	28,330,000	-	28,330,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2010 C ⁽⁴⁾	-	258,235,000	163,110,000	-	163,110,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2010 D ⁽⁴⁾	-	47,035,000	44,875,000	-	44,875,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011 E ⁽⁴⁾	-	150,820,000	39,440,000	-	39,440,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2012 C ⁽⁴⁾	-	523,245,000	477,795,000	-	477,795,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2012 F ⁽⁴⁾	-	69,790,000	2,970,000	-	2,970,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2014 C ⁽⁴⁾	-	822,225,000	650,305,000	-	650,305,000
	GENERAL OBLIGATION REFUNDING BONDS SERIES 2014 H ⁽⁴⁾	-	256,620,000	256,620,000	-	256,620,000
	GENERAL OBLIGATION SIFMA REFUNDING BONDS SERIES 2015 D ⁽⁴⁾	-	180,745,000	180,745,000	-	180,745,000
	SUBTOTAL		\$28,319,056,299	\$12,163,454,121	\$	\$12,163,454,121
BOND TYPE: GENERAL OBLIGATION TEACHERS' RETIREMENT FUND BONDS⁽⁶⁾						
31006	TEACHER'S RETIREMENT FUND GO BONDS TAXABLE SERIES 2008	\$2,276,578,271	\$2,276,578,271	\$2,230,543,254	\$94,938,148	\$2,325,481,402
	TAXABLE GO TEACHER'S RETIREMENT REFUNDING BONDS	-	10,590,000	10,590,000	-	10,590,000
	SUBTOTAL	\$2,276,578,271	\$2,287,168,271	\$2,241,133,254	\$94,938,148	\$2,336,071,402
BOND TYPE: ECONOMIC RECOVERY NOTES						
2030X	ECONOMIC RECOVERY NOTES 2013 ERN REFUNDING ⁽⁴⁾	\$2,257,523,504	\$2,198,440,000	\$144,370,000	\$	\$144,370,000
	2014 ERN REFUNDING ⁽⁴⁾	-	314,295,000	314,295,000	-	314,295,000
	SUBTOTAL	\$2,257,523,504	\$2,574,345,000	\$520,275,000	\$	\$520,275,000
BOND TYPE: GENERAL OBLIGATION GAAP CONVERSION BONDS⁽⁶⁾						
50001	GAAP CONVERSION BONDS	\$711,930,000	\$560,430,000	\$560,430,000	\$	\$560,430,000
	SUBTOTAL	\$711,930,000	\$560,430,000	\$560,430,000	\$	\$560,430,000
BOND TYPE: SPECIAL TAX OBLIGATION						
13033	INFRASTRUCTURE IMPROVEMENT	\$12,468,764,565	\$9,220,170,752	\$3,242,205,000	\$	\$3,242,205,000
14005	SPECIAL TAX OBLIGATION REFUNDING BONDS ⁽⁴⁾	-	1,619,000,000	847,335,000	-	847,335,000
	SUBTOTAL	\$12,468,764,565	\$10,839,170,752	\$4,089,540,000	\$	\$4,089,540,000

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING⁽¹⁾ (Continued)

JUNE 30, 2015

CORE Fund No.	Name	Amount Authorized	Inception to Date Amount Issued	Principal Outstanding June 30, 2015	Accreted Through Fiscal Year 2015 ⁽²⁾	Interest Accreted June 30, 2015	Outstanding Incl. Accreted Interest June 30, 2015
BOND TYPE: BRADLEY INTERNATIONAL AIRPORT							
	BRADLEY AIRPORT GENERAL REVENUE REFUNDING BONDS ⁽⁴⁾	\$ -	\$183,020,000	\$129,415,000	\$ -	\$ -	\$129,415,000
	SUBTOTAL	\$ -	\$183,020,000	\$129,415,000	\$ -	\$ -	\$129,415,000
BOND TYPE: CLEAN WATER FUND							
21015	CLEAN WATER FUND - FEDERAL ACCOUNT	\$2,878,597,442	\$1,810,507,408	\$667,279,500	\$ -	\$ -	\$667,279,500
21018	DRINKING WATER FUND FEDERAL REVOLVING CLEAN WATER REFUNDING BONDS ⁽⁴⁾	258,982,558	156,082,592	79,650,500	-	-	79,650,500
		-	513,305,000	135,235,000	-	-	135,235,000
	SUBTOTAL	\$3,137,580,000	\$2,479,895,000	\$882,165,000	\$ -	\$ -	\$882,165,000
BOND TYPE: UCONN 2000⁽⁷⁾							
13045	UCONN 2000	\$2,300,567,147	\$2,100,667,147	\$859,640,000	\$ -	\$ -	\$859,640,000
	UCONN 2000 REFUNDING BONDS ⁽⁴⁾	-	570,815,000	288,345,000	-	-	288,345,000
	SUBTOTAL	\$2,300,567,147	\$2,671,482,147	\$1,147,985,000	\$ -	\$ -	\$1,147,985,000
BOND TYPE: CDA INCREMENT FINANCING⁽⁸⁾							
88004	CDA CABELAS'S INC. TAX INCREMENTAL FINANCING	\$9,950,000	\$9,825,000	\$4,875,000	\$ -	\$ -	\$4,875,000
88005	CDA BASS PRO SHOPS TAX INCREMENTAL FINANCING	22,000,000	18,885,000	18,215,000	-	-	18,215,000
9955X	CDA REFUNDING BONDS SERIES A, B & C ⁽⁴⁾	-	22,435,000	8,440,000	-	-	8,440,000
	SUBTOTAL	\$31,950,000	\$51,145,000	\$31,530,000	\$ -	\$ -	\$31,530,000
BOND TYPE: CHEFA CHILDCARE FACILITIES PROGRAM⁽⁹⁾							
77809	CHEFA CHILDCARE REFUNDING BONDS SERIES 2011 ⁽⁴⁾	\$ -	\$28,840,000	\$24,760,000	\$ -	\$ -	\$24,760,000
77810	CHEFA CHILDCARE REFUNDING BONDS SERIES 2015 ⁽⁴⁾	-	33,475,000	33,475,000	-	-	33,475,000
	SUBTOTAL	\$ -	\$62,315,000	\$58,235,000	\$ -	\$ -	\$58,235,000
BOND TYPE: JUVENILE TRAINING SCHOOL⁽¹⁰⁾							
88800	CT JUVENILE TRAINING SCHOOL ENERGY CENTER PROJECT	\$ -	\$19,165,000	\$13,585,000	\$ -	\$ -	\$13,585,000
	SUBTOTAL	\$ -	\$19,165,000	\$13,585,000	\$ -	\$ -	\$13,585,000
BOND TYPE: BRADLEY INTERNATIONAL PARKING OPERATIONS							
21008	BRADLEY INTERNATIONAL PARKING OPERATIONS	\$55,000,000	\$53,800,000	\$33,010,000	\$ -	\$ -	\$33,010,000
	SUBTOTAL	\$55,000,000	\$53,800,000	\$33,010,000	\$ -	\$ -	\$33,010,000

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING⁽¹⁾ (Continued)

JUNE 30, 2015

CORE Fund No.	Name	Inception to Date		Principal Outstanding June 30, 2015	Interest Accreted Through Fiscal Year 2015 ⁽²⁾	Outstanding Incl. Accreted Interest June 30, 2015
		Amount Authorized	Amount Issued			
BOND TYPE: CHFA SPECIAL NEEDS HOUSING BONDS⁽¹¹⁾						
12060	CHFA SUPPORTIVE HOUSING BONDS	\$85,000,000	\$83,540,000	\$63,825,000	\$ -	\$63,825,000
SUBTOTAL		\$85,000,000	\$83,540,000	\$63,825,000	\$ -	\$63,825,000
BOND TYPE: CRDA BONDS⁽¹²⁾						
12060	CAPITAL CITY ECONOMIC DEVELOPMENT AUTHORITY	\$ -	\$110,000,000	\$89,015,000	\$ -	\$89,015,000
SUBTOTAL		\$ -	\$110,000,000	\$89,015,000	\$ -	\$89,015,000
BOND TYPE: CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM⁽¹³⁾						
15999	CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM	\$50,000,000	\$50,000,000	\$42,180,000	\$ -	\$42,180,000
SUBTOTAL		\$50,000,000	\$50,000,000	\$42,180,000	\$ -	\$42,180,000
GRAND TOTAL		\$51,874,555,485	\$50,576,274,249	\$22,065,777,375	\$94,938,148	\$22,160,715,523

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING⁽¹⁾ (Continued)

JUNE 30, 2015

- (1) Includes all outstanding debt issued by the State of Connecticut as of June 30, 2015. All debt except refunding issues is authorized by the General Assembly and the State Bond Commission prior to issuance. Total amount issued includes refunding issues for which no additional authorization is required.
- (2) Includes interest accreted on Capital Appreciation Bonds (CABs) only. Interest on CABs accretes over the life of the bond and is paid at maturity. This amount is not included in the principal outstanding as of June 30, 2015.
- (3) On April 28, 2009, the State issued \$581,245,000 Bond Anticipation Notes (BANs) Series A and Series B. On April 28, 2010, \$353,085,000 Bond Anticipation Notes (BANs) were issued to pay down the 2009 Series A BANs maturing on April 28, 2010. The 2009 B and 2010 A BANs were refunded with General Obligation Bonds on May 19, 2011 and May 31, 2011. On February 25, 2015 \$400,000,000 Bond Anticipation Notes (BANs) Series A were issued. On March 25, 2015 \$400,000,000 General Obligation Bonds 2015 A & 2015 A Taxable were issued and used to retire the 2015A BANs.
- (4) Refunding issues. Proceeds were used to refund other bonds reducing overall debt service expense.
- (5) The General Obligation Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund \$2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.
- (6) The General Obligation GAAP Conversion Bonds were issued in fiscal year 2014 to fund half of the General Fund GAAP deficit and commit the State to funding the balance over time through budget appropriation as part of a bond covenant.
- (7) UCONN 2000 Bonds were authorized in three stages in a total amount of \$4.3 billion over a 28 year period to be paid by the University of Connecticut from a State debt service commitment. As each series is issued, the debt service is appropriated from the State's General Fund.
- (8) The Connecticut Development Authority (CDA) has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund. The CDA was merged into Connecticut Innovations (CI) effective July 1, 2012.
- (9) On July 1, 1999, the Treasurer's Office assumed the responsibility for the Connecticut Health and Educational Facilities Authority (CHEFA) Childcare debt service appropriation per Public Act 97-259.
- (10) A lease-purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.
- (11) The Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Step initiative. The State is required to make debt service payments on the bonds under a contract for assistance agreement between CHFA, the Treasurer and the Secretary of the Office of Policy and Management.
- (12) The Capital Region Development Authority (CRDA), formerly known as Capital City Economic Development Authority. Bonds were issued to provide funding for the Adriaen's Landing development project in Hartford. The bonds, issued in a combination of fixed and variable rate securities, have a final maturity of 2034. The State is required to make debt service payments on the bonds up to a maximum annual amount of \$9 million pursuant to a contract for financial assistance agreement between CRDA, the State Treasurer, and the Secretary of the Office of Policy and Management. CRDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.
- (13) The Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract for assistance agreement between CHFA, the Treasurer and the Secretary of the Office of Policy and Management.

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
 SCHEDULE OF INVESTMENTS (1) (2)
 FISCAL YEAR ENDED JUNE 30, 2015
 PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING (4) (5)

Legal No.	Type	GAAP No.	Type	Fund Name	STIF Investments		Investments with Treasurer as Trustee		Investments with Others as Trustee		Total
					6/30/15	6/30/15	Short-Term 6/30/15	Long-Term 6/30/15	Short-Term 6/30/14	Long-Term 6/30/15	
GENERAL FUNDS⁽³⁾											
11000	Gen. Fund	1100	Gen.Fund	General Fund	\$496,584,115.53	\$20,000,000.46 ⁽¹²⁾	\$-	\$-	\$-	\$-	\$516,584,115.99
SUBTOTAL GENERAL FUND					\$496,584,115.53	\$20,000,000.46	\$-	\$-	\$-	\$-	\$516,584,115.99
SPECIAL REVENUE FUNDS											
12001	Spec.Rev.	1201	Spec.Rev.	Transportation	\$97,431,934.01		\$-	\$-	\$-	\$-	\$97,431,934.01
12005	Spec.Rev.	1215	Spec.Rev.	Probate Court Administration	6,254,478.06						6,254,478.06
12012	Spec.Rev.	1215	Spec.Rev.	Municipal Employees Retirement Administration	960,954.45						960,954.45
12013	Spec.Rev.	1208	Spec.Rev.	Regional Market Operation	386,941.46						386,941.46
12016	Spec.Rev.	1213	Spec.Rev.	Recreation and Natural Heritage Trust Fund	1,552,373.77						1,552,373.77
12018	Spec.Rev.	2107	Enterprise	University Health Center Operating Fund	67,422.49						67,422.49
12021	Spec.Rev.	1215	Spec.Rev.	Grants - Tax Exempt Proceeds	3,455,525.11						3,455,525.11
12023	Spec.Rev.	2107	Enterprise	University Health Center Research Foundation	42,213,288.15						42,213,288.15
12032	Spec.Rev.	1210	Spec.Rev.	Employment Security - Special Administration	17,274.12						17,274.12
12035	Spec.Rev.	1212	Spec.Rev.	Economic Assistance Revolving Fund	27,135,893.35						27,135,893.35
12038	Spec.Rev.	1212	Spec.Rev.	Individual Development Account Reserve Fund			\$439,344.78				439,344.78
12047	Spec.Rev.	1212	Spec.Rev.	Child Care Facilities	224,132.18						224,132.18
12050	Spec.Rev.	1212	Spec.Rev.	Local Capital Improvements Fund	150,256.19						150,256.19
12051	Spec.Rev.	1215	Spec.Rev.	Capital Equipment Purchase Fund	29,526,368.17						29,526,368.17
12052	Spec.Rev.	1212	Spec.Rev.	Grants to Local Governments and Others	48,992,798.25						48,992,798.25
12053	Spec.Rev.	1213	Spec.Rev.	Economic Development and Other Grants	759,824.61						759,824.61
12060	Spec.Rev.	1211	Spec.Rev.	Federal And Other Restricted Accounts	1,173,967.30						1,173,967.30
12062	Spec.Rev.	1211	Spec.Rev.	Transportation Grants And Restricted Accounts	93,892.79						93,892.79
12065	Spec.Rev.	1214	Spec.Rev.	Housing Assistance Bond Fund - Tax Exempt	3,946,878.12						3,946,878.12
12066	Spec.Rev.	1214	Spec.Rev.	Housing Trust Fund	10,263,955.65						10,263,955.65
12067	Spec.Rev.	1214	Spec.Rev.	CT. Bioscience Collaboration	16,060,215.74						16,060,215.74
SUBTOTAL SPECIAL REVENUE FUNDS					\$290,668,373.97		\$439,344.78		\$-	\$-	\$291,107,718.75
CAPITAL PROJECTS FUNDS											
13009	Cap. Proj.	1212	Spec.Rev.	School Construction	\$4,153,914.99		\$-	\$-	\$-	\$-	\$4,153,914.99
13010	Cap. Proj.	1212	Spec.Rev.	School Construction - Magnet Schools	136,275,930.62		\$-	\$-	\$-	\$-	136,275,930.62
13015	Cap. Proj.	1212	Spec.Rev.	Agricultural Land Preservation	11,700,599.04						11,700,599.04
13019	Cap. Proj.	1212	Spec.Rev.	Community Conservation and Development	99,460,293.24						99,460,293.24
13033	Cap. Proj.	1302	Cap.Proj.	Infrastructure Improvement Fund	204,299,441.95						204,299,441.95
13042	Cap. Proj.	1301	Cap.Proj.	University and State University Facilities	1,459,273.67						1,459,273.67
13048	Cap. Proj.	1301	Cap.Proj.	CSUS 2020	63,982,511.00						63,982,511.00
17001	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	4,234,327.46						4,234,327.46
17011	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	9,246,517.71						9,246,517.71
17021	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	8,284,669.89						8,284,669.89
17041	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	9,898,583.98						9,898,583.98
17051	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	2,895,853.29						2,895,853.29
17061	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	8,493,622.27						8,493,622.27
17071	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	11,935,808.74						11,935,808.74
17081	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	5,143,494.49						5,143,494.49
17091	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	6,351.22						6,351.22
17101	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	3,616,778.79						3,616,778.79
17111	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	7,559,787.26						7,559,787.26
17121	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	38,198,722.00						38,198,722.00
17131	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	32,940,204.80						32,940,204.80
17141	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	6,314,632.80						6,314,632.80
17831	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	3,038,248.87						3,038,248.87
17851	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	2,624,166.60						2,624,166.60

CASH MANAGEMENT DIVISION

**CIVIL LIST FUNDS
SCHEDULE OF INVESTMENTS (1) (2)
FISCAL YEAR ENDED JUNE 30, 2015
PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING (4) (5)**

Legal No.	Type	GAAP No.	Type	Fund Name	STIF Investments 6/30/15	Investments with Treasurer as Trustee		Investments with Others as Trustee		Total
						Short-Term 6/30/15	Long-Term 6/30/15	Short-Term 6/30/14	Long-Term 6/30/15	
17861	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	8,070,229.47					8,070,229.47
17871	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	13,586.87					13,586.87
17891	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	603,308.26					603,308.26
17901	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	969,704.27					969,704.27
17921	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	1,552,205.86					1,552,205.86
17951	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	1,398,457.90					1,398,457.90
17961	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	889,408.19					889,408.19
17971	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	2,064,858.16					2,064,858.16
17991	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	7,815.91					7,815.91
SUBTOTAL CAPITAL PROJECTS FUNDS					\$691,333,339.57	\$-	\$-	\$-	\$-	\$691,333,339.57
DEBT SERVICE FUNDS										
14001	Debt Service	2106	Enterprise	University Bond Liquidation	\$152,322.52					\$152,322.52
14002	Debt Service	2109	Enterprise	State University Dormitory	78,364,126.82					78,364,126.82
14005	Debt Service	1401	Debt Service	Transportation Fund Reserve	435,770,838.98 (6)				\$238,210,720.00 (6)	673,981,558.99
SUBTOTAL DEBT SERVICE FUNDS					\$514,287,288.33	\$-	\$-	\$-	\$238,210,720.00	\$752,498,008.33
ENTERPRISE FUNDS										
21005	Enterprise	1215	Spec. Rev.	Auto Emissions Inspection	\$8,932,238.83					\$8,932,238.83
21008	Enterprise	2110	Enterprise	Bradley International Parking Operations	\$14,246,747.02 (6)					14,246,747.02
21009	Enterprise	2101	Enterprise	Bradley International Airport Operations	162,944,949.09 (6)					162,944,949.09
21011	Enterprise	1212	Spec. Rev.	Local Bridge Revolving Fund - Revenue Financed	1,762,791.36					1,762,791.36
21014	Enterprise	1213	Spec. Rev.	Clean Water Fund - State	32,656,067.58 (7)					35,481,067.58
21015	Enterprise	2105	Non-Exp.	Clean Water Fund - Federal	428,814,826.98 (8)				685,000.00 (7)	600,350,091.30
21016	Enterprise	1213	Spec. Rev.	Clean Water Fund - Long Island Sound	4,146,383.16					4,146,383.16
21018	Enterprise	2111	Spec. Rev.	Drinking Water Fund - Federal Revolving Loan	115,278,213.86 (9)				1,631,626.22 (8)	130,151,871.06
SUBTOTAL ENTERPRISE FUNDS					\$759,849,979.05	\$-	\$-	\$-	\$101,971,870.91	\$949,083,900.57
FIDUCIARY FUNDS										
31001	Pension	3103	Pension	State Employees' Retirement Fund		\$414,492,233.84	\$10,247,724,586.85 (10)			\$10,662,216,820.69
31002	Pension	3105	Pension	State Attorneys' Retirement Fund		21,584.96	1,500,413.72 (10)			1,521,998.68
31003	Pension	3106	Pension	General Assembly Retirement Fund	1.56					1.56
31004	Pension	3106	Pension	Judges and Compensation Commissioners' Retirement Fund		5,438,232.29	184,084,609.41 (10)			189,522,841.70
31005	Pension	3105	Pension	Public Defenders' Retirement Fund	32.54					32.54
31006	Pension	3104	Pension	Teachers' Retirement Fund		817,243,850.26	15,292,558,791.82 (10)			16,109,802,642.08
31008	Pension	3107	Pension	Municipal Employees' Retirement - Fund B		64,730,714.82	2,135,901,067.49 (10)			2,200,631,782.31
31009	Other Em. Benefits	3102	Agency	Police and Firemen Survivors' Benefit Fund		877,647.75	27,219,545.03 (10)			28,097,192.78
31010	Pension	3108	Pension	Probate Judges and Employees Retirement Fund		2,323,808.06	86,827,788.84 (10)			89,151,596.90
31011	Other Em. Benefits	3109	Agency	State Employee OPEB Fund		13,500,500.91	246,809,787.53 (10)			260,310,288.44
31012	Other Em. Benefits	3101	Agency	OPEB Teachers' Fund	88,757,684.93					88,757,684.93
35010	Fiduciary	1502	Permanent	Connecticut Arts Endowment Fund		576,194.87	18,435,268.72 (10)			19,011,463.59
35011	Fiduciary	1501	Non-Exp.	Soldiers, Sailors and Marines Trust Fund		2,436,920.58	70,473,051.60 (10)			72,909,972.18
35014	Fiduciary	2103	Exp. Trust	Unemployment Compensation Fund				\$135,027,248.76 (11)		135,027,248.76
35015	Fiduciary	2107	Enterprise	John Dempsey Hospital Malpractice Trust Fund	9,148,775.29					9,148,775.29
SUBTOTAL FIDUCIARY FUNDS					\$97,906,494.32	\$1,321,641,688.34	\$28,311,534,911.01	\$-	\$-	\$29,866,110,342.43
TOTAL CIVIL LIST FUNDS					\$2,850,629,590.77	\$1,341,641,688.80	\$28,311,974,255.79	\$222,289,299.37	\$340,182,590.91	\$33,066,717,425.64 (13)

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS

**SCHEDULE OF INVESTMENTS ⁽¹⁾ ⁽²⁾ (Continued)
FISCAL YEAR ENDED JUNE 30, 2015**

- (1) Detailed information on the adjusted cash balances and total STIF balances within each individual fund can be obtained from the Comptroller's Annual Report.
- (2) Short-term investments shown at cost which, due to their short-term nature, approximates market.
- (3) Represents assets of the Common Cash Pool which is not a component of the General Fund. The Common Cash Pool is comprised of the investable balances of a number of individual funds and, for purposes of administration only, is shown as an investment of the General Fund. The General Fund is commonly in a net borrowing position from the resources of the other funds within the pool.
- (4) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole, in the same form and in the same categories as appears in the budget act enacted by the General Assembly. The Budget Act enacted for the 2015 fiscal year is presented on a comprehensive basis of accounting other than general accepted accounting principals.
In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Civil List Funds Schedule of Investments
- (5) GAAP accounting requires that investment balances be presented to include the accrued interest earned. This manner of presentation is not used for the statutory basis presentation.
- (6) Short-term investments consist of STIF Accounts held by US Bank as Trustee. Investments are held by US Bank as Trustee. For description of the program, see Debt Management Division.
- (7) Short-term and Long-term investments consist of State of Connecticut General Obligation Bonds, which are shown at par. Investments are held by US Bank as Trustee. For description of the program, see Debt Management Division.
- (8) Short-term and Long-term investments consist of Money Market Funds, State of Connecticut General Obligation Bonds and GICs. Both short-term and long-term investments are held by US Bank as Trustee. For description of program, see Debt Management Division.
- (9) STIF Investments consist of both Treasury directed and trustee directed accounts.
- (10) Represents market value of shares held by various retirement plans in the Treasurer's Combined Investment Funds.
- (11) Cash on deposit with Federal Government.
- (12) Investments bank deposit instruments.
- (13) Information on cash balances can be obtained from the Comptroller's Annual Report.

CASH MANAGEMENT DIVISION

SECURITIES HELD IN TRUST FOR POLICYHOLDERS

JUNE 30, 2015

Name of Insurance Company	Par Amount of Collateral	Market Value
The following securities are on deposit with the State Treasurer for the Insurance Department under Sec 38a-83:		
ACE Life Insurance Company	\$ 2,650,000.00	\$ 2,671,942.00
Aetna Better Health, Inc.	500,000.00	499,845.00
Aetna Health and Life Insurance Company	3,075,000.00	3,111,652.25
Aetna Health Inc. (CT)	525,000.00	552,893.25
Aetna Insurance Company of Connecticut	2,550,000.00	2,554,590.00
Aetna Life Insurance Company	1,600,000.00	1,711,376.00
Alterra Reinsurance USA Inc.	3,025,000.00	3,033,984.25
American Equity Specialty Insurance Company	2,600,000.00	2,971,999.36
American Maturity Life Insurance Company	5,700,000.00	5,733,402.00
American Phoenix Life and Reassurance Company	1,000,000.00	1,092,340.00
American Security Insurance Company	35,000.00	35,131.25
AmeriChoice of Connecticut, Inc.	520,000.00	543,764.00
Anthem Health Plans, Inc.	500,000.00	499,140.00
Arbella Indemnity Insurance Company, Inc.	50,000.00	65,246.00
Arbella Protection Insurance Company	50,000.00	52,996.00
Associated Employers Insurance Company	50,000.00	49,914.00
Associated Industries of MA Mutual Ins Co (AIM Mutual)	50,000.00	49,738.50
Automobile Insurance Company of Hartford, CT (The)	4,050,000.00	4,407,806.25
AXIS Specialty Insurance Company	3,000,000.00	3,017,580.00
Beazley Insurance Company, Inc.	2,500,000.00	2,536,325.00
C.M. Life Insurance Company	1,600,000.00	1,601,120.00
California Insurance Company	12,170,000.00	12,214,550.55
Carolina Casualty Insurance Company	200,000.00	235,186.00
Charter Oak Fire Insurance Company (The)	4,525,000.00	4,918,348.00
CIGNA Health and Life Insurance Company	2,600,000.00	2,777,628.20
CIGNA Healthcare of Connecticut, Inc.	525,000.00	611,766.75
ClearWater Select Insurance Company	3,000,000.00	3,319,320.00
Connecticare, Inc.	500,000.00	503,165.00
Connecticut General Life Insurance Company	1,710,000.00	1,741,345.85
Covenant Insurance Company	600,000.00	638,093.00
Discover Property and Casualty Insurance Company	3,120,000.00	3,179,399.91
Discover Specialty Insurance Company	2,750,000.00	2,852,453.73
Electric Insurance Company	60,000.00	62,922.60
Employers' Fire Insurance Company	55,000.00	55,000.00
Executive Risk Specialty Insurance Company	3,115,000.00	3,146,264.65
Fairmont Insurance Company	100,000.00	91,931.00
Fairmont Premier Insurance Company	100,000.00	120,771.00
Fairmont Specialty Insurance Company	100,000.00	114,189.00
Farmington Casualty Company	3,000,000.00	3,394,944.00
Finial Reinsurance Company	3,550,000.00	3,582,298.00
Fireman's Fund Insurance Company	33,270,000.00	37,740,269.05
First State Insurance Company	2,200,000.00	2,178,352.00
Fitchburg Mutual Insurance Company	50,000.00	50,970.00
General Re Life Corporation	1,500,000.00	1,905,240.00
General Star Indemnity Company	2,980,000.00	3,163,372.35
Genesis Insurance Company	3,005,000.00	3,077,991.20
Genworth Mortgage Ins Corporation of North Carolina	60,000.00	61,279.80
Gulf Underwriters Insurance Company	3,000,000.00	3,490,651.85
Hartford Accident and Indemnity Company	3,500,000.00	3,725,381.70
Hartford Fire Insurance Company	3,300,000.00	3,654,321.00
Hartford Insurance Company of the Southeast	1,000,000.00	1,006,020.00
Hartford International Life Reassurance Corp.	5,645,000.00	5,798,022.95
Hartford Life and Accident Insurance Company	1,915,000.00	1,925,136.65
Hartford Life and Annuity Insurance Company	2,860,000.00	3,114,160.40
Hartford Life Insurance Company	2,350,000.00	2,457,395.00
Hartford Steam Boiler Inspection & Insurance Company (The)	4,000,000.00	4,040,000.00

CASH MANAGEMENT DIVISION

SECURITIES HELD IN TRUST FOR POLICYHOLDERS (Continued)

JUNE 30, 2015

Name of Insurance Company	Par Amount of Collateral	Market Value
Hartford Steam Boiler Inspection & Ins Co of CT (The)	3,100,000.00	3,199,541.00
Hartford Underwriters Insurance Company	3,250,000.00	3,391,992.00
Harvard Pilgrim Health Care of Connecticut, Inc. (HPHC-CT)	500,000.00	704,570.00
HNE of Connecticut, Inc.	500,000.00	505,585.00
Homesite Insurance Company	2,500,000.00	2,502,725.00
HSB Speciality Insurance Company	2,500,000.00	2,497,850.00
IdeaLife Insurance Company	1,600,000.00	1,607,248.00
Insurance Company of the West	100,000.00	134,984.00
Integon National Insurance Company	75,000.00	78,762.00
Integon Preferred Insurance Company	75,000.00	89,110.50
Knights of Columbus	2,000,000.00	2,537,740.00
Lamorak Insurance Company	55,000.00	55,000.00
Liberty Mutual Insurance Company	50,000.00	49,285.00
Massachusetts Mutual Life Insurance Company	1,600,000.00	2,123,744.00
MEMBERS Life Insurance Company	350,000.00	325,636.50
Middlesex Mutual Assurance Company	1,525,000.00	1,540,608.25
MML Bay State Life Insurance Company	1,500,000.00	1,501,050.00
Munich American Reassurance Company	40,000.00	52,196.80
National Liability & Fire Insurance Company	2,750,000.00	2,764,822.50
New England Insurance Company	2,945,000.00	2,972,459.20
New England Reinsurance Corporation	3,225,000.00	4,594,625.25
New London County Mutual Insurance Company	600,000.00	640,596.00
Northland Casualty Company	2,560,000.00	2,811,690.00
Northland Insurance Company	2,575,000.00	2,748,632.25
Nutmeg Insurance Company	3,282,000.00	3,436,447.54
Odyssey Reinsurance Company	5,000,000.00	5,264,950.00
Oxford Health Plans (CT), Inc.	520,000.00	543,764.00
Pacific Insurance Company, Limited	2,820,000.00	3,367,781.40
Patrons Mutual Insurance Company of Connecticut	120,000.00	120,469.20
PHL Variable Insurance Company	1,000,000.00	1,067,110.00
Phoenix Insurance Company	4,645,000.00	5,169,957.75
Phoenix Life and Annuity Company	1,000,000.00	1,067,660.00
Prudential Annuities Life Assurance Corporation	1,500,000.00	1,508,325.00
Prudential Retirement Insurance and Annuity Company	5,015,000.00	5,090,113.75
PXRE Reinsurance Company	7,800,000.00	7,825,344.00
R.V.I. America Insurance Company	2,550,000.00	2,572,323.00
Safeco Surplus Lines Insurance Company	100,000.00	100,758.00
St. Paul Fire and Marine Insurance Company	3,250,000.00	3,699,735.00
St. Paul Guardian Insurance Company	2,625,000.00	2,839,134.25
St. Paul Mercury Insurance Company	2,550,000.00	2,821,779.00
St. Paul Protective Insurance Company	4,100,000.00	4,467,609.60
Seneca Insurance Company, Inc.	260,000.00	265,969.60
Sentinel Insurance Co., Limited	3,610,000.00	3,578,711.25
Sequoia Insurance Company	125,000.00	146,138.75
Sparta Insurance Company	3,070,000.00	3,093,117.30
Sparta Specialty Insurance Company	2,500,000.00	2,517,455.00
Standard Fire Insurance Company (The)	4,000,000.00	4,314,960.00
Sun Life and Health Insurance Company (U.S.)	5,000,000.00	4,903,500.00
Swiss Re Life & Health America, Inc.	5,290,000.00	5,549,356.30
T.H.E. Insurance Company	300,000.00	310,350.00
Thames Insurance Company, Inc.	200,000.00	213,532.00
TIG Insurance Company	10,100,000.00	11,063,714.05
Torus National Insurance Company	100,000.00	100,555.00
Tower National Insurance Company	76,500.00	76,739.66
TravCo Insurance Company	4,875,000.00	5,600,793.50
Travelers Casualty and Surety Company	3,000,000.00	3,137,640.00
Travelers Casualty and Surety Company of America	3,200,000.00	3,409,402.00
Travelers Casualty Company (The)	2,940,000.00	3,019,164.80
Travelers Casualty Company of Connecticut	2,500,000.00	2,761,250.75
Travelers Casualty Insurance Company of America	3,400,000.00	4,318,544.00
Travelers Commercial Casualty Company	3,200,000.00	3,239,008.00

CASH MANAGEMENT DIVISION**SECURITIES HELD IN TRUST FOR POLICYHOLDERS (Continued)****JUNE 30, 2015**

Name of Insurance Company	Par Amount of Collateral	Market Value
Travelers Commercial Insurance Company	2,125,000.00	2,105,202.50
Travelers Constitution State Insurance Company	3,000,000.00	3,142,440.00
Travelers Excess and Surplus Lines Company	2,700,000.00	2,703,807.00
Travelers Home and Marine Insurance Company (The)	5,125,000.00	5,592,450.10
Travelers Indemnity Company (The)	6,630,000.00	7,384,971.70
Travelers Indemnity Company of America	3,565,000.00	3,570,026.65
Travelers Indemnity Company of Connecticut (The)	3,000,000.00	3,328,942.50
Travelers Personal Insurance Company	5,500,000.00	5,835,492.80
Travelers Personal Security Insurance Company	4,200,000.00	4,269,834.00
Travelers Property Casualty Company of America	3,005,000.00	4,036,882.80
Travelers Property Casualty Insurance Company	2,050,000.00	2,206,215.50
Trenwick America Reinsurance Corporation	1,580,000.00	1,616,627.20
Truck Insurance Exchange	370,000.00	369,363.60
Trumbull Insurance Company	2,580,000.00	3,007,037.90
United Guaranty Residential Ins Company of North Carolina	50,000.00	50,233.50
United States Fidelity and Guaranty Company	6,000,000.00	6,450,700.00
UnitedHealthcare Insurance Company	1,510,000.00	1,632,808.30
Vantis Life Insurance Company	2,325,000.00	2,447,266.50
Vision Service Plan Insurance Company	2,600,000.00	2,594,487.00
Voya Retirement Insurance and Annuity Company	3,707,000.00	3,684,164.88
Wellcare of CT, Inc.	525,000.00	531,851.25
Zenith Insurance Company	1,111,000.00	1,368,007.63
TOTAL	\$ 352,901,500.00	\$ 377,683,356.31

CASH MANAGEMENT DIVISION**UNEMPLOYMENT COMPENSATION FUND**

On Account with the Secretary of the Treasury of the United States as Trustee of the Unemployment Compensation Fund

The Act which established Unemployment Compensation provides that contributions from employers be collected by the Labor Commissioner as Administrator of the Act and be deposited with the State Treasurer. (Chapter 2, Public Act, Special Session 1936). These funds are then sent to the Secretary of the Treasury of the United States. The Administrator requests withdrawals as needed to pay benefits to employees.

BALANCE at JUNE 30, 2014 **\$ 209,496,324.81**

Deposits	\$ 814,202,000.00	
Combined Wage Transfers to Connecticut	13,159,991.06	
Federal Employee & Ex-Servicemen Contributions	8,826,500.00	
Interest on Deposits	224,836.21	
Social Security Act Title IX	1,260,659.00	
Title XII Advances	60,605,704.19	898,279,690.46

TOTAL CASH AVAILABLE **\$ 1,107,776,015.27**

Combined Wage Withdrawals	7,817,282.51	
Federal Employee & Ex-Servicemen Withdrawals	8,826,500.00	
Withdrawals for Regular U.I. Benefit Payments	726,613,500.00	
Refund of Reduced FUTA Tax Credits	608,397.27	
Returned Excess Federal Funds	9,976,034.55	
Social Security Act Title IX	8,907,052.18	
Title XII Voluntary Loan Repayment	210,000,000.00	972,748,766.51

BALANCE at JUNE 30, 2015 **\$ 135,027,248.76**

Office of the State Treasurer

LIST OF PRINCIPAL OFFICIALS AND PHONE NUMBERS

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Treasurer, State of Connecticut

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Deputy Treasurer

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Chief Investment Officer
Pension Funds Management

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Second Injury Fund and Unclaimed Property

Tel: (860) 702-3125

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Sarah K. Sanders

Assistant Treasurer
Debt Management

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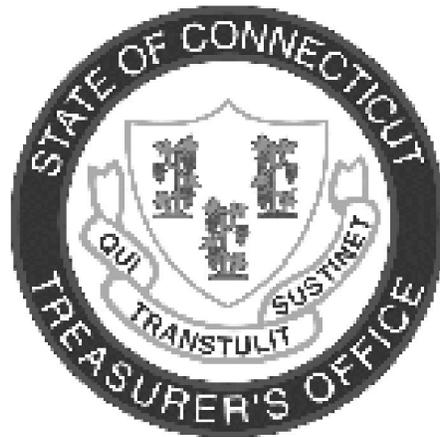
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Lawrence A. Wilson

Assistant Treasurer
Cash Management

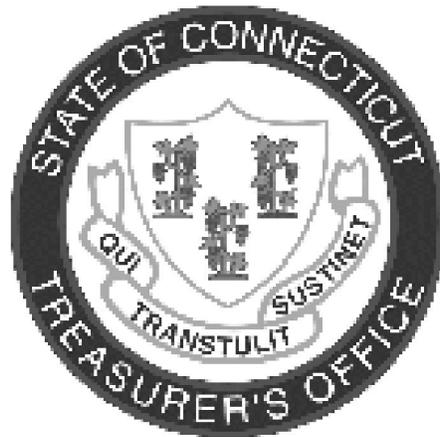
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